



## COUNCIL WORK SESSION

Zoom Video Conference  
<https://ci.manzanita.or.us>

## AGENDA

June 14, 2023  
02:00 PM Pacific Time

**Video Meeting:** Council will hold this meeting through video conference. The public may watch live on the [City's Website: ci.manzanita.or.us/broadcast](https://ci.manzanita.or.us/broadcast)

or by joining the Zoom meeting:

<https://us02web.zoom.us/j/88089965627?pwd=ZitBZktsYlh1M0k0bGJqSFpuSTJTZz09>

Meeting ID: 880 8996 5627

Passcode: 846854

Call in number:

+1 253 215 8782

**Note:** Agenda item times are estimates and are subject to change.

- 1. CALL TO ORDER (2:00)**  
Deb Simmons, Mayor
- 2. WATER RATE STUDY**  
Dan Weitzel, Public Works Director
- 3. SHORT TERM RENTAL SURVEY**  
Linda Kozłowski, Council President
- 4. ADJOURN (4:00)**  
Deb Simmons, Mayor

### Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice

The city is committed to providing equal access to public meetings. To request listening and mobility assistance services contact the Office of the City Recorder at least 48 hours before the meeting by email at [cityhall@ci.manzanita.or.us](mailto:cityhall@ci.manzanita.or.us) or phone at 503-368-5343. Staff will do their best to respond in a timely manner and to accommodate requests. Most Council meetings are broadcast live on the [city's youtube channel](#).

| 2023-2024 Water Rates Budget  |             |                         |           | \$1,499,207.76                |                         |
|---|-------------|-------------------------|-----------|-------------------------------|-------------------------|
| Rate Comparison Current vs Proposed   |             |                         |           |                               |                         |
| Current Base Rates  |             |                         |           | Meter Multiplier              | Allowances              |
|   | Residential | Commercial              | Outside   | Currently Not Used            |                         |
| 5/8"- 3/4"  | \$ 39.50    | \$ 39.50                | \$ -      |                               | 4000                    |
| 5/8"- 3/4" out  | \$ -        | \$ 39.50                | \$ 49.25  |                               | 4000                    |
| 1"  | \$ -        | \$ 55.00                | \$ 68.75  |                               | 0.00                    |
| 1 1/2"  | \$ -        | \$ 70.75                | \$ 88.50  |                               | 0.00                    |
| 2"  | \$ -        | \$ 114.00               | \$ 142.50 |                               | 0.00                    |
| 3"  | \$ -        | \$ 427.50               | \$ -      |                               | 0.00                    |
| 2" BULK   | \$ -        | \$ 213.75               | \$ -      |                               | 0.00                    |
| 3" BULK   | \$ -        | \$ -                    | \$ -      |                               | 0.00                    |
|   |             |                         |           | <b>% of Budget</b>            | <b>62%</b>              |
|   |             |                         |           | <b>Allowance %</b>            | <b>-0.04%</b>           |
| Current Unit (Consumption) Charges  |             |                         |           |                               |                         |
| Tiers Levels  | Per Unit    |                         |           |                               |                         |
| One <sup>1</sup>  | \$ 2.50     | \$ 2.50                 | \$ 3.25   |                               | Fill In from            |
| Proposed Base Rates   |             |                         |           | Meter Multiplier <sup>2</sup> | Allowances <sup>3</sup> |
|   | Residential | Commercial <sup>4</sup> | Outside   |                               |                         |
| 5/8"- 3/4"  | \$ 47.56    | \$ 57.07                | \$ -      | 1.0 - 1                       | 2000                    |
| 5/8"- 3/4" out  |             | \$ 47.56                | \$ 68.48  | 1.0 - 1                       | 2000                    |
| 1"  | \$ 66.58    | \$ 79.89                | \$ 95.87  | 1.4 - 1                       | NA                      |
| 1 1/2"  | \$ 85.60    | \$ 102.72               | \$ 123.26 | 1.8 - 1                       | NA                      |
| 2"  | \$ 137.91   | \$ 165.49               | \$ 198.59 | 2.9 - 1                       | NA                      |
| 3"  | \$ 523.11   | \$ 627.73               | \$ 753.27 | 11.0 - 1                      | NA                      |
| 2" BULK   | \$ 137.91   | \$ 165.49               | \$ 198.59 | 2.9 - 1                       | NA                      |
| 3" BULK   | \$ 523.11   | \$ 627.73               | \$ 753.27 | 11.0 - 1                      | NA                      |
| Meter size will determine base rate   |             |                         |           | <b>% of Budget</b>            | <b>78.40%</b>           |
| Proposed Unit (Consumption) Charges   |             |                         |           | <b>Allowance %</b>            | <b>50%</b>              |
| Tiers Levels  | Per Unit    |                         |           |                               |                         |
| Tier One  | \$ 9.50     | \$ 9.50                 | \$ 11.40  | 0                             |                         |
| Tier Two  | \$ 11.00    | \$ 11.00                | \$ 13.20  | 0                             |                         |
| Tier Three  | \$ 12.25    | \$ 12.25                | \$ 14.70  |                               |                         |
| Change in Rates for Single Family Residential Users   |             |                         |           |                               |                         |
|   | Current     | Proposed                |           |                               |                         |
| 5/8"- 3/4"  |             |                         |           |                               |                         |
| 3.90 <sup>5</sup>   | \$ 39.50    | \$ 65.61                |           |                               |                         |
| 6.00  | \$ 44.50    | \$ 87.06                |           |                               |                         |
| 10.00   | \$ 54.50    | \$ 131.06               |           |                               |                         |
| Budget includes maintenance at ≈ \$316K to cover costs of Capital Improvements for Groups A & B           |             |                         |           |                               |                         |
| 1 - Current unit (consumption) rate is considered "flat" rate   |             |                         |           |                               |                         |
| 2 - American Water Works Association standard for meter multiplier (replacement costs)                    |             |                         |           |                               |                         |
| 3 - Allowance of water provided to residential users, follows current city practices. (2 units per month) |             |                         |           |                               |                         |
| 4 - STRs remain classified as residential, not commercial   |             |                         |           |                               |                         |
| 5 - 3.9 units average usage per month during (SUMMER) months (3rd QTR), 1.6 units per month (WINTER)      |             |                         |           |                               |                         |

**Table: Four Year Forecasts of Water Rates**

| City of Manzanita   |                      |  |      |                               |           |           |             |
|---|----------------------|--|------|-------------------------------|-----------|-----------|-------------|
| Water Rate Charge Schedule  |                      |  |      |                               |           |           |             |
|   |                      |  |      | Effective July 1 <sup>1</sup> |           |           |             |
|   |                      | Current Rates  |      | 2024                          | 2025      | 2026      | 2027        |
| <b>Inside City</b>  |                      |  |      |                               |           |           |             |
| <b>Residential</b>  |                      | Base Charge (2,000 gallons allowance) (Residential Only) Monthly |      |                               |           |           |             |
| 5/8-inch by 3/4-inch  | \$                   | 39.50  |      | \$ 47.56                      | \$ 50.83  | \$ 52.56  | \$ 54.34    |
| <b>Commercial - Industrial</b>  |                      |  |      |                               |           |           |             |
| 5/8-inch by 3/4-inch  | \$                   | 39.50  |      | \$ 57.07                      | \$ 61.00  | \$ 63.07  | \$ 65.21    |
| 1"  | \$                   | 55.00  |      | \$ 79.89                      | \$ 85.40  | \$ 88.30  | \$ 91.29    |
| 1 1/2"  | \$                   | 70.75  |      | \$ 102.72                     | \$ 109.80 | \$ 113.52 | \$ 117.37   |
| 2"  | \$                   | 114.00   |      | \$ 165.49                     | \$ 176.90 | \$ 182.90 | \$ 189.10   |
| 3"  | \$                   | 427.50   |      | \$ 627.73                     | \$ 671.01 | \$ 693.76 | \$ 717.27   |
| 2" BULK   | \$                   | 213.75   |      | \$ 165.49                     | \$ 176.90 | \$ 182.90 | \$ 189.10   |
| 3" BULK   | \$                   | -  |      | \$ 627.73                     | \$ 671.01 | \$ 693.76 | \$ 717.27   |
| <b>Consumption Charge</b>   |                      |  |      |                               |           |           |             |
| Residential   |                      |  |      |                               |           |           |             |
| 0 - 2,000 gallons   | \$                   | -  |      | \$ -                          | \$ -      | \$ -      | \$ -        |
| 2,001 - 5,000   |                      | \$ 9.50  |      | \$ 9.82                       | \$ 10.16  | \$ 10.50  | \$ 10.86    |
| 5,001 - 10,000  |                      | \$ 11.00   |      | \$ 11.37                      | \$ 11.76  | \$ 12.16  | \$ 12.57    |
| 10,001 +  |                      | \$ 12.25   |      | \$ 12.67                      | \$ 13.09  | \$ 13.54  | \$ 14.00    |
| Commercial users per unit charge will mirror the residential cost, but tier changes align with meter multiplier |                      |  |      |                               |           |           |             |
| <b>Outside City</b>   |                      |  |      |                               |           |           |             |
| <b>Residential</b>  |                      |  |      |                               |           |           |             |
| 5/8-inch by 3/4-inch  | \$                   | 49.25  |      | \$ 68.48                      | \$ 73.20  | \$ 75.68  | \$ 78.25    |
| <b>Commercial - Industrial</b>  |                      |  |      |                               |           |           |             |
| 5/8-inch by 3/4-inch  | \$                   | 49.25  |      | \$ 68.48                      | \$ 73.20  | \$ 75.68  | \$ 78.25    |
| 1"  | \$                   | 68.75  |      | \$ 95.87                      | \$ 102.48 | \$ 105.96 | \$ 109.55   |
| 1 1/2"  | \$                   | 88.50  |      | \$ 123.26                     | \$ 131.76 | \$ 136.23 | \$ 140.85   |
| 2"  | \$                   | 142.50   |      | \$ 198.59                     | \$ 212.28 | \$ 219.48 | \$ 226.92   |
| 3"  | \$                   | -  |      | \$ 753.27                     | \$ 805.21 | \$ 832.51 | \$ 860.73   |
| 2" BULK   | \$                   | -  |      | \$ 198.59                     | \$ 212.28 | \$ 219.48 | \$ 226.92   |
| 3" BULK   | \$                   | -  |      | \$ 753.27                     | \$ 805.21 | \$ 832.51 | \$ 860.73   |
| <b>Consumption Charge</b>   |                      |  |      |                               |           |           |             |
| Residential   |                      |  |      |                               |           |           |             |
| 0 - 2,000 gallons   | \$                   | -  |      | \$ -                          | \$ -      | \$ -      | \$ -        |
| 2,001 - 5,000   | \$                   | 11.40  |      | \$ 11.79                      | \$ 12.19  | \$ 12.60  | \$ 13.03    |
| 5,001 - 10,000  | \$                   | 13.20  |      | \$ 13.65                      | \$ 14.11  | \$ 14.59  | \$ 15.08    |
| 10,001 +  | \$                   | 14.70  |      | \$ 15.20                      | \$ 15.71  | \$ 16.25  | \$ 16.80    |
| Commercial users per unit charge will mirror the residential cost, but tier changes align with meter multiplier |                      |  |      |                               |           |           |             |
| <b>Meter</b>  | 5/8-inch by 3/4-inch | <b>1.1</b>   | 1.5" | <b>1.8</b>                    | 3.0"      |           | <b>11.0</b> |
| <b>Ratios</b>   | 1"                   | <b>1.4</b>   | 2.0" | <b>2.9</b>                    | 4.0"      |           | <b>14.0</b> |

1 - Base rates for 2025-27 estimated using Consumer Price Index at 3.39%, the average over the past 5 years



# 2023/2024 WATER RATE STUDY

PREPARED BY:

TIM TICE W/OAWU

DAN WEITZEL W/ CITY OF MANZANITA

# CURRENT WATER RATES

Base rate for typical residential

| 2023-2024 Water Rates Budget        |             |            |           | \$1,499,207.76   |              |                    |      |
|-------------------------------------|-------------|------------|-----------|------------------|--------------|--------------------|------|
| Rate Comparison Current vs Proposed |             |            |           |                  |              |                    |      |
| Current Base Rates                  |             |            |           | Meter Multiplier | Allowances   |                    |      |
|                                     | Residential | Commercial | Outside   |                  |              |                    |      |
| 5/8" - 3/4"                         | \$ 39.50    | \$ 39.50   | \$ -      |                  |              | Currently Not Used | 4000 |
| 5/8" - 3/4" out                     | \$ -        | \$ 39.50   | \$ 49.25  |                  |              |                    | 4000 |
| 1"                                  | \$ -        | \$ 55.00   | \$ 68.75  |                  |              |                    | 0.00 |
| 1 1/2"                              | \$ -        | \$ 70.75   | \$ 88.50  |                  |              |                    | 0.00 |
| 2"                                  | \$ -        | \$ 114.00  | \$ 142.50 |                  |              |                    | 0.00 |
| 3"                                  | \$ -        | \$ 427.50  | \$ -      |                  |              |                    | 0.00 |
| 2" BULK                             | \$ -        | \$ 213.75  | \$ -      |                  |              |                    | 0.00 |
| 3" BULK                             | \$ -        | \$ -       | \$ -      |                  |              |                    | 0.00 |
|                                     |             |            |           | % of Budget      | 62%          |                    |      |
|                                     |             |            |           | Allowance %      | -0.04%       |                    |      |
| Current Unit (Consumption) Charges  |             |            |           |                  |              |                    |      |
| Tiers Levels                        | Per Unit    |            |           |                  |              |                    |      |
| One <sup>1</sup>                    | \$ 2.50     | \$ 2.50    | \$ 3.25   |                  | Fill In from |                    |      |

Current water given in residential base rate.

Unit = 1,000 gallons

# PROPOSED WATER RATES

Proposed base rate for typical residential

|                | Proposed Base Rates |                         |           | Meter Multiplier | Allowances <sup>3</sup> |
|----------------|---------------------|-------------------------|-----------|------------------|-------------------------|
|                | Residential         | Commercial <sup>4</sup> | Outside   |                  |                         |
| 5/8"- 3/4"     | \$ 47.56            | \$ 57.07                | \$ -      | 10 - 1           | 2000                    |
| 5/8"- 3/4" out |                     | \$ 47.56                | \$ 68.48  | 10 - 1           | 2000                    |
| 1"             | \$ 66.58            | \$ 79.89                | \$ 95.87  | 14 - 1           | NA                      |
| 1 1/2"         | \$ 85.60            | \$ 102.72               | \$ 123.26 | 18 - 1           | NA                      |
| 2"             | \$ 137.91           | \$ 165.49               | \$ 198.59 | 29 - 1           | NA                      |
| 3"             | \$ 523.11           | \$ 627.73               | \$ 753.27 | 110 - 1          | NA                      |
| 2" BULK        | \$ 137.91           | \$ 165.49               | \$ 198.59 | 29 - 1           | NA                      |
| 3" BULK        | \$ 523.11           | \$ 627.73               | \$ 753.27 | 110 - 1          | NA                      |

Proposed water allowance.

Meter Multiplier is an American Water Works Association (AWWA) standard for calculating replacement costs.

# WATER TIER FOR USAGE

|  | Inside City Residential | Commercial | Outside City Residential |                |
|--|-------------------------|------------|--------------------------|----------------|
| <b>Proposed Unit (Consumption) Charges</b> |                         |            |                          |                |
| Tiers Levels                               | Per Unit                |            |                          |                |
| Tier One                                   | \$ 9.50                 | \$ 9.50    | \$ 11.40                 | 2,001 - 5,000  |
| Tier Two                                   | \$ 11.00                | \$ 11.00   | \$ 13.20                 | 5,001 - 10,000 |
| Tier Three                                 | \$ 12.25                | \$ 12.25   | \$ 14.70                 | 10,001 +       |

Typical inside residential in summer in the summer uses 4 units.  
 $\$47.56$  (base rate with 2 units) +  $\$9.50$  +  $\$9.50$  =  $\$66.56$

Typical inside residential in winter in the summer uses 2 units.  
 $\$47.56$  (base rate with 2 units) =  $\$47.56$

Typical outside residential in summer in the summer uses 4 units.  
 $\$68.48$  (base rate with 2 units) +  $\$11.40$  +  $\$11.40$  =  $\$91.28$

Typical outside residential in winter in the summer uses 2 units.  
 $\$68.48$  (base rate with 2 units) =  $\$68.48$

Under the new rate structure all users have the ability to control their monthly expenses of water with there usage.

# FUTURE RATES

|                 | Today   | 2024    | 2025    | 2026    | 2027    |
|-----------------|---------|---------|---------|---------|---------|
| 5/8 Residential | \$39.50 | \$47.56 | \$50.83 | \$52.56 | \$54.34 |
| Tier One        | \$2.50  | \$9.50  | \$9.82  | \$10.16 | \$10.50 |
| Tier Two        | \$2.50  | \$11.00 | \$11.37 | \$11.76 | \$12.16 |
| Tier Three      | \$2.50  | \$12.25 | \$12.67 | \$13.09 | \$13.54 |

Rates estimated using Consumer Price Index at 3.39%

Future water rates would be set as part of the Fee Schedule during the budget process ever year.

# HOW DO WE COMPARE

|                    | Base    | Per 1000gal       |
|--------------------|---------|-------------------|
| Manzanita Proposed | \$47.56 | \$9.50 - \$12.25  |
| Arch Cape          | \$58.33 | \$2.50 – \$150.00 |
| Nehalem            | \$58.05 | \$7.00 – \$9.00   |
| Wheeler            | \$58.07 | \$9.00 - \$14.50  |