

# The Manzanita Minute

CITY OF MANZANITA NEWSLETTER



## Greetings Manzanita!

The City Council will be voting on a Resolution to increase water rates at its meeting on July 5, 2023. The City Council has held several work sessions to discuss the water rate increase including on April 12, 2023, May 10, 2023 and again on June 14, 2023. At these meetings the City Council received information about the need for the water rate increase and the methodology. The council also asked questions and asked for additional data from staff to help inform their decision making.

The last water rate increase that the City of Manzanita implemented was in 2014. The current rate for residential users inside of the city is \$39.50 for a base allotment of 4 units of water. Each unit of water is equal to 1000 gallons of water. The current base allotment of 4 units, or 4000 gallons of water is high. If we did allow for every resident to use those 4000 gallons of water, it is more than we can reasonably provide and if that much water was used it would cause a significant cost deficit for the city. Under the current rate system, if rate payers use more than 4 units, they pay an additional \$2.50 per unit of water. When the City Council adopted the water rate of \$39.50 in 2014, they also planned to review water rates in 3 years. The city did not review the water rates in 3 years, so the water utility has effectively been running at a loss and covering the inflation rate increase.

Manzanitas water system also serves households outside of the city limits. Those households pay 20% more for water. The current base rate for residential users outside of the city limits is \$49.25 with the same 4-unit allowance. The additional unit cost for residential users outside of the city limits is \$3.25.

Commercial users with a typical residential meter currently pay the same as residential users including residential users. For connections larger than 1" commercial users pay a higher rate depending on the size of their meter.

The current rates for all users is summarized in the table below.

## 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						
	Residential	Commercial	Outside	Meter Multiplier	Allowances	
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	
<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	

Current water given in residential base rate.

Unit = 1,000 gallons

The proposed water rate increase that the City Council will be considering in July for residents inside of the city is \$47.56 for 2 units of water. The other major change is that the city is proposing to implement a tiered rate system – so the more water you use the more you will pay. Tier one is proposed to be \$9.50 for water usage between 2001- 5000 gallons, \$11.00 for water usage above 5001 up to 10,000 gallons and for usage above 10,001 gallons rate payers will pay \$12.25 per unit.

The proposed rates for all users is summarized in the table below.

## 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	\$ -	1.0 - 1	2000
5/8"- 3/4" out	\$ 47.56	\$ 68.48	\$ 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

Proposed water allowance.

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

The proposed tiers by user type is included in the table below.

## 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 +

So what does this mean for the average user? Inside the city most residential users will pay the base rate of \$47.56 per month (bills are sent on a quarterly basis) however you can expect if you use a lot of water for irrigation during the summer months that your rate will be higher. Based on historic usage the typical residential user in the summer months (June-September) will pay approximately \$66.56. Historic rates show that residential users use around 4000 gallons per month. Under the new rate structure all users will have the ability to control their monthly expenses based on their water usage. This approach also encourages users to conserve water.

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

The proposed tiers by user type is included in the table below.

## 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%

In addition to the annual increase staff will be conducting a water rate study every three years to ensure that rates are fair, reflect usage and ensure that sufficient resources are available to the water utility to invest in our water system maintenance.

If you would like to learn more about the water rate study you are encouraged to watch the previous work sessions on April 12, 2023, May 10, 2024 and June 14, 2023. The information presented to the City Council at each of these meeting is included in the packet for each meeting. You can access all that information by going to the city's website here: <https://ci.manzanita.or.us/city-council/> and scrolling down until you find the meeting date. There is also a link to the YouTube video for each meeting if you want to watch and listen to the discussion.

The City Council will be considering a Resolution to adopt these new water rates on July 5, 2023. That meeting will be held in person at the Pine Grove Community House at 6pm. The meeting will also be accessible via Zoom. There are a couple of ways you can participate – you are welcome to attend the meeting in person to provide comment or you can attend virtually through Zoom, or provide written comment to [cityhall@ci.manzanita.or.us](mailto:cityhall@ci.manzanita.or.us) in advance of the meeting.

City Council Meeting Agendas are posted one week in advance of the meeting so if you attend virtually and provide testimony that's where you'll find the link to the meeting to participate. If you just want to listen you can also access our live stream from the city's website on the day of the meeting.

If you provide written comment we ask that you indicate the agenda item your comments are related to.

