

Yachats Public Works and Streets Commission

Utility Rate Background Information

Profile:

- There are about 850 Utility Accounts.
- There are about 300 accounts who are year around residents which use an average of 2 to 4 unit a year.
- There are about 300 accounts which use an average of just 0 to 1 unit a year.
- There are about 100 accounts which use between 80 and 200 units on a yearly average.
- There are about 10 accounts which use about 40% of the total water sold (over 200 units) on a yearly average.
- The object set for Capital Improvements after June 2016 was \$50,000 for water services and \$50,000 for sewer services.
- Projected capital improvements for water projects after FY 2020 over 6 years are over \$2,000,000.
- Projected capital improvements for sewer projects after FY 2020 over 6 years are over \$520,000.

Proposed Objectives for Utility Rates

- Provide for rate based funding to help offset cost of Capital Improvement Projects.
- Provide for annual adjustment of rates based on a localized inflation value.
- Use the existing CAP information rather than reviewing the existing infrastructure as both a Water and Sewer Master Plans are underway.
- It would help to review the current operating expenses for both Water and Sewer operations as a means to insure that the revenue from the Utility Billing system are covering expenses.
- The utility rate structure should insure a balanced and equitable rate structure between smaller users and larger users.
- Insure that Base Rates do more to recover costs required for full service support even if little or no service is used.
- Annual review to insure that the rates are sufficient to cover the operational requirements and provide reserves for future infrastructure needs.
- Provide a means to handle the 10 large users which must balance their overall support to the City General Fund and their consumption of utility services.

June 11, 2019