

September 2010 - September 2020

**Scheduled Water/Sewer
Rate Increase Information**

In 2009, it had been over 10 years since the City of Depoe Bay performed an analysis of its water and sewer systems user rates. Therefore, the City Council authorized HBH Consulting Engineers to assess and evaluate the financial health of the City's water and sewer systems, with the primary objective being to evaluate the systems' existing and future revenue and financial requirements for a 10-year planning period.

It is important that the City charge the actual cost of providing water and sewer services to its customers, and developing a sound financial plan is the key to achieving this. Annual revenue requirements include operation and maintenance costs, and capital outlay costs. User rates are the primary mechanism used to fund the water and sewer systems. At a minimum, rates should be sufficient to generate revenues required to support operations, maintain and develop capital infrastructure, and preserve or enhance the financial integrity of the system.

The financial analysis of the water and sewer systems indicated that the existing rates were not sufficient to meet operation and maintenance requirements, and HBH recommended that the City raise its rates in order to secure the financial health of the systems. In addition to generating the needed revenue to properly operate and maintain the City's water and sewer systems, the rate structures were designed to provide revenue stability. HBH additionally recommended that the City adopt a new structure for its sewer rates that does not include a water allowance as part of the fixed bi-monthly rate.

HBH presented their findings and recommendations at a public hearing on June 21, 2010. Discussion of the proposed increases continued at the July 6, 2010 Council meeting, and Ordinance 288, implementing the recommendations, was adopted at the July 20, 2010 Council meeting.

Water and sewer rates will increase on September 1 of each year between 2010 and 2020.

Water Rate Increase Schedule

Effective Date	Base Water Service for two months (per EDU)	Water Usage Rate per 1,000 gallons
September 1, 2010	\$20.00	\$3.50
September 1, 2011	\$25.00	\$3.50
September 1, 2012	\$30.00	\$3.50
September 1, 2013	\$35.00	\$3.50
September 1, 2014	\$37.00	\$3.50
September 1, 2015	\$39.00	\$3.50

Effective Date	Base Water Service for two months (per EDU)	Water Usage Rate per 1,000 gallons
September 1, 2016	\$40.50	\$3.50
September 1, 2017	\$42.00	\$3.50
September 1, 2018	\$43.50	\$3.50
September 1, 2019	\$45.00	\$3.50
September 1, 2020	\$46.50	\$3.50

Sewer Rate Increase Schedule

Effective Date	Base Sewer Service for two months (per EDU)	Sewer Usage Rate per 1,000 gallons
September 1, 2010	\$21.00	\$2.50
September 1, 2011	\$23.00	\$2.60
September 1, 2012	\$25.00	\$2.70
September 1, 2013	\$26.00	\$2.80
September 1, 2014	\$27.00	\$2.90
September 1, 2015	\$28.00	\$3.00
September 1, 2016	\$29.00	\$3.10
September 1, 2017	\$30.00	\$3.20
September 1, 2018	\$31.00	\$3.30
September 1, 2019	\$32.00	\$3.40
September 1, 2020	\$33.00	\$3.50