



Informational Meeting on the  
**New Water Rate Structure**



**April 17, 2025**

**Presented by**

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# Why Now?



## Why Are We Moving to a New Rate Structure?

- It's been a journey over the last several years
- It was time for a new water rate study to be done and to explore options



A copy of the 2024 Water Rate Study can be downloaded from the District's Website at the link below

[www.wswd.org/new-rate-structure](http://www.wswd.org/new-rate-structure)

# Goals of the Study



## **EQUITABLE COSTS**

Develop water rates that promote cost equity among the District's rate payers.



## **FINANCIAL STEWARDSHIP**

Provide sustainable revenues to ensure future operating and capital costs are funded.



## **AFFORDABILITY & EFFICIENCY**

Improved affordability for low-water users while promoting efficient water use among high-water users.



## **INDUSTRY STANDARDS**

Align water rates with industry best practices.

# Rate Study Key Issues

## ➤ Purchased water costs

- New Wholesale Purchase Water Agreement with Portland begins on July 1, 2026

## ➤ Capital projects per the new Water Master Plan

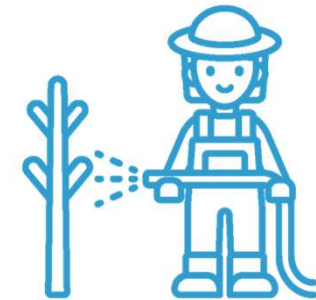
- Replace aging pipe infrastructure - \$1.3M per year, funded by rate revenues
- New reservoir - \$11.3M, funded by rate revenues and debt

## ➤ District debt service

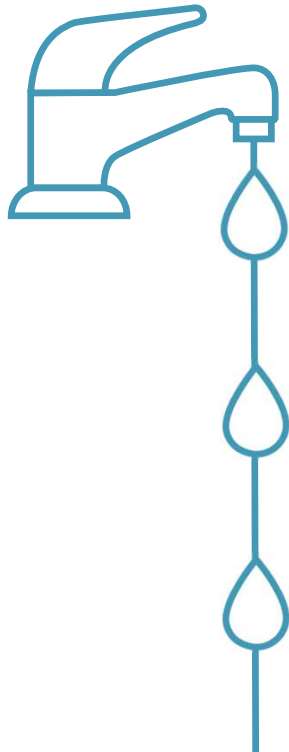
- Current 20-year revenue bonds will be paid off in 2028
- Issuance of new 20-year bonds to fund new reservoir

## ➤ Rate structure that distributes costs equitably

- Rates by customer class of service (residential, commercial, multi-family)
- Encourage efficient water use and conservation (tiers)



# How is a Rate Study Done?



## Developing Cost-Based Rates

### STEP 1 - REVENUE REQUIREMENT

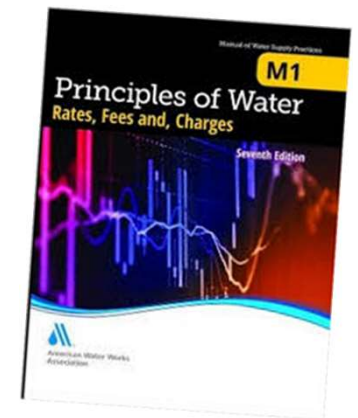
Compares the revenue of the utility to the expenses to evaluate the level of the current rates

### STEP 2 - COST OF SERVICE

Proportionally distributes the revenue requirement to the customer classes of service

### STEP 3 - RATE DESIGN

Design rates for each class of service to meet the revenue requirement, cost of service results, and rate design goals and objectives



# Step 1 - Revenue Requirement

The revenue requirement step compares the revenue of the utility to the projected expenses to evaluate the level of the current rates and determine any needed revenue adjustments. Annual revenue adjustments are necessary to prudently fund the water utility for the following items:

- **Operating & Maintenance Expenses** – fund current and future inflationary increases
- **Capital Projects** – adequately fund annual renewal, replacement, and necessary system improvements
- **Reserves** – maintain adequate funds for cash flow, emergency situations, and strong financials for credit ratings

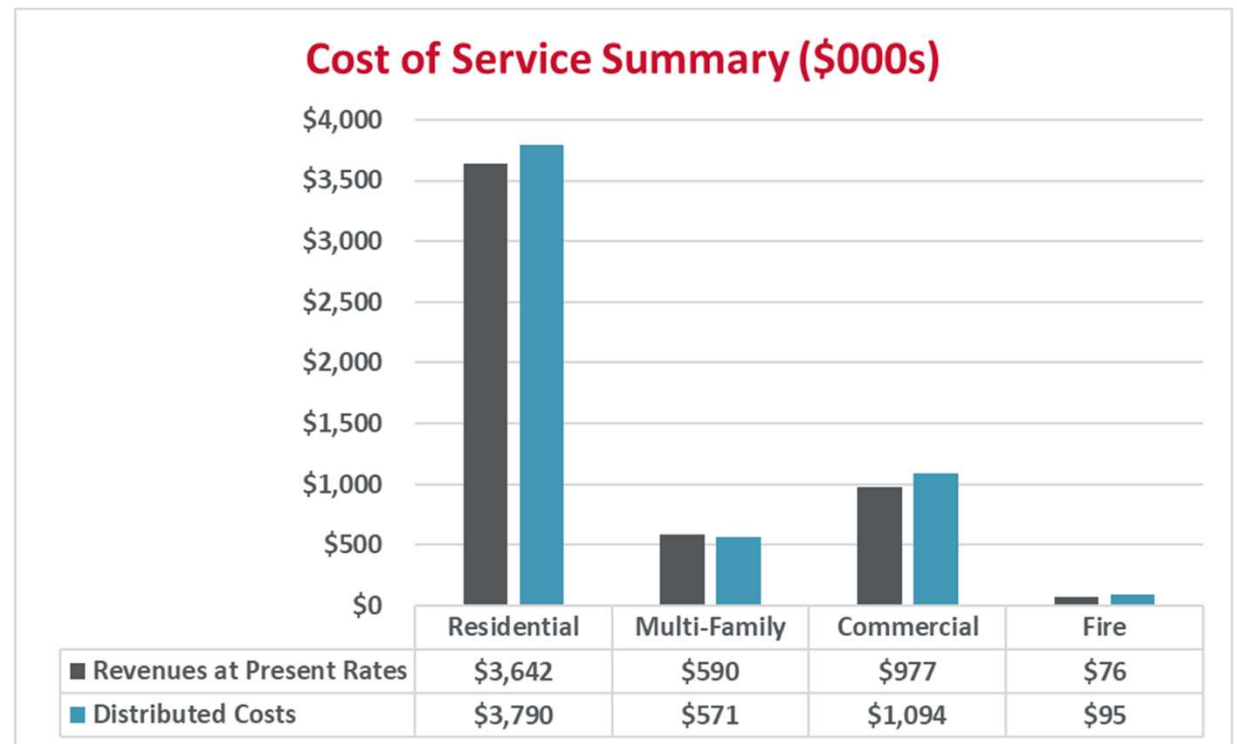
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>Proposed Revenue Adjustment</b>		<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>
Avg Residential Customer Bill <sup>[1]</sup>	\$97.24	\$102.10	\$107.21	\$112.57	\$118.20	\$124.11
Annual Monthly Change	--	\$4.86	\$5.11	\$5.36	\$5.63	\$5.91

[1] – 5/8 x 3/4" Meter + 10 CCF; no cost of service or rate structure changes

## Step 2 - Cost of Service

A cost of service analysis is done to determine the proportional manner in which to collect the previously developed revenue analysis. This step proportionally distributes the revenue requirement to the customer classes of service based on the following factors:

- **Source** – cost of wholesale water, peaking costs
- **Distribution** – water infrastructure, size of pipes and meters
- **Storage** – water storage needed for peak day



# Step 3 - Rate Design

During the last step, rates are designed for each class of service to meet the revenue requirement, cost of service results, and rate design goals and objectives.

**The new rate structure offers unique rates for each customer class.**



## **Residential**

- **Tier 1** (1 – 8 CCF):  
Indoor water use
- **Tier 2** (9 – 20 CCF):  
Modest outdoor water usage in summer months
- **Tier 3** (20+ CCF):  
Highest level of water usage in summer months



## **Commercial**

- **Tier 1** (1 – 325 CCF):  
Average water use for the customer class (90% of total)
- **Tier 2** (325+ CCF):  
Highest level of water usage, typically in summer months (10% of total)



## **Multi-Family**

**Uniform flat rate:**  
Average use for customer class as multi-family customers do not have a significant peak demand in summer months

**Note:** 1 CCF = 748 Gallons

# How Will Rates Impact Customers?



	Present Rates	Proposed		
		July 2025	November 2025	July 2026
<b>Consumption Charge</b>				
All Customers	\$7.61	\$7.99	--	--
<b>Residential</b>				
Tier 1 (0–8 CCF)	--	--	\$5.90	\$6.18
Tier 2 (9–20 CCF)	--	--	8.85	9.27
Tier 3 (21+ CCF)	--	--	11.80	12.36
<b>Multi-Family</b>				
Uniform flat rate	--	--	\$6.25	\$6.55
<b>Commercial</b>				
Tier 1 (0–325 CCF)	--	--	\$7.61	\$7.97
Tier 2 (326+ CCF)	--	--	11.42	11.96
<b>Monthly Fixed Charge</b>				
5/8" x 3/4"	\$21.14	\$23.50	\$23.50	\$24.00
1"	35.94	43.71	43.71	48.48
1 1/2"	59.01	75.98	75.98	88.20
2"	90.38	117.98	117.98	138.36

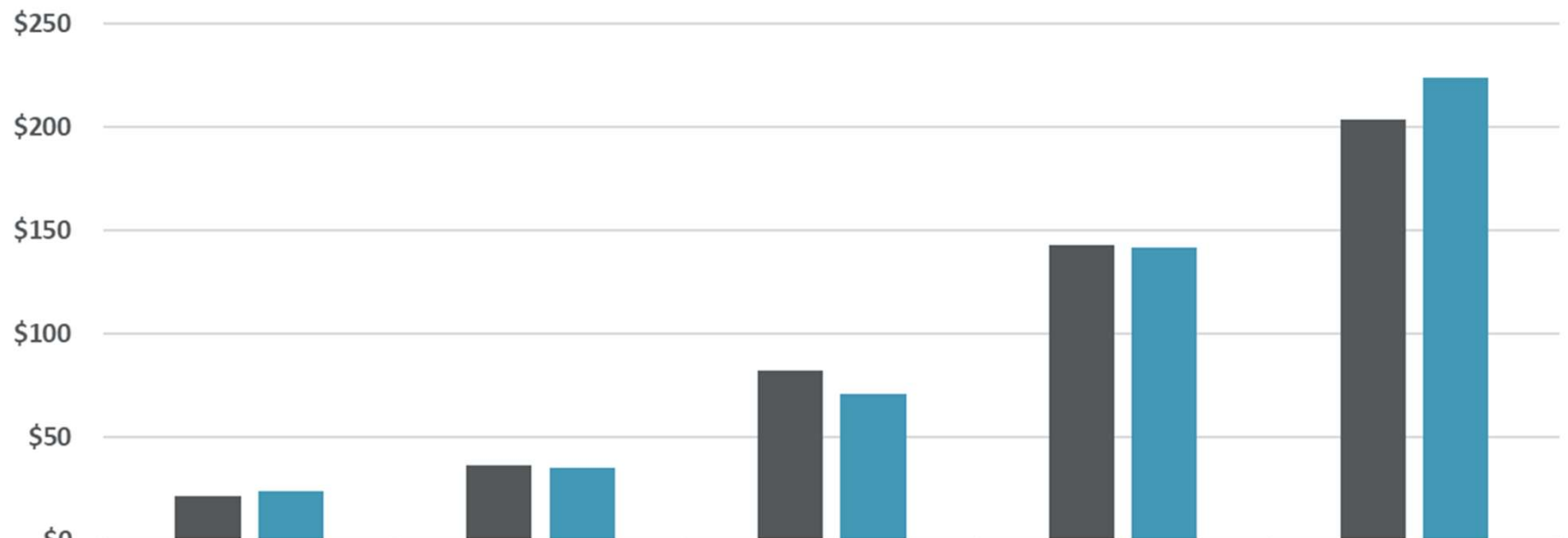
## Summary of Proposed Rates over the next two years

Rates will be adopted by the Board at the Public Rate Hearing on June 18th

1 CCF – 748 Gallons

# Overview of Rate Impact

**Example Bill Impact (CCF) - Residential**



<i>CCF</i>	0	2	8	16	24
■ Present Rates	\$21.14	\$36.36	\$82.02	\$142.90	\$203.78
■ Proposed Estimated	\$23.50	\$35.30	\$70.70	\$141.50	\$224.10

# How to Read Your Water Bill

## Account Information

Service period covers the last bill date to current bill date using the date when the bill was finalized for mailing, often 5-7 days after meter read date.

## Meter Reading

Shows the previous and current read dates and the resulting use in CCF's. This use number is used to calculate the water consumption charge.

(1 CCF = 748 gallons)

## Usage History

Compares the monthly usage during the current and prior year, for 12 months, usually reflects the higher use in summer months.

## Account Summary

Shows total charges, including water consumption charge, fixed base charge (based on meter size), and any other fees and adjustments.



Mailing: PO Box 25140  
 Physical: 3105 SW 89th Ave  
 Portland, OR 97298  
 Phone: 503-292-2777  
 Fax: 503-297-1179  
 Web: www.wswd.org

PORTLAND, OR 97225-3541

## ACCOUNT STATEMENT

### ACCOUNT INFORMATION

ACCOUNT: [REDACTED]  
 SERVICE ADDRESS: [REDACTED]  
 SERVICE PERIOD: 7/17/2024 to 8/20/2024  
 BILLING DATE: 8/20/2024  
 TOTAL AMOUNT DUE: \$295.10  
 DUE DATE: 9/10/2024

To pay online go to: wswd.org

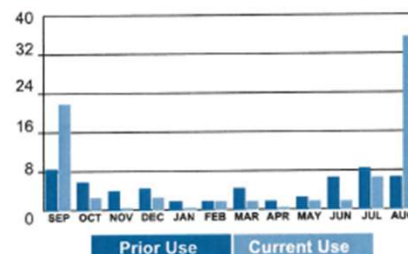
### METER READING

Serial No	Previous Reading		Current Reading		Use
	Date	Reading	Date	Reading	
8644917	7/11/2024	427	8/15/2024	463	36

### ACCOUNT SUMMARY

Previous Bill Amount	\$72.85
Payments Received	(\$72.85)
Fees	\$0.00
(NSF fee \$25, Door Tag fee \$15, Shutoff \$100)	
Adjustments	\$0.00
(Leak Adj, transfer, NSF payment reversal)	
Past Due Balance	\$0.00
<b>Water Consumption</b>	<b>\$273.96</b>
Fixed Base Charge	\$21.14
Current Charges	\$295.10
<b>TOTAL AMOUNT DUE</b>	<b>\$295.10</b>

### USAGE HISTORY



## 2025 Consumption Charge Comparison for 36 CCF's

Flat rate (Jul 2025) : \$287.64

\$7.99 x 36 CCF

**New Rate Structure (Nov 2025): \$342.20** (a \$54.56 increase)

Tier 1 – \$5.90 x 8 = \$47.20

Tier 2 - \$8.85 x 12 CCF = \$106.20

Tier 3 - \$11.80 x 16 CCF = \$188.80

# Closing Remarks & Next Steps



- **Board Acknowledgement of New Rate Structure**
- **Questions, Comments, Concerns?**
  - Email: [customer.service@gmail.com](mailto:customer.service@gmail.com)
  - Phone: (503) 292-2777
- **Future Public Meetings:**
  - Budget Committee Meeting – May 21, 2025, 5pm
  - Rate Hearing & Budget Hearing – June 18, 2025, 5pm
- **Effective Dates of Rate Changes:**
  - 5% increase to flat rate – July 2025
  - New Rate Structure changes – November 2025



# Customer Engagement Activities

- **Water Bill Calculation**
- **Meter Reading**
- **Water Conservation**
- **Cross Connection / Backflow**

