



City of Yachats

Water and Wastewater Rate Increase Considerations 22/23 Budget Year

Hi Heide,

At the last council meeting it was requested that a document be created so that water rate increases could be better examined. Over the last decade there has been two water rate studies. Both studies found a certain amount of water should be included with the meter base fee and they also found that about 63% of the revenue is collected from meter base fees and the other 37% from water sales. Base fees are a constant revenue source and water sales are variable.

The matrix in this report can be used to estimate rate increases. Here is the formula to figure out user rates.

(Combined meter size base fee) + (Combined unit fee) = Monthly bill

The proposed 22/23 budget used a 5% increase to estimate revenue and at the council meeting it was suggested that the city might want to use 7%. The identified construction price index is 8% so all three of these percentages will be included as options. I would like to note that 8% was used January 1st, 2022, to increase the SDC rates.

Estimated yearly Increase in combined revenue

	Base 63%	Sales 37%	Total
5%	\$54,453.00	\$20,147.61	\$74,600.61
7%	\$76,234.00	\$28,206.58	\$104,440.58
8%	\$87,125.00	\$32,236.25	\$119,361.25

I'm happy to answer any questions.

Thank you,

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