

City of Newberg Wastewater Rate Analysis

Table 1

Capital Improvement Plan (CIP)

PROJECT	Fiscal Year					2020/21	2021/22	2022/23	TOTAL	SDC	SDC \$
	2015/16	2016/17	2017/18	2018/19	2019/20						
2nd St. Parking Lot Rehab	\$50,000								\$50,000	0.0%	\$0
S. Springbrook (Bypass)	\$50,000								\$50,000	0.0%	\$0
Inflow & Infiltration Projects	\$600,000	\$450,000	\$450,000	\$300,000	\$600,000	\$600,000	\$600,000	\$600,000	\$4,200,000	50.0%	\$2,100,000
Dayton Avenue PS	\$300,000	\$1,500,000	\$2,500,000						\$4,300,000	0.0%	\$0
WWTP Sawdust Bays	\$350,000								\$350,000	50.0%	\$175,000
WWTP Hypochlorite Generation	\$720,000								\$720,000	10.0%	\$72,000
Operations Remodel									\$0	10.0%	\$0
Oxidation Ditch									\$0	75.0%	\$0
Compost Facility		\$50,000	\$55,000					\$50,000	\$155,000	0.0%	\$0
Roofing Replacement		\$100,000		\$80,000				\$270,000	\$450,000	0.0%	\$0
WWTP Sewer Line (to and thru)							\$2,000,000		\$2,000,000	50.0%	\$1,000,000
Coating for PS; Fernwood & Creekside			\$100,000			\$100,000			\$200,000	0.0%	\$0
Wastewater Master Plan		\$300,000							\$300,000	25.0%	\$75,000
Hess Creek					\$1,000,000	\$2,500,000			\$3,500,000	80.0%	\$2,800,000
Structural Improvements to Ex. Oxidation Ditch		\$1,200,000		\$1,000,000					\$2,200,000	10.0%	\$220,000
I & I Report						\$200,000			\$200,000	50.0%	\$100,000
520 W. 3rd Property Purchase	\$15,625								\$15,625		\$0
N. Springbrook Trunkline							\$709,000	\$955,000	\$1,664,000	50.0%	\$832,000
<b>MULTI FUNDED PROJECTS (Wastewater Share Only)</b>									\$0		\$0
Survey Equipment/software/GPS Upgrade									\$0		\$0
Wonderware									\$0		\$0
Maintenance Facility - Fleet				\$187,500					\$187,500	20.0%	\$37,500
Maintenance Facility - Administration						\$250,000			\$250,000	20.0%	\$50,000
Maintenance Facility - Site Work			\$100,000						\$100,000	20.0%	\$20,000
<b>Total CIP (\$2015)</b>	<b>\$2,085,625</b>	<b>\$3,600,000</b>	<b>\$3,205,000</b>	<b>\$1,567,500</b>	<b>\$1,600,000</b>	<b>\$3,650,000</b>	<b>\$3,309,000</b>	<b>\$1,875,000</b>	<b>\$20,892,125</b>		<b>\$7,481,500</b>
<b>Inflation-Adjusted *</b>	\$2,085,625	\$3,708,000	\$3,400,185	\$1,712,849	\$1,800,814	\$4,231,350	\$3,951,119	\$2,306,014	\$23,195,956		
<b>By Funding Source</b>											
Rates	\$1,538,625	\$3,275,400	\$3,140,265	\$1,398,690	\$562,754	\$1,391,129	\$1,975,559	\$1,349,787	\$14,632,209		
SDC	\$547,000	\$432,600	\$259,921	\$314,159	\$1,238,060	\$2,840,221	\$1,975,560	\$956,227	\$8,563,747		
<b>Total Inflation Adjusted</b>	<b>\$2,085,625</b>	<b>\$3,708,000</b>	<b>\$3,400,185</b>	<b>\$1,712,849</b>	<b>\$1,800,814</b>	<b>\$4,231,350</b>	<b>\$3,951,119</b>	<b>\$2,306,014</b>	<b>\$23,195,956</b>		

\*Reflects 3% capital inflation

Table 2

**Capital Funding Sources\***

	<b>Total</b>
Existing Reserves	\$7,219,416
Current Rates	\$11,850,581
SDCs	\$6,643,086
<b>Total Sources</b>	<b>\$25,713,083</b>
Inflation-Adjusted CIP	\$23,195,956
Ending Reserves*	\$2,517,127
<b>Total Uses</b>	<b>\$25,713,083</b>

\*CIP improvements beyond 2023 exceed \$18 million

Table 3

**Operation & Maintenance (O&M) Costs**

	<b>2015/16</b>	<b>Fiscal Year 2016/17</b>	<b>2017/18</b>
Personnel Services			
Salaries	\$1,073,206	\$1,116,134	\$1,160,780
Benefits	\$743,667	\$773,414	\$804,350
Materials & Services	\$413,789	\$416,750	\$428,128
Utilities & Fuel	\$367,525	\$378,916	\$390,663
Contractual Services	\$115,400	\$91,824	\$93,979
Rehab & Replacement	\$284,750	\$284,750	\$284,750
Repair & Maintenance	\$333,000	\$333,015	\$333,030
Internal Svc. Charges	\$611,955	\$636,433	\$661,891
Franchise Fee	\$320,000	\$354,655	\$377,635
Vehicle/Computer Replacement	\$148,709	\$191,319	\$191,319
Internal Svc. Charge - COP	\$55,779	\$55,779	\$55,779
Loan Fees	\$127,200	\$121,979	\$116,621
Capital Outlay	\$50,000	\$100,000	\$5,500
<b>Total</b>	<b>\$4,644,980</b>	<b>\$4,854,968</b>	<b>\$4,904,426</b>
<b>Adjusted for 98% Budget Spent</b>	<b>\$4,552,080</b>	<b>\$4,757,868</b>	<b>\$4,806,337</b>
<b>2014 Rate Cycle Projections</b>	<b>4,518,958</b>	<b>4,750,343</b>	<b>4,996,227</b>

Table 4

**Annual Revenue Requirements from Rates**

Item	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Revenue Requirements:</b>								
O&M Costs	\$4,552,080	\$4,757,868	\$4,806,337	\$4,951,641	\$5,105,023	\$5,264,993	\$5,431,850	\$5,605,907
Transfers -- Debt Service	\$1,692,815	\$2,408,825	\$2,397,479	\$2,390,595	\$1,938,878	\$1,938,932	\$1,938,878	\$1,938,932
Transfers -- Capital Projects	\$1,627,500	\$3,275,400	\$3,140,264	\$1,398,691	\$562,754	\$1,391,129	\$4,668,971	\$3,005,288
<b>Total Revenue Requirements</b>	<b>\$7,872,395</b>	<b>\$10,442,093</b>	<b>\$10,344,080</b>	<b>\$8,740,926</b>	<b>\$7,606,655</b>	<b>\$8,595,054</b>	<b>\$12,039,699</b>	<b>\$10,550,127</b>
<b>Less:</b>								
Uses of (Additions to) Reserves	\$997,920	\$3,097,906	\$2,548,736	\$460,593	(\$1,195,990)	(\$765,508)	\$2,090,184	(\$25,520)
Nonrate Revenues	\$187,000	\$251,096	\$242,639	\$238,232	\$239,436	\$242,479	\$240,602	\$237,620
<b>Revenue Requirements from Rates</b>	<b>\$6,687,475</b>	<b>\$7,093,091</b>	<b>\$7,552,705</b>	<b>\$8,042,101</b>	<b>\$8,563,209</b>	<b>\$9,118,084</b>	<b>\$9,708,913</b>	<b>\$10,338,026</b>
<b>Projected Sales Revenue*</b>	<b>\$6,687,476</b>	<b>\$7,093,090</b>	<b>\$7,552,705</b>	<b>\$8,042,101</b>	<b>\$8,563,209</b>	<b>\$9,118,084</b>	<b>\$9,708,913</b>	<b>\$10,338,026</b>
<i>Projected Rate Increase</i>		5.95%	5.95%	5.95%	5.95%	5.95%	5.95%	5.95%
<i>Prior (2014) Rate Cycle Projections</i>	<b>\$7,165,931</b>	<b>\$7,615,862</b>	<b>\$8,094,042</b>	<b>\$8,602,247</b>	<b>\$9,142,361</b>	<b>\$9,716,387</b>	na	na
<i>Projected Rate Increase</i>		5.75%	5.75%	5.75%	5.75%	5.75%		

Table 5

**Wastewater Capital Fund Summaries**

Fund/Description	Adj. Budget 2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
<b>System Development Fund</b>								
Sources of Funds								
Beginning Fund Balance -- July 1	\$4,119,196	\$3,796,935	\$3,591,648	\$3,657,778	\$3,723,837	\$2,865,610	\$402,591	\$22,459
Interest Earned	17,100	11,391	10,775	10,973	11,172	8,597	1,208	67
SDCs	400,000	500,000	600,000	600,000	600,000	600,000	600,000	600,000
Total Sources of Funds	\$4,536,296	\$4,308,326	\$4,202,423	\$4,268,751	\$4,335,009	\$3,474,206	\$1,003,799	\$622,527
Uses of Funds								
Transfers -- Capital Projects	\$458,125	\$432,600	\$259,921	\$314,159	\$1,238,060	\$2,840,221	\$750,000	\$350,000
Transfers -- Debt Service	\$281,236	\$284,078	\$284,725	\$230,755	\$231,340	\$231,394	\$231,340	\$231,394
Ending Fund Balance -- June 30								
Fund Balance	\$3,796,935	\$3,591,648	\$3,657,778	\$3,723,837	\$2,865,610	\$402,591	\$22,459	\$41,133
Total Uses of Funds	\$4,536,296	\$4,308,326	\$4,202,423	\$4,268,751	\$4,335,009	\$3,474,206	\$1,003,799	\$622,527
<b>Capital Projects</b>								
Sources of Funds								
Beginning Fund Balance -- July 1	\$0	\$0	\$0	(\$1)	\$0	\$0	\$1	\$1,467,853
Transfer - Wastewater	1,627,500	3,275,400	3,140,264	1,398,691	562,754	1,391,129	4,668,971	3,005,288
Transfer -- System Development	458,125	432,600	259,921	314,159	1,238,060	2,840,221	750,000	350,000
Total Sources of Funds	\$2,085,625	\$3,708,000	\$3,400,185	\$1,712,849	\$1,800,814	\$4,231,351	\$5,418,972	\$4,823,141
Uses of Funds								
Capital Improvements	\$2,085,625	\$3,708,000	\$3,400,185	\$1,712,849	\$1,800,814	\$4,231,350	\$3,951,119	\$2,306,014
Ending Fund Balance -- June 30								
Fund Balance	\$0	\$0	(\$1)	\$0	\$0	\$1	\$1,467,853	\$2,517,127
Reserves								
Total Uses of Funds	\$2,085,625	\$3,708,000	\$3,400,185	\$1,712,849	\$1,800,814	\$4,231,351	\$5,418,972	\$4,823,141
<b>Proprietary Debt</b>								
Sources of Funds								
Beginning Fund Balance -- July 1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer - SDCs	\$281,236	\$284,078	\$284,725	\$230,755	\$231,340	\$231,394	\$231,340	\$231,394
Transfer -- Rates	\$1,692,815	\$2,408,825	\$2,397,479	\$2,390,595	\$1,938,878	\$1,938,932	\$1,938,878	\$1,938,932
Total Sources of Funds	\$1,974,051	\$2,692,902	\$2,682,204	\$2,621,349	\$2,170,217	\$2,170,326	\$2,170,217	\$2,170,326
Uses of Funds								
Debt Service	\$1,974,051	\$2,692,902	\$2,682,204	\$2,621,349	\$2,170,217	\$2,170,326	\$2,170,217	\$2,170,326
Ending Fund Balance -- June 30								
Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses of Funds	\$1,974,051	\$2,692,902	\$2,682,204	\$2,621,349	\$2,170,217	\$2,170,326	\$2,170,217	\$2,170,326

**Table 6***Wastewater Operating Fund Summary*

<b>Fund/Description</b>	<b>Budget 2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
<b>Sewer Fund</b>								
Sources of Funds								
Beginning Fund Balance -- July 1	\$4,944,662	\$9,926,947	\$6,829,041	\$4,280,305	\$3,819,712	\$5,015,702	\$5,781,210	\$3,691,026
Reimbursed Cost - Capital Projects	\$7,500	\$20,000	\$20,000	\$20,000	\$20,000	20,000	20,000	20,000
Dev Review and Inspection Fee	\$12,000	\$21,000	\$21,000	\$21,000	\$21,000	21,000	21,000	21,000
Compost Sales	\$31,000	\$42,000	\$42,000	\$42,000	\$42,000	42,000	42,000	42,000
User Fees	\$6,687,476	\$7,093,090	\$7,552,705	\$8,042,101	\$8,563,209	9,118,084	9,708,913	10,338,026
Connection Charges	\$10,000	\$14,000	\$14,000	\$14,000	\$14,000	14,000	14,000	14,000
Utility Billing Penalties	\$30,000	\$44,000	\$44,000	\$44,000	\$44,000	44,000	44,000	44,000
Dumping Fees	\$80,000	\$81,000	\$81,000	\$81,000	\$81,000	81,000	81,000	81,000
Miscellaneous Income	\$1,500	\$4,000	\$4,000	\$4,100	\$4,203	4,308	4,415	4,526
Interest Earned	\$14,000	\$25,096	\$16,639	\$12,132	\$13,233	16,171	14,187	11,095
Transfer in -- WW Replacement	\$5,980,205	\$0	\$0	\$0	\$0	-	-	-
Sale of Assets	\$1,000	\$0	\$0	\$0	\$0	-	-	-
<b>Total Sources of Funds</b>	<b>\$17,799,343</b>	<b>\$17,271,134</b>	<b>\$14,624,385</b>	<b>\$12,560,638</b>	<b>\$12,622,357</b>	<b>\$14,376,264</b>	<b>\$15,730,725</b>	<b>\$14,266,672</b>
Uses of Funds								
O&M (1)	\$4,552,080	\$4,757,868	\$4,806,337	\$4,951,641	\$5,105,023	\$5,264,993	\$5,431,850	\$5,605,907
Transfer -Capital Projects	\$1,627,500	\$3,275,400	\$3,140,264	\$1,398,691	\$562,754	\$1,391,129	\$4,668,971	\$3,005,288
Transfer -- Debt Service	\$1,692,815	\$2,408,825	\$2,397,479	\$2,390,595	\$1,938,878	\$1,938,932	\$1,938,878	\$1,938,932
Ending Fund Balance -- June 30								
Fund Balance	\$5,740,617	\$2,804,447	\$254,628	\$221,866	\$1,392,588	\$2,131,854	\$14,187	\$11,095
Contingency	\$1,123,097	\$782,115	\$790,083	\$813,968	\$839,182	\$865,478	\$892,907	\$921,519
Debt Service	\$3,063,233	\$3,242,479	\$3,235,595	\$2,783,878	\$2,783,932	\$2,783,878	\$2,783,932	\$2,783,932
<b>Total Uses of Funds</b>	<b>\$17,799,343</b>	<b>\$17,271,134</b>	<b>\$14,624,385</b>	<b>\$12,560,638</b>	<b>\$12,622,357</b>	<b>\$14,376,264</b>	<b>\$15,730,725</b>	<b>\$14,266,672</b>

(1) Operation &amp; Maintenance costs based on 98% of budget spent