UTILITY BILL RATES EFFECTIVE 7-1-15

UTILITY BILL RATES INCREASES AS OF JULY 1, 2015

On July 1, the City implemented new water rates to help pay for improvements to the water treatment and distribution system – improvements which will allow the City to continue to provide safe and clean drinking water.The City's key water supply facilities and infrastructure, which were built in the 1960s with the aid of federal funds, are now nearing their capacity and at the end of their useful life.

To estimate your water rate increase, check out the Water Consumption Cost Calculator at: www.lakeoswego.city/finance/water-consumption-cost-calculator.

The City provides, Water, Wastewater (Sewer), Street Maintenance, and Surface Water.

Lake Oswego City Council, through the annual adoption of Master Fees and Charges, sets City utility rates. In reviewing your utility bill to understand how costs have changed, it helps to know what the typical single family home rate payer will see as an increase in a utility bill and how the bill has changed over time.

Below are useful facts about rates, how they have changed over time and the impact on the Utility Bill and other information that has impacted rates for Water, Wastewater, Street Maintenance, and Surface Water. There is also a very useful chart, in the Master Fees and Charges booklet - Section 1, with the actual dollar amount of the increases for each service for the last few years for the typical rate payer.
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Useful Facts About Rates, Changes and Program Information

Water

The City of Lake Oswego supplies water to more than 36,000 customers through 250 miles of pipes, 13 pump stations and 16 water storage tanks.

Water rates include a **fixed** and a **variable** charge.

- Added to the fixed charge is the tiered variable charge. This tiered water billing structure means that as the amount of water consumed gets higher, the water gets more expensive.
- The fixed charge is the price that all customers pay monthly regardless of how much water they use.

Did you know:

- The water portion of your bill did not increase, not even to keep up with inflation, from 2001 to 2007.
- In 2009, in order to pay for the replacement of aging facilities - water intake on the Clackamas River, the Water Treatment Plant, reservoirs and main water lines - water rates began to increase.
- The water bill is calculated by both a fixed rate and a variable rate based on consumption. The costs for consumption are tiered, meaning water gets more expensive as more is consumed. Using both a fixed and variable rate based on consumption allows the City to encourage conservation, charge for a specific usage level, and ensure that revenue is sufficient to fund operating costs including repaying Bonds as well as invest in on-going renewal and replacement of system components. Consumption and the tiered rates impact the water bill.
- The following reflects a typical consumer:
    - A single family home that consumes 9.8 ccf (10 ccf with 2% conservation savings) or 7,330 gallons of water per bill.
    - No water usage in Tier 3 and only 3.6 ccf in Tier 2
    - Water bill (fixed and variable based on usage) of $95 *(rounded).*
- The original water system was paid for with a combination of federal and local dollars. While the system has been maintained, funds for replacement were not set aside. This time, there are no federal funds available for our water system.
- The water utility assets were valued at more than $73 million dollars in 2015.

Wastewater (Sewer)

The City of Lake Oswego operates and maintains 200 miles of collection pipes and ten pump stations. Flows from these facilities all empty into the Tryon Creek Wastewater Treatment Plant operated by the City of Portland located on Foothills Road. The system includes a main sewer interceptor pipe in Oswego Lake, which was replaced and completed in 2010 through the Lake Oswego Interceptor Sewer Project (LOIS).

- In 2004 and 2005, Wastewater Rates did not increase at all, not even to keep up with inflation.
- In 2006, rates started increasing every year to pay for the replacement of the main interceptor sewer line (big pipe that collects waste from small sewer lines in neighborhoods and carries the waste to the Treatment Plant) through the LOIS project.
- In 2011, rates stopped increasing to pay for the Interceptor Replacement and now are increased each year at an inflationary rate.
- Wastewater rates are based on a fixed rate and the winter average water usage each year. Wastewater rates are adopted as of July 1st and will be implemented the first billing cycle following the effective date. This means that you pay the same amount of money for your wastewater service every month between August 1st and July 31st. The winter average is used as the basis to determine how much wastewater (from sinks, showers, washing machines and toilets) you are discharging into the system.
- The City of Lake Oswego was required to replace the interceptor pipe due to overflows into Oswego Lake during heavy rains. With the replacement of the interceptor pipe, no sewage should overflow into the environment (although monitoring and precautionary measures are still in place).
- The original sewer system was largely paid for by federal dollars. No funds were set aside for replacement and no federal dollars were available to replace the interceptor line.

Street Maintenance

The City of Lake Oswego maintains 183 centerline miles of streets, 12% are arterials (e.g., Boones Ferry Road); 16% are collectors (e.g., Bryant Road); and 72% are residential streets (e.g., Twin Fir Road).

Since 1999 the City has cataloged street conditions as part of a Pavement Management Program. This program requires a comprehensive pavement condition assessment for each street in the City every three years. Through the Pavement Preservation Program the Street Maintenance Fee is used for street preservation and rehabilitation.

- The Street Maintenance Fee started in 2004.
- Between 2004 and 2008, the fee was not raised, not even for inflationary costs.

- In 2009, the City Council, due to concern over the backlog of work and the importance in regular maintenance to preventing higher replacement costs, began raising the fee and recognized that the fee should have been tied to an inflationary factor since inception.
- A typical street's condition could decline 40% in as little as five years without needed maintenance.

Surface Water

The Surface Water programs includes management and operation of all surface water facilities and programs that regulate the flow, quality and quantity of water that runs off of streets, parking lots, yards, away from buildings and construction sites. Surface water is managed by the City of Lake Oswego in order to comply with federal and state laws and to reduce pollutants entering the local streams, rivers and Oswego Lake.

The Surface Water program includes stormwater management as well as the management of mandatory regulatory programs that address non-point source pollution.

- Surface Water rates are based on a flat fee for single family residences and duplexes.
- The Surface Water fee has been regularly adjusted for inflation.
- The City of Lake Oswego's stormwater system is not connected to the City's wastewater system. As a result, stormwater enters receiving waters untreated. Stormwater is regulated by the 1972 Federal Clean Water Act through the National Pollutant Discharge Elimination System (NPDES) permit program.
- Surface Water management includes establishing standards for design and construction, providing public education and outreach, environmental monitoring, pollution prevention and enforcement to meet state and federal water quality standards.
- Surface Water operations services include catch basin maintenance, street sweeping, stormwater facility maintenance and emergency utility services.

Supporting Documents

Utility Rate Brochure

Web Links

Master Fees and ChargesUnderstanding Your Utility BillRate CalculatorUtility Bill Statements and Payment Options What Services Do I Get and Pay For?

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