



## Adjustments to City Water, Wastewater and Stormwater Rates Effective this Month

The City collects three separate rates to cover various utility costs for water, wastewater, and stormwater. Water meters are read on a monthly basis to determine the volume of water used by various City customers. Wastewater is based on the volume of water used by customers. Stormwater charges are being based on a calculation of Equivalent Services Units (ESUs). This is calculated based on the impervious surface of properties which include roofs, driveways, compacted gravel areas, and other similar impervious surfaces. All residential units are charged for one ESU. These utilities are supported entirely by the rates collected from utility users, with the exception of a voter approved tax that pays general obligation bonds that were issued when the water treatment plant was constructed.

### Historic Development of the City's Utility Systems

Newport originated as a tourist destination and small fishing village, expanding over the decades on the coast and along the Coast Range. As growth and development occurred, ravines running water to the ocean were piped and filled. Today, buildings and roads have been constructed over these lines that are often buried up to 40 feet deep. These pipes originally served as combined sewer lines discharging both stormwater and untreated wastewater into the ocean. In the late 1950s and early 1960s, the first wastewater pipes and wastewater plant were built. Sanitary sewer lines were separated from the original combined sewer lines. The original combined sewer system is still mostly in service and functions as the current stormwater system.

Newport provided domestic water beginning in 1904 and stored water in the two original tanks constructed in 1906 and 1908 at the public works facility until three years ago. These tanks were taken out of service in 2020, and have since been removed. Several water districts have been annexed into Newport with the City taking over operation and maintenance of these systems. These annexed areas were originally within the non-urbanized county and were characterized by narrow gravel roads and minimal or non-existent storm drainage. Aging infrastructure and road systems that were annexed into the City, but not constructed to City standards, create significant financial and human resource burdens in the maintenance and the meeting of regulatory requirements. This burden increases annually as infrastructure continues to age and fail. Construction and replacement costs continue to escalate. These aging systems still serve many homes and businesses in the community, with many components requiring expensive upgrades in order to continue their service life. Finally, the City is also faced with the need to replace the earthen Big Creek Dams during this upcoming decade.

### Today's Water, Wastewater and Storm Water Systems

Today, the City operates and maintains a five-MGD membrane water treatment plant, seven water storage tanks, five water booster stations, a system of water mains to transport water to houses and businesses in the city, and two dams that store the City's water supply in the Big Creek Reservoirs. The City also operates and maintains a five-MGD wastewater treatment plant, with the wastewater collection system spread across approximately 11.2 square miles. The City maintains over 62.5 miles of gravity pipelines ranging in size from approximately three to 36 inches in diameter, 1,400 manholes, nine major pump stations, 16 minor pump stations, and 12 miles of sanitary force mains. In addition to water and wastewater systems, the City maintains a comprehensive stormwater system consisting of curbing, ditching, catch basins, and miles of underground piping. While other operating funds for the City are in reasonably good shape going into the 2023-2024 fiscal year, the utility funds are struggling. This is a result of less water usage during the pandemic and residual impacts



New Water Treatment Plant  
Filtration Rack

from the water crisis that resulted in a shutdown of industrial customers due to a high level of organics in the reservoir. The Water Fund had to bear emergency expenses to bring in a portable water filtration plant and a number of significant upgrades were necessary in the plant to avoid similar circumstances in the future. In addition, the Council skipped a year of scheduled rate increases to provide some relief to City customers during COVID-19 In 2021.

The wastewater treatment plant is now over 20 years old. There have been a number of unanticipated repairs that have had to be accomplished in order to continue providing a clean effluent that meets DEQ discharge standards. Furthermore, a wastewater treatment plant masterplan has identified necessary work in order to keep the plant operational. This will require the City to borrow funding to make a number of significant upgrades to the plant over the next three years in an amount estimated at \$17 million dollars. The rate increases adopted by the City Council reflect the need to fund current operations and to make future improvements necessary to assure minimal impact to the environment through effective treatment of wastewater generated by the homes and businesses in Newport.



*New Pump Installation at the Main Influent Wastewater Pump Station*



*Wastewater Treatment Plant Clarifier Installation*

### **Utility Rate Adjustments effective July 1, 2023**

Based on these factors as well as catching up with inflation, the City Manager recommended, and the City Council approved, an increase of 15% for wastewater rates, an 8.33% increase in water rates, and an 9.5% increase in stormwater rates. These adjustments would raise the bill of a customer using 4,000 gallons of water from \$113.36 to \$127.18 per month for water, wastewater and storm water costs. It is likely we will be looking at escalated rates to cover current and future debt requirements and inflationary costs for the operation of our utility systems in future fiscal years. We are, grateful for an appropriation from the legislature of \$3.8 million to offset a portion of the \$17 million investment necessary for the wastewater treatment plant. This action will reduce the necessary increase in rates in future years.

### **Reduced Rates are Available for Income Eligible Families**

The City Council has a program in place to reduce water and wastewater rates for customers who are at or below 60% of the Lincoln County Median Income. This adjustment is a 30% reduction in water and sewer rates for customers who apply and meet eligibility requirements for this discount. This discount is being paid by the General Fund by maintaining a 1% payment in lieu of taxes from the water and sewer fund to the General Fund for this purpose. Contact the Community Services Consortium (CSC) for further information at 888-851-0242.

### **Online Account Information**

Homeowners can monitor their water use, set water leak alerts, make regular payments, or set up autopayments by creating an account at <https://www.newportoregon.gov/onlinepayments>. For further details, please contact the Finance Department at 541-574-0617, for further information.