

City of Newport, Oregon – July, 2024

Adjustments to City Water, Wastewater and Stormwater Rates Effective July 1, 2024



The City of Newport 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 based on a calculation of Equivalent Surface Units (ESUs). This is calculated based on the impervious surfaces of properties, including roofs, driveways, compacted gravel areas, and other similar 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 which 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 along the coast and Coast Range. As growth and development occurred, ravines that carried ground and storm water to the ocean were piped and filled, and then structures and roads were constructed over the top of them. These pipes, often buried up to 40 feet deep, served originally as a combined sanitary sewer and storm-sewer system and discharged both stormwater and 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. The original 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, minimal or non-existent storm drainage and substandard water mains. 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. The systems still serve many homes and businesses in the community, with many components requiring expensive upgrades in order to continue their service life. This burden increases annually as infrastructure continues to age and fail.

Today's Water, Wastewater and Stormwater Systems

The infrastructure operated by the City is larger than that of most towns of similar size because Newport hosts industry with heavy water demands in addition to meeting the needs of a thriving tourist community with associated services such as hotels, vacation homes, restaurants, and other tourist-related businesses. 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.

The City has recently completed its master plan for the wastewater treatment plant facility, and over the next 15 years, upgrades addressing capacity issues will cost in excess of \$100 million, and necessary short-term upgrades will cost approximately \$17 million. The City is in the process of updating its water utility master plan to determine the specific upgrade work that will be necessary in the next 15 to 20 years, and the City will also need to update its stormwater master plan. This work will place a significant burden on the rate payers for the City of Newport to address these major upgrades in order to keep a functioning utility system serving the community in the years to come.

The Big Creek Dam Project, Save Our Supply, will cost an estimated \$123 million to complete. This project will enlarge the upper Big Creek Reservoir and replace both dams with one free of age-related foundational and structural vulnerabilities and built to sustain seismic activity and create storage potential to provide for healthier environmental flows and support Newport's future water supply needs. More information can be found at [SaveOurSupplyNewport.com](https://www.saveoursupplynewport.com).

The rate increases outlined below will continue to cover major reinvestments and repairs in the wastewater treatment plant, and for work that was accomplished in the water treatment plant to avoid a repeat of the City's water crisis in 2020. Additional filtration has been added, and an excess recirculation system is currently being installed at the water treatment plant. Additionally, the wastewater treatment plant will need significant upgrades over the next few years in order to meet discharge limits.

Water, Wastewater and Stormwater Rate Adjustments Effective July 1, 2024

Based on these factors along with continued inflation, the City Manager recommended, and the City Council approved, an increase of 15% in water rates, an increase of 15% in wastewater rates, and an increase of 25% in stormwater rates. These adjustments would raise the bill of a residential customer using 4,000 gallons of water from \$127.18 to \$147.23 per month for water, wastewater and stormwater.

It is likely the City will see escalated rates to cover current and future debt requirements and inflationary costs for the operation of Newport's utility systems in future fiscal years. The City secured \$3.825 million in state funding to assist in the early phase of the work to upgrade the facilities, and it will continue to work on securing funding that will help offset potential future increases and burdens to rate payers through grant assistance from State and Federal government funds as well as through outside agencies.

Reduced Rates 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. This discount is paid by the City's General Fund. To learn more, contact the Community Services Consortium (CSC) at 888-851-0242.

Online Account Information

Homeowners can monitor their water use, set water leak alerts, make regular payments, or set autopayments by creating an account at newportoregon.gov/onlinepayments. For further information or assistance with your account, contact the City of Newport's Finance Department at 541-574-0617.