

# North Clackamas County Water Commission Fiscal Year 2024-2025 Budget Highlights

Presentation: March 28, 2024

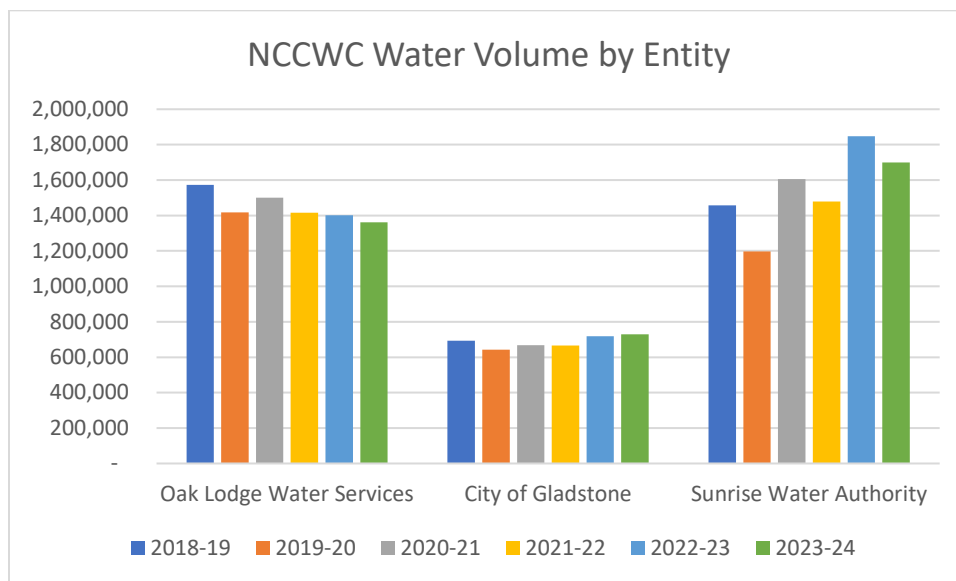
## Revenues

There have been some interesting trends in water volume by customer. OLWS is decreasing as a result of the non-revenue water project. City of Gladstone's has been increasing slightly each year. Then there is Sunrise, as the area builds out, their volumes are increasing. The volumes set for the budget can have an impact on the rate.

### Projected water volumes:

	Proposed FY 2024-25	Average FYs 2020-2023	Trend FY 2023-24	Budget FY 2023-24	
Oak Lodge	1,350,000	1,437,110	1,361,000	1,400,000	
Gladstone	690,000	673,399	729,000	650,000	
Sunrise	1,650,000	1,532,090	1,699,000	1,500,000	
	<b>3,690,000</b>	<b>3,642,599</b>	<b>3,789,000</b>	<b>3,550,000</b>	<b>CCF</b>

	3,690,000	3,550,000
<b>Resulting Rate</b>	<b>\$0.8550</b>	<b>\$0.8207</b>
Resulting %	4.2%	



## Personal Services

<u>Categories</u>	Budget	Budget	Variance		
	FY 2023-24	FY 2024-25			
Plant Operators	360,000	380,000	20,000	5.6%	(1)
Overtime	50,000	52,000	2,000	4.0%	
Apprenticeship	43,000	-	(43,000)		
Internship	-	20,000	20,000		
Medical, Dental, Vision	110,000	127,000	17,000	15.5%	(2)
Retirement	110,000	105,000	(5,000)	-4.5%	(3)
Payroll Taxes	40,000	39,000	(1,000)	-2.5%	(3)
Workers' Compensation	12,000	11,000	(1,000)	-8.3%	(3)
	<b>725,000</b>	<b>725,000</b>	<b>9,000</b>	<b>1.2%</b>	

### Apprenticeship position replaced with Internship position.

- (1) FY25 COLA with 4.0% plus Step/Merit increases
- (2) FY25 budgeted at 12% rate increase
- (3) Due to change to Internship position

**Proposed increase in Personnel Services is 1.2%**

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## Materials and Services

<u>Categories</u>	Budget	Budget	Variance		
	FY 2023-24	FY 2024-25			
Wholesale Water Purchases	1,300,000	1,400,000	100,000	7.7%	(1)
Contracted Services	136,000	146,000	10,000	7.4%	(2)
Insurance – General	85,000	99,000	14,000	16.5%	(3)
Professional Services	257,000	264,000	7,000	2.7%	
Water Treatment	190,000	170,000	(20,000)	-10.5%	(4)
Electricity	550,000	650,000	100,000	18.2%	(5)
Maintenance	164,500	171,500	7,000	4.3%	
All Other	104,400	120,400	16,450	15.3%	(6)
	<b>2,786,900</b>	<b>3,020,900</b>	<b>234,000</b>		
Less Wholesale Water	(1,300,000)	(1,400,000)	(100,000)		
Comparative	1,486,900	1,620,900	134,000	9.0%	

- (1) Clackamas River Water wholesale water rate change placeholder.
- (2) COLA and Inflationary increases applied to all providers.
- (3) General Insurance cost increase experienced in the current fiscal year.
- (4) Chemical costs are not experiencing the double digit increases and the volume of soda ash purchases has decreased.
- (5) PGE's rates increase on January 1, 2024.
- (6) Increase in Computers for new software.

**Proposed increase in Materials and Services is 9.0%**

## Electricity Cost Increases

PGE raised rates effective January 1, 2024. PGE advised the increase is an average of 18%, however based on comparison of the monthly bill for January 2024, NCCWC may experience an increase of approximately 25%.

<b>Total Bill Comparison - JAN 2023</b>	<b>Old Rates</b>	<b>New Rates</b>	
Basic Charge	769.68	802.95	4.3%
System Usage Charge	1,090.16	976.20	-10.5%
Off-Peak Usage / kWh	5,028.05	6,112.93	21.6%
On-Peak Usage / kWh	10,395.20	11,919.86	14.7%
Generation Demand Charge ON / KW	4,408.56	8,383.80	90.2%
On-Peak Demand / KW	1,834.56	1,884.48	2.7%
Transmission Charge / KW	1,667.34	1,997.04	19.8%
Dist. Charge Facility Charge 200 KW	950.00	1,110.00	16.8%
Dist. Charge Facility Charge Over 200 KW	5,803.20	6,801.60	17.2%
	<b>31,946.75</b>	<b>39,988.86</b>	<b>25.2%</b>

The last few rate increases have not impacted the plant as financially as this one. Additionally, PGE has proposed a rate increase of 7.4% to be effective January 1, 2025.

**This budget line is the largest driver of the proposed increase in Materials and Services.**

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## Transfers to Plant Reserve

### Transfers

	<b>Fund 10 General Fund</b>
Transfer to Plant Reserve	\$ 1,200,000
Funding from True-up	(455,000)
Funding from Beginning Balance	(95,000)
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<b>Funded by Rate</b>	<b>\$ 650,000</b>

*2017 Capital Master Plan recommends \$500,000 to \$750,000*

***2024 Indexed CCI Seattle = \$680,000 to \$1,000,000***

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**Plant Reserve Fund**

	<b>Actual FY 2023</b>	<b>Projected FY 2024</b>	<b>Budget FY 2025</b>	<b>Projection FY 2026</b>	<b>Projection FY 2027</b>	<b>Projection FY 2028</b>	<b>Projection FY 2029</b>	<b>Projection FY 2030</b>
Beg Balance	5,058,689	5,186,222	4,556,222	3,126,939	2,126,939	2,626,939	3,126,939	3,626,939
Transfers & Interest	1,372,115	1,550,000	1,200,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>Resources</b>	<b>6,430,804</b>	<b>6,736,222</b>	<b>5,756,222</b>	<b>4,126,939</b>	<b>3,126,939</b>	<b>3,626,939</b>	<b>4,126,939</b>	<b>4,626,939</b>
Capital Outlay	1,244,582	2,180,000	995,000	721,000	1,822,000	500,000	2,681,000	500,000
<b>End Balance</b>	<b>5,186,222</b>	<b>4,556,222</b>	<b>4,761,222</b>	<b>3,405,939</b>	<b>1,304,939</b>	<b>3,126,939</b>	<b>1,445,939</b>	<b>4,126,939</b>
<b>Capital Planning</b>								
Slow Sand #1 & #3	914,249			-			1,840,000	
Slow Sand #2 & #4		1,700,000						
Replace Membranes					1,500,000			
Plant / Equipment	330,333	480,000	995,000	721,000	322,000	500,000	841,000	500,000

**Special Payments – PERS Side Account**

**NCCWC’s PERS Rate increased 28.0% - effective July 1, 2023, through June 30, 2024**

**Proposed Special Payment for PERS Side Account of \$150,000**