



Commercial Water & Sewer Rates

Benchmark Analysis

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Executive Summary

Commercial water and sewer rate payers in Hermiston enjoy some of the lowest bills in eastern Oregon.¹

This report accounts for threats to validity in several ways in order to provide an apples to apples comparison of costs. One threat to validity is to over-generalize. This report breaks commercial utility users down into eight different user groups. Additionally, rather than identifying an “average” user for each group, the connection type and usage figures for a Hermiston user in each category was applied across the various jurisdictions. This approach shows how an identical use would fare in the various locations. The locations (The Dalles, Hermiston, Pendleton, La Grande, Baker City, and Ontario) were chosen as comparison cities for their similarities to Hermiston in population size.

Hermiston ranks as the cheapest location for combined water and sewer bills for seven of the eight identified categories.

Contents

<u>Category</u>	<u>Cheapest Location</u>	<u>Page</u>
1.0 Full Service Restaurant	Hermiston	5
2.0 Quick Service Restaurant	Hermiston	8
3.0 Small Retail Shop	Ontario	11
4.0 “Big Box” Retail	Hermiston	14
5.0 General Office	Hermiston	17
6.0 Full Service Grocery	Hermiston	20
7.0 Industrial/Warehousing	Hermiston	23
8.0 Industrial/Ag Processing	Hermiston	26

¹ All rates included in this analysis were current as of December, 2012.

	Monthly Combined Water & Sewer Bills			
	<u>Water</u>	<u>Sewer</u>	<u>Combined</u>	<u>% vs. #1</u>
Full Service Restaurant				
1. Hermiston	\$147.73	\$176.19	\$323.92	100%
2. Baker City	\$150.96	\$339.94	\$490.90	152%
3. Pendleton	\$242.05	\$322.84	\$564.89	174%
4. Ontario	\$224.10	\$599.90	\$824.00	254%
5. La Grande	\$189.82	\$634.46	\$824.28	254%
6. The Dalles	\$482.17	\$502.20	\$984.37	304%
Quick Service Restaurant				
1. Hermiston	\$57.21	\$66.98	\$124.19	100%
2. Baker City	\$86.50	\$118.97	\$205.47	165%
3. Pendleton	\$127.17	\$112.41	\$239.58	193%
4. Ontario	\$112.54	\$197.62	\$310.16	250%
5. La Grande	\$112.31	\$224.63	\$336.94	271%
The Dalles	\$200.01	N/A	N/A	N/A
Small Retail Shop				
1. Ontario	\$13.50	\$8.29	\$21.79	100%
2. La Grande	\$18.35	\$8.60	\$26.95	124%
3. Hermiston	\$14.65	\$20.14	\$34.79	160%
4. Baker City	\$29.80	\$18.00	\$47.80	219%
5. Pendleton	\$23.03	\$29.05	\$52.08	239%
6. The Dalles	\$38.54	\$41.85	\$80.39	369%
“Big Box” Retail				
1. Hermiston	\$142.62	\$170.02	\$312.64	100%
2. Baker City	\$167.30	\$327.47	\$494.77	158%
3. Pendleton	\$316.80	\$310.96	\$627.76	201%
4. Ontario	\$313.61	\$584.69	\$898.30	287%
5. La Grande	\$296.89	\$666.41	\$963.30	308%
6. The Dalles	\$524.32	\$874.67	\$1,398.99	447%
General Office				
1. Hermiston	\$22.92	\$26.19	\$49.11	100%
2. Pendleton	\$35.15	\$33.79	\$68.94	140%
3. Ontario	\$26.15	\$43.83	\$69.98	142%
4. Baker City	\$37.15	\$36.42	\$73.57	150%
5. La Grande	\$36.00	\$49.71	\$85.71	175%
6. The Dalles	\$60.53	\$58.59	\$119.12	243%

	<u>Water</u>	<u>Sewer</u>	<u>Combined</u>	<u>% vs. #1</u>
Full-Service Grocery				
1. Hermiston	\$177.28	\$211.85	\$389.13	100%
2. Baker City	\$196.41	\$412.09	\$608.50	156%
3. Pendleton	\$330.76	\$391.55	\$722.31	186%
4. Ontario	\$303.70	\$734.62	\$1,038.32	267%
5. La Grande	\$258.04	\$1,026.00	\$1,284.04	330%
The Dalles	\$607.20	N/A	N/A	
Industrial/Warehousing				
1. Hermiston	\$652	\$748	\$1,400	100%
2. Pendleton	\$1,369	\$1,495	\$2,864	205%
3. Ontario	\$1,450	\$2,887	\$4,337	310%
4. La Grande	\$1,234	\$3,300	\$4,534	324%
5. The Dalles	\$2,429	\$2,902	\$5,331	381%
Baker City	N/A	\$1,570	N/A	
Industrial/Ag Processing				
1. Hermiston	\$8,324	\$10,040	\$18,364	100%
2. Pendleton	\$14,969	\$10,283	\$25,252	138%
La Grande	\$7,354	N/A	N/A	
Baker City	N/A	\$20,299	N/A	
The Dalles	N/A	\$37,800	N/A	
Ontario	N/A	N/A	N/A	

1.0 Full Service Restaurant

A full service restaurant would experience the lowest combined water and sewer bill in Hermiston compared to the other surveyed cities (table 1.1).

A full service restaurant is distinct from a quick service restaurant in several ways. Full service restaurants generally do more food preparation on-site, serve a full-menu, and get little of their business from drive-through or take-out orders.

The Full Service Restaurant used as the standard has a 1" connection, and uses 145,585 gallons of water per month.

Monthly Water & Sewer Bill for Full Service Restaurant				
	<u>Water</u>	<u>Sewer</u>	<u>Combined</u>	<u>% vs. #1</u>
1. Hermiston	\$147.73	\$176.19	\$323.92	100%
2. Baker City	\$150.96	\$339.94	\$490.90	152%
3. Pendleton	\$242.05	\$322.84	\$564.89	174%
4. Ontario	\$224.10	\$599.90	\$824.00	254%
5. La Grande	\$189.82	\$634.46	\$824.28	254%
6. The Dalles	\$482.17	\$502.20	\$984.37	304%

Water

Overview- A full service restaurant would experience the lowest total monthly water bill in Hermiston compared to the other surveyed cities. For this usage segment, there is a very wide range. This translates to annual savings for a Hermiston restaurant ranging between \$39 and \$4,000, as shown in **table 1.3**.

Base Rates-

Full service restaurants are moderately large water users due to the various cooking and cleaning processes necessary for their core operations. Therefore, the average amount of water included in the base rates of the surveyed cities accounts for less than 3% of the business' monthly water usage. This means that these businesses are less sensitive to alterations in base rates than they are to alterations in unit rates.

City	Base Rate (Units Included)	Base per-100 gal
Baker City	\$30.24 (2,244 gallons)	\$1.35
The Dalles	\$43.54 (5,000 gallons)	\$0.87
Hermiston	\$14.65 (3,000 gallons)	\$0.49
La Grande	\$30.16 (5,984 gallons)	\$0.50
Ontario	\$10.00 (0 gallons)	N/A
Pendleton	\$20.50 (0 gallons)	N/A

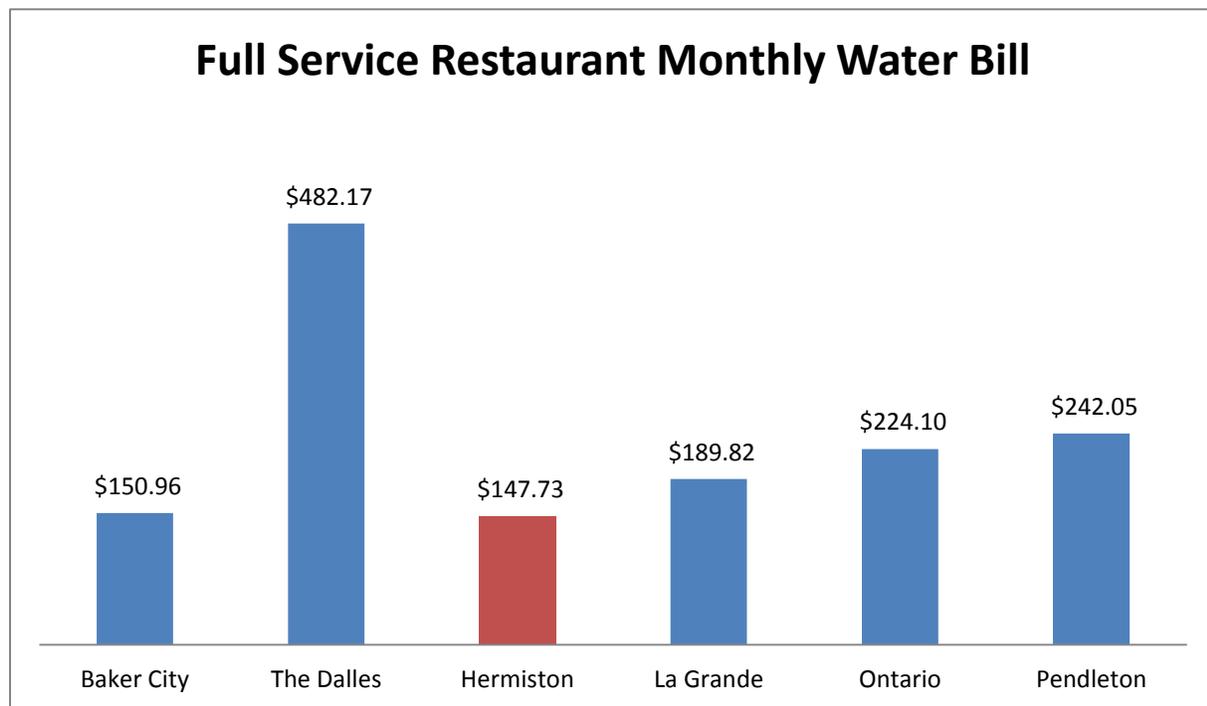
It is difficult to compare affordability of base rates because each jurisdiction includes a different base amount of water in their base rate. Dividing the rate by a per 100 gallon unit shows, however, that Hermiston rate payers pay the least for their base water rate for a 1" connection.

Usage-

When including usage rates, this full service restaurant would enjoy the lowest monthly water bill if it were located in Hermiston

Table 1.3

City	Monthly Bill	Annual Difference vs. Hermiston	Bill vs. Hermiston	Avg. per-1,000 gal usage
Baker City	\$150.96	\$38.76	102%	\$1.05
The Dalles	\$482.17	\$4,013.28	326%	\$3.31
Hermiston	\$147.73	\$ -	100%	\$1.01
La Grande	\$189.82	\$505.08	128%	\$1.30
Ontario	\$224.10	\$916.44	152%	\$1.54
Pendleton	\$242.05	\$1,131.84	164%	\$1.66

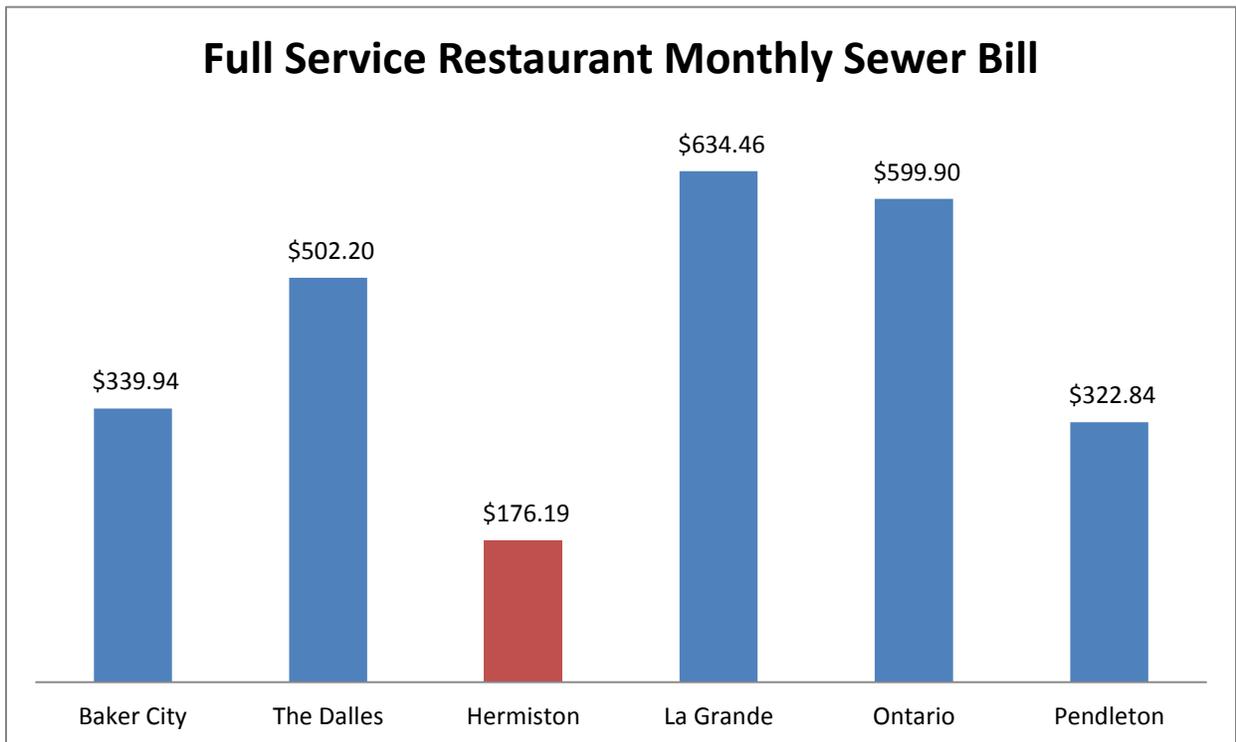


Sewer

Overview- Usage rates for commercial sewer users are calculated very differently among many of the surveyed cities. Hermiston includes a base rate depending on the size of water connection, then bills usage according to water usage. While several others use a similar method, others have created billing units based on the type of use, while others have combined special units based on the type of use combined with the amount of water used.

Applying data from the Hermiston full-service restaurant through the various billing structures shows that a Hermiston location would pay approximately 2-3.5 times less for sewer services compared to the other surveyed cities.

City	Monthly Bill	Annual Difference	Bill vs. Hermiston
Baker City	\$339.94	\$1,965	193%
The Dalles	\$502.20	\$3,912	285%
Hermiston	\$176.19	\$ -	100%
La Grande	\$634.46	\$5,499	360%
Ontario	\$599.90	\$5,084	340%
Pendleton	\$322.84	\$1,760	183%



2.0 Quick Service Restaurant

A Quick Service restaurant would experience the lowest combined water and sewer bills in Hermiston compared to the other cities surveyed.

A quick service restaurant can be thought of as the traditional “fast food” operation. These operations conduct less food preparation on-site than a full-service restaurant, and therefore have less water and sewer requirements. These restaurants also generally see more of their sales from drive-through and take-out orders than a traditional full-service restaurant, which translates to less water and sewer usage by patrons.

The quick service restaurant in Hermiston which was used as a standard uses a 2” water connection and uses 47,200 gallons of water per month.

Monthly water & sewer bill for Quick Service Restaurant				
	<u>Water</u>	<u>Sewer</u>	<u>Combined</u>	<u>% vs. #1</u>
1. Hermiston	\$57.21	\$66.98	\$124.19	100%
2. Baker City	\$86.50	\$118.97	\$205.47	165%
3. Pendleton	\$127.17	\$112.41	\$239.58	193%
4. Ontario	\$112.54	\$197.62	\$310.16	250%
5. La Grande	\$112.31	\$224.63	\$336.94	271%
The Dalles	\$200.01	N/A	N/A	N/A

Water

Overview- Compared to the other surveyed cities, this quick service restaurant would experience the lowest cost for water service in Hermiston. These savings range between \$350 per year and \$1,700 per year, as shown in **table 2.3**.

Base Rates-

For the connection used in this analysis, the average amount of water included in base rates accounts for nearly 16% of the quick service restaurant’s water usage.

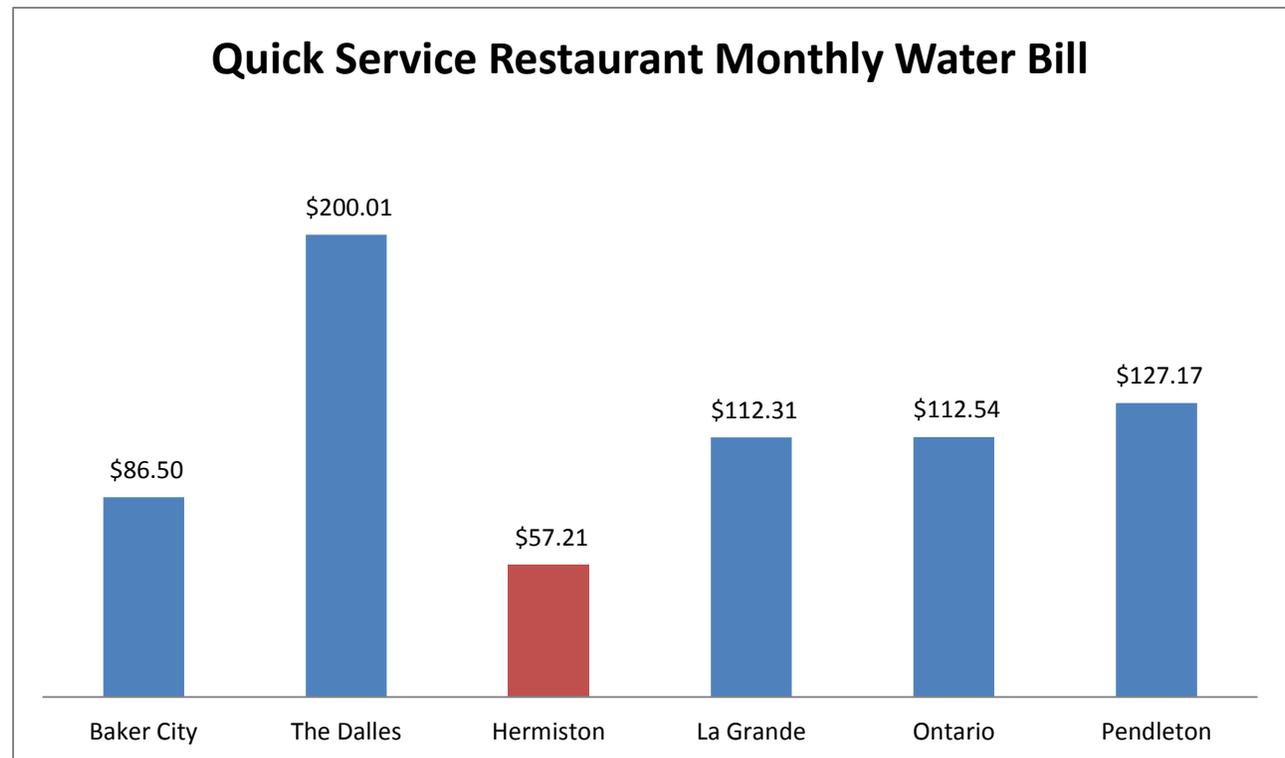
It is difficult to compare affordability of base rates across jurisdictions, as they include

different amounts of water in their base charges. Converting the base charge into a charge per 100 gallons, however shows that Hermiston’s base charge is one of the cheapest. Hermiston charges a flat base rate, regardless of connection size.

City	Base Rate (Units Included)	Base per-100 gal
Baker City	\$48.64 (2,244 gallons)	\$2.17
The Dalles	\$68.35 (5,000 gallons)	\$1.37
Hermiston	\$14.65 (3,000 gallons)	\$0.49
La Grande	\$78.18 (19,448 gallons)	\$0.40
Ontario	\$40.00 (0 gallons)	N/A
Pendleton	\$57.75 (0 gallons)	N/A

Table 2.3

City	Monthly Bill	Annual Difference vs. Hermiston	Bill vs. Hermiston	Avg. per-1,000 gal usage
Baker City	\$86.50	\$351.46	151%	\$1.83
The Dalles	\$200.01	\$1,713.61	350%	\$4.42
Hermiston	\$57.21	\$ -	100%	\$1.21
La Grande	\$112.31	\$661.16	196%	\$2.38
Ontario	\$112.54	\$663.88	197%	\$2.38
Pendleton	\$127.17	\$839.52	222%	\$2.69

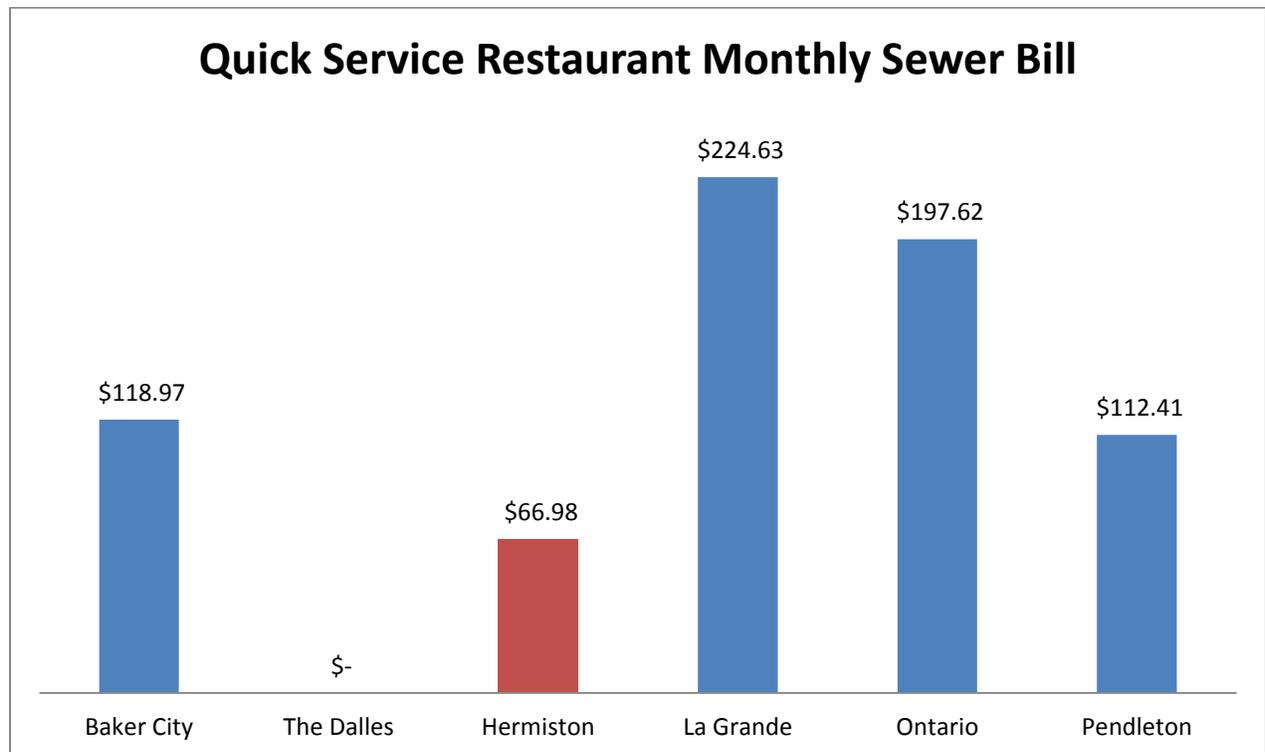


Sewer

Overview- Usage rates for commercial sewer users are calculated very differently among many of the surveyed cities. Applying data from the Hermiston quick-service restaurant through the various billing structures shows that a Hermiston location would pay approximately 1.5 – 3.5 times less for sewer services compared to the other surveyed cities.

City	Monthly Bill	Annual Difference	Bill vs. Hermiston
Baker City	\$118.97	\$623.86	178%
The Dalles	n/a*	n/a	n/a
Hermiston	\$66.98	\$ -	100%
La Grande	\$224.63	\$1,891.73	335%
Ontario	\$197.62	\$1,567.61	295%
Pendleton	\$112.41	\$545.08	168%

*Based on billing practices and available services, a valid comparison rate could not be identified for The Dalles.



3.0 Small Retail Shop

A small retail shop would experience the lowest combined water and sewer bills in Ontario, compared to all of the other surveyed cities. While Hermiston ranks third, the small retailer in Hermiston would pay only \$13 more per month compared to Ontario.

The category of “Small Retail Shop” should generally be viewed to include retail businesses which focus on one, or only a few, retail categories such as clothing, appliances, sporting goods, hardware, lumber, etc. This is in contrast to the “Big Box Retail” category, which may offer goods in many retail categories, and feature much larger footprints.

The Hermiston small retail shop which was used as a standard applied across jurisdictions uses a ¾” water line and uses 1,808 gallons of water per month.

Monthly Combined Water & Sewer Bills for a Small Retail Shop				
<i>Table 3.1</i>	<u>Water</u>	<u>Sewer</u>	<u>Combined</u>	<u>% vs. #1</u>
1. Ontario	\$13.50	\$8.29	\$21.79	100%
2. La Grande	\$18.35	\$8.60	\$26.95	124%
3. Hermiston	\$14.65	\$20.14	\$34.79	160%
4. Baker City	\$29.80	\$18.00	\$47.80	219%
5. Pendleton	\$23.03	\$29.05	\$52.08	239%
6. The Dalles	\$38.54	\$41.85	\$80.39	369%

Water

Overview- The small retailer used in this analysis would experience the lowest cost for water in Ontario. Ontario features the lowest base rates of the surveyed cities, which makes up a major portion of the cost for these users. Hermiston features the second-lowest cost for these users.

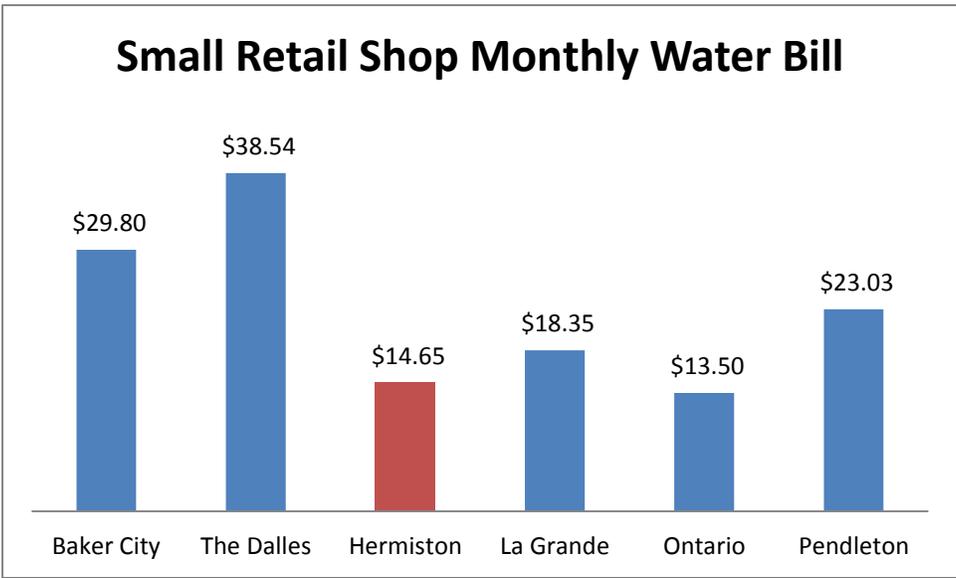
Base Rates-

Because of the very low water use by this segment, the retail shop used does not use enough water to pay more than the base rate. This means that in some jurisdictions, where a large amount of water is included in the base rates, small retailers are paying for water which they don't use.

<i>Table 3.2</i>		
City	Base Rate (Units Included)	Base per-100 gal
Baker City	\$29.80 (2,244 gallons)	\$1.33
The Dalles	\$38.54 (5,000 gallons)	\$0.77
Hermiston	\$14.65 (3,000 gallons)	\$0.49
La Grande	\$18.35 (4,989 gallons)	\$0.36
Ontario	\$10.00 (0 gallons)	N/A
Pendleton	\$20.50 (0 gallons)	N/A

Table 3.3

City	Monthly Bill	Annual Difference vs. Hermiston	Bill vs. Hermiston	Avg. per-1,000 gal usage
Baker City	\$29.80	\$181.80	203%	\$16.48
The Dalles	\$38.54	\$286.68	263%	\$21.32
Hermiston	\$14.65	\$ -	100%	\$8.10
La Grande	\$18.35	\$44.40	125%	\$10.15
Ontario	\$13.50	-\$13.82	92%	\$7.47
Pendleton	\$23.03	\$100.57	157%	\$12.74



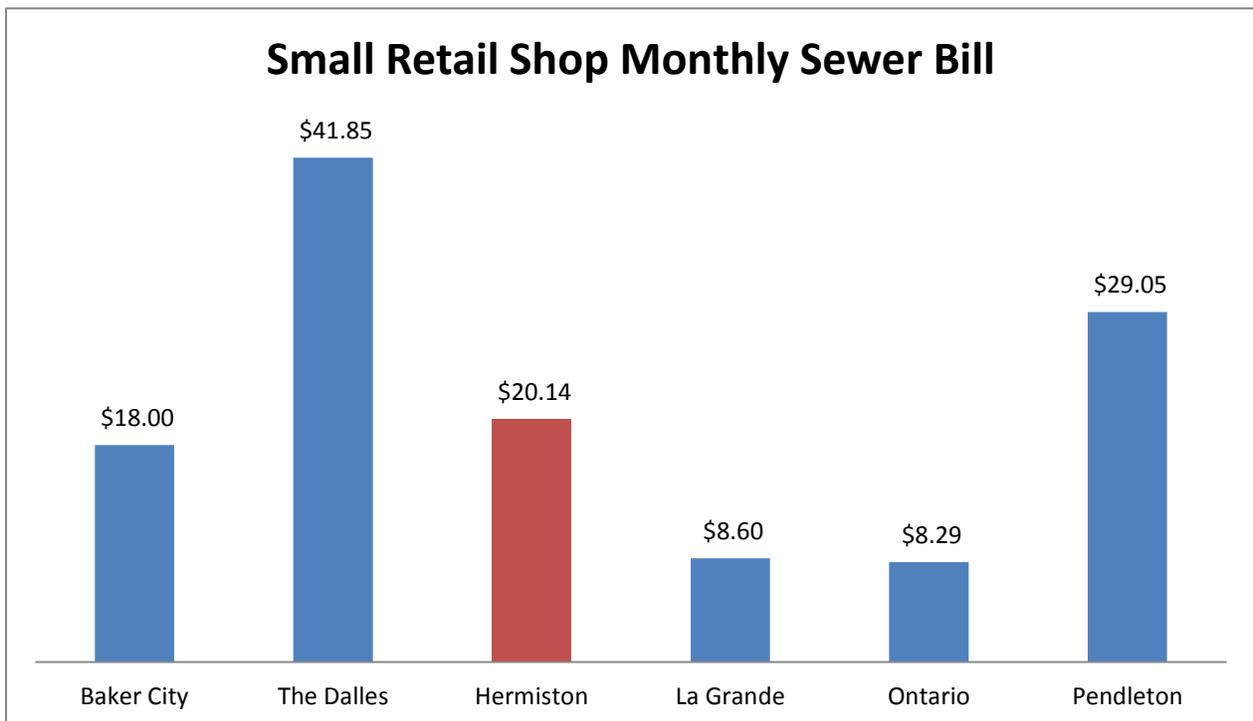
Sewer

Overview- A small retailer similar to the one used in this analysis would pay the least for sewer service in Ontario. The Hermiston retailer pays more than a similar use in Ontario, La Grande, and Baker City.

Some of the cities surveyed base their rates on a base charge and include a multiplier based on the type of use, while others use a base charge and use water usage to determine a use charge. Because Hermiston features a flat base charge regardless of use, and a low usage charge based on water consumption, retail operations which use more water than the store used in this example will begin to compare more favorably as they use more water. This is evidenced in the results for a “Big Box” retailer.

Table 3.4

City	Monthly Bill	Annual Difference	Bill vs. Hermiston
Baker City	\$18.00	-\$25.68	89%
The Dalles	\$41.85	\$260.52	208%
Hermiston	\$20.14	\$ -	100%
La Grande	\$8.60	-\$138.43	43%
Ontario	\$8.29	-\$142.21	41%
Pendleton	\$29.05	\$106.92	144%



4.0 “Big Box” Retail

A “Big Box” retailer would experience the lowest combined water and sewer bills in Hermiston compared to the other surveyed cities.

The category of “Big Box Retail” can be generalized to include those retail operations which typically offer goods from many retail segments, and have a much larger footprint than stores in the “small retail shop” category.

The Hermiston “Big Box” retailer used in this analysis uses a 3” water connection and uses 140,031 gallons of water per month.

Monthly Combined Water & Sewer Bills for a “Big Box” Retailer				
<i>Table 4.1</i>	Water	Sewer	Combined	% vs. #1
1. Hermiston	\$142.62	\$170.02	\$312.64	100%
2. Baker City	\$167.30	\$327.47	\$494.77	158%
3. Pendleton	\$316.80	\$310.96	\$627.76	201%
4. Ontario	\$313.61	\$584.69	\$898.30	287%
5. La Grande	\$296.89	\$666.41	\$963.30	308%
6. The Dalles	\$524.32	\$874.67	\$1,398.99	447%

Water

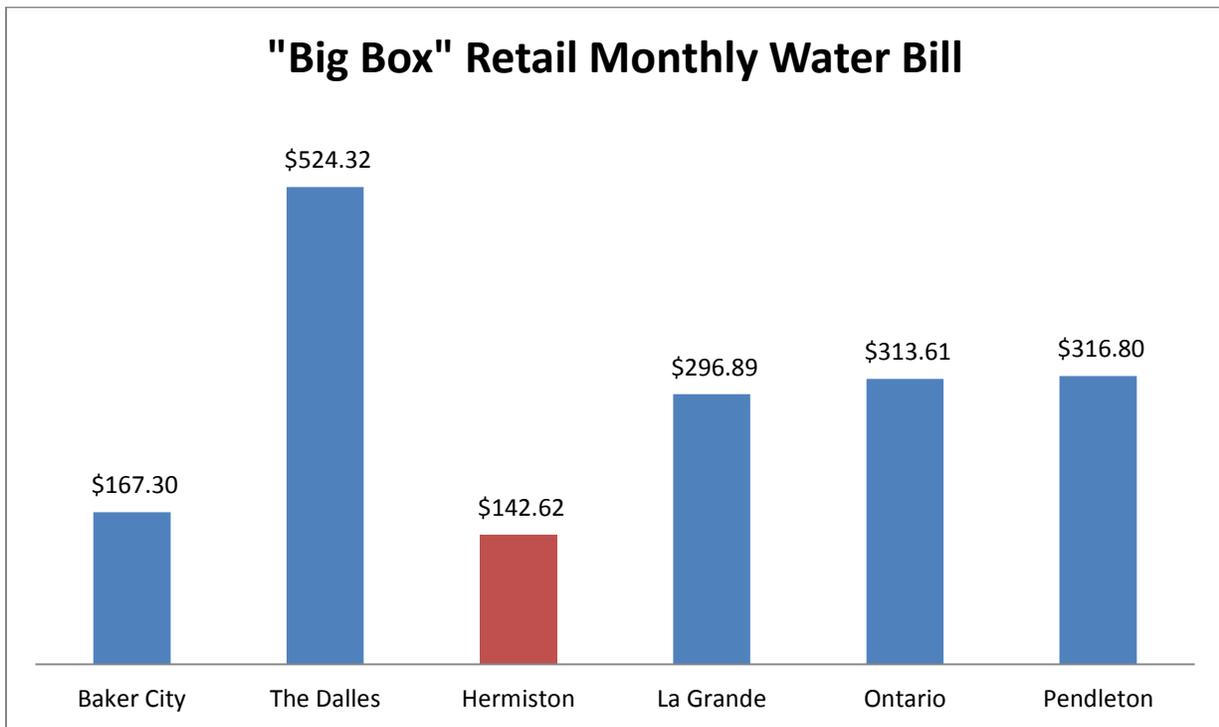
Overview- A “Big Box” retailer would experience the lowest cost for water service in Hermiston compared to the other surveyed cities. A store similar to the one used in this analysis can expect to see substantial savings on water bills for a Hermiston location. These savings range from approximately \$300 to \$4,600 per year, as shown in **Table 4.3**.

Base Rates- Hermiston features a low flat rate, when looking at the base charge, as well as a per-gallon measure of the base charge. For users in this segment, the difference in usage charges generally doesn’t make up for the difference in base rates compared to Hermiston, as Hermiston’s low usage charge keeps it as easily the cheapest option for water of all of the surveyed cities for this segment of users.

<i>Table 4.2</i>		
City	Base Rate (Units Included)	Base per-100 gal
Baker City	\$51.26 (2,244 gallons)	\$2.28
The Dalles	\$103.02 (5,000 gallons)	\$2.06
Hermiston	\$14.65 (3,000 gallons)	\$0.49
La Grande	\$175.64 (35,904 gallons)	\$0.49
Ontario	\$100.00 (0 gallons)	n/a
Pendleton	\$104.15 (0 gallons)	n/a

Table 4.3

City	Monthly Bill	Annual Difference vs. Hermiston	Bill vs. Hermiston	Avg. per-1,000 gal usage
Baker City	\$167.30	\$296.22	117%	\$1.19
The Dalles	\$524.32	\$4,580.39	368%	\$3.74
Hermiston	\$142.62	\$ -	100%	\$1.02
La Grande	\$296.89	\$1,851.24	208%	\$2.12
Ontario	\$313.61	\$2,051.91	220%	\$2.24
Pendleton	\$316.80	\$2,090.17	222%	\$2.26

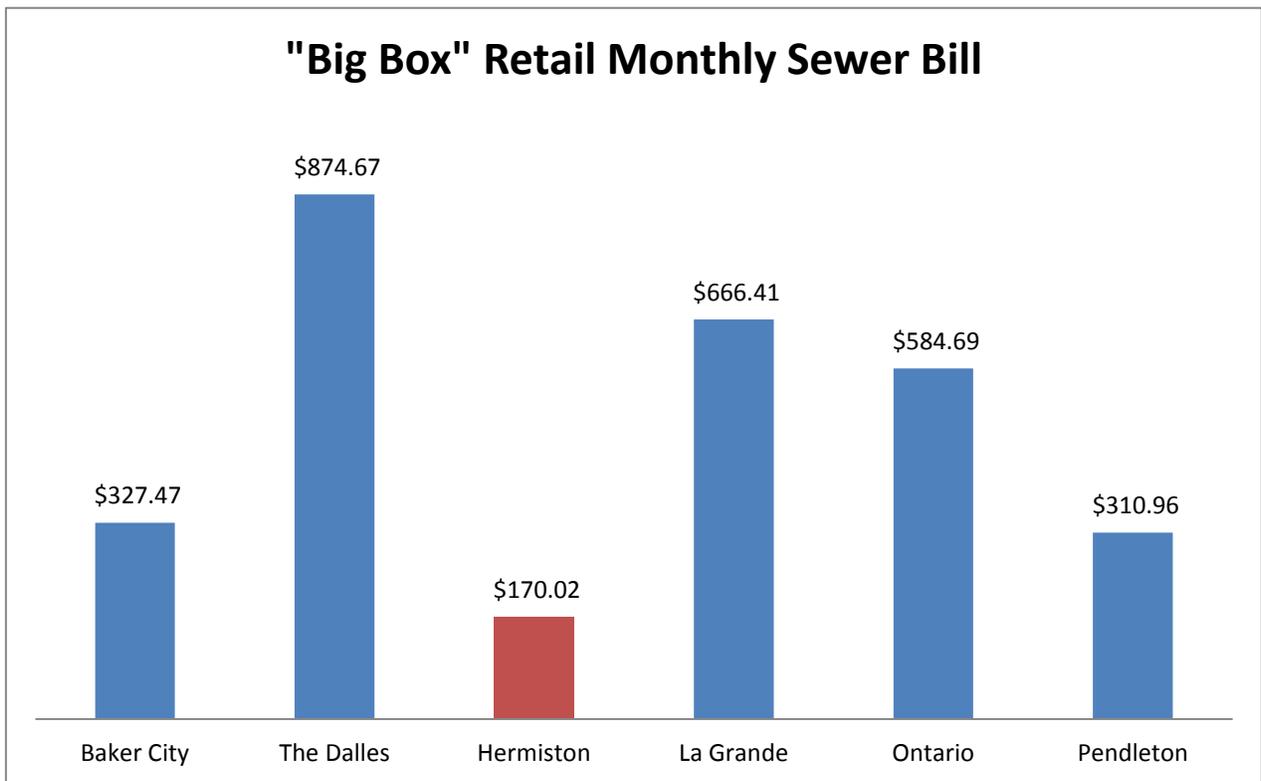


Sewer

Overview- A “Big Box” retailer would pay between 2 and 5 times less for sewer service in Hermiston compared to the other surveyed cities. Some of the cities surveyed base their rates on a base charge and include a multiplier based on the type of use, while others use a base charge and use water usage to determine a use charge. Hermiston’s low usage charge, based on water usage, sets up very favorably for operations of this type.

Table 4.4

City	Monthly Bill	Annual Difference	Bill vs. Hermiston
Baker City	\$327.47	\$1,889.32	193%
The Dalles	\$874.67	\$8,455.69	514%
Hermiston	\$170.02	\$ -	100%
La Grande	\$666.41	\$5,956.64	392%
Ontario	\$584.69	\$4,976.02	344%
Pendleton	\$310.96	\$1,691.24	183%



5.0 General Office

A business characterized as “General Office” would experience the lowest combined water and sewer bills in Hermiston compared to the other surveyed cities.

The “General Office” category can be generalized as businesses such as banks, law offices, insurance agencies, etc. While these businesses are open to the public, the largest use of utilities will come from employees. Hermiston City Hall was used as the example for this segment. City Hall features 13 “Full-Time Equivalent” employees, and uses a 1” water connection and uses 10,446 gallons of water per month.

Combined Monthly Water & Sewer Bills for a General Office Business				
<i>Table 5.1</i>	Water	Sewer	Combined	% vs. #1
1. Hermiston	\$22.92	\$26.19	\$49.11	100%
2. Pendleton	\$35.15	\$33.79	\$68.94	140%
3. Ontario	\$26.15	\$43.83	\$69.98	142%
4. Baker City	\$37.15	\$36.42	\$73.57	150%
5. La Grande	\$36.00	\$49.71	\$85.71	175%
6. The Dalles	\$60.53	\$58.59	\$119.12	243%

Water

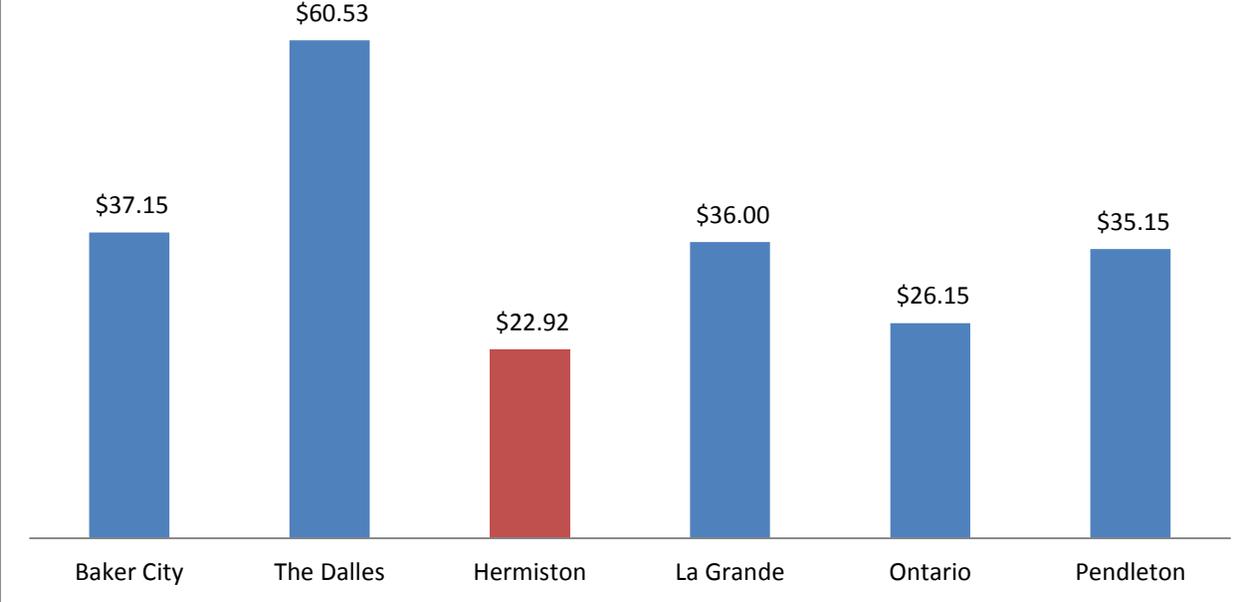
Overview- A business in this segment would experience the cheapest cost for water service in Hermiston compared to the other cities included in the survey. Savings for these businesses located in Hermiston range from \$39 to \$451 per year.

Base Rates- Hermiston features the second-lowest base rates (after Ontario), but Hermiston includes nearly 1/3 of the water used by this segment in the base rates, whereas Ontario charges a usage fee for all water used, in addition to the base rate.

<i>Table 5.2</i>		
City	Base Rate (Units Included)	Base per-100 gal
Baker City	\$30.24 (2,244 gallons)	\$1.35
The Dalles	\$43.54 (5,000 gallons)	\$0.87
Hermiston	\$14.65 (3,000 gallons)	\$0.49
La Grande	\$30.16 (5,984 gallons)	\$0.50
Ontario	\$10.00 (0 gallons)	N/A
Pendleton	\$20.50 (0 gallons)	N/A

<i>Table 5.3</i>				
City	Monthly Bill	Annual Difference vs. Hermiston	Bill vs. Hermiston	Avg. per-1,000 gal usage
Baker City	\$37.15	\$170.79	162%	\$3.56
The Dalles	\$60.53	\$451.40	264%	\$5.79
Hermiston	\$22.92	\$ -	100%	\$2.19
La Grande	\$36.00	\$157.08	157%	\$3.45
Ontario	\$26.15	\$38.83	114%	\$2.50
Pendleton	\$35.15	\$146.79	153%	\$3.36

General Office (13 FTE) Monthly Water Bill

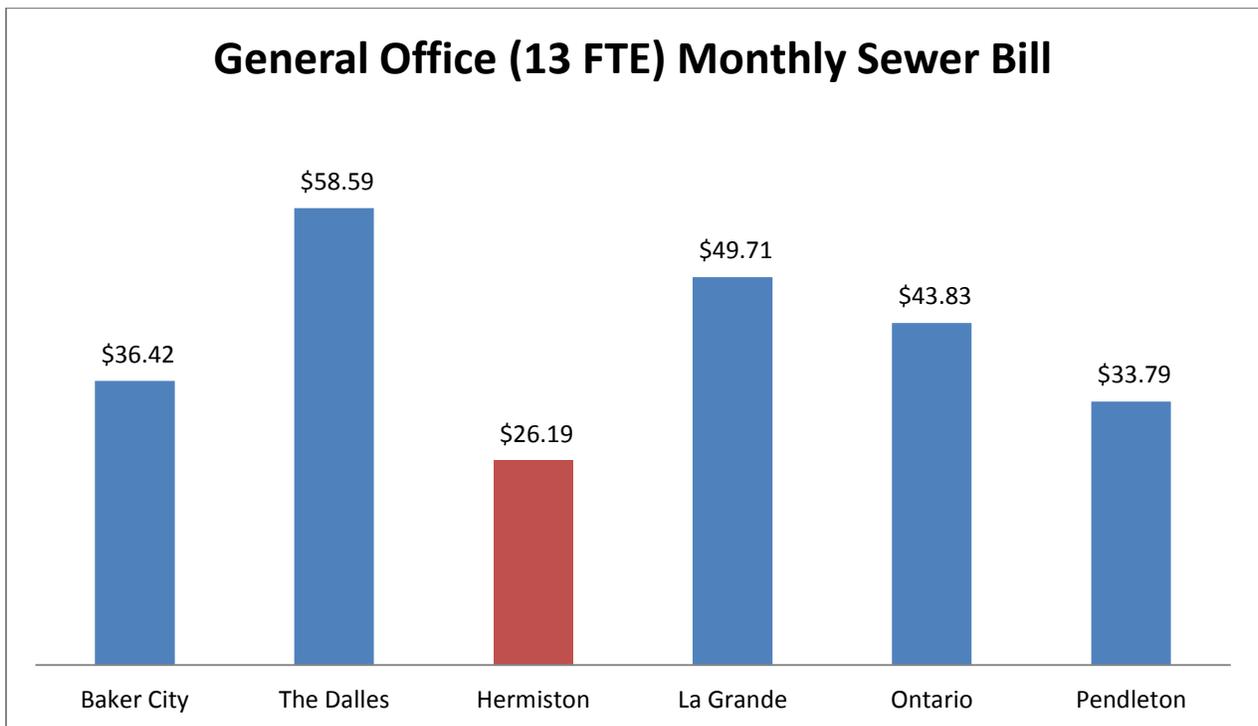


Sewer

Overview- A general office-type business would pay the least for sewer service in Hermiston compared to the other cities included in the survey. Costs to the users in the other cities are between 29% and 124% higher than those in Hermiston.

Table 5.4

City	Monthly Bill	Annual Difference	Bill vs. Hermiston
Baker City	\$36.42	\$122.84	139%
The Dalles	\$58.59	\$388.86	224%
Hermiston	\$26.19	\$ -	100%
La Grande	\$49.71	\$282.33	190%
Ontario	\$43.83	\$211.77	167%
Pendleton	\$33.79	\$91.29	129%



6.0 Full-Service Grocery

A full-service grocery operation would experience the lowest combined water and sewer bills in Hermiston compared to the other cities surveyed.

A full-service grocery operation can be generalized as an outlet which sells fresh, frozen, and dry food products, as well as some minor retail goods. Full service grocery stores generally include a bakery and a full-service meat department.

The full-service grocery store used for this analysis uses a 2" water connection, and uses 177,708 gallons of water per month.

Combined Monthly Water & Sewer Bills for a Full-Service Grocery				
<i>Table 6.1</i>	Water	Sewer	Combined	% vs. #1
1. Hermiston	\$177.28	\$211.85	\$389.13	100%
2. Baker City	\$196.41	\$412.09	\$608.50	156%
3. Pendleton	\$330.76	\$391.55	\$722.31	186%
4. Ontario	\$303.70	\$734.62	\$1,038.32	267%
5. La Grande	\$258.04	\$1,026.00	\$1,284.04	330%
The Dalles	\$607.20	N/A	N/A	

Water

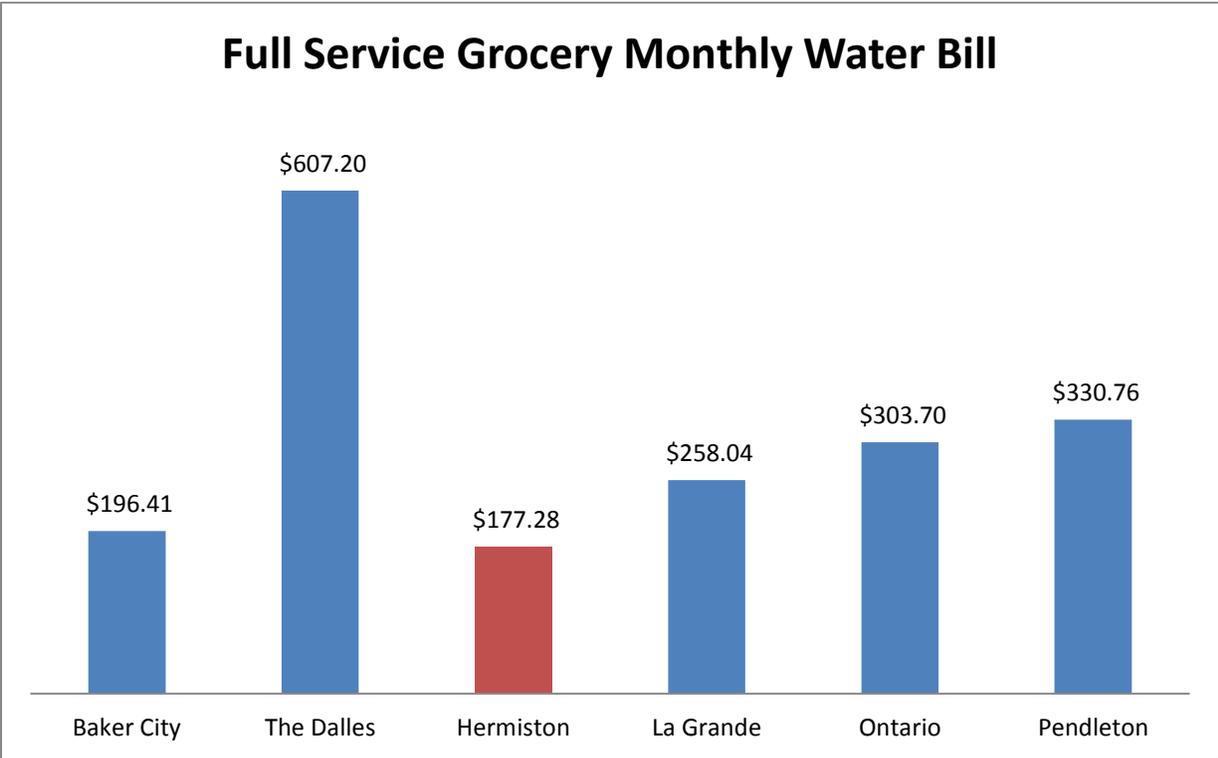
Overview- A full-service grocery store would experience the lowest cost for water service in Hermiston, compared to the other cities included in the survey. A store located in Hermiston would save between \$229 and \$5,159 annually, compared to the other cities.

Base Rates- Hermiston features the lowest base rates for this business segment.

<i>Table 6.2</i>		
City	Base Rate (Units Included)	Base per-100 gal
Baker City	\$48.64 (2,244 gallons)	\$2.17
The Dalles	\$68.35 (5,000 gallons)	\$1.37
Hermiston	\$14.65 (3,000 gallons)	\$0.49
La Grande	\$78.18 (19,448 gallons)	\$0.40
Ontario	\$40.00 (0 gallons)	N/A
Pendleton	\$57.75 (0 gallons)	N/A

<i>Table 6.3</i>				
City	Monthly Bill	Annual Difference vs. Hermiston	Bill vs. Hermiston	Avg. per-1,000 gal usage
Baker City	\$196.41	\$229.60	111%	\$1.11
The Dalles	\$607.20	\$5,159.02	343%	\$3.42
Hermiston	\$177.28	\$ -	100%	\$1.00
La Grande	\$258.04	\$969.17	146%	\$1.45
Ontario	\$303.70	\$1,517.01	171%	\$1.71
Pendleton	\$330.76	\$1,841.78	187%	\$1.86

Full Service Grocery Monthly Water Bill

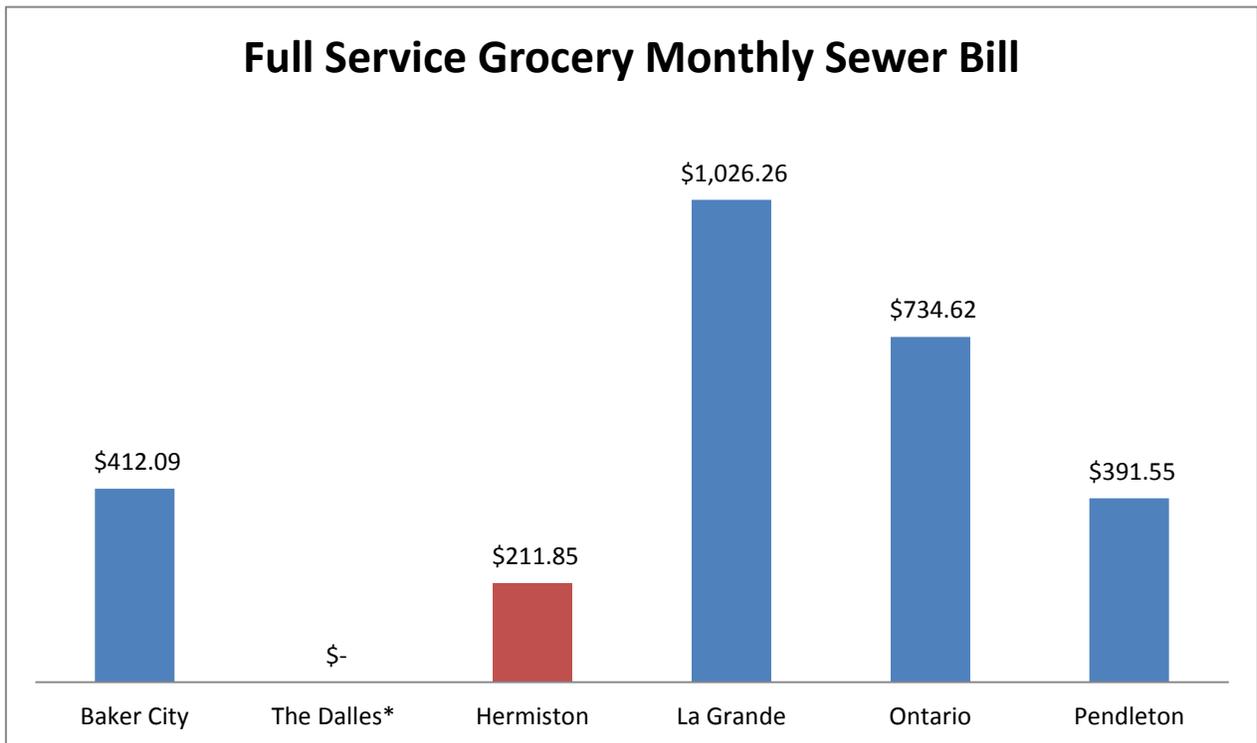


Sewer

Overview- A full-service grocery store would experience the lowest cost for sewer services in Hermiston, compared to the other cities surveyed. The jurisdiction with the closest costs is Pendleton, at 85% more than Hermiston. After Pendleton, the other cities would charge a similar use approximately 2 to 5 times more than Hermiston for sewer service.

Table 6.4

City	Monthly Bill	Annual Difference	Bill vs. Hermiston
Baker City	\$412.09	\$2,402.93	195%
The Dalles*	-	-	-
Hermiston	\$211.85	\$ -	100%
La Grande	\$1,026	\$9,773.01	484%
Ontario	\$734.62	\$6,273.34	347%
Pendleton	\$391.55	\$2,156.42	185%



*Due to complexities involved in The Dalles' billing structure requiring certain proprietary information, a valid (& consistent) comparison cannot be made with The Dalles for this segment.

7.0 Industrial/Warehousing

An Industrial/Warehousing operation would experience the lowest combined monthly water and sewer bills in Hermiston compared to the published rates of the other surveyed cities. It is important to consider the possibility for incentives and connection fee waivers for attracting these operations.

This segment can be generalized as an operation involved in large scale transportation and storage of retail goods. This type of industrial use was separated from “Industrial/Ag Processing” because it uses substantially less water and sewer services. There is relatively little water used in production, and relatively little wastewater generated from industrial processes.

The industrial/warehousing operation used for this analysis uses a 6” water connection, and uses 693,383 gallons of water per month.

Monthly Combined Water & Sewer Bills for Industrial/Warehousing				
<i>Table 7.1</i>	<u>Water</u>	<u>Sewer</u>	<u>Combined</u>	<u>% vs. #1</u>
1. Hermiston	\$652	\$748	\$1,400	100%
2. Pendleton	\$1,369	\$1,495	\$2,864	205%
3. Ontario	\$1,450	\$2,887	\$4,337	310%
4. La Grande	\$1,234	\$3,300	\$4,534	324%
5. The Dalles	\$2,429	\$2,902	\$5,331	381%
Baker City	N/A	\$1,570	N/A	

Water

Overview- The Industrial/Warehousing operation used for this analysis would easily find the lowest cost for water service in Hermiston. Of the surveyed cities where a comparison was possible, this type of operation would experience bills 89% to 273% higher in the other cities, compared to Hermiston. This translates to higher annual costs elsewhere of approximately \$7,000 to \$21,000.

It is important to remember that this analysis only examines operational costs. Due to the employment factor that comes along with these types of operations, cities (including Hermiston) may choose to waive connection fees in order to attract employers. Additionally, cities (including Hermiston) may choose to offer special usage rates to attract employers. These special incentives cannot be anticipated, and are therefore not included in this analysis.

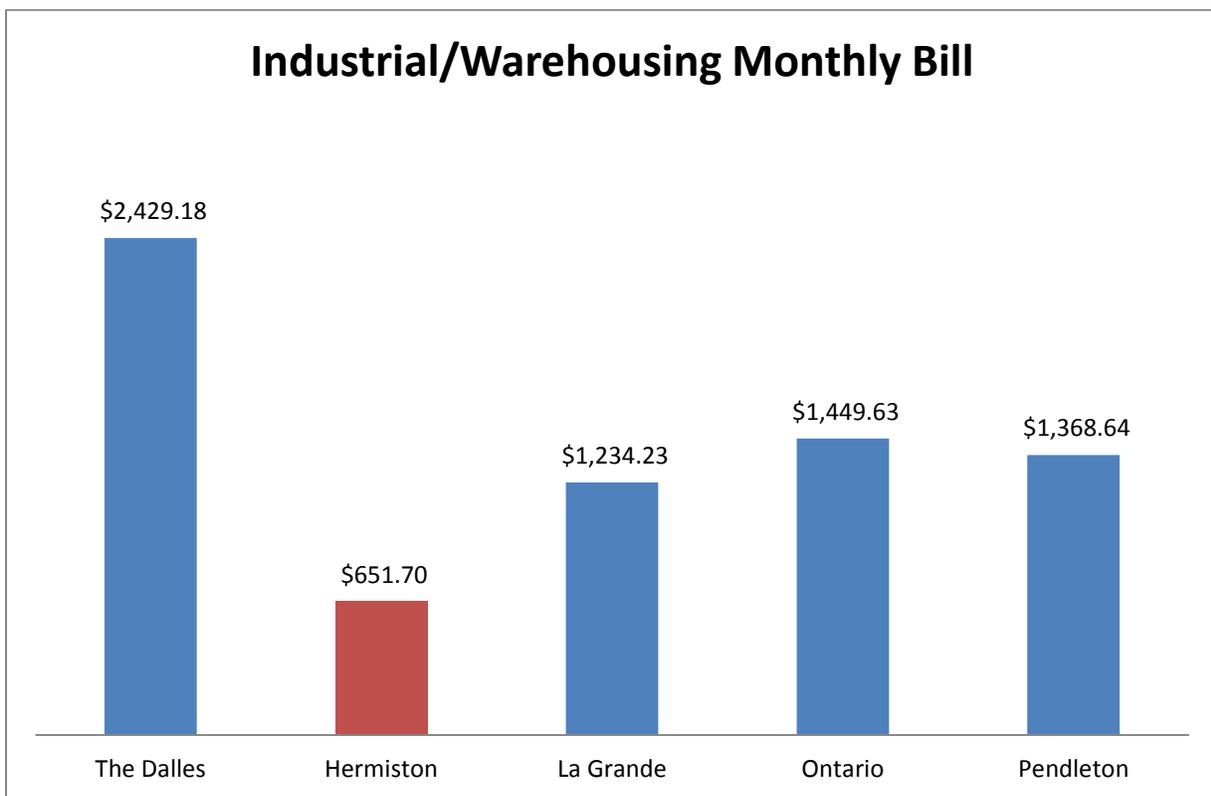
Base Rates- Base rates for this user segment is extremely varied. A valid comparison with Baker City is not possible because Baker City does not offer a 6” water line service.

<i>Table 7.2</i>		
City	Base Rate (Units Included)	Base per-100 gal
Baker City	N/A*	N/A
The Dalles	\$281.43 (5,000 gallons)	\$5.63
Hermiston	\$14.65 (3,000 gallons)	\$0.49
La Grande	\$604.53 (119,680 gallons)	\$.50
Ontario	\$400 (n/a)	N/A
Pendleton	\$269.45 (n/a)	N/A

*Due to service restrictions, a valid comparison is not available.

Table 7.3

City	Monthly Bill	Annual Difference vs. Hermiston	Bill vs. Hermiston	Avg. per-1,000 gal usage
Baker City	UNK	UNK	UNK	UNK
The Dalles	\$2,429.18	\$21,329.80	373%	\$3.50
Hermiston	\$651.70	\$ -	100%	\$0.94
La Grande	\$1,234.23	\$6,990.39	189%	\$1.78
Ontario	\$1,449.63	\$9,575.18	222%	\$2.09
Pendleton	\$1,368.64	\$8,603.31	210%	\$1.97



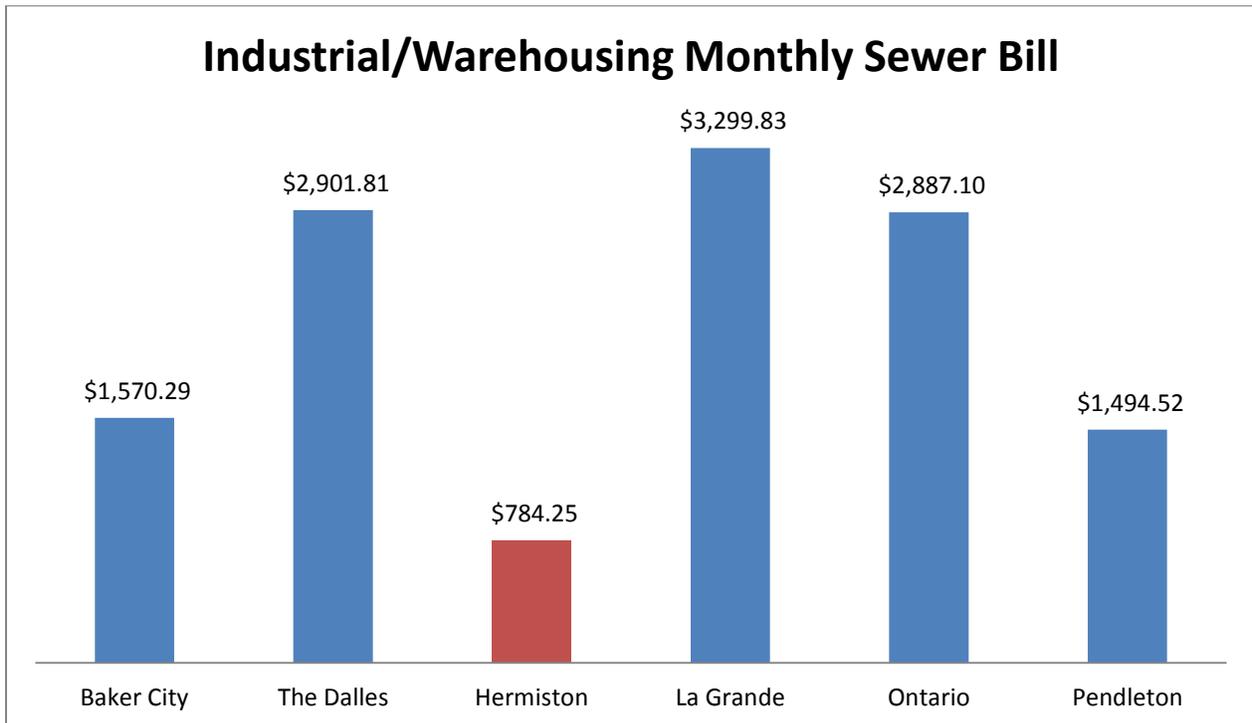
Sewer

Overview- An industrial/warehousing operation would find its monthly sewer bill in Hermiston is approximately 2-4 times lower than it would be in the other surveyed cities.

It is important to remember that this analysis only examines operational costs. Due to the employment factor that comes along with these types of operations, cities (including Hermiston) may choose to waive connection fees in order to attract employers. Additionally, cities (including Hermiston) may choose to offer special usage rates to attract employers. By their proprietary and competitive nature, these special incentives cannot be anticipated, and are therefore not included in this analysis.

Table 7.4

City	Monthly Bill	Annual Difference	Bill vs. Hermiston
Baker City	\$1,570.29	\$9,432.55	200%
The Dalles	\$2,901.81	\$25,410.75	370%
Hermiston	\$748.25	\$ -	100%
La Grande	\$3,299.83	\$30,187.00	421%
Ontario	\$2,887.10	\$25,234.23	368%
Pendleton	\$1,494.52	\$8,523.29	191%



8.0 Industrial/Ag Processing

Discrepancies in services offered made it impossible to make a valid comparison against most of the surveyed cities. Additionally, it is important to remember that cities may choose to waive connection fees or negotiate special rates for these types of users.

This segment can be generalized to include operations involved in processing raw agricultural outputs either for consumption, or for further processing. This segment was separated from “Industrial/Warehousing” because the processes included in the operations of this segment use much larger amounts of water and generate much larger amounts of waste water.

The Industrial/Ag Processing operation used for this analysis uses an 8” water connection, and uses 9,032,308 gallons of water per month.

Monthly Combined Water & Sewer Bills for Industrial/Ag Users				
<i>Table 8.1</i>	<u>Water</u>	<u>Sewer</u>	<u>Combined</u>	<u>% vs. #1</u>
1. Hermiston	\$8,324	\$10,040	\$18,364	100%
2. Pendleton	\$14,969	\$10,283	\$25,252	138%
La Grande	\$7,354	N/A	N/A	
Baker City	N/A	\$20,299	N/A	
The Dalles	N/A	\$37,800	N/A	
Ontario	N/A	N/A	N/A	

Water

Overview- An industrial/ag processing user would find the lowest cost for identical water service in La Grande compared to Hermiston and Pendleton. Baker City and The Dalles have been left out of this analysis because identical service is not available. Ontario has been left out of this analysis because usage rates are negotiated for users of this scale. It is also important to remember that the cities of Hermiston, La Grande, and Pendleton may also engage a potential major employer in a rate negotiation, however, due to the un-predictability of those negotiations, the codified rate schedules were used.

Base Rates- Baker City and The Dalles do not offer 8” water connections as a standard service.

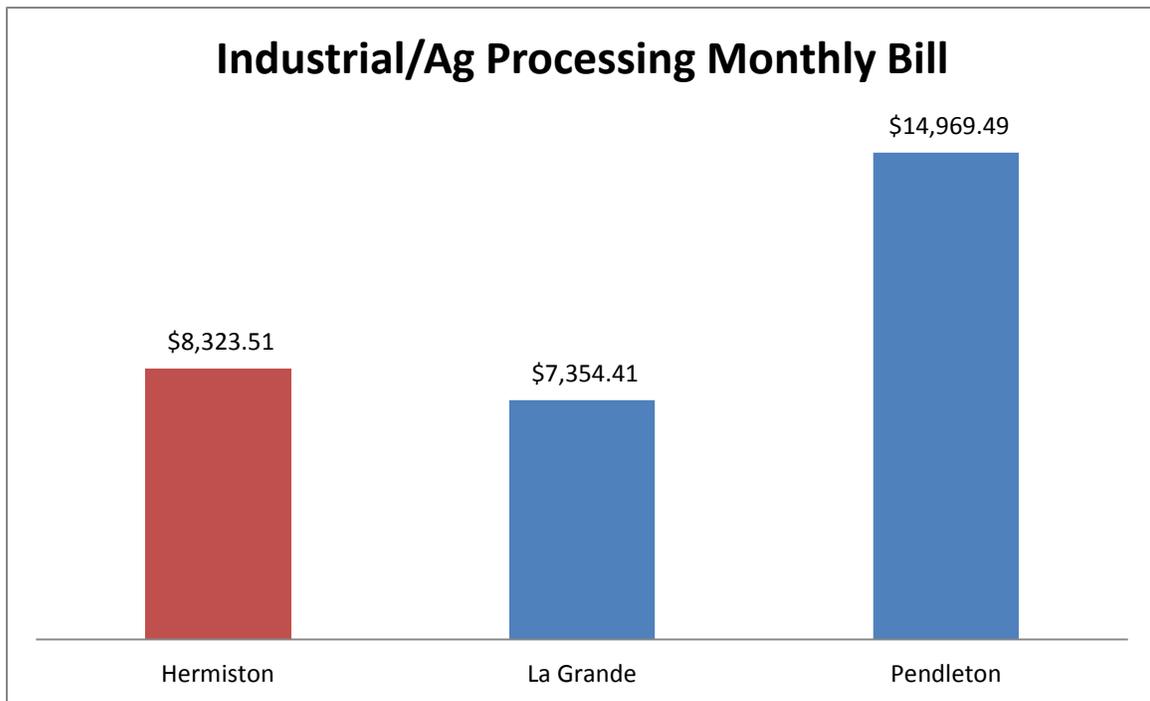
Therefore, an apples-to-apples comparison is not possible. Ontario offers an 8” connection, with a base rate of \$640, but does not have an established usage fee for this connection because the rate is negotiated for large users like this. Without knowing how the costs may be off-set in a usage-rate, a comparison is not possible without harmful effects to the validity of the analysis.

<i>Table 8.2</i>		
City	Base Rate (Units Included)	Base per-100 gal
Baker City*	N/A	N/A
The Dalles*	N/A	N/A
Hermiston	\$14.65 (3,000 gallons)	\$0.49
La Grande	\$967.80	\$0.46
Ontario*	\$640 (N/A)	N/A
Pendleton	\$510.20	N/A

*Due to service restrictions & billing variances, a comparison is not possible without major threats to validity.

Table 8.3

City	Monthly Bill	Annual Difference vs. Hermiston	Bill vs. Hermiston	Avg. per-1,000 gal usage
Baker City	N/A	N/A	N/A	N/A
The Dalles	N/A	N/A	N/A	N/A
Hermiston	\$8,323.51	\$ -	100%	\$0.92
La Grande	\$7,354.41	-\$11,629.25	88%	\$0.81
Ontario	N/A	N/A	N/A	N/A
Pendleton	\$14,969.49	\$79,751.70	180%	\$1.66



*Baker City, The Dalles, and Ontario have been excluded from this graph because a valid comparison is not possible due to service availability and un-predictable billing practices.

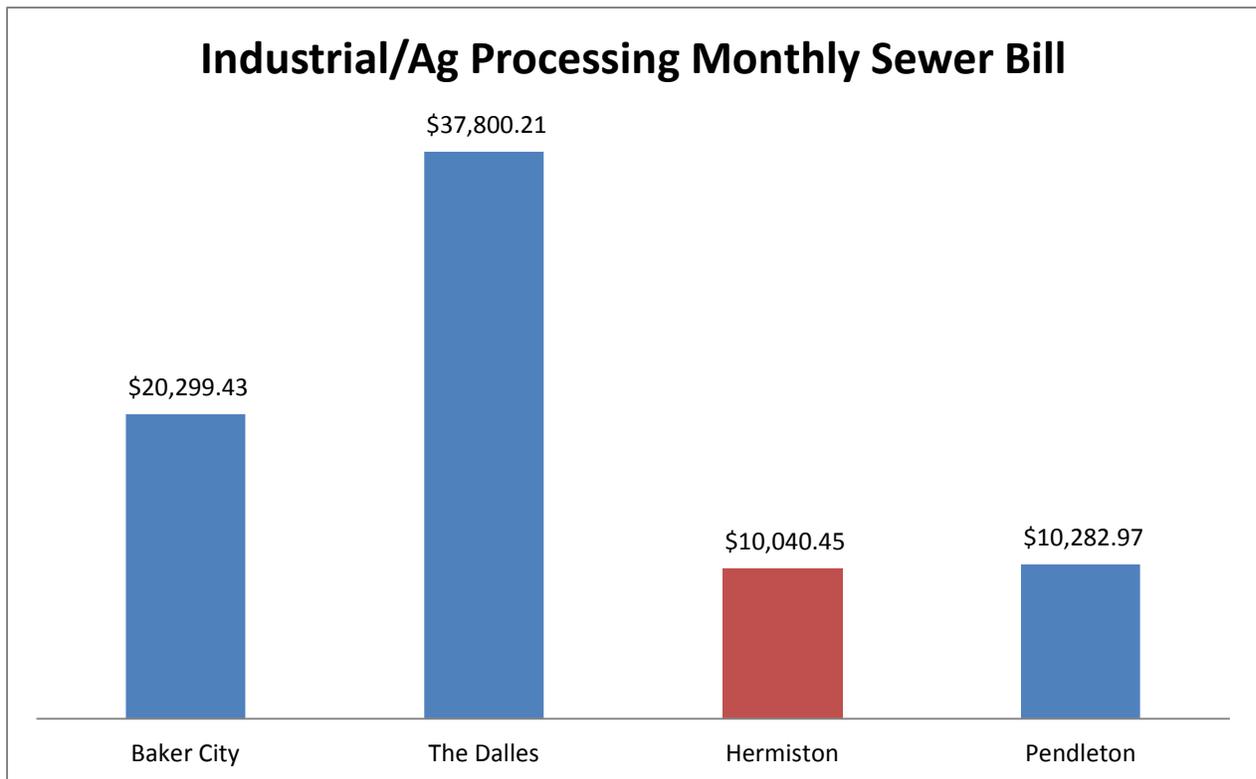
Sewer

Overview- An Industrial/Ag Processing user would find the cheapest sewer service in Hermiston compared to the surveyed cities.

It is important to remember that this analysis only examines operational costs. Due to the employment factor that comes along with these types of operations, cities (including Hermiston) may choose to waive connection fees in order to attract employers. Additionally, cities (including Hermiston) may choose to offer special usage rates to attract employers. By their proprietary and competitive nature, these special incentives cannot be anticipated, and are therefore not included in this analysis.

Table 8.4

City	Monthly Bill	Annual Difference	Bill vs. Hermiston
Baker City	\$20,299.43	\$123,107.70	202%
The Dalles	\$37,800.21	\$333,117.09	376%
Hermiston	\$10,040.45	\$ -	100%
La Grande	N/A	N/A	N/A
Ontario	N/A	N/A	N/A
Pendleton	\$10,282.97	\$2,910.25	102%



*La Grande & Ontario have been left out of this graph because a valid comparison is not available.