CITY OF
NORTH BEND
OREGON

The Reality of the Underground

North Bend Wastewater Infrastructure & Rate Sustainability Plan

A transparent review of system health, current revenues,
and the necessary paths to prevent emergency failures.

CITY OF
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WATERWORTH™

Executive Summary: The Core Tension

39%

The System is Aging

39% of the sanitary sewer collection system is already operating past its expected useful life.

43%

The Rates are the Lowest

North Bend's current rate is 43% below the average of peer Oregon communities, creating an artificial deficit.

2030

The Financial Cliff

Without a structural change to revenues, the wastewater fund's cash reserves will hit zero in 2030.

What You Own: The North Bend Sanitary Sewer System

This is a complex, 24/7 public utility that operates every day, whether visible or not.

Collection

51 Miles

of Sewer Mainline. Receives sewage from 10,500 residents.

Conveyance

10 Pump Stations

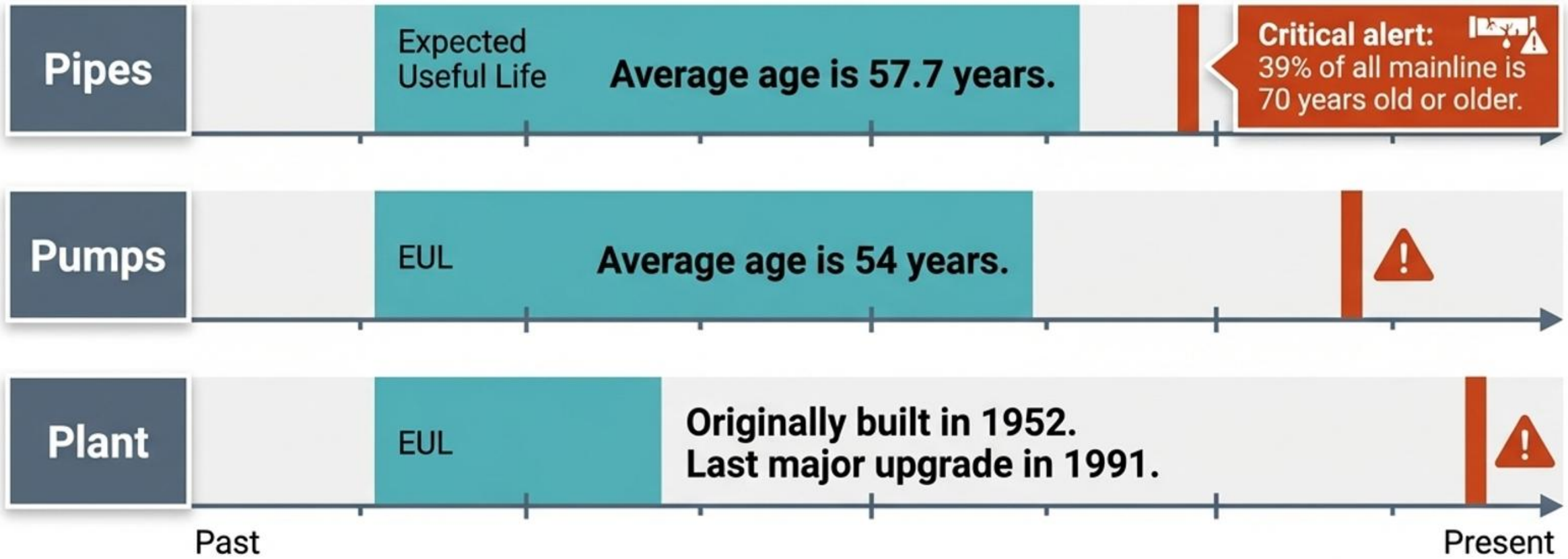
Moves wastewater safely through varied terrain in all weather.

Treatment

1 Treatment Plant

Treats the water to strict environmental permit standards before release to the bay.

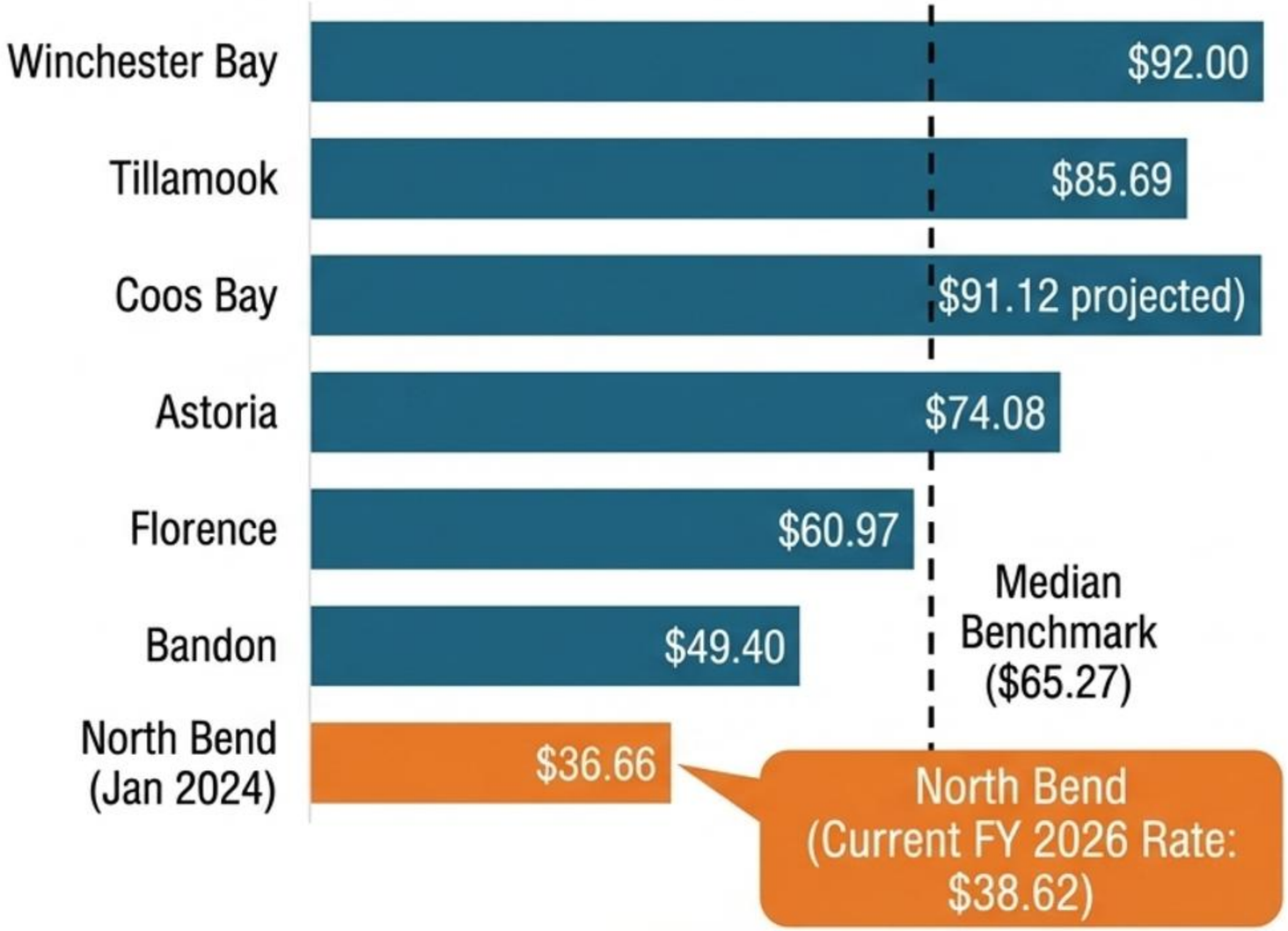
The Age Factor: Operating Past the Limit



Time does not stand still. Low rates do not make infrastructure cheaper; they only delay inevitable and more expensive emergency replacements.

The Oregon Context: Where North Bend Stands

Monthly rates for single-family residential service (670 cubic feet) – January 2024 Comparison Data

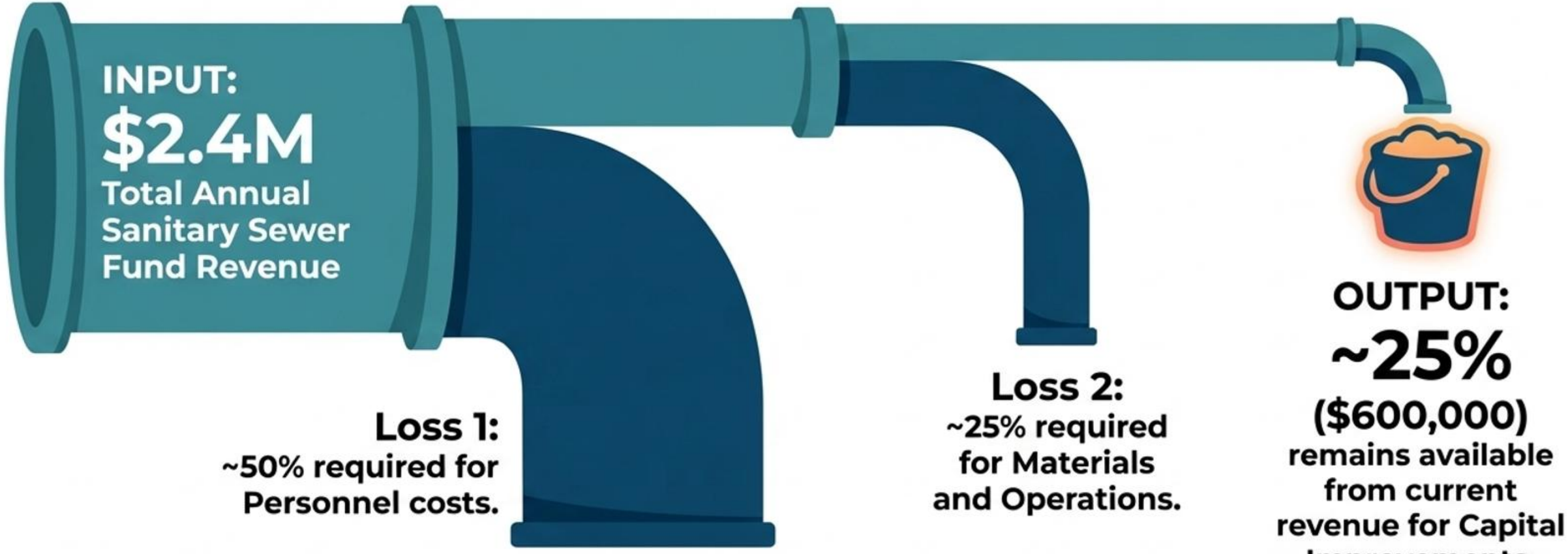


North Bend charges $36.66 (Jan 2024).

The regional median was $65.27.

By charging the absolute minimum for years, the City has foregone the revenue required to rebuild aging under-ground system.

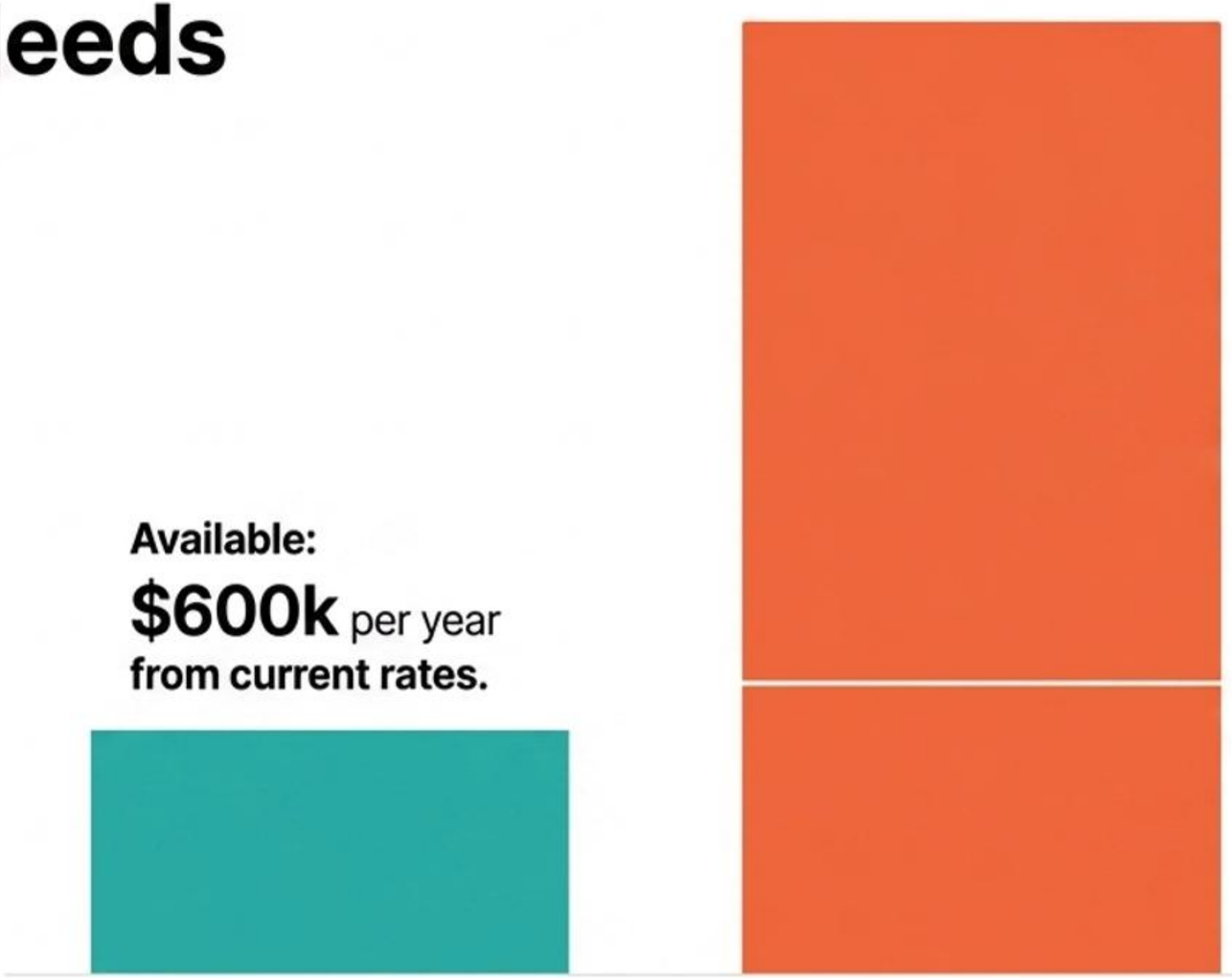
Where the Money Goes: The $2.4M Bottleneck



A utility cannot simply stop operating. Personnel and operational costs are fixed. The only flexible budget is the Capital budget—which is now starved.

The True Cost of Capital Needs

Needed:
~$2.0 Million per year



Conveyance System (2025-2030):
~$1.39M/year
(e.g., Broadway Ave, Pony Slough West)

Equipment Replacement (2027-2031):
~$604k/year
(e.g., Pump Station replacements, Secondary Clarifier rebuilds)

Available:
$600k per year
from current rates.

Footer Insight: Over the last two years, actual capital spending averaged >$2M/year.
Even after applying $1.3M in grants, a $1.4M gap remained. Grants cannot fix a structural deficit.

The Horizon: Treatment Plant Capacity

Hydraulic Capacity (Safe)

The overall volume of water the plant can handle.

Solids Capacity (Critical)

The specific, vital processes that treat solid waste are nearing their maximum limit.

The 1952-era plant (upgraded in 1991) is nearing exhaustion in key treatment phases.
Long-term planning projects the need for a major Treatment Plant improvement around 2040.
We must build financial resilience now to absorb those future costs.

The Cost of Delay: The 2030 Cliff

Takeaway: If rates continue to rise only by small 2.6% cost-of-living adjustments, the wastewater fund fails completely in six years, triggering massive emergency rate shocks.

The Paths Forward: Scenarios Evaluated

Scenario 1: Phased Approach

- **15%** increases for 3 years (2027-2029)
- **5%** increases for 3 years
- **3%** long-term

Balances immediate need with gradual step-ups.

Scenario 2: Year-1 Jump

- A single **40%** jump in 2027
- **4%** increases thereafter

Rips the band-aid off to instantly stabilize cash reserves.

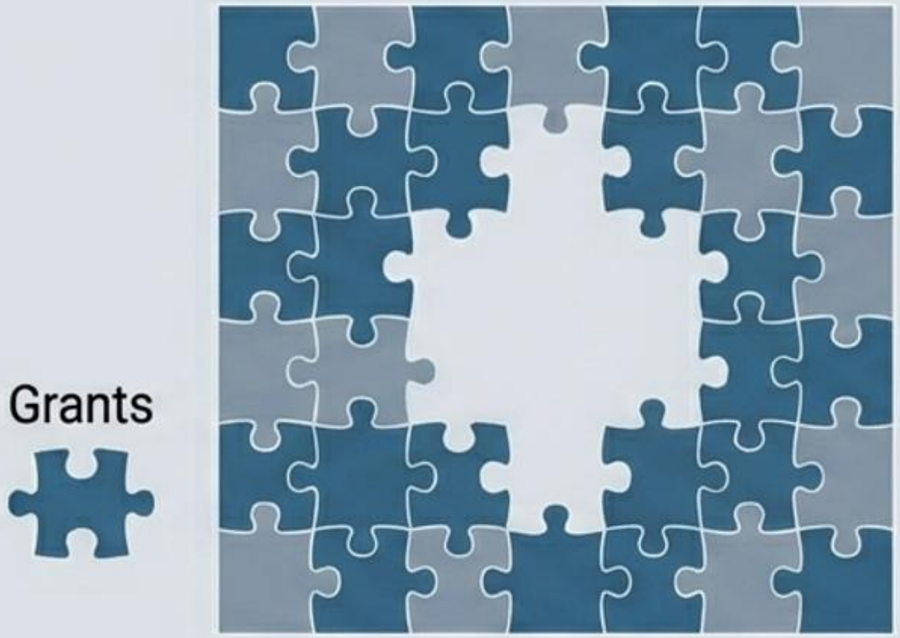
Scenario 3: 2040 Horizon Focus

- Front-loaded increases
- Calibrated for 2040

Specifically calibrated to put the system in a position to absorb a projected $40M debt service for the new treatment plant in 2040.

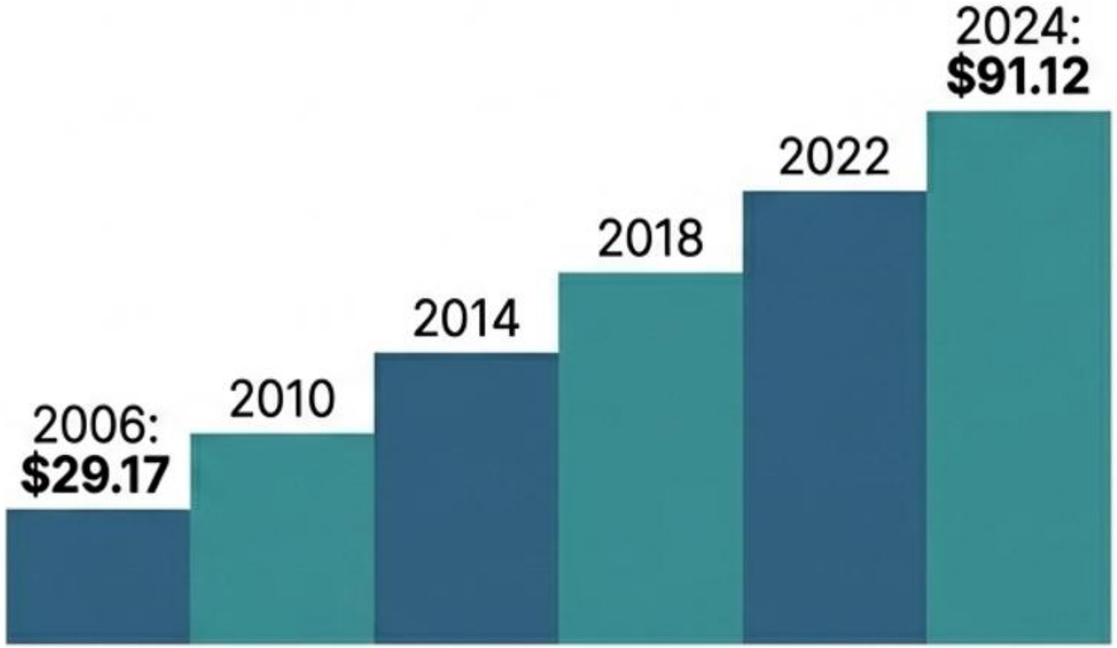
Reality Check: Grants and Normal Operations

The Limits of Grants



Grants are vital, but they do not solve structural gaps. Even after successfully securing **$1.3M** in grants recently, North Bend still faced a **$1.4M** annual shortfall. Grants cannot be budgeted for daily operational survival.

The Normalcy of Adjustment



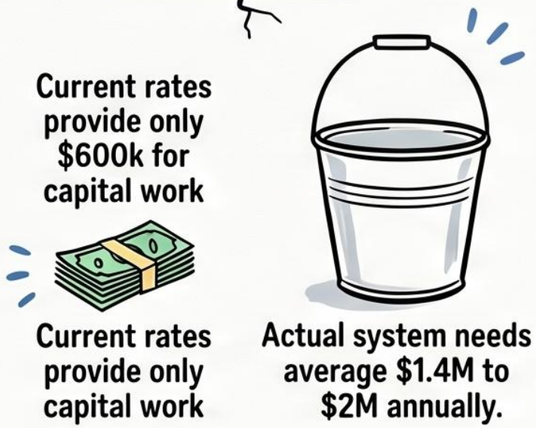
Regular adjustments are normal. Neighboring Coos Bay increased average sewer fees from **$29.17** in 2006 to **$91.12** in 2024 through steady 5.5%–6.5% annual increments. North Bend's failure to do this is why a larger correction is needed now.

Investing in Our Infrastructure:
Why North Bend Sewer Rates are Changing

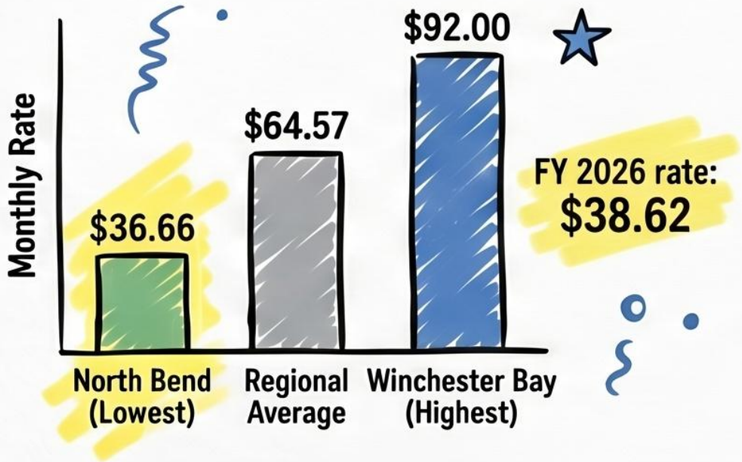
Our Aging System & The Funding Gap

An Infrastructure at its Limit.

North Bend's pipes and pump stations average 54–57 years old, with 39% of the system already past its useful life.



A Structural Funding Gap



The Regional Rate Reality

At $36.66 (Jan 2024), North Bend's rate was the lowest in Oregon's comparison set—43% below the regional average.

Planning for a Secure Future

2027

The Risk of Doing Nothing

Without action, capital reserves will be exhausted by 2027

2030

...with the entire wastewater fund projected to go negative by 2030.

Sustainable Long-Term Planning

The city is using professional Waterworth modeling to evaluate phased rate increases that protect public health and prevent emergency failures.

Preparing for 2040 and Beyond

Proactive planning now builds the reserves needed for a major $40M treatment plant upgrade required by 2040.

Next Steps & Civic Stewardship

No final rate increase has been approved yet. The City Council is currently reviewing these models to direct a proposed structure for January 1, 2027.

Sewer rates are not just a monthly bill. They are the primary way this community maintains the underground infrastructure that protects public health. The choice is not whether we pay for the system—the choice is whether we make planned, understandable investments now, or face emergency failures and higher costs tomorrow.