

# Proposed 2017 Utility Rates

## **Longview City Council Workshop September 29, 2016**

Prepared by

Jeff Cameron, Public Works Director  
Steve Haubner, Stormwater Manager  
Gregory Hannon, Solid Waste & Recycling Manager

## 2017 Utility Rate Information

# Proposed Monthly Residential Utility Bill

(Based on a monthly water consumption of 600 cf)

| <u>Utility</u>     | <u>2016 Rate</u> | <u>Proposed<br/>2017 Rate</u> | <u>\$ Incr.</u> |
|--------------------|------------------|-------------------------------|-----------------|
| Water              | \$27.09          | \$28.59                       | \$1.50          |
| Sewer              | \$64.21          | \$64.83                       | \$0.62          |
| Stormwater         | \$ 10.09         | \$11.10                       | \$1.01          |
| <u>Solid Waste</u> | <u>\$18.41</u>   | <u>\$18.41</u>                | <u>\$0.00</u>   |
| Combined           | \$119.80         | \$122.93                      | \$3.13 (+2.6%)  |

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Water, Sewer, Stormwater, Solid Waste & Recycling



## Comparison of 2016 Combined Residential Utility Rates

(Water/Sewer/Storm/Solid Waste; based on a monthly consumption of 600 cf)

|                                  |                 |
|----------------------------------|-----------------|
| Bellingham                       | \$211.36        |
| Renton                           | \$193.94        |
| Mercer Island                    | \$183.69        |
| Port Angeles                     | \$175.49        |
| Auburn                           | \$169.78        |
| Castle Rock                      | \$167.96        |
| Kent                             | \$165.79        |
| Chehalis                         | \$160.17        |
| Centralia                        | \$157.99        |
| Woodland                         | \$148.68        |
| Everett                          | \$135.37        |
| Olympia                          | \$132.70        |
| Kalama                           | \$125.56        |
| Mountlake Terrace                | \$125.16        |
| <b>Longview (2017 Proposed)</b>  | <b>\$122.93</b> |
| Aberdeen                         | \$121.22        |
| <b>Longview (2016 Current)</b>   | <b>\$119.80</b> |
| Lynnwood                         | \$115.55        |
| Kelso                            | \$112.62        |
| Edmonds                          | \$109.40        |
| Vancouver                        | \$108.65        |
| <b>Comparison Average (2016)</b> | <b>\$147.36</b> |

# Solid Waste & Recycling



# 2017 Solid Waste & Recycling Rates



## 2017 Utility Rate Information / Solid Waste-Recycling Utility

### 2017 Residential Solid Waste-Recycling Rate Plan

| <u>Year</u> | <u>Monthly Rate</u> | <u>\$ Incr.</u> | <u>% Incr.</u> | <u>Previous Projection</u> |
|-------------|---------------------|-----------------|----------------|----------------------------|
| 2010        | \$15.45             | \$0.00          | 0.0%           |                            |
| 2011        | \$15.84             | \$0.39          | 2.5%           |                            |
| 2012        | \$15.84             | \$0.00          | 0.0%           |                            |
| 2013        | \$16.39             | \$0.55          | 3.5%           |                            |
| 2014        | \$17.78             | \$1.39          | 8.5%           |                            |
| 2015        | \$18.41             | \$0.63          | 3.5%           |                            |
| 2016        | \$18.41             | \$0.00          | 0.0%           |                            |
| <b>2017</b> | <b>\$18.41</b>      | <b>\$0.00</b>   | <b>0.0%</b>    | <b>2.0%</b>                |
| 2018        | \$18.69             | \$0.28          | 1.5%           | 2.0%                       |
| 2019        | \$18.97             | \$0.28          | 1.5%           | 2.0%                       |
| 2020        | \$19.25             | \$0.28          | 1.5%           | 2.0%                       |
| 2021        | \$19.54             | \$0.29          | 1.5%           |                            |

*2016 solid waste tons projected to increase by 1.4% from 2015 tonnage. 2017-18 proposed budget also provides for a 2% increase in tonnage along with a 3.2% increase in the tipping fee for 2018.*



## 2017 Utility Rate Information / Solid Waste-Recycling Utility

### Distribution of 2017 Solid Waste-Recycling Rate

| <u>Rate</u><br><u>Component</u> | <u>Utility Cost</u> | <u>% of Total</u> | <u>Utility Activity</u>     |
|---------------------------------|---------------------|-------------------|-----------------------------|
| \$5.96                          | \$1,650,000         | 32.4%             | SW Collection               |
| \$4.99                          | \$1,380,000         | 27.1%             | Waste Disposal              |
| \$4.81                          | \$1,327,140         | 26.1%             | Operations                  |
| <u>\$2.65</u>                   | <u>\$730,000</u>    | <u>14.4%</u>      | <u>Recycling Collection</u> |
| <b>\$18.41</b>                  | <b>\$5,087,140</b>  | <b>100%</b>       |                             |

*Operations includes, but not limited to: City/State Taxes, \$565,000; Salaries/benefits, \$390,420; Administrative overhead, \$123,730; OER, \$48,990; and, Recycling public outreach, \$50,000.*



# Comparison of 2016 Residential SW-Recycling Rates

|                                              |                |                        |
|----------------------------------------------|----------------|------------------------|
| Renton                                       | \$76.24        | <i>Curbside</i>        |
| Kent                                         | \$57.35        | <i>Curbside</i>        |
| Mercer Island                                | \$53.53        | <i>Curbside</i>        |
| Vancouver                                    | \$52.39        | <i>Curbside</i>        |
| Mountlake Terrace                            | \$50.11        | <i>Curbside</i>        |
| Auburn                                       | \$49.62        | <i>Curbside</i>        |
| Bellingham                                   | \$48.68        | <i>Curbside</i>        |
| Aberdeen                                     | \$46.17        | <i>Curbside</i>        |
| Lynnwood                                     | \$41.94        | <i>Curbside</i>        |
| Olympia <i>(bi-weekly collection)</i>        | \$40.13        | <i>Curbside</i>        |
| Port Angeles                                 | \$35.29        | <i>Curbside</i>        |
| Woodland                                     | \$34.57        | <i>Curbside</i>        |
| Centralia                                    | \$33.60        | <i>Curbside</i>        |
| Everett                                      | \$32.57        | <i>Curbside</i>        |
| Edmonds                                      | \$30.96        | <i>Curbside</i>        |
| Chehalis                                     | \$26.27        | <i>Curbside</i>        |
| Kalama                                       | \$23.01        | <i>Drop sites</i>      |
| Castle Rock <i>(no mandatory collection)</i> | \$23.01        | <i>Drop sites</i>      |
| <b>Longview (2017 Proposed)</b>              | <b>\$18.41</b> |                        |
| <b>Longview (2016 Current)</b>               | <b>\$18.41</b> | <b><i>Curbside</i></b> |
| Kelso                                        | \$14.25        | <i>Drop sites</i>      |

**Comparison Average (2016)      \$39.41**



*Monthly rates are based on a 90 (or 95)-gallon container picked weekly*

[www.longviewrecycles.com](http://www.longviewrecycles.com)

## 2017 Utility Rate Information

# Water



## 2017 Utility Rate Information / Water Utility

# 2017 Water Operations Enhancements

### Water Operations Enhancements

|                                                                                      |                 |
|--------------------------------------------------------------------------------------|-----------------|
| Reservoir Interior Cleaning                                                          | \$45,000        |
| New Utility Systems Operator – Cross Connection &<br>Pretreatment Programs (0.5 FTE) | \$45,000        |
| <b>TOTAL</b>                                                                         | <b>\$90,000</b> |



## 2017 Utility Rate Information / Water Utility

### 2017 Water Capital Projects

| <b><u>Water Distribution Capital</u></b> | <b><u>Amount</u></b> |
|------------------------------------------|----------------------|
| Main Reservoir Vents & Drain Replacement | \$250,000            |
| Reservoir Painting & Corrosion Repair    | \$50,000             |
| Annual Valve Replacement                 | \$30,000             |
| Annual Main Replacement                  | \$1,500,000          |
| Road Reconstruction - Main Relocation    | \$150,000            |
| Reservoir Paving/Security                | \$50,000             |
| Local Improvement District Replacements  | \$100,000            |
| Large Meter Replacement                  | \$100,000            |
| Hillcrest Pump Station Replacement       | \$850,000            |
| SCADA Improvements – Additional Sites    | \$100,000            |
| Trella PS & Indian Creek PS Roof Rebuild | \$100,000            |
| <u>Water Master Plan Update</u>          | <u>\$250,000</u>     |
| <b>TOTAL</b>                             | <b>\$3,530,000</b>   |

## 2017 Utility Rate Information / Water Utility

### 2017 Filter Plant Projects

| <u>Filter Plant Capital Projects</u> | <u>Amount</u>    |
|--------------------------------------|------------------|
| MFRWTP Dissolved Oxygen Injection    | \$500,000        |
| Purchase All-Terrain Utility Vehicle | \$20,000         |
| MFRWTP Miscellaneous Capital         | \$50,000         |
| <b>TOTAL</b>                         | <b>\$570,000</b> |



## 2017 Utility Rate Information / Water Utility

### 2017 Residential Water Rate Plan

(Based on a monthly consumption of 600 cf)

| <u>Year</u> | <u>Monthly Rate</u> | <u>\$ Incr.</u> | <u>% Incr.</u> | <u>Previous<br/>Projection</u> |
|-------------|---------------------|-----------------|----------------|--------------------------------|
| 2009        | \$19.70             | \$2.27          | 13.0%          |                                |
| 2010        | \$21.66             | \$1.96          | 10.0%          |                                |

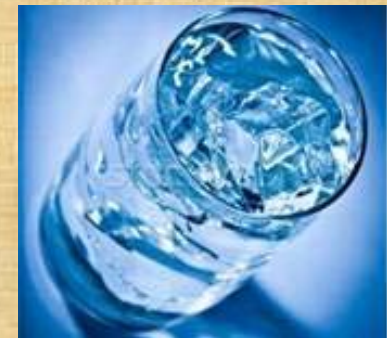
#### Rate Structure Change – December 2010

|             |                |               |             |            |
|-------------|----------------|---------------|-------------|------------|
| 2010        | \$20.15        | (\$1.51)      | (7.0%)      |            |
| 2011        | \$22.18        | \$2.03        | 10.0%       |            |
| 2012        | \$23.14        | \$0.96        | 4.3%        |            |
| 2013        | \$23.58        | \$0.44        | 2.0%        |            |
| 2014        | \$24.29        | \$0.71        | 3.0%        |            |
| 2015        | \$25.91        | \$1.62        | 6.5%        |            |
| 2016        | \$27.09        | \$1.18        | 4.5%        |            |
| <b>2017</b> | <b>\$28.59</b> | <b>\$1.50</b> | <b>5.5%</b> | <b>10%</b> |
| 2018        | \$30.21        | \$1.62        | 5.7%        | 21%        |
| 2019        | \$32.03        | \$1.82        | 6.5%        | 10%        |
| 2020        | \$34.28        | \$2.25        | 7.0%        | 33%        |
| 2021        | \$36.00        | \$1.72        | 5.0%        |            |

## 2017 Utility Rate Information / Water Utility

### Distribution of 2017 Residential Water Rate

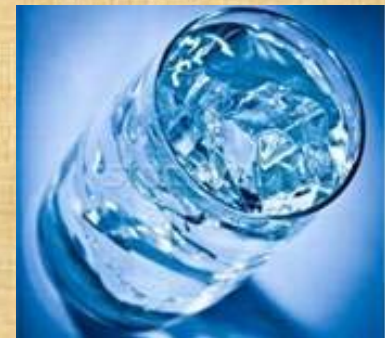
| <u>Rate<br/>Component</u> | <u>Revenue<br/>Generated</u> | <u>% of Total</u> | <u>Use of Income</u> |
|---------------------------|------------------------------|-------------------|----------------------|
| \$18.59                   | \$5,286,500                  | 65 %              | Operations           |
| \$6.00                    | \$1,712,300                  | 21 %              | Debt Service         |
| \$1.43                    | \$416,000                    | 5 %               | Rate Funded Capital  |
| \$2.57                    | \$692,900                    | 9 %               | Depreciation         |
| <b>\$28.59</b>            | <b>\$8,107,700</b>           | <b>100%</b>       |                      |



# Comparison of 2016 Residential Water Rates

(Based on a monthly consumption of 600 cf)

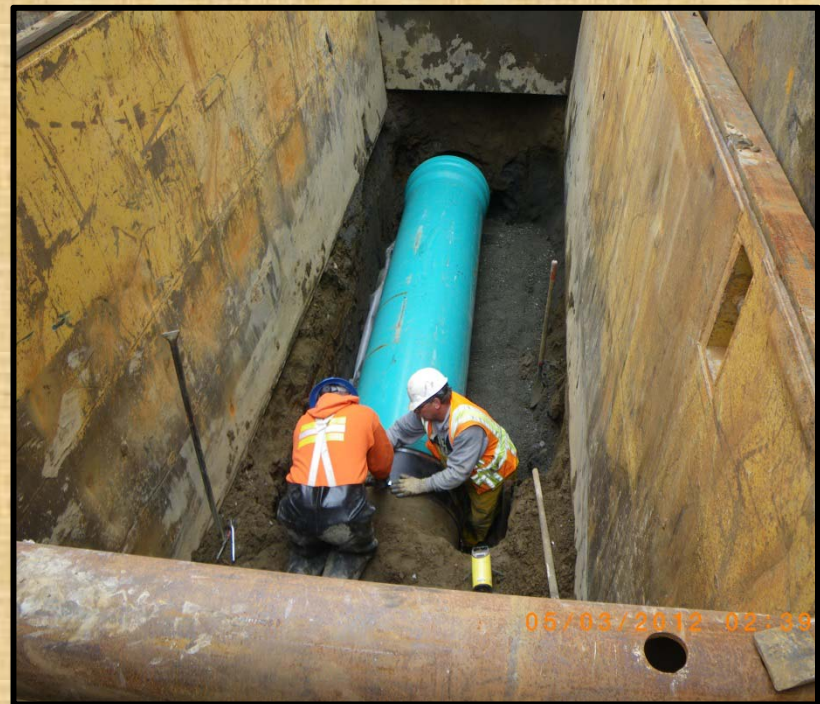
|                                         |                       |
|-----------------------------------------|-----------------------|
| Bellingham                              | \$63.56               |
| Castle Rock                             | \$59.85               |
| Woodland                                | \$59.85               |
| Port Angeles                            | \$46.66               |
| Centralia                               | \$38.07               |
| Mercer Island                           | \$37.92               |
| Kent                                    | \$34.76               |
| Auburn                                  | \$34.11               |
| Chehalis                                | \$33.88               |
| Renton                                  | \$33.71               |
| Edmonds                                 | \$32.28               |
| Kelso                                   | \$31.95               |
| Aberdeen                                | \$31.58               |
| <b>Longview (2017 Proposed)</b>         | <b>\$28.59</b>        |
| <b>Longview (2016 Current)</b>          | <b>\$27.09</b>        |
| Mountlake Terrace                       | \$26.80               |
| Everett                                 | \$25.49               |
| Olympia                                 | \$22.20               |
| Kalama                                  | \$21.90               |
| Lynnwood                                | \$20.83               |
| Vancouver                               | \$20.46               |
| <b><u>Comparison Average (2016)</u></b> | <b><u>\$35.15</u></b> |



## 2017 Utility Rate Information

# Sewer

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## 2017 Utility Rate Information / Sewer Utility

### Proposed Depreciation Funding

- 2017 - 0%
- 2018 - 0%
- 2019 - 0%
- 2020 - 100%
- 2021 - 100%



## 2017 Utility Rate Information / Sewer Utility

### **2017 Sewer Capital Projects & Enhancements**

| <b><u>Capital Projects</u></b>                                                       | <b><u>Amount</u></b> |
|--------------------------------------------------------------------------------------|----------------------|
| Annual LID Projects                                                                  | \$200,000            |
| Annual Main Replacements                                                             | \$325,000            |
| Annual In-Situ Liner Projects                                                        | \$500,000            |
| Road Reconstruction – Main Relocation                                                | \$200,000            |
| Emergency Power Upgrades – Pump Stations                                             | \$50,000             |
| 2016 PS Rehabilitation – Contract 2 (32 <sup>nd</sup> Ave; Roy Morse Park)           | \$1,050,000          |
| 2016 PS Rehabilitation – Contract 3 (38 <sup>th</sup> Ave; Bailey Park)              | \$2,500,000          |
| SCADA Implementation – Additional Sites                                              | \$200,000            |
| Mint Farm PS Odor/Corrosion Control                                                  | \$55,000             |
| Mint Farm PS Variable Frequency Drive Replacement                                    | \$55,000             |
| Lagoons Repurposing                                                                  | \$650,000            |
| Trench Shoring Equipment                                                             | \$10,000             |
| Replace Deficient Vacuum/Jetting Truck                                               | \$410,000            |
| <b>TOTAL</b>                                                                         | <b>\$6,205,000</b>   |
| <b><u>Operations Enhancement</u></b>                                                 |                      |
| New Utility Systems Operator – Cross Connection &<br>Pretreatment Programs (0.5 FTE) | \$45,000             |
| <b>TOTAL</b>                                                                         | <b>\$45,000</b>      |

## 2017 Utility Rate Information / Sewer Utility

### 2017 Residential Sewer Rate Plan

(Based on a monthly consumption of 600 cf)

| <u>Year</u> | <u>Monthly Rate</u> | <u>\$ Incr.</u> | <u>% Incr.</u> | <u>Previous Projection</u> |
|-------------|---------------------|-----------------|----------------|----------------------------|
| 2009        | \$46.65             | \$3.05          | 7.0%           |                            |
| 2010        | \$50.85             | \$4.20          | 9.0%           |                            |

#### Rate Structure Change – December 2010

|             |                |               |             |             |
|-------------|----------------|---------------|-------------|-------------|
| 2010        | \$52.78        | \$1.93        | 3.8%        |             |
| 2011        | \$55.93        | \$3.15        | 6.0%        |             |
| 2012        | \$57.61        | \$1.68        | 3.0%        |             |
| 2013        | \$58.79        | \$1.18        | 2.0%        |             |
| 2014        | \$60.57        | \$1.78        | 3.0%        |             |
| 2015        | \$63.59        | \$3.02        | 5.0%        |             |
| 2016        | \$64.21        | \$0.62        | 1.0%        |             |
| <b>2017</b> | <b>\$64.83</b> | <b>\$0.62</b> | <b>1.0%</b> | <b>3.0%</b> |
| 2018        | \$65.80        | \$0.97        | 1.5%        | 4.5%        |
| 2019        | \$67.12        | \$1.32        | 2.0%        | 4.5%        |
| 2020        | \$67.82        | \$0.70        | 1.0%        | 2.0%        |
| 2021        | \$68.52        | \$0.70        | 1.0%        |             |

## 2017 Utility Rate Information / Sewer Utility

### Distribution of 2017 Residential Sewer Rate

| <u>Rate<br/>Component</u> | <u>Revenue<br/>Generated</u> | <u>% of Total</u> | <u>Use of Income</u> |
|---------------------------|------------------------------|-------------------|----------------------|
| \$14.91                   | \$2,888,100                  | 23 %              | TRWWA Operations     |
| \$16.21                   | \$3,158,900                  | 25 %              | TRWWA Debt Service   |
| \$22.04                   | \$4,404,500                  | 34 %              | Operations           |
| \$5.19                    | \$1,064,600                  | 8 %               | Debt Service         |
| \$6.48                    | \$1,316,200                  | 10 %              | Rate Funded Capital  |
| \$0.00                    | \$0.00                       | 0 %               | Depreciation         |
| <b>\$64.83</b>            | <b>\$12,832,300</b>          | <b>100%</b>       |                      |



# Comparison of 2016 Residential Sewer Rates

(Based on a monthly consumption of 600 cf)

|                                         |                       |
|-----------------------------------------|-----------------------|
| Chehalis                                | \$92.07               |
| Kalama                                  | \$80.65               |
| Bellingham                              | \$78.94               |
| Castle Rock                             | \$78.05               |
| Centralia                               | \$77.32               |
| Port Angeles                            | \$76.33               |
| Renton                                  | \$70.26               |
| Auburn                                  | \$66.32               |
| <b>Longview (2017 Proposed)</b>         | <b>\$64.83</b>        |
| <b>Longview (2016 Current)</b>          | <b>\$64.21</b>        |
| Kent                                    | \$61.46               |
| Mercer Island                           | \$60.36               |
| Everett                                 | \$59.87               |
| Olympia                                 | \$57.79               |
| Kelso                                   | \$57.24               |
| Woodland                                | \$54.26               |
| Lynnwood                                | \$41.87               |
| Mountlake Terrace                       | \$36.80               |
| Aberdeen                                | \$36.78               |
| Edmonds                                 | \$33.25               |
| Vancouver                               | \$28.02               |
| <b><u>Comparison Average (2016)</u></b> | <b><u>\$60.59</u></b> |



## 2017 Utility Rate Information

# Stormwater

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## 2017 Utility Rate Information / Stormwater Utility

### 2017 Stormwater Operations Enhancements

#### Operations Enhancements

|                                                  |                  |
|--------------------------------------------------|------------------|
| Additional Stormwater Maintenance Crew (3.0 FTE) | \$403,000        |
| Additional Maintenance Supervisor (1.0 FTE)      | \$104,000        |
| <b>TOTAL</b>                                     | <b>\$507,000</b> |



## 2017 Utility Rate Information / Stormwater Utility

### 2017 Stormwater Capital Projects

| <b><u>Capital Projects</u></b>                                   | <b><u>Amount</u></b> |
|------------------------------------------------------------------|----------------------|
| Downtown Streetscape - Phase 3                                   | \$320,000            |
| Beech Street Box Culvert Replacement (Debt Service)              | \$151,000            |
| ▪ Project Cost Estimate = \$1,900,000                            |                      |
| Main Reservoir Downstream Drainage Improvements (Debt Service)   | \$14,000             |
| ▪ Project Cost Estimate = \$167,000                              |                      |
| Lucity Asset Management System Implementation                    | \$40,000             |
| Lake Sacajawea Outlet Screen Upgrade                             | \$15,000             |
| Stormwater Shop HVAC                                             | \$20,000             |
| Vehicle Replacement - Supplemental Funding                       | \$141,000            |
| Equipment for Additional Crew (Debt Service)                     | \$68,000             |
| ▪ Equipment Cost Estimate = \$350,000                            |                      |
| Vehicle for Additional Maintenance Supervisor                    | \$38,000             |
| New Street/Storm Crew & Vehicle Storage Buildings (Debt Service) | \$49,000             |
| ▪ Project Cost Estimate = \$609,000                              |                      |
| <u>Miscellaneous Stormwater Projects</u>                         | <u>\$100,000</u>     |
| <b>TOTAL</b>                                                     | <b>\$956,000</b>     |

## 2017 Utility Rate Information / Stormwater Utility

### 2016 Residential Stormwater Rate Plan

| <u>Year</u> | <u>Monthly Rate</u> | <u>\$ Incr.</u> | <u>% Incr.</u> | <u>Previous Projection</u> |
|-------------|---------------------|-----------------|----------------|----------------------------|
| 2006        | \$3.22              | \$0.56          | 21.0%          |                            |
| 2007        | \$3.54              | \$0.32          | 10.0%          |                            |
| 2008        | \$3.79              | \$0.25          | 7.0%           |                            |
| 2009        | \$4.06              | \$0.27          | 7.0%           |                            |
| 2010        | \$4.34              | \$0.28          | 7.0%           |                            |
| 2011        | \$5.07              | \$0.73          | 16.8%          |                            |
| 2012        | \$5.63              | \$0.56          | 11.0%          |                            |
| 2013        | \$6.70              | \$1.07          | 19.0%          |                            |
| 2014        | \$7.97              | \$1.27          | 19.0%          |                            |
| 2015        | \$8.93              | \$0.96          | 12.0%          |                            |
| 2016        | \$10.09             | \$0.49          | 11.0%          |                            |
| <b>2017</b> | <b>\$11.10</b>      | <b>\$1.01</b>   | <b>10.0%</b>   | 10.0%                      |
| 2018        | \$12.21             | \$1.11          | 10.0%          | 10.0%                      |
| 2019        | \$13.43             | \$1.22          | 10.0%          | 7.0%                       |
| 2020        | \$13.97             | \$0.54          | 4.0%           | 4.0%                       |
| 2021        | \$14.39             | \$0.42          | 3.0%           | --                         |

## 2017 Utility Rate Information / Stormwater Utility

### Distribution of 2017 Residential Stormwater Rate

| <u>Rate Component</u> | <u>Revenue Generated</u> | <u>% of Total</u> | <u>Use of Income</u> |
|-----------------------|--------------------------|-------------------|----------------------|
| \$2.66                | \$956,400                | 24 %              | Urban Forestry       |
| \$5.22                | \$1,941,800              | 47 %              | Operations / NPDES   |
| \$1.44                | \$529,800                | 13 %              | Debt Service         |
| \$1.78                | \$673,600                | 16 %              | Rate Funded Capital  |
| <u>\$0.00</u>         | <u>\$0</u>               | <u>0 %</u>        | <u>Depreciation</u>  |
| <b>\$11.10</b>        | <b>\$4,101,600</b>       | <b>100%</b>       |                      |



# Comparison of 2016 Residential Stormwater Rates

|                                                   |                |
|---------------------------------------------------|----------------|
| Mercer Island                                     | \$31.88        |
| Bellingham                                        | \$20.18        |
| Auburn                                            | \$19.73        |
| Everett                                           | \$17.44        |
| Port Angeles                                      | \$16.00        |
| Renton                                            | \$13.73        |
| Edmonds                                           | \$12.91        |
| Olympia                                           | \$12.58        |
| Kent                                              | \$12.22        |
| Mountlake Terrace                                 | \$11.45        |
| <b>Longview (2017 Proposed)</b>                   | <b>\$11.10</b> |
| Lynnwood                                          | \$10.91        |
| <b>Longview (2016 Current)</b>                    | <b>\$10.09</b> |
| Kelso                                             | \$9.18         |
| Centralia                                         | \$9.00         |
| Vancouver                                         | \$8.79         |
| Chehalis ( <i>not a stormwater permittee</i> )    | \$7.95         |
| Castle Rock ( <i>not a stormwater permittee</i> ) | \$7.05         |
| Aberdeen                                          | \$6.69         |
| Woodland ( <i>not a stormwater permittee</i> )    | \$0.00         |
| <u>Kalama (<i>not a stormwater permittee</i>)</u> | <u>\$0.00</u>  |

**Comparison Average (2016)      \$13.21**



# DISCUSSION