

Proposed 2013 Utility Rates

Longview City Council November 15th, 2012

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2013 Utility Rate Information

Proposed Monthly Residential Utility Bill

(Based on a monthly consumption of 600 cf)
(Includes Urban Forestry in Stormwater)

| <u>Utility</u> | <u>2012 Rate</u> | <u>Proposed 2013 Rate</u> | <u>\$ Incr.</u> |
|--------------------|------------------|-------------------------------|------------------|
| Water | \$23.14 | \$23.58 | \$0.44 |
| Sewer | \$57.61 | \$58.79 | \$1.18 |
| Stormwater | \$ 5.63 | \$ 6.70 | \$1.07 |
| <u>Solid Waste</u> | <u>\$15.84</u> | <u>\$16.39</u> | <u>\$0.55</u> |
| Combined | \$102.22 | \$105.46 | \$3.24 (3.2 %) |

Water, Sewer, Stormwater, Solid Waste & Recycling



Comparison of 2012 Combined Residential Utility Rates
 (Water/Sewer/Storm/Solid Waste; Based on a monthly consumption of 600 cf)

| | |
|----------------------------------|-----------------|
| Olympia | \$181.02 |
| Mercer Island | \$151.26 |
| Kent | \$151.23 |
| Castle Rock | \$150.95 |
| Mountlake Terrace | \$145.90 |
| Centralia | \$144.82 |
| Auburn | \$139.58 |
| Port Angeles | \$136.83 |
| Renton | \$128.19 |
| Chehalis | \$119.56 |
| Bellingham | \$119.32 |
| Kalama | \$110.80 |
| Everett | \$107.75 |
| Aberdeen | \$107.43 |
| Longview (2013 Proposed) | \$105.46 |
| Edmonds | \$102.25 |
| Longview (2012 Current) | \$102.22 |
| Lynnwood | \$99.38 |
| Vancouver | \$97.67 |
| Kelso | \$88.18 |
| Woodland | \$79.07 |
| Comparison Average (2012) | \$124.27 |

2013 Utility Rate Information

Water



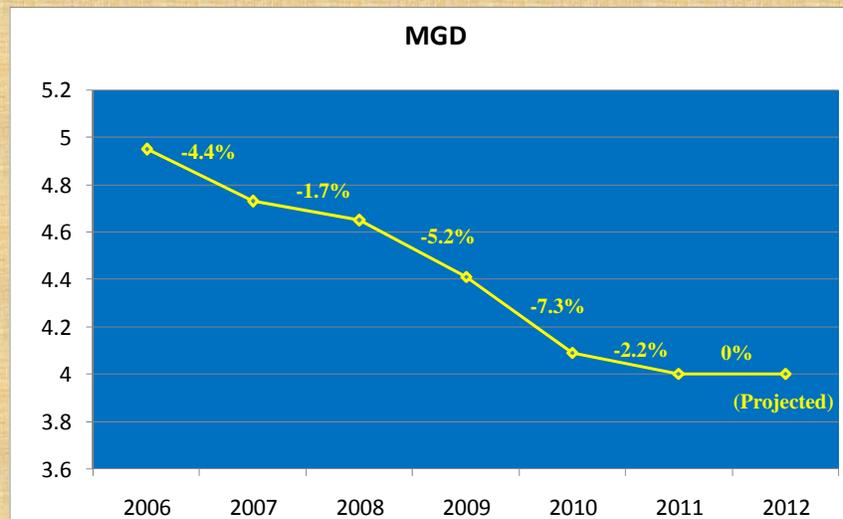
Updated MFRWTP Schedule

- **Oct 2012** - Began Equipment Testing
- **Nov 2012** - Complete Equipment Testing
- Start Commissioning
- **Dec 2012** - Complete Commissioning
- Dept. of Health Approval
- Supply Treated Water to Customers

Estimated Project Cost: \$33 million

Beacon Hill Water & Sewer District share: 14.52%

Longview Water Consumption



2013 Utility Rate Information / Water Utility

Proposed Depreciation Funding

- **2013 - 25%**
- **2014 - 50%**
- **2015 - 75%**
- **2016 - 100%**
- **2017 - 100%**

Note: Depreciation is rate funded savings for system replacement.

2013 Utility Rate Information / Water Utility

2013 Water Capital Projects

| <u>Project</u> | <u>Amount</u> |
|--|----------------------|
| AC Mains Replacement – Maple Street; 21 st Street | \$500,000 |
| 4" Main Replacement on Ocean Beach Hwy | \$100,000 |
| MFRWTP Construction | \$355,000 |
| Hillcrest Pump Station Replacement | \$300,000 |
| SCADA Improvements | \$273,600 |
| Fixed Base Radio Meter Reading System | \$6,000,000 |
| Reservoir Paving/Security | \$100,000 |
| Main Relocation - Road Reconstruction | \$100,000 |
| Local Improvement District Replacements | \$100,000 |
| Excavator and Trailer – 50% Share | \$50,000 |
| Additional Dump Truck – 50% Share | \$80,000 |
| Operation Center Upgrades – 50% Share | \$75,000 |
| City Hall Generator – 20% Share | \$50,000 |
| Safety Equipment – 50% Share | \$9,500 |
| Annual Valve Replacement | \$10,000 |
| Eden/Lucity Upgrades – 50% Share | \$6000 |
| Water CIP Total | \$8,109,100 |

2013 Utility Rate Information / Water Utility

2013 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 Projection</u> |
|---------------------------------------|---------------------|-----------------|----------------|----------------------------|
| 2007 | \$15.24 | \$0.65 | 4.5% | |
| 2008 | \$17.43 | \$2.19 | 14.5% | |
| 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% | 5.0% |
| 2014 | \$24.31 | \$0.73 | 3.0% | 5.5% |
| 2015 | \$25.05 | \$0.74 | 3.0% | 5.5% |
| 2016 | \$25.80 | \$0.75 | 3.0% | 6.0% |
| 2017 | \$26.56 | \$0.76 | 3.0% | |

2013 Utility Rate Information / Water Utility

Distribution of 2013 Residential Water Rate

| <u>Rate Component</u> | <u>Revenue Generated</u> | <u>% of Total</u> | <u>Use of Income</u> |
|-----------------------|--------------------------|-------------------|----------------------|
| \$15.80 | \$4,268,900 | 67 % | Operations |
| \$6.84 | \$1,858,600 | 29 % | Debt Service |
| \$0.00 | \$0 | 0 % | Rate Funded Capital |
| \$0.94 | \$231,500 | 4 % | Depreciation |
| \$23.58 | \$6,359,000 | 100% | |



Comparison of 2012 Residential Water Rates

(Based on a monthly consumption of 600 cf)

| | |
|---|-----------------------|
| Castle Rock | \$55.15 |
| Port Angeles | \$39.23 |
| Kent | \$35.63 |
| Centralia | \$35.54 |
| Renton | \$35.19 |
| Edmonds | \$33.44 |
| Mountlake Terrace | \$31.80 |
| Aberdeen | \$29.49 |
| Chehalis | \$26.64 |
| Auburn | \$26.15 |
| Mercer Island | \$25.15 |
| Woodland | \$24.63 |
| Longview (2013 Proposed) | \$23.58 |
| Longview (2012 Current) | \$23.14 |
| Bellingham | \$20.56 |
| Kalama | \$19.70 |
| Olympia | \$18.27 |
| Kelso | \$18.07 |
| Everett | \$16.02 |
| Lynnwood | \$15.93 |
| Vancouver | \$14.73 |
| <u>Comparison Average (2012)</u> | <u>\$27.44</u> |



2013 Utility Rate Information

Sewer



Updated West Longview Lagoons Closure

- **March 2012** - Sewer Diversion Complete
- **June 2012** - Biosolids Closure Phase I Testing Complete
- **Dec 2012** - Complete Phase II Testing
- **June 2013** - Begin Biosolids treatment/removal

Biosolids removal estimated cost: \$4.5 million

Proposed Depreciation Funding

- **2013 - 0%**
- **2014 - 0%**
- **2015 - 0%**
- **2016 - 0%**
- **2017 - 0%**
- **2018 - 0%**
- **2019 - 0%**
- **2020 - 100%**

Note: Depreciation is rate funded savings for system replacement.

2013 Utility Rate Information / Sewer Utility

2013 Sewer Capital Projects

| <u>Project</u> | <u>Amount</u> |
|--|---------------------|
| Ocean Beach Hwy. Main Rehabilitation | \$250,000 |
| Collector Main Liner Projects | \$200,000 |
| Interceptor Liner Projects | \$300,000 |
| Hudson/Douglas/33 rd PS Replacement and Forcemain | \$7,000,000 |
| Lagoons Biosolids Removal | \$3,000,000 |
| Annual Main Replacement | \$150,000 |
| SCADA Improvements | \$560,700 |
| Main Relocation - Road Reconstruction | \$100,000 |
| Sewer Pump Station Rehabilitation: Various | \$600,000 |
| Annual LID Projects | \$100,000 |
| Safety Equipment | \$9,500 |
| City Hall Emergency Generator - 20% Share | \$50,000 |
| Dump Truck - 50% Share | \$80,000 |
| Excavator and Trailer - 50% Share | \$50,000 |
| Operations Center Upgrades - 50% Share | \$75,000 |
| Eden/Lucity Upgrades - 50% Share | \$6,000 |
| Sewer CIP Total | \$12,531,200 |

2013 Utility Rate Information / Sewer Utility

2013 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> |
|---------------------------------------|---------------------|-----------------|----------------|----------------------------|
| 2007 | \$39.89 | \$5.20 | 15.0% | |
| 2008 | \$43.60 | \$3.71 | 9.3% | |
| 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% | 3.0% |
| 2014 | \$59.98 | \$1.19 | 2.0% | 5.5% |
| 2015 | \$61.78 | \$1.80 | 3.0% | 5.5% |
| 2016 | \$63.94 | \$2.16 | 3.5% | 6.0% |
| 2017 | \$66.82 | \$2.88 | 4.5% | |

2013 Utility Rate Information / Sewer Utility

Distribution of 2013 Residential Sewer Rate

| <u>Rate Component</u> | <u>Revenue Generated</u> | <u>% of Total</u> | <u>Use of Income</u> |
|-----------------------|--------------------------|-------------------|----------------------|
| \$14.11 | \$2,525,200 | 24 % | TRWWA Operations |
| \$16.46 | \$2,964,500 | 28 % | TRWWA Debt Service |
| \$21.16 | \$3,892,000 | 36 % | Operations |
| \$6.47 | \$1,225,000 | 11 % | Debt Service |
| \$0.59 | \$99,200 | 1 % | Rate Funded Capital |
| \$0.00 | \$0.00 | 0 % | Depreciation |
| \$58.79 | \$10,706,000 | 100% | |



Comparison of 2012 Residential Sewer Rates

(Based on a monthly consumption of 600 cf)

| | |
|----------------------------------|----------------|
| Centralia | \$72.87 |
| Kalama | \$70.50 |
| Castle Rock | \$68.75 |
| Port Angeles | \$64.40 |
| Mercer Island | \$64.12 |
| Renton | \$62.34 |
| Chehalis | \$61.85 |
| Longview (2013 Proposed) | \$58.79 |
| Longview (2012 Current) | \$57.61 |
| Auburn | \$55.20 |
| Kent | \$52.71 |
| Kelso | \$52.22 |
| Olympia | \$51.54 |
| Mountlake Terrace | \$50.34 |
| Everett | \$46.70 |
| Woodland | \$39.54 |
| Lynnwood | \$35.38 |
| Bellingham | \$33.23 |
| Aberdeen | \$30.16 |
| Vancouver | \$25.14 |
| Edmonds | \$23.34 |
| Comparison Average (2012) | \$50.44 |



2013 Utility Rate Information

Stormwater



2013 Utility Rate Information / Stormwater Utility

2013 Stormwater Capital Projects

| <u>Project</u> | <u>Amount</u> |
|---|----------------------|
| 15 th Avenue at Delaware – Pipe Replacement | \$50,000 |
| Tennant Way LID Streetscape Retrofit – 75% Share (2013) | \$150,000 |
| Beech Street Drain Replacement & LID Retrofit | \$125,000 |
| City Hall Generator – 20% Share (2013) | \$10,000 |
| Lake Sacajawea Flushing (Design/Construction) | \$175,000 |
| Miscellaneous Stormwater Projects | \$0 |
| Commerce LID Streetscape (Pervious Sidewalks) | \$185,000 |
| Pervious Concrete Installation | \$65,000 |
| SCADA (Stormwater Share) | \$65,700 |
| Stormwater CIP Total | \$825,700 |

2013 Utility Rate Information / Stormwater Utility

2013 Residential Stormwater Rate Plan

| <u>Year</u> | <u>Monthly Rate</u> | <u>\$ Incr.</u> | <u>% Incr.</u> | <u>Previous Projection</u> |
|-------------|---------------------|-----------------|----------------|----------------------------|
| 2005 | \$2.66 | \$0.26 | 11.0% | |
| 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% | 15.0% |
| 2014 | \$7.97 | \$1.27 | 19.0% | 10.0% |
| 2015 | \$8.61 | \$0.64 | 8.0% | 9.0% |
| 2016 | \$9.13 | \$0.52 | 6.0% | 9.0% |
| 2017 | \$9.50 | \$0.37 | 4.0% | |

2013 Utility Rate Information / Stormwater Utility

Distribution of 2013 Residential Stormwater Rate

| <u>Rate Component</u> | <u>Revenue Generated</u> | <u>% of Total</u> | <u>Use of Income</u> |
|-----------------------|--------------------------|-------------------|----------------------|
| \$4.49 | \$1,631,000 | 67 % | Operations |
| \$0.33 | \$120,000 | 5 % | Debt Service |
| \$1.88 | \$682,000 | 28 % | Rate Funded Capital |
| \$0.00 | \$0 | 0 % | Depreciation |
| \$6.70 | \$2,433,000 | 100% | |



Comparison of 2012 Residential Stormwater Rates

| | |
|--|---------------|
| Mountlake Terrace | \$18.16 |
| Auburn | \$16.13 |
| Mercer Island | \$14.96 |
| Bellingham | \$14.00 |
| Everett | \$12.80 |
| Renton | \$11.51 |
| Olympia | \$10.58 |
| Kent | \$10.56 |
| Edmonds | \$10.47 |
| Lynnwood | \$7.52 |
| Kelso | \$7.12 |
| Vancouver | \$7.10 |
| Longview (2013 Proposed) | \$6.70 |
| Aberdeen | \$6.08 |
| Castle Rock (not a Phase II city) | \$6.55 |
| Port Angeles | \$6.00 |
| Centralia | \$6.00 |
| Chehalis (not a Phase II city) | \$5.95 |
| Longview (2012 Current) | \$5.63 |
| Cowlitz County (Not fully operational) | \$3.00 |
| Woodland (not a Phase II city) | \$0.00 |
| <u>Kalama (not a Phase II city)</u> | <u>\$0.00</u> |
| Comparison Average (2012) | \$9.48 |



2013 Utility Rate Information

Solid Waste & Recycling



2013 Utility Rate Information / Solid Waste-Recycling Utility

2013 Residential Solid Waste-Recycling Rate Plan

| <u>Year</u> | <u>Monthly Rate</u> | <u>\$ Incr.</u> | <u>% Incr.</u> | <u>Previous Projection</u> |
|-------------|---------------------|-----------------|----------------|----------------------------|
| 2005 | \$14.83 | \$0.15 | 1.0% | |
| 2006 | \$15.13 | \$0.15 | 1.0% | |
| 2007 | \$14.92 | (\$0.21) | (1.4%) | |
| 2008 | \$15.07 | \$0.15 | 1.0% | |
| 2009 | \$15.45 | \$0.38 | 2.5% | |
| 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% | 3.5% |
| 2014 | \$16.96 | \$0.57 | 3.5% | 3.5% |
| 2015 | \$17.55 | \$0.59 | 3.5% | 3.5% |
| 2016 | \$18.16 | \$0.61 | 3.5% | 3.5% |
| 2017 | \$18.80 | \$0.64 | 3.5% | |

www.longviewrecycles.com

2013 Utility Rate Information / Solid Waste-Recycling Utility

Distribution of 2013 Solid Waste-Recycling Rate

| <u>Rate Component</u> | <u>Utility Cost</u> | <u>% of Total</u> | <u>Utility Activity</u> |
|-----------------------|---------------------|-------------------|-------------------------|
| \$5.54 | \$1,581,000 | 33.8% | SW Collection |
| \$4.80 | \$1,366,800 | 29.3% | Operations |
| \$3.51 | \$1,000,000 | 21.4% | Waste Disposal |
| \$2.46 | \$700,000 | 15.0% | Recycling Collection |
| \$0.08 | \$25,000 | 0.5% | Net Sorting Costs |
| \$16.39 | \$4,672,800 | 100% | |



www.longviewrecycles.com

Comparison of 2012 Residential SW-Recycling Rates

| | |
|--------------------------------------|----------------|
| Olympia | \$100.63 |
| Kent | \$52.33 |
| Bellingham | \$51.53 |
| Vancouver | \$50.70 |
| Mercer Island | \$47.03 |
| Mountlake Terrace | \$45.60 |
| Auburn | \$42.10 |
| Aberdeen | \$41.70 |
| Lynnwood | \$40.55 |
| Edmonds | \$35.00 |
| Everett | \$32.23 |
| Centralia | \$30.41 |
| Port Angeles | \$27.20 |
| Chehalis | \$25.12 |
| Kalama | \$20.60 |
| Castle Rock | \$20.50 |
| Renton | \$19.15 |
| Woodland | \$18.75 |
| Longview (2013 Proposed) | \$16.39 |
| Longview (2012 Current) | \$15.84 |
| <u>Kelso (no curbside recycling)</u> | <u>\$10.77</u> |
| Comparison Average (2012) | \$37.47 |



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2013 Utility Rate Information

Recommendation:

- **Approve proposed utility rates**

| <u>Utility</u> | <u>2012 Rate</u> | <u>Proposed 2013 Rate</u> | <u>\$ Incr.</u> |
|--------------------|------------------|-------------------------------|-----------------|
| Water | \$23.14 | \$23.58 | \$0.44 |
| Sewer | \$57.61 | \$58.79 | \$1.18 |
| Stormwater | \$ 5.63 | \$ 6.70 | \$1.07 |
| Solid Waste | \$15.84 | \$16.39 | \$0.55 |
| Combined | \$102.22 | \$105.46 | \$3.24 |
| | | | (+3.2%) |

Water, Sewer, Stormwater, Solid Waste & Recycling

