

Proposed 2017 Utility Rates

Longview City Council Workshop September 29, 2016

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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 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%)

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
Longview (2017 Proposed)	\$122.93
Aberdeen	\$121.22
Longview (2016 Current)	\$119.80
Lynnwood	\$115.55
Kelso	\$112.62
Edmonds	\$109.40
Vancouver	\$108.65
Comparison Average (2016)	\$147.36

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%	
2017	\$18.41	\$0.00	0.0%	2.0%
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> <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>
\$18.41	\$5,087,140	100%	

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

Comparison Average (2016) \$39.41



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

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 & Pretreatment Programs (0.5 FTE)	\$45,000
TOTAL	\$90,000



2017 Utility Rate Information / Water Utility

2017 Water Capital Projects

<u>Water Distribution Capital</u>	<u>Amount</u>
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>
TOTAL	\$3,530,000

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
TOTAL	\$570,000



2017 Utility Rate Information / Water Utility

2017 Residential Water Rate Plan

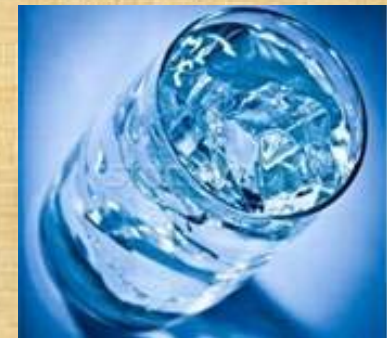
(Based on a monthly consumption of 600 cf)

<u>Year</u>	<u>Monthly Rate</u>	<u>\$ Incr.</u>	<u>% Incr.</u>	<u>Previous 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%	
2017	\$28.59	\$1.50	5.5%	10%
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

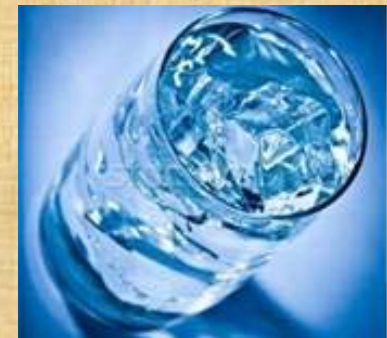
<u>Rate Component</u>	<u>Revenue Generated</u>	<u>% of Total</u>	<u>Use of Income</u>
\$18.59	\$5,286,500	65 %	Operations
\$6.00	\$1,712,300	21 %	Debt Service
\$1.43	\$416,000	5 %	Rate Funded Capital
\$2.57	\$692,900	9 %	Depreciation
\$28.59	\$8,107,700	100%	



Comparison of 2016 Residential Water Rates

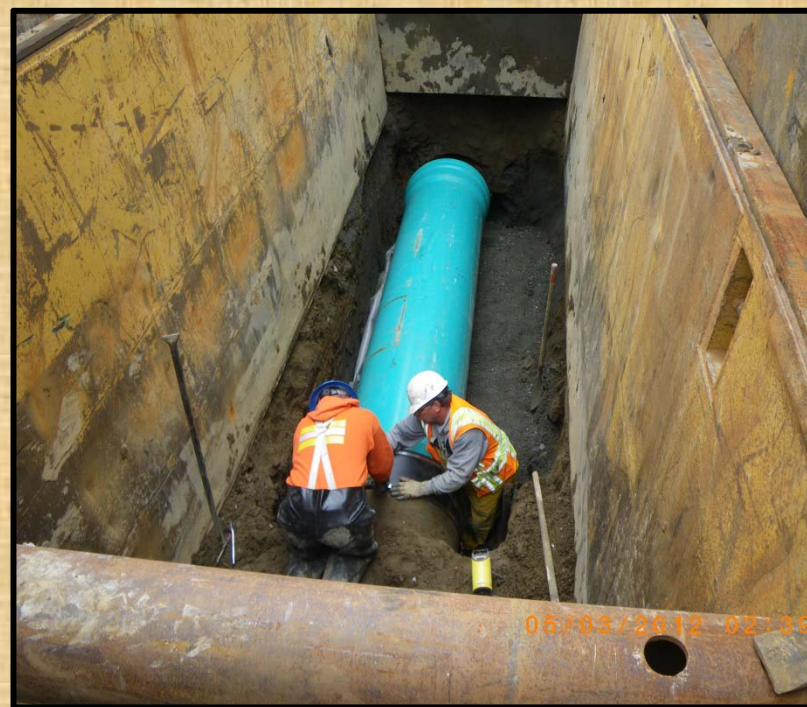
(Based on a monthly consumption of 600 cf)

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
Longview (2017 Proposed)	\$28.59
Longview (2016 Current)	\$27.09
Mountlake Terrace	\$26.80
Everett	\$25.49
Olympia	\$22.20
Kalama	\$21.90
Lynnwood	\$20.83
Vancouver	\$20.46
<u>Comparison Average (2016)</u>	<u>\$35.15</u>



2017 Utility Rate Information

Sewer



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

<u>Capital Projects</u>	<u>Amount</u>
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 nd Ave; Roy Morse Park)	\$1,050,000
2016 PS Rehabilitation – Contract 3 (38 th 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
TOTAL	\$6,205,000
<u>Operations Enhancement</u>	
New Utility Systems Operator – Cross Connection & Pretreatment Programs (0.5 FTE)	\$45,000
TOTAL	\$45,000

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%	
2017	\$64.83	\$0.62	1.0%	3.0%
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 Component</u>	<u>Revenue 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
\$64.83	\$12,832,300	100%	



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
Longview (2017 Proposed)	\$64.83
Longview (2016 Current)	\$64.21
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
<u>Comparison Average (2016)</u>	<u>\$60.59</u>



2017 Utility Rate Information

Stormwater



2017 Stormwater Operations Enhancements

Operations Enhancements

Additional Stormwater Maintenance Crew (3.0 FTE)	\$403,000
Additional Maintenance Supervisor (1.0 FTE)	\$104,000
TOTAL	\$507,000



2017 Utility Rate Information / Stormwater Utility

2017 Stormwater Capital Projects

<u>Capital Projects</u>	<u>Amount</u>
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>
TOTAL	\$956,000

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%	
2017	\$11.10	\$1.01	10.0%	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>
\$11.10	\$4,101,600	100%	



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
Longview (2017 Proposed)	\$11.10
Lynnwood	\$10.91
Longview (2016 Current)	\$10.09
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