

Proposed 2019 Utility Rates

Longview City Council Workshop September 20, 2018

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2019 Utility Rate Information

Proposed Monthly Residential Utility Bill

(Based on a monthly water consumption of 600 cf)

<u>Utility</u>	<u>2018 Rate</u>	<u>Proposed 2019 Rate</u>	<u>\$ Incr.</u>
Water	\$ 29.96	\$31.33	\$1.37
Sewer	\$ 66.14	\$67.46	\$1.32
Stormwater	\$ 12.21	\$13.68	\$1.47
Solid Waste	\$ 18.41	\$18.69	\$0.28
Combined	\$ 126.72	\$131.16	\$4.44 (+3.5%)



Comparison of 2018 Combined Residential Utility Rates

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

This information will be presented at the workshop.

Solid Waste & Recycling



2019 Residential Solid Waste-Recycling Rate Plan

<u>Year</u>	<u>Monthly Rate</u>	<u>\$ Incr.</u>	<u>% Incr.</u>	<u>Previous Projection</u>
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%	
2018	\$18.41	\$0.00	0.0%	
2019	\$18.69	\$0.28	1.5%	1.5%
2020	\$19.06	\$0.37	2.0%	1.5%
2021	\$19.44	\$0.38	2.0%	1.5%
2022	\$19.83	\$0.39	2.0%	
2023	\$20.23	\$0.40	2.0%	

2018 solid waste tons projected to increase by 1.0% from 2017 tonnage. 2019-20 proposed budget also provides for a 1% increase in tonnage along with a 0% increase in the tipping fee for 2019.



Distribution of 2019 Solid Waste-Recycling Rate

<u>Rate</u> <u>Component</u>	<u>Utility Cost</u>	<u>% of Total</u>	<u>Utility Activity</u>
\$5.94	\$1,735,000	31.8%	SW Collection
\$5.06	\$1,480,000	27.1%	Waste Disposal
\$5.14	\$1,497,910	27.5%	Operations
<u>\$2.55</u>	<u>\$740,000</u>	<u>13.6%</u>	<u>Recycling Collection</u>
\$18.69	\$5,452,910	100%	

Operations includes, but not limited to: City/State Taxes, \$590,000; Salaries/benefits, \$420,620; Administrative overhead, \$136,420; OER, \$57,690; and, Recycling public outreach, \$40,000.



Comparison of 2018 Residential SW-Recycling Rates

This information will be presented at the workshop.



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

www.longviewrecycles.com

Comparison of 2018 Landfill Tipping Fees / Ton

Clallam County <i>Port Angeles</i>	\$186.36
King County <i>Renton, Kent, Mercer Island, Auburn,</i>	\$134.59
Thurston County <i>Olympia</i>	\$119.00
Snohomish County <i>Mountlake Terrace, Lynnwood, Edmonds, Everett</i>	\$105.00
Grays Harbor County <i>Aberdeen</i>	\$101.00
Whatcom County <i>Bellingham</i>	\$93.22
Lewis County <i>Centralia, Chehalis</i>	\$90.00
Clark County <i>Vancouver</i>	\$80.96
Cowlitz County <i>Longview, Kelso, Woodland, Kalama, Castle Rock</i>	\$51.02



2019 Utility Rate Information

Water



2019 Water Operations Enhancements

Water Operations Enhancements

Additional Utility Systems Operator –	\$42,500
Cross connection and Pretreatment (50%)	
Additional Vehicle	<u>\$21,000</u>
TOTAL	\$63,500



2019 Utility Rate Information / Water Utility

2019 Water Capital Projects

<u>Water Distribution Capital</u>	<u>Amount</u>
Directional Boring Machine	\$130,000
Grinder Attachment for Excavator	\$12,000
Vehicle Depreciation Shortfall	\$25,000
Operations Center Upgrades (50%) – Initiate Construction	\$450,000
New 2.5 YD Dump Truck	\$78,000
Annual Valve Replacement	\$30,000
Annual Main Replacement	\$1,100,000
Relocation for Road Reconstruction	\$150,000
Reservoir Paving/Security	\$100,000
Local Improvement District Replacements	\$100,000
Large Meter Replacement	\$120,000
Niemi Booster PS Replacement – Initiate Construction	\$540,000
<u>SCADA System – Phase 2 – Restore Telemetry</u>	<u>\$125,000</u>
TOTAL	\$2,981,000

2019 Filter Plant Projects

Filter Plant Capital Projects

Amount

Miscellaneous Capital Repairs	\$50,000
Equipment Storage Building	\$100,000
Additional Hypochlorite Tank	\$140,000
Variable Frequency Drive Well Motor – One Well	\$50,000
Portable Safety Platform	\$15,000
Water Supply Review – Close out tasks	\$50,000
TOTAL	\$405,000



Depreciation Funding Options

- Assets value update resulted in higher calculated depreciation funding
- Implementation options:
 - Recommended: 50% ; 55% ; 65% ; 75% ; 85%
 - Alternate 1: 50% ; 70% ; 85% ; 100% ; 100%
 - Alternate 2: Incremental Increases ;
Do Not Include MFRWTP Depr.

	<u>Year</u>	<u>Recommended</u>	<u>Alternate 1</u>	<u>Alternate 2</u>
■	2019	\$1,150,000	\$1,150,000	\$1,150,000
■	2020	\$1,175,000	\$1,496,800	\$1,175,000
■	2021	\$1,421,700	\$1,856,300	\$1,200,000
■	2022	\$1,672,000	\$2,229,400	\$1,225,000
■	2023	\$1,944,300	\$2,287,400	\$1,250,000

2019 Utility Rate Information / Water Utility

Recommended

2019 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>
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%	
2018	\$29.26	\$1.37	4.7%	5.7%
2019	\$31.33	\$1.37	4.5%	4.7%
2020	\$32.73	\$1.40	4.5%	4.8%
2021	\$34.22	\$1.49	4.5%	4.8%
2022	\$34.88	\$0.66	2.0%	4.8%
2023	\$35.61	\$0.73	2.0%	--

2019 Utility Rate Information / Water Utility

Alternate No. 1

2019 Residential Water Rate Plan

(Based on a monthly consumption of 600 cf)

Previous
Projection

<u>Year</u>	<u>Monthly Rate</u>	<u>\$ Incr.</u>	<u>% Incr.</u>	
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%	
2018	\$29.26	\$1.37	4.7%	5.7%
2019	\$31.46	\$1.50	5.0%	4.7%
2020	\$33.50	\$2.04	6.5%	4.8%
2021	\$34.48	\$0.98	3.0%	4.8%
2022	\$35.14	\$0.66	2.0%	4.8%
2023	\$35.87	\$0.73	2.0%	--

2019 Utility Rate Information / Water Utility

Alternate No. 2

2019 Residential Water Rate Plan

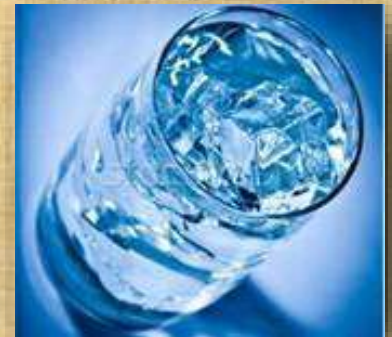
(Based on a monthly consumption of 600 cf)

Previous
Projection

<u>Year</u>	<u>Monthly Rate</u>	<u>\$ Incr.</u>	<u>% Incr.</u>	
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%	
2018	\$29.26	\$1.37	4.7%	5.7%
2019	\$31.33	\$1.37	4.5%	4.7%
2020	\$32.50	\$1.17	3.7%	4.8%
2021	\$33.38	\$0.88	2.8%	4.8%
2022	\$34.03	\$0.65	2.0%	4.8%
2023	\$34.69	\$0.66	2.0%	--

Recommended Distribution of 2019 Residential Water Rate

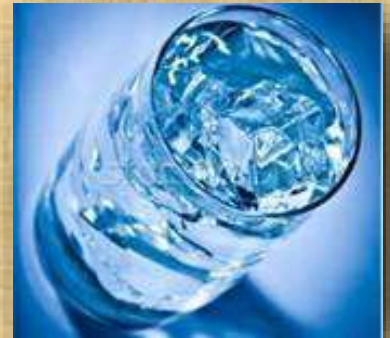
<u>Rate Component</u>	<u>Revenue Generated</u>	<u>% of Total</u>	<u>Use of Income</u>
\$18.83	\$5,538,800	60.1 %	Operations
\$5.29	\$1,736,500	16.9 %	Debt Service
\$3.70	\$1,207,100	11.8 %	Rate Funded Capital
\$3.51	\$1,150,000	11.2 %	Depreciation
\$31.33	\$10,255,300	100%	



Comparison of 2018 Residential Water Rates

(Based on a monthly consumption of 600 cf)

This information will be presented at the workshop.



2019 Utility Rate Information

Sewer



2019 Utility Rate Information / Sewer Utility

Proposed Depreciation Funding

	<u>Percent</u>	<u>Amount</u>
■ 2019	0%	
■ 2020	100%	\$1,565,900
■ 2021	100%	\$1,796,600
■ 2022	100%	\$1,873,900
■ 2023	100%	\$1,951,100



2019 Utility Rate Information / Sewer Utility

2019 Sewer Capital Projects

<u>Capital Projects</u>	<u>Amount</u>
Annual LID Projects	\$200,000
Annual Main Replacements	\$365,000
Annual In-Situ Liner Projects	\$540,000
Road Reconstruction	\$200,000
PS Rehab – Various Future Stations – Initiate Design	\$300,000
38 th & Oak PS and 32 nd Ave PS Rehab – Complete Construction	\$1,400,000
Bailey Park PS and Roy Morse PS Rehab – Complete Construction	\$1,750,000
SCADA Phase 2 – Restore Telemetry	\$250,000
West Longview Lagoons – Planning & Analysis	\$200,000
Mint Farm PS Odor Control	\$90,000
OB #4 Odor Control Tank/Filter Replacement	\$35,000
Operations Center Upgrades (Sewer 50%) – Initiate Construction	\$450,000
Vehicle Depreciation Shortfall	\$20,000
New Vacuum Truck – Medium Chassis (Smaller Size Unit)	\$150,000
Walk Behind Concrete Saw Replacement	\$8,500
Sewer Lateral Camera	\$14,000
TOTAL	\$5,393,500

2019 Utility Rate Information / Sewer Utility

2019 Sewer Enhancements

Enhancement

Additional Utility Systems Operator –	\$42,500
Cross connection and Pretreatment (50%)	
<u>Additional Vehicle</u>	<u>\$21,000</u>
TOTAL	\$63,500

2019 Utility Rate Information / Sewer Utility

2019 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>
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%	
2018	\$66.14	\$1.31	2.0%	1.5%
2019	\$67.46	\$1.32	2.0%	2.0%
2020	\$68.80	\$1.34	2.0%	2.0%
2021	\$70.15	\$1.35	2.0%	3.2%
2022	\$72.58	\$2.43	3.5%	3.2%
2023	\$75.48	\$2.90	4.0%	--

2019 Utility Rate Information / Sewer Utility

Distribution of 2019 Residential Sewer Rate

<u>Rate Component</u>	<u>Revenue Generated</u>	<u>% of Total</u>	<u>Use of Income</u>
\$15.79	\$3,123,300	23.4 %	TRWWA Operations
\$14.71	\$2,913,500	21.8 %	TRWWA Debt Service
\$30.28	\$6,016,100	44.9 %	Operations
\$6.68	\$1,316,900	9.9 %	Debt Service
\$0.00	\$0.00	0 %	Rate Funded Capital
\$0.00	\$0.00	0 %	Depreciation
\$67.46	\$13,369,800	100%	



Comparison of 2018 Residential Sewer Rates

(Based on a monthly consumption of 600 cf)

This information will be presented at the workshop.



Stormwater



2019 Stormwater Enhancements

Enhancement

Merit Step for Stormwater Supervisor	\$3,300
Additional Sidewalk Maintenance Crew	\$346,300
Equipment for Additional Crew (New Debt Service 2019)	\$33,200
Equipment Cost = \$305,000	
<hr/>	
TOTAL	\$382,800



2019 Stormwater Capital Projects

<u>Capital Projects</u>	<u>Amount</u>
Beech St Box Culvert Replacement (New Debt Service 2019)	\$249,500
Project Cost Estimate = \$3,150,000	
SCADA System Phase 2 – Restore Telemetry	\$30,000
Vehicle Depreciation Shortfall	\$60,000
Street Sweeper Replacement	\$305,000
<u>Miscellaneous Stormwater Projects</u>	<u>\$100,000</u>
TOTAL	\$744,500



2019 Utility Rate Information / Stormwater Utility

Recommended

2019 Residential Stormwater Rate Plan

<u>Year</u>	<u>Monthly Rate</u>	<u>\$ Incr.</u>	<u>% Incr.</u>	<u>Previous Projection</u>
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%	
2018	\$12.21	\$1.11	10.0%	10.0%
2019	\$13.68	\$1.47	12.0%	10.0%
2020	\$14.77	\$1.09	8.0%	4.0%
2021	\$15.21	\$0.44	3.0%	3.0%
2022	\$15.67	\$0.46	3.0%	3.0%
2023	\$16.14	\$0.43	3.0%	--

2019 Utility Rate Information / Stormwater Utility

Alternate – No Additional Sidewalk Crew 2019 Residential Stormwater Rate Plan

<u>Year</u>	<u>Monthly Rate</u>	<u>\$ Incr.</u>	<u>% Incr.</u>	<u>Previous Projection</u>
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%	
2018	\$12.21	\$1.11	10.0%	10.0%
2019	\$13.19	\$0.98	8.0%	10.0%
2020	\$13.59	\$0.40	3.0%	4.0%
2021	\$14.00	\$0.41	3.0%	3.0%
2022	\$14.42	\$0.42	3.0%	3.0%
2023	\$14.85	\$0.43	3.0%	--

2019 Utility Rate Information / Stormwater Utility

Recommended

Distribution of 2019 Residential Stormwater Rate

<u>Rate</u> <u>Component</u>	<u>Revenue</u> <u>Generated</u>	<u>% of Total</u>	<u>Use of Income</u>
\$4.84	\$1,445,800	35.4 %	Urban Forestry
\$6.72	\$2,478,300	49.1 %	Operations / NPDES
\$1.60	\$592,800	11.7 %	Debt Service
\$0.52	\$190,000	3.8 %	Rate Funded Capital
\$0.00	\$0	0 %	Depreciation
\$13.68	\$5,053,225	100%	



Comparison of 2018 Residential Stormwater Rates

This information will be presented at the workshop.



DISCUSSION