



City of Longview

1525 Broadway
Longview, WA 98632
www.ci.longview.wa.us

City Council

*Mayor MaryAlice Wallis
Mayor Pro Tem Michael Wallin
Council Member Ruth Kendall
Council Member Angie Wean
Council Member Spencer Boudreau
Council Member Hillary Strobel
Council Member Christopher Ortiz*

Tuesday, November 1, 2022

5:30 PM

2nd Floor, City Hall

NOTICE IS HEREBY GIVEN, in accordance with RCW Chapter 42.30, that the City Council of the City of Longview, Washington, will conduct a special meeting in the Longview City Hall Training Room, 1525 Broadway, Longview, on Tuesday, November 1, 2022 at 5:30 p.m. The topics of discussion follow. Final disposition shall be taken on no other matter.

<https://us02web.zoom.us/j/84215461379>

Telephone options (dial any of the following numbers):

**1-253-215-8782
1-346-248-7799
1-408-638-0968
1-669-900-6833
1-301-715-8592
1-312-626-6799
1-646-876-9923**

Webinar ID: 8420154601379

The City Hall is accessible for persons with disabilities. Special equipment to assist the hearing impaired is also available. Please contact the City Executive Office at 360.442.5004 48 hours in advance if you require special accommodations to attend the meeting.

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. WORKSHOP**

22-000630 UTILITY RATES WORKSHOP

**RECOMMENDED ACTION:
DIRECTION TO STAFF**

4. **CONSTITUENTS' COMMENTS**
5. **ADJOURNMENT**
6. **FLAG SALUTE**

*** Any invocation that may be offered at the Council meeting shall be the voluntary offering of a private citizen, to and for the benefit of the Council. The views or beliefs expressed by the invocation speaker have not been previously reviewed or approved by the Council, and the Council does not endorse the religious beliefs or views of this, or any other speaker.**

NEXT SPECIAL COUNCIL MEETINGS:

THURSDAY, NOVEMBER 3, 2022 – 6:00 P.M. (NOVEMBER 10 – VETERAN'S DAY HOLIDAY)

THURSDAY, NOVEMBER 17, 2022 – 6:00 P.M. (NOVEMBER 24 – THANKSGIVING HOLIDAY)



City of Longview

Agenda Summary

UTILITY RATES WORKSHOP

RECOMMENDED ACTION: DIRECTION TO STAFF

COUNCIL STRATEGIC INITIATIVE ADDRESSED:

Continue effective financial management
Provide sustainable water quality & environmental infrastructure

SUMMARY STATEMENT:

A presentation will be given to Council seeking direction for setting 2023 utility rates.

STAFF CONTACT:

Ken Hash, Public Works Director

Attachments:

1. Ken Hash Memo - Utility Rates 2023
2. Utility Projects - presentation
3. SEWER PS - REPLACEMENT PRIORITIES
4. Longview CIP Summary -2023 - 2024_ BHC_042022



Memorandum

October 27, 2022

TO: Kurt Sacha, City Manager
FROM: Ken Hash, Public Works Director
SUBJECT: 2023 Utility Rate Workshop

The November 1, 2022, utility rate workshop will include discussion of the Sewer and Water utility rates. The solid waste utility rate will be discussed at a later date. The City of Kelso water delivery rate will also be presented.

SEWER RATES

Staff will recommend:

- Inflationary Sewer Rate increase of 2% for 2023

Additive options

- Add a 3-person Sewer Crew – add 2.5%
- Add an Asset Manager (1/2 FTE) – add 0.5%

The current sewer rate for an average homeowner who consumes 6 CCF water is be \$68.16/month. This rate will sustain the current CIP program but will not grow the program. The rate payer capital program has grown to \$3.1 million per year because TRWWA has paid off constructions bonds reducing the City's monthly TRWWA bill. This is a temporary situation, because in the near future, TRWWA will issue new bonds, for new construction projects and our monthly bill will go up to pay our portion. The net result is undetermined. We should be prepared to raise our sewer rate to maintain a minimum \$3 million CIP annually.

Between our \$3 million in ratepayer funded CIP and our healthy reserve, we are proposing the following suite of capital projects:

Previously approved projects:

2402 38th Ave Pump Station	\$1,650,000
2626 38th Ave Pump Station	\$1,700,000
4014 Oak Street Pump Station	in 2024

2600 42nd Ave Pump Station	in 2024
Oregon Way liner & Replacement	\$1,600,000
Mint Farm Sewer Pump Station Odor Control	\$100,000
OB #4 Pump Station Odor Control	\$10,000
Aerial Mapping	\$150,000
Pancake House – alley sewer replacement *	\$600,000
46th Ave – sewer	\$435,000
Public / Private Joint Utility Imp	\$50,000

New projects:

Sewer Main Camera	\$75,000
General Sewer Plan	\$200,000
LID (annual program)	\$100,000
Vehicle Replacements	\$230,000

The following plans are included as attachments:

- Sewer capital projects plan
- Sewer Pump Station priorities list
- General sewer plan
- Water sewer system maintenance management plan and implementation plan

Two major unfunded and unprogrammed projects will be discussed at the workshop:

- Upgrades to the Utilities Operation Center
- Infill of the CVG area

New staff

We will be requesting the addition of a new 3-person sewer crew and an asset manger whose time is to be split with the water utility.

New 3-person sewer crew

The current TV crew is tasked with the following duties:

- Clean & Inspect mains
- Manhole clean & Inspect
- Sewer backups
- Root control
- Vermin control

Cleaning and inspecting mains and manholes is our only way to ensure the integrity of our sewer collection system. It allows us to have eyes inside the system for early detection of future problems. It also is our most reliable method for programming future capital project such and mainline replacement and lining.

Sewer backups are our most costly claim item year over year. While trips in sidewalks will result in the higher volume of claims, sewer backups will result in bigger dollar claims. So, when a sewer backup occurs, the TV crew is mobilized to clear the sewer lines in an expedient fashion, trying to minimize damages. This results in a lot of interrupted cleaning and inspection time. The setup and tear down times (traffic control) for the TV crew can be quite extensive and time consuming.

Creation of a new crew dedicated to sewer backups as a first priority will free up the TV crew to expediently accomplish their main goal of cleaning and inspecting our sewer lines.

New asset manager

Why Asset Management?

- Better care for our systems
- Fewer unplanned service disruptions
- Confidence about what we own
- More effective and better scheduled maintenance
- Better budget estimates
- Extend the life of assets
- Save money

What is Asset Management?

A system for monitoring and maintaining stuff that has value to the City, with the goal of optimizing the value of those assets.

It starts with an asset manager. Their duties will include answering these questions:

- What do we own?
 - Asset inventory
 - Lucity
 - GIS
 - As-Built drawings
- What kind of shape is it in?
 - Condition rating
- What are we going to do with it?
 - Maintain
 - Replace
- Determine level of service (LOS)

Position to initially be split 50/50 with sewer/water. Eventually could include stormwater and traffic assets.

Staff recommends:

- Inflationary Sewer Rate increase of 2% for 2023

Additive options

- Add a 3-person Sewer Crew – add 2.5%
- Add an Asset Manager (1/2 FTE) – add 0.5%

Total recommended sewer rate increase is 5%.

WATER RATES

Staff will recommend:

- Inflationary water rate increase of 13.5% for 2023

Additive options:

- Add a 3-person Water Crew – add 3%
- Add an Asset Manager (1/2 FTE) – add 0.5%

Also

- Add a City of Kelso Water Delivery Rate

The current water rate for an average homeowner who consumes 6 CCF water is \$34.44/month. This rate will not sustain the current CIP program. One year ago, the rate payer capital program was approximately \$1.6 million per year. Because of inflation, that will be reduce to approximately \$0.6 million per year. A rate increase of 10% will bring our CIP back to approximately \$1.6 million per year. To fund our water plan, the CIP will need to be at approximately \$5 million per year, which equates to a rate of approximately \$52 per month. We should be prepared to raise our water rate to fund a \$5.0 million per year CIP.

With our fund balance and the rate payer funded capital program, we are proposing the following suit of capital projects:

Previously approved projects:

Reservoir 5 roof	\$3,100,000
46th Avenue	\$573,584
Niemi Booster Station	\$20,000
Annual Valve Replacement	\$20,000
Large Meter Replacement	\$140,000
PRV – Columbia Hts	\$30,000
Pancake House Alley – Waterline	\$260,000
Public / Private Joint Utility Imp.	\$50,000

LID	\$100,000
Clark Creek Mast Pump Station (ARPA)	\$300,000
Dedicated Fill Line (ARPA)	\$2,000,000

Out-year projects:

Without an increase in funding, there are no new projects. With an increase in funding, the next projects are:

Madrona Watermain Replacement	\$2,500,000
Castleman Watermain Replacement	\$2,290,000
N 50th Watermain replacement	\$2,030,000
Sunset watermain replacement	\$1,490,000
Scada Upgrades	\$158,200
Utility Operations Center	\$1,300,000

Filter Plant projects:

Hypochlorite Tank	\$200,000
Misc. Capital Repairs	\$75,000
Vehicle Replacement	\$80,000
Small Forklift	\$55,000
Large Lawn Mower	\$15,000

Out-year filter plant projects:

Pump Rebuilds	\$150,000
SCADA PLC	\$300,000
Equipment Storage Building	\$200,000

A complete list of projects from our water system plan has been attached. The 20-year project total is estimated to be valued at \$109 million, which is \$5.5 million per year. Two major unfunded and unprogrammed projects will be discussed at the workshop:

- Upgrades to the Utilities Operation Center
- Infill of the CVG area

New staff

We will be requesting the addition of a new 3-person water crew and an asset manger whose time is to be split with the sewer utility.

New 3-person water crew

The current water dig crew is tasked with the following duties:

- Replace Service Lines
- Main repairs
- Replace hydrants

- Concrete work
- Assist sewer dig crew

Service lines run between the main line and the water meter. We have approximately 500,000 LF of service line, comprising about 1/3 of our total waterline by length. The majority of our service lines are galvanized. Galvanized pipe easily becomes filled with tuberculation, causing a drop in water pressure and volume. Also, peculiar to galvanized pipe, it is prone to leaks. All of this to say that the majority of or after hours and weekend calls are due to leaks in the service lines and leaks at the service line/meter connection. To date, we have never had a service line replacement program. Service lines have only been replaced when the main waterline is replaced. With this program we will proactively replace the aged-put service lines restoring water pressures and volumes to customers. At the same time, by replacing service line proactively, we will start to reduce after hours calls and overtime.

In 2019 we purchased a boring machine to accomplish service line replacements. What has been proved out is that the water dig crew can't keep up with both the demand for service line replacements and water main line repairs.

Creation of a new crew dedicated to replacing service lines will prioritize this needed service and free the dig crew to repair lines and replace hydrants

New asset manager

See above, under Sewer Rate New Asset Manager

CITY OF KELSO WATER DELIVERY RATE

Background

- Mint Farm Regional Water Treatment Plant (MFRWTP) provides water supply to the City of Longview and Beacon Hill Water & Sewer District (BHWSD)
 - » Longview operates MFRWTP
 - » BHWSD is a partner; pays for 15% of MFRWTP operating and capital costs
- City of Kelso began using supply from MFRWTP in 2019
 - » Driven by supply capacity issues and the possible need to replace its well system
 - » Currently represents $\approx$ 8% of annual system water demand

- » Has requested up to 2,500 gallons per minute (gpm); only 1,500 gpm is available

FCS Group was hired to develop a Kelso water rate, similar in methodology to the Nippon Dynawave rate that they developed.

The rate is in two parts:

- A purveyor rate that will go to the Filter Plant Fund (421) that benefits the City and BHWSD and that has been adopted by the Water Operating Board.
- A delivery Rate that will go to the Water Fund (411) that benefits the City.

The delivery rate is the portion that we will ask to be added to our water rate resolution. The current delivery rate is proposed to be \$1,143.54 per month plus \$1.65 per ccf. It's proposed that this rate will be reviewed and updated periodically.

Staff recommends:

- Inflationary water rate increase of 10% for 2023.

Additive options

- Add a 3-person water crew – add 3%
- Add an Asset Manager (0.5 FTE) – add 0.5%

Also:

- Add City of Kelso Water Delivery Rate - \$1,143.54 per month plus \$1.65 per ccf

Proposed 2023 Utility Rates

Longview City Council Workshop November 1, 2023

Prepared by

Ken Hash, Public Works Director

2022 Utility Rate Information

Sewer



Staff Recommendation

Inflationary Sewer Rate increase of 2% for 2023

Additive options

Add a 3-person Sewer Crew – add 2.5 %

Add an Asset Manager (1/2 FTE) – add 0.5%

What's the capital funding gap?

- Sewer system has a replacement cost of \$300 million.
- A 100-year replacement cycle yields a needed CIP value of \$3 million per year.
- Current rate for an average homeowner is \$68.16/month. Which generates a CIP of \$3.1 million

2023 Utility Rate Information / Sewer Utility

2023 Sewer Capital Projects

<u>Capital Projects</u>	<u>Amount</u>
2402 38 th Ave Pump Station	\$1,650,000
2626 38 th Ave Pump Station	\$1,700,000
4014 Oak Street Pump Station	in 2024
2600 42 nd Ave Pump Station	in 2024
Oregon Way liner & Replacement	\$1,600,000
Mint Farm Sewer Pump Station Odor Control	\$100,000
OB #4 Pump Station Odor Control	\$10,000
Aerial Mapping	\$150,000
Pancake House – alley sewer replacement *	\$600,000
46 th Ave – sewer	\$435,000
Public / Private Joint Utility Imp	\$50,000
TOTAL	\$6,265,143
 New Capital Projects	
Sewer Main Camera	\$75,000
General Sewer Plan	\$200,000
LID (Annual program)	\$100,000
Vehicle Replacements	\$230,000
TOTAL	\$6,870,141

2023 Utility Rate Information / Sewer Utility

Sewer Capital Projects - Plan

								2023	2024	2025	2026	2027	2028	2029	2030	2031	
	<u>Capital Projects</u>	<u>Exp.</u>	<u>Approp.</u>	<u>Current</u>	<u>Remaining</u>												
	2402 38th Ave Pump Station	174,787	500,000	1,822,000	1,647,213			1,647,213									
	2626 38th Ave Pump Station	140,066	500,000	1,822,000	1,681,934			1,681,934									
	4014 Oak Street Pump Station	58,969	500,000	1,900,000	1,841,031				1,841,031								
	2600 42nd Ave Pump Station	71,309	500,000	1,900,000	1,828,691				1,828,691								
	Oregon Way Sewer Liner & Replacement	8,779	420,000	1,600,000	1,591,221			1,591,221									
	Mint Farm Sewer Pump Station Odor Control	4,979	100,000	105,000	100,021			100,021									
	OB #4 Pump Station Odor Control	633	10,000	10,000	9,367			9,367									
	Aerial Mapping		150,000	150,000	150,000			150,000									
	Pancake House – alley sewer replacement				600,000			600,000									
	46th Ave - sewer	4,625	440,012	440,012	435,387			435,387									
	Public / Private Joint Utility Imp	0	50,000	50,000	50,000			50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
		464,147	3,170,012	9,799,012	9,934,865												
	<u>New Capital Requests</u>	<u>Request</u>															
	Annual Main Replacements								750,000	765,000	780,300	795,906	811,824	828,061	844,622	861,514	
	Annual Main Relining								750,000	765,000	780,300	795,906	811,824	828,061	844,622	861,514	
	Sewer Mainline Camera	75,000						75,000									
	LID	100,000						100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
	Vehicle Replacements	230,000						230,000									
	Utility Operation Center Upgrades	6,000,000															
	5501 Finch PS	2,000,000						200,000		1,800,000							
	2277 48th PS	2,000,000							200,000		1,800,000						
	4711 Merlin PS	2,000,000								200,000		1,800,000					
	2401 50th PS	2,000,000									200,000		1,800,000				
	122 Selix PS	2,000,000										200,000		1,800,000			
	4007 Pacific Way PS	2,000,000											200,000		1,800,000		
	2947 Lynn Place PS	2,000,000												200,000		1,800,000	

Sewer PS Priorities

[illegible]

Up to date
and being
followed

47 Sewer Pump Stations, 18 are newer, 4 are in the process of being replaced, 7 more are prioritized for replacement.

General Sewer Plan

March 2008

**City of Longview
General Sewer Plan
And
Facilities Plan**

Prepared By:

Project No.: 461.3711

Gibbs & Olson, Inc.

- Completed in 2008
- Focused on capital improvements
- Focused on west end sewer diversion
- Mostly completed
- Largely out of date
- We need a new plan focused on:
 - Growth
 - Infill
 - Asset conditions
 - A new capital Improvement Plan

Sewer Capital Projects

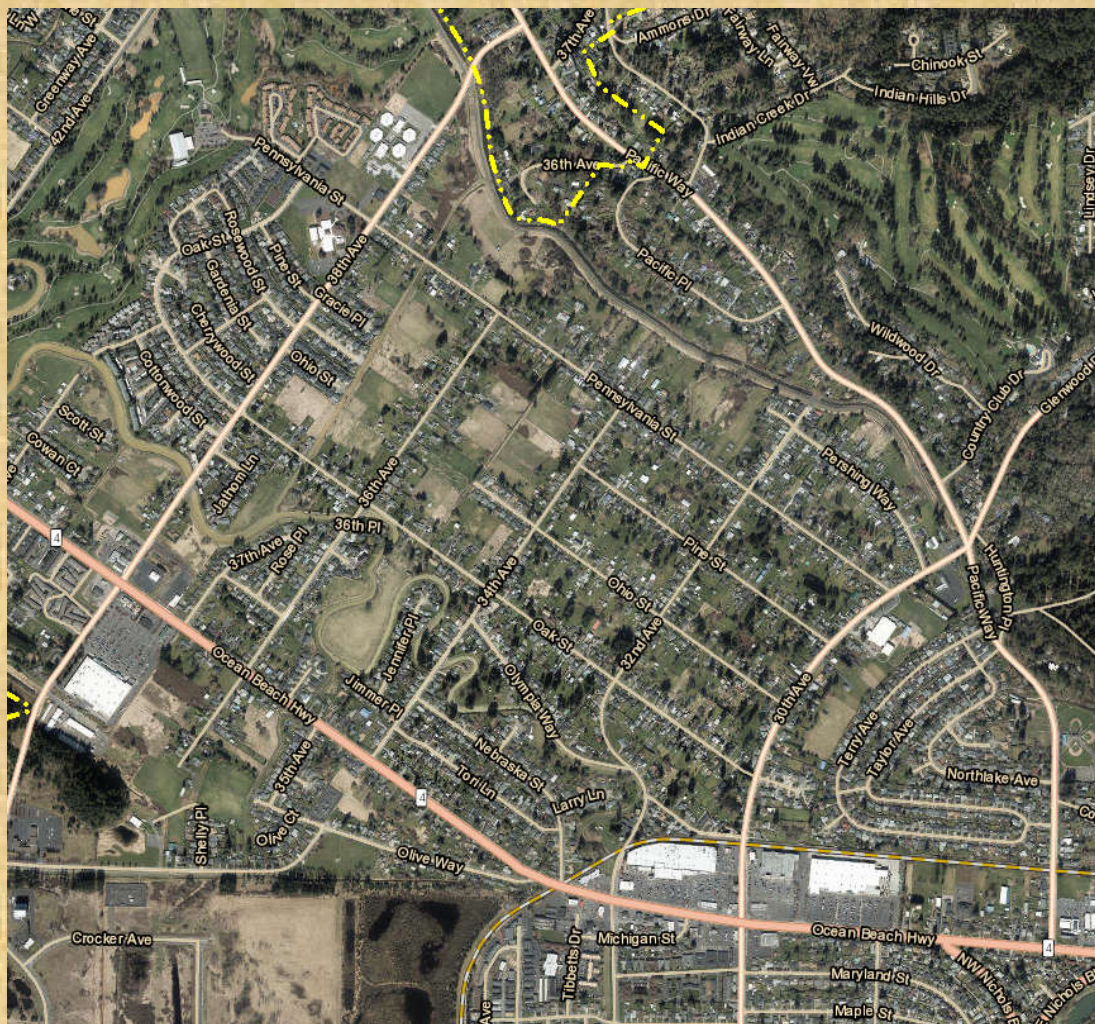


Utilities Operations Center - Upgrade

\$2.6 million

Not in the budget

Sewer Capital Projects



45,000 LF of sewer
main line

\$4.5 million to line.

\$17.5 million to
replace.

Pump Stations?

The CVG and Infill

Not in the budget

Water and Sewer MMP



Water and Sewer System
Maintenance Management Plan
and
Implementation Plan

September 1998

BOOKMAN-EDMONSTON
ENGINEERING, INC.

- Completed in 1998
- Focused on operations and maintenance
- Focused on organization and day-to-day operations
- Based on unrealistic goals
- Followed to the best of the staff's ability.
- We need a new plan focused on realistic goals

2023 Utility Rate Information / Sewer Utility

Added Staffing

Dig crew

- Lateral replacements
- Main repairs
- Special sewer projects
- Assist water dig crew

TV Crew

- Clean & Inspect mains
- Manhole clean & Inspect
- Sewer backups
- Root control
- Vermin control

Pump Crew

- Sewer pump stations
 - Mon & Thurs. – checks
 - Tues & Wed. – maintenance

Pretreatment

- Grease abatement

Added Staffing

Dig crew

- Lateral replacements
- Main repairs
- Special sewer projects
- Assist water dig crew

Pump Crew

- Sewer pump stations
 - Mon & Thurs. – checks
 - Tues & Wed. – maintenance

TV Crew

- Clean & Inspect mains

New Crew

- Sewer backups
- Manhole clean & Inspect
- Root control
- Vermin control
- Added sewer cleaning

Pretreatment

- Grease abatement

Added Staffing

Asset Manager

Why Asset Management?

1. Better care for our systems
2. Fewer unplanned service disruptions
3. Confidence about what we own
4. More effective and better scheduled maintenance
5. Better budget estimates
6. Extend the life of assets
7. Save money

Added Staffing

Asset Management

Two facts about asset management

- Nothing lasts forever
- Nothing is free

Added Staffing

Asset Management

What is it?

A system for monitoring and maintaining stuff that has value to the City, with the goal of optimizing the value of those assets.

Added Staffing

Asset Management

It starts with an asset manager

- What do we own?
 - Asset inventory
 - Lucity
 - GIS
 - As-Built drawings
- What kind of shape is it in?
 - Condition rating
- What are we going to do with it?
 - Maintain
 - Replace
- Determine level of service (LOS)

Added Staffing

Asset Management

Where does it start?

It starts with an asset manager

2023 Utility Rate Information / Sewer Utility

2023 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>
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%
2019	\$67.46	\$1.32	2.0%
2020	\$67.46	\$ 0	0%
2021	\$67.46	\$ 0	0%
2022	\$68.16	\$0.70	1.0%
2023	\$71.57	\$1.41	5.0%
2024	\$73.00	\$1.43	2.0%
2025	\$74.46	\$1.46	2.0%
2026	\$75.95	\$1.49	2.0%
2027	\$77.47	\$1.52	2.0%
2028	\$79.02	\$1.55	2.0%

Distribution of 2023 Residential Sewer Rate

<u>Rate Component</u>	<u>Revenue Generated</u>	<u>% of Total</u>	<u>Use of Income</u>
\$18.14	\$3,666,489	25.3 %	TRWWA Operations
\$ 4.04	\$816,507	5.6 %	TRWWA Debt Service
\$28.19	\$5,700,000	39.4 %	Operations
\$ 4.11	\$831,180	5.7 %	Debt Service
\$ 17.09	\$3,455,034	23.9 %	Rate Funded Capital
\$ 0.00	0	0 %	Depreciation
\$71.57	\$14,469,210	100%	



Staff Recommendation

Inflationary Sewer Rate increase of 2% for 2023

Additive options

Add a 3-person Sewer Crew – add 2.5 %

Add an Asset Manager (1/2 FTE) – add 0.5%

DISCUSSION

Water



November 1, 2022

Staff Recommendation

Inflationary Water rate increase of 10% for 2023

Additive options

Add a 3-person Water Crew – add 3%

Add an Asset Manager (1/2 FTE) – add 0.5%

Also

Add a City of Kelso Water Delivery Rate

What's the capital funding gap?

- Water system has a replacement cost of \$500 million.
- A 100 year replacement cycle yields a needed CIP value of \$5 million per year.
- Current rate for an average homeowner is \$34.44/month. Which generates a CIP of \$0.6 million
- A rate of approx. \$52/month would yield a CIP of Approx. \$5 million.

Inflation eroding our
buying power



2023 Utility Rate Information / Water Utility

2023 Water Capital Projects

Water Distribution Capital

	<u>Amount</u>
Reservoir 5 roof	\$3,100,000
46 th Avenue	\$573,584
Niemi Booster Station	\$20,000
PRV – Columbia Hts	\$30,000
Pancake House Alley – Waterline*	\$260,000
Clark Creek Mast Pump Station (ARPA)	\$300,000
Dedicated Fill Line (ARPA)	\$2,000,000

New Capital Projects

LID	\$100,000
Public / Private Joint Utility Imp.	\$50,000
Water Truck Fill Stations	\$100,000
Annual Valve Replacement	\$30,000
Large Meter Replacement	\$140,000
Vehicle Replacements	\$125,000
TOTAL	\$6,828,584



2023 Water Capital Projects

Filter Plant Capital Projects

Hypochlorite Tank	\$200,000
Misc. Capital Repairs	\$75,000
Vehicle Replacement	\$80,000
Small Forklift	\$55,000
Large Lawn Mower	\$15,000
TOTAL	\$425,000



2023 Utility Rate Information / Water Utility

Water Capital Projects - Plan

								2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Water							CN Budget	1,681,902	2,477,548	3,368,446	4,364,511	5,075,448	5,130,784	5,186,072	5,241,283	5,296,386	5402313	
<u>Current Capital Projects</u>	<u>Budget</u>																	
Reservoir 5 Roof	3,100,000							3,100,000										
46th Ave waterline	573,584							573,584										
Niemi Booster Pump	20,000							20,000										
Annual Valve Replacement	300,000							30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	
Large Meter Replacement	1,400,000							140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	
PRV - Columbia Heights	30,000							30,000										
Pancake House Alley - waterline	260,000							260,000										
							subtotal	4,153,584	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	
<u>New Capital Requests</u>	<u>Request</u>																	
LID	1,000,000							100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
public/Provate	500,000							50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
Annual Main Replacement - N 50th	2,030,000							2,030,000										
Annual Main Replacement - Sunset	1,490,000							1,490,000										
Annual Main Replacement - Madrona	2,300,000								2,300,000									
Annual Main Replacement - Trella Zone	4,900,000										3,810,000	1,090,000						
Annual Main Replacement - Willow Grove	1,760,000										1,760,000							
Annual Main Replacement - Pacific Way	1,250,000										1,250,000							
Deadicated fill line	5,000,000							1,000,000	5,000,000									
Lynnwood PRV station	5,900,000											154,000	440,000					
replace 20-inch steel line	3,660,000																	
Replace Castlemen Line	2,290,000													595,000	1,695,000			
Replace Mt Solo Fill line	1,150,000															851,000	299,000	
Clark Creek Pump Station	9,000,000																	
Clark Creek Reservoir - renovate	2,600,000															390,000	2,210,000	
all reservoirs - seismic upgrades	1,582,000							158,200	158,200	158,200	158,200	158,200	158,200	158,200	158,200	158,200		
SCADA Upgrades	500,000							50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
AMI Meters	10,000,000																	
Columbia Heights watermain replacement	1,900,000																	
Fishers Lane demolition	1,400,000							1,400,000										
Utility Operation Center	1,300,000							650,000	650,000									
Water Truck Fill Station	200,000																	
							subtotal	6,928,200	8,308,200	3,368,200	4,168,200	1,602,200	798,200	953,200	2,053,200	1,599,200	2,709,000	
							total	11,081,784	8,478,200	3,538,200	4,338,200	1,772,200	968,200	1,123,200	2,223,200	1,769,200	2,879,000	

2023 Utility Rate Information / Water Utility

Next Tier Water Capital Projects

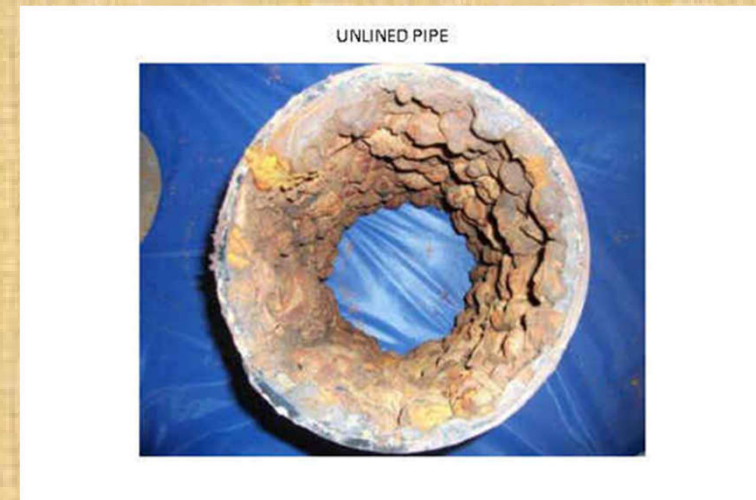
Water Distribution Capital

	<u>Amount</u>
Madrona Watermain Replacement	\$2,500,000
Castleman Watermain Replacement	\$2,290,000
N 50 th Watermain replacement	\$2,030,000
Sunset watermain replacement	\$1,490,000
Scada Upgrades	\$158,200
Utility Operations Center	\$1,300,000

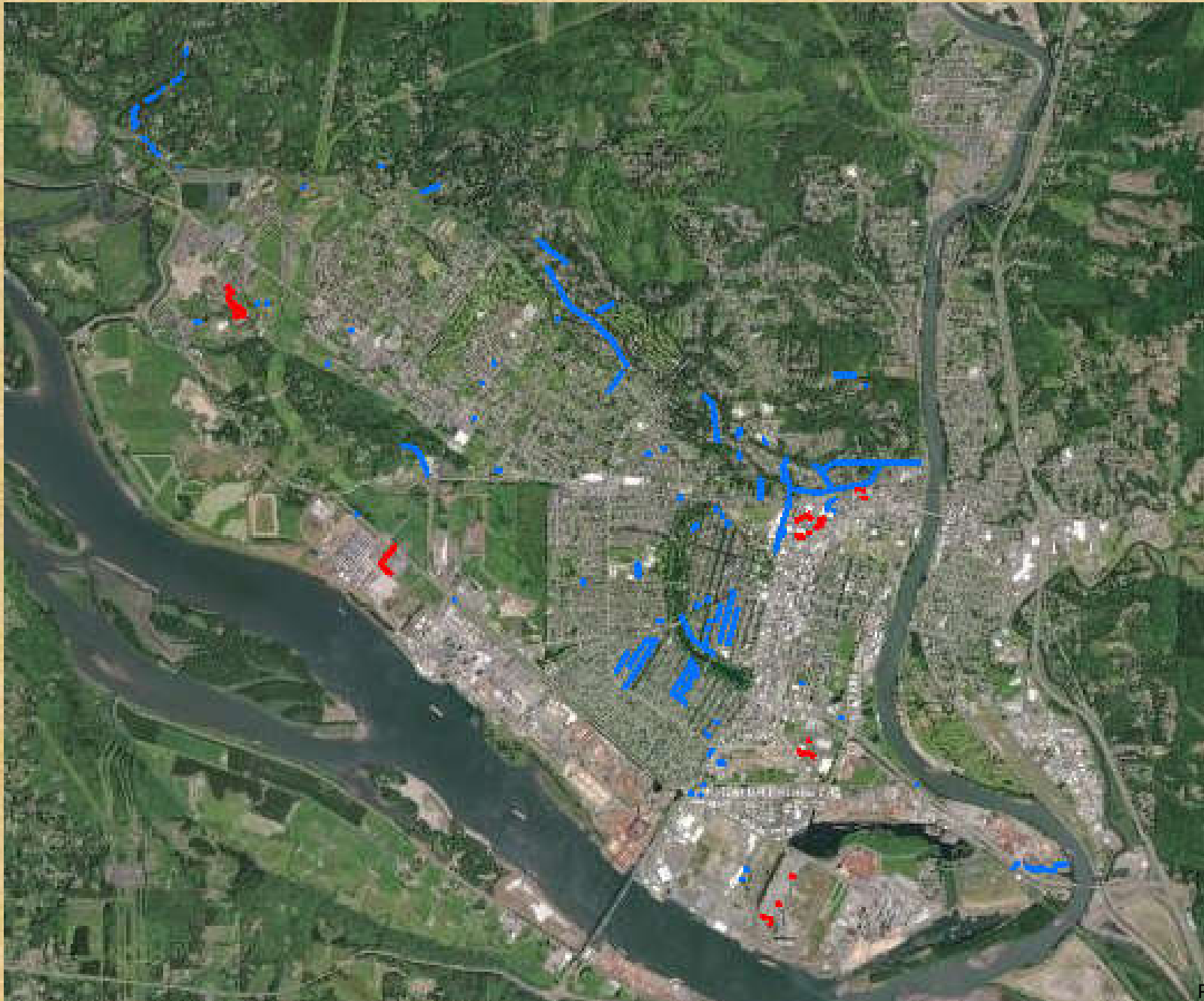
Filter Plant Capital Projects

Pump Rebuilds	\$150,000
SCADA PLC	\$300,000
Equipment Storage Building	\$200,000
TOTAL	\$10,418,200

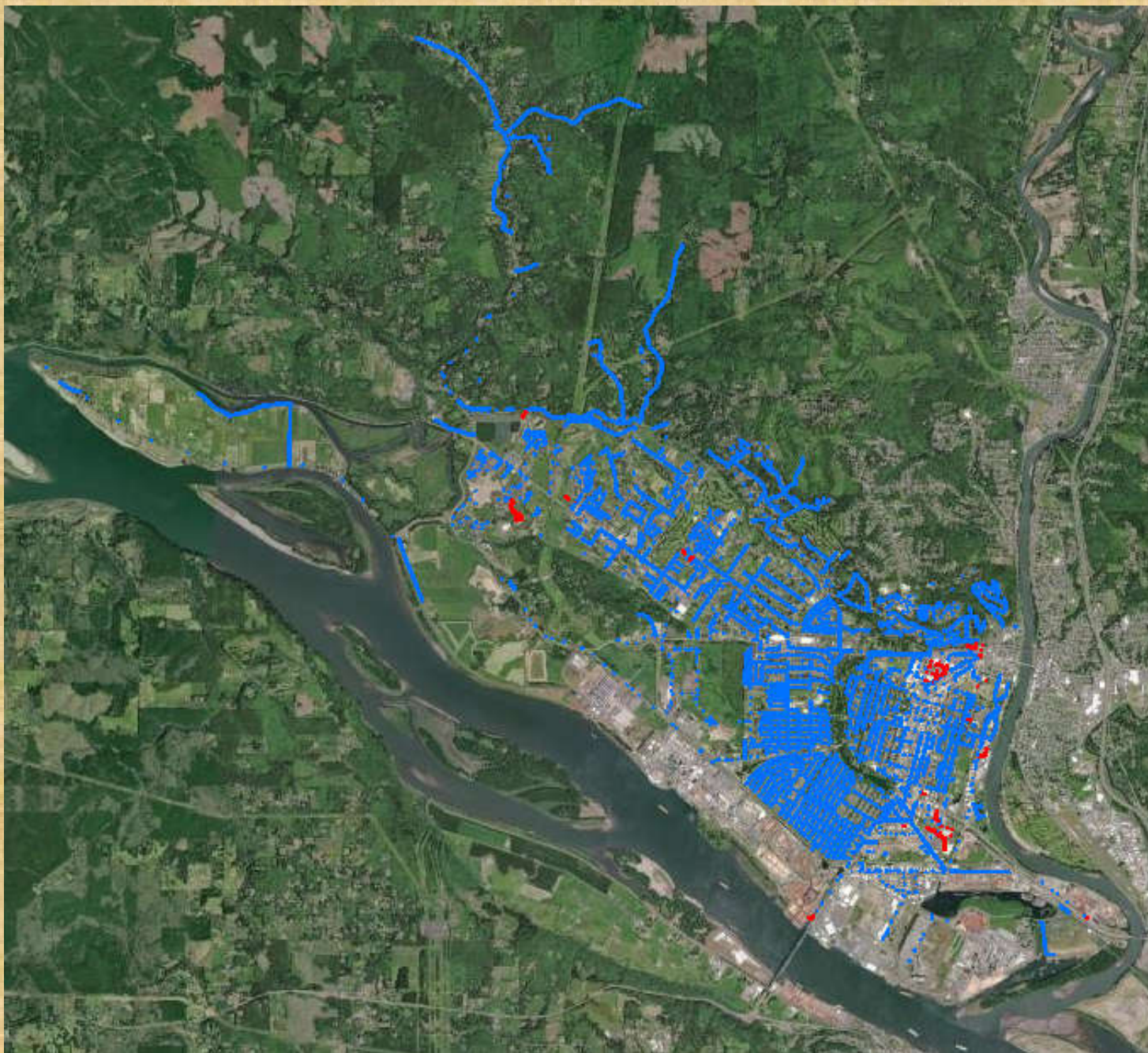
24,000 LF of asbestos cement pipe (\$9.6 million)
13,000 LF of steel pipe (\$5.2 million)
195,000 LF of pipe installed in the 1920's
(\$78 million)



AC Pipe



Undersized pipes



Water Capital Projects



Utilities Operations Center - Upgrade

\$2.6 million

Not in the budget

Water Capital Projects



\$25 million to replace.

The CVG and Infill

Water and Sewer MMP



Water and Sewer System
Maintenance Management Plan
and
Implementation Plan

September 1998

BOOKMAN-EDMONSTON
ENGINEERING, INC.

- Completed in 1998
- Focused on operations and maintenance
- Focused on organization and day-to-day operations
- Based on unrealistic goals
- Followed to the best of the staff's ability.
- We need a new plan focused on realistic goals

2023 Utility Rate Information / Water Utility

Added Staffing

Meter Crew

- Finance needs
- Hazard mitigation
- Stopped meters
- Leaks
- Wholesale reads
- Hydrant meter reads
- AMI – no reads
- Aged meter replacement
- Large meter replacement

Dig Crew

- Replace Service Lines
- Main repairs
- Replace hydrants
- Concrete work
- Assist sewer dig crew

Operations crew

- Station checks – Mon & Thurs (half day typ.)
 - Booster stations
 - ARVs
 - PRVs
 - Cla-Valves
- Contractor assistance
- Hydrant replacements
- Valve exercising
- Clean and paint hydrants
- Hydrant flushing

Cross-connections/backflow

Added Staffing

Meter Crew

- Finance needs
- Hazard mitigation
- Stopped meters
- Leaks
- Wholesale reads
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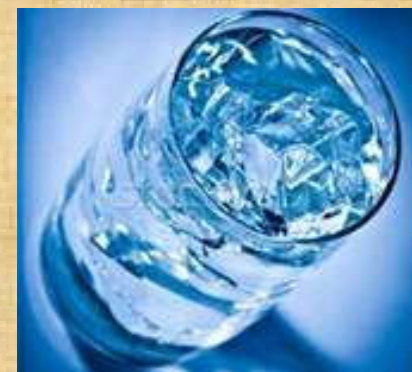
Cross-connections/backflow

Service line crew

- Replace service lines

Distribution of 2023 Residential Water Rate

<u>Rate Component</u>	<u>Revenue Generated</u>	<u>% of Total</u>	<u>Use of Income</u>
\$23.78	\$7,682,281	69.0 %	Operations
\$ 5.45	\$1,762,120	15.8 %	Debt Service
\$ 5.21	\$1,681,902	16.7 %	Rate Funded Capital
\$ 0	\$ 0	0 %	Depreciation
\$39.09	\$11,126,303	100%	



2023 Utility Rate Information / Water Utility

2023 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>
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%
2019	\$31.33	\$1.37	4.5%
2020	\$33.24	\$1.91	6.0%
2021	\$33.24	\$0.00	0.0%
2022	\$34.44	\$1.20	3.7%
2023	\$39.09	\$4.65	13.5%
2024	\$43.00	\$3.79	10.0%
2025	\$47.30	\$4.30	10.0%
2026	\$52.03	\$4.73	10.0%
2027	\$56.08	\$4.06	5.0%
2028	\$60.49	\$4.40	5.0%



Kelso Water Rate Analysis



Chris Gonzalez, Senior Project Manager
November 1, 2022



Agenda

- **Background**
- **Overview of Ratemaking Methodology**
- **Summary of Findings**
 - » Allocation of Costs to Kelso
 - » Proposed Rate Structure
- **Questions/Discussion**

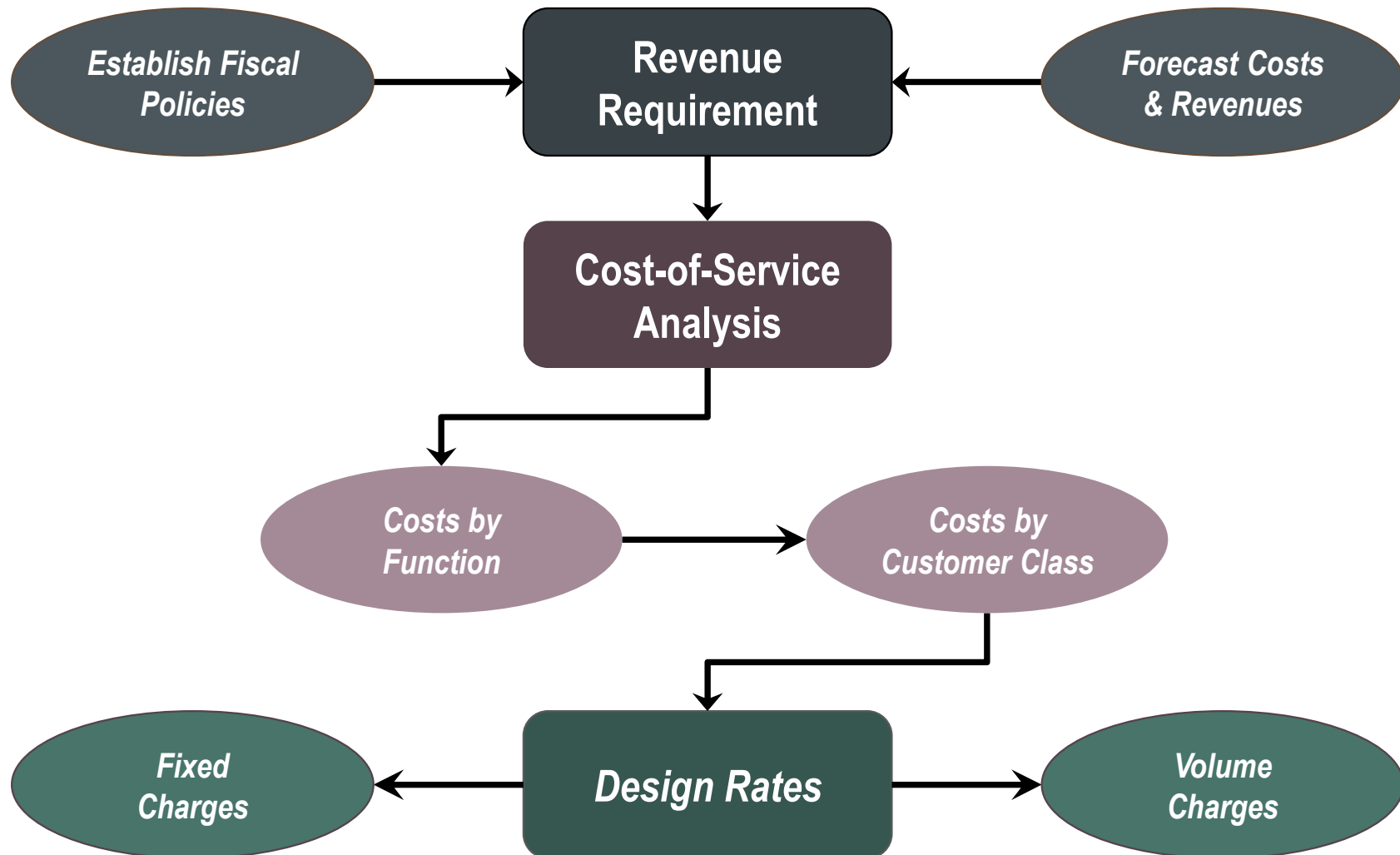


Background

- **Mint Farm Regional Water Treatment Plant (MFRWTP) provides water supply to the City of Longview and Beacon Hill Water & Sewer District (BHWSD)**
 - » Longview operates MFRWTP
 - » BHWSD is a partner; pays for 15% of MFRWTP operating and capital costs
- **City of Kelso began using supply from MFRWTP in 2019**
 - » Driven by supply capacity issues and the possible need to replace its well system
 - » Currently represents $\approx 8\%$ of annual system water demand
 - » Has requested up to 2,500 gallons per minute (gpm); only 1,500 gpm is available
- **Longview requested assistance in developing equitable rate for Kelso**
 - » Kelso wants permanent and reliable supply capacity

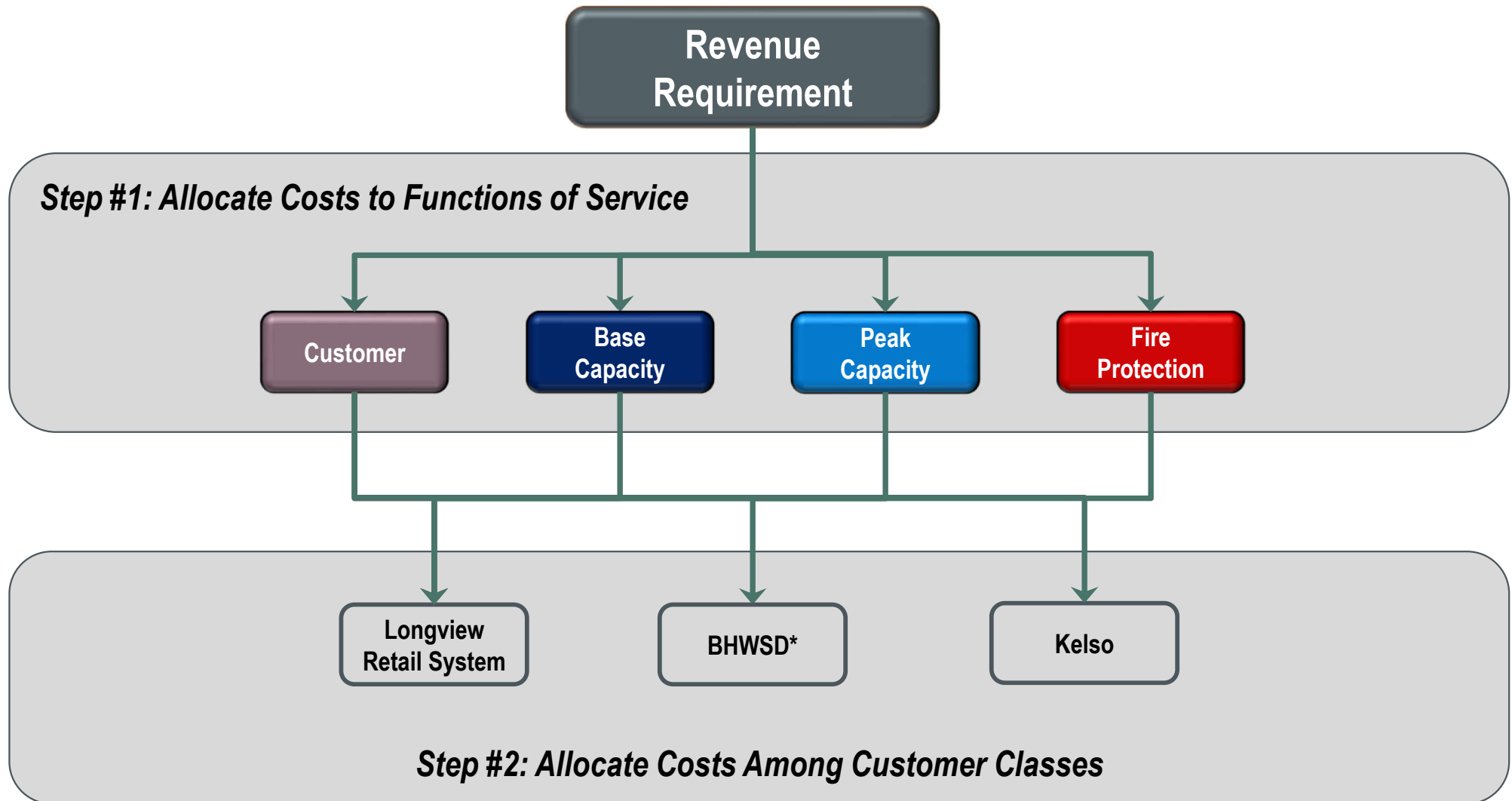


Overview of Ratemaking Methodology





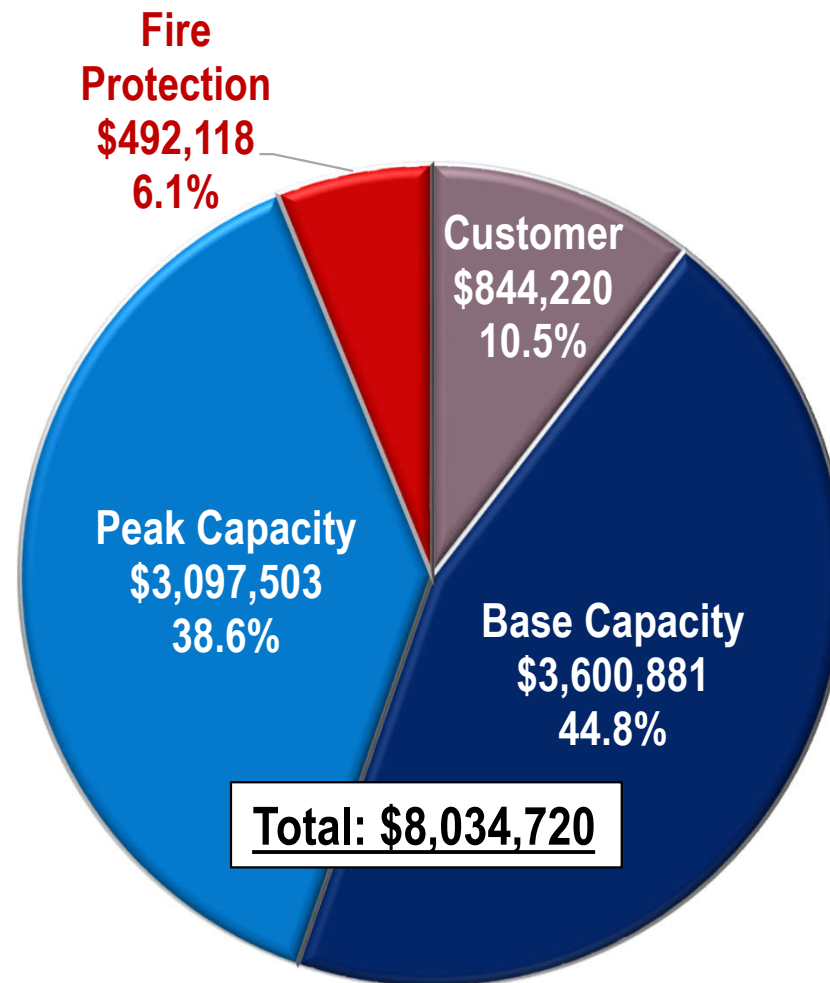
Cost-of-Service Analysis



****BHWSD included for the purpose of defining Kelso's share of costs; BHWSD pays rates for service under a separate agreement.***



Functional Allocation of 2021 Actual Costs





Cost Allocation to Kelso

	Customer	Base Capacity	Peak Capacity	Fire Protection	Total
Total 2021 Cost					
Filtration Plant O&M	\$ -	\$ 627,508	\$ 539,691	\$ -	\$1,167,199
Filtration Plant Debt Service	-	959,786	825,467	-	1,785,253
Other Annual Costs	844,220	2,013,586	1,732,344	492,118	5,082,268
Total	\$844,220	\$3,600,881	\$3,097,503	\$492,118	\$8,034,720
Allocation Basis					
Kelso Share of Total	Accounts < 0.01%	Annual Usage 7.7%	Summer Usage 12.1%	Fire-Wtd. Accts < 0.01%	
Kelso Share of 2021 Cost					
Filtration Plant O&M	\$ -	\$ 48,116	\$ 65,494	\$ -	\$113,610
Filtration Plant Debt Service	-	73,594	100,174	-	173,768
Other Annual Costs	57	154,397	210,227	26	364,707
Total	\$57	\$276,107	\$375,895	\$26	\$652,085

- **Kelso is allocated \$652,000 of \$8 million annual revenue requirement**
- **Calculation does not apply outside-City rate surcharge (65%) to Kelso**
 - » Kelso intertie located within City limits
- **Kelso treated as 1 “master account” with fire flow requirement of 1,500 gpm**



Components of Water Rate Structure

- **Purveyor Rate: Recovers costs associated with supply (MFRWTP)**

Kelso Share of 2021 Filtration Plant Costs

O&M	\$113,610
Debt Service	173,768
Total	<u>\$287,378</u>

Kelso Annual Water Usage 213,255 ccf

Purveyor Rate per ccf	\$1.34
------------------------------	---------------

*Goes to Filtration
Plant Fund (421);
benefits City and
BHWSD*

- **Delivery Rate: Recovers costs associated with rest of City water system**

» **Monthly Retail Base Rate for 10" Meter:** \$1,143.54

» Volume Rate per ccf:

Kelso Share of Annual Cost (Excluding Filtration Plant Costs)	\$364,707
Less: Amount Recovered Through Base Rate	<u>(13,722)</u>
Net Cost to be Recovered Through Volume Charges	\$350,985
Kelso Annual Water Usage	213,255 ccf

Delivery Rate per ccf	\$1.65
------------------------------	---------------

*Goes to Water
Fund (411);
benefits City*



Summary of Findings/Recommendations

- **Rate structure based on 2021 costs/usage:**
 - » Purveyor Rate: \$1.34 per ccf
 - » Delivery Rate: \$1,143.54 per month plus \$1.65 per ccf
- **Rate structure can be updated annually with City retail rate increases**
 - » City should review allocations periodically as part of cost-of-service analysis
 - » Major changes should trigger an update to the calculation
 - Cost structure (e.g. debt issuance or retirement)
 - Usage patterns

Thank You! Questions?

Chris Gonzalez,
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chrisg@fcsgroup.com

www.fcsgroup.com

Staff Recommendation

Inflationary Water rate increase of 10% for 2023

Additive options

Add a 3-person Water Crew – add 3%

Add an Asset Manager (1/2 FTE) – add 0.5%

Also

Add a City of Kelso Water Delivery Rate

Delivery Rate: \$1,143.54 per month plus \$1.65 per cc

DISCUSSION

Staff Recommendation

Sewer

Inflationary Sewer Rate increase of 2% for 2023

Additive options

Add a 3-person Sewer Crew – add 2.5 %

Add an Asset Manager (1/2 FTE) – add 0.5%

Water

Inflationary Water rate increase of 10% for 2023

Additive options

Add a 3-person Water Crew – add 3%

Add an Asset Manager (1/2 FTE) – add 0.5%

Also

Add a City of Kelso Water Delivery Rate

Delivery Rate: \$1,143.54 per month plus \$1.65 per ccf

PRIORITY RANKINGS			PS INFORMATION						MCC ENCLOSURE STYLE / DESCRIPTION				EVALUATION			
2010 (BY G&O)	JUNE 2022 Status (done, OR start-of-construct year	October 2019 - Steveson's Rankings	ID	ADDRESS	2010 EVALUATION POINTS	TOTAL GPM, ALL PUMPS	ON-SITE GENSET	APPRX CONSTR. DATE	3-SIDED BLOCK SHELTER	BUILDING ENCLOSING PS	SMALL BUILDING, WITH LEAN-TO; ONE WALL WITH AWNING	MCC CABINETS ONLY	FUTURE SITING DIFFICULTY	SITING DIFFICULTY OF COMPLETED PROJECTS, BY NEW CRITERIA	WORKSHOP EXAMPLE	OVERVIEW NOTES
20	2022	1	S3	2626 38TH	26	800	N	2020 pending				X	1			On corner lot, not obscuring house. If wetwell replaced, likely could move MCC across street to one of two church properties where impact would be absorbed into the size of the lot.
8	2022	2	S4	2402 38TH AVE	19	800	N	2020 - pending	PROPOSED (2017)			X	2			Best set in side yard, w/ additional easement / purchase
18	2023	3	S11	4014 OAK	25	160	N	1977				X	2			PS now on PL, enclosed by arborvitae. No good options for relocation that would allow operating existing PS during construction. Construction on existing site would remove screening veg and require more width. <u>/// 12-7-16: UPGRADED FROM 1 TO 2 based on Ops believe a masonry enclosure would fit within arborvitae. Can be rotated; site retains all other problems.</u>
17	2021	4	S20	5501 FINCH	24	860	N	1977				X	4			PS on narrow tip of odd-shaped private land, bounded by Finch, Robbins, and CDID slough.
9	2023	5	S10	2600 42ND	20	740	N	1974				X	4			Between residential neighborhood and golf course, on arterial. Neighborhood street tees onto arterial; enclosure in direct line of sight, unless offset
23	2023	7	S16	2277 48TH	29	600	N	1974				X	1			EXISTING PS NEAR WEST CURB; EXISTING MCC W/O ENCLOSURE. ADDING ENCLOSURE ALONGSIDE EXISTING MCC WOULD WHOLLY BLOCK A FRONT YARD. LATERAL MOVE ON WEST SIDE DOESN'T RESOLVE. BEST SPOT IS ACROSS STREET.
16	2023	8	S17	4711 MERLIN	23	800	N	1971				X	1			PS in street, MCC in front yard behind sidewalk, enclosed in fence. Fenced portion occupies center third of yard frontage on Merlin. New MCC could be shifted to PL, but would have increased visual impact.
10	2024	9	S21	2401 50TH	20	300	N	1970				X	4			Between slough and residential neighborhood.
15	2024	10	S25	122 SELIX LN	23	200	N	1979			SMALL WOODEN RETROFITTED AWNING	X	3			Site conditions unknown - needs a site visit. Not visible in Google streets. <u>/// 12-7-16 Based on Ops input, site has less space than I thought, and site should be evaluated for gravity replacement to SW.</u>
11	2025	11	S2	4007 PACIFIC WAY	21	200	N	1976				X	3			PS and enclosure some 200' from street, downhill, due to sewer running in backyards. <u>///12-7-16 UPGRADED from 1 to 3 based on Ops input - need to improve access, but perception on the ground is neighbors would appreciate the upgrade to masonry.</u>
29	2025	12 CONVERT	S34	2947 LYNN PL	36	200	N	1996				X	4			Existing PS site consumes 15% of the landscaped frontage of a house & separate shop on a large lot. PS in front of shop. MCC enclosure could easily be set downhill and a bit further from home/shop, but still in lot's frontage. <u>/// 12-7-16: downgraded from 2 to 4 based on additional review of options, possibly cost-advantageous ability to go gravity down Glenwood, and available space.</u>
1	DONE		S7	2725 32ND AVE	14	350	N	2019	PROPOSED (2017)			X	1	1		In constituent's front yard, where garage window faces street.
2	DONE		S30	1524 33RD AVE	14	600	N	2014	X				5	3		
3	DONE		S28	1403 MIDLAND	15	3,490	Y	2014		X			5	3		
4	DONE		S27	715 32ND AVE	17	7,200	Y	2014		X			5	3		
5	DONE		S33	1025 33RD AVE	19	600	N	2014	X				5	2		
6	DONE		S22	5343 ORIOLE	19	200	N	2016	X				5	1		In front yards, on PL between two constituents. Received complaint; added screening vegetation
7			S37	920 7TH Ave	19	190	N	1983				X	4			In City soccer / softball park
12	Done		S19	373 ROY MORSE	21	300	N	2019	PROPOSED (2017)			X	4			In park, very minimal impact
13	Done		S1	3356 OLYMPIA WAY	21	3,240	Y	2019		X			4			In park, large impact, Sewer owns park
14	DONE		S36	2566 CORMAN RD	22	320	N	2016	X				5	2		Sideways along narrow street, in ROW in front of private lot, but not a home, no constituent comments or complaints
19			S35	2027 10TH	26	250	N	1992				X	4			In commercial district, though across from residential; in parking / shipping-receiving area behind strip mall that is unscreened from street or residences across street.
21			S24	2506 50TH	28	200	N	1993				X	1			Existing PS on PL; no enclosures. Adding MCC enclosure will increase impact on next-door neighbor. Living room faces potential Mcc. Relocation only moves the problem to a different neighbor.
22	DONE		S6	2401 46TH	28	1,200	N	1974				X	4			Existing PS on CDID land. Ample space, well screened from nearest home. "Park" like in terms of impact.
24			S18	340 FRANKLIN PL	29	560	N	1996				X	4			On corner triangular lot in Heron Pointe, well-landscaped, with ample space. Lot owned by Heron Pointe LLC ??
25			S40	240 TENNANT	32	580	N	1992				X	4			Industrial area on frontage road along SR 432, in front of Swanson Bark
26			S39	100 TENNANT	32	380	N	1992				X	4			Industrial area on frontage road along SR 432, in front of Swanson Bark. 2010 report questions whether it is in use or needed.
27			S41	510 TENNANT	33	660	N	1992				X	4			Industrial area on frontage road along SR 432, in front of Swanson Bark
28			S29	3263 WASHINGTON WAY	35	600	N	2002				X	1			PS and MCC behind curb, with parking, concrete slab. Arborvitae screened from house. Pad consumes 35% of front yard, and all but blocks view from house to street. Adding block enclosure would slightly increase footprint, would "harden" the features blocking view. MCC shifted one lot west would lessen impact, and still serve PS where it is now.
30	DONE		S32	1204 33RD	37	1,520	N	2012	??			X	3	3		
31			S44	2320 52ND	37	240	N	2004				X	2			Minimal land acquisition to north would allow construction of MCC enclosure out of direct line of site to either of the two impacted houses.
32			S8	3185 AMMONS DR	38	200	N	2002				X	4			Existing PS well of road, to rear of irregular private lot. Easement not confirmed. Lot owned by Jay Burkhart. Space ample. Development to south might indicate redirecting sewer to continue downhill, rather than pumping back up to Ammons.
33			S43	1825 SCHNEITER DR	39	220	N	1998	X				5			
34			S45	5304 MT. SOLO RD	39	720	N	1998			X		5			Single wall with awning cantilevered for and aft.
35			S9	2310 42ND	40	2,000	N	2006	X				5			
36			S31	1900 33RD	40	600 (260 PER GIS)	N	2002				X	3			
37			S23	2566 48TH	40	540	N	2006	X				5			Fenced site, corner lot, genset parked here.
38			S5	4422 PENNSYLVANIA	41	540	N	2006	X				5			
39			S26	2551 ALABAMA	41	12,600	Y	2000			X		5			
													10			
NOT RANKED	DONE		S12	3700 OBH - "OB1"	NO EVAL	REMOVED?		2011					10			
NOT RANKED	DONE		S13	4150 OBH - "OB2"	NO EVAL	3,450	Y	2,011			X		10			
NOT RANKED	DONE		S14	4924 OBH - "OB3"	NO EVAL	4,650	Y	2,011			X		10			
NOT RANKED	DONE		S15	5602 OBH - OB4"	NO EVAL	2,850	Y	2,011			X		10			
NOT RANKED	DONE		S38	3604 MEMORIAL PARK	NO EVAL	REMOVED?		2011					10			
NOT RANKED	DONE		S42	1515 PRUDENTIAL	NO EVAL			1998		X			10			
NOT RANKED	DONE		L-41-WW-1										10			

2022 Capital Improvement Plan Schedule ⁽¹⁾															
Project Number	Project Name	Project Description	Benefit	Total Cost	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033 - 2042
Seattle Construction Cost Index (Increases by 3% per year)					0	0	0	0	0	0	0				0
Distribution Improvements															
D-1	Ongoing Annual Main Replacement Program (1% of entire water main)	Undersized, AC, CI pipeline replacement prioritized under this program	Institution of common asset management utility approach to replace system piping on a 100-year life expectancy interval, with a large portion of Longview's current watermains being undersized and/or of substandard materials. 8-inch ductile iron pipe standard assumed.	\$59,870,000					\$2,720,000	\$3,810,000	\$3,810,000	\$3,810,000	\$3,810,000	\$3,810,000	\$38,100,000
D-1-1	Prioritized Annual Main replacements due to existing hydraulic deficiencies	Replace 6,000 LF of 6-inch pipe with 8-inch within N 50th Zone starting from Clark Creek Rd dead ends at the north most end of the City limits	Improve distribution system reliability and address existing required design standard deficiency (fire flow, pressure, velocity).	\$2,030,000	\$2,030,000										
D-1-2	Prioritized Annual Main replacements due to existing hydraulic deficiencies	Replace 4,400 LF of 4-inch pipe with 8-inch. Pipe starting from Sunset Way and continuing along Poplar Way to dead end	Improve distribution system reliability and address existing required design standard deficiency (fire flow, pressure, velocity).	\$1,490,000	\$1,490,000										
D-1-3	Prioritized Annual Main replacements due to existing hydraulic deficiencies	Replace 6,800 LF of 6- and 4-inch pipe with 8-inch pipe loops between Madrona Dr, Laurel Rd, and Cascade Way.	Improve distribution system reliability and address existing required design standard deficiency (fire flow, pressure, velocity).	\$2,300,000		\$2,300,000									
D-1-4	Prioritized Annual Main replacements due to existing hydraulic deficiencies	Replace 14,500 LF of 6-inch pipe with 8-inch within the Trella Zone along Coal Creek Rd branches between Coal Creek Rd and Ragland Rd.	Improve distribution system reliability and address existing required design standard deficiency (fire flow, pressure, velocity).	\$4,900,000				\$3,810,000	\$1,090,000						
D-1-5	Prioritized Annual Main replacements due to existing hydraulic deficiencies	Replace 5,200 LF of 6-inch dia. Pipe with 8-inch dia. pipe from the southern loop of Willow Grove Rd to, west along the northern loop of Willow Grove Rd, and dead ends along Ocean Beach Hwy.	Improve distribution system reliability and address existing required design standard deficiency (fire flow, pressure, velocity).	\$1,760,000			\$1,760,000								
D-1-6	Prioritized Annual Main replacements due to existing hydraulic deficiencies	Replace 3,700 LF of 6-inch dia. Pipe with 8-inch dia. pipe within the Main 244 zone along Pacific Way strting approximately 3,000 ft from Coal Creek Rd intersection and ends at 48th Ave.	Improve distribution system reliability and address existing required design standard deficiency (fire flow, pressure, velocity).	\$1,250,000			\$1,250,000								
D-2	Dedicated Transmission Main - Hillside Reservoir - 36"	12,750 LF New Dedicated Transmission Main from MFWTP to Hillside Reservoir - 36"	This project will improve water quality through better dissolved oxygen transfer and reservoir turnover, allow full Mint Farm wellfield and RWTP production capacity without localized distribution system high pressure issues, and provide better operational flexibility to take down individual Hillside tanks for maintenance and improvements while accommodating storage and system operating pressure requirements.	\$9,420,000											
D-3	Place PRV Station on Lynwood St between Zone 481 and 244	Install 6" an 2" PRVs within buried vault structure with piping and appurtenances to replace a currently closed valve	This will improve water quality in the area where the Hillcrest pressure zone and the main zone meet, as well as allow fireflow pressure requirements to be met within this vicinity of the main zone.	\$590,000					\$154,000	\$440,000					
D-4alt	Alternative to D-4: Upgrade 20-inch STL and CONC to 24-inch DI	Replacement and upgrade of approx 6,720 LF of older 20-inch steel and concrete pipe	These critical distribution pipelines have met their useful life, are vulnerable to leaks and line breaks that are difficult to repair, and through upgrade enhances transmission capacity to BHWSO and City of Kelso interties.	\$3,660,000											
D-4	New 8-, 12- and 24-inch DI to Castleman	Approximate 1,000 LF of 8-inch, 2,100 LF of 12-inch, and 7,550 LF of 24-inch pipe to replace Castleman area 6-inch deficient distribution piping.	This new distribution and transmission piping addresses existing fire flow deficiencies, enhances transmission capacity to BHWSO and City of Kelso interties, and allows decommissioning of old 20-inch steel and concrete pipe.	\$2,290,000							\$595,000	\$1,695,000			
D-5	New 12-inch DI in vicinity of Mt. Solo Reservoir	Approx 3,150 LF total footage Connection from Mt. Solo Reservoir to Mt. Solo Rd Connection from 20-inch main to Weber St	This new distribution system piping enhances looping and flow velocities within the main pressure zone near Mt. Solo Reservoir.	\$1,150,000									\$851,000	\$299,000	
Subtotal		does not include project D-4alt		\$87,050,000	\$4,741,500	\$3,521,500	\$6,499,500	\$7,299,500	\$3,964,000	\$4,250,000	\$4,405,000	\$5,505,000	\$4,661,000	\$4,109,000	\$38,100,000
Pumping Improvements															
PS-01	Neimi Pump Station Replacement	Replacement of entire pump station	This project allows for the decommissioning of antiquated pumps, structures, and equipment	\$2,119,805		\$326,124	\$1,793,681								
PS-02	Trella Pump Station Replacement	Replacement of entire pump station	This project allows for the decommissioning of antiquated pumps, structures, and equipment	\$2,375,795				\$365,507	\$3,082,547						
PS-03	North 50th Pump Station Replacement	Replacement of entire pump station	This project allows for the decommissioning of antiquated pumps, structures, and equipment	\$3,769,732						\$579,959	\$2,117,514				
PS-04	Indian Creek Pump Station Replacement	Replacement of entire pump station	This project allows for the decommissioning of antiquated pumps, structures, and equipment	\$2,375,795								\$365,507	\$3,427,796		
PS-05	Columbia View Pump Station Replacement	Replacement of entire pump station	This project allows for the decommissioning of antiquated pumps, structures, and equipment	\$4,218,555										\$649,008	\$3,116,685
PS-06Alt	Clark Creek Master Pump Station Project	Alternative regional project that would replace the project PS01-PS05 (all 5 pump stations proposed to be replaced)	Construction of new pump station allows for meeting the supply needs of the City upper pressure zones and allows the eventual decommissioning of existing Neimi, Trell, North 50th, and Columbia pump stations.	\$8,570,000											
Subtotal		does not include project PS-06alt		\$14,859,682	\$0	\$326,124	\$1,793,681	\$365,507	\$3,082,547	\$579,959	\$2,117,514	\$365,507	\$3,427,796	\$649,008	\$3,116,685
Storage Improvements															
ST-1	Hillside Tank 5 Roof, Yard Piping, and Reservoir Mixing System Project	Install new roof for Hillside Tank which involves yard piping, and reservoir mixing system.	This project will extend life expectancy, enhance storage, water quality, and facilitate the dedicated transmission main connection.	\$2,328,000	\$2,328,000										
ST-2	Clark Creek Reservoir	This project is part of the Clark Creek regional pumping and storage facility replacement concept, but is preferred over reconstruction of the small existing upper zone storage tanks.	Constructs new storage facility to meet needs of City upper pressure zones and allows eventual decommissioning of Neimi, Trell, North 50th, and Columbia existing storage tanks.	\$2,600,000									\$390,000	\$2,210,000	
ST-3	Seismic Corrections at Various Tanks	Most tanks built before 1980s require seismic retrofitting including a large seismic retrofit and/ or seismic improvements to help with bringing the tank up to seismic code	Costs based on retrofitting of existing tanks with perimeter steel bracing anchor bolted to concrete foundations.	\$1,582,000	\$158,200	\$158,200	\$158,200	\$158,200	\$158,200	\$158,200	\$158,200	\$158,200	\$158,200	\$158,200	\$1,582,000
ST-3															
ST-4															
ST-5															
Subtotal				\$6,510,000	\$2,486,200	\$158,200	\$158,200	\$158,200	\$158,200	\$158,200	\$158,200	\$158,200	\$548,200	\$2,368,200	\$1,582,000
Planning, Controls and General System Upgrades															
PCG-01	SCADA System Upgrades	Annual allocation to allow continued building of the City's SCADA system through critical facility control equipment installation and programming	Allows enhanced collection and processing of system data and setpoints to facilitate operational decision making and optimization	\$1,000,000											
PCG-02					\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$500,000
PCG-03															
PCG-04															
PCG-05															
PCG-06															
PCG-07															
PCG-08															
Subtotal				\$1,000,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$500,000
O&M Improvements															
O&M-1															
O&M-2															
O&M-3															
O&M-4															
O&M-5															
Subtotal				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL				\$109,419,682	\$7,277,700	\$4,055,824	\$8,501,381	\$7,873,207	\$7,254,747	\$5,038,159	\$6,730,714	\$6,078,707	\$8,686,996	\$7,176,208	\$43,298,685
Developer Projects															
DV-01	Looping on south end of service area near RWTP	Approx 7,565 LF Near planned developer project	To improve the flow velocity and overall flow of water within the distribution system.	\$2,480,000											
DV-02															
DV-03															
Subtotal				\$2,480,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0
Notes:															