



City of Longview

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

Agenda

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 Erik Halvorson

Thursday, December 7, 2023

5:00 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 Council Chamber, 1525 Broadway, Longview, on Thursday, December 7, 2023 at 5:00 p.m. The topics of discussion follow. Final disposition shall be taken on no other matter.

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. Please note - virtual attendees may comment verbally during public hearings only. Virtual attendees may also submit written comments to the Clerk's Office with the heading, "Public Comment for disbursement to the City Council".

<https://us02web.zoom.us/j/82394132374>

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: 823 9413 2374

1. CALL TO ORDER
2. INVOCATION*/FLAG SALUTE
3. ROLL CALL

4. WORKSHOP**23-001610 UTILITY RATES (TIME ESTIMATE 2 HOURS)****RECOMMENDED ACTION:
DIRECTION TO STAFF****5. ADJOURNMENT**

*** 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 REGULAR COUNCIL MEETINGS:**THURSDAY, DECEMBER 14, 2023 – 6:00 P.M.****NEXT SPECIAL COUNCIL MEETINGS:****WEDNESDAY, DECEMBER 20, 2023 – 6:00 P.M.**



City of Longview

Agenda Summary

UTILITY RATES (TIME ESTIMATE 2 HOURS)

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 2024 utility rates.

STAFF CONTACT:

Ken Hash, Public Works Director

Chris Collins, Assistant Public Works Director

Steve Haubner, Stormwater Manager

Attachments:

1. Utility WS Memo
2. 2024 Utility presentation
3. Res no 2452

December 7, 2023

TO: Kris Swanson, City Manager

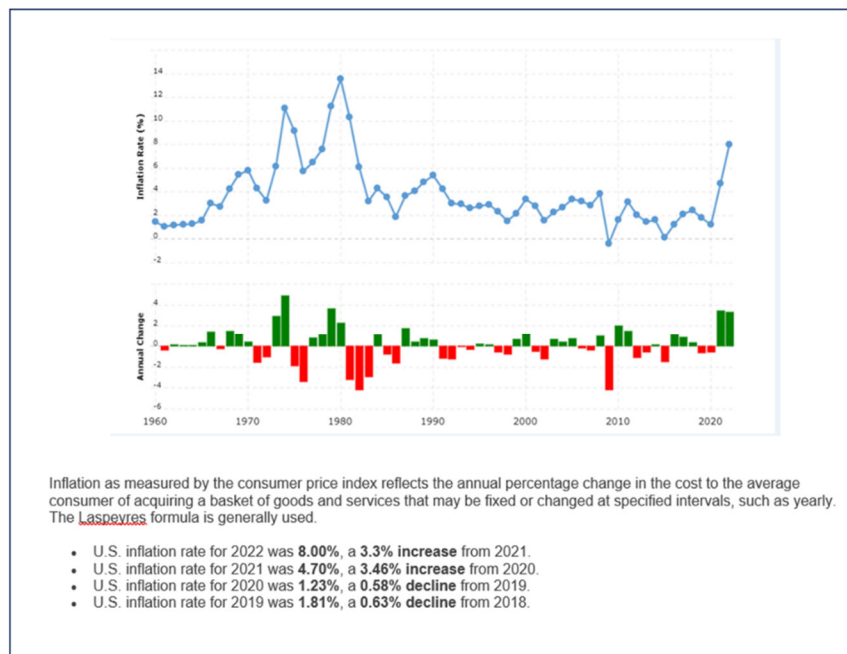
FROM: Ken Hash, Public Works Director

SUBJECT: 2023 Utility Rate Workshop

The December 7, 2023, utility rate workshop will include discussion of the Sewer, Water, and Stormwater utility rates.

INFLATION

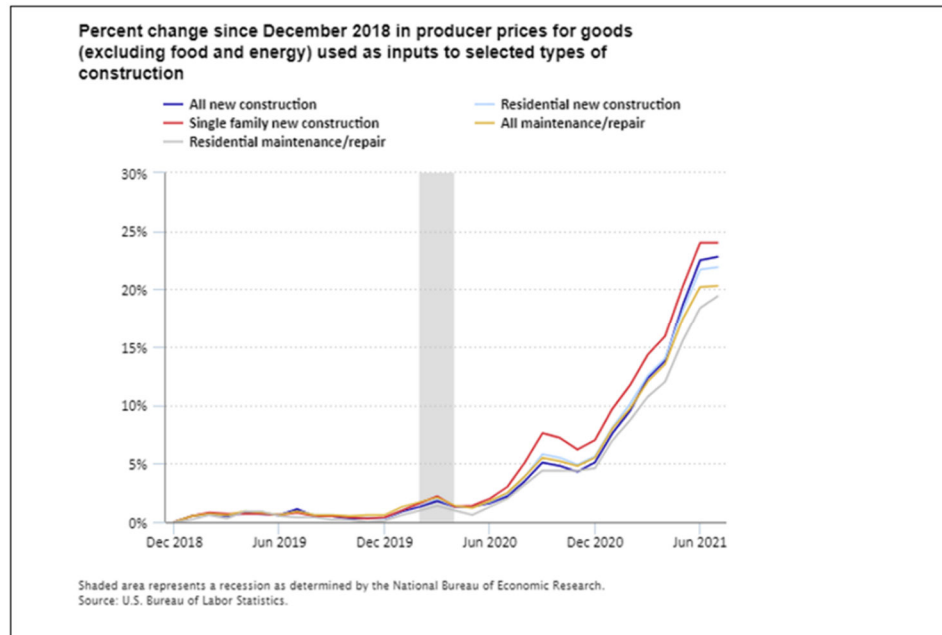
Inflation is affecting all of us.



General inflation over time.

As shown in the chart above, we have seen inflation as measured by the consumer price index (CPI) go from 1.2 percent in 2020 to 4.7 percent in 2021 to 8.0 percent in 2021, which at the time of this report was the last reported full year by the US Bureau of Labor Statistics (BLS.)

Construction inflation has almost always doubled the CPI.



Construction inflation over time.

As shown in the chart above, construction inflation as measured by CPI in 2021 was 23 percent for all construction while in the same time period general inflation was at 8 percent, as reported by the BLS. For that brief time period, construction inflation was running triple of general inflation.

How has inflation affected The City of Longview Utilities Division?

Three examples

Reservoir #5 roof.

- Initial estimate was \$1.1 million.
- At 50% design estimate was \$2.7 million.
- Final price was \$3,654,731 - 230% increase over original estimate.
- July 2020 – Sept 2022

3.5 Ft Flanged Fire Hydrant

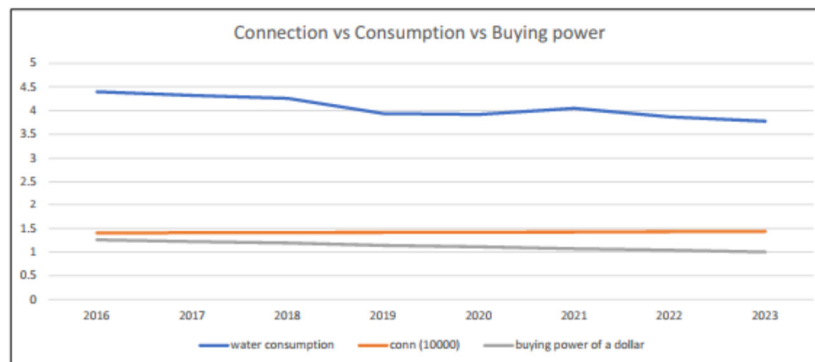
- 2020 - \$1850.49
- 2023 - \$3290.00
- 78% increase

12" Ductile Iron pipe

- 2020 - \$18.25 ft
- 2023 - \$ 60.93 ft
- 234% increase

In addition to the inflationary pressures described above, these funds also battle against the reduced demand for water. While the number of water connections grew 3% from 2016 to 2023, water consumption decreased by 14% over the same 7-year timeframe.

year	2016	2017	2018	2019	2020	2021	2022	2023	2024
connections	14024	14056	14105	14146	14192	14225	14303	14389	14419
added connections	32	49	41	46	33	78	86	30	
water consumption	4.4	4.32	4.26	3.94	3.92	4.05	3.87	3.78	
conn (10000)	1.4024	1.4056	1.4105	1.4146	1.4192	1.4225	1.4303	1.4389	1.4419
buying power of a dollar	1.26	1.22	1.19	1.14	1.11	1.07	1.04	1	



The water usage reduction that we are experiencing in Longview mimics the same nationwide trend. Since water conservation measures were introduced in 1994 and low flow fixtures became standard, the nation has seen an approximate 20% reduction in household water consumption. Similar consumption reductions have been noted in both commercial and industrial water customers.

CURRENT CAPITAL PROJECTS

Reservoir #5 Roof Replacement



Replacement of water and sewer lines in the alley behind the Pancake House.



Replacing two sewer pump stations at 38th & Penn. and 38th & Oak



Lining sewers on Oregon Way and other locations through the city.



Water and sewer on 46th Avenues



Fishers Lane WTP Demolition



SEWER RATES

Staff recommendations:

Five options of sewer rate increases with corresponding annual contributions to the sewer capital fund:

- \$0.00 (0%) \$942,934
- \$2.57 (3.7%) \$1,452,427
- \$3.47 (5%) \$1,631,438
- \$5.00 (7.2%) \$1,934,380
- \$13.47 (19.4 %) \$3,999,892

The 2023 budget contributed \$1,316,540 to the sewer capital fund.

Sewer fund budget projections.

Our sewer collection system has an approximate replacement value of \$400 million. At a 100-year replacement cycle, disregarding inflation, the annual capital program should be approximately \$4 million.

Sewer Fund Budget Projections		no rate increase	3.7 % rate increase	5% rate increase	7.2% rate increase	22.2% rate increase
	2023	2024	2024	2024	2024	2024
Annual Revenues	13,770,080	13,770,080	14,279,573	14,458,584	14,761,526	16,827,038
Annual Operating Budget	12,453,540	12,827,146	12,827,146	12,827,146	12,827,146	12,827,146
Annual capital budget	1,316,540	942,934	1,452,427	1,631,438	1,934,380	3,999,892
rate for 6 CCF	69.50	69.50	72.07	72.98	74.50	84.93
\$ increase		0.00	2.57	3.47	5.00	15.43

6 CCF is average homeowner monthly water usage

Utilizing our ratepayer funded CIP and healthy reserves we have been able to deliver, or are in the process of delivering the following sewer projects:

- Sewer replacement in the alley behind the Pancake House
- The lining of multiple sewers including those on Oregon Way
- Sewer lining/replacement on 46th Ave
- Pump station replacements on 38th avenue at Oak and Pennsylvania Streets
- Development of our general sewer plan

We are proposing the following suite of capital projects for 2024:

Previously approved projects:

Mint Farm Sewer Pump Station Odor Control	\$100,000
OB #4 Pump Station Odor Control	\$10,000
Public / Private Joint Utility Imp	\$50,000

New projects:

4014 Oak Street Pump Station	\$1,841,031
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Main Replacement/Lining	\$1,500,000
Columbia Hts. Sewer (design only)	\$30,000
LID (annual program)	\$100,000
Public/Private Joint Utility Imp	\$50,000
2600 42nd Ave Pump Station	in 2025

The Sewer Capital Projects plan and the Sewer Pump Station Priorities plan are included as attachments.

Two major unfunded and unprogrammed projects are still in our future:

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

WATER RATES

Staff recommendations:

Three options of water rate increases: with corresponding annual contributions to the water capital fund:

- \$0.00 (0%) \$194,856
- \$1.40 (3.7%) \$443,618
- \$1.89 (5%) \$531,021
- \$3.79 (10%) \$867,186
- \$27.02 (71.5 %) \$4,999,999

Water fund budget projections.

Our water distribution system has an approximate replacement value of \$500 million. At a 100-year replacement cycle, disregarding inflation, the annual capital program should be approximately \$5 million.

Water Fund Budget Projections		no rate increase	3.7 % rate increase	5% rate increase	10% rate increase	71.5% rate increase
	2023	2024	2024	2024	2024	2024
Annual Revenues	6,723,300	6,723,300	6,972,062	7,059,465	7,395,630	11,528,443
Annual Operating Budget	6,295,510	6,528,444	6,528,444	6,528,444	6,528,444	6,528,444
Annual capital budget	427,790	194,856	443,618	531,021	867,186	4,999,999
rate for 6 CCF	37.88	37.88	39.28	39.77	41.67	64.95
\$ increase		0.00	1.40	1.89	3.79	27.02

6 CCF is average homeowner monthly water usage

Utilizing our ratepayer funded CIP and healthy reserves we have been able to deliver, or are in the process of delivering the following sewer projects:

- Reconstruct the Reservoir 5 roof
- Replace waterline in 46th Avenue
- Replaced aging valves
- Replaced large water meters
- Installed a pressure reducing valve on Columbia Hts
- Replace waterline in the alley behind the Pancake House
- Demolition of the Fishers Lane water treatment plant

We are proposing the following suite of capital projects for 2024:

Previously approved projects:

Water Truck Fill Stations	\$100,000
Annual Valve Replacement	\$20,000
Large Meter Replacement	\$140,000

Public / Private Joint Utility Imp.	\$50,000
LID	\$100,000
Dedicated Fill Line (ARPA)	\$2,000,000

New projects:

Columbia Hts. Replacement (design only)	\$50,000
Reservoirs Mixers & Chlorine Injection	\$200,000
Mt Solo Waterline (FEMA or ARPA)	\$1,216,000

Future project needs:

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
Trella Zone watermain Replacement	\$4,900,000
Willow Grove Watermain Replacement	\$1,760,000
Pacific Way Watermain Replacement	\$1,250,000
Scada Upgrades	\$158,200
Utility Operations Center	\$1,300,000

Filter Plant projects:

Hypochlorite Tank	\$200,000
Equipment Storage Building	\$200,000
SCADA PLC	\$300,000
Well House Stabilization	\$100,000
Pump House – Flow Meters & Heat Protection	\$300,000
Misc. Capital Repairs	\$75,000

The Water Capital Projects plan is included as an attachment.

The 20-year project total is estimated to be valued at \$109 million, which is \$5.5 million per year.

One major unfunded and unprogrammed project in our future:

- Upgrades to the Utilities Operation Center

Water rate resolution – Proposed changes

Section 6 - Charges to City Owned Facilities

Currently under Section 6(b) we charge Parks and Recreation 25% of the current rates for youth athletic leagues. Under 6(c) Mint Vally Golf Couse 40% of the current rates. Under Section 6(d) we charge Parks and Recreation 25% of the current rates for the community gardens. For parity, we are proposing changing the Mint Vally Golf Couse rate to 25% of the current rates as shown in the text below.

(a) Unmetered Service: For each unmetered water service to a City park or other City facility, the City shall pay into the Water Utility Fund, two thousand six hundred fifty nine dollars and twenty-nine cents (\$2945.70) per year for each such service.

(b) Youth Athletic Leagues: Water consumed at City parks that host Youth Athletic Leagues under a Longview Parks and Recreation Department Youth Sports Facility Use Agreement shall be charged at twenty-five percent (25%) of the rates set forth in this Resolution. Where a Youth Athletic League has secured its own facility, operates in coordination with the Longview Parks and Recreation Department, and is the account customer billed directly by the City, the league shall be billed at twenty-five percent (25%) of the account total determined by the rates set forth in this Resolution. Penalties, turn on charges, and other related charges shall be billed at one hundred percent (100%) of the amounts set forth in this Resolution.

(c) Mint Valley Golf Course Irrigation: Water consumed at the Mint Valley Course for irrigation purposes only, shall be charged at ~~forty~~ twenty-five percent (~~40~~25%) of the rates set forth in this Resolution.

(d) Community Gardens Irrigation: Water consumed by community gardeners utilizing City Community Garden facilities owned and operated by the City of Longview Parks and Recreation Department shall be charged at twenty-five percent (25%) of the rates set forth in this Resolution. The Community Gardens accounts are in the name of the City of Longview and shall be billed to the City of Longview Parks and Recreation Department.

Section 8 – Water Obtained from Fire Hydrant

Currently we charge a \$1,000 deposit for use of one of our fire hydrant water meters. This is a refundable deposit which is returned if the water meter is returned undamaged. With the current increase in prices, we have found that \$1,000 is less than the cost of a new water meter. We are proposing raise the deposit to \$1,500. This will cover the cost of a new water meter, should one be required. Please see full text below.

Anyone desiring to obtain water from an un-metered fire hydrant shall first obtain a Fire Hydrant Use Permit, and pay all applicable fees and deposits. Use of a fire hydrant to obtain water shall be temporary only, shall occur only at hydrants designated and approved by the Utilities Systems Manager or his/her designee, and shall not exceed ninety (90) calendar days unless otherwise approved by the Utilities Systems Manager or his/her designee. All water obtained from a hydrant shall be through a water meter and backflow prevention assembly provided by the City, except that the Utilities Systems Manager may authorize the permittee to provide its own meter and backflow prevention assembly.

The permittee shall pay a deposit of one thousand ~~five hundred~~ dollars (\$1,~~500~~00.00) and a non-refundable meter assembly installation and removal fee of one hundred fifty dollars (\$150.00) in advance of the City installing the meter assembly on the hydrant. The permittee shall also pay a meter rental charge of five dollars (\$5.00) per calendar day and shall pay for water used at the rates shown in Section 1.8 (3).

All water supplied for use outside the corporate limits of the City shall be charged at the rates shown in Section 1.8 (3), plus an additional charge of sixty-five percent (65%) as identified in Section 2 of this resolution.

The deposit is required for the purpose of assuring that said meter will be returned to the City, and that it will not be damaged. The permittee shall be fully responsible for any damage or loss to the hydrant and/or the hydrant meter assembly. If a meter assembly is returned to the City in a damaged condition, or the hydrant is damaged by the permittee's use, the permittee shall be responsible to pay all replacement or repair costs that exceed the deposit amount, in addition to the meter rental and water consumption charges. Replacement or repair costs shall become payable to the City within thirty (30) calendar days after notification and subsequent mailing of an invoice to permittee.

Permittees providing their own meter and backflow prevention assembly shall obtain a Fire Hydrant Use Permit for each hydrant used, and shall use only hydrants designated and approved by the Utilities Systems Manager or his/her designee. Such permittees shall be exempt from the installation/removal fee and meter rental charge, but shall pay a one hundred dollar (\$100.00) deposit, shall pay for all water consumed, and shall be responsible for any damage or loss to the hydrant due to their use of the hydrant.

The permit shall be on site at any time water is to be withdrawn from the hydrant and shall be subject to examination on request of employees of the City. The permittee shall comply with the requirements set forth in the 2015 International Fire Code, Section 901.8 and subsequent editions; and LMC Sections 15.60.050 and 15.60.070.

The Utilities Division shall provide meter readings to the Finance Department, who shall determine and issue the monthly and final billings. The Finance Department shall refund the deposit to the permittee after all charges have been paid and upon verification from the Utilities Operations Manager or his/her designee, that the meter has been returned and that all City-owned property is undamaged.

STORMWATER RATES

Staff recommendation:

- Rate increase of \$2.61 per impervious ERU (equivalent residential unit = 3,000 sf impervious cover)

The current stormwater utility rate for a single-family residence is \$14.50/month which is the rate that was adopted at the beginning of 2020 and there have been no rate increases in almost 4 years.

Using ratepayer funds the stormwater utility delivers a variety of different programs to the citizens of Longview, including:

- Operations and maintenance of City stormwater infrastructure and facilities
- Regulatory compliance with NPDES municipal stormwater permit
- Development review and inspection
- City-wide street sweeping program
- Leaf pickup (fall months)
- Urban forestry program
- Sidewalk repair & replacement program
- Stormwater capital improvements

Some of the capital projects undertaken in 2023 include the rehabilitation of the Mint Valley Golf Course stormwater pump station with new pumps and outfall improvements, replacement of the Lake Sacajawea outlet fish screen and the construction of a sediment basin at the east end of Ditch 6 West at Pacific Way & Glenwood Avenue in conjunction with the Consolidated Diking Improvement District #1.

In 2023, the stormwater utility continued its extensive sidewalk program in conjunction with the urban forestry tree replacement program. It also initiated a new pollutant source control business inspection program and stormwater action plan for Ditch 4 both of which are required by the City's municipal stormwater permit with the WA Department of Ecology.

We are proposing the following capital projects for 2024:

Delaware Street Drainage Improvements	\$500,000
Pacific Way Drainage Improvements	\$125,000
Fleet Equipment Replacement Funding	\$670,000
Stormwater Maintenance Tech Vehicle	\$35,000
Miscellaneous Stormwater Projects	\$110,000

There are also the following program enhancements proposed for 2024:

Stormwater Master Plan	\$375,000
Stormwater Maintenance Tech II	\$92,700

A stormwater master plan will provide for a comprehensive assessment and inventory of the City's stormwater system and will identify repair and replacement needs and develop a future capital improvement priority list.

As mentioned above, the stormwater utility has had no rates increase in four years. Utility expenditures have increased annually while revenue has remained the same, thus the stormwater utility is now spending more money than it is taking in, and is now using cash reserves.

Staff recommendation:

- Rate increase of \$2.61 per impervious ERU

The proposed rate increase is equivalent to the amount of inflation over the four years since last rate change and would allow the City to address several important capital and program priorities as well as fully fund the utility operations budget.

It should also be noted that rate structure changes previously adopted will be implemented in 2024 which will reduce impervious billing (ERUs / billable units) for the majority of commercial and multi-family residential properties.

Reduced Utility Rates

Resolution No. 2452 (attached) provides for reduced rates to be charged to low-income senior citizens and low-income disabled citizens. As written the resolution applies to individual citizens with individual accounts and to some in transitional housing. It does not apply to group senior living or low-income living facilities which may have a single account for the whole facility. The reduction is limited to an aggregate discount of approximately \$220,000.

As of 11/28/23 the City has given out \$181,352 in reduced utility fees. Projected to the year end this will be approximately \$198,000.

Staff has been asked to facilitate a discussion of this topic.

Reduction maximums

A reduction of 50% of sewer base rate.

A reduction of 50% of garbage rate.

No stormwater fee.

Transitional housing – 25% reduction in sewer consumption.

* All on residential rates.

For a single-family residence, it could look like this:

Residential sewer base fee is \$34.82. A 50% reduction is **-\$17.41**

Residential garbage rate is \$19.34. A 50% reduction is **-\$9.67**

Stormwater is \$14.50 per ERDU. A 100% reduction is **-\$14.50**

Total monthly reduction would be **-\$41.58** per month.

* All on residential rates.

2024 Utility Rate Information / Sewer Utility

Sewer Capital Projects - Plan

			2024	2025	2026	2027	2028	2029	2030	2031	
Sewer											
Carryover Capital Projects											
2402 38th Ave Pump Station			1,050,000								
2626 38th Ave Pump Station			830,000								
Oregon Way Sewer Liner & Replacement			1,600,000								
Mint Farm Sewer Pump Station Odor Control			100,000								
OB #4 Pump Station Odor Control			10,000								
46th Ave - sewer			223,000								
General Sewer Plan			200,000								
subtotal			4,013,000	0	0	0	0	0	0	0	
New Capital Requests	Request										
Annual Main Replacements			750,000	750,000	750,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Annual Main Relining			750,000	750,000	750,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Public / Private Joint Utility Imp			50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
4014 Oak Street Pump Station			1,841,031								
2600 42nd Ave Pump Station				1,828,691							
Columbia Hts Sewer			30,000	10,000	460,000						
LID	100,000		100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
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		
2947 Lynn Place PS	2,000,000									200,000	
920 7th Ave	2,000,000										
subtotal			3,521,031	3,888,691	2,110,000	4,150,000	4,150,000	4,150,000	4,150,000	4,150,000	
total			7,534,031	3,888,691	2,110,000	4,150,000	4,150,000	4,150,000	4,150,000	4,150,000	

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.

2024 Utility Rate Information / Water Utility

Water Capital Projects - Plan

Water			2024	2025	2026	2027	2028	2029	2030	2031	
Current Capital Projects											
46th Ave waterline			262,000								
Water Truck Fill Stations			100,000								
Dedicated Fill Line (ARPA)			2,000,000								
Subtotal			2,362,000	0	0	0	0	0	0	0	
New Capital Requests											
	Request										
LID			100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
public/Private Joint Utility Imp			50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
Annual Valve Replacement			30,000	31,500	33,075	34,729	36,465	38,288	40,203	42,213	
Large Meter Replacement			140,000	147,000	154,350	162,068	170,171	178,679	187,613	196,994	
Columbia Hts. Replacement			50,000	10,000	940,000						
Mt. Solo Waterline (FEMA) or (ARPA)			1,216,000								
Reservoir mixers and chlorine injection	200,000		200,000								
Annual Main Replacement - Madrona	2,300,000					2,300,000					
Replace Castlemen Line	2,290,000						2,290,000				
Annual Main Replacement - N 50th	2,030,000							2,030,000			
Annual Main Replacement - Sunset	1,490,000								1,490,000		
Annual Main Replacement - Trella Zone	4,900,000									4,900,000	
Annual Main Replacement - Willow Grove	1,760,000								1,760,000		
Annual Main Replacement - Pacific Way	1,250,000								1,250,000		
replace 20-inch steel line	3,660,000										
all reservoirs - seismic upgrades	1,582,000			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	
AMI Meters	10,000,000										
Utility Operation Center	1,300,000										
Subtotal			1,786,000	546,700	1,485,625	2,854,996	2,854,836	2,605,168	5,086,016	5,497,407	

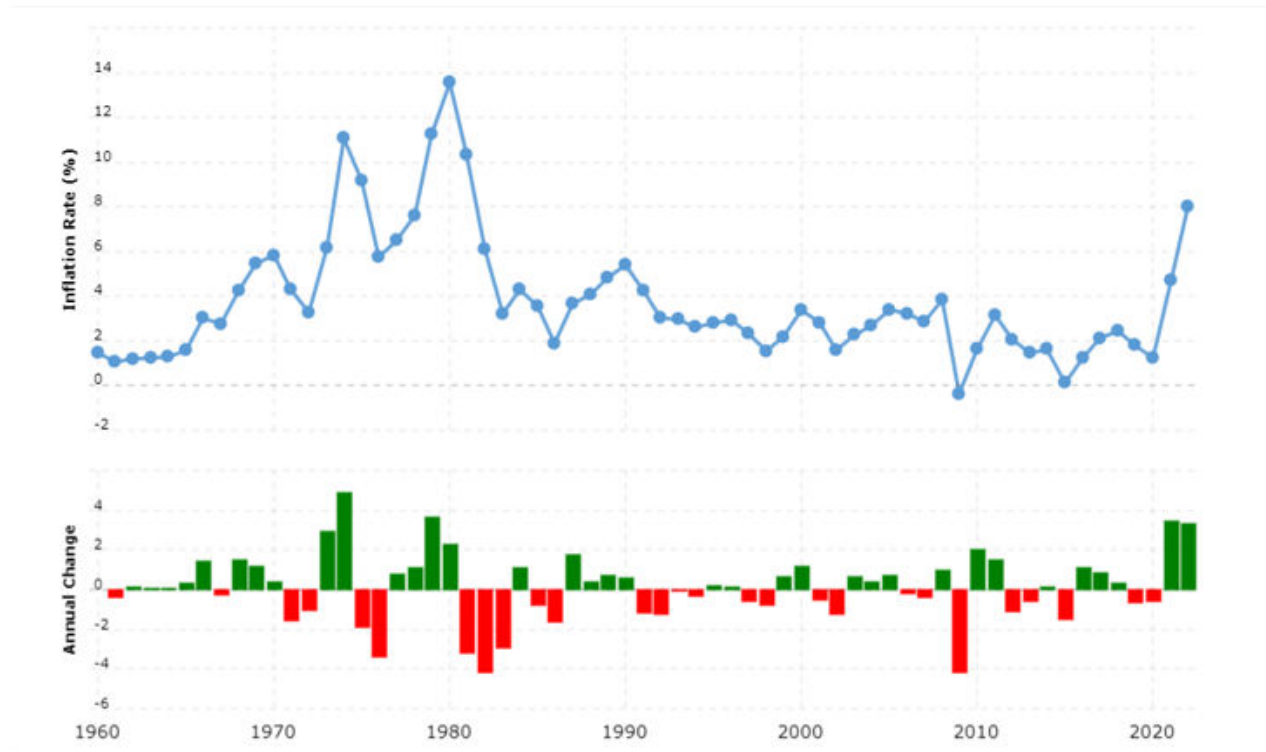
Proposed 2024 Utility Rates

Longview City Council Workshop December 7, 2023

Prepared by

Steve Haubner, Stormwater Manager
Ken Hash, Public Works Director
Chris Collins, Assistant PW Director

General Inflation

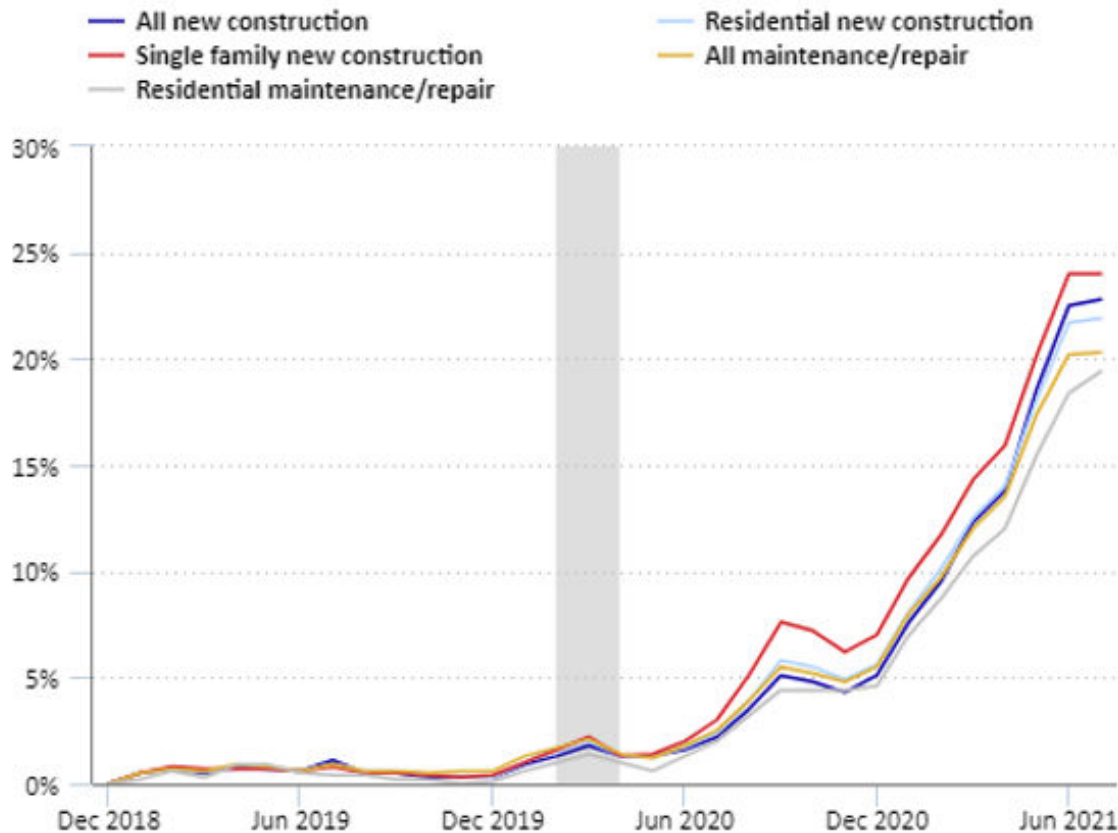


Inflation as measured by the consumer price index reflects the annual percentage change in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or changed at specified intervals, such as yearly. The Laspeyres formula is generally used.

- U.S. inflation rate for 2022 was **8.00%**, a **3.3% increase** from 2021.
- U.S. inflation rate for 2021 was **4.70%**, a **3.46% increase** from 2020.
- U.S. inflation rate for 2020 was **1.23%**, a **0.58% decline** from 2019.
- U.S. inflation rate for 2019 was **1.81%**, a **0.63% decline** from 2018.

Construction Inflation

Percent change since December 2018 in producer prices for goods (excluding food and energy) used as inputs to selected types of construction



Shaded area represents a recession as determined by the National Bureau of Economic Research.
Source: U.S. Bureau of Labor Statistics.

What is the cost of Inflation

Reservoir #5 roof.

Initial estimate was \$1.1 million.

At 50% design estimate was \$2.7 million.

Final price was \$3,654,731

July 2020 – Sept 2022



What is the cost of Inflation



234% increase

12" Ductile Iron pipe

2020 - \$18.25 ft

2023 - \$ 60.93 ft

78% increase

3.5 Ft Flanged Fire Hydrant

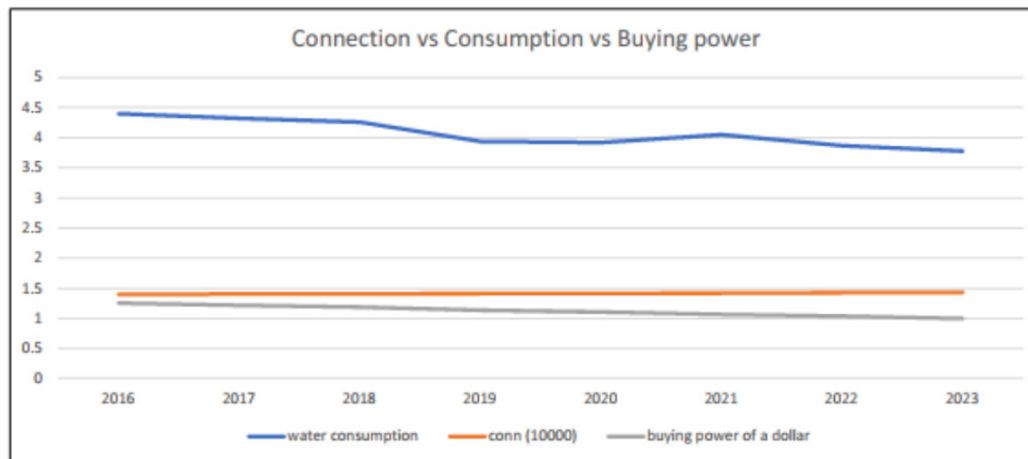
2020 - \$1850.49

2023 - \$3290.00



Declining Water consumption

year	2016	2017	2018	2019	2020	2021	2022	2023	2024
connections	14024	14056	14105	14146	14192	14225	14303	14389	14419
added connections	32	49	41	46	33	78	86	30	
water consumption	4.4	4.32	4.26	3.94	3.92	4.05	3.87	3.78	
conn (10000)	1.4024	1.4056	1.4105	1.4146	1.4192	1.4225	1.4303	1.4389	1.4419
buying power of a dollar	1.26	1.22	1.19	1.14	1.11	1.07	1.04	1	



Over 7-years

3% increase in customers

14% decline on consumption

20% Decrease in buying power

Beginning in 1994 – 20% reduction in consumption - nationwide

Current capital projects.



Reservoir #5 Roof
Replacement



Current capital projects.



Water / Sewer
Replacement



Alley behind the
Pancake House



Current capital projects.



Sewer PS @ 38th & Pennsylvania



Sewer PS @ 38th & Oak

Sewer Lining



Current capital projects.

Fishers Lane WTP Demolition



Current capital projects.



Water / Sewer
Replacement

46th Avenue



2022 Utility Rate Information

Sewer



Staff Recommendations

Sewer rate contribution to capital:

2023	\$1,316,540
\$0.00 (0%)	\$ 942,934
\$2.57 (3.7%)	\$1,452,427
\$3.47 (5%)	\$1,631,438
\$5.00 (7.2%)	\$1,934,380
\$15.43 (22.2%)	\$3,999,892

Sewer Fund Budget Projections

Sewer Fund Budget Projections		no rate increase	3.7 % rate increase	5% rate increase	7.2% rate increase	22.2% rate increase
	2023	2024	2024	2024	2024	2024
Annual Revenues	13,770,080	13,770,080	14,279,573	14,458,584	14,761,526	16,827,038
Annual Operating Budget	12,453,540	12,827,146	12,827,146	12,827,146	12,827,146	12,827,146
Annual capital budget	1,316,540	942,934	1,452,427	1,631,438	1,934,380	3,999,892
rate for 6 CCF	69.50	69.50	72.07	72.98	74.50	84.93
\$ increase		0.00	2.57	3.47	5.00	15.43

6 CCF is average homeowner monthly water usage

The sewer System replacement value is \$400,000,000. On a 100-year replacement cycle we should have an ongoing capital program of \$4,000,000.

2024 Utility Rate Information / Sewer Utility

2024 Sewer Capital Projects

<u>Carryover Capital Projects</u>	<u>Amount</u>
2402 38 th Ave Pump Station	\$1,050,000
2626 38 th Ave Pump Station	\$830,000
Oregon Way liner & Replacement	\$1,600,000
Mint Farm Sewer Pump Station Odor Control	\$100,000
OB #4 Pump Station Odor Control	\$10,000
46th Ave – Sewer	\$223,000
General Sewer Plan	\$200,000
Subtotal	\$4,013,000
 New Capital Projects	
4014 Oak Street Pump Station	\$1,841,031
Main Replacement/Lining	\$1,500,000
Columbia Hts Sewer	\$30,000
LID	\$100,000
Public / Private Joint Utility Imp	\$50,000
Subtotal	\$3,521,031
 Total	 \$7,534,031

2024 Utility Rate Information / Sewer Utility

Sewer Capital Projects - Plan

		2024	2025	2026	2027	2028	2029	2030	2031	
Sewer										
Carryover Capital Projects										
2402 38th Ave Pump Station		1,050,000								
2626 38th Ave Pump Station		830,000								
Oregon Way Sewer Liner & Replacement		1,600,000								
Mint Farm Sewer Pump Station Odor Control		100,000								
OB #4 Pump Station Odor Control		10,000								
46th Ave - sewer		223,000								
General Sewer Plan		200,000								
subtotal		4,013,000	0	0	0	0	0	0	0	
New Capital Requests	Request									
Annual Main Replacements		750,000	750,000	750,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Annual Main Relining		750,000	750,000	750,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Public / Private Joint Utility Imp		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
4014 Oak Street Pump Station		1,841,031								
2600 42nd Ave Pump Station			1,828,691							
Columbia Hts Sewer		30,000	10,000	460,000						
LID	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
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		
2947 Lynn Place PS	2,000,000								200,000	
920 7th Ave	2,000,000									
subtotal		3,521,031	3,888,691	2,110,000	4,150,000	4,150,000	4,150,000	4,150,000	4,150,000	
total		7,534,031	3,888,691	2,110,000	4,150,000	4,150,000	4,150,000	4,150,000	4,150,000	

Sewer PS Priorities

PROJECT RANKINGS			PROJECT INFORMATION			MCC ENCLOSURE TYPE / DESCRIPTION							EVALUATION			
2020 (BY GAO)	6 JUNE 2021 Status (Green, Yellow, or Red) of current year	October 2021 Current status (Orange, Green, or Red)	ID	ADDRESS	2020 EVALUATION POINTS	TOTAL GAO POINTS	ON-SITE VISITS	APPROV. COMPLET. DATE	4-WHEEL BLOCK	BARBING PROTECTION	WALL, BARRIAD, REINFORCING IRON BARS, VEHICLE-IMPACT	MCC CABINETS	FUTURE SITE SAFETY	DEFIN. SUFFICIENCY OF COMPLETED PROJECTS, BY MCC DESIGN	WORKSHOP EXAMPLE	OBSERVATION NOTES
8	2022	5	54	2501 16TH	26	800	N	2020 pending				X	1			On corner lot, 400' obscuring fence. If vehicle impact, body could move MCC across street to west of two church properties which street would be obstructed from the view of the lot.
8	2022	2	54	2501 16TH AVE	18	800	N	2020 pending	PROPOSED (SLOTT)				2			Not in use yet, of additional enclosure / perimeter
18	2023	3	511	8514 GAY	25	1400	N	1977					2			Placed on lot, reduced by observation, the good systems for relocation that would allow operating within 75' during construction. Construction on existing site would remove existing wall and require more width. (2022-2023) ACCIDENTAL DAMAGE TO 1. Based on the traffic situation, enclosure would be a better alternative. Can be removed after vehicle at other address.
17	2021	4	538	1501 17CH	26	800	N	1977								Placed on lot, of additional enclosure / perimeter, but not in use yet, of additional enclosure / perimeter.
9	2023	5	538	1501 17CH	26	740	N	1974								Enclosure installed neighborhood and good system, no artificial. Neighborhood street view into area intended, intended in direct line of sight, other effect.
23	2023	7	516	2377 48TH	20	600	N	1974					1			Enclosure on lot, of additional enclosure / perimeter, but not in use yet, of additional enclosure / perimeter. MCC would likely block a front view. Lateral view on street side doesn't reach it. BEST SPOT IS ADDRESS STREET.
16	2023	8	517	4711 NURSE	23	800	N	1971					1			Placed on lot, of additional enclosure / perimeter, but not in use yet, of additional enclosure / perimeter.
20	2024	9	521	2361 50TH	20	500	N	1970								Enclosure on lot, of additional enclosure / perimeter, but not in use yet, of additional enclosure / perimeter.
15	2024	10	515	1312 SEAR LN	23	200	N	1970			SMALL VESSEL RETROFITS ADDITIONAL		2			Not in use yet, of additional enclosure / perimeter, but not in use yet, of additional enclosure / perimeter.
11	2025	11	52	4887 PACIFIC WAY	21	200	N	1970					2			Not in use yet, of additional enclosure / perimeter, but not in use yet, of additional enclosure / perimeter.
29	2025	12	CONVERT	524	2347 LYNN PL	36	200	N	1966				4			Not in use yet, of additional enclosure / perimeter, but not in use yet, of additional enclosure / perimeter.
5	DOHNE		527	2343 10TH AVE	14	800	N	2020	PROPOSED (SLOTT)				1	1		Not in use yet, of additional enclosure / perimeter, but not in use yet, of additional enclosure / perimeter.
3	DOHNE		528	1234 10TH AVE	16	400	N	2020					1	3		Not in use yet, of additional enclosure / perimeter, but not in use yet, of additional enclosure / perimeter.
4	DOHNE		528	1403 MIDLAND	15	4,000	Y	2020		X			1	3		Not in use yet, of additional enclosure / perimeter, but not in use yet, of additional enclosure / perimeter.
4	DOHNE		527	714 BOND AVE	17	5,100	Y	2020		X			1	3		Not in use yet, of additional enclosure / perimeter, but not in use yet, of additional enclosure / perimeter.
5	DOHNE		523	1505 34RD AVE	18	400	N	2020	X				1	2		Not in use yet, of additional enclosure / perimeter, but not in use yet, of additional enclosure / perimeter.
4	DOHNE		527	1504 10TH AVE	19	100	N	2020					1	1		Not in use yet, of additional enclosure / perimeter, but not in use yet, of additional enclosure / perimeter.
7			527	630 7TH AVE	19	100	N	1980								Not in use yet, of additional enclosure / perimeter, but not in use yet, of additional enclosure / perimeter.
12	DOHNE		529	373 BOY MOORE	21	300	N	2020	PROPOSED (SLOTT)				4			Not in use yet, of additional enclosure / perimeter, but not in use yet, of additional enclosure / perimeter.
13	DOHNE		521	2361 OLNEY WAY	21	2,300	Y	2020		X			4			Not in use yet, of additional enclosure / perimeter, but not in use yet, of additional enclosure / perimeter.
14	DOHNE		536	2364 CORNMAN RD	22	300	N	2020					1	2		Not in use yet, of additional enclosure / perimeter, but not in use yet, of additional enclosure / perimeter.
21			525	2307 16TH	26	250	N	1980					4			Not in use yet, of additional enclosure / perimeter, but not in use yet, of additional enclosure / perimeter.
21			524	2306 16TH	26	200	N	1980					1			Not in use yet, of additional enclosure / perimeter, but not in use yet, of additional enclosure / perimeter.
22	DOHNE		56	2401 6TH	28	1,500	N	1974					4			Not in use yet, of additional enclosure / perimeter, but not in use yet, of additional enclosure / perimeter.
23	DOHNE		518	340 FRANKLIN PL	26	540	N	1986					4			On corner lot, adjacent lot to historic Palace, well-landscaped, with green space. Lot owned by historic Palace LLC CT
25	DOHNE		540	240 TENNANT ST	32	540	N	1980					4			Industrial use on footage road along SR 42, in front of Sussman Park
26	DOHNE		549	180 TENNANT ST	32	540	N	1980					4			Industrial use on footage road along SR 42, in front of Sussman Park, 2022 report questions whether it is in use or possible
27	DOHNE		541	510 TENNANT ST	33	600	N	1980					4			Industrial use on footage road along SR 42, in front of Sussman Park
18			529	3302 WASHINGTON WAY	35	600	N	1980					1			Placed on lot, adjacent lot to historic Palace, well-landscaped, with green space. Lot owned by historic Palace LLC CT
20	DOHNE		523	1304 34RD	37	1,500	N	1913	??				3			Placed on lot, adjacent lot to historic Palace, well-landscaped, with green space. Lot owned by historic Palace LLC CT
21			544	2302 LYND	37	240	N	1980					2			Industrial lot acquisition to North would have obstructed MCC enclosure out of direct line of site to street of the lot (historic Palace)
31			58	3185 KANAWHA DR	38	200	N	1980								Enclosure lot to road, to meet of irregular private lot. Enclosure not confirmed. Lot owned by my business. Space empty. Development to south might reduce reducing street to corner. Enclosure, either from parking lot back to driveway.
32			543	543 KENNEDY DR	39	230	N	1986	X				1			Single wall with ending constructed for use of lot.
33			545	500A WY. KENNEDY DR	39	700	N	1986			X		1			Single wall with ending constructed for use of lot.
35			59	2303 KEND	40	2,000	N	2004	X				1			Single wall with ending constructed for use of lot.
36			521	1302 34RD	40	1,000	Y	1991				X	3			Single wall with ending constructed for use of lot.
37			513	2340 6TH	40	540	N	2006	X				1			Single wall with ending constructed for use of lot.
18			51	4421 FRANKLIN BLVD	41	540	Y	2006								Personal site, corner lot, general parking lot.
19			524	2351 ALABAMA	41	12,000	Y	2000			X	5				Personal site, corner lot, general parking lot.
NOT RANKED	DOHNE		512	3300 6TH "FOOT"	NO EVAL	REMOVED		2011								10
NOT RANKED	DOHNE		513	4102 6TH "FOOT"	NO EVAL	REMOVED		2011								10
NOT RANKED	DOHNE		514	4014 6TH "FOOT"	NO EVAL	REMOVED		2011								10
NOT RANKED	DOHNE		515	5400 6TH "FOOT"	NO EVAL	REMOVED		2011								10
NOT RANKED	DOHNE		516	3300 WASHINGTON PARK	NO EVAL	REMOVED		2011								10
NOT RANKED	DOHNE		517	3300 WASHINGTON PARK	NO EVAL	REMOVED		2011								10
NOT RANKED	DOHNE		518	3300 WASHINGTON PARK	NO EVAL	REMOVED		2011								10

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.

2024 Utility Rate Information / Sewer Utility

2024 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>
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	\$69.50	\$1.34	2.0%
2024	\$72.07	\$2.57	3.7%
2025	\$75.68	\$3.60	5.0%
2026	\$79.46	\$3.78	5.0%
2027	\$83.43	\$3.97	5.0%
2028	\$87.60	\$4.17	5.0%
2029	\$91.98	\$4.38	5.0%

2024 Utility Rate Information / Sewer Utility

Distribution of 2024 Residential Sewer Rate

<u>Rate Component</u>	<u>Revenue Generated</u>	<u>% of Total</u>	<u>Use of Income</u>
\$18.42	\$3,650,262	25.6 %	TRWWA Operations
\$ 4.41	\$874,725	6.1 %	TRWWA Debt Service
\$37.71	\$7,471,449	52.3 %	Operations
\$ 4.19	\$830,710	5.8 %	Debt Service
\$ 7.33	\$1,452,427	12.1 %	Rate Funded Capital
\$ 0.00	0	0 %	Depreciation
\$72.07	\$14,279,573	100%	



Staff Recommendations

Sewer rate contribution to capital:

2023	\$1,316,540
\$0.00 (0%)	\$ 942,934
\$2.57 (3.7%)	\$1,452,427
\$3.47 (5%)	\$1,631,438
\$5.00 (7.2%)	\$1,934,380
\$15.43 (22.2%)	\$3,999,892

DISCUSSION

Water



Staff Recommendations

Water rate contribution to capital:

2023	\$427,790
\$0.00 (0%)	\$194,856
\$1.40 (3.7%)	\$443,618
\$1.89 (5%)	\$531,021
\$3.79 (10%)	\$867,186
\$27.02 (71.5%)	\$4,999,999

Water Fund Budget Projections

Water Fund Budget Projections		no rate increase	3.7 % rate increase	5% rate increase	10% rate increase	71.5% rate increase
	2023	2024	2024	2024	2024	2024
Annual Revenues	6,723,300	6,723,300	6,972,062	7,059,465	7,395,630	11,528,443
Annual Operating Budget	6,295,510	6,528,444	6,528,444	6,528,444	6,528,444	6,528,444
Annual capital budget	427,790	194,856	443,618	531,021	867,186	4,999,999
rate for 6 CCF	37.88	37.88	39.28	39.77	41.67	64.95
\$ increase		0.00	1.40	1.89	3.79	27.02

6 CCF is average homeowner monthly water usage

The sewer System replacement value is \$500,000,000. On a 100-year replacement cycle we should have an ongoing capital program of \$5,000,000.

2024 Utility Rate Information / Water Utility

2024 Water Capital Projects

<u>Carryover Capital</u>	<u>Amount</u>
46 th Avenue	\$262,000
Dedicated Fill Line (ARPA)	\$2,000,000
Water Truck Fill Stations	\$100,000
Subtotal	\$2,362,000
<u>New Capital Projects</u>	
LID	\$100,000
Public / Private Joint Utility Imp.	\$50,000
Annual Valve Replacement	\$30,000
Large Meter Replacement	\$140,000
Columbia Hts Replacement	\$50,000
Reservoirs Mixers & Chlorine Injection	\$200,000
Mt. Solo Waterline (FEMA) or (ARPA)	\$1,216,000
Subtotal	\$1,786,000
TOTAL	\$4,148,000

2024 Water Capital Projects

Filter Plant Capital Projects

Hypochlorite Tank	\$200,000
Pump Rebuild	\$60,000
Equipment storage building	\$200,000
Pump house A&E	\$30,000
SCADA PLC	\$300,000
Well House Stabilization	\$100,000
<u>Pump House – Flow Meters & Heat Protection</u>	<u>\$300,000</u>
TOTAL	\$1,190,000



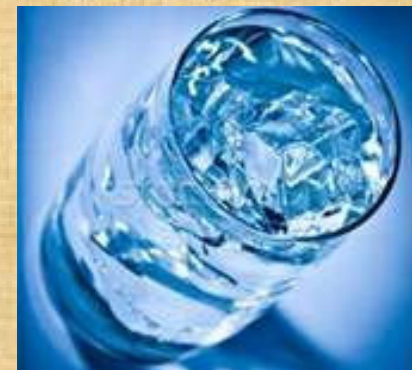
2024 Utility Rate Information / Water Utility

Water Capital Projects - Plan

Water			2024	2025	2026	2027	2028	2029	2030	2031	
Current Capital Projects											
46th Ave waterline			262,000								
Water Truck Fill Stations			100,000								
Dedicated Fill Line (ARPA)			2,000,000								
Subtotal			2,362,000	0	0	0	0	0	0	0	
New Capital Requests											
	Request										
LID			100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
public/Private Joint Utility Imp			50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
Annual Valve Replacement			30,000	31,500	33,075	34,729	36,465	38,288	40,203	42,213	
Large Meter Replacement			140,000	147,000	154,350	162,068	170,171	178,679	187,613	196,994	
Columbia Hts. Replacement			50,000	10,000	940,000						
Mt. Solo Waterline (FEMA) or (ARPA)			1,216,000								
Reservoir mixers and chlorine injection	200,000		200,000								
Annual Main Replacement - Madrona	2,300,000					2,300,000					
Replace Castlemen Line	2,290,000						2,290,000				
Annual Main Replacement - N 50th	2,030,000							2,030,000			
Annual Main Replacement - Sunset	1,490,000								1,490,000		
Annual Main Replacement - Trella Zone	4,900,000									4,900,000	
Annual Main Replacement - Willow Grove	1,760,000								1,760,000		
Annual Main Replacement - Pacific Way	1,250,000								1,250,000		
replace 20-inch steel line	3,660,000										
all reservoirs - seismic upgrades	1,582,000			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	
AMI Meters	10,000,000										
Utility Operation Center	1,300,000										
Subtotal			1,786,000	546,700	1,485,625	2,854,996	2,854,836	2,605,168	5,086,016	5,497,407	

Distribution of 2024 Residential Water Rate

<u>Rate Component</u>	<u>Revenue Generated</u>	<u>% of Total</u>	<u>Use of Income</u>
\$28.60	\$5,075,512	72.8 %	Operations
\$ 8.19	\$1,452,932	20.84 %	Debt Service
\$ 2.50	\$443,618	6.36 %	Rate Funded Capital
\$ 0	\$ 0	0 %	Depreciation
\$39.28	\$6,972,062	100%	



2024 Utility Rate Information / Water Utility

2024 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>
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	\$37.88	\$3.44	10.0%
<u>2024</u>	<u>\$39.28</u>	<u>\$1.40</u>	<u>3.7%</u>
2025	\$43.21	\$3.93	10.0%
2026	\$47.53	\$4.32	10.0%
2027	\$52.28	\$4.75	10.0%
2028	\$57.51	\$5.23	10.0%
2029	\$63.26	\$5.75	10.0%

Water Rate Resolution

Sections 6 and 8
Proposed Changes

Section 6 - Charges to City Owned Facilities

(a) Unmetered Service: For each unmetered water service to a City park or other City facility, the City shall pay into the Water Utility Fund, two thousand six hundred fifty nine dollars and twenty-nine cents (\$2945.70) per year for each such service.

(b) Youth Athletic Leagues: Water consumed at City parks that host Youth Athletic Leagues under a Longview Parks and Recreation Department Youth Sports Facility Use Agreement shall be charged at twenty-five percent (25%) of the rates set forth in this Resolution. Where a Youth Athletic League has secured its own facility, operates in coordination with the Longview Parks and Recreation Department, and is the account customer billed directly by the City, the league shall be billed at twenty-five percent (25%) of the account total determined by the rates set forth in this Resolution. Penalties, turn on charges, and other related charges shall be billed at one hundred percent (100%) of the amounts set forth in this Resolution.

(c) Mint Valley Golf Course Irrigation: Water consumed at the Mint Valley Course for irrigation purposes only, shall be charged at ~~forty~~ twenty-five percent (~~40~~25%) of the rates set forth in this Resolution.

(d) Community Gardens Irrigation: Water consumed by community gardeners utilizing City Community Garden facilities owned and operated by the City of Longview Parks and Recreation Department shall be charged at twenty-five percent (25%) of the rates set forth in this Resolution. The Community Gardens accounts are in the name of the City of Longview and shall be billed to the City of Longview Parks and Recreation Department.

Section 8 - Water Obtained from Fire Hydrant

\$1,000 to \$1,500

Anyone desiring to obtain water from an un-metered fire hydrant shall first obtain a Fire Hydrant Use Permit, and pay all applicable fees and deposits. Use of a fire hydrant to obtain water shall be temporary only, shall occur only at hydrants designated and approved by the Utilities Systems Manager or his/her designee, and shall not exceed ninety (90) calendar days unless otherwise approved by the Utilities Systems Manager or his/her designee. All water obtained from a hydrant shall be through a water meter and backflow prevention assembly provided by the City, except that the Utilities Systems Manager may authorize the permittee to provide its own meter and backflow prevention assembly.

The permittee shall pay a deposit of one thousand five hundred dollars (\$1,500.00) and a non-refundable meter assembly installation and removal fee of one hundred fifty dollars (\$150.00) in advance of the City installing the meter assembly on the hydrant. The permittee shall also pay a meter rental charge of five dollars (\$5.00) per calendar day and shall pay for water used at the rates shown in Section 1.8 (3).

All water supplied for use outside the corporate limits of the City shall be charged at the rates shown in Section 1.B (3), plus an additional charge of sixty-five percent (65%) as identified in Section 2 of this resolution.

The deposit is required for the purpose of assuring that said meter will be returned to the City, and that it will not be damaged. The permittee shall be fully responsible for any damage or loss to the hydrant and/or the hydrant meter assembly. If a meter assembly is returned to the City in a damaged condition, or the hydrant is damaged by the permittee's use, the permittee shall be responsible to pay all replacement or repair costs that exceed the deposit amount, in addition to the meter rental and water consumption charges. Replacement or repair costs shall become payable to the City within thirty (30) calendar days after notification and subsequent mailing of an invoice to permittee.

Permittees providing their own meter and backflow prevention assembly shall obtain a Fire Hydrant Use Permit for each hydrant used, and shall use only hydrants designated and approved by the Utilities Systems Manager or his/her designee. Such permittees shall be exempt from the installation/removal fee and meter rental charge, but shall pay a one hundred dollar (\$100.00) deposit, shall pay for all water consumed, and shall be responsible for any damage or loss to the hydrant due to their use of the hydrant.

The permit shall be on site at any time water is to be withdrawn from the hydrant and shall be subject to examination on request of employees of the City. The permittee shall comply with the requirements set forth in the 2015 International Fire Code, Section 901.8 and subsequent editions; and LMC Sections 15.60.050 and 15.60.070.

The Utilities Division shall provide meter readings to the Finance Department, who shall determine and issue the monthly and final billings. The Finance Department shall refund the deposit to the permittee after all charges have been paid and upon verification from the Utilities Operations Manager or his/her designee, that the meter has been returned and that all City-owned property is undamaged.

Staff Recommendations

Water rate contribution to capital:

2023	\$427,790
\$0.00 (0%)	\$194,856
\$1.40 (3.7%)	\$443,618
\$1.89 (5%)	\$531,021
\$3.79 (10%)	\$867,186
\$27.02 (71.5%)	\$4,999,999

Stormwater



Stormwater Utility Programs

- Operations and maintenance of City stormwater infrastructure and facilities
- Regulatory compliance with NPDES municipal stormwater permit
- Development review and inspection
- City-wide street sweeping program
- Leaf pickup (fall months)
- Urban forestry program
- Sidewalk repair & replacement program
- Stormwater capital improvements



2023 Stormwater Capital Projects

Mint Valley Golf
Course Pump
Station
Rehabilitation

Lake Sacajawea
Outlet Fish
Screen
Replacement

Ditch 6 West
Sediment Basin
and Maintenance
Access @ Pacific
Way & Glenwood
(with CDID #1)



2023 Stormwater Program Activities



Ongoing
Sidewalk
Replacements

New Pollutant
Source Control
Inspection
Program



Urban Forestry
Tree Replacement
Program



CITY OF LONGVIEW

Stormwater Management Action Plan
for CDID #1 Ditch 4



Ditch 4 Basin
Stormwater
Management
Action Plan

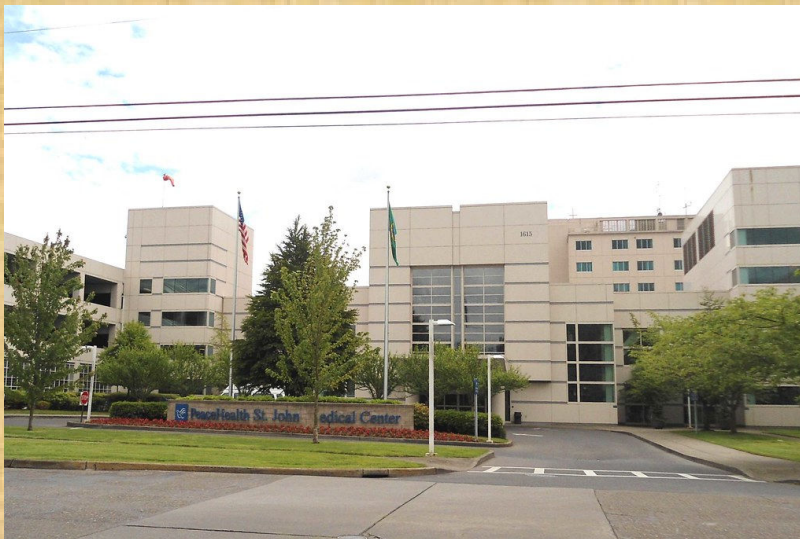
Staff Recommendation

Stormwater Rate increase of:
\$2.61 per impervious ERU

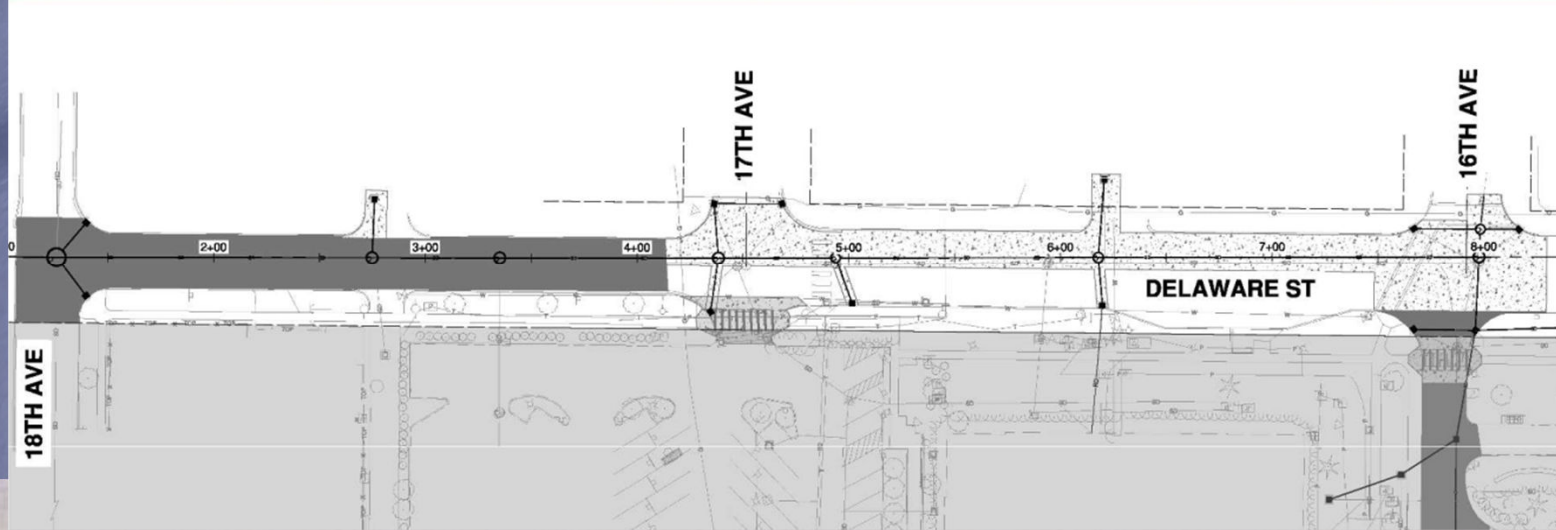
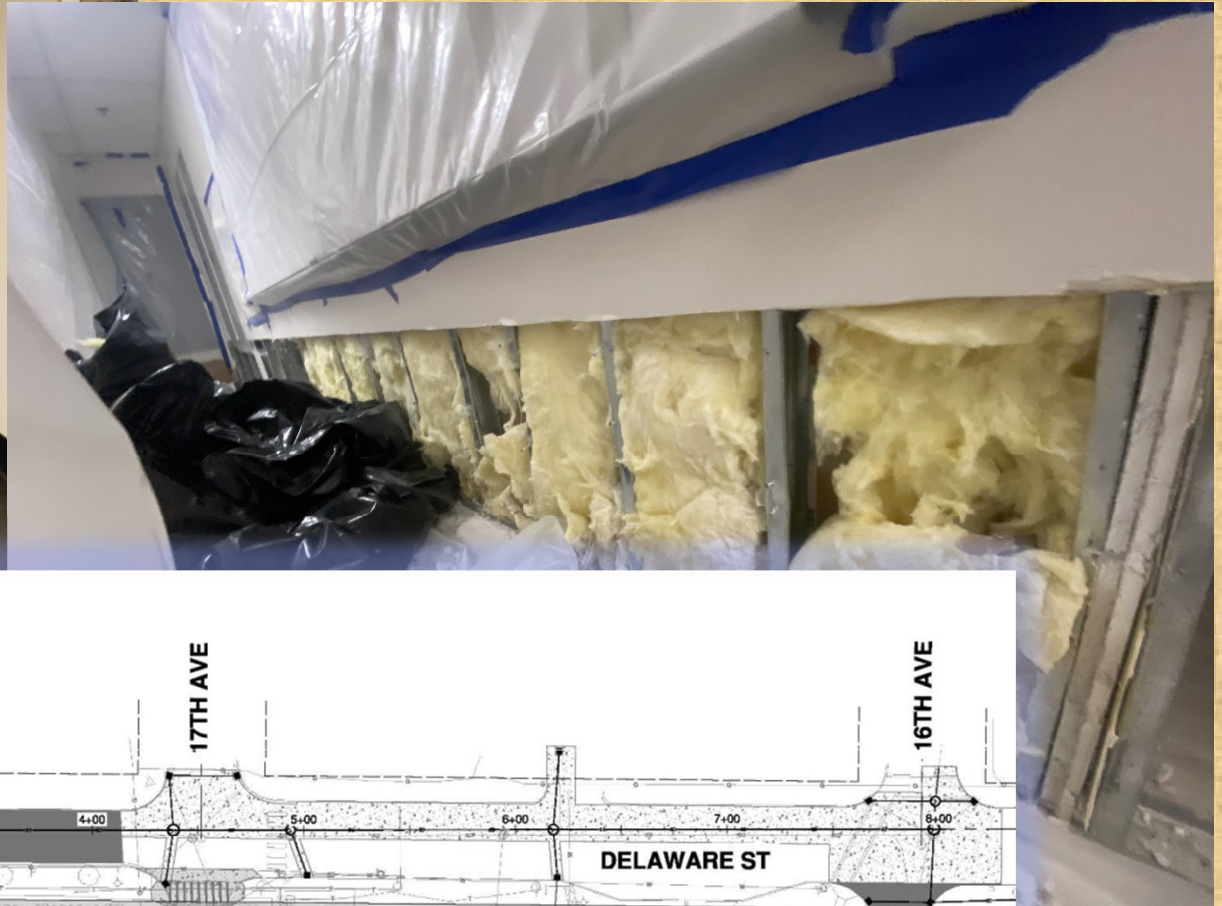
2024 Stormwater Capital Projects

New Capital Projects

	<u>Amount</u>
Delaware Street Drainage Improvements	\$500,000
Pacific Way Drainage Improvements	\$125,000
Fleet Equipment Replacement Funding	\$670,000
Stormwater Maintenance Tech Vehicle	\$35,000
Miscellaneous Stormwater Projects	\$110,000
TOTAL	\$1,440,000



Delaware Street Drainage Improvements



Fleet Equipment Replacement Needs

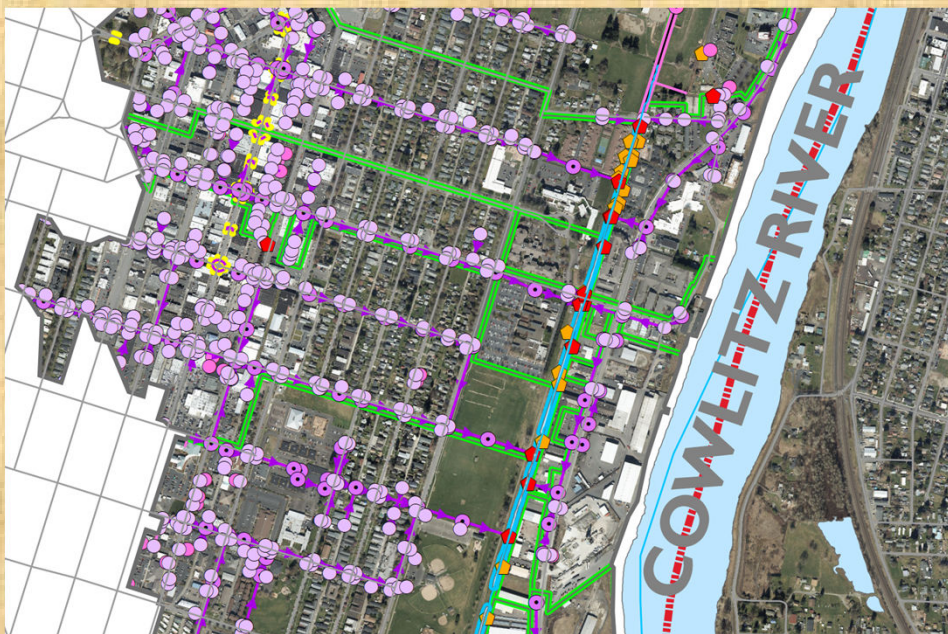
- Dump Truck/ Snowplow -- \$225,000
- 1-Ton Dump Truck -- \$120,000
- Ravo Street Sweeper -- \$325,000



2024 Stormwater Enhancements

Program Enhancements

Stormwater Master Plan	\$375,000
Stormwater Maintenance Tech II	\$92,700
TOTAL	\$467,700



2024 Stormwater Base Rate History and Future Plan

<u>Year</u>	<u>Monthly Rate</u>	<u>Increase</u>
2018	\$12.21	\$1.11
2019	\$13.68	\$1.47
2020	\$14.50	\$0.82
2021	\$14.50	\$0.00
2022	\$14.50	\$0.00
2023	\$14.50	\$0.00
2024	\$17.11	\$2.61
2025	\$17.62	\$0.51
2026	\$18.15	\$0.53
2027	\$18.69	\$0.54

Stormwater Rate Discussion

- Stormwater Utility has had no rate increases in four years (*since January 2020*)
- Expenditures have increased annually while revenue has remained the same—Utility is now spending more money than it is taking in
- Rate structure changes previously adopted will be implemented in 2024 which will reduce impervious billing (ERUs) for the majority of commercial and multi-family residential properties
- Impervious cover reassessments and new billable parcels will bring in additional revenue, but the net changes are essentially revenue neutral
- *Proposed rate increase is equivalent to the amount of inflation over the four years since last rate change*

DISCUSSION

Reduced Utilities Rates

- Enacted by Resolution No. 2452.
- Applies to low-income senior citizens and low-income disabled citizens with individual accounts.
- Does not apply to group senior living or low-income living facilities which may have a single account for the whole facility.
- The reduction is limited to an aggregate discount of approximately \$220,000. *

*As of 11/28/23 the City has given out \$181,352 in reduced utility fees. Projected to the year end this will be approximately \$198,000.

Staff has been asked to facilitate a discussion of this topic.

Reduced Utilities Rates

Reduction maximums

- A reduction of 50% of sewer base rate.
- A reduction of 50% of garbage rate.
- No stormwater fee.
- Transitional housing – 25% reduction in sewer consumption.

* All on residential rates.

Reduced Utilities Rates

For a single-family residence, it could look like this:

- Residential sewer base fee is \$34.82. A 50% reduction is **-\$17.41**
- Residential garbage rate is \$19.34. A 50% reduction is **-\$9.67**
- Stormwater is \$14.50 per ERDU. A 100% reduction is **-\$14.50**
- Total monthly reduction would be **-\$41.58** per month.

* All on residential rates.

Council Direction

Sewer

\$0.00 (0%)

Increase of \$2.57 (3.7%)

Increase of \$3.47 (5%)

Increase of \$5.00 (7.2%)

Increase of \$15.43 (22.2%)

Water

\$0.00 (0%)

Increase of \$1.40 (3.7%)

Increase of \$1.89 (5%)

Increase of \$3.79 (10%)

Increase of \$27.02 (71.5%)

Direction for changes to Water Rate Resolution Sec. 6 & 8

Stormwater

Stormwater rate increase of \$2.61 per ERDU

Direction on reduced utility rates.

RESOLUTION NO. 2452

A RESOLUTION PROVIDING FOR REDUCED RATES TO BE CHARGED TO LOW-INCOME SENIOR CITIZENS AND LOW-INCOME DISABLED CITIZENS FOR SANITARY SEWER SERVICE AND GARBAGE COLLECTION AND AN EXEMPTION FROM STORM WATER UTILITIES, INCLUDING LOW-INCOME AND DISABLED CITIZENS IN TRANSITIONAL HOUSING AND LIMITING THE ANNUAL AGGREGATE OF SUCH REDUCTIONS TO APPROXIMATELY \$220,000.00 PER CALENDAR YEAR AND REPEALING RESOLUTION NO. 2417.

WHEREAS, RCW 74.38.070 provides that cities may provide utility services at reduced rates for low income senior citizens or low income disabled citizens; and

WHEREAS, the City Council of the City of Longview recognizes the financial hardships placed upon low-income senior citizens and low-income disabled citizens as a result of the increasing costs of necessary utility services provided by the City to all of its citizens; and

WHEREAS, the City Council is also cognizant of the financial hardship placed on low-income and disabled transitional housing providers that provide living quarters free of rent;

WHEREAS, it is the desire of the City Council to provide for reduced rates to such low-income citizens for sewer, garbage collection and storm water utility services;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Longview as follows:

1. Definitions:

- (a) The term "low-income senior citizen" means a person who is sixty-two (62) years of age or older and whose total income, including that of his or her spouse or co-tenant(s), does not exceed the income limits as shown in the attached table. [The very low (50%) income limits for Cowlitz County established under the Housing and Urban Development Income Limits Documentation System.]
- (b) The term "low-income disabled citizen" means (i) a person qualifying for special parking privileges under RCW 46.19.010, (ii) a blind person as defined in RCW 74.18.020, or (iii) a disabled, handicapped or

incapacitated person as defined under any other state or federal program, and whose total income, including that of his or her spouse or co-tenant(s), does not exceed the income limits as shown in the attached table. [The very low (50%) income limits for Cowlitz County established under the Housing and Urban Development Income Limits Documentation System.]

- (c) The term "income", or "total income", means salary, wages, interest, dividends, and other earnings which are reportable for federal income tax purposes, and cash payments such as reimbursements received from pensions, annuities, social security, and public assistance programs. It includes any contributions received from any family member or other person who is domiciled in the same residence as the applicant for reduced utility rates hereunder and who is helping defray such applicant's living costs.

2. Reduced Rates For Low-Income Senior Citizens And Low-Income Disabled Citizens:

Any low-income senior citizen or low-income disabled citizen who receives sanitary sewer, garbage collection and/or storm water utility service from the City of Longview shall be entitled to receive such sanitary sewer service, garbage collection and/or storm water sewer service at the following reduced rates:

- (a) Sanitary Sewer Service:

A reduction, not to exceed fifty percent (50%) of the base residential rate may be allowed.

- (b) Garbage Collection Service:

A reduction, not to exceed fifty percent (50%) of the single-family dwelling residential rate for once per week garbage collection and recycling service may be allowed.

- (c) Storm Water Utility Service:

No charge shall be made to those persons whose applications are approved for reduced rates for sanitary sewer and/or garbage collection service.

- (d) Transitional Housing Provider – Sanitary Sewer Service:

In addition, to the reduced rates provided in Section 2 (a) through 2 (c) above, transitional housing providers shall receive a twenty-five percent (25%) reduction on sanitary sewer consumption charges.

3. Applications for Reduced Rates:

Applications for reduced utility rates hereunder shall be made upon forms to be provided by the Finance Department of the City, and shall disclose all sources of income as required by such forms. Transitional housing providers are asked to provide income received from grants, contributions, etc. Such applications and the contents thereof shall remain confidential to the extent permitted by law. Any person who is aggrieved by the denial of reduced utility rates as herein provided may appeal such denial to the City Manager, whose decision with respect thereto shall be final.

4. Disqualification for Reductions:

An applicant who ceases to meet the qualifications of the Utility Rate Relief Program as provided in this Resolution shall advise the City of Longview Finance Department within thirty (30) days after having become so disqualified.

5. Annual Reports Required:

All applicants who have been granted reduced utility rates hereunder shall, as a condition of continued entitlement to reduced rates, resubmit every other year, beginning with the odd year, upon forms provided by the Finance Department on verification of their income. To qualify an applicant's income shall remain at or below the levels described in the attached table. Annual reports are not required for transitional housing providers so long as they continue to provide living quarters free of rent.

6. Annual Maximum Amount of Reductions:

No reduction in rates shall be permitted or granted if the effect thereof will be to reduce the aggregate gross income from sanitary sewer service, garbage collection and storm water utility service during any calendar year by more than approximately \$220,000.00

7. Effective Date:

This Resolution shall be in full force and effect from and after June 22, 2023. BE IT FURTHER RESOLVED that Resolution No. 2417 passed by the City Council on July 26, 2022 is hereby repealed in its entirety on the date that this Resolution becomes effective.

PASSED AND APPROVED by the City Council of Longview, Washington, and signed by its Mayor this 22nd day of June, 2023.


MAYOR

ATTEST:


Acting City Clerk

FY 2022 Income Limits

Persons in Household	2023 Income Limit	2022 Income Limit
1	29,550	27,900
2	33,750	31,850
3	37,950	35,850
4	42,150	39,800
5+	45,550	43,000

