



City of Longview

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

Agenda

City Council

*Mayor Spencer Boudreau
Mayor Pro Tem Kalei LaFave
Council Member Ruth Kendall
Council Member Angie Wean
Council Member MaryAlice Wallis
Council Member Keith Young
Council Member Erik Halvorson*

Tuesday, July 16, 2024

6:00 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 Training Room, 1525 Broadway, Longview, on Tuesday, July 16, 2024 at 6:00 p.m. The topics of discussion follow. No final action will be taken.

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. FLAG SALUTE
3. ROLL CALL

4. WORKSHOP

**24-00516 UTILITIES BUDGET (TIME ESTIMATE 2 HOURS)
PRESENTATION FOR 2025 UTILITY RATES**

RECOMMENDED ACTION:

**REVIEW CAPITAL PROJECTS ENHANCEMENTS AND PROPOSED UTILITY RATES
REQUEST PRESENTATION AND PROVIDE DIRECTION TO STAFF FOR THE 2025-2026
BUDGET**

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.**



City of Longview

Agenda Summary

UTILITIES BUDGET (TIME ESTIMATE 2 HOURS) PRESENTATION FOR 2025 UTILITY RATES

RECOMMENDED ACTION:

**REVIEW CAPITAL PROJECTS ENHANCEMENTS AND PROPOSED UTILITY RATES REQUEST
PRESENTATION AND PROVIDE DIRECTION TO STAFF FOR THE 2025-2026 BUDGET**

COUNCIL INITIATIVE ADDRESSED:

Continue effective financial management.
Provide water quality and environmental infrastructure.

CITY ATTORNEY REVIEW: N/A

SUMMARY STATEMENT

Presentation reviewing capital projects, enhancement requests and utility rates for the 2025-2026 budget.

STAFF CONTACT:

Chris Collins, Public Works Director/ Assistant City Manager
Lisa Wolff, Fiscal Manager
Steve Haubner, Stormwater Manager

Attachments:

1. 2025 Utility Projects and Rates

PROPOSED 2025 UTILITY RATES



Longview City Council

Workshop

July 16, 2024

Prepared by:

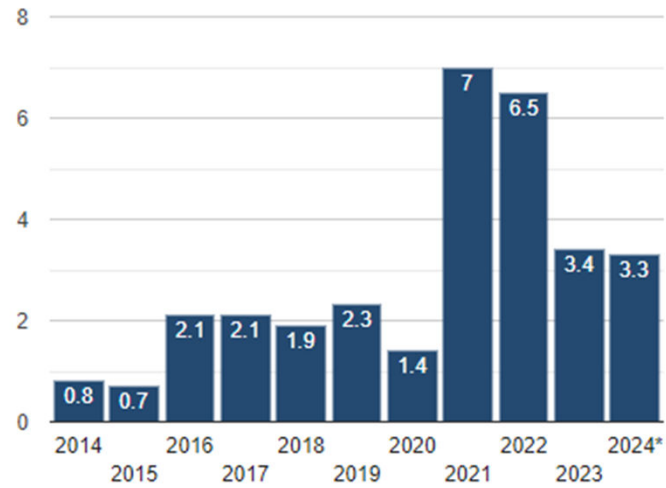
Chris Collins, Public Works Director/
Assistant City Manager

Steve Haubner, Stormwater Manager

12-month percentage change, Consumer Price Index, selected categories, not seasonally adjusted

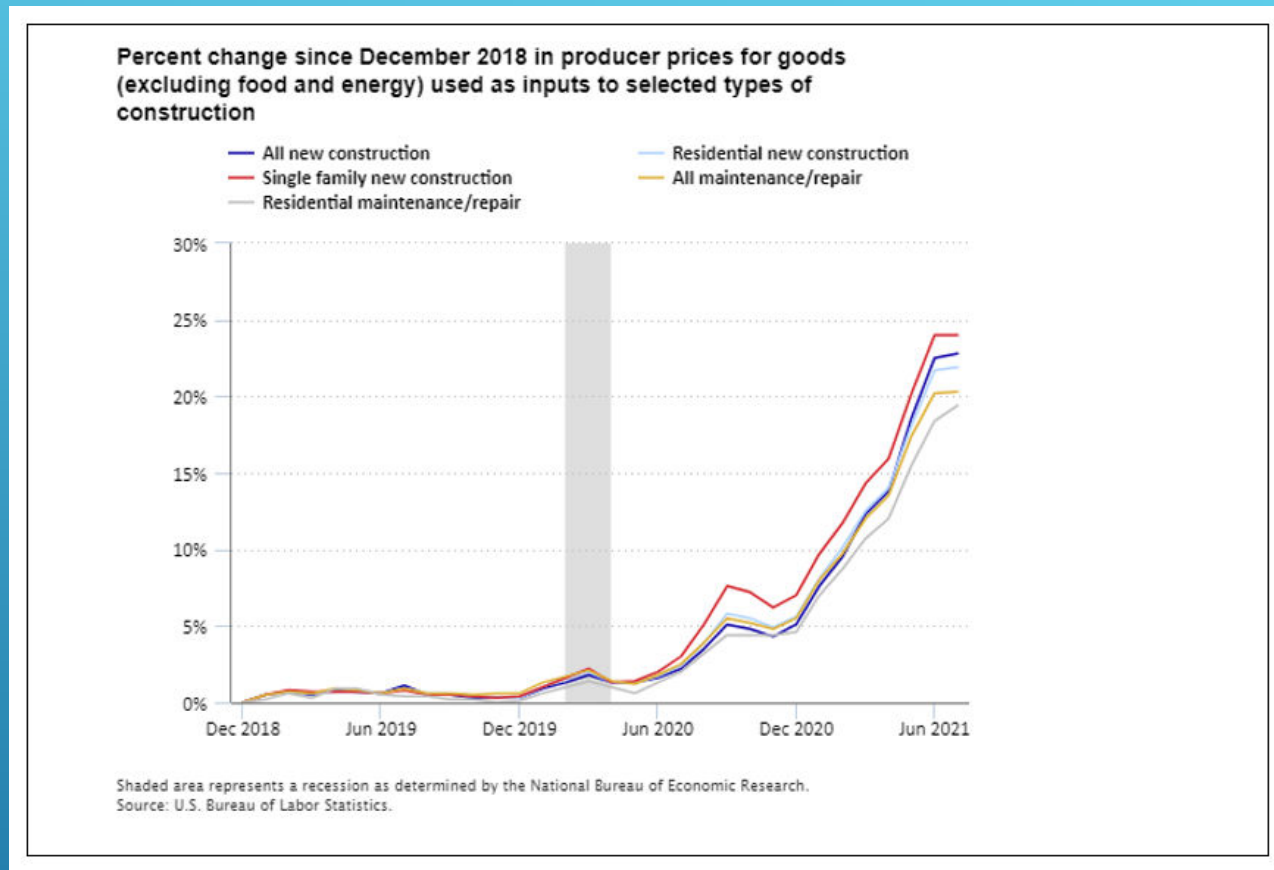


Chart: United States Annual Inflation Rates (2014 to 2024)



GENERAL INFLATION

CONSTRUCTION INFLATION



- ▶ Nonresidential buildings inflation 10-year average (2011-2020) is 3.7%. In 2020 it dropped to 2.5%, but for the six years 2014-2019 it averaged 4.4%. In 2021 it jumped to 8%, the highest since 2006-2007. In 2022 it hit 12%, the highest since 1980-81. In 2023 it was stable at 3.7% and 2024 is trending at 3.3%

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?



410% increase

12" Ductile Iron pipe

2020 - \$18.25 ft

2024 - \$ 75.00 ft

189% increase

3.5 Ft Flanged Fire
Hydrant

2020 - \$1,850.49

2024 - \$3,500.00

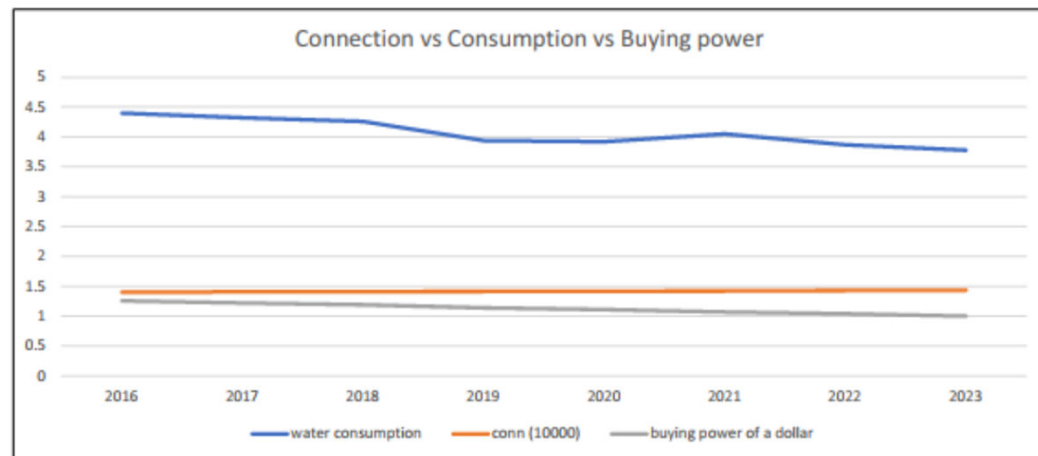


DECLINING WATER CONSUMPTION

Over 7-years:

- 3% increase in customers
- 14% decline on consumption
- 20% Decrease in buying power

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	



Beginning in 1994 – 20% reduction in consumption *NATIONWIDE*

CURRENT CAPITAL PROJECTS

Water

- 46th Avenue Water Replacement
- Fishers Lane Demo
- Dedicated Fill line
- Water System Plan
- Mt Solo Emergency Water Line Relocation
- Madrona Water Line Replacement
- Castleman Waterline Replacement
- Columbia Heights Water Replacement
- Reservoir Mixers and Chlorine Boosters
- Water Truck Fill Stations

Filter

- SCADA/ PLC Upgrades at the Filter Plant
- Equipment Storage Building at the Filter Plant
- Additional Hypochlorite Tank

Sewer

- 46th Avenue Water/ Sewer Replacement
- Mint Farm/ OBH Odor Control
- 38th and Oak Pump Station
- 38th and Pennsylvania Pump Station
- CIPP Sewer Lining
- 2600 42nd Pump Station
- 4014 Oak Pump Station
- Sewer System Plan
- Columbia Heights Sewer Replacement

Sewer



STAFF RECOMMENDATIONS

Sewer rate contribution to capital:

2024

➤ 5% (+.7%) \$1,986,840

2025

➤ \$0.00 (0%) \$1,562,788

➤ \$2.20 (3.3%) \$2,046,445

➤ \$3.67 (5%) \$2,343,183

➤ \$5.88 (8%) \$2,788,290

➤ \$17.74 (24.14%) \$5,182,995

SEWER FUND BUDGET PROJECTIONS

Sewer Fund Projections		No Increase	3.30%	5%	8%	24.14%
	2024	2025	2025	2025	2025	2025
Annual Revenues	\$ 14,836,900.00	\$ 14,836,900.00	\$ 15,282,007.00	\$ 15,578,745.00	\$ 16,023,852.00	\$ 18,418,557.49
Annual Operating Budget	\$ 12,850,060.00	\$ 13,235,561.80	\$ 13,235,561.80	\$ 13,235,561.80	\$ 13,235,561.80	\$ 13,235,561.80
Annual Capital Contribution	\$ 1,986,840.00	\$ 1,601,338.20	\$ 2,046,445.20	\$ 2,343,183.20	\$ 2,788,290.00	\$ 5,182,995.69
Rate for 6CCF	\$ 73.48	\$ 73.48	\$ 75.68	\$ 77.15	\$ 79.36	\$ 91.22
\$ Increase		\$ -	\$ 2.20	\$ 3.67	\$ 5.88	\$ 17.74

The sewer system replacement value is \$518,299,500. On a 100-year replacement cycle we should have an ongoing capital program of \$5,182,995.

		2025
3 Additional FTE for Sewer		\$317,968.00
Additional AMR meters		\$100,000.00
Total:		\$420,255.00
Cost per customer/ 6ccf		\$2.06

SEWER OPERATIONS ENHANCEMENTS

SEWER CAPITAL PROJECTS - PLAN

Sewer		Beg. Balance	11,318,496	9,779,792	8,504,845	7,728,925	9,050,413	9,089,733	10,423,954	10,540,136
		Capital	2,343,138	2,725,053	3,133,958	3,571,488	4,039,320	4,539,221	4,766,182	5,004,491
			2025	2026	2027	2028	2029	2030	2031	2032
Carryover Capital Projects										
2600 42nd Pump Station			1,198,092							
4014 Oak St. Pump Station			146,000	1,500,000						
Mint Farm Sewer Pump Station Odor Control			100,000							
Columbia Heights Sewer Reconstruction			10,000	100,000	359,878					
General Sewer Plan			200,000							
Subtotal			1,654,092	1,600,000	359,878	0	0	0	0	0
New Capital Requests	Request									
Annual Main Replacements			750,000	800,000	850,000	900,000	1,000,000	1,000,000	1,000,000	1,150,000
Annual Main Relining			750,000	800,000	850,000	900,000	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
LID			100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Vehicle Replacement shortfall			125,000							
OB2, OB3, OB4 odor control			100,000	200,000						
John Deer Loader			225,000							
Seal Coat Utility Operations Lot 50%			41,000							
Power Gate Utility Operations Center 50%			10,500							
Repaint Utility Operations Center 50%			26,250							
Utility Operations Center Remodel							150,000	755,000	800,000	
Schnider Pump Satation Sabilization			50,000	150,000						
5501 Finch PS				300,000	1700000					
2277 48th PS						300,000	1,700,000			
4711 Merlin PS								300,000	1,700,000	
2401 50th PS	2,000,000									300,000
122 Selix PS	2,000,000									
4007 Pacific Way PS	2,000,000									
2947 Lynn Place PS	2,000,000									
920 7th Ave	2,000,000									
Subtotal			2,227,750	2,400,000	3,550,000	2,250,000	4,000,000	3,205,000	4,650,000	2,600,000
Total			3,881,842	4,000,000	3,909,878	2,250,000	4,000,000	3,205,000	4,650,000	2,600,000
		End Balance	9,779,792	8,504,845	7,728,925	9,050,413	9,089,733	10,423,954	10,540,136	12,944,627

2025 Utility Rate Information / Sewer Utility

SEWER PUMP STATION 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.

2025 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	\$73.48	\$3.98	5.07%
2025	\$77.15	\$3.67	5.0%
2026	\$81.01	\$3.86	5.0%
2027	\$85.06	\$4.05	5.0%
2028	\$89.32	\$4.25	5.0%
2029	\$93.78	\$4.47	

5.0%

STAFF RECOMMENDATIONS

Sewer rate contribution to capital:

2024

➤ 5% (+.7%) \$1,986,840

2025

➤ \$0.00 (0%) \$1,562,788

➤ \$2.20 (3.3%) \$2,046,445

➤ \$3.67 (5%) \$2,343,183

➤ \$5.88 (8%) \$2,788,290

➤ \$17.74 (24.14%) \$5,182,995

DISCUSSION

Water



STAFF RECOMMENDATIONS

Water rate contribution to capital:

2024

➤ 5% (+1.3%) \$601,318

2025

➤	\$0.00 (0%)	\$261,064
➤	\$1.33 (3.3%)	\$621,226
➤	\$2.02 (5%)	\$806,764
➤	\$3.23 (8%)	\$1,134,184
➤	\$22.98 (56.97%)	\$6,478,744

WATER FUND BUDGET PROJECTIONS

Water Fund Projections		No Increase	3.30%	5%	8%	56.97%
	2024	2025	2025	2025	2025	2025
Annual Revenues	\$ 10,914,000.00	\$ 10,914,000.00	\$ 11,274,162.00	\$ 11,459,700.00	\$ 11,787,120.00	\$ 17,131,680.04
Annual Operating Budget	\$ 10,312,619.00	\$ 10,652,935.43	\$ 10,652,935.43	\$ 10,652,935.43	\$ 10,652,935.43	\$ 10,652,935.43
Annual Capital Contribution	\$ 601,381.00	\$ 261,064.57	\$ 621,226.57	\$ 806,764.57	\$ 1,134,184.57	\$ 6,478,744.61
Rate for 6CCF	\$ 40.33	\$ 40.33	\$ 41.66	\$ 42.35	\$ 43.56	\$ 61.27
\$ Increase		\$ -	\$ 1.33	\$ 2.02	\$ 3.23	\$ 22.98

The sewer system replacement value is \$647,874,400. On a 100-year replacement cycle we should have an ongoing capital program of \$6,478,744.

Water

2025

Additional AMR meters	\$100,000.00
-----------------------	--------------

Supervisor position for water treatment program	\$36,757.00
---	-------------

Total:	\$139,044.00
--------	--------------

Cost per customer/ 6ccf	\$0.68
-------------------------	--------

WATER OPERATIONS ENHANCEMENTS

WATER CAPITAL PROJECTS - PLAN

Water										
		Beg. Balance	1,646,423	1,620,487	286,989	408,851	1,887,314	1,492,716	904,371	2,857,432
		Capital	806,764	1,028,202	1,507,342	2,033,459	2,610,238	3,241,823	3,339,078	3,439,250
		FEMA	1,030,000							
			2025	2026	2027	2028	2029	2030	2031	2032
<u>Current Capital Projects</u>										
Water Truck Fill Stations			100,000							
Mt Solo Waterline			1,030,000							
Columbia Hts Waterline Reconstruction			30,000	100,000	839,855					
Nemi Booster Station			50,000	50,000						
Madrona Waterline Replacement			100,000	1,375,000						
Fishers Lane, Castleman, Clark St, Cascade Way				300,000						
Transmission Main										
Subtotal			1,310,000	1,825,000	839,855	0	0	0	0	0
<u>New Capital Requests</u>	<u>Request</u>									
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
Vehicle replacement additional funds			110,000							
Seal coat parking lot at ops center			41,000							
Power entry gate			10,500							
Repaint ops center			26,200							
Utility ops center remodel							150,000	755,000	800,000	
PRV Station Columbia Hts			45,000							
Replace Castleman Line							2,290,000			
Annual Main Replacement - N 50th								2,500,000		
Annual Main Replacement - Sunset										1,750,000
Annual Main Replacement - Trella Zone	4,500,000									
Annual Main Replacement - Willow Grove	3,000,000									
Annual Main Replacement - Pacific Way	3,000,000									
all reservoirs - seismic upgrades				158,200	158,200	158,200	158,200	158,200	158,200	158,200
SCADA Upgrades				50,000	50,000	50,000	50,000	50,000	50,000	50,000
Subtotal			552,700	536,700	545,625	554,996	3,004,836	3,830,168	1,386,016	2,347,407
Total			1,862,700	2,361,700	1,385,480	554,996	3,004,836	3,830,168	1,386,016	2,347,407
		end balance	1,620,487	286,989	408,851	1,887,314	1,492,716	904,371	2,857,432	2,857,432

Filter

2025

Additional water treatment operator	\$108,686.00
-------------------------------------	--------------

Supervisor position for water treatment program	\$36,757.00
---	-------------

Total:	\$145,443.00
--------	--------------

Cost per customer/ 6ccf	\$0.71
-------------------------	--------

FILTER ENHANCEMENTS

2025 FILTER CAPITAL PROJECTS PLAN

Filter										
		Beg. Balance	229,397	1	109,692	113,684	147,225	242,573	453,991	674,752
		Capital	202,969	209,058	215,330	221,790	228,443	235,297	242,356	249,626
		Beacon Hill	65,663	67,633	69,662	71,752	73,904	76,121	78,405	80,757
			2025	2026	2027	2028	2029	2030	2031	2032
Current Capital Projects										
3rd Hypochlorite tank			200,000							
Equipment building			50,000	150,000						
SCADA PLC Network			248,028							
Subtotal			498,028	150,000	-	-	-	-	-	-
New Capital Requests	Request									
Seal coat asphalt		77,000			77,000					
Pump House Remodels		260,000				260,000				
Well house stabilizations		120,000			120,000					
Repaint Filters		107,000					107,000			
Replace Security Cameras		17,000		17,000						
Misc. Capital		100,000					100,000	100,000	100,000	100,000
Catwalk Platform		84,000			84,000					
Subtotal			-	17,000	281,000	260,000	207,000	100,000	100,000	100,000
Total			498,028	167,000	281,000	260,000	207,000	100,000	100,000	100,000
		end balance	1	109,692	113,684	147,225	242,573	453,991	674,752	905,135

2025 Utility Rate Information / Water Utility

2025 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%
2024	\$40.33	\$2.38	6.3%
2025	\$42.35	\$2.02	5.0%
2026	\$44.46	\$2.12	5.0%
2027	\$47.58	\$3.11	7.0%
2028	\$50.91	\$3.33	7.0%
2029	\$54.47	\$3.56	7.0%

STAFF RECOMMENDATIONS

Water rate contribution to capital:

2024

➤ 5% (+1.3%) \$601,318

2025

➤ \$0.00 (0%) \$261,064
➤ \$1.33 (3.3%) \$621,226
➤ \$2.02 (5%) \$806,764
➤ \$3.23 (8%) \$1,134,184
➤ \$22.98 (56.97%) \$6,478,744

DISCUSSION

- 24,000 LF of asbestos cement pipe.
- 13,000 LF of steel pipe.
- 195,000 LF of pipe installed in the 1920's.

UNLINED PIPE



Stormwater



STAFF RECOMMENDATIONS

Stormwater Rate increase of:
\$2.57 per impervious ERU

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



2025-26 STORMWATER ENHANCEMENTS

Program Enhancement

Amount

Stormwater Maintenance Tech

\$118,120

TOTAL

\$118,120



2025 STORMWATER CAPITAL PROJECTS

<u>Capital Project</u>	<u>Amount</u>
Stormwater Infrastructure Condition Inventory	\$150,000
Pacific Way Drainage Improvements	\$185,000
Downtown Streetscape Phase 4 (Hemlock to Florida)	\$875,000
SMAP Basin Feasibility Study	\$45,000
Storm Maintenance Shop Upgrades	\$248,000
Miscellaneous Stormwater Projects	\$118,000
TOTAL	\$1,621,000



2026 STORMWATER CAPITAL PROJECTS

Capital Project

Amount

Stormwater Infrastructure Condition Inventory

\$150,000

Columbia Heights Road Reconstruction (Stormwater)

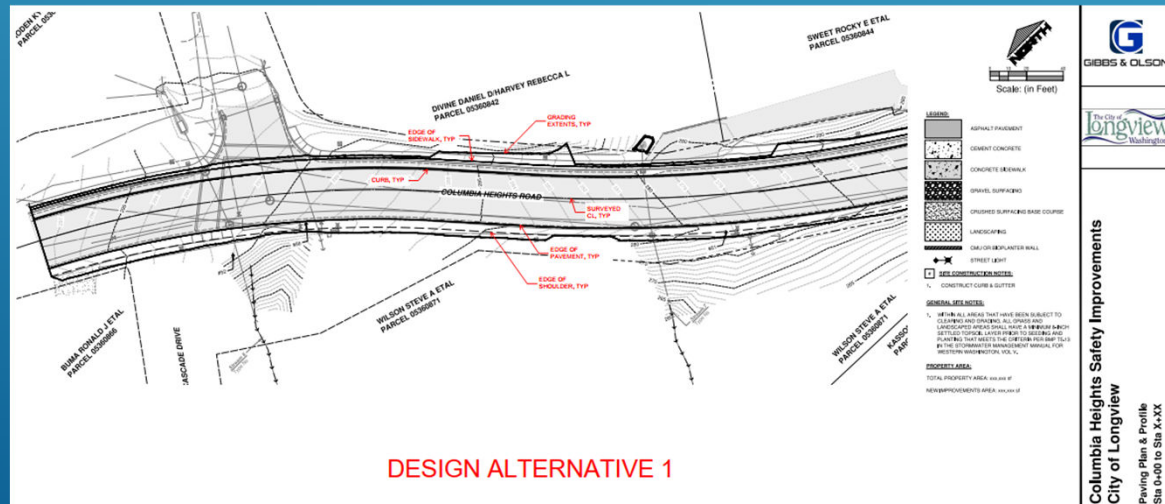
\$500,000

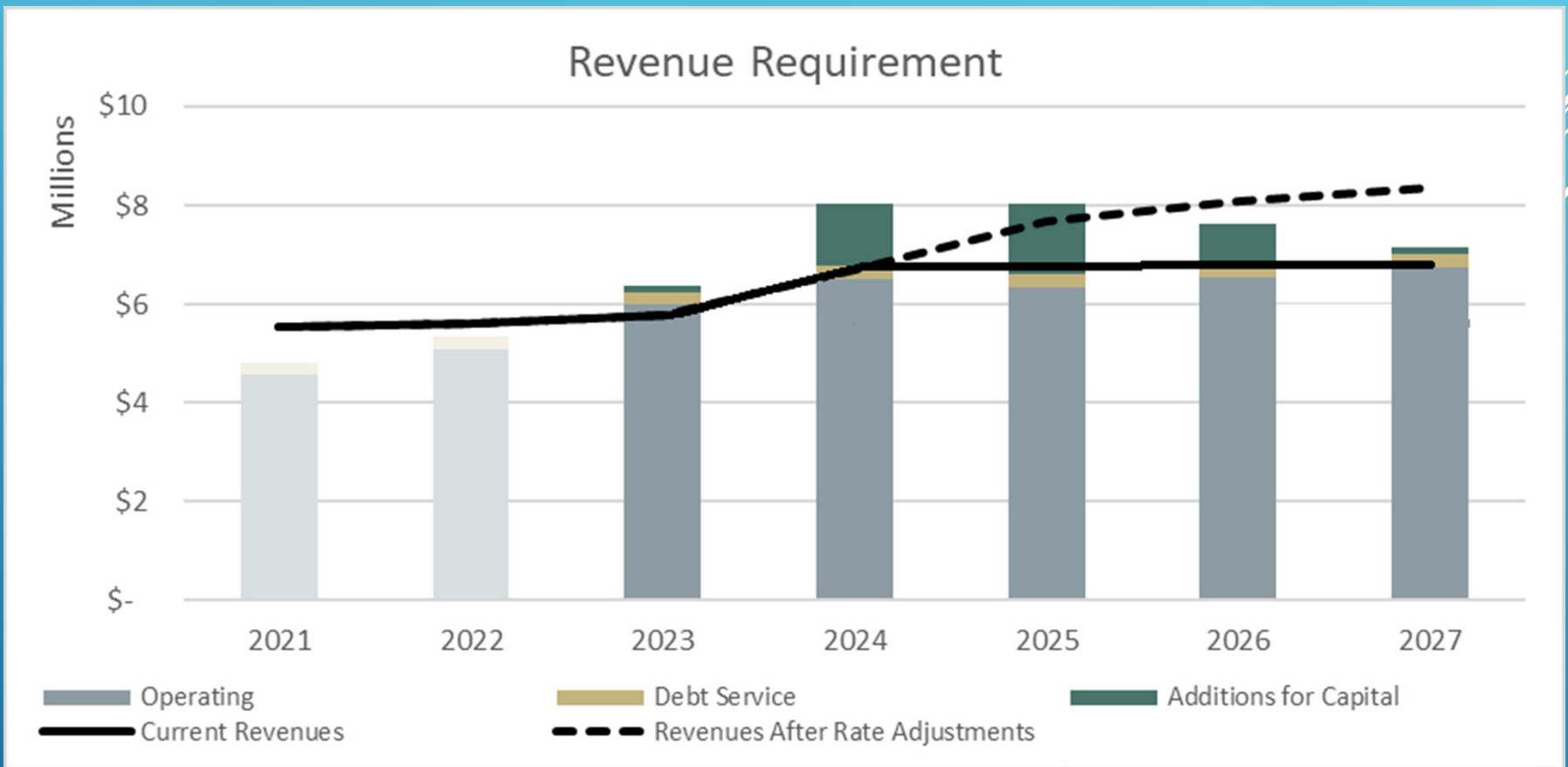
Miscellaneous Stormwater Projects

\$123,000

TOTAL

\$773,000





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	\$19.68	\$2.57
2026	\$20.66	\$0.98
2027	\$21.28	\$0.62

STAFF RECOMMENDATIONS

Stormwater Rate increase of:
\$2.57 per impervious ERU

DISCUSSION

COUNCIL DIRECTION

Staff Recommendations:

Sewer

- Increase Rates 5% (\$3.80)
- Provide direction for capital and enhancements.

Water

- Increase Rates 5% (\$3.41)
- Increase Rates 8% (\$4.66)
- Provide direction on capital and enhancement requests.

Stormwater

- Stormwater rate increase of \$2.57 per ERU
- Provide direction on capital and enhancement requests.