



Utility Board Agenda

For Meeting of September 11, 2018
7:00 PM to 9:00 PM
City Council Chambers, City Hall

Board Members:

Council Liaison:

Staff:

Tim O'Connell, Chairman, Tom DeBoer, Vice Chairman, Mary Grady, Stephen Milton, William Pokorny, Brian Thomas, and Kwan Wong

Mayor Debbie Bertlin

Jason Kintner, Public Works Director

Chip Corder, Finance Director

Francie Lake, Deputy Finance Director

Patrick Yamashita, City Engineer

Anne Tonella-Howe, Assistant City Engineer

Brian McDaniel, Utilities Operations Manager

Asea Sandine, Recording Secretary

Agenda topics

7:00 PM

Approve Minutes

All

EMS Rates

Francie Lake

Stormwater Rates

Francie Lake

Work Plan

All

Transmitted via Email:

Agenda

Meeting Minutes

Work Plan

Next Meeting:

October 9, 2018



UTILITY BOARD REGULAR MEETING MINUTES AUGUST 14, 2018

CALL TO ORDER:

Chair Wong called the regular meeting of the Utility Board to order at 7:00 p.m. in the Council Chambers Room at City Hall, 9611 SE 36th Street, Mercer Island, WA.

ROLL CALL:

Present: Kwan Wong, Vice Chair Tim O'Connell, Tom DeBoer, Mary Grady, Stephen Milton, Will Pokorny, and Brian Thomas were present. Council Liaison Debbie Bertilin was also present.

Absent: Board Member Stephen Milton

City Staff: Jason Kintner, Public Works Director, Chip Corder, Assistant City Manager and Finance Director, Francie Lake, Deputy Finance Director, Brian McDaniel, Utilities Operations Manager, Brian Hartvigson, Right-of-Way Manager, Anne Tonella-Howe, Assistant City Engineer, Rona Lin, Water Utilities Engineer, Jen Matsuda, Administrative Assistant and Asea Sandine, Recording Secretary were also present.

MINUTES:

Board Member Thomas moved to approve the minutes from the May 8, 2018 meeting. Board Member DeBoer seconded the motion. The Board unanimously approved the minutes.

REGULAR BUSINESS:

BOARD ELECTIONS

Staff conducted an election for Chair and Vice Chair. Board Member Thomas nominated Board Member O'Connell for Chair. Board Member DeBoer seconded the motion. The motion carried unanimously. Board Member O'Connell was elected Chair. Board Member Thomas nominated DeBoer for Vice Chair. Board Member Wong seconded the motion. The motion carried unanimously. Board Member DeBoer was elected Vice Chair.

CAPITAL IMPROVEMENT PROGRAM (CIP) PREVIEW

Kintner shared that this CIP presentation had been delayed due to the Council meeting schedule. He added that the presentation will focus on the 2019-2020 biennium for the Utility CIP (Stormwater, Water, Sewer), and is scheduled to be presented to the City Council in November 2018. He turned the presentation over to Tonella-Howe to introduce the proposed 2019-2020 Utility CIP.

Stormwater

Tonella-Howe emphasized the proposed projects include basin improvements and conveyance system replacement projects identified in the adopted Stormwater Basin Plan. Projects identified for the Stormwater Utility include a focus on medium to small sized basins and the rehabilitation of aging piped conveyance systems. Staff has also proposed a pilot storm water treatment project that utilizes crushed oyster shells to filter out heavy metals. Staff noted that many stormwater projects require multiple permits before construction and can be delayed due to permitting agency review.

Sewer

Tonella-Howe presented the 2019-2020 Sewer Utility CIP which includes projects that were identified in the updated General Sewer Plan. Priority for reinvestment within the Sewer Utility include repair and replacement of sewer pipelines, pump station and Lakeline access improvements, and replacement of the SCADA system. A new sewer project was identified at Lincoln Landing, planned for construction in 2019, to replace aging sewer pipe in the park in conjunction with a proposed Parks CIP project. This project was added to minimize construction disruptions and to prevent the park from being excavated twice within eight years.

Water

Lin presented the 2019-2020 Water Utility CIP which includes the continued replacement of sub-standard water mains. Lin discussed the incorporation of water quality data as a new ranking factor, in addition to six (6) other existing ranking factors, in the prioritization and planning of pipe replacements. Other proposed water utility improvements include the construction of the Booster Chlorination Station, implementation of the Meter Replacement program and the SCADA system replacement.

Lake noted that the SCADA System Replacement (Sewer and Water) and the Water Meter Replacement projects are both in the planning stage and that the projected costs make them candidates for debt financing.

SOLID WASTE RFP DISCUSSION

Kintner presented a PowerPoint which outlined the RFP timeline, contract terms, alternatives and award processes. He added that four haulers (Republic, Emerald, Waste Management and Recology) have expressed interest. Concurrently, staff are working on Industry Comment responses. Kintner recommended at least one Board Member participate in the review committee. At this time, committee meetings will likely be September, October and November. Board Members Pokorny and Thomas volunteered to participate on the review committee.

2018 WORK PLAN

Staff and the Board reviewed the Workplan. It was noted there could be a potential conflict for the December meeting due to a conflict in the Council schedule. Kintner added that staff may need to add a special meeting to discuss Solid Waste RFP in October or November. He will report back at a later meeting.

NEXT MEETING: September 11, 2018.

ADJOURNMENT: 9:17 PM

Memo

Finance Department



To: Utility Board Members
From: Francie Lake, Deputy Finance Director
Date: September 7, 2018
Re: EMS Rate Update – 2019 Rates

Background

Emergency Medical Service (EMS) utility revenues are directly tied to the estimated current salary and benefit costs, excluding overtime, of four firefighters hired back in 1996 to provide capacity to handle simultaneous EMS calls. This constitutes the annual revenue requirement to the General Fund.

The City periodically contracts for a cost of service study, which reviews:

- Actual calls for service for a recent two year period;
- Current number of beds and Medicaid eligible residents associated with each “Residential Board & Care” and “24 Hour Nursing” account; and
- Customer account data.

Since 2004, six cost of service studies have been performed. Most recently, the City contracted with FCS Group in 2015 for an update of the City’s EMS rate model, at a cost of \$13,655.

The current EMS utility rate structure was significantly impacted by the Council’s decision, during its 2011-2012 Budget deliberations, to institute a BLS ambulance transport fee to help balance the budget. This action had an unintended consequence, driven entirely by Washington State law, of replacing the long standing variable EMS rate structure, which had different rates for each customer class based on actual service calls, with the same flat rate (per equivalent service unit) for each customer class.

The City has slowed the pace at which full cost of service studies are done for EMS based on the change in EMS rate structure that started with the 2011-2012 Budget and recent stability of EMS customer groups (2015-present). However, customer account data (the basis for equivalent service units) is updated for each biennial budget cycle. The next study is planned for 2019.

Significant changes in customer account data for the Residential Board and Care and 24 Hour Nursing account groups (past and future) include the following:

- Aljoya – opened in late 2008, with 31 Residential Board and Care units (was included in the 2015 cost of service study). The majority of units at Aljoya are multi-family.
- MI Care and Rehab Center – closed in early 2015, was a 100 bed (53 room) 24 Hour Nursing facility (was excluded from the 2015 cost of service study).
- Aegis Living – is currently under construction at the previous site of the MI Care and Rehab Center and is expected to open in Spring 2019, with 73 assisted living and 16 memory care apartment units.

Calculation of 2019 Revenue Requirement

To determine the 2019 revenue requirement, staff utilized the methodology implemented in 2013 where the 2019 rates are tied to the current year's (i.e. 2018) average, budgeted costs for four firefighters, which equals **\$591,464 excluding the Fire Chief, Deputy Fire Chief, and Fire Marshal**). **Compared to forecasted 2018 EMS revenue, this represents an overall increase of 1.64%.**

Proposed 2019 EMS Utility Rates

Following is a comparison of the proposed 2019 vs. the adopted 2018 bi-monthly rates by customer class:

Customer Class	Bi-Monthly Charge		\$ Change	% Change
	2018	2019		
Single Family Residential	\$9.14	\$9.29	\$0.15	1.64%
Multi-Family Residential	\$9.14	\$9.29	\$0.15	1.64%
Public Schools	\$9.14	\$9.29	\$0.15	1.64%
Public/Other	\$9.14	\$9.29	\$0.15	1.64%
Residential Board & Care:				
Covenant Shores	\$429.58	\$436.63	\$7.05	1.64%
Island House Retirement	\$164.52	\$167.22	\$2.70	1.64%
Sunrise Retirement	\$457.00	\$464.50	\$7.50	1.64%
Aljoya House	\$283.34	\$287.99	\$4.65	1.64%
In-Home Care	\$45.70	\$46.45	\$0.75	1.64%
24 Hour Nursing:				
Covenant Shores (Skilled Nursing)	\$338.18	\$343.73	\$5.55	1.64%

A comparison of the total annual revenue by customer class generated by the proposed 2019 vs. the adopted 2018 EMS rates follows:

Customer Class	Total Annual Revenue		\$ Change	% Change
	2018	2019		
Single Family Residential	\$395,506	\$401,997	\$6,491	1.64%
Multi-Family Residential	\$169,127	\$171,902	\$2,776	1.64%
Commercial	\$7,513	\$7,636	\$123	1.64%
Public Schools	\$384	\$390	\$6	1.64%
Public/Other	\$1,097	\$1,115	\$18	1.64%
Residential Board & Care:				
Covenant Shores	\$2,577	\$2,620	\$42	1.64%
Island House Retirement	\$987	\$1,003	\$16	1.64%
Sunrise Retirement	\$2,742	\$2,787	\$45	1.64%
Aljoya House	\$1,700	\$1,728	\$28	1.64%
In-Home Care	\$274	\$279	\$4	1.64%
24 Hour Nursing:				
Covenant Shores (Skilled Nursing)	\$2,029	\$2,062	\$33	1.64%
Totals	\$583,936	\$593,520	\$9,583	1.64%

Rounding error accounts for the difference between the 2019 calculated revenue requirement of \$591,464 and the total annual revenue associated with the proposed 2019 EMS rates of \$593,520.

Staff recommends that EMS rates be increased 1.64% for 2019. Staff will seek the Utility Board's concurrence with this recommendation. Staff will be available on Tuesday night to answer questions about the proposed EMS rate recommendation.

The 2019 EMS utility rate resolution is scheduled to go before the Council on November 20, 2018.

Memo

Finance Department



To: Utility Board Members
From: Francie Lake, Deputy Finance Director
Date: September 7, 2018
Re: Storm Water Utility Proposed Budget and 2019-2020 Rate Recommendation

At the September 11th Utility Board meeting we will discuss the proposed Storm Water operations and maintenance budget and quickly review the six year plan for the Storm Water capital program. Summary spreadsheets for these two key areas are attached. The Utility Board is being asked to review the budget for the Storm Water Utility and make a rate recommendation for the 2019-2020 Budget at its meeting on September 11th. This recommendation will be incorporated into the Preliminary Budget document. Changes to the proposed budget and rate increase may result when Council reviews the proposed storm water projects and rates on November 5, 2018.

The Board's last review of rates for the Storm Water Utility was conducted at its September 20, 2017 meeting. The Board recommended and Council adopted a rate increase of 1.5% for 2018 (A bi-monthly increase of \$0.50 for residential customers).

2019-2020 Preliminary Budget

The proposed operating budget (See Exhibit I) for the Storm Water Utility reflects an increase of \$50,000 per year for Catch Basin Inspection/Illicit Discharge Monitoring and CCTV Storm Pipe Inspections. This increase was anticipated starting with the Stormwater Rate Update for 2018. The NPDES permit requires 12%, on average, of the Municipal Separate Storm Sewer System (MS4) to be inspected each year beginning in 2018. This inspection threshold requires increased CCTV pipe inspections in conjunction with associated drainage basin outfall water quality testing.

Overall, the increase in the operating budget is very modest. For 2019, the proposed increase is flat (0.4%) and for 2020 the proposed increase is 2.5% (including the addition of \$50,000 per year for Catch Basin Inspection/Illicit Discharge Monitoring and CCTV Storm Pipe Inspections in 2019 and 2020). Some highlights from the operating budget:

- I. Salaries. Salary estimates reflect current levels of staffing, which include 2 Public Works team members dedicated to operation and maintenance of the Storm Water system, administrative support, utility billing and customer service, utility inspections of private development, and GIS (geographic information system) support to the Storm Water Utility. The AFSCME contract, which dictates the

pay and benefits of Public Works team members, is set to expire December 2019. The COLA for Public Works employees in the AFSCME union is 3.24% for 2019 and, as a placeholder, is projected to be 2.7% in 2020 (however, this still needs to be negotiated). Note that a \$10,000 salary reserve is also budgeted in 2020 in case the increase is higher, resulting in the 4.8% overall change in the salary line in 2020.

2. Benefit costs are driven primarily by projected increases in medical/dental premiums and the PERS retirement rate paid by the City in 2019 and 2020. Overall, benefits are projected to be flat in 2019 and to increase 3.9% in 2020.
3. Contractual services costs are projected to be flat in 2019 and 2020. The 6.7% decline in 2019 reflects that 2018 is the last year the City will contract for services associated with the 2017-2019 biennial stormwater capacity grant (\$32,740 in 2018). These costs are paid for by the grant, and not by rates.
4. Equipment Rental (fleet and computer) costs are projected to be flat in 2019 and 2020.
5. Insurance costs are increasing significantly in 2019. Insurance costs are reviewed each biennium and are based on the prior 5 year claim history of the City. (The allocation of insurance costs between funds is one area where the budget is still being refined).
6. Utilities. The budget for dumping fees has been increased \$5,000 per year to reflect the increase in these costs.
7. Excise Tax on Storm Water Revenue increases each year as rates are increased.
8. City Administration costs are the Storm Water's share of administrative support provided by the City Attorney, City Manager, Finance and Human Resources staff. (The allocation of Administrative costs between funds is still being refined).
9. Catch Basin Inspection/Illicit Discharge Monitoring. The total cost of this ongoing program is forecast to be \$125,000 per year in 2019 and 2020. This is an increase of \$50,000 over the \$75,000 per year reflected in the 2017-2018 Budget.

The Utility Board reviewed a Preview of the Six Year Capital Plan for each of the Utilities at its August 14, 2018 meeting. No changes have been made to the proposed 2019-2024 capital plan since the August meeting. Planned capital projects total \$1,145,000 in 2019 and \$1,029,000 in 2020. See Exhibit 2 for a detailed summary of the proposed projects.

Storm Water Rate Scenario

Staff has prepared one Storm Water rate scenario for the Utility Board's consideration. Exhibit 3 shows a smoothed rate increase of 3.2% for 2019-2024. Staff recommends adoption of this rate scenario.

A summary table comparing the proposed rates from last year's rate study (for 2018) to the rate scenario for the 2019-2020 storm water rate update is presented below.

Rate Study	2018	2019	2020	2021	2022	2023	2024
2018 Rate Update	1.5%	1.5%	1.5%	1.5%	1.5%	N/A	N/A
2019-2020 Rate Update	1.5%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%

The increase in rates from 1.5% forecast in the 2018 rate update to 3.2% forecast in the 2019-2020 rate update is primarily driven by: (1) the \$50,000 annual increase to the Catch Basin Inspection/Illicit Discharge Monitoring program; and (2) projected capital costs of \$1.3M in 2023 and \$1.4M in 2024 (which are higher than the annual average investment of \$1.1M per year in 2019-2022).

To facilitate your review, a copy of the Storm Water Rate Scenario recommended by the Utility Board and adopted by the City Council for 2018 is attached as Exhibit 4.

Staff will be available on Tuesday night to answer questions about the proposed operating and capital budgets as well as the Storm Water Rate scenario. A comprehensive look at the forecasted Utility Bill (including Water, Sewer, Storm Water and EMS) will be provided in conjunction with the review of Water and Sewer rates at the October 9, 2018 meeting. Staff will seek a recommendation from the Board on 2019-2020 rates for the Storm Water Utility on Tuesday night. The rate recommendation for 2020 will be reviewed again next year.

Exhibit I
STORM WATER OPERATING BUDGET 2019-2020
(Maintenance, Utility Billing, Development Inspections and GIS)

DESCRIPTION	2017 ACTUAL	2018 FORECAST	2019 BUDGET	% CHANGE	2020 BUDGET	% CHANGE
Salaries & Wages	498,031	461,258	473,766	2.7%	496,665	4.8%
Benefits	196,184	190,342	189,854	-0.3%	197,201	3.9%
Supplies	68,779	34,665	36,765	6.1%	36,765	0.0%
Contractual Services	323,346	359,955	335,790	-6.7%	336,790	0.3%
Communications	7,245	8,510	11,155	31.1%	11,355	1.8%
Equipment Rental	117,834	117,957	117,242	-0.6%	117,903	0.6%
Insurance	17,856	18,869	23,017	22.0%	24,117	4.8%
Utilities	37,917	20,700	26,000	25.6%	26,000	0.0%
Other Services & Charges	6,294	13,593	12,015	-11.6%	12,215	1.7%
Excise Tax on Storm Water Revenues	30,029	32,660	33,640	3.0%	34,650	3.0%
Intergovernmental	12,109	16,060	14,560	-9.3%	14,560	0.0%
Interfund - Maint Building Rental	13,776	14,926	14,250	-4.5%	12,900	-9.5%
City Administration	114,513	115,533	123,038	6.5%	126,932	3.2%
TOTAL	1,443,914	1,405,027	1,411,092	0.4%	1,448,053	2.6%
Slide Repair (FEMA) - Supplies	71,636	0	0	N/A	0	N/A
Slide Repair (FEMA) - Repair/Maint	85,335	50,000	0	N/A	0	N/A
Stormwater Catch Basin Inspections	0	0	50,000	N/A	50,000	0.0%
TOTAL	1,600,885	1,455,027	1,461,092	0.4%	1,498,053	2.5%

Exhibit 2
STORM WATER FUND
Six Year Capital Plan 2019-2024

Description	2018	2019	2020	2021	2022	2023	2024
Storm Water Basin Improvements / Water Quality	516,411						
Watercourse Condition Assessments	39,828	15,000	25,000	15,000	25,000	15,000	25,000
Sub-Basin 6 Madrona Crest W	0	220,000					
Sub-Basin 3b.4	15,000	111,000					
Sub-Basin 29.2	25,000	139,000					
Sub-Basin 42.1 & 42.1a		35,000	444,000				
Sub-Basin 23.2			35,000	227,000			
Sub-Basin 10.4				28,000			
Sub-Basin 45b.1				35,000	217,000		
Sub-Basin 27a.10				20,000	78,000		
Sub-Basin 22.1					30,000	167,000	
Sub-Basin 50b.4E					10,000	53,000	
Sub-Basin 25b.2					45,000	165,000	
Sub-Basin 24a.1						20,000	57,000
Sub-Basin 39a.2						20,000	39,000
Sub-Basin 46a.3						40,000	464,000
Sub-Basin 34.1							15,000
Sub-Basin 45b.4							15,000
Watercourse Minor Repairs/Maintenance	39,720	20,000	20,000	25,000	25,000	25,000	25,000
Other Water Quality Treatment							
Sub-Basin 10 & 32b Dissolved Metals Source ID	79,920	50,000	25,000	15,000	15,000	25,000	25,000
Water Quality Treatment Improvements	75,000	75,000		75,000		75,000	
Conveyance System Improvements							
Neighborhood Spot Drainage Improvements	120,785	95,000	95,000	100,000	100,000	105,000	105,000
Street Related Drainage Improvements	100,000	105,000	105,000	110,000	110,000	115,000	115,000
Drainage System Extensions		130,000	130,000	135,000	135,000	140,000	140,000
Drainage System Replacements		130,000	130,000	135,000	135,000	140,000	140,000
Emergency Repairs							
Drainage System Emergency Repairs	38,877	20,000	20,000	20,000	20,000	25,000	25,000
Subtotal Storm Water CIP	1,050,541	1,145,000	1,029,000	940,000	945,000	1,130,000	1,190,000
Capital Project Management	107,166	92,381	94,823	100,038	105,540	111,345	117,469
IFT - Maintenance Building Reinvestment	27,166	15,250	12,900	34,500	15,000	15,150	137,550
IFT - Tech Projects (EAM-\$25K/Watercourse Layer-\$62K)	87,000	0	0	0	0	0	0
Total	\$ 1,271,873	\$ 1,252,631	\$ 1,136,723	\$ 1,074,538	\$ 1,065,540	\$ 1,256,495	\$ 1,445,019

EXHIBIT 3
2019-2020 Storm Water Rate Study (with new Catch Basin Inspection program)
Rates Smoothed 2019-2024

CATEGORY	2018 Forecast	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
OPERATING REVENUES	\$ 1,892,432	\$ 1,952,990	\$ 2,015,485	\$ 2,079,981	\$ 2,146,540	\$ 2,215,230	\$ 2,286,117
GRANT - 2017-2019 Biennial Stormwater Capacity	32,740	-	-	-	-	-	-
TOTAL REVENUES	\$ 1,925,172	\$ 1,952,990	\$ 2,015,485	\$ 2,079,981	\$ 2,146,540	\$ 2,215,230	\$ 2,286,117
OPERATING EXPENSES	\$ 1,372,287	\$ 1,411,092	\$ 1,448,053	\$ 1,520,456	\$ 1,596,478	\$ 1,676,302	\$ 1,760,117
Catch Basin Inspection/Illicit Discharge Monitoring	-	50,000	50,000	52,500	55,125	57,881	60,775
NPDES \$32,740 / Slide Repair \$50,000	82,740	-	-	-	-	-	-
TOTAL EXPENSES	\$ 1,455,027	\$ 1,461,092	\$ 1,498,053	\$ 1,572,956	\$ 1,651,603	\$ 1,734,184	\$ 1,820,893
OPERATING INCOME	\$ 470,145	\$ 491,898	\$ 517,432	\$ 507,025	\$ 494,937	\$ 481,046	\$ 465,224
OTHER FINANCIAL SOURCES (USES)							
FEE IN LIEU PAYMENTS	100,000	90,000	90,000	90,000	90,000	90,000	90,000
INTEREST	66,700	57,600	50,600	44,400	36,000	25,300	10,400
CAPITAL CONTRIB - Buildings/Technology	(121,717)	(15,250)	(12,900)	(34,500)	(15,000)	(15,150)	(137,550)
CAPITAL PM and OVERHEAD	(107,166)	(92,381)	(94,823)	(100,038)	(105,540)	(111,345)	(117,469)
CAPITAL PROJECTS	(1,050,541)	(1,145,000)	(1,029,000)	(940,000)	(945,000)	(1,130,000)	(1,190,000)
TOTAL FINANCIAL SOURCES (USES)	\$ (1,112,724)	\$ (1,105,031)	\$ (996,123)	\$ (940,138)	\$ (939,540)	\$ (1,141,195)	\$ (1,344,619)
NET INCREASE (DECREASE) IN WORKING CAPITAL	\$ (642,579)	\$ (613,133)	\$ (478,691)	\$ (433,113)	\$ (444,603)	\$ (660,149)	\$ (879,395)
BEGINNING WORKING CAPITAL	\$ 4,275,722	\$ 3,633,143	\$ 3,020,010	\$ 2,541,319	\$ 2,108,206	\$ 1,663,603	\$ 1,003,454
NET INC. (DEC.) IN WK.CAP.	(642,579)	(613,133)	(478,691)	(433,113)	(444,603)	(660,149)	(879,395)
ENDING WORKING CAPITAL	\$ 3,633,143	\$ 3,020,010	\$ 2,541,319	\$ 2,108,206	\$ 1,663,603	\$ 1,003,454	\$ 124,059
LESS: FISCAL POLICY RESERVE	(121,252)	(121,758)	(124,838)	(131,080)	(137,634)	(144,515)	(151,741)
LESS: BASIN IMPROVEMENT RESERVE	(101,274)	-	-	-	-	-	-
WORKING CAPITAL AVAILABLE	\$ 3,410,617	\$ 2,898,252	\$ 2,416,481	\$ 1,977,127	\$ 1,525,969	\$ 858,939	\$ (27,682)
ACTUAL / FORECASTED RATE INCREASE	1.50%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%
BI-MONTHLY RATE	\$ 33.59	\$ 34.66	\$ 35.77	\$ 36.92	\$ 38.10	\$ 39.32	\$ 40.57
BI-MONTHLY INCREASE	\$ 0.50	\$ 1.07	\$ 1.11	\$ 1.14	\$ 1.18	\$ 1.22	\$ 1.26
MONTHLY INCREASE	\$ 0.25	\$ 0.54	\$ 0.55	\$ 0.57	\$ 0.59	\$ 0.61	\$ 0.63

EXHIBIT 4
2018 Adopted Storm Water Rates

CATEGORY	2016 Actual	2017 Forecast	2018 Forecast	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast
OPERATING REVENUES	\$ 1,805,123	\$ 1,864,465	\$ 1,892,432	\$ 1,920,818	\$ 1,949,631	\$ 1,978,875	\$ 2,008,558
GRANT - NPDES PHASE 2 PROGRAM / KC-FCD	-	25,000	25,000	25,000	-	-	-
TOTAL REVENUES	\$ 1,805,123	\$ 1,889,465	\$ 1,917,432	\$ 1,945,818	\$ 1,949,631	\$ 1,978,875	\$ 2,008,558
OPERATING EXPENSES	\$ 1,135,155	\$ 1,267,049	\$ 1,295,439	\$ 1,360,211	\$ 1,428,221	\$ 1,499,633	\$ 1,574,614
CCTV Stormwater Pipe Inspections	-	75,000	75,000	78,750	82,688	86,822	91,163
Catch Basin Inspection/Illicit Discharge Monitoring	-	-	-	50,000	50,000	50,000	50,000
NPDES PHASE 2 PROGRAM DEVELOPMENT	-	25,000	25,000	25,000	25,000	25,000	25,000
TOTAL EXPENSES	\$ 1,135,155	\$ 1,367,049	\$ 1,395,439	\$ 1,513,961	\$ 1,585,909	\$ 1,661,454	\$ 1,740,777
OPERATING INCOME	\$ 669,968	\$ 522,416	\$ 521,993	\$ 431,858	\$ 363,722	\$ 317,421	\$ 267,781
OTHER FINANCIAL SOURCES (USES)							
FEE IN LIEU PAYMENTS	195,842	100,000	100,000	90,000	90,000	90,000	90,000
INTEREST	22,768	16,060	14,256	17,797	13,601	12,844	5,598
CAPITAL CONTRIB - BUILDINGS/TECHNOLOGY	(13,869)	(119,590)	(72,350)	(60,000)	(60,000)	(60,000)	(60,000)
CAPITAL PM and OVERHEAD	(52,915)	(103,913)	(107,166)	(113,060)	(119,278)	(125,839)	(132,760)
CAPITAL PROJECTS	(627,448)	(890,614)	(1,029,000)	(865,000)	(985,000)	(1,034,000)	(945,000)
TOTAL FINANCIAL SOURCES (USES)	\$ (475,622)	\$ (998,057)	\$ (1,094,260)	\$ (930,263)	\$ (1,060,677)	\$ (1,116,995)	\$ (1,042,162)
NET INCREASE (DECREASE) IN WORKING CAPITAL	\$ 194,347	\$ (475,641)	\$ (572,267)	\$ (498,405)	\$ (696,956)	\$ (799,574)	\$ (774,380)
BEGINNING WORKING CAPITAL	\$ 3,776,945	\$ 3,971,292	\$ 3,495,651	\$ 2,923,384	\$ 2,424,979	\$ 1,728,023	\$ 928,449
NET INC. (DEC.) IN WK.CAP.	194,347	(475,641)	(572,267)	(498,405)	(696,956)	(799,574)	(774,380)
ENDING WORKING CAPITAL	\$ 3,971,292	\$ 3,495,651	\$ 2,923,384	\$ 2,424,979	\$ 1,728,023	\$ 928,449	\$ 154,068
LESS: FISCAL POLICY RESERVE	(102,080)	(113,921)	(116,287)	(126,163)	(132,159)	(138,455)	(145,065)
LESS: BASIN IMPROVEMENT RESERVE	(84,247)	-	-	-	-	-	-
WORKING CAPITAL AVAILABLE	\$ 3,784,965	\$ 3,381,730	\$ 2,807,097	\$ 2,298,815	\$ 1,595,864	\$ 789,994	\$ 9,003
ACTUAL / FORECASTED RATE INCREASE	1.30%	3.80%	1.50%	1.50%	1.50%	1.50%	1.50%
BI-MONTHLY RATE	\$ 31.88	\$ 33.09	\$ 33.59	\$ 34.09	\$ 34.60	\$ 35.12	\$ 35.65
BI-MONTHLY INCREASE	\$ 0.41	\$ 1.21	\$ 0.50	\$ 0.50	\$ 0.51	\$ 0.52	\$ 0.53
MONTHLY INCREASE	\$ 0.20	\$ 0.61	\$ 0.25	\$ 0.25	\$ 0.26	\$ 0.26	\$ 0.26

Utility Board 2018 Work Plan

Meeting Date	Agenda Item
January 16	General Sewer Plan - CIP Focus
February 13	Scada Master Plan
March 13	Recess
April 10	Solid Waste Contract Review and Schedule- Meeting Canceled
May 8	Water Quality Metrics & CIP Classification
June 12	Meeting Canceled
July 24	Meeting Canceled
August	Board Elections CIP Preview Solid Waste RFP
September 11	EMS Rates Stormwater Budget & Rates
October 9	Water Budget & Rates Sewer Budget & Rates
November 13	Solid Waste Contract
December 11	Meter Replacement Program Implementation
To Be Determined	Solid Waste RFP Discussion (If Needed)