



CITY OF MERCER ISLAND

UTILITY BOARD SPECIAL VIDEO MEETING

Thursday, October 13, 2022, at 4:30 PM

BOARD MEMBERS:

Tim O'Connell, Chair
Stephen Milton, Vice Chair
Stephen Majewski, George Marshall,
Meredith Lehr, Will Quantz, and William Pokorny

LOCATION & CONTACT

Mercer Island Community & Event Center – Zoom Meeting
8236 SE 24th Street | Mercer Island, WA 98040
Phone: 206.275.7706 | www.mercerisland.gov

In compliance with the Americans with Disabilities Act, those requiring accommodation for meetings should notify the Staff Liaison at least 24 hours prior to the meeting at 206.275.7706.

The virtual meeting will be broadcast live on Zoom and recorded and saved on the City Council's [YouTube Channel](#)

Registering to Speak: Individuals wishing to speak live during Appearances will need to register their request with the City Clerk at **206.275.7793** or email the [City Clerk](#) and leave a message before 4 PM on the day of the Utility Board meeting. Please reference "Appearances" on your correspondence and state if you would like to speak either in person at Mercer Island Community & Event Center or remotely using Zoom. Each speaker will be allowed three (3) minutes to speak.

Join by Telephone at 4:30 PM: To listen to the meeting via telephone, please call **253.215.8782** and enter Webinar ID **869 0002 8763** and Password **363425** when prompted.

Join by Internet at 4:30 PM: To watch the meeting over the internet via your computer, follow these steps:

- 1) Click [this link](#)
- 2) If the Zoom app is not installed on your computer, you will be prompted to download it.
- 3) If prompted for Webinar ID, enter **869 0002 8763**; Enter Password **363425**

Join in person at Mercer Island Community & Event Center at 4:30 PM: 8236 SE 24th Street

CALL TO ORDER & ROLL CALL, 4:30 PM

PUBLIC APPEARANCES

REGULAR BUSINESS

1. Approval of Minutes for the September 13, 2022, Regular Video Meeting
Recommended Action: Approve minutes.
2. Storm Budget & Rate Discussion/Recommendation
Recommended Action: Discuss and provide feedback.
3. Sewer Budget & Rate Discussion/Recommendation
Recommended Action: Discuss and provide feedback.
4. Water Budget & Rate Discussion/Recommendation
Recommended Action: Discuss and provide feedback.

OTHER BUSINESS

5. 2022 Workplan
6. Next Meeting December 13, 2022

ADJOURNMENT



UTILITY BOARD MINUTES REGULAR VIDEO MEETING September 13, 2022

CALL TO ORDER & ROLL CALL

Chair Tim O'Connell called the meeting to order at 5:03 pm from a remote location.

Board Members Tim O'Connell, Stephen Milton, Stephen Majewski, George Marshall, William Pokorny, and Will Quantz participated remotely using a video teleconferencing platform by Zoom. Council Liaison Lisa Anderl was also present.

Board Member Meredith Lehr was absent.

Jason Kintner, Chief of Operations, and other staff members participated remotely.

PUBLIC APPEARANCES

There were no public appearances.

REGULAR BUSINESS

Approval of Minutes for the following meetings:

July 12, 2022, Minutes

It was moved by Milton; seconded by Pokorny to:
Approve the minutes as presented.
Passed 6-0

EMS Rate Discussion/ Recommendation

Financial Analyst Ben Schumacher presented the proposed 2023 EMS rates.

The Board received the report and asked questions of staff.

It was moved by Pokorny; seconded by Majewski to:
Approve the proposed EMS rate increase of 5.43%.
Passed 6-0

Special Meeting Discussion

Chief of Operations Jason Kintner reviewed the workplan updates, Proposal to cancel October 11th meeting and hold a special meeting to review rates.

Utility Board Workplan

Board reviewed the workplan, the next meeting is a special meeting October 13th starting at 4:30 (November Recess).

ADJOURNMENT

There being no additional business, the meeting adjourned at 5:21 pm.

Attest: Tim O'Connell, Chair

Jen Matsuda, CIP Administrative Assistant



Memorandum

CITY OF MERCER ISLAND, FINANCE DEPARTMENT

9611 S.E. 36th St. • Mercer Island, WA 98040-3732
www.mercerisland.gov

Date: October 13, 2022

To: Utility Board

From: Ben Schumacher, Financial Analyst

Re: Utility Board Meeting – Storm Water Rate

The preliminary 2023-2024 operating and capital budgets were released to the Public and City Council on September 28, 2022. As part of the biennial budget development process, staff seeks a recommendation from the Utility Board regarding the Storm Water Utility rate adjustment for the upcoming two years, based on rate modeling work completed over the past three months. The Utility Board's recommended storm water rate adjustment will directly inform the final 2023-2024 biennial budget, scheduled for City Council adoption December 6, 2022.

2023-2024 Operating Budget

The operating budget for the Storm Water Utility is presented in the table below.

Description (\$ in thousands)	2021	2022	2023	2024	Percent Change	
	Actual	Forecast	Budget	Budget	20-21	21-22
Budgeted Operating Expenditures						
Salary & Benefits	\$760	\$776	\$977	\$1,042	25.8%	6.7%
Contractual Services	\$325	\$353	\$375	\$425	6.3%	13.3%
Other Services and Charges	\$318	\$384	\$340	\$347	-11.6%	2.0%
Total Operating Expenditures	\$1,403	\$1,513	\$1,691	\$1,814	11.8%	7.3%

Some highlights from the preliminary budget:

- The combined total for **salary and benefit** costs in 2023 are increasing 25.8% as compared to the 2022 budget. The increase is a result of the current pace of inflation which has led to atypically high cost-of-living adjustments (COLA), per the City's collective bargaining agreements as well as an increase in staffing. The COLA in 2023 is 6.0% and is estimated at 6.0% for the 2024 budget.
- The salaries budget includes two new positions: a **Capital Project Inspector** which will work across all three utilities and some general government projects and a 0.5 Full Time Equivalent (FTE) increase to the **Stormwater Quality Technician**. Existing staffing of the Stormwater utility includes three FTEs in Public Works dedicated to the operation and maintenance of the stormwater system, as well as administrative oversight, utility billing and customer service, utility inspections of private development, and GIS (geographic information system) support. The total dollar impact to the

Stormwater Utility for the two new positions is \$99,428 in 2023 and \$101,536 in 2024, which represents 25% of the full cost of the CIP Inspector and 100% of the cost of the Stormwater Quality Technician.

- **Contractual services** for 2023 reflects anticipated costs for Closed Circuit Television (CCTV) stormwater pipe video inspections, catch basin cleaning & repairs, storm pipe replacement & slip lining repairs.
- **Other Services and Charges** include all other costs of operations including supplies, insurance, and City administration costs. Administration costs include the Stormwater Fund's share of administrative support provided by the City Attorney's Office, City Manager's Office, Finance and Human Resources staff. An overhead cost allocation model is used to determine the Stormwater Utility's proportionate share of these internal services.

Summary Capital Reinvestment Projects

Planned capital reinvestment work in 2023 and 2024 is shown in the table below. Capital investment costs are the primary driver of the proposed Stormwater rate increases for 2023-2028.

		Storm Water Utility Capital Program 2023-2024 (\$ in thousands)	
Project ID	Description	2023	2024
SW0109	Sub basin 24a.1 Watercourse Stabilization	\$18	\$62
SW0110	Sub basin 39a.2 Watercourse Stabilization	17	44
SW0111	Sub basin 46a.3 Watercourse Stabilization	52	406
SW0112	Sub basin 34.1 Watercourse Stabilization		27
SW0113	Sub basin 45b.4 Watercourse Stabilization		31
SW0114	Sub basin 29.3 Watercourse Stabilization		49
SW0127	Stormwater Trunkline Condition and Capacity Assessments	250	250
SW0128	Basin 18C Drainage Improvement	185	
SW0129	Basin 25B Neighborhood Drainage Improvements	173	
SW0130	Basin 32B - SE 72nd St Drainage Capacity Improvement		189
SW0132	Sub-Basin 22.1 Watercourse Stabilization - Final Design and Construction	149	
SW0133	Sub-Basin 25b.2 Watercourse Stabilization - Final Design and Construction	155	
SW0134	Emergency Stormwater Conveyance Repairs	50	50
SW0135	Conveyance System Assessments (Basin Specific)	50	50
SW0137	Street Related Storm Drainage Improvements	100	100
Stormwater Utility CIP Total		\$1,200	\$1,257

Storm Water Rate Proposal

The 2023 Storm Water rate proposal is based on the 2023-2024 operating budget, the 2023-2028 Capital Plan, and the corresponding debt financing needs. The rate model proposes a smoothed rate increase of 8.0% for 2023-2028. **Staff recommends an 8.0% increase to the storm water utility rates for 2023 as proposed in the 2023-2028 smoothed rate model.** Staff will return during the 2023-2024 mid-biennial budget process with new information as it becomes available to inform potential rate adjustments for fiscal year 2024.

Revenue Requirement	2022	2023	2024	2025	2026	2027	2028
Pre-Rate Revenues							
Revenues							
Rate Revenues Under Existing Rates	\$ 2,243,300	\$ 2,243,300	\$ 2,243,300	\$ 2,243,300	\$ 2,243,300	\$ 2,243,300	\$ 2,243,300
Non-Rate Revenues	51,439	51,453	51,477	51,183	51,186	51,252	51,258
Total Revenues	\$ 2,294,739	\$ 2,294,753	\$ 2,294,777	\$ 2,294,483	\$ 2,294,486	\$ 2,294,552	\$ 2,294,558
Expenses							
Cash Operating Expenses	\$ 1,479,724	\$ 1,791,401	\$ 1,915,282	\$ 1,917,617	\$ 2,021,476	\$ 2,026,905	\$ 2,133,951
Existing Debt Service	-	-	-	-	-	-	-
New Debt Service	-	-	-	-	-	192,453	192,453
System Reinvestment Funding	600,000	675,000	750,000	825,000	900,000	900,000	1,200,000
Total Expenses	\$ 2,079,724	\$ 2,466,401	\$ 2,665,282	\$ 2,742,617	\$ 2,921,476	\$ 3,119,358	\$ 3,526,404
Net Surplus (Deficiency)	\$ 215,015	\$ (171,647)	\$ (370,505)	\$ (448,134)	\$ (626,990)	\$ (824,806)	\$ (1,231,846)
Annual Rate Increase		8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Cumulative Rate Increase		8.00%	16.64%	25.97%	36.05%	46.93%	58.69%
Post Rate Revenues							
Revenues After Rate Increases	\$ 2,243,300	\$ 2,422,764	\$ 2,616,585	\$ 2,825,912	\$ 3,051,985	\$ 3,296,144	\$ 3,559,835
Additional Taxes from Rate Increase	-	3,141	6,532	10,196	14,152	18,425	23,039
Net Cash Flow After Rate Increase	\$ 215,015	\$ 4,676	\$ (3,752)	\$ 124,282	\$ 167,543	\$ 209,613	\$ 61,650
Sample Residential Bill	\$ 39.81	\$42.99	\$46.43	\$50.15	\$54.16	\$58.49	\$63.17
Bi-Monthly Increase (\$)		\$3.18	\$3.44	\$3.71	\$4.01	\$4.33	\$4.68

Fund Balance	2022	2023	2024	2025	2026	2027	2028
Operating Reserve							
Beginning Balance	\$ 575,659	\$ 290,674	\$ 295,350	\$ 236,518	\$ 237,224	\$ 250,480	\$ 251,637
plus: Net Cash Flow after Rate Increase	215,015	4,676	(3,752)	124,282	167,543	209,613	61,650
less: Transfer of Surplus to Capital Fund	(500,000)	-	(55,080)	(123,576)	(154,287)	(208,456)	(47,926)
Ending Balance	\$ 290,674	\$ 295,350	\$ 236,518	\$ 237,224	\$ 250,480	\$ 251,637	\$ 265,361
<i>Actual Days of O&M</i>	<i>72 days</i>	<i>60 days</i>	<i>45 days</i>	<i>45 days</i>	<i>45 days</i>	<i>45 days</i>	<i>45 days</i>
Capital Reserve							
Beginning Balance	\$ 3,630,311	\$ 3,279,445	\$ 2,682,790	\$ 1,768,639	\$ 1,108,276	\$ 214,702	\$ 1,969,447
plus: System Reinvestment Funding	600,000	675,000	750,000	825,000	900,000	900,000	1,200,000
plus: Transfers from Operating Fund	500,000	-	55,080	123,576	154,287	208,456	47,926
plus: Capital Grants / Other Resources	-	50,000	-	50,000	-	50,000	-
plus: LTGO Proceeds	-	-	-	-	-	2,500,000	-
plus: Interest Earnings	9,076	16,397	13,414	8,843	5,541	1,074	9,847
Total Funding Sources	\$ 4,739,386	\$ 4,020,843	\$ 3,501,284	\$ 2,776,058	\$ 2,168,104	\$ 3,874,231	\$ 3,227,220
less: Capital Expenditures	(1,459,941)	(1,338,052)	(1,732,645)	(1,667,783)	(1,953,402)	(1,904,784)	(2,086,720)
Ending Capital Fund Balance	\$ 3,279,445	\$ 2,682,790	\$ 1,768,639	\$ 1,108,276	\$ 214,702	\$ 1,969,447	\$ 1,140,500
<i>Minimum Target Balance</i>	<i>\$ 128,611</i>	<i>\$ 141,992</i>	<i>\$ 159,318</i>	<i>\$ 175,996</i>	<i>\$ 195,530</i>	<i>\$ 214,578</i>	<i>\$ 235,445</i>
Combined Beginning Balance	\$ 4,205,970	\$ 3,570,119	\$ 2,978,140	\$ 2,005,157	\$ 1,345,499	\$ 465,182	\$ 2,221,084
Combined Ending Balance	\$ 3,570,119	\$ 2,978,140	\$ 2,005,157	\$ 1,345,499	\$ 465,182	\$ 2,221,084	\$ 1,405,862

A summary table comparing the proposed rates from the most recent rate model updates (2020-2022) as compared to the current rate recommendation is presented below.

Description	2021	2022	2023	2024	2025	2026	2027	2028
2020 Rate Update	3.20%	3.20%	3.20%	3.20%				
2021-2022 Rate Update	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%		
2023-2024 Rate Proposal			8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

Staff will be available at the Utility Board meeting to answer questions regarding the proposed operating and capital budgets, as well as the proposed 2023 sewer utility rate increases.

The 2023 Storm Water Utility rate resolution is on the City Council planning schedule for review and adoption on November 15, 2022.



Utility Board Workshop

Item 2.

Water, Sewer, and Stormwater Utility Rate Update

Angie Sanchez, Vice President / Principal
Chase Bozett, Senior Analyst

October 13, 2022





Overview

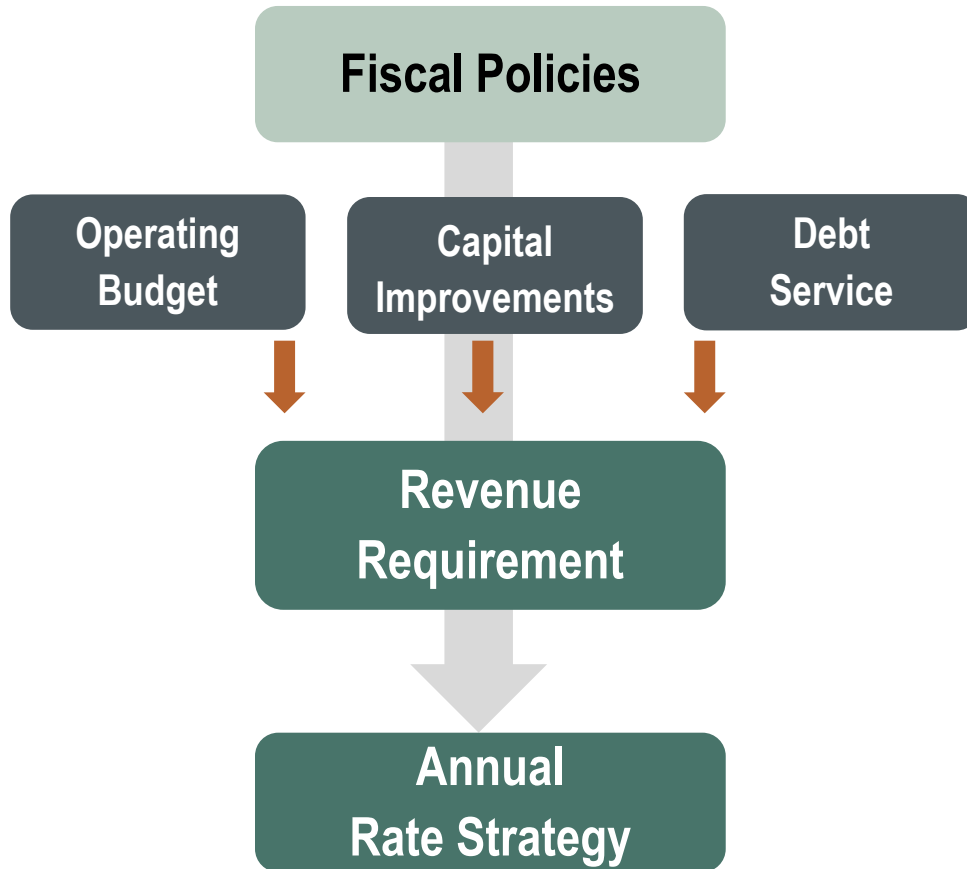
- **FCS GROUP retained to complete a water, sewer, and stormwater rate update**
 - » Previously assisted the City in 2020
- **Focus of today's meeting**
 - » Overview of the rate setting process
 - » Present key data inputs and assumptions
 - » Summary of utility findings
- **Next steps**
- **Questions**



Critical Capital Work Ahead

- **Total 2023-2024 CIP Preliminary Budget expenditures are \$67.1M**
 - » \$43.6M, or 65%, tied to the Utility Funds
- **Reinvestment in the City's aging water distribution system**
 - » Most of City's distribution system was constructed in the 1950's-1960's with an expected useful life of 50-75 years (dependent on material type).
 - » Replacements prioritized using a combination of factors.
 - » E.g., asbestos cement main replacements are prioritized due to material and age.
- **Sewer conveyance system faces similar challenges with aging infrastructure**
 - » SCADA System Replacement to come online in 2023.
 - » Pump Station rehabilitation and subsequent Lakeline work will follow.

Rate Study Elements



- Evaluates sufficiency of current rates to meet all utility financial obligations on a stand-alone basis
- Develop rate plan to balance financial needs and minimize customer impacts
- Multi-year rate plan with rate focus on 2023-2024



Financial Policies

Policy	Purpose	Target
Operating Reserve	To provide sufficient cash flow to meet daily operating expenses (short-term, annual revenue cycles)	Water: 90 days of O&M Sewer: 30 days of O&M Stormwater: 45 days of O&M
Capital Reserve	To provide a source of funding for emergency repairs, unanticipated capital, and project cost overruns.	1.0% of capital assets
Rate Funded System Reinvestment (RFSR)	To ensure ongoing system integrity through reinvestment in the system.	Based on previous study fiscal policies
Capital Funding Decisions	To provide a basis of determining how capital projects should be funded by the utility	Cash fund projects under \$2M Seek alternative funding methods for projects over \$2M to mitigate rate impacts
Debt Service Coverage	To ensure compliance with existing loan/debt covenants and maintain credit worthiness for future debt issuance.	Minimum Requirement 1.25 Target 2.0
Rate Equity	To establish rates and charges, which equitably recover the cost of service from each utility's customers.	Each utility meets all utility financial obligations on a stand-alone basis



Key Data Inputs/Assumptions

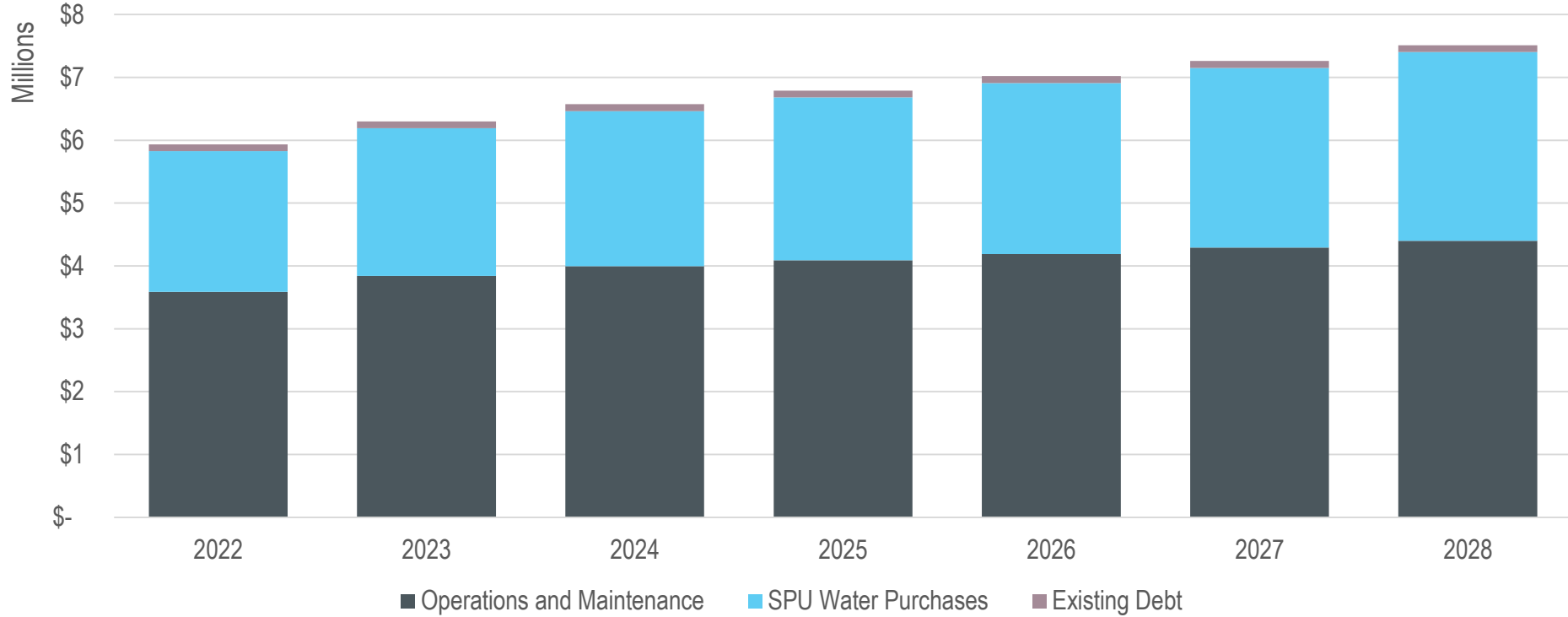
- **Study period: 2023-2028**
 - » Focus on 2023-2024 for rate-setting
- **Rate revenue**
 - » Water: 2022 year-end forecast
 - » Sewer and Stormwater: 2022 budget maintained as revenue is more stable
- **Operating expenses**
 - » Based largely on 2023 and 2024 preliminary budget figures
 - » SPU purchases and King County treatment cost forecasted independently
- **Incorporated City provided capital improvement plan**
 - » Focus is on prioritizing critical infrastructure

Water Revenue Requirement



Water: 2022-2028 Operational Forecast

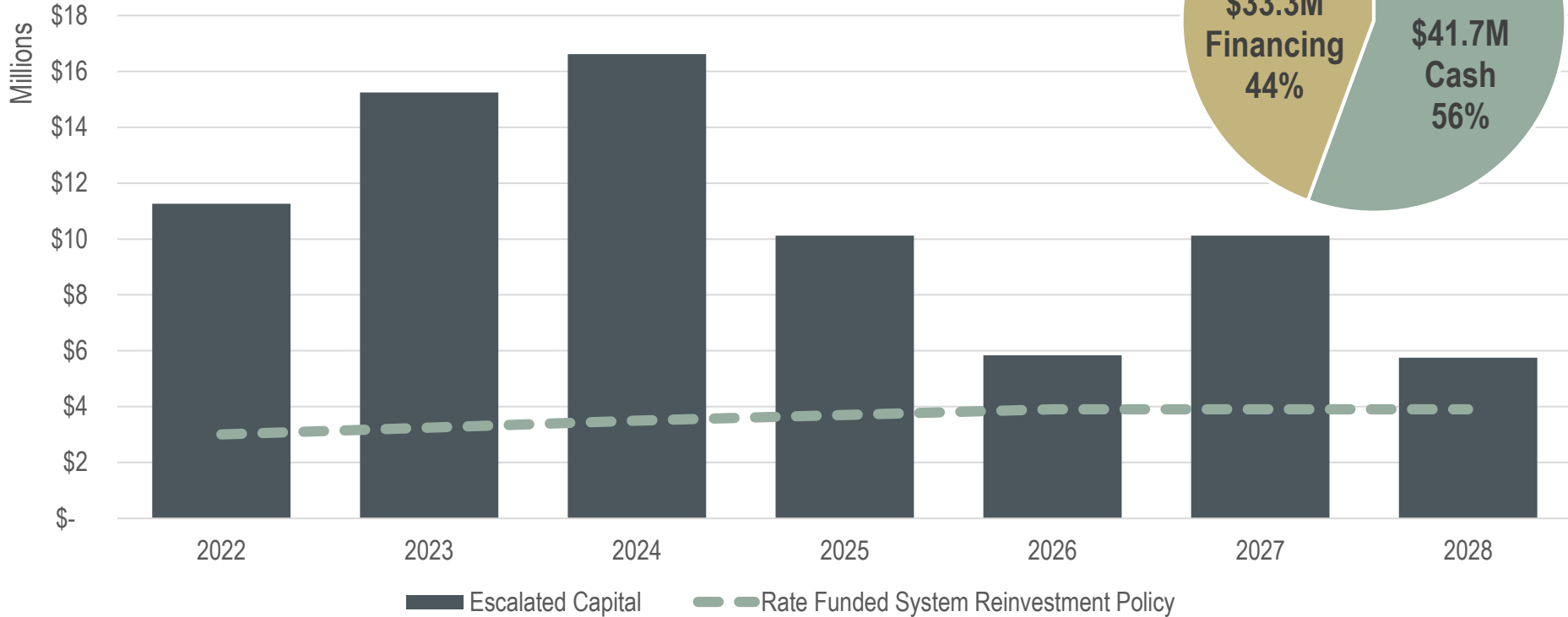
Item 2.



- **Total Operational Costs: \$5.9 to \$7.5M**
 - » Operations and Maintenance: \$3.6 to \$4.4M
 - » SPU Water Purchases: \$2.2 to \$3.0M
 - » Existing Annual Debt Service: \$110,000



Water: 2022-2028 Capital Plan



- **\$75.0M in capital spending**

- » Annual AC Main Replacement: \$21.4M
- » Annual Main Replacement: \$14.6M
- » Pressure Reducing Valve Station: \$7.8M
- » AMI Meter Replacement: \$7.4M
- » Reservoir Improvements: \$6.0M

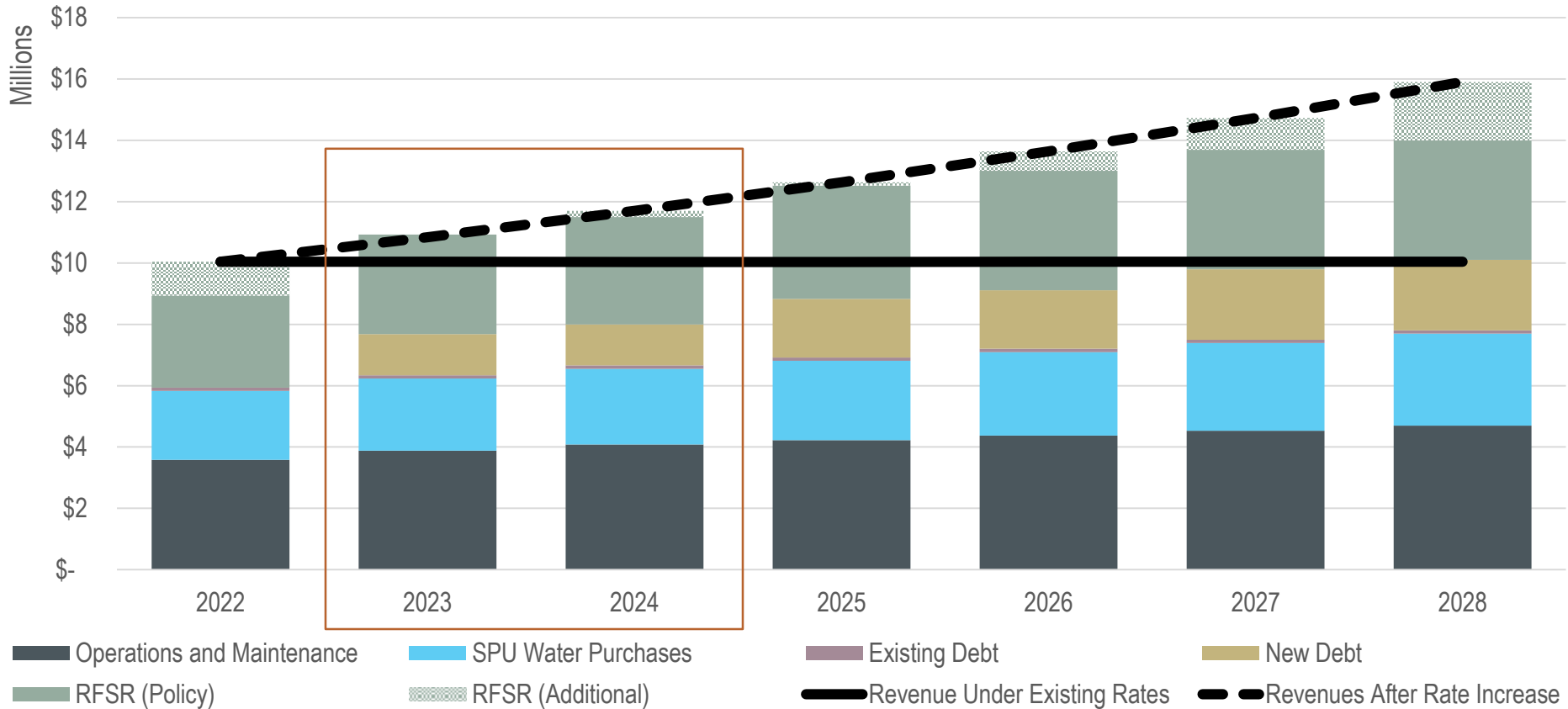
- **Funding sources**

- » \$41.7M cash funded
- » \$33.3M debt financed
 - \$19.1M in 2023
 - \$8.1M in 2025
 - \$6.1M in 2027
 - \$1.4 to \$2.6M new annual debt service



Water: Revenue Requirement Summary

Item 2.



- Existing revenue is sufficient to cover all operational cost through 2027
- 8.0% annual rate increases driven by the RFSR policy and additional financing to execute the capital program



Water: Sample Single Family Bill

Bimonthly	Existing 2022	2023	2024	2025	2026	2027	2028
Sample Bimonthly Bill	\$122.15	\$131.92	\$142.48	\$153.87	\$166.18	\$179.48	\$193.84
Bimonthly Increase		\$9.77	\$10.55	\$11.40	\$12.31	\$13.29	\$14.36
Percent Increase		8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

Monthly	Existing 2022	2023	2024	2025	2026	2027	2028
Sample Monthly Bill	\$61.08	\$65.97	\$71.24	\$76.94	\$83.10	\$89.74	\$96.92
Monthly Increase		\$4.89	\$5.27	\$5.70	\$6.16	\$6.64	\$7.18
Percent Increase		8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

*Assumes 3/4" meter and 14 ccf bimonthly usage



Water: Summary

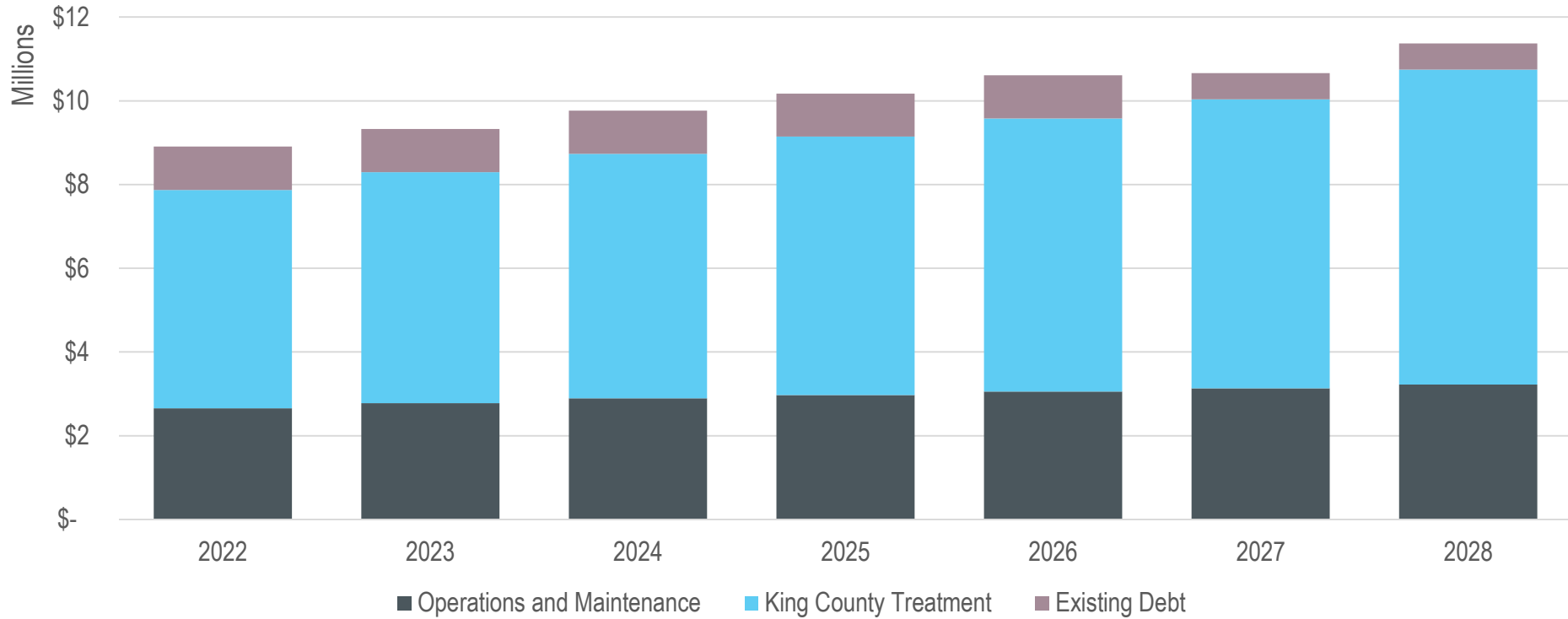
- **Rate increases needed in 2023 and 2024 of 8.0%**
 - » Average single-family bill impact: \$4.89 per month in 2023
 - » Mid-biennial review for 2024 rate adjustment
- **Key drivers:**
 - » Near term capital reinvestment needs
 - » Increased recent inflation
 - » Higher financing needs to fund capital program



Sewer Revenue Requirement



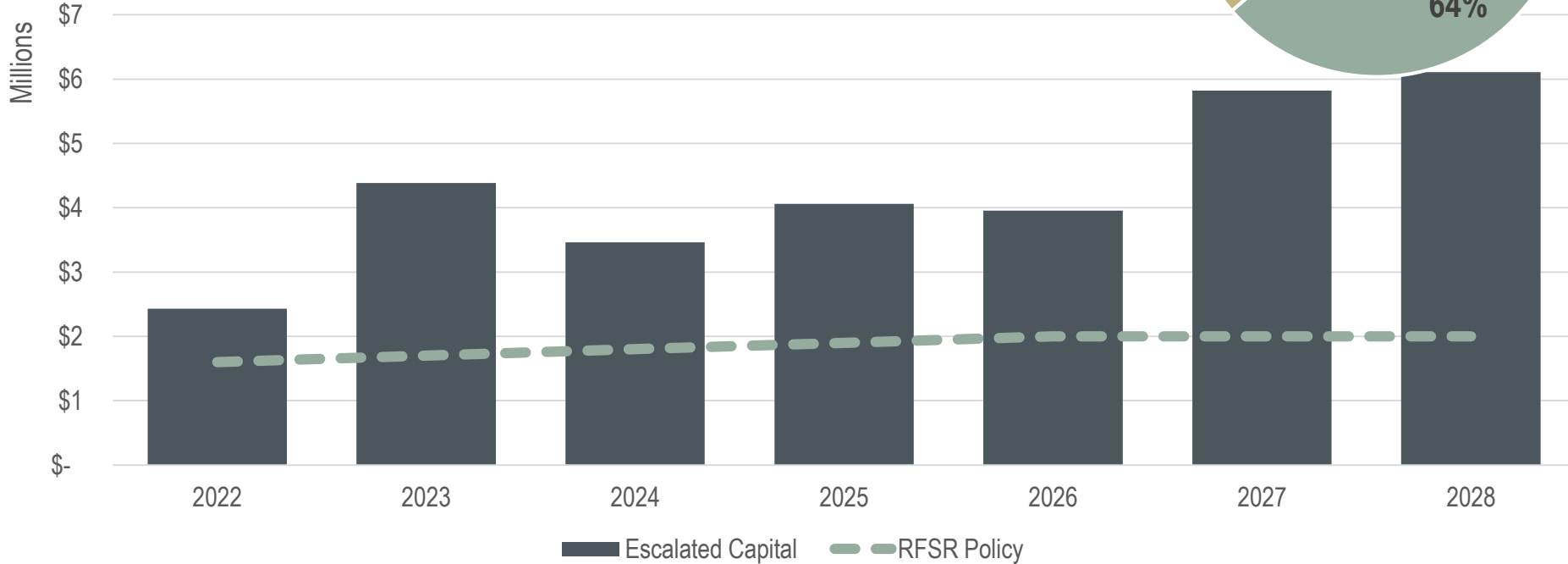
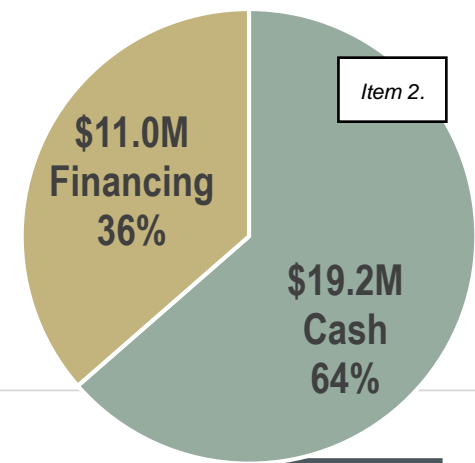
Sewer: 2022-2028 Operational Forecast



- **Total Operational Costs: \$8.9 to \$11.4M**
 - » Operations and Maintenance: \$2.6 to \$3.2M
 - » King County Treatment Costs: \$5.2 to \$7.5M
 - » Existing Annual Debt Service: \$1.0M reducing to \$600,000 in 2027



Sewer: 2022-2028 Capital Plan



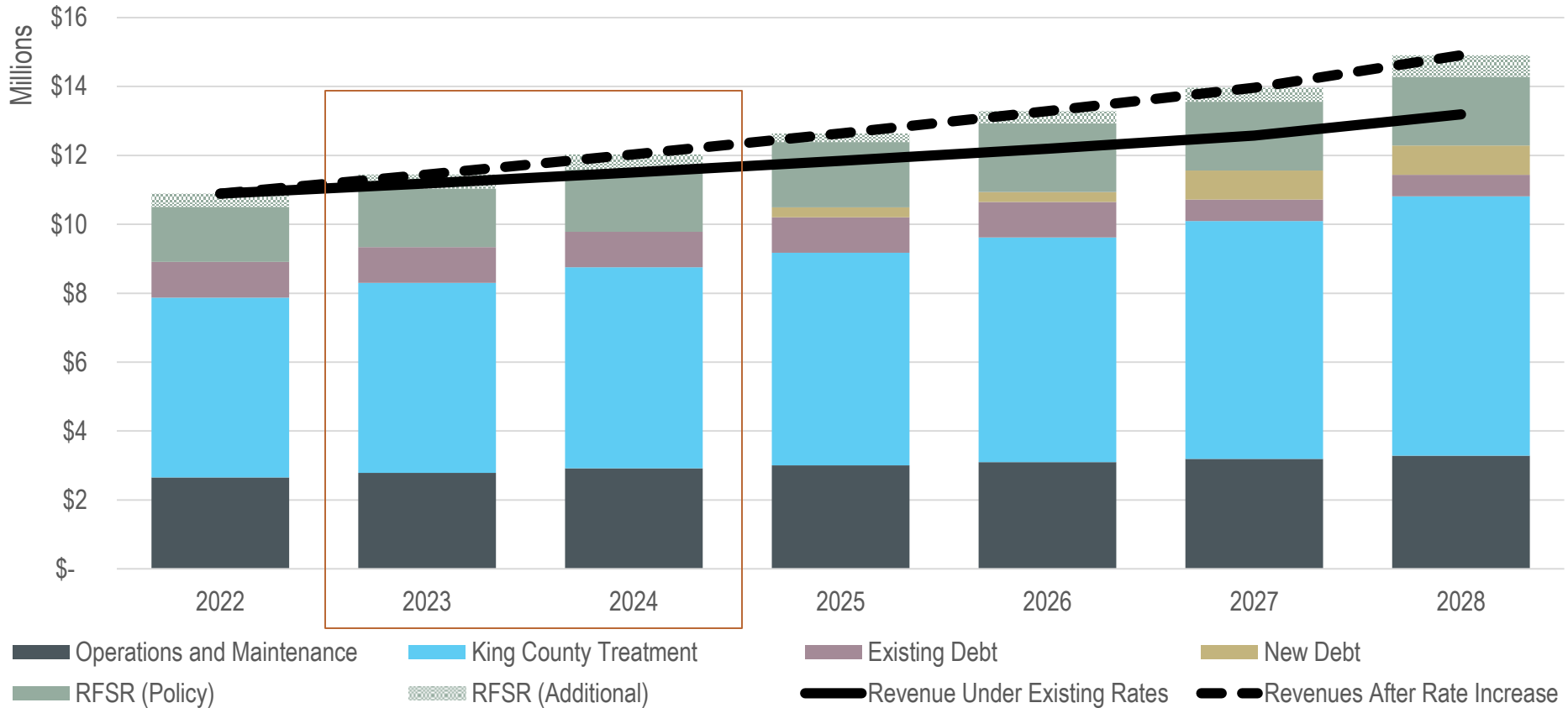
- **\$30.2M in capital spending**
 - » Pump Station R&R: \$5.0M
 - » Lake Line Projects: \$4.6M
 - » Comprehensive Pipeline R&R: \$3.8M

- **Funding sources**
 - » \$19.2M cash funded
 - » \$11M debt financed
 - \$3.7M in 2025
 - \$7.3M in 2027
 - \$300 to \$850k new annual debt service



Sewer: Revenue Requirement Summary

Item 2.



- Existing rates are sufficient to cover all operational cost through the forecast
- 4.5% annual local rate increases driven by the RFSR policy and additional financing to execute the capital program



Sewer: Sample Single Family Bill

Monthly	Existing 2022	2023	2024	2025	2026	2027	2028
Sample Monthly Local Bill	\$31.34	\$32.75	\$34.22	\$35.76	\$37.37	\$39.05	\$40.81
Monthly Increase		\$1.41	\$1.47	\$1.54	\$1.61	\$1.68	\$1.76
Percent Increase		4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Sample Monthly Treatment Bill	\$ 49.27	\$52.11	\$55.11	\$58.28	\$61.64	\$65.19	\$71.06
Monthly Increase		\$2.84	\$3.00	\$3.17	\$3.36	\$3.55	\$5.87
Percent Increase		5.75%	5.75%	5.75%	5.75%	5.75%	9.00%
Sample Monthly Bill (Total)	\$ 80.61	\$84.86	\$89.33	\$94.04	\$99.01	\$104.24	\$111.87
Monthly Increase		\$4.25	\$4.47	\$4.71	\$4.97	\$5.23	\$7.63
Percent Increase		5.27%	5.27%	5.27%	5.28%	5.28%	7.32%

*Bimonthly bill details can be found in the appendix



Sewer: Summary

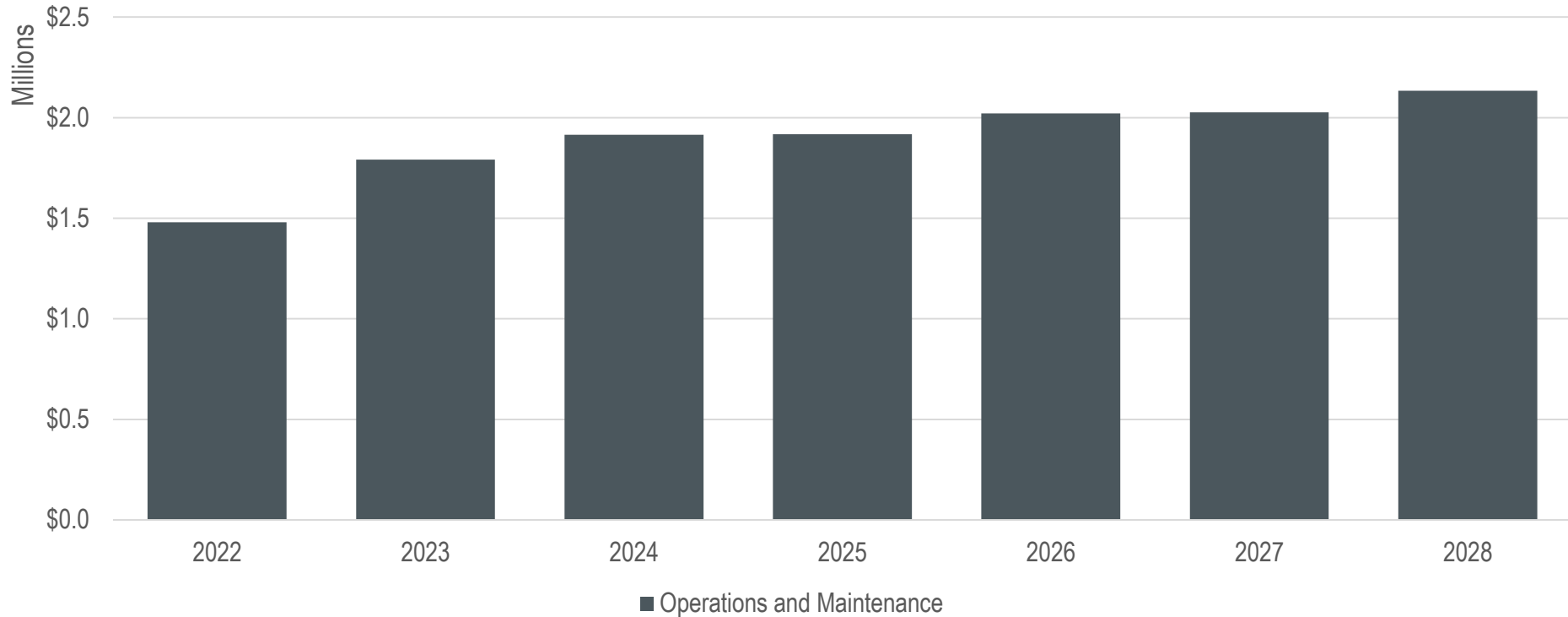
- **Local rate increases needed in 2023 and 2024 of 4.5%**
 - » Average single-family bill impact: \$1.41 per month in 2023
- **King County Treatment increases forecasted at 5.75% in 2023 and 2024**
 - » Average single-family monthly bill impact: \$2.84 in 2023
- **Mid-biennial review for 2024 local rate adjustment**
- **Key drivers:**
 - » System capital reinvestment needs
 - » Increased recent inflation
 - » Higher financing needs to fund capital program



Stormwater Revenue Requirement



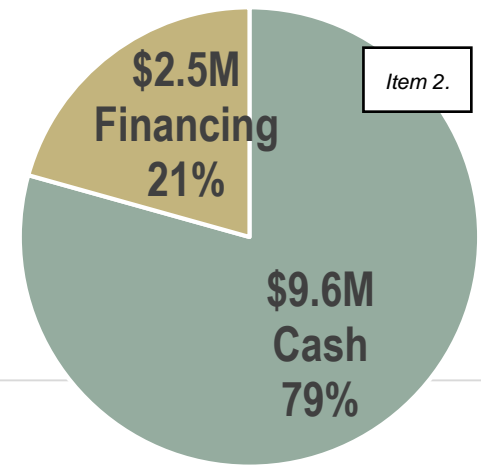
Storm: 2022-2028 Operational Forecast



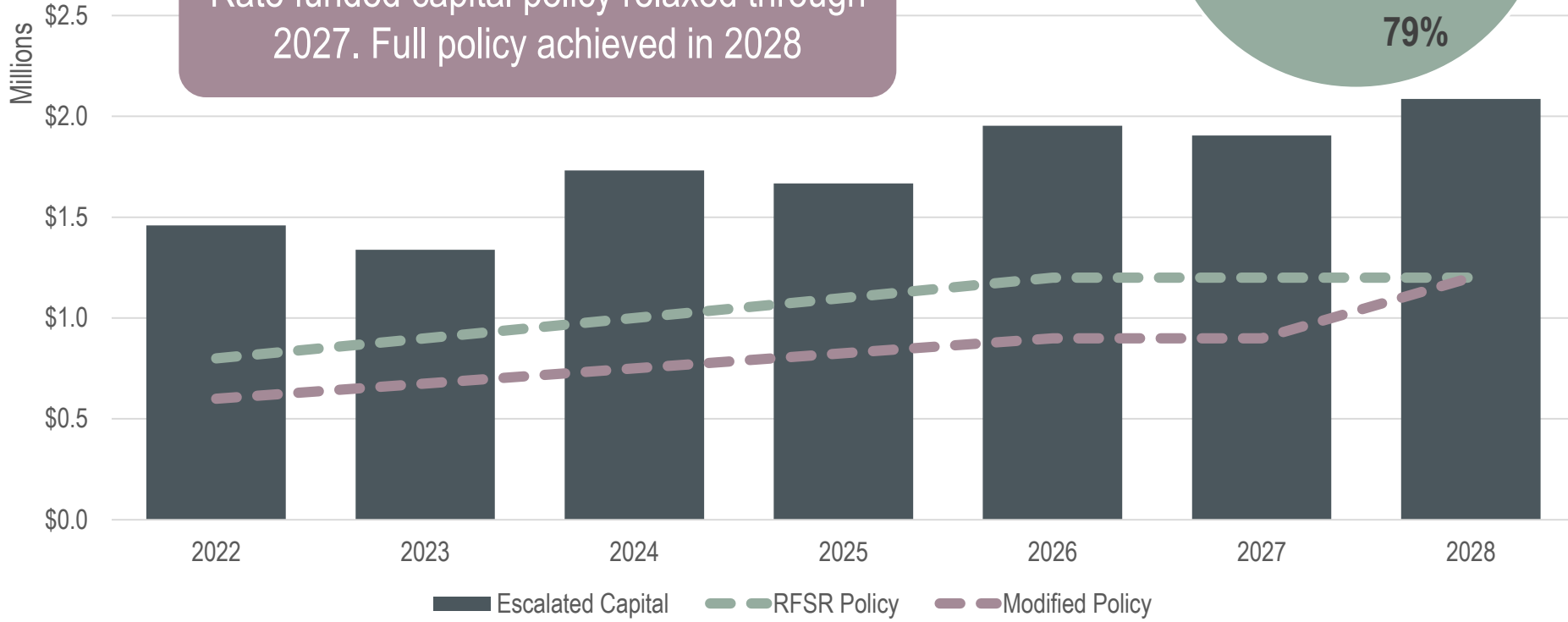
- **Operations and Maintenance: \$1.5 to \$2.1M**
 - » Additional staff beginning in 2023 to complete needed maintenance.



Storm: 2022-2028 Capital Plan



Rate funded capital policy relaxed through 2027. Full policy achieved in 2028



- **\$12.1M in capital spending**

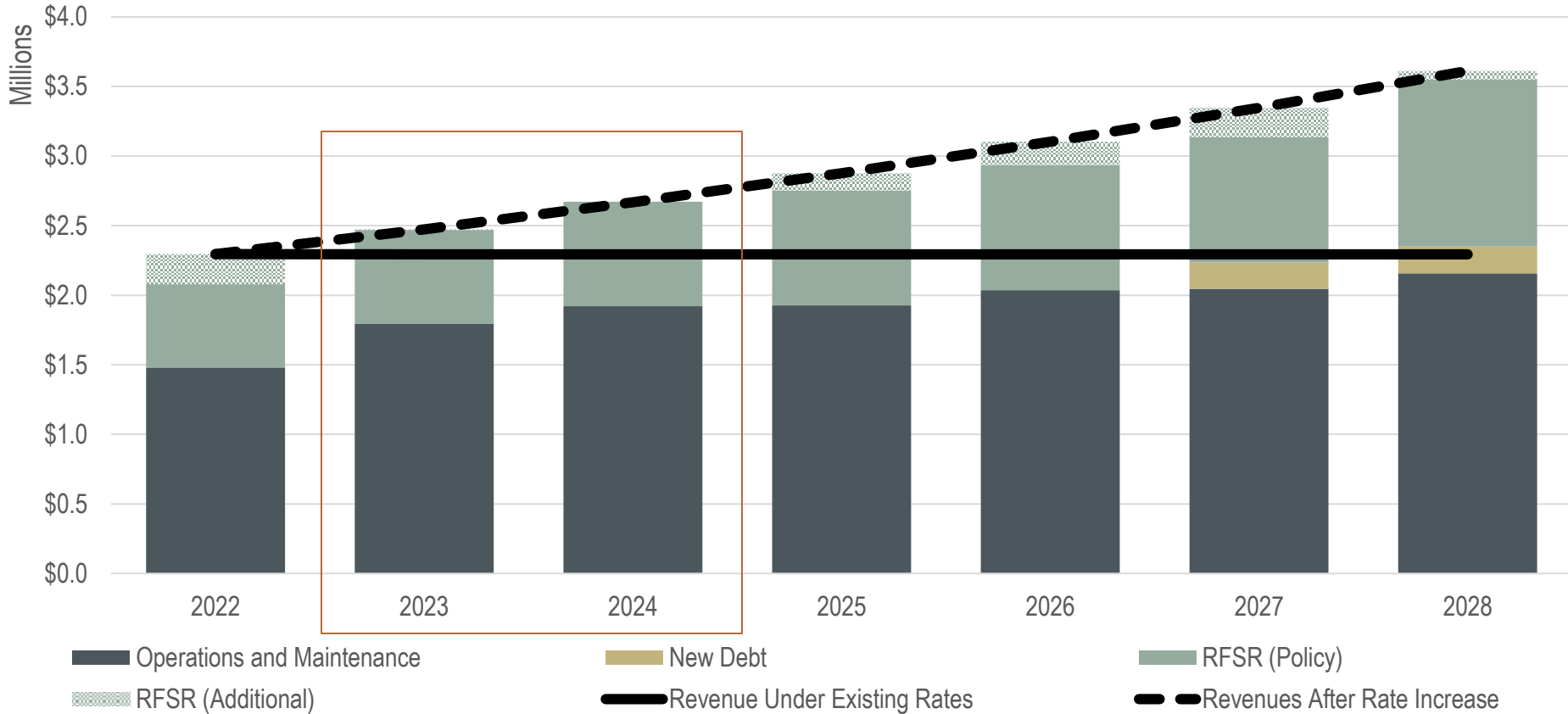
- » Conveyance System: \$2.75M
- » Watercourse Stabilization: \$2.6M
- » Trunkline Condition Assessment: \$1.45M

- **Funding sources**

- » \$9.6M cash funded
- » \$2.5M debt financed in 2027
 - \$190k new annual debt service



Storm: Revenue Requirement Summary



- Existing rates are sufficient to cover all operational cost through 2027
- 8.0% annual rate increases driven by the RFSR policy achievement



Storm: Sample Single Family Bill

Item 2.

Bimonthly	Existing 2022	2023	2024	2025	2026	2027	2028
Sample Bimonthly Bill	\$ 39.81	\$42.99	\$46.43	\$50.15	\$54.16	\$58.49	\$63.17
Bimonthly Increase		\$3.18	\$3.44	\$3.71	\$4.01	\$4.33	\$4.68
Percent Increase		8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

Monthly	Existing 2022	2023	2024	2025	2026	2027	2028
Sample Monthly Bill	\$19.91	\$21.50	\$23.22	\$25.08	\$27.09	\$29.25	\$31.59
Monthly Increase		\$1.59	\$1.72	\$1.86	\$2.01	\$2.16	\$2.34
Percent Increase		8.00%	8.00%	8.00%	8.00%	8.00%	8.00%



Storm: Summary

- **Rate increases needed in 2023 and 2024 of 8.0%**
 - » Average single-family bill impact: \$1.59 per month in 2023
 - » Mid-biennial review for 2024 rate adjustment
- **Key drivers:**
 - » Additional staffing needs
 - » Additional capital costs identified
 - » Increased recent inflation

Summary



Summary of Findings

- **Water**
 - » Average residential monthly increase of \$4.89 in 2023
- **Sewer:**
 - » Residential \$4.25 monthly increase in 2023
 - Local rate average single-family bill impact: \$1.41 per month
- **Storm**
 - » Residential monthly increase of \$1.59 in 2023
- **Mid-biennial review for 2024 rate adjustment**

Next Steps

- **Utility Board come to consensus on rate adjustment recommendations**
- **Present Utility Board recommendation to City Council Nov 15, 2022**
- **Council final 2023-2024 Biennial Budget Adoption Dec 6, 2022**
 - » Rates effective January 1, 2023

Thank you! Questions?

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Historical Rate Increases

Item 2.

Utility	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Water	9.50%	12.35%	4.30%	8.0%	12.80%	10.90%	6.00%	5.30%	6.50%	6.50%	5.25%	5.25%
Sewer (local)	9.30%	9.30%	4.00%	8.50%	8.30%	7.00%	7.00%	7.80%	7.70%	7.70%	4.00%	4.00%
Storm	3.30%	0.00%	1.20%	1.20%	2.70%	1.30%	4.00%	1.50%	3.20%	3.20%	5.50%	5.50%



Sewer: Bimonthly Sample Single Family Bill

Bimonthly	Existing 2022	2023	2024	2025	2026	2027	2028
Sample Bimonthly Local Bill	\$ 62.67	\$65.49	\$68.44	\$71.52	\$74.74	\$78.10	\$81.61
Bimonthly Increase		\$2.82	\$2.95	\$3.08	\$3.22	\$3.36	\$3.51
Percent Increase		4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Sample Bimonthly Treatment Bill	\$ 98.54	\$104.22	\$110.22	\$116.56	\$123.28	\$130.38	\$142.12
Bimonthly Increase		\$5.68	\$6.00	\$6.34	\$6.72	\$7.10	\$11.74
Percent Increase		5.75%	5.75%	5.75%	5.75%	5.75%	9.00%
Sample Bimonthly Bill (Total)	\$161.21	\$169.71	\$178.66	\$188.08	\$198.02	\$208.48	\$223.73
Bimonthly Increase		\$8.50	\$8.95	\$9.42	\$9.94	\$10.46	\$15.25
Percent Increase		5.27%	5.27%	5.27%	5.28%	5.28%	7.32%



Memorandum

CITY OF MERCER ISLAND, FINANCE DEPARTMENT

9611 S.E. 36th St. • Mercer Island, WA 98040-3732
www.mercerisland.gov

Date: October 13, 2022
To: Utility Board
From: Ben Schumacher, Financial Analyst
Re: Utility Board Meeting – Sewer Rate Update

The preliminary 2023-2024 operating and capital budgets were released to the Public and City Council on September 28, 2022. As part of the biennial budget development process, staff seeks a recommendation from the Utility Board regarding the Sewer Utility rate adjustment for the upcoming two years, based on rate modeling work completed over the past three months. The Utility Board's recommended sewer rate adjustment will directly inform the final 2023-2024 biennial budget, scheduled for City Council adoption December 6, 2022.

2023-2024 Operating Budget

The operating budget for the Sewer Utility is presented in the table below.

Description (\$ in thousands)	2021	2022	2023	2024	Percent Change	
	Actual	Forecast	Budget	Budget	22-23	23-24
Budgeted Operating Expenditures						
Salary & Benefits	\$1,132	\$1,385	\$1,460	\$1,567	5.4%	7.4%
King County Sewer Treatment	4,928	5,217	5,518	5,836	5.8%	5.8%
Debt Service	1,037	1,036	1,034	1,032	-0.2%	-0.2%
Other Services and Charges	1,090	1,234	1,350	1,373	9.4%	1.6%
Total Operating Expenditures	\$8,187	\$8,872	\$9,363	\$9,808	1.0%	6.9%

Some highlights from the preliminary budget:

- The combined total for **salary and benefit** costs in 2023 are increasing 5.4% as compared to the 2022 budget. The increase is a result of the current pace of inflation which has led to atypically high cost-of-living adjustments (COLA), per the City's collective bargaining agreements. The COLA in 2023 is 6.0% and is estimated at 6.0% for the 2024 budget.
- The capital budget includes one new position, a **Capital Project Inspector** which will work across all three utilities and some general government projects. Existing staff in the Sewer Utility includes six Public Works team members dedicated to the operation and maintenance of the sewer system, as well as administrative oversight, utility billing and customer service, utility inspections of private development, and geographic information system (GIS) support. The total dollar impact to the Sewer Utility for utility's portion of the Capital Project Inspector is \$33,144 in 2023 and \$35,252 in 2024 which represents 25% of the position.
- **King County Sewer Treatment** services are authorized by King County to increase 5.76% in 2023. Increases are passed through to sewer customers and are identified separately on a customer's utility bill.

- Existing **debt service** costs are related to repayment of the debt on the Sewer Lake Line project and include a Public Works Trust Fund Loan and LTGO bonds. The sewer rate model assumes no new debt will need to be issued for capital projects in 2023-2024.
- **Other Services and Charges** include all other costs of operations including supplies, contract services, insurance, and City administration costs. The latter includes the Sewer Fund’s share of administrative support provided by the City Attorney’s Office, City Manager’s Office, Finance, and Human Resources staff. An overhead cost allocation model is used to determine the Sewer Utility’s proportionate share of these internal service functions.

Summary Capital Reinvestment Projects

Planned capital reinvestment work in 2023 and 2024 is shown in the table below. Capital investment costs are the primary driver of the proposed sewer rate increases for 2023-2028.

Sewer Utility Capital Program 2023-2024 (\$ in thousands)			
Project ID	Description	2023	2024
SU0100	Emergency Sewer System Repairs	\$300	\$300
SU0103	Easement, Access, Codes, and Standards Review	150	150
SU0108	Comprehensive Pipeline R&R Program	1,000	1,000
SU0109	Sewer System Generator Replacement	200	200
SU0113	SCADA System Replacement (Sewer)	1,500	500
SU0114	Sewer System Components	50	50
SU0115	Sewer Pipe Replacements & Upsizing	600	
SU0117	Pump Station Rehabilitation & Replacement Assessment	300	300
SU0127	Backyard Sewer System Improvement Program	130	120
SU0128	Pump Station Rehabilitation & Replacement Improvements	150	950
Sewer Utility CIP Total		\$4,380	\$3,570

Sewer Rate Proposal

The 2023 rate proposal is based on the 2023-2024 operating budget, the 2023-2028 Capital Plan, and the corresponding debt financing needs. The rate model proposed for the 2023-2024 biennium includes a smoothed rate increase of 4.5% for 2023-2028. **Staff recommends a 4.5% increase to the sewer utility rates for 2023 as proposed in the 2023-2028 smoothed rate model.** Staff will return during the 2023-2024 mid-biennial budget process with new information as it becomes available to inform potential rate adjustments for fiscal year 2024.

Revenue Requirement	2022	2023	2024	2025	2026	2027	2028
Pre Rate Revenues							
Revenues							
Rate Revenues Under Existing Rates	\$ 5,665,500	\$ 5,665,500	\$ 5,665,500	\$ 5,665,500	\$ 5,665,500	\$ 5,665,500	\$ 5,665,500
Non-Rate Revenues	5,224,128	5,521,413	5,839,272	6,175,142	6,531,123	6,907,233	7,529,028
Total Revenues	\$ 10,889,628	\$ 11,186,913	\$ 11,504,772	\$ 11,840,642	\$ 12,196,623	\$ 12,572,733	\$ 13,194,528
Expenses							
Cash Operating Expenses	\$ 7,870,013	\$ 8,295,280	\$ 8,732,369	\$ 9,145,227	\$ 9,580,484	\$ 10,038,208	\$ 10,744,483
Existing Debt Service	1,035,856	1,034,242	1,031,829	1,028,615	1,029,601	623,618	626,625
New Debt Service	-	-	-	284,831	284,831	846,794	846,794
System Reinvestment Funding	1,600,000	1,700,000	1,800,000	1,900,000	2,000,000	2,000,000	2,000,000
Total Expenses	\$ 10,505,870	\$ 11,029,522	\$ 11,564,198	\$ 12,358,672	\$ 12,894,916	\$ 13,508,619	\$ 14,217,902
Net Surplus (Deficiency)	\$ 383,759	\$ 157,391	\$ (59,425)	\$ (518,030)	\$ (698,293)	\$ (935,887)	\$ (1,023,374)
Annual Rate Increase		4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Cumulative Rate Increase		4.50%	9.20%	14.12%	19.25%	24.62%	30.23%
Post Rate Revenues							
Revenues After Rate Increases	\$ 5,665,500	\$ 5,920,448	\$ 6,186,868	\$ 6,465,277	\$ 6,756,214	\$ 7,060,244	\$ 7,377,955
Additional Taxes from Rate Increase	-	9,821	20,083	30,807	42,014	53,726	65,964
Net Cash Flow After Rate Increase	\$ 383,759	\$ 402,518	\$ 441,859	\$ 250,939	\$ 350,407	\$ 405,132	\$ 623,117
Sample Residential Bill (3/4" Meter, x 12 ccf)	\$ 161.21	\$169.71	\$178.66	\$188.08	\$198.02	\$208.48	\$223.73
Bi-Monthly Increase (\$)		\$8.50	\$8.95	\$9.42	\$9.94	\$10.46	\$15.25

Fund Balance	2022	2023	2024	2025	2026	2027	2028
Operating Reserve							
Beginning Balance	\$ 2,676,392	\$ 646,850	\$ 681,804	\$ 718,536	\$ 753,313	\$ 789,969	\$ 828,511
plus: Net Cash Flow after Rate Increase	383,759	402,518	441,859	250,939	350,407	405,132	623,117
less: Transfer of Surplus to Capital Fund	(2,413,301)	(367,564)	(405,127)	(216,162)	(313,751)	(366,589)	(564,104)
Ending Balance	\$ 646,850	\$ 681,804	\$ 718,536	\$ 753,313	\$ 789,969	\$ 828,511	\$ 887,524
<i>Actual Days of O&M</i>	<i>30 days</i>	<i>30 days</i>	<i>30 days</i>	<i>30 days</i>	<i>30 days</i>	<i>30 days</i>	<i>30 days</i>
Capital Reserve							
Beginning Balance	\$ 2,596,515	\$ 4,186,086	\$ 1,888,522	\$ 642,008	\$ 2,399,513	\$ 771,771	\$ 4,619,409
plus: System Reinvestment Funding	1,600,000	1,700,000	1,800,000	1,900,000	2,000,000	2,000,000	2,000,000
plus: Transfers from Operating Fund	2,413,301	367,564	405,127	216,162	313,751	366,589	564,104
plus: LTGO Proceeds	-	-	-	3,700,000	-	7,300,000	-
plus: Interest Earnings	6,491	20,930	9,443	3,210	11,998	3,859	23,097
Total Funding Sources	\$ 6,616,307	\$ 6,274,580	\$ 4,103,091	\$ 6,461,380	\$ 4,725,261	\$ 10,442,220	\$ 7,206,610
less: Capital Expenditures	(2,430,221)	(4,386,059)	(3,461,083)	(4,061,868)	(3,953,490)	(5,822,811)	(6,108,555)
Ending Capital Fund Balance	\$ 4,186,086	\$ 1,888,522	\$ 642,008	\$ 2,399,513	\$ 771,771	\$ 4,619,409	\$ 1,098,055
<i>Minimum Target Balance</i>	<i>\$ 534,889</i>	<i>\$ 578,749</i>	<i>\$ 613,360</i>	<i>\$ 653,979</i>	<i>\$ 693,514</i>	<i>\$ 751,742</i>	<i>\$ 812,827</i>
Combined Beginning Balance	\$ 5,272,907	\$ 4,832,936	\$ 2,570,326	\$ 1,360,544	\$ 3,152,826	\$ 1,561,741	\$ 5,447,920
Combined Ending Balance	\$ 4,832,936	\$ 2,570,326	\$ 1,360,544	\$ 3,152,826	\$ 1,561,741	\$ 5,447,920	\$ 1,985,579

A summary table comparing the proposed rates from the most recent sewer rate model update (2020-2022) as compared to the current rate recommendation is presented below.

Description	2021	2022	2023	2024	2025	2026	2027	2028
2020 Rate Update	7.70%	7.70%	7.70%	7.70%				
2021-2022 Rate Update	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%		
2023-2024 Rate Proposal			4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

Staff will be available at the Utility Board meeting to answer questions regarding the proposed operating and capital budgets, as well as the proposed 2023 sewer utility rate increases.

The 2023 Sewer Utility rate resolution is on the City Council planning schedule for review and adoption on November 15, 2022.



Memorandum

CITY OF MERCER ISLAND, FINANCE DEPARTMENT

9611 S.E. 36th St. • Mercer Island, WA 98040-3732
www.mercerisland.gov

Date: October 13, 2022

To: Utility Board

From: Ben Schumacher, Financial Analyst

Re: Utility Board Meeting – Water Rates

The preliminary 2023-2024 operating and capital budgets were released to the Public and City Council on September 28, 2022. As part of the biennial budget development process, staff seeks a recommendation from the Utility Board regarding the Water Utility rate adjustment for the upcoming two years, based on rate modeling work completed over the past three months. The Utility Board's recommended water rate adjustment will directly inform the final 2023-2024 biennial budget, scheduled for City Council adoption December 6, 2022.

2023-2024 Operating Budget

The operating budget for the Water Utility presented in the table below.

Description (\$ in thousands)	2021	2022	2023	2024	Percent Change	
	Actual	Forecast	Budget	Budget	22-23	23-24
Budgeted Operating Expenditures						
Salary & Benefits	\$1,357	\$1,653	\$1,728	\$1,853	4.6%	7.2%
Water Purchased for Resale	2,223	2,239	2,351	2,468	5.0%	5.0%
Other Services and Charges	1,446	1,755	1,674	1,773	-4.6%	5.9%
Debt Service	109	107	1,577	1,582	1370.4%	0.3%
Total Operating Expenditures	\$5,134	\$5,754	\$7,330	\$7,676	27.4%	4.7%

Some highlights from the preliminary budget:

- The combined total for **salary and benefit** costs in 2023 are increasing 4.6% as compared to the 2022 budget. The increase is a result of the current pace of inflation which has led to atypically high cost-of-living adjustments (COLA), per the City's collective bargaining agreements. The COLA increase is 6.0% for 2023 and 6.0% is estimated for the 2024 budget.
- The salaries & benefits budget includes two new positions, a **Utilities Engineer** limited term position, primarily meant as a hire ahead for an expected retirement in the 2023-2024 biennium, and a **Capital Project Inspector** which will work across all three utilities and some general government projects. Existing staffing of the Water Utility includes seven Public Works team members dedicated to the operation and maintenance of the water system, as well as administrative oversight, utility billing and customer service, utility inspections of private development, and GIS (geographic information system) support. The total dollar impact to the Water Utility for the two new positions is \$180,647 in 2023 and \$191,828 in 2024 which represents 100% of the Utilities Engineer and 25% of the CIP Inspector.

- **Water Purchases** from Seattle Public Utilities (SPU) are projected to increase 5.0% in 2023 as compared to the 2022 budget and 5.0% in 2024. Note that SPU sets a higher rate for the period of Peak usage (May 15-Sept 15) than for the period of non-peak usage (Sept 16-May 15). The cost of water purchases makes up about 32% of all Water Utility operating expenses.
- Existing **debt service** costs are related to repayment of the debt issued in 2011 on the First Hill Booster Pump Station upgrade and water system improvements projects. The Water rate model includes the proposed issuance of \$19.1 million in additional debt in 2023 to fund water capital improvement projects (tentatively the meter replacement project, water reservoir improvements, asbestos cement main replacement, and pressure reducing valve station replacements) planned for 2023 and 2024. Issuance of new debt would result in additional annual debt payment estimated at \$1.47 million, beginning in 2023.

Given State law requirements, projects must be completed within 3 years of the respective date of debt issuance. Staff has observed material delays with the ongoing Pandemic and is relying on available fund balance through the design phase of qualifying projects. Staff would initiate the debt issuance process once projects are through the design phase and poised to begin construction, ensuring projects can be completed within the required timeframe.

- **Other Services and Charges** include all other costs of operations including supplies, contract services, insurance, and City administration costs. The latter includes the Water Fund’s share of administrative support provided by the City Attorney’s Office, City Manager’s Office, Finance, and Human Resources staff. An overhead cost allocation model is used to determine the Water Utility’s proportionate share of these internal services.

Summary Capital Reinvestment Projects

Planned capital reinvestment work in 2023 and 2024 is shown in the table below. Capital investment costs are the primary driver of the proposed water rate increases for 2023-2028.

Water Utility Capital Program 2023-2024 (\$ in thousands)				
Project ID	Description	2023	2024	
WU0100	Emergency Water System Repairs	\$150	\$150	
WU0102	SCADA System Replacement (Water)	75		
WU0103	Water Reservoir Improvements	2,805	2,750	
WU0112	Water System Components Replacement	50	50	
WU0115	Water Modeling and Fire Flow Analysis	15	50	
WU0117	Meter Replacement Implementation	3,253		
WU0120	First Hill Generator Replacement	400	400	
WU0128	Reservoir Pump Replacement	540	540	
WU0130	2023 Water System Improvements (First Hill, NMW, SE 37th Pl, SE 41st-42nd Pl)	4,684		
WU0131	2024 Water System Improvements (8600 Block SE 47th & SE 59th)	373	2,082	
WU0135	2024 AC Main Replacement (Gallagher Hill Rd, Greenbrier and SE 40th)	479	2,680	
WU0136	2025 AC Main Replacement (Upper Mercerwood)		1,040	
WU0140	Pressure Reducing Valve Station Replacements	395	2,025	
WU0141	Street Related Water System Improvements	150	150	
WU0142	Emergency Well #2 Site Evaluation		50	
Water Utility CIP Total		\$13,369	\$11,967	

Water Rate Proposal

The 2023 rate proposal is based on the 2023-2024 operating budget, the 2023-2028 Capital Plan, and the corresponding debt financing needs. The rate model proposes a smoothed rate increase of 8.0% for 2023-2028. **Staff recommends an 8.0% increase to the water utility rates for 2023 as proposed in the 2023-2028 smoothed rate model.** Staff will return during the 2023-2024 mid-biennial budget process with new information as it becomes available to inform potential rate adjustments for fiscal year 2024.

Revenue Requirement	2022	2023	2024	2025	2026	2027	2028
Pre Rate Revenues							
Revenues							
Rate Revenues Under Existing Rates	\$ 9,999,563	\$ 9,999,563	\$ 9,999,563	\$ 9,999,563	\$ 9,999,563	\$ 9,999,563	\$ 9,999,563
Non-Rate Revenues	43,405	38,365	37,252	37,606	37,207	37,682	38,041
Total Revenues	\$10,042,968	\$10,037,928	\$10,036,815	\$10,037,169	\$10,036,770	\$10,037,245	\$10,037,604
Expenses							
Cash Operating Expenses	\$ 5,824,937	\$ 6,190,414	\$ 6,464,270	\$ 6,680,811	\$ 6,911,568	\$ 7,151,734	\$ 7,401,718
Existing Debt Service	107,250	109,531	111,631	108,550	110,150	111,550	107,750
New Debt Service	-	1,470,342	1,470,342	2,093,890	2,093,890	2,563,476	2,563,476
System Reinvestment Funding	3,000,000	3,250,000	3,500,000	3,700,000	3,900,000	3,900,000	3,900,000
Total Expenses	\$ 8,932,187	\$11,020,287	\$11,546,243	\$12,583,251	\$13,015,609	\$13,726,760	\$13,972,944
Net Surplus (Deficiency)	\$ 1,110,781	\$ (982,359)	\$ (1,509,428)	\$ (2,546,083)	\$ (2,978,838)	\$ (3,689,515)	\$ (3,935,341)
Annual Rate Increase		8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Cumulative Rate Increase		8.00%	16.64%	25.97%	36.05%	46.93%	58.69%
Post Rate Revenues							
Revenues After Rate Increases	\$ 9,999,563	\$10,799,528	\$11,663,490	\$12,596,570	\$13,604,295	\$14,692,639	\$15,868,050
Additional Taxes from Rate Increase	-	40,230	83,679	130,603	181,282	236,015	295,126
Net Cash Flow After Rate Increase	\$ 1,110,781	\$ (222,625)	\$ 70,820	\$ (79,679)	\$ 444,612	\$ 767,546	\$ 1,638,020
Sample Residential Bill (3/4" Meter, x 14 ccf)	\$122.15	\$131.92	\$142.48	\$153.87	\$166.18	\$179.48	\$193.84
Bi-Monthly Increase (\$)		\$9.77	\$10.55	\$11.40	\$12.31	\$13.29	\$14.36

Fund Balance	2022	2023	2024	2025	2026	2027	2028
Operating Reserve							
Beginning Balance	\$ 5,762,177	\$ 1,872,958	\$ 1,650,333	\$ 1,721,153	\$ 1,641,474	\$ 1,736,426	\$ 1,808,141
plus: Net Cash Flow after Rate Increase	1,110,781	(222,625)	70,820	(79,679)	444,612	767,546	1,638,020
less: Transfer of Surplus to Capital Fund	(5,000,000)	-	-	-	(349,660)	(695,831)	(1,562,884)
Ending Balance	\$ 1,872,958	\$ 1,650,333	\$ 1,721,153	\$ 1,641,474	\$ 1,736,426	\$ 1,808,141	\$ 1,883,277
<i>Actual Days of O&M</i>	117 days	97 days	97 days	89 days	90 days	90 days	90 days
Capital Reserve							
Beginning Balance	\$10,024,654	\$ 6,240,578	\$13,921,201	\$ 867,812	\$ 2,554,160	\$ 978,660	\$ 1,557,176
plus: System Reinvestment Funding	3,000,000	3,250,000	3,500,000	3,700,000	3,900,000	3,900,000	3,900,000
plus: Transfers from Operating Fund	5,000,000	-	-	-	349,660	695,831	1,562,884
plus: LTGO Proceeds	-	19,100,000	-	8,100,000	-	6,100,000	-
plus: Interest Earnings	25,062	31,203	69,606	4,339	12,771	4,893	7,786
Total Funding Sources	\$18,049,716	\$28,621,780	\$17,490,807	\$12,672,151	\$ 6,816,591	\$11,679,384	\$ 7,027,846
less: Capital Expenditures	(11,809,138)	(14,700,580)	(16,622,995)	(10,117,991)	(5,837,931)	(10,122,208)	(5,749,235)
Ending Capital Fund Balance	\$ 6,240,578	\$13,921,201	\$ 867,812	\$ 2,554,160	\$ 978,660	\$ 1,557,176	\$ 1,278,611
<i>Minimum Target Balance</i>	\$ 475,035	\$ 622,041	\$ 788,271	\$ 889,451	\$ 947,830	\$ 1,049,052	\$ 1,106,544
Combined Beginning Balance	\$15,786,831	\$ 8,113,536	\$15,571,534	\$ 2,588,965	\$ 4,195,634	\$ 2,715,086	\$ 3,365,317
Combined Ending Balance	\$ 8,113,536	\$15,571,534	\$ 2,588,965	\$ 4,195,634	\$ 2,715,086	\$ 3,365,317	\$ 3,161,888

A summary table comparing the proposed rates from the most recent rate model updates (2020-2022) as compared to the current rate recommendation is presented below.

Description	2021	2022	2023	2024	2025	2026	2027	2028
2020 Rate Update	6.50%	6.50%	6.50%	6.50%				
2021-2022 Rate Update	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%		
2023-2024 Rate Proposal			8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

Staff will be available at the Utility Board meeting to answer questions regarding the proposed operating and capital budgets, as well as the proposed 2023 water utility rate increases.

The 2023 Water Utility rate resolution is on the City Council planning schedule for review and adoption on November 15, 2022.



Utility Board

2022 Work Plan

2nd Tuesday

Meeting Date	Agenda Item
January 11	Recess
February 8	Water Meter Replacement Contract Recommendation Utility ARPA Project Update
March 8	Recess
April 12	SCADA Sewer Project Update Water Meter Replacement Project Update (2024)
May 10	Recess
June 14	Board Elections Sustainability Utilities Work Plan Update
July 12	Utility Project Field Visit (daytime) 2023-2024 Utility CIP Preview ALOP Water System Plan Update
August 9	Recess
September 13	EMS Rate Discussion/Recommendation
October 11	Canceled
October 13 Special Meeting 4:30	Water Budget & Rate Discussion/Recommendation Sewer Budget & Rate Discussion/Recommendation Storm Budget & Rate Discussion/Recommendation
November 8	Recess
December 13	2023 Work Plan Development 2022 Solid Waste/Recology Annual Report
To Be Scheduled:	

Updated 9.29.22



Utility Board

2022 Work Plan

2nd Tuesday

Meeting Date	Agenda Item
January 11	Recess
February 8	Water Meter Replacement Contract Recommendation Utility ARPA Project Update
March 8	Recess
April 12	SCADA Sewer Project Update Water Meter Replacement Project Update (2024)
May 10	Recess
June 14	Board Elections Sustainability Utilities Work Plan Update
July 12	Utility Project Field Visit (daytime) 2023-2024 Utility CIP Preview ALOP Water System Plan Update
August 9	Recess
September 13	EMS Rate Discussion/Recommendation
October 11	Canceled
October 13 Special Meeting 4:30	Water Budget & Rate Discussion/Recommendation Sewer Budget & Rate Discussion/Recommendation Storm Budget & Rate Discussion/Recommendation
November 8	Recess
December 13	2023 Work Plan Development 2022 Solid Waste/Recology Annual Report
To Be Scheduled:	

Updated 9.29.22