

AGENDA

CITIZENS UTILITY ADVISORY BOARD

Wednesday, February 4, 2015
6:00pm

JOHNSON CREEK FACILITY CONFERENCE ROOM
6101 SE JOHNSON CREEK BLVD.

- | | | |
|------|--|--------------|
| I. | CONSENT AGENDA | CUAB Board |
| | A. Approve Minutes from
January 7, 2015 meeting | ALL |
| II. | REPORT | |
| | A. Review ESCO RFQ results -
Water Meter Replacement | Gary Parkin |
| III. | DISCUSSION | |
| | A. Scheduled utility rates | Gary Parkin |
| | B. Review Work Plan for City Council meeting | Gary Parkin |
| IV. | MATTERS FROM THE BOARD | CUAB Members |
| V. | FUTURE MEETING DATE/AGENDA ITEMS | ALL |
| | Next regular meeting: March 4, 2015 | |
| | Annual check-in with City council: March 17 th CC meeting (5:30pm – 7:00pm) | |
| VI. | ADJOURN | |

CUAB Meeting Minutes
Wednesday, January 7, 2015
Johnson Creek Facility Conference Room
6101 SE Johnson Creek Blvd.

Members Present

Vincent Alvarez, Chair
Kevin Hasey, Vice Chair
Michael Osborne
Joel Bergman

Members Absent

Greg Deane

Guest Present

Greg Geist, Interim Director of WES
Doug Waugh, Financial Manager at WES

Staff Present

Gary Parkin, Public Works Director

I. CALL TO ORDER

The meeting was called to order at 6:05pm.

II. CONSENT AGENDA

The December 3, 2014 meeting minutes were approved.

III. Report

A. Review treatment costs – rate proposal

Greg and Doug presented the capital review plan. The plan shows that capital needs identified previously as being needed anywhere from 2020 to 2025 are now needed earlier - from 2016 to 2017. The improvements are needed at the Tri-City plant for CCSD#1 customer growth in the area to the east of the City and in Oregon City and West Linn. Growth estimates of the rate of population growth in those areas are being exceeded leading to the need to move the expansion projects forward.

The preliminary rates provided show a \$2 per EDU/month increase in 2016 (11%) and \$6 per EDU/month increase in the following years (18%

in 2017). The increases are above the previously planned increases of about \$1.50 (4% in 2016) and \$2.25 (6% in 2017).

These rates will be presented to City Council in March.

IV. Discussion

A. Water rate structure

Gary presented the group with a final draft summarization of the Board's prior discussions on changing the water rate structure. The Board approved the document which will go before Council at our regular meeting (now scheduled for March 17, 2015) (see material for the January meeting for summary report).

MATTERS FROM THE BOARD

A. None

V. FUTURE MEETING DATE/AGENDA ITEMS

February 4, 2015 – Review ESCO RFQ results and work plan

VI. ADJOURN

The meeting ended at 8:12pm

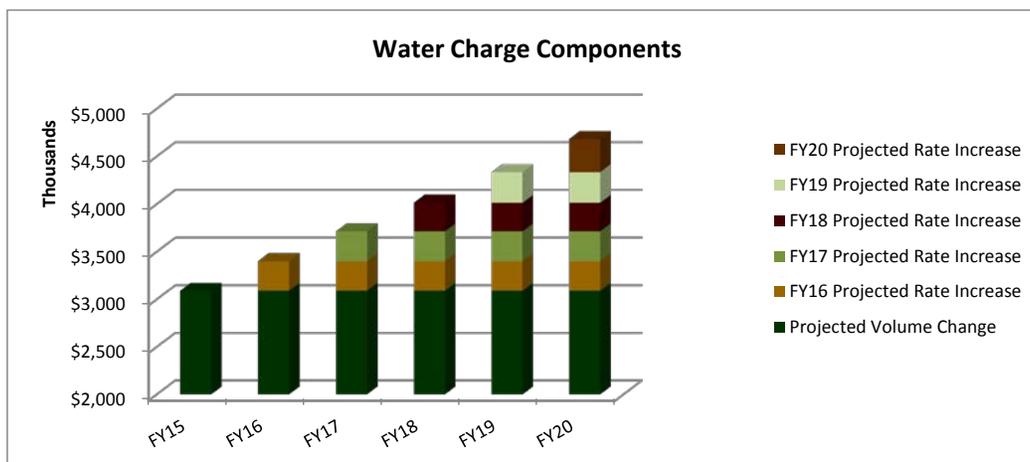
Vincent Alvarez, Chair

Gary Parkin, Scribe

City of Milwaukee

Water Fund
(amounts in thousands)

	ACTUALS					Current Year	PROJECTED					
	FY10	FY11	FY12	FY13	FY14	Estimated	+ 1	+ 2	+ 3	+ 4	+ 5	
							FY16	FY17	FY18	FY19	FY20	
Resources												
Beginning fund balance	\$ 119	\$ 287	\$ (109)	\$ (225)	\$ 210	\$ 781	\$ 967	\$ 1,252	\$ 1,475	\$ 1,770	\$ 2,118	
Adjustment to audit balance	-	(28)	-	-	-	-	-	-	-	-	-	
Water charges - base	2,212	2,112	2,283	2,739	3,075	2,742	3,090	3,401	3,713	4,014	4,335	0.00%
Water charges - rate increases	-	-	-	-	-	348	311	312	301	321	347	Scheduled
Interest	3	2	-	-	-	-	-	-	-	-	-	5.00%
Miscellaneous	44	61	71	83	83	100	99	101	103	105	107	2.00%
Franchise fees (external)	16	-	-	-	-	-	-	-	-	-	-	0.00%
Transfers from other funds	490	322	-	-	-	-	-	-	-	-	-	0.00%
Total revenues	2,765	2,469	2,354	2,822	3,158	3,190	3,500	3,814	4,117	4,440	4,789	
Total Resources	\$ 2,884	\$ 2,756	\$ 2,245	\$ 2,597	\$ 3,368	\$ 3,971	\$ 4,467	\$ 5,066	\$ 5,592	\$ 6,210	\$ 6,907	
Requirements												
Personnel services	\$ 480	\$ 482	\$ 515	\$ 523	\$ 561	\$ 618	665	692	\$ 733	\$ 757	\$ 781	PS Spreadsheet
Materials & services (base)	241	279	246	195	286	321	347	357	368	379	390	3.00%
M&S (franchise fee to transportation)	199	205	181	230	263	247	269	297	321	347	375	Calculated
M&S (electricity costs)	166	171	177	177	173	193	207	217	228	239	251	5.00%
M&S (internal service charges)	480	-	-	-	-	-	-	-	-	-	-	
Debt service	131	-	-	-	-	-	-	-	-	-	-	
Transfers to other funds	806	1,262	987	980	990	915	915	933	952	971	990	2.00%
Capital outlay												
Scheduled capital projects	94	466	364	258	314	520	360	1,000	1,067	1,304	1,347	Per CIP
Maintenance improvements	-	-	-	24	-	190	452	95	100	40	50	Per CIP
Additions (vehicles & equip)	-	-	-	-	-	-	-	-	53	55	32	Per CIP
Total expenditures	2,597	2,865	2,470	2,387	2,587	3,004	3,215	3,591	3,822	4,092	4,216	
Ending fund balance												
Policy requirement (25%)	390	280	280	280	320	345	371	390	410	430	450	
Reserve for vehicle replacement	442	-	-	50	100	150	200	250	300	350	400	
Reserve for debt service	134	-	-	-	-	-	-	-	-	-	-	
Over (under) policy/reserves	(679)	(389)	(505)	(120)	361	472	681	835	1,060	1,338	1,841	
Total ending fund balance	287	(109)	(225)	210	781	967	1,252	1,475	1,770	2,118	2,691	
Total Requirements	\$ 2,884	\$ 2,756	\$ 2,245	\$ 2,597	\$ 3,368	\$ 3,971	\$ 4,467	\$ 5,066	\$ 5,592	\$ 6,210	\$ 6,907	

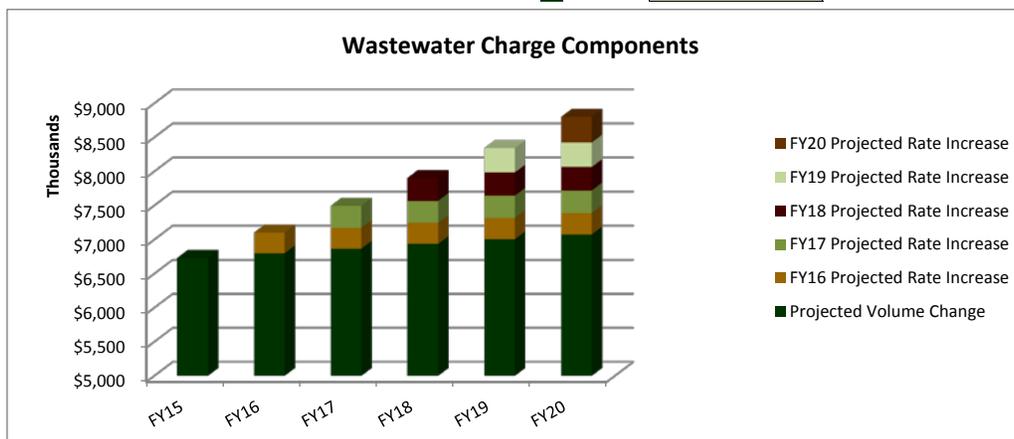


Utility Rate Information:												
% water rate increases	5%	0%	0%	17.10%	12.63%	11.21%	10.08%	9.16%	8.10%	8.00%	8.00%	Updated 12/1/14

City of Milwaukee

Wastewater Fund
(amounts in thousands)

	ACTUALS					Current Year	PROJECTED					
	FY10	FY11	FY12	FY13	FY14	Estimated	+ 1	+ 2	+ 3	+ 4	+ 5	
	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	
Resources												
Beginning fund balance	\$ 2,876	\$ 2,177	\$ 2,722	\$ 3,085	\$ 2,445	\$ 2,318	2,067	1,829	\$ 2,019	\$ 2,406	\$ 2,368	
Adjustment to audit balance	-	80	-	-	-	-	-	-	-	-	-	
Wastewater charges - base	4,262	5,008	4,540	6,324	6,532	6,446	6,800	7,174	7,569	7,985	8,424	1.00%
Wastewater - rate increases	-	-	-	-	-	287	303	320	337	356	375	Scheduled
Interest	27	100	-	-	-	-	-	-	-	-	-	3.00%
Miscellaneous	3	238	245	77	10	6	4	4	4	4	4	2.00%
Franchise fees (external)	71	-	-	-	-	-	-	-	-	-	-	0.00%
Proceeds from debt issuance	2,229	1,622	1,929	-	-	-	-	-	-	-	-	0.00%
Proceeds from Reimb District	-	-	-	-	55	10	20	20	20	20	20	0.00%
Transfers from other funds	-	652	197	-	-	-	-	-	-	-	-	0.00%
Total revenues	6,592	7,620	6,911	6,401	6,597	6,749	7,127	7,518	7,930	8,365	8,823	
Total Resources	\$ 9,468	\$ 9,877	\$ 9,633	\$ 9,486	\$ 9,042	\$ 9,067	9,194	9,347	\$ 9,949	\$ 10,771	\$ 11,191	
Requirements												
Personnel services	\$ 381	\$ 398	\$ 393	\$ 394	\$ 398	\$ 421	452	472	\$ 502	\$ 519	\$ 535	PS Spreadsheet
Materials & services (base)	93	203	185	212	102	196	207	213	219	226	233	3.00%
M&S (franchise fee to transportation)	265	273	121	230	167	200	213	230	248	238	253	Calculated
M&S (Contract treatment costs)	2,978	2,887	2,804	3,968	4,077	4,261	4,425	4,507	4,699	5,253	5,522	Est. Rates per CCSD #1
M&S (CCSD #1 SDC's)	-	-	-	-	102	121	120	-	-	-	-	Estimated
M&S (capital reserve m&s)	443	-	-	-	-	-	-	-	-	-	-	
M&S (internal service charges)	370	-	-	-	-	-	-	-	-	-	-	
Debt service	-	-	2,028	110	101	110	110	110	110	110	110	Scheduled
Transfers to other funds	458	1,291	1,014	980	970	885	935	954	973	992	1,012	2.00%
Capital outlay:												
Scheduled capital projects	2,303	2,103	3	1,144	807	805	705	635	750	660	550	Per CIP
Additions (vehicles & equip)	-	-	-	-	-	1	198	207	42	405	32	Per CIP
Other	-	-	-	3	-	-	-	-	-	-	-	
Total expenditures	7,291	7,155	6,548	7,041	6,724	7,000	7,365	7,328	7,543	8,403	8,247	
Ending fund balance												
Policy requirement (25%)	1,130	940	880	1,200	1,190	1,150	1,150	1,110	1,120	1,210	1,240	
Reserve for vehicle replacement	219	-	-	50	100	150	200	250	300	350	400	
Over (under) policy/reserves	828	1,782	2,205	1,195	1,028	767	479	659	986	808	1,303	
Total ending fund balance	2,177	2,722	3,085	2,445	2,318	2,067	1,829	2,019	2,406	2,368	2,943	
Total Requirements	\$ 9,468	\$ 9,877	\$ 9,633	\$ 9,486	\$ 9,042	\$ 9,067	9,194	9,347	\$ 9,949	\$ 10,771	\$ 11,191	



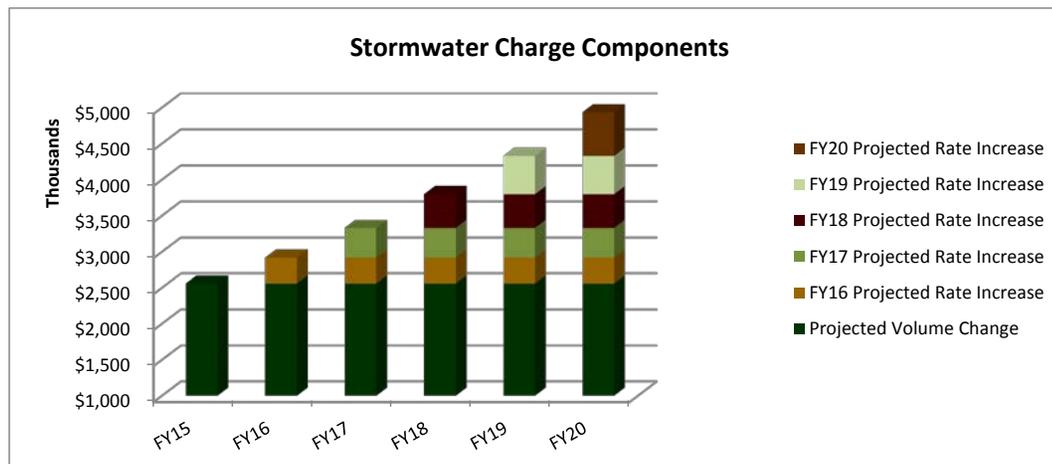
Utility Rate Information:				
% Wastewater rate increases	5%	0%	0%	30.0%

	0.0%	4.5%	4.5%	4.5%	4.5%	4.5%
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City of Milwaukee

Stormwater Fund
(amounts in thousands)

	ACTUALS					Current Year	PROJECTED					
	FY10	FY11	FY12	FY13	FY14	Estimated	+ 1	+ 2	+ 3	+ 4	+ 5	
						FY15	FY16	FY17	FY18	FY19	FY20	
Resources												
Beginning fund balance	\$ 594	\$ 821	\$ 1,081	\$ 1,416	\$ 1,896	\$ 2,528	\$ 1,537	\$ 586	290	\$ 320	\$ 340	
Stormwater fee - base	1,693	1,747	1,834	1,971	2,206	2,244	2,560	2,921	3,333	3,800	4,332	0.00%
Stormwater fee - rate increases	-	-	-	-	-	316	361	412	467	532	606	Scheduled Below
Interest	3	2	-	-	-	-	-	-	-	-	-	0.00%
Miscellaneous	27	48	5	22	6	12	10	10	10	10	10	3.00%
Intergovernmental - grants	-	-	-	-	-	-	1,004	-	-	-	-	0.00%
Transfers from other funds	80	70	-	-	-	-	-	-	-	-	-	0.00%
Total revenues	1,803	1,867	1,839	1,993	2,212	2,572	3,935	3,343	3,810	4,342	4,948	
Total Resources	\$ 2,397	\$ 2,688	\$ 2,920	\$ 3,409	\$ 4,108	\$ 5,100	\$ 5,472	\$ 3,929	4,100	\$ 4,662	\$ 5,288	
Requirements												
Personnel Services	\$ 380	\$ 386	\$ 399	\$ 423	\$ 422	\$ 529	651	686	732	\$ 765	\$ 791	PS Spreadsheet
Materials & services (base)	86	114	102	108	106	206	207	213	219	226	233	3.00%
M&S (Franchise Fee to Streets)	132	136	146	156	167	205	234	270	310	350	400	Calculated
M&S (internal service charges)	441	-	-	-	-	-	-	-	-	-	-	2.00%
Debt service	-	-	-	-	-	-	-	-	-	-	-	Scheduled
Transfers to other funds	518	867	837	740	760	905	965	984	1,004	1,024	1,044	2.00%
Capital outlay												
Scheduled capital projects	19	104	20	83	125	1,490	2,554	1,550	1,990	1,950	2,232	Per CIP
Unfunded CIP	-	-	-	3	-	-	-	(121)	(562)	(48)	-	Estimated
Additions (vehicles & equip)	-	-	-	-	-	228	275	57	87	55	55	Estimated
Total expenditures	1,576	1,607	1,504	1,513	1,580	3,563	4,886	3,639	3,780	4,322	4,755	
Ending Fund Balance												
Policy requirement (25%)	260	160	160	170	70	90	70	40	20	40	60	
Reserve for vehicle replacemer	282	-	-	50	100	150	200	250	300	300	300	
Over (under) policy/reserves	279	921	1,256	1,676	2,358	1,297	316	-	-	-	173	
Total ending fund balance	821	1,081	1,416	1,896	2,528	1,537	586	290	320	340	533	
Total Requirements	\$ 2,397	\$ 2,688	\$ 2,920	\$ 3,409	\$ 4,108	\$ 5,100	\$ 5,472	\$ 3,929	4,100	\$ 4,662	\$ 5,288	



Utility Rate Information:

% stormwater rate increases	5%	0%	7.5%	7.0%
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14.1%	14.1%	14.1%	14%	14.0%	14.0%
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Updated 12/1/14 - per SV

CUAB/Engineering Department Work Plan 2015-2016

Item	Definition	Status	Complete Date
1. Street improvement funding program	Review street selection and allocation of funding. Review progress against program goals.	Program instituted by CC on Jan 2, 2007. CUAB to review progress on implementation of program goals	Ongoing
2. 2015-2020 CIP	Review the implementation of the adopted plan. Make recommendations on adjustments.	Ongoing-second year of biennium	Presented to CUAB Nov 2013/Feb 2014
3. Utility Master Plans	Review the master plans, focusing on recommendations and project implementation.	Review in Sept/Oct	Ongoing
4. Water rate review/study	Review complete - present findings to Council	Discuss with Council at March 2015 check-in meeting	March 2015
5. NE wastewater extension and annexation project	Review cash flow as the loan for the sewer extension project to the area north-east of Milwaukie (West of Linwood, north of King Rd) is paid back as properties connect.	City is collecting reimbursements as properties are annexed and connected.	May 2015 (continuing as connections are made)
6. Issues from Public Works	(As needed)	Ongoing as issues come up.	
7. ESCO process – water meter replacement	Review Quotes – recommend COA to City Council	RFQ with 1-29-15 due date, report to Council on the feasibility study at the 2-17-15 Council meeting	Summer-Fall 2015