



CITY OF MILWAUKIE

# Joint Budget and CUAB Committee Meeting



February 28th, 2022

# Purpose

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- CUAB rate discussion / recommendations for 2023-2024
- Overview of the integrated CIP program, which included SAFE, SSMP, and Gas Tax funded projects
- A forecast of what to expect as part of the next phase of the integrated program and the associated assumptions for financing as part of the 2023-24 budget
- Information on large or high impact projects slated for construction during the 2023-2024 biennium.

# Two Year Rate Staff Rate Recommendations



- Water – 2.5%, 2.5%
  - Long-term projection - 2.5% increase in FY 2025 through FY 2026 based on current projections.
- WW – 2.5%, 2.5%
  - 2.5% increase in FY2025 through FY 2026
  - Capital Project Financing maybe necessary in FY 25
- Storm – 0%, 0%
  - 2.5% increase in FY 2025 and FY 2026
  - Current projections indicate capital project financing maybe necessary in FY2027
- Transportation
  - Deferred Debt Financing in current Biennium
  - Debt Financing approx. \$21 Million in proposed budget
  - SAFE – 4.60 % - Seattle CCI 5 yr Average
  - SSMP – 4.60%

# Rate Impact History

	July 1, 2019			July 1, 2020			July 1, 2021			July 1, 2022			July 1, 2023		
	increased		avg. bill	increased		avg. bill	increased		avg. bill	increased		avg. bill	increased		avg. bill
Water Service Fee															
Base	0.00%	-	\$ 8.69	0.00%	-	\$ 8.69	2.50%	0.22	\$ 8.91	2.50%	0.22	\$ 9.13	2.50%	0.23	\$ 9.36
Plus per 6ccf	1.65%	0.39	24.03	0.00%	-	24.03	2.50%	0.60	24.63	2.50%	0.60	25.23	2.50%	0.63	25.86
Avg water per house (6ccfs)			32.72			32.72			33.54			34.36			35.22
Sewer Service Fee															
Base fee	0.0%	-	31.13	2.5%	0.78	31.91	2.5%	0.80	32.71	2.5%	0.82	33.52	2.5%	0.84	34.36
Plus per 6ccf	-1.9%	-	26.28	2.5%	0.66	26.94	2.5%	0.65	27.59	2.5%	0.66	28.25	2.5%	0.72	28.97
Avg sewer per house			57.41			58.85			60.30			61.77			63.33
Storm Water Management Fee	14.0%	3.53	28.75	2.5%	0.72	29.47	2.5%	0.74	30.21	0.0%	-	30.21	0.0%	-	30.21
Street Maintenance Fee															
SSMP	0.83%	0.04	4.89	3.59%	0.18	5.07	3.59%	0.18	5.25	4.60%	0.24	5.49	4.60%	0.25	5.74
SAFE	0.83%	0.04	5.44	3.59%	0.20	5.64	3.59%	0.20	5.84	4.60%	0.27	6.11	4.60%	0.28	6.39
Avg street per house			10.33			10.70			11.09			11.59			12.13
<b>Average bill per residence</b>	3.18%	\$ 4.00	<b>\$ 129.21</b>	1.95%	\$ 2.52	<b>\$ 131.74</b>	2.57%	\$ 3.39	<b>\$ 135.12</b>	2.08%	\$ 2.81	<b>\$ 137.93</b>	2.14%	\$ 2.95	<b>\$ 140.89</b>
Maximum SSMP	0.0083	2.63	319.13	0.0083	2.65	321.78	0.0083	2.67	324.45	0.0083	2.69	327.14	0.0083	2.72	329.85
Maximum SAFE	0.0083	3.45	419.42	0.0083	3.48	422.90	0.0083	3.51	426.41	0.0083	3.54	429.95	0.0083	3.57	433.52



# CIP Integrated Projects



# 42<sup>nd</sup>/43<sup>rd</sup> SAFE Improvements

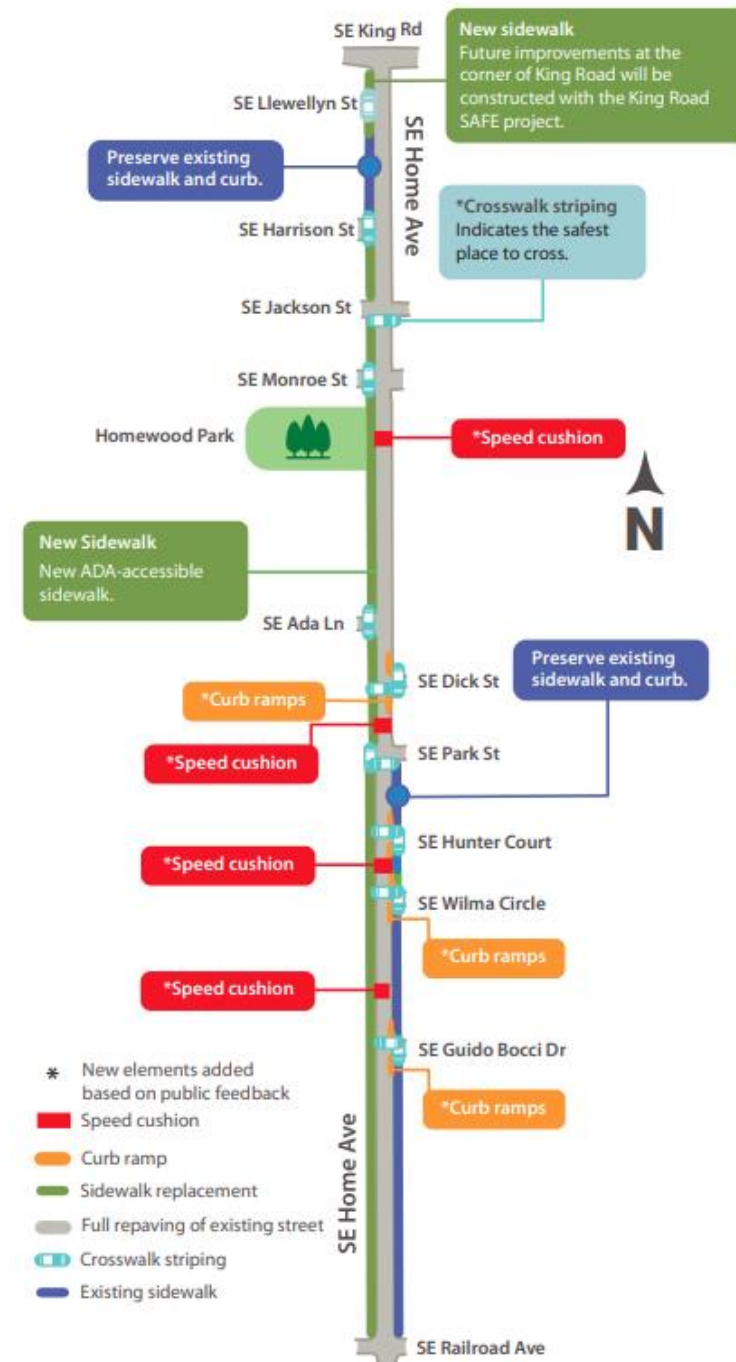
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- Under Construction
- Sewer work completed
- 42<sup>nd</sup> sidewalk started
- 43<sup>rd</sup> working on utilities
- Completion anticipated September 2022



# 2021 SAFE/SSMP Improvements

- Home
  - New sidewalk westside
  - Reconstruction of the roadway
- Wood
  - Reconstruction of the roadway
- Schedule
  - Award construction contract January
  - PGE finalizing design
  - Construction started Feb 2022 and completion December 2022









# Meek North Phase

Can't get railroad to agree to  
sell the property for the  
second stormwater pond

Staff is moving forward

Option 1 get a pipeline  
easement from Hillside to  
Roswell from the Railroad to  
have a gravity pipe system  
and locate the pond  
elsewhere

Option 2 Install a pump  
station and take the pipeline  
up 29<sup>th</sup> street

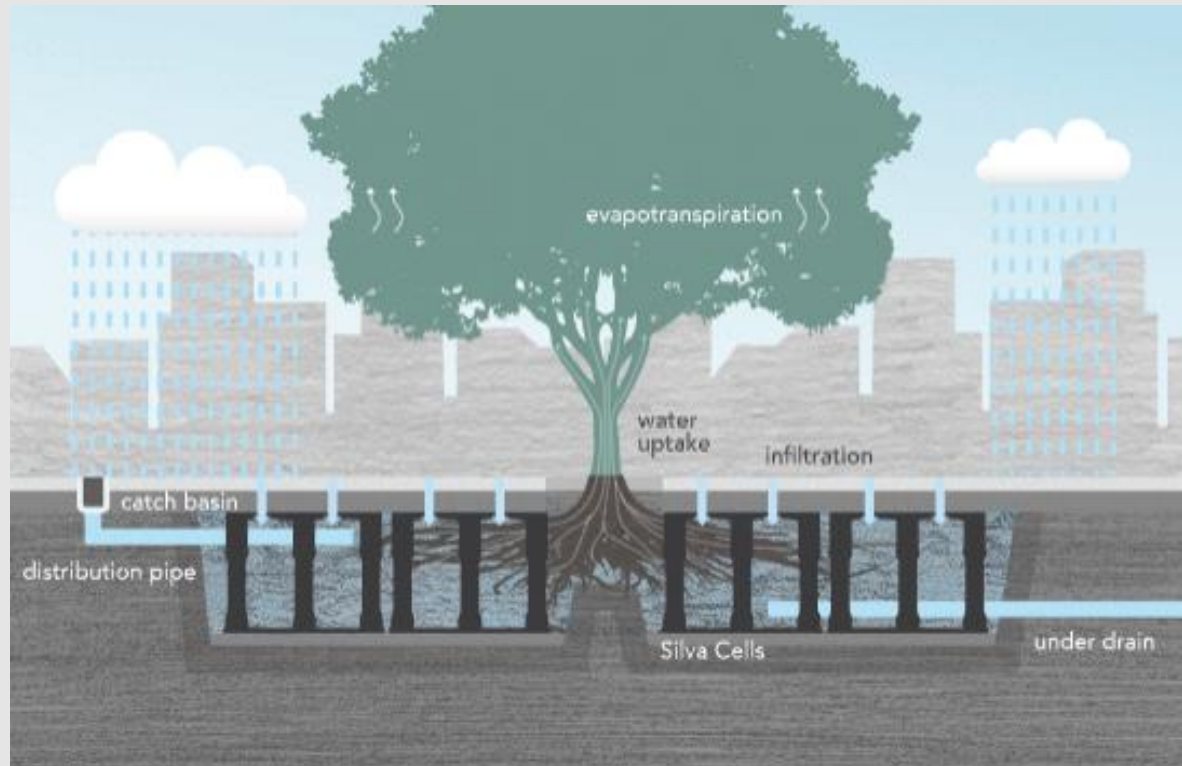
# Ardenwald North Improvements

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- Design approaching 60%
- Shared roadway concept
- Utility work (water, wastewater, & stormwater)
- SAFE
- SSMP
- Construction in FY 2023 anticipated



# Washington Area Improvements



- Outsourced design (AKS)
- Utility (Water, Wastewater, & stormwater)
- SAFE
- SSMP
- Construction FY2024-2025

Project	What is Included	Timeline
Waverly South	Water, Wastewater, SAFE, SSMP	FY 2023-2024
King Road	SAFE, SSMP, Storm	FY 2023-2025
Waverly Heights Sewer	Wastewater	FY 2023-2025
Harvey	SAFE, SSMP, Water	FY 2023-2024
Wastewater Improvements 2021	Wastewater	FY 2023
International Way & Mallard	SAFE, SSMP, Wastewater	FY 2024-2025



# Up Coming CIP Design Projects FY 2024

## Ardenwald South

- SAFE
- SSMP
- Water

## Logus/40<sup>th</sup>/42<sup>nd</sup>

- SAFE
- SSMP
- Water
- Wastewater



# Significant Projects

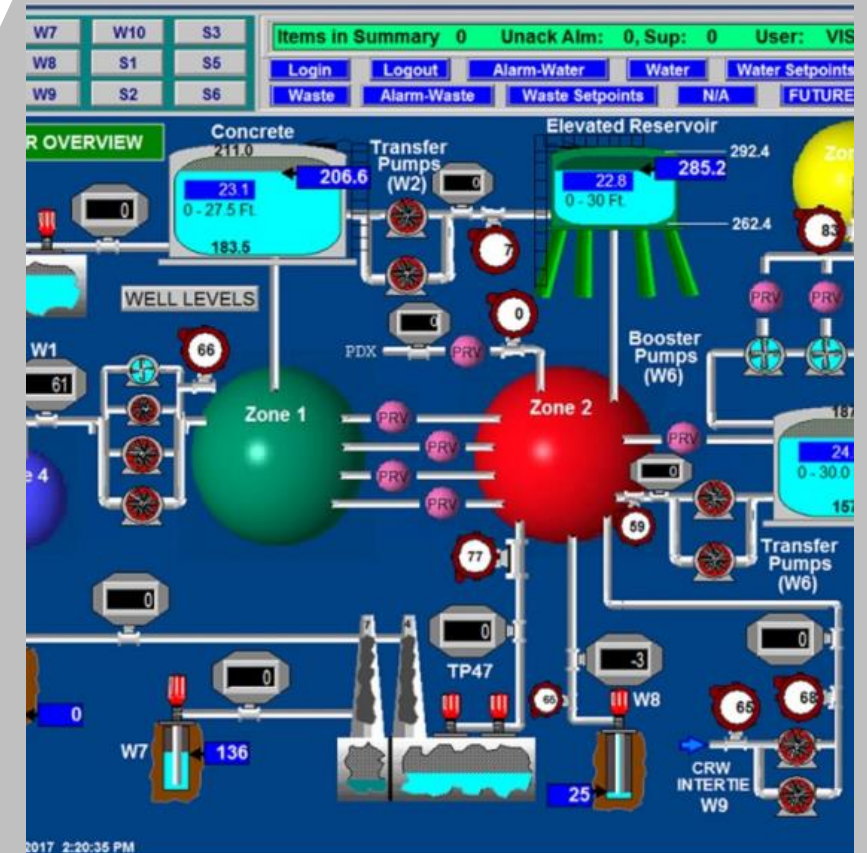
# Stanley Reservoir

- Expected Full Tank Rehab - \$2.7M with contingency
  - Using ARPA funding
- Currently Finalizing Design
  - Addressing Seismic Deficiencies
    - Anchor Bolts
    - Overflow pipe
    - Flexible Connections
    - Interior I-Beam Ring
- Well #6 Maintenance Fall 2022
- Model Reservoir Offline
- Project will bid Spring 2023
- Construct Fall 2023
  - Schedule dependent on availability of Tank Contractors



# SCADA – Water and Wastewater

- Completed SCADA Master Plan – July 2019
- Awarded Contract for Design Services and SCADA Application Development
  - \$470K
- Awarded Construction Management Contract – Feb 2022
  - \$183k
- Bidding Communications Infrastructure
  - Late March 2022
  - estimated \$340K
- Bidding Field Automation Construction
  - Late April 2022
  - Estimated \$500 K
- Total \$1,493,000





# SCADA System Features



- Communications design brings Milwaukie up to current standards for Municipal Water System Management
  - Same level as public safety
  - Multiple layers of redundancy
- Remote management and access allows operations to perform their duties from:
  - Work desk in office
  - Mobile from utility vehicles
  - Home
- Remote management = centralized management
  - Can manage any system from any location
- Eliminates windshield time for on or off hours response

# SCADA Schedule Issues

## Pandemic

- Impacted Site Visits

## Water Staff Availability

- Impacted Design Workshops

## IT Staff Availability

- Impacted Cellular Router Deployments

## Equipment Availability

- Router Availability

## Well #2



CITY OF MILWAUKIE

# Good Neighbor Fund



# Good Neighbor Funds



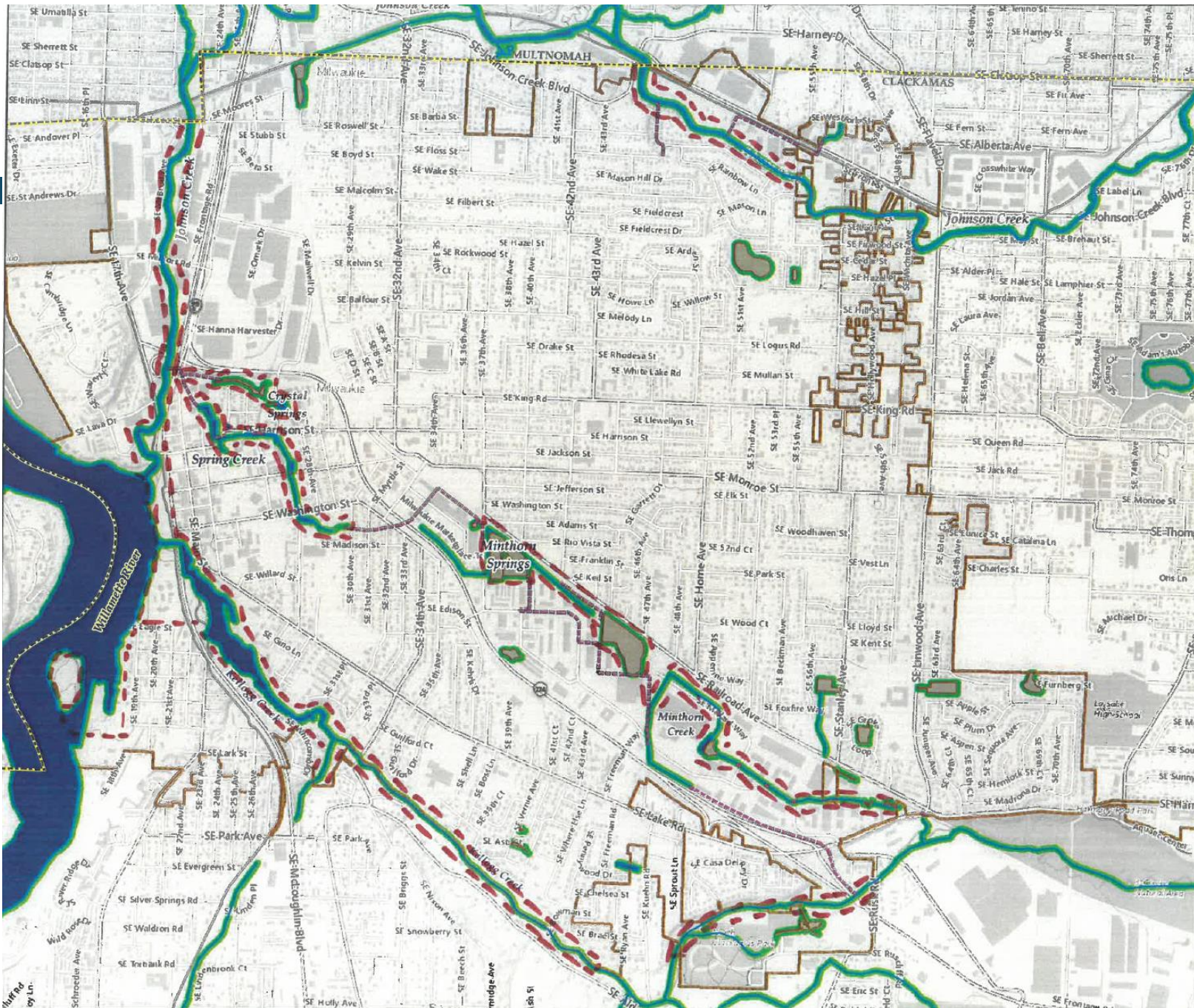
- WES has implemented a new good neighbor model with Gladstone and Oregon City.
- WES has proposed the new model to Milwaukie that would allow for an expansion of the use of funds both in purpose and geographically.
  - Currently
- This model would allow Milwaukie to directly manage these funds.
  - This change to fund management would require future project to be budgeted as part of the city's capital improvement program.
- The city and WES are working to define the expanded boundary,
  - boundary can include an area of impact with a focus on stream corridors and potentially “special project areas” that are priorities for the city and protect water quality.
  - Projects within this boundary eligible to receive Good Neighbor Fund monies would be required to have at least one of the following purposes.
    - Recreational improvements such as pathways, parks and trails
    - Enhancement of fish and wild habitat and riparian areas
    - Public education related to wastewater treatment and surface water management





Current Boundary  
200 yd Buffer





## Expanded Area –under discussion

- Areas of Impact
- Special Project areas
  - Focus on stream corridors
  - Protect water quality

# Good Neighbor Funds



- The current fund balance as of, February 2022 is \$269,779.42
  - Current fund balance would be transferred to the city of Milwaukie
- City would receive an annual distribution based on \$1 per EDU per month.
  - The current EDU count is 11,277.
  - This EDU count is adjusted annually based new development and utility customer changes.
- This current EDU count results in WES allocating \$135,324 to the fund during the past fiscal year.
  - approximately \$85,000 of these revenues are allocated on annual basis for debt service payments related to the Milwaukie Bay Park Boat dock project
    - Anticipated to be paid off in 2029.
- The last authorization for expenditure from the former Good Neighbor Committee was \$85,000 for additional landscape work around the exterior of the treatment plant.

# Good Neighbor Next steps

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- Finalize Agreement and Boundary with WES
- Council approval of Agreement
- Staff will develop good neighbor related projects
- Engage with interested stakeholders at future CUAB meetings on proposed projects over the next calendar year with a recommendation forwarded to council for approval