

Agenda Report

Date: May 29, 2014

To: John Kovash, Mayor
Members, West Linn City Council

From: Lance Calvert, Public Works Director

Through: Chris Jordan, City Manager *CJ*

Subject: Utility Advisory Board Water Rate Increase Recommendation

Purpose

The Utility Advisory Board (UAB) of the City of West Linn reviewed the capital needs of the City's water system and studied various water rate increase scenarios. As a result of the UAB meeting on May 13, 2014, the board members voted in favor of recommending that the Council select a ballot in the near future to place a water rate increase of 18 percent before the voters. This is a discussion item for the Council's June 2 agenda and no decision by the Council is anticipated at this time.

Question(s) for Council:

Is maintenance and replacement of existing water pipes within the City of West Linn a legitimate reason to advocate that voters approve an 18 percent water rate increase?

Public Hearing Required:

None required.

Background & Discussion:

The Utility Advisory Board has been reviewing and discussing possible rate increase scenarios over the course of several months in order to provide a recommendation that will sufficiently fund system maintenance and operations in accordance with the adopted Water System Master Plan. This recommendation also falls in line with 2014 City Council Goals. The UAB members have reviewed capital expenditure forecasting along with the condition of existing water system infrastructure in order to make the following water rate increase recommendation.

Budget Impact:

\$1,674,200 approximate average annual water capital expenditure with standard 5 percent increase or \$2,193,850 approximate average annual water capital expenditure with recommended 18 percent increase.

Staff Recommendation:

The Council should discuss the UAB recommendation and begin consideration of the timing of placing such a measure before the voters.

Attachments:

1. 20 year Water Fund Projection

**City of West Linn
Water Fund**
(amounts in thousands)

Water Fund
(amounts in thousands)

ACTUALS						PROJECTED																					
	FY08	FY09	FY10	FY11	FY12	FY13	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
Resources																											
Beginning fund balance	\$906	\$820	\$620	\$468	\$695	\$1,256	\$1,432	\$6,149	\$2,842	\$1,342	\$842	\$527	\$547	\$586	\$780	\$857	\$732	\$703	\$720	\$786	\$906	\$782	\$693	\$719	\$805	\$955	
Water charges - base	2,449	2,807	2,763	2,773	3,007	3,327	3,450	3,588	3,731	3,880	4,035	4,197	4,365	4,539	4,720	4,909	5,105	5,309	5,522	5,743	5,972	6,212	6,460	6,719	6,987	7,267	
Funds from rate increases	129	148	145	129	145	158	174	181	188	196	204	212	220	229	238	248	258	268	279	290	302	314	326	339	353	367	
Interest	25	85	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous	35	57	61	99	114	106	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	
Debt proceeds	-	-	-	-	-	-	-	-	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Funding from LOT	-	-	-	-	-	-	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total revenues	2,638	3,097	2,970	3,001	3,266	3,591	8,666	3,812	5,963	4,121	4,285	4,457	4,635	4,820	5,012	5,213	5,421	5,637	5,863	6,097	6,340	6,594	6,856	7,130	7,414	7,710	
Total Resources	\$3,544	\$3,917	\$3,590	\$3,469	\$3,961	\$4,847	\$10,098	\$9,961	\$8,805	\$5,463	\$5,128	\$4,983	\$5,182	\$5,406	\$5,792	\$6,070	\$6,153	\$6,341	\$6,582	\$6,883	\$7,246	\$7,376	\$7,549	\$7,849	\$8,219	\$8,664	
Requirements																											
Personal services	\$596	\$510	\$580	\$522	\$523	\$457	\$618	\$637	\$662	\$688	\$716	\$745	\$775	\$806	\$1,005	\$1,045	\$1,087	\$1,130	\$1,175	\$1,222	\$1,271	\$1,322	\$1,375	\$1,430	\$1,487	\$1,546	
Materials & services	1,234	1,249	1,313	1,298	1,396	1,525	1,592	1,629	1,678	1,728	1,780	1,833	1,888	1,945	2,003	2,063	2,125	2,189	2,255	2,323	2,393	2,465	2,539	2,615	2,693	2,774	
Debt service - existing	151	153	153	149	150	150	150	154	153	152	152	152	152	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	
Debt service - new issues	-	-	-	-	-	-	-	-	-	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	
Transfers to other funds	617	1,027	686	743	657	684	703	730	752	775	798	822	847	872	898	925	953	982	1,011	1,041	1,072	1,104	1,137	1,171	1,206	1,242	
Sub-total - operations	2,598	2,939	2,732	2,712	2,686	2,816	3,063	3,150	3,245	3,493	3,596	3,702	3,812	3,773	4,056	4,183	4,315	4,451	4,591	4,736	4,886	5,041	5,201	5,366	5,536	5,712	
Capital outlay																											
Prior capital / equipment	126	358	390	62	19	599	75	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	
Future water line replacement	-	-	-	-	-	-	391	485	900	925	800	475	575	592	610	628	850	876	902	929	957	1,250	1,288	1,327	1,367	1,408	
Bolton Reservoir replacement	-	-	-	-	-	-	420	3,459	3,117	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Demolish Abandoned View Reservoir Lining/Coating	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pressure reducing valve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	250	-	-	-	-	300	-	-	-	-	300	
Reservoir seismic repairs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Tigard/LO interite	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
System improv projects	-	-	150	150	150	150	-	-	150	150	150	150	200	206	212	218	225	232	239	246	253	261	269	277	285		
Telemetry (SCADA) upgrade	-	-	25	26	27	80	-	-	25	26	27	80	29	30	31	32	33	34	35	36	37	100	40	41	42	43	
Sub-total - capital	126	358	390	62	19	599	886	3,969	4,218	1,128	1,005	734	784	853	879	1,155	1,135	1,170	1,205	1,241	1,578	1,642	1,629	1,678	1,728	2,079	
Total expenditures	2,724	3,297	3,122	2,774	2,705	3,415	3,949	7,119	7,463	4,621	4,601	4,436	4,596	4,626	4,935	5,338	5,450	5,621	5,796	5,977	6,464	6,683	6,830	7,044	7,264	7,791	
Ending Fund Balance																											
Policy requirement (15%)	275	264	284	273	282	297	332	340	351	362	374	387	399	413	451	466	482	498	515	532	550	568	587	607	627	648	
Reserve for debt service (inc.)	151	151	151	151	151	151	150	154	153	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	
Over (under) Policy	394	205	33	271	823	984	5,667	2,348	838	330	3	10	37	217	256	116	71	72	121	224	82	(25)	(16)	48	178	75	
Total ending fund balance	820	620	468	695	1,256	1,432	6,149	2,842	1,342	842	527	547	586	780	857	732	703	720	786	906	782	693	719	805	955	873	
Total Requirements	\$3,544	\$3,917	\$3,590	\$3,469	\$3,961	\$4,847	\$10,098	\$9,961	\$8,805	\$5,463	\$5,128	\$4,983	\$5,182	\$5,406	\$5,792	\$6,070	\$6,153	\$6,341	\$6,582	\$6,883	\$7,246	\$7,376	\$7,549	\$7,849	\$8,219	\$8,664	
Utility Rate Information:																											
% water rate increases	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	
Projected revenue variance							-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	
Water portion of average bill	\$ 14	\$ 15	\$ 15	\$ 16	\$ 17	\$ 18	\$ 19	\$ 20	\$ 21	\$ 22	\$ 23	\$ 24	\$ 25	\$ 26	\$ 28	\$ 29	\$ 31	\$ 32	\$ 34	\$ 35	\$ 37	\$ 39	\$ 41	\$ 43	\$ 45	\$ 47	
Total average utility bill	\$ 40	\$ 42	\$ 57	\$ 60	\$ 63	\$ 66	\$ 78	\$ 83	\$ 87	\$ 91	\$ 96	\$ 101	\$ 106	\$ 111	\$ 117	\$ 122	\$ 129	\$ 135	\$ 142	\$ 149	\$ 156	\$ 164	\$ 172	\$ 181	\$ 190	\$ 199	
Bond Covenant Information:																											
Coverage Ratio (130% min)	417%	160%	202%	256%	285%	617%	474%	502%	541%	293%	313%	334%	356%														
Reserves (Max Annual DS)	\$ 151	\$ 151	\$ 151	\$ 151	\$ 151	\$ 151	\$ 150	\$ 154	\$ 153	\$ 150	\$ 150	\$ 150	\$ 150														

20-year Totals for Capital Projects
17,535
6,996
-
850
-
-
-
3,873
721
29,975

Water Fund Projection (Version 1) - Funding Bolton and some Water Line Replacements over 20 years

**City of West Linn
Water Fund
(amounts in thousands)**

**Water Fund
(amounts in thousands)**

ACTUALS						PROJECTED																					
	FY08	FY09	FY10	FY11	FY12	FY13	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
Resources																											
Beginning fund balance	\$906	\$820	\$620	\$468	\$695	\$1,256	\$1,432	\$6,149	\$3,313	\$3,028	\$1,857	\$1,466	\$1,156	\$946	\$976	\$895	\$617	\$643	\$728	\$876	\$949	\$788	\$937	\$882	\$916	\$1,043	
Water charges - base	2,449	2,807	2,763	2,773	3,007	3,327	3,450	3,588	4,198	4,365	4,540	4,721	4,909	5,106	5,310	5,522	5,743	5,973	6,212	6,461	6,719	6,987	7,267	7,558	7,860	8,175	
Funds from rate increases	129	148	145	129	145	158	174	652	212	220	229	238	248	258	268	279	290	302	314	326	339	353	367	382	397	413	
Interest	25	85	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous	35	57	61	99	114	106	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	
Debt proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Funding from LOT	-	-	-	-	-	-	5,000	-	3,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total revenues	2,638	3,097	2,970	3,001	3,266	3,591	8,666	4,283	8,254	4,630	4,815	5,007	5,207	5,416	5,632	5,857	6,091	6,335	6,588	6,851	7,124	7,408	7,704	8,012	8,331	8,664	
Total Resources	\$3,544	\$3,917	\$3,590	\$3,469	\$3,961	\$4,847	\$10,098	\$10,432	\$11,567	\$7,658	\$6,672	\$6,472	\$6,364	\$6,361	\$6,608	\$6,753	\$6,708	\$6,978	\$7,316	\$7,727	\$8,073	\$8,197	\$8,641	\$8,894	\$9,247	\$9,707	
Requirements																											
Personal services	\$596	\$510	\$580	\$522	\$523	\$457	\$618	\$637	\$662	\$688	\$716	\$745	\$775	\$806	\$1,005	\$1,045	\$1,087	\$1,130	\$1,175	\$1,222	\$1,271	\$1,322	\$1,375	\$1,430	\$1,487	\$1,546	
Materials & services	1,234	1,249	1,313	1,298	1,396	1,525	1,592	1,629	1,678	1,728	1,780	1,833	1,888	1,945	2,003	2,063	2,125	2,189	2,255	2,323	2,393	2,465	2,539	2,615	2,693	2,774	
Debt service - existing	151	153	153	149	150	150	150	154	153	152	152	152	152	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	
Debt service - new issues	-	-	-	-	-	-	-	-	-	280	280	280	280	280	280	280	280	280	280	280	280	280	280	280	280	280	
Transfers to other funds	617	1,027	686	743	657	684	703	730	752	775	798	822	847	872	898	925	953	982	1,011	1,041	1,072	1,104	1,137	1,171	1,206	1,242	
Sub-total - operations	2,598	2,939	2,732	2,712	2,686	2,816	3,063	3,150	3,245	3,623	3,726	3,832	3,942	3,903	4,186	4,313	4,445	4,581	4,721	4,866	5,016	5,171	5,331	5,496	5,666	5,842	
Capital outlay																											
Prior capital / equipment	126	358	390	62	19	599	75	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	
Future water line replacemen	-	-	-	-	-	-	391	485	1,900	1,900	1,000	1,150	1,185	1,221	1,258	1,296	1,335	1,375	1,416	1,600	1,648	1,697	1,748	1,800	1,854	1,910	
Bolton Reservoir replacement	-	-	-	-	-	-	420	3,459	3,117	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Demolish Abandoned View Reservoir Lining/Coating	-	-	-	-	-	-	-	-	76	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pressure reducing valve	-	-	-	-	-	-	-	-	-	200	-	-	-	-	-	250	-	-	-	-	300	-	-	-	-	350	
Reservoir seismic repairs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Tigard/LO interite	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
System improv projects	-	-	-	-	-	-	-	-	150	225	225	225	232	200	206	212	218	225	232	239	246	253	600	600	600	600	
Telemetry (SCADA) upgrade	-	-	-	-	-	-	-	-	25	26	27	80	29	30	31	32	33	34	35	36	37	100	40	41	42	43	
Sub-total - capital	126	358	390	62	19	599	886	3,969	5,294	2,178	1,480	1,484	1,476	1,482	1,527	1,823	1,620	1,669	1,719	1,912	2,269	2,089	2,428	2,482	2,538	2,946	
Total expenditures	2,724	3,297	3,122	2,774	2,705	3,415	3,949	7,119	8,539	5,801	5,206	5,316	5,418	5,385	5,713	6,136	6,065	6,250	6,440	6,778	7,285	7,260	7,759	7,978	8,204	8,788	
Ending Fund Balance																											
Policy requirement (15%)	275	264	284	273	282	297	332	340	351	362	374	387	399	413	451	466	482	498	515	532	550	568	587	607	627	648	
Reserve for debt service (inc.	151	151	151	151	151	151	150	154	153	280	280	280	280	280	280	280	280	280	280	280	280	280	280	280	280	280	
Over (under) Policy	394	205	33	271	823	984	5,667	2,819	2,524	1,215	812	489	267	283	164	(129)	(119)	(50)	81	137	(42)	89	15	29	136	(9)	
Total ending fund balance	820	620	468	695	1,256	1,432	6,149	3,313	3,028	1,857	1,466	1,156	946	976	895	617	643	728	876	949	788	937	882	916	1,043	919	
Total Requirements	\$3,544	\$3,917	\$3,590	\$3,469	\$3,961	\$4,847	\$10,098	\$10,432	\$11,567	\$7,658	\$6,672	\$6,472	\$6,364	\$6,361	\$6,608	\$6,753	\$6,708	\$6,978	\$7,316	\$7,727	\$8,073	\$8,197	\$8,641	\$8,894	\$9,247	\$9,707	
Utility Rate Information:																											
% water rate increases	5%	5%	5%	5%	5%	5%	5%	18%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	
Projected revenue variance							-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	
Water portion of average bill	\$ 14	\$ 15	\$ 15	\$ 16	\$ 17	\$ 18	\$ 19	\$ 22	\$ 23	\$ 24	\$ 26	\$ 27	\$ 28	\$ 30	\$ 31	\$ 33	\$ 34	\$ 36	\$ 38	\$ 40	\$ 42	\$ 44	\$ 46	\$ 48	\$ 51	\$ 53	
Total average utility bill	\$ 40	\$ 42	\$ 57	\$ 60	\$ 63	\$ 66	\$ 78	\$ 85	\$ 90	\$ 94	\$ 99	\$ 104	\$ 109	\$ 114	\$ 120	\$ 126	\$ 132	\$ 139	\$ 146	\$ 153	\$ 161	\$ 169	\$ 177	\$ 186	\$ 195	\$ 205	
Bond Covenant Information:																											
Coverage Ratio (130% min)	417%	160%	202%	256%	285%	617%	474%	808%	861%	323%	341%	361%	381%														
Reserves (Max Annual DS)	\$ 151	\$ 151	\$ 151	\$ 151	\$ 151	\$ 151	\$ 150	\$ 154	\$ 153	\$ 280	\$ 280	\$ 280	\$ 280														

20-year Totals for Capital Projects
28,169
6,996
76
1,100
-
-
-
5,488
721
42,550

Water Fund Projection (Version 2) - Funding Bolton and Water Lines projects over 20 years

**City of West Linn
Water Fund
(amounts in thousands)**

**Water Fund
(amounts in thousands)**

ACTUALS						PROJECTED																					
						1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20		
FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33		
Resources																											
Beginning fund balance	\$906	\$820	\$620	\$468	\$695	\$1,266	\$1,432	\$6,149	\$4,292	\$1,972	\$957	\$727	\$637	\$605	\$789	\$874	\$775	\$888	\$817	\$814	\$743	\$713	\$822	\$876	\$833	\$951	
Water charges - base	2,449	2,807	2,763	2,773	3,007	3,327	3,450	3,588	5,167	5,373	5,588	5,811	6,043	6,285	6,536	6,797	7,069	7,351	7,645	7,951	8,269	8,600	8,944	9,302	9,674	10,062	
Funds from rate increases	129	148	145	129	145	158	174	1,631	261	271	282	293	305	317	330	343	357	371	386	402	418	434	452	470	489	508	
Interest	25	85	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous	35	57	61	99	114	106	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	
Debt proceeds	-	-	-	-	-	-	-	-	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Funding from LOT	-	-	-	-	-	-	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total revenues	2,638	3,097	2,970	3,001	3,266	3,591	8,666	5,262	7,472	5,689	5,916	6,152	6,398	6,654	6,920	7,196	7,484	7,782	8,093	8,417	8,753	9,102	9,466	9,844	10,237	10,646	
Total Resources	\$3,544	\$3,917	\$3,590	\$3,469	\$3,961	\$4,847	\$10,098	\$11,411	\$11,764	\$7,661	\$6,873	\$6,880	\$7,035	\$7,259	\$7,708	\$8,070	\$8,259	\$8,671	\$8,910	\$9,231	\$9,496	\$9,816	\$10,288	\$10,720	\$11,070	\$11,597	
Requirements																											
Personal services	\$596	\$510	\$580	\$522	\$523	\$457	\$618	\$637	\$662	\$688	\$716	\$745	\$775	\$806	\$1,005	\$1,045	\$1,087	\$1,130	\$1,175	\$1,222	\$1,271	\$1,322	\$1,375	\$1,430	\$1,487	\$1,546	
Materials & services	1,234	1,249	1,313	1,298	1,356	1,525	1,592	1,629	1,678	1,728	1,780	1,833	1,888	1,945	2,003	2,063	2,125	2,189	2,255	2,323	2,393	2,465	2,539	2,615	2,693	2,774	
Debt service - existing	151	153	153	149	150	150	150	154	153	152	152	152	152	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	
Debt service - new issues	-	-	-	-	-	-	-	-	-	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	
Transfers to other funds	617	1,027	686	743	657	684	703	730	752	775	798	822	847	872	898	925	953	982	1,011	1,041	1,072	1,104	1,137	1,171	1,206	1,242	
Sub-total - operations	2,598	2,939	2,732	2,712	2,686	2,816	3,063	3,150	3,245	3,493	3,596	3,702	3,812	3,773	4,056	4,183	4,315	4,451	4,591	4,736	4,886	5,041	5,201	5,366	5,536	5,712	
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Prior capital / equipment	126	358	390	62	19	599	75	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	
Future water line replacemen	-	-	-	-	-	-	391	485	1,900	1,900	1,000	1,150	1,185	1,221	1,258	1,296	1,335	1,375	1,416	1,600	1,648	1,697	1,748	1,800	1,854	1,910	
Bolton Reservoir replacement	-	-	-	-	-	-	420	3,459	3,117	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Demolish Abandoned View Reservoir Lining/Coating	-	-	-	-	-	-	-	-	76	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pressure reducing valve	-	-	-	-	-	-	-	-	-	200	-	-	-	-	-	250	-	-	-	-	-	300	-	-	-	350	
Reservoir seismic repairs	-	-	-	-	-	-	-	-	161	21	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	
Tigard/LO interite	-	-	-	-	-	-	-	-	91	104	107	110	113	116	119	123	127	131	135	139	143	147	151	156	161	166	
System improv projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Telemetry (SCADA) upgrade	-	-	-	-	-	-	-	-	-	1,100	1,133	1,167	1,202	1,238	1,275	1,313	1,352	1,500	1,800	1,854	1,910	1,700	2,000	2,200	2,450	2,450	
Sub-total - capital	126	358	390	62	19	599	886	3,969	6,547	3,211	2,550	2,541	2,618	2,697	2,778	3,112	3,056	3,403	3,505	3,752	3,897	3,953	4,211	4,521	4,583	4,997	
Total expenditures	2,724	3,297	3,122	2,774	2,705	3,415	3,949	7,119	9,792	6,704	6,146	6,243	6,430	6,470	6,834	7,295	7,371	7,854	8,096	8,488	8,783	8,994	9,412	9,887	10,119	10,709	
Ending Fund Balance	-	-	-	-	-	-	332	340	351	362	374	387	399	413	451	466	482	498	515	532	550	568	587	607	627	648	
Policy requirement (15%)	275	264	284	273	282	297	150	154	153	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	
Reserve for debt service (inc.)	151	151	151	151	151	151	150	154	153	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	
Over (under) Policy	394	205	33	271	823	984	5,667	3,798	1,468	445	203	100	56	226	273	159	256	169	149	61	13	104	139	76	174	90	
Total ending fund balance	820	620	468	695	1,256	1,432	6,149	4,292	1,972	957	727	637	605	789	874	775	888	817	814	743	713	822	876	833	951	888	
Total Requirements	\$3,544	\$3,917	\$3,590	\$3,469	\$3,961	\$4,847	\$10,098	\$11,411	\$11,764	\$7,661	\$6,873	\$6,880	\$7,035	\$7,259	\$7,708	\$8,070	\$8,259	\$8,671	\$8,910	\$9,231	\$9,496	\$9,816	\$10,288	\$10,720	\$11,070	\$11,597	
Utility Rate Information:																											
% water rate increases	5%	5%	5%	5%	5%	5%	5%	4.5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	
Projected revenue variance	-	-	-	-	-	-	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	
Water portion of average bill	\$ 14	\$ 15	\$ 15	\$ 16	\$ 17	\$ 18	\$ 19	\$ 27	\$ 29	\$ 30	\$ 31	\$ 33	\$ 35	\$ 36	\$ 38	\$ 40	\$ 42	\$ 44	\$ 46	\$ 49	\$ 51	\$ 54	\$ 56	\$ 59	\$ 62	\$ 65	
Total average utility bill	\$ 40	\$ 42	\$ 57	\$ 60	\$ 63	\$ 66	\$ 78	\$ 90	\$ 95	\$ 100	\$ 105	\$ 110	\$ 115	\$ 121	\$ 127	\$ 133	\$ 140	\$ 147	\$ 155	\$ 162	\$ 170	\$ 179	\$ 188	\$ 197	\$ 207	\$ 217	
Bond Covenant Information:																											
Coverage Ratio (130% min)	417%	160%	202%	256%	285%	617%	474%	1443%	1527%	812%	853%	895%	940%	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reserves (Max Annual DS)	\$ 151	\$ 151	\$ 151	\$ 151	\$ 151	\$ 151	\$ 150	\$ 154	\$ 153	\$ 150	\$ 150	\$ 150	\$ 150	-	-	-	-	-	-	-	-	-	-	-	-	-	

20-year Totals for Capital Projects
28,169
6,996
76
1,100
638
2,339
-
30,094
654
70,066

Water Fund Projection (Version 3) - Funding all Water CIP projects over 20 years

**City of West Linn
Water Fund
(amounts in thousands)**

**Water Fund
(amounts in thousands)**

	ACTUALS						PROJECTED																				
	FY08	FY09	FY10	FY11	FY12	FY13	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		18	19	20
							FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30		FY31	FY32	FY33
Resources																											
Beginning fund balance	\$906	\$820	\$620	\$468	\$695	\$1,256	\$1,432	\$1,149	\$4,763	\$2,486	\$1,001	\$751	\$912	\$1,084	\$1,496	\$1,833	\$1,937	\$1,198	\$1,217	\$1,242	\$1,129	\$1,183	\$1,097	\$1,070	\$1,105	\$1,203	
Water charges - base	2,449	2,807	2,763	2,773	3,007	3,327	3,450	3,588	5,633	5,858	6,092	6,336	6,590	6,854	7,128	7,413	7,636	7,865	8,101	8,344	8,594	8,852	9,118	9,391	9,672	9,962	
Funds from rate increases	129	148	145	129	145	158	174	2,102	284	296	308	320	333	346	360	300	309	318	327	337	347	358	368	379	391	503	
Interest	25	85	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous	35	57	61	99	114	106	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Debt proceeds	-	-	-	-	-	-	-	5,000	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Funding from LOT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total revenues	2,638	3,097	2,970	3,001	3,266	3,591	3,666	10,733	7,961	6,199	6,446	6,704	6,973	7,252	7,542	7,769	8,003	8,243	8,490	8,745	9,007	9,278	9,556	9,842	10,137	10,541	
Total Resources	\$3,544	\$3,917	\$3,590	\$3,469	\$3,961	\$4,847	\$5,098	\$11,882	\$12,724	\$8,685	\$7,447	\$7,456	\$7,884	\$8,336	\$9,037	\$9,602	\$9,939	\$9,441	\$9,708	\$9,987	\$10,136	\$10,461	\$10,652	\$10,912	\$11,242	\$11,744	
Requirements																											
Personal services	\$596	\$510	\$580	\$522	\$523	\$457	\$618	\$637	\$662	\$688	\$716	\$745	\$775	\$806	\$1,005	\$1,045	\$1,087	\$1,130	\$1,175	\$1,222	\$1,271	\$1,322	\$1,375	\$1,430	\$1,487	\$1,546	
Materials & services	1,234	1,249	1,313	1,298	1,356	1,525	1,592	1,629	1,678	1,728	1,780	1,833	1,888	1,945	2,003	2,063	2,125	2,189	2,255	2,323	2,393	2,465	2,539	2,615	2,693	2,774	
Debt service - existing	151	153	153	149	150	150	150	154	153	152	152	152	152	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	paid off	
Debt service - new issues	-	-	-	-	-	-	-	-	370	520	520	520	520	520	520	520	520	520	520	520	520	520	520	520	520	520	
Transfers to other funds	617	1,027	686	743	657	684	703	730	752	775	798	822	847	872	898	925	953	982	1,011	1,041	1,072	1,104	1,137	1,171	1,206	1,242	
Sub-total - operations	2,598	2,939	2,732	2,712	2,686	2,816	3,063	3,150	3,615	3,863	3,966	4,072	4,182	4,143	4,426	4,553	4,685	4,821	4,961	5,106	5,256	5,411	5,571	5,736	5,906	6,082	
Capital outlay																											
Prior capital / equipment	126	358	390	62	19	599	75	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	
Future water line replacemen	-	-	-	-	-	-	391	485	1,900	1,900	1,000	1,150	1,185	1,221	1,258	1,296	1,335	1,375	1,416	1,600	1,648	1,697	1,748	1,800	1,854	1,910	
Bolton Reservoir replacement	-	-	-	-	-	-	420	3,459	3,117	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Demolish Abandoned View Reservoir Lining/Coating	-	-	-	-	-	-	-	-	76	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pressure reducing valve	-	-	161	21	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	
Reservoir seismic repairs	-	-	91	104	107	110	113	116	119	123	127	131	135	139	143	147	151	156	161	166	171	175	179	183	187	191	
Tigard/LO interite	-	-	76	610	1,347	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
System improv projects	-	-	1,100	1,133	-	1,133	1,238	1,275	1,313	1,352	2,500	1,800	1,854	1,910	1,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	
Telemetry (SCADA) upgrade	-	-	76	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	
Sub-total - capital	126	358	390	62	19	599	886	3,969	6,623	3,821	2,730	2,472	2,618	2,697	2,778	3,112	4,056	3,403	3,505	3,752	3,697	3,953	4,011	4,071	4,133	4,547	
Total expenditures	2,724	3,297	3,122	2,774	2,705	3,415	3,949	7,119	10,238	7,684	6,696	6,544	6,800	6,840	7,204	7,665	8,741	8,224	8,466	8,858	8,953	9,364	9,582	9,807	10,039	10,629	
Ending Fund Balance																											
Policy requirement (15%)	275	264	284	273	282	297	332	340	351	362	374	387	399	413	451	466	482	498	515	532	550	568	587	607	627	648	
Reserve for debt service (inc.	151	151	151	151	151	151	150	154	523	520	520	520	520	520	520	520	520	520	520	520	520	520	520	520	520	520	
Over (under) Policy	394	205	33	271	823	984	667	4,269	1,612	119	(143)	5	165	563	862	951	196	199	207	77	113	9	(37)	(22)	56	(53)	
Total ending fund balance	820	620	468	695	1,256	1,432	1,149	4,763	2,486	1,001	751	912	1,084	1,496	1,833	1,937	1,198	1,217	1,242	1,129	1,183	1,097	1,070	1,105	1,203	1,115	
Total Requirements	\$3,544	\$3,917	\$3,590	\$3,469	\$3,961	\$4,847	\$5,098	\$11,882	\$12,724	\$8,685	\$7,447	\$7,456	\$7,884	\$8,336	\$9,037	\$9,602	\$9,939	\$9,441	\$9,708	\$9,987	\$10,136	\$10,461	\$10,652	\$10,912	\$11,242	\$11,744	
Utility Rate Information:																											
% water rate increases	5%	5%	5%	5%	5%	5%	5%	5.8%	5%	5%	5%	5%	5%	5%	5%	5%	4%	4%	4%	4%	4%	4%	4%	4%	4%	5%	
Projected revenue variance							-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	
Water portion of average bill	\$ 14	\$ 15	\$ 15	\$ 16	\$ 17	\$ 18	\$ 19	\$ 30	\$ 31	\$ 33	\$ 34	\$ 36	\$ 38	\$ 40	\$ 42	\$ 43	\$ 45	\$ 47	\$ 49	\$ 51	\$ 53	\$ 55	\$ 57	\$ 59	\$ 62	\$ 65	
Total average utility bill	\$ 40	\$ 42	\$ 57	\$ 60	\$ 63	\$ 66	\$ 78	\$ 93	\$ 97	\$ 102	\$ 107	\$ 113	\$ 118	\$ 124	\$ 131	\$ 136	\$ 141	\$ 147	\$ 153	\$ 159	\$ 165	\$ 172	\$ 179	\$ 186	\$ 193	\$ 203	
Bond Covenant Information:																											
Coverage Ratio (130% min)	417%	160%	202%	256%	285%	617%	474%	1749%	540%	441%	462%	485%	508%														
Reserves (Max Annual DS)	\$ 151	\$ 151	\$ 151	\$ 151	\$ 151	\$ 151	\$ 150	\$ 154	\$ 523	\$ 520	\$ 520	\$ 520	\$ 520														

20-year Totals for Capital Projects
28,169
6,996
76
1,100
638
2,339
2,033
28,108
654
70,113

Water Fund Projection (Version 4) - Funding all Water CIP projects (no LOT) over 20 years