

City of Kalama
Stormwater Rate Study
Summary of the Revenue Requirement
Exhibit 1

	<i>Budget</i>	<i>Projected</i>									
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenues											
Total Rate Revenues	\$120,002	\$122,402	\$124,850	\$127,348	\$129,894	\$132,492	\$135,142	\$137,845	\$140,602	\$143,414	\$146,282
Total Miscellaneous Revenue	500	510	520	531	541	552	563	574	586	598	609
Total Revenues	\$120,502	\$122,912	\$125,371	\$127,878	\$130,436	\$133,044	\$135,705	\$138,419	\$141,188	\$144,012	\$146,892
Expenses											
Total O&M	\$60,000	\$81,975	\$84,665	\$87,444	\$90,315	\$93,280	\$96,343	\$99,508	\$102,776	\$106,152	\$109,640
Taxes & Transfers	1,800	1,836	1,873	1,910	1,948	1,987	2,027	2,068	2,109	2,151	2,194
Rate Funded Capital	0	10,000	100,000	0	70,000	75,000	80,000	95,000	100,000	105,000	110,000
Net Debt Service	70,027	70,027	70,027	0	0	0	0	0	0	0	0
Reserve Funding	(11,325)	(29,470)	(106,714)	77,786	24,182	37,734	40,080	32,850	36,070	39,762	43,953
Total Revenue Requirement	\$120,502	\$134,369	\$149,852	\$167,140	\$186,445	\$208,002	\$218,450	\$229,426	\$240,955	\$253,065	\$265,787
Bal./(Def.) of Funds Before Add'l Tax	\$0	(\$11,456)	(\$24,481)	(\$39,262)	(\$56,010)	(\$74,958)	(\$82,745)	(\$91,006)	(\$99,767)	(\$109,054)	(\$118,896)
Plus: Add'l Taxes with Rate Adj.	0	(172)	(367)	(589)	(840)	(1,124)	(1,241)	(1,365)	(1,497)	(1,636)	(1,783)
Bal./(Def.) of Funds With Added Tax	\$0	(\$11,628)	(\$24,848)	(\$39,851)	(\$56,850)	(\$76,082)	(\$83,986)	(\$92,371)	(\$101,263)	(\$110,690)	(\$120,679)
Bal. as a % of Rate Adj. Req'd	0.0%	9.5%	19.9%	31.3%	43.8%	57.4%	62.1%	67.0%	72.0%	77.2%	82.5%
Proposed Rate Adjustment	0.0%	9.5%	9.5%	9.5%	9.5%	9.5%	3.0%	3.0%	3.0%	3.0%	3.0%
Add'l Revenue with Proposed Rate Adj.	\$0	\$11,628	\$24,848	\$39,851	\$56,850	\$76,082	\$83,986	\$92,371	\$101,263	\$110,690	\$120,679
Bal./(Def.) After Proposed Rate Adj.	\$0	\$0	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Additional Rate Adjustment Required	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Residential Customer Bill											
	\$5.60	<i>(1 ESU)</i>									
Customer Bill on Proposed Adj.	\$5.60	\$6.13	\$6.71	\$7.35	\$8.05	\$8.82	\$9.08	\$9.35	\$9.63	\$9.92	\$10.22
Bill Difference - Monthly		0.53	0.58	0.64	0.70	0.76	0.26	0.27	0.28	0.29	0.30
Cumulative Bill Difference		0.53	1.11	1.75	2.45	3.22	3.48	3.75	4.03	4.32	4.62
Debt Service Coverage Ratio (all debt, including taxes)											
Before Rate Adjustment		0.56	0.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
After Proposed Rate Adjustment		0.72	0.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ending Reserve Fund Balance	(\$19,325)	(\$63,747)	(\$165,295)	(\$82,226)	(\$52,627)	(\$9,340)	\$36,552	\$75,522	\$118,037	\$164,593	\$215,714

City of Kalama
Stormwater Rate Study
Escalation Factors
Exhibit 2

	<i>Budget</i>	<i>Projected</i>										<i>Notes</i>
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Revenues												
Customer Growth	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Flat	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Expenses												
Salaries	Budget	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Benefits	Budget	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Materials & Supplies	Budget	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Equipment	Budget	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Miscellaneous	Budget	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Utilities	Budget	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
General Expense	Budget	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Flat	Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest	0.7%	0.7%	0.8%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
New Debt Service												
<i>Low Interest Loans</i>												
Term in Years	20	20	20	20	20	20	20	20	20	20	20	20
Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
<i>Revenue Bond</i>												
Term in Years	20	20	20	20	20	20	20	20	20	20	20	20
Rate	4.5%	4.6%	4.7%	4.8%	4.9%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

	Budget	Projected										Notes
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Revenue												
Rate Revenues												
Single Family	\$73,248	\$74,713	\$76,207	\$77,731	\$79,286	\$80,872	\$82,489	\$84,139	\$85,822	\$87,538	\$89,289	As Customer Growth
Multi Family	31,315	31,942	32,580	33,232	33,897	34,575	35,266	35,971	36,691	37,425	38,173	As Customer Growth
Commercial	15,439	15,748	16,063	16,384	16,712	17,046	17,387	17,735	18,089	18,451	18,820	As Customer Growth
Total Rate Revenues	\$120,002	\$122,402	\$124,850	\$127,348	\$129,894	\$132,492	\$135,142	\$137,845	\$140,602	\$143,414	\$146,282	
Other Revenues												
Special Assessments	\$500	\$510	\$520	\$531	\$541	\$552	\$563	\$574	\$586	\$598	\$609	As Customer Growth
Total Miscellaneous Revenue	\$500	\$510	\$520	\$531	\$541	\$552	\$563	\$574	\$586	\$598	\$609	
Total Revenue	\$120,502	\$122,912	\$125,371	\$127,878	\$130,436	\$133,044	\$135,705	\$138,419	\$141,188	\$144,012	\$146,892	
Expenses												
Storm Drainage - Salaries	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$18,448	\$19,002	\$19,572	\$20,159	As Salaries
Overtime Earnings	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	As Salaries
Storm Drainage - Benefits	8,000	8,280	8,570	8,870	9,180	9,501	9,834	10,178	10,534	10,903	11,285	As Benefits
Supplies	2,000	2,070	2,142	2,217	2,295	2,375	2,459	2,545	2,634	2,726	2,821	As Benefits
Fuel Costs	0	0	0	0	0	0	0	0	0	0	0	As Benefits
Professional Services - Contracted	25,000	25,875	26,781	27,718	28,688	29,692	30,731	31,807	32,920	34,072	35,265	As Benefits
Compliance	0	20,000	20,650	21,321	22,014	22,730	23,468	24,231	25,018	25,832	26,671	As General Expense
Total Expenses	\$60,000	\$81,975	\$84,665	\$87,444	\$90,315	\$93,280	\$96,343	\$99,508	\$102,776	\$106,152	\$109,640	
Total Operations & Maintenance	\$60,000	\$81,975	\$84,665	\$87,444	\$90,315	\$93,280	\$96,343	\$99,508	\$102,776	\$106,152	\$109,640	
Taxes & Transfers												
State Utility Tax	\$1,800	\$1,836	\$1,873	\$1,910	\$1,948	\$1,987	\$2,027	\$2,068	\$2,109	\$2,151	\$2,194	Calculated at 1.5% of rate rev
Total Taxes & Transfers	\$1,800	\$1,836	\$1,873	\$1,910	\$1,948	\$1,987	\$2,027	\$2,068	\$2,109	\$2,151	\$2,194	
Rate Funded Capital	\$0	\$10,000	\$100,000	\$0	\$70,000	\$75,000	\$80,000	\$95,000	\$100,000	\$105,000	\$110,000	

	<i>Budget</i>	<i>Projected</i>										<i>Notes</i>	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
Debt Service													
Interfund Loan	\$70,027	\$70,027	\$70,027	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Debt Schedule
New Low Interest Loans	0	0	0	0	0	0	0	0	0	0	0	0	Calculated
New Revenue Bonds	0	0	0	0	0	0	0	0	0	0	0	0	Calculated
<i>Total Debt Service</i>	\$70,027	\$70,027	\$70,027	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Facility Fee Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net Debt Service	\$70,027	\$70,027	\$70,027	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Reserve Funding													
Fund 403 - Operating Reserve	(\$11,325)	(\$29,470)	(\$106,714)	\$77,786	\$24,182	\$37,734	\$40,080	\$32,850	\$36,070	\$39,762	\$43,953		
Capital Reserve	0	0	0	0	0	0	0	0	0	0	0	0	
<i>Total Reserve Funding</i>	<i>(\$11,325)</i>	<i>(\$29,470)</i>	<i>(\$106,714)</i>	<i>\$77,786</i>	<i>\$24,182</i>	<i>\$37,734</i>	<i>\$40,080</i>	<i>\$32,850</i>	<i>\$36,070</i>	<i>\$39,762</i>	<i>\$43,953</i>		
Total Revenue Requirement	\$120,502	\$134,369	\$149,852	\$167,140	\$186,445	\$208,002	\$218,450	\$229,426	\$240,955	\$253,065	\$265,787		
Bal./(Def.) of Funds Before Add'l Tax	\$0	(\$11,456)	(\$24,481)	(\$39,262)	(\$56,010)	(\$74,958)	(\$82,745)	(\$91,006)	(\$99,767)	(\$109,054)	(\$118,896)		
Plus: Add'l Taxes with Rate Adj.	0	(172)	(367)	(589)	(840)	(1,124)	(1,241)	(1,365)	(1,497)	(1,636)	(1,783)		
Bal./(Def.) of Funds With Added Tax	\$0	(\$11,628)	(\$24,848)	(\$39,851)	(\$56,850)	(\$76,082)	(\$83,986)	(\$92,371)	(\$101,263)	(\$110,690)	(\$120,679)		
Bal. as a % of Rate Adj. Req'd	0.0%	9.5%	19.9%	31.3%	43.8%	57.4%	62.1%	67.0%	72.0%	77.2%	82.5%		
Proposed Rate Adjustment	0.0%	9.5%	9.5%	9.5%	9.5%	9.5%	3.0%	3.0%	3.0%	3.0%	3.0%		
<i>Months of Adjustment</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>		
Add'l Revenue with Proposed Rate Adj.	\$0	\$11,628	\$24,848	\$39,851	\$56,850	\$76,082	\$83,986	\$92,371	\$101,263	\$110,690	\$120,679		
Bal./(Def.) After Proposed Rate Adj.	\$0	\$0	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Additional Rate Adjustment Required	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		

	Budget	Projected										Notes
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Average Residential Customer Bill	\$5.60	<i>(1 ESU)</i>										
Customer Bill on Proposed Adj.	\$5.60	\$6.13	\$6.71	\$7.35	\$8.05	\$8.82	\$9.08	\$9.35	\$9.63	\$9.92	\$10.22	
Bill Difference - Monthly		0.53	0.58	0.64	0.70	0.76	0.26	0.27	0.28	0.29	0.30	
Cumulative Bill Difference		0.53	1.11	1.75	2.45	3.22	3.48	3.75	4.03	4.32	4.62	
Debt Service Coverage Ratio (all debt, including taxes)												
Before Rate Adjustment		0.56	0.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
After Proposed Rate Adjustment		0.72	0.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Reserve Funds												
Beginning Fund Balance	\$62,000	(\$19,325)	(\$63,747)	(\$165,295)	(\$82,226)	(\$52,627)	(\$9,340)	\$36,552	\$75,522	\$118,037	\$164,593	
Fund 403 - Operating Reserve												
Beginning Balance	\$62,000	(\$19,325)	(\$48,795)	(\$155,508)	(\$77,723)	(\$53,541)	(\$15,806)	\$24,395	\$57,531	\$94,069	\$134,500	
Plus: To Reserve Fund	0	0	0	77,786	24,182	37,734	40,080	32,850	36,070	39,762	43,953	
Plus: Interfund Loan Proceeds	0	0	0	0	0	0	0	0	0	0	0	
Interest	0	0	0	0	0	0	121	286	468	669	892	
Less: Uses of Funds	(81,325)	(29,470)	(106,714)	0	0	0	0	0	0	0	0	
Ending Balance	(\$19,325)	(\$48,795)	(\$155,508)	(\$77,723)	(\$53,541)	(\$15,806)	\$24,395	\$57,531	\$94,069	\$134,500	\$179,345	
<i>Target: 90 days of O&M Expenses</i>	<i>\$14,795</i>	<i>\$20,213</i>	<i>\$20,876</i>	<i>\$21,562</i>	<i>\$22,269</i>	<i>\$23,001</i>	<i>\$23,756</i>	<i>\$24,536</i>	<i>\$25,342</i>	<i>\$26,175</i>	<i>\$27,035</i>	
Capital Reserve												
Beginning Balance	\$0	\$0	(\$14,952)	(\$9,787)	(\$4,503)	\$914	\$6,466	\$12,158	\$17,990	\$23,968	\$30,093	
Plus: To Reserve Fund	0	0	0	0	0	0	0	0	0	0	0	
Plus: Connection Fees	5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975	6,095	
Interest	0	(52)	(37)	(22)	5	32	60	90	119	150	181	
Less: Uses of Funds	(5,000)	(20,000)	0	0	0	0	0	0	0	0	0	
Ending Balance	\$0	(\$14,952)	(\$9,787)	(\$4,503)	\$914	\$6,466	\$12,158	\$17,990	\$23,968	\$30,093	\$36,369	
Ending Fund Balance	(\$19,325)	(\$63,747)	(\$165,295)	(\$82,226)	(\$52,627)	(\$9,340)	\$36,552	\$75,522	\$118,037	\$164,593	\$215,714	

As Customer Growth

City of Kalama
Stormwater Rate Study
Capital Improvement Program
Exhibit 4

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Capital Improvement Projects											
Council Crest to Juniper - Storm Improv.	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unfunded											
Cedar St Evaluations - Camera / Jet	0	30,000	100,000	0	0	0	0	0	0	0	0
Comprehensive Drainage Plan	0	0	0	0	70,000	0	0	0	0	0	0
Total Capital Improvement Projects	\$75,000	\$30,000	\$100,000	\$0	\$70,000	\$0	\$0	\$0	\$0	\$0	\$0
Future Unidentified Capital Projects	\$0	\$0	\$0	\$0	\$0	\$75,000	\$80,000	\$95,000	\$100,000	\$105,000	\$110,000
Transfer to Capital Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Capital Improvement Projects	\$75,000	\$30,000	\$100,000	\$0	\$70,000	\$75,000	\$80,000	\$95,000	\$100,000	\$105,000	\$110,000
Other Funding Sources											
Fund 403 - Operating Reserve	\$70,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Reserve	5,000	20,000	0	0	0	0	0	0	0	0	0
New Low Interest Loans	0	0	0	0	0	0	0	0	0	0	0
New Revenue Bonds	0	0	0	0	0	0	0	0	0	0	0
Total Other Funding Sources	\$75,000	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rate Funded Capital	\$0	\$10,000	\$100,000	\$0	\$70,000	\$75,000	\$80,000	\$95,000	\$100,000	\$105,000	\$110,000

	<i>Present Rates</i>	<i>Proposed</i>				
		2021	2022	2023	2024	2025
All Customers - \$ / ESU	\$5.60	\$6.13	\$6.71	\$7.35	\$8.05	\$8.81

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