



CITY OF ILWACO
REQUEST FOR PROPOSAL

Utility Rate Study

April 2025

City of Ilwaco
120 First Ave North/PO Box 548
Ilwaco, WA 98624
Phone: (360) 642-3145

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REQUEST FOR PROPOSAL (RFP)

1.0 OBJECTIVE

The City of Ilwaco is soliciting proposals from qualified consulting firms to provide professional services to complete a utility rate study for the City's water, sanitary sewer, and stormwater services. The rate study will be based upon a comprehensive review of the City's water, sanitary sewer, and stormwater budgets, customer classes, current usage data, future growth, facility plans and studies, and any other information deemed necessary. The proposed rate analysis will provide a minimum six-year horizon (2027 – 2032).

2.0 BACKGROUND

The City of Ilwaco was founded in 1890 and was home to the Ilwaco Railway and Navigation Company along the Long Beach Peninsula, with its core economy based on logging and timber rafting. The city is located on the southern edge of the Long Beach Peninsula, on Baker Bay on the north side of the Columbia River where it meets the Pacific Ocean. It is near the city of Astoria, Oregon which lies to the southeast on the southern bank of the Columbia. As of 2022, census data indicates a total population of 1,433, per capita income of \$39,386, and a median household income of \$85,446. A high number of citizens work in the service industry, as tourism continues to grow over the last few decades.

The City operates water, sanitary sewer programs supported by separate enterprise funds. The City also administers a stormwater fund targeted at funding infrastructure improvements city wide. The most recent utility rate study was completed in 2011 with new rate structures adopted in 2012. Since then, the city has adopted incremental increases to accommodate inflation, capital improvements, and debt capacity. It is the City's desire to reevaluate utility rates for water, sanitary sewer, and stormwater utilities.

3.0 SCOPE OF WORK

The Scope of Work will include, at a minimum, the following elements:

- General
 - Project Management
- Study Requirements
 - The recommended rates should be based on the cost of service and should be sufficient to meet the revenue requirements of the city;
 - The study shall evaluate current system connection charges for water and sanitary sewer and recommend an update based on future capital needs;
 - The study shall recommend rates and, if necessary, rate structures that consider and provide for the following factors:
 - Current and future costs of providing water, sanitary sewer and stormwater services in accordance with established and anticipated standards, regulations, facility, and capital improvement plans;
 - Projected demands;
 - Age and condition of infrastructure and systems;
 - Funding requirements for all current and long-term liabilities and debt obligations;
 - Fair allocation of costs to appropriate customer categories.

- The study shall provide direct identification of revenues appropriate to major funding activities and infrastructure;
- The recommended rate structure(s) shall be planned for at least six (6) years;
- The study shall provide at least two (2) rate alternatives for water, sanitary sewer, and stormwater; The consulting firm shall recommend the alternative that best meets the study objectives defined above. Generally, the Two (2) alternatives requested for each water, sanitary sewer, and stormwater funds are as follows:
 - Alternative that considers no rate increases over a five-year period. The analysis will include the implications that a rate freeze would pose, including but not limited to Utility financial sustainability, system, reinvestment, operations, and maintenance program impacts, debt service, capital improvement and facility planning, growth planning, and regulatory compliance.
 - Alternative that considers rate increases over a six-year period (immediate and/or gradual implementation), annual inflationary/indexed adjustments, approved Capital Improvement Plans, and System Development Charges.
- Coordination (either in-person or virtual)
 - Monthly City update meetings
 - Gather public input at one (1) Community Engagement Night meeting
 - Develop information/outreach materials for engaging the community regarding restructuring methods associated with utilities and proposed rate increases
 - Attend 30,60,and 90 percent City study review meetings
 - Two (2) City Council presentations
- Completion Schedule
 - The study shall be completed, including all community outreach, by August 31, 2026 with new rate structures and rates taking effect January 1, 2027.

4.0 ESTIMATE

The total cost for Professional Services described herein is currently budgeted at \$125,000.

5.0 PROPOSAL PROCESS

Proposal Submission Procedure

Submissions shall be sent **electronically** to Holly Beller, City Administrator, at treasurer@ilwaco-wa.gov by **2:00 p.m. on Friday, May 30, 2025**. Late or incorrectly submitted submissions may be automatically disqualified from consideration.

Consultant Selection Schedule

The solicitation, receipt, and evaluation of submittals and the selection of the Consultant are anticipated to conform to the following schedule. Please note that these dates are subject to change and are only provided for preliminary purposes.

Proposal Due	May 30, 2025
Proposal Review	June 13, 2025
Consultant Selection Completed	June 27, 2025
City Council Approval	July 14, 2025
Notice to Proceed Issued	July 15, 2025

Addendums to the Request for Proposal

Any revisions, updates and/or clarifications of the Request for Proposal will be posted on the City's webpage at: <https://ilwaco-wa.gov/request-for-proposal/>.

Proposal Format and Content Requirements

The following requirements must be met in all proposals submitted:

- Submittal shall have a maximum page limit of twelve (12) pages (6 pages if double-sided) excluding title page and/or cover letter.
- **Cover Letter:** Provide a cover letter that, at a minimum, is:
 - On Consultant Firm letterhead
 - Includes "Utility Rate Study" in the subject heading
 - A maximum of two (2) pages long
 - Signed by an individual authorized to bind the Consultant to the proposal for a period of 90 days with corresponding contact information
- **Project Approach:** Describe methods and plan for carrying out the Scope of Work. Provide information on all of the services proposed to be provided as part of this contract and which are identified in the RFP. The Scope of Work should express specific ideas for the work that will be proposed and why those ideas are the best solution. Any additional or optional recommended tasks should also be included.

List any information and tasks expected from the City. Any information or tasks needed but not listed will be the responsibility of the selected Consultant.

- **Project Schedule:** Provide a proposed draft project timeline including the key milestones:
 - Contract Execution
 - 60 Percent Study
 - 90 Percent Study
 - Final Study
- **Qualifications and Experience:** This section shall contain the following:
 - Type of organization
 - Size (i.e. local office and total firm size)
 - Number of years as a firm
 - Name, qualifications, and experience of personnel assigned to the Project, including professional registrations and affiliations. When listing subconsultants, describe the listed experience and the exact tasks that each entity will perform
 - Outline of recent projects completed that are similar to this Project
 - Client references from recent similar projects, including name, address and telephone number of agency contact(s).

- List of Project Responsible Personnel:** This list should include the identification of the project manager or contact person with primary responsibility for this contract, the personnel proposed for this contract, and any supervisory personnel, including partners and/or sub-consultants, and their individual areas of responsibility.
 Consultant agrees to provide all professional staff necessary to perform the scope of work, including key individuals named in Consultant's proposal. These key personnel shall remain assigned for the duration of the contract, unless otherwise agreed to in writing by the city. In the event Consultant proposes to substitute any key personnel, the individual(s) proposed must demonstrate similar qualifications and experience as required to successfully perform such duties. The City shall have the sole right to determine whether key personnel proposed as substitutes are qualified to work on the project.
- Organization Chart:** An organization chart containing the names of all key personnel, joint venture partners, and subconsultants with titles and their specific task assignment for this contract shall be provided for in this section.
- Successful Past Projects:** A list of similar completed projects with the original completion dates and actual completion dates. This list may be used as a reference list and, when possible, should include contact information for the respective city/agency.

6.0 CONSULTANT EVALUATION AND SELECTION PROCESS

After the deadline for acceptance of proposals, the RFP's will be reviewed and evaluated by an Evaluation Committee comprised of, but not limited to, City staff, appointed or elected officials, and individuals chosen by the administration to participate. The committee may select a short list of up to three consultants to make an oral presentation, or may make a selection based on the following criteria of the proposals:

The committee will evaluate and rate the proposals to the following criteria:

Criteria	Total Possible Points
Project Approach	30 Points
Qualifications and Experience	15 Points
List of Project Responsible Personnel	15 Points
Organizational Chart	10 Points
Successful Past Projects	30 Points

7.0 CITY CONTACT INFORMATION

Questions regarding this project should be directed to:

Holly Beller
 City Administrator
 Phone: (360) 642-3145
 Email: treasurer@ilwaco-wa.gov

Mailing Address:
PO Box 548
Ilwaco WA 98624

Physical Address:
120 First Avenue North
Ilwaco WA 98624

8.0 TERMS AND CONDITIONS

The City of Ilwaco exercises its discretion in selecting a firm or individual that presents the proposal that, in sole judgement of the City, best serves the interest of the City. The City reserves the right to waive minor irregularities in any proposal, reject any proposal that fails to meet the proposal requirements in any respect, to reject all proposals for any reason, or to cancel in part or in its entirety the Request for Proposal.

This Request for Proposal does not commit the City to award a contract, to pay any costs incurred in the preparation of a proposal for this request, or to procure or contract for services. The City reserves the right to accept or reject any or all proposals received as a result of this request, to negotiate with any qualified firm or to modify or cancel in part or its entirety the proposal if it is in the best interest of the City to do so.

All costs for developing a response to this request are the obligation of the respondent and are not chargeable to the City. The respondent must bear all costs associated with the preparation of the submittal and of any oral presentation requested by the City. All responses and accompanying documentation will become property of the City and will not be returned. Proposals may be withdrawn at any time prior to the published close date, provided notification is received in writing to the City Contact listed in Section 7.0 of this Request for Proposal. Proposals cannot be withdrawn after the published close date.

9.0 ATTACHMENTS

- Sample Personal Services Agreement
- Current Rate and Fee Schedule
- 2023 – 2025 Annual Budgets

PERSONAL SERVICES AGREEMENT

THIS AGREEMENT, is made and entered into in duplicate this ____ day of _____, 2025, by and between City of Ilwaco, a Washington Municipal Corporation, PO Box 548 Ilwaco, WA 98624, hereinafter referred to as the "City" and _____ at _____, hereinafter referred to as the "Contractor."

1. Scope of Services.

The Contractor shall perform such services and accomplish such tasks, including the furnishing of all materials and equipment necessary for full performance thereof, as are identified and designated as Contractor responsibilities throughout this agreement and as detailed in Attachment A (the "Work") attached hereto and incorporated herein.

2. Compensation and Method of Payment.

Payment for services shall be \$ _____. The contractor shall submit monthly invoices detailing work performed and expenses for which reimbursement is sought. The city shall approve all invoices before payment is issued. Payment shall occur within thirty (30) days of receipt and approval of an invoice. Payment for any work in addition to the services described in Attachment A must be approved in writing by the City prior to commencement of the additional work.

3. Term.

This contract will commence upon execution, and terminate _____, unless terminated earlier pursuant to Section 10.

4. Independent Contractor Relationship.

4.1 The parties intend that an independent Contractor/City relationship will be created by this Agreement. The City is interested primarily in the results to be achieved; subject to paragraphs herein, the implementation of services will lie solely with the discretion of the Contractor. No agent, employee, servant or representative of the Contractor shall be deemed to be an employee, agent, servant or representative of the City for any purpose, and the employees of the Contractor are not entitled to any of the benefits the City provides for its employees. The Contractor will be solely and entirely responsible for its acts and for the acts of its agents, employees, servants, subcontractors or representatives during the performance of this Agreement.

4.2 In the performance of the services herein contemplated the Contractor is an independent contractor with the authority to control and direct the performance of the details of the work, however, the results of the work contemplated herein must meet the approval of the City and shall be subject to the City's general rights of inspection and review to secure the satisfactory completion thereof.

5. Consultant Employees/Agents.

The City may at its sole discretion require the Contractor to remove an employee(s), agent(s) or servant(s) from employment on this Work. The Contractor may however employ that (those) individual(s) on other non-City related works.

6. Hold Harmless/Indemnification.

Contractor shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, errors or omissions of the Contractor in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City. No liability shall attach to the City by reason of entering into this Agreement except as expressly provided herein.

7. Insurance.

The Contractor shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, or employees. Contractor shall obtain insurance as specified in Attachment B.

8. Compliance with Laws.

The Contractor, in the performance of this Agreement, shall comply with all applicable Federal, State or local laws and ordinances, including regulations for licensing, certification and operation of facilities, programs and accreditation, and licensing of individuals, and any other standards or criteria as described in this Agreement to assure quality of services. The Contractor specifically agrees to pay any applicable business and occupation (B & O) taxes that may be due on account of this Agreement.

9. Nondiscrimination.

In the performance of this Agreement, the Contractor will not discriminate against any employee or applicant for employment on the grounds of race, creed, color, national origin, sex, marital status, age or the presence of any sensory, mental or physical handicap; provided that the prohibition against discrimination in employment because of handicap shall not apply if the particular disability prevents the proper performance of the particular worker involved. The Contractor shall ensure that applicants are employed, and that employees are treated during employment without discrimination because of their race, creed, color, national origin, sex, marital status, age or the presence of any sensory, mental or physical handicap. Such action shall include, but not be limited to: employment, upgrading, demotion or transfers, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and programs for training including apprenticeships. The Contractor shall take such action with respect to this Agreement as may be required to ensure full compliance with local, State and Federal laws prohibiting discrimination in employment.

10. Termination.

Either party may terminate this Agreement, in whole or in part, at any time, by at least thirty (30) days written notice to the other party.

11. Notice.

Notice provided for in this Agreement shall be sent by certified mail to the addresses designated for the parties on the last page of this Agreement.

12. Attorney's Fees and Costs.

If any legal proceeding is brought for the enforcement of this Agreement, or because of a dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover from the other party, in addition to any other relief to which such party may be entitled, reasonable attorney's fees and other costs incurred in that action or proceeding.

13. Jurisdiction and Venue.

This Agreement has been and shall be construed as having been made and delivered within the State of Washington, and it is agreed by each party hereto that this Agreement shall be governed by laws of the State of Washington, both as to interpretation and performance. Any action of law, suit in equity, or judicial proceeding for the enforcement of this Agreement or any provisions thereof shall be instituted and maintained only in any of the courts of competent jurisdiction in Pacific County, Washington.

14. Severability.

If, for any reason, any part, term or provision of this Agreement is held by a court of the United States to be illegal, void or unenforceable, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid. If it should appear that any provision hereof is in conflict with any statutory provision of the State of Washington, said provision that may conflict therewith shall be deemed inoperative and null and void insofar as it may be in conflict therewith, and shall be deemed modified to conform to such statutory provisions.

15. Entire Agreement.

The parties agree that this Agreement is the complete expression of the terms hereto and any oral representations or understandings not incorporated herein are excluded. Further, any modification of this Agreement shall be in writing and signed by both parties. Failure to comply with any of the provisions stated herein shall constitute material breach of contract and cause for termination. Both parties recognize time is of the essence in the performance of the provisions of this Agreement. It is also agreed by the parties that the forgiveness of the nonperformance of any provision of this Agreement does not constitute a waiver of the provisions of this Agreement.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed the day and year first hereinabove written.

City of Ilwaco ("City")

("Contractor")

ATTACHMENT A

ATTACHMENT B

INSURANCE REQUIREMENTS

During the term of this Contract Contractor shall maintain in force at its own expense, each insurance noted below:

1. **Required by City; of contractors with one or more workers, as defined by Industrial Insurance Laws of the State of Washington.**

Workers' Compensation: All employers, including Contractor, that employ subject workers, shall provide workers' compensation insurance coverage for those workers, unless they meet the requirement for an exemption under the Industrial Insurance laws of the State of Washington. Contractors shall require and ensure that each of its subcontractors comply with these requirements.

2. **Required by City;**

Professional Liability insurance with a combined single limit, or the equivalent, of not less than \$500,000 each claim, incident or occurrence This is to cover damages caused by error, omission or negligent acts related to the professional services to be provided under this Contract.

3. **Required by City;**

General Liability insurance with a combined single limit, or the equivalent, of not less than \$500,000 each occurrence for Bodily Injury and Property Damage. It shall include contractual liability coverage for the indemnity provided under this Contract. It shall provide that City, and their divisions, officers and employees are Additional Insureds but only with respect to the Contractor's services to be provided under this Contract;

4. **Not required by City.**

Automobile Liability insurance with a combined single limit, or the equivalent, of not less than ☐ \$200,000, ☐ \$500,000, or ☐ \$1,000,000 each accident for Bodily Injury and Property Damage, including coverage for owned, hired or non-owned vehicles, as applicable.

5. **Notice of cancellation or change.** There shall be no cancellation, material change, reduction of limits or intent not to renew the insurance coverage(s) without 30 days prior written notice from the Contractor or its insurer(s) to the City;
6. **Certificates of insurance.** As evidence of the insurance coverages required by this Contract, the Contractor shall furnish acceptable insurance certificates to City prior to commencing the work. The certificate will specify all of the parties who are Additional Insureds. Insuring companies or entities are subject to City acceptance. If requested, complete copies of insurance policies, trust agreements, etc. shall be provided to the City. The Contractor shall be financially responsible for all pertinent deductibles, self-insured retentions and/or self-insurance.

CITY OF ILWACO
2025 BASIC UTILITY RATES

Sewer

Meter Size	GPM Flow*	Meter Weight	Rate
5/8"	30	1.00	\$45.50
1"	50	1.67	\$75.99
1 ¼"	75	2.5	\$113.75
1 ½"	100	3.33	\$151.52
2"	160	5.33	\$242.52
3"	300	10.00	\$455.00
4"	500	16.67	\$758.49
6"	1000	33.33	\$1,516.52
8"	1600	53.33	\$2,426.52

Commodity Charge Per 100 CF	Rate
<i>Residential:</i> Sewer charges based on average water usage during April, May, October and November. <i>Commercial:</i> Actual water usage	\$9.18
Metered sewerage flow (ONLY for large businesses with sewer flow meter)	\$16.14
For each one hundred (100) CF of metered grey water	\$2.49
New Sewer Connection Charge	\$6,200.00

* Washington State Department of Health Financial Viability Manual

Water

Meter Size	GPM Flow*	Meter Weight	Rate
5/8"	30	1.00	\$38.25
1"	50	1.67	\$63.88
1 ¼"	75	2.5	\$95.63
1 ½"	100	3.33	\$127.37
2"	160	5.33	\$203.87
3"	300	10.00	\$382.50
4"	500	16.67	\$637.63
6"	1000	33.33	\$1,274.87

Type of Charge:	Rate
Commodity: For each one hundred (100) CF of water usage	\$5.88
Fire Sprinkler: Per connection, per month	\$18.57
Use over 20,000 CF: For each one hundred (100) CF of water usage over 20,000 per month	\$12.13
Commercial Itinerary Unit Charge: Per Unit, per month	\$3.50
New Water Connection Charge:	\$3,000.00
Outside City Limits:	\$4,500.00
Fire Sprinkler Connection:	\$1,800.00

Stormwater

Classification	Description	Rate
All Parcels	Undeveloped Commercial and Residential	\$5.71
Parcels 6,000 SF or less <6,000	Developed Residential	\$8.28
	Developed Commercial	\$9.31
Parcels 6,000 SF or greater >6,000	Developed Residential	\$10.34
	Developed Commercial	\$11.37

Delinquency Procedures

Timeline	Description	Example
Service Dates	25 th of previous through 25 th of current month	1/25-2/25
Billing Date	1 st of month	03/01/25
Bill Due	20 th of month	03/20/25
1 st Delinquency Notice (mailed)	26 th of month (\$15 late fee)	03/26/25
2 nd Delinquency Notice (mailed)	26 th of second month (\$15 late fee)	04/26/25
Shut Off Notice (on door)	Two months from date of bill (\$50 fee)	05/01/25
Disconnection/Lien Notice (mailed)	Three months from date of bill	06/01/25
Lien (filed with County Auditor)	Four months from date of bill	07/01/25



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BUDGET MESSAGE

To: Ilwaco City Councilmembers
From: Mike Cassinelli, Mayor

Subject: Budget request for 2023

I am pleased to submit for your consideration the 2023 proposed budget for the City of Ilwaco. Proposed 2023 expenditures and reserve contribution appropriations stated on a comparative basis with the 2022 budget and 2021 actual results are as follows:

	Actual	Budget	Proposed
	2021	2022	2023
<i>General/Streets Fund</i>			
General City government (including legal svc and courts)	141,247	270,904	275,176
Law Enforcement	282,360	293,654	305,400
Fire Department	105,888	113,930	138,757
Other Services (Dispatch, Correctional Institution, etc.)	25,642	28,167	28,167
Physical Environment including Planner	30,285	14,565	27,089
Library	25,128	26,623	27,015
Community Building	30,265	27,383	29,893
Parks	65,032	78,296	115,709
Streets (including grant funded projects)	112,851	142,673	176,882
Debt Repayment/Capital Expenditures	139,839	136,460	136,460
Reserve contribution/(usage)	270,543	7,967	(63,243)
Total Expenditures	1,229,080	1,140,622	1,197,305
<i>Tourism Fund</i>			
Ilwaco Merchants Association	8,000	11,000	12,000
Miscellaneous	30,477	-	3,000
Fireworks	10,000	10,000	10,000
Visitors Bureau	14,769	20,769	15,769
Heritage Museum (includes insurance provided)	18,337	18,931	21,799
Ilwaco Charter Association	4,000	5,000	5,000
Other	-	238,657	-
Reserve contribution/(usage)	(594)	679	(27,068)
Total Expenditures	84,989	305,036	40,500
<i>Excise Reserve Fund</i>			
Contribution to projects	90,000	-	-
Reserve contribution/(usage)	(40,452)	20,000	20,000
	49,548	20,000	20,000



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	Actual 2021	Budget 2022	Proposed 2023
<i>Water Fund</i>			
Operations & Maintenance	599,630	582,012	617,110
Capital Expenditures	739,247	1,205,986	155,000
Debt Service	167,750	162,740	188,410
Reserve contribution/(usage)	(60,513)	7,791	29,669
Total Expenditures	1,446,114	1,958,530	990,190
<i>Water/Sewer Bond Redemption Fund</i>			
Debt Service	453,522	452,970	480,578
Total Expenditures	453,522	452,970	480,578
<i>Water/Sewer Bond Reserve Fund</i>			
Contribution to Reserve	21,253	21,254	11,890
Total Expenditures	21,253	21,254	11,890
<i>Stormwater Fund</i>			
Operations & Maintenance	78,824	64,308	86,137
Capital Expenditures	-	2,170,615	1,975,623
Debt Service	36,712	31,572	31,152
Reserve contribution/(usage)	(15,445)	1,386	(25,032)
Total Expenditures	100,090	2,267,881	2,067,881
<i>Wastewater Fund</i>			
Operations & Maintenance	768,538	779,437	706,243
Capital Expenditures	105,922	82,000	102,000
Debt Service	492,725	490,875	481,194
Reserve contribution/(usage)	(14,322)	15,279	(46,707)
Total Expenditures	1,352,864	1,367,591	1,242,730

Revenues

The budget is balanced by a proposed levy of \$243,582 in property taxes that will be split between the General Fund (50%) and Streets Fund (50%). The levy is limited to a 1% increase each year which for 2023 is \$2,367.

The estimated yield from retail sales and use tax for 2023 has been increased to \$240,000 from \$220,000. Tourism revenue is captured both here and in lodging tax dollars and is reflective of an increased number of visitors/homeowners to our rural area in response to the COVID19 pandemic and short but steep sellers market. The General and Streets Fund are further provided for by utility taxes collected on electricity, solid waste collection, telephone, cable modem, water, sewer, and storm drainage; making up approximately 25% of the annual support. Additionally, Business and Occupation Tax, business license fees and Motor Vehicle Fuel Tax provide approximately 15% of the annual funding.

Personnel

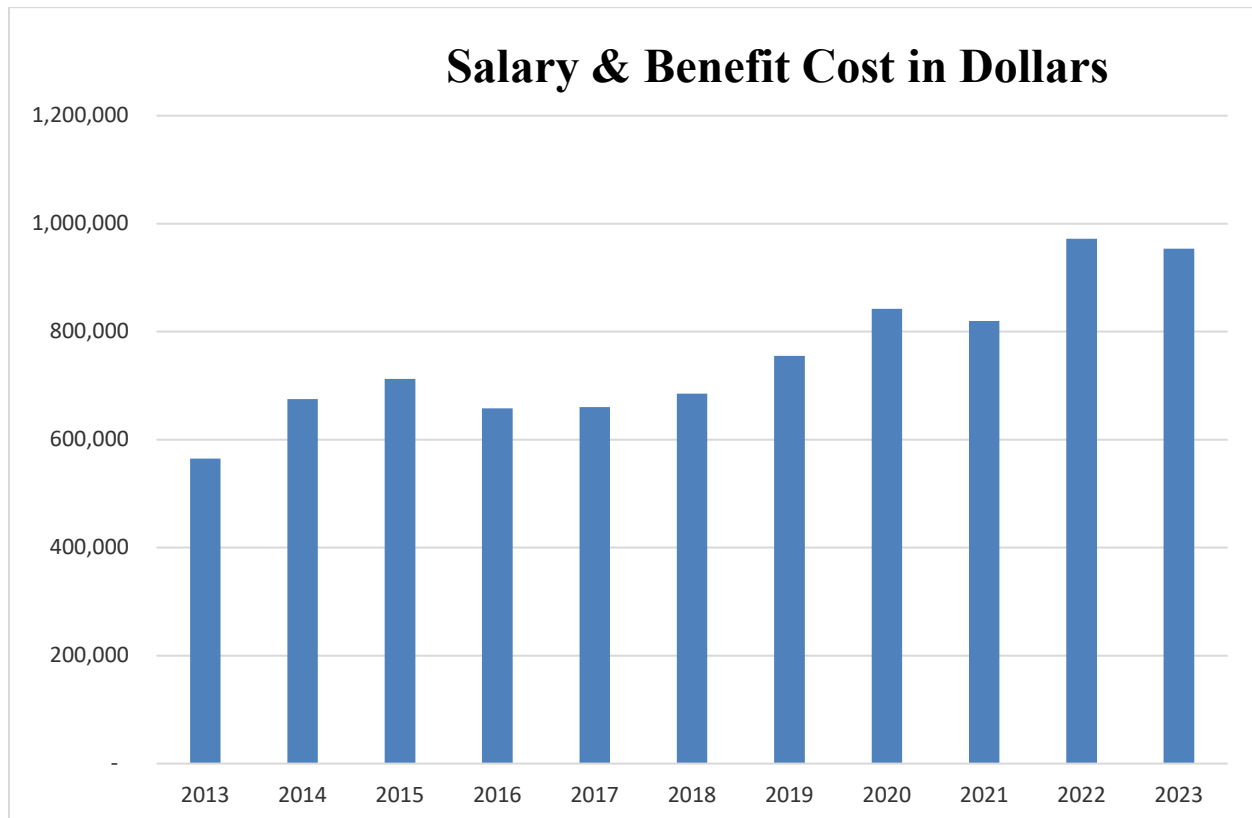
Salary and benefit costs are allocated to the General, Streets, Stormwater, Water and Wastewater Funds based on the time staff provide services for those activities. Time studies are being implemented to ensure

City of Ilwaco is an equal opportunity provider and employer.



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that allocations are true to the actual time spent by the crew, however the city crew is small and continues to assist over many different areas and time accounting practices are difficult to adhere to under stressful project conditions. The budget provides for normal progressive step increases under the newly adopted Ordinance 924 establishing an updated pay table from current federal scales. In 2022, the city switched from the HDHP plan with HSA to full family coverage at a \$250 annual deductible as authorized by council and included in the appropriations provided.



The 2023 budget estimates provide for two and a half full-time employees at City Hall, ten full-time utility employees and one part-time fire chief and fire chief admin. Compensation for Mayor and Council have been re-allocated after a brief halt during the pandemic.

General Fund (001)

The General Fund provides for numerous city services, such as law enforcement, courts and detention facilities, fire protection and emergency services; parks, lakes, trails and recreation; library, senior services and community facilities; city planner, city attorney, clerk, treasurer, council and mayor. Approximately 30% of the annual operational expenditures from the General Fund are strictly for payment of the law enforcement services provided by the City of Long Beach. For 2023, 10% of the fund's expenditures will be for operations, maintenance and improvements for the fire department. 10% of the General Fund budget is to maintain the city parks. 30% of the expenditures will provide for City Hall administration, municipal court, city attorney, elected officials and audit costs. Substantial debt from the remodel of the community building, reconstruction of the fire station and purchase of the city hall and



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shop facility, along with capital expenditures, make up 15% of the fund's annual expenditure. The General Fund proforma reflects the payoff of both the Community Building and Fire Hall debt in the next 5 years which will allow for additional support of the Fire Hall equipment updates and Community Building exterior.

Streets Fund (101)

The fund was depleted of reserve objectives in 2021 as property taxes were directly allocated to the general fund in order to offset COVID19 responses. The 2023 budget continues to rebuild reserves with the 50/50 property tax split. The Federal government's historic infrastructure bill should open more avenues for financing our badly needed street improvements.

Tourism Fund (104)

Lodging tax revenues continue to exceed the budgeted revenue expectations of the last decade and is likely going to sustain into the future as cost of living increases and post pandemic trends continue.

Excise Reserve Fund (301)

As typical, Real Estate Excise Tax collected on the sale of property is estimated in the amount of \$20,000 for 2023 and is still benefitting from the 2021-2022 sellers market. The revenue can be used to fund capital improvement projects.

Water Fund (401)

The estimated Water Fund budgeted expenditures of \$950,521 are for maintenance and operation of the plant and distribution system, as well as repayment of long-term debt and capital projects. A significant rate increase was adopted in 2021 to assist in rebuilding the depleted reserve. These rates will remain the same for 2023.

Watershed Fund (402)

In 2019, council authorized the creation of the Watershed Fund for revenue from timber harvesting and to handle expenses specifically related to Source Water Protection as identified in the 2015 Source Watershed Control Plan. In 2022 the city will finalize the purchase of the watershed, creating the Bear Ridge Community Forest.

Water/Sewer Bond Redemption Fund (403)

Revenues are transferred from the Water and Sewer Funds to provide for payments of long-term debt redemption.

Water/Sewer Bond Reserve Fund (404)

Debt covenants for certain bonds require that the city hold one annual payment in reserve. In 2023, the city will continue to collect 10% of the USDA Whealdon Road Improvements payment reserve and the final loan payment for the Sahalee sewer line improvements.

Stormwater Fund (408)

At the end of 2011, the Ilwaco City Council passed the necessary legislation to form a stormwater utility. The utility is responsible for the operation, maintenance, construction and debt service related to Ilwaco's stormwater infrastructure. Additionally, the utility has alleviated the burden on the Streets Fund allowing



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for future streets maintenance and repair. The Public Works crew continues to spend a significant amount of time locating and diagraming storm drainage.

Sewer Fund (409)

The estimated expenditures of \$1,289,437 are for daily maintenance and operation of the plant and collection system, as well as repayment of long-term debt and necessary capital expenditures. The city continues to find that when the treatment plant is running at its best, there is little need for utilizing the bio-solid facility. Inclusion of land application costs have remained for 2023. In order to maintain the revenue from Ilwaco customers to meet these operational and debt needs, a \$3.00 base rate increase will be implemented in 2023.

Summary

2022 brought back some stability to the city operations with the pandemic in our rearview mirror. The city has nearly completed the Whealdon Road Water Distribution project, and is looking forward to continued action on the Bake Bay Stormwater Infiltration Project. The Water plant will seek completion of its SCADA system improvements.

Respectfully submitted,

Mike Cassinelli, Mayor



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BUDGET MESSAGE

To: Ilwaco City Councilmembers
From: Mike Cassinelli, Mayor

Subject: Budget request for 2024

I am pleased to submit for your consideration the 2024 proposed budget for the City of Ilwaco. Proposed 2024 expenditures and reserve contribution appropriations stated on a comparative basis with the 2023 budget and 2022 actual results are as follows:

	Actual	Budget	Proposed
	2022	2023	2024
<i>General/Streets Fund</i>			
General City government (including legal svc and courts)	295,365	309,868	375,109
Law Enforcement	293,654	305,400	320,670
Fire Department	294,623	138,757	298,933
Other Services (Dispatch, Correctional Institution, etc.)	29,441	38,167	28,167
Physcial Environment including Planner	22,670	23,897	61,116
Library	26,546	27,015	29,115
Community Building	27,699	29,893	28,966
Parks	73,663	104,209	147,792
Streets (including grant funded projects)	194,728	176,882	203,704
Debt Repayment/Capital Expenditures	106,460	106,460	106,460
Reserve contribution/(usage)	518,951	348,062	387,466
Total Expenditures	1,883,799	1,608,610	1,987,499
<i>Tourism Fund</i>			
Ilwaco Merchants Association	11,000	12,000	10,000
Miscellaneous	5,866	3,000	15,000
Fireworks	10,000	10,000	20,000
Visitors Bureau	20,769	15,769	17,769
Heritage Museum (includes insurance provided)	18,931	21,799	24,093
Ilwaco Charter Association	5,000	5,000	5,000
Other	-	-	-
Reserve contribution/(usage)	4,513	(27,608)	(28,862)
Total Expenditures	76,080	39,960	63,000
<i>Excise Reserve Fund</i>			
Contribution to projects	-	-	-
Reserve contribution/(usage)	41,568	20,000	21,500
	41,568	20,000	21,500



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	Actual 2022	Budget 2023	Proposed 2024
<i>Water Fund</i>			
Operations & Maintenance	617,841	607,110	667,117
Capital Expenditures	1,359,080	205,000	230,000
Debt Service	146,211	188,410	196,707
Reserve contribution/(usage)	111,250	(46,120)	22,166
Total Expenditures	2,234,381	954,400	1,115,990
<i>Water/Sewer Bond Redemption Fund</i>			
Debt Service	452,970	480,578	479,475
Total Expenditures	452,970	480,578	479,475
<i>Water/Sewer Bond Reserve Fund</i>			
Contribution to Reserve	21,253	11,890	11,890
Total Expenditures	21,253	11,890	11,890
<i>Stormwater Fund</i>			
Operations & Maintenance	316,912	94,288	95,149
Capital Expenditures	-	1,975,623	1,500,851
Debt Service	23,422	23,002	22,582
Reserve contribution/(usage)	(37,598)	(25,032)	(23,573)
Total Expenditures	302,736	2,067,881	1,595,009
<i>Wastewater Fund</i>			
Operations & Maintenance	697,700	706,243	772,065
Capital Expenditures	63,453	102,000	115,000
Debt Service	489,624	481,194	480,666
Reserve contribution/(usage)	113,657	(46,707)	(96,963)
Total Expenditures	1,364,434	1,242,730	1,270,768

Revenues

The budget is balanced by a proposed levy of \$248,450 in property taxes that will be split between the General Fund (40%) and Streets Fund (60%). The levy is limited to a 1% increase each year which for 2024 is \$2,032.

The estimated yield from retail sales and use tax for 2024 has been kept at \$240,000. The General and Streets Fund are further provided for by utility taxes collected on electricity, solid waste collection, telephone, cable modem, water, sewer, and storm drainage; making up approximately 25% of the annual support. Additionally, Business and Occupation Tax, business license fees and Motor Vehicle Fuel Tax provide approximately 15% of the annual funding.

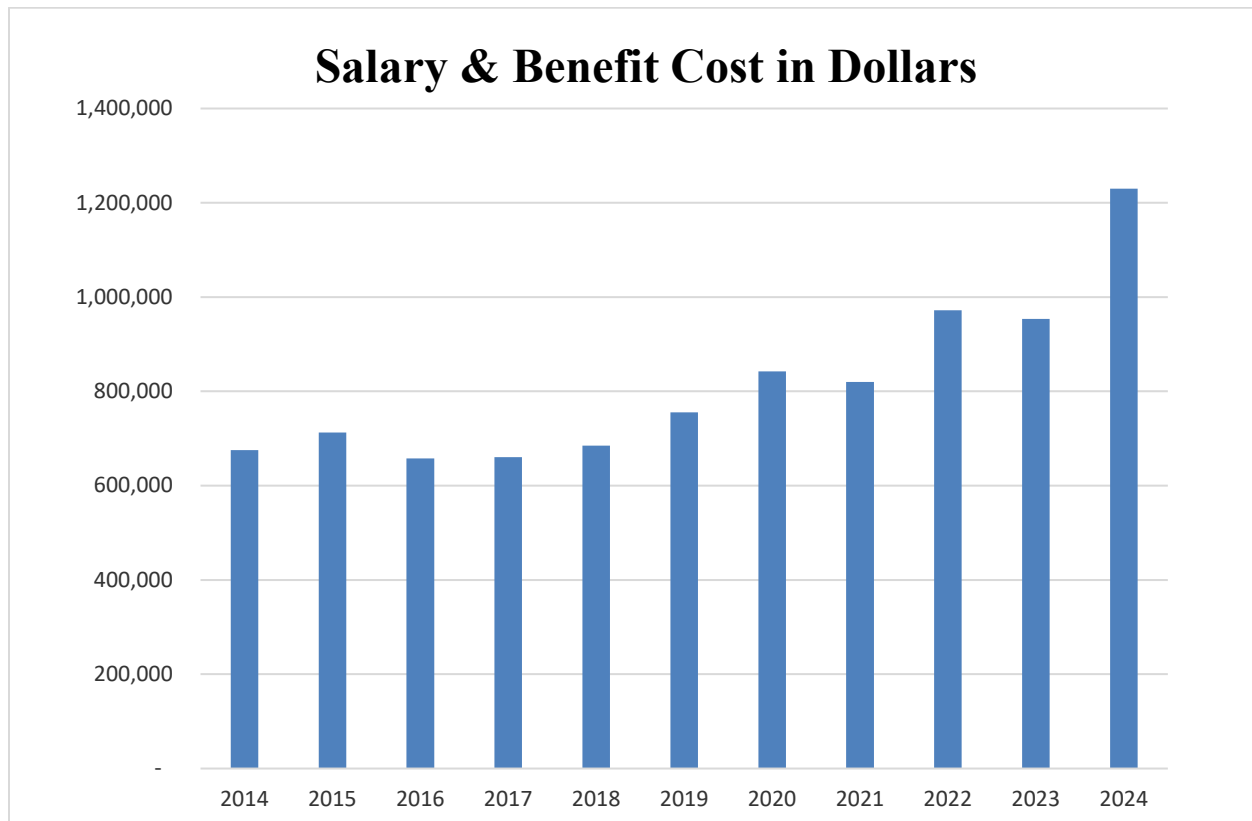
Personnel

Salary and benefit costs are allocated to the General, Streets, Stormwater, Water and Wastewater Funds based on the time staff provide services for those activities. Time studies are being implemented to ensure that allocations are true to the actual time spent by the crew, however the city crew is small and continues to assist over many different areas and time accounting practices are difficult to adhere to under stressful



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project conditions. The budget provides for normal progressive step increases under Ordinance 924 establishing an updated pay table from current federal scales. In 2024, the city will provide a 3% Cost of Living increase to the 2023 salary scale. The city continues to provide a full benefit package to employees and their families.



The 2024 budget estimates provide for an additional full time employee at City Hall, nine full-time utility employees, a full time fire chief and a part time fire admin. Compensation for Mayor and Council are also included in the salary allocations.

General Fund (001)

The General Fund provides for numerous city services, such as law enforcement, courts and detention facilities, fire protection and emergency services; parks, lakes, trails and recreation; library, senior services and community facilities; city planner, city attorney, clerk, treasurer, council and mayor. Approximately 30% of the annual operational expenditures from the General Fund are strictly for payment of the law enforcement services provided by the City of Long Beach. For 2024, the city will track revenues and expenditures for the fire department separate from the general fund. The general fund still rolls the fire fund into itself at year end, and fire revenue will be increased by Basic Life Transport services begun in 2023. 10% of the General Fund budget is to maintain the city parks. 30% of the expenditures will provide for City Hall administration, municipal court, city attorney, elected officials and audit costs. Substantial debt from the remodel of the community building, reconstruction of the fire station and purchase of the city hall and shop facility, along with capital expenditures, make up 15% of

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the fund's annual expenditure. The General Fund proforma reflects the payoff of both the Community Building and Fire Hall debt in the next 3 years which will allow for additional support of the Fire Hall equipment updates and Community Building exterior.

Streets Fund (101)

The fund was depleted of reserve objectives in 2021 as property taxes were directly allocated to the general fund in order to offset COVID19 responses. The 2024 budget continues to rebuild reserves with the 60/40 property tax split. Street repairs continue to be the forefront of objectives for the city administration. However, Pacific County continues to have trouble retaining an engineer in Public Works to assist with interlocal planning.

Tourism Fund (104)

Lodging tax revenues continue to exceed the budgeted revenue expectations of the last decade and are likely going to sustain into the future. Estimated revenue for the fund has been increased from \$40,000 to \$60,000.

Fire Fund (105)

In 2023, the City Council adopted by resolution Fire Fund 105 to track fire revenues and expenditures away from the general fund. The Ilwaco Fire Department began offering Basic Life Transport services to the community which has increased revenue. The council has also chosen to establish a fulltime Fire Chief position to assist with furthering the BLS transports and interlocal agreements between local agencies. The city believes strongly that this is a positive step in serving the needs of our citizens, and for the future growth of the city itself.

Excise Reserve Fund (301)

As typical, Real Estate Excise Tax collected on the sale of property is estimated in the amount of \$20,000 for 2024 and is still benefitting from the 2021-2022 inflated housing market. The revenue can be used to fund capital improvement projects.

Water Fund (401)

The estimated Water Fund budgeted expenditures of \$1.1M are for maintenance and operation of the plant and distribution system, as well as repayment of long-term debt and capital projects. The city must fund the cost of completing a water system plan update so that loan and grant funding can be explored for repairs to the Indian Creek Dam and the reservoir intake. The Whealdon Road project will be closed out and debt obligations for the project funding have been included in the next budget cycle. The city will also be calling for proposals to finance a complete water meter system replacement as we continue to encounter meters that are reading incorrectly or not at all, after being in service for nearly 15 years and have exceeded their useful life. The estimated cost for a 10 year lease of a replacement system has also been included in the budgeted expenditures. The fund ends the year with a very slim reserve. The council has chosen to make a small base rate increase and adopt the seasonal consumption charges year round, in combination with a \$50,000 transfer from the excise reserve fund to reduce the rate burden on our citizens.

Watershed Fund (402)

In 2019, council authorized the creation of the Watershed Fund for revenue from timber harvesting and to handle expenses specifically related to Source Water Protection as identified in the 2015 Source



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Watershed Control Plan. In 2022 the city finalized the purchase of the watershed, creating the Bear Ridge Community Forest. Currently, recreational trail planning is being discussed as well as how the city will continue to foster the growth of a healthy working forest.

Water/Sewer Bond Redemption Fund (403)

Revenues are transferred from the Water and Sewer Funds to provide for payments of long-term debt redemption.

Water/Sewer Bond Reserve Fund (404)

Debt covenants for certain bonds require that the city hold one annual payment in reserve. In 2024, the city will continue to collect 10% of the USDA Whealdon Road Improvements payment reserve and the final loan payment for the Sahalee sewer line improvements.

Stormwater Fund (408)

At the end of 2011, the Ilwaco City Council passed the necessary legislation to form a stormwater utility. The utility is responsible for the operation, maintenance, construction and debt service related to Ilwaco's stormwater infrastructure. Additionally, the utility has alleviated the burden on the Streets Fund allowing for future streets maintenance and repair. The Public Works crew continues to spend a significant amount of time locating and diagraming storm drainage.

Sewer Fund (409)

The estimated expenditures of \$1.2M are for daily maintenance and operation of the plant and collection system, as well as repayment of long-term debt and necessary capital expenditures. The city continues to find that when the treatment plant is running at its best, there is little need for utilizing the bio-solid facility. Inclusion of land application costs have remained for 2024 but with ongoing climate change and instability of atmospheric river events, the city has begun to rely more on private companies on the east side of the state for treatment, resulting in increased cost. Capital expenditures also include a 50% share of the cost of leasing a new meter system.

Summary

2023 will mark the closing of the Whealdon Road Water Distribution and Treatment Plant repair work which has been an ongoing struggle for over nine years to package together and fund. SCADA improvements at both the water and wastewater treatment plants are complete and 2024 will continue with final lift and pump station upgrades. Property and liability insurance costs continue to rise, along with the utility rates. Interest in development of the vacant MSW land could bring much needed relief to the citizens from carrying the operational costs of a small city for so many years. The city also continues to look at ways to encourage housing development for workforce and retirement needs.

Respectfully submitted,

Mike Cassinelli, Mayor



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BUDGET MESSAGE

To: Ilwaco City Councilmembers
From: Mike Cassinelli, Mayor

Subject: Budget request for 2025

I am pleased to submit for your consideration the proposed 2025 budget for the City of Ilwaco. Proposed 2025 expenditures and reserve contribution appropriations stated on a comparative basis with the 2024 budget and 2023 actual results are as follows:

	Actual	Budget	Proposed
	2023	2024	2025
<i>General/Streets Fund</i>			
General City government (including legal svc and courts)	364,890	337,419	337,546
Law Enforcement	305,400	320,670	340,464
Fire Department	199,373	115,000	151,939
Other Services (Dispatch, Correctional Institution, etc.)	18,075	28,167	31,398
Physcial Environment including Planner	99,687	197,616	162,616
Library	29,563	29,115	30,062
Community Building	34,990	28,966	48,254
Parks	153,387	336,449	121,375
Streets (including grant funded projects)	190,463	203,704	1,681,638
Transport Operations	6,746	313,933	275,394
Debt Repayment/Capital Expenditures	96,460	106,460	-
Reserve contribution/(usage)	(119,152)	(185,744)	(49,906)
Total Expenditures	1,379,882	1,831,755	3,130,781
<i>Tourism Fund</i>			
Ilwaco Merchants Association	12,000	10,000	8,000
Miscellaneous	9,806	15,000	5,000
Fireworks	10,000	20,000	16,500
Visitors Bureau	18,769	17,769	18,769
Heritage Museum (includes insurance provided)	21,799	24,093	27,191
Ilwaco Charter Association	5,000	5,000	5,000
Other	-	-	-
Reserve contribution/(usage)	(4,096)	(28,862)	(17,460)
Total Expenditures	73,278	63,000	63,000
<i>Excise Reserve Fund</i>			
Contribution to projects	-	50,000	75,000
Reserve contribution/(usage)	13,776	(28,500)	(52,500)
	13,776	21,500	22,500



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	Actual 2023	Budget 2024	Proposed 2025
<i>Water Fund</i>			
Operations & Maintenance	682,738	767,203	706,664
Capital Expenditures	432,714	147,400	997,000
Debt Service	191,869	186,707	205,768
Reserve contribution/(usage)	(103,338)	14,681	20,369
Total Expenditures	1,203,983	1,115,991	1,929,801
<i>Water/Sewer Bond Redemption Fund</i>			
Debt Service	480,026	479,475	477,427
Total Expenditures	480,026	479,475	477,427
<i>Water/Sewer Bond Reserve Fund</i>			
Contribution to Reserve	12,124	11,890	14,214
Total Expenditures	12,124	11,890	14,214
<i>Stormwater Fund</i>			
Operations & Maintenance	79,483	86,999	58,383
Capital Expenditures	123,756	1,500,851	900,000
Debt Service	31,152	30,731	30,732
Reserve contribution/(usage)	8,542	(23,573)	5,043
Total Expenditures	242,933	1,595,008	994,158
<i>Wastewater Fund</i>			
Operations & Maintenance	742,737	772,065	798,526
Capital Expenditures	41,018	116,274	129,000
Debt Service	479,943	479,392	479,392
Reserve contribution/(usage)	17,046	(96,517)	(106,288)
Total Expenditures	1,280,744	1,271,214	1,300,629

Revenues

The budget is balanced by a proposed levy of \$251,531 in property taxes that will be split between the General Fund (80%) and Streets Fund (20%). The levy is limited to a 1% increase each year which for 2025 is \$2,475.

The estimated yield from retail sales and use tax for 2025 has been increased to \$250,000. This tax represents the single greatest source of revenue to the general fund currently. The General and Streets Fund are further provided for by utility taxes collected on electricity, solid waste collection, telephone, cable modem, water, sewer, and storm drainage; making up approximately 25% of the annual support. Additionally, Business and Occupation Tax, business license fees and Motor Vehicle Fuel Tax provide approximately 15% of the annual funding.

Personnel

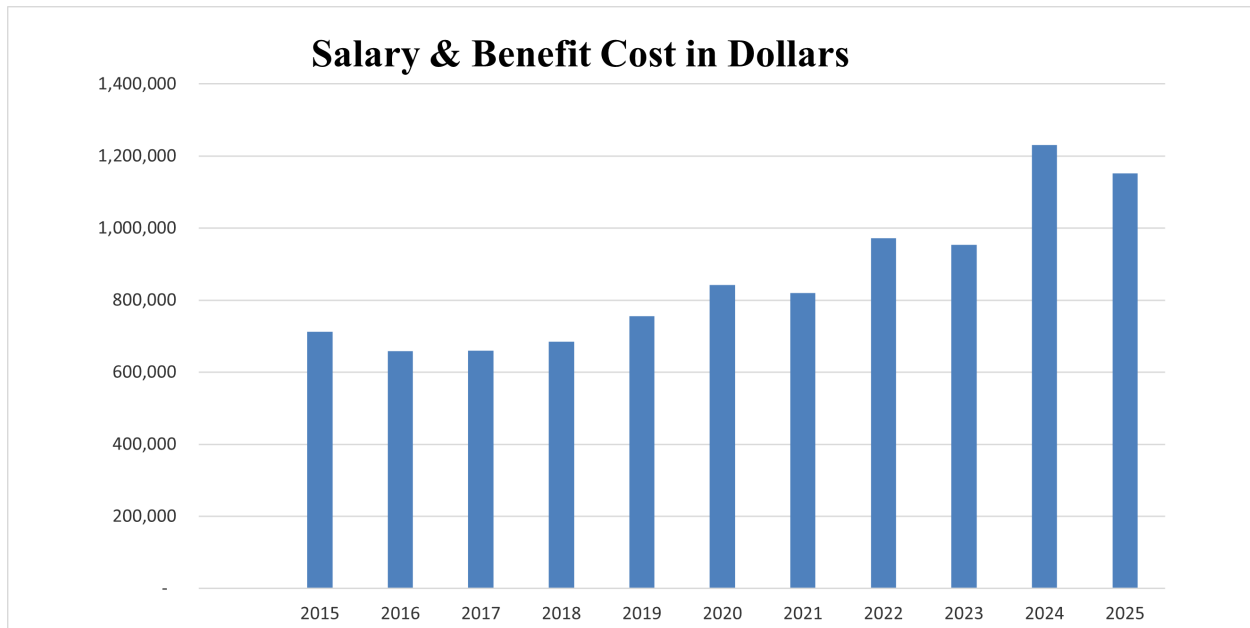
Salary and benefit costs are allocated to the General, Streets, Stormwater, Water and Wastewater Funds based on the time staff provide services for those activities. Time studies are implemented to ensure that allocations are true to the actual time spent by the crew, however the city crew is small and continues to

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assist over many different areas and time accounting practices are difficult to adhere to under stressful project conditions. The budget provides for normal progressive step increases under Ordinance 952 establishing an updated pay table from current federal scales. In 2025, the city will provide a 2% Cost of Living increase to the 2024 salary scale. The city continues to provide a full benefit package to employees and their families.



The 2025 budget for salary and benefit costs has decreased over 2024. The wastewater plant cost went down with the departure of an employee earlier in the year, and benefit costs have been reduced over 2024 estimated amounts as a result of employee changes with reduced dependent coverages. Compensation for the Mayor and Council are also included in the salary allocations.

General Fund (001)

The General Fund provides for numerous city services, such as law enforcement, courts and detention facilities, fire protection and emergency services; parks, lakes, trails and recreation; library, senior services and community facilities; city planner, city attorney, clerk, treasurer, council and mayor. Approximately 30% of the annual operational expenditures from the General Fund are strictly for payment of the law enforcement services provided by the City of Long Beach. 10% of the General Fund budget is to maintain the city parks. 30% of the expenditures will provide for City Hall administration, municipal court, city attorney, elected officials and audit costs. In 2024, the city paid off both loans for the Ilwaco Community Building and Fire Hall. In 2025, the city will be looking at obtaining funding for improvements to the Community Building such as HVAC upgrades, roof replacement, and siding repairs. The city will also be applying for new funding to eradicate Black Lake Brazilian Elodea and replacement of the docks.

Streets Fund (101)

The fund continues to fall short of reserve targets. In 2025 the fund will only receive 20% of the property tax allocations as the taxes are necessary to support the general fund. The Transportation Improvement

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Board awarded a \$1.5 million dollar street improvement grant to the city to chip-seal nearly all of the arterial streets. The 5% match requirement will be funded by an allocation from the Excise Tax Reserve fund.

Tourism Fund (104)

Lodging tax revenues are slightly lower than projected but are still meeting the needs of the reserve. This has been a concerning trend throughout the county.

Transport Fund (105)

The Transport Fund (formerly called the Fire Fund) was established to separate the expenses of EMS/Fire response and BLS Transport services from the general fund in order to efficiently track revenues and expenditures for the transport services. The fund has been further refined to now reflect the revenue and expenditures associated only with BLS Transport services so that the city may be more transparent to our citizens that we are able to meet EMS/Fire response needs with general tax dollars, and not co-mingling the funds.

Excise Reserve Fund (301)

As typical, Real Estate Excise Tax collected on the sale of property is estimated in the amount of \$20,000 for 2025 although with increased housing prices and new home development the fund seems to be regularly exceeding the estimation in recent years. The revenue can be used to fund capital improvement projects and an allocation will be made to the Street Fund in 2025 to support the TIB road improvement project.

Water Fund (401)

The estimated expenditures of \$1.M are for daily maintenance and operation of the plant and distribution system, as well as repayment of long-term debt and necessary capital expenditures. The fund, while falling short of reserve target goals, remains solvent in light of many recent improvement projects. Best practices are always to continue increasing rates to hedge against inflation costs, however the city has chosen not to take a utility rate increase in 2025. The replacement of all the water meters secured low interest, long term funding from USDA-RD which is a welcome relief. The city is currently working on the Water System Plan update which will open additional avenues for funding water improvement projects in the coming year. With the new Kamstrup water meter acoustic leak detection it will be prudent to have these additional fund resources to repair/replace deteriorating water mains that will soon be found. Additionally, the city will seek an updated utility rate study to determine if a new rate structure would benefit both the fund and our customers.

Watershed Fund (402)

The Watershed Fund was created to track revenues from timber sales in order to acquire our watershed. The fund has served its primary goal and continues to hold a small amount of seed money for continued planning efforts in the Bear River Community Forest. The fund also can support the Water Fund reserve when absolutely necessary.

Water/Sewer Bond Redemption Fund (403)

Revenues are transferred from the Water and Sewer Funds to provide for payments of long-term debt redemption.



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Water/Sewer Bond Reserve Fund (404)

Debt covenants for certain bonds require that the city hold one annual payment in reserve. In 2025, the city will begin collecting a reserve for the final payment on the USDA-RD water meter debt.

Stormwater Fund (408)

At the end of 2011, the Ilwaco City Council passed the necessary legislation to form a stormwater utility. The utility is responsible for the operation, maintenance, construction and debt service related to Ilwaco's stormwater infrastructure. Additionally, the utility has alleviated the burden on the Streets Fund allowing for future streets maintenance and repair. The Public Works crew continues to spend a significant amount of time locating and diagramming storm drainage.

Sewer Fund (409)

The estimated expenditures of \$1.3M are for daily maintenance and operation of the plant and collection system, as well as repayment of long-term debt and necessary capital expenditures. Inclusion of land application costs have remained for 2025. The city continues to look for new methods of treating and disposing of the solid waste in order to keep expenses low. The fund reserves remain strong, and the city will not need to adopt a utility rate increase for 2025.

Summary

2024 will close with a variety of projects in mid-development. The year-end balances will fluctuate down to the final minutes of the fiscal year and will be dependent on how quickly expenses can be received and turned around for reimbursement by the contractual sources. The General fund planning projects for the Sea Level Rise Risk Assessment and Local Salmon Recovery Planning that are both mid-way through development. The Water Fund bears the costs of the High Hazard Potential Dam analysis. With the majority of the geotechnical expenses coming in early December, the administration will be hard pressed to get a reimbursement turned around in order to offset a depletion of the reserve and possible dip into the watershed fund. Since the watershed fund is not adopted as its own fund, the short term loan can be done without a formal resolution. However, the Stormwater Fund is seeing the Baker Bay Stormwater Project in full construction. Considerable expenses will be incurred in the 2024 fiscal year which won't be reimbursed by the DOE grant until 2025. This will likely cause the need for an interfund loan from wastewater. Looking at 2025, development of the vacant MSW land could bring much needed relief to the citizens from carrying the operational costs of a small city for so many years. And as always, the city also continues to look at ways to encourage housing development for workforce and retirement needs.

Respectfully submitted,

Mike Cassinelli, Mayor