



Sarah Talbert <sarah.talbert@como.gov>

Bond Request Council Memo

Tad Johnsen <tad.johnsen@como.gov>
To: Sarah Talbert <sarah.talbert@como.gov>
Cc: "Williams, Ryan" <Ryan.Williams@como.gov>

Mon, Apr 30, 2018 at 1:35 PM

Sarah,

Not yet, I would expect that we will have some discussions with RFC prior to the 5/21 meeting, with that said the staff recommended O&M rate increases are not made till the budget is released and I have seen where we often request smaller than the cost of service rate increase recommends.

This memo is designed to address bond issuance and rate increases for debt service, It has already been sent to the WL Ad Bd and unless we change it, it will go to the City Council this Thursday.

Thanks,
Tad

On Mon, Apr 30, 2018 at 12:21 PM, Sarah Talbert <sarah.talbert@como.gov> wrote:

Have we gotten anything back from the Water cost of service study consultant related to the model? I guess I would have thought we would have seen it by now to make sure everything is what we believed it to be, along with what he is proposing for rate increases and in what year. I'm hesitant to hear for the first time what he is proposing for O&M increases, etc at the council meeting on 5/21 or prior.

Thanks
Sarah

Sarah Talbert
Acting Assistant Director, City Utilities
City of Columbia, MO
573-874-7273
Sarah.Talbert@como.gov

On Thu, Apr 26, 2018 at 12:34 PM, Tad Johnsen <tad.johnsen@como.gov> wrote:

Attached, for your comment is my draft of the Council Memo for the Water Bond Request, please see the highlighted section.

Thanks,
Tad



Sarah Talbert <sarah.talbert@como.gov>

Bond Request Council Memo

Sarah Talbert <sarah.talbert@como.gov>
To: Ryan Williams <ryan.williams@como.gov>

Mon, Apr 30, 2018 at 1:21 PM

I'm going to have Janet double check the years that I show that were not funded by it and I will do a transfer of funds. I believe that will be \$2 million for FY 2014, FY 2016, FY 2017 and FY 2018. (\$500,000 each). That will leave approximately \$2.8 million in there.

Accounting has found nothing on their end as to why this was set up, but believe that it must have come from the Council. They don't know why it would have been set up otherwise.

I'm also going to ask that a separate funding source be set up in the CIP for "Tap fees" instead of "Enterprise Revenue" so that we don't include it in our forecast and show that we need to have cash on hand to cover it.

Sarah Talbert

Acting Assistant Director, City Utilities
City of Columbia, MO
573-874-7273
Sarah.Talbert@como.gov

On Mon, Apr 30, 2018 at 1:10 PM, Ryan Williams <ryan.williams@como.gov> wrote:

Sarah,

Do we know how the "tap fee" W0002 account is going to be handled? I imagine it will have a big impact on the recommended rate adjustments?

Ryan

On Mon, Apr 30, 2018 at 12:21 PM, Sarah Talbert <sarah.talbert@como.gov> wrote:

Have we gotten anything back from the Water cost of service study consultant related to the model? I guess I would have thought we would have seen it by now to make sure everything is what we believed it to be, along with what he is proposing for rate increases and in what year. I'm hesitant to hear for the first time what he is proposing for O&M increases, etc at the council meeting on 5/21 or prior.

Thanks
Sarah

Sarah Talbert

Acting Assistant Director, City Utilities
City of Columbia, MO
573-874-7273
Sarah.Talbert@como.gov

On Thu, Apr 26, 2018 at 12:34 PM, Tad Johnsen <tad.johnsen@como.gov> wrote:

Attached, for your comment is my draft of the Council Memo for the Water Bond Request, please see the highlighted section.

Thanks,
Tad



Department Source: City Utilities - Water and Light

To: City Council

From: City Manager & Staff

Council Meeting Date: May 7, 2018

Re: Water Utility Five Year Revenue Bond Program

Executive Summary

Staff has prepared for Council consideration an ordinance authorizing a special election on the question of whether to issue Water and Electric System Revenue Bonds in the amount of \$42,845,000 for the purpose of extending, expanding, improving, repairing, replacing and equipping the city-owned water systems. Council is being asked to consider this referendum for the August 2018 election. Staff estimates that the rate increases needed to support debt service will total 11% for this issue. Funding major capital projects with revenue bonds provides the lowest rate impacts and supports rate stability for current and future electric customers.

Discussion

Staff has prepared the information necessary to place a Water and Light Revenue Bond Issue on the August 2018 ballot. The list of FY19-FY23 Capital Improvement Projects (CIP) was reduced by first determining if the project was critical to reliably providing Water service for all customers in the next five years. The list was further edited by staff to ensure only projects providing long-term benefits that fit this long-term funding philosophy were included for this financing. This funding approach is designed to assure future customers that benefit from the system are also the customers paying for the system projects. A list of the proposed projects is attached. The proposed bond issue is for a water construction program which is consistent with present policy for funding of water infrastructure. A combination of borrowed money and current income from rates is used. This method of funding allows for minimal rate increases and ensures future customers help pay for the system upgrades they benefit from. The last water bond issue for system improvements was in 2008 for \$39 million. This proposed bond issue is for \$43 million which will fund main relocation for streets and highways, water main replacements, water treatment plant upgrades, pump station upgrades, well platform improvements, elevated storage and pumped storage additions. The water projects in this list are located in various areas of the City and will provide improvements and continued water service reliability to all areas of the community. Water studies and analysis has identified work that must be done to the water system to meet our current reliability requirements and customers future water service reliability expectations. It is estimated that a total of 11% in rate increases will be needed to cover the debt service requirements of this bond issue. One 3% increase will be needed following the passage of the bond proposal. The remaining 8% increase needed would be proposed as 3% increases for FY20 and FY21 followed by a 2% increase for FY22. Funding for these projects through enterprise revenue would result in higher rate impacts. Rate changes for other water operational needs will be addressed separately in future budgets.

Fiscal Impact



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Short-Term Impact: A portion of the Election Costs

Long-Term Impact: A portion of the Election Costs

Strategic & Comprehensive Plan Impact

[Strategic Plan Impacts:](#)

Primary Impact: Infrastructure, Secondary Impact: Secondary, Tertiary Impact: Tertiary

[Comprehensive Plan Impacts:](#)

Primary Impact: Infrastructure, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Legislative History

Date	Action

Suggested Council Action

Adoption of the proposed legislation to place this referendum on the August 2018 ballot.



Sarah Talbert <sarah.talbert@como.gov>

W0002 name change

Janet Frazier <janet.frazier@como.gov>
To: Sarah Talbert <sarah.talbert@como.gov>

Mon, Apr 30, 2018 at 3:06 PM

Done.

On Mon, Apr 30, 2018 at 1:55 PM, Sarah Talbert <sarah.talbert@como.gov> wrote:
Please change the name on this project to "Connection Fee Revenues".

Thank you
Sarah



Sarah Talbert <sarah.talbert@como.gov>

W0002 funds to W0128

Sarah Talbert <sarah.talbert@como.gov>
To: Janet Frazier <janet.frazier@como.gov>

Mon, May 7, 2018 at 11:34 AM

Nope I don't think it's necessary.

Thank you!

Sarah Talbert
Acting Assistant Director, City Utilities
City of Columbia, MO
573-874-7273
Sarah.Talbert@como.gov

On Mon, May 7, 2018 at 11:29 AM, Janet Frazier <janet.frazier@como.gov> wrote:

This has been posted. The entry is just between operating cash and W0002 so there is no indication if you look in W0128 that anything was changed. That would involve a bunch of debits and credits that would change nothing so I didn't do that. If you think it is necessary let me know.

Janet

On Mon, May 7, 2018 at 10:33 AM, Sarah Talbert <sarah.talbert@como.gov> wrote:

Thanks for checking these.

Can you please swap out the funding sources in this project? The original funds were from Ent Revenue and should have been from the restricted funds in W0002.

Thanks
Sarah

Sarah Talbert
Acting Assistant Director, City Utilities
City of Columbia, MO
573-874-7273
Sarah.Talbert@como.gov

On Fri, May 4, 2018 at 9:42 AM, Janet Frazier <janet.frazier@como.gov> wrote:

I agree with this list.

Janet

On Mon, Apr 30, 2018 at 1:24 PM, Sarah Talbert <sarah.talbert@como.gov> wrote:

I'm showing that the following years and funds were not transferred from W0002 (WT002) to W0128 (WT0128).

FY 2014: \$500,000
FY 2016: \$500,000
FY 2017: \$500,000
FY 2018: \$500,000
TOTAL: \$2,000,000

If you agree with this then I will prepare the transfer of funds.

Thanks
Sarah

1/27/2020

City of Columbia, MO Mail - W0002 funds to W0128





Sarah Talbert <sarah.talbert@como.gov>

Tap Fees

Sarah Talbert <sarah.talbert@como.gov>
To: Laura Peveler <Laura.Peveler@como.gov>
Cc: Natalie Loaiza <Natalie.Loaiza@como.gov>

Tue, Sep 25, 2018 at 11:21 AM

Yes, from what I understood from meeting with Michele and Janet was that this process would continue with restricting tap fees on a monthly basis and then when the CIP is adopted by Council each year that the funds designated for new service connections would be moved from W0002. No one can find any documentation on why this was happening. Janet didn't believe that Jane would have started doing it if there wasn't a directive either by Council, the City Manager or Director to do so.

Sarah Talbert
Assistant Director, City Utilities (Rates)
City of Columbia, MO
573-874-7273
Sarah.Talbert@como.gov

On Tue, Sep 25, 2018 at 9:14 AM, Laura Peveler <Laura.Peveler@como.gov> wrote:

Sarah,

We are making a few changes to the Water Fund financial sources and uses page as a result of a question asked by Pitzer concerning how the Est FY 2018 Unassigned Cash Reserve got calculated. While we change the ending unassigned cash reserve to include the \$2 million tap fees that went from restricted to unrestricted, we didn't show that as an individual line, so it was confusing.

We are going to add a line to this statement to show the movement from restricted to unrestricted. In the process of doing this, we got to looking at the W0002 project and it appears there are still tap fees being put there monthly from operations. Is this supposed to be happening? I thought the idea was that these should no longer be restricted??

Please advise so we can let Accounting know if they need to make these amounts go back to operations before the end of the fiscal year.

Natalie and I tried to call you to talk thru this but we did not reach you. If you want to talk thru this, please give us a call.

Many thanks,

Laura L. Peveler
Budget Officer
City of Columbia
573-874-7541
laura.peveler@como.gov



Sarah Talbert <sarah.talbert@como.gov>

Project W0002

Sarah Talbert <Sarah.Talbert@como.gov>

Tue, Jan 15, 2019 at 9:33 AM

To: Janet Frazier <Janet.Frazier@como.gov>

Cc: William Addo <william.addo@como.gov>, Ryan Williams <Ryan.Williams@como.gov>

Per our discussion this morning, we would like to close project W0002 and move these funds back to our unrestricted cash balance.

We will no longer restrict water connection fees on a monthly basis.

Thanks
Sarah