



Department Source: City Utilities - Water and Light
To: City Council
From: City Manager & Staff
Council Meeting Date: January 2, 2018
Re: Supplemental Information to B93-18

Executive Summary

Information on public education efforts related to bond issues or propositions.

Discussion

The City may provide factual information to citizens on upcoming tax, bond or propositions however the City may not advocate.

In 2008 when the City of Columbia placed Proposition 1 on the ballot the following public education means were utilized by the city and citizen groups; some examples are attached.

- A citizens committee used factual information from staff to promotional create fliers, etc.
- Staff created PowerPoint presentations which provided factual information to stakeholder groups such a civic clubs, etc.
- Staff created a Water Bond Project Detail spreadsheet to indicate potential projects to be funded by the bonds.
- Staff appeared on radio programs and were interviewed by local media.
- The committee appeared on local radio programs and were interviewed by local media.
- Staff used traditional communications methods to distribute information. In current times, social media and other non-traditional media would play a larger role in the public education process.

Fiscal Impact

Short-Term Impact: Internal staff – negligible cost

Long-Term Impact: None

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Infrastructure, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts:

Primary Impact: Infrastructure, Secondary Impact: Livable & Sustainable Communities, Tertiary Impact: Tertiary



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Legislative History

Date	Action

Suggested Council Action

Informational only.

2008 Water Revenue Bond Issue Proposition 1 Fact Sheet

DATE: November 4, 2008

AMOUNT: \$38,940,000.

PAID FOR BY: Columbia Water & Light water customers will pay back the borrowed money through a series of rate increases over 6 years. There is no impact on taxes.

PURPOSE: The money borrowed through bonds will pay for capital improvement projects to the water system. The projects primarily focus on the water distribution system by replacing and upgrading existing water mains. Many of the projects will increase the water flow for fire fighting purposes. A small percentage of the money will go towards increasing the water supply capacity.

PROJECT AREA: Bond issue projects are spread throughout all areas of the city.

REQUIREMENTS FOR PASSAGE: A simple majority of Columbia citizens.

PROPOSED RATE INCREASE: It is estimated that two 1.5% rate increases followed by four 5% rate increases will be required to pay back the borrowed money. For the average residential customer, each 1% increase in the water rate is about 23 cents per month.

USE OF REVENUE BONDS: Utilities generally use bonds to finance large-scale projects. Borrowing money spreads the cost of expensive projects over time. Voter approved bonds are the least expensive method of improvements without authorizing a property tax increase.

WATER BOND ISSUE HISTORY: Columbia Water & Light usually asks voters to approve borrowing money on a five-year cycle. The last water bond issue in 2003 financed the expansion of the water treatment plant and the addition of a water pumping station. A small percentage of the funds were used for distribution system improvements.

WATER QUALITY ISSUES: Columbia has had increasing levels of Trihalomethanes in the water. This can cause health risks over a long period of time. Trihalomethanes are formed over a period of time and distribution system improvements will increase the flow of water through the system. This could reduce higher levels of Trihalomethanes in the distant reaches of the water system. Cost estimates on long-term solutions at the water treatment plant are not available at this time to include them on the bond issue project list. However,

there is some money set aside in the 'contingency' category that could be used on treatment plant changes.

WATER BOND ISSUE PROJECTS:

PROJECT	AMOUNT
Increased distribution system flow	\$19,707,200
Water main replacements	\$2,735,000
Fire flow (will replace mains)	\$1,614,500
School fire flow (will replace mains)	\$1,307,800
City-wide annual maintenance projects	\$9,300,000
Water production projects	\$3,175,000
Contingency	\$600,000
Bond financing costs	\$500,500
TOTAL	\$38,940,000

- An example of this process is buying a large ticket item like a house. If a person can put down a certain percentage of the price of the house and borrow the rest, then they can live in the house and pay for it over time. If they were to have to pay for the house in full, then they would have to put the majority of their income towards savings and in the mean time have no place to live.

Water Project Financing Six Year Program

Revenue Bond Issue
- November, 2008 -
Improve Reliability and Fire Flow for the Water System

Back-Up Generators for ASR's and Pump Stations	\$ 500,000
New Well Metering	\$ 150,000
16" Mains South of Nifong	\$ 450,000
Drill Alluvial Well #16	\$ 315,000
Paint Water Treatment Plant Basins	\$ 900,000
Drill Alluvial Wells 17 & 18	\$ 700,000
Cliff Dr – Hawthorne to University – Close Loop	\$ 50,000
Rosemary – College to William – Main Replacement	\$ 185,000
Country Club Dr – Old 63 East – Main Replacement	\$ 208,000
Walnut – William to Old 63 – Main Replacement	\$ 142,500
Anthony St – College to William – Main Replacement	\$ 195,000
Wilson Av – East of College to William – Main Replacement	\$ 120,000
Providence Rd – Locust to Elm – Main Replacement	\$ 90,000
Rangeline St & Smith St – Main Relocation	\$ 32,000
Cliff, Univ, Hilltop, Hawthorne, Rock Hill – Main Replacement	\$ 370,000
Providence at Douglass HS – Main Replacement	\$ 62,000
Washington – Hickman to Wilkes – Main Replacement	\$ 160,000
Jefferson Junior High School	\$ 355,125
West Junior High School	\$ 277,200
West Blvd Elementary School	\$ 222,750
Field Elementary School	\$ 225,225
New Haven Elementary School	\$ 113,750
Ridgeway Elementary School	\$ 113,750
24" Transmission Main – North Section	\$ 4,495,000
24" Transmission Main – South Section	\$ 6,700,000
Highway 763 & 1-70 – Close Loops	\$ 378,000
Providence & Stewart – Close Loops	\$ 100,000
Stadium & Bernadette – Close Loops	\$ 114,000
Route PP – Main Upgrade to 12" Main	\$ 2,340,000
Heller Road (East) Upgrade to 16" Main	\$ 3,265,000
University Ave – Ann St to Rock Hill – Close Loop	\$ 97,650
Gillespie Bridge Rd – Limestone to Longview – Close Loop	\$ 66,300
Fairmont Dr – Fieldcrest to Parkridge – Close Loop	\$ 26,250
Smith Dr – Silver Thorne to Scott Blvd – Close Loop	\$ 285,000
Ground Storage at Hillsdale PS	\$ 1,240,000
Hackberry Upgrade to 12" Main	\$ 600,000
Water Treatment Plant Transformers & Switchgear Upgrade	\$ 160,000
Valve Additions On Broadway	\$ 150,000

Bus Loop 70 Main Replacement - Jackson to Jefferson	\$ 260,000
Bus Loop 70 Main Replacement - Old 63 to Eastwood	\$ 935,000
Bus Loop 70 Main Replacement - Jefferson to Providence	\$ 660,000
Broadway Main Replacements – Garth to West Blvd	\$ 730,000
Close Loops	\$ 500,000
Main Relocate/Replace for Street & Highway	\$ 3,100,000
Fire Hydrants & Valve Replacements	\$ 1,150,000
Differential Payments	\$ 800,000
Main Replacements	\$ 3,750,000

Sub-total \$37,839,500

Contingency & Cost of Issuance \$ 1,100,000

Total Bonds \$38,939,500