

Kelso City Council Agenda

Regular Meeting, 6:00 pm
October 7, 2014
City Hall, Council Chambers
203 South Pacific
Kelso, WA 98626



Special accommodations for the handicapped and hearing impaired are available by special arrangement through the City Clerk's Office at 360-423-0900

Invocation:

Greg Moore, Kelso First United Methodist Church

Roll Call to Council Members:

1. Approve Minutes:

1.1. September 16, 2014 – Regular Meeting

2. Proclamation:

2.1. Domestic Violence Awareness Month

3. Public Hearing:

3.1. Revenue Sources for the City's 2015 Current Expense Budget

4. Consent Items:

5. Citizen Business:

6. Council Business:

6.1. Budget Workshop

7. Action/Motion Items:

7.1. Ordinance, 1st Reading

7.1.1. Transfer of Property – 1124 North Pacific Avenue

7.2. Ordinance, 1st Reading

7.2.1. Water/Sewer Rates

Kelso City Council Agenda

Regular Meeting, 6:00 pm
October 7, 2014
City Hall, Council Chambers
203 South Pacific
Kelso, WA 98626



Other Items:

- City Manager Report
- Staff/Dept Head Reports
- Council Reports
- Other Business
- Executive Session

Pastor Chris Davis, Abundant Life Church of the Nazarene, gave the invocation. Mayor David Futcher led the flag salute. The Regular Meeting of the Kelso City Council was called to order by Mayor David Futcher. Councilmembers in attendance were: Futcher, Franklin, Schimmel, Archer, Myers, McDaniel, and Roberson

Minutes: Upon motion by Councilmember Schimmel, seconded by Councilmember Archer, 'Approve the Minutes of the 9/02/14 Regular Meeting,' motion carried, all voting yes.

CONSENT AGENDA:

1. **Appointments:** Planning Commission Position No. 6 and Kelso Housing Authority
2. **Auditing of Accounts:** \$2,038,271.95

Councilmember Archer requested to have **Item No. 1 regarding the Planning Commission Appointment** be removed from the Consent Agenda to be discussed separately.

Upon motion by Councilmember Myers, seconded by Councilmember McDaniel, 'Approve the modified Consent Agenda and the Auditing of Accounts in the amount of \$2,038,271.95.' Councilmembers Futcher, Myers, Archer, Schimmel, Roberson, and McDaniel voted yes. Councilmember Franklin voted no. Motion passed, 6 to 1.

Upon motion by Councilmember Schimmel, seconded by Councilmember McDaniel, '**Approve the appointment of Chuck Hendrickson to the Planning Commission Position No. 6.**' Discussion followed. Councilmembers Futcher, Schimmel, McDaniel, Myers, Franklin, and Roberson voted yes. Councilmember Archer voted no. Motion passed, 6 to 1.

COUNCIL BUSINESS:

Utility Rate Study Adoption: City Manager Steve Taylor provided an overview of the FCS Utility Rate Study that was delivered to the Council last July. Included in his presentation, were the staff's rate increase recommendations. Upon motion by Councilmember McDaniel, seconded by Councilmember Myers, 'Direct the staff to bring back an ordinance implementing the lower rates as recommended by the staff.'

Discussion ensued. Citizens who spoke from the audience were as follows:

- Anthony Currena, 803 South 6th Avenue
- Rick Von Rock, 400 North 7th Avenue

Motion passed, all voting yes.

MANAGER’S REPORT:

Steve Taylor: 1) Commented on the 2014 Highlander Festival. 2) Reported on the outcome of the three workshops that were held last week relating to the revitalization of South Kelso. 3) Commented that the State of the Cities Luncheon will be next Thursday. 4) Commented that an introduction to the 2015-2016 Preliminary Budget will be provided at the next council meeting on October 7, 2014. 5) Commented that there is new signage at the visitor center. 6) Provided an update on the request for the reallocation of Rural County Public Facility Funds.

COUNCIL REPORTS:

Jared Franklin: No report.

Gary Archer: No report.

Dan Myers: No report.

Todd McDaniel: No report.

Gary Schimmel: Provided a report on the last meeting of the Cowlitz County 911 Council Board.

Rick Roberson: 1) Commented on the Smart Growth USA workshops. 2) Spoke about the Highlander Festival Parade.

David Futcher: Commented on the Highlander Festival.

There being no further business, Mayor Futcher adjourned the meeting at 7:09 p.m.

MAYOR

DEPUTY CLERK

Proclamation

Domestic Violence Awareness Month

October 2014

WHEREAS, domestic violence is a serious, wide-ranging crime that affects people of all races, ages, income levels, sexes, and society as a whole; and

WHEREAS, the crime of domestic violence violates an individual's privacy, dignity, security, and humanity through the systematic use of physical, emotional, sexual, psychological, and economic control and/or abuse; and;

WHEREAS, children who grow up in violent homes are abused and neglected at a rate 1500% higher than the national average; and

WHEREAS, domestic violence costs the nation between \$5 billion and \$10 billion annually in medical expenses, police and court costs, shelters and foster care, sick-leave absenteeism and non-productivity; and

WHEREAS, only a coordinated community effort will put a stop to this heinous crime; and

NOW, THEREFORE, I, David Fatcher, Mayor of the City of Kelso, Washington, do hereby proclaim the month of October 2014 as

“Domestic Violence Awareness Month”

in the City of Kelso. I urge all citizens to actively participate in the scheduled activities and programs sponsored by the Emergency Support Shelter to work toward the elimination of personal and institutional violence against women, and to help shed light on domestic violence by actively reporting their concerns to the proper authorities.

In witness whereof, I have hereunto set my hand and caused the seal of the City of Kelso to be affixed this 7th day of October 2014.

David Fatcher, Mayor

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE:

Public Hearing on Revenue Sources for the City's
2015 Current Expense Budget.

Agenda Item: _____

Dept. of Origin: Finance Department

For Agenda of: October 7, 2014

PRESENTED BY:

Brian Butterfield
Finance Director

Cost of Item: _____

City Manager: Steve Taylor

AGENDA ITEM ATTACHMENTS:

SUMMARY STATEMENT:

In accordance with RCW 84.55.120, a public hearing is required on revenue sources for the coming year's budget, including consideration of possible increases in property tax revenues.

RECOMMENDED ACTION:

Staff will provide a presentation on a proposal for the 2015-2016 Budget.

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE: 2015-2016 Preliminary
Budget Workshop

Agenda Item: _____

Dept. of Origin: _____ City Council _____

For Agenda of: _____ October 7, 2014 _____

Originator: _____ Steve Taylor _____

PRESENTED BY:

Steve Taylor, City Manager

City Attorney: Janean Parker

City Manager: Steve Taylor

Agenda Item Attachments:

Budget Workshop Presentation

SUMMARY STATEMENT:

Staff will lead a discussion with Council regarding the proposed preliminary budget for 2015-16. Council will be provided, by October 6th, the overview of program expenditures and projections of the anticipated revenues necessary to fund the programs over the next biennium in accordance with the budget preparation deadlines established in RCW 35A.33.135.

Staff is seeking the Council's input on service levels, use of reserves and potential general revenue rate adjustments. Council direction will be incorporated into the preliminary budget that will be presented for public hearing on November 4th. Information on anticipated revenues and expenditures are still in the process of being confirmed and updated, and revisions to the preliminary budget will continue up to final adoption of the document before the year's end.

RECOMMENDED ACTION:

Provide direction to staff regarding desired changes, if any, to the outlay of programs delineated in the proposed preliminary budget.

City of Kelso

2015-16 Preliminary Budget

October 7th, 2014 Workshop





Summary

- Projecting a General Fund beginning balance of \$2 million
- Budget is balanced by drawing Gen. Fund reserves down \$150,000 in both 2015 & 2016
- Drawing down reserves in Street, Library, Parks, and Capital Projects Funds (\$75,000 in 2015 & 2016)
- Taking 1% property tax increase as allowed by law
- Maintains other tax rates at current levels



2014 General Fund Reserves





Use of Reserves

- Budgeted 2014 GF ending balance was \$1.3 million
- Structural changes and conservative budgeting resulted in substantial increase in reserves
- 90-day (25%) operating reserve vs. 60-day (17%)
- Council approved use of savings from 2013 to buy new equipment and enhance street maintenance/long-range planning services
- Drawdown of reserves from supported funds reduces necessary transfer from General Fund.



General Fund Transfers

- Street Fund Reserves - \$25K in '15 & '16
- New position in Street Fund increases GF transfer from by \$64K in '15 and \$80K in '16
- Reduce transfer to Arterial Streets by \$61K in '15 and \$113K in '16
- TBD funds are being fully used and all planned street capital projects are funded despite reduction



General Fund Transfers

- General Obligation (G.O.) Debt payment
- REET revenues (collected in Capital Projects Fund) higher than previous years
- Drawing down reserves to pay greater amount of debt service
- Saves General Fund \$30K in '15 and \$25K in '16



2015/2016 Proposal

- Maintains existing service levels
- Incorporates new utility rates proposed during September workshop
- Retains new Street and Water/Sewer positions
- Removes PW Director and Planning Manager positions



Cost Increases & Unknowns

- PERS premiums – additional 2% of employee salaries
- Health Benefits:
 - 3% increase in AWC
 - 7% increase in Kaiser
- Salaries (COLA)
 - KPA-Officers – 3% (contract)
 - AFSCME, KPA-Records, Teamsters – 2% (contract)
 - Non-represented – 2% proposed



Cost Increases & Unknowns

- Indigent Defense & Prosecution -- \$70K +
- Increase in jail daily rates
- New costs in Narcotics Task Force
 - Paying for one full officer rather than 25% of two
 - \$65K - \$70K annual expense
- Increase in liability premiums (Sewer, Streets, Drainage)
- \$150,000 proposed increase in sewer costs
- \$30K loss if Airport goes to Port of Longview

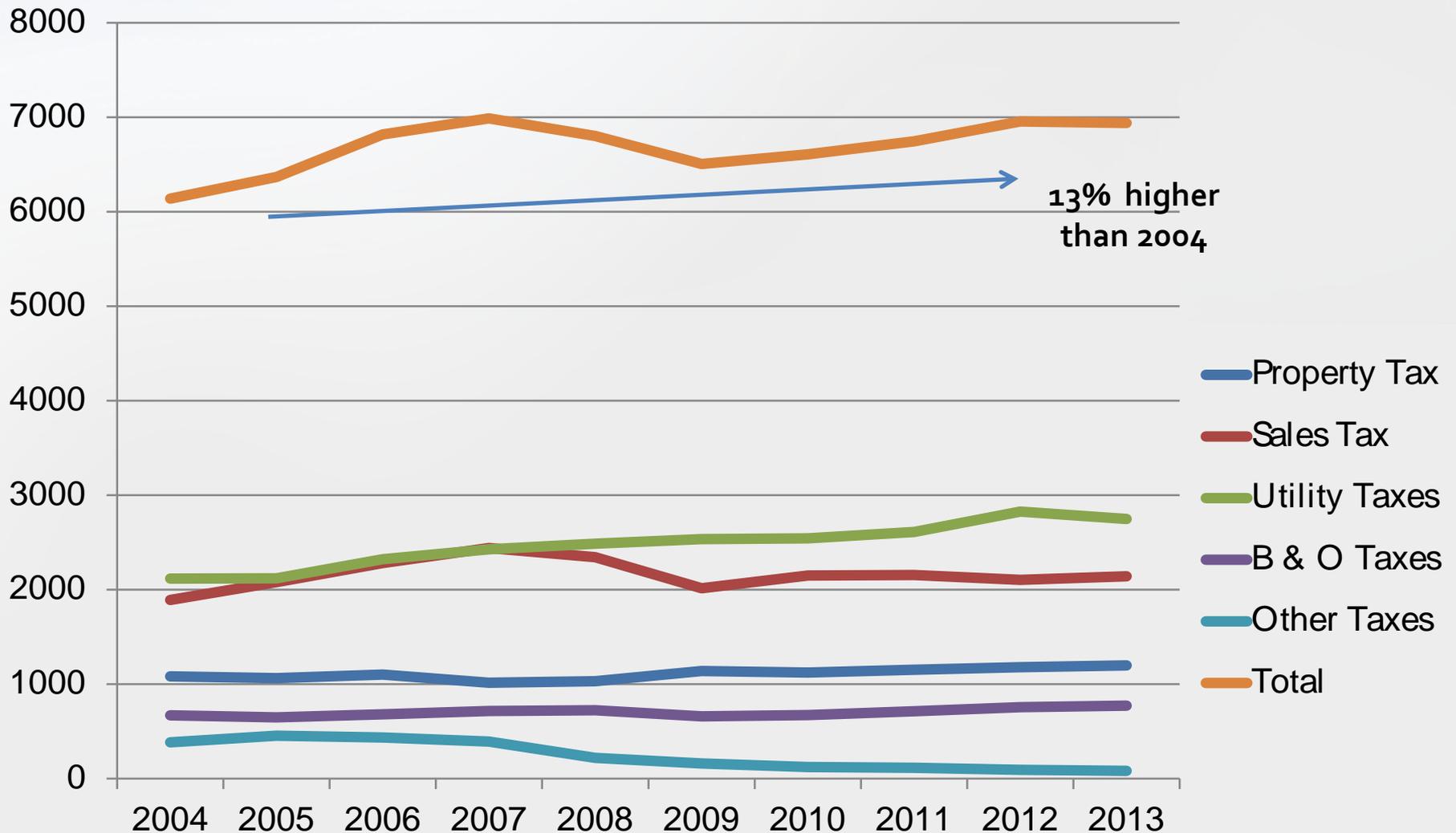


Revenues

- General Fund taxes are flat overall
- Building-Planning fees have been a valuable boost – but unstable source of revenue
- Stability and growth in utility revenues have carried weight of other stagnant revenue categories
- Continued uncertainty with liquor and other state-shared revenues
- Gas tax revenue on downward slope

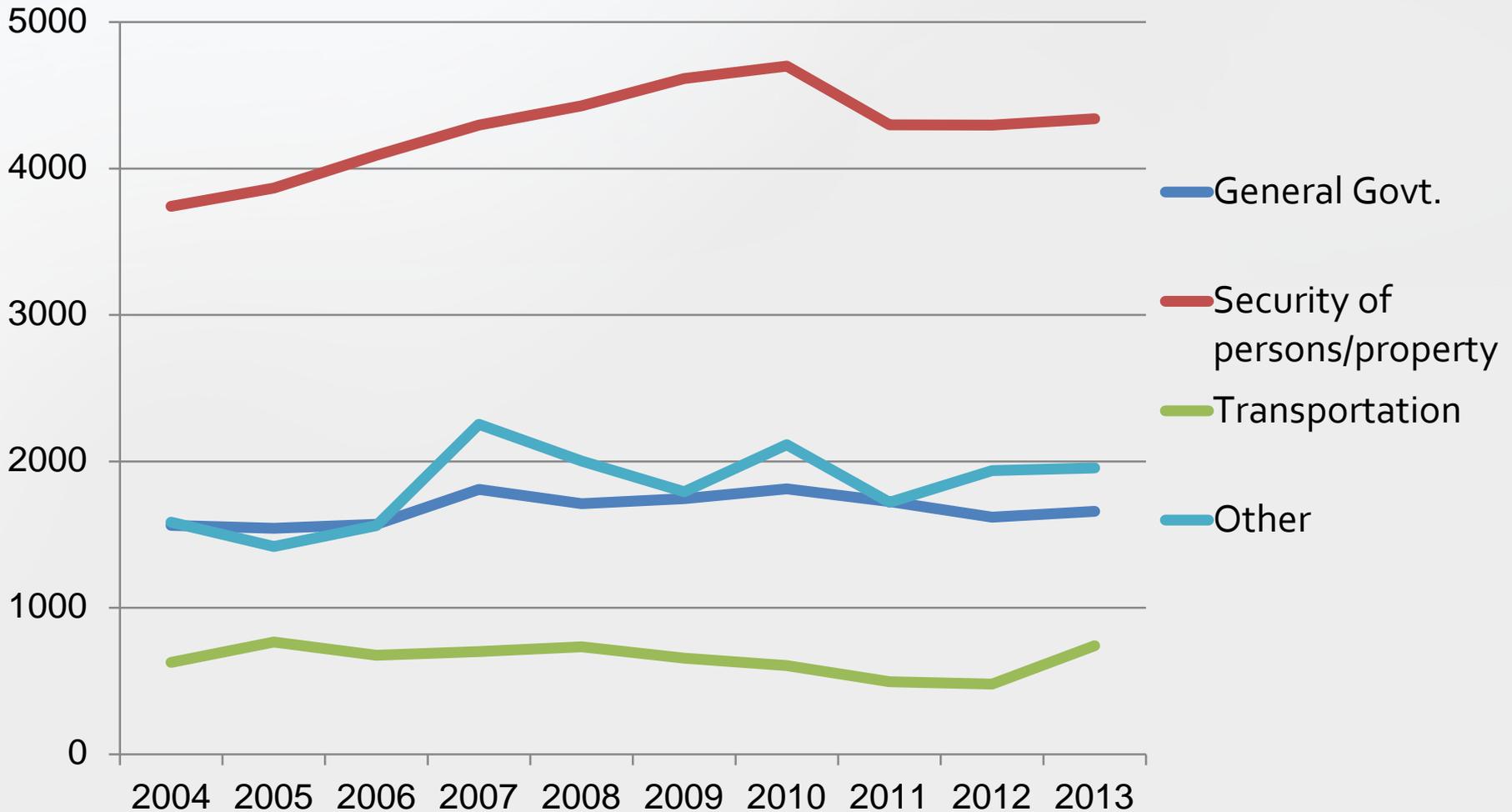


General Govt. Taxes (in thousands)



General Operating Expenditures

(in thousands)





Revenues & Service Levels

- Budget is in a good position for 2015-16 – for now...
- Build-up of reserves and structural streamlining
- Absorbing hits from state mandates and loss of previously reliable revenues
- Restructuring attempts are answered with new mandates/cost increases that soak up savings



Revenue Enhancements

- Staffing cuts have hit their limit
- Personnel costs continue to increase (and always will...)
- Facilities upgrades are necessary
- General maintenance of parks and city right of way is falling behind
- Not enough bodies to keep ahead



Revenue Enhancements

- Utility tax increase on Water/Sewer/Garbage
 - \$95,000 for each 1% increase
- Take TBD revenue increase to voters
 - Higher renewal tab fees
 - Sales tax replacement
- Property Tax Levy lid lift
 - \$0.25/thousand assessed valuation
 - Generate between \$150-\$175,000 annually



Conclusion

- There is no emergency condition
- Reserves are healthy
- Drawdown of funds is only valid for one cycle
- Budgeting is an iterative process
 - Expenses and revenues are volatile
 - Balance between being too conservative and predicting reality
- Substantial “pickup” in retail taxes is possible

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE:

AN ORDINANCE OF THE CITY OF KELSO
DECLARING CERTAIN REAL PROPERTY
SURPLUS AND AUTHORIZING THE
CONVEYANCE OF THE PROPERTY AT 1124
NORTH PACIFIC AVENUE IN KELSO TO THE
LOWER COLUMBIA COMMUNITY ACTION
PARTNERSHIP

Agenda Item: _____

Dept. of Origin: Planning Department,
City Attorney

For Agenda of: October 7, 2014

Cost of Item:

City Manager: Steve Taylor

**PRESENTED BY: Mike Kardas, Community
Development Director**

AGENDA ITEM ATTACHMENTS:

Proposed Ordinance

SUMMARY STATEMENT:

The City acquired the property at 1124 North Pacific Avenue in 2012 in a foreclosure action related to nuisance abatement costs for cleanup of the property. The property was historically used as a salvage yard and was on the Department of Ecology's hazardous sites list. The City obtained grants from the Department of Ecology for the assessment, cleanup of the property and that work was completed earlier this year. Throughout the planning and cleanup process the City has been working with CAP to evaluate best uses for the property consistent with the regulations of the Neighborhood Stabilization Program. (NSP funds were used for the cleanup and the property must be used purposes authorized by the program. CAP is the administrator of our NSP funds.) The City staff and CAP have determined that use of the property for housing for people with developmental disabilities is the best use of the property consistent with the NSP requirements. The transfer of the property to CAP for the construction of the facilities is the most efficient manner to accomplish this use. The City is authorized under the NSP regulations to convey the property to local nonprofit groups like CAP for the further development, sale, rental, or use of the property consistent with the NSP requirements. The proposed ordinance will authorize the conveyance of the property to CAP via quit claim deed.

FINANCIAL SUMMARY:

The proposed action is a quit claim deed with no compensation except the obligations to use the property per NSP rules. Any program income from the property, whether to the City or CAP, is to be reinvested under NSP rules and is not profit of the agency.

RECOMMENDED ACTION:

Move to approve on first reading the proposed ordinance conveying the property to CAP.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF KELSO DECLARING CERTAIN REAL PROPERTY SURPLUS AND AUTHORIZING THE CONVEYANCE OF THE PROPERTY AT 1124 NORTH PACIFIC AVENUE IN KELSO TO THE LOWER COLUMBIA COMMUNITY ACTION PARTNERSHIP

WHEREAS, the City administers state and federal funds under the Neighborhood Stabilization Program to provide low income housing within the City of Kelso; and

WHEREAS, the City contracts with the Lower Columbia Community Action Partnership (“CAP”) to administer the NSP program on behalf of the City; and

WHEREAS, the City is authorized under the NSP regulations to sell or rent the properties purchased with NSP funds to low income families or to convey the properties to local nonprofit community groups like CAP for the further sale or rental to low income families; and

WHEREAS, the City wishes to convey the property at 1124 North Pacific Avenue in Kelso to CAP for the construction of housing in accordance with the NSP regulations;

NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF KELSO DO ORDAIN AS FOLLOWS:

SECTION 1. Property Declared Surplus. The City Council hereby declares that certain property known as 1124 Pacific Avenue in Kelso, Washington, Assessor’s Parcel Nos. 2-0476 and 2-0489 and legally described as follows, is surplus to the needs of the City:

ALL OF BLOCK 11, BIXBY’S ADDITION TO KELSO AS RECORDED IN VOLUME 3 OF PLATS, PAGE 13, RECORDS OF COWLITZ COUNTY, WASHINGTON, LYING EAST OF OLD PACIFIC HIGHWAY, SECT, TWN, RNG: 27-8N-2W; and
ALL OF LOTS 5, 6, AND 7, BLOCK 15, BIXBY’S ADDITION TO KELSO, AS RECORDED IN VOLUME 3 OF PLATS PAGE 113, RECORDS OF COWLITZ COUNTY, WASHINGTON LYING EAST OF OLD PACIFIC HIGHWAY, SECT, TWN, RNG: 27-8N-2W
SITUATE IN THE COUNTY OF COWLITZ, STATE OF WASHINGTON
COWLITZ COUNTY PARCEL NOS. 2-0476 AND 2-0489

(hereinafter, the “Property”)

SECTION 2. Conveyance Approved. The City hereby approves the conveyance of the Property to the Lower Columbia Community Action Partnership via a quit claim deed substantially in the form attached hereto as Exhibit A for use, lease, or sale in accordance with the Neighborhood Stabilization Program requirements.

SECTION 3. City Manager Authorization. The City Manager is authorized to execute a quit claim deed substantially in the form attached hereto as Exhibit A and to execute such other documents and to take such other action as may be necessary to convey the property to the Lower Columbia Community Action Partnership.

SECTION 4. The provisions of this Ordinance are declared to be severable. If any provision, clause, sentence, or paragraph of this Ordinance or the application thereof to any person, establishment, or circumstances shall be held invalid, such invalidity shall not affect the other provisions or application of this Ordinance.

SECTION 5. This Ordinance shall be in full force and effect 5 days after its passage and publication of summary as required by law.

ADOPTED by the City Council and **SIGNED** by the Mayor this ____ day of _____, 2014.

ATTEST/AUTHENTICATION:

MAYOR

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

PUBLISHED: _____

Exhibit A

When recorded return to

City of Kelso
Planning Director
203 South Pacific
P.O. Box 819
Kelso, WA 98626

QUIT CLAIM DEED

Grantors: CITY OF KELSO
Grantees: LOWER COLUMBIA COMMUNITY ACTION COUNCIL, Incorporated
Abbreviated
Legal Description: BIXBYS TO KELSO BLK 11; LOT 5,6,7 BLK 14
Tax Parcel No.: 2-0476 AND 2-0489
Address: 1124 North Pacific Avenue, Kelso Washington

The Grantors, the **City of Kelso**, a municipal corporation, having an address at 203 South Pacific in Kelso, Washington, for and in consideration of \$1 and other good and valuable consideration hereby acknowledged, including the obligations, by separate agreement, for the provision of low income housing under the Neighborhood Stabilization Program,

hereby conveys and quit claims to the Lower Columbia Community Action Council, a Washington nonprofit corporation, having an address at 1526 Commerce Avenue, in Longview Washington, the following described real estate, situated in the County of Cowlitz, State of Washington, together with all after acquired title of the Grantor herein:

ALL OF BLOCK 11, BIXBY'S ADDITION TO KELSO AS RECORDED IN VOLUME 3 OF PLATS, PAGE 13, RECORDS OF COWLITZ COUNTY, WASHINGTON, LYING EAST OF OLD PACIFIC HIGHWAY, SECT, TWN, RNG: 27-8N-2W; and

ALL OF LOTS 5, 6, AND 7, BLOCK 15, BIXBY'S ADDITION TO KELSO, AS RECORDED IN VOLUME 3 OF PLATS PAGE 113, RECORDS OF COWLITZ COUNTY, WASHINGTON LYING EAST OF OLD PACIFIC HIGHWAY, SECT, TWN, RNG: 27-8N-2W

SITUATE IN THE COUNTY OF COWLITZ, STATE OF WASHINGTON
COWLITZ COUNTY PARCEL NOS. 2-0476 AND 2-0489

Stephen Taylor, City Manager
City of Kelso

Accepted by:

Ilona A. Kirby, Executive Director
Lower Columbia CAP

STATE OF WASHINGTON)

) ss.

County of Cowlitz

)

On this day personally appeared before me Steve Taylor, CITY MANAGER, for the CITY OF KELSO, A MUNICIPAL CORPORATION OF THE STATE OF WASHINGTON, the municipal corporation that executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument.

GIVEN under my hand and official seal this ____ day of _____,

NOTARY PUBLIC in and for the State

of Washington, residing at _____.

My commission expires: _____.

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE: An Ordinance of the City of Kelso Adopting Water Sewer Rates for 2015 - 2019.

Agenda Item: _____

Dept. of Origin: _____ Engineering _____

For Agenda of: October 7, 2014 _____

Originator: _____

PRESENTED BY:

Mike Kardas

City Attorney: Janean Parker

City Manager: Steve Taylor

Agenda Item Attachments:

Proposed Ordinance Amending Water and Sewer Rates (Red-lined and final)
Ordinance 10-3733 Updating Water and Sewer Fees
Updated Rate Study and Analysis Presentation

SUMMARY STATEMENT:

On July 15, 2014, FCS Group presented to Council the results of a water and sewer rate study they had been conducting since 2013. This presentation included recommended rate increases needed to cover maintenance and capital improvements costs over the next 5 years.

On September 16, 2014, staff reintroduced the study incorporating the most current information, revenue projections, and other assumptions into the recommended rate adjustments. After discussing the impacts of the proposed changes, Council agreed with the rate adjustments and asked staff to prepare an ordinance reflecting the changes. The attached ordinance implements the water and sewer rate changes recommended by staff for the years 2015 – 2019.

This ordinance also removes certain associated fees not required by the City Charter to be updated by ordinance for their incorporation into the City's Master Fee schedule. A resolution reflecting this change will be brought before Council at the October 21, 2014 meeting.

Additionally, the ordinance contains a provision requiring the annual review of the rates by the City Council to determine whether the proposed rate increases should remain as adopted or be adjusted to reflect actual conditions.

OPTIONS:

- 1) Move to approve the Ordinance on first reading amending rates and fees for the Sewer and Water Utilities from 2015 – 2019.
- 2) Do not approve the Ordinance.
- 3) Delay action on the Ordinance and bring back for consideration following further revision.

RECOMMENDED ACTION:

Approve the ordinance on first reading amending rates and fees for the Sewer and Water Utilities from 2015-2019.

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF KELSO AMENDING
ORDINANCE NO. 10-3733 UPDATING WATER AND SEWER
RATES.**

WHEREAS, the City operates utilities for the provision of water and sewer services and has set rates and fees to fund the costs of these services; and

WHEREAS, the regular review and adjustment of rates and fees are necessary to maintain the fiscal sustainability of the sewer and water utilities, and the City commissioned a study to provide rate adjustment recommendations for the utilities; and

WHEREAS, the rate study conducted by FCS Group and presented to the City Council on July 15, 2014 recommended adjustments to water and sewer rates and capital recovery fees; and

WHEREAS, the City Council accepts the recommendations of the rate study to adjust rates and fees in amounts necessary to fund the operations and capital improvements of the utilities;

**NOW THEREFORE THE CITY COUNCIL OF THE CITY OF KELSO DO
ORDAIN AS FOLLOWS:**

SECTION 1. That Ordinance No. 10-3733 is hereby amended to provide as follows:

**1. Water Rates for All Residential and Commercial Users within the
Corporate Limits:**

BI-MONTHLY CHARGES:

		2015	2016	2017	2018	2019
	3/4" & 5/8"	\$ 22.64 \$	24.00 \$	25.80 \$	27.74 \$	29.82
	1"	\$ 46.78 \$	49.58 \$	53.30 \$	57.30 \$	61.60
	1.5"	\$ 87.61 \$	92.86 \$	99.83 \$	107.32 \$	115.36
	2"	\$ 136.16 \$	144.33 \$	155.15 \$	166.79 \$	179.30
	3"	\$ 265.90 \$	281.86 \$	303.00 \$	325.72 \$	350.15
	4"	\$ 412.24 \$	436.98 \$	469.75 \$	504.98 \$	542.86
	6"	\$ 1,305.76 \$	1,384.11 \$	1,487.92 \$	1,599.51 \$	1,719.47
	8"	\$ 1,815.11 \$	1,924.02 \$	2,068.32 \$	2,223.44 \$	2,390.20
	10"	\$ 2,609.19 \$	2,765.74 \$	2,973.17 \$	3,196.16 \$	3,435.87

In addition to the fixed charge set forth above, each residential and commercial water customer of the utility shall pay an additional sum for every 100 cubic feet of water consumed.

	2015	2016	2017	2018	2019
	\$ 3.33	\$ 3.52	\$ 3.79	\$ 4.07	\$ 4.38

2. Water Rates for all Industrial Users within the Corporate Limits:

BI-MONTHLY CHARGES

		2015	2016	2017	2018	2019
Meter Size (In Inches)	2"	\$ 3,630.93	\$ 3,848.79	\$ 4,137.45	\$ 4,447.76	\$ 4,781.34
	3"	\$ 7,263.62	\$ 7,699.44	\$ 8,276.90	\$ 8,897.67	\$ 9,565.00
	4"	\$ 11,351.91	\$ 12,033.02	\$ 12,935.50	\$ 13,905.66	\$ 14,948.58
	6"	\$ 22,719.68	\$ 24,082.86	\$ 25,889.08	\$ 27,830.76	\$ 29,918.06
	8"	\$ 36,318.01	\$ 38,497.09	\$ 41,384.37	\$ 44,488.20	\$ 47,824.82
	10"	\$ 52,203.28	\$ 55,335.48	\$ 59,485.64	\$ 63,947.06	\$ 68,743.09

In addition to the fixed charge above, each industrial water customer of the utility shall pay an additional sum for every 100 cubic feet of water consumed.

	2015	2016	2017	2018	2019
	\$ 2.27	\$ 2.41	\$ 2.59	\$ 2.78	\$ 2.99

Customers must consume a minimum of 25,000 cubic feet per day of water to qualify as an industrial user.

3. Private Fire System Connections (including sprinklers) shall be as follows:

“Connection” shall mean individual line size (not size of water appurtenance).

BI-MONTHLY CHARGES

		2015	2016	2017	2018	2019
Meter Size (In Inches)	1"	\$ 3.49	\$ 3.70	\$ 3.98	\$ 4.28	\$ 4.60
	2"	\$ 13.97	\$ 14.81	\$ 15.92	\$ 17.11	\$ 18.40
	3"	\$ 31.43	\$ 33.32	\$ 35.81	\$ 38.50	\$ 41.39
	4"	\$ 55.87	\$ 59.22	\$ 63.66	\$ 68.44	\$ 73.57
	6"	\$ 111.63	\$ 118.33	\$ 127.20	\$ 136.74	\$ 147.00
	8"	\$ 192.10	\$ 203.63	\$ 218.90	\$ 235.32	\$ 252.96
	10"	\$ 267.18	\$ 283.21	\$ 304.45	\$ 327.29	\$ 351.83

These charges also apply to references regarding fire services, fire standby fees, and fire monthly service charge.

4. Service Outside City Limits:

The normal rates for water and sewer service to individual accounts located outside the City boundaries shall be 1.5 times the in-City rate.

5. Wholesale or Bulk Resale Rates:

Rates charged to other public entities for bulk water for resale purposes shall be at a rate for every 100 cubic feet of water delivered, plus the applicable minimum service charge for the metered connection, as follows:

	2015	2016	2017	2018	2019
	\$ 1.40	\$ 1.48	\$ 1.60	\$ 1.71	\$ 1.84

BI-MONTHLY CHARGES

		2015	2016	2017	2018	2019
Meter Size (In Inches)	1"	\$ 36.34	\$ 38.52	\$ 41.41	\$ 44.52	\$ 47.86
	1 ½"	\$ 54.20	\$ 57.45	\$ 61.76	\$ 66.40	\$ 71.38
	2"	\$ 80.88	\$ 85.73	\$ 92.16	\$ 99.07	\$ 106.50
	3"	\$ 163.09	\$ 172.87	\$ 185.84	\$ 199.78	\$ 214.76
	4"	\$ 271.42	\$ 287.71	\$ 309.29	\$ 332.48	\$ 357.42
	6"	\$ 407.63	\$ 432.09	\$ 464.50	\$ 499.33	\$ 536.79

6. Sewer Rates for All Residential and Commercial Users within the Corporate Limits

BI-MONTHLY CHARGES

SERVICE TYPE

A. Residential standby only (use less than 200 cf/ Bi-monthly)

	2015	2016	2017	2018	2019
	\$ 17.93	\$ 19.19	\$ 20.53	\$ 21.97	\$ 23.51

B. All other residential dwellings

	2015	2016	2017	2018	2019
	\$ 111.14	\$ 113.36	\$ 115.63	\$ 117.94	\$ 120.30

C. (1) All Commercial Users

	2015	2016	2017	2018	2019
	\$ 111.14	\$ 113.36	\$ 115.63	\$ 117.94	\$ 120.30

(2) In addition, all commercial users consuming a quantity of water greater than 1100 cubic feet per Bi-month shall be charged for every 100 cubic feet of water consumed in excess of 1100 cubic feet per Bi-month.

	2015	2016	2017	2018	2019
	\$ 6.75	\$ 6.79	\$ 6.84	\$ 6.89	\$ 6.94

7. Sewer Rates for All industrial Users within the Corporate Limits:

All industrial customers shall pay the following sewer rates based on water consumption:

BI-MONTHLY FIXED CHARGE

2015	2016	2017	2018	2019
\$ 194.19	\$ 379.76	\$ 565.33	\$ 750.90	\$ 936.74

VOLUME CHARGE

2015	2016	2017	2018	2019
\$ 3.50	\$ 3.70	\$ 3.92	\$ 4.15	\$ 4.40

Customer must consume a minimum of 25,000 cubic feet per day of water to qualify as an industrial customer.

8. Treatment of “High Strength Waste” – Surcharge:

In the event that “high strength waste” is accepted for treatment by the Facilities, a surcharge shall be imposed and paid to the TRRWA in addition to any other charges for sewage treatment as follows:

BOD:	\$ 0.40 per pound
Suspended Solids (SS):	\$ 0.55 per pound

Such surcharge shall be assessed to “high strength waste” which is hereby defined to be waste that is in excess of a baseline concentration of 250 mg/l.

Such surcharge shall be calculated as follows:

BOD:	(concentration [mg/l] – 250 mg/l) x 8.34 x flow (mgd) x \$0.40
SS:	(concentration [mg/l] – 250 mg/l) x 8.34 x flow (mgd) x \$0.55

9. Miscellaneous

A. Irrigation meter: Standard bi-monthly water use rates as listed in this ordinance shall apply.

10. Capital Recovery Fees – Water Connections:

Meter Size	2015	2016	2017	2018	2019
3/4" & 5/8"	\$ 2,644.00	\$ 2,930.00	\$ 3,217.00	\$ 3,504.00	\$ 3,791.00
1"	\$ 6,610.00	\$ 7,325.00	\$ 8,042.50	\$ 8,760.00	\$ 9,477.50

1.5"	\$ 13,220.00	\$ 14,650.00	\$ 16,085.00	\$ 17,520.00	\$ 18,955.00
2"	\$ 21,152.00	\$ 23,440.00	\$ 25,736.00	\$ 28,032.00	\$ 30,328.00
3"	\$ 42,304.00	\$ 46,880.00	\$ 51,472.00	\$ 56,064.00	\$ 60,656.00
4"	\$ 66,100.00	\$ 73,250.00	\$ 80,425.00	\$ 87,600.00	\$ 94,775.00
6"	\$ 132,200.00	\$ 146,500.00	\$ 160,850.00	\$ 175,200.00	\$ 189,550.00
8"	\$ 211,520.00	\$ 234,400.00	\$ 257,360.00	\$ 280,320.00	\$ 303,280.00
10"	\$ 304,060.00	\$ 336,950.00	\$ 369,955.00	\$ 402,960.00	\$ 435,965.00

11. Capital Recovery Fees – Sewer Connections:

		2015	2016	2017	2018	2019
Meter Size (In Inches)	3/4" & 5/8"	\$ 1,721.00	\$ 1,721.00	\$ 1,721.00	\$ 1,721.00	\$ 1,721.00
	1"	\$ 4,302.00	\$ 4,302.00	\$ 4,302.00	\$ 4,302.00	\$ 4,302.00
	1.5"	\$ 8,605.00	\$ 8,605.00	\$ 8,605.00	\$ 8,605.00	\$ 8,605.00
	2"	\$ 13,768.00	\$ 13,768.00	\$ 13,768.00	\$ 13,768.00	\$ 13,768.00
	3"	\$ 27,536.00	\$ 27,536.00	\$ 27,536.00	\$ 27,536.00	\$ 27,536.00
	4"	\$ 43,025.00	\$ 43,025.00	\$ 43,025.00	\$ 43,025.00	\$ 43,025.00
	6"	\$ 86,050.00	\$ 86,050.00	\$ 86,050.00	\$ 86,050.00	\$ 86,050.00
	8"	\$ 137,680.00	\$ 137,680.00	\$ 137,680.00	\$ 137,680.00	\$ 137,680.00
	10"	\$ 197,915.00	\$ 197,915.00	\$ 197,915.00	\$ 197,915.00	\$ 197,915.00

In addition to all “hook-up” charges, sanitary sewer service charges and other existing charge and fees imposed by a member entity or by the TRRWA, a System Development Charge (SDC) for waste water treatment in the sum of \$1,957.00 will be charged for each new Equivalent Residential Unit (ERU) hereafter connected to the facilities of the TRRWA through the sanitary sewer lines of the member entities in accordance with the following conversion tables:

RESIDENTIAL

COMMERCIAL

INDUSTRIAL

<u>Dwelling</u>	<u>ERU's per Dwelling Unit</u>	<u>Water Meter Size (Inches)</u>	<u>ERU's Per Meter</u>	
Single family	1.00	5/8	1.00	1 ERU per each 300 gallons /day flow
Duplex, 3 or 4-plex	0.86	3/4	1.50	
Apartment (5 or more)	0.67	1	2.50	
		1.5	5.00	
		2	8.00	
		3	16.00	
		4	25.00	
		6	50.00	
		8	80.00	

12. Senior Citizens Reduction:

Senior Citizens occupying residential dwellings shall be eligible for a reduction of the water/sewer portion of their utility bill of four dollars (\$4.00) per billing period,

provided they apply and are qualified for such a reduction pursuant to the authority contained in RCW 74.38.070 as a low-income senior citizen. Further, for purposes of implementing this section, the rate reduction will be applied at \$2.00 for water service and \$2.00 for sewer service per billing period. Those customers receiving either water service or sewer service will only receive a \$2.00 reduction per billing period.

For purposes of implementing this section, "low-income senior citizen" means a person who is sixty-one-(61) years of age or older and whose total income, including that of his or her spouse or co-tenant, does not exceed the amount specified in RCW 84.36.381(5) as it now exists or is hereafter amended. Further, for purposes of implementing this section, the definitions of "combined disposable income," "disposable income" and "co-tenant" shall be as defined in RCW 84.36.383(5), (6), and (7), as they now exist or are hereafter amended.

SECTION 2. Beginning in the year 2015, the rates and fees established within Section 1 of this ordinance shall be annually reviewed by the City Council no later than November 30th of each year this ordinance to evaluate the effectiveness of the rate structure and determine if adjustments to the ordinance are necessary.

SECTION 3. This Ordinance shall be in full force and effect forty-three days after its passage and publication of summary as required by law.

ADOPTED by the City Council and **SIGNED** by the Mayor this _____ day of _____, 2014.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

PUBLISHED:

ORDINANCE NO. 10-3733

**AN ORDINANCE OF THE CITY OF KELSO AMENDING
ORDINANCE NO. ~~09-3698~~ 10-3733 UPDATING WATER AND
SEWER ~~FEES~~ RATES.**

WHEREAS, the City operates utilities for the provision of water and sewer services and has set rates and fees to fund the costs of these services; and

WHEREAS, the regular review and adjustment of rates and fees are necessary to maintain the fiscal sustainability of the sewer and water utilities, and the City commissioned a study to provide rate adjustment recommendations for the utilities; and

WHEREAS, the rate study conducted by FCS Group and presented to the City Council on July 15, 2014 recommended adjustments to water and sewer rates and capital recovery fees; and

WHEREAS, the City Council accepts the recommendations of the rate study to adjust rates and fees in amounts necessary to fund the operations and capital improvements of the utilities;

NOW THEREFORE THE CITY COUNCIL OF THE CITY OF KELSO DO ORDAIN AS FOLLOWS:

SECTION 1. That Ordinance No. ~~09-3698~~10-3733 is hereby amended to provide as follows:

1. Water Rates for All Residential and Commercial Users within the Corporate Limits:

BI-MONTHLY CHARGES:

		2015	2016	2017	2018	2019
Meter Size (In Inches)	3/4" & 5/8"	\$ 22.64	\$ 24.00	\$ 25.80	\$ 27.74	\$ 29.82
	1"	\$ 46.78	\$ 49.58	\$ 53.30	\$ 57.30	\$ 61.60
	1.5"	\$ 87.61	\$ 92.86	\$ 99.83	\$ 107.32	\$ 115.36
	2"	\$ 136.16	\$ 144.33	\$ 155.15	\$ 166.79	\$ 179.30
	3"	\$ 265.90	\$ 281.86	\$ 303.00	\$ 325.72	\$ 350.15
	4"	\$ 412.24	\$ 436.98	\$ 469.75	\$ 504.98	\$ 542.86
	6"	\$ 1,305.76	\$ 1,384.11	\$ 1,487.92	\$ 1,599.51	\$ 1,719.47
	8"	\$ 1,815.11	\$ 1,924.02	\$ 2,068.32	\$ 2,223.44	\$ 2,390.20
	10"	\$ 2,609.19	\$ 2,765.74	\$ 2,973.17	\$ 3,196.16	\$ 3,435.87

In addition to the fixed charge set forth above, each residential and commercial water customer of the utility shall pay an additional sum for every 100 cubic feet of water consumed.

2015	2016	2017	2018	2019
\$ 3.33	\$ 3.52	\$ 3.79	\$ 4.07	\$ 4.38

2. Water Rates for all Industrial Users within the Corporate Limits:

BI-MONTHLY CHARGES

	2015	2016	2017	2018	2019
Meter Size (In Inches)					
2"	\$ 3,630.93	\$ 3,848.79	\$ 4,137.45	\$ 4,447.76	\$ 4,781.34
3"	\$ 7,263.62	\$ 7,699.44	\$ 8,276.90	\$ 8,897.67	\$ 9,565.00
4"	\$ 11,351.91	\$ 12,033.02	\$ 12,935.50	\$ 13,905.66	\$ 14,948.58
6"	\$ 22,719.68	\$ 24,082.86	\$ 25,889.08	\$ 27,830.76	\$ 29,918.06
8"	\$ 36,318.01	\$ 38,497.09	\$ 41,384.37	\$ 44,488.20	\$ 47,824.82
10"	\$ 52,203.28	\$ 55,335.48	\$ 59,485.64	\$ 63,947.06	\$ 68,743.09

In addition to the fixed charge above, each industrial water customer of the utility shall pay an additional sum for every 100 cubic feet of water consumed.

2015	2016	2017	2018	2019
\$ 2.27	\$ 2.41	\$ 2.59	\$ 2.78	\$ 2.99

Customers must consume a minimum of 25,000 cubic feet per day of water to qualify as an industrial user.

3. Private Fire System Connections (including sprinklers) shall be as follows:

“Connection” shall mean individual line size (not size of water appurtenance).

BI-MONTHLY CHARGES

	2015	2016	2017	2018	2019
Meter Size (In Inches)					
1"	\$ 3.49	\$ 3.70	\$ 3.98	\$ 4.28	\$ 4.60
2"	\$ 13.97	\$ 14.81	\$ 15.92	\$ 17.11	\$ 18.40
3"	\$ 31.43	\$ 33.32	\$ 35.81	\$ 38.50	\$ 41.39
4"	\$ 55.87	\$ 59.22	\$ 63.66	\$ 68.44	\$ 73.57
6"	\$ 111.63	\$ 118.33	\$ 127.20	\$ 136.74	\$ 147.00
8"	\$ 192.10	\$ 203.63	\$ 218.90	\$ 235.32	\$ 252.96
10"	\$ 267.18	\$ 283.21	\$ 304.45	\$ 327.29	\$ 351.83

These charges also apply to references regarding fire services, fire standby fees, and fire monthly service charge.

4. Service Outside City Limits:

The normal rates for water and sewer service to individual accounts located outside the City boundaries shall be 1.5 times the in-City rate.

5. New Connection Charges:

~~For new water service connections, the meter installation charge shall be as follows:~~

CONNECTION SIZE	INSIDE CITY	OUTSIDE CITY
3/4 x 5/8 meter set only	\$356.00	\$ 534.00
1" meter set only	\$750.00	\$1,125.00

~~Over 1 inch services to be installed by customer's licensed contractor per city specifications and standards.~~

65. Wholesale or Bulk Resale Rates:

Rates charged to other public entities for bulk water for resale purposes shall be at a rate for every 100 cubic feet of water delivered, plus the applicable minimum service charge for the metered connection, as follows:

	2015	2016	2017	2018	2019
	\$ 1.40	\$ 1.48	\$ 1.60	\$ 1.71	\$ 1.84

BI-MONTHLY CHARGES

		2015	2016	2017	2018	2019
Meter Size (Inches)	1"	\$ 36.34	\$ 38.52	\$ 41.41	\$ 44.52	\$ 47.86
	1 ½"	\$ 54.20	\$ 57.45	\$ 61.76	\$ 66.40	\$ 71.38
	2"	\$ 80.88	\$ 85.73	\$ 92.16	\$ 99.07	\$ 106.50
	3"	\$ 163.09	\$ 172.87	\$ 185.84	\$ 199.78	\$ 214.76
	4"	\$ 271.42	\$ 287.71	\$ 309.29	\$ 332.48	\$ 357.42
	6"	\$ 407.63	\$ 432.09	\$ 464.50	\$ 499.33	\$ 536.79

76. Sewer Rates for All Residential and Commercial Users within the Corporate Limits

BI-MONTHLY CHARGES

SERVICE TYPE

A. Residential standby only (use less than 200 cf/ Bi-monthly)

	2015	2016	2017	2018	2019
	\$ 17.93	\$ 19.19	\$ 20.53	\$ 21.97	\$ 23.51

B. All other residential dwellings

2015	2016	2017	2018	2019
\$ 111.14	\$ 113.36	\$ 115.63	\$ 117.94	\$ 120.30

C. (1) All Commercial Users

2015	2016	2017	2018	2019
\$ 111.14	\$ 113.36	\$ 115.63	\$ 117.94	\$ 120.30

(2) In addition, all commercial users consuming a quantity of water greater than ~~1300-1100~~ cubic feet per Bi-month shall be charged for every 100 cubic feet of water consumed in excess of ~~1300-1100~~ cubic feet per Bi-month.

2015	2016	2017	2018	2019
\$ 6.75	\$ 6.79	\$ 6.84	\$ 6.89	\$ 6.94

87. Sewer Rates for All industrial Users within the Corporate Limits:

All industrial customers shall pay the following sewer rates based on water consumption:

BI-MONTHLY FIXED CHARGE

2015	2016	2017	2018	2019
\$ 194.19	\$ 379.76	\$ 565.33	\$ 750.90	\$ 936.74

VOLUME CHARGE

2015	2016	2017	2018	2019
\$ 3.50	\$ 3.70	\$ 3.92	\$ 4.15	\$ 4.40

Customer must consume a minimum of 25,000 cubic feet per day of water to qualify as an industrial customer.

98. Treatment of “High Strength Waste” – Surcharge:

In the event that “high strength waste” is accepted for treatment by the Facilities, a surcharge shall be imposed and paid to the TRRWA in addition to any other charges for sewage treatment as follows:

BOD:	\$ 0.40 per pound
Suspended Solids (SS):	\$ 0.55 per pound

Such surcharge shall be assessed to “high strength waste” which is hereby defined to be waste that is in excess of a baseline concentration of 250 mg/l.

Such surcharge shall be calculated as follows:

BOD: (concentration [mg/l] – 250 mg/l) x 8.34 x flow (mgd) x \$0.40

SS: (concentration [mg/l] – 250 mg/l) x 8.34 x flow (mgd) x \$0.55

109. Miscellaneous

~~A. The City does not tap the sewer main for side sewers. This work must be completed by the customer's licensed contractor.~~

~~B. Sewer service calls resulting from private side responsibility at cost of labor, material, and equipment with a minimum of \$50.00 per call.~~

~~C. Service call fee for new customers or for water that is temporarily turned on or off \$25.00/call.~~

~~D. Service call for water reconnection fee after water is turned off for non-payment is \$100.00/call.~~

~~E. Penalty for meter tampering is \$200.00/occurrence to be paid as a condition to resumption of service.~~

~~F. Meter removal charge is \$100.00/occurrence. (Meters are removed where, in the City's judgment, such is necessary to insure that water will not be used without authorization.~~

~~G. Water meter test deposit \$25.00/test.~~

~~H. Cleaning Usage Fee—an owner of property or a property manager may pay a non-refundable fee of \$50.00 to have the water turned on for cleaning purposes for a period of 5 days only. After 5 days, the water will be automatically turned off and padlocked. The \$50.00 fee will allow up to 300 cubic feet of water usage. If water is used in excess of 300 cubic feet, the owner or property manager will be charged an additional \$3.26 per 100 cubic feet of water consumed, to be billed when the water is turned off. If the owner or property manager wishes the water to remain on after 5 days, then they must make a \$60.00 deposit in addition to the \$50.00 fee.~~

~~I~~A. Irrigation meter: Standard bi-monthly water use rates as listed in this ordinance shall apply.

~~J. Pumping charge for leak adjustment purposes shall be \$0.75 per 100 cubic feet.~~

~~K. Penalty for irrigating during a posted water shortage order is \$100.00/each occurrence.~~

~~L. Minimum Water/Sewer account deposits shall be \$60.00.~~

~~M. Latecomers agreement application fee shall be \$250.00 plus \$25.00/lot in the proposed benefited area. The appeal fee shall be \$500.00.~~

~~N. The Capital recovery appeal fee shall be \$500.00.~~

1110. Capital Recovery Fees – Water Connections:

	2015	2016	2017	2018	2019
3/4" & 5/8"	\$ 2,644.00	\$ 2,930.00	\$ 3,217.00	\$ 3,504.00	\$ 3,791.00
1"	\$ 6,610.00	\$ 7,325.00	\$ 8,042.50	\$ 8,760.00	\$ 9,477.50
1.5"	\$ 13,220.00	\$ 14,650.00	\$ 16,085.00	\$ 17,520.00	\$ 18,955.00
2"	\$ 21,152.00	\$ 23,440.00	\$ 25,736.00	\$ 28,032.00	\$ 30,328.00
3"	\$ 42,304.00	\$ 46,880.00	\$ 51,472.00	\$ 56,064.00	\$ 60,656.00
4"	\$ 66,100.00	\$ 73,250.00	\$ 80,425.00	\$ 87,600.00	\$ 94,775.00
6"	\$ 132,200.00	\$ 146,500.00	\$ 160,850.00	\$ 175,200.00	\$ 189,550.00
8"	\$ 211,520.00	\$ 234,400.00	\$ 257,360.00	\$ 280,320.00	\$ 303,280.00
10"	\$ 304,060.00	\$ 336,950.00	\$ 369,955.00	\$ 402,960.00	\$ 435,965.00

1211. Capital Recovery Fees – Sewer Connections:

	2015	2016	2017	2018	2019
3/4" & 5/8"	\$ 1,721.00	\$ 1,721.00	\$ 1,721.00	\$ 1,721.00	\$ 1,721.00
1"	\$ 4,302.00	\$ 4,302.00	\$ 4,302.00	\$ 4,302.00	\$ 4,302.00
1.5"	\$ 8,605.00	\$ 8,605.00	\$ 8,605.00	\$ 8,605.00	\$ 8,605.00
2"	\$ 13,768.00	\$ 13,768.00	\$ 13,768.00	\$ 13,768.00	\$ 13,768.00
3"	\$ 27,536.00	\$ 27,536.00	\$ 27,536.00	\$ 27,536.00	\$ 27,536.00
4"	\$ 43,025.00	\$ 43,025.00	\$ 43,025.00	\$ 43,025.00	\$ 43,025.00
6"	\$ 86,050.00	\$ 86,050.00	\$ 86,050.00	\$ 86,050.00	\$ 86,050.00
8"	\$ 137,680.00	\$ 137,680.00	\$ 137,680.00	\$ 137,680.00	\$ 137,680.00
10"	\$ 197,915.00	\$ 197,915.00	\$ 197,915.00	\$ 197,915.00	\$ 197,915.00

In addition to all “hook-up” charges, sanitary sewer service charges and other existing charge and fees imposed by a member entity or by the TRRWA, a System Development Charge (SDC) for waste water treatment in the sum of \$1,957.00 will be charged for each new Equivalent Residential Unit (ERU) hereafter connected to the facilities of the TRRWA through the sanitary sewer lines of the member entities in accordance with the following conversion tables:

RESIDENTIAL

COMMERCIAL

INDUSTRIAL

<u>Dwelling</u>	<u>ERU's per Dwelling Unit</u>	<u>Water Meter Size (Inches)</u>	<u>ERU's Per Meter</u>	
Single family	1.00	5/8	1.00	1 ERU per each 300 gallons /day flow
Duplex, 3 or 4-plex	0.86	3/4	1.50	
Apartment (5 or more)	0.67	1	2.50	

1.5	5.00
2	8.00
3	16.00
4	25.00
6	50.00
8	80.00

1312. Senior Citizens Reduction:

Senior Citizens occupying residential dwellings shall be eligible for a reduction of the water/sewer portion of their utility bill of four dollars (\$4.00) per billing period, provided they apply and are qualified for such a reduction pursuant to the authority contained in RCW 74.38.070 as a low-income senior citizen. Further, for purposes of implementing this section, the rate reduction will be applied at \$2.00 for water service and \$2.00 for sewer service per billing period. Those customers receiving either water service or sewer service will only receive a \$2.00 reduction per billing period.

For purposes of implementing this section, “low-income senior citizen” means a person who is sixty-one-(61) years of age or older and whose total income, including that of his or her spouse or co-tenant, does not exceed the amount specified in RCW 84.36.381(5) as it now exists or is hereafter amended. Further, for purposes of implementing this section, the definitions of “combined disposable income,” “disposable income” and “co-tenant” shall be as defined in RCW 84.36.383(5), (6), and (7), as they now exist or are hereafter amended.

14. Rates for Water Hydrant Meter Rentals—Services:

~~—Rates for water hydrant meter rentals shall, at a minimum, consist of a \$950.00 deposit, and a meter charge of \$5.00 per day, and a minimum charge of \$20.00 for wholesale or bulk resale rates for water consumption. The City Manager or his designee shall have authority to issue water hydrant meter permits in a form to be made available by the City Clerk.~~

SECTION 2. Beginning in the year 2015, the rates and fees established within Section 1 of this ordinance shall be annually reviewed by the City Council no later than November 30th of each year this ordinance to evaluate the effectiveness of the rate structure and determine if adjustments to the ordinance are necessary. ~~is in effect to verify the levels of rate and fee adjustments authorized for the subsequent year.~~

SECTION 23. This Ordinance shall be in full force and effect forty-three days after its passage and publication of summary as required by law.

ADOPTED by the City Council and **SIGNED** by the Mayor this 7th 21st
day of SeptemberOctober, 2010, 2014.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

| PUBLISHED: 9/11/10

ORDINANCE NO. 10-3733

**AN ORDINANCE OF THE CITY OF KELSO AMENDING
ORDINANCE NO. 09-3698 UPDATING WATER AND SEWER
FEES.**

THE CITY COUNCIL OF THE CITY OF KELSO DO ORDAIN AS
FOLLOWS:

SECTION 1. That Ordinance No. 09-3698 is hereby amended to provide as
follows:

**1. Water Rates for All Residential and Commercial Users within the
Corporate Limits:**

BI-MONTHLY CHARGES:

Meter Size (In Inches)	2009	2010	2011	2012	2013	2014
3/4 X 5/8	\$ 15.46	\$ 16.62	\$ 17.87	\$ 19.21	\$ 20.65	\$ 22.20
1	\$ 31.93	\$ 34.33	\$ 36.91	\$ 39.68	\$ 42.66	\$ 45.86
1.5	\$ 59.80	\$ 64.29	\$ 69.12	\$ 74.31	\$ 79.89	\$ 85.89
2	\$ 92.96	\$ 99.94	\$ 107.44	\$ 115.50	\$ 124.17	\$ 133.49
3	\$ 181.58	\$ 195.20	\$ 209.84	\$ 225.58	\$ 242.50	\$ 260.69
4	\$ 281.51	\$ 302.63	\$ 325.33	\$ 349.73	\$ 375.96	\$ 404.16
6	\$ 891.68	\$ 958.56	\$1,030.46	\$1,107.75	\$1,190.84	\$1,280.16
8	\$1,239.52	\$1,332.49	\$1,432.43	\$1,539.87	\$1,655.36	\$1,779.52
10	\$1,781.80	\$1,915.44	\$2,059.10	\$2,213.54	\$2,379.56	\$2,558.03

In addition to the fixed charge set forth above, each residential and commercial
water customer of the utility shall pay an additional sum for every 100 cubic feet of water
consumed.

2009	2010	2011	2012	2013	2014
\$2.27	\$2.44	\$2.62	\$2.82	\$3.03	\$3.26

2. Water Rates for all Industrial Users within the Corporate Limits:

BI-MONTHLY CHARGES

Meter Size (In Inches)	2009	2010	2011	2012	2013	2014
2	\$ 2,529.15	\$ 2,718.84	\$ 2,922.75	\$ 3,141.96	\$ 3,377.61	\$ 3,630.93
3	\$ 5,059.52	\$ 5,438.99	\$ 5,846.92	\$ 6,285.44	\$ 6,756.85	\$ 7,263.62
4	\$ 7,907.25	\$ 8,500.30	\$ 9,137.83	\$ 9,823.17	\$10,559.91	\$11,351.91
6	\$15,810.86	\$16,996.69	\$18,271.44	\$19,641.80	\$21,134.58	\$22,719.68
8	\$25,297.61	\$27,194.93	\$29,234.55	\$31,427.15	\$33,784.19	\$36,318.01
10	\$36,362.64	\$39,089.84	\$42,021.58	\$45,173.20	\$48,561.19	\$52,203.28

In addition to the fixed charge above, each industrial water customer of the utility
shall pay an additional sum for every 100 cubic feet of water consumed.

2009	2010	2011	2012	2013	2014
\$1.58	\$1.70	\$1.83	\$1.96	\$2.11	\$2.27

Customers must consume a minimum of 25,000 cubic feet per day of water to qualify as an industrial user.

3. Private Fire System Connections (including sprinklers) shall be as follows:

“Connection” shall mean individual line size (not size of water appurtenance).

BI-MONTHLY CHARGES

Connection Size	2009	2010	2011	2012	2013	2014
1"	\$ 2.38	\$ 2.56	\$ 2.75	\$ 2.96	\$ 3.18	\$ 3.42
2"	\$ 9.54	\$ 10.26	\$ 11.02	\$ 11.85	\$ 12.74	\$ 13.70
3"	\$ 21.46	\$ 23.07	\$ 24.80	\$ 26.66	\$ 28.66	\$ 30.81
4"	\$ 38.15	\$ 41.01	\$ 44.09	\$ 47.40	\$ 50.95	\$ 54.77
6"	\$ 76.23	\$ 81.95	\$ 88.09	\$ 94.70	\$ 101.80	\$ 109.44
8"	\$ 131.18	\$ 141.02	\$ 151.60	\$ 162.97	\$ 175.19	\$ 188.33
10"	\$ 182.46	\$ 196.14	\$ 210.86	\$ 226.67	\$ 243.67	\$ 261.94

These charges also apply to references regarding fire services, fire standby fees, and fire monthly service charge.

4. Service Outside City Limits:

The normal rates for water and sewer service to individual accounts located outside the City boundaries shall be 1.5 times the in-City rate.

5. New Connection Charges:

For new water service connections, the meter installation charge shall be as follows:

<u>CONNECTION SIZE</u>	<u>INSIDE CITY</u>	<u>OUTSIDE CITY</u>
3/4 x 5/8 meter set only	\$356.00	\$ 534.00
1" meter set only	\$750.00	\$1,125.00

Over 1 inch services to be installed by customer’s licensed contractor per city specifications and standards.

6. Wholesale or Bulk Resale Rates:

Rates charged to other public entities for bulk water for resale purposes shall be at a rate for every 100 cubic feet of water delivered, plus the applicable minimum service charge for the metered connection, as follows:

2009	2010	2011	2012	2013	2014
\$0.96	\$1.03	\$1.11	\$1.19	\$1.28	\$1.37

BI-MONTHLY CHARGES

Connection Size	2009	2010	2011	2012	2013	2014
1"	\$ 24.82	\$ 26.68	\$ 28.68	\$ 30.84	\$ 33.15	\$ 35.63
1.5"	\$ 37.01	\$ 39.79	\$ 42.77	\$ 45.98	\$ 49.43	\$ 53.14
2"	\$ 55.23	\$ 59.38	\$ 63.83	\$ 68.62	\$ 73.76	\$ 79.29
3"	\$ 111.37	\$ 119.72	\$ 128.70	\$ 138.35	\$ 148.73	\$ 159.89
4"	\$ 185.35	\$ 199.25	\$ 214.20	\$ 230.26	\$ 247.53	\$ 266.10
6"	\$ 278.37	\$ 299.25	\$ 321.69	\$ 345.82	\$ 371.76	\$ 399.64

7. Sewer Rates for All Residential and Commercial Users within the Corporate Limits

BI-MONTHLY CHARGES

SERVICE TYPE

A. Residential standby only (use less than 200 cf/ Bi-monthly)

2010	2011	2012	2013	2014
\$15.15	\$15.60	\$16.07	\$16.55	\$16.76

B. All other residential dwellings

2009	2010	2011	2012	2013	2014
\$95.57	\$98.44	\$101.39	\$104.43	\$107.57	\$108.96

C. (1) All Commercial Users

2009	2010	2011	2012	2013	2014
\$95.57	\$98.44	\$101.39	\$104.43	\$107.57	\$108.96

(2) In addition, all commercial users consuming a quantity of water greater than 1300 cubic feet per Bi-month shall be charged for every 100 cubic feet of water consumed in excess of 1300 cubic feet per Bi-month.

2009	2010	2011	2012	2013	2014
\$5.89	\$6.07	\$6.25	\$6.44	\$6.63	\$6.70

8. Sewer Rates for All industrial Users within the Corporate Limits:

All industrial customers shall pay the following sewer rates based on water consumption:

BI-MONTHLY FIXED CHARGE

2009	2010	2011	2012	2013	2014
\$7.56	\$7.79	\$8.02	\$8.26	\$8.51	\$8.62

VOLUME CHARGE

	2009	2010	2011	2012	2013	2014
Per CCF	\$2.99	\$3.08	\$3.17	\$3.27	\$3.37	\$3.41

Customer must consume a minimum of 25,000 cubic feet per day of water to qualify as an industrial customer.

9. Treatment of “High Strength Waste” – Surcharge:

In the event that “high strength waste” is accepted for treatment by the Facilities, a surcharge shall be imposed and paid to the TRRWA in addition to any other charges for sewage treatment as follows:

BOD:	\$ 0.40 per pound
Suspended Solids (SS):	\$ 0.55 per pound

Such surcharge shall be assessed to “high strength waste” which is hereby defined to be waste that is in excess of a baseline concentration of 250 mg/l.

Such surcharge shall be calculated as follows:

BOD:	(concentration [mg/l] – 250 mg/l) x 8.34 x flow (mgd) x \$0.40
SS:	(concentration [mg/l] – 250 mg/l) x 8.34 x flow (mgd) x \$0.55

10. Miscellaneous

- A. The City does not tap the sewer main for side-sewers. This work must be completed by the customer’s licensed contractor.
- B. Sewer service calls resulting from private side responsibility at cost of labor, material, and equipment with a minimum of \$50.00 per call.
- C. Service call fee for new customers or for water that is temporarily turned on or off \$25.00/call.

- D. Service call for water reconnection fee after water is turned off for non-payment is \$100.00/call.
- E. Penalty for meter tampering is \$200.00/occurrence to be paid as a condition to resumption of service.
- F. Meter removal charge is \$100.00/occurrence. (Meters are removed where, in the City's judgment, such is necessary to insure that water will not be used without authorization.
- G. Water meter test deposit \$25.00/test.
- H. Cleaning Usage Fee – an owner of property or a property manager may pay a non-refundable fee of \$50.00 to have the water turned on for cleaning purposes for a period of 5 days only. After 5 days, the water will be automatically turned off and padlocked. The \$50.00 fee will allow up to 300 cubic feet of water usage. If water is used in excess of 300 cubic feet, the owner or property manager will be charged an additional \$3.26 per 100 cubic feet of water consumed, to be billed when the water is turned off. If the owner or property manager wishes the water to remain on after 5 days, then they must make a \$60.00 deposit in addition to the \$50.00 fee.
- I. Irrigation meter: Standard bi-monthly water use rates as listed in this ordinance shall apply.
- J. Pumping charge for leak adjustment purposes shall be \$0.75 per 100 cubic feet.
- K. Penalty for irrigating during a posted water shortage order is \$100.00/each occurrence.
- L. Minimum Water/Sewer account deposits shall be \$60.00.
- M. Latecomers agreement application fee shall be \$250.00 plus \$25.00/lot in the proposed benefited area. The appeal fee shall be \$500.00.
- N. The Capital recovery appeal fee shall be \$500.00.

11. Capital Recovery Fees – Water Connections:

<u>CONNECTION SIZE</u> <u>FEE</u>	<u>METER EQUIVALENTS</u> (Compound Meter)	<u>CAPITAL RECOVERY</u>
3/4 x 5/8"	1	\$ 1,969
1"	2.5	\$ 4,923
1.5"	5.0	\$ 9,845
2"	8.00	\$ 15,752
3"	16	\$ 31,504

4"	25	\$ 49,225
6"	50	\$ 98,450
8"	80	\$ 157,520
10"	115	\$ 226,435

12. Capital Recovery Fees – Sewer Connections:

<u>CONNECTIONS</u> <u>FEE</u>	<u>METER EQUIVALENTS</u> (Compound Meter)	<u>CAPITAL RECOVERY</u>
3/4 x 5/8"	1	\$ 2,254
1"	2.5	\$ 5,635
1.5"	5.0	\$ 11,270
2"	8.00	\$ 18,032
3"	16	\$ 36,064
4"	25	\$ 56,350
6"	50	\$ 112,700
8"	80	\$ 180,320
10"	115	\$ 259,210

In addition to all "hook-up" charges, sanitary sewer service charges and other existing charge and fees imposed by a member entity or by the TRRWA, a System Development Charge (SDC) for waste water treatment in the sum of \$1,957.00 will be charged for each new Equivalent Residential Unit (ERU) hereafter connected to the facilities of the TRRWA through the sanitary sewer lines of the member entities in accordance with the following conversion tables:

<u>RESIDENTIAL</u>		<u>COMMERCIAL</u>		<u>INDUSTRIAL</u>
	ERU's per Dwelling Unit	Water Meter Size (Inches)	ERU's Per Meter	
Single family	1.00	5/8	1.00	1 ERU per each
Duplex, 3 or 4-plex	0.86	¾	1.50	300 gallons /day flow
Apartment (5 or more)	0.67	1	2.50	
		1.5	5.00	
		2	8.00	
		3	16.00	
		4	25.00	
		6	50.00	
		8	80.00	

13. Senior Citizens Reduction:

Senior Citizens occupying residential dwellings shall be eligible for a reduction of the water/sewer portion of their utility bill of four dollars (\$4.00) per billing period, provided they apply and are qualified for such a reduction pursuant to the authority contained in RCW 74.38.070 as a low-income senior citizen. Further, for purposes of implementing this section, the rate reduction will be applied at \$2.00 for water service

and \$2.00 for sewer service per billing period. Those customers receiving either water service or sewer service will only receive a \$2.00 reduction per billing period.

For purposes of implementing this section, "low-income senior citizen" means a person who is sixty-one-(61) years of age or older and whose total income, including that of his or her spouse or co-tenant, does not exceed the amount specified in RCW 84.36.381(5) as it now exists or is hereafter amended. Further, for purposes of implementing this section, the definitions of "combined disposable income," "disposable income" and "co-tenant" shall be as defined in RCW 84.36.383(5), (6), and (7), as they now exist or are hereafter amended.

14. Rates for Water Hydrant Meter Rentals – Services:

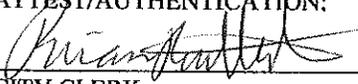
Rates for water hydrant meter rentals shall, at a minimum, consist of a \$950.00 deposit, and a meter charge of \$5.00 per day, and a minimum charge of \$20.00 for wholesale or bulk resale rates for water consumption. The City Manager or his designee shall have authority to issue water hydrant meter permits in a form to be made available by the City Clerk.

SECTION 2. This Ordinance shall be in full force and effect forty-three days after its passage and publication of summary as required by law.

ADOPTED by the City Council and **SIGNED** by the Mayor this 7th day of September, 2010.


MAYOR

ATTEST/AUTHENTICATION:


CITY CLERK

APPROVED AS TO FORM:


CITY ATTORNEY

PUBLISHED: 9/11/10

City of Kelso



2014 Water, Sewer, and Stormwater Rate Study

Summary of Results - Rates

- Water needs substantial annual increases over next five years to address major capital liability
- Sewer is in good shape, needs inflation-based increases only
- Stormwater needs a large increase in first year, then inflation-based increases thereafter

Utility	2015	2016	2017	2018	2019
Water	8.5%	8.5%	7.5%	7.5%	7.5%
Sewer	3.0%	3.0%	3.0%	3.0%	3.0%
Stormwater	18.0%	3.0%	3.0%	3.0%	3.0%

Summary of Results - Rates

- Largest part of bill (sewer) has lowest increases
- Looking at all three utilities, over all five years, over all customer classes, average utility rate increase is 5% per year

Combined Utility Rate Increases				
	Est. 2014 Rate Revenue	% of Total	2015 Increase	2015-2019 Cumulative % Δ
Water	\$ 2,873,850	35%	8.5%	46.2%
Sewer	\$ 4,749,891	58%	3.0%	15.9%
Stormwater	\$ 581,223	7%	18.0%	32.8%
Total	\$ 8,204,964	100%	6.0%	27.7%
Total - Average Annual				5.0%

Summary – Capital Recovery Fees

- Recommend phase-in of water CRF increase
- Sewer CRF is reduced
- Stormwater CRF should be per Equivalent Service Unit (ESU), with projected increases each year
- Overall CRFs increasing 6-7% through 2019

	Existing	2015	2016	2017	2018	2019	2020
Water	\$1,969	\$2,644	\$2,930	\$3,217	\$3,504	\$3,791	\$3,791
Sewer	\$2,254	\$1,721	\$1,721	\$1,721	\$1,721	\$1,721	\$1,721
Stormwater	\$0	\$143	\$176	\$217	\$267	\$329	\$404
Combined	\$4,223	\$4,508	\$4,828	\$5,155	\$5,492	\$5,840	\$5,916
% Increase		6.7%	7.1%	6.8%	6.5%	6.3%	1.3%

Assumes 5/8" x 3/4" meter (1 meter-equivalent) or 1 single-family house.

Water Bi-Monthly Rates

Overall Rate increase - all classes: 8.50% 8.50% 7.50% 7.50% 7.50%						
Class	2014	2015	2016	2017	2018	2019
Residential / Commercial - Fixed Charge per Bi-month						
3/4" & 5/8"	\$22.20	\$24.09	\$26.13	\$28.09	\$30.20	\$32.47
1"	\$45.86	\$49.76	\$53.99	\$58.04	\$62.39	\$67.07
1.5"	\$85.89	\$93.19	\$101.11	\$108.70	\$116.85	\$125.61
2"	\$133.49	\$144.84	\$157.15	\$168.93	\$181.60	\$195.22
3"	\$260.69	\$282.85	\$306.89	\$329.91	\$354.65	\$381.25
4"	\$404.16	\$438.51	\$475.79	\$511.47	\$549.83	\$591.07
6"	\$1,280.16	\$1,388.97	\$1,507.04	\$1,620.06	\$1,741.57	\$1,872.19
8"	\$1,779.52	\$1,930.78	\$2,094.90	\$2,252.01	\$2,420.91	\$2,602.48
10"	\$2,558.03	\$2,775.46	\$3,011.38	\$3,237.23	\$3,480.02	\$3,741.02
Residential / Commercial - Volume Charge						
Per 100 cubic ft.	\$3.26	\$3.54	\$3.84	\$4.13	\$4.44	\$4.77
Industrial - Fixed Charge per Bi-month						
6"	\$22,719.68	\$24,650.85	\$26,746.18	\$28,752.14	\$30,908.55	\$33,226.69
Industrial - Volume Charge						
Per 100 cubic ft.	\$2.27	\$2.46	\$2.67	\$2.87	\$3.09	\$3.32

- Fixed charge by meter size plus volume rate
- Assumes across-the-board increases

Water Bi-Monthly Rates

New Staff-Proposed Water Bi-Monthly Rates

Class	2014	2015	2016	2017	2018	2019
Residential/Commercial Fixed Charge per bi-month		2%	6%	7.50%	7.50%	7.50%
3/4" & 5/8"	\$ 22.20	\$ 22.64	\$ 24.00	\$ 25.80	\$ 27.74	\$ 29.82
1"	\$ 45.86	\$ 46.78	\$ 49.58	\$ 53.30	\$ 57.30	\$ 61.60
1.5"	\$ 85.89	\$ 87.61	\$ 92.86	\$ 99.83	\$ 107.32	\$ 115.36
2"	\$ 133.49	\$ 136.16	\$ 144.33	\$ 155.15	\$ 166.79	\$ 179.30
3"	\$ 260.69	\$ 265.90	\$ 281.86	\$ 303.00	\$ 325.72	\$ 350.15
4"	\$ 404.16	\$ 412.24	\$ 436.98	\$ 469.75	\$ 504.98	\$ 542.86
6"	\$ 1,280.16	\$ 1,305.76	\$ 1,384.11	\$ 1,487.92	\$ 1,599.51	\$ 1,719.47
8"	\$ 1,779.52	\$ 1,815.11	\$ 1,924.02	\$ 2,068.32	\$ 2,223.44	\$ 2,390.20
10"	\$ 2,558.03	\$ 2,609.19	\$ 2,765.74	\$ 2,973.17	\$ 3,196.16	\$ 3,435.87
Residential/Commercial Volume Charge						
<i>per 100 cubic feet (ccf)</i>	\$ 3.26	\$ 3.33	\$ 3.52	\$ 3.79	\$ 4.07	\$ 4.38
Industrial Fixed per bi-month		0%	6%	7.50%	7.50%	7.50%
6"	\$ 22,719.68	\$ 22,719.68	\$ 24,082.86	\$ 25,889.08	\$ 27,830.76	\$ 29,918.06
Industrial Volume Charge						
<i>per 100 cubic feet (ccf)</i>	\$ 2.27	\$ 2.27	\$ 2.41	\$ 2.59	\$ 2.78	\$ 2.99

Alternative 3 – Phased Cost-of-Service Rates

Staff-Proposed Sewer Bi-Monthly Rates

Avg Annual Increase	Class	2014	2015	2016	2017	2018	2019
Uniform Single Family Rate							
2%	Single Family	\$ 108.96	\$ 111.14	\$ 113.36	\$ 115.63	\$ 117.94	\$ 120.30
7%	Residential Standby	\$ 16.76	\$ 17.93	\$ 19.19	\$ 20.53	\$ 21.97	\$ 23.51
Commercial & Industrial							
2%	Commercial Bi-Monthly	\$ 108.96	\$ 111.14	\$ 113.36	\$ 115.63	\$ 117.94	\$ 120.30
0.70%	Commercial Volume	\$ 6.70	\$ 6.75	\$ 6.79	\$ 6.84	\$ 6.89	\$ 6.94
			2.50%	5.90%	5.90%	5.90%	5.90%
Equal \$ Δ	Industrial Volume	\$ 3.41	\$ 3.50	\$ 3.70	\$ 3.92	\$ 4.15	\$ 4.40
	Industrial Bi-Monthly (fixed increase)	\$ 8.62	\$ 194.19	\$ 379.76	\$ 565.33	\$ 750.90	\$ 936.47

Stormwater Bi-Monthly Rates

Percentage Rate increase:		18.00%	3.00%	3.00%	3.00%	3.00%
Class	2014	2015	2016	2017	2018	2019
Residential						
Single Family (per house)	\$15.10	\$17.82	\$18.35	\$18.90	\$19.47	\$20.05
Multi-family (per unit)	\$15.10	\$17.82	\$18.35	\$18.90	\$19.47	\$20.05
Other Developed Parcels (Per Gross Acre)						
Very light - 0% to 9%	\$7.22	\$8.52	\$8.78	\$9.04	\$9.31	\$9.59
Moderately light - 10% to 24%	\$19.02	\$22.44	\$23.12	\$23.81	\$24.52	\$25.26
Light - 25% to 39%	\$33.10	\$39.06	\$40.23	\$41.44	\$42.68	\$43.96
Moderate - 40% to 54%	\$47.32	\$55.84	\$57.51	\$59.24	\$61.02	\$62.85
Moderately heavy - 55% to 69%	\$61.40	\$72.45	\$74.63	\$76.86	\$79.17	\$81.55
Heavy - 70% to 84%	\$78.02	\$92.06	\$94.83	\$97.67	\$100.60	\$103.62
Very heavy - 85% to 100%	\$99.46	\$117.36	\$120.88	\$124.51	\$128.25	\$132.09
<i>Tiers based on % of impervious area</i>						
<i>Minimum charge for non-residential</i>	\$15.10	\$17.82	\$18.35	\$18.90	\$19.47	\$20.05

- Flat charge for single family residential; per unit for multi-family; non-residential based on density tiers
- With density tiers, charge should be applied to gross acres, not impervious acres

Impact on Sample Stormwater Bills

Sample Customers	2014		2015		% Change	\$ Change
	Existing		Proposed			
Single Family Residential	\$ 15.10		\$ 17.82		18.0%	\$ 2.72
Multi-family, 8 units	\$ 120.80		\$ 142.56		18.0%	\$ 21.76
Commercial:						
25-39% Density, 4 acres	\$ 132.40		\$ 156.24		18.0%	\$ 23.84
<85% Density, 0.5 acres	\$ 49.73		\$ 58.68		18.0%	\$ 8.95
Industrial	\$ 903.23		\$ 1,065.81		18.0%	\$ 162.58

- 2014-2015 comparison
- Commercial: we assumed two customers, one with 25-39% density and 4-acre parcel, the other with >85% density and a half-acre parcel
- Because stormwater increases are across-the-board, everyone's bill increases by 18% in 2015

Combined Sample Bill Impact

Sample Customers	2014		2015		% Change	\$ Change
	Existing		Proposed			
Single Family Assuming Uniform Sewer Rate:						
Very Low Usage, 5/8"x3/4" meter, 1 ccf/bi-month	\$	57.32	\$	63.37	10.6%	\$ 6.05
Low Usage, 5/8"x3/4", 6 ccf/bi-month	\$	165.82	\$	174.21	5.1%	\$ 8.39
Medium Usage, 5/8"x3/4" meter, 12 ccf/bi-month	\$	185.38	\$	195.43	5.4%	\$ 10.05
High Usage, 5/8"x3/4" meter, 16 ccf/bi-month	\$	204.94	\$	216.65	5.7%	\$ 11.71
Multi-family, Commercial, and Industrial:						
Multi-family, 8 units, 1.5" meter, 52 ccf/bi-month	\$	746.47	\$	807.51	8.2%	\$ 61.04
Commercial, 1.5" meter, 52 ccf/bi-month						
25-39% Density, 4 Impervious Acres	\$	758.07	\$	821.19	8.3%	\$ 63.12
<85% Density, .5 Impervious Acre	\$	675.40	\$	723.63	7.1%	\$ 48.23
Industrial, 6" meter, 64,400 ccf/bi-month	\$	389,423.53	\$	417,008.83	7.1%	\$ 27,585.30

- Other than the very lowest volumes, this assumes uniform single family sewer rate; however, water charges still vary based on usage

Combined Sample Bill Impact

	2014 Existing	2015 Proposed	% Change	\$Change
Staff-Proposed Sample Customers				
Single Family Assuming Uniform Sewer Rate:				
Very Low Usage, 5/8" x 3/4" meter, 1ccf/bi-month	\$ 57.32	\$ 61.72	7.7%	\$ 4.40
Low Usage, 5/8"x3/4" meter, 6ccf/bi-month	\$ 165.82	\$ 171.55	3.5%	\$ 5.73
Medium Usage, 5/8"x3/4" meter, 12ccf/bi-month	\$ 185.38	\$ 191.50	3.3%	\$ 6.12
High Usage, 5/8"x3/4" meter, 16ccf/bi-month	\$ 198.42	\$ 204.80	3.2%	\$ 6.38
Multi-Family, Commercial, and Industrial:				
Multi-family, 8 units 1.5" meter, 52ccf/bi-month	\$ 746.47	\$ 777.47	4.2%	\$ 31.00
Commercial, 1.5" meter, 52ccf/bi-month				
25-39% Density, 4 Impervious acres	\$ 758.07	\$ 791.15	4.4%	\$ 33.08
<85% Density, 0.5 Impervious acres	\$ 675.40	\$ 693.59	2.7%	\$ 18.19
Industrial, 6" meter, 64,400 ccf/bi-month	\$ 389,424	\$ 394,195	1.2%	\$ 4,771.47

Cumulative Adjustments 2015-19

Staff-proposed 5-year cumulative

- **Water** – 34.3% Residential & Commercial
 - 31.7% Industrial
- **Sewer** – 10.4% Residential & Commercial Base
 - 3.6% Residential Standby & Commercial Volume
 - 28.9% Industrial Volume
 - \$927.85/bi-month – Fixed Industrial Base Increase
- **Stormwater** – 32.8% All rate classes

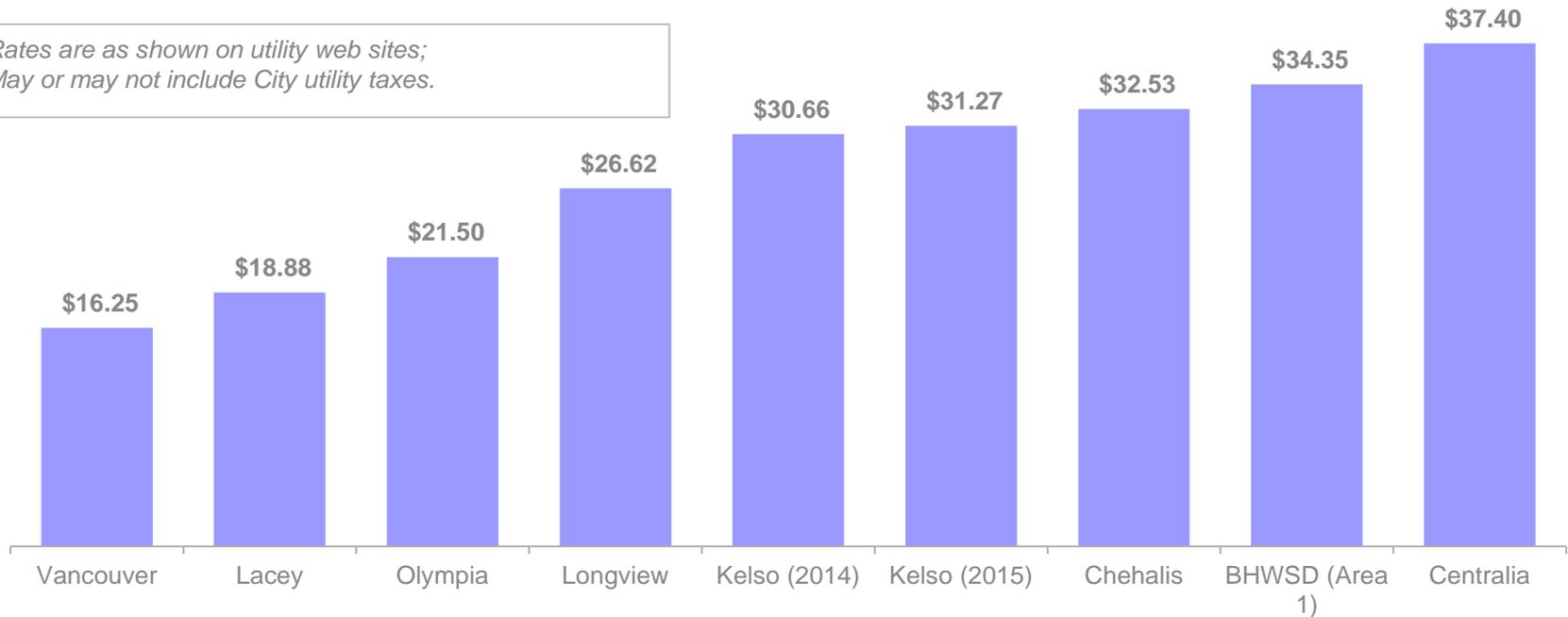
(Note: 2016-2019 rates will be evaluated and adjusted annually based upon actual receipts, expenditures, and debt service requirements)

Rate Comparison with Other Utilities

Water Rate Comparison

Water Survey - Monthly Single Family Rates (6 ccf per Month / Smallest Meter Size)

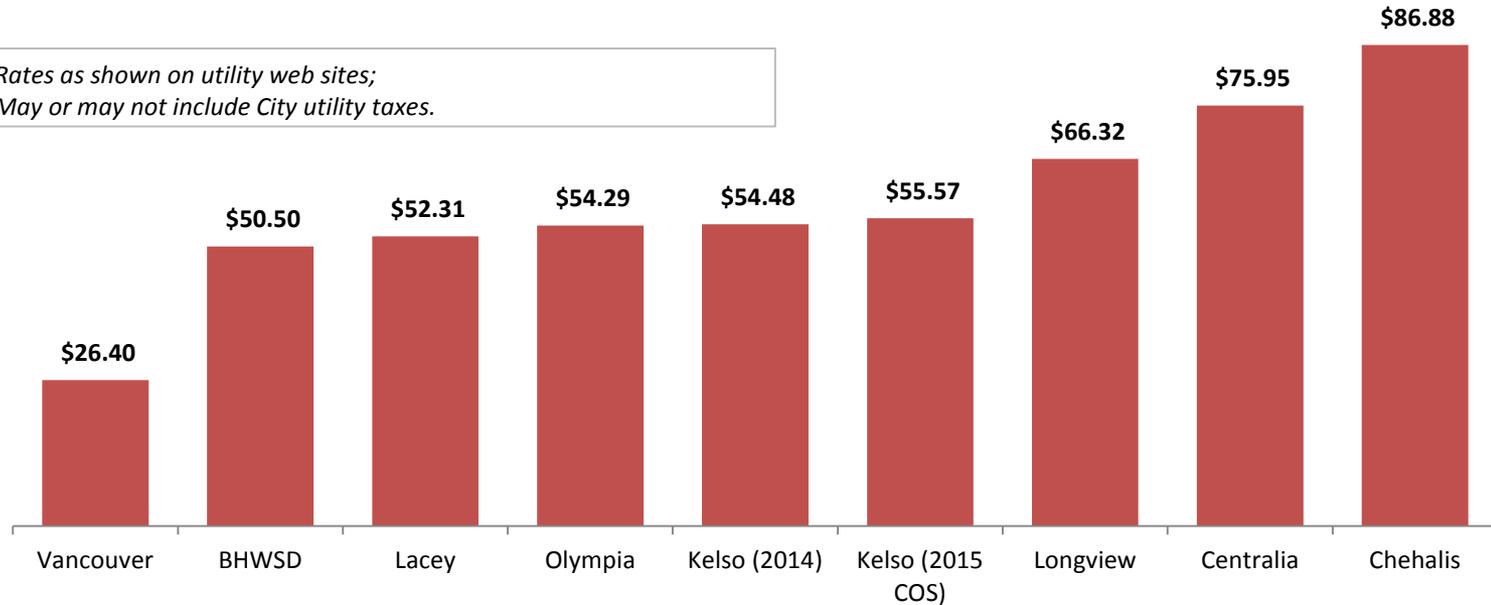
Rates are as shown on utility web sites;
May or may not include City utility taxes.



Sewer Rate Comparison

Sewer Survey - Monthly Single Family Rates (6 ccf per Month)

Rates as shown on utility web sites;
May or may not include City utility taxes.

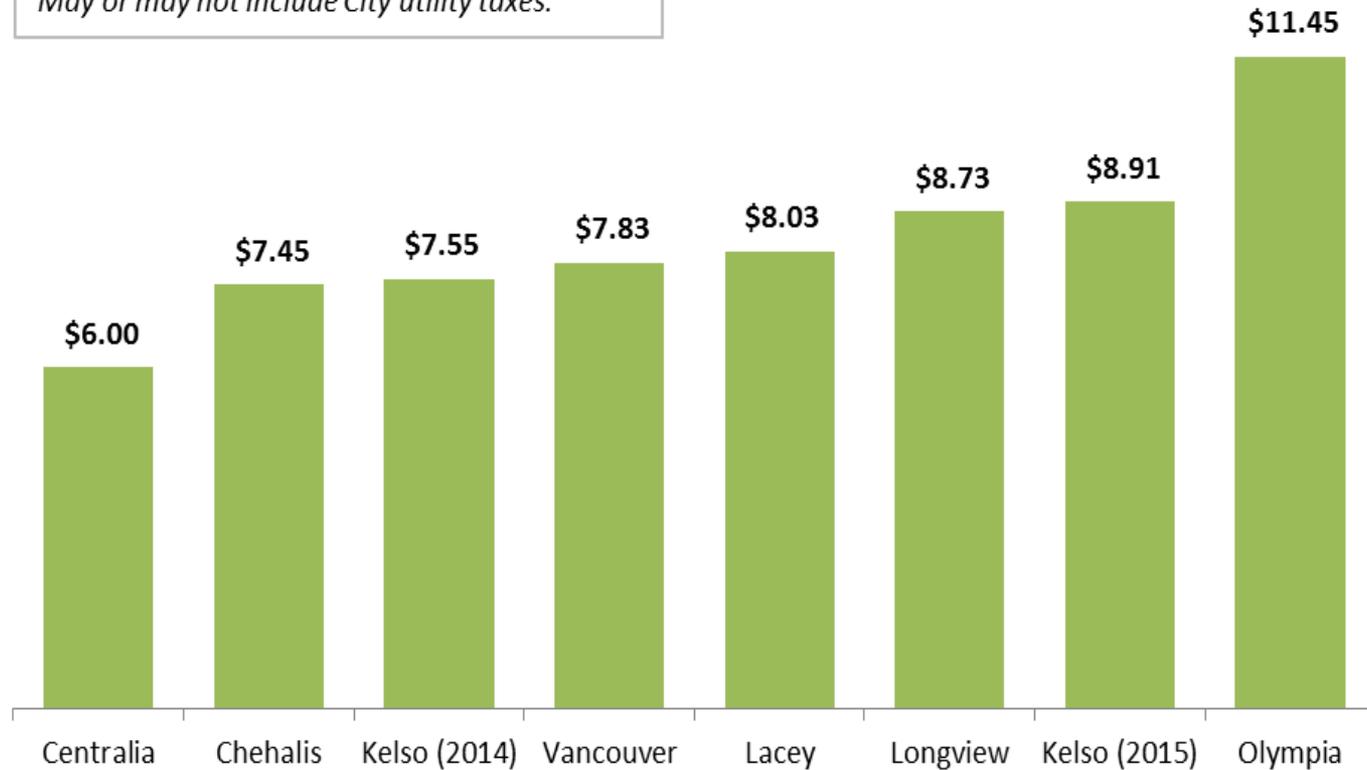


BHWS D = Beacon Hill Water and Sewer District

Stormwater Rate Comparison

Stormwater Survey - Monthly Single Family Rates

*Rates as shown on utility web sites;
May or may not include City utility taxes.*

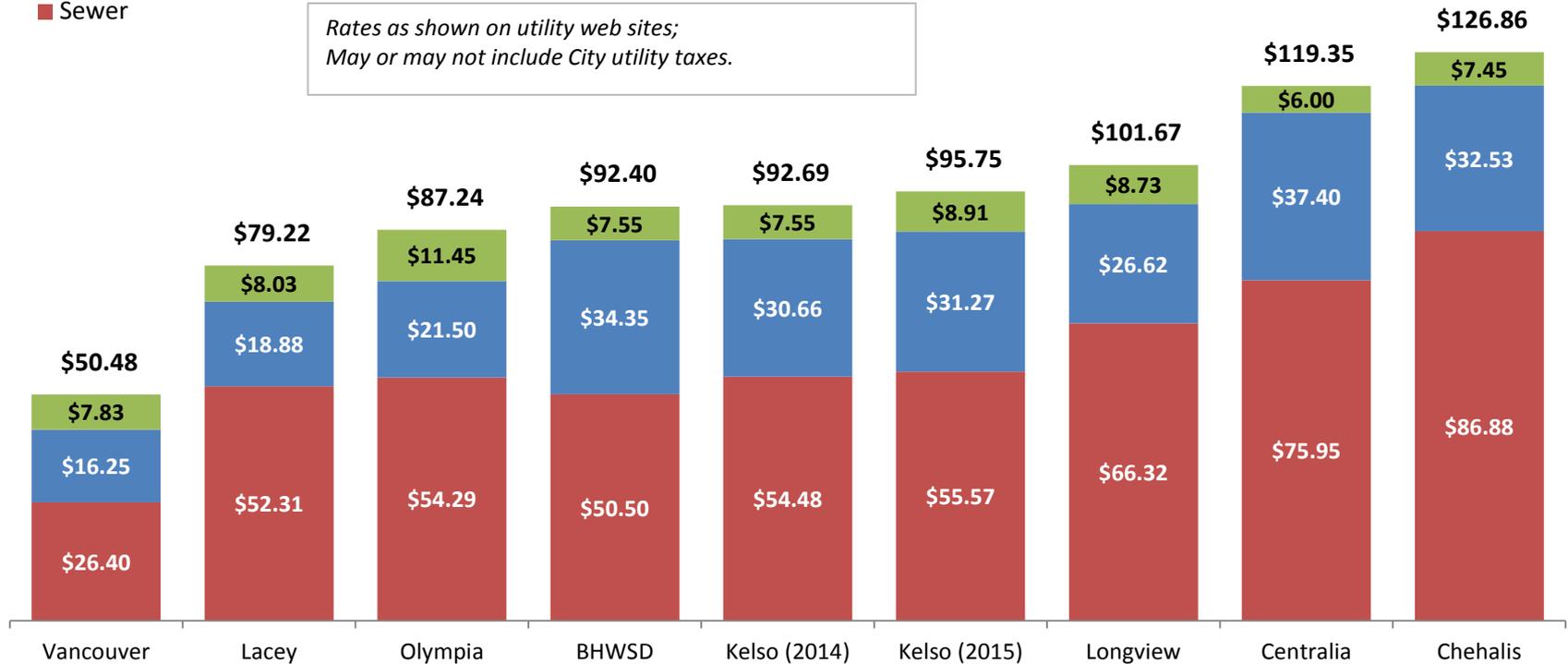


Combined Utility Rate Comparison

- Storm
- Water
- Sewer

Single Family Combined Monthly Utility Bill

Rates as shown on utility web sites;
May or may not include City utility taxes.



BHWS D = Beacon Hill Water and Sewer District, with Kelso stormwater rates

Recommended CRF Schedule

	Existing	2015	2016	2017	2018	2019	2020
Water	\$1,969	\$2,644	\$2,930	\$3,217	\$3,504	\$3,791	\$3,791
Sewer	\$2,254	\$1,721	\$1,721	\$1,721	\$1,721	\$1,721	\$1,721
Stormwater	\$0	\$143	\$176	\$217	\$267	\$329	\$404
Combined	\$4,223	\$4,508	\$4,828	\$5,155	\$5,492	\$5,840	\$5,916
% Increase		6.7%	7.1%	6.8%	6.5%	6.3%	1.3%
<i>Assumes 5/8" x 3/4" meter (1 meter-equivalent) or 1 single-family house.</i>							

Summary of Recommendations

- Adopt System Wide Rate Increases of:

Utility	2015	2016	2017	2018	2019
Water	8.5%	8.5%	7.5%	7.5%	7.5%
Sewer	3.0%	3.0%	3.0%	3.0%	3.0%
Stormwater	18.0%	3.0%	3.0%	3.0%	3.0%

- Separate Water and Sewer into separate funds
- Water and Stormwater across-the-board increases
 - Stormwater: apply density tier rates to gross acres
- Phased Sewer cost-of-service adjustment
 - Reduce MF/Commercial allowance to 11 ccf/bi-month
 - Unless a strong policy preference for tiered rates, suggest leaving uniform Single Family sewer rate
- CRFs – phase in Water increase, create Stormwater CRF per ESU with projected increases