

## SULTAN CITY COUNCIL AGENDA ITEM COVER SHEET

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**ITEM NO:** D-3  
**DATE:** July 9, 2009  
**SUBJECT:** Water General Facility Charge  
**CONTACT PERSON:** Deborah Knight, City Administrator

**ISSUE:**

The issue before the City Council is to discuss the methodology used to set the water general facility charge adopted on June 25, 2009 by Ordinance No. 1043-09.

**STAFF RECOMMENDATION:**

Review the methodology (Attachment A) used to set the water general facility charge. The general facility charge adopted by Ordinance No. 1043-09 is \$6,209. After the methodology was evaluated, the general facilities charge could be reduced by \$10.00 due to the increase in the calculation of total ERUs for the time period. The City Council may want to amend Ordinance No. 1043-09 to reflect the reduction.

**SUMMARY:**

Following First Reading of Ordinance No. 1043-09 on June 11, 2009, the City Council directed staff to return to Council for a discussion of the methodology used to set the water general facilities charge (GFC).

Ordinance 1043-09 (Attachment B) adopted a five (5) year water rate structure and increased the GFC from \$5,254 to \$6,209 to meet the City's long-term financial needs in the water utility. Ordinance 1043-09 provides the following:

- Operating revenues from rates are sufficient to pay for operating expenses, annual depreciation, and debt service for facility repair and replacement.
- The GFC is sufficient to pay for projects needed to serve growth as identified in the 2008 revisions to the 2004 comprehensive plan.
- The GFC may be adjusted annually to capture capital costs from 6-year Capital Improvement Plan (CIP) and changes in the Engineering News Record Construction Cost Index.
- The portion of debt service related to growth can be funded through the GFC. Debt service allocations should be adjusted based on the mix of debt between repair and replacement and growth.
- The charge per equivalent residential unit will be \$5,254 until November 30, 2009. After November 30, 2009 the charge per equivalent residential unit will be \$6,209.

## How is the General Facility Charge Determined?

The City used a very standard method of calculating the general facility charge. This is the same methodology used by Brown and Caldwell and Katy Isaksen to develop the GFC adopted in 2004.

EXISTING COST BASIS:		2008	NOTES:
<b>Plant in Service</b>			
Utility Capital Assets		\$ 18,820,719	Original cost of plant-in-service through 2007
less: Contributed Capital		(2,386,000)	CIAC, Grants, and other contributed capital
plus: Interest on Non-Contributed Plant		6,530,365	Interest on assets up to a maximum 10-year period Available Operating and CR Fund Cash End of Year 2009
Existing Cash Balances	220,443		Total principal outstanding for the existing debt offset by GFC funded debt
less: Debt Principal Outstanding	(1,565,228)		Debt principal outstanding, net of cash reserves
less: Net Debt Principal Outstanding		(1,344,785)	
<b>TOTAL EXISTING COST BASIS</b>		<b>\$ 21,620,299</b>	
<b>FUTURE COST BASIS:</b>			<b>NOTES:</b>
<b>Capital Improvement Plan</b>			
Total Future Projects (2008\$)		\$ 2,738,200	
less: Identified Repair & Replacement Projects		(1,428,600)	R&R projects are not eligible for GFC
less: Contributed Future Upgrade and Expansion Projects		(1,029,600)	Contributed Capital
<b>TOTAL FUTURE COST BASIS</b>		<b>\$ 280,000</b>	
<b>CUSTOMER BASE</b>			<b>NOTES:</b>
Existing Residential Equivalent Domestic Units		2,819	Existing ERUs
Future Residential Equivalent Domestic Units (Incremental)		862	Growth
<b>TOTAL CUSTOMER BASE</b>		<b>3,681</b>	Stand-by Storage Maximum Capacity ERUs
<b>RESULTING CHARGE</b>			
<b>Existing Cost Basin Portion</b>			
Allocable Existing Portion		\$ 21,620,299	Total Existing Cost Basis
Allocable Customer Base		<u>3,681</u>	Existing & Future ERUs
<b>Existing Cost Basis Charge</b>		<b>\$ 5,874</b>	

Future Cost Basin Portion		
Allocable Future Portion to Both	\$ 280,000	Total Future Cost Basis
Allocable Customer Base	<u>862</u>	Future ERUs
Future Cost Basis Charge	\$ 325	
	\$ 6,199	per ERU
\$ 5,254		
\$ 945		

The inventory of the Sultan water system shows the total system value of \$18.8 million as inventoried since 1960. These historic costs were tabulated by project for the actual year of construction. Water system historical costs include the distribution system, watershed, dam, water treatment plant, two reservoirs and pump station.

The applicable interest rate was assigned for the year of construction taken from the Index of General Obligation Bond Interest Rates and computed up to 10-years of simple interest charged against the principal. Interest is charged as the opportunity cost of money. Existing users invested in the system. New users have to pay today's costs which are calculated as interest.

Grants, developer contributions to the water system and debt service not paid for by GFC revenues are deducted to get a total cost basis.

The water system capacity is defined through evaluation of several factors. With the water supply main from the Everett Pipeline No. 5 coming on line during 2003, the limiting factor is the Sultan water system is the available storage in the two reservoirs.

The limiting factor is standby storage. The State health criteria require two days of standby storage for each equivalent residential unit (ERU), so the two storage tanks at the treatment plant have capacity for 2,977 ERU. Adding the high level reservoir will increase capacity to 3,681 ERU. Since the high level reservoir is needed to serve new growth in the north east part of the city. Adding ERU's reduces the general facility charge since the costs for growth are spread over more connections.

## **DISCUSSION:**

### What is a General Facility Charge?

Water service charges or rates are the primary on-going source of revenue for water maintenance, operations, administration, reinvestment and debt service.

The General Facility Charge is the fee charged to new development to connect to the existing water system. Revenues from the GFC are used to pay for capital improvements (past, present and future) needed to serve growth.

A capital improvement is an investment in the water plant and/or distribution system. Capital investments are identified in the City's comprehensive plan, water system plan and six-year capital improvement plan.

When was the last time the GFC was studied?

From 1999 to 2004, the GFC was \$4,440. The current GFC (\$5,254) has been in effect for 5 years, since December 1, 2004. The current GFC was based on the six-year utility financing plan in the 2005 Water System Plan. In 2004, the City adopted a six-year utility financing plan. The 2004 water rate schedule expired on December 1, 2008.

Why was a rate study necessary?

In 2008 and 2009, the water system operating fund had a very small ending fund balance (less than \$10,000 in both years). The city is not collecting sufficient revenues from user rates to make the water debt service payments.

In addition, because of the slowing economy, the city is not collecting sufficient water connection fees (GFC) to cover the debt service payments in the water system. The city had to use reserves set aside for future capital improvements to serve growth to make current debt service payments.

What is the GFC Used for?

The GFC may be used to fund debt service for past improvements to the water system needed to serve growth. The GFC may also be set aside in the city's capital reserve fund to save for future improvements to serve future growth. Water rates, facility charges and reserves are the primary sources of revenue for capital improvements to the water system.

What if the City lowers or postpones the GFC?

The 2008 revised comprehensive plan estimates \$9,424,000 in water projects necessary to serve future development over the next 20-years. The 2008 revised comprehensive plan estimated the city would need to increase the GFC by \$1,119 per ERU to meet the city's water capital needs<sup>1</sup>. The adopted increase is \$955.00

Lowering the GFC charged to new development jeopardizes the City's ability to serve future growth. For example, the estimated cost of the northeast water tank (high level reservoir) is \$500,000. Constructing the northeast water tank is necessary for the city to grow. Without the tank, at some point, the city will have to consider a moratorium on future growth. The other option is to increase water rates to current customers to fund projects needed to serve future growth.

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<sup>1</sup> Table CFP-11. 2008 revisions to the 2004 comprehensive plan.

Since the city has used its capital reserves to fund current debt service, the increase is necessary now to rebuild reserve funds to fund capital projects needed to serve growth. Delaying the increase in the GFC could delay future growth. This is the same problem the City is facing at its waste water treatment plant.

## **BACKGROUND:**

The Council reviewed the water rate study findings, rate options, and general facility charge (GFC) at the Council retreat on March 21, 2009 and at the Council meeting on April 9, 2009.

The City Council held a public hearing and took public comment at the Council meeting on April 23, 2009. The City Council further discussed the water rate study at the Council meeting on May 14, 2009 and at a special meeting on June 9. First Reading was held on June 11, 2009. A general facilities charge of \$6,209.00 was established at second reading on June 25, 2009.

The City Council has asked to discuss the methodology used to determine the GFC.

## **ALTERNATIVES:**

1. Discuss the methodology used to set the water general facility charge and take no further action. Under this alternative, the City Council is comfortable with the methodology used to set the general facility charge. Increasing the general facilities charge is necessary to meet debt service payments and establish the reserve fund for future growth.
2. Discuss the methodology used to set the water general facility charge and direct staff to return with an amending ordinance to reduce the GFC from \$6,209 to \$6,199. This alternative implies the Council would like to adjust the GFC to reflect the adjustment in ERU's.
3. Direct staff to return with an amending ordinance to reduce the GFC to some other amount as determined by the City Council and supported by the data.

## **RECOMMENDED ACTION:**

Review the methodology (Attachment A) used to set the water general facility charge. The general facility charge adopted by Ordinance No. 1043-09 is \$6,209. After the methodology the general facilities charge could be reduced by \$10.00 due to the calculation of total ERUs for the time period. The City Council may want to amend Ordinance No. 1043-09 to reflect the reduction.

## **ATTACHMENTS**

- A – Methodology for calculating the general facility charge
- B – Ordinance No. 1043-09 adopting the general facility charge

# City of Sultan

## Water Utility Rate Study

### GFC

EXISTING COST BASIS:	2008	NOTES:
<b>Plant in Service</b>		
Utility Capital Assets	\$ 18,820,719	Original cost of plant-in-service through 2007
less: Contributed Capital	(2,386,000)	CIAC, Grants, and other contributed capital
plus: Interest on Non-Contributed Plant	6,530,365	Interest on assets up to a maximum 10-year period
Existing Cash Balances	220,443	Available Operating and CR Fund Cash End of Year 2009
less: Debt Principal Outstanding	(1,565,228)	Total principal outstanding for the existing debt offset by GFC funded debt
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<b>TOTAL EXISTING COST BASIS</b>	<b>\$ 21,620,299</b>	
<b>FUTURE COST BASIS:</b>		
<b>Capital Improvement Plan</b>		
Total Future Projects (2008\$)	\$ 2,738,200	
less: Identified Repair & Replacement Projects	(1,428,600)	R&R projects are not eligible for GFC
less: Contributed Future Upgrade and Expansion Projects	(1,029,600)	Contributed Capital
<b>TOTAL FUTURE COST BASIS</b>	<b>\$ 280,000</b>	
<b>CUSTOMER BASE</b>		
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<b>RESULTING CHARGE</b>		
<b>Existing Cost Basin Portion</b>		
Allocable Existing Portion	\$ 21,620,299	Total Existing Cost Basis
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<b>Existing Cost Basis Charge</b>	<b>\$ 5,874</b>	
<b>Future Cost Basin Portion</b>		
Allocable Future Portion to Both	\$ 280,000	Total Future Cost Basis
Allocable Customer Base	862	Future ERUs
<b>Future Cost Basis Charge</b>	<b>\$ 325</b>	
<b>PROPOSED GFC</b>	<b>\$ 6,199</b>	per ERU
EXISTING GFC	\$ 5,254	per ERU
DIFFERENCE	\$ 945	per ERU

**City of Sultan**  
**Water Utility Rate Study**  
**Plant-in-Service**

2008								
Description	Year Purchased	Original Cost	Allocation to Utility	Allocated Original Cost	Allocated CIAC	Applicable Asset Age	Applicable Interest Rate	Allocable Interest Cost
Total Contributions-in-Aid (CIAC)		\$ (641,000)	100%		\$ (641,000)			
Watershed Land	1905	\$ 25,075	100%	\$ 25,075	\$ (941)	10.00	2.75%	\$ 6,626
Lake 16 Dam	1911	139	100%	139	(5)	10.00	2.75%	37
Lake 16 Dam	1945	690	100%	690	(26)	10.00	2.75%	182
Transmission Pipe Ac	1965	30,434	100%	30,434	(1,142)	10.00	4.04%	11,829
Transmission Pipe DI	1994	266,364	100%	266,364	(9,999)	10.00	6.00%	153,819
Water Treatment Plant	1979	1,882,478	100%	1,882,478	(70,666)	10.00	10.00%	1,811,812
Treatment Plant Site	1965	2,899	100%	2,899	(109)	10.00	4.04%	1,127
Treatment Plant Site/I	1982	114,179	100%	114,179	(4,286)	10.00	10.00%	109,893
Water Treatment Upgrade 1998 - 1999	1999	344,403	100%	344,403	(12,928)	9.00	5.50%	164,080
Backwash Disposal	1979	22,410	100%	22,410	(841)	10.00	10.00%	21,569
Reservoir No. 1	1979	268,925	100%	268,925	(10,095)	10.00	10.00%	258,830
Reservoir No. 2	2001	662,597	100%	662,597	(24,873)	7.00	4.75%	211,969
Booster Pump Station	1986	160,261	100%	160,261	(6,016)	10.00	8.00%	123,396
Pressure Reducing Valves	1940	1,084	100%	1,084	(41)	10.00	2.75%	286
Pressure Reducing Valves	1995	17,684	100%	17,684	(664)	10.00	5.80%	9,872
Pressure Reducing Valves	2003	100,000	100%	100,000	(3,754)	5.00	4.37%	21,030
Water System Plan	2003	85,793	100%	85,793	(3,221)	5.00	4.37%	18,042
Everett Water Pipeline	2003	2,613,338	100%	2,613,338	(98,101)	5.00	4.37%	549,579
Settlements	2003	21,140	100%	21,140	(794)	5.00	4.37%	4,446
Total Historical Cost for Water Mains	1960	9,660,786	100%	9,660,786	(362,653)	10.00	3.20%	2,971,962
2004 - 2007 assets	0	-	100%	-	-	10.00	2.75%	-
1st Street Improvements	2004	362,000	100%	362,000	(13,589)	4.00	4.40%	61,332
Date St Phase I	2004	36,000	100%	36,000	(1,351)	4.00	4.40%	6,099
Stratford Place	2005	-	100%	-	-	3.00	4.40%	-
Sultan Basin RD / SR 2 Imp	2006	95,200	100%	95,200	(3,574)	2.00	4.40%	8,065
Skoglund Estates	2006	-	100%	-	-	2.00	4.40%	-
Timber Ridge Development	2006	-	100%	-	-	2.00	4.40%	-
Steen Park	2007	-	100%	-	-	1.00	4.40%	-
Date St Phase II	2007	105,840	100%	105,840	(3,973)	1.00	4.40%	4,483
Denali Ridge	2007	-	100%	-	-	1.00	4.40%	-
Sky Harbor Estates	2004	-	100%	-	-	4.00	4.40%	-
Sultan Basin Road Widening	2008	106,000	100%	106,000	(3,979)	0.00	4.40%	-
2nd Street Improvements	2008	90,000	100%	90,000	(3,378)	0.00	4.40%	-
George 6 Plex	2008	-	100%	-	-	0.00	4.40%	-
<b>Total Plant-in-Service</b>		<b>\$ 17,075,719</b>	<b>100%</b>	<b>\$ 17,075,719</b>	<b>\$ (641,000)</b>	<b>8.68</b>	<b>4.56%</b>	<b>\$ 6,530,365</b>

2004-2007 Donated Assets not included above, since they were fully donated, to avoid calculation errors

\$ 1,745,000

**Total Assets**

**\$ 18,820,719**

**Total Contributions / Donations (CIAC)**

**\$ 2,386,000**

**Applicable Interest**

**\$ 6,530,365**

**City of Sultan**  
**Water Utility Rate Study**  
**Capital Improvement Program**

Description	Current Cost	Year	Life in Years	% Upgrade / Expansion	% R&R	Specific Funding Source 1-Enterprise Fund, 2-Grants & Developer Donations	Upgrade / Expansion	R&R
2nd Street Waterline Replacement - Phase I	\$ -	2009	50	0%	100%	1 Enterprise Fund	\$ -	\$ -
2nd Street Waterline Replacement - Phase II	-	2010	50	0%	100%	1 Enterprise Fund	-	-
Sultan Basin Road - WL and PRV Station	100,000	2009	50	100%	0%	1 Enterprise Fund	100,000	-
6th Street Water Line	-	2009	50	0%	100%	1 Enterprise Fund	-	-
Sultan River Crossing 12" Main	25,000	2009	50	0%	100%	1 Enterprise Fund	-	25,000
Sultan River Crossing 12" Main	50,000	2010	50	0%	100%	1 Enterprise Fund	-	50,000
Sultan River Crossing 12" Main	425,000	2011	50	0%	100%	1 Enterprise Fund	-	425,000
Alder Street Reconstruction and Improvements	53,600	2010	50	0%	100%	1 Enterprise Fund	-	53,600
Alder Street Reconstruction and Improvements	400,000	2011	50	0%	100%	1 Enterprise Fund	-	400,000
East Main Street Reconstruction	50,000	2011	50	0%	100%	1 Enterprise Fund	-	50,000
East Main Street Reconstruction	200,000	2012	50	0%	100%	1 Enterprise Fund	-	200,000
132nd Street Sultan Basin Rd. to Rice Rd.	20,400	2011	50	100%	0%	2 Grants/Developer	20,400	-
132nd Street Sultan Basin Rd. to Rice Rd.	70,000	2012	50	100%	0%	2 Grants/Developer	70,000	-
132nd Street Sultan Basin Rd. to Rice Rd.	800,000	2013	50	100%	0%	2 Grants/Developer	800,000	-
Rice Rd/Sultan Start Up Rd to 132nd St.	19,200	2012	50	100%	0%	2 Grants/Developer	19,200	-
Rice Rd/Sultan Start Up Rd to 132nd St.	60,000	2013	50	0%	100%	2 Grants/Developer	-	60,000
Rice Rd/Sultan Start Up Rd to 132nd St.	240,000	2014	50	50%	50%	2 Grants/Developer	120,000	120,000
US 2 /SBR to Cascade View Drive	-	2015	50	50%	50%	1 Enterprise Fund	-	-
Highlevel Reservoir2 - new 70,000 gal resv.	100,000	2013	50	80%	20%	1 Enterprise Fund	80,000	20,000
Highlevel Reservoir2 - new 70,000 gal resv.	50,000	2014	50	80%	20%	1 Enterprise Fund	40,000	10,000
Highlevel Reservoir2 - transmission line	75,000	2014	50	80%	20%	1 Enterprise Fund	60,000	15,000
<b>Total Capital Projects</b>	<b>\$ 2,738,200</b>			<b>48%</b>	<b>52%</b>		<b>\$ 1,309,600</b>	<b>\$ 1,428,600</b>
Total Upgrade/Expansion Projects								
Total R&R Projects								
Projects by Grants / Developer Donations							890,400	650,000
Projects by Enterprise Fund							280,000	1,248,600

**Total Projects** \$ 2,738,200

**Total R&R Projects** \$ 1,428,600  
**R&R Related Grants** \$ 180,000

**Total Growth Related Projects** \$ 1,309,600  
**Growth Related Grants** \$ 1,029,600

**Allocable CIP** \$ 280,000

# City of Sultan

## Water Utility Rate Study

### Equivalent Residential Units

#### From JULY 2008 Amendment emailed

2007 Average Water Supply	510,000	gpd
Residential	239,000	gpd
Non-Residential	165,000	gpd
Backwash	46,000	gpd
Water Loss	60,000	gpd
<b>Total Billable Usage</b>	<b>404,000</b>	<b>gpd</b>

Residential Average day supply	239,000	gpd
City Population	4,530	2007
Persons Per Household	2.74	per ERU
<b>Average Supply / Usage per ERU</b>	<b>144.56</b>	<b>gpd per ERU 2007</b>

<b>2007 ERUs</b>	<b>2,795</b>	Total Billable Usage / Average Supply / Usage per ERU
<b>Growth</b>	<b>0.50%</b>	Assumed lower growth due to the number of new units projected by the City being much lower
<b>2008 ERUs</b>	<b>2,809</b>	
<b>Assumed 2009 Addition</b>	10	Estimated new units provided by the City
<b>2009 ERUs</b>	<b>2,819</b>	

#### MAXIMUM ERUS

Total Storage	2,580,000	gpd	page 8 from Comp Plan
Average Water Demand	360	gpd	page 15, chapter 2.1.4
2 Day Requirement (at ADD) - Stand-I	720	gpd	
	<b>3,583</b>	<b>ERUs</b>	

New Reservoir (Highrise)	70,000	gpd
2 Day Requirement (at ADD) - Stand-I	720	
	<b>97</b>	

<b>Total Maximum ERUS</b>	<b>3,681</b>
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**CITY OF SULTAN  
WASHINGTON**

**ORDINANCE NO. 1043-09**

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**AN ORDINANCE OF THE CITY OF SULTAN,  
WASHINGTON, ADOPTING A FIVE YEAR WATER RATE  
SCHEDULE AND A NEW INCREASED GENERAL  
FACILITIES CHARGE; PROVIDING FOR  
SEVERABILITY; AND ESTABLISHING AN EFFECTIVE  
DATE.**

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WHEREAS, pursuant to RCW 35.92.010 and RCW 35.92.025 the City through its legislative authority has the power and authority to establish rates for water service and also to establish a reasonable connection charge as a condition to granting the right to connect to the City's water system; and

WHEREAS, the City has conducted an investigation of the reasonable rates required to provide water service now and in the future; and

WHEREAS, the City has conducted an investigation of the historic costs of its water system and of interest and other factors influencing that cost for the purpose of determining an appropriate connection charge; and

WHEREAS, the City wishes to establish rates that are reasonable but necessary to operate its water system and wishes to establish charges that reflect the equitable share of the cost of the system for connection to the system; and

WHEREAS, the City of Sultan held a public hearing on April 23, 2009 and received public comment on adopting a five year water rate schedule for single-family, multi-family and commercial customers and increasing the general facilities charge to connect to the City's water system from \$5,254 to \$6,209; and

WHEREAS, the City of Sultan held first reading on May 14, 2009 to adopt a five year water rate schedule and increase the general facilities charge;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SULTAN, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1 Establishment of fees and charges for water service. Water rates are hereby established for the following categories of service beginning on December 1, 2009 as follows:

1. The words and phrases set out in this section are defined as follows:
  - A. "Low income senior citizen" means persons 62 years of age or older, on or before January 31st of the year of the filing for the discount. Low income is based on 125 percent of the federal poverty guidelines.
  - B. "Base rate" means the minimum monthly charge for water service.
  - C. "Rate" equals monthly base rate plus volume rate for each additional 100 cubic feet.
  - D. "Monthly base rate" is the rate tabulated in the two water rate schedules below. The rates differ for service within the city's corporate limits and without the city's corporate limits.
  - E. "Volume rate for each additional 100 cubic feet" refers to the applicable rate whether within the city's corporate limits or without for each additional 100 cubic feet or fraction thereof of water usage over the allowance set by the city council for the customer's unit.
  
2. All rates are per dwelling or commercial unit. An accessory dwelling unit is considered a dwelling unit.

<b>WATER CONNECTIONS LOCATED WITHIN THE CITY'S CORPORATE LIMITS</b>						
Effective Date:	12/1/2008	12/1/2009	12/1/2010	12/1/2011	12/1/2012	12/1/2013
<b>Single-Family</b>						
Base Rate	\$25.25	\$23.65	\$26.31	\$29.27	\$30.44	\$31.66
Volume Rate/100 cf > 300ccf "allowance"	\$2.28	\$2.54	\$2.83	\$3.15	\$3.28	\$3.41
<b>Low-Income Senior</b>						
Base Rate	\$12.63	\$11.83	\$13.16	\$14.64	\$15.22	\$15.83
Volume Rate/100 cf > 300ccf "allowance"	\$2.28	\$2.54	\$2.83	\$3.15	\$3.28	\$3.41
<b>Multifamily</b>						
Base Rate/Unit	25.25	\$15.78	\$17.56	\$19.54	\$20.32	\$21.13
Volume Rate/100 cf no "allowance"	\$2.28	\$2.54	\$2.83	\$3.15	\$3.28	\$3.41
<b>Mobile Home Parks</b>						
Base Rate/Unit	25.25	\$15.78	\$17.56	\$19.54	\$20.32	\$21.13
Volume Rate/100 cf no "allowance"	\$2.28	\$2.54	\$2.83	\$3.15	\$3.28	\$3.41

<b>WATER CONNECTIONS LOCATED WITHIN THE CITY'S CORPORATE LIMITS</b>						
Effective Date:	12/1/2008	12/1/2009	12/1/2010	12/1/2011	12/1/2012	12/1/2013
<b>Commercial</b>						
Base Rate by Meter						
3/4" Meter	\$27.25	\$16.74	\$18.62	\$20.71	\$21.54	\$22.40
1" Meter	\$38.15	\$27.96	\$31.11	\$34.61	\$35.99	\$37.43
1.5" Meter	\$49.05	\$55.74	\$62.01	\$68.99	\$71.75	\$74.62
2" Meter	\$79.03	\$89.22	\$99.26	\$110.43	\$114.85	\$119.44
3" Meter	\$299.75	\$333.47	\$370.99	\$385.83	\$401.26	\$417.31
4" Meter	\$381.50	\$424.42	\$472.17	\$491.05	\$510.69	\$531.12
6" Meter	\$572.25	\$636.63	\$708.25	\$736.58	\$766.04	\$796.68
8" Meter	\$790.25	\$879.15	\$978.06	\$1,017.18	\$1,057.87	\$1,100.18
Volume Rate/100 cf no "allowance"	\$2.28	\$2.54	\$2.83	\$3.15	\$3.28	\$3.41

3. For service outside the city limits, the charges shall be one hundred fifty percent (150%) of the standard in-city rate as established by the city council. "Outside of the city limits" shall mean any property that qualifies for one or more of the following:

- A. A majority of the property is situated outside of city limits
- B. A majority of fixtures on the property are outside of city limits; or
- C. A majority of the value of improvements is outside city limits

<b>WATER CONNECTIONS LOCATED OUTSIDE THE CITY'S CORPORATE LIMITS</b>						
Effective Date:	12/1/2008	12/1/2009	12/1/2010	12/1/2011	12/1/2012	12/1/2013
<b>Single-Family</b>						
Base Rate	\$37.88	\$35.48	\$39.47	\$43.91	\$45.66	\$47.49
Volume Rate/100 cf > 300ccf "allowance"	\$3.42	\$3.81	\$2.83	\$3.15	\$3.28	\$3.41
<b>Low-Income Senior</b>						
Base Rate	\$18.95	\$17.75	\$19.73	\$21.95	\$22.83	\$23.75
Volume Rate/100 cf > 300ccf "allowance"	\$3.42	\$3.81	\$2.83	\$3.15	\$3.28	\$3.41

<b>WATER CONNECTIONS LOCATED OUTSIDE THE CITY'S CORPORATE LIMITS</b>						
Effective Date:	12/1/2008	12/1/2009	12/1/2010	12/1/2011	12/1/2012	12/1/2013
<b>Multifamily</b>						
Base Rate/Unit	37.88	\$23.67	\$26.34	\$29.31	\$30.48	\$31.70
Volume Rate/100 cf no "allowance"	\$3.42	\$3.81	\$4.25	\$4.73	\$4.92	\$5.12
<b>Mobile Home Parks</b>						
Base Rate/Unit	37.88	\$23.67	\$26.34	\$29.31	\$30.48	\$31.70
Volume Rate/100 cf no "allowance"	\$3.42	\$3.81	\$4.25	\$4.73	\$4.92	\$5.12
<b>Commercial</b>						
Base Rate by Meter						
3/4" Meter	\$40.88	\$25.11	\$27.93	\$29.05	\$30.21	\$31.42
1" Meter	\$57.23	\$41.94	\$46.66	\$48.52	\$50.47	\$52.48
1.5" Meter	\$73.58	\$83.61	\$93.02	\$96.74	\$100.61	\$104.63
2" Meter	\$118.55	\$133.83	\$148.89	\$154.84	\$161.03	\$167.48
3" Meter	\$449.63	\$750.31	\$834.72	\$868.11	\$902.84	\$938.95
4" Meter	\$572.25	\$954.94	\$1,062.37	\$1,104.87	\$1,149.06	\$1,195.03
6" Meter	\$858.38	\$1,432.41	\$1,593.56	\$1,657.30	\$1,723.59	\$1,792.54
8" Meter	\$1,185.38	\$1,978.09	\$2,200.63	\$2,288.66	\$2,380.20	\$2,475.41
Volume Rate/100 cf no "allowance"	\$3.42	\$3.81	\$4.25	\$4.73	\$4.92	\$5.12

\*Space occupancy and units are determined on January 1st and June 1st semi-annually for determination of number of units.

Section 2. Establishment of General Facilities Charge. The General Facilities Charge is hereby imposed on all parties seeking to connect to the water system a water general facilities charge as follows:

1. The charge per equivalent residential unit shall be, if paid before the city's close of business on November 30, 2009, \$5,254. If paid thereafter, the charge per equivalent residential unit shall be \$6,209.
2. The General Facilities Charge may be adjusted annually during the budget process to capture capital costs from the 6-year Capital Improvement Plan (CIP) and changes in the Engineering News Record Construction Cost Index

3. A \$1,000 additional charge shall be assessed for water meter, installation and inspection for units not within an approved development or plat.
4. A \$300.00 additional charge shall be assessed for water meter, installation and inspection for units within an approved development or plat.
5. The charges imposed by this subsection shall be in addition to any charges due under an approved latecomer or cost recovery contract.

Section 3. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 4. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication, but no sooner than December 1, 2010

**ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON  
THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2009.**

CITY OF SULTAN

\_\_\_\_\_  
Carolyn Eslick, Mayor

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Laura Koenig, City Clerk

Approved as to form:

\_\_\_\_\_  
Margaret J. King, City Attorney

Ordinance: 1043-09

Passed by the City Council: June 25, 2009

Date of Publication:

Effective Date: