

## SULTAN CITY COUNCIL SUBCOMMITTEE

### AGENDA ITEM COVER SHEET

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ITEM NO: D-1  
DATE: March 25, 2010  
SUBJECT: Mobile Home Park Water Rate Structure  
CONTACT PERSON: Janice Leonardi, Utility Clerk

#### ISSUE:

The issue before the City Council Sub-Committee is to review the current water rate structure for mobile home parks. Upon completion of the water rate study in 2009, a new rate structure was implemented which resulted in residential water customers incurring a \$2.84 raise in their base water rate while maintaining the same monthly water allowance of 600 c.f.. Mobile home parks and multi-family dwellings (more than 2 units) had their base water rate reduced by \$0.73 and also had their monthly water allowance reduced to 300 c.f.

Several mobile home park owners have contacted the City with concerns that the new rate structure is not a fair and equitable for residences in a mobile home park. The mobile park owners feel their units are similar to single family residences.

Policy questions for Council Sub-Committee:

- 1) Should mobile home parks be treated a single family residences in regards to water consumption?

Mobile home park lots have yards, planter beds and other outside water uses such as car washing. In general, most mobile homes have families living in them and not just one or two people.

- 2) Should mobile home parks be billed the same water rate and consumption allowance as single family residences?

This would mean a base rate of \$28.09 and a monthly water allowance of 600 c.f. per unit vs. the current base rate of \$24.52 and monthly water allowance of 300 c.f. per unit.

Attachment: Water rate chart / mobile home rate comparisons

**Water Rate Comparisons for Mobile Home Parks - Multi-Family Rate Vs. Single Family Rate**  
Based on 2009 Consumption

\*Multi-family rate is a base amount of \$24.52 per unit per month which includes 300 c.f. Excess is billed at \$2.54 per 100 c.f.

\*Multi-family senior rate is \$12.26

Description	Cherry Hill Mobile Park - 69 units	Timberline Village - 21 units	Rivercrest Mobile Park - 14 units	West Mobile Park - 8 units	Cedar Log Park - 7 units	10th St. Mobile Park - 7 units
2009 average monthly consumption	48,309 c.f.	26,856 c.f.	25,928 c.f.	8,994 c.f.	9,123 c.f.	3,259 c.f.
Allowable consumption under MFR	20,700 c.f.	6,300 c.f.	4,200 c.f.	2,400 c.f.	2,100 c.f.	2,100 c.f.
Excess consumption	27,609 c.f.	20,556 c.f.	21,728 c.f.	6,594 c.f.	7,023 c.f.	1,159 c.f.
Excess x \$2.54 per 100 c.f.	\$701.27	\$522.12	\$551.89	\$167.49	\$178.38	\$29.44
Units x base rate of \$24.52	\$1,397.64	\$514.92	\$343.28	\$196.16	\$171.64	\$171.64
Units x senior base rate of \$12.26	\$147.12	N/A	N/A	N/A	N/A	N/A
<b>Total average monthly charge</b>	<b>\$2,246.03</b>	<b>\$1,037.04</b>	<b>\$895.17</b>	<b>\$363.65</b>	<b>\$350.02</b>	<b>\$201.08</b>

\*Single family rate is a base amount of \$28.09 per unit per month which includes 600 c.f. Excess is billed at \$2.54 per 100 c.f.

\*Single family senior rate is \$14.05

Description	Cherry Hill Mobile Park - 69 units	Timberline Village - 21 units	Rivercrest Mobile Park - 14 units	West Mobile Park - 8 units	Cedar Log Park - 7 units	10th St. Mobile Park - 7 units
2009 average monthly consumption	48,309 c.f.	26,856 c.f.	25,928 c.f.	8,994 c.f.	9,123 c.f.	3,259 c.f.
Allowable consumption under SFR	41,400 c.f.	12,600 c.f.	8,400 c.f.	4,800 c.f.	4,200 c.f.	4,200 c.f.
Excess consumption	6,909 c.f.	16,256 c.f.	17,528 c.f.	4,194 c.f.	4,923 c.f.	0 excess consumption
Excess x \$2.54 per 100 c.f.	\$175.49	\$412.90	\$445.21	\$106.53	\$125.04	0
Units x base rate of \$28.09	\$1,601.13	\$589.89	\$393.26	\$224.72	\$196.63	\$196.63
Units x senior base rate of \$14.05	\$168.60	N/A	N/A	N/A	N/A	N/A
<b>Total average monthly charge</b>	<b>\$1,945.22</b>	<b>\$1,002.79</b>	<b>\$838.47</b>	<b>\$331.25</b>	<b>\$321.67</b>	<b>\$196.63</b>

<b>Average Monthly Rate Difference</b>	<b>\$300.81</b>	<b>\$34.25</b>	<b>\$56.70</b>	<b>\$32.40</b>	<b>\$28.35</b>	<b>\$4.45</b>
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F.Y.I.

2009 average monthly cons. per unit	700 c.f.	1,278 c.f.	1,852 c.f.	1,124 c.f.	1,303 c.f.	466 c.f.
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2008 average monthly cons. per unit	539 c.f.	999 c.f.	1,365 c.f.	840 c.f.	1,018 c.f.	462 c.f.
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**Cherry Hill Mobile Estates – 212 Old Owen Road**  
Don Newquist – 360.793.3584  
Rate Comparison – Based on Jan. 2010 usage

Multi-Family Rate:

\$24.52 base rate includes 300 c.f. consumption per unit

\$24.52 x 57 units = \$1,397.64

\$12.26 x 12 (senior) rate = \$147.12

300 c.f. x 69 units = 20,700 c.f. total consumption allowable per month

January usage; 35,587 c.f. – 20,700 c.f. = 14,887 c.f. excess consumption

14,887 c.f. excess x \$2.54 per 100 c.f. = \$378.13

Base (regular)	\$1,397.64
Base (senior)	\$168.60
<u>Excess</u>	<u>\$378.13</u>
Total Water	\$1,944.37

Single Family Rate:

\$28.09 base rate includes 600 c.f. consumption per unit

\$28.09 x 57 units = \$1,601.13

\$14.05 x 12 (senior) units = \$168.60

600 c.f. x 69 units = 41,400 c.f. total consumption allowable per month

January usage; 35,587 c.f. – 41,400 c.f. = 0 c.f. excess consumption

Base (regular)	\$1,601.13
<u>Base (senior)</u>	<u>\$168.60</u>
Total Water	\$1,769.73

Water	\$1,944.37	(Multi-Family Rate)
	<u>-1,769.73</u>	(Single Family Rate)
	= \$ 174.64	Difference

\*2009 total consumption of 579,715 / 12 = average monthly consumption of 48,309 c.f. / 69 units = 700 c.f. per unit

Timberline Village – 307 8<sup>th</sup> Street  
Mike Hughes – 360.668.6884  
Rate Comparison – Based on Dec. 2009 usage

Multi-Family Rate:

\$24.52 base rate includes 300 c.f. consumption per unit

\$24.52 x 21 units = \$514.92

300 c.f. x 21 units = 6,300 c.f. total consumption allowable per month

December usage; 24,004 c.f. – 6,300 c.f. = 17,704 c.f. excess consumption

17,704 c.f. excess x \$2.54 per 100 c.f. = \$449.68

Base	\$514.92
Excess	<u>\$449.68</u>
Total Water	\$964.60

Single Family Rate:

\$28.09 base rate includes 600 c.f. consumption per unit

\$28.09 x 21 units = \$589.89

600 c.f. x 21 units = 12,600 c.f. total consumption allowable per month

December usage; 24,004 c.f. – 12,600 c.f. = 11,404 c.f. excess consumption

11,404 c.f. excess x \$2.54 per 100 c.f. = \$289.66

Base	\$589.89
Excess	<u>\$289.66</u>
Total Water	\$879.55

Water	\$964.60	(Multi-Family Rate)
	<u>-879.55</u>	(Single Family Rate)
	= \$ 85.05	Difference

\*2009 total consumption of 322,276 / 12 = average monthly consumption of 26,856 c.f. / 21 units = 1,278 c.f. per unit

**Rivercrest Mobile Homes – 601 W. Stevens**  
Peter Goldstein – 206-849-3446  
Rate Comparison – Based on Dec. 2009 Usage

Multi-Family Rate:

\$24.52 base rate includes 300 c.f. consumption per unit

\$24.52 x 14 units = \$343.28

300 c.f. x 14 units = 4,200 c.f. total consumption allowable per month

December usage; 24,458 c.f. – 4,200 c.f. = 20,258 c.f. excess consumption

20,258 c.f. excess x \$2.54 per 100 c.f. = \$514.55

Base	\$343.28
Excess	<u>\$514.55</u>
Total Water	\$857.83

Single Family Rate:

\$28.09 base rate includes 600 c.f. consumption per unit

\$28.09 x 14 units = \$393.26

600 c.f. x 14 units = 8,400 c.f. total consumption allowable per month

December usage; 24,458 c.f. – 8,400 c.f. = 16,058 c.f. excess consumption

16,058 c.f. excess x \$2.54 per 100 c.f. = \$407.87

Base	\$393.26
Excess	<u>\$407.87</u>
Total Water	\$801.13

Water	\$857.83	(Multi-Family Rate)
	<u>-801.13</u>	(Single Family Rate)
	= \$ 56.70	Difference

\*2009 total consumption of 311,141 c.f. /12 = average monthly consumption of 25,928 c.f. / 14 units = 1,852 c.f. per unit

**West Mobile Home Park – 401 Marcus Street**  
Carl Maxwell – 360.668.7695  
Rate Comparison – Based on Dec. 2009 Usage

**Multi-Family Rate:**

\$24.52 base rate includes 300 c.f. consumption per unit

$\$24.52 \times 8 \text{ units} = \$196.16$

$300 \text{ c.f.} \times 8 \text{ units} = 2,400 \text{ c.f.}$  total consumption allowable per month

December usage;  $7,197 \text{ c.f.} - 2,400 \text{ c.f.} = 4,797 \text{ c.f.}$  excess consumption

$4,797 \text{ c.f. excess} \times \$2.54 \text{ per } 100 \text{ c.f.} = \$121.84$

Base	\$196.16
<u>Excess</u>	<u>\$121.84</u>
Total Water	\$318.00

**Single Family Rate:**

\$28.09 base rate includes 600 c.f. consumption per unit

$\$28.09 \times 8 \text{ units} = \$224.72$

$600 \text{ c.f.} \times 8 \text{ units} = 4,800 \text{ c.f.}$  total consumption allowable per month

December usage;  $7,197 \text{ c.f.} - 4,800 \text{ c.f.} = 2,397 \text{ c.f.}$  excess consumption

$2,397 \text{ c.f. excess} \times \$2.54 \text{ per } 100 \text{ c.f.} = \$60.88$

Base	\$224.72
<u>Excess</u>	<u>\$60.88</u>
Total Water	\$285.60

Water	\$318.00	(Multi-Family Rate)
	<u>-285.60</u>	(Single Family Rate)
	= \$32.40	Difference

\*2009 total consumption of 107,930 c.f. / 12 = average monthly consumption of 8,994 c.f. / 8 units = 1,124 c.f. per unit

**Cedar Log Park – 305 8<sup>th</sup> Street**  
Pat Green – 425.239.0126  
Rate Comparison – Based on Dec. 2009 Usage

**Multi-Family Rate:**

\$24.52 base rate includes 300 c.f. consumption per unit

\$24.52 x 7 units = \$171.64

300 c.f. x 7 units = 2,100 c.f. total consumption allowable per month

December usage; 13,121 c.f. – 2,100 c.f. = 11,021 c.f. excess consumption

11,021 c.f. excess x \$2.54 per 100 c.f. = \$279.93

Base	\$171.64
Excess	<u>\$279.93</u>
Total Water	\$451.57

**Single Family Rate:**

\$28.09 base rate includes 600 c.f. consumption per unit

\$28.09 x 7 units = \$196.63

600 c.f. x 7 units = 4,200 c.f. total consumption allowable per month

December usage; 13,121 c.f. – 4,200 c.f. = 8,921 c.f. excess consumption

8,921 c.f. excess x \$2.54 per 100 c.f. = \$226.59

Base	\$196.63
Excess	<u>\$226.59</u>
Total Water	\$423.22

Water	\$451.57	(Multi-Family Rate)
	<u>-423.22</u>	(Single Family Rate)
=	\$28.35	Difference

\*2009 total consumption of 109,476 c.f. / 12 = average monthly consumption of 9,123 c.f. / 7 units = 1,303 c.f. per unit

Janice Evans – 940 Stevens Ave. (10<sup>th</sup> Street Mobile Park)

360-653-6792

Rate Comparison – Based on Dec. 2009 Usage

Multi-Family Rate:

\$24.52 base rate includes 300 c.f. consumption per unit

\$24.52 x 7 units = \$171.64

300 c.f. x 7 units = 2,100 c.f. total consumption allowable per month

December usage; 2,473 c.f. – 2,100 c.f. = 373 c.f. excess consumption

373 c.f. excess x \$2.54 per 100 c.f. = \$94.74

Base	\$171.64
<u>Excess</u>	<u>\$ 94.74</u>
Total Water	\$266.38

Single Family Rate:

\$28.09 base rate includes 600 c.f. consumption per unit

\$28.09 x 7 units = \$196.63

600 c.f. x 7 units = 4,200 c.f. total consumption allowable per month

December usage; 2,473 c.f. – 4,200 c.f. = 0 c.f. excess consumption

<u>Base</u>	<u>\$196.63</u>
Total Water	\$196.63

Water	\$266.38	(Multi-Family Rate)
	<u>-196.63</u>	(Single Family Rate)
	= \$ 69.75	Difference

\*2009 total consumption of 39,107 c.f. / 12 = average monthly consumption of 3,259 c.f. / 7 units = 466 c.f. per unit

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. "Base rate" means the minimum monthly charge for water service.
  - B. "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.
  - C. "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.
  - D. "Rate" equals monthly base rate plus volume rate for each additional 100 cubic feet.
  - 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>						
<b>Effective Date:</b>	12/1/2008	12/1/2009	12/1/2010	12/1/2011	12/1/2012	12/1/2013
<b>Single-Family (includes duplex)</b>						
<b>Base Rate</b>	\$25.25	\$28.09	\$31.25	\$34.77	\$36.16	\$37.61
<b>Volume Rate/100 cf &gt; 600ccf "allowance"</b>	\$2.28	\$2.54	\$2.83	\$3.15	\$3.28	\$3.41
<b>Low-Income Senior</b>						
<b>Base Rate</b>	\$12.63	\$14.05	\$15.63	\$17.39	\$18.09	\$18.81
<b>Volume Rate/100 cf &gt; 600ccf "allowance"</b>	\$2.28	\$2.54	\$2.83	\$3.15	\$3.28	\$3.41
<b>Multifamily &gt; 2 units</b>						
<b>Base Rate/Unit</b>	25.25	\$24.52	\$27.28	\$30.35	\$31.56	\$32.82
<b>Volume Rate/100 cf &gt; 300ccf "allowance"</b>	\$2.28	\$2.54	\$2.83	\$3.15	\$3.28	\$3.41
<b>Mobile Home Parks</b>						
<b>Base Rate/Unit</b>	25.25	\$24.52	\$27.28	\$30.35	\$31.56	\$32.82
<b>Volume Rate/100 cf &gt; 300ccf "allowance"</b>	\$2.28	\$2.54	\$2.83	\$3.15	\$3.28	\$3.41