

**SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET**

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**ITEM NO:** A-3  
**DATE:** August 12, 2010  
**SUBJECT:** Ordinance No. 1086-10 Sewer General Facility Charge  
**CONTACT PERSON:** Deborah Knight, City Administrator

**ISSUE:**

The issue before the council is to have First Reading Ordinance No. 1086-10 (Attachment A) increasing the sewer general facility charge (GFC) from \$11,282 to \$11,847 to “capture” the cost of the centrifuge installation.

With the installation of the centrifuge, the value of the sewer plant has increased (Attachment B). Increasing the sewer general facility charge captures the value of the existing sewer system and is the charge to new customers to “buy-into” the system.

**STAFF RECOMMENDATION:**

Have First Reading Ordinance No. 1086-10 increasing the general facility charge from \$11,282 to \$11,847 effective January 1, 2011.

**SUMMARY:**

The facility charge is a one-time charge imposed on new development to promote equity between existing and new customers. In 2007, the city council revised the methodology for calculating the general facility charge to include future capital investments approved with the budget year.

The city adopted a sewer general facility charge of \$10,518 effective September 24, 2007. Effective January 1, 2008 the facility charge increased to \$11,282 in accordance with Ordinance No. 956-07 to include the value of short-term improvements at the waste water treatment plant and the six-year capital improvement plan.

In 2009, the city invested \$850,000 to replace the aging Somat solids handling system with a centrifuge system. In accordance with the city’s current policy, the sewer general facilities charge should be evaluated to capitalize the new value of the city’s sewer system.

Attachment B is the fiscal analysis of the general facilities charge prepared by city staff using the spreadsheets provided by FSC Group to the city in 2007. There are three steps to calculate the general facilities charge:

Step 1 - Calculate the value of the sewer system

Step 2 - Calculate the available equivalent residential units (ERU's) provided by the system and the value of proposed capital investments in the six-year CIP.

Step 3 – Calculate the GFC by dividing the value of the plant by the ERU's

Step 1 - Calculate the Value of the System

The value of the system is broken into three capital cost pools:

1. Plant in service + interest	\$25,071,361
2. WWTP improvements + interest	\$ 1,691,702
3. WWTP Phase I Upgrade capital assets + interest	\$0
<b>Total</b>	<b>\$26,763,063</b>

Step 2 - Calculate the ERU's Available

The customer base is calculated to determine the equivalent residential units (ERU's) available from the sewer system.

1. 2006 ERU's from 2006 Engineering Report	1,313
2. Future ERU's 6-Year Capital Improvement Plan	<u>946</u>
<b>Total</b>	<b>2259</b>

Step 3 - Calculate the General Facilities Charge

**\$26,763,063/2259 = \$11,847**

**BACKGROUND:**

RCW 35.92.025 (Attachment D) allows a city to charge a connection fee in addition to the actual cost of the connection.

The legislative body of the city or town is to determine what the additional charge shall be so that property owners connecting to the system bear their equitable share of the cost of the system.

Case law has made clear that this equitable share of the cost of the system is to be based on historical costs and not on future costs. This was the specific holding in the case *Boe v. Seattle*, 66 Wn.2d 152 (1965). The state supreme court concluded in that case that the city of Seattle could charge the property owner a reasonable fee for sewer

connection that represents an equitable share of the cost of the sewer system. The court included a limitation that this cost should be based upon the historical costs of the system and not upon a replacement cost standard of what the system would cost to construct in present dollars. Therefore, it appears that the historical cost may not be adjusted for inflation.

The council subcommittee (Flower, Pinson and Wiediger) met on March 11, 2010 to discuss the sewer general facility charge. The subcommittee directed staff to bring the issue forward to the full council for discussion.

Due to time constraints, the city council postponed discussion of the GFC at its April 8, 2010 and April 22, 2010 meetings and directed staff to include the GFC as a discussion item on May 13, 2010 agenda.

At the May 13, 2010 meeting, the city council directed staff to prepare a financial analysis of the revised general facility charge for council consideration.

The GFC was on the June 10, 2010 agenda for discussed. Staff requested postponing the discussion until July 8, 2010 to allow additional time to confirm the equivalent residential unit calculations. At the July 8, 2010 meeting, the city council directed staff to return with an adopting ordinance for First Reading.

## **FISCAL IMPACT:**

### Cost Allocation

The GFC includes the costs related to upgrade and expansion and the costs related to the existing system renewal and replacement. Since the centrifuge did not add capacity but it will be used in the plant upgrade, 60% of the cost was allocated to plant expansion and 40% was allocated to renewal and replacement.

In the long run, if the city makes a policy decision not to increase the general facility charge to capture the cost of the centrifuge, in effect, existing rate payers are carrying 100% of the cost for new development.

Since the GFC is based on the number of available equivalent residential units (ERU's) at the plant, and the centrifuge project did not add capacity, the centrifuge cost will need to be divided by the total existing customer base. In other words, the cost is not "diluted" or reduced by adding ERU's.

### Implementation Effective January 1, 2011

City staff recommend delaying implementation of the increase until January 1, 2011 to provide ample opportunity for interested developers to pay the general facility charge before the proposed \$565.00 increase. City staff are aware of 2-6 potential single-

family residential lots that could be affected by the proposed increase in 2010. Delaying the increase until January 1, 2011 will not significantly impact the city's sewer reserve fund.

#### **ALTERNATIVES:**

1. Have First Reading Ordinance No. 1086-10 to increase the sewer general facility charge (connection fee paid by new development).
2. Review Ordinance No. 1086-10 to increase the sewer general facility charge. Do not have First Reading Ordinance No. 1086-10. This alternative implies the council is not prepared to make a change to the general facilities charge at this time.
3. Postpone First Reading Ordinance No. 1086-10 until a future date as determined by the council.

The city is in the process of updating the General Sewer Plan. The city has set aside funding in the 2010 budget to retain FCS Group to update the 2007 rate study and general sewer charge. The rate study is tentatively schedule for the fourth quarter of this year. The council may consider delaying the proposed increase and incorporate the work into the upcoming rate study.

#### **RECOMMENDED ACTION:**

Have First Reading Ordinance No. 1086-10 increasing the general facility charge from \$11,282 to \$11,847 effective January 1, 2011.

#### **ATTACHMENT**

- A – Ordinance No. 1086-10
- B - General Facility Charge calculation
- C – SMC 13.08.030 (current regulations)
- D - RCW 35.92.025

**CITY OF SULTAN  
WASHINGTON  
ORDINANCE NO. 1086-10**

**AN ORDINANCE OF THE CITY OF SULTAN,  
WASHINGTON, AMENDING SECTION 13.08.030 OF THE  
SULTAN MUNICIPAL CODE, SETTING A SEWER  
SERVICE CONNECTION CHARGE; PROVIDING FOR  
SEVERABILITY; AND ESTABLISHING AN EFFECTIVE  
DATE**

WHEREAS, 35.92.025 RCW allows municipalities to charge a connection fee so that property owners connecting to the sewer system bear their equitable share of the cost of the system; and

WHEREAS, the establishment of City sewer fees and charges are authorized in Section 13.08.030 of the Sultan Municipal Code; and

WHEREAS, the City of Sultan has a sewer service connection charge imposed on all parties seeking to connect to the sewer system to capture the historic cost of the system; and

WHEREAS, in 2007, the City Council revised the methodology for calculating the general facility charge to include capital investments made to the sewer system; and

WHEREAS, the City recently invested approximately \$850,000 to replace the aging Somat solids handling system with a centrifuge system; and

WHEREAS, the city prepared a fiscal analysis of the impact on the sewer service connection charge using the 2007 rate study prepared by FSC Group as the basis for the analysis; and

WHEREAS, the city calculated the value of the sewer system and the available equivalent residential units provided by the system and determined the value of the sewer service connection charge increased from \$11,282 to \$11,847; and

WHEREAS, the City Council evaluated and discussed increasing the sewer service connection charge on March 11, 2010; May 13, 2010; and July 8, 2010; and

WHEREAS, the City Council has determined that it is in the best interests of the City to amend Section 13.08.030 to increase the City's sewer service connection charge consistent with RCW 35.92.025;

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

Section 1. Section 13.08.030(B)(2) of the Sultan Municipal Code is amended as follows:

13.08.030(B) Sewer Service Connection Charge

2. The charge per equivalent residential unit shall be:

~~a. \$11, 847 Effective January 1, 2011 Effective September 24, 2007: \$10,518;~~

~~b. Effective January 1, 2008: \$11,282.~~

Section 2. 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 preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 3. Effective Date. This ordinance shall take effect on January 1, 2011.

**PASSED BY THE CITY COUNCIL OF SULTAN, WASHINGTON**

**THIS \_\_\_\_ DAY OF AUGUST 2010, AND SIGNED INTO AUTHENTICATION THIS \_\_\_\_ DAY OF AUGUST 2010.**

# City of Sultan

## Sewer Utility Rate Study

### GFC Summary

<b>Cost Basis</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Plant in Service</b>							
Utility Capital Assets (beginning of year)	\$ 16,992,177	\$ 17,147,427	\$ 18,432,897	\$ 19,375,307	\$ 19,710,307	\$ 20,440,734	\$ 20,440,734
plus: Annual Additions	155,250	1,285,470	942,410	335,000	730,427	-	305,347
plus: Interest on Plant	5,070,008	5,441,216	5,696,054	5,971,942	6,262,848	6,586,501	6,910,153
<b>Total Existing Cost Basis</b>	<b>\$ 22,217,435</b>	<b>\$ 23,874,113</b>	<b>\$ 25,071,361</b>	<b>\$ 25,682,249</b>	<b>\$ 26,703,583</b>	<b>\$ 27,027,235</b>	<b>\$ 27,656,235</b>
<b>WWTP</b>							
<b>Short Term Improvements</b>							
plus: "Short Term Improvements"	\$ 1,552,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
plus: Interest on Short Term Improvements	-	69,601	139,202	208,803	278,405	348,006	417,607
<b>Total Short Term Improvements Cost Basis</b>	<b>\$ 1,552,500</b>	<b>\$ 1,622,101</b>	<b>\$ 1,691,702</b>	<b>\$ 1,761,303</b>	<b>\$ 1,830,905</b>	<b>\$ 1,900,506</b>	<b>\$ 1,970,107</b>
<b>Phase 1</b>							
plus: Phase 1 Additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
plus: Interest on Phase 1 Additions	-	-	-	-	-	-	-
<b>Total WWTP Basis</b>	<b>\$ -</b>						
<b>Customer Base</b>							
Existing Equivalent Residential Units	1,313	1,313	1,313	1,313	1,313	1,313	1,313
Future Equivalent Residential Units (6-year CIP)	946	946	946	946	946	946	946
<b>Total "Existing Cost" Customer Base</b>	<b>2,259</b>						
<b>Short Term Improvements Cust Base</b>	<b>2,259</b>						
<b>WWTP Customer Base</b>	<b>-</b>	<b>-</b>	<b>3,537</b>	<b>3,537</b>	<b>3,537</b>	<b>3,537</b>	<b>3,537</b>
<b>Charge per ERU</b>							
<b>Total Charge per ERU, Existing Cost Basis</b>	<b>\$ 9,835</b>	<b>\$ 10,568</b>	<b>\$ 11,098</b>	<b>\$ 11,369</b>	<b>\$ 11,821</b>	<b>\$ 11,964</b>	<b>\$ 12,243</b>
<b>Total Charge per ERU, Short Term Imp</b>	<b>687</b>	<b>718</b>	<b>749</b>	<b>780</b>	<b>810</b>	<b>841</b>	<b>872</b>
<b>Total Charge per ERU, WWTP Phase 1</b>	<b>-</b>						
<b>Total Charge per ERU</b>	<b>\$ 10,522</b>	<b>\$ 11,287</b>	<b>\$ 11,847</b>	<b>\$ 12,149</b>	<b>\$ 12,631</b>	<b>\$ 12,806</b>	<b>\$ 13,115</b>

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

13,518,901

2,408,900      6,942,200

Project Costs and O&M Impacts in Year:

**2006**

(Project costs are escalated using Construction Cost Inflation assumptions)

No	Description	Current Cost	Year	Annual O&M Impact	Life in Years	For CFC Calculation		Specific Funding Source 1-Enterprise Fund, 2-Grants & Developer Donations	Upgrade / Expansion	R&R	TOTAL ESCALATED COSTS	
						% Upgrade / Expansion	% R&R					
	Short Term Improvements			-	50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
	WWTP 2009 Portion (B&C)	0	2010	-	50	75%	25%	1	Enterprise Fund	\$ -	\$ -	\$ -
	Waste Water Treatment Plant - MBR	0	2009	-	50	75%	25%	1	Enterprise Fund	\$ -	\$ -	\$ -
	WWTP 2007 Portion (B&C)	1,500,000	2007	-	50	75%	25%	1	Enterprise Fund	\$ 1,125,000	\$ 375,000	\$ 1,552,500
	WWTP 2008 Portion (B&C)		2008	-	50	100%	0%	1	Enterprise Fund	\$ -	\$ -	\$ -
				-	50	75%	25%	1	Enterprise Fund	\$ -	\$ -	\$ -
	WWTP 2008 Portion (B&C)	1,200,000	2008	-	50	100%	0%	1	Enterprise Fund	\$ 1,200,000	\$ -	\$ 1,285,470
	Short-Term Improvements			-	50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
	Centrifuge Project	850,000	2009	-	50	60%	40%	1	Enterprise Fund	\$ 510,000	\$ 340,000	\$ 942,410
				-	50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
	Intermediate Pump	200,000	2010	-	50	100%	0%	1	Enterprise Fund	\$ 200,000	\$ -	\$ 229,505
	Influent Pump (lift station)	135,000	2010	-	50	100%	0%	1	Enterprise Fund	\$ 135,000	\$ -	\$ 154,916
		615,000	2011		50	0%	100%	1	Enterprise Fund	\$ -	\$ 615,000	\$ 730,427
	Force Main River Crossing				50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
	Design	240,000	2013		50	100%	0%	1	Enterprise Fund	\$ 240,000	\$ -	\$ 305,347
	Construction	1,100,000	2014		50	50%	50%	1	Enterprise Fund	\$ 550,000	\$ 550,000	\$ 1,100,000
		250,000	2015	-	50	50%	50%	1	Enterprise Fund	\$ 125,000	\$ 125,000	\$ 250,000
					50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
	Annual I&I Rehab	150,000	2007		50	0%	100%	1	Enterprise Fund	\$ -	\$ 150,000	\$ 155,250
	Annual I&I Rehab	-	2008		50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
	Annual I&I Rehab	-	2009		50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
	Annual I&I Rehab	-	2010		50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
	Annual I&I Rehab	-	2011		50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
	Annual I&I Rehab	-	2012		50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
	Annual I&I Rehab	-	2013		50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
					50	100%	0%	1	Enterprise Fund	\$ -	\$ -	\$ -
	Alder Street	-	2014		50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
		-			50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
	Gohr Road	-	2016		50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
		-			50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
	135th-132nd	-	2017		50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
		-			50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
	330th	-	2020		50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
		-			50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
	Dyer Rd	-	2025		50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
					50	0%	100%	1	Enterprise Fund	\$ -	\$ -	\$ -
					50	100%	0%		Select Source	\$ -	\$ -	\$ -
					50	100%	0%		Select Source	\$ -	\$ -	\$ -



# City of Sultan

## Sewer Utility Rate Study

### General Facilities Charge - Revised Methodology 2007

<b>Existing Cost Basis</b>		<b>Notes</b>
<b>Plant in Service</b>		
Utility Capital Assets - Year End (non WWTP)	\$ 16,992,177	Original cost of plant-in-service as of year end
plus: Additions from Approved CIP	155,250	
plus: Interest on non-WWTP assets	5,070,008	Interest on assets up to a maximum 10-year period
<b>Total non-WWTP Cost Basis</b>	<b>22,217,435</b>	
<b>WWTP</b>		
Short Term Improvements - Year End	-	
plus: Short Term Imp Additions	\$ 1,552,500	
plus: Interest on Short Term Improvement Assets	-	
<b>TOTAL Short Term Cost Basis</b>	<b>\$ 1,552,500</b>	
Phase 1 WWTP Capital Assets - Year End	-	
plus: Phase 1 WWTP-related additions	-	
plus: Interest on Phase 1 WWTP assets	-	
<b>Total Phase 1 Cost Basis</b>	<b>\$ -</b>	
<b>Customer Base</b>		
	<b>ERU</b>	<b>Notes</b>
Existing Equivalent Residential Units 2006	1,313	Existing ERUs as of 2006. From WWTP Upgrade Engineering Report, 2006, page 8-36
Future Equivalent Residential Units (Incremental)	946	ERU growth served by adopted 7-year CIP
<b>Total Customer Base</b>	<b>2,259</b>	From Sultan Wastewater Treatment Plant Upgrade - Engineering Report
Total ERU Count served by Phase 1 of WWTP	3,480	ERUs served by Phase 1 of WWTP Upgrade (from Engineering Report)
Total Charge per ERU, Existing Cost Basis	\$ 9,835	*NOTE: Phase 1 does not come online until 2009
Total Charge per ERU, Short Term Improvements	687	
Total Charge per ERU, WWTP Phase 1	-	
<b>Total Combined Charge per ERU</b>	<b>\$ 10,522</b>	

# City of Sultan Sewer Utility Rate Study

## General Facilities Charge - Revised Methodology 2008

<b>Existing Cost Basis</b>		<b>Notes</b>
<b>Plant in Service</b>		
Utility Capital Assets - Year End (non WWTP)	\$ 17,147,427	Original cost of plant-in-service as of year end
plus: Additions from Approved CIP	1,285,470	
plus: Interest on non-WWTP assets	5,441,216	Interest on assets up to a maximum 10-year period
<b>Total non-WWTP Cost Basis</b>	<b>23,874,113</b>	
<b>WWTP</b>		
Short Term Improvements - Year End	\$ 1,552,500	
plus: Short Term Imp Additions	-	
plus: Interest on Short Term Improvement Assets	69,601	
<b>TOTAL Short Term Cost Basis</b>	<b>\$ 1,622,101</b>	
Phase 1 WWTP Capital Assets - Year End	-	
plus: Phase 1 WWTP-related additions	\$ -	
plus: Interest on Phase 1 WWTP assets	-	
<b>Total Phase 1 Cost Basis</b>	<b>\$ -</b>	
<b>Customer Base</b>		
	<b>ERU</b>	<b>Notes</b>
Existing Equivalent Residential Units	1,313	Existing ERUs as of 2006. From WWTP Upgrade Engineering Report, 2006, page 8-36
Future Equivalent Residential Units (Incremental)	946	ERU growth served by adopted 7-year CIP
<b>Total Customer Base</b>	<b>2,259</b>	From Sultan Wastewater Treatment Plant Upgrade - Engineering Report
Total ERU Count served by Phase 1 of WWTP	3,480	ERUs served by Phase 1 of WWTP Upgrade (from Engineering Report)
Total Charge per ERU, Existing Cost Basis	\$ 10,568	*NOTE: Phase 1 does not come online until 2009
Total Charge per ERU, Short Term Improvements	718	
Total Charge per ERU, WWTP Phase 1	-	
<b>Total Combined Charge per ERU</b>	<b>\$ 11,287</b>	

# City of Sultan

## Sewer Utility Rate Study

### General Facilities Charge - Revised Methodology 2009

<b>Existing Cost Basis</b>		<b>Notes</b>
<b>Plant in Service</b>		
Utility Capital Assets - Year End (non WWTP)	\$ 18,432,897	Original cost of plant-in-service as of year end
plus: Additional Capital Investment	942,410	
plus: Interest on non-WWTP assets	5,696,054	Interest on assets up to a maximum 10-year period
<b>Total non-WWTP Cost Basis</b>	<b>25,071,361</b>	
<b>WWTP</b>		
Short Term Improvements	\$ 1,552,500	
plus: Short Term Imp Additions	-	
plus: Interest on Short Term Improvement Assets	139,202	
<b>TOTAL Short Term Cost Basis</b>	<b>\$ 1,691,702</b>	
Phase 1 WWTP Capital Assets - Year End	\$ -	
plus: Phase 1 WWTP-related additions	-	
plus: Interest on Phase 1 WWTP assets	-	
<b>Total Phase 1 Cost Basis</b>	<b>\$ -</b>	
<b>Customer Base</b>		<b>Notes</b>
Existing Equivalent Residential Units	1,313	Existing ERUs as of 2006. From WWTP Upgrade Engineering Report, 2006, page 8-36
Future Equivalent Residential Units (Incremental)	946	ERU growth served by adopted 7-year CIP
<b>Total Customer Base</b>	<b>2,259</b>	From Sultan Wastewater Treatment Plant Upgrade - Engineering Report
Total ERU Count served by Phase 1 of WWTP	3,480	ERUs served by Phase 1 of WWTP Upgrade (from Engineering Report)
Total Charge per ERU, Existing Cost Basis	\$ 11,098	*NOTE: Phase 1 does not come online until 2012
Total Charge per ERU, Short Term Improvements	749	
Total Charge per ERU, WWTP Phase 1	-	
<b>Total Combined Charge per ERU</b>	<b>\$ 11,847</b>	

# City of Sultan

## Sewer Utility Rate Study

### General Facilities Charge - Revised Methodology 2010

<b>Existing Cost Basis</b>		<b>Notes</b>
<b>Plant in Service</b>		
Utility Capital Assets - Year End (non WWTP)	\$ 19,375,307	Original cost of plant-in-service as of year end
plus: Additional Capital Investment	335,000	
plus: Interest on non-WWTP assets	5,971,942	Interest on assets up to a maximum 10-year period
<b>Total non-WWTP Cost Basis</b>	<b>25,682,249</b>	
<b>WWTP</b>		
Short Term Improvements - Year End	\$ 1,552,500	
plus: Short Term Imp Additions	-	
plus: Interest on Short Term Improvement Assets	208,803	
<b>TOTAL Short Term Cost Basis</b>	<b>\$ 1,761,303</b>	
Phase 1 WWTP Capital Assets - Year End	\$ -	
plus: Phase 1 WWTP-related additions	-	
plus: Interest on Phase 1 WWTP assets	-	
<b>Total Phase 1 Cost Basis</b>	<b>\$ -</b>	
<b>Customer Base</b>		<b>ERU</b>
Existing Equivalent Residential Units	1,313	Existing ERUs as of 2006. From WWTP Upgrade Engineering Report, 2006, page 8-36
Future Equivalent Residential Units (Incremental)	946	ERU growth served by adopted 7-year CIP
<b>Total Customer Base</b>	<b>2,259</b>	From Sultan Wastewater Treatment Plant Upgrade - Engineering Report
Total ERU Count served by Phase 1 of WWTP	3,480	ERUs served by Phase 1 of WWTP Upgrade (from Engineering Report)
Total Charge per ERU, Existing Cost Basis	\$ 11,369	
Total Charge per ERU, Short Term Improvements	780	
Total Charge per ERU, WWTP Phase 1	-	
<b>Total Combined Charge per ERU</b>	<b>\$ 12,149</b>	

Chapter 13.08  
SEWER REGULATIONS

Sections:

- [13.08.010](#) Permit required to connect to city system.
- [13.08.020](#) Proximity determinant for connection to city system.
- [13.08.025](#) Definitions.
- [13.08.030](#) Establishment of fees and charges.
- [13.08.040](#) Work standards.
- [13.08.050](#) Connection of cesspool, privy vault or cistern prohibited – Plumbing fixture restrictions.
- [13.08.060](#) Right of inspection by officials.
- [13.08.070](#) Defective plumbing or private sewer – Notice to owner – Action by city.
- [13.08.080](#) Damaging water or sewer system prohibited.
- [13.08.100](#) Permission required to excavate or build upon city sewer system.
- [13.08.110](#) Violation – Penalty.

13.08.010 Permit required to connect to city system.

A. No person shall connect a private sewer or drain to the city of Sultan sewer system, whether in a street or alley or where an easement or right-of-way has been secured across private property, without first obtaining a permit from the city clerk/treasurer.

B. Such permit shall be made in duplicate, shall describe the connection to be made and give its distance from the nearest manhole or standpipe, and shall contain a guarantee signed by the applicant that all requirements of this and other city ordinances will be complied with.

C. The duplicate permit shall be kept bound in the city files. (Ord. 136 § 1, 1927)

13.08.020 Proximity determinant for connection to city system.

All plumbing fixtures installed for use in any building or elsewhere shall be connected with the city sewer system if within 120 feet thereof; otherwise to a sanitary cesspool or private sewer. (Ord. 136 § 2, 1927)

13.08.025 Definitions.

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/sewer service.

C. "Nonprofit social service agencies" means an agency designated to provide meaningful opportunities for social and economic growth of the disadvantaged and at risk sector of the population in order to assist their development into productive and self-reliant citizens. To accomplish this goal the agency will provide one or more of the following services without discrimination to individuals and families: basic needs, financial assistance, mental/physical health services, community building services, recreational services. (Ord. 827-03 § 1)

#### 13.08.030 Establishment of fees and charges.

A. Sewer Rates. Sewer rates shall be set by separate ordinance and included as an attachment to the annual fee schedule adopted by the city council.

#### B. Sewer Service Connection Charge.

1. Sewer General Facility Charge. There is hereby imposed on all parties seeking to connect to the sewer system a general facility charge as follows:

a. Residential. Based upon number of equivalent residential units multiplied by charge below.

b. Accessory Dwelling Unit (ADU).

i. Attached Unit. No separate charge and included in the residential per unit cost of the principal use.

ii. Detached Unit. Fifty percent of an equivalent residential unit.

c. Commercial. Based upon equivalence of usage to equivalent residential unit multiplied by charge below. Charge will be determined on a case-by-case basis.

d. Nonprofit Social Service Agencies. Exempt from all or a portion of the commercial connection charge as determined by the public works director to reflect the mission of the agency to provide assistance to the poor, elderly, or disabled.

e. Public and Private Parks, Recreational Areas or Facilities and Facilities Open Space Areas. Based upon equivalence of usage to equivalent residential unit multiplied by charge below. Charge will be determined on a case-by-case basis.

2. The charge per equivalent residential unit shall be:

a. Effective September 24, 2007: \$10,518;

b. Effective January 1, 2008: \$11,282.

3. In addition to the sewer general facility charge, the actual costs for installation and inspection shall be paid by the party seeking service.

C. Permits. All necessary right-of-way use permits and easements must be obtained by the property owners before sewer service can be connected.

D. North Wagley's Creek Basin Facility Charge.

1. In addition to the other charges set forth in this section, property within the North Wagley's Creek Basin facility charge area ("area") shall be charged \$260.00 per residential dwelling unit and/or \$130.00 per accessory dwelling unit. A description of the area is incorporated in Ordinance No. 707-99, and on file with the city clerk. Payment of this charge shall be made at the time of application for a building permit under SMC Title [15](#).

2. The charges identified in this subsection may be included by the city in future LID(s) for construction of improvements to the city sanitary sewerage system that connect the area to the city sanitary sewerage system.

E. Charges-in-Lieu of Assessment for Local Improvement Districts.

1. In addition to the other charges set forth in this section, property included within the boundaries of LID No. 97-1 but which was not then found specially benefited and not assessed as part of LID No. 97-1 and which connects, either directly or indirectly, to the improvements to the city's sanitary sewerage system which were financed in whole or in part by the assessments within LID No. 97-1 (the "LID No. 97-1 improvements") shall be subject to a charge-in-lieu of assessment in the amount specified in Ordinance No. 791-02 or, if no such charge is specified for that property, in an amount calculated in the same manner as the assessments against the property within LID No. 97-1 were calculated.

2. In addition to the other charges set forth in this section, property not included within the boundaries of LID No. 97-1 (but not including property subject to the North Wagley's Creek Basin facility charge established by subsection (D) of this section) which connects, either directly or indirectly, to the LID No. 97-1 improvements shall be subject to a charge (in-lieu of assessment) in an amount equal to: (i) \$260.00 per residential dwelling unit and/or \$130.00 per accessory dwelling unit, if the property is in an area zoned for residential use, or (ii) \$0.38 per square foot of permitted building area, if the property is not zoned for residential use.

3. In addition to the other charges set forth in this section, property not assessed for any local improvement district hereinafter established by the city (each, an "LID") but which connects, either directly or indirectly, to the improvements to the city's sanitary sewerage system financed in whole or part by the assessments within such LID (the "LID improvements") shall be subject to a charge-in-lieu of assessment, which charge shall be calculated, insofar as reasonably practicable, in the same manner as the assessments against properties within such LID are calculated. The charge(s) imposed under this section shall be at least equivalent to the amount that would have been assessed if the property had been included in the LID.

4. There shall be added to the charges-in-lieu of assessment described in subsections (E)(1), (2) and (3) of this section interest on the amount of each such charge from the time of the installation of the LID No. 97-1 improvements or LID improvements, as applicable, to the time of connection (but not to exceed 10 years) at a rate equal to the average annual rate of interest on bonds or other obligations of the city issued to finance such improvements (but not to exceed 10 percent).

5. Payment of the charge(s) described in subsections (E)(1), (2) and (3) of this section, including interest thereon as described in subsection (E)(4) of this section, shall be made at the time of application for a building permit under SMC Title [15](#).

F. Late Payment Charge. Monthly payments for service shall be due 15 days after the city issues its statement for service. In the event payment is not made by the due date, a late payment charge shall be automatically added to defray the city's increased cost of collection in the amount of the greater of five percent of the payment due or \$5.00.

G. Security Deposit. Where a person or entity receiving service has been late in the payment of services under this chapter twice in any six-month period of time, or where a person or entity files for creditor relief under either state or federal law and there are charges due the city that are unpaid, the city treasurer may require the entity or person to post a security deposit in an amount up to twice the amount due the city as a condition of receiving continued service from the city.

H. All rates imposed under subsection (A) of this section are exclusive of any utility tax imposed on the city, and all billings to customers will be charged based upon the rate set out in subsection (A) of this section and in addition to the utility tax assessed against the city. (Ord. 1041-09 § 2; Ord. 956-07 § 1; Ord. 941-06; Ord. 910-06 § 1; Ord. 865-04 §§ 1 – 4; Ord. 827-03 §§ 2, 3; Ord. 819-04 §§ 2, 3; Ord. 817-03 § 1; Ord. 755-00 § 1; Ord. 712-99 § 1; Ord. 707-99 § 2; Ord. 703-99; Ord. 681-98 § 1; Ord. 666-97; Ord. 665-97 §§ 1, 2; Ord. 662-97 § 1; Ord. 649-96 § 1; Ord. 628 §§ 1, 2, 3, 1995; Ord. 584 § 1, 1992; Ord. 565 §§ 1, 2, 1991; Ord. 544 § 2, 1990; Ord. 519 § 3, 1989; Ord. 136 § 3, 1927)

#### 13.08.040 Work standards.

Only competent workmen shall be employed in making connection with the city sewer system; and all such work must be done under supervision of the city utility superintendent, and of material and in a manner satisfactory to him. (Ord. 447, 1983; Ord. 136 § 4, 1927)

#### 13.08.050 Connection of cesspool, privy vault or cistern prohibited – Plumbing fixture restrictions.

A. No cesspool, privy vault or cistern shall be connected to the city sewer system; but rainwater conductors may be so connected.

B. No plumbing fixtures shall be connected to the city sewer system except through a water-seal trap, and no plumbing shall be used that because of its design or condition is

considered unsanitary by the city council or any legally constituted health officer. (Ord. 136 § 5, 1927)

#### 13.08.060 Right of inspection by officials.

The city utility superintendent and the city marshal shall have the privilege of entering upon private property at any reasonable hour for the purpose of ascertaining if plumbing and private sewers conform to the requirements of this chapter. (Ord. 447, 1983; Ord. 136 § 6, 1927)

#### 13.08.070 Defective plumbing or private sewer – Notice to owner – Action by city.

Whenever any plumbing or private sewer is found defective or so out of repair as to be unsanitary or likely to become so, the city building inspector shall notify the owner or his agent in writing to make suitable alterations or repairs; and if such notice is not complied with within 10 days, the city may make such repairs and shall have a lien against the property for the cost. (Ord. 447, 1983; Ord. 136 § 7, 1927)

#### 13.08.080 Damaging water or sewer system prohibited.

No person shall injure or remove any part of the city water system, nor deposit therein any object or substance that will clog up any opening or interfere with the flow of sewage or the operation of flush tanks, nor discharge therein any liquid or gas at a temperature above 140 degrees Fahrenheit. (Ord. 136 § 8, 1927)

#### 13.08.100 Permission required to excavate or build upon city sewer system.

No person shall excavate for any purpose near any part of the city sewer system in such way as to endanger the same; nor build any foundation or structure over or near any sewer or appliances used to operate the sewer system without permission of the city building inspector. (Ord. 447, 1983; Ord. 136 § 10, 1927)

#### 13.08.110 Violation – Penalty.

Any person violating any provision of this chapter shall be deemed guilty of a misdemeanor and upon conviction shall be fined not less than \$5.00 nor more than \$50.00. (Ord. 136 § 11, 1927)

**RCW 35.92.025**

**Authority to make charges for connecting to water or sewerage system — Interest charges.**

Cities and towns are authorized to charge property owners seeking to connect to the water or sewerage system of the city or town as a condition to granting the right to so connect, in addition to the cost of such connection, such reasonable connection charge as the legislative body of the city or town shall determine proper in order that such property owners shall bear their equitable share of the cost of such system.

The equitable share may include interest charges applied from the date of construction of the water or sewer system until the connection, or for a period not to exceed ten years, at a rate commensurate with the rate of interest applicable to the city or town at the time of construction or major rehabilitation of the water or sewer system, or at the time of installation of the water or sewer lines to which the property owner is seeking to connect but not to exceed ten percent per year:

PROVIDED, That the aggregate amount of interest shall not exceed the equitable share of the cost of the system allocated to such property owners.

Connection charges collected shall be considered revenue of such system.

[1985 c 445 § 6; 1965 c 7 § [35.92.025](#). Prior: 1959 c 90 § 8. Formerly RCW [80.40.025](#).]