

AGENDA ITEM COVER PAGE
SEPTEMBER 19, 2022

8. PUBLIC HEARINGS / ORDINANCES

- E. Ordinance 665-22, Amending Title 13 Relating to Water and Sewer Utilities and Rates

LEGISLATIVE HISTORY	
Date	Action/Notes
*Several	See attached

SUMMARY/PURPOSE:

It is now time for the Town Council to consider adopting the final proposed utility rates, which will take effect in January 2023.

As part of this proposal, water service rates will increase by 5% for in-town customers and decrease by 4.25% for out-of-town customers in order to gradually eliminate the difference between rates for in-town and out-of-town rate users. Sewer rates for all customers, regardless of whether they are located in or outside of town-limit, will consist of a flat monthly base rate of \$85.00 and a usage charge of \$0.20 per 1 cubic foot of water based on their winter-average which is calculated by averaging usage during the prior winter quarter (December to February). Winter averaging determines the fixed sewer rate that will be combined with the base rate and charged monthly in the preceding year. Winter-averaging protects customers from paying more for warm weather activities such as watering lawns, washing cars, landscaping, and filling pools. We have emailed and/or mailed notices to all customers whose bills are expected to increase as a result of the proposed rate changes. *The Council is seeking public input on this matter.*

CONSIDERATIONS/IMPLICATIONS:

Based on CM Hendrickson's comments regarding the proposed ordinance not including the 5-year water rate plan, I recommend a general statement of intention be included as part of the resolution since it is difficult to set rates or percentages in stone for the next five years due to inflationary factors. This will be prepared in consultation with T/A for the next meeting.

RECOMMENDED ACTION:

Motion to approve the 1st reading of Ordinance 664-22

ATTACHMENTS:	
A. Ordinance 664-22	B. Rate Information/History
C. Written Public Comment	

REPORTED BY: Sarah Clark, Clerk-Treasurer

Town of Cathlamet, Washington

ORDINANCE 665-22

AN ORDINANCE OF THE TOWN OF CATHLAMET COUNCIL AMENDING CERTAIN SECTIONS AND CHAPTERS OF TITLE 13 OF THE CATHLAMET MUNICIPAL CODE AND REPEALING CHAPTER 13.80 ARTICLES I, II, III, IV AND VI OF ORDINANCE 550-12 RELATING TO WATER AND SEWER UTILITIES

WHEREAS, the Town of Cathlamet's water and sewer utility rates and billing procedures are set forth in Title 13 of the Cathlamet Municipal Code; and

WHEREAS, the Rural Community Assistance Corporation (RCAC) performed a sewer rate study and water rate structure analysis for the town in 2021; and

WHEREAS, after reviewing the rate study and RCAC's recommendations, the Town Council has determined that the Town's utility rates and related procedures should be amended;

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF CATHLAMET:

SECTION 1. The following definitions shall be added to CMC 13.05.010:

13. "Multiple-family (multifamily) dwelling" means a building or portion thereof designed or used as a residence by two or more families and containing two or more dwelling units billed on one water meter.
21. "CCF" means one hundred (100) cubic feet, equivalent to seven hundred forty-eight (748) gallons.
22. "CF" means one (1) cubic foot, equivalent to seven point four-eight (7.48) gallons.
23. "Irrigation" means water used exclusively for watering lawns and gardens.
24. "Metered water consumption" means water measured through public utility meters or meters owned and installed by the customer and approved by the Superintendent.
25. "Multiple-residential/commercial unit" means a building or portion thereof designed defined as both a commercial unit and a multiple-family dwelling containing one or more commercial units and two or more residential rental units billed on one water meter.
26. "Seasonal customers" means residential customers who leave their homes vacant during a significant portion of the three (3) month period used to calculate the winter-average water consumption.
27. "Sewage" or "Wastewater" means refuse liquids or waste matter carried off by sewers.
28. "Service connection" is defined as the pipe, meter and water facilities from the town main or branch line to the outlet side of the meter.
29. "Sewer volume charge" means the dollar charge equal to the sewer volume rate multiplied by the winter-average calculated based on the measured volume of water from all sources consumed on the premises, in accordance with this chapter.
30. "User" shall mean every person or entity using any part of the public drinking water and/or sewerage system of the town of Cathlamet.
31. "User charge" shall mean the periodic charges levied on all users of the drinking water and/or public sewerage system, and shall, at a minimum, cover each user's proportionate share of the cost of operation and maintenance of said sewerage system.

32. "Winter-average" means any winter-average usage period established in this chapter, including adjusted, special and standard winter-averages:
- a) "Standard Winter-average" means the average of metered water consumption during a consecutive three-month period, after December 1st and before March 1st or as otherwise set forth in as set forth in **CMC 13.95.030(1)**.
 - b) "Special winter-average" means the average of metered water consumption during an alternative usage period for a specific account and/or user classifications as set forth in **CMC 13.95.030(2)**.
 - c) "Adjusted winter-average" means the average of metered water consumption during an alternative usage period for seasonal customers or accounts with water loss adjustments, as reasonably determined by the Clerk-Treasurer consistent with the provisions set forth in **CMC 13.95.030(3)**.

SECTION 2. CMC 13.10.060 and Ordinance 569-13 shall each be amended and read as follows:

The town of Cathlamet hereby sets the following fees for water and sewer connections:

	Water Provisions specified in Chapter 13.25	Sewer Provisions specified in Chapter 13.70
In Town:	\$3,000 plus cost of labor and materials	\$3,000 plus cost of labor and materials
Out of Town:	\$5,000 plus cost of labor and materials	\$5,000 plus cost of labor and materials
Utility Deposit:	As specified in CMC 13.15.005	
New Connection:	As specified in CMC 13.25.040 (turn-on fee)	
Building Sewer Permit:	As specified in CMC 13.80.320 (private sewage disposal systems)	
Existing Service Disconnect/Reconnect:	\$30.00, service charge	
<p><i>* NOTE: Sewer connections made to the interlocal agreement between the town and Wahkiakum County governing the Boege Road sewer extension are subject to both a town connection fee of \$5,000, plus a \$3,000 county system development fee, pursuant to CMC 13.75.020 and 13.75.030.</i></p>		

The minimum monthly charges set forth in Chapter 13.95 for all services shall commence immediately upon connection to the town's water or wastewater systems regardless of occupancy.

SECTION 3. CMC 13.15.010 and Section 5 of Ordinance 601-17 shall each be amended and read as follows:

Unless specified otherwise by resolution or ordinance approved by the town council following such review, utility rates specified in CMC [13.95.010](#) and [13.15.020](#) shall be adjusted annually, as of the December usage period, to be reflected on the first billing statement in January, commencing with the usage period described in CMC 13.95.030. Utility rates automatically adjusted shall be adjusted by the same percentage as the annual percentage change published by the Bureau of Labor Statistics for September of the prior year for the Consumer Price Index (CPI-U, all items, West Region, index period 1982-84=100), or if discontinued, the then-published CPI closest

thereto. (For example, an automatic adjustment to be implemented for 2024 would be based upon the annual West Region CPI-U, all items, for the 12 months ended September 2023.)

These periodic rate revisions may be adopted by Resolution of the Town Council.

SECTION 4. CMC 13.15.020 and Section 2 of Ordinance 550-12 and shall each be amended and read as follows:

Rates, connection charges, and systems development charges shall be kept on file by the town clerk-treasurer at Town Hall and made available to the public upon request.

- a. New construction charges are set forth in CMC 13.10.060.
- b. Minimum monthly fees are set forth in CMC 13.95.010 and 13.15.020.
- c. Late fees are set forth in CMC 13.15.030.
- d. Turn on/off services fees are set forth in CMC 13.10.060.

SECTION 5. Subsection 2 and 5 of CMC 13.15.030 and Section 3 of Ordinance 655-21 shall each be amended and read as follows:

(2) All utility bills are due and payable in full on the fifth day of the month approximately one month after the closing date reflected on the billing. (For example, whether the closing date is January 31st or February 3rd, charges are due March 5th.) If the fifth falls on a weekend or a legal holiday recognized by the town, charges are due and payable the following business day. If payment is not received in a timely manner, the unpaid bill shall become delinquent and a termination notice shall be given, informing the customer that termination of service shall occur no sooner than 10 days from the date of mailing of the notice of termination of service. Utility service may be terminated when any portion of the utility bill is unpaid and delinquent. A \$30.00 late charge shall be levied against any customer who becomes delinquent. A delinquent balance may bear interest as allowed by state law in an amount set by the town council.

(5) The monthly minimum charges for each utility will continue even if the service has been terminated and are subject to a \$30.00 late fee.

SECTION 6. Subsection 2 of CMC 13.15.070 and Section 1 of Ordinance 621-21 shall each be amended and read as follows:

(2) Utility customers are allowed an adjustment to their water utility bill due to undetected leaks. If the applicant states that there was a faulty pipe and/or fixture on the customer's premises which caused a large consumption of water, the existence of a faulty pipe and/or fixture shall be verified by inspection by public works employees, and/or by documentary and/or photographic proof supplied by the customer. If the repair was made without an inspection, the town may determine if a leak existed and was repaired by using the customer account consumption history.

If it is established by inspection or documentation that such faulty pipe and/or fixture has been repaired, a reduction of the bill for a single billing cycle to an amount that is the average of the same three months of the prior year's billings shall be made, the amount not to exceed \$300.00 in any case. The reduction provided for in this section shall not be allowed if such excess water consumption is due to a customer's neglect or continued failure to repair the faulty pipe and/or fixture.

Such a reduction in billing shall be permitted only two times in any calendar decade for any property (two reductions per decade per metered account, regardless of the customer responsible for the account). Each calendar decade shall begin January 1st of the year ending in zero and end December 31st of the year ending in nine (for example, January 1, 2020, through December 31, 2029; January 1, 2030, through December 31, 2039; and so on), with the date of each reduction based upon the date the application is received by the town.

SECTION 7. Subsection (b) of CMC 13.15.050 and Section 4 of Ordinance 655-21 shall each be amended and read as follows:

(b) The monthly minimum water and/or sewer user charge shall begin the day that the connection is made to the public water and/or sewer system. Once the user charge has commenced, no credit shall be given for vacancy.

SECTION 8. CMC 13.15.090 and Section 2 of Ordinance 550-12 shall each be amended and read as follows:

Termination of utility service.

As an additional and concurrent method of enforcing the lien of the town for the charges referred to in CMC 13.15.080(1) and/or 13.15.080(2), the town may elect to enforce said lien by terminating the water service from the premises to which such services were furnished or remove that water meter thereon, after the utility charges become delinquent and unpaid as defined by this chapter. Water service shall remain terminated until all such charges, including penalties and interest thereon together with the charges provided for in the rate schedule for turning the water off and turning the water on or reinstalling such water meter have been paid in full. Change of ownership or occupancy of premises found delinquent shall not be cause for reducing or eliminating the penalties set forth in this chapter.

Utility services shall be terminated using the following procedure:

- 1) If requested by the customer as provided in CMC 13.15.030, a hearing by the mayor or his designee shall be held not more than five business days after receipt of the request from the customer. The customer shall have the right to come to said hearing and present evidence why such utilities should not be terminated.
- 2) Any hearing under this chapter shall be conducted during normal business hours, on an informal basis. A record of the hearing, including the date of hearing, who was present, and the findings made as to whether or not the bill was justly owing, and the reasons therefor shall be made in writing. The written finding shall be filed on the town utility system record.
- 3) Whenever notice of termination is required under this chapter for utility termination, such notice shall inform the customer of his or her right to a hearing, the current phone number and address of Town Hall where a hearing may be requested, the normal business hours to phone in for a hearing, and the time periods involved if the hearing is requested as to utility termination.
- 4) Termination of utility service for accounts delinquent 30 days or less will only take place on weekdays when Town Hall is open the following business day. Delinquent accounts greater than 30 days who failed to follow through on payment arrangements, whose payments have been returned due to insufficient funds, or who have tampered with their meter or lock after being terminated due to delinquent payment may have their service terminated again without further notice. A return payment and/or tampering fee may be assessed and result in further suspension of service.
- 5) A service charge shall be applied for both terminating and reactivating service, as specified in CMC 13.10.060.

SECTION 9. CMC 13.15.100 and Section 6 of Ordinance 655-21; and CMCs 13.80.010 through 13.80.310 and Ordinances 563-13, 568-13, 595-17, 602-17, Section 6 of Ordinance 649-21, and Chapter 13.80 Articles I, II, III, and IV of Ordinance 550-12; and CMCs 13.80.330 through 13.80.340 and Section 2 of Ordinance 550-12; and CMCs 13.80.380 through 13.80.400 and Chapter 13.80 Article VI of Ordinance 550-12 shall each be repealed in their entirety.

SECTION 10. CMC 13.95.010 and Resolution 399-20 shall each be amended and read as follows:

Water Rates.

Water Rates are established as follows:

Monthly Minimum Charge: (includes usage from 0 to 350 cubic feet/month)

Meter Size	Basic Charge (in-town-limits)	Basic Charge (out-of-town-limits)
5/8 inch	\$40.70	\$54.45
3/4 inch	\$48.14	\$67.95
1 inch	\$64.52	\$85.18
1-1/2 inch	\$85.76	\$112.53
2 inch	\$109.63	\$143.25
3 inch	\$145.50	\$188.10
4 inch	\$190.56	\$247.40
> 4 inch	Established by contract with the town	
(b) Water Usage Volume Charge (in excess of 350 cubic feet/month):	\$2.65 <i>per 100 cubic feet or part thereof per month.</i>	\$3.40 <i>per 100 cubic feet or part thereof per month.</i>

SECTION 11. CMC 13.95.020 and Resolution 399-20 shall each be amended and read as follows:

Sewer Rates.

Sewer Rates are established as follows:

Monthly Minimum Base Charge: \$ 85.00 per month, multiplied by each unit set forth in (a) below, plus the **Sewer Volume Charge:** \$ 0.20 per 1 cubic foot or part thereof (based the winter-average water consumption set forth in (b) below). (e.g. the monthly sewer bill for a single-family dwelling with a winter-average of 600 cf or less shall be \$85.00; or \$105.00 for 700 cf winter-average.)

- a) **Monthly minimum base charge:** shall be applied as one unit per month for all sewer accounts; except for accounts classified as:
 - i. "Multiple-family (multifamily) dwelling", then the minimum monthly charge shall apply for each residential unit being billed on the same water meter account. (e.g. an account with 3 residential units shall have 3 base charges per month.)
 - ii. "Multiple-residential/commercial unit", then the minimum monthly charge shall apply for the first commercial unit and for each residential unit being billed on the same water meter account. (e.g. an account with 2 commercial units and 3 residential units shall have 4 base charges per month.)
- b) **Sewer Volume Charge:** There is hereby imposed upon all premises for which the Town provides sewer services and on which water is consumed, a sewer volume charge for sewer services which shall be added to the established monthly minimum charge and billed as a combined flat rate charge for sewer service each month of the preceding fiscal year.

The sewer volume charge shall be calculated by multiplying the sewer volume charge by the winter-average calculated based on the measured volume of water from all sources consumed on the premises. It is the intent of this section to calculate sewer volume charges based on water that should enter the sewerage system, and not on water used exclusively for irrigation or sprinkling.

SECTION 12. CMC 13.95.030 and Resolution 399-20 shall each be amended and read as follows:

Sewer winter-averages.

Sewer winter-averages for the following user classes and/or specific accounts shall be calculated in the following manner:

- 1) **Standard winter-average:** based on the average of metered water consumption, excluding the first 600 cf, during a consecutive three-month period, after December 1st and before March 1st.
- 2) **Special winter-average:** The following accounts and/or user classifications shall have a winter-usage established as follows:
 - (a) ***“Multiple-family (multifamily) dwelling”:*** based on the average of metered water consumption, excluding the first 600 cf per each residential unit, during a consecutive three-month period after December 1st and before March 1st. (e.g. an account with 3 residential units shall have the first 1,800 cf excluded.)
 - (b) ***“Multiple-residential/commercial unit”:*** based on the average of metered water consumption, excluding the first 600 cf per each residential unit only, during a consecutive three-month period after December 1st and before March 1st. (e.g. an account with 2 commercial units and 3 residential units shall have the first 1,800 cf excluded.)
 - (c) ***Wahkiakum Elementary School, account number 414:*** based on the average of metered water consumption, excluding the first 600 cf, during a consecutive twelve-month period after December 1st and before January 1st.
 - (d) ***Wahkiakum High School, account number 434:*** based on the average of metered water consumption, excluding the first 600 cf, during a consecutive twelve-month period after December 1st and before January 1st.
 - (e) ***Wahkiakum Middle School, account number 436:*** based on the average of metered water consumption, excluding the first 600 cf, during a consecutive twelve-month period after December 1st and before January 1st.
 - (f) ***Port District No. 1, account number 494:*** based on the average of metered water consumption, excluding the first 600 cf, during a consecutive twelve-month period after December 1st and before January 1st; provided, however, that for the 2022 and 2023 billing periods, it shall be based on the average of metered water consumption, up to and including only the first 3,000 cf. during such period.
- 3) **Adjusted winter-average:** based on the average of metered water consumption, excluding the first 600 cf, during a period established as follows: Upon receipt of satisfactory evidence of water leakage that does not enter the wastewater system or determination by the Clerk-Treasurer upon annual review and based on specific account usage history, the Clerk-Treasurer may adjust the sewer volume charge to the premises to not include the period during which the water leakage occurred in computing the winter-average water consumption when to do so would result in a higher sewer charge to such premises, provided that no such adjustment shall be made for leakage occurring over a period of three or more months and no credit shall be given to any account’s water charges without following the procedures outlined in CMC 13.15.070.
 - a. The Clerk-Treasurer is authorized to establish reasonable policies and procedures for the eligibility and calculation of the adjustments to the winter-average due to water leaks under this subsection. Accounts without water consumption during the standard winter-average usage period shall only be billed the monthly minimum base charge until a reasonable amount of water consumption data is available to calculate an adjusted winter-average consistent with this section.

SECTION 13. CMC 13.95.040 through 13.95.050, Resolution 399-20 and Section 1 of Ordinance 591-17 shall each be repealed in their entirety.

SECTION 14. This ordinance shall become effective January 1, 2023, after passage, approval, and publication as provided by law.

Passed first reading: September 19, 2022; Passed second, third, and final reading: October 3, 2022

Passed by the Town Council of the Town of Cathlamet, at a regular meeting thereof this 3rd day of October, 2022.

TOWN OF CATHLAMET:

APPROVED AS TO FORM:

David Olson, Mayor

Fred Johnson, Town Attorney

ATTEST:

Sarah Clark, Clerk-Treasurer

2023 WATER & SEWER RATES



2023 WATER RATES: In order to gradually eliminate the difference between rates for in-town and out-of-town users, water rates will increase by 5% for in-town customers and decrease by 4.25% for out-of-town customers. Water rates are listed in the table on the right.

2023 SEWER RATES:

The **Minimum Base Charge** of \$ 85.00 per month will be multiplied by each unit set forth in (a) below and combined the **Sewer Volume Charge** of \$ 0.20 per 1 cubic foot (based on the winter-average water consumption set forth in (b) below).

- (a) **Monthly minimum base charge** shall be applied as one unit per month for all sewer accounts; except for those accounts classified as:
- i. **“Multiple-family (multifamily) dwelling”**, then the minimum monthly charge shall apply for each residential unit being billed on the same water meter account. (e.g. an account with 3 residential units shall have 3 base charges per month.)
 - ii. **“Multiple-residential/commercial unit”**, then the minimum monthly charge shall apply for the first commercial unit and for each residential unit being billed on the same water meter account. (e.g. an account with 2 commercial units and 3 residential units shall have 4 base charges per month.)
- (b) **Sewer Volume Charge** will be added to the established monthly minimum charge and billed as a combined flat rate charge for sewer service each month of the preceding fiscal year. The monthly sewer volume charge is calculated by multiplying the sewer volume charge rate by the winter-average calculated based on the measured volume of water from all sources consumed on the premises. It is the intent of this section to calculate sewer volume charges based on water that should enter the sewerage system, and not on water used exclusively for irrigation or sprinkling.

Sewer winter-averages for the following user classes and/or specific accounts shall be calculated in the following manner:

- 1) **Standard winter-average:** based on the average of metered water consumption, excluding the first 600 cf, during a consecutive three-month period, after December 1st and before March 1st.
- 2) **Special winter-average:** the following accounts and/or user classifications shall have a winter-usage established as follows:
 - a) **“Multiple-family (multifamily) dwelling”**: based on the average of metered water consumption, excluding the first 600 cf per each residential unit, during a consecutive three-month period after December 1st and before March 1st. (e.g. an account with 3 residential units shall have the first 1,800 cf excluded.)
 - b) **“Multiple-residential/commercial unit”**: based on the average of metered water consumption, excluding the first 600 cf per each residential unit only, during a consecutive three-month period after December 1st and before March 1st. (e.g. an account with 2 commercial units and 3 residential units shall have the first 1,800 cf excluded.)
- 3) **Adjusted winter-average:** based on the average of metered water consumption, excluding the first 600 cf, during a period established as follows: Upon receipt of satisfactory evidence of water leakage that does not enter the wastewater system, the sewer volume charge to the premises shall be adjusted not to include the period during which the water leakage occurred in computing the winter-average water consumption when to do so would result in a higher sewer charge to such premises, provided that no such adjustment shall be made for leakage occurring over a period of three or more months and no credit shall be given to any account’s water charges without following the procedures outlined in CMC 13.15.070.

Accounts without water consumption during the standard winter-average usage period shall only be billed the monthly minimum base charge until a reasonable amount of water consumption data is available to calculate an adjusted winter-average consistent with this section.

2023 WATER RATES		
Monthly Minimum Charge (Up to 350 cubic feet/month)		
Meter	In-Town	Out-of-Town
5/8 inch	\$40.70	\$54.45
3/4 inch	\$48.14	\$67.95
1 inch	\$64.52	\$85.18
1.5 inch	\$85.76	\$112.53
2 inch	\$109.63	\$143.25
3 inch	\$145.50	\$188.10
4 inch	\$190.56	\$247.40
>4 inch	Contract Required	
Excess Usage*	\$2.65	\$3.40

***Per 100 cubic feet or part thereof for all usage in excess of 350 cubic feet per month**

EXAMPLE OF MONTHLY SEWER BILLS

<i>R Units x Base</i>		<i>Winter-Usage Period</i>			2023 Sewer Rate Formula												
<i>Class</i>	<i>Units</i>	<i>Dec-21</i>	<i>Jan-22</i>	<i>Feb-22</i>	<i>Winter-Avg</i>	-	<i>CF Exclusion</i>	=	<i>Use Factor</i>	*	<i>Usage Rate</i>	=	<i>Use Charge</i>	+	<i>Base Rate</i>	=	<i>Monthly Bill</i>
SFD	1	600	600	600	600	-	600	=	0	*	\$0.20	=	\$0.00	+	\$85.00	=	\$85.00
SFD	1	1,200	1,200	1,200	1,200	-	600	=	600	*	\$0.20	=	\$120.00	+	\$85.00	=	\$205.00
SFD	1	1,800	1,800	1,800	1,800	-	600	=	1,200	*	\$0.20	=	\$240.00	+	\$85.00	=	\$325.00
SFD	1	2,200	2,200	2,200	2,200	-	600	=	1,600	*	\$0.20	=	\$320.00	+	\$85.00	=	\$405.00
MF	2	1,200	1,200	1,200	1,200	-	1200	=	0	*	\$0.20	=	\$0.00	+	\$255.00	=	\$255.00
MF	2	1,800	1,800	1,800	1,800	-	1200	=	600	*	\$0.20	=	\$120.00	+	\$255.00	=	\$375.00
MF	3	1,800	1,800	1,800	1,800	-	1800	=	0	*	\$0.20	=	\$0.00	+	\$255.00	=	\$255.00
MF	3	2,200	2,200	2,200	2,200	-	1800	=	400	*	\$0.20	=	\$80.00	+	\$765.00	=	\$845.00
MR/C	1C/2R	1,200	1,200	1,200	1,200	-	1200	=	0	*	\$0.20	=	\$0.00	+	\$255.00	=	\$255.00
MR/C	2C/2R	1,800	1,800	1,800	1,800	-	1200	=	600	*	\$0.20	=	\$120.00	+	\$255.00	=	\$375.00
MR/C	1C/3R	1,800	1,800	1,800	1,800	-	1800	=	0	*	\$0.20	=	\$0.00	+	\$255.00	=	\$255.00
MR/C	2C/3R	2,200	2,200	2,200	2,200	-	1800	=	400	*	\$0.20	=	\$80.00	+	\$255.00	=	\$335.00

SUMMARY

To develop recommendations for rate adjustments, the Town conducted a wastewater rate study with the assistance of Rural Community Assistance Corporation (RCAC) to make utility rates more equitable, encourage development, and eliminate billing differences between in and out of town customers. RCAC began work on this study in April 2021, and after months of collecting data and adjusting calculations based on feedback from the Town Council, RCAC presented the draft rate study on October 18, 2021, and the final rate study on December 6, 2021. After reviewing the data further and making necessary adjustments, the Council approved preliminary utility rates on April 18, 2022, and held a public hearing on May 2, 2022. It took additional time to adjust calculations based on customer feedback to ensure that rates were fair, but that they also generated enough revenue to cover annual operations, maintenance, repairs, debt, and all other costs associated with collecting, treating, and/or distributing each utility, including future infrastructure replacement costs. It is now time for the Town Council to consider adopting the final proposed utility rates, which will take effect in January 2023.

2022-05-16

Motion passed to advise the Town Attorney to draft an ordinance regarding new utility rates as described. M/S/V: Waller/Chamberlin(4-1; RCV: Stowe: Nay, Chamberlin: Aye, Raglin: Aye, Hendrickson: Aye, Waller: Aye) *At 6:28 pm, the Mayor opened the Public Hearing on the revised Proposed Utility Rates; without any public comment, C/T introduced the latest revisions, explaining that usage for 2022 would now be used, how new accounts and water leaks would be handled, and establishing an alternate method of billing for multi-unit accounts. Waller agreed that this version addressed all those issues and was much fairer. Hendrickson agreed that this proposal was the best presented thus far but agreed that it would be better to postpone implementation to January 2023 so it was not rushed. Council discussed the possibility of implementing the multi-unit billing method for accounts with multiple residential units on the same water meter, with a base fee and 600 cf allowance being applied per residential unit and one base fee per business with no additional usage allowance. Port District No. 1 interim manager Todd Souvenir explained the Port's account situation, arguing in favor of postponing implementation to 2023 to allow as many issues to be reviewed and addressed as possible. The Public Hearing was closed at 7:10 pm. T/A recommended that he draft an ordinance for independent study by the Council so comments can be provided prior to the 1st reading. Chamberlin and Raglin agreed that the Council should review the first draft prior to continuing discussion, and T/A stated that it should be ready in 30 days.*

2022-05-02

C/T summarized outstanding issues with the current proposal that were discovered after the last meeting, including billing differences between 2022 and 2023 due to water usage, unadjusted water loss, and how to bill new accounts. In response to a public comment, T/A Johnson stated that there was no conflict of interest in the Council setting utility rates. *The public hearing was opened by the Mayor at 6:25 pm and the following comments were received: #2533 (written) – Michelle Nam, owner of the Chevron RV Park, was opposed to the rates, stating that they would be a catastrophe for her tenants as some are elderly and disabled, and all are considered low-income; #2571 (written) – Shary Liblings stated that as a senior citizen on a fixed income she would be unable to keep up with the proposed rate increase; #534 (written) – Bob and Rose Rendler spoke in favor of the proposed rates, stating that they would benefit both residential and business users and equalize rates for in-town and out-of-town customers; #2422 (written) – Jill and Barry Aiton objected to the proposed rates, stating that it was a conflict of interest to have members with vested commercial interests setting the rates, and requested that an alternative period be used for their account, as there was a water leak during the period being used; #3113 (written) – Shannon Barlow expressed opposition to the proposed rates, stating that she is a disabled single person living alone and couldn't understand why her sewer bill would be nearly \$250 a month; #494 – Todd Souvenir with Port District 1 stated that they recently discovered that their main meter serves all main port facilities causing a significant rate hike which may be a result of the usage at the dock spickets which does not go into the sewer system. He encouraged the Council to delay the changes until they could find a solution to this issue, either by adding a secondary meter or asking for consideration of setting a specialty rate for accounts with similar issues; #3668 – Wendell Hunter expressed concern over the new rates since he was only one person and his rates would increase under the new formula; upon review, it was determined that he had a leak during one of the usage months, which would be investigated. The public hearing was closed at 6:40 pm.*

2022-04-18

Motion passed to preliminary approve the proposed utility rates and billing structure with sewer rate option A pending completion of all other items outlined in the packet. C/T provided an overview of proposed utility rates that establish a 5-year plan to eliminate billing differences between in-town and out-of-town water users, as well as proposed sewer rates that include: A - a single rate structure for all sewer users with a base rate + usage; B - a flat rate for residential users and a flat rate + usage for commercial users; and C - delay implementation to 2023 if more revisions are desired. Stowe was concerned that winter-use wasn't covering full water consumption and asked how snowbirds and high users would be handled throughout the year; Waller expressed support for the proposed rates, saying that they are definitely headed in the right direction, but she could ask for a closer look at the meter-based water rates billing structure in the future. It was noted that the dates of the rate hearing and 1st ordinance reading were stated incorrectly in the packet and will actually be held on May 2nd and 16th; the Mayor stated that final rate approval is subject to several requirements, including public notice and contacting customers.

2022-03-21

The Council failed to preliminarily approve the sewer rate structure. A proposed rate structure explained by C/T would have reduced the residential rate to \$99/month for in and out of town users, with the commercial rate \$75/month plus usage, resulting in a minimum monthly rate of \$99/month as well. Council had hoped all users would be charged the same base fee and usage charge, but it was explained that was not possible at the moment because there are not enough users, and doing so primarily benefits commercial users but increases residential rates. Waller stressed that rates should be fair and equitable for all users and that nothing is validated if everyone is not paying for what they use; Stowe concurred and expects all users to have a usage rate. The Mayor recognized that the proposed structure wasn't perfect but it would get us closer, emphasizing that it would benefit 95% of users, reducing rates for all but 17 accounts that are on the higher end of water usage. Chamberlin said that this was a difficult issue to solve and that it would take major steps to be fair as there is no way to bill for what comes out and only what goes in. In all his prior years of similar work, he cited this as the most fair method he had seen. In agreement, Hendrickson said that something is better than nothing and that this would bring us closer to fairness. David Nelson commented that the current ECUs are crazy and that if development is to be encouraged, then it needs to be changed. Richard Erickson noted that he was glad that efforts are being made to resolve this longstanding issue, but this structure was not the solution – yet, and agreed that there should be a usage rate for all users. C/T will try to address these concerns in a future proposal.

2021-12-20

C/T stated that the previously proposed rate change was not recommended at this time due to errors in the account data.

2021-12-06

Postponed* Ordinance amending & repealing certain chapters/sections of Title 13 & setting 2022 utility rates.

2021-10-18

Lori Blau and Steve Palmer from RCAC presented the draft Sewer Rate Study requested to help the Council determine if sewer rates could be reduced by switching from ECU rates to one based on water usage. Lori explained that rates would be based on a winter average and that it is best to include a small increase every year to keep up with inflation, so a significant increase isn't necessary in the future. She then presented four different rates, including (1) rates based on water meter size; (2) a flat base with a low usage rate; (3) a theoretical 70% rate; and (4) a low base with a higher usage rate. Steve explained that they provide the parameters used in calculations, but the Council is responsible for justifying the "fairness" of the rate models. Having reviewed all the data and models, the Council agreed by consensus to proceed with models 2 and 4 for the final report, along with a middle rate option (\$50 base rate) that falls between those two.