



# City of Stevenson

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To: City Council  
 From: Leana Kinley, City Administrator  
 RE: Water and Sewer System Development Charges and Monthly Rates  
 Meeting Date: April 18, 2024

## **Executive Summary:**

The City Council held multiple public hearings from January 18<sup>th</sup> to date on the water and sewer monthly rates and System Development Charges (SDCs). This memo will summarize the decisions made, the documents representing the changes and outline any additional decisions for the council to make.

## **Overview:**

### *Water Utility Rates*

Recap: There was consensus regarding an across-the-board rate increase rather than either option to remove the 400 ft<sup>3</sup> of usage within the base fee. The rates in the proposal reflect an annual increase of 7% for 2024-2028. The table below reflects this change and language that will be inserted to the authorizing resolution.

The table below reflects rates in the event a .3% Street Sales Tax is not approved by voters in 2024.

	2023	2024	2025	2026	2027	2028
Meter Size	Inside City					
Up to 3/4"	37.04	39.63	42.40	45.37	48.55	51.95
1"	60.78	65.03	69.58	74.45	79.66	85.24
1 1/2"	146.72	156.99	167.98	179.74	192.32	205.78
2"	282.98	302.79	323.99	346.67	370.94	396.91
3"	508.52	544.12	582.21	622.96	666.57	713.23
4"	610.12	652.83	698.53	747.43	799.75	855.73
6"	1,625.27	1,739.04	1,860.77	1,991.02	2,130.39	2,279.52
Transient Lodging (per unit)	18.52	19.82	21.20	22.69	24.28	25.98
Hydrant Use Annual Fees	100.00	100.00	100.00	100.00	100.00	100.00
	Outside City					
Up to 3/4"	54.62	58.44	62.53	66.91	71.59	76.60
1"	103.51	110.76	118.51	126.81	135.69	145.19
1 1/2"	211.29	226.08	241.91	258.84	276.96	296.35
2"	408.82	437.44	468.06	500.82	535.88	573.39
3"	737.86	789.51	844.78	903.91	967.18	1,034.88

4"	887.42	949.54	1,016.01	1,087.13	1,163.23	1,244.66
6"	2,353.13	2,517.85	2,694.10	2,882.69	3,084.48	3,300.39
	Usage (per ft <sup>3</sup> ) (over base usage)					
Inside Usage	0.047	0.050	0.054	0.058	0.062	0.066
Outside Usage	0.056	0.060	0.064	0.068	0.073	0.078
Hydrant Usage	0.056	0.060	0.064	0.068	0.073	0.078
	Other Fees and Charges					
Delivery Fee of Lock Off Notice	10.00	10.00	10.00	10.00	10.00	10.00
Termination Fee-Working Hours	50.00	50.00	50.00	50.00	50.00	50.00
Termination Fee-Non-Working Hours	150.00	150.00	150.00	150.00	150.00	150.00

The table below reflects rates in the event a .3% Street Sales Tax is approved by voters in 2024.

	2023	2024	2025	2026	2027	2028
Meter Size	Inside City					
Up to 3/4"	37.04	39.08	41.23	43.50	45.89	48.41
1"	60.78	64.12	67.65	71.37	75.30	79.44
1 1/2"	146.72	154.79	163.30	172.28	181.76	191.76
2"	282.98	298.54	314.96	332.28	350.56	369.84
3"	508.52	536.49	566.00	597.13	629.97	664.62
4"	610.12	643.68	679.08	716.43	755.83	797.40
6"	1,625.27	1,714.66	1,808.97	1,908.46	2,013.43	2,124.17
Transient Lodging (per unit)	18.52	19.54	20.62	21.75	22.95	24.21
Hydrant Use Annual Fees	100.00	100.00	100.00	100.00	100.00	100.00
	Outside City					
Up to 3/4"	54.62	57.62	60.79	64.13	67.66	71.38
1"	103.51	109.20	115.21	121.55	128.24	135.29
1 1/2"	211.29	222.91	235.17	248.10	261.75	276.15
2"	408.82	431.31	455.03	480.06	506.46	534.32
3"	737.86	778.44	821.25	866.42	914.07	964.34
4"	887.42	936.23	987.72	1,042.04	1,099.35	1,159.81
6"	2,353.13	2,482.55	2,619.09	2,763.14	2,915.11	3,075.44
	Usage (per ft <sup>3</sup> ) (over base usage)					
Inside Usage	0.047	0.050	0.053	0.056	0.059	0.062
Outside Usage	0.056	0.059	0.062	0.065	0.069	0.073
Hydrant Usage	0.056	0.059	0.062	0.065	0.069	0.073
	Other Fees and Charges					

Delivery Fee of Lock Off Notice	10.00	10.00	10.00	10.00	10.00	10.00
Termination Fee-Working Hours	50.00	50.00	50.00	50.00	50.00	50.00
Termination Fee-Non-Working Hours	150.00	150.00	150.00	150.00	150.00	150.00

All rates shall be subject to an automatic annual rate increase of 5% beginning January 1, 2029 unless modified by council prior to the adjustment date.

The first 400 cubic feet of water consumed included in minimum monthly base water service charge. For Transient Lodging the first 200 cubic feet of water consumed per unit is included in the minimum monthly base water service charge.

Residential properties with more than one residential unit (i.e. duplexes, apartments, homes with accessory dwelling units) will be charged the applicable monthly residential base rate times the number of residential units.

*Sewer Utility Rates*

Recap: Similar to the water utility rates, there seemed to be consensus on an across-the-board rate increase rather than either option to remove the 400 ft<sup>3</sup> for commercial customers. The rates below reflect an increase of 10%, 10%, 3.5%, 3.5%, 3% from 2024-2028 if no street sales tax were approved.

The table below reflects rates in the event a .3% Street Sales Tax is not approved by voters in 2024.

<b>Class of Service</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
<b>Residential</b>						
Single ¾" Residential	\$116.46	128.11	140.92	145.85	150.95	155.48
<b>Non-Residential</b>						
Transient quarters-per unit	\$58.24	64.06	70.46	72.93	75.48	77.74
<b>Other Commercial</b>						
¾" water service	\$116.46	128.11	140.92	145.85	150.95	155.48
1" water service	\$242.05	266.26	292.89	303.14	313.75	323.16
1.5" water service	\$360.65	396.72	436.39	451.66	467.47	481.49
2" water service	\$545.54	600.09	660.10	683.20	707.11	728.32
3" water service	\$782.72	860.99	947.09	980.24	1,014.55	1,044.99
4" water service	\$1,019.90	1,121.89	1,234.08	1,277.27	1,321.97	1,361.63
6" water service	\$1,684.03	1,852.43	2,037.67	2,108.99	2,182.80	2,248.28

<b>Usage<sup>1</sup> Rates for Non-Residential/Commercial</b>						
Flow Surcharge	\$0.059	0.065	0.072	0.075	0.078	0.080

<b>BOD Surcharge<sup>2</sup></b>						
Low	\$0.000	0.000	0.000	0.000	0.000	0.000
Medium	\$0.023	0.025	0.028	0.029	0.030	0.031
High	\$0.047	0.052	0.057	0.059	0.061	0.063
Very High	\$0.092	0.101	0.111	0.115	0.119	0.123

The table below reflects rates in the event a .3% Street Sales Tax is approved by voters in 2024.

<b>Class of Service</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
<b>Residential</b>						
Single ¾" Residential	\$116.46	128.11	140.92	145.15	149.50	153.99
<b>Non-Residential</b>						
Transient quarters-per unit	\$58.24	64.06	70.46	72.58	74.75	77.00
<b>Other Commercial</b>						
¾" water service	\$116.46	128.11	140.92	145.15	149.50	153.99
1" water service	\$242.05	266.26	292.89	301.68	310.73	320.05
1.5" water service	\$360.65	396.72	436.39	449.48	462.96	476.85
2" water service	\$545.54	600.09	660.10	679.90	700.30	721.31
3" water service	\$782.72	860.99	947.09	975.50	1,004.77	1,034.91
4" water service	\$1,019.90	1,121.89	1,234.08	1,271.10	1,309.23	1,348.51
6" water service	\$1,684.03	1,852.43	2,037.67	2,098.80	2,161.76	2,226.61

<b>Usage<sup>1</sup> Rates for Non-Residential/Commercial</b>						
Flow Surcharge	\$0.059	0.065	0.072	0.074	0.076	0.078
<b>BOD Surcharge<sup>2</sup></b>						
Low	\$0.000	0.000	0.000	0.000	0.000	0.000
Medium	\$0.023	0.025	0.028	0.029	0.030	0.031
High	\$0.047	0.052	0.057	0.059	0.061	0.063
Very High	\$0.092	0.101	0.111	0.115	0.119	0.123

**BOD:** (denoting Biochemical Oxygen Demand) shall mean the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at 20°C, expressed in milligrams per liter (mg/l).

**“Residential”** shall mean any contributor to the City’s treatment works whose real estate or building is used for domestic dwelling purposes only.

Residential properties with more than one residential unit (i.e. duplexes, apartments, homes with accessory dwelling units) will be charged the applicable monthly residential base rate times the number of residential units.

- 1- Flow based on water consumption charged per cubic foot over 400 cu/ft. Industrial users will be charged based on a consumption factor as determined by the City.
- 2- BOD Surcharge applies to commercial customers based on the following classification:

<b>Strength Category</b>	<b>BOD Strength</b>	<b>Types of Typical Users</b>
Low	<300mg/L	Public Facilities, Hotel/Motel w/o Restaurant, General Retail, Office Space, Industrial w/o Process Discharge
Medium	301-600 mg/L	Hotel/Motel w/Restaurant, School w/Cafeteria, Laundromat, Nursing Home, Hospital
High	600-2,000 mg/L	Grocery Store, Bakery, Restaurant, Coffee Shop
Very High	>2,000 mg/L	Food Production, Brewery, Distillery, Cider Production, Dairy, Industrial w/Process Discharge

Additional fees for BOD<sub>5</sub> testing at the request of the customer will be billed at actual rates for staff time, materials and testing services used plus 17% overhead.

All rates shall be subject to an automatic annual rate increase of 5% beginning January 1, 2029 unless modified by council prior to the adjustment date.

*Cost of Service Adjustment*

The cost of service adjustment for high and very high BOD customers will be twice the rate increase. FCS is working on those calculations (highlighted sections above) and they will be provided once complete.

*Discount Tiers*

Recap: The current discount is available to low-income seniors or those with social security disability with an income less than 200% of the federal poverty level. Customers complete the application process through Senior Services where they can be connected to energy discounts and other services.

Adding a moderate-income tier, at a 25% discount, would be applicable to customers with an income less than 400% of the federal poverty level, and less than the Moderate Income identified for Skamania County through the Community Development Block Grant (see attached 2023-CDBG Income Limits Chart). The number of customers which would qualify is unknown. From the 2015 American Communities Survey, Stevenson has a population of just over 48% that are low-moderate income.

The applications would go through Washington Gorge Action Programs and in discussions with them they request a modest fee of \$10-\$20 per application to cover staff time and associated costs.

These changes are reflected in the proposed ordinance changing SMC 13.10 Water and Sewer Service Charges, sections 13.10.100, 13.10.110 and 13.10.120.

### *Snowbirds/Temporary Shutoffs*

Option removed except in the instance of shut-off for non-payment. Will follow state guidance regarding billing constraints.

### *Construction Water*

Recap: The current ordinance allows properties under construction to be billed for water usage only and not pay any base fees up until the property receives final occupancy. There are currently 9 properties where this is implemented. Two of the properties are submeters for alternate billing of sewer charges (Walking Man Brewhouse separate from the Restaurant, and Skamania County Jail separate from the Courthouse Lawn). The remaining 7 are for building permits that have not received final occupancy, and most are very close, waiting on final inspections for Building, Planning and Public Works.

Once a property connects to the utility system, they are able to use that system at full capacity. It is also counted towards the city's overall capacity for connections. By not having a separate utility payment type for these customers, it also reduces the risk of billing errors. The new permitting process is online and the Utility Clerk is not a CloudPermit user and would need to be notified of new certificates of occupancy outside of the system, creating a potential gap in the process.

The council reached consensus on this, confirmed at the March 25<sup>th</sup> special council meeting. The draft ordinance amending SMC 15.01.030 removes the need for a temporary water/sewer permit during construction and removes the ability to bill usage only.

### *System Development Charges*

Recap: Council reached consensus regarding the scaling options based on size of home for both water and sewer system development charges. The ranges were chosen based on fixture counts for water connections and square footage for sewer connections for average home sizes in Stevenson. The rates below reflect this change and the maximum allowable charge as identified during the study.

<b>Water System Fees and Charges (SMC 13.10.070)</b>	
<b>System Development Charges</b>	
<b>Meter Size</b>	<b>Fee</b>
5/8": <25 Fixture Units	\$8,223
3/4": <55 Fixture Units	\$12,334
1": <130 Fixture Units	\$20,556
1.5"	\$41,113
2"	\$65,781
3"	\$123,339
4"	\$205,565
6"	\$411,130
Installation Costs	Time and Materials

<b>Wastewater System Fees and Charges (SMC 13.10.080)</b>	
<b>System Development Charges</b>	
<b>Charge Type</b>	<b>Fee</b>
Residential ERU < 1,500 SqFt	\$6,683
Residential ERU 1,500-2,599 SqFt	\$8,910

Residential ERU > 2,600 SqFt	\$11,607
Commercial Flow(gallon)	\$14.88
Commercial BOD (pound)	\$5,666
Residential single-family service inspection	\$100
All other service inspections	\$300

Connection fees for properties with demolished buildings previously connected to service may be the lesser of the System Development Charge for the utility, or the sum of the monthly base fees for the previous 6-years had the service not been disconnected.

*Process and Timeline for Sales Tax Option*

May 16, 2024 – Initial discussion and Public Hearing regarding establishing a Transportation Benefit District (TBD)

June 20, 2024 – Final Public Hearing and Adoption of TBD

August 6, 2024 – Deadline to Adopt Resolution for Sales Tax on November Ballot

November 5, 2024 – General Election

December 2024 – If approved, adopt budget with reflected changes and any applicable policy documents outlining the revenue distribution for sales tax:

- General Sales Tax:
  - .5% to General Fund
  - .2% to Street Fund
  - .3% to Water/Sewer Fund
- Street Sales Tax:
  - .3% to Street Fund

April 1, 2025 – If approved, date of sales tax implementation

June 2025 – If approved, first receipts from sales tax adoption

**Action Needed:**

Direction on any other changes needed ahead of the final presentation at the May council meeting.