# Lake Whatcom Water & Sewer District



# Water & Sewer Utility Rate Study

February 2022

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February 17, 2022

Justin L. Clary, General Manager Lake Whatcom Water & Sewer District 1220 Lakeway Drive Bellingham, WA 98229

Subject: Water & Sewer Utility Rate Study

Dear Mr. Clary:

FCS GROUP is pleased to submit this report documenting the Water and Sewer Utility Rate Study conducted for the Lake Whatcom Water and Sewer District. The table below shows the percentage rate adjustments adopted by the Board of Commissioners on November 24, 2021. The table also shows the impact on single-family rates for the smallest meter size.

Adopted Rate Plan	2021	2022	2023	2024	2025	2026
Water Annual Rate Adjustments		4.50%	4.50%	4.50%	4.50%	4.50%
Bi-Monthly Water Rates (5/8"x3/4" meter): Fixed Charge Volume Charge (per ccf) 600-2,500 cf/bi-month >2,500 cf/bi-month	\$76.05 \$10.79 \$13.50	\$79.47 \$11.28 \$14.11	\$83.05 \$11.78 \$14.74	\$86.79 \$12.31 \$15.41	\$90.69 \$12.87 \$16.10	\$94.77 \$13.45 \$16.82
Sewer Annual Rate Adjustments		3.75%	3.75%	3.75%	3.75%	3.75%
Bi-Monthly Sewer Rates Fixed Charge	\$171.67	\$178.11	\$184.79	\$191.72	\$198.91	\$206.36

These increases are forecast to generate the revenue needed to fully fund both utilities on a standalone basis, considering operating and maintenance expenditures, debt service obligations, fiscal policy achievement, and the capital project needs of each utility. The detailed methodology used to derive the revenue needs forecast is included in this report.

It has been a pleasure to work with you and other District staff on this effort. If you have questions or need additional information, Tage can be reached at (425) 615-6487 or <u>TageA@fcsgroup.com</u>.

Sincerely,

Gordon Wilson Senior Program Manager

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Tage Aaker Project Manager

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Sam Ault Analyst

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# Section I. INTRODUCTION

## Utility Background

The Lake Whatcom Water and Sewer District (District) provides water service to approximately 4,000 residential customers and sewer service to approximately 4,300 residential customers in an 18 square mile service area surrounding Lake Whatcom. Following are the functions of each utility service:

- The District operates a water treatment plant that provides water to Sudden Valley and Geneva residents. Four reservoirs, 5 pump stations, and 55 miles of transmission and distribution lines serve the water treatment plant. On the North Shore near Agate Bay, water service is provided from a well and water treatment facility that is operated by the District. The District also distributes water purchased from the City of Bellingham to its Eagleridge customers.
- The District does not treat its own sewage. Wastewater services within the District consist of the collection and transmission of sewage flows to the regional wastewater treatment facility operated by the City of Bellingham. The mostly forested, steep slopes of the watershed offer a challenging environment in which to operate utility services. The District owns and operates 28 sewer lift stations and maintains over 75 miles of sewage collection and transmission lines.

Bi-monthly service charges are collected by the District to provide resources to plan, manage, design, construct, maintain, and upgrade the District's systems. The District contracted with FCS GROUP to perform a water and sewer utility rate study, the purpose of which is to ensure the District has the resources to continue to provide these valuable services into the future.

## Rate Study

The main goal of this rate study is to develop a funding plan ("revenue requirement") for the District's water and sewer utilities for the 2021-2040 study period. The rate-setting period is shorter and covers years 2022-2026. The revenue requirement identifies the total revenue needed to fully fund the water and sewer utilities on a stand-alone basis, considering operating and maintenance expenditures, debt service obligations, fiscal policy achievement, and the capital project needs of each utility. Revenue increases are applied "across-the-board" for the utilities; there were no rate design changes incorporated in this rate study.





# Section II. FISCAL POLICIES

The basic framework for evaluating utility revenue needs includes sound fiscal policies.

## **Operating Reserves**

An operating reserve is designed to provide a liquidity cushion; it protects the utility from the risk of short-term variation in the timing of revenue collection or payment of expenses. The most common operating reserve target for water utilities is between 60 and 90 days of operating expenses. For sewer utilities, the most common operating reserve target is between 45 and 60 days of operating expenses at year-end, the excess cash is "swept" into the capital account to help pay for capital projects in the forecast.

**Recommended Policy:** Achieve a year-end minimum balance target between 60-90 days of total annual operating expenditures for the water utility and 45-60 days for the sewer utility. This is consistent with the District's existing operating reserve policies.

# Capital Reserve (Contingency Reserve)

This reserve provides a source of emergency funding for unexpected asset failures or other unanticipated capital needs. This capital reserve policy is not intended to guard against catastrophic system failure or extreme acts of nature. Minimum balances for capital reserves are often based on a percentage (commonly 1% to 2%) of the original cost of utility fixed assets or an amount determined sufficient to fund an emergency capital project or equipment failure.

**Recommended Policy:** A minimum capital ending fund balance target of 1% of fixed assets (non-depreciated replacement cost of construction) is recommended. The District does not have complete records on the original cost of fixed assets, so this policy is based on estimated replacement cost. This is consistent with the District's existing contingency reserve policy.

# Total Days Cash on Hand

Bond rating agencies have been placing increased emphasis in recent years on the amount of unrestricted cash available to utilities, as measured by days of operating expenses. District staff have been in discussions with bond counsel, and they recommended the District target unrestricted cash reserves of six months, or 180 days, of operating expenses. This policy target does not differentiate between operating and capital reserves.

For the District, the upper end of the operating reserve targets (90 days for water and 60 days for sewer) plus the capital contingency target is roughly equivalent to 150-160 days of operating expenses in each utility, so the rate forecast generally targets slightly higher reserves to reach 180 days in most years.



#### **Debt Related Policies**

In the past, District borrowing has included a mixture of low-cost State loans and revenue bonds. In the forecast, revenue bond financing is the "fallback option" for capital funding. To the degree sufficient capital funds are not available from reserve balances, rate funded capital, or general facilities charges, then the forecast assumes that revenue bonds would be issued to meet the remaining need.

### **Debt Reserve**

A debt reserve is most often required as a condition of bond issuance, though some loan programs also require a reserve. The reserve intends to protect bondholders (or the agency issuing loans) from the risk of the borrower defaulting on their payments and is most often linked to either average annual debt service or maximum annual debt service.

**Recommended Policy:** The policy should be dictated by terms outlined in contracts for existing debt obligations. In 2021, the District's bond reserve fund stood at \$772,000, which appears to be above the required reserve per the terms of the 2016 revenue bond (maximum annual debt service, which in 2021 and forward, would be roughly \$640,000).

# Debt Service Coverage

Debt service coverage is typically a requirement associated with revenue bonds and some State loans, and it is an important benchmark to measure the riskiness of the utility's capital funding plans. Coverage is most easily understood as a factor applied to annual debt service. In such a case, if it issues revenue bonds, the utility agrees to collect enough revenue to meet operating expenses and not only pay debt service but to collect an additional 25% above bonded debt service. The extra revenue is a "cushion" that makes bondholders more confident debt service will be paid on time.

In actual practice, revenues from utilities within a single District are cross-pledged, meaning either utility could conceivably be required to pay debt service for the other's obligations. This feature increases the security for bondholders and allows the District more advantageous financing terms. However, the forecast assumes both utilities must meet the coverage targets independently.

**Recommended Policy:** Per the contractual obligations from the 2016 revenue bond, the District has a minimum bonded debt service coverage requirement of 1.25.

In April 2021, the District passed Resolution 871, setting an internal debt service coverage target of 1.75 on senior lien debt.

Based on input from District staff in collaboration with the District's bond counsel, a more conservative coverage target of 2.00 on bonded debt is assumed throughout the forecast in hopes of achieving more favorable bond financing terms.



## Rate Funded System Reinvestment

Rate funded system reinvestment is the funding of long-term infrastructure replacement through a regular (annual) and predictable rate provision, which helps minimize reliance on debt.

**Recommended Policy:** Continue rate funded system reinvestment consistent with previous rate study recommendations. In 2021, this target is \$240,000 for the water utility and \$800,000 for the sewer utility. These targets are planned to increase by \$10,000 per year, per utility. This is consistent with the District's existing policy.

Based on discussions with District staff, these amounts have been sufficient to cash fund the routine repair and replacement needs of each utility.

**Exhibit 2** provides a summary of the District's fiscal policies for the water and sewer utilities over the subsequent six-year period.

Key Policy Assumptions	2021	2022	2023	2024	2025	2026		
Minimum Operating Reserve (days of operating expenses)								
Sewer (45 Days)	\$341,000	\$367,000	\$379,000	\$391,000	\$403,000	\$415,000		
Water (60 days)	\$384,000	\$415,000	\$430,000	\$443,000	\$456,000	\$470,000		
Maximum Operating Res	erve (days of opera	ating expenses)						
Sewer (60 Days)	\$455,000	\$490,000	\$506,000	\$521,000	\$537,000	\$553,000		
Water (90 days)	\$575,000	\$622,000	\$644,000	\$664,000	\$684,000	\$706,000		
Target Capital Contingency (% of utility plant replacement cost)								
Sewer (1%)	\$733,000	\$752,000	\$760,000	\$769,000	\$777,000	\$901,000		
Water (1%)	\$427,000	\$434,000	\$437,000	\$440,000	\$443,000	\$448,000		
Target System Reinvestment Funding (minimum target amount)								
Sewer	\$800,000	\$810,000	\$820,000	\$830,000	\$840,000	\$850,000		
Water	\$240,000	\$250,000	\$260,000	\$270,000	\$280,000	\$290,000		
Debt Service Coverage Policy (Senior Lien Debt)								
Planning (Res. 871)	1.75	1.75	1.75	1.75	1.75	1.75		
External requirement	1.25	1.25	1.25	1.25	1.25	1.25		

#### Exhibit 2: Summary of Fiscal Policies



# Section III. STUDY ASSUMPTIONS

The operating cost forecast largely relies on the District's 2022 preliminary budget. The line items in the budget are then adjusted each year by utilizing one of the following applicable factors:

- General Cost Inflation assumed at 2.50% per year based on the recent historical performance of the Seattle-Tacoma-Bellevue Consumer Price Index at the time of the analysis.
- Construction Cost Inflation assumed at 3.00% per year based on the recent performance of the *Engineering News-Record* Construction Cost Index (20-City Average) at the time of the analysis.
- Labor and Benefits Inflation assumed at 2.50% and 5.00% respectively, based on the Employment Cost Indices and discussions with District staff.
- Investment Interest assumed at 0.25% per year, based on the recent performance of the Local Government Investment Pool.
- Customer Growth Based on the District's recent history and discussions with District staff, growth is assumed to be 0.25% per year, which equates to roughly 10 additional units per year.
- Debt Financing Assumptions:
  - » Water utility borrowing: Revenue bonds with 20-year terms, 3.5% interest, 1.0% issuance cost, and a 1.25 minimum debt service coverage requirement.
  - » Sewer utility share of City of Bellingham Post Point WWTP Resource Recovery project: The preliminary repayment schedule was provided to FCS GROUP by the District's bond financial advisor. The schedule assumes net proceeds of \$10 million to be received in 2026, three years of interest only payments 2027-2029, final principal and interest payments in 2051, and an estimated true interest cost of 2.50%.
- City of Bellingham Sewer Treatment The District does not treat its own sewage; wastewater treatment services are provided by the City of Bellingham. Per conversations with District staff, treatment costs paid to the City of Bellingham are assumed to grow 3.00% per year.
- Water State Excise Tax Assumed to be 5.029% throughout the 20-year study period.
- Weighted Sewer Tax Rate 2.59% based on a 40% collection and 60% transmission revenue allocation, as provided by the District.
- State B&O Tax Assumed to be 1.75% throughout the 20-year study period.
- District's share of any upgrades to City of Bellingham Post Point WWTP to address the recent State-issued Puget Sound Nutrient Removal General Permit are not included in this study.

*Note on inflation:* In the short term, the U.S. economy is experiencing a higher-than-historical level of inflation, which is influenced by pandemic conditions, supply chain issues, and reduced labor force participation. However, the inflation assumptions for this forecast are intended to be averages over a long term. The November 2021 economic forecast from the Washington State Economic and Revenue Forecast Council projects the Personal Consumption Expenditures (PCE) price inflation for the coming four years to be 2.9% in 2022, 1.9% in 2023, and 2.1% in both 2024 and 2025. For those reasons, we consider the assumptions in this rate study to be appropriately conservative at this time. However, if higher levels of inflation persist, the District may want to re-evaluate the forecast mid-way through its 2022-2026 rate schedule plan.



# Section IV. WATER REVENUE

# REQUIREMENT

The revenue requirement identifies the total revenue needed to fully fund the utility on a standalone basis considering current financial obligations including operating expenditures, debt service, policy-driven commitments, and future capital expenditures identified by the District. Needed rate increases are applied "across-the-board" for the utility. The sewer utility revenue requirement is discussed in the next section.

## **Fund Balances**

The water utility tracks operating activity in the Water Fund (401) and capital activity in the Water Contingency Fund (426). As shown in **Exhibit 3**, at the beginning of 2021, Fund 401 had \$1 million in cash (well above 90 days of operating expenses) and Fund 426 had just under \$0.5 million in cash (approximately at 1% of fixed assets).

Description	Beginning 2021 Cash Balances
Operating Cash (Water Fund 401)	\$1,042,000
Capital Cash (Water Contingency Fund 426)	\$460,000
Debt Reserve (Bond Reserve Fund 460)	(Fully allocated to Sewer Utility)
Total Beginning Cash January 1, 2021	\$1,502,000

#### Exhibit 3: Cash Balances for the Water Utility

# **Existing Debt Obligations**

The District does not have any existing bonded debt obligations related to the water utility. However, the District does have two Drinking Water State Revolving Fund (DWSRF) loans: the Division 22 Reservoir and Geneva Area AC Main Replacement loans.

The Geneva Area AC Main Replacement loan is expected to be fully repaid in 2035 while the Division 22 Reservoir loan is anticipated to be repaid by the year 2037. Debt payments for both loans throughout the twenty-year study period total \$3.3 million, and average annual debt service payments are \$193,000 per year 2021-2037.

# Capital Expenditure Forecast

The 2021-26 capital improvement program (CIP) as well as the 2023-2041 Sudden Valley Water Treatment Plant (SVWTP) CIP were provided by the District. Beyond 2026, annual repair and replacement projects were assumed at a level commensurate with annual rate-funded system reinvestment (\$240,000 in 2021, plus \$10,000 per year after). To fit the SVWTP CIP in the twenty-



year forecast model, capital expenditures planned for 2041 (*Implement Backwash Recycle Improvements*) are assumed in 2040 instead.

Costs were provided by project, by year, and were in 2021 dollars. To estimate the actual spending by year, costs are escalated to the estimated year of construction. **Exhibit 4** shows the planned annual capital spending, with estimated cost escalation.



Exhibit 4: Capital Improvement Program (escalated dollars)

# Revenue Requirement Methodology

The revenue requirement analysis evaluates the sufficiency of the utility's revenues against its financial obligations in the context of two tests described below:

- **Cash Flow Test.** The cash flow test determines whether or not the utility's annual revenues are sufficient to cover the known cash requirements for each year of the forecast. The District can temporarily waive the requirements of the cash flow test as part of a conscious decision to phase in rate increases, as long as its operating reserve balance is sufficient to absorb the resulting cash-flow deficit.
- **Coverage Test.** The coverage test evaluates the utility's ability to meet applicable bond coverage requirements. As this test focuses on annual financial performance, it precludes the use of reserves to cover shortfalls.

In determining the annual revenue requirement, the test with the greatest deficiency generally drives the rate increase in any given year. For the water utility forecast, the cash flow sufficiency test always produces a greater deficiency than the debt service coverage test. With the recommended rate increases, a comfortable debt service coverage ratio of 2.3 or greater on all debt and 4.3 or greater on bonded debt is achieved throughout the forecast.

In general, the water utility maintains a combined ending fund balance above 180 days throughout the study, dropping slightly below the threshold in years corresponding with the timing of major capital improvements associated with the SVWTP projects (167 days in 2028, 151 days in 2036, and 142 days in 2040).



## Capital Funding Strategy

The capital plan through 2040 totals \$12.3 million (\$16.7 million with cost escalation), of which about \$11.2 million is expected to be funded with cash financing (sometimes referred to as "pay-asyou-go" financing). In addition, \$1.9 million is expected to come from general facilities charge revenue; \$3.3 million is expected to be debt financed (\$2.8 million in 2028; \$500,000 in 2040); and \$239,000 is expected to come from a grant for the District's Division 7 Reservoir planning and design project. **Exhibit 5 shows** the projected funding strategy for the CIP.

The District was just awarded a \$2 million FEMA Hazard Mitigation Grant for its Division 7 reservoir. Other than the cost of preliminary planning and design (and the existing offsetting \$239,000 grant), neither the construction cost nor the \$2 million grant was included in the rate forecast, so the cost and offsetting grant are assumed to be a wash in terms of this rate forecast.



#### Exhibit 5: Capital Funding Strategy 2021-40

# **Revenue Requirement Results**

**Exhibit 6** graphically represents the revenue requirement forecast through 2040. The bars represent costs of the utility such as operating expenses, existing and new debt service, and annual rate revenue earmarked for capital projects (System Reinvestment and Operating Surplus). The solid black line represents revenue at existing 2021 rates and the dashed line shows forecasted revenue with rate increases. Other observations are provided below:

- Solid line: Revenue at existing rates.
  - Rate revenue is expected to be roughly \$2.8 million in 2021 and is expected to increase 0.25% per year with customer growth, before future rate adjustments. This line also includes miscellaneous revenues such as late fees. The District's 2021 rate revenue is sufficient to cover operating expenditures, existing debt service, and system reinvestment funding.
- Dashed line: Revenues with rate increases.
  - » As the costs associated with the capital program are incorporated into the forecast, rate revenue must increase to allow the utility to execute the capital funding strategy.
  - » Rate revenues are expected to grow to just under \$5.4 million by 2040.



- Dark blue bar: Operating expenses.
  - » Operating expenses are based on the preliminary 2022 budget and increase with the annual cost escalation assumptions previously discussed.
  - The forecast also assumes the water utility's share (50%) of an additional 0.5 FTE which is assumed to be added in 2023. The District's 2022 budget already assumes an additional 0.5 FTEs, split equally between the water and sewer utilities.
- Pink bar: Existing debt service.
  - » Existing debt service associated with the outstanding Division 22 Reservoir and Geneva Area AC Main Replacement DWSRF loans are anticipated to be fully repaid by the year 2037. The principal and interest payments average nearly \$200,000 per year during that period.
- Light green bar: New debt service.
  - The forecast assumes \$2.8 million in debt proceeds in 2028 and \$500,000 in 2040 to help fund Sudden Valley Water Treatment Plant projects; annual debt service is estimated to be roughly \$215,000 through 2039 and increase to \$250,000 beginning in 2040.
- Dark Green bar: System reinvestment.
  - » As noted previously, the current system reinvestment target for the water utility is \$240,000 in 2021 and increases by \$10,000 per year.
- Yellow bar: Operating surpluses available for capital (*annual surplus, not cumulative reserves*).
  - » This amount increases gradually after 2023 as revenues increase with rate increases. By 2030, roughly \$300,000 per year would be available for capital projects. These amounts help mitigate borrowing needs in 2028 and 2040.



#### Exhibit 6: Annual Water Utility Revenue Requirement Forecast 2021-40



#### Forecast Reserves

#### **Operating Reserve Balances**

The target operating reserve is between 60-90 days of total annual operating expenditures. **Exhibit 7** shows that in each year of the forecast, the utility is expected to comfortably exceed the 60-day mark and is routinely at the 90-day mark. Any cash above this 90-day mark is assumed to be available for capital projects. This target increases as operating expenses increase due to forecasted inflation.





#### Capital Reserve Balances

In order to minimize the amount of debt incurred, the capital reserve balances need to fluctuate in response to the timing of the CIP.

We saw earlier in **Exhibit 4** that there are three future years with very high cash demands for capital projects, all of them associated with improvements to the Sudden Valley Water Treatment Plant. In 2028, about \$3.8 million will be needed. Then, in 2036, the District will need about \$2.6 million. Finally, another \$2.6 million will be needed in 2040. (All of these figures include estimated inflation.)

The capital funding strategy shown earlier on **Exhibit 5** shows that in order to keep the amount of debt to only \$3.3 million, about \$11.2 million of the long-term CIP must be funded from cash financing. "Cash financing" (also called "pay-as-you-go" financing) is a combination of current-year rate revenue and cash reserves saved up from previous years. Cash reserves are built up from a combination of planned minimum system reinvestment and previous years' operating surpluses.



A note about terminology: the word *surplus* does not mean "not needed." This is can be confusing, because in common usage, we might say, for example, that an unneeded piece of furniture is "surplus furniture." In contrast, in utility financial planning, an operating "surplus" is an amount that is not needed *this year* for operating purposes but that will be needed *in a future year* for a very large capital project. The key to minimizing debt is to look ahead at the costly capital projects in the future and take advantage of the years between now and then to save up—that is, to generate operating surpluses. Any money saved in one year becomes part of the capital reserve balance available to spend in a following year. The capital reserve balance should be growing each year until the large projects occur, at which time the balance is drawn down. The larger the capital balance in the year of a big project, the less borrowing is needed.

**Exhibit 8** shows how this is done. It depicts the projected capital reserve balance through 2040. In the forecast, the reserve balance will grow from 2022 through 2027, and then it will be drawn down in 2028 as a result of a \$3.8 million project, SVWTP Construction and Pumps. About \$2.8 million in debt will be needed at that time, but if it were not for the accumulated cash reserves, even more debt would be needed. After 2028, the combination of planned system reinvestment and operating surpluses will allow the capital reserve balance to begin growing again.

In 2036, another major project will be completed that will cost about \$2.6 million (Chemical Addition System Improvement). Because there will have been more time to build up the reserves, that project can be entirely cash-financed—no debt will be needed in 2036, but the capital fund balance will be drawn down to the policy minimum. The capital reserves will be built back up again until 2040, when another drawdown plus \$500,000 in debt proceeds will be needed to fund a \$2.6 million project (Chlorine Contact Basin). At each major step, the existence of the capital reserves is essential to minimizing debt. The result of this strategy is that out of a total \$16.7 million capital program, only \$3.3 million (or 20%) is projected to come from borrowing. Pay-as-you-go financing can cover two-thirds of the CIP.







# Section V. SEWER REVENUE

# REQUIREMENT

### **Fund Balances**

The sewer utility tracks operating activity in the Sewer Fund (402), capital activity in the Sewer Contingency Fund (425), and debt reserves in the Bond Reserve Fund (460). As shown in **Exhibit 9**, at the beginning of 2021, Fund 402 had \$1.5 million in cash (well above 90 days of operating expenses) and Fund 425 had just under \$0.8 million in cash (approximately at 1% of fixed assets). Fund 460 had a debt reserve of approximately \$772,000.

Description	Beginning 2021 Cash Balances
Operating Cash (Sewer Fund 402)	\$1,515,000
Capital Cash (Sewer Contingency Fund 425)	\$796,000
Debt Reserve (Bond Reserve Fund 460)	\$772,000
Total Beginning Cash January 1, 2021	\$3,083,478

Exhibit 9:	Cash	Balances	for	the	Sewer	Utilitv

# **Existing Debt Obligations**

The District's sewer utility carries existing debt service obligations associated with the 2016 Revenue Bonds, which is expected to be fully repaid by 2035. Principal and interest payments 2021-2035 total \$7.0 million and average roughly \$470,000 per year.

# Capital Expenditure Forecast

The 2021-26 CIP as well as the capital costs associated with the Post Point Wastewater Treatment Plant (WWTP) Resource Recovery project were provided by the District. Beyond 2026, annual repair and replacement projects were assumed in a level commensurate with annual rate funded system reinvestment (\$800,000 in 2021, plus \$10,000 per year after that). Costs were provided by year, and were in 2021 dollars. To estimate the actual spending by year, costs are escalated to the estimated year of construction. **Exhibit 10** shows the planned annual capital spending, with cost escalation.

Routine repair and replacement projects (blue bars) average \$950,000 per year in inflated dollars. The District's share of the Post Point WWTP Resource Recovery project is expected to be roughly \$11.6 million with assumed cost escalation, assumed to be payable in 2026.







There is a second major project expected for the Post Point WWTP in future years—upgrades to comply with the recent State-issued Puget Sound Nutrient Removal General Permit. The City of Bellingham has not yet determined the cost and timing of the nutrient removal project, so it is not included in this CIP, but we know it will be a major project, more costly than the Resource Recovery project. The City's preliminary estimates are that the Nutrient Removal project could be over \$400 million in inflated dollars, to be constructed in phases between 2027 through 2035. According to the District's agreement with the City, the District is responsible for 6.4% of the cost of capital improvements at the Post Point WWTP, so the District's share of the nutrient removal project could be more than \$25 million over time. While this capital liability is not formally incorporated into this rate study, the recommended rate increases do allow the District to begin generating savings in advance of this major project.

# Revenue Requirement Methodology

As previously noted, in determining the annual revenue requirement, the test with the greatest deficiency generally drives the rate increase in any given year - cash test versus coverage test.

For the sewer utility, the cash flow sufficiency test produces a greater deficiency in most years. However, in 2027-2029, targeting a coverage mark of 2.0 or greater produced a greater deficiency than the cash flow test. During that period, debt service coverage on bonded debt averages 2.1. In 2030-2040, bonded debt service coverage averages 2.7. Throughout the forecast period, the sewer utility maintains a combined ending fund balance above 180 days, with the lowest year in 2026 (186 days).

# Capital Funding Strategy

The capital plan totals \$24.6 million (\$30.5 million with cost escalation), of which \$18.6 million is expected to be funded with cash financing—a combination of operating surpluses and planned rate-funded system reinvestment. In addition, \$2.0 million is expected to come from general facilities charge revenue, and \$10 million is expected to be debt-financed, with proceeds received in 2026.



Exhibit 11 shows the projected funding strategy for the CIP.





# Revenue Requirement Results

**Exhibit 12** graphically represents the revenue requirement forecast through 2040. The bars represent costs of the utility such as operating expenses, existing and new debt service, and annual rate revenue earmarked for capital projects (System Reinvestment and Operating Surplus). The solid black line represents revenue at existing 2021 rates and the dashed line shows forecasted revenue with rate increases. Other observations are provided below:

- Solid line: Revenue at existing rates.
  - Rate revenue is expected to be roughly \$4.3 million in 2021 and is expected to increase 0.25% per year with customer growth, before future rate adjustments. This line also includes miscellaneous revenues such as late fees. The District's 2021 rate revenue is sufficient to cover operating expenditures, existing debt service, and rate funded system reinvestment.
- Dashed line: Revenues with rate increases.
  - » As the costs associated with the capital program are incorporated into the forecast, rate revenue must increase to allow the utility to execute the capital funding strategy.
  - » Rate revenues are expected to grow to just under \$6.9 million by 2040.
- Dark blue bar: Operating expenses.
  - » Operating expenses are based on the preliminary 2022 budget and increase with the annual cost escalation assumptions previously discussed.
  - » As previously noted, this forecast assumes 0.25 FTEs are added to the sewer utility budget in 2023. This adds to the 0.25 FTE already in the 2022 sewer utility budget, combing for a total of 0.5 maintenance FTEs in the sewer utility and 0.5 maintenance FTEs in the water utility.
- Pink bar: Existing debt service.
  - » Existing debt service associated with the outstanding 2016 Revenue Bond is anticipated to be fully repaid by the year 2035. The existing debt reserve will cover the final payment.



- Light green bar: New debt service.
  - The forecast assumes \$10.0 million in debt proceeds in 2026 to help fund the District's portion of the Post Point Wastewater Treatment Plant project; annual principal and interest payments are estimated to be \$625,000 per year throughout the life of the study (the 25-year bond terms extend beyond this analysis). To allow the rates to phase-towards the full level of debt service, bond counsel constructed a schedule that allowed for interest only payments in 2027-2029.
- Dark Green bar: System reinvestment.
  - » As noted above, the system reinvestment target for the sewer utility is \$800,000 in 2021 and increases by \$10,000 per year.
- Yellow bar: Operating surplus available for capital (annual surplus, not cumulative reserves).
  - » This amount increases gradually as revenues increase with rate increases and averages \$160,000 per year 2027-2040.



#### Exhibit 12: Annual Sewer Utility Revenue Requirement Forecast 2021-40



#### Forecasted Reserves

#### **Operating Reserve**

The target operating balance is between 45-60 days of total annual operating expenditures. **Exhibit 13** shows that in each year of the forecast, the utility is expected to meet the 60-day mark. Any cash above this 60-day mark is assumed to be available for capital projects. This target increases as operating expenses increase due to forecasted inflation.





#### **Capital Reserve**

**Exhibit 14** shows the forecast capital reserve balance through 2040. The reserve balance is projected to grow until 2026, the assumed year when the District will need to provide the required \$11.6 million capital contribution to the City of Bellingham for its 6.4% share of the cost of the Post Point WWTP Resource Recovery project. Most of the District's share of that project—about \$10 million—will need to be borrowed.

As we mentioned above, there is a second—and larger—capital project expected at the Post Point WWTP. This will be the improvements needed to meet State requirements under the Nutrient Removal General Permit. The scope and timing of that project has not been determined yet by the City—several scenarios are currently being considered—so it is not yet included in these capital costs. However, the City's own preliminary projections show a possible magnitude of \$400 million in inflated dollars. The District's 6.4% share of that cost could therefore be over \$25 million. The City's preliminary planning shows construction taking place between 2027 and 2035, after the Resource Recovery project but within the time horizon of this forecast.







The capital reserve balances in **Exhibit 14** appear to grow with no end in sight, but in reality, we know that every dollar saved in advance will offset the debt that will be needed to fund the District's share of the Nutrient Removal project. The forecast here shows accumulated reserves of only \$4.8 million by 2040, compared with a potential obligation of over \$25 million during the second half of this time period.

As soon as the City formalizes its cost estimates and schedule for the Nutrient Removal project, the District should update the sewer capital plan and rate forecast to take this project explicitly into account.



# Section VI. CONCLUSION

## Revenue Requirement & Rate Schedule

The adopted rate increases in **Exhibit 15** (and the planned increases beyond 2026 shown in **Exhibits** 6 and 12) allow the District to accomplish the following:

- Continue to fund existing operating expenses and debt service.
- Allow each utility to cash-finance and/or cover new debt service obligations resulting from the capital fund strategy for each utility:
  - » Water utility: \$16.7 million in projects from 2021-2040 (escalated dollars).
  - » Sewer utility: \$30.5 million in projects from 2021-2040 (escalated dollars).
- Maintain utility reserves at a healthy level throughout the forecast.

Adopted Rate Plan	2021	2022	2023	2024	2025	2026
Water Annual Rate Adjustments		4.50%	4.50%	4.50%	4.50%	4.50%
<b>Bi-Monthly Water Rates</b> (5/8"x3/4" meter):						
Fixed Charge	\$76.05	\$79.47	\$83.05	\$86.79	\$90.69	\$94.77
Volume Charge (per ccf)						
600-2,500 cf/bi-month	\$10.79	\$11.28	\$11.78	\$12.31	\$12.87	\$13.45
>2,500 cf/bi-month	\$13.50	\$14.11	\$14.74	\$15.41	\$16.10	\$16.82
<b>Sewer</b> Annual Rate Adjustments		3.75%	3.75%	3.75%	3.75%	3.75%
Bi-Monthly Sewer Rates Fixed Charge	\$171.67	\$178.11	\$184.79	\$191.72	\$198.91	\$206.36

#### Exhibit 15: Recommended Rates – Single-Family

# Single-Family Residential Rate Comparison

As a resource to the District and its customers, a rate survey of regional utilities was performed. **Exhibit 16** shows each jurisdiction's 2021 estimated bi-monthly single-family residential (SFR) bills for water and sewer services. Note that each jurisdiction has a unique set of geographic traits, customers, and system characteristics that can have a significant impact on rates. Additionally, some of these jurisdictions may be planning to adjust rates in 2022 as well.

Some jurisdictions embed their city utility tax in their rates, while others separately itemize the tax on customer bills above the stated rates. We do not have data on the billing practices of other cities, so there may or may not be a tax embedded in other utility rates.



These rates assume the smallest water meter size, 1,000 cubic feet of water consumption per bimonthly billing period, and if applicable, 1,000 cubic feet of sewer flow per bi-month. The assumption of 1,000 cubic feet per bi-month corresponds to typical water usage for single-family customers. However, many jurisdictions charge a flat rate for single-family sewer.





# Updating This Study's Findings

We recommend that the District revisit the sewer utility forecast as soon as the City formalizes its plans for responding to the Nutrient Removal General Permit. In addition, it is good practice to periodically compare study findings with actual revenues and expenses, to ensure that the assumptions used (including inflation assumptions) are still appropriate. Major changes to the key assumptions may call for adjustments to the rate strategy.



# Section VII. APPENDIX

# APPENDIX A. RATE RESOLUTION 879



#### LAKE WHATCOM WATER AND SEWER DISTRICT RESOLUTION NO. 879

A Resolution of the Board of Commissioners Updating the Master Fees and Charges with Schedule No. 28 Effective January 1, 2022

WHEREAS, the Lake Whatcom Water and Sewer District ("District") is responsible for planning, improvements, maintenance, and operation of comprehensive water and sewer systems capable of providing reliable service to District ratepayers; and

WHEREAS, the District needs to periodically adjust its fees and/or charges to better reflect the actual cost of services rendered; and

WHEREAS, the District intends to maintain a stable rate structure so that it may continue to responsibly and reliably provide services with lower rate increases into the future; and

WHEREAS, the District Board of Commissioners has reviewed and determined it appropriate to update the Master Fees and Charges schedule, as reflected in Exhibit A attached hereto for reference purposes only, which identifies specific amendments to the current Schedule No. 27 with deletions in strikethrough and additions underlined; and

WHEREAS, the foregoing recitals are a material part of this Resolution;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Lake Whatcom Water and Sewer District, Whatcom County, Washington as follows:

<u>Section 1</u>. The Master Fees and Charges, Schedule No. 28, as attached hereto as Exhibit B, is adopted in its entirety and shall replace Schedule No. 27.

<u>Section 2</u>. Title 7 of the District Administrative Code shall be amended such that Schedule No. 28 will replace Schedule No. 27 as the operative Master Fees and Charges schedule for the District.

<u>Section 3</u>. Any resolutions or parts of resolutions in conflict herewith are hereby repealed insofar as they conflict with the provisions of this Resolution.

Section 4. If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Resolution. The Board of Commissioners hereby declare that it would have passed this Resolution and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases has been declared invalid or unconstitutional, and if, for any reason, this Resolution

Resolution No. 879 Page 1 of 2 Adopted November 24, 2021

should be declared invalid or unconstitutional, then the original resolution or resolutions shall be in full force and effect.

<u>Section 5:</u> This Resolution shall be effective immediately. The application of Schedule No. 28 and effective date of the code amendment described in Section 2 shall be January 1, 2022.

ADOPTED by the Board of Commissioners of Lake Whatcom Water and Sewer District, Whatcom County, Washington, at a regular meeting thereof, on the 24<sup>th</sup> day of November, 2021.

Laura Abele, President, Board of Commissioners

Attest:

Rachael Hope, Recording Secretary

Approved as to form:

Robert Carmichael, Attorney for the District

Resolution No. 879 Page 2 of 2

Adopted November 24, 2021

## EXHIBIT A

#### MASTER FEES & CHARGES - SCHEDULE 2728

Item	Item Description	Fee/Charge	Reference			
1	Equipment Charge, Hourly					
	District-owned equipment will be charged at the current U.S. Federal					
	Emergency Management Agency schedule of equipment rates for					
	equivalent equipment as determined by the District.					
2	2 Information Reproduction					
	Digital Recording - Board Meeting	\$35.00	Resolution 680			
	Document - Standard Size - Less than 10 Pages No Charge					
	Document - Standard Size - More than 10 Pages \$0.15 per page					
3	3 Labor, Hourly					
	District labor will be charged at the current, fully burdened cost for salary		Possilution 860			
	and benefits, plus a 10% overhead rate.		Resolution 860			
	Consultant Engineer - Invoice for Services Rendered + 10%		Resolution 860			
4	Document Recording Fees		any and any construction of the start of the sec			
	Document Recording	\$105.00	Resolution 753			
	Lien Record/Release	\$215.00	Resolution 860			
	Transfer, real estate closing \$30.00					
	Segregation of assessment, equivalent residential units and water/sewer \$100.00					
	Assessment Transfer \$250.00 F					
5	Payment Return Item	\$15.00	Resolution 860			

Comme	Sewer Servic				
Item	Item Descript	tion		Fee/Charge	Reference
6	Regular Custo	omer Charge Per Billing Cycle – Sewer			
	Effoctivo	Account Charge	\$7.76		
	January 1	Volume Charge per dwelling unit	\$155.64		Deselution 200
	2010	Total Billing Cycle Charge		\$163.40	Kesolution-806
	2019	Low Income/Senior/Disabled Rate (40%	<del>6 Discount)</del>	\$98.04	
	Effortivo	Account Charge	\$7.95		1
	Lanuary 1	Volume Charge per dwelling unit	\$159.53		0
	<del>2020</del>	Total Billing Cycle Charge	\$167.49	Resolution 844	
		Low Income/Senior/Disabled Rate (40%	6 Discount)	\$100.49	
	T ff o otivio	Account Charge	<del>\$8.15</del>		
	January 1	Volume Charge per dwelling unit	<del>\$163.52</del>		Deselution 044
	2021	Total Billing Cycle Charge	\$171.67	Kesolution 844	
	2022	Low Income/Senior/Disabled Rate (40%	\$103.00	1	
6	Regular Customer Charge Per Billing Cycle - Sewer				
	Effortivo	Account Charge	\$8.46		
	lanuary 1	Volume Charge per dwelling unit	\$169.65		Deselution 070
	2022	Total Billing Cycle Charge		\$178.11	Resolution 879
	<u> </u>	Low Income/Senior/Disabled Rate (40%	<u>6 Discount)</u>	\$106.86	

And the second se	Effective	Account Charge	<u>\$8.77</u>			
	Effective	Volume Charge per dwelling unit	\$176.01		Possilution 970	
	January 1,	Total Billing Cycle Charge		<u>\$184.79</u>	Kesolution 879	
	2023	Low Income/Senior/Disabled Rate (40%	<u>Discount)</u>	<u>\$110.87</u>		
	Effortivo	Account Charge	<u>\$9.10</u>			
	Enecuve	Volume Charge per dwelling unit	\$182.61		Pecolution 970	
	January 1,	Total Billing Cycle Charge		<u>\$191.72</u>	Kesolution 879	
	2024	Low Income/Senior/Disabled Rate (40%	\$115.03			
	Effoctivo	Account Charge	\$9.44			
	Enective	Volume Charge per dwelling unit	<u>\$189.46</u>		Decolution 970	
	January 1,	Total Billing Cycle Charge	<u>\$198.91</u>	Resolution 879		
	2025	Low Income/Senior/Disabled Rate (40% Discount)		<u>\$119.34</u>		
	Effoctivo	Account Charge	<u>\$9.80</u>			
	Lanuary 1	Volume Charge per dwelling unit	<u>\$196.57</u>		Decelution 970	
	January I,	Total Billing Cycle Charge		\$206.36	Resolution 879	
2020		Low Income/Senior/Disabled Rate (40%	<u>\$123.82</u>			
7	Late Fee 1 late fee per acc	ount per year refundable with General Manager's	10% of past due utility services balance	RCW 57.08.081(3)		

Billing - Water Sales					
Item	Item Descript	tion	Fee/Charge	Reference	
8	Regular Custo	omer Charge Per Billing Cycle - Up to 600 cubic feet of water			
		5/8 x 3/4 Inch Meter	<del>\$70.31</del>		
		Low Income/Senior/Disabled Rate	\$42.19		
		1 Inch Meter	\$93.25		
	Effoctivo	1.5 Inch Meter	\$128.64		
	Lanuary 1	2-Inch-Meter	\$177.74	Decolution 206	
	2010	3-Inch-Meter	<del>\$351.51</del>	Resolution 600	
	2019	Usage over 600 cubic feet (per 100 cubic feet)	<del>\$9.98</del>		
		Low Income/Senior/Disabled Rate	<del>\$5.99</del>		
		Usage over 2,500 cubic feet (per 100 cubic feet)	\$12.48		
		Low Income/Senior/Disabled-Rate	<del>\$7.49</del>		
		<del>5/8 x 3/4 Inch Meter</del>	<del>\$73.12</del>		
		Low Income/Senior/Disabled-Rate	<del>\$43.88</del>	]	
		<del>1 Inch Meter</del>	<del>\$96.98</del>		
	Effortivo	1.5 Inch-Meter	<del>\$133.79</del>	]	
	January 1	<del>2 Inch Meter</del>	<del>\$184.85</del>	Decolution 944	
	2020	3 Inch Meter	<del>\$365.57</del>	Resolution 844	
	2020	Usage over 600 cubic feet (per 100 cubic feet)	<del>\$10.38</del>		
		Low Income/Senior/Disabled Rate	\$6.23		
		Usage over 2,500 cubic feet (per 100 cubic feet)	\$12.98		
		Low Income/Senior/Disabled Rate	<del>\$7.79</del>		

MASTER	FEES &	CHARGES	-	SCHEDULE 2728

		<del>5/8 × 3/4 Inch Meter</del>	<del>\$76.05</del>	
		Low Income/Senior/Disabled Rate	\$45.63	
		1 Inch Meter	<del>\$100.86</del>	
	Effective	1.5-Inch Meter	<del>\$139.14</del>	
	Effective-	2 Inch Meter	\$192.24	1
	January 1,	3 Inch Meter	<del>\$380.19</del>	Resolution 844
	2021	Usage over 600 cubic feet (per 100 cubic feet)	<del>\$10.79</del>	
		Low Income/Senior/Disabled Rate	<del>\$6.48</del>	
		Usage over 2,500 cubic feet (per 100 cubic feet)	<del>\$13.50</del>	
		Low Income/Senior/Disabled Rate	<del>\$8.10</del>	
<u>8</u>	<b>Regular Custo</b>	mer Charge Per Billing Cycle - Up to 600 cubic feet of water		
		5/8 x 3/4 Inch Meter	\$79.47	Î
		Low Income/Senior/Disabled Rate	\$47.68	
		1 Inch Meter	\$105.40	
	Effective	1.5 Inch Meter	\$145.40	
	Effective	2 Inch Meter	\$200.89	
	<u>January 1,</u>	3 Inch Meter	<u>\$397.30</u>	Resolution 879
	2022	Usage over 600 cubic feet (per 100 cubic feet)	<u>\$11.28</u>	
		Low Income/Senior/Disabled Rate	<u>\$6.77</u>	
		Usage over 2,500 cubic feet (per 100 cubic feet)	<u>\$14.11</u>	
		Low Income/Senior/Disabled Rate	<u>\$8.46</u>	
		<u>5/8 x 3/4 Inch Meter</u>	<u>\$83.05</u>	
		Low Income/Senior/Disabled Rate	<u>\$49.83</u>	
		<u>1 Inch Meter</u>	<u>\$110.14</u>	
	Effective	<u>1.5 Inch Meter</u>	<u>\$151.94</u>	
	lanuary 1	<u>2 Inch Meter</u>	<u>\$209.93</u>	Possilution 970
	<u>2023</u>	<u>3 Inch Meter</u>	<u>\$415.18</u>	Resolution 879
	2025	Usage over 600 cubic feet (per 100 cubic feet)	<u>\$11.78</u>	
		Low Income/Senior/Disabled Rate	<u>\$7.07</u>	
		Usage over 2,500 cubic feet (per 100 cubic feet)	<u>\$14.74</u>	
		Low Income/Senior/Disabled Rate	<u>\$8.85</u>	
		<u>5/8 x 3/4 Inch Meter</u>	<u>\$86.79</u>	
		Low Income/Senior/Disabled Rate	<u>\$52.07</u>	
		<u>1 Inch Meter</u>	<u>\$115.10</u>	
	Effective	<u>1.5 Inch Meter</u>	<u>\$158.78</u>	
	lanuary 1	2 Inch Meter	<u>\$219.38</u>	Resolution 879
[	<u>2024</u>	<u>3 Inch Meter</u>	<u>\$433.86</u>	Resolution 875
		Usage over 600 cubic feet (per 100 cubic feet)	<u>\$12.31</u>	
		Low Income/Senior/Disabled Rate	<u>\$7.39</u>	
		Usage over 2,500 cubic feet (per 100 cubic feet)	<u>\$15.41</u>	
		Low Income/Senior/Disabled Rate	<u>\$9.24</u>	

Effective Date October 1, 2019 January 1, 2022 (Resolution 860 879)

	I			1
		<u>5/8 x 3/4 Inch Meter</u>	<u>\$90.69</u>	
		Low Income/Senior/Disabled Rate	\$54.41	
		1 Inch Meter	<u>\$120.28</u>	
	Effective	1.5 Inch Meter	\$165.93	1
	Effective	2 Inch Meter	<u>\$229.25</u>	Develution 0770
	January 1,	3 Inch Meter	\$453.38	Resolution 879
	2025	Usage over 600 cubic feet (per 100 cubic feet)	<u>\$12.87</u>	
		Low Income/Senior/Disabled Rate	<u>\$7.72</u>	
		Usage over 2,500 cubic feet (per 100 cubic feet)	<u>\$16.10</u>	
		Low Income/Senior/Disabled Rate	\$9.66	
	Effortivo	<u>5/8 x 3/4 Inch Meter</u>	<u>\$94.77</u>	Resolution 879
		Low Income/Senior/Disabled Rate	<u>\$56.86</u>	
		<u>1 Inch Meter</u>	\$125.69	
		1.5 Inch Meter	<u>\$173.39</u>	
	lanuary 1	2 Inch Meter	<u>\$239.57</u>	
	2026	<u>3 Inch Meter</u>	<u>\$473.79</u>	
	2020	Usage over 600 cubic feet (per 100 cubic feet)	\$13.45	
		Low Income/Senior/Disabled Rate	\$8.07	
		Usage over 2,500 cubic feet (per 100 cubic feet)	\$16.82	
		Low Income/Senior/Disabled Rate	<u>\$10.09</u>	
	Late Fee		10% of past due	
9	1 late fee per account per year refundable with General Manager's approval		utility services	RCW 57.08.081(3)
and the second second			balance	

Effective Date	October 1, 2019	January 1, 2022	(Resolution	860 879)
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Misce	llaneous Water Charges				
Item	Item Description	Fee/Charge	Reference		
10	Water Interruption - Voluntary - With Billing Suspension				
	Lock Curb Stop Valve - during normal business hours	1 month water/sewer base rate	Resolution 860		
	Unlock Curb Stop Valve - during normal business hours	No charge			
	Unlock Curb Stop Valve - outside normal business hours	\$150.00			
	Lock Curb Stop Valve	\$50.00			
	Unlock Curb Stop Valve - during normal business hours	No charge	Resolution 661		
	Unlock Curb Stop Valve - outside normal business hours \$150.00				
11	Water Interruption - Involuntary				
	Delinquent Account - Lock curb stop valve	\$75.00			
	Unlock Curb Stop Valve				
	During Normal Business Hours	No charge	Resolution 860		
	Outside Normal Business Hours	\$150.00	1		
12	Water Interruption - Other				
	Failure to comply with emergency order	\$75.00			
	Failure to eliminate cross connection	\$75.00			
	Failure to repair leak	\$75.00	Resolutions 661		
	Request of agency/higher authority	No charge	& 860		
	Visible leak in vacant building or disaster	No charge			

-			
	Unauthorized Lock Removal Fee		
13	When customer cuts or removes lock from meter without District	\$250.00	Resolution 860
	authorization		
		Material,	
14	Damaged Meter	equipment, &	Possilution 860
14	If meter is damaged by the customer	labor to repair	Resolution 860
		meter + \$250.00	
	Clear obstructed water meter after request to customer to remove is	\$75.00 + third	
15	refused	party charges	Resolution 860
16	Hydrant meter, fire hose, fittings		
	Meter rental deposit	\$1,500.00	Resolution 860
		\$50.00 per	Resolution 860
	Equipment rental - single continuous use	month	
	Bulk water purchase with hydrant meter	·	
	Effective January 1, 2020 Per 100 cubic feet	\$10.38	Resolution 844
	Effective January 1, 2021 Per 100 cubic feet	\$10.79	nessitution of i
	Effective January 1, 2022 - Per 100 cubic feet	<u>\$11.28</u>	
	Effective January 1, 2023 - Per 100 cubic feet	<u>\$11.78</u>	
	Effective January 1, 2024 - Per 100 cubic feet	\$12.31	Resolution 879
	Effective January 1, 2025 - Per 100 cubic feet	\$12.87	
	Effective January 1, 2026 - Per 100 cubic feet	\$13.45	
Devel	oper Extension Agreements		
Item	Item Description	Fee/Charge	Reference
17	Initial Fees		
	Application - Good for 60 days	\$300.00	Resolution 680
	Conformance Deposit	\$1,000.00	Resolution 680
	General Administration plus recording fees	\$750.00	Resolution 680
18	Final Design Review		
	By District Engineer	Cost + 2%	Resolution 680
19	Design Review and Inspection		
	Initial Deposit	\$5,000.00	Resolution 680
	Supplemental Deposit	\$5,000.00	Resolution 860
20	Contract noncompliance	Cost + 2%	Board Mtg 5/14/97
21	Latecomers Reimbursement Agreements, Reimbursement processing	Cost + 2%	Resolution 860
22	Special Agreements	Cost + 2%	Board Mtg 5/14/97
23			A MARKET AND A MARKET
	Third Party Claims	Cost + 2%	
24	Third Party Claims Time Extension	Cost + 2%	
24	Third Party Claims Time Extension Before Expiration Date	Cost + 2% \$250.00	

Permi	tting - Water I	Perm	iits			
				Continuous Flow	Meter Capac	ity
			Meter Size	Rating	Ratio	
			5/8 x 3/4 Inch	15	1	
	Mete	r	1 Inch	30	2	
	Informat	ion	1.5 Inch	75	5	
			2 Inch	120	8	
			3 Inch Compound	330	22	
			4 Inch Compound	440	29	
Item	Item Descrip	tion			Fee/Charge	Reference
25	Water Gener	al Fa	cilities & Installation			1
	* Installation	fees	marked with an * vary by project, p	lease see District Engine	er with question	<i>าร.</i>
			Meter Size	Connection Fee	Installation	
		5/8	<del>× 3/4</del>	\$5,885.00	\$2,000.00	1
	Effective-	<u>1</u>  r	ich	\$11,771.00	*	1
	October 1,	1.5	Inch	\$29,427.00	*	Resolution 860
	2019	2.1r	ich	\$47,084.00	*	
		3-Ir	ich Compound	\$129,480.00	*	-
		4.1r	i <del>ch Compound</del>	\$172,621.00	*	
			Meter Size	Connection Fee	Installation	
	Effortivo	5/8	<del>x 3/4 Inch</del>	\$6,033.00	\$2,000.00	
	lanuary 1	<del>1  n</del>	ch	\$12,065.00	*	
	2020	1.5	Inch	\$30,163.00	*	Resolution 860
	2020	2 In	ch	\$48,261.00	<u>*</u>	1
		<del>3 In</del>	<del>ch Compound</del>	\$132,717.00	*	1
		4-In	<del>ch Compound</del>	<del>\$176,936.00</del>	*	
			Meter Size	Connection Fee	Installation	
		- 10				
	Effective-	5/8	× 3/4-Inch	<del>\$6,183.00</del>	\$2,000.00	
	January 1,	1-In	<del>ch</del>	\$12,367.00	<u>*</u>	Resolution 860
	2021	1.5	Inch	\$30,917.00	*	
		<del>2 In</del>	ch	\$49,467.00	*	
		3-In	ch Compound	<del>\$136,035.00</del>	*	
		4- <del>1</del> 1	ch Compound	<del>\$181,360.00</del>	*	
			<u>Meter Size</u>	Connection Fee	Installation	
	Effective	5/8	x 3/4 Inch	\$6,337.58	<u>\$2,000.00</u>	
	January 1,	<u>1 In</u>	<u>ch</u>	\$12,676.18	*	Resolution 879
	2022	1.5	Inch	\$31,689.93	*	
		<u>2 In</u>	ch	\$50,703.68	*	
		<u>3 In</u>	ch Compound	\$139,435.88	*	
		<u>4 In</u>	ch Compound	\$185,894.00	*	

		1	Matar Siza	Connection	EAA	Installatio	on	I	
			Meter Size	connection	liee	Instanatio	<u>)    </u>	-	
		E /0 x 2/4 lpck		¢6.406.0	34	62 000 0	~		
	Effective	5/8 X 5/4 IIICI		<u>\$0,490.0</u>	<u>)</u>	\$2,000.0	0		
	January 1,			\$12,333.	08			Resolution 879	
	2023	1.5 Inch		\$32,482.	1/				
		2 Inch		<u>\$51,971.</u>	27				
		3 Inch Compo	und	\$142,921	.77				
26		4 Inch Compo	und	\$190,541	.35				
26	Permit Admin	istration & Pro	cessing			\$170.00	)	Resolution 860	
	Initial Water F	Pressure Reduc	ing Valve Inspection & Do	cumentation		\$50.00		Resolution 860	
	Water Pressu	re Reducing Va	lve Reinspection			\$100.00	)	Resolution 860	
27	Water Permit	- Special Char	ges						
	Blaine Water	Main Extension	n Latecomer's (North Shor	e)		\$10,910.0	)0	Expires 8/25/2024	
	North Shore a	ind Eagleridge/	COB Reimbursement			\$300.00	)	6/10/88 Agreemt	
	South Geneva	I Class A Water				\$17,088.9	97	Expires 7/22/2026	
	South Geneva	Class B Water				\$5,981.1	4	Expires 7/22/2026	
Permit	ting - Sewer P	ormite							
Profiline	ung sewens	ennins							
					Met	er Capacity			
			Meter Size			Ratio			
			5/8 x 3/4 Inch			1			
		Meter	1 Inch			2			
		Information	1.5 Inch			5			
			2 Inch			8			
			3 Inch Compound			72			
			4 Inch Compound			29			
			[ ,						
Item	Item Descript	ion			-	Fee/Charg	ge	Reference	
28	Sewer Genera	I Facilities							
			Meter Size	Connection	Fee	Installatio	нì		
		<del>5/8 × 3/4</del>		\$7,919.0	θ				
	Effective-	1 Inch		\$15,839.(	90	Dono by own	or's		
	January 1,	1.5 Inch		\$39,596.(	90	bondod.cie	do.	Resolution 835	
	2019	<del>2 Inch</del>		<del>\$63,354.(</del>	90	couver_contro	sctor.		
		3 Inch Compo	und	\$174,224.	00	Sewer contra	ictor		
		4 Inch Compo	und	<del>\$232,273.</del>	00				
			Meter Size	Connection	Fee	Installatio	H)		
		5/8 x 3/4 Inch		\$8,117.0	0				
	Effective-	<del>1 Inch</del>		\$16,235.0	90	Deve by our	- al a		
	January 1,	1.5 Inch		\$40,586.0	90	Done by own	ier s	Resolution 835	
	2020	2 Inch		\$64,938.0	90	Dondeu Sie	le-		
		3 Inch Compo	und	\$178,580.	00	sewer-contra	CTOF		
		4 Inch Compoi	und	\$238,079.	00	1			

Effective Date	October 1, 2019 January 1	, 2022	(Resolution	860 879)
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		Motor Sizo	Connection Fee	Installation	
		5/8 x 3/4 Inch	\$8.320.00	Thistung (io.)	
	Effective	1 Inch	\$16.640.00	۱ ۱	l
ļ	January 1,	1.5 Inch	\$41.601.00	Done by owner's	Resolution 835
	2021	2-Inch	\$66.562.00	bonded side	
'		2-Inch Compound	\$183.044.00	sewer contractor	
'		4 Inch Compound	\$244.031.00	1	1
!		Meter Size	Connection Fee	Installation	
	1	5/8 x 3/4 Inch	\$8.528.00	maturación	
ļ	Effective	1 Inch	\$17,056.00	1 !	
	January 1,	1.5 Inch	\$42,641.03	Done by owner s	Resolution 879
1	2022	2 Inch	\$68,22 <u>6.05</u>	bonded side	
1		3 Inch Compound	\$187, <u>620.10</u>	sewer contractor	l I
. I		4 Inch Compound	<u>\$250,131.78</u>	1 1	
, I		Meter Size	Connection Fee	Installation	1
, I		5/8 x 3/4 Inch	\$8,741.20		1
1	Effective	<u>1 Inch</u>	\$17,482.40	1	
, I	January 1,	1. <u>5 Inch</u>	\$43,707.05	Done by owner s	Resolution 879
	2023	2 I <u>nch</u>	\$69,931.70	bonded side	
		3 Inch Compound	\$192,310.60	sewer contractor	
_		4 Inch Compound	\$256,385.07		1
29	Service Install	ation - If District-installed stub exists		\$755.00	
.	Permit Proces	sing		\$170.00	1
.	Scheduled Sev	wer Inspection-Construction Not Ready		\$100.00	Resolution 860
.	Initial Sewer I	nspection/Grinder Pump Installation Insr	pection	\$370.00	I
	Sewer Reinspe	ection of Deficient Work		\$500.00	
30	Sewer Permit	- Special Charges			
	Lakewood/Gra	and Blvd Special Benefit Fee		\$6,000.00	District Funded
	La Salle Sewer	Extension		\$4,761.73	Expires 7/13/2021
	South Geneva	Class A Sewer		\$22,406.50	Expires 7/22/2026
	South Geneva	Class A Sewer Vault		\$1,704.55	Expires 7/22/2026
	ULID #18 Late	comers Fee - see table below		See table	Resolution 672
31	Other Sewer (	Charges			
	Review waiver	r of claim agreements for customer-own	ed side sewers with		
	less than 2% s	lope		\$50.00	Resolution 645
	Unauthorized	Connection to Sewer		·	
	Investigation,	testing, inspection		\$500.00	<b>Resolution 645</b>
	Repair and Co	rrection		Cost + 10%	Resolution 860
	Disconnect mo	onitoring/enforcement after 90 days		\$25.00/day	Board Mtg 8/29/03
	Voluntary Sew	er Service Interruption			
	Permit to insta	all two-way clean out		Permit processing	& inspection fee
	Suspend billing	g - insert plug into side sewer		\$250.00	
ļ	Resume billing	g/remove plug - during regular business l	hours	No charge	Resolution 709
	Resume billing	/remove plug - outside regular business	hours	\$150.00	

Effective Date October 1, 2019 January 1, 2022 (Resolution 860 879)

ULID #18	8 Latecomer Fee				
32	Year	Equivalent to Assessment	Latecomer Penalty	Total Fee	Reference
	2019	\$2,792.78	\$4,510.34	\$7,303.12	
	2020	\$2,792.78	\$4,775.65	\$7,568.43	
	2021	\$2,792.78	\$5,040.97	\$7,833.75	Resolution 672
	2022	\$2,792.78	\$5,306.28	\$8,099.06	

NOTE: As described in Resolution 672, ULID #18 Latecomer Charges were created to put parcels not assessed on the same footing as those that were assessed for the ULID. Assessed parcels could, and many did, prepay their assessments. To provide the same opportunity for non-assessed parcels, prepayment of ULID 18 Latecomer Charges will also be accepted. Therefore, paid in full ULID Latecomer Charges satisfy the ULID Latecomer Charges permanently.

Violat	Violations of Administrative Code					
Item	Item Description	Fee/Charge	Reference			
33	Labor	Staff hourly rates - See Item No. 3				
	Equipment Use Hourly rate - See Item No. 1		1			
	Materials	Cost of materials used	Resolution 798			
	Attorney's Fees and Expenses	Reimburse District's Costs				
	Administrative Fee	10% of total expenses				
	Any person who violates any provision of the Administrative Code shall be liable to the District for any expense, loss, damage, cost of inspection or cost of correction incurred by the District by reason of such violation, including any expenses and attorney fees incurred by the District in collecting from such person of such loss, damage, expense, cost of inspection or cost of correction, plus an administrative fee equal to 10% of the total expenses. (Reference: Administrative Code Section 3.3.1 Liability to District)					

Water Booster Pump Credit					
Item	Item Description	Credit	Reference		
<u>34</u>	Maximum allowable credit for installing a private water booster pump	<u>\$1,500.00</u>	Resolution 778		
	serving qualifying properties				

# EXHIBIT B

## MASTER FEES & CHARGES - SCHEDULE 28

Admin	Administrative Fees				
Item	Item Description	Fee/Charge	Reference		
1	Equipment Charge, Hourly				
	District-owned equipment will be charged at the current U.S. Federal				
	Emergency Management Agency schedule of equipment rates for		Resolution 860		
	equivalent equipment as determined by the District.				
2	Information Reproduction				
	Digital Recording - Board Meeting	\$35.00	Resolution 680		
	Document - Standard Size - Less than 10 Pages	No Charge	Resolution 680		
	Document - Standard Size - More than 10 Pages	\$0.15 per page	Resolution 717		
3	Labor, Hourly				
	District labor will be charged at the current, fully burdened cost for salary		Possilution 860		
	and benefits, plus a 10% overhead rate.		Resolution 860		
	Consultant Engineer - Invoice for Services Rendered + 10%		Resolution 860		
4	Document Recording Fees				
	Document Recording	\$105.00	Resolution 753		
	Lien Record/Release	\$215.00	Resolution 860		
	Transfer, real estate closing	\$30.00	Resolution 806		
	Segregation of assessment, equivalent residential units and water/sewer	\$100.00	Resolution 819		
	Assessment Transfer	\$250.00	Resolution 680		
5	Payment Return Item	\$15.00	Resolution 860		
Billing	- Sewer Service				
Item	Item Description	Fee/Charge	Reference		
		recremenge	Reference		

reciti	reem Descript	aon		ree/charge	Reference
6	Regular Custo	omer Charge Per Billing Cycle - Sewer			
	Effective	Account Charge	\$8.46		
		Volume Charge per dwelling unit	\$169.65		D
	2022	Total Billing Cycle Charge		\$178.11	Resolution 879
	2022	Low Income/Senior/Disabled Rate (40%	6 Discount)	\$106.86	
	Effoctivo	Account Charge	\$8.77		
	lanuary 1	Volume Charge per dwelling unit	\$176.01		D 1.11 070
	2022	Total Billing Cycle Charge		\$184.79	Resolution 879
	2023	Low Income/Senior/Disabled Rate (40%	6 Discount)	\$110.87	
	Effective	Account Charge	\$9.10		
	January 1,	Volume Charge per dwelling unit	\$182.61		
		Total Billing Cycle Charge		\$191.72	Resolution 879
	2024	Low Income/Senior/Disabled Rate (40%	6 Discount)	\$115.03	]
	Effective	Account Charge	\$9.44		
	lanuary 1	Volume Charge per dwelling unit	\$189.46		Deselution 070
	2025	Total Billing Cycle Charge		\$198.91	Resolution 879
	2025	Low Income/Senior/Disabled Rate (40%	ó Discount)	\$119.34	
	Effective	Account Charge	\$9.80		
	lanuary 1	Volume Charge per dwelling unit	\$196.57		Deselution 070
	2026	Total Billing Cycle Charge		\$206.36	Resolution 879
	2026	Low Income/Senior/Disabled Rate (40%	Discount)	\$123.82	1

Billing	- Sewer Servi	ce (cont'd)		
Item	Item Descrip	tion	Fee/Charge	Reference
7	Late Fee 1 late fee per ac	count per year refundable with General Manager's approval	10% of past due utility services balance	RCW 57.08.081(3)
Billing	- Water Sales			
Item	Item Descrip	tion	Fee/Charge	Reference
8	Regular Cust	omer Charge Per Billing Cycle - Up to 600 cubic feet of water		
		5/8 x 3/4 Inch Meter	\$79.47	
		Low Income/Senior/Disabled Rate	\$47.68	
	Effective January 1,	1 Inch Meter	\$105.40	1
		1.5 Inch Meter	\$145.40	1
		2 Inch Meter	\$200.89	
		3 Inch Meter	\$397.30	Resolution 879
	2022	Usage over 600 cubic feet (per 100 cubic feet)	\$11.28	1
		Low Income/Senior/Disabled Rate	\$6.77	1
		Usage over 2,500 cubic feet (per 100 cubic feet)	\$14.11	1
		Low Income/Senior/Disabled Rate	\$8.46	
		5/8 x 3/4 Inch Meter	\$83.05	-
		Low Income/Senior/Disabled Rate	\$49.83	
		1 Inch Meter	\$110.14	-
	Effortivo	1.5 Inch Meter	\$151.94	1
	Lanuary 1	2 Inch Meter	\$209.93	
	January 1,	3 Inch Meter	\$415.18	Resolution 879
	2025	Usage over 600 cubic feet (per 100 cubic feet)	\$11.78	1
		Low Income/Senior/Disabled Rate	\$7.07	1
		Usage over 2,500 cubic feet (per 100 cubic feet)	\$14.74	1
		Low Income/Senior/Disabled Rate	\$8.85	]
		5/8 x 3/4 Inch Meter	\$86.79	
		Low Income/Senior/Disabled Rate	\$52.07	]
		1 Inch Meter	\$115.10	]
	Effective	1.5 Inch Meter	\$158.78	1
	lanuary 1	2 Inch Meter	\$219.38	Decelution 970
	2024	3 Inch Meter	\$433.86	
	2024	Usage over 600 cubic feet (per 100 cubic feet)	\$12.31	]
		Low Income/Senior/Disabled Rate	\$7.39	]
		Usage over 2,500 cubic feet (per 100 cubic feet)	\$15.41	]
		Low Income/Senior/Disabled Rate	\$9.24	]

Billing	Billing - Water Sales (cont'd)				
Item	Item Descript	ion	Fee/Charge	Reference	
8		5/8 x 3/4 Inch Meter	\$90.69		
(cont'd)		Low Income/Senior/Disabled Rate	\$54.41	1	
		1 Inch Meter	\$120.28	1	
	Effoctivo	1.5 Inch Meter	\$165.93	]	
	lanuary 1	2 Inch Meter	\$229.25	Decelution 970	
	2025	3 Inch Meter	\$453.38	Resolution 879	
	2025	Usage over 600 cubic feet (per 100 cubic feet)	\$12.87	1	
		Low Income/Senior/Disabled Rate	\$7.72	]	
		Usage over 2,500 cubic feet (per 100 cubic feet)	\$16.10		
		Low Income/Senior/Disabled Rate	\$9.66		
		5/8 x 3/4 Inch Meter	\$94.77		
		Low Income/Senior/Disabled Rate	\$56.86		
		1 Inch Meter	\$125.69		
	Effective	1.5 Inch Meter	\$173.39		
	January 1	2 Inch Meter	\$239.57	Possilution 970	
	2026	3 Inch Meter	\$473.79	Resolution 879	
	2020	Usage over 600 cubic feet (per 100 cubic feet)	\$13.45		
		Low Income/Senior/Disabled Rate	\$8.07		
		Usage over 2,500 cubic feet (per 100 cubic feet)	\$16.82		
		Low Income/Senior/Disabled Rate	\$10.09		
9	Late Fee 1 late fee per acc	ate Fee late fee per account per year refundable with General Manager's approval		RCW 57.08.081(3)	

Miscel	laneous Water Charges		
Item	Item Description	Fee/Charge	Reference
10	Water Interruption - Voluntary - With Billing Suspension		
	Lock Curb Stop Valve - during normal business hours		Resolution 860
	Unlock Curb Stop Valve - during normal business hours	No charge	
	Unlock Curb Stop Valve - outside normal business hours	\$150.00	
	Lock Curb Stop Valve	\$50.00	
	Unlock Curb Stop Valve - during normal business hours	No charge	Resolution 661
	Unlock Curb Stop Valve - outside normal business hours	\$150.00	
11	Water Interruption - Involuntary		
	Delinquent Account - Lock curb stop valve	\$75.00	
	Unlock Curb Stop Valve		Develution 900
	During Normal Business Hours	No charge	Resolution 860
	Outside Normal Business Hours	\$150.00	

Misce	laneous Water Charges (cont'd)		
Item	Item Description	Fee/Charge	Reference
12	Water Interruption - Other		
	Failure to comply with emergency order	\$75.00	
	Failure to eliminate cross connection	\$75.00	Develutions CC1
	Failure to repair leak	\$75.00	Resolutions 661
	Request of agency/higher authority	No charge	& 860
	Visible leak in vacant building or disaster	No charge	
	Unauthorized Lock Removal Fee		
13	When customer cuts or removes lock from meter without District	\$250.00	Resolution 860
	authorization		
14	Damaged Meter If meter is damaged by the customer	Material, equipment, & labor to repair meter + \$250.00	Resolution 860
15	Clear obstructed water meter after request to customer to remove is refused	\$75.00 + third party charges	Resolution 860
16	Hydrant meter, fire hose, fittings		
	Meter rental deposit	\$1,500.00	Resolution 860
	Equipment rental - single continuous use	\$50.00 per month	Resolution 860
	Bulk water purchase with hydrant meter		
	Effective January 1, 2022 - Per 100 cubic feet	\$11.28	
	Effective January 1, 2023 - Per 100 cubic feet	\$11.78	
	Effective January 1, 2024 - Per 100 cubic feet	\$12.31	Resolution 879
	Effective January 1, 2025 - Per 100 cubic feet	\$12.87	
	Effective January 1, 2026 - Per 100 cubic feet	\$13.45	
Develo	per Extension Agreements		
Item	Item Description	Fee/Charge	Reference
17	Initial Fees	1 cc/ charge	nererence
	Application - Good for 60 days	\$300.00	Resolution 680
	Conformance Deposit	\$1,000,00	Resolution 680
	General Administration plus recording fees	\$750.00	Resolution 680
18	Final Design Review	,	
	By District Engineer	Cost + 2%	Resolution 680
19	Design Review and Inspection		
	Initial Deposit	\$5,000.00	Resolution 680
	Supplemental Deposit	\$5,000.00	Resolution 860
20	Contract noncompliance	Cost + 2%	Board Mtg 5/14/97
21	Latecomers Reimbursement Agreements, Reimbursement processing	Cost + 2%	Resolution 860
22	Special Agreements	Cost + 2%	Board Mtg 5/14/97
23	Third Party Claims	Cost + 2%	

Devel	oper Extensio	n Agreements (cont'd)			
Item	Item Descrip	tion		Fee/Charge	Reference
24	Time Extensi	on	en personal Communication (Addressen) algebraice de Longe Lange des personen en suit, en recenter de		
	Before Expira	ation Date		\$250.00	
	After Expirat	on Date		\$750.00	
Dormi	tting Water	Dourseite			
Permi	tting - water i	Permits			
			Continuous Flo	w Meter Capac	tity
		Meter Size	Rating	Ratio	
		5/8 x 3/4 Inch	15	1	
	Mete	r 1 Inch	30	2	
	Informat	ion 1.5 Inch	75	5	
		2 Inch	120	8	
		3 Inch Compound	330	22	
		4 Inch Compound	440	29	
Item	Item Descrin	tion		L Foo/Chargo	Poforonco
25	Water Gener	al Eacilities & Installation		ree/charge	Kelefelice
25	* Installation	fees marked with an * vary by proje	ect nlease see District Eng	incer with questio	nc
	mistanation	Motor Sizo	Connection Foo	Installation	1
				Installation	-
		E /0 x 2 /4 lach	¢C 227 F0	ća 000 00	
	Effective	5/8 x 5/4 mcn	\$6,337.58	\$2,000.00	-
	January 1,		\$12,676.18	*	Resolution 879
	2022	1.5 IIICI	\$31,689.93	*	-
		2 Inch 3 Inch Compound	\$50,703.68	*	-
		4 Inch Compound	\$139,435.88	*	-
		A men compound	\$185,894.00	lucete llettere	
		Ivieter Size	Connection Fee	Installation	-
		5/0 ·· 2/4 ·· - ·	¢6.406.04	62.000.00	
	Effective	5/8 x 3/4 Incn	\$6,496.01	\$2,000.00	4
	January 1,		\$12,993.08	*	- Resolution 879
	2023		\$32,482.17	*	-
		2 Inch	\$51,971.27	*	-
		4 Inch Compound	\$142,921.77	*	4
20	Demoit Aslasia		\$190,541.35	6470.00	
26	Permit Admir	histration & Processing	0.0	\$170.00	Resolution 860
	Initial Water	Pressure Reducing Valve Inspection	\$50.00	Resolution 860	
27	Water Pressu			\$100.00	Resolution 860
21	Water Permi	t - Special Charges	Channa h	<u></u>	T
	North Chara	Ivian Extension Latecomer's (North	snore)	\$10,910.00	Expires 8/25/2024
	South Concert	And Eagleridge/COB Reimbursemen	t	\$300.00	6/10/88 Agreemt
	South Geneva			\$17,088.97	Expires 7/22/2026
	South Geneva	a Class D Waler	>5,981.14	Expires 7/22/2026	

Permi	tting - Sewer F	Permits					
		[			Met	er Capacity	
			Meter Size			Ratio	
			5/8 x 3/4 Inch			1	
		Meter	1 Inch			2	
		Information	1.5 Inch			5	
			2 Inch			8	
			3 Inch Compound			22	
			4 Inch Compound			29	
Item	Item Descript	tion				Fee/Charge	Reference
28	Sewer Gener	al Facilities					
			Meter Size	Connection	Fee	Installation	
		5/8 x 3/4 Inch		\$8,528.00	0		
	Effective	1 Inch		\$17,056.0	00	Dono by ownor's	
	January 1,	1.5 Inch		\$42,641.0	)3	bondod side	Resolution 879
	2022	2 Inch		\$68,226.0	)5	sewer contractor	
		3 Inch Compo	und	\$187,620.3	10		
		4 Inch Compo	und	\$250,131.	78		
			Meter Size	Connection	Fee	Installation	
		5/8 x 3/4 Inch		\$8,741.20	C		
	Effective	1 Inch		\$17,482.4	0	Done by owner's	
	January 1,	1.5 Inch		\$43,707.0	5	bonded side	Resolution 879
	2023	2 Inch		\$69,931.7	0	sewer contractor	
		3 Inch Compo	und	\$192,310.0	50	Sewer contractor	
		4 Inch Compo	und	\$256,385.0	)7		
29	Service Install	ation - If Distric	t-installed stub exists			\$755.00	
	Permit Proces	sing				\$170.00	
	Scheduled Sev	wer Inspection-	Construction Not Ready			\$100.00	Resolution 860
	Initial Sewer I	nspection/Grin	der Pump Installation Insp	pection		\$370.00	
	Sewer Reinsp	ection of Defici	ent Work		on dama parana	\$500.00	
30	Sewer Permit	- Special Charg	ges				
	Lakewood/Gr	and Blvd Specia	Il Benefit Fee			\$6,000.00	District Funded
	La Salle Sewer	La Salle Sewer Extension			\$4,761.73	Expires 7/13/2021	
	South Geneva	Class A Sewer				\$22,406.50	Expires 7/22/2026
	South Geneva	Class A Sewer	Vault			\$1,704.55	Expires 7/22/2026
	ULID #18 Late	comers Fee - se	e table below			See table	Resolution 672

Permit	ermitting - Sewer Permits (cont'd)					
Item	Item Description	Fee/Charge	Reference			
31	Other Sewer Charges					
	Review waiver of claim agreements for customer-owned side sewers with					
	less than 2% slope	\$50.00	Resolution 645			
	Unauthorized Connection to Sewer					
	Investigation, testing, inspection	\$500.00	Resolution 645			
	Repair and Correction	Cost + 10%	Resolution 860			
	Disconnect monitoring/enforcement after 90 days	\$25.00/day	Board Mtg 8/29/03			
	Voluntary Sewer Service Interruption					
	Permit to install two-way clean out	Permit processing	g & inspection fee			
	Suspend billing - insert plug into side sewer	\$250.00				
	Resume billing/remove plug - during regular business hours	No charge	Resolution 709			
	Resume billing/remove plug - outside regular business hours	\$150.00				

ULID	18 Latecomer Fee						
32	Year	Equivalent to Assessment	Latecomer Penalty	Total Fee	Reference		
	2022	\$2,792.78	\$5,306.28	\$8,099.06	Resolution 672		
	NOTE: As described in Resolution 672, ULID #18 Latecomer Charges were created to put parcels not assessed on the same footing as those that were assessed for the ULID. Assessed parcels could, and many did, prepay their assessments. To provide the same opportunity for non-assessed parcels, prepayment of ULID 18 Latecomer Charges will also be accepted. Therefore, paid in full ULID Latecomer Charges satisfy the ULID Latecomer Charges permanently.						

Violat	Violations of Administrative Code					
ltem	Item Description	Fee/Charge	Reference			
33	Labor	Staff hourly rates - See Item No. 3				
	Equipment Use	Hourly rate - See Item No. 1	1			
	Materials	Cost of materials used	Resolution 798			
	Attorney's Fees and Expenses	Reimburse District's Costs				
	Iministrative Fee 10% of total expenses					
	Any person who violates any provision of the Administrative Code shall be liable to the District for any expense, loss, damage, cost of inspection or cost of correction incurred by the District by reason of such violation, including any expenses and attorney fees incurred by the District in collecting from such person of such loss, damage, expense, cost of inspection or cost of correction, plus an administrative fee equal to 10% of the total expenses. (Reference: Administrative Code Section 3.3.1 Liability to District)					

Water Booster Pump Credit				
Item	Item Description	Credit	Reference	
34	Maximum allowable credit for installing a private water booster pump	\$1,500.00	Resolution 778	
	serving qualifying properties			