

ORDINANCE NO. 2007-12-107

AN ORDINANCE OF THE CITY OF BELLINGHAM AMENDING BELLINGHAM MUNICIPAL CODE CHAPTER 15.08 TO MODIFY WATER UTILITY RATES AND CHARGES.

WHEREAS, the Bellingham Municipal Code currently sets forth water rates and charges; and,

WHEREAS, the City has engaged an independent consultant to continue to review and update water utility planning, including the necessary rates to cover such items as the projected operating and capital expenses and the watershed protection land acquisition program; and,

WHEREAS, the current water rates are not expected to be sufficient to meet the necessary financial obligations of the water utility due to changes such as a significant decrease in revenues from Georgia Pacific that are expected to completely end in the near term and additional watershed operating expenses to protect the water utility's source of drinking water; and,

WHEREAS, the water rates and charges should be revised to reflect increasing capital and operating expenses and to make up the estimated shortfall between the required future financial obligations necessary to adequately operate the utility in the best interests of the rate payers; and,

WHEREAS, the cumulative water reserve fund and the cumulative water capital reserve fund no longer exist as separate funds but, rather, were combined into a consolidated water fund with various specific accounts within the fund used for operations, reserves and contingencies;

NOW, THEREFORE, THE CITY OF BELLINGHAM DOES ORDAIN:

Section 1. BMC Chapter 15.08.210 is hereby amended as follows:

15.08.210 - Accounts - Funds

- A.** All accounts for water shall be kept by the Finance Director by reference to the address, or, if necessary, the legal description of the property to which water service is provided.
- B.** Accounts shall be billed on a regular schedule determined by the Finance Director.
- C.** The water fund is created. Moneys deposited to this fund shall be used for capital, operation and maintenance of the water system, including water system improvements.

Section 2. BMC Chapter 15.08.240 is hereby amended as follows:

15.08.240 - Computation Of Use Rates

Use rates for water service and consumption are determined as follows:

- A. Single family unmetered water services and unmetered duplex water services shall be charged a monthly rate for each month of service or portion thereof.
- B. Single family metered water services including metered duplexes shall be charged a fixed rate based on meter size and a volume rate per hundred cubic feet of water used.
- C. Contract sales of water for reuse shall be as covered by agreement between the city and the water district or association. Rates for reuse shall be covered by subsection B of this section unless specifically modified by the agreement in recognition of substantial differences in service provided by the city.
- D. Non-single family water services including multiple dwelling units, commercial, and institutional, shall be charged a fixed rate based on meter size and a volume rate per hundred cubic feet of water used.
- E. Irrigation water services shall be charged a fixed rate based on meter size and a volume rate per hundred cubic feet of water used.
- F. Funds received for the connection charges shall be credited to a reserve cash line in the water fund.
- G. Funds received for the connection charges covered under Section 15.08.230 A(2) and 15.08.230 A(3) shall be credited to a capital cash line in the water fund. All system development charges covered under 15.08.250 shall be credited to a capital cash line in the water fund.

Section 3. BMC Chapter 15.08.250 is hereby amended as follows:

15.08.250 - Water Rates And Charges

- A. The rates charged for each shut-off or turn-on are:
 - 1. During normal work hours: \$25 each; and
 - 2. After normal work hours: \$75each.
- B. The hydrant fee assessed for each lineal foot of main extension or portion thereof is: \$5.
- C. System Development Charges are as follows:
 - 1. For a new or exchanged service:
 - (a) Beginning on January 1, 2008 and continuing until December 31, 2008 , the charge shall be:

<u>Service Meter Size</u>	<u>System Development Charge</u>
5/8" x 3/4"	\$ 2,911.00 (\$192 Watershed)
3/4" x 3/4"	\$ 4,367.00 (\$288 Watershed)

1"	\$ 7,278.00 (\$480 Watershed)
1-1/2"	\$ 14,557.00(\$961 Watershed)
2"	\$ 23,291.00(\$1,537 Watershed)
3"	\$ 46,582.00(\$3,075 Watershed)
4"	\$ 72,784.00(\$4,804 Watershed)
6"	\$145,568.00(\$9,608 Watershed)
8"	\$232,908.00(\$15,373 Watershed)
10"	\$363,919.00(\$24,020 Watershed)

(c) Beginning on January 1, 2009 and continuing until December 31, 2009, the charge shall be:

<u>Service Meter Size</u>	<u>System Development Charge</u>
5/8" x 3/4"	\$ 3,299.00 (\$384 Watershed)
3/4" x 3/4"	\$ 4,948.00 (\$576 Watershed)
1"	\$ 8,247.00 (\$961 Watershed)
1-1/2"	\$ 16,494.00 (\$1,922 Watershed)
2"	\$ 26,390.00 (\$3,075 Watershed)
3"	\$ 52,779.00 (\$6,149 Watershed)
4"	\$ 82,468.00 (\$9,608 Watershed)
6"	\$164,936.00 (\$19,216 Watershed)
8"	\$263,897.00 (\$30,745 Watershed)
10"	\$412,339.00 (\$48,040 Watershed)

(d) Beginning on January 1, 2010 and continuing until December 31, 2010, the charge shall be:

<u>Service Meter Size</u>	<u>System Development Charge</u>
5/8" x 3/4"	\$ 3,686.00 (\$576 Watershed)
3/4" x 3/4"	\$ 5,529.00 (\$865 Watershed)
1"	\$ 9,215.00 (\$1,441 Watershed)
1-1/2"	\$ 18,430.00 (\$2,882 Watershed)
2"	\$ 29,489.00 (\$4,612 Watershed)
3"	\$ 58,977.00 (\$9,224 Watershed)
4"	\$ 92,152.00 (\$14,412 Watershed)
6"	\$184,304.00 (\$28,824 Watershed)
8"	\$294,886.00 (\$46,118 Watershed)
10"	\$460,760.00 (\$72,060 Watershed)

(e) For service beginning on or after January 1, 2011 and each year thereafter, the charges levied in 2011 shall continue with an annual adjustment each year in January by an inflationary factor tied to the Consumer Price Index, All Urban Consumers (CPI-U), Seattle-Tacoma-Bremerton index.

2. For all services located outside the corporate limits of the City, the demand charge is computed in the same fashion, except that an additional surcharge of 50% is imposed.

3. An Irrigation System Development Charge ("ISDC") is hereby created and shall apply to all new Irrigation Water services.

(a) The charge for an ISDC shall be as follows:

<u>Service Meter Size</u>	<u>System Development Charge</u>
5/8" x 3/4"	\$ 2,139.00
3/4" x 3/4"	\$ 3,208.00
1"	\$ 5,347.00
1-1/2"	\$ 10,695.00
2"	\$ 17,110.00
3"	\$ 34,200.00
4"	\$ 53,469.00
6"	\$106,937.00
8"	\$171,099.00
10"	\$267,343.00

(b) Irrigation System Development Charges shall be applied to all new irrigation systems that are required to have a dedicated Irrigation Water service. No ISDC shall apply to new irrigation systems that are excepted from that term's definition under BMC 15.08.010 F.

D. The following water use rates are :

1. The rates effective January 1, 2008 shall be:

- (a) Flat Rate (per month)
- | | |
|-------------------------|---------|
| Single Family Unmetered | \$21.18 |
| Unmetered Duplexes | \$42.36 |
- (b) Volume Rates (ccf)
- | | |
|---|--------|
| Single Family Metered | \$1.12 |
| (including duplexes and resale) | |
| Non-Single Family | \$1.12 |
| (multi-family, commercial, institutional) | |
| Irrigation | \$1.84 |
- (c) Fixed Rates - Single Family (per month)

<u>Meter Size</u>	<u>Per Account</u>	<u>Per Meter Equivalent</u>	<u>Total Fixed Rate</u>
5/8"x3/4"	\$1.59	\$7.64	\$9.23
3/4"x3/4"	\$1.59	\$11.45	\$13.04
1"	\$1.59	\$19.09	\$20.68
1.5"	\$1.59	\$38.18	\$39.77
2"	\$1.59	\$61.09	\$62.68
3"	\$1.59	\$122.18	\$123.77
4"	\$1.59	\$190.91	\$192.50
6"	\$1.59	\$381.82	\$383.41

(d) Fixed Rates - Non-Single Family and Irrigation (per month)

<u>Meter Size</u>	<u>Per Account</u>	<u>Per Meter Equivalent</u>	<u>Total Fixed Rate</u>
5/8"x3/4"	\$1.59	\$10.51	\$12.10
3/4"x3/4"	\$1.59	\$15.76	\$17.35
1"	\$1.59	\$26.26	\$27.85
1.5"	\$1.59	\$52.53	\$54.12
2"	\$1.59	\$84.05	\$85.64
3"	\$1.59	\$168.09	\$169.68
4"	\$1.59	\$262.64	\$264.23
6"	\$1.59	\$525.29	\$526.88
8"	\$1.59	\$840.46	\$842.05
10"	\$1.59	\$1,313.22	\$1,314.81

2. The rates effective January 1, 2009 shall be:

- (a) Flat Rate (per month)
- | | |
|-------------------------|---------|
| Single Family Unmetered | \$23.23 |
| Unmetered Duplexes | \$42.36 |
- (b) Volume Rates (per ccf)
- | | |
|---|-------------|
| Single Family Metered (including duplexes and resale) | \$1.22 |
| Non-Single Family (multi-family, commercial, institutional) | \$1.220-950 |
| Irrigation | \$2.01 |
- (c) Fixed Rates - Single Family (per month)

<u>Meter Size</u>	<u>Per Account</u>	<u>Per Meter Equivalent</u>	<u>Total Fixed Rate</u>
5/8"x3/4"	\$1.74	\$8.37	\$10.11
3/4"x3/4"	\$1.74	\$12.57	\$14.33
1"	\$1.74	\$20.94	\$22.68
1.5"	\$1.74	\$41.88	\$43.62
2"	\$1.74	\$67.01	\$68.75
3"	\$1.74	\$134.04	\$135.78
4"	\$1.74	\$209.43	\$211.17
6"	\$1.74	\$418.86	\$420.60

(d) Fixed Rates - Non-Single Family and Irrigation (per month)

<u>Meter Size</u>	<u>Per Account</u>	<u>Per Meter Equivalent</u>	<u>Total Fixed Rate</u>
5/8"x3/4"	\$1.74	\$11.53	\$13.27
3/4"x3/4"	\$1.74	\$17.29	\$19.03
1"	\$1.74	\$28.82	\$30.56
1.5"	\$1.74	\$57.62	\$59.36
2"	\$1.74	\$92.20	\$93.94
3"	\$1.74	\$184.40	\$186.14

4"	\$1.74	\$288.12	\$289.86
6"	\$1.74	\$576.24	\$577.98
8"	\$1.74	\$921.99	\$923.73
10"	\$1.74	\$1,440.61	\$1,442.35

3. The rates effective January 1, 2010, shall be:

- (a) Flat Rate (per month)
- | | |
|-------------------------|---------|
| Single Family Unmetered | \$25.47 |
| Unmetered Duplexes | \$50.95 |
- (b) Volume Rates (per ccf)
- | | |
|---|--------|
| Single Family Metered (including duplexes and resale) | \$1.32 |
| Non-Single Family (multi-family, commercial, institutional) | \$1.32 |
| Irrigation | \$2.11 |
- (c) Fixed rates - Single Family (per month)

<u>Meter Size</u>	<u>Per Account</u>	<u>Per Meter Equivalent</u>	<u>Total Fixed Rate</u>
5/8"x3/4"	\$2.12	\$8.49	\$10.61
3/4"x3/4"	\$2.12	\$12.74	\$14.86
1"	\$2.12	\$21.23	\$23.35
1.5"	\$2.12	\$42.46	\$44.58
2"	\$2.12	\$67.94	\$70.06
3"	\$2.12	\$135.90	\$138.02
4"	\$2.12	\$212.33	\$214.45
6"	\$2.12	\$424.67	\$426.79

(d) Fixed Rates - Non-Single Family and Irrigation (per month)

<u>Meter Size</u>	<u>Per Account</u>	<u>Per Meter Equivalent</u>	<u>Total Fixed Rate</u>
5/8"x3/4"	\$2.12	\$13.23	\$15.35
3/4"x3/4"	\$2.12	\$19.84	\$21.96
1"	\$2.12	\$33.07	\$35.19
1.5"	\$2.12	\$66.12	\$68.24
2"	\$2.12	\$105.80	\$107.92
3"	\$2.12	\$211.61	\$213.73
4"	\$2.12	\$330.63	\$332.75
6"	\$2.12	\$661.27	\$663.39
8"	\$2.12	\$1,058.03	\$1,060.15
10"	\$2.12	\$1,653.18	\$1,655.30

4. The rates effective January 1, 2011, shall be:

- (a) Flat Rate (per month)
- | | |
|-------------------------|---------|
| Single Family Unmetered | \$27.72 |
| Unmetered Duplexes | \$55.43 |

- (b) Volume Rates (per ccf)
 Single Family Metered (including duplexes and resale) \$1.43
 Non-Single Family (multi-family, commercial, institutional) \$1.43
 Irrigation \$2.20

(c) Fixed Rates - Single Family (per month)

<u>Meter Size</u>	<u>Per Account</u>	<u>Per Meter Equivalent</u>	<u>Total Fixed Rate</u>
5/8"x3/4"	\$2.50	\$8.61	\$11.11
3/4"x3/4"	\$2.50	\$12.92	\$15.42
1"	\$2.50	\$21.52	\$24.02
1.5"	\$2.50	\$43.05	\$45.55
2"	\$2.50	\$68.87	\$71.37
3"	\$2.50	\$137.75	\$140.25
4"	\$2.50	\$215.24	\$217.74
6"	\$2.50	\$430.47	\$432.97

(d) Fixed Rates - Non-Single Family and Irrigation (per month)

<u>Meter Size</u>	<u>Per Account</u>	<u>Per Meter Equivalent</u>	<u>Total Fixed Rate</u>
5/8"x3/4"	\$2.50	\$14.93	\$17.43
3/4"x3/4"	\$2.50	\$22.39	\$24.89
1"	\$2.50	\$37.32	\$39.82
1.5"	\$2.50	\$74.63	\$77.13
2"	\$2.50	\$119.41	\$121.91
3"	\$2.50	\$238.81	\$241.31
4"	\$2.50	\$373.15	\$375.65
6"	\$2.50	\$746.30	\$748.80
8"	\$2.50	\$1,194.08	\$1,196.58
10"	\$2.50	\$1,865.75	\$1,868.25

5. The rates effective January 1, 2012, shall be:

- (a) Flat Rate (per month)
 Single Family Unmetered \$29.96
 Unmetered Duplexes \$59.92

- (b) Volume Rates (per ccf)
 Single Family Metered (including duplexes and resale) \$1.53
 Non-Single Family (multi-family commercial, institutional) \$1.53
 Irrigation \$2.30

(c) Fixed Rates - Single Family (per month)

<u>Meter Size</u>	<u>Per Account</u>	<u>Per Meter Equivalent</u>	<u>Total Fixed Rate</u>
5/8"x3/4"	\$2.88	\$8.73	\$11.61
3/4"x3/4"	\$2.88	\$13.09	\$15.97
1"	\$2.88	\$21.81	\$24.69

1.5"	\$2.88	\$43.63	\$46.51
2"	\$2.88	\$69.80	\$75.56
3"	\$2.88	\$139.61	\$142.49
4"	\$2.88	\$218.14	\$221.02
6"	\$2.88	\$436.28	\$439.16

(d) Fixed Rates - Non Single Family and Irrigation (per month)

<u>Meter Size</u>	<u>Per Account</u>	<u>Per Meter Equivalent</u>	<u>Total Fixed Rate</u>
5/8"x3/4"	\$2.88	\$16.63	\$19.51
3/4"x3/4"	\$2.66	\$24.94	\$30.70
1"	\$2.88	\$41.57	\$44.45
1.5"	\$2.88	\$83.13	\$86.01
2"	\$2.88	\$133.01	\$135.89
3"	\$2.88	\$266.02	\$268.90
4"	\$2.88	\$415.66	\$418.54
6"	\$2.88	\$831.33	\$834.21
8"	\$2.88	\$1,330.12	\$1,333.00
10"	\$2.88	\$2,078.32	\$2,081.20

The foregoing use rates will remain effective until December 31, 2012. Thereafter, beginning on January 1, 2013, the rates may be adjusted annually by the City Council and reflect, at a minimum, an inflationary factor tied to the Consumer Price Index, All Urban Consumers CPI-U), Seattle-Tacoma-Bremerton index.

6. The use rates shall contain the Lake Whatcom Watershed Land acquisition and Preservation Program charges as follows:

- (a) \$5.00/month for flat rate, single family residences.
- (b) \$10.00/month for flat rate, unmetered duplexes.
- (c) \$5.00/month plus a \$0.27 per 100 cubic feet of water consumed in excess of 1,100 cubic feet for all metered service accounts.

7. **Untreated Industrial Water**

(a) A Monthly Fixed Rate of:

2008	\$13,539
2009	\$13,425
2010	\$13,359

(b) Volume Rate:

- (i) Block 1 – per ccf up to and equal to 296,000 ccf per month

2008	\$0.067/ccf
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2009 \$0.069/ccf

2010 \$0.070/ccf

(ii) Block 2 – per ccf greater than 296,000 ccf per month

2008 \$0.735/ccf

2009 \$0.745/ccf

2010 \$0.756/ccf

E. The Fire Protection Service rate is \$125 per year.

F. The tampering fee is \$100 per occurrence.


G. Water rates and charges for services outside the city limits are 150% of the aforementioned rates and charges, except the cost reimbursable installation fee described by this Chapter.

H. The water rate provided for in 15.08.250 (D)(6) shall be used to fund land acquisition and other land preservation measures in the Lake Whatcom Watershed. Acquisitions and other land preservation measures and prioritization of such, and allowed uses and improvements to acquired property shall be determined by the City Council. Land preservation measures include, but are not limited to, items such as purchases of transfer of development rights, conservation easements, access/use rights, and their associated maintenance and administration expenses. Funds generated by the water rate increase may also be used for repayment and debt service on bonds or other financing instruments used to further the stated objectives of watershed land acquisition and other land preservation measures. 250(D)(1), (2) and (3) shall be used to fund land acquisition and other land preservation measures and priorities.

Section 4. Effective Date and Implementation Date.

This Ordinance shall take effect pursuant to the terms of the Bellingham City Charter but the implementation of these requirements will begin on January 1, 2008.

PASSED by Council this 10th day of December, 2007.



Council President

APPROVED by me this 31st day of December, 2007.

David R. Hill
Mayor

Attest:

Linda D. Anderson
for Finance Director

Approved as to Form:

Lee E. Rowley
Office of the City Attorney

Published: December 14, 2007