

ORDINANCE NO. 2012-12-060

**AN ORDINANCE OF THE CITY OF BELLINGHAM, WASHINGTON AMENDING BELLINGHAM MUNICIPAL CODE CHAPTER 15.08 TO MODIFY WATER SERVICE USAGE AND CHARGES**

**WHEREAS**, Chapter 35.67 RCW authorizes Cities to provide water, sewer, and surface and storm water public-utility services and to fix, alter, regulate and control the rates and charges for the use of said public utilities; and

**WHEREAS**, the City of Bellingham ("City") owns and operates a water utility in accordance with Chapter 35.67 RCW to provide clean and safe drinking water in adequate supply; and

**WHEREAS**, Bellingham Municipal Code ("BMC") Chapter 15.08 establishes water connection and usage rates for all customers; and

**WHEREAS**, the City water utility is required to comply with state and federal laws and regulations in operating the utility and that as the laws and regulations change the City is obligated to change its operations and policies relate to the utility; and

**WHEREAS**, the cost to the City to operate and maintain the water utility increases as regulations increase; and

**WHEREAS**, the City Council has determined that maintaining and replacing water mains and installing water meters for all customers is a top priority for the water utility; and

**WHEREAS**, economic conditions in the last 5 years have resulted in a decline in both the number of new connections and total water consumption leading to a drop in the revenue needed to operate the water utility during the same time period; and

**WHEREAS**, further cuts to the operation and capital program or additional use of reserves will result in the water utility not being able to sustain the minimum level of service set by law and Council policy; and

**WHEREAS**, the City retained an independent consultant, the FCS Group, to evaluate the revenue requirements to operate the water utility in compliance with all relevant regulations and City policies, to recommend a rate structure based on a cost of service analysis and to propose a rate schedule sufficient to meet the revenue requirements of the water utility; and

**WHEREAS**, the FCS Group has completed the study and has presented the results to the City Council in an open public meeting; and

**WHEREAS**, changes to BMC Chapter 15.08 are needed to adjust rates and create a customer class rate structure based on meter size; and

**WHEREAS**, public input was sought, received and considered;

**NOW THEREFORE, THE CITY OF BELLINGHAM DOES ORDAIN:**

**Section 1:** Bellingham Municipal Code Section 15.08.010 shall be amended to read as follows:

**15.08.010 - Types of Water Service**

The following types of water service are provided by the City:

- A. Single Family** services include only those services connecting the City water system to a single family dwelling unit, including single family homes, duplexes, mobile homes, manufactured homes, condominiums, apartments and similar residential uses, with separate individual meters to each distinct unit.
- B. Non-Single Family** services include all commercial and retail enterprises, restaurants, government facilities, parks, recreational facilities, non-profit enterprises, schools, churches and all other services not covered by subsections A, C, D, E, or F of this section.
- C. [UNCHANGED]**
- D. Resale water** service is a wholesale metered service by which potable water is provided under contract to a water district or association for resale.
- E. Industrial water** service is non-potable water supplied for industrial or other purposes.
- F. Irrigation water** service is a service using potable water for landscaping and irrigation purposes only. All irrigation systems must have a meter and dedicated irrigation service unless the service is on a lot that is less than or equal to 10,000 square feet.
- G. Unmetered Single Family** services include only those services connecting the water system to a single family residence or duplex dwelling unit occupying a single premises on a single family zoned lot.

**Section 2:** Bellingham Municipal Code Section 15.08.020 shall be amended to read as follows:

**15.08.020 - Application for Water Service**

Any person desiring to have a premises within City limits connected with the city water supply system shall make application to the Public Works Director on printed forms furnished for that purpose. Every such application shall be made by the owner or the purchaser under a real estate contract of the premises to be benefited, or by his authorized agent.

The application must describe the property to be served, state fully the purposes for which the water is required, and indicate that by signing the form, the applicant agrees to conform to the ordinances, rules, and regulations established as conditions for use of water, and further agrees, as a condition to the furnishing of water, that the city has the right to shut off the water supply as required for such things as, by way of example, non-payment, repairs, extensions, or doing other necessary work. Decisions of the Public Works Director on applications for water service under this subsection may be appealed to the Hearing Examiner. The written appeal and the appeal fee, if any, must be received by the Public Works Department by no later than 5:00 p.m. on the fourteenth day following the date the decision was issued.

**Section 3:** Bellingham Municipal Code 15.08.040 shall be amended to read as follows:

**15.08.040 - Water Service Connections.**

- A. When the premises is located within the City of Bellingham and fully abuts upon a street or City-owned utility easement through which there is a City water main, the premises' owner may apply for a service. Upon approval of the service by the Director of Public Works and upon such conditions as required by the Director, the Director of Public Works shall issue a permit for its installation.
- B. [UNCHANGED]
- C. [UNCHANGED]
- D. All premises supplied with city water must have an individual and separate water meter. Premises so supplied will not be allowed to supply water to any other premises. The Public Works Director may require individual buildings on any premises to be separately metered however auxiliary uses to single family residential parcels shall not require separate meters. The Director may exempt fire protection services from this requirement.
- E. All water service connections shall be metered.
- F. All water service customers who are not served by a water meter shall be connected to a city water meter by the City and shall be charged for measured consumption plus the base cost of service.
- G. [UNCHANGED]
- H. In all cases where meters are damaged, stolen, altered, lost, injured or broken by owners or occupants of premises, they shall be replaced or repaired under the direction of the Director of Public Works and the cost charged against the owner or occupant; and in case of nonpayment for meter damage, the water shall be shut off, and will not be turned on until such charge and the charge for turning on the water are paid in the same manner as provided for delinquent payments.

**Section 4:** Bellingham Municipal Code Section 15.08.050 shall be amended to read as follows:

**15.08.050 - Water Service Fees**

A. Prior to approval of an application for water service, the fees applicable to the requested service shall be determined. The fees consist of the system development charge, assessments, installation fees, and other charges as specified in this chapter.

B. [UNCHANGED]

**Section 5:** Bellingham Municipal Code Chapter 15.08.060 shall be amended to read as follows:

**15.08.060 - Water Service Installation**

A. All water services, including materials and construction methods, shall be installed in accordance with current American Water Works Association ("AWWA") standards and all city standards and specifications established by the Public Works Director or designee.

B. Installation of a requested water service will be scheduled after the Finance Director has notified the Department of Public Works that all applicable fees and charges have been paid.

C. The Department of Public Works shall be the entity responsible for the installation of the service. The Director may, at his option, select either installation by City forces or by construction contract. Installation, in whole or in part, by private parties may be allowed under conditions set by and at the discretion of the Public Works Director.

D. The location of the water service will be determined by the Public Works Department.

E. Water service shall consist of the connection to the main, the corporation stop at the main, pipe from the water main to the meter, meter box, setter, meter and corporation stops. Water services shall be owned and maintained by the City from the main to the meter box, including all appurtenances therein.

F. The water service shall be installed within city rights-of-way or easements in accordance with City standards.

G. All services shall be reviewed by the Public Works Department using the Uniform Plumbing Code and the AWWA "Sizing Water Service Lines and Meters"; except that standby fire-protection services shall be sized based on fire-flow requirements determined by the Fire Department.

**H.** Water service and electrical services lines shall not share the same trench unless:

1. They are separated by a minimum of 24"; or
2. The electric line is in a rigid metallic conduit.

**I.** No electric grounding devices or wires from any utility shall be attached to any water service unless authorized by the Director of Public Works.

**J.** No sewer service shall be installed within 5' of a water service unless it is located at least 24" below the water service.

**K.** Meters shall be of the type designated by the Director of Public Works and shall be installed at the cost of the person requesting water service.

**Section 6:** Bellingham Municipal Code Chapter 15.08.215 shall be amended to read as follows:

**15.08.215 - Installation Permit Fees**

An application permit fee is charged for each service connection application. The fee for application shall be determined by the Public Works Director by separate fee schedule.

**Section 7:** Bellingham Municipal Code 15.08.220 shall be amended to read as follows:

**15.08.220 - Calculation of Installation Fee - Meters**

For all services installed by the City of Bellingham, an installation fee will be charged for each service requested. This fee is for the cost of installing the water service from the main to the property line including, but not limited to, main taps, corporation cocks, valves, pipes, meters, site restoration, and other materials, labor, and equipment charges necessary.

**A.** The fee for water services less than 1½" in diameter shall be a flat rate for each size. The Director of Public Works shall analyze previous actual installation costs for each size, shall determine the fee annually, and shall give 60 days' public notice thereof.

**B.** The fee for water services 1½" in diameter and larger will be the actual cost of installation plus administrative and overhead charges. The water system superintendent shall prepare an estimate of installation costs to determine the amount of money to be deposited. Any adjustment in the actual cost of installation because of variance between the estimate and the actual cost shall be refunded upon completion of the job to the applicant, or by payment by the applicant to the city of any additional expense above the estimate.

**C.** The cost of the meter and meter installation will be in addition to all other connection charges, service fees, permit costs or usage rates. All meters shall be and remain the property

of the city, and may be installed or removed by the Department of Public Works in conformity with this chapter.

**Section 8:** Bellingham Municipal Code Chapter 15.08.240 shall be amended to read 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. Unmetered duplex water services shall be twice the rate for single family unmetered services. Effective January 1, 2017 all services in the City of Bellingham shall be metered and no customer will be charged on a flat rate.

**B.** Single family metered water services shall be charged a fixed rate based on meter size and a volume rate per hundred cubic feet of water used.

**C.** Transitional single family services include those services less than 1" connected to the water system prior to January 1, 2013 and not participating in the voluntary metering program and who were billed based on a flat rate basis in 2012. For billing purposes, single family unmetered services converted to single family metered services shall be charged the current transitional single family service rate on January 1 of the year following installation of the meter by the City of Bellingham. Beginning January 1, 2016 all customers moving from a flat rate to a metered rate shall be billed at the standard metered single family rate. Transitional single family services shall be charged a fixed rate based on meter size and a volume rate per hundred cubic feet of water used.

**D.** Contract sales of water for resale by water districts and associations shall be as covered by agreement between the City and the water district or association in accordance with BMC 15.36.

**W.** 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.

**F.** Irrigation water services shall be charged a fixed rate based on meter size and a volume rate per hundred cubic feet of water used.

**G.** Funds received for the connection charges shall be credited to a reserve cash line in the water fund.

**H** 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.

I. If a meter is found to be out of order by failing to register properly, the account shall be charged at the average monthly consumption as shown by the meter during the corresponding period of the preceding year.

**Section 9:** Bellingham Municipal Code Section 15.08.250 shall be amended to read as follows:

**15.08.250 - Water Rates and Charges**

A.-B. [UNCHANGED]

C. System Development Charges are as follows:

1. [UNCHANGED]

2. For all services located outside the corporate limits of the City, that will be served directly by the City and not through a wholesale contract, the system development charge is computed in the same fashion, except that an additional surcharge of 50% is imposed.

3. [UNCHANGED]

D. The following water use rates are:

1. **The rates effective January 1, 2013, shall be:**

(a) **Flat Rate (per month)**

Single Family Unmetered \$32.66

Unmetered Duplexes \$65.32

(b) **Volume Rates (per ccf)**

Single Family Metered \$1.58

Transitional Single-Family \$1.27

Non-Single Family (multi-family  
commercial, institutional) \$1.63

Irrigation \$2.35

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

<b>Meter Size</b>	<b>Fixed Rate</b>
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5/8"x3/4"	\$13.10
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3/4"x3/4"	\$18.02
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1"	\$27.85
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1.5"	\$52.47
2"	\$82.00
3"	\$160.76
4"	\$249.35
6"	\$495.45

**(d) Fixed Rates - Transitional Single Family (per month)**

Meter Size	Fixed Rate
5/8"x3/4"	\$16.33
3/4"x3/4"	\$22.46

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

Meter Size	Fixed Rate
5/8"x3/4"	\$21.00
3/4"x3/4"	\$29.95
1"	\$44.45
1.5"	\$92.59
2"	\$146.28
3"	\$289.46
4"	\$450.54
6"	\$898.00
8"	\$1,434.93
10"	\$2,240.24
12"	\$3,045.74

**2. The rates effective January 1, 2014, shall be:**

- (a) Flat Rate (per month)**  
 Single Family Unmetered \$35.27  
 Unmetered Duplexes \$70.54

- (b) Volume Rates (per ccf)**
- |   |        |
|---|--------|
| Single Family Metered   | \$1.63 |
| Transitional Single-Family                                    | \$1.42 |
| Non-Single Family (multi-family<br>commercial, institutional) | \$1.77 |
| Irrigation  | \$2.40 |

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

Meter Size	Fixed Rate
5/8"x3/4"	\$14.21
3/4"x3/4"	\$19.55
1"	\$30.23



1.5"	\$56.94
2"	\$88.98
3"	\$174.44
4"	\$270.57
6"	\$537.62

**(d) Fixed Rates - Transitional Single Family (per month)**

Meter Size	Fixed Rate
5/8"x3/4"	\$17.90
3/4"x3/4"	\$24.62

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

Meter Size	Fixed Rate
5/8"x3/4"	\$21.75
3/4"x3/4"	\$31.01
1"	\$49.55
1.5"	\$95.88
2"	\$151.49
3"	\$299.76
4"	\$466.57
6"	\$929.95
8"	\$1,485.99
10"	\$2,319.94
12"	\$3,154.11

**3. The rates effective January 1, 2015, shall be:**

- (a) Flat Rate (per month)**  
 Single Family Unmetered \$38.09  
 Unmetered Duplexes \$76.18

- (b) Volume Rates (per ccf)**
- |  |        |
|--|--------|
| Single Family Metered                                      | \$1.67 |
| Transitional Single-Family                                 | \$1.42 |
| Non-Single Family (multi-family commercial, institutional) | \$1.93 |
| Irrigation   | \$2.45 |

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

Meter Size	Fixed Rate
5/8"x3/4"	\$15.42
3/4"x3/4"	\$21.21
1"	\$32.78

1.5"	\$61.76
2"	\$96.51
3"	\$189.21
4"	\$293.48
6"	\$583.14

**(d) Fixed Rates - Transitional Single Family (per month)**

Meter Size	Fixed Rate
5/8"x3/4"	\$19.35
3/4"x3/4"	\$26.62

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

Meter Size	Fixed Rate
5/8"x3/4"	\$22.39
3/4"x3/4"	\$31.93
1"	\$51.01
1.5"	\$98.70
2"	\$155.94
3"	\$308.58
4"	\$480.30
6"	\$957.32
8"	\$1,529.71
10"	\$2,388.21
12"	\$3,246.93

**4. The rates effective January 1, 2016, shall be:**

**(a) Flat Rate (per month)**

Single Family Unmetered \$41.14  
 Unmetered Duplexes \$82.28

**(b) Volume Rates (per ccf)**

Single Family Metered \$1.72  
 Non-Single Family (multi-family  
 commercial, institutional) \$1.94  
 Irrigation \$2.50

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

Meter Size	Fixed Rate
5/8"x3/4"	\$19.35
3/4"x3/4"	\$26.62
1"	\$41.15
1.5"	\$77.52

2"	\$121.13
3"	\$237.48
4"	\$368.37
6"	\$731.93

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

<b>Meter Size</b>	<b>Fixed Rate</b>
5/8"x3/4"	\$25.56
3/4"x3/4"	\$36.44
1"	\$58.22
1.5"	\$112.66
2"	\$178.00
3"	\$352.23
4"	\$548.24
6"	\$1,092.71
8"	\$1,746.06
10"	\$2,725.98
12"	\$3,706.15

**5. The rates effective January 1, 2017, shall be:**

**(a) Volume Rates (per ccf)**

Single Family	\$1.82
Non-Single Family (multi-family commercial, institutional)	\$1.94
Irrigation	\$2.55

**(b) Fixed Rates - Single Family (per month)**

<b>Meter Size</b>	<b>Fixed Rate</b>
5/8"x3/4"	\$20.33
3/4"x3/4"	\$27.97
1"	\$43.24
1.5"	\$81.44
2"	\$127.27
3"	\$249.52
4"	\$387.03
6"	\$769.02

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

<b>Meter Size</b>	<b>Fixed Rate</b>
5/8"x3/4"	\$28.32
3/4"x3/4"	\$40.39
1"	\$64.53

1.5"	\$124.86
2"	\$197.27
3"	\$390.36
4"	\$607.59
6"	\$1,211.02
8"	\$1,935.11
10"	\$3,021.12
12"	\$4,107.41

6. The rates effective January 1, 2018, shall be:

<b>(a) Volume Rates (per ccf)</b>	
Single Family	\$1.94
Non-Single Family (multi-family commercial, institutional)	\$1.97
Irrigation	\$2.60

**(b) Fixed Rates - Single Family (per month)**

Meter Size	Fixed Rate
5/8"x3/4"	\$21.46
3/4"x3/4"	\$29.52
1"	\$45.64
1.5"	\$85.98
2"	\$134.36
3"	\$263.41
4"	\$408.58
6"	\$811.83

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

Meter Size	Fixed Rate
5/8"x3/4"	\$30.86
3/4"x3/4"	\$44.01
1"	\$70.32
1.5"	\$136.06
2"	\$214.97
3"	\$425.38
4"	\$662.10
6"	\$1,319.66
8"	\$2,108.70
10"	\$3,292.14
12"	\$4,475.88

7. Unless otherwise abrogated by the City Council, beginning January 1, 2019 and each year thereafter, the water utility rates levied in 2018 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. The inflationary factor shall be calculated and rates shall be adjusted by the Finance Director in September of each year using 12 prior months of Consumer Price Index data.

8. The Lake Whatcom Watershed Land Acquisition and Preservation Program charges shall be added to the aforementioned fixed base and volume charges as follows:

(a) 2012 rate: \$12.00 per month for all single-family services both metered and unmetered.

(b) 2012 rate: \$24.00 per month for flat rate, unmetered duplexes.

(c) 2012 rate: \$5.00 per month plus \$0.64 per 100 cubic feet of water consumed for all non-single family services including Untreated Industrial Water.

(d) Unless otherwise abrogated by the City Council, beginning January 1, 2013 and each year thereafter, the Lake Whatcom Watershed Property Acquisition and Pollution Control Charges levied in 2012 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. The inflationary factor shall be calculated and rates shall be adjusted by the Finance Director in September of each year using 12 prior months of Consumer Price Index data.

9. **Untreated Industrial and Irrigation Water**

Untreated water for industrial or other non-potable purposes shall be billed at 80% of the fixed base and volume rate for non-residential services.

E.-F. [UNCHANGED]

G. Water rates and charges for services outside the city limits are 150% of the aforementioned usage rates and connection charges except those services that are part of a water district or association and served as part of a wholesale contract.

H. Lake Whatcom Watershed Property Acquisition and Pollution Control Program Fund uses:

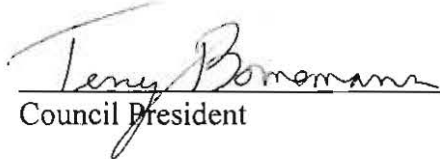
1. The watershed charges provided for in this Chapter shall be used to fund the following pollution control measures and their associated maintenance, operation and administrative expenses:

(a)-(e) [UNCHANGED]

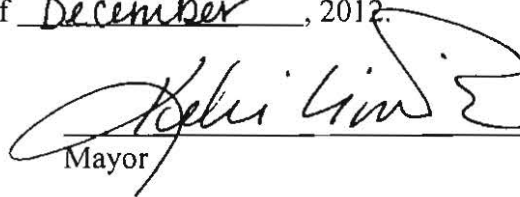
2.-3. [UNCHANGED]

**Section 10: Effective Date.** This Ordinance shall take effect January 1, 2013.

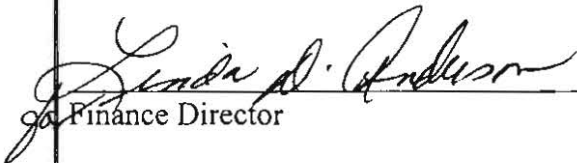
PASSED by the Council this <sup>10th</sup> day of ~~December~~, 2012.

  
\_\_\_\_\_  
Council President

APPROVED by me this 18th day of December, 2012.

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
Finance Director

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Office of the City Attorney

Published:

December 14, 2012  
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