

**SILVER LAKE WATER & SEWER DISTRICT
SNOHOMISH COUNTY, WASHINGTON
RESOLUTION NO. 651**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE SILVER
LAKE WATER & SEWER DISTRICT, SNOHOMISH COUNTY,
WASHINGTON, ESTABLISHING GENERAL FACILITY CHARGES FOR NEW
WATER AND SEWER CONNECTIONS AND REPEALING OR AMENDING
RESOLUTIONS NO. 503, 527, 564, 603, AND 611.**

WHEREAS, RCW 57.08.005 (11) authorizes the Silver Lake Water & Sewer District Board of Commissioners ("District") to fix rates and charges for water and sewer supplied and to charge property owners seeking to connect to the District's systems, as a condition to granting the right to so connect, in addition to the cost of the connection, such reasonable connection charge as the Board of Commissioners shall determine to be proper in order that those property owners shall bear their equitable share of the cost of the system; and

WHEREAS, on October 28, 1999, the Silver Lake Water and Sewer District's Board of Commissioners adopted Resolution No. 503 that established new general facility charges and other fees, customer classes, and general facility charge methodology; and

WHEREAS, on February 8, 2001, the Silver Lake Water and Sewer District's Board of Commissioners adopted Resolution No. 527 that established new and updated general facility charges and other fees, customer classes, and general facility charge methodology; and

WHEREAS, on August 28, 2003, the Silver Lake Water and Sewer District's Board of Commissioners adopted Resolution No. 564 that established a new formula for the calculation of sewer general facility charges and other fees; and

WHEREAS, on February 10, 2006, the Silver Lake Water and Sewer District's Board of Commissioners adopted Resolution No. 603 that established new sewer general facility charges and side sewer inspections fees in the Alderwood Drainage Basin and outlined a property owner's responsibility to pay for the sewer capacity charge assessed by King County Metro; and

WHEREAS, on August 10, 2006, the Silver Lake Water and Sewer District's Board of Commissioners adopted Resolution No. 611 that established the collection of new sewer general facility charges and fees adopted by the Alderwood Water and Wastewater District in accordance with the interlocal agreement with Alderwood Water and Wastewater District for properties located within the Alderwood Drainage Basin; and

WHEREAS, the Board of Commissioners of the Silver Lake Water & Sewer District contracted with Financial Consulting Services Group (FCSG) to prepare the 2010 Utility

Rate Study, which included a section on water and sewer general facility charges and fees; and

WHEREAS, the 2010 Utility Rate Study's section on water and sewer general facility charges include a financial analysis of the District's existing cost basis, under the plant in service methodology for the fiscal period ended December 31, 2008, and the future cost basis using future project cost estimates based on the District's draft Water and Sewer Comprehensive Plans; and

WHEREAS, the portion of the water and sewer general facility charges calculated using the existing cost basis, under the plant in service methodology, resulted in a significantly higher water and sewer general facility charge than currently adopted and based on 1999 and 2001 financial statements and adopted capital projects; and

WHEREAS, the under valuation of the District's current water and sewer general capital facility charge means that new customers are not fully paying for their equitable portion of the District's existing water and sewer system; and

WHEREAS, the 2010 Utility Rate Study also updated customer class and factor ratios for water and sewer general capital facility charges; and

WHEREAS, the 2010 Utility Rate Study existing cost basis for the water utility, under the plant in service methodology was \$92,184,151, serving a planned 26,788 ERU's, or \$3,441 per ERU; and

WHEREAS, the 2010 Utility Rate Study existing cost basis for sewer utility, under the plant in service methodology, was \$38,612,943 for the Everett Drainage Basin, \$400,934 for the Alderwood Drainage Basin, and \$76,339,692 combined for both basins, serving a planned 21,163 ERU's in the Everett Drainage Basin and a planned 3,901 ERU's in the Alderwood Drainage Basin, or \$4,870 per ERU in the Everett Drainage Basin and \$3,149 in the Alderwood Drainage Basin; and

WHEREAS, the District wants to clarify some customer class definitions, formalize a credit for upsizing existing water and sewer connections, and update other provisions contained in previous District resolutions that have occurred since their adoption; and

WHEREAS, in 1979 the District's water general capital facility charge was \$100.00 per dwelling unit and the sewer general capital facility charge was \$1,000.00 per connection; and

WHEREAS, at the regularly scheduled meeting on May 13, 2010, the Board of Commissioners received the 2010 Utility Rate Study from FCS Group and discussed the various service rates and general capital facility charge issues presented in the report; and

WHEREAS, at the regularly scheduled meeting on May 27, 2010 the Board of Commissioners received a staff report on water and sewer general capital facility charges

and directed staff Publish notice of a Public Hearing to consider changes to the District General Facility Charges and to prepare a draft resolution for their consideration to enact the existing plant portion of the water and sewer general capital facility charge with a future resolution being prepared for the Board of Commissioners' consideration that would include, in addition to the existing Plant in Service Costs, the costs of Capital Improvement Projects set forth in the 10 year CIP Schedule for both the Water and Sewer Comprehensive Plans as updated and adopted; and

WHEREAS, notice of the Public Hearing in the Administration Building of the Silver Lake Water & Sewer District 15205 41st Ave. SE, Bothell, WA, at 5:30 p.m., or as soon thereafter as can be heard, on Monday, June 28, 2010, for the purpose of considering changes to the District General Facility Charges was published in the Everett Herald on June 11, 2010; and

WHEREAS, such notice was posted on the District web page www.slwsd.com on June 17, 2010; and

WHEREAS, the Board of Commissioners held a Public Hearing in the Administration Building of the Silver Lake Water & Sewer District 15205 41st Ave. SE, Bothell, WA, at 5:30 p.m., or as soon thereafter as can be heard, on Monday, June 28, 2010, for the purpose of considering changes to the District General Facility Charges to receive public testimony on the adjustment of and possible increase to District General Facility Charges; and

WHEREAS, the water and sewer general capital facility charges and service fees set forth in this resolution in Exhibits A and B, attached hereto and made a part of this resolution, shall be considered the general capital facility charge for the District's sewer and water utilities; and it is found and declared that the classifications, charges, and fees set forth in Exhibits A and B attached to this resolution are fair and equitable; and

WHEREAS, the water and sewer general capital facility charges set forth in exhibits A and B have been rounded to the nearest \$5.00 for administrative efficiency; and

BE IT RESOLVED by the Board of Commissioners of the Silver Lake Water & Sewer District, Snohomish County, Washington as follows:

1. **FINDINGS:** The Commissioners adopt as findings the preceding recitals to this Resolution.
2. **DEFINITIONS:** For the purpose of determining rate classification for water and sewer general capital facility charges for new water and sewer connection charges and upsizing of existing water and sewer connections, the following definitions shall apply, unless otherwise provided for:

Accessory Dwelling Unit (ADU) or Dwelling Unit means any building or portion of a building which contains complete housekeeping facilities for one family, including provisions for sleeping, eating, cooking and sanitation, physically separated from any other dwelling unit which may be in the same building.

Alderwood Water and Wastewater (AWWD) Drainage Basin means an area identified by the District where the sewer flows are delivered to the Alderwood Water and Wastewater Drainage Basin for sewer collection and then sent to King County Metro Sewer for sewer treatment per interlocal agreements.

Commercial means all customers receiving water and sewer service or discharging domestic flows to the District's sewer system without one or more dwelling units. Schools, churches, public agencies, parks are also examples of commercial class customers.

Condominium means a multifamily dwelling structure consisting of attached dwelling units owned individually and not in common by one owner.

Credit for Existing Water and Sewer Connection (Upsizing) means a credit a customer can apply for when they are requesting or are required to increase their existing meter size to meet an increased water or sewer service demand.

Duplex or Two-Family Dwelling means a detached structure containing two dwelling units.

ERU means Equivalent Residential Unit.

Everett Drainage Basin means an area identified by the District where sewer flows are delivered to the City of Everett for sewer treatment per interlocal agreement.

Factor Ratio means the percentage increase used to calculate a larger meter size's water and sewer general capital facility charge from the base meter size.

Fire Meter means a water meter, regardless of size, that is dedicated and plumbed solely to provide water to a fire suppression or fire sprinkler system. Fire meters can be installed in any structures.

Irrigation Meter means a water meter that is dedicated and plumbed solely to provide water to an irrigation system or sprinkler system.

Meter Size means the size of the water meter requested or required to meet water and sewer demands.

Mobile Home Park means a residential use in which a tract of land is rented for the use of more than one (1) mobile or modular home occupied as a dwelling unit.

Multifamily Structure means a structure or portion of a structure containing three (3) or more dwelling units, including mobile home parks with more than one dwelling unit.

Side Sewer Inspection – New Connection means when a new side sewer connection is made to the main sewer line or when the location of an existing side sewer is changed requiring a new as-built drawing to be created. Customers shall not be charged the side sewer inspection fee when the repairs to their side sewer lines do not require either a new connection to the main sewer line or a revised as-built drawing being created.

Single-family Dwelling (SFD) Unit means a detached structure containing one (1) dwelling unit and having a permanent foundation or attached dwelling units with separate ownership of each dwelling unit including the fee simple interest of the respective underlying real property for such dwelling unit. Each single-family dwelling unit shall have its own water meter.

Water Meter Installation Charge means when a customer requests a new meter be installed to serve their property or that an existing meter be relocated to a new location. The short side of the street means the shorter distance from the water line to the property. The long side of the street means the longer distance from the water line to the property.

3. **ADOPTION OF RATES:**

The water and sewer general capital facility charges set forth on Exhibits A and B, attached hereto and incorporated by this reference are hereby adopted effective June 29, 2010.

4. **OTHER CHARGES, ASSESSMENTS, AND FEES:**

The general capital facility charges set forth in Exhibits A and B are not in lieu of any U.L.I.D assessments, latecomers fees, other agency general capital facility or capacity charges, or other District fees and charges for services. Examples of such other District fees may include, but are not limited to, water meter installation and permit fees, side sewer inspections, water main tapping, latecomer agreement fees, returned check, and flow tests.

5. **APPLICATION FOR NEW OR UPSIZED WATER AND/OR SEWER CONNECTION:**

Customers requesting or required to connect a new or upsized water and/or sewer connection to the District's water and sewer systems must make application to the District. The General Manager or designee may require the applicant to submit additional plans or engineering reports to substantiate the size of their required water meter and/or sewer connection.

The District must receive payment in full of all water and/or sewer general capital facility charges and other fees prior to issuing a water and/or sewer permit and prior to the customer physically connecting to the District's water and sewer system.

6. CREDIT FOR EXISTING WATER AND SEWER CONNECTION (UPSIZING):

Customers requesting or required to upsize existing water and/or sewer connection may request a credit for their existing water and/or sewer connection. The credit amount shall be the initial general capital facility paid for the existing water and/ or sewer connection. If the amount paid for the existing water and sewer connection cannot be determined, then a base credit of \$100.00 for a water connection and \$1,000.00 for a sewer connection shall be provided to the customer. The following examples are provided:

Example of 2" Meter Upsized from 1" Meter (Everett Basin)

	Water	Sewer
Cost of Upsized 2" Meter	22,000.00	28,960.00
Initial GFC Paid for 1" Meter	(4,968.15)	(5,819.15)
2" GFC Charge Due	\$ 17,031.85	\$ 23,140.85

Example of 1" Meter Upsized from 5/8" Meter (value unknown - Everett Basin)

	Water	Sewer
Cost of Upsized 1" Meter	6,875.00	9,050.00
Initial GFC Paid for 5/8" Meter	(100.00)	(1,000.00)
1" GFC Charge Due	\$ 6,775.00	\$ 8,050.00

7. REQUIRED WATER METER AND SIDE SEWER INSPECTION:

All new or upsized water and/or side sewer connections must be inspected by the District prior to acceptance. The District may schedule the inspection of the water connection. The customer or their contractor must call the District to schedule an inspection of the side sewer. The physical side sewer connection must be visible to the District at the time of the inspection. The District may require customers, at their own expense, who have back filled the sewer trench, to re-open the sewer trench so a side sewer inspection can be conducted.

8. CHARGES AND FEES BY INTERLOCAL AGREEMENT AGENCIES:

In addition to the fees and charges assessed by the District for each new or upsized water and/or sewer connection, customers may be required to pay directly to the District or directly to another agency their respective general capital facility charges, capacity fees, or other fees adopted by the respective agency. Customers requesting a new or upsized water and/or sewer connection within the Alderwood Drainage Basin must complete and submit a King County Metro Sewer Use Certification form.

9. **NON TRANSFERABLE:**

Existing water and sewer connections and issued water and/or sewer permits are provided to a specific property and are not transferable to another property or parcel. Existing water and/or sewer connections on a subject property that is being subdivided can transfer the existing water and/or connections to one of the newly created parcels by submitting a written request to the District. The property or parcel from which such connection(s) are transferred, forfeits any and all rights of connection to the District utility systems.

10. **GENERAL CAPITAL FACILITY CHARGES – WATER AND SEWER SERVICE OUTSIDE THE DISTRICT BOUNDARIES:**

Properties outside the District's corporate boundaries using or benefiting from the use of the District's water and sewer general facilities shall be required to pay the District's general capital facility charge(s) as a condition of water and/or sewer service.

11. **EFFECTIVE DATE:**

The effective date of this Resolution shall be June 29, 2010. Any applicant for a new or upsized water and/or sewer connection shall pay the appropriate general capital facility charge for the subject property, provided however, any applicant for a new or upsized water and/or sewer connection who presents to the District a building permit issued prior to August 14, 2010, for the construction of buildings on the subject property to be connected to the District system(s) shall be assessed the District's general capital facility charge(s) in place, prior to the adoption of this Resolution.

12. **SEVERABILITY:**

Should any part or provision of this Resolution be declared by a court of competent jurisdiction to be invalid, the same shall not affect the validity of the Resolution as a whole, or any part thereof, other than the part declared to be invalid.

13. **REPEALER:**

District Resolutions No. 503, No. 527, No. 564, No. 603, AND No. 611 providing for water and sewer general capital facility charges, customer classification, or information services definitions are hereby repealed.

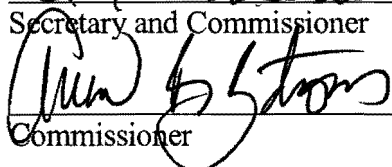
ADOPTED by the Board of Commissioners, at a special meeting of the Silver Lake Water & Sewer District, Snohomish County, Washington this 28th day of June, 2010.



President and Commissioner



Secretary and Commissioner



Commissioner

I CERTIFY the above to be a true and correct copy of Resolution No. 651 adopted by the Board of Commissioners of the Silver Lake Water & Sewer District, this 28th day of June, 2010, as said Resolution appears in the records of the Silver Lake Water & Sewer District.



Secretary of the Silver Lake Water & Sewer District Board of Commissioners

Exhibit A**General Facility Charge - Water**

Meter Size / Customer Class	Factor Ratio	Capital Facility Charge
5/8 * 3/4"	1.00	2,750
1"	2.50	6,875
1.5"	5.00	13,750
2"	8.00	22,000
3"	15.00	41,250
4"	25.00	68,750
6"	50.00	137,500
8"	80.00	220,000
10"	115.00	316,250
12"	168.75	464,063
Duplex/ADU per unit	0.85	2,340
MultiFamily, per unit	0.70	1,925
Fire Meter	0.05	145

In addition to General Facility Charges, the District may charge a water meter installation and permit fee.

Exhibit B		
General Facility Charge - Sewer (Everett Basin)		
Meter Size / Customer Class	Factor Ratio	Capital Facility Charge
5/8 * 3/4"	1	3,620
1"	2.50	9,050
1.5"	5.00	18,100
2"	8.00	28,960
3"	15.00	54,300
4"	25.00	90,500
6"	50.00	181,000
8"	80.00	289,600
10"	115.00	416,300
12"	168.75	610,875
Duplex/ADU per unit	0.85	3,075
MultiFamily, per unit	0.70	2,535

In addition to General Facility Charges, the District may charge a sewer inspection fee.

Exhibit B		
General Facility Charge - Sewer (A W W D Basin)		
Meter Size / Customer Class	Factor Ratio	Capital Facility Charge
5/8 * 3/4"	1	2,060
1"	2.50	5,150
1.5"	5.00	10,300
2"	8.00	16,480
3"	15.00	30,900
4"	25.00	51,500
6"	50.00	103,000
8"	80.00	164,800
10"	115.00	236,900
12"	168.75	347,625
Duplex/ADU per unit	0.85	1,750
MultiFamily, per unit	0.70	1,440

In addition to General Facility Charges, the District may charge a sewer inspection fee.

In addition to the District's fees and charges, customers connecting in the A W W D Drainage Basin have to pay a connection charge assessed by Alderwood Water and Wastewater District and King County Metro.