



Around the Lake

Water and Sewer-Related News and Information

New Water Connection Yields an Estimated \$150,000 Annual Savings

by Commissioner John Warner



The District is in the process of upgrading an existing water connection point that will help us save approximately

\$150,000 per year in water costs.

Construction has begun on the conversion and upgrade of an existing water connection point with the City of Everett (Master Meter #3) that serves the Silver Acres neighborhood. The District currently purchases water for this area directly from Everett. Work will begin by converting this existing water supply into a fire-flow-during-emergencies-use-only supply, by installing a new motor operated valve inside an underground vault.

Once converted, we'll begin using the other existing connection points to serve customers in the Silver Acres area from the south.

This effort will enable us to begin purchasing more water from the Clearview source at a lower cost than Everett.



The end result? A savings of approximately \$150,000 per year. The total cost of the project, including design and construction, is approximately \$516,000. Contractor New West Development, Inc. out of Everett anticipates that work should be completed during Summer 2021.

Your Payment Data Is (Even More) Safe Than Before

In early February, our utility billing vendor Automatic Funds Transfer Services, Inc. (AFTS) alerted us about a security/data incident. After an extensive investigation, they confirmed no Silver Lake Water and Sewer District customers' payment information was compromised. Since the breach, AFTS has enhanced and hardened their systems for better protection. Additionally, the District has launched a new electronic payment portal with greater security powered by Invoice Cloud (a new vendor), accessible via the District's website.

Updated Backflow Prevention Software

Backflow prevention devices are commonly installed as part of an irrigation or fire sprinkler system. Without this device, or when it's improperly installed or maintained, the potable water system can be contaminated with pesticides, fertilizers, animal waste, stagnate water, and other pollutants. District staff are currently upgrading the software that tracks the annual test status of backflow devices, generates reminder notices, maintains a list of certified testers, and reduces staff time to manage the program. Learn more at slwsd.com/crossconnection.html



The How, Why, and When of Rate Increases

After a year of deferred rate increases due to the pandemic, amidst ever-rising expenses for our “Pass-Through” wholesale water and sewage treatment services, and the cost of system maintenance, Silver Lake has enacted rate increases to help recover our costs—while still remaining at or below other local utilities’ rates.

Our Rate Philosophy

Silver Lake Water and Sewer District approaches budgeting and rate decisions very carefully, based on the following five objectives:

- Providing consistent, high quality water and sewer service;
- Projecting the long-term water and sewer needs of our customers and service area, along with the required infrastructure;
- Maximizing the life cycle of our current water system with prudent improvements;
- Maintaining predictable rates despite the rising costs of maintaining an aging water system; and
- Keeping rates competitive with neighboring cities and utilities.

Two Rate Components

Your Water and Sewer Rates are adjusted in two ways: an **annual** adjustment known as the “Pass-Through” rate (which we absorbed last year, out of respect for the financial impact that the pandemic had on our customers), and **periodic** rate adjustments for all Other District Service costs (which we have not raised for over six years).

1. Annual Pass-Through Rate Adjustment

Silver Lake Water and Sewer District purchases sewer treatment services and water on a wholesale basis from outside agencies. These wholesale costs, which are “passed through” to us, represent the largest cost in our overall operating budget. This is why the associated rates are typically adjusted on an annual basis.

Pass-Through services include:

- Collected sewage waste is treated under contract by the City of Everett, or by King County Metro, through the Alderwood Water & Wastewater District (AWWD).
- Water is purchased directly from the City of Everett, or indirectly from the City through the Clearview Water Supply Agency, or the Alderwood Water & Wastewater District (AWWD).

2. Periodic Rate Adjustment for Other District Services

Other District Services are the operational costs of providing you with safe, reliable water service, maintaining utility infrastructure, protecting natural resources, and investing in system improvements.

These periodic rate adjustments are made upon completion of a Rate Study by an independent consultant that reviews all Other District Service costs. The last time we adjusted rates for these factors was in 2015.

Separate General Facility Fee

In addition to your water and sewer rates, the District also collects a separate fee for each new connection to our system to cover the associated capital infrastructure costs. These fees are reviewed when we adopt a new Capital Facilities plan, and were last adjusted in 2011.

Comprehensive Study to Analyze Rate Adjustments

Last year, Silver Lake Water and Sewer District underwent a nine month process to analyze and develop the rates necessary for providing water and sewer service during 2021 and beyond.

We hired Katy Isaksen & Associates in May 2019 to perform a comprehensive Water and Sewer Rate Study. This study analyzed operating costs, wholesale rate projections, current and future capital infrastructure needs, projected growth and customer usage data, along with a thorough review of operating costs from 2018 (baseline year).

Prior to COVID-19, our intention was to adopt new Pass-Through rates in April 2020, with a subsequent adjustment of the General Facility Fee, followed by an adjustment to our Periodic Service rates.

Rate Comparison with Local Utility Districts	Monthly Cost						
	Water (1000 cubic feet)			Sewer (Flat Rate)			
	Season	Old	New	Region	Old	New	
Utility District:	Season	Old	New	Region	Old	New	
	Silver Lake Water & Sewer District	Summer	34.60	45.60	Everett	58.25	66.45
		Winter	29.10	41.10	AWWD	57.65	62.50
Woodinville Water District	Summer	75.63	78.14		72.48	75.83	
	Winter	63.66	67.84				
City of Snohomish		64.68	65.68		97.32	97.32	
Cross Valley Water		57.13	58.83		72.45	84.63	
City of Arlington		52.73	52.73		70.15	70.15	
City of Everett		47.45	48.05		51.17	53.39	

However, with the onset of the pandemic, the Board of Commissioners decided in April 2020 to defer and absorb **both** the increased 2020 Water and Sewer Pass-Through Rate, as well as any changes to the Periodic Rate for Services, out of respect for the financial impacts that the pandemic was causing in our community.

In November 2020, the consultant completed the General Facility Fees portion of the Water and Sewer Rate Study, and presented it to our Board of Commissioners. A public hearing to adopt the new General Facility Fee took place in December 2020.

In March and April of 2021, the consultant presented the remaining two study components: Annual Pass-Through, and Periodic Rate Adjustment for District Services.

After many levels of review and public outreach, the Study’s recommended rates for these two remaining components—Pass-Through Services as well as District Services—were presented to the public and approved by our Board on April 8, 2021.

To view the study, visit: slwsd.com/rates.html



What The Increase Covers

New rates go into effect with new summer rates (May or June 2021), and address the following needs:

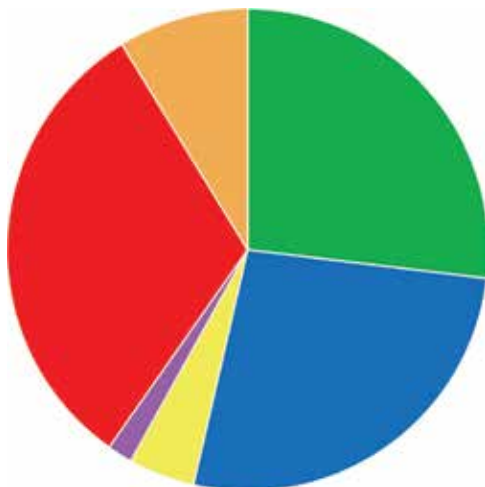
- **External Provider Costs** “passed-through” from outside agencies for our wholesale water and sewage treatment services;
- **Infrastructure Investment:** the majority of our system has reached “middle age” and is requiring more repairs and maintenance—amidst rapid construction price inflation;
- **Local Operations:** the cost of running the utilities, including personnel, maintenance, supplies, regulatory requirements, professional services, and related administrative costs; and
- **State Taxes:** public utility taxes and Business & Occupation (B&O) taxes.

Why Raise Rates Now?

Knowing the challenges that many are still facing, we’ve spent the past year scupulously reducing costs and absorbing financial impacts. We can’t control outside agencies’ costs, and continuing to absorb them would critically impact our ability to meet regulatory requirements and maintain our current level of service.

It would also be unwise (and in many cases impossible) to halt repair and maintenance of our aging infrastructure. The new infrastructure we enjoyed during the rapid development of the late 1990s, including some facilities like sewage lift stations, are approaching the end of their life cycle. As we make the transition to a more “middle aged” water system, keeping it functional requires increasing repairs and replacements. Delaying this maintenance could lead to system failure.

If you are experiencing financial difficulties, please give us a call. From rate relief programs for low-income seniors, to the Emergency Assistance Program for customers facing job or income loss, we’re here to help.





Silver Lake Water & Sewer District

15205 - 41st Avenue SE
Bothell, WA 98012-6114

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Permit# 1327
Seattle, WA

Planning a Project?



**Know what's below.
Call before you dig.**

Silver Lake Water & Sewer District

Address

15205 - 41st Avenue SE
Bothell, WA 98012-6114

Phone: 425-337-3647

Fax: 425-337-4399

Office Hours • Our physical office is temporarily closed due to COVID-19.

Monday, Tuesday, Thursday and Friday
8:00 a.m. to 4:30 p.m.

Wednesdays 9:00 a.m. to 4:30 p.m.

Closed Saturday, Sunday,
and major holidays.

Public Meetings

Silver Lake Water and Sewer District's Board of Commissioners' meetings are held the on the 2nd and 4th Thursday of each month at 5:30 p.m., and are open to the public to attend and comment.

Currently, meetings are held in a hybrid format with options for in-person or virtual attendance. Visit our website at www.slwsd.com for more information.

How to Pay Your Bill

Types of Payments Accepted

Check, money order, and credit card (Visa, MasterCard, American Express)

Pay By DropBox

A payment drop box—for checks and money orders only—is available in the parking lot of our office at 15205 - 41st Avenue SE in Bothell.

Pay Online

www.slwsd.com

Pay By Phone

1-877-814-9773

Pay With Your Own Bank Bill Pay System

Please allow 7 business days for delivery

Pay In Person • Temporarily Unavailable

15205 - 41st Avenue SE
Bothell, WA 98012-6114

Transaction Fee

There is a \$3.85 per transaction convenience fee when you pay with a debit/credit card or e-check (when paid by phone, website, or in person).

Inside This Newsletter

New Water Connection..... 1

Payment Data Security 1

Updated Backflow Software..... 1

The How, Why, and When of Rate Increases2-3



In Case of Emergency

District staff are on call 24 hours a day, 7 days a week to assist you with water and sewer emergencies.

(425) 337-3647

If you are calling after hours, press "1" to hold for an Emergency Operator.