RESOLUTION NO. 12-13708

A RESOLUTION ESTABLISHING A RATE INCREASE OF SIX PERCENT (6%) FOR WATER AND WASTEWATER SERVICES

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County ("the District"), in compliance with RCW 54.24.080, is required to establish, maintain, and collect rates or charges for electric energy and water and other services, facilities, and commodities sold, furnished, or supplied by the District. The rates and charges shall be fair, nondiscriminatory, and shall be adequate to provide revenues sufficient for the payment of the principal of and interest on such revenue obligations for which the payment has not otherwise been provided and all payments which the District is obligated to set aside in any special fund or funds created for such purpose, and for the proper operation and maintenance of the public utility and all necessary repairs, replacements, and renewals thereof.

The District Commission on Sept. 27, 2010 authorized implementation of an updated Strategic Plan. The plan, titled "Anticipate and Respond: Strategies for a Sustainable Chelan County PUD," is designed to align with customers' expectations and desires as voiced in opinion surveys, public meetings, focus groups and e-mails. The Strategic Plan identifies four principal objectives that will guide operations: ensure lasting financial stability by developing and implementing a comprehensive, sustainable business model; establish and enhance lasting customer, employee and stakeholder relationships; provide valued public utility services by responsibly managing services; and operate responsibly.

District rate-setting guiding principles and customer input recommend movement toward closing the gap in the water and wastewater systems between revenues and operating costs; smaller incremental rate increases over time; supporting long-term rate stability; aligning the cost of service; and continued movement toward a "postage stamp" approach in which customers of all water systems are charged the same or similar rates for services.

A six percent (6%) increase for water and wastewater rates was included in the 2012 budget as part of the District's efforts to close gaps between revenues and expenses. The proposed increase was discussed with District Commissioners during the Board meeting held January 16, 2012 in Wenatchee. The District Commissioners directed staff to initiate the public process for the proposed rate increases. Public notices were provided and meetings were held Feb. 6, 2012 in Wenatchee and Feb. 8, 2012 in Leavenworth. A public hearing was advertised to occur on March 5, 2012 in Wenatchee.

Staff recommends a six percent (6%) rate increase be adopted to increase overall water and wastewater revenue, consistent with the approved 2012 District budget, with an additional step increase applied to the Dryden water quantity rates to bring that system closer in line with cost of service and with other District systems. A six percent (6%) increase to the existing low-income assistance discounts is included in the rates. The General Manager concurs with staff.

The proposed rates are attached as Exhibit A as "2012 Water and Wastewater Rate Schedules." New rates, if adopted, would be effective April 1, 2012.

ACTION

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO.1 OF CHELAN COUNTY, WASHINGTON, as follows:

Section 1. The Commission held public informational meetings and a public hearing regarding the described proposed rate increase for the District's water and wastewater systems. The Commission considered staff recommendations and public input.

Section 2. The water and wastewater rates set forth in Exhibit A attached hereto are determined to be fair, reasonable, necessary and non-discriminatory. The rates set forth in Exhibit A as "2012 Water and Wastewater Rate Schedules" shall be effective April 1, 2012.

Section 3. The adoption of this rate resolution is not a major action under the State Environmental Policy Act, and as such is categorically exempt under S.E.P.A. guidelines, W.A.C., Ch 197-1 1 -800(15)(i).

<u>Section 4.</u> This resolution rescinds and supersedes prior resolutions and Commission actions that are inconsistent with this resolution and exhibit. This resolution shall not render invalid any previous action by this Commission regarding rates, service regulations, policies, fees, charges or agreements except as specifically included in this resolution and exhibit.

Dated this 5th day of March, 2012.

President

ATTEST:

Ice President

Commissioner

Commissioner

Water Rate Schedules



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RATE DISCOUNT FOR RESIDENTIAL WATER SERVICE

A rate discount not to exceed \$8.00* per month is available to all qualifying low-income seniors 62 years and older and low-income disabled as provided for in State of Washington R.C.W. 74.38.070. The rate discount will not exceed the amount of the monthly bill up to \$8.00* per month and will be applied to one residential water account only.

QUALIFYING CRITERIA FOR LOW-INCOME SENIORS

- 1. Age 62 years or older prior to or during the month in which the discount is to apply.
- 2. Total household income including his or her spouse or co-tenant does not exceed the amount specified in R.C.W. 84.36.381 (5) (b).
- 3. Ownership or occupancy as head of household residing therein at certain property being served water within the District's service area.

LOW-INCOME DISABLED

- 1. Physical disability prior to application.
- 2. Special parking privileges as defined in State of Washington R.C.W 46.16.381(1) (a) through (f) or a blind person as defined in R.C.W 74.18.020.
- 3. Household income does not exceed 125% of Federal Poverty Income Guidelines.
- 4. Ownership or occupancy as head of household residing therein at certain property being served water within the District's service area.

^{*} Rate discount for Chelan Falls residential water service is \$7.26. See Chelan Falls Water System.

WENATCHEE, SQUILCHUCK, OLLALA, AND CHELAN RIDGE WATER SYSTEMS

RESIDENTIAL SERVICE

RATE SCHEDULES WENATCHEE (111), SQUILCHUCK (311), OLLALA (711) AND CHELAN RIDGE (811)

Meter Size	Basic Monthly Charge
5/8"	\$ 28.25
1"	\$ 33.90
1 1/2"	\$ 45.20
2"	\$ 62.20
3"	\$ 203.40

RESIDENTIAL QUANTITY RATE

First 3,000 gallons per month @ \$2.30 per 1,000 gallons 3,001 to 10,000 gallons per month @ \$3.15 per 1,000 gallons Over 10,000 gallons per month @ \$4.00 per 1,000 gallons

COMMERCIAL AND INDUSTRIAL SERVICES

RATE SCHEDULES WENATCHEE- COMMERCIAL (121) AND INDUSTRIAL (131); SQUILCHUCK- COMMERIAL (321); CHELAN RIDGE- COMMERCIAL (871)

Meter Size	Basic Monthly Charge
5/8"	\$ 47.50
1"	\$ 57.00
1 1/2"	\$ 71.00
2"	\$ 105.00
3"	\$ 342.00
4"	\$ 432.00
6"	\$ 637.00

COMMERCIAL AND INDUSTRIAL QUANTITY RATE

Charge per 1,000 gallons used \$ 2.86

ADDITIONAL RATE LINE ITEMS

Each additional unit \$ 17.50 per month

Chelan Ridge privately owned lots (no meter) \$ 28.05 per month

Squilchuck Debt Service- Each meter and additional dwelling or commercial unit will be charged a monthly Debt Service charge of \$6.55.

TAX ADJUSTMENT

The amount of tax levied by any city or town in accordance with R.C.W 54.28.070, of the Laws of the State of Washington, will be added to the above charges for water sold within the limits of any such city or town.

SERVICE POLICY

Service under this schedule is subject to the rules and regulations as defined in the District's <u>Utility Service Regulations</u>.

DRYDEN WATER SYSTEM

RESIDENTIAL AND COMMERCIAL SERVICES

RATE SCHEDULES RESIDENTIAL (511) AND COMMERCIAL (521)

Meter Size	Basic Monthly Charge
5/8"	\$ 28.25
1"	\$ 33.90

RESIDENTIAL QUANTITY RATE

First 3,000 gallons per month @ \$1.60 per 1,000 gallons 3,001 to 10,000 gallons per month @ \$2.60 per 1,000 gallons Over 10,000 gallons per month @ \$3.60 per 1,000 gallons

COMMERCIAL QUANTITY RATE

Charge per 1,000 gallons used \$ 2.35

ADDITIONAL UNITS

Each additional unit \$ 17.50

TAX ADJUSTMENT

The amount of tax levied by any city or town in accordance with R.C.W 54.28.070, of the Laws of the State of Washington, will be added to the above charges for water sold within the limits of any such city or town.

SERVICE POLICY

Service under this schedule is subject to the rules and regulations as defined in the District's <u>Utility Service Regulations</u>.

CHELAN FALLS WATER SYSTEM

RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL SERVICES

RATE SCHEDULES RESIDENTIAL (611), COMMERCIAL (621), AND INDUSTRIAL (631)

Services	Basic Monthly Charge
Residential Service	\$ 23.60
Commercial Service	\$ 53.10
Industrial Service	\$ 590.00

RESIDENTIAL QUANTITY RATE

First 3,000 gallons per month @ \$0.50 per 1,000 gallons 3,001 to 10,000 gallons per month @ \$0.63 per 1,000 gallons Over 10,000 gallons per month @ \$0.93 per 1,000 gallons

COMMERCIAL AND INDUSTRIAL QUANTITY RATE

Charge per 1,000 gallons used \$0.50

ADDITIONAL UNITS

Each additional unit \$ 13.04

RATE DISCOUNT FOR RESIDENTIAL WATER SERVICE

A rate discount not to exceed \$7.26 per month is available to all qualifying low-income seniors 62 years and older and low-income disabled as provided for in State of Washington R.C.W. 74.38.070. The rate discount will not exceed the amount of the monthly bill up to \$7.26 per month and will be applied to one residential water account only. See page three for qualifying criteria.

HYDRANT VALVE CHARGES

Water consumption will be charged at the commercial quantity rate charged for the system it is used on.

RATE SCHEDULES DISTRICT (641), CUSTOMER (642), AND INTER DEPT (643)

All Water Systems:	District Owned	Customer Owned
Hydrant Valve Daily Usage Charge	\$ 14.75+ water	- 0 -
Fire Hydrant Daily Usage Charge	\$ 14.75+ water	\$ 14.75+ water

Note: Additional onetime fees may apply. See Fees & Charges

FIRE SPRINKLER SERVICE RATE

RATE SCHEDULES 681

Connection Size	Monthly Charge
2"	\$ 23.60
3"	\$ 32.43
4"	\$ 40.56
6"	\$ 80.97
8"	\$121. 6 8
10"	\$161.92

FIRE SPRINKLER QUANTITY RATE

Charge per 1,000 gallons used \$ 2.73

PRIVATE FIRE HYDRANT SERVICE RATE

RATE SCHEDULES 682

Fire Hydrant Service \$9.51 per month

TAX ADJUSTMENT

The amount of tax levied by any city or town in accordance with RCW 54.28.070, of the laws of the State of Washington, will be added to the above charges for water sold within the limits of any such city or town.

SERVICE POLICY

Service under this schedule is subject to the rules and regulations as defined in the District's Utility Service Regulations.

EFFECTIVE: APRIL 1, 2012 BY RESOLUTION 12-1

Rate increases are approved by:

Chelan Falls Water District's Board of Commissioners, Ken Young, president

This system is owned by the Chelan Falls Water District and operated and maintained by Chelan County Public Utility District.

FIRE SPRINKLER SERVICE RATE

WENATCHEE, SQUILCHUCK, AND DRYDEN WATER SYSTEMS

RATE SCHEDULES WENATCHEE (181), SQUILCHUCK (381), AND DRYDEN (581)

Connection Size	Monthly Charge
2"	\$ 26.25
3"	\$ 36.25
4"	\$ 45.00
6"	\$ 90.50
8"	\$136.00
10"	\$181.00

FIRE SPRINKLER QUANTITY RATE

Charge per 1,000 gallons used \$ 2.86

PRIVATE FIRE HYDRANT SERVICE RATE

WENATCHEE, SQUILCHUCK, DRYDEN, AND CHELAN RIDGE WATER SYSTEMS

RATE SCHEDULES WENATCHEE (182), SQUILCHUCK (382), DRYDEN (582), AND CHELAN RIDGE (882)

Fire Hydrant Service \$10.60 per month

HYDRANT VALVE CHARGES

Water consumption will be charged at the commercial quantity rate charged for the system it is used on.

WENATCHEE, SQUILCHUCK, DRYDEN, AND CHELAN RIDGE WATER SYSTEMS

RATE SCHEDULES WENATCHEE- DISTRICT (141), CUSTOMER (142), AND INTER DEPT (143); SQUILCHUCK- DISTRICT (341), CUSTOMER (342), AND INTER DEPT (343); DRYDEN- DISTRICT (541), CUSTOMER (542), AND INTER DEPT (543); CHELAN RIDGE- DISTRICT (841), CUSTOMER (842), AND INTER DEPT (843):

All Water Systems:	District Owned	Customer Owned
Hydrant Valve Daily Usage Charge	\$ 16.75+ water	- 0 -
Fire Hydrant Daily Usage Charge	\$ 16.75+ water	\$ 16.75+ water

Note: Additional onetime fees may apply. See Fees & Charges

RESOLUTION HISTORY

WATER RATE SCHEDULES

Resolution No. 91-9122 Resolution No. 93-9579 CFWD Resolution No. 93-1 Resolution No. 97-10658 Resolution No. 98-10970 **Commission Motion** Resolution No. 99-11350 Resolution No. 00-11626 Resolution No. 01-11764 Resolution No. 02-12057 Resolution No. 03-12467 CFWD Resolution No. 07-03 March 6, 2007 Resolution No. 07-13162 Resolution No. 08-13395 Resolution No. 11-13624 CFWD Resolution No. 12-1 Resolution No. 12-

December 1, 1991 May 1, 1993 June 8, 1993 February 3, 1997 March 30, 1998 October 1, 1998 December 20, 1999 December 4, 2000 April 23, 2001 April 1, 2002 December 8, 2003 September 10, 2007 October 27, 2008 February 7, 2011 February 7, 2012 March 5, 2012

All Systems All Systems Chelan Falls Chelan Ridge Ollala Canyon, Dryden, Wenatchee Squilchuck, Debt Service Adjustment All Systems All Systems All Systems All Systems, Except Chelan Falls All Systems, Except Chelan Falls Chelan Falls All District Owned Systems All District Owned Systems All District Owned Systems Chelan Falls All District Owned Systems

Exhibit A Wastewater Rate Schedules



Wastewater Rate Schedules

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RATE DISCOUNT FOR RESIDENTIAL WASTEWATER SERVICE

A rate discount not to exceed \$7.95 per month is available to all qualifying low-income seniors 62 years and older and low-income disabled as provided for in State of Washington R.C.W. 74.38.070. The rate discount will not exceed the amount of the monthly bill up to \$7.95 per month and will be applied to one residential wastewater account only.

QUALIFYING CRITERIA FOR LOW-INCOME SENIORS

- 1. Age 62 years or older prior to or during the month in which the discount is to apply.
- 2. Total household income including his or her spouse or co-tenant does not exceed the amount specified in R.C.W. 84.36.381 (5)(b).
- 3. Ownership or occupancy as head of household residing therein at certain property being provided wastewater service within the District's service area.

LOW-INCOME DISABLED

- 1. Physical disability prior to application.
- 2. Special parking privileges as defined in State of Washington R.C.W. 46.16.381 (1)(a) through (f) or a blind person as defined in R.C.W. 74.18.020.
- 3. Household income does not exceed 125% of Federal Poverty Income Guidelines.
- 4. Ownership or occupancy as head of household residing therein at certain property being provided wastewater service within the District's service area.

LAKE WENATCHEE WASTEWATER SYSTEM

RESIDENTIAL USERS AND SMALL GENERAL SERVICE

Residential users will be charged a flat rate for each single family residence. Duplexes, apartments, and small general services will be charged based on the total number of equivalent residential unit (ERU). (One ERU will be considered to have a flow of 250 gpd and strength not to exceed 250 mg/l BOD and TSS).

MEDIUM AND LARGE GENERAL SERVICE

The general service users will be charged based on actual metered use of the wastewater system. The metered usage will be obtained either by a wastewater meter, when one is installed, or by the metered water usage. The user contribution shall be based on both volume and strength of the wastewater discharged into the system.

RESIDENTIAL

RA	ΤE	SC	HE	DU	LE

	Basic Monthly Charge	
(783)	\$ 61.80 per ERU	

SMALL GENERAL SERVICE

Residential

RATE SCHEDULE

RATE SCHEDULE	
	Basic Monthly Charge
Small General Service (785	5) \$ 61.80 per ERU
For each additional STEP t	tank: 12.35 per month
•	515.50 per month
1,500 gallon tank \$	18.60 per month
3,000 gallon tank	37.15 per month
6,000 gallon tank	or. To per month

MEDIUM GENERAL SERVICE

RATE SCHEDULE

		Basic Monthly Charge	Quantity Rate (over 20,000)
Medium General Servi	ice (786)	\$ 361.75	\$17.25 per 1,000 gallons
For each additional ST		5 per month	- -
1,000 gallon tank 1,250 gallon tank	\$12.3 \$15.5	5 per month 0 per month	_
1,000 gallon tank	\$12.3 \$15.5 \$18.6	5 per month	-

LARGE GENERAL SERVICE

RATE SCHEDULE

		asic Monthly harge	Quantity Rate
			### ### ##############################
Large General Service USFS Complex	(787)- \$	545.40	\$17.25 per 1,000 gallons
For each additional ST	EP tank		
1,000 gallon tank	\$12.35	per month	
1,250 gallon tank		per month	
1,500 gallon tank	\$18.60	per month	
3,000 gallon tank	\$37.15	per month	

SEPTIC SERVICE

RATE SCHEDULE

enes.	Basic Monthly Charge	Quantity Rate
Septic Service (788)- State Park Holding Tank ~ RV Dump Station	\$ 545.40	\$34.50 per 1,000 gallons

ADDITIONAL UNITS

\$38.95 per month for each additional unit.

CONNECTION FEES AND SERVICE CHARGE

Connection fees and service charges shall be as stipulated in the District's <u>Fees</u> and <u>Charges</u>.

SERVICE POLICY

Service under this Schedule is subject to the rules and regulations as defined in the District <u>Utility Service Regulations</u>.

DRYDEN WASTEWATER SYSTEM

RESIDENTIAL USERS

Residential users will be charged a flat rate for each single family residence. Duplexes and apartments will be charged based on the total number of equivalent residential unit (ERU). (One ERU will be considered to have a flow of 250 gpd and strength not to exceed 250 mg/l BOD and TSS).

COMMERCIAL USERS

The commercial users will be charged a flat rate per unit. The District will determine the unit quantity for each commercial user. The unit quantity will be considered to be in direct proportion to the increase in flow and strength of the wastewater (no reduction for lower strength wastewater will be allowed).

RESIDENTIAL AND COMMERCIAL SERVICE

RATE SCHEDULES

	Basic Monthly Charge
Residential (71)	\$ 61.80 per ERU
Commercial (72)	\$ 61.80 per ERU

ADDITIONAL UNIT

\$38.95 per month for each additional unit.

CONNECTION FEES AND SERVICE CHARGE

Connection fees and service charges shall be as stipulated in the District's <u>Fees</u> and Charges.

SERVICE POLICY

Service under this Schedule is subject to the rules and regulations as defined in the District Utility Service Regulations.

PESHASTIN WASTEWATER SYSTEM

RESIDENTIAL USERS

Residential users will be charged a flat rate for each single family residence. Duplexes and apartments will be charged based on the total number of equivalent residential unit (ERU). (One ERU will be considered to have a flow of 250 gpd and strength not to exceed 250 mg/l BOD and TSS).

INSTITUTIONAL 3 AND COMMERCIAL 2 USERS

These users will be charged a flat rate per unit. The District will determine the unit quantity for each user. The unit quantity will be considered to be in direct proportion to the increase in flow and strength of the wastewater (no reduction for lower strength wastewater will be allowed).

INSTITUTIONAL 1, COMMERCIAL 1 AND INDUSTRIAL USERS

These users will be charged based on actual metered use of the wastewater system. The metered usage will be obtained either by a wastewater meter, when one is installed, or by the metered water usage. The user contribution shall be based on both volume and strength of the wastewater discharged into the system.

RESIDENTIAL, INSTITUTIONAL 1, INSTITUTIONAL 3, COMMERCIAL 1, COMMERCIAL 2, AND INDUSTRIAL SERVICE

RATE SCHEDULES

	Basic Monthly Charge	Quantity Rate
Residential (792)	\$ 61.80 per ERU	
Institutional 1 (793)	\$595.45	\$2.34 per 1,000 gallons
Institutional 3 (795)	\$ 61.80 per ERU	
Commercial 1 (796)	\$129.10	\$2.34 per 1,000 gallons
Commercial 2 (797)	\$ 93.50 per ERU	
Industrial (798)	\$823.60	\$2.34 per 1,000 gallons

CONNECTION FEES AND SERVICE CHARGE

Connection fees and service charges shall be as stipulated in the District's <u>Fees</u> and <u>Charges</u>.

SERVICE POLICY

Service under this schedule is subject to the rules and regulations as defined in the District Utility Service Regulations.

RESOLUTION HISTORY

PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY

WASTEWATER RATE SCHEDULES

Resolution No. 90-8582	February 26, 1990	Olds Station System
Resolution No. 91-9122	January 1, 1992	Dryden System
Resolution No. 93-9579	May 1, 1993	Dryden System
Resolution No. 93-9702	September 1, 1993	Lake Wenatchee System
Resolution No. 93-9706	October 1, 1993	Olds Station System
Resolution No. 96-10381	February 1, 1996	Dryden, Lake Wenatchee, Olds Station
Resolution No. 98-10970	March 30, 1998	Dryden, Lake Wenatchee, Olds Station
Resolution No. 98-11060	September 15, 1998	All Systems
Resolution No. 99-11350	December 20, 1999	All Systems
Resolution No. 00-11626	December 4, 2000	All Systems
Resolution No. 02-12057	April 1, 2002	All Systems
Resolution No. 03-12467	December 8, 2003	All Systems
Resolution No. 07-13162	September 10, 2007	All Systems
Resolution No. 08-13395	October 27, 2008	All Systems
Resolution No. 11-13624	February 7, 2011	All District Owned Systems
Resolution No. 12-	March 5, 2012	All Systems