



**BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND, WA**

AB 4253
January 7, 2008
Regular Business

2008 SEWER RATE RESOLUTION	Proposed Council Action: Pass resolution establishing sewer rate
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DEPARTMENT OF	Finance (Francie Lake)
COUNCIL LIAISON	n/a
EXHIBITS	1. Resolution No. 1398
APPROVED BY CITY MANAGER	<i>Rich Conrad</i> 12-20-07

AMOUNT OF EXPENDITURE	\$	n/a
AMOUNT BUDGETED	\$	n/a
APPROPRIATION REQUIRED	\$	n/a

SUMMARY

On Monday, November 19, 2007, a mid-biennial review of the financial status of the City was presented to the Council. On that evening the Council heard discussions concerning a number of issues relating to the 2008 budget that require passage of various rate resolutions and ordinances. Inadvertently, the sewer rate resolution (Resolution No. 1391) presented that night misstated the rate for the **City's portion of the sewer rate** (shown as the Sewer rate component in the Resolution) for all customer classes (single family, multi-family, and commercial/public).

The intent of Resolution No. 1391 was to increase sewer rates in 2008 by 18.10% as recommended by the Utility Board and discussed in AB 4236 (2007 rates were \$2.79 per 100 cf of water use). However, when the actual increase was calculated, it was inadvertently calculated at 11.8%, not the 18.1% intended. The rate for 2008 should be \$3.30 per 100 cf of water use, not \$3.12 per 100 cf of water use. The rate changes are shown below:

Rate Component	Single Family (for two months)	Low Income User (for two months)***	Multi-Family (for two months)	Commercial/Public (for two months)
Metro Charge	\$55.90	\$55.90	\$3.73 per 100 cf of average winter water usage*	\$3.73 per 100 cf of actual water consumption.
Sewer	\$3.30 \$3.12 per 100 cf of average winter water usage * (where water average is not available, see**)	50% of Single Family Charge	\$3.30 \$3.12 per 100 cf of average winter water usage *	\$3.30 \$3.12 per 100 cf of actual water consumption.
Billing Cost	\$3.85	\$3.85	\$3.85	\$3.85

Resolution No. 1398 is attached as Exhibit 1, which correctly establishes the City's portion of the sewer rate for all classes of customers effective immediately. *(The rates for the Metro Charge and Billing Cost remain the same).*

RECOMMENDATION

Finance Director and Financial Operations Manager

MOVE TO: Adopt Resolution No. 1398, which establishes rates and connection charges for sewerage disposal services supplied by the City of Mercer Island effective January 8, 2008 and thereafter.

**CITY OF MERCER ISLAND
RESOLUTION NO. 1398**

**A RESOLUTION OF THE CITY OF MERCER ISLAND, WASHINGTON
ESTABLISHING RATES AND CONNECTION CHARGES FOR
SEWERAGE DISPOSAL SERVICES SUPPLIED BY THE CITY OF
MERCER ISLAND EFFECTIVE JANUARY 8, 2008 AND THEREAFTER.**

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, AS FOLLOWS:

Section 1: The rates and charges for sewerage disposal services supplied by the City of Mercer Island for two months, or a fractional part thereof, shall be as follows:

Rate Component	Single Family (for two months)	Low Income User (for two months)***	Multi-Family (for two months)	Commercial/Public (for two months)
Metro Charge	\$55.90	\$55.90	\$3.73 per 100 cf of average winter water usage*	\$3.73 per 100 cf of actual water consumption.
Sewer	\$3.30 per 100 cf of average winter water usage * (where water average is not available, see**)	50% of Single Family Charge	\$3.30 per 100 cf of average winter water usage *	\$3.30 per 100 cf of actual water consumption.
Billing Cost	\$3.85	\$3.85	\$3.85	\$3.85

* Average winter water usage is based on the most current 4 months of winter water usage data available in the billing system. Calculation of the winter water average is based on usage as shown on the January and March bills or February and April bills depending on the billing/reading cycle. Calculation of sewer charges using the winter average is in effect for the following 12 months, until the next winter's water consumption data is available.

The METRO rate for multi-family and commercial is derived by dividing the monthly rate (\$27.95) by METRO's residential customer equivalency usage value of 750 cubic feet.

** In the case of single family property, where there is no method of accurately calculating the average winter water usage because no water was used during the winter months, or any part thereof, or because the property is not connected to the sanitary sewer system, or for any other reason approved by the Utility Accounting Supervisor or the Finance Director, the sewer volume charge herein will be in the amount of 1,000 cubic feet bi-monthly.

Newly constructed single family and multi-family properties shall be charged a sewer volume charge based on the per unit Island-wide average water usage for multi-family properties. Newly constructed commercial properties shall be charged a sewer volume charge based on their actual water usage.

*** "Low Income User" shall be a person who shows satisfactory proof that he or she:

- a. Is sixty-two (62) years of age or older, living in a single family residence, and has a maximum annual income, of not more than the US-HUD's Seattle-Bellevue, WA Metro FMR Area – 50% of median (very low income) as applicable for the number in the household; or
- b. Receives Supplemental Social Security Income pursuant to 42 USC Sections 1381 through 1383, or
- c. Is disabled and received funds from a disability program as a result of a disability that prevents he/she from working, consistent with the requirements of 42 USC Section 401 et seq. and whose annual income together

with all household members does not exceed fifty percent (50%) of the Washington State median income for the number of individuals in the household as computed annually by the State or City, or

d. Is permanently blind.

Applicants shall provide such data as to verify eligibility, upon forms provided by and in the manner determined by the City of Mercer Island.

Sewer charges may be computed and billed to the nearest \$0.05.

Section 2: The connection charges payable by the property owners for connection to the City of Mercer Island sanitary sewer system shall be as follows:

Connection Charges	
All customer Classes (Single Family, Multi-Family and Commercial)	\$921.00 per Metro residential customer equivalent (RCE)

All connection charges shall be due and payable at the time the connection service is requested and shall be delinquent if unpaid at the time the connection service is actually made. In the event of delinquency the connection charges shall be double the amount set forth above.

Section 3: This resolution shall take effect and be in force on and after January 8, 2008. Nothing contained herein shall effect the amount or collection of rates, fees, and charges established prior to January 8, 2008.

PASSED by the City Council of the City of Mercer Island, Washington, at its Regular Meeting on the 7th day of January, 2008.

, Mayor

ATTEST:

Allison Spietz, City Clerk