

CITY OF FIFE, WASHINGTON

ORDINANCE NO. 1885

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FIFE, PIERCE COUNTY, WASHINGTON, AMENDING SECTION 13.08.510 OF THE FIFE MUNICIPAL CODE REGARDING SEWER UTILITY RATES**

WHEREAS, the City is in the process of making a major upgrade to its sewer facilities; and

WHEREAS, the City hired the outside consulting group, FCS Group, to analyze the City's current rate structure and make recommendations about future costs and necessary increases; and

WHEREAS, FCS Group has made a recommendation that from 2015-2020, the sewer utility rates be increased at the rate of 45% for 2015 and that every year thereafter the sewer rate be adjusted based on a weighted average inflation index, a formula that is comprised of wholesale service costs, other operating and management costs that are linked to general cost inflation as defined by the Seattle Consumer Price Index (CPI), and rate-funded capital costs that are linked to construction cost inflation, as defined by the Engineering News Record (ENR) Construction Cost Index; and

WHEREAS, a public hearing on the proposed rate changes was held on September 9, 2014; and

WHEREAS, the adoption of this ordinance setting sewer utility rates is consistent with the Fife Comprehensive Plan and with the goals and policies of the Growth Management Act; now therefore

THE CITY COUNCIL OF THE CITY OF FIFE, PIERCE COUNTY, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Sections 13.08.510 of the Fife Municipal Code are hereby amended to read as follows:

**13.08.510 Sewer service – Schedule of rates.**

A. Commencing July 1, 2010, every residence, building, plant or other structure to which sanitary sewer service is available, namely, property required to be connected to public sewers pursuant to ordinance, rules and regulations, whether or not a connection to the public sewers of the city has been made, shall be subject to the following monthly rates:

1. Residential: \$42.01.

2. Commercial, stores, businesses, offices, hotels and motels, etc., connected to the water system of the city: \$21.45 per commercial meter, plus \$7.71 per 100 cubic feet of water used.

3. Commercial, stores, businesses, offices, hotels and motels, etc., not connected to the water system of the city: \$115.52, zero to four employees; \$145.61, five to seven employees; \$291.24, eight to 12 employees; \$401.83, 13 to 20 employees.

4. Apartments: \$42.01 per unit. Newly constructed apartment buildings shall be charged for the number of units actually occupied for the first six months following the date of completion of construction. It shall be the duty of the owner of the apartment building to report to the city each month the number of units occupied the previous month. If the information is not received from the owner by the tenth of the following month, the full number of units shall be billed. After the expiration of the six-month period, the apartment shall be charged a monthly rate of \$42.01 per month for all units, whether occupied or not.

5. Mobile homes, motels (residents): \$42.01 per unit.

6. RV trailer parks: \$42.01 per unit.

7. Service stations: \$176.26 plus \$32.98 for trailer dump service. Service stations with restaurants and/or convenience stores shall be charged at the commercial rate.

8. Group homes: \$42.01 per dwelling.

9. Buildings/offices (with a master meter with multiple unmetered business within): \$263.92, two to five businesses; \$527.84, six to 10 businesses; \$791.77, 11 to 15 businesses; \$1055.67, 16 to 20 businesses; \$1,319.62, 21 to 25 businesses, or the commercial rate, whichever is greater. Buildings, office complexes and warehouses with minimal water usage shall be billed on available units, regardless of whether or not the units are occupied.

10. The sewer rate for newly constructed, unoccupied commercial buildings (stores, business offices, warehouses, etc.) which are connected to the city water system shall be \$115.52 per month for each metered unit. Once occupied, the sewer charge shall be based on water usage, as computed by subsections (A)(2) and (3) of this section. It shall be the responsibility of the property owner to notify the city when a unit is

occupied. Failure to notify the city shall result in a retroactive rate charge to the date of first occupancy.

B. Commencing January 1, 2015, the rates set forth in subsection (A) of this section shall increase 45 percent ., Commencing January 1, 2016, and on the first day of January each successive year thereafter, all rates set forth in subsection (A) shall be increased from the previous year in accordance with the following formula:

$$\begin{aligned} & [\text{Wholesale Costs as \% of Total Costs}] \times [\text{Wholesale Cost Increase}] \\ & + [\text{Other Operating Costs as \% of Total Costs}] \times [\text{Increase in Average Annual Consumer Price Index for Seattle (CPI-U: All Urban Consumers)}] \\ & + [\text{Rate-Funded Capital Costs as \% of Total Costs}] \times [\text{Increase in Average Annual Engineering News Record (ENR) Construction Cost Index for Seattle}] = \text{Indexed Rate Adjustment} \end{aligned}$$

For purposes of this formula:

Total Costs shall consist of the following percentages:

Wholesale Costs	60.9%
Other Operating Costs	35.9%
Rate-Funded Capital Costs	3.2%
Total Costs	100.0%

Wholesale Cost Increase shall be the increase in the Tacoma Wastewater Treatment Rate paid by the city over the previous year.

Increase in Average Annual Consumer Price Index for Seattle (CPI-U: All Urban Consumers) shall be measured for the 12-month period ending in June of the previous year as published by the U.S. Bureau of Labor and Statistics.

Increase in Average Annual Engineering News Record (ENR) Construction Cost Index for Seattle] shall be measured for the 12-month period ending in October of the previous year.

The city manager shall cause to be prepared a rate worksheet setting forth the future rate amounts for each of the categories set forth in subsection (A) of this section, based on the percentage increases set forth herein, and said worksheet shall be available to the public.

C. Where two or more classifications apply, the larger rate shall be charged.

D. Special or unusual situations may have rates established by contract. Special contracts require the approval of the city council.

E. All billings shall be on a monthly and/or bimonthly basis, including new connections.

F. Where it is evident that the customer disposes of the bulk of his water purchased from the city in a manner that does not affect the city's sewer system, the finance director-treasurer shall determine the method used for calculation of the sewer rate.

G. Any surcharge costs billed to the city of Fife by the city of Tacoma shall be passed on and billed to the customer(s) of the city of Fife who is responsible for the surcharge cost, together with a 15 percent administrative fee.

H. Reduced Sewer Rates.

1. Residential Service. The standard charge for sanitary sewer supplied inside and outside the city for residential service shall be discounted by 30 percent for those customers who qualify under the following criteria.

2. Applicability. To sanitary sewer customers who reside in single-family dwelling units or individually metered multiple dwelling units who:

a. Are 62 years of age or older and have a maximum income, if single, of not more than 70 percent of the Washington State median income for a one-person household, as computed annually by the state or the city, or whose annual income, if married or in a registered domestic partnership as established under Chapter 26.60 RCW, together with that of the spouse or registered domestic partner does not exceed 70 percent of the Washington State median income for a two-person household as computed annually by the state or the city; or receive supplemental security income pursuant to 42 U.S.C. Sections 1381 through 1383; or are disabled and receive funds from a disability program as a result of a disability that prevents them from working consistent with the equivalent of 42 U.S.C. Section 401 et seq., and whose annual household income, together with all household members, does not exceed 70 percent of the Washington State median income for the number of individuals in the household as computed annually by the state or the city; and

b. Are a single occupant or head of household or the spouse or registered domestic partner of the head of the household; and

c. Reside in the dwelling units; and

d. Are billed or are the spouse or registered domestic partner of a person billed by the city.

Eligibility shall be certified by the city clerk in conjunction with the appropriate organization.

Section 2. In the event of any proposed increase in the Tacoma Wastewater Treatment Rate to be paid by the city, the Public Works Director shall notify the City Manager and the City Council of the proposed increase and the anticipated impact of the proposed increase on the city's sewer service rates.

Section 3. The Public Works director shall periodically, but no less frequently than every five years, review and if necessary recommend adjustments to the Total Cost percentage allocations sets forth in FMC 13.08.510(B) to insure that they reflect current and forecasted expenditures.

Section 4. This Ordinance shall be in full force and effect five (5) days after publication as required by law. A summary of this Ordinance may be published in lieu of the entire Ordinance, as authorized by State law.

Introduced the 23rd day of Sept, 2014.

Passed by the City Council on the 14<sup>th</sup> day of Oct. 2014.

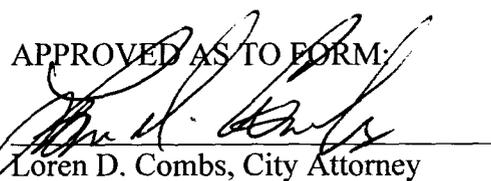


Subir Mukerjee, Interim City Manager

ATTEST:

  
Carol Etgen, City Clerk

APPROVED AS TO FORM:

  
Loren D. Combs, City Attorney

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Effective date: Oct 21, 2014