

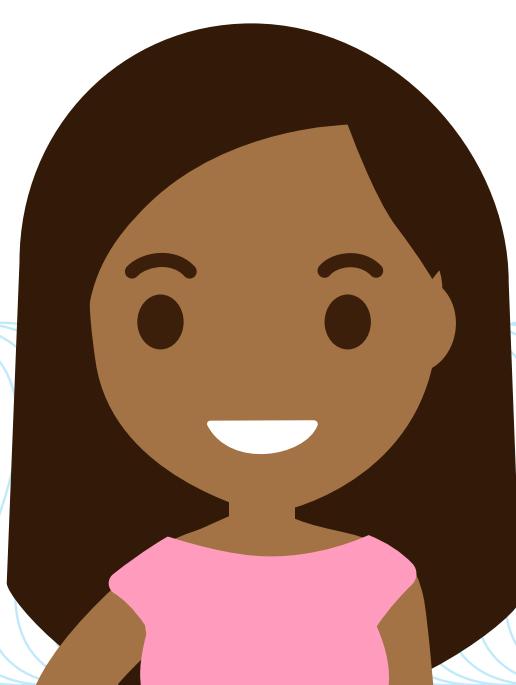


# CITY OF WASHOUGAL

## Utility Rate Study



### Utilities 101



#### WHAT ARE THE UTILITIES?

The City of Washougal Public Works Department operates and maintains water, wastewater, and stormwater utilities, serving more than 16,950 customers. The safe and reliable delivery of these services is vital to customer health and the wellbeing of our community. Utility systems are extremely complex and require a substantial financial investment to operate and maintain, and capital improvement projects needed to meet Clean Water Act requirements must also be funded. Establishing appropriate rates to support the operations of each utility is critically important to ensure the reliability and safety of these services to the community.

#### ABOUT WATER

The Water Division is responsible for the daily operation and maintenance of water production, storage and delivery facilities. Typical duties include:

- Customer calls for service
- Leak repairs
- Meter reading
- Preventative programs
- Reservoir and pump station inspections
- Well pump checks
- Water quality testing and monitoring



#### ABOUT WASTEWATER

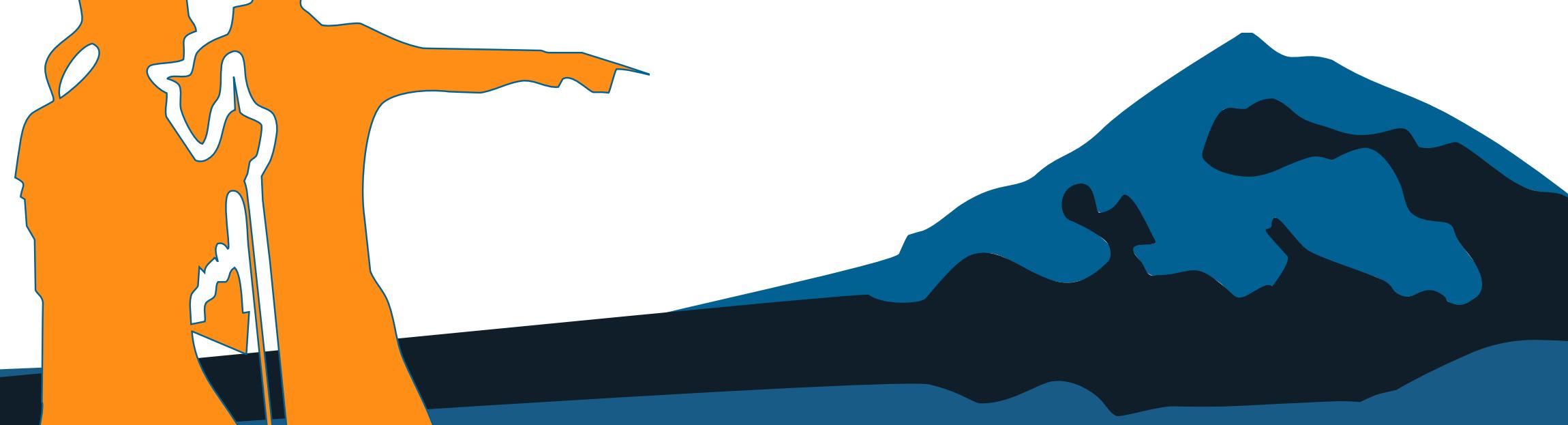
The Wastewater Division is responsible for wastewater collections, sanitary sewer pump stations, wastewater treatment and discharge to the Columbia River. Typical duties include:

- Manhole inspections
- Preventative maintenance programs
- Pump station checks
- Wastewater plant maintenance
- Wastewater treatment

#### ABOUT STORMWATER

The Stormwater Division manages water that comes from precipitation or snowmelt, which carries pollutants from impervious surfaces like roads and roofs into local storm drains and waterways. Typical duties include:

- Stormwater planning, management, and monitoring
- Education, outreach, and involvement
- Infrastructure mapping and documentation, and facility retrofits
- Detection and elimination of illicit discharge of pollutants
- Controlling runoff from development (existing/new) and construction sites
- Operations and maintenance
- Street sweeping





# CITY OF WASHOUGAL

## Utility Rate Study



### Utility Rates & Facts



#### EVALUATING RATES

The City of Washougal needs to adequately fund the three water utilities. Washougal is facing a backlog of maintenance needs and must also have a plan to meet regulatory requirements. In addition, rate studies help create funding strategies for critical and mandated capital projects and allow cities to address questions about customer rate equity.

#### RATE REVIEW + STUDY CYCLE

- Rates are reviewed every four to five years—last study was in 2018.



#### MEETING REGULATORY REQUIREMENTS



The Washington State Department of Ecology (DOE) administers and enforces the Clean Water Act in part through the National Pollutant Discharge Elimination System (NPDES). Washougal is an NPDES Phase II Permittee, due to its population size and proximity to high quality surface waters. This requires the city to plan and implement stormwater management programs and capital improvement projects to protect water quality and reduce the discharge of pollutants to local waterways and groundwater. Our water system is regulated by the WA State Dept. of Health and wastewater is also regulated by the WA State DOE.

#### 2021 WATER, WASTEWATER, AND STORMWATER BY THE NUMBERS (annual data)

##### Water

- 5,700 customers
- 603,243,000 gallons produced
- 83 miles of water mainline
- 6 active groundwater wells
- 4,908 water quality samples
- 7 water leaks repaired
- 1,472 radio read water meters installed

##### Wastewater

- 5,400 customers
- 448,825,000 gallons treated
- 4.6 miles sewer inspected
- 255 Tons of biosolids produced
- 5,588 wastewater lab tests

##### Stormwater

- 5,800 customers
- 38+ miles of pipes
- 10 miles of drainage ditches
- 875 catch basins cleaned / inspected
- 509 tons of debris cleared from streets and facilities
- 187 City stormwater facilities
- 50 planters + 35 bioswales
- 20 detention ponds + 219 City owned drywells





# CITY OF WASHOUGAL

## Utility Rate Study

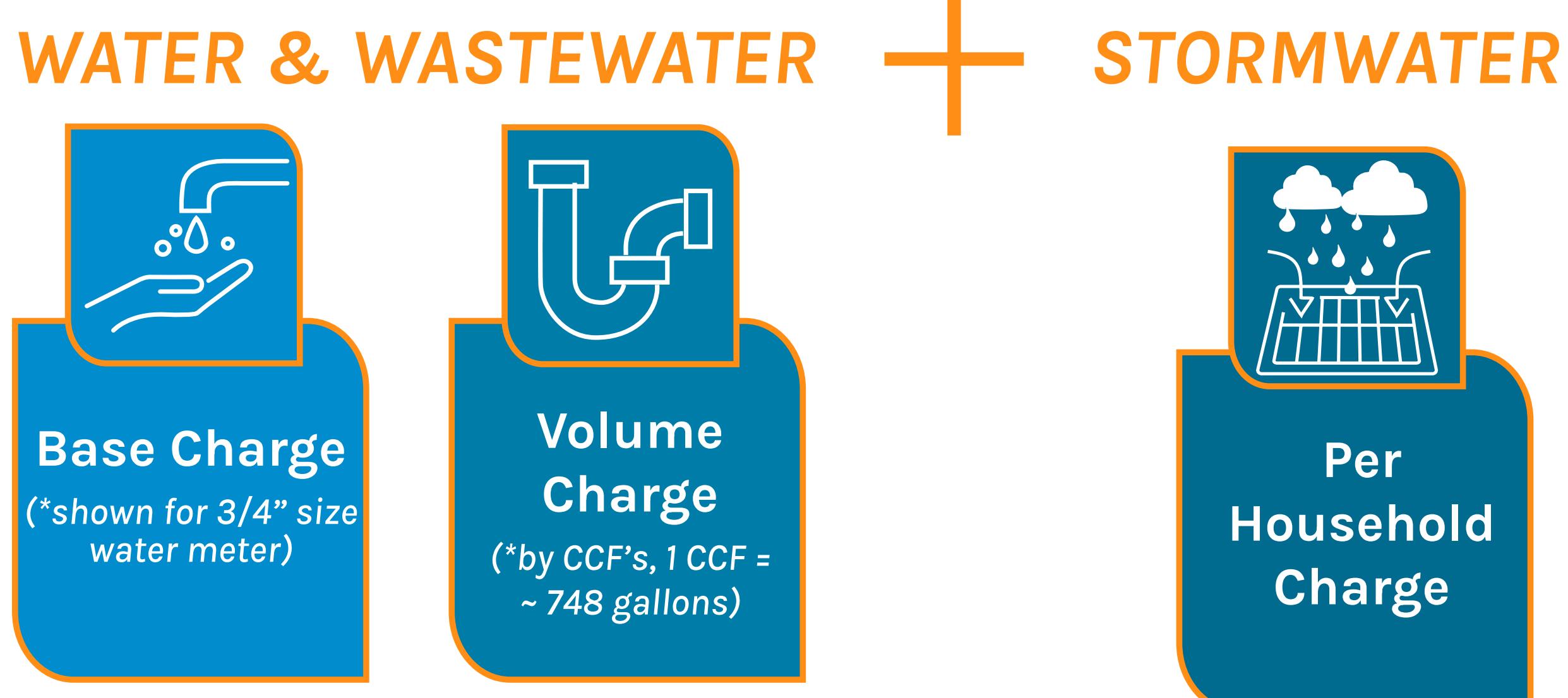
### Understanding Rates Today



#### BASE AND VOLUME CHARGES

In general, base rates have stayed relatively stable, with base wastewater rates decreasing over the last 5 years. The City has transitioned away from including an allowance in the base rate towards a “use more, pay more” concept.

#### SINGLE FAMILY RESIDENTIAL BILLS (Inside City)

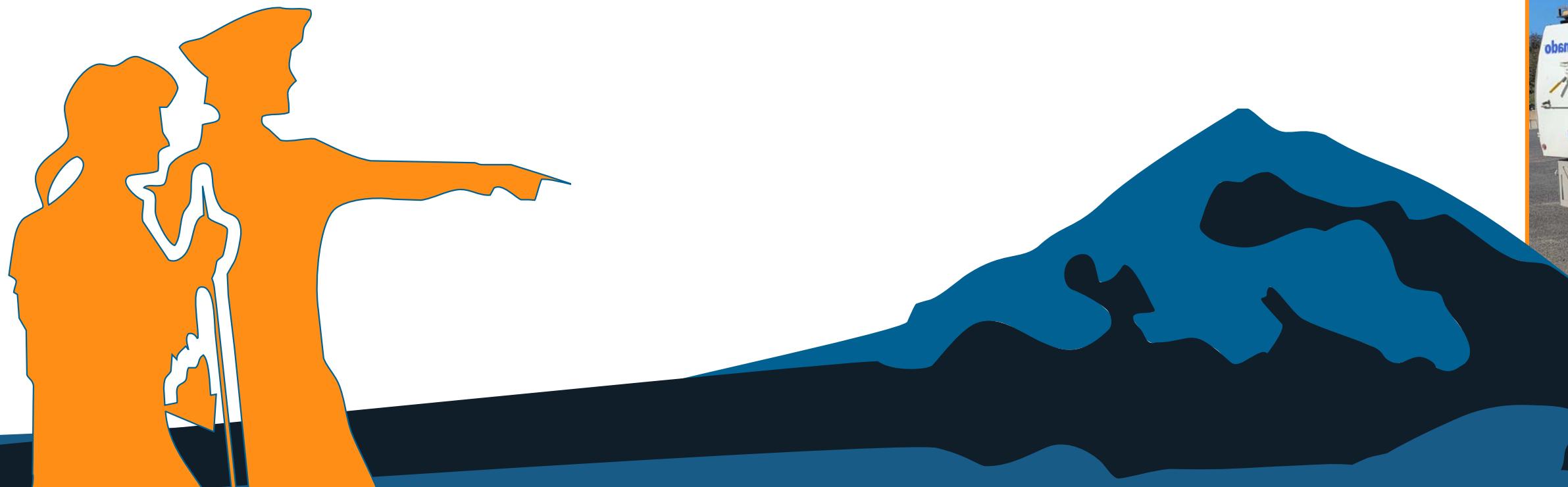
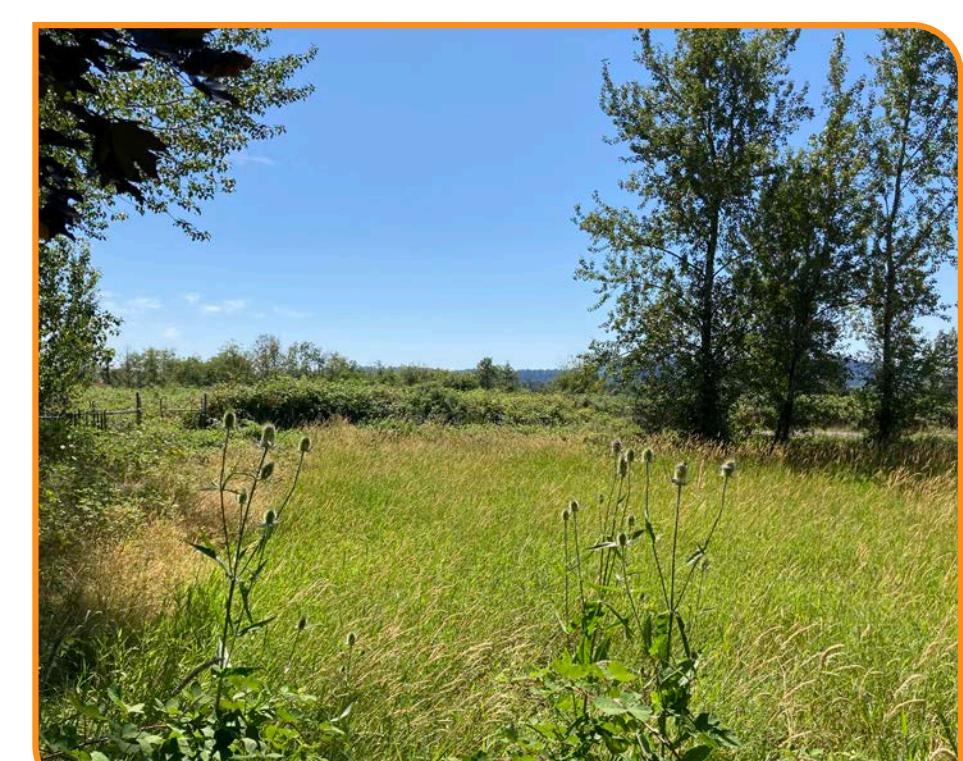


**MOST TYPICAL BI-MONTHLY BILL:** Water = \$92.22 + Wastewater = \$141.80 + Stormwater = \$34.49 = \$268.52 per house

	EFFECTIVE 1/1/2019	EFFECTIVE 1/1/2020	EFFECTIVE 1/1/2021	EFFECTIVE 1/1/2022	EFFECTIVE 1/1/2023
Base Water Charge*	\$39.57 (SF Allowance in CCF = 4)	\$40.76 (SF Allowance in CCF = 3)	\$41.98 (SF Allowance in CCF = 2)	\$43.24 (SF Allowance in CCF = 1)	\$44.54 (SF Allowance in CCF = 0)
Water Volume Charge Rate Block 1: 0-12 CCF Rate Block 2: 12-30 CCF Rate Block 3: Over 30 CCF	\$3.70 \$5.95 \$7.45	\$3.27 \$6.13 \$7.68	\$2.94 \$6.31 \$7.91	\$2.68 \$6.50 \$8.14	\$2.47 \$6.70 \$8.39
Base Wastewater Charge*	\$116.31	\$112.52	\$105.02	\$96.50	\$86.84
Volume Wastewater Charge (charge per CCF)	N/A	\$1.37	\$2.88	\$4.53	\$6.35
Per House Stormwater Charge*	\$32.56	\$33.18	\$32.82	\$34.49	\$35.17

\*Combined base charges for water, wastewater, and stormwater services have been declining.

- 2019 combined base charge = \$188.44
- 2021 combined base charge = \$179.82
- 2023 combined base charge = \$166.55





# CITY OF WASHOUGAL

## Utility Rate Study

### Why Conduct a Rate Study?



#### PROGRAMMATIC EVALUATION

In order to track with system changes and improvements, a rate study should be completed every 4-5 years. The last rate study was completed in 2018.

#### REVENUE SUFFICIENCY

A rate study affords the City the ability to develop a long-term strategy to sustainably fund capital programs associated with providing water, wastewater, and stormwater utility services.

#### KEEPING UP WITH COSTS

The City has a backlog of maintenance needs. The rate study serves to put into place a specific plan to address necessary system improvements.

#### REGULATORY REQUIREMENTS

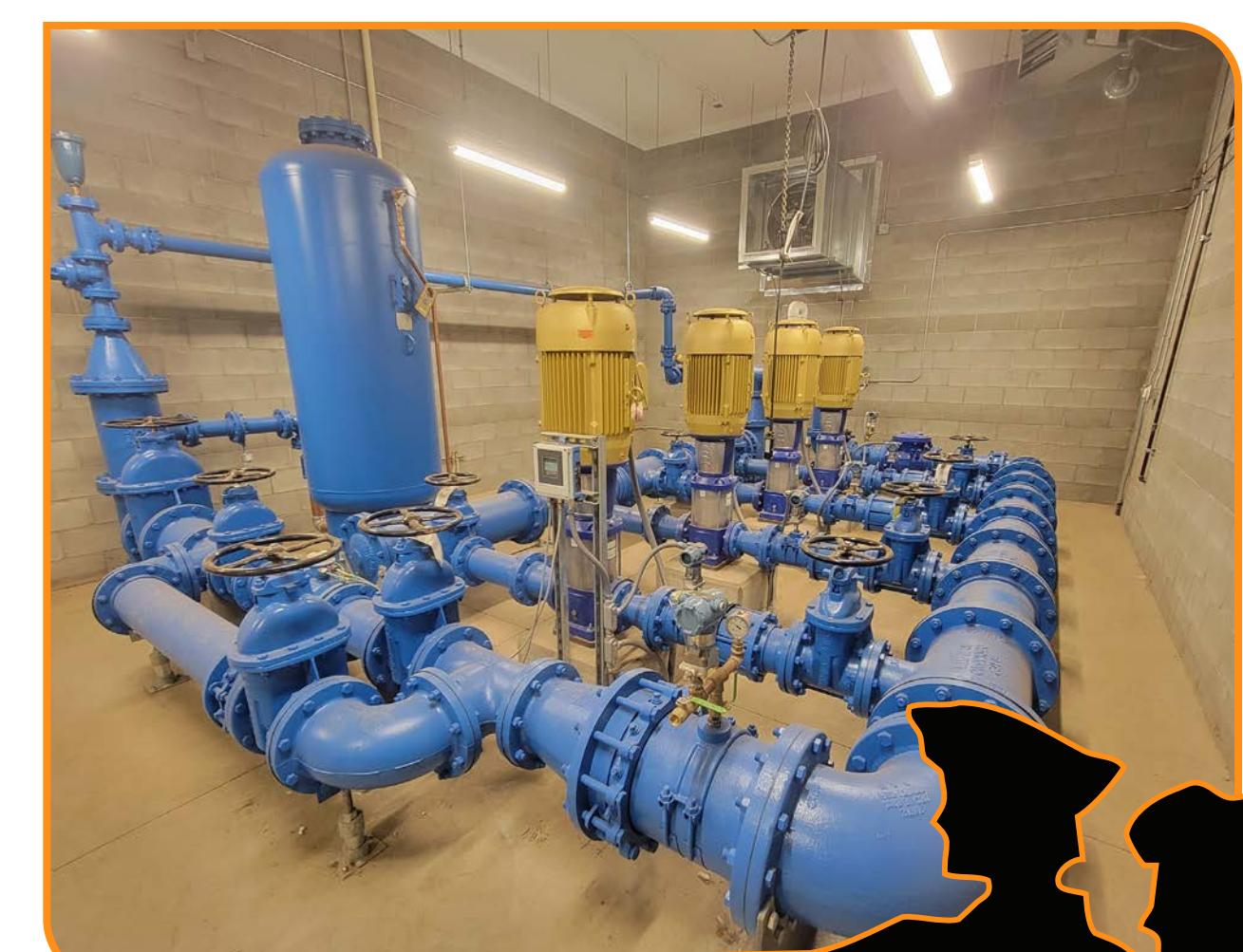
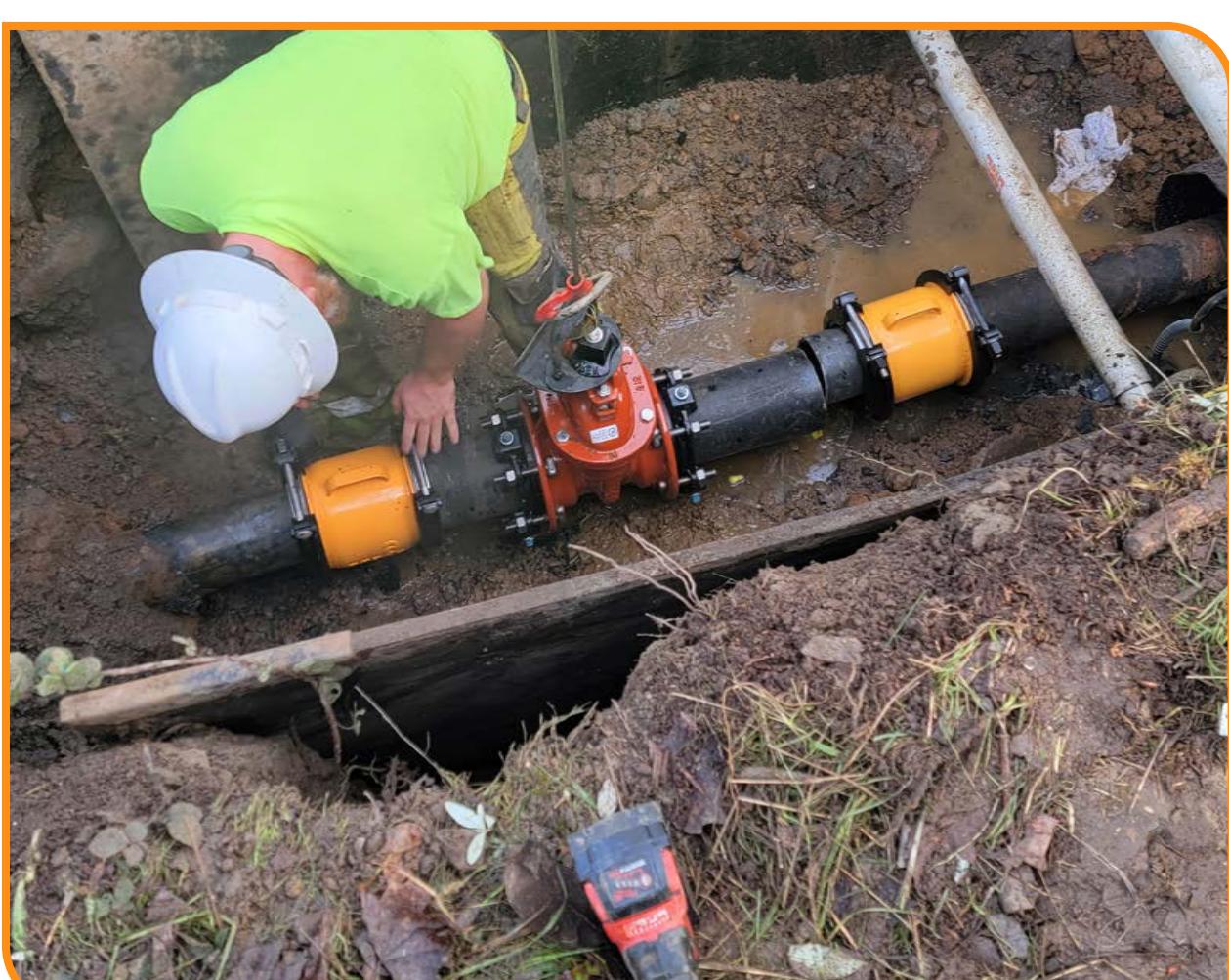
There are a number of new State and Federal regulatory requirements that the City must adhere to, many of which come at a cost. A rate study takes these costs into account.

#### CONFORM TO STANDARDS

The City uses an independent third party consultant with specific experience in utility rate development to ensure transparency and consistency with industry standards.

#### CUSTOMER CLASS EQUITY

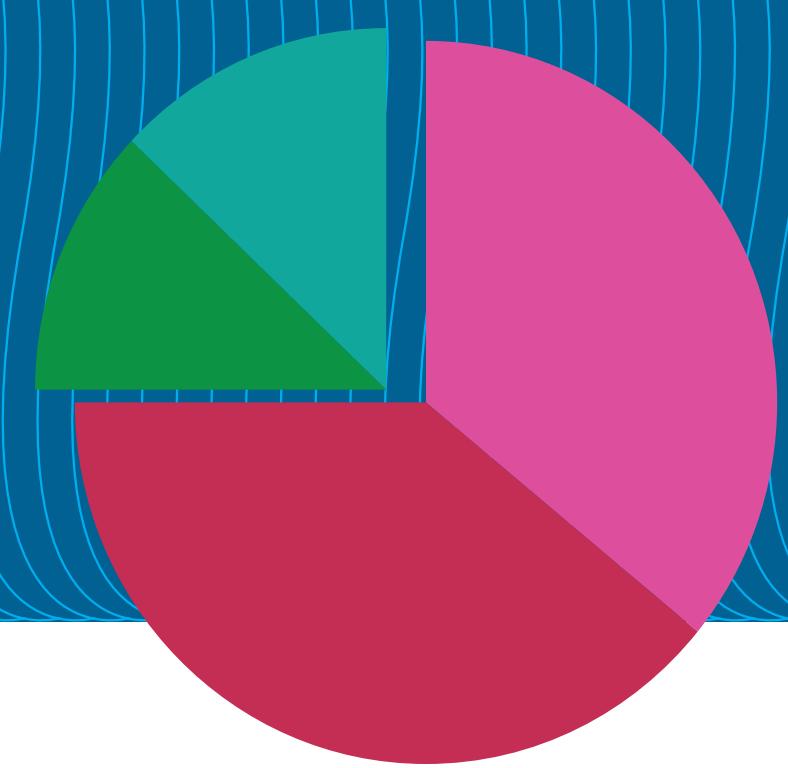
In response to growth and development in the region, a rate study serves as an important opportunity to address rate proportionality among customer classes.





# CITY OF WASHOUGAL

## Utility Rate Study



### What is a Rate Study?

A rate study is a financial evaluation process by which the City establishes the amount required to fully fund the water, wastewater, and stormwater utility programs while also proportionally distributing those costs among various users in accordance with their impact on the total utility system.



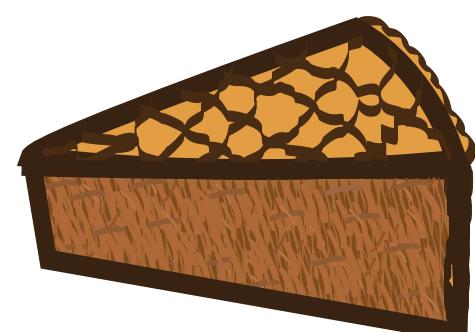
#### FISCAL POLICY REVIEW

The City evaluates its existing financial policies as a means to establish a foundation for the rate study.



#### COST OF SERVICE ANALYSIS

The City distributes system users to various “customer classes” based on their usage and impacts. System costs are then allocated proportionate to their class, e.g., single family residential, mixed-use, commercial, etc. In other words, determining how to slice the pie.



#### PUBLIC EDUCATION AND ENGAGEMENT

The City Council and Staff actively and transparently communicate the status of the rate study, including important decisions, to the public and impacted system stakeholders.

- 1 EVALUATE SENSITIVE PRIORITIES
- 2 FISCAL POLICY REVIEW
- 3 COST OF SERVICE ANALYSIS
- 4 REVENUE NEEDS ASSESSMENT
- 5 RATE STRUCTURE DESIGN
- 6 PUBLIC EDUCATION AND ENGAGEMENT

The City works to determine the goals and objectives of the study, mindful of fully funding the utility program and keeping rates affordable all while delivering safe, clean, and reliable utility services.

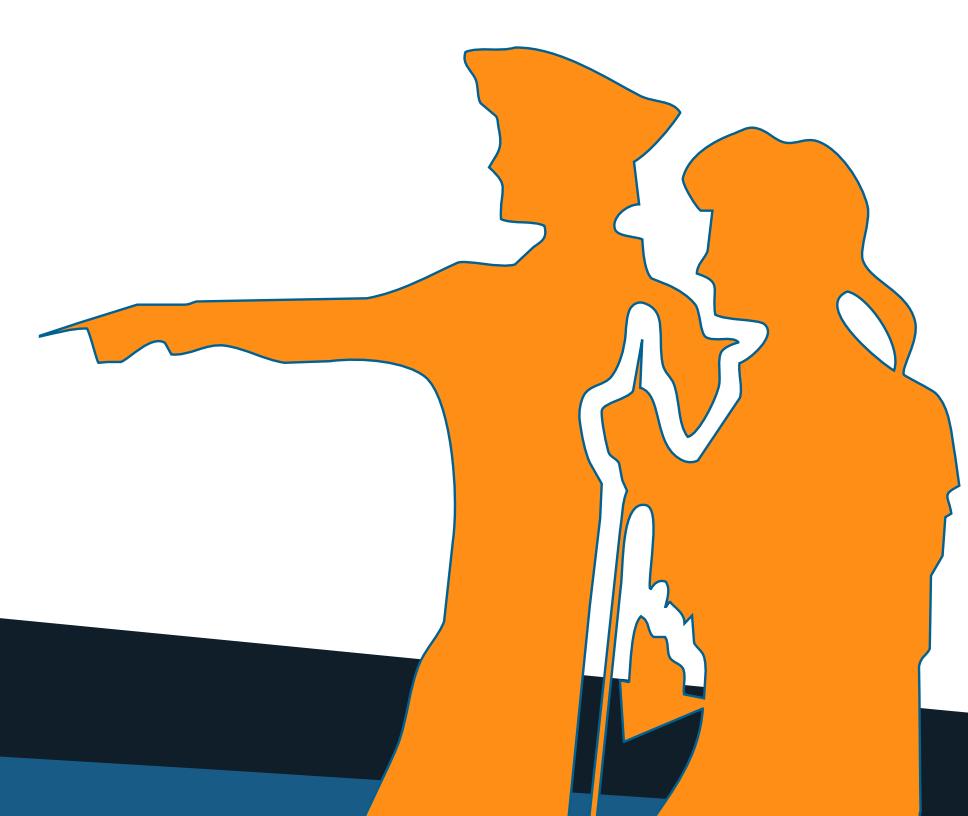
#### REVENUE NEEDS ASSESSMENT

The City quantifies the cost of necessary system improvements, program operations, and routine maintenance. In other words, determining the size of the pie.



#### RATE STRUCTURE DESIGN

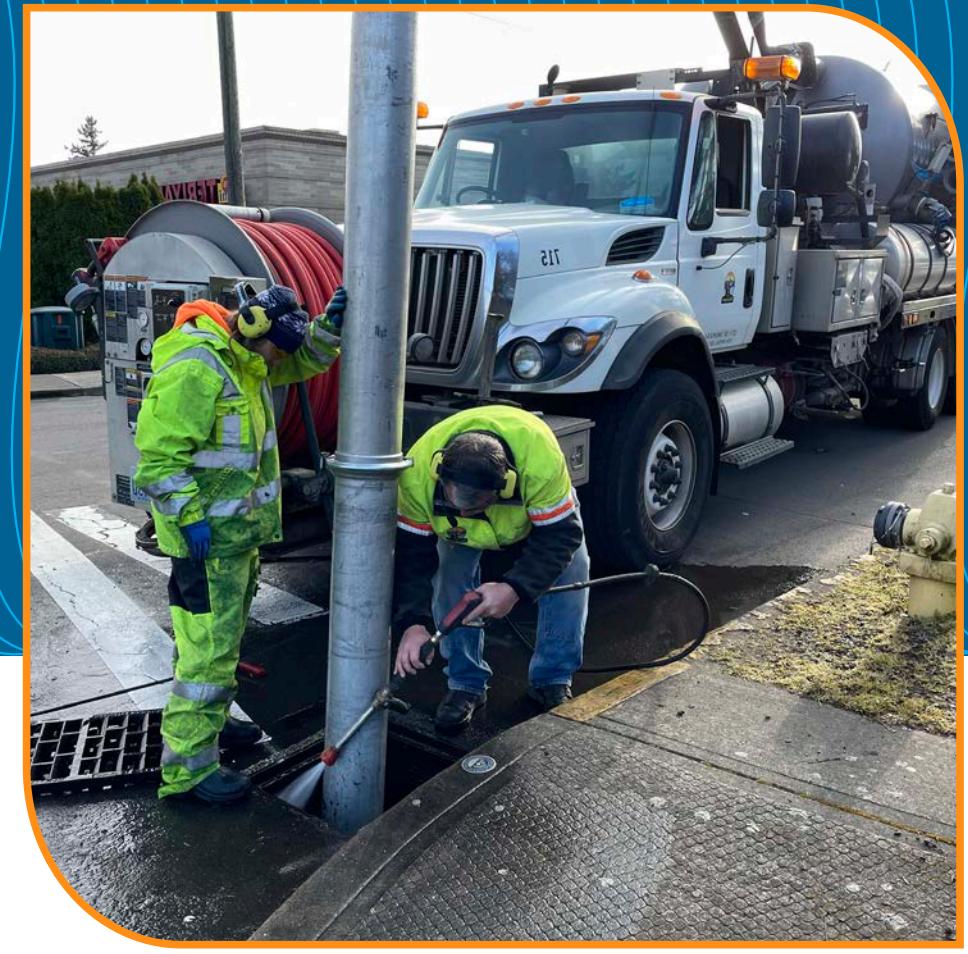
Based on fiscal policies and revenue needs, the City establishes a means to carry-out other program priorities inclusive of maintaining rate affordability (keeping rates as affordable as possible), reserve funding, water conservation, and meeting debt obligations.





# CITY OF WASHOUGAL

## Utility Rate Study



### Rate Study Process

STAGES + SCHEDULE	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Evaluate Revenue Req's.	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■
Rate Equity	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■
Rate Structure/Design	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■
Engagement and Communications	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■
Refine/Recommend	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■	■■■■■



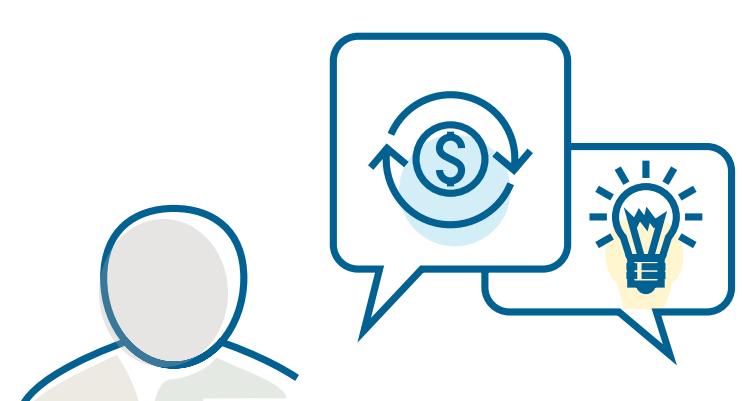
### Staying Involved

#### PUBLIC MEETINGS



Attend a public meeting (Nov-22 and Jun-23, and look for us at city events.

- **Share feedback – submit a comment form**



#### RATEPAYER INTERVIEWS

Volunteer to be interviewed by the project team and share your customer experience to help inform rate structure and equity decisions.

#### COMMUNITY ADVISORY COMMITTEE

Serve on the Community Advisory Committee (CAC) and help shape decisions. The rate study CAC will act as a sounding board throughout the rate study.

- **Visit the website to learn more or apply.**

#### VISIT THE WEBSITE

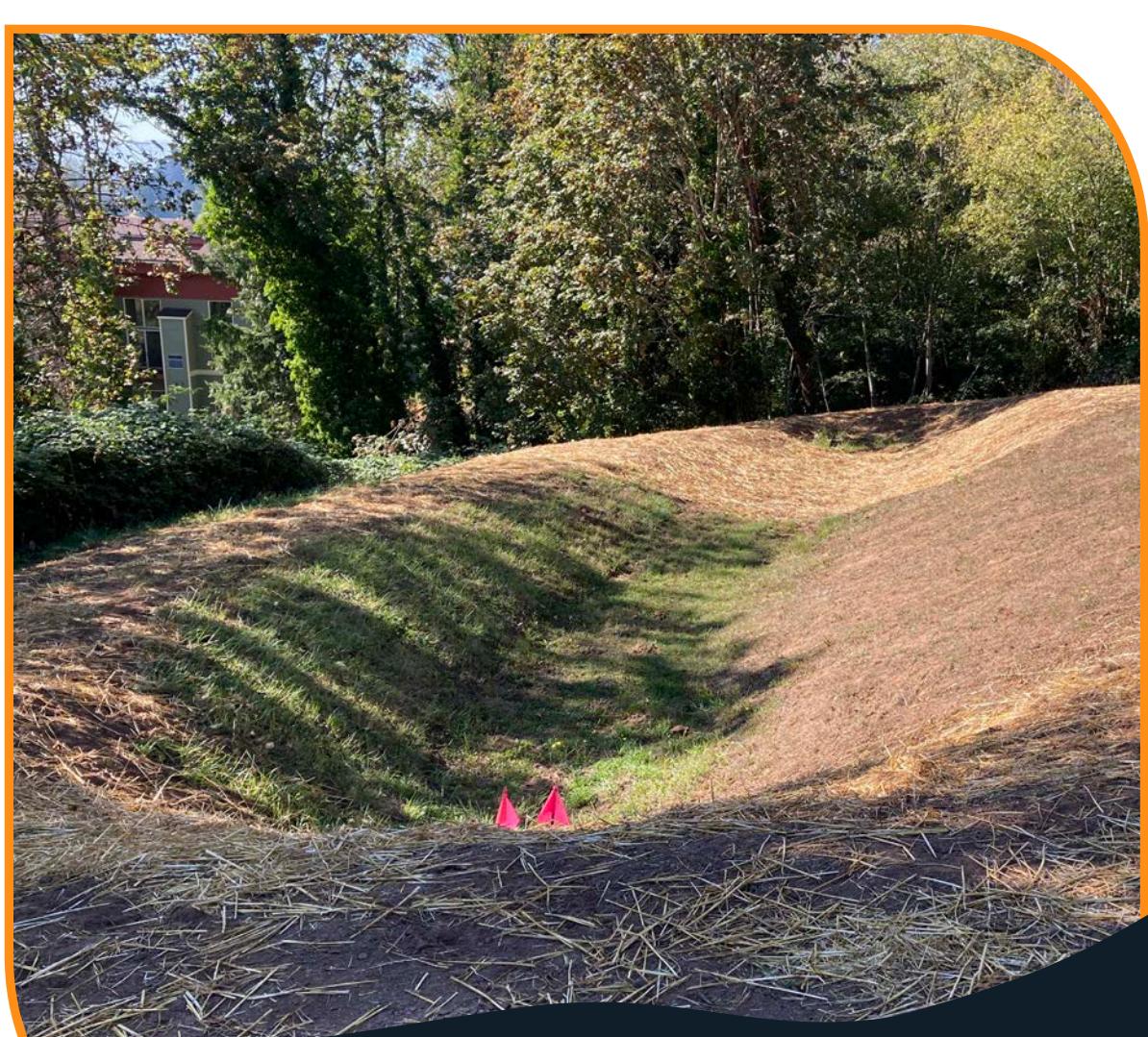
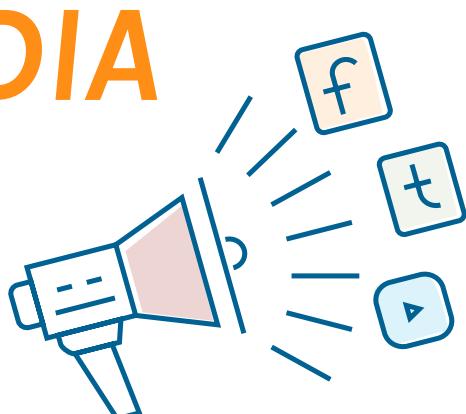


Review past rate study info, submit a comment, apply to the CAC, or volunteer to be interviewed on the City's website.

[www.cityofwashougal.us/633/Utility-Rates](http://www.cityofwashougal.us/633/Utility-Rates)

#### FOLLOW ON SOCIAL MEDIA

- [facebook.com/WashougalGov](https://facebook.com/WashougalGov)
- [twitter.com/WashougalGov](https://twitter.com/WashougalGov)
- [youtube.com/user/washougaltv](https://youtube.com/user/washougaltv)



#### GET PROJECT UPDATES



Sign-up for email updates about the rate study process.

- **Learn more on the website or sign-up at a meeting or event.**





# CITY OF WASHOUGAL

## Utility Rate Study

### “Real” Utility Bills



### SAMPLE BILLS

**CITY OF WASHOUGAL**  
1701 C STREET  
WASHOUGAL, WA 98671  
(360) 835-8501  
Fax (360) 835-8808

David And Julie [REDACTED]

**Account Number** **AMOUNT DUE**  
[REDACTED] \$369.10  
**Due Date** 9/30/2022  
**Account Name** David And Julie  
**Service Address** [REDACTED]  
**Amount Enclosed**  
PAID BY ACH

There will be a charge on all returned checks.  
Please return this top portion with your payment.

**CUSTOMER ACCOUNT INFORMATION - RETAIN FOR YOUR RECORDS**

Name		Service Address		Account Number
David And Julie		[REDACTED]		[REDACTED]
Status	Service Dates		Bill Date	Penalty Date
Active	From	To	60	4/29/2022
		# Days		5/31/2022

**Usage**

**PREVIOUS BALANCE** \$258.07  
**PAYMENTS** (\$258.07)  
**ADJUSTMENTS** \$0.00  
**PENALTIES** \$0.00  
**PAST DUE AMOUNT** \$0.00

**CURRENT READING** 1,615 **PREVIOUS READING** 1,588 **USAGE** 27

**WATER 3/4" METER** 170.22 **SFR SEWER AVERAGE** 155.39 **STORMWATER** 34.49

**CURRENT BILL** \$360.10 **AMOUNT DUE** \$360.10  
PAID BY ACH

If you need to update your contact information, please call (360) 835-8501 or email utilitybilling@cityofwashougal.us.  
Would you like to help those in need? See Emergency Utility Assistance at [www.cityofwashougal.us/utilitybilling](http://www.cityofwashougal.us/utilitybilling).

### LEGEND

- A** Water charges (base rate plus volume charge based on water use)
- B** Sewer charges (base rate + volume charge based on water use, volume charge is the lesser water use of winter average or actual use in current cycle. This customer's average winter water use for 2022 is # of units).
- C** Stormwater charges (flat rate for single family)



**CITY OF WASHOUGAL**  
1701 C STREET  
WASHOUGAL, WA 98671  
(360) 835-8501  
Fax (360) 835-8808

David And Julie [REDACTED]

**Account Number** **AMOUNT DUE**  
[REDACTED] \$222.02  
**Due Date** 5/31/2022  
**Account Name** David And Julie  
**Service Address** [REDACTED]  
**Amount Enclosed**  
PAID BY ACH

There will be a charge on all returned checks.  
Please return this top portion with your payment.

**CUSTOMER ACCOUNT INFORMATION - RETAIN FOR YOUR RECORDS**

Name		Service Address		Account Number
David And Julie		[REDACTED]		[REDACTED]
Status	Service Dates		Bill Date	Penalty Date
Active	From	To	60	4/29/2022
		# Days		5/31/2022

**Usage**

**PREVIOUS BALANCE** \$238.43  
**PAYMENTS** (\$238.43)  
**ADJUSTMENTS** \$0.00  
**PENALTIES** \$0.00  
**PAST DUE AMOUNT** \$0.00

**CURRENT READING** 1,576 **PREVIOUS READING** 1,569 **USAGE** 7

**WATER 3/4" METER** 59.32 **SFR SEWER AVERAGE** 128.21 **STORMWATER** 34.49

**CURRENT BILL** \$222.02 **AMOUNT DUE** \$222.02  
PAID BY ACH

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**CITY OF WASHOUGAL**  
1701 C STREET  
WASHOUGAL, WA 98671  
(360) 835-8501  
Fax (360) 835-8808

David And Julie [REDACTED]

**Account Number** **AMOUNT DUE**  
[REDACTED] \$608.64  
**Due Date** 9/30/2021  
**Account Name** David And Julie  
**Service Address** [REDACTED]  
**Amount Enclosed**  
PAID BY ACH

There will be a charge on all returned checks.  
Please return this top portion with your payment.

**CUSTOMER ACCOUNT INFORMATION - RETAIN FOR YOUR RECORDS**

Name		Service Address		Account Number
David And Julie		[REDACTED]		[REDACTED]
Status	Service Dates		Bill Date	Penalty Date
Active	From	To	60	8/31/2021
		# Days		10/1/2021

**Usage**

**PREVIOUS BALANCE** \$317.75  
**PAYMENTS** (\$317.75)  
**ADJUSTMENTS** \$0.00  
**PENALTIES** \$0.00  
**PAST DUE AMOUNT** \$0.00

**CURRENT READING** 1,508 **PREVIOUS READING** 1,450 **USAGE** 58

**WATER 3/4" METER** 406.44 **SFR SEWER AVERAGE** 168.38 **STORMWATER** 33.82

**CURRENT BILL** \$608.64 **AMOUNT DUE** \$608.64  
PAID BY ACH

If you need to update your contact information, please call (360) 835-8501 or email utilitybilling@cityofwashougal.us.  
Would you like to help those in need? See Emergency Utility Assistance at [www.cityofwashougal.us/utilitybilling](http://www.cityofwashougal.us/utilitybilling).

URGENT: COVID-19 Utility Moratorium ends September 30, 2021. If you are behind on your water bill please contact us at: utilitybilling@cityofwashougal.us or (360)835-8501 ext 504.