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RESOLUTION NO. 417

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, ADOPTING A WASTEWATER REVENUE AND CUSTOMER POLICY FOR THE CITY OF SHORELINE'S WASTEWATER UTILITY.

WHEREAS, on October 22, 2002, the City of Shoreline and the Ronald Wastewater District entered into an Interlocal Operating Agreement which allowed the City to assume the full management and control of the Ronald Wastewater District pursuant to chapter 35.13A RCW; and

WHEREAS, on June 12, 2017, the City of Shoreline and the Ronald Wastewater District entered into a First Amendment to the 2002 Interlocal Operating Agreement, extending that agreement for two years from the effective date of the First Amendment, unless terminated sooner pursuant to its terms or written agreement of the parties; and

WHEREAS, the City of Shoreline and the Ronald Wastewater District are currently negotiating a Wastewater Utility Operating Services Agreement, as identified in the First Amendment to the 2002 Interlocal Operating Agreement; and

WHEREAS, while the Services Agreement will identify the governing policies during this interim period of time, upon the full assumption of the Ronald Wastewater District by the City, the City will need customer service policies and practices to address the operation of the wastewater utility; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1: The City Of Shoreline Wastewater Revenue and Customer Policy, attached hereto as Exhibit A to this Resolution, is adopted as the City's customer service policies and practices for the operation of a wastewater utility.

Section 2: This Resolution shall be in full force and effect upon the official assumption of the Ronald Wastewater District by the City of Shoreline.

ADOPTED BY THE CITY COUNCIL ON OCTOBER 2, 2017.

Mayor Christopher Roberts

ATTEST:

Jessica Simulcik Smith, City Clerk

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City of Shoreline
Wastewater Revenue and Customer Policy

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Definitions and Abbreviations

Apple Tree Lane Accounts: Properties on Apple Tree Lane in the Richmond Beach neighborhood, which are served by grinder pumps funded originally by the Ronald Wastewater District, and which pay a monthly surcharge through December 2020.

Availability of Service: Unless and until superseded by City action, defined as under the Ronald Wastewater District Rules and Regulations, Resolution No. 01-29.

Billing Cycle: The period for which wastewater service charges are owed, and the frequency at which they are billed. In general, residential accounts are billed bi-monthly on either odd or even months. All commercial accounts are billed monthly.

Bi-Monthly: Every two months.

cf: One cubic foot of water, a measurement used in calculating the City commercial service charges. One cubic foot is approximately 7.48 gallons.

ccf: 100 cubic feet of water.

City: The City of Shoreline, which either owns the City wastewater utility under the direction of the City Council or, during an interim period prior to assumption of the utility, operates the City wastewater utility under the authority of the Ronald Wastewater District.

City Sewer Service Area: The geographic area within which the City wastewater utility has the right and duty to plan for and provide wastewater service to properties. The City sewer service area boundaries correspond to the Ronald Wastewater District service area boundaries as of October 23, 2017, unless subsequently modified.

City Sewer System: The collection of fixed assets used to convey wastewater from individual properties in the City sewer service area to the points of discharge into the transmission and treatment facilities owned by either King County or the City of Edmonds. These assets include but are not limited to sewer mains, manholes, lift stations, and general assets such as vehicles, equipment, and buildings.

City Wastewater Utility: The business of providing wastewater conveyance and treatment for property owners within the City sewer service area. It includes the City sewer system plus the customers, employees, legal authority, obligations, organizational procedures, and financial assets, among other things, necessary to meet its service responsibility.

Commercial Customers: Accounts representing all structures other than residential structures of four or fewer dwelling units. Commercial customers include multi-family structures of five or more units.

Customer Class: A category that determines a customer's applicable rates and billing cycle. Currently, the City wastewater utility has two customer classes for wastewater service charges: residential and commercial.

Development Charges: For convenience, in this policy the general facilities charge and Edmonds treatment facilities charge are collectively referred to as the "development charges."

Edmonds Treatment Facilities Charge: A one-time charge at the time of development that recovers from properties in the ULID #2 area a proportionate share of past and planned capital costs of the Edmonds Wastewater Treatment Plant. It is paid by newly connecting customers and

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existing customers where the structure has been modified to increase the number of dwelling units or fixture-units. (King County also has a capacity charge that recovers a proportionate share of the capital cost of its treatment and transmission facilities. However, the King County capacity charge is not collected by the City; instead, the County bills property owners directly for it.)

Estimated Residential Customer Equivalents (Estimated RCEs): A measure of wastewater demand that is the basis for calculating the general facilities charge and Edmonds treatment facilities charge. Estimated RCEs rely on information about a property that is knowable at the time of development. Specific definitions are in Section 10.5.

General Facility Charge (GFC): A one-time charge at the time of development that recovers a proportionate share of the past and planned capital costs of the City sewer system other than costs paid by grants, developer donations, or property assessments. The charge is paid by all customers newly connecting to the City sewer system or existing customers where the structure has been modified to increase the number of dwelling units or fixture-units. It applies across the City sewer service area, including in ULID #2. The GFC is separate from Utilities Local Improvement District assessments or Local Facilities Charges, which have been used in certain areas to recover a proportionate share of the capital cost of local sewer infrastructure fronting the property, including mains, stubs, and manholes.

Industrial Waste Surcharge: A surcharge that can be imposed by King County, applicable to particular customers whose effluent is determined by the King County Wastewater Treatment Division (KCWTD) to meet its criteria for high strength sewage. If a surcharge is imposed, KCWTD will notify the City of which customers should receive the surcharge and the amount. The City will collect the surcharge from the designated customers and remit the money to the County. This is separate from the King County treatment charge based on the number of RCEs.

Local Facilities Charge (LFC): A charge that applies to property owners in three areas defined in Ronald Wastewater District resolutions 2005-23 and 2006-15, where local sewer infrastructure was not originally built by developers. The LFC is payable at the time a property is connected to the City sewer system. It recovers a proportionate share of the utility's investment in the local sewer infrastructure—mains, manholes, and stubs—fronting a particular property.

Multi-Family Customer: This class is used only for calculating the GFC. It refers to new development that is residential in purpose that has more than one dwelling unit on a lot. It includes duplexes, triplexes, four-plexes, and single family houses with accessory dwelling units.

Non-Residential Customer: This class is used only for calculating the GFC. It refers to all new development that is not single family or multi-family residential in purpose.

Party to be Billed: The property owner.

Residential Customer: An account representing a residential structure with four or fewer dwelling units, including trailer sites with sewer service. The residential class is used in calculating the ongoing wastewater service charges and for all purposes other than the calculation of the general facilities charge.

Residential Customer Equivalent (RCE): A measure of wastewater demand that is the basis for calculating monthly wastewater service charges. Specific definitions are in Section 5.2.

Ronald Wastewater District: The predecessor owner of the City wastewater utility. References to Ronald Wastewater District in previous policies, Board actions, or intergovernmental

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agreements still apply to the City wastewater utility unless specifically superseded by this policy or other City action.

Single-Family Customer: This class is used only for calculating the GFC. It refers to new residential development that consists of only one dwelling unit on a lot. It excludes duplexes, triplexes, four-plexes, and single family houses with an accessory dwelling unit—all of which are included in the multi-family class.

Structure: Any improvements situated on a property within the City sewer service area which are designed, intended or suitable for human occupancy, employment, recreation, habitation or other purpose, shall be considered a structure subject to this Policy.

Wastewater Service Charges: Ongoing charges to all customers connected to the City sewer system, to recover the City's cost of providing wastewater service. Rates for wastewater service charges are characterized as a charge per month, even though the billing cycle may be monthly or bi-monthly. Wastewater service charges are comprised of two components: the wastewater collection charge and the treatment charge. For residential customers, both components of the wastewater service charge are based on the number of units. For commercial customers, the treatment charge is based on the number of RCEs, and the wastewater collection charge is based on the greater of the number of units or the number of RCEs.

Surcharge: An additional charge that may be imposed in addition to the regular wastewater service charge.

Treatment Charge: The charge to recover the cost of wholesale treatment charges paid to either the King County Department of Natural Resources or the City of Edmonds, excluding costs that are recovered from the King County industrial waste surcharge.

ULID #2: Utility Local Improvement District #2, an area that in the past was organized and annexed to the Ronald Wastewater District for the purpose of providing property owner funding for the capital cost of constructing local sewer mains and side sewers. This is the only part of the City sewer service area from which wastewater flows to the Edmonds Wastewater Treatment Plant by direct agreement between the City and the City of Edmonds. (There are other areas from which wastewater ends up in Edmonds because of a flow swap agreement between King County and Edmonds, but the customers in those areas still are counted as part of the King County system.) Customers in ULID #2 pay the Edmonds treatment rates, and new development in that area pays the Edmonds treatment facilities charge in addition to the City GFC.

Unit: A unit shall mean any portion of a structure available, suitable, intended or otherwise used as a separate business office or separate suite of business offices, store, or other commercial establishment, apartment, condominium, single family dwelling, duplex, triplex, fourplex, trailer, or an accessory dwelling unit added to a single-family dwelling. An individual storage space in a self-storage building shall not count as a "unit" for the purposes of this policy.

Wastewater Collection Charge: A charge that recovers all costs of operating the City wastewater utility except for wholesale treatment charges paid to King County and the City of Edmonds and industrial waste surcharges paid to King County.

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Section 1 Properties Subject to This Policy

1.1 Except as provided below in Section 1.1.1, the owner of each lot or parcel of real property within the City sewer service area, abutting any street, alley or right-of-way in which there is now or in the future will be located any sewer facilities of the City, and which property now has or in the future may have constructed or placed upon it a structure, described in section 2, which structure lies within 300 feet of sewerage facilities maintained by the City, shall be subject to and comply with the terms of this policy.

1.1.1 Structures situated on property within the former boundaries of King County Sewer and Drainage District No. 3 (KC3), that were served by an on-site septic system on the date that KC3 was transferred to the Ronald Wastewater District, shall not be subject to this policy, unless such property is within the boundary of a Utility Local Improvement District formed after the date of this Policy; or is made subject to this policy by order of the King County Health Department compelling connection of such property to the City sewer system; or is made subject to this policy by the owner's request for service through the City sewer system, or requests a change of use that would increase the number of dwelling units or fixture-units in a structure.

1.2 The owner of any property which in the future shall have constructed or placed upon it a structure shall, 30 days prior to permitting any use, comply with and become fully subject to the terms of this policy.

Section 2 Structures Required to be Connected Where Sewer Lines are Available

2.1 Any improvements situated on property within the City sewer service area which are designed, intended or suitable for human occupancy, employment, recreation, habitation or other purpose, shall be considered a structure subject to this Policy.

2.2 Any structure which is located on property within the City sewer service area shall for all purposes be deemed to have sewerage service available.

2.3 In the event a structure otherwise subject to the requirements of this policy is demolished or otherwise made unfit for use, the City will upon the owner's capping off the side sewer connection at a point designated by the City Public Works Director or designee, and upon inspection of such capping off by the City, cease billing wastewater service charges against the property until such time as the property is again connected to the City sewer system and put to use, at which time billing for wastewater service will commence.

2.3.1 Structures which are not connected to the City sewer system shall be billed the wastewater service charges until such time as the City shall have inspected the property at the owner's request and confirmed that the structure on the property has been demolished or is otherwise unfit for the purposes intended.

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Section 3 Billing Procedures

3.1 Wastewater service charges shall be billed and mailed to the owner of property to which service is available. Failure to receive such bill shall not relieve the owner of the obligation to pay the wastewater service charges, nor shall the property to which such service is available be relieved from the attachment of any lien against such property. For customers who register for paperless billing, the electronic address given as part of the registration shall be considered equivalent to a U.S. Post Office mailing address.

3.2 Timing of Wastewater Service Charge Rates. For existing customers, billing of wastewater service charges under a new rate schedule shall commence on the effective date of the rate schedule. If a rate change becomes effective during the middle of a billing cycle, the bill shall be prorated between the old and new rates. For example, if a rate change takes effect on January 1, residential accounts billed for the December-January billing cycle will be charged one month at the old rate and one month at the new rate.

3.2.1 Structures built or placed on property within the City sewer service area after the effective date of this policy shall be billed on the first day of the first month commencing 60 days after the City inspects the structure's side sewer connection; or upon occupancy of the structure, whichever occurs first.

3.2.2 Existing structures to which sewer service becomes newly available shall be billed on the first day of the first month commencing 60 days after the date of the City's mailing of a notice stating that service is available to the structure, and that such structure is to be connected to the sewer system; or upon the first day of the first month after the connection of such structure, whichever occurs first.

3.3 Commercial accounts shall be billed monthly. In general, residential accounts are billed bi-monthly.

3.4 The City bills in advance, not in arrears. Bills are mailed at the beginning of the billing cycle for which the service is being charged, and payment is due by the end of that billing cycle.

3.5 For the purposes of this policy, the City's giving of notice, or the mailing of a bill, to any party who has the care, custody, control or management of any structure shall be deemed the giving of such notice to the property owner.

3.6 Duplicate Bills.

3.6.1 It is the policy of the City to always send bills to the owners of a property, even if the property owner has authorized another party to receive duplicate bills.

3.6.2 Commercial properties: At the written request of the property owner on a form provided by the City, the City will send a duplicate invoice to either a property manager or a tenant, but not both.

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3.6.3 Residential properties: At the written request of the property owner on a form provided by the City, the City will either send a duplicate bill to a designated property manager, or send a duplicate bill addressed to "Resident" at the service address.

3.6.4 A duplicate billing fee shall be added to the account each month for which duplicate bills are sent. The amount of this fee is set forth in SMC 3.01.620. This monthly fee will be waived if either of the bill recipients signs up for paperless billing.

3.6.5 A one-time fee will be added to the account for any account information changes, including designating or revoking the designation of a party to receive a bill or duplicate bill, changing the name or address of the recipient of a duplicate bill, or changing the name or address of the property owner. The amount of this fee is set forth in SMC 3.01.620.

3.6.6 Designation by the owner of another party to receive duplicate bills shall not relieve the property owner from the charges due as a result of the property manager or tenant's failure to pay wastewater service charges. If a lien is recorded against the property as a result of the property manager or tenant's failure to pay, the billing will be changed back to the owner of said property. It is the responsibility of the property owner to notify the City of any address changes, including electronic address changes for paperless billing.

3.7 In the case of condominiums, it is the policy of the City to bill a single aggregate bill for all units of the condominium either to the Condominium Association or, if so designated in writing, to a property manager.

3.8 The City shall not be responsible for prorating wastewater service bills upon a change in property ownership, change in tenant, or change in property manager. The parties to the transfer of responsibility—whether it be between seller and buyer, owner and tenant, or owner and property manager—are solely responsible for prorating the bills.

3.8.1 No credit or refund shall be given by the City because of changes in ownership or tenancy of any property or because the property is vacant for a period of time.

3.9 Time limit on back billing and credits.

3.9.1 If wastewater service is available to a property, and if for any reason the City has not billed the charges, the City may back bill such property for the availability of sewer service for a period not to exceed 36 months. The bill will be based on the rate for the actual period(s) due.

3.9.2 If for any reason a credit is owed to the account, credits will be for a period not to exceed 36 months. The credit will be based on the rate for the actual period(s) credited.

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3.10 In the case of commercial properties, regardless of whether individual water meters have been installed to serve these properties, the City requires that all billing be directed to the property owner or condominium association.

3.11 If overpayments or duplicate payments are received on the account, a refund request must be presented to the Billing Supervisor by the property owner in writing to approve the refund. Refunds will only be issued to the property owner. A fee for the refund request will be added to the next billing statement unless the overpayment or duplicate payment was caused by City error. The fee is set forth in SMC 3.01.620.

3.12 A fee shall be imposed for returned checks and bank disallowance of Automated Clearinghouse (ACH) withdrawals, as set forth in SMC 3.01.810.

Section 4 Wastewater Service Charge Delinquency, Penalties, Interest, and Liens

4.1 Wastewater service charges are charges against the property to which wastewater service is available and shall be imposed as set forth in Section 5 below at the rates set forth in SMC 3.01.600.

4.1.1 The property owner shall be responsible for timely payment of the monthly or bi-monthly wastewater service charges and for any accruing interest or penalty for the entire premises. It is for the property owner and the tenants/occupants of the premises to decide on the contributory share of wastewater service charges due from each tenant/occupant. The City takes no responsibility for enforcing contributions from the tenants/occupants and looks solely to the property owner for payment of wastewater service charges.

4.2 The wastewater service charges shall be delinquent when they are not paid by the end of the billing period.

4.2.1 All notices pertaining to "notice of delinquent sewer service charges" for the property shall be delivered to the property owner.

4.3 Penalties shall be added to all delinquent accounts upon their becoming delinquent.

4.3.1 A late charge of 10% of the current billing shall be imposed each billing period in which the account is delinquent.

4.3.1.1 The 10% late charge will be removed if the total unpaid balance is paid in full by the end of the first month of the billing cycle in which the late charge first appears on the bill.

4.3.2 The City may remove penalties for good cause.

4.4 When a lien is recorded against delinquent accounts, a lien processing fee shall be imposed, and interest shall begin to be assessed at 8% per year on the unpaid balance from the date of delinquency, as set forth in SMC 3.01.620.

4.5 Change of ownership of property which has delinquent wastewater service charges outstanding or against which liens have been filed does not relieve the property of penalties imposed upon delinquent wastewater service charges nor of liens filed nor

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legal costs incurred prior to and in foreclosure proceedings. Proration of wastewater service charges and penalties, where a change of ownership has occurred, is not the obligation of the City, but shall be the responsibility of the old and/or new property owners.

4.5.1 When an escrow report is requested, an account service fee shall be added to the next billing statement, as set forth in SMC 3.01.620.

4.6 The wastewater service charges levied against a property, together with lien recording fees, penalties thereon, all legal fees, costs of title search, and legal costs incurred by the City, shall be a lien against the property to which service is available or provided. Such lien shall be inferior only to the lien for general taxes. The City's lien against the property for delinquent wastewater service charges and penalties shall be certified to the King County Department of Records and Elections.

4.6.1 The following schedule applies to those accounts who have not paid in full for three billing periods.

Billing	**Past Due**	**Billing Status**	**Lien/Collection Action**
1st Billing	None	Current Charges (CC) only	None
2nd Billing	1 Past Due (PD)	CC + 1PD + Late Charge (LC)	None
3rd Billing	2PD	CC + 2PD + 2LC	None
4th Billing	3PD	CC + 3PD + 3LC	10 days after billing: Lien Alert Notice: Hand deliver a copy of Lien Alert Notice to the property. If rental property, mail to property owner a lien alert notice and a copy of the signed Authorization for Duplicate Bill (if residential) or Authorization to Bill Commercial Tenant (if commercial).
		CC + 3PD + 3LC and Lien Processing Fee	24 days after billing: If rental property, change billing address to property owner. Lien filed and Lien Processing fee added to account and Notice of Lien mailed
5th Billing	4PD	CC + 4PD +4LC	Final Notice mailed via Certified & Regular mail (All balance has to be paid in one month)
6th Billing	5PD	CC + 5PD + 5LC	Notice of Legal Action via Certified and Regular mail (demands full payment in two weeks)
			Door Hanger to property: "Please contact City Wastewater Utility billing office immediately regarding your account."
7th Billing	6PD	CC + 6 PD + 6 LC	Send account to Attorney

4.6.2 Special arrangements for delinquent accounts may be made on a case-by-case basis with the Director of Administrative Services or designee.

4.6.3 If the City receives a Notice of Trustee Sale or Foreclosure, and the account is at least sixty (60) days past due, the City will file a Lien Alert Notice and adhere to the lien filing schedule set forth in 4.5.1 above.

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4.6.4 If the City receives a Notice of Bankruptcy, a Proof of Claim will be filed with the Bankruptcy Court.

4.7 After recording a lien against a property with the King County Department of Records and Elections, the City may foreclose such lien by a civil action in the Superior Court of the State of Washington for King County. The City shall recover in such action the delinquent service charges and penalties, together with its costs of suit, title search and attorney's fees.

4.8 Whenever any lien, together with penalties and all attorney's fees and costs incurred by the City pursuant to this policy, has been paid in full, the Director of Administrative Services is authorized and directed to execute and file any instrument required to release and discharge the City's lien of record.

4.9 Payments after delinquency.

4.9.1 Partial payments received by the City prior to referral for collection or suit shall be applied against the balance due in the following order:

First	King County recording fee
Second	Lien processing fee
Third	Late charges
Fourth	Past due balance
Fifth	Current sewer service charges

4.9.2 Partial payments received by the City after the account has been submitted to the City's attorney for collection, or after suit has been commenced shall be applied as follows:

First The City's legal costs.

(A) court filing fees;

(B) service of process fees;

(C) publication costs;

(D) title search;

(E) attorneys' fees and all other costs;

Second King County recording fees, lien processing fee, and late charges;

Third Past due balance; and

Fourth Current sewer service charges.

Section 5 Customer Classes and Calculation of Wastewater Service Charges

5.1 The City has classified properties and structures to which sanitary sewer service is available into residential and commercial rate classes. These rate classes are used in calculating wastewater service charges and for all purposes other than

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calculating the general facilities charge and Edmonds treatment facilities charge. Such classifications into rate classes are based upon factors listed in RCW 35.67.020, and upon the differing impacts of such rate classes upon the City, constituting reasonable grounds of difference between such rate classes. The City may periodically review its definition and treatment of rate classes and reserves the right to change such classes in light of conditions existing in the City at the time of such review, including potentially creating an industrial rate class if needed to properly differentiate the costs of serving industrial customers.

5.1.1 Residential customers consist of single family residences with or without accessory dwelling units; duplexes; triplexes; fourplexes; and trailer sites to which sewer service is available.

5.1.2 Commercial customers consist of miscellaneous businesses, offices, stores, apartments with four or more units, condominiums, hotels, motels, trailer/mobile home parks, industrial parks to which sewer service is available, and all other uses not included in the residential customer class.

5.1.3 For the purpose of calculating the general facilities charge and Edmonds treatment facilities charge (collectively "development charges"), the customer classes are Single-Family, Multi-Family, and Non-Residential. These customer classes and the method of determining estimated RCEs for the two development charges reflect the fact that the estimated RCE must be calculated based on information that is knowable at the time of development, before there is a history of water usage for a given property. Therefore, the estimated RCE relies primarily on the number of dwelling units or the number of fixture-units. Of those two measures, the number of dwelling units is considered to be preferable where it can be used; the number of fixture-units is only used for non-residential properties, where there are no dwelling units.

5.2 Definition of RCE for the purpose of calculating wastewater service charges.

5.2.1 Residential. The number of RCEs for residential customers is always equal to the number of units, regardless of the amount of water consumed. For example, a single-family home with no accessory dwelling unit is one RCE, and a four-plex is four RCEs.

5.2.2 Commercial. The number of RCEs for commercial customers is a separate measurement from the number of units. One RCE is defined as 750 cubic feet of water consumed in a month. The number of RCEs for a given commercial customer is determined by dividing the average monthly water usage for the previous year (in cubic feet) by 750 cubic feet per RCE, provided that there is a minimum of one RCE per structure. The RCE calculation is updated annually, based on water usage data provided by North City Water District and Seattle Public Utilities.

5.3 Calculation of Wastewater Collection Charge.

5.3.1 Residential.

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5.3.1.1 The wastewater collection charge consists of the number of units multiplied by the rate shown in SMC 3.01.600.

5.3.1.2 Qualified low income senior and disabled citizens receive a 50% discount.

5.3.1.3 There is a surcharge of $25.54 per month per unit for each Apple Tree Lane property for 15 years from January 2006 to December 2020.

5.3.1.4 There is a credit of $0.50 per month for sewage pump electrical for Apple Tree Lane accounts where a sewage pump serves one property.

5.3.1.5 There is a credit of $1.00 per month for sewage pump electrical for Apple Tree Lane accounts where a sewage pump serves two properties.

5.3.2 Commercial.

5.3.2.1 The wastewater collection consists of the rate shown in SMC 3.01.600, applied to either the number of units or the number of RCEs, whichever is greater.

5.3 Calculation of Treatment Charge – both Edmonds and King County Treatment areas.

5.3.1 Residential.

5.3.1.1 Treatment charge consists of the number of units multiplied by the rate shown in SMC 3.01.600 for the applicable treatment provider.

5.3.1.2 Qualified low income senior and disabled citizens receive a 50% discount.

5.3.2 Commercial.

5.3.2.1 Treatment charge consists of the number of RCEs multiplied by the rate set forth in SMC 3.01.600 for the applicable treatment provider.

5.4 Special Billings.

5.4.1 Special billings to the City of Mountlake Terrace for sanitary sewer service for properties outside the City sewer service area, per agreement with Ronald Wastewater District dated April 15, 1968, amended on July 30, 2003, Resolution 03-32. The City of Mountlake Terrace provides the City yearly certification of the number of units of residential customers in the applicable area and the metered water usage of commercial customers. Billing to the City of Mountlake Terrace is based on the following:

5.4.1.1 Residential properties, including multi-family with four or fewer units: A combined rate based on 50% of the current wastewater collection charge and 100% of the treatment charge per

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connection, as set forth in SMC 3.01.600, shall be multiplied by the number of units of residential customers in the applicable area.

5.4.1.2 Commercial properties, including trailer courts and multi-family apartments of more than 4 units: A combined rate based on 50% of the current wastewater collection charge and 100% of the treatment charge, as set forth in SMC 600.01.600, shall be multiplied by total number of RCEs by commercial customers in the applicable area, based on 750 cubic feet per RCE.

5.4.2 At such time as application for wastewater service by an industrial user is made, the City may establish an industrial rate based on the volume and strength of industrial waste discharged into the City sewer system. The City reserves the right to make all determinations as to whether or not the proposed usage shall be classified as an industrial usage or whether it should be classified as a commercial customer. In the absence of any special rate established by the City at the time that sanitary sewer service is requested for an industrial use, the industrial use rate shall be generally the same as the commercial customer rate, subject to adjustment based on the particular usage planned or actually made by the industrial user.

Section 6 New Accounts

6.1 No consumption history for commercial accounts. Where no water consumption history is available for a structure, the Director of Administrative Services or designee shall estimate consumption for purposes of establishing service charges until such history is available.

6.2 Mixed use properties. Where a structure is used for purposes described by more than one classification and if the structure is served by a single water meter, the Public Works Director or designee shall assign the structure to a customer class and determine an appropriate method for calculating the charges to be imposed. The determination shall take into account the relative proportion of uses, the nature of the demand on the sewer system, the definitions used by wholesale treatment providers, and the most applicable customer class definitions contained in this policy.

6.3 New Classification. If a new account is to be served by the City and there is no specific classification for this account, the Public Works Director or designee will make the determination as to how it will be classified and charged. The determination shall take into account the nature of the demand on the sewer system, the classification of other accounts with similar characteristics, the definitions used by wholesale treatment providers, and the most applicable customer class definitions contained in this policy.

Section 7 Surcharges and Local Facilities Charge

7.1 Surcharges. The City may establish a surcharge in addition to the rate for any account type or area based on the additional cost of serving those properties

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beyond costs generally incurred for properties served by the City sewer system. Additional costs which shall be considered in establishing surcharges shall include but not be limited to additional or special maintenance required; electricity costs; necessary replacement of system components, including individual pumps, pump stations, electrical service panels, and monitoring and warning devices; additional labor or equipment costs resulting from providing such service; and any other costs incurred for services not generally provided systemwide.

7.2 Local Facilities Charge for new connections from previously unsewered areas. Properties in three previously unsewered areas described in Ronald Wastewater District resolutions 2004-44, 2005-23 and 2006-15 were allowed to remain on septic systems until the septic system fails or the property is sold, even if sewer lines are within 300 feet of the property line. When a property owner in those areas requests connection to the City sewer system, the City will impose a local facilities charge of $29,088.29 per connection to recover a proportionate share of the cost of local sewer infrastructure. The City allows property owners to enter into a "Hook Up Charge in Lieu of Assessment Agreement," through which the local facilities charge can be paid over 15 years with interest.

Section 8 Reduced Rates for Qualifying Low-Income Senior and Low-Income Disabled Citizens

8.1 The State of Washington, through the legislative adoption of RCW 74.38.070 entitled "Reduced utility rates for low income senior citizens and other low-income citizens," authorized municipal corporations which provide utility service to offer reduced rates to low-income senior citizens and other low-income citizens disabled citizens, provided that the definition of qualifying customers is adopted by the governing body of the utility.

8.2 The City's reduced rates for qualifying low-income senior and low-income disabled citizens may be continued, discontinued, or modified at the option of the City Council at the end of each year, based on its fiscal viability and its effect on the City and ratepayers as a whole. In addition, the City Council shall have the power to modify the rules and conditions under which eligibility is established for the reduced rates.

8.3 The following describes the eligibility, requirements, and the annual process for establishing eligibility for the Low-Income Senior/Low-Income Disabled Citizen Reduced Rate Program. The discounted rates are set forth in SMC 3.01.600.

8.4 Eligibility.

8.4.1 To qualify for the reduced rates, the applicant must own and occupy residential property within the City, and the applicant must be either a low-income senior citizen or a low-income disabled citizen.

8.4.1.1 If two people occupy and jointly own the same residence and their joint income meets the threshold to be considered low-income, then they

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can qualify for the reduced rates if at least one of them is a senior citizen or a disabled citizen.

8.4.2 To qualify as a senior citizen, the applicant must be at least 62 years of age at the time application is made.

8.4.3 To qualify as a disabled citizen, the applicant must be considered disabled by the U.S. Social Security Administration.

8.4.4 The applicant(s) must own and reside at the property for at least one year prior to the date of application and or renewal of the qualification.

8.4.5 To qualify as low-income citizens, the applicant(s) must have earned less than 60% of the Local Area Median Household Gross Annual Income during the previous year using the most recent official annual income guidelines established by the United States Department of Housing and Urban Development (HUD) for single and married ratepayers.

8.4.6 The applicant(s) must not reside in housing which is federally subsidized public housing.

8.5 Requirements.

8.5.1 Complete and submit to the City a completed application form and the required evidence of eligibility.

8.5.2 The documents providing evidence of eligibility must verify the income of the applicant, the fact that the applicant owns and occupies a residential property in the City, and either the age or disabled status of the applicant.

8.5.3 Applications must be received at least 15 days prior to the end of a billing cycle.

8.6 The effective date of the reduced rates will be the beginning of the next bi-monthly billing cycle after approval of the application. There will be no retroactive qualification for the reduced rates.

8.7 Annual Renewal Process. To continue to qualify for the reduced rates, eligibility must be re-established no later than by May 1 of each year. If citizens have qualified for the program for three continuous years, they may continue under the program by certifying that they continue to be qualified.

8.8 Acceptable forms of evidence that the ratepayer is eligible for the reduced rates.

8.8.1 For income: copy of IRS Form 1040, or copy of Form SSA-4926 SM or SSA-1099 for the previous calendar year.

8.8.2 For property ownership in the City: copy of property tax statement or assessment card.

8.8.3 For senior citizens: copy of driver's license or birth certificate.

8.8.4 For disabled citizens: copy of the disability verification letter from the U.S. Social Security Administration.

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8.8.5 Other documentary evidence as the City may reasonably require or choose to accept related to income, property ownership, and either age or disability.

Section 9 Protest/Appeal Process

9.1 A ratepayer who believes that the City has charged the wrong rate or made a billing error with respect to the ratepayer's property, may make a written request to the Billing Supervisor to correct the alleged error or the rate charged. No request for a refund will be considered for any period more than three years prior to the date of the written request. The Billing Supervisor shall issue a written decision on the request and mail the same to the ratepayer.

9.2 Within twenty days of the date the Billing Supervisor's decision was mailed, the ratepayer may file a written appeal to the Director of Administrative Services by mailing or delivering the appeal to the office of the Department of Administrative Services in City Hall. The Director of Administrative Services or designee will review and decide the appeal and inform the ratepayer in writing of the decision. The written decision of the Director of Administrative Services shall constitute the final action of the City with respect to wastewater billing matters.

Section 10 General Facilities Charge and Edmonds Treatment Facilities Charge

10.1 A General facilities charge (GFC) shall be imposed on all properties which are newly connected to the City sewer system and on existing connected properties where the structure is being modified so as to increase the number of dwelling units (for single-family or multi-family structures) or the number of fixture-units (for non-residential structures). The GFC recovers a proportionate share of the past and planned capital costs of the City sewer system other than costs paid by grants, developer donations, or property assessments, and it ensures that new development pays a proportionate share of the costs imposed by new development. The GFC applies across the City sewer service area, including in ULID #2.

10.2 An Edmonds treatment facilities charge shall be imposed on properties in the ULID #2 area which are newly connected to the City sewer system and on existing connected properties where the structure is being modified so as to increase the number of dwelling units (for single-family or multi-family structures) or the number of fixture-units (for non-residential structures). The Edmonds treatment facilities charge recovers on behalf of the City of Edmonds a proportionate share of past and planned capital costs of the Edmonds Wastewater Treatment Plant.

10.3 The GFC and, if applicable, Edmonds treatment facilities charge shall be paid prior to making the connection or receiving a permit to improve the structure.

10.4 The GFC and Edmonds treatment facilities charge are calculated based on the number of estimated Residential Customer Equivalents (RCEs) for a new structure or the estimated incremental increase in RCEs for a modified structure.

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10.5 For the purposes of GFC and Edmonds treatment facilities charge, the number of estimated RCEs is calculated as follows.

10.5.1 Single-Family. single-family structure with no accessory dwelling units is 1.0 RCE.

10.5.2 Multi-Family. For a multi-family structure (including duplexes, triplexes, four-plexes, single family structures with accessory dwelling units, and apartment buildings with more than 4 units) , the estimated number of RCEs is equal to the number of dwelling units, except that for microhousing as defined in SMC 20.20.034, each single-room living space is counted at 0.5 RCE.

10.5.3 Non-Residential. For a non-residential structure, the estimated number of RCEs is based on the number of fixture-units plus additional wastewater flow projected above the fixture units. One RCE is equal to 20 fixture-units. If additional wastewater flow is projected for the structure above the fixture units, one RCE is equal to 187 gallons per day of additional flow. The number of fixture-units per plumbing fixture is shown in the following table.

Type of Fixture	Fixture-Units per Fixture	
	Public	Private
Bathtubs and shower	4	4
Shower, per Head	2	2
Dental units or lavatory	1	1
Dishwasher	2	2
Drinking fountain (each head)	1	0.5
Hose bib (interior)	2.5	2.5
Laundry tub or clothes washer	4	2
Sink, bar or lavatory	2	1
Sink, kitchen	3	2
Sink, other (service)	3	1.5
Sink, wash fountain, circle spray	4	3
Urinal, flush valve, 1 GPF	5	2
Urinal, flush valve, >1 GPF	6	2
Water closet, tank or valve, 1.6 GPF	6	3
Water closet, tank or valve, >1.6 GPF	8	4

10.6 To determine the amount of the GFC, the number of estimated RCEs is applied to the rates set forth in SMC 3.01.610. The low-density charge applies to single-

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family structures with or without accessory dwelling units, duplexes, triplexes, and four-plexes. The high-density charge applies to non-residential structures and apartment buildings with more than 4 units.

10.7 To determine the amount of the Edmonds treatment facilities charge, the number of estimated RCEs is applied to the rates set forth in SMC 3.01.610.

10.8 If a preexisting structure is disconnected and wastewater service charges discontinued pursuant to the requirements of Section 2.3, and a new structure is later built on the same site within five years of the discontinuation of wastewater service charges, then the new structure shall be charged only for the estimated incremental increase in RCEs above the number for which a GFC was previously paid for the structure no longer receiving service. If a property with a disconnected structure has had wastewater service charges discontinued for more than five years, then a new structure built on the site shall be charged for the total number of estimated RCEs.

10.8.1 If the lot is subdivided after wastewater service charges are discontinued, a credit against the GFC shall be applied in equal proportion to the new structure(s) within the new subdivided parcel(s). The credit shall offset the GFC charged to the new structures provided that the new structures are built within five years of the discontinuation of wastewater service charges. The credit shall consist of the number of RCEs for which a GFC was previously paid applied to the current GFC rate for low-density structures set forth in SMC 3.01.610.