

**CITY OF BLACK DIAMOND
WASHINGTON**

ORDINANCE NO. 13-1007

AN ORDINANCE OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON; RELATING TO SANITARY SEWER UTILITY CHARGES; AMENDING SECTION 13.24.010 OF THE BLACK DIAMOND MUNICIPAL CODE; IMPLEMENTING AN ANNUAL INFLATIONARY INCREASE IN CHARGES TO MEET SANITARY SEWER SERVICE OBLIGATIONS; PROVIDING FOR SEVERABILITY; ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City of Black Diamond is a municipal corporation operating under the laws of the state of Washington as a code city pursuant to Chapter 35A of the Revised Code of Washington; and

WHEREAS, as a code city, the legislative body of the City of Black Diamond is vested with all powers possible for a city or town to have under the Constitution of this state, and not specifically denied to code cities by law; and

WHEREAS, RCW Ch. 35.92 and Ch. 35.67 authorizes the City of Black Diamond to construct, condemn and purchase, acquire, add to, alter, maintain, and operate sanitary sewer systems, and establish the rates therefore; and

WHEREAS, the City has established a sanitary sewer utility system and regulations governing rates and charges for sanitary sewer utility services codified at Chapter 13.20, 13.24 and 13.26 of the Black Diamond Municipal Code; and

WHEREAS, BMDC 13.24.030 provides that the charges established by BDMC Ch. 13.24 shall be reviewed periodically by the city council, and that, as part of such review, the city's finance department shall present to the city council proposed amendments to any rates and charges necessary to enable the city to pay all costs to be incurred by the city's sewer utility system; and

WHEREAS, pursuant to Resolution No. 13-864 the City Council authorized a contract with Ashley M. Emery of Peninsula Financial Consulting (the "Consultant") to conduct a cost-of-service

study to determine whether existing sanitary sewer utility rates are adequate to recover the cost of providing sanitary sewer service; and

WHEREAS, the Consultant has, together with Finance Department and other City staff, analyzed and processed available data relating to sanitary sewer utility system maintenance and operations, including revenues, expenditures, debt service obligations, and certain future capital needs, as well as planned growth and impacts upon sanitary sewer utility service, and utilizing this, and other data, has forecast total sanitary sewer utility system cash flows and expenditures for future years utilizing proprietary computer modeling; and

WHEREAS, Consultant forecasts that the total annual sanitary sewer utility system revenues in year 2013 and in each succeeding year will be less than the annual cost to provide sanitary sewer utility service and that sanitary sewer utility cash reserves are insufficient to sustain near-term and long-term sanitary sewer utility service and to meet future capital needs; and

WHEREAS, based upon the foregoing, the City Council has determined that the current monthly sanitary sewer utility system rates are insufficient to fund the on-going maintenance, operational and capital costs of the sanitary sewer utility system; and

WHEREAS, the City Council has determined that it is reasonable and necessary to adopt annual inflationary rate adjustments to meet the City's obligation to adequately fund the on-going maintenance, operational and capital costs of the sanitary sewer utility system, to meet its service obligations to sanitary sewer utility system customers, and to protect the public health, safety and welfare; and

WHEREAS, in consideration of the report and recommendation of Consultant, projected future growth, and future anticipated on-going operational, maintenance and capital costs of the sanitary sewer utility system, the City Council finds that an amendment to BDMC Ch. 13.24, adopting an annual inflationary rate adjustment to the City's base sewer service charge as set forth herein, is reasonable and necessary to meet revenue requirements to cover the costs necessary to maintain a self-supporting and financially viable sanitary sewer utility system; and

WHEREAS, the City contracts with King County for the transmission, storage and treatment of wastewater collected by the City through the City's sanitary sewer collection system; and

WHEREAS, the costs to the City of the transmission, storage and treatment services provided by King County are currently included within the base rate for sewer services charged to Black Diamond sanitary sewer system customers; and

WHEREAS, the King County charges for transmission, storage and treatment are subject to adjustment by King County and are not subject to inflationary adjustments and thus should not be subject to the inflationary adjustment as set forth herein; and

WHEREAS, the City Council finds that it is in the public interest to implement the sanitary sewer utility system rate increase to the base rate as set forth herein in order to ensure that the sanitary sewer utility has sufficient revenue to be self-supporting and financially viable;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND,
KING COUNTY, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Incorporation of Recitals. The above-stated recitals are incorporated by this reference as though fully set forth herein and are adopted as the findings and conclusions of the City Council.

Section 2. Amendment of BDMC 13.24.010 (Monthly rates designated). Section 13.24.010 of the Black Diamond Municipal Code is hereby amended (*amendments shown in legislative revision marks*) by the addition of new subsection "G" reading as follows:

13.24.010 - Monthly rates designated.

Effective January 1, 2013 sewer service charges shall be as follows:

A. General. The Sewer service charge shall be the total of the base sewer service charge, the surcharge, and the applicable additional flow and unit charges.

B. Base Sewer Service Charge. The base sewer service charge shall be nineteen dollars and sixteen cents.

C. Surcharge. There shall be, in addition to the base sewer service charge, a surcharge reflecting the cost of service charged to the City by King County for wastewater transmission, storage and treatment. The surcharge shall be thirty-nine dollars and seventy nine cents.

~~A. For rD. Single Family Residential Charge.~~ Residential ~~customers-users~~ served by a single meter to the residence shall be subject to, the base sewer service charge plus the surcharge ~~fifty-eight dollars and ninety-five cents;~~

~~B. For rE. Lifeline Utility Program.~~ Residential ~~customers-users~~ served by a single meter who have been approved under the Lifeline Utility Program, will receive a discount on the base sewer service charge ~~city share of the sewer rate~~ as shown in the city fee schedule.

~~CF. Other Users; Additional Flow and Unit Charges.~~ For ~~a~~ All other-users other than single-family residential, including but not limited to commercial users, multi-family residences and mobile home parks, ~~served by a single water meter, fifty-eight dollars and ninety-five cents per month~~ shall, for each water meter in use, be subject to the base sewer service charge plus the surcharge plus additional flow charges of five dollars and ninety-one cents for each one hundred cubic feet of water consumed per month in excess of seven hundred fifty cubic feet, as measured by such water meter. The user shall, for each water meter in use that serves more than one unit, be subject to an additional unit charge of for the first unit, plus ten dollars for each additional unit served by that water meter, plus five dollars and ninety-one cents for each one hundred cubic feet of water consumed per month in excess of seven hundred fifty cubic feet. For purposes of this section, the word "unit" shall be defined as any dwelling unit, home, condominium, mobile home, manufactured home or location at which business is conducted.

~~D~~G. Irrigation and Landscaping. Any user subject to ~~an average~~ an additional flow charge may apply to the city for installation of a separate meter to monitor water usage solely for irrigation and landscaping purposes. The individual or entity requesting such a meter shall pay the city for the cost of the meter and cost of installation. Water consumed for these purposes shall be subject to the base sewer service charge and surcharge but shall not be subject to the average additional flow charge.

~~E~~H. Home Occupations. For purposes of this chapter home occupations shall not be considered a second use.

~~F~~I. Taxes. Federal, state and local taxes, where applicable, shall be added to the sums as set forth above


J. CPI-U Annual Adjustment. The monthly base sewer service, additional flow and unit charges set forth herein shall be adjusted annually at 12:01 a.m. on January 1st of each year by the annual percentage of change in the all urban consumer price index ("CPI-U") published by the Bureau of Labor Statistics of the U.S. Department of Labor for the Western Region, using the July index for the year immediately preceding the year of the adjustment.* In no event shall the monthly charges decrease as a result of the CPI-U adjustment without separate and specific action by the City Council. The CIP-U adjustment shall apply to the base sewer service, additional flow and unit charges, as annually adjusted pursuant to this section.

*Note: For example, if the annual percentage increase in the CPI-U for the Western Division for July 2013 was 1.8 percent (the percentage of change in the CPI-U from July of 2012 to July of 2013), the monthly base sewer service, additional flow and unit charges for 2014 would be increased on January 1, 2014 by 1.8 percent.

Section 3. Effective Date. This Ordinance shall be in full force and effect on **September 1, 2013**. A summary of this Ordinance may be published in lieu of publishing the ordinance in its entirety.

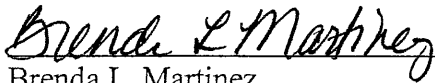
Section 4. Severability. If any provision of this ordinance, or ordinance modified by it is determined to be invalid or unenforceable for any reason, the remaining provision of this ordinance and ordinances and/or resolutions modified by it shall remain in force and effect.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE
1ST DAY OF AUGUST, 2013.



Mayor, Rebecca Olness

Attested:



Brenda L. Martinez,
City Clerk

APPROVED AS TO FORM:

Chris Bacha
Kenyon Disend, PLLC
City Attorney

Published: 8/9/13
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