

Revenue Policy – July 01, 2023

I. Revenue Policy Purpose

A. The purpose of this policy is to establish membership, connection, service and other charges and the use of those resulting revenues.

B. Meter and connection equivalency shall be on the basis of equivalent residential units (ERUs), with a single-family residence as the basis for this measure. ERUs shall be expressed relative to size of water meter serving the property, as indicated below. Water volumes are expressed in cubic feet (C.F.)

II. Membership and Connection Charges

A. Share Cost for Membership in the Association

1. The charge for each Association membership shall be \$500 per parcel.
2. The full cost of the share shall be due for membership reinstatements.

B. Connection Charges

1. Each connection or re-connection to the System shall be subject to two connection charges. The General Facilities Charge (GFC) represents a Member's pro-rate share in the value of the existing system, and planned improvements to maintain adequate capacity for anticipated growth. The Site Facilities Charge (SFC) represents the cost of installation of a water service and meter assembly from the existing main to the point of service at the new or reconnecting Member's property, and the cost of administration thereof. Both charges were reviewed and updated in a study by David Evans and Associates, Inc. dated April 12, 2022.

C. General Facility Charge

1. General Facility Charge/Per ERU, effective March 31, 2024

New Member	5/8" Meter	\$13,200.00 GFC, Schedule 1
New Member	1" Meter	\$19,800.00 GFC, Schedule 7
New Member	1 1/2" Meter	\$26,400.00 GFC, Schedule 8
New Member	2" Meter	\$46,200.00 GFC, Schedule 9

Note: Schedule 5 Member (non-user) must pay the General Facility Charge and Site Facilities Charge before moving to another schedule.

2. A parcel shall be vested with the General Facility Charge paid at the time of connection, for the appropriate meter size, and shall remain vested provided the bi-monthly rates are paid continuously.

3. If service is disconnected and water service charges are not paid for more than six consecutive months (three consecutive bi-monthly cycles), the parcel shall be subject to the payment of the full General Facility Charge in effect as appropriate at the time renewal of water service is requested, without credit for any prior payment of a General Facilities Charge for that parcel.

4. Alternatively, if the membership share has not been transferred and/or the property owner has not changed from the time of service disconnection, water service charges including penalties, fees and other charges due for the parcel, may be paid in full for the period over which payments were discontinued, to avoid the requirement for payment of the then-current GFC.

D. Site Facilities Charge (SFC) or Service Installation Fee

1. Confirmed per connection charge study (2022)

Schedule 1	5/8" Meter	\$3,900.00
Schedule 7	1" Meter	\$4,550.00
Schedule 8	1 1/2" Meter	\$5,850.00
Schedule 9	2" Meter	\$7,800.00

Note: Schedule 5 Member (non-user) has no tap, service or meter installed.

III. Rate Structure

A. General Bi-Monthly Water Service Charges

1. Fiscal year 2015-2023 water service charges are based on a study completed in the spring of 2013 by CHS Engineers, LLC, and adopted by the Board of Trustees. Water service charges to be effective as of the start of the 2022-2023 Fiscal Year are based on review and update of that study, based on Fiscal Year 2021-2022 financial statements, completed by David Evans and Associates, Inc. in November 2022, and adopted by the Board on November 8, 2022.

2. Future rate increases will be necessary due to the State and Federal Regulations to operate, maintain, and update our system and to support system needs as determined by the Board, including prudent financial planning for long-term water main replacement needs.

3. Bi-monthly base rates will be assessed to all members with an active or inactive water Service (i.e. users and non-users, respectively). Bi-monthly usage rates will be assessed to all members with active water service, based on metered use for that period.

4. Members' base rate will be determined by the meter size and associated count of ERUs (the basis for different rate schedules) and the number of meters serving the property. The meter size shall be selected by the Member, and may be smaller than the size of the water service line from the Association water main to the water meter (minimum 1"), or the Association shall determine the size and type of connection at the water main.

5. For all new connections, each tax parcel shall be served by one meter and service connection, regardless of the number or types of uses on the parcel. In cases in which Snohomish County deems two adjoining tax parcels to be considered one legal lot, one meter and service connection shall be allowed for the two tax parcels considered by the County to be one legal lot.

B. Bi-monthly Water Service Charges Rate Schedule –Charges effective as of the start of Fiscal Year 2018-2019 shall be per the following table.

Schedule 1	1 ERU	5/8" Meter	\$151.00	Includes 0 – 600 C.F.
Schedule 5	0 ERU	No Meter	\$24.21	Member with no meter - 0 C.F.
Schedule 7	1.5 ERU	1" Meter	\$226.50	Includes 0 – 900 C.F.
Schedule 8	2.0 ERU	1 1/2" Meter	\$302.00	Includes 0 – 1,200 C.F.
Schedule 9	3.5 ERU	2" Meter	\$528.50	Includes 0 – 2,100 C.F.

Additional volume usage will be charged as follows:

Schedule 1	5/8"	1 ERU
\$2.70 per 100 C.F.	(from 601 C.F. – 1,200 C.F. within billing cycle)	
\$2.95 per 100 C.F.	(from 1,201 C.F. – 1,800 C.F. within billing cycle)	
\$3.20 per 100 C.F.	(from 1,801 C.F. – 2,400 C.F. within billing cycle)	
\$3.45 per 100 C.F.	(from 2,401 C.F. – 3,000 C.F. within billing cycle)	
\$3.80 per 100 C.F.	(from 3,001 C.F. – to infinity within billing cycle)	

Schedule 7	1"	1.5 ERU
\$2.70 per 100 C.F.	(from 901 C.F. – 1,800 C.F. within billing cycle)	
\$2.95 per 100 C.F.	(from 1,801 C.F. – 2,700 C.F. within billing cycle)	
\$3.20 per 100 C.F.	(from 2,701 C.F. – 3,600 C.F. within billing cycle)	
\$3.45 per 100 C.F.	(from 3,601 C.F. – 4,500 C.F. within billing cycle)	
\$3.80 per 100 C.F.	(from 4,501 C.F. – to infinity within billing cycle)	

Schedule 8	1 1/2"	2 ERU
\$2.70 per 100 C.F.	(from 1,201 C.F. – 2,400 C.F. within billing cycle)	
\$2.95 per 100 C.F.	(from 2,401 C.F. – 3,600 C.F. within billing cycle)	
\$3.20 per 100 C.F.	(from 3,601 C.F. – 4,800 C.F. within billing cycle)	
\$3.45 per 100 C.F.	(from 4,801 C.F. – 6,000 C.F. within billing cycle)	
\$3.80 per 100 C.F.	(from 6,001 C.F. – to infinity within billing cycle)	
Schedule 9	2"	3.5 ERU
\$2.70 per 100 C.F.	(from 2,101 C.F. – 4,200 C.F. within billing cycle)	
\$2.95 per 100 C.F.	(from 4,201 C.F. – 6,300 C.F. within billing cycle)	
\$3.20 per 100 C.F.	(from 6,301 C.F. – 8,400 C.F. within billing cycle)	
\$3.45 per 100 C.F.	(from 8,401 C.F. – 10,500 C.F. within billing cycle)	
\$3.80 per 100 C.F.	(from 10,501 C.F. – to infinity within billing cycle)	

C. Other Service Fees & Charges

1. Certificate of Water Availability	\$100.00 per parcel
2. Fire Flow Availability	\$50.00 and engineer's invoiced amount
3. Share Transfer Fee	\$100.00 per share
4. Past Due Penalty Fee	Assessed 1 st business day after bill due date
5. Shutoff/Lock-Off Service Fee	\$50.00 (over shutoff threshold/CCS non-compliance)
6. Failure to Follow Through on Promise to Pay	\$50.00
7. Past Normal Business Hours Turn-On Fee	\$45.00
8. Non-Sufficient Funds	\$25.00
9. Meter Obstruction Fee	\$10.00
a. 2 nd Offense within calendar year	\$50.00
b. 3 rd Offense within calendar year	\$50.00 (Staff will clean off meter)
10. Hydrant Use Permit	\$65.00

a. A deposit of \$42.50 is the minimum per the first 500 gallons plus an additional \$1.50 per 100 gallons over the minimum.

11. CCS Certified Letter	\$50.00
12. Unauthorized Use of Water or Tampering with Facilities	\$500.00 Penalty
a. The amount doubles for each offense thereafter	
13. Penalty for Not Requesting a Locate	\$50.00 (In addition to the cost of repairs as provided for under State Law)
14. Duplicate Billing to Occupant	\$5.00 per duplicate bill at Member/Owner's Request

G. Developer Extensions and other Revenue

1. The Association has developed a Developer Extension Policy and supporting Manual which defines the details of when fees and charges are required and when payments are due, and what other charges are due as part of the completion of a developer extension.
2. The cost of the Developer Extension Manual shall be \$50.00
3. Lease payments for use of Association assets by third-parties shall be charged per the applicable lease agreements.
4. Miscellaneous charges for service provided by the Association, or reimbursement as required by agreement shall be charged as agreed.

IV. Allocation of Revenues

A. General Fund

1. Revenue from water service charges and associated late fees, penalties and interest, and all other charges shall be deposited to the General Funds as indicated below. A portion of the water service charges billed shall be transferred from the General Fund to the Capital Fund following each bi-monthly billing and payment cycle, in support of system

repair and replacement. The transfer portion shall be the Schedule 5 rate multiplied by the total number of users and non-users billed for that cycle.

B. Capital Funds

1. The Capital Fund and Debt Funds are supported by the revenues from the membership share charge, GFC, SFC, the repair and replacement transfer from the General Fund, developer extension deposits and payments and lease agreement regular payments.

V. General Information on Billing and Payments

A. Bi-monthly Service Charges

1. The Association shall prepare and mail and Members shall receive a bi-monthly statement for services. Payment for which is due by the last day of the odd numbered months.
2. The bills shall be mailed on the last business day of the even numbered months.
3. The bills shall be based on actual meter readings, typically read during the third week of every even numbered month.
4. In the event a meter cannot be read, the usage and therefore the total amount due shall be estimated, but only when necessary.
5. If members are not paying through the Association's online bill payment option, all payments shall be mailed to the Association's post office box.
6. Post-dated checks shall not be accepted.
7. Payments shall be posted when received.

B. Late Fees

1. The late fees shall be assessed the first business day after the bill due date.
2. The late fee shall be 10% of the amount billed and unpaid.

C. Shutoff Notices

1. Shutoff notices shall be generated on the first business day after the bill due date by Staff when the account is delinquent and amount owed is \$350.00 or greater, after late fees are assessed.

2. Shutoff notices shall be mailed and reflect the unpaid balance in addition to late fees and other past due fees.