

City of Stanwood

PROPOSED CHANGES TO WATER, SEWER AND DRAINAGE UTILITY BILLING RATES

AS PART OF THE 2017-2018 BUDGET, THE STANWOOD CITY COUNCIL IS CONSIDERING CHANGES TO STATE UTILITY TAXES FOR WATER, SEWER AND DRAINAGE TO FUND MUCH NEEDED UTILITY IMPROVEMENTS. THERE IS ALSO A PROPOSED DRAINAGE RATE INCREASE FOR COMMERCIAL/MULTI-FAMILY CUSTOMERS (SEE PAGE 2). IF APPROVED, THESE CHANGES WOULD BE EFFECTIVE JANUARY 1, 2017.

How will my utility bill change?

The city currently pays the State Public Utility Tax and the State Business and Occupation (B&O) tax out of the utility rates collected from customers. The city council is considering charging customers directly for the State utility and B&O taxes.

How much is the State Public Utility Tax and State B&O tax?

Under RCW 82.16.020, the state charges a public utility tax of 5.029% for water and 3.853% for sewer. There is a 1.5% B&O tax for drainage.

How will this affect my utility bill?

That depends on the amount of water your household or business uses. The proposed change will add \$1.28 to the water base rate; \$1.58 to the sewer base rate and \$.18 to the drainage base rate.

2017	Water	Sewer	Drainage	Total Res. Rate
Residential Base Rate	\$25.59	\$41.18	\$12.25	\$79.02
Public Utility Tax	\$1.28	\$1.58	\$0	\$2.86
B&O Tax	\$0	\$0	.184	.184
Total	\$26.87	\$42.76	\$12.43	\$82.06

How will the money be used?

The city pays approximately \$90,000 annually to the State for the water public utility tax; \$37,000 for sewer utility tax and \$7,500 for the State B&O tax. By charging customers directly for State taxes, the city can use this money for much needed improvements to the utilities.

Did the city council consider lowering expenses to fund capital improvements?

Yes. The city council reduced investments in machinery and equipment to fund capital improvements.

How will the money be used?

The city continues to lower costs by doing more projects using in-house staff. Future projects include replacing old and failing pipes on 81st Drive, 88th Ave NW, 103rd Ave NW, 101st Ave NW and 288th Street NW.

City of Stanwood

PROPOSED DRAINAGE UTILITY RATE INCREASE FOR COMMERCIAL AND MULTI-FAMILY CUSTOMERS

There is also a proposed drainage rate increase for commercial/multi-family customers. These changes would be effective January 1, 2017.

What is the drainage utility?

The drainage utility pays to maintain catch basins, stormwater pipes, retention ponds, ditches and pump stations that keep Stanwood dry during wet weather.

Why is the city council proposing to increase rates?

The last rate increase was in 2008. Additional money is needed for new pumps and conveyance systems (pipes) to protect the city from flooding.

Why is the increase only for commercial and multi-family customers?

Commercial and multi-family properties have the largest amount of hard surfaces generating the greatest amount of water runoff. Under the current rate structure single-family homes pay 67% of the utility's rate revenue while commercial and multi-family properties are paying 33% of the revenue. Under the proposed rates, residential customers would pay 60% and commercial/multi-family would pay 40%.

Rate Class Per Unit	Current Rate/Mo	Proposed Rate/Mo
Residential	\$12.25	\$12.25
Multi-family	\$6.10	\$9.45
Businesses < 2 units	\$18.30	\$25.40
Businesses > 2 units	\$6.10	\$8.45
Improved Land	\$12.25	\$25.40

What other options did the city consider?

The city council evaluated five alternatives including a one-time 20% across the board increase and annual rate adjustments between 5% and 20%. The proposed rate structure was first considered by the city council in 2009.

How much money will the new rates generate?

The drainage utility receives approximately \$415,000 annually. The new rate structure will generate approximately \$55,000 to use toward repair and improvements including matching money for grants.

How can I learn more?

Visit the city's website at www.ci.stanwood.wa.us/citycouncil/page/city-council-special-meeting-25

Want to share your thoughts?

Attend a city council meeting at the School Administration Building located at 26920 Pioneer Highway in Stanwood at 7PM on October 27, November 10 or November 21 or Submit comments to Deborah.knight@ci.stanwood.wa.us or Call 360-629-2181 ext 4506