



Town of Friday Harbor

60 Second St ~ PO Box 219, Friday Harbor, WA 98250

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2026 UTILITY RATES AND CONNECTION FEES

First Reading – Discussion #1

Presented at the November 20, 2025, Council Meeting
Budget Work Session

Deliberation will occur December 4, 2025.
Ordinances will be presented for approval on December 4, 2025.

Prepared by Bethany Berry, Finance Director

November 19, 2025



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Purpose

The purpose of this budget work session is for the first reading of the 2026 Utility Rates and Connection Fees. A discussion concerning the proposed rates will occur as outlined below on December 4, 2025 to take effect January 1, 2025. Direction by Council to staff will be needed at the end of the discussion for Council approval of provided ordinances. This will affect the following Friday Harbor Municipal Code (FHMC) Sections:

- 13.05 – Water Rates and Charges
- 13.21 – Sewer Rates and Charges
- 13.28 – Garbage Collection and Disposal
- 13.31 – Stormwater Rates and Charges

Rate Setting Policy

Base charges, use charges, connection charges, installation charges, and inspection charges shall be adjusted by either of the following conditions:

- Each January 1st by the percentage increase of the Seattle-Tacoma-Bellevue Consumer Price Index (CPI-U) as reported for the previous June to June period.
- Town Council action taken after review of the current adopted rate study.

Prior to increasing charges, all proposed increases are discussed with the council, typically during the budget season or upon adoption of a new rate study. Pursuant to applicable RCWs, rate increases notification for water, sewer, and stormwater charges do not require advanced notice while refuse charges require at least 45 days' notice.

Pursuant to RCW 35.67.020, cities and towns have the authority to construct, operate, and maintain systems with provisions for rate setting. Rates must be uniform for the same class of customers and consider factors such as location, cost of service, and conservation goals.

Consumer Price Index (CPI-U)

According to the US Bureau of Labor Statistics, the Seattle-Tacoma-Bellevue (previously Seattle-Bremerton) consumer price index for all urban consumers for the June-to-June period of 2025 was 3.8. The information below can be located on their website at:

https://data.bls.gov/timeseries/CUURS49DSA0&output_view=pct_12mths

CPI-U Historic Chart:

Year	Feb	Apr	Jun	Aug	Oct	Dec	Annual	HALF1	HALF2
2020	2.5	1.3	0.9	1.6	2.1	1.4	1.7	1.8	1.6
2021	1.7	3.4	5.5	5.2	6.5	7.6	4.6	3	6.1
2022	8.1	9.1	10.1	9	8.9	8.4	9	8.9	9.1
2023	8	6.9	4.6	5.4	4.8	4.4	5.8	6.8	4.8
2024	4.3	4.4	3.8	3.1	3	2.7	3.7	4.2	3.2
2025	2.5	1.7	2.7	2.8				2.3	



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Proposed Utility Rate Increases

Utility rates are imposed to fund the operational costs of a utility service. Rate increases are necessary for inflation and long-term capital needs. Proposed utility rate increases are for water, sewer, refuse, and stormwater services.

Water Rates

The Town provides water service for customers within the Town of Friday Harbor and a limited number of out-of-town customers. These customers are charged a monthly base fee and consumption charges. The out-of-town customers base fee is charged 150% above the in-town customers' base as established in rate studies. The differentiation did not apply to consumption charges. For 2025 rates, the 150% differentiation was also applied to the consumption charges for the out-of-town customers. For 2026, it is recommended to revert to having the same consumption charge rates for in-town customers and out-of-town customers until a new rate study can be completed.

In addition to water connections, bulk water sales are available for approved use within the Town limits or emergency situations approved by Town Council through the water pumphouse and temporary connections.

Water rates need to be increased to sustain increasing operating expenses and to support future projects. Currently, the Town is working on a 4th filter improvement project at the water treatment plant to significantly improve the plant's operational efficiency and ability to meet water treatment demands. In addition, capital reserves need to be built up to plan for other improvements throughout the water system, emergency repairs, and the future of the water treatment plant.

Rate increase options are based on the 2024 rate study or CPI-U as directed by Town Council.

- Rate Study Option: A 13% rate increase for water is recommended based on the current Utility Rate Study adopted on June 6, 2024, by Resolution No. 2855 and developed by Financial Consulting Solutions Group Inc (FCS Group).
 - Note: Future rate increases, based on the current rate study, as recommended are 7.5% per year going forward from 2027-2030.
- CPI-U Option: A 2.7% rate increase for water services is based on the Seattle-Tacoma-Bellevue CPI-U for the 2025 June-June period.

Note: All base fees and consumption charges are rounded to the nearest \$0.05 as determined in prior rate increase determinations.



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Water Base Fees – Rounded to the Nearest \$0.05

Single Family Residence – In Town

Meter Size	2025 Rate	13% Rate Study		2.7% CPI-U	
		New Rate	Increase	New Rate	Increase
5/8"	68.65	77.60	8.95	70.50	1.85
1"	154.55	174.60	20.05	158.70	4.15
1.5"	298.75	337.60	38.85	306.80	8.05
2"	469.85	530.90	61.05	482.50	12.65
3"	N/A	N/A	N/A	N/A	N/A
4"	N/A	N/A	N/A	N/A	N/A

Single Family Residence – Out of Town

Meter Size	2025 Rate	13% Rate Study		2.7% CPI-U	
		New Rate	Increase	New Rate	Increase
5/8"	116.35	131.50	15.15	119.50	3.15
1"	261.95	296.00	34.05	269.00	7.05
1.5"	506.40	572.20	65.80	520.10	13.70
2"	796.40	899.90	103.50	817.90	21.50
3"	N/A	N/A	N/A	N/A	N/A
4"	N/A	N/A	N/A	N/A	N/A

Multi-Family Residence, Commercial, Public Authority – In Town

Meter Size	2025 Rate	13% Rate Study		2.7% CPI-U	
		New Rate	Increase	New Rate	Increase
5/8"	68.65	77.60	8.95	70.50	1.85
1"	155.90	176.20	20.30	160.10	4.20
1.5"	301.60	340.80	39.20	309.70	8.10
2"	476.20	538.10	61.90	489.10	12.90
3"	942.85	1,065.40	122.55	968.30	25.45
4"	1,467.65	1,658.40	190.75	1,507.30	39.65

Multi-Family Residence, Commercial, Public Authority – Out of Town

Meter Size	2025 Rate	13% Rate Study		2.7% CPI-U	
		New Rate	Increase	New Rate	Increase
5/8"	116.35	131.50	15.15	119.50	3.15
1"	264.20	298.60	34.40	271.30	7.10
1.5"	511.20	577.70	66.50	525.00	13.80
2"	807.15	912.10	104.95	828.90	21.75
3"	1,598.15	1,805.90	207.75	1,641.30	43.15
4"	2,487.65	2,811.00	323.35	2,554.80	67.15



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Industrial, Light Manufacturing – In Town

Meter Size	2025 Rate	13% Rate Study		2.7% CPI-U	
		New Rate	Increase	New Rate	Increase
5/8"	76.35	86.30	9.95	78.40	2.05
1"	178.15	201.30	23.15	183.00	4.85
1.5"	344.90	389.70	44.80	354.20	9.30
2"	546.20	617.20	71.00	561.00	14.80
3"	1,082.25	1,222.90	140.65	1,111.50	29.25
4"	1,684.05	1,903.00	218.95	1,729.50	45.45

Industrial, Light Manufacturing – Out of Town

Meter Size	2025 Rate	13% Rate Study		2.7% CPI-U	
		New Rate	Increase	New Rate	Increase
5/8"	129.40	146.20	16.80	132.90	3.50
1"	301.95	341.20	39.25	310.10	8.15
1.5"	584.55	660.50	75.95	600.30	15.75
2"	925.80	1,046.20	120.40	950.80	25.00
3"	1,834.45	2,072.90	238.45	1,884.00	49.55
4"	2,854.45	3,225.50	371.05	2,931.50	77.05

Bulk water sales by tank load or hydrant connection will be charged a base fee at 125% of the single-family residence in-town rate as described:

- Water sales by tank load through the Town's pumphouse will be charged this fee per hookup.
- Water sales by hydrant will be charged this fee per month.

Bulk water sales through temporary water connections that are utilized for construction purposes, not to exceed 1 year, will be charged as described:

- Water sales by temporary connection will be charged a monthly base fee at 125% of the rate listed above based on meter size, location, and zoning type.



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Water Usage Fees

Single Family Residence – In Town

Tier	2025 Rate	13% Rate Study		2.7% CPI-U	
		New Rate	Increase	New Rate	Increase
Block 1: 0 - 3,500	11.65	13.20	1.55	12.00	0.35
Block 2: 3,501 - 7,000	14.60	16.50	1.90	15.00	0.40
Block 3: 7,001 - 10,500	19.65	22.20	2.55	20.20	0.55
Block 4: 10,501 - 14,000	28.50	32.20	3.70	29.30	0.80
Block 5: 14,001 - 17,000	44.15	49.90	5.75	45.30	1.15
Block 6: 17,001+	72.85	82.30	9.45	74.80	1.95

Single Family Residence – Out of Town

Tier	2025 Rate	13% Rate Study		2.7% CPI-U	
		New Rate	Increase*	New Rate	Increase*
Block 1: 0 - 3,500	17.45	13.20	(4.25)	12.00	(5.45)
Block 2: 3,501 - 7,000	21.85	16.50	(5.35)	15.00	(6.85)
Block 3: 7,001 - 10,500	29.50	22.20	(7.30)	20.20	(9.30)
Block 4: 10,501 - 14,000	42.70	32.20	(10.50)	29.30	(13.40)
Block 5: 14,001 - 17,000	66.20	49.90	(16.30)	45.30	(20.90)
Block 6: 17,001+	109.25	82.30	(26.95)	74.80	(34.45)

Multi-Family Residence, Commercial, Public Authority, Industrial, Light Manufacturing – In Town

Season	2025 Rate	13% Rate Study		2.7% CPI-U	
		New Rate	Increase	New Rate	Increase
Winter: Oct – May	11.65	13.20	1.55	12.00	0.35
Summer: Jun – Sep	14.60	16.50	1.90	15.00	0.40

Multi-Family Residence, Commercial, Public Authority, Industrial, Light Manufacturing – Out of Town

Season	2025 Rate	13% Rate Study		2.7% CPI-U	
		New Rate	Increase*	New Rate	Increase*
Winter: Oct – May	11.65	13.20	(4.25)	12.00	(5.45)
Summer: Jun – Sep	14.60	16.50	(5.35)	15.00	(6.85)

*2026 recommendations show a negative increase for out-of-town customers to revert to the same consumption rates as in-town customers, as charged prior to 2025, until a new rate study can be completed.

Bulk water sales will be charged consumption charges as described:

- Water sales by tank load or hydrant usage will be charged at the single-family residence block 6 rate per 1,000 gallons.
- Temporary water connections utilized for construction purposes, not to exceed 1 year, will be charged monthly at the rate listed above for the seasonal rates.



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Sewer Rates

Sewer rates need to be increased to sustain increasing operating expenses and to support future projects. Currently, the Town is working on a major rebuild of the existing wastewater treatment plant. While the Town was able to secure \$9,240,450 in funding for this project, the Town is required to make a match of \$1,060,070 for the project and cover any additional expenses outside of the project scope. In addition, capital reserves need to be built up to plan other improvements throughout the sewer system and for any emergency repairs.

- Rate Study Option: A 3% rate increase for sewer services is recommended based on the current Utility Rate Study adopted on June 6, 2024, by Resolution No. 2855 and developed by Financial Consulting Solutions Group Inc (FCS Group).
 - Note: Future rate increases, based on the current rate study, as recommended are 3% per year going forward from 2027-2030.
- CPI-U Option: A 2.7% rate increase for sewer services is based on the Seattle-Tacoma-Bellevue CPI-U for the 2025 June-June period.

Base Fees

All Customer Classes

Location	2025 Rate	3% Rate Study New Rate	3% Rate Study Increase	2.7% CPI-U New Rate	2.7% CPI-U Increase
In Town	140.40	144.60	4.20	144.20	3.80
Out of Town	210.60	216.90	6.30	216.30	5.70

Note: All base fees are rounded to the nearest \$0.05 as determined in prior rate increase determinations.

Usage Fees per Gallon over 4,100 Gallons

All Customer Classes – Excluding Single-Family Residence

Location	2025 Rate	3% Rate Study New Rate	3% Rate Study Increase	2.7% CPI-U New Rate	2.7% CPI-U Increase
Low Strength In Town	0.0312	0.0321	0.0009	0.0320	0.0008
Low Strength Out of Town	0.0468	0.0482	0.0014	0.0481	0.0013
High Strength In Town	0.0405	0.0417	0.0012	0.0416	0.0011
High Strength Out of Town	0.0608	0.0626	0.0019	0.0624	0.0017

The University of Washington Labs will have the applicable fees listed above plus a special base charge of \$1,681.50 for pumpstation inspections and routine maintenance pursuant to an interlocal agreement for sewage services adopted on March 7, 2013, by Resolution No. 1939.



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Refuse Rates

Friday Harbor Municipal Code Section 13.28.150(E) states "The refuse service charge shall be increased or decreased so as to derive the required revenue to accomplish the tasks as outlined in the refuse budget as adopted by the town council".

In partnership with San Juan County and the Solid Waste Capital Improvement Plan, there are potential expenses that could be coming for improvements to the refuse property and the adjoining San Juan County owned property. For planning purposes, it is recommended for a rate increase to follow the CPI-U as a recommended option with the other utility services provided by the Town.

- Rate Study Option: There is no rate study for recommendation.
- CPI-U: A 2.7% rate increase for refuse services is based on the Seattle-Tacoma-Bellevue CPI-U for the 2025 June-June period.

Base Fees

Base Fee	2025 Rate	2.7% CPI-U	
		New Rate	Increase
All Classes	4.50	4.60	0.10
Compactor	156.05	160.30	4.25

Note: All base fees are rounded to the nearest \$0.05 as determined in prior rate increase determinations.

Container Fees

Container Size	2025 Rate	2.7% CPI-U	
		New Rate	Increase
Garbage [32 Gallon]	9.00	9.20	0.20
Grease [5 Gallon]	10.00	10.30	0.30
Dumpster - Small	11.00	11.30	0.30
Dumpster - Medium	12.00	12.30	0.30
Dumpster - Large	13.00	13.40	0.40
Cardboard	14.00	14.40	0.40
Yard Waste	15.00	15.40	0.40
Recycle	16.00	16.40	0.40
Compactor - Pickup Charge	74.60	76.60	2.00
Compactor - Administration Charge	23.05	23.70	0.65
Compactor - Transport Charge	Ferry Cost	Ferry Cost	N/A
Compactor - Disposal Charge	Actual	Actual	N/A
Compactor - Cleaning Charge	74.60	76.60	2.00

Note: All container fees are rounded to the nearest \$0.05 as determined in prior rate increase determinations.



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Stormwater Rates

Stormwater rates need to be increased to recoup lost revenue from increases not being followed based on the previous rate study, sustain increasing operating expenses, and build up capital reserves to plan for improvements throughout the stormwater system.

- Rate Study Option: The most recent rate study containing increases for stormwater services was the 2008 Utility Rate Study adopted on August 21, 2008, by Ordinance No. 1667, developed by Financial Consulting Solutions Group Inc (FCS Group). The recommendations for years 2008-2015 were not followed, nor increases from 2016-2024, and resulted in an approximate revenue loss of \$349,152. The 2025 rate increase of 25% or \$3.60 per ERU concluded that it would take 2.48 years to recoup those costs. This increase resulted in an additional \$153,185.02 revenue for September year to date, compared to September 2024 year to date.
- Based on 2025 Discussion: A 25% rate increase for stormwater services is recommended.
- CPI-U Option: A 2.7% rate increase for stormwater services is based on the Seattle-Tacoma-Bellevue CPI-U for the 2025 June-June period.

Base Fees

All Customer Classes

Base Fee	2025 Rate	25% 2025 Discussion		2.7% CPI-U	
		New Rate	Increase	New Rate	Increase
Per ERU	17.90	22.40	4.50	18.40	0.50

Note: All base fees are rounded to the nearest \$0.05 as determined in prior rate increase determinations.



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Utility Rate Increase Impacts on Customers

Single Family Residence – In Town

5/8" WATER METER – NO SEWER OVERAGE FEES – 1 STORMWATER ERU

Water: 13%, Sewer: 3%, Refuse: 2.7%, Stormwater: 25%

Base Fees			
Monthly Charge	2025	2026	Increase
Water Base Fee	68.65	77.60	8.95
Sewer Base Fee	140.40	144.60	4.20
Refuse Base Fee	4.50	4.60	0.10
Stormwater Base Fee	17.90	22.40	4.50
Total	231.45	249.20	17.75

Consumption Charges (Water Only)			
Gallons Used	2025	2026	Increase
500	5.83	6.60	0.77
1,000	11.65	13.20	1.55
2,000	23.30	26.40	3.10
2,500	29.13	33.00	3.87
3,000	34.95	39.60	4.65
3,500	40.78	46.20	5.42
4,000	48.08	54.45	6.37
5,000	62.68	70.95	8.27
6,000	77.28	87.45	10.17
7,000	91.88	103.95	12.07
10,500	160.65	181.65	21.00
14,000	260.40	294.35	33.95
17,000	392.85	444.05	51.20

All Services Based on 2.7% CPI-U			
Base Fees			
Monthly Charge	2025	2026	Increase
Water Base Fee	68.65	70.50	1.85
Sewer Base Fee	140.40	144.20	3.80
Refuse Base Fee	4.50	4.60	0.10
Stormwater Base Fee	17.90	18.40	0.50
Total	231.45	237.70	6.25

Consumption Charges (Water Only)			
Gallons Used	2025	2026	Increase
500	5.83	6.00	0.17
1,000	11.65	12.00	0.35
2,000	23.30	24.00	0.70
2,500	29.13	30.00	0.87
3,000	34.95	36.00	1.05
3,500	40.78	42.00	1.22
4,000	48.08	49.50	1.42
5,000	62.68	64.50	1.82
6,000	77.28	79.50	2.22
7,000	91.88	94.50	2.62
10,500	160.65	165.20	4.55
14,000	260.40	267.75	7.35
17,000	392.85	403.65	10.80



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Single Family Residence – Out of Town

5/8" WATER METER – NO ADDITIONAL SERVICES PROVIDED BY THE TOWN

Water: 13%, Sewer: 3%, Refuse: 2.7%, Stormwater: 25%

Base Fees			
Monthly Charge	2025	2026	Increase
Water Base Fee	116.35	131.50	15.15
Sewer Base Fee	-	-	-
Refuse Base Fee	-	-	-
Stormwater Base Fee	-	-	-
Total	116.35	131.50	15.15

All Services Based on 2.7% CPI-U

Base Fees			
Monthly Charge	2025	2026	Increase
Water Base Fee	116.35	119.50	3.15
Sewer Base Fee	-	-	-
Refuse Base Fee	-	-	-
Stormwater Base Fee	-	-	-
Total	116.35	119.50	3.15

Consumption Charges (Water Only)

Gallons Used	2025	2026	Increase
500	8.73	6.60	(2.13)
1,000	17.45	13.20	(4.25)
2,000	34.90	26.40	(8.50)
2,500	43.63	33.00	(10.63)
3,000	52.35	39.60	(12.75)
3,500	61.08	46.20	(14.88)
4,000	72.00	54.45	(17.55)
5,000	93.85	70.95	(22.90)
6,000	115.70	87.45	(28.25)
7,000	137.55	103.95	(33.60)
10,500	240.80	181.65	(59.15)
14,000	390.25	294.35	(95.90)
17,000	588.85	444.05	(144.80)

Consumption Charges (Water Only)

Gallons Used	2025	2026	Increase
500	8.73	6.00	(2.73)
1,000	17.45	12.00	(5.45)
2,000	34.90	24.00	(10.90)
2,500	43.63	30.00	(13.63)
3,000	52.35	36.00	(16.35)
3,500	61.08	42.00	(19.08)
4,000	72.00	49.50	(22.50)
5,000	93.85	64.50	(29.35)
6,000	115.70	79.50	(36.20)
7,000	137.55	94.50	(43.05)
10,500	240.80	165.20	(75.60)
14,000	390.25	267.75	(122.50)
17,000	588.85	403.65	(185.20)



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Multi-Family Residence, Commercial, Public Authority – In Town

1" WATER METER WITH WINTER RATES – HIGH STRENGTH SEWER OVER 4,100 GALLONS – 5 STORMWATER ERUs (VARIABLE ERUs BASED ON PROPERTY)

Water: 13%, Sewer: 3%, Refuse: 2.7%, Stormwater: 25%

Base Fees			
Monthly Charge	2025	2026	Increase
Water Base Fee	155.90	176.20	20.30
Sewer Base Fee	140.40	144.60	4.20
Refuse Base Fee	4.50	4.60	0.10
Stormwater Base Fee	89.50	112.00	22.50
Total	390.30	437.40	47.10

All Services Based on 2.7% CPI-U

Base Fees			
Monthly Charge	2025	2026	Increase
Water Base Fee	155.90	160.10	4.20
Sewer Base Fee	140.40	144.20	3.80
Refuse Base Fee	4.50	4.60	0.10
Stormwater Base Fee	89.50	92.00	2.50
Total	390.30	400.90	10.60

Consumption Charges (Water & Sewer Overage)

Gallons Used	2025	2026	Increase
1,000	11.65	13.20	1.55
2,000	23.30	26.40	3.10
3,000	34.95	39.60	4.65
4,000	46.60	52.80	6.20
5,000	94.70	103.53	8.83
6,000	146.85	158.43	11.58
7,000	199.00	213.33	14.33
8,000	251.15	268.23	17.08
9,000	303.30	323.13	19.83
10,000	355.45	378.03	22.58
15,000	616.20	652.53	36.33
20,000	876.95	927.03	50.08
25,000	1,137.70	1,201.53	63.83

Consumption Charges (Water & Sewer Overage)

Gallons Used	2025	2026	Increase
1,000	11.65	12.00	0.35
2,000	23.30	24.00	0.70
3,000	34.95	36.00	1.05
4,000	46.60	48.00	1.40
5,000	94.70	97.44	2.74
6,000	146.85	151.04	4.19
7,000	199.00	204.64	5.64
8,000	251.15	258.24	7.09
9,000	303.30	311.84	8.54
10,000	355.45	365.44	9.99
15,000	616.20	633.44	17.24
20,000	876.95	901.44	24.49
25,000	1,137.70	1,169.44	31.74



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Multi-Family Residence, Commercial, Public Authority – In Town

1" WATER METER WITH SUMMER RATES – HIGH STRENGTH SEWER OVER 4,100 GALLONS – 5 STORMWATER ERUS (VARIABLE ERUS BASED ON PROPERTY)

Water: 13%, Sewer: 3%, Refuse: 2.7%, Stormwater: 25%

Base Fees			
Monthly Charge	2025	2026	Increase
Water Base Fee	155.90	176.20	20.30
Sewer Base Fee	140.40	144.60	4.20
Refuse Base Fee	4.50	4.60	0.10
Stormwater Base Fee	89.50	112.00	22.50
Total	390.30	437.40	47.10

All Services Based on 2.7% CPI-U

Base Fees			
Monthly Charge	2025	2026	Increase
Water Base Fee	155.90	160.10	4.20
Sewer Base Fee	140.40	144.20	3.80
Refuse Base Fee	4.50	4.60	0.10
Stormwater Base Fee	89.50	92.00	2.50
Total	390.30	400.90	10.60

Consumption Charges (Water & Sewer Overage)

Gallons Used	2025	2026	Increase
1,000	14.60	16.50	1.90
2,000	29.20	33.00	3.80
3,000	43.80	49.50	5.70
4,000	58.40	66.00	7.60
5,000	109.45	120.03	10.58
6,000	164.55	178.23	13.68
7,000	219.65	236.43	16.78
8,000	274.75	294.63	19.88
9,000	329.85	352.83	22.98
10,000	384.95	411.03	26.08
15,000	660.45	702.03	41.58
20,000	935.95	993.03	57.08
25,000	1,211.45	1,284.03	72.58

Consumption Charges (Water & Sewer Overage)

Gallons Used	2025	2026	Increase
1,000	14.60	15.00	0.40
2,000	29.20	30.00	0.80
3,000	43.80	45.00	1.20
4,000	58.40	60.00	1.60
5,000	109.45	112.44	2.99
6,000	164.55	169.04	4.49
7,000	219.65	225.64	5.99
8,000	274.75	282.24	7.49
9,000	329.85	338.84	8.99
10,000	384.95	395.44	10.49
15,000	660.45	678.44	17.99
20,000	935.95	961.44	25.49
25,000	1,211.45	1,244.44	32.99



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Utility Rate Increase History

Water Utility Rates				
Utility Rates	Effective	Increased	Rate Study	CPI-U
ORD #1806	1/1/2025	13.0%	13.0%	3.8%
ORD #1784	1/1/2024	13.0%	13.0%	4.6%
ORD #1759	1/1/2023	5.0%	13.0%	10.1%
ORD #1741	1/1/2022	5.0%	0.0%	5.5%
	1/1/2021	0.0%	0.0%	0.9%
ORD #1675	1/1/2020	2.5%	None	2.3%
	1/1/2019	0.0%	None	3.3%
ORD #1629	1/1/2018	3.0%	None	3.0%
ORD #1605	4/1/2017	8.7%	None	1.8%
	1/1/2016	0.0%	None	1.6%
ORD #1550	1/1/2015	0.0%	3.0%	2.0%
ORD #1522	1/1/2014	5.0%	3.0%	1.4%
	1/1/2013	0.0%	3.0%	2.7%
ORD #1471	1/1/2012	2.5%	3.0%	3.2%
	1/1/2011	0.0%	3.0%	-0.5%
ORD #1410	1/1/2010	2.5%	5.0%	-0.4%
ORD #1377	1/1/2009	9.0%	9.0%	5.8%
ORD #1348	1/1/2008	7.2%	0.0%	3.5%
ORD #1323	1/1/2007	8.5%		4.2%

Sewer Utility Rates				
Utility Rates	Effective	Increased	Rate Study	CPI-U
ORD #1807	1/1/2025	3.0%	3.0%	3.8%
ORD #1785	1/1/2024	3.0%	3.0%	4.6%
ORD #1760	1/1/2023	3.0%	3.0%	10.1%
ORD #1743	1/1/2022	3.0%	3.0%	5.5%
ORD #1700	1/1/2021	2.0%	0.0%	0.9%
ORD #1677	1/1/2020	4.5%	None	2.3%
ORD #1653	1/1/2019	4.5%	None	3.3%
ORD #1631	1/1/2018	4.5%	None	3.0%
ORD #1607	4/1/2017	4.5%	None	1.8%
ORD #1583	1/1/2016	3.0%	None	1.6%
ORD #1551	1/1/2015	2.0%	3.0%	2.0%
	1/1/2014	0.0%	3.0%	1.4%
	1/1/2013	0.0%	3.0%	2.7%
ORD #1472	1/1/2012	5.5%	3.0%	3.2%
	1/1/2011	0.0%	3.0%	-0.5%
ORD #1411	1/1/2010	5.5%	11.1%	-0.4%
ORD #1379	1/1/2009	11.1%	11.1%	5.8%
ORD #1349	1/1/2008	3.9%	0.0%	3.5%
ORD #1324	1/1/2007	5.0%		4.2%



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Refuse Utility Rates						Stormwater Utility Rates				
Utility Rates	Effective	Increased	Rate Study	CPI-U	Notes	Utility Rates	Effective	Increased	Rate Study	CPI-U
	1/1/2025		None	3.8%		ORD #1808	1/1/2025	25.0%	None	3.8%
ORD #1794	7/1/2024	13.0%	None	4.6%		ORD #1786	1/1/2024	2.1%	None	4.6%
	1/1/2024		None	4.6%		ORD #1761	1/1/2023	1.8%	None	10.1%
ORD #1767	6/1/2023	3.0%	None	10.1%	Compactor Only	ORD #1745	1/1/2022	1.9%	None	5.5%
	1/1/2023		None	10.1%			1/1/2021	0.0%	None	0.9%
	1/1/2022		None	5.5%			1/1/2020	0.0%	None	2.3%
ORD #1715	5/1/2021	-20.0%	None	0.9%	Compactor Only		1/1/2019	0.0%	None	3.3%
	1/1/2021		None	0.9%			1/1/2018	0.0%	None	3.0%
ORD #1695	9/1/2020	-20.0%	None	2.3%	Compactor Only	ORD #1609	4/1/2017	6.3%	None	1.8%
	1/1/2020		None	2.3%			1/1/2016	0.0%	None	1.6%
	1/1/2019		None	3.3%			1/1/2015	0.0%	3.0%	2.0%
	1/1/2018		None	3.0%			1/1/2014	0.0%	3.0%	1.4%
	4/1/2017		None	1.8%			1/1/2013	0.0%	3.0%	2.7%
	1/1/2016		None	1.6%		ORD #1473	1/1/2012	4.1%	8.2%	3.2%
	1/1/2015		None	2.0%			1/1/2011	0.0%	8.2%	-0.5%
ORD #1523	1/1/2014	-6.0%	None	1.4%	Containers Only	ORD #1412	1/1/2010	4.3%	8.2%	-0.4%
	1/1/2013		None	2.7%		ORD #1381	1/1/2009	14.1%	14.3%	5.8%
	1/1/2012		None	3.2%		ORD #1351	1/1/2008	13.9%	0.0%	3.5%
	1/1/2011		None	-0.5%		ORD #1326	1/1/2007	9.0%		4.2%
ORD #1432	8/1/2010	3.0%	None	-0.4%	21% Containers					
	1/1/2010		None	-0.4%						
	1/1/2009		None	5.8%						
ORD #1359	4/1/2008	8.0%	None	3.5%	Containers Only					
ORD #1350	1/1/2008	4.0%	None	3.5%						
ORD #1331	4/1/2007	9.0%	None	4.2%	Containers Only					
ORD #1325	1/1/2007		None	4.2%						



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Proposed Utility Connection and Installation Increases

Utility connection fees are imposed as a condition of connecting to the utility system as a means of ensuring new customers bear their equitable share of the costs of a utility service. Connection fees are defined by a General Facilities Charge (GFC), which recovers existing costs, and a System Development Charge (SDC), which cover future costs.

Utility installation fees are a reimbursement cost determined by the Town for expenses incurred to connect a customer to the utility system. This fee is compiled of operational expenses related to connecting a new service.

Rate increases in connections are necessary to fund capital projects or pay debt services incurred to finance capital projects. Proposed increases to utility connections are for water, sewer, and stormwater services.

Water System Connection and Installation

Water rates need to be increased to support current and future projects. Currently, the Town is working on a 4th filter improvement project at the water treatment plant to significantly improve the plant's operational efficiency and ability to meet water treatment demands. In addition, capital reserves need to be built up to plan for other improvements throughout the water system, emergency repairs, and the future of the water treatment plant.

- Rate Study Option: A 13% rate increase for water is recommended based on the current Utility Rate Study adopted on June 6, 2024, by Resolution No. 2855 and developed by Financial Consulting Solutions Group Inc (FCS Group).
 - Note: Future rate increases as recommended are 7.5% per year going forward from 2027-2030.
- CPI-U Option: A 2.7% rate increase for water services is based on the Seattle-Tacoma-Bellevue CPI-U for the 2025 June-June period.

Connection Charge (48% GFC + 52% SDC) – Rounded to the Nearest \$5.00

The connection charge increases below are for in town properties only.

Regular Connection

Meter Size	2025 Rate	13% Rate Study New Rate	13% Rate Study Increase	2.7% CPI-U New Rate	2.7% CPI-U Increase
5/8"	17,775	20,085	2,310	18,255	480
1"	44,435	50,210	5,775	45,635	1,200
1.5"	88,865	100,415	11,550	91,265	2,400
2"	142,170	160,650	18,480	146,010	3,840
3"	284,365	321,330	36,965	292,045	7,680
4"	444,305	502,065	57,760	456,300	11,995



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Attached Accessory Dwelling Unit (ADU)

Serviced by the same meter as the main connection.

Meter Size	2025 Rate	13% Rate Study		2.7% CPI-U	
		New Rate	Increase	New Rate	Increase
5/8"	11,910	13,460	1,550	12,230	320
1"	29,775	33,645	3,870	30,580	805
1.5"	59,540	67,280	7,740	61,150	1,610
2"	95,255	107,640	12,385	97,825	2,570
3"	190,525	215,295	24,770	195,670	5,145
4"	297,685	336,385	38,700	305,725	8,040

Detached Accessory Dwelling Unit (ADU)

Serviced by its own meter; separate from the main connection.

Meter Size	2025 Rate	13% Rate Study		2.7% CPI-U	
		New Rate	Increase	New Rate	Increase
5/8"	11,910	13,460	1,550	12,230	320
1"	29,775	33,645	3,870	30,580	805
1.5"	59,540	67,280	7,740	61,150	1,610
2"	95,255	107,640	12,385	97,825	2,570
3"	190,525	215,295	24,770	195,670	5,145
4"	297,685	336,385	38,700	305,725	8,040

Installation Charge – Rounded to the Nearest \$5.00

The installation charge increases below are for in town properties only. Installation charges apply to regular connections and detached ADU connections.

Regular Connection

Meter Size	2025 Rate	13% Rate Study		2.7% CPI-U	
		New Rate	Increase	New Rate	Increase
5/8"	2,685	3,035	350	2,760	75
1"	3,090	3,490	400	3,175	85
1.5"	3,840	4,340	500	3,945	105
2"	5,415	6,120	705	5,560	145
3"	6,940	7,840	900	7,125	185
4"	8,660	9,785	1,125	8,895	235



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Sewer System Connection and Inspection Increases

Sewer rates need to support future projects. Currently, the Town is working on a major rebuild of the existing wastewater treatment plant. While the Town was able to secure \$9,240,450 in funding for this project, the Town is required to make a match of \$1,060,070 for the project and cover any additional expenses outside of the project scope. In addition, capital reserves need to be built up to plan other improvements throughout the sewer system and for any emergency repairs.

- Rate Study Option: A 3% rate increase for sewer services is recommended based on the current Utility Rate Study adopted on June 6, 2024, by Resolution No. 2855 and developed by Financial Consulting Solutions Group Inc (FCS Group).
 - Note: Future rate increases as recommended are 3% per year going forward from 2027-2030.
- CPI-U Option: A 2.7% rate increase for sewer services is based on the Seattle-Tacoma-Bellevue CPI-U for the 2025 June-June period.

Connection Charge (78% GFC + 22% SDC) – Rounded to the Nearest \$5.00

The connection charge increases below are for in town properties only. Multifamily residential properties are not dependent on meter size; connection charge is per living unit.

Regular Connection

Meter Size	2025 Rate	3% Rate Study New Rate	Increase	2.7% CPI-U New Rate	Increase
5/8"	22,070	22,730	660	22,665	595
1"	55,185	56,840	1,655	56,675	1,490
1.5"	110,370	113,680	3,310	113,350	2,980
2"	176,590	181,890	5,300	181,360	4,770
3"	353,195	363,790	10,595	362,730	9,535
4"	551,880	568,435	16,555	566,780	14,900
MFR/ADU	14,720	15,160	440	15,115	395

Inspection Charge – Rounded to the Nearest \$5.00

The inspection charge increases below are for in town properties only. Multifamily residential properties receive one inspection charge per connection.

Regular Connection

Meter Size	2025 Rate	3% Rate Study New Rate	Increase	2.7% CPI-U New Rate	Increase
All	150	155	5	155	5



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Stormwater System Connection and Installation Increases

Stormwater rates need to be increased to recoup lost revenue from increases not being followed based on the previous rate study and build up capital reserves to plan for improvements throughout the stormwater system.

- Rate Study Option: The most recent rate study containing increases for stormwater services was the 2008 Utility Rate Study adopted on August 21, 2008, by Ordinance No. 1667, developed by Financial Consulting Solutions Group Inc (FCS Group). The recommendations for years 2008-2015 were not followed, nor increases from 2016-2024, and resulted in an approximate revenue loss of \$349,152. The 2025 rate increase of 25% or \$3.60 per ERU concluded that it would take 2.48 years to recoup those costs. This increase resulted in an additional \$153,185.02 revenue for September year to date, compared to September 2024 year to date.
- Based on 2025 Discussion: A 25% rate increase for stormwater services is recommended.
- CPI-U Option: A 2.7% rate increase for stormwater services is based on the Seattle-Tacoma-Bellevue CPI-U for the 2025 June-June period.

Connection Charge (46% GFC + 54% SDC) – Rounded to the Nearest \$5.00

The connection charge increases below are for in town properties per Equivalent Residential Unit (ERU) calculated by 2,000 square feet of impervious ground cover.

Regular Connection

2,000 ft	2025 Rate	25% 2025 Discussion New Rate	Increase	2.7% CPI-U New Rate	Increase
ERU	2,495	3,120	625	2,560	65

Inspection Charge – Rounded to the Nearest \$5.00

Stormwater connection charges do not have an additional installation or inspection charge.



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Utility Connection and Installation Increase Impacts on Customers

Single Family Residence – In Town

5/8" WATER METER – SEWER CONNECTION – 1 STORMWATER ERU

Water: 13%, Sewer: 3%, Stormwater: 25%			
Base Fees			
System Connection	2025	2026	Increase
Water Connection	17,775	20,085	2,310
Water Installation	2,685	3,035	350
Sewer Connection	22,070	22,730	660
Sewer Inspection	150	155	5
Stormwater Connection	2,495	3,120	625
Total	45,175	49,125	3,950

All Services Based on 2.7% CPI-U			
Base Fees			
System Connection	2025	2026	Increase
Water Connection	17,775	18,255	480
Water Installation	2,685	2,760	75
Sewer Connection	22,070	22,665	595
Sewer Inspection	150	155	5
Stormwater Connection	2,495	2,560	65
Total	45,175	46,395	1,220

Multi-Family Residence, Commercial, Public Authority, Industrial, Light Manufacturing – In Town

1" WATER METER – SEWER CONNECTION – 2 STORMWATER ERUs (VARIABLE ERUs BASED ON PROPERTY)

Water: 13%, Sewer: 3%, Stormwater: 25%			
Base Fees			
System Connection	2025	2026	Increase
Water Connection	44,435	50,210	5,775
Water Installation	3,090	3,490	400
Sewer Connection	55,185	56,840	1,655
Sewer Inspection	150	155	5
Stormwater Connection	4,990	6,240	1,250
Total	107,850	116,935	9,085

All Services Based on 2.7% CPI-U			
Base Fees			
System Connection	2025	2026	Increase
Water Connection	44,435	45,635	1,200
Water Installation	3,090	3,175	85
Sewer Connection	55,185	56,675	1,490
Sewer Inspection	150	155	5
Stormwater Connection	4,990	5,120	130
Total	107,850	110,760	2,910



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Council Direction Requested by Staff

Staff are asking for direction from the Council on December 4, 2025, for utility rate and connection fee increases. Ordinances will be presented with each recommendation per utility for rate increase to take effect in January 2026.

If additional information is needed for further deliberation, the rate increase discussion will continue to December 18, 2025, council meeting during the budget work session for rate increases to take effect February 2026.

Proceed with increased percentages provided.

Rate Increases	Recommendations	CPI-U Option
Utility Rates		
Water Rates	13%	2.7%
Sewer Rates	3%	2.7%
Refuse Rates	N/A	2.7%
Stormwater Rates	25%	2.7%
Connection Fees		
Water Rates	13%	2.7%
Sewer Rates	3%	2.7%
Stormwater Rates	25%	2.7%

Proceed with reverting water consumption charges for out-of-town customers to match in-town customers.

Yes	No
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Staff to provide additional information for council deliberation to continue to December 18, 2025, council meeting.

Rate Increases	
Utility Rates	
Water Rates	
Sewer Rates	
Refuse Rates	
Stormwater Rates	
Connection Fees	
Water Rates	
Sewer Rates	
Stormwater Rates	