



2017 RATE NOTIFICATION

March 2017

Dear Ratepayers:

Each year the Northshore Utility District (NUD) evaluates its budget needs, weighing service and operating costs against future rate revenues. A major part of our operating cost is what we have to pay the Seattle Public Utilities (SPU) for wholesale water and King County (KC) for sewage treatment services. These wholesale service fees rise almost every year, although the District works to absorb the increases and minimize rate adjustments as much as possible. In 2016, District rates were unchanged despite a 7.3% increase from SPU.

2017 RATES REFLECT BACK-TO-BACK COST SPIKES

In 2017, SPU increased its rates by 8.3%, and King County sewer treatment costs rose by 5.2%. After two advertised public hearings, the District adjusted its service rates to accommodate these increases. New rates will take effect with all billing starting March 15, 2017.

The single-family bimonthly rates shown in the table below reflect a 3.7% increase in water rates and 4.6% increase in sewer rates. Rates for other ratepayer classifications and usage levels will increase by similar percentages.

2017 BIMONTHLY SINGLE-FAMILY WATER AND SEWER RATES

WATER SERVICE

Bimonthly Base Charge	\$30.20
Usage Charge per 100 Cubic Foot (CCF)	
0 through 10 CCFs	\$3.45
11 through 20 CCFs	\$4.45
21 CCFs and above	\$5.45
Bill for Bimonthly Average Use of 13 CCFs	\$78.05
Bill after 5% Early Payment Discount	\$74.14

SEWER SERVICE

Bimonthly Base Charge	\$118.59
Overall Charge per CCF*	\$4.00
Typical Bimonthly Bill	\$118.59
Bill after 5% Early Payment Discount	\$112.66

**The typical single-family home uses 10 CCFs in the winter. Sewer usage charge is assessed based on bimonthly winter consumption in excess of 15 CCFs. For 2016, fewer than 3% of total sewer usage was above this threshold.*

WHAT THIS MEANS FOR THE AVERAGE BILL

If you are an average single-family ratepayer using 1,300 cubic feet (13 CCFs) of water during a two-month period, your bill will change in the following way:

Average Single-Family Bimonthly Bill (reflecting average water usage)	2016	2017	Difference
Water at 13 CCFs of usage	\$71.49	\$74.14	\$2.65 [3.7%]
Sewer at 10 CCFs of usage	\$107.73	\$112.66	\$4.93 [4.6%]
Annualized (6 bimonthly billing periods)			\$45.48

NUD RATE COMPARISON: LOWER RATES THAN MOST NEIGHBORING UTILITIES

Charts comparing our rates to neighboring King County water and sewer utilities are included below for your reference. The sample water and sewer bills below do not include franchise fees charged by, and paid to, the respective cities which impose such fees on the District. They also do not include the utility tax that city utilities impose on their own direct service ratepayers. If you are a City of Kirkland resident, the City’s franchise fee is added as a multiplier to your water and sewer service rates. Residents of Bothell, Kenmore, and Lake Forest Park see their respective franchise fees listed as a separate line item on their water and sewer bills.

BIMONTHLY WATER BILL COMPARISON OF PROVIDERS WITHIN KING COUNTY

This comparison uses an industry benchmark consumption of 20 CCFs for two months. *Note: the average bi-monthly usage for District ratepayers was 13 CCFs in 2016.* Utility taxes charged by Kirkland and Bothell are not included, nor are any franchise fees charged by cities. The NUD bill is net of the 5% early payment discount—NUD is the only utility offering this discount.

NUD 2017	Woodinville Water District Summer Rate	Woodinville Water District Winter Rate	Lake Forest Park Water District	City of Kirkland	City of Seattle Summer Rate	City of Seattle Winter Rate	Bothell Inside City Limits	Bothell Outside City Limits	North City Water District (Shoreline)
\$103.74	\$150.34	\$128.74	\$125.00	\$116.84	\$148.60	\$133.30	\$88.13	\$110.16	\$125.59

BIMONTHLY SEWER BILL COMPARISON OF PROVIDERS WITHIN KING COUNTY

This comparison uses the King County’s standard Equivalent Residential Unit conversion consumption level of 15 CCFs for two months. Utility taxes charged by Kirkland and Bothell are not included, nor are any franchise fees charged by cities. The NUD bill is net of the 5% early payment discount.

NUD 2017	Woodinville Water District	City of Lake Forest Park	City of Kirkland	City of Seattle	Bothell Inside City Limits	Bothell Outside City Limits	Ronald Wastewater District (Shoreline)
\$112.66	\$142.74	\$122.62	\$157.91	\$193.95	\$162.72	\$203.40	\$113.00

COMMITMENT TO OPERATING EFFICIENTLY TO KEEP RATES LOW BUT SERVICE QUALITY HIGH

In addition to managing cost increases from SPU and King County, the District has continued to invest heavily in our Capital Improvement Program—replacing and expanding vital infrastructure to keep ahead of the needs of our growing communities. To help absorb rather than pass on rising costs, the District works to reduce costs in other areas and maintains healthy financial reserves. In addition to retaining its “AAA” credit rating, the District continually strives to operate more efficiently. One way to measure the efficiency of a District’s operations is by the ratio of connections (to the water and/or sewer systems) per employee. NUD has one of the highest ratios of connections to staff in the state—meaning, we operate with fewer staff and subsequently lower overhead.

It is important to us to be prudent stewards of your rate dollars and keep your rate adjustments as even as possible, while still giving you the service you expect and deserve. If you can identify an area where we can be even more efficient, we welcome your feedback.

QUESTIONS OR COMMENTS?

If you have any questions regarding the new rates, please feel free to call us at (425) 398-4400 or email us at billing@nud.net. Your elected Commissioners welcome the opportunity to discuss policy or the future direction of the District with you. Please feel free to contact any of them by phone or email. Contact information is listed on our website at www.nud.net/board.