



# 2022 RATE NOTIFICATION

**March 2022**

Dear Ratepayers:

The decision to raise rates is an issue every responsible utility must face. Over the last four years, Northshore Utility District (NUD) has not raised water rates and only raised its sewer rates once. NUD will not be raising water rates for 2022. This is possible, to a large extent, because of NUD’s unique water supply contract with Seattle Public Utilities (SPU).

However, this is not the case for sewer. King County Wastewater Treatment Division raised its cost by 4%. This increase is being treated as pass-through cost to District customers. This decision was reached after conducting two open public hearings held on March 7, 2022, and March 21, 2022. The 2022 Rate Resolution was adopted and applied to all utility bills sent after March 15, 2022, regardless of when service is rendered.

## Balancing rising costs through difficult times

Besides sewage treatment and wholesale water supply costs, numerous other factors are considered. These include analyzing increased costs related to personnel, security, technology, fuel, power, communications, construction, and local municipal fees.

Like all businesses, NUD has experienced increases to its operating costs. The District has maintained a long-term focus to continually invests in its infrastructure. This reduces the erratic high cost associated with being reactive to infrastructure needs. These investments include rehabilitating, replacing, and expanding facilities and pipelines; enhancing IT security systems; and adopting new technologies to improve efficiency and enhance customer experience.

## Efficient operating practices and financial stewardship help keep cost low

How is NUD able to keep rates steady with minimal pass-through cost? NUD’s mission focuses on providing efficient service and proactively investing in infrastructure for the long-term interest of its rate payers. For utilities, one measure of operational efficiency is the staff-to-service connection ratio. NUD maintains one of the lowest staffing counts compared to similar sized water/sewer service providers. NUD adopted Best Management Principals (BMPs) and current asset management principals to maximize the useful life of the infrastructure. In addition, NUD exercises sound fiscal management principles and avoids accruing unnecessary debt. As a special purpose government, NUD can focus solely on providing utility service, which facilitates keeping rates as affordable as possible.

## 2022 BIMONTHLY SINGLE-FAMILY WATER AND SEWER RATES

### WATER SERVICE (no – change)

Bimonthly Base Charge	\$30.20
Usage Charge per 100 Cubic Foot (CCF) (NUD billing units)	
0 through 10 CCFs	\$3.45
11 through 20 CCFs	\$4.45
21 CCFs and above	\$5.45
<b>Bill for Bimonthly Average Use of 13 CCFs</b>	<b>\$78.05</b>
<b>Bill after 5% Early Payment Discount</b>	<b>\$74.15</b>

### SEWER SERVICE (increase of ~\$4)

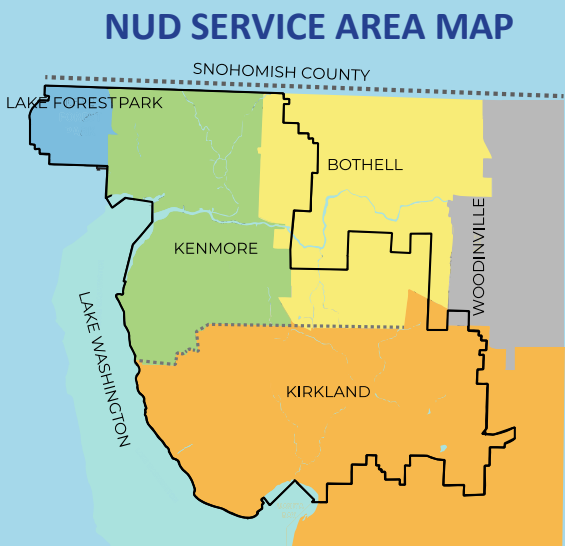
Bimonthly Base Charge	\$127.93
Usage Charge per CCF*	\$4.13
Typical Bimonthly Bill	\$127.93
<b>Bill after 5% Early Payment Discount</b>	<b>\$121.53</b>

*\*For NUD - 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 2021, less than 2.5% of total sewer usage was above this threshold.*

## How NUD's rates compare with local neighboring public utilities

A meaningful comparison of rates can be difficult, since different agencies have significant cost impacts associated with its water supply source (purchases water from regional provider like SPU or from its own source) and if it pays King County for sewage treatment.

The table below compares water and sewer rates for NUD, Woodinville Water District, and the cities of Seattle, Bothell, and Kirkland. Each of these agencies purchase their water from SPU and pay King County to treat their sewage. The information for NUD reflects a 5% early payment discount used by approximately 85% of NUD ratepayers. The District is the only provider that offers this discount.



2022 RATES <sup>1</sup>	WATER	SEWER	TOTAL
<b>NUD 2022</b> <i>(including 5% discount)</i>	<b>\$74.14</b>	<b>\$121.53</b>	<b>\$195.67</b>
Bothell (Inside City)	\$79.87	\$172.19	\$252.06
Bothell (Outside City)	\$99.84	\$215.24	\$315.08
City of Kirkland Utilities	\$85.34	*\$149.64	\$234.98
Woodinville (Winter)	\$117.12	\$156.14	\$237.26
Woodinville (Summer)	\$131.28	\$156.14	\$287.42
Seattle (Winter)**	\$130.62	*\$170.09	\$300.71
Seattle (Summer)**	\$137.88	*\$170.09	\$307.97

\* Based on 10 units of average winter consumption.

\*\* Seattle customers located in cities of Shoreline and Lake Forest Park.

<sup>1</sup>Comparisons represents billing information based on average single-family residential water usage of 13 CCF per bi-monthly billing period. Amounts do not include franchise fees and utility taxes charged by, and paid to, the respective cities. Franchise fees are listed as a separate line item on water and sewer bills. Current franchise fee information is found at <https://www.nud.net/customers/rate-information>

## Working to represent your needs

Rate payers are the owners of this utility, and as your elected Board of Commissioners, we take great pride in representing you. We are focused on being an effective governing body that establishes policies to ensure high quality drinking water and sewer services are provided in an affordable, sustainable manner.

We welcome the opportunity to discuss District policies or the future direction of the District with you. Please contact any of us by phone or email. You can find our contact information on NUD's website at [www.nud.net/board](http://www.nud.net/board).

Sincerely,

The Northshore Utility District Board of Commissioners

Bruce Gardiner, Board President

Suzanne Greathouse, Board Secretary

Matt Breyse, Commissioner

Tom Mortimer, Commissioner

Trudy Rolla, Commissioner