



(Amended)

# AGENDA

## SOAP LAKE CITY COUNCIL SPECIAL MEETING

SOAP LAKE COMMUNITY & SENIOR CENTER  
121 2<sup>ND</sup> AVE SE, Soap Lake, WA 98851

Tuesday, April 9, 2024

5:30 pm

**City of Soap Lake, PO Box 1270, 239 2<sup>nd</sup> Ave SE, Soap Lake, WA 98851, (509)246-1211**

The Soap Lake City Council Chambers are handicap accessible. Arrangements to reasonably accommodate the needs of special classes of citizens, including handicap accessibility or interpreter, will be made upon receiving twenty-four (24) hour advance notice.

1. ROLL CALL
2. UTILITY COMMITTEE PRESENTATION & PUBLIC COMMENT PERIOD
3. MOTIONS, RESOLUTIONS, ORDINANCES:
  - a. Motion to remove from the Table, Resolutions 1012, 1013 and Ordinance 1343.
  - b. Resolution 2024-1012 A Resolution of the City of Soap Lake Adopting a Schedule of Rates and Fees for Water Service
  - c. Resolution 2024-1013 A Resolution of the City of Soap Lake Adopting a Schedule of Rates and Fees for Sewer Service
  - d. Ordinance No. 2024-1343 An Ordinance Amending the City of Soap Lake Municipal Code Section 3.44.030 Titled "Occupations Subject to Tax – Amount"
4. NEXT ORDINANCE #1344; NEXT RESOLUTION #1014
3. ADJOURNMENT

  
Allen DuPuy, Mayor

Allen DuPuy, Mayor

# City of Soap Lake Utility Committee Water / Sewer Rate Recommendations

Dated: April 1, 2024

Committee Members: John Carlson (City Council)

Leslie Taylor (City Council)

Judith Gorman (City Council)

Nels Borg (City Citizen)

Fred Slipper (City Citizen)

Allen DuPuy (Mayor, attending as support)

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## Your Soap Lake Utility Committee

The Utility Committees first order of business in December of 2023 was to determine the committees scope and purpose. The following was established to provide the committee with direction and guidance to support the best interests of the city and its citizens.

### **Scope and Purpose**

**To study the city's water, sewer, and solid waste rate structure to determine if the current utility rates are sufficient to balance the utility budget, and to fund operating maintenance costs, future capital improvements, existing debt payments as well as create cash reserves for emergency funding.**

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## Field trip to Public Works

The Utility Committee toured our sewer processing facility in December of last year. Public Works Foreman, Darrin Fronsman, led us through the workings of the cities water and sewer systems.

The systems are quite complex and we found that some equipment is in need of repair or replacement. Darrin explained that the sewer system is in need of an aerator pump, clarifier and a anaerobic digester, which are all broken. These critical pieces of equipment need repair or replacement. Darrin has developed clever and sometimes time consuming work arounds but its clear action must be taken to remedy the situation.

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## Future Capital Improvements / Need for Emergency Funding

- Waste water lift stations 1&2 need upgrades. Lift stations and force mains estimated at a cost of \$4.33 million. We have pending congressional allowance of \$3.44 million leaving a funding deficit of \$860K.
- Well #1 – Drilled 1940. Evaluation suggested. Water level data analysis, potential well video/pump test. May need to replace Well due to age.
- Water Storage – Recommend coating assessment.
- Southside Water Pressure – Evaluate options for a third pressure zone.

Source: Gray and Osborne, 2024 Soap Lake State of the Infrastructure Presentation.

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## Financial Position

2021-001 – “The city’s deteriorating financial position places it at risk of not meeting its financial obligations.”

Source: Washington State Auditor, Schedule of Audit Findings and Response

The most recent water and sewer utility rate increase resolution was made in December of 2021 for the 2022 year. There was no rate increase for 2023.

Early 2024 city financial reports have determined that the water and sewer utilities have a combined deficit in excess of \$300,000.

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## Developing a Utility Rate Increase

The development of this utility rate increase proposal was not taken lightly. This is a culmination of 14 weeks of research and the crafting of several rate models. Foremost, the committee has never lost sight of what is best for our citizens and the City of Soap Lake. The two go hand in hand. What is best for the city is ultimately what is best for our citizens. The number one goal with this proposal is to eliminate the \$300,000 deficit in 2024.

The approval of this proposal will put the city in a position where it can begin planning to create cash reserves for emergency funding. Utility rates will be reevaluated in December of this year and appropriate adjustments will be proposed.

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# 2024 Water Rate Increase Proposal

## 2024 WATER RATE INCREASE PROPOSAL

Customer Type	Current Rate	Proposed Rate	Notes
Residential	\$47.37	\$59.69	
Commercial	\$49.36	\$62.19	
Commercial Residential	\$42.61	\$53.69	(1)
Additional Commercial Residential	\$30.95	\$39.00	(2)
Residential Outside	\$94.72	\$119.35	(3)
Standby Inside City	\$85.20	\$107.35	(4)
Standby Outside City	\$61.77	\$77.83	(5)
Construction Water			
<b>Per CCF Charge</b>			
Residential (After 5 CCF Allowance)	\$2.75	\$3.47	
Commercial (After 5 CCF Allowance)	\$2.86	3.60	
Commercial Residential (After 5 CCF Allowance)	\$2.46	\$3.10	(1) (2)
Residential Outside (After 5 CCF Allowance)	\$5.46	\$6.88	(3)
Commercial Residential Outside (After 5 CCF Allowance)	\$4.93	\$6.21	(4) (5)
Lawn Meter	\$2.58	\$3.25	
Bulk Water Hydrant	\$2.61	\$3.29	

(1) Multi Family connection serving a Multi Family dwelling unit.

(2) Residential dwelling unit in excess of one served by a single meter.

(3) Residential connection serving one residential dwelling unit outside the city limits.

(4) Multi Family connection serving a Multi Family dwelling unit outside the city limits.

(5) Residential dwelling unit in excess of one served by a single meter.

- Reference Resolution 2021-967, Appendix W.

- Customer type titles are from the Utility Rate Study: Water Utility prepared by FCS Group dated 2017.



# 2024 Sewer Rate Increase Proposal

## 2024 SEWER RATE INCREASE PROPOSAL

Customer Type / Base Rates	Current Rate	Proposed Rate	Notes
Residential	\$85.65	\$104.49	(1)
Commercial	\$85.65	\$104.49	(1) (2)
Commercial Residential	\$72.61	\$87.96	(3)
Standby Inside	\$72.61	\$87.96	(3) (4)
Standby Outside	\$64.89	\$79.17	(5)
<b>Variable Rates</b>			
Commercial	\$3.22	\$3.93	(3) (6)
Commercial Residential	\$3.22	\$3.93	(3) (4) (7)

(1) Each residential sewer connection serving a single residential dwelling unit.

(2) Each additional residential dwelling unit using the same sewer service.

(3) Each commercial sewer connection serving one commercial service.

(4) Each additional commercial unit using the same sewer service.

(5) Each Multi Family connection serving at least one Multi Family dwelling unit shall be deemed to be one Multi Family unit.

(6) Additional charge for water supplied to the commercial water service unit account commencing with the first 100 cubic feet of water.

(7) Additional charge for water supplied to the commercial water service account to the base unit charges, commencing with the first 100 cubic feet of water.

- Reference Resolution 2021-968, Appendix 5.

- Customer type titles are from the Utility Rate Study: Sewer Utility prepared by FCS Group dated 2017.

Thank you for your consideration.

RESOLUTION NO. 2024-1012

A RESOLUTION OF THE CITY OF SOAP LAKE ADOPTING  
A SCHEDULE OF RATES AND FEES FOR WATER SERVICE

**RECITALS:**

1. WHEREAS, a Utility Committee was formed to study the need for a potential rate increase for water service because current rates had not been increased since December, 2021 and the water utility system account was running a deficit balance;
2. WHEREAS, a public meeting was held on January 25, 2024 beginning at 5:30 pm at which time the public was given an opportunity to provide input regarding the Utility Committee rate study;
3. WHEREAS, after studying several options, the Utility Committee recommends the City Council adopt the rates set forth in the attached rate schedule "Appendix W" for water service that: 1) are uniform within the same customer classifications in accordance with RCW 35.92.010; and 2) are just, reasonable and sufficient under RCW 80.29.010 RCW to eliminate the deficit water utility account balance in 2024; and,
4. WHEREAS, by its adoption of Soap Lake Municipal Code (SLMC) Chapter 13.18 and section 13.18.290(A), the City Council of Soap Lake authorized the establishment and collection of rates, usage limits, connection fees, delinquent charges, and service charges related to water service both inside and outside city limits and authorized the adoption of such rates by resolution within rate schedule "Appendix W."

**NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Soap Lake:**

Section 1. The City Council adopts the findings of the Utility Committee; and

Section 2. The fees for water service on the attached rate schedule "Appendix W" to SLMC Ch. 13.18 are hereby adopted and shall be implemented beginning with the May 5, 2024 billing and each month thereafter.

ADOPTED by the City Council of the City of Soap Lake, Washington, this 9th day of April, 2024.

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Allen DuPuy, Mayor

ATTEST:

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Jody Siebert, Administrative Assistant

**CHAPTER 13.18 APPENDIX “W” WATER RATES**

**Residential**

Basic Water Rate: **\$59.69** per month for one residential dwelling unit; to include **500** cubic feet of water.

Overage Charge for water usage over **500** cubic feet: **\$3.47** per each additional **100** cubic feet or portion thereof.

**Commercial**

Basic Water Rate: **\$62.19** per month for one Commercial unit; to include 500 cubic feet of water.

Overage Charge for water usage over **500** cubic feet: **\$3.60** per each additional **100** cubic feet or portion thereof.

**Multi Family**

Basic Water Rate: **\$53.69** per month for each Multi Family connection serving a Multi Family dwelling unit; provided, however, that for each residential dwelling unit in excess of one served by a single meter the monthly water charge shall be **\$39.00**, to include the use of 500 cubic feet of water per month per each unit.

Overage Charge for water usage over **500** cubic feet: **\$3.10** per each additional **100** cubic feet or portion thereof.

**Residential Outside City Limits**

Each residential connection serving one residential dwelling unit outside the city limits: **\$119.35** per month to include the use of the first **500** cubic feet of water per month. Each additional **100** cubic feet, or portion thereof, of water measured as delivered is charged at **\$6.88** each.

**Multi Family Outside City Limits**

Basic Water Rate: **\$107.35** per month for each Multi Family connection serving a Multi Family dwelling unit outside the city limits; provided, however, that for each residential dwelling unit in excess of one served by a single meter the monthly water charge shall be **\$77.83**, to include the use of **500** cubic feet of water per month per each unit.

Overage Charge for water usage over **500** cubic feet: **\$6.21** per each additional **100** cubic feet, or portion thereof.

**Inspection of new construction, repairs, tapping, and water sampling**

\$50.00 per hour plus the actual costs of any consultant fees incurred during the inspection process. The per hour is measured in quarter-hour increments with a one-hour minimum.

**Deposit Required for New Accounts**

Inside City Limits .....	\$100.00
Outside City Limits .....	\$100.00

**Connection fees for connection from a water main to customer’s property line**

3/4" pipe including meter:.....	\$1996.35
1" pipe including meter.....	\$1996.35

Above 1" pipe including meter, the amount shall be fixed by the council upon application and shall not be less than the connection fee for a 1" pipe, and shall be based upon the City’s cost plus 20%. Any connection resulting in costs to the City greater than the fixed rates above shall be subject to additional charges reflecting the actual costs of the City employees’ time and materials used.

**Delinquent account charges**

Late penalty.....\$25.00 per month

**Turn off and turn on charges**

\$20.00 per event.

**Fire hydrant usage**

\$25.00 application fee	
\$200.00 meter deposit	
“Bulk” water cost per 100 cubic feet.....	\$3.29

**Lawn Meter Only Connections**

\$3.25 for each 100 cubic feet, or portion thereof, of water measured as delivered.

RESOLUTION NO.2024-1013

A RESOLUTION OF THE CITY OF SOAP LAKE ADOPTING A  
SCHEDULE OF RATES AND FEES FOR SEWER SERVICE

**RECITALS:**

1. WHEREAS, a Utility Committee was formed to study the need for a potential rate increase for sewer service because current rates had not been increased since December, 2021 and the sewer utility system account was running a deficit balance;
2. WHEREAS, a public meeting was held on January 25, 2024 beginning at 5:30 pm at which time the public was given an opportunity to provide input in regard to the Utility Committee rate study;
3. After studying several options, the Utility Committee recommends the City Council adopt the following rates for sewer service set forth in the attached rate schedule "Appendix S" that: 1) are uniform within the same customer classifications in accordance with RCW 35.92.010; and 2) are just, reasonable and sufficient under RCW 80.29.010 to eliminate the deficit sewer utility account balance in 2024; and.
4. WHEREAS, by its adoption of Soap Lake Municipal Code (SLMC) Chapter 13.14 and section 13.14.290(A), the City Council of Soap Lake authorized the establishment and collection of rates, usage limits, connection fees, delinquent charges, and service charges related to the provision of sewer service both inside and outside city limits and authorized the adoption of such rates by resolution within rate schedule entitled "Appendix "S."

**NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Soap Lake:**

Section 1. The City Council adopts the findings of the Utility Committee above; and

Section 2. The fees for sewer service on the attached rate schedule "Appendix S" to SLMC Ch. 13.14 are hereby adopted and are to be implemented beginning with the May 5, 2024 billing and each month thereafter.

ADOPTED by the City Council of the City of Soap Lake, Washington, this 9<sup>th</sup> day of April 2024.

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Allen DuPuy, Mayor

ATTEST:

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Jody Siebert, Administrative Assistant

**CHAPTER 13.14 APPENDIX “S”  
SEWER RATES**

Each calendar month during which a sewer service connection is active at any time shall result in the following charges:

**Residential**

Each residential sewer connection serving a single residential dwelling unit: **\$104.49** per month.  
Each additional residential dwelling unit using the same sewer service: **\$104.49** per month.

**Commercial**

Each commercial sewer connection serving one commercial service: **\$87.96** per month.  
Each additional commercial unit using the same sewer service: **\$87.96** per month.

Usage Charge for Each Commercial Sewer Service:

In addition to the monthly base rate charge for each commercial sewer service unit there shall be charged for sewer usage the sum of **\$3.93** for each **100** cubic feet of water or portion thereof supplied to the commercial water service unit account commencing with the first **100** cubic feet of water.

Minimum monthly base rate charge for each customer shall be determined by multiplying the monthly base rate charge times the number of sewer service units and then adding the usage charge of **\$3.93** per **100** cubic feet of water or portion thereof supplied to the commercial water service account to the base unit charges, commencing with the first 100 cubic feet of water.

**Multi Family**

Each Multi Family connection serving at least one Multi Family dwelling unit shall be deemed to be one Multi Family unit: **\$79.17** per month.

Minimum monthly base rate charge for each customer shall be determined by multiplying the monthly base rate charge times the number of sewer service units.

**Connection charge for a single sewer connection to the city’s main**

**\$250.00** together with the costs of materials and repairs to infrastructure.

**Inspection charge to inspect repairs or installations not performed by the city public works Department**

**\$50.00** per hour measured in quarter-hour increments with a one-hour minimum.

ORDINANCE NO. 2024 - 1343

AN ORDINANCE AMENDING THE CITY OF SOAP LAKE MUNICIPAL CODE  
SECTION 3.44.030 TITLED "OCCUPATIONS SUBJECT TO TAX--AMOUNT"

THE CITY COUNCIL OF THE CITY OF SOAP LAKE, WASHINGTON DO ORDAIN AS  
FOLLOWS:

**Section 1.** Section 3.44.030 of the Soap Lake Municipal Code titled "Occupations subject to tax--Amount" is amended to provide as follows:

**3.44.030 Occupations subject to tax--Amount.**

There is hereby levied upon, and there shall be collected from, every person engaged in carrying on the following businesses for hire or for the sale of a commodity or service within or partly within the corporate limits of the city the tax for the privilege of so doing business as hereinafter defined, as follows:

A. Upon every person engaged in or carrying on the business of selling, furnishing, delivering, or distributing any telephone service for residential, commercial, or industrial use a tax equal to six percent of total annual gross operating revenue of sales of telephone service to each customer within the limits of the city.

Gross operating income for this purpose shall not include charges which are passed on to the subscribers by a telephone company pursuant to tariffs required by regulatory order to compensate for the cost to the company of the tax imposed by this chapter.

B. Upon every person engaged in or carrying on the business of selling, furnishing, delivering, or distributing electric light and power or electrical energy service for residential, commercial, or industrial use a tax equal to six percent of the annual total gross operating revenue from distributing electric light and power or electrical energy to each customer within the limits of the city.

C. Upon every person engaged in or carrying on the business of selling or furnishing water service for residential, commercial, or industrial use a tax equal to ~~35~~ 32.5 percent of total annual gross operating revenue for selling or furnishing water service to each customer within the limits of the city.

D. Upon every person engaged in or carrying on the business of selling or furnishing sewer service for residential, commercial, or industrial use a tax equal to ~~30~~ 27.5 percent of total annual gross operating revenue for selling or furnishing sewer service to each customer within the limits of the city.

E. Upon every person engaged in or carrying on the business of selling or furnishing of natural, manufactured, or mixed gas service for residential, commercial, or industrial use a tax equal to six percent of total annual gross operating revenue from selling or furnishing natural, manufactured, or mixed gas service to each customer within the limits of the city.



F. Upon every person engaged in or carrying on the business of selling or furnishing garbage facilities and/or service for domestic or industrial use within the city there shall be levied a tax equal to 35 percent of the total annual gross operating revenue.

G. Upon every person engaged in or carrying on the business of furnishing a cable subscription system for television signal distribution within the city there shall be levied a tax equal to five percent of the total annual gross operating revenue. It is not the intent of this section to classify the business as a public utility.

H. Upon every person engaged in or carrying on the business of furnishing competitive telephone service, including but not limited to cellular telephone service, within the city there shall be levied a tax equal to eight percent of the total annual gross operating revenue.

I. Total annual gross operating revenue shall be calculated on a calendar year basis beginning January 1st of any year and ending on December 31st of the same year.

**Section 2.** If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance, or the application of the provision to other persons or circumstances is not affected.

**Section 3.** This ordinance shall be in force and effect five days from and after its passage by the Soap Lake City Council and publication, as required by law.

PASSED by the City Council of the City of Soap Lake, Washington, this 9<sup>th</sup> day of April, 2024

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Allen DuPuy, Mayor

ATTEST:

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Jody, Siebert, Administrative Assistant

APPROVED AS TO FORM:

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Cliff Sears, City Attorney

PASSED the 9<sup>th</sup> day of April, 2024.

APPROVED the 9<sup>th</sup> day of April, 2024.

PUBLISHED the \_\_\_\_\_ day of April, 2024.