

Topic: Sedro-Woolley City Council Utilities Committee Meeting

Time: Feb 10, 2021 05:00 PM Pacific Time (US and Canada)

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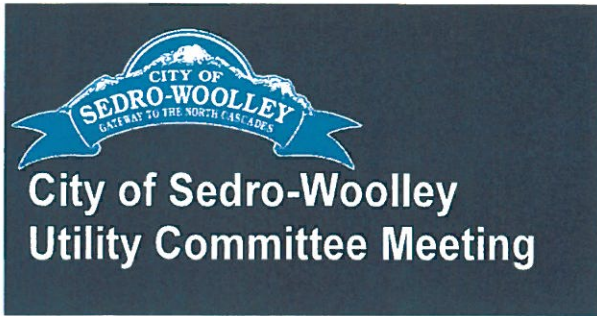
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Agenda

Date: February 3, 2021

AGENDA

1. Multifamily Sewer General Facilities Charge Discussion
2. RV Park Sewer General Facilities Charge Discussion
3. Solid Waste Recycling Program Discussion

MATERIALS

- 1 Multifamily Sewer General Facilities Charge Examples, Katy Isaksen & Assoc., 12/3/2020
 - 2 RV Park Sewer General Facilities Charge Examples, Katy Isaksen & Assoc., 6/4/2020
 - 3 Solid Waste Recycling Program Memorandum, Leo Jacobs, Solid Waste Supervisor, 2/3/2021
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MEMORANDUM

Date: December 3, 2020
To: Mark Freiburger, City of Sedro-Woolley
From: Katy Isaksen, KI&A
Subject: Multifamily Sewer General Facilities Charge Examples

KI&A was requested to research Multifamily examples and how Sewer General Facilities Charges (GFC) are determined in other local jurisdictions. GFC's (also known as capital facilities charges, system development charges, etc.) are determined by each jurisdiction. Please note that other fees for permits and inspection are generally required to connect to a sewer system and are set by each community.

Example Communities - Thirteen other jurisdictions were reviewed and included in the analysis for their proximity to Sedro-Woolley and Skagit County that own their wastewater treatment plant (WWTP). These communities include Anacortes, Arlington, Bellingham, Blaine, Burlington, Concrete, Everson, La Conner, Lynden, Marysville, Mount Vernon, Oak Harbor, and Stanwood. Each jurisdiction sets their own code, process and fee structure to meet the infrastructure and customers being served. The data used was available on the utility websites.

MULTIFAMILY GFC

In addition to fee tables, the municipal code language was reviewed for single and multifamily residential connections to the sewer system in each jurisdiction. Because the dollar amounts are different for each community, the multifamily GFC's were converted to single family (SFR) on a per unit basis. For example, if multifamily (MF) units are charged the same as a SFR unit, they are charged at 1.0 per unit, and if MF is less than SFR, they are charged a fraction (0.8, 0.5, etc.) on a per unit basis. This conversion to a policy basis is helpful for comparison and discussion. Sedro-Woolley defines single family residential to include duplexes and triplexes, and the sewer GFC is charged at 1.0 per unit. Multifamily is defined as 4+ units, with the sewer GFC charged at 1.0 per unit. So while the classes are defined differently, the sewer GFC charge is the same on a per unit basis.

Multifamily GFC Methodology – Among the 13 examples, I found a variety of methods of assigning GFC charges and grouped them into three categories as shown in Table 1. There are 5 examples that charge Multifamily GFC by meter size or fixture count, 4 utilities that charge multifamily the same as SFR on a per unit basis, and 5 examples charge some multifamily units at less than SFR on a per unit basis.

Table 1

SEWER General Facilities Charge (GFC) Comparison for Multifamily Developments		
Multifamily GFC - By Meter Size / Fixture Count	Multifamily GFC - Same as SFR per Unit	Multifamily GFC - Less than SFR per Unit
Oak Harbor	Sedro-Woolley	Anacortes, Duplex + @ 0.8 per unit
Bellingham	Everson	Burlington, 4+ units @ 0.8 per unit
Stanwood	La Conner	Mt. Vernon, Duplex @ 0.75 per unit, MF 3+ @ 0.5 per unit
Arlington	Marysville	Blaine, MF 3+ attached @ 0.85 per unit
Concrete		Lynden, MF 3-4 units @ 0.75 per unit, MF 5+ @ 0.63 per unit

- **By Meter Size / Fixture Count**– These examples determine the GFC by the size of the water meter or by a count of plumbing fixtures. This allows the GFC to scale to the development. There is often a table in the code that establishes the differential between meter sizes and the flow capacity. The proper meter size would be determined for each multifamily building and the GFC is based on the table showing residential equivalents for the larger meter sizes. Oak Harbor, Bellingham, Stanwood, Arlington, and Concrete are in this category.
- **Multifamily GFC at the Same as SFR per Unit** – These examples determine the GFC based on the number of residential dwelling units at 1.0 per unit. Like Sedro-Woolley, the codes may define classifications

separately but the GFC is charged the same on a per unit basis. Everson, La Conner, and Marysville are also in this category.

- **Multifamily GFC at Less than SFR per Unit** – These examples determine the GFC based on the number of residential units in the MF development in some manner. Each utility has its own definitions and scale of partial factors to be applied to multifamily at some point, which range from 1.0 to 0.5 per unit. Anacortes, Burlington, Mt. Vernon, Blaine, and Lynden are in this category.

Is There Consistency in Multifamily GFC's? No, there is not a consistent method of applying GFC's to multifamily developments in the local area, as demonstrated by the 3 categories in Table 1.

Is There Consistency among Utilities that Charge Less than SFR? No. After further evaluation, Table 2 summarizes the breakpoint number of units for each of the utilities that charge multifamily less than SFR on a per unit basis. The breakpoint varies by community, and ranges from 2+ to 5+ units. The charge also varies depending on the number of units, and ranges from 0.85 to 0.5 on a per unit basis, excluding the 1.0 for the lower number of units.

Table 2

For Multifamily With GFC Less than SFR per Unit	
Sewer Provider	Breakpoint # of Units
Anacortes	2+ Units @ 0.8 per unit
Burlington	4+ Units @ 0.8 per unit
Mt. Vernon	2 Units @ 0.75 per unit, 3+ @ 0.5 per unit
Blaine	3+ Units @ 0.85 per unit
Lynden	3-4 Units @ 0.75 per unit, 5+ Units @ 0.63 per unit

Sedro-Woolley – The current Sedro-Woolley GFC fee structure is summarized in Table 3. Earlier this year, the Council added the Accessory Dwelling Unit customer classes for GFC at less than a full residential dwelling unit. The ADU's are charged as partial units depending on the size, < 450 square feet or greater than or equal to 450 square feet. This is the first time there has been a size description in the residential sewer code.

Table 3

Sedro-Woolley Sewer GFC Connection Fees*		
Customer Class	Definition	Method
Single Family Residential	Single family, duplex, triplex, condominium unit, mobile home or manufactured home	1 ERU per dwelling unit
Accessory Dwelling Units	Permitted ADU < 450 square feet in size	0.30 ERU per unit
	Permitted ADU => 450 square feet in size	0.61 ERU per unit
Multiple Residential	4+ dwelling units in multiple residential structure	1 ERU per dwelling unit
Nonresidential	Nonresidential users, including commercial and industrial units	by plumbing fixture units
*GFC for connection to the city sewer system, \$8,495 per ERU. Certain areas require additional special connection fees. Other permit and connection charges may be necessary per code.		

Summary – There is not a consistent pattern on the method of charging multifamily units for sewer GFC's, however there are examples of utilities that charge based on meter size or fixture count, charge the same as single family or charge less than single family.

Each utility must set its GFC's to represent the fair and equitable share of the cost of the existing system and planned for 10-years. In 2019, Sedro-Woolley updated its sewer financial plan together with the General Sewer Plan update. As part of that effort, the GFC's were updated with existing and planned ERU's. If an adjusted multifamily charge were to be considered, an update of the GFC analysis is recommended to make sure the appropriate funds are recovered toward the current and future WWTP upgrades.



APPENDIX – Details on Multifamily Sewer GFC's

Multifamily Facilities Charges

Review of local and western WA codes

General Facilities Charge Comparison Sewer Service Provider	SF Residential (SF)	Multi Residential Connections (MF)
Anacortes	\$9,140	SF @ 1.0 ERU, Duplex @ 0.8 per dwelling unit, MF @ 0.8 per dwelling unit
Blaine	by proximity to WWTP \$6,720 - \$8,926	SF, Duplex, zero-lot-line @ 1.0 per unit, MF 3+ attached units @ 0.85 per unit, ADU @ 0.5 per unit
Sedro-Woolley	\$8,495	SF, Duplex, Tri @ 1.0 per unit, MF 4+ @ 1.0 per unit
Stanwood	\$7,719	by meter size for plant investment charge
Bellingham	\$7,637	by meter size
Mount Vernon	\$7,417	SF @ 1.0 per unit, Duplex @ 0.75 per unit, MF 3+ @ 0.5 per unit or by fixture count
Lynden	\$6,986	SF, Duplex @ 1.0 per unit, MF 3-4 units @ 0.75 per unit, MF 5+ units @ 0.63 per unit
Everson	\$6,400	Residential uses @ 1.0 per unit
Arlington	\$4,840	by meter size / fixture count
Marysville	\$4,490	Residential @ 1.0 per dwelling unit, SF, multi-housing, apts, condos, manufactured & mobile
Concrete	\$3,898	by meter size
Burlington	\$3,130	SF, Duplex, Tri @ 1.0 per unit, 4+ units @ 0.8 per unit
La Conner	\$2,432	SF @ 1.0 per unit, MF @ 1.0 per unit
Oak Harbor	\$1,680	by meter size

Color Coding:

By meter size/fixture count

MF same as SFR per unit

MF less than SFR per unit

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MEMORANDUM

Date: June 4, 2020
To: Debbie Allen & Mark Freiburger, City of Sedro-Woolley
From: Katy Isaksen, KI&A
Subject: RV Park Sewer General Facilities Charge Examples

KI&A was requested to research RV Park examples and how Sewer General Facilities Charges (GFC) are determined in other local jurisdictions. Please note that GFC's are only one of the fees necessary to connect to a sewer system and each community has its own set. The developer is considering an 8" meter with about 75 RV sites.

Examples - The developer mentioned examples from eastern Washington specific to RV parks in Royal City and Chelan, and I added Kettle Falls. My experience has been that eastern Washington typically has less expensive infrastructure than western Washington in terms of cost, but the basis of assigning equivalent residential units (ERU's) should be similar. Each jurisdiction sets their own code, process and fee structure to meet the infrastructure and customers being served. I recently reviewed sewer codes in the peninsula area, including Belfair, Sequim, Carlsborg, Port Townsend and Kitsap County. Thinking of other local areas with potential for RV parks, I also reviewed Oak Harbor, Bellingham, Birch Bay, Blaine, Anacortes, Shelton, Gig Harbor and Poulsbo with data available on the utility websites.

GFC Methodology – Among the 16 examples, I found a variety of methods of assigning GFC charges, including 10 by ERU, 4 by meter size and 2 by other. Some of the examples specifically mentioned RV parks and others mentioned a variety of living unit types. Some communities had additional special connection charges in specific areas. Sedro-Woolley uses the ERU method of assigning GFC charges and includes special connection charges for specific areas where the City has developed sewer lines to be repaid when properties connect into these lines.

Examples Reviewed for Determining Sewer GFC for RV Park			
By ERU	By Meter Size	Other	RV Park Specific
Blaine	Oak Harbor	Birch Bay WSD	Kettle Falls
Anacortes	Bellingham	Poulsbo	Royal City
Gig Harbor	Shelton		Chelan
Belfair, Mason Co.	Port Townsend		Sequim
Sequim			Carlsborg
Carlsborg, Clallam Co.			
Kitsap County			
Kettle Falls			
Royal City			
Chelan			

- **By ERU** – This was the most common method with 10 of the examples and provides the ability to differentiate between types of living units. There is a lot of variety in the definition and assignment of ERU's, such as for the first and additional units, partial ERU's for different types of living units, or count as multifamily. Restroom buildings, community rooms and RV dump stations are typically added to the ERU count.
- **By Meter Size** – These examples determine the GFC by the size of the water meter, or 8" in this proposed project. Oak Harbor and Bellingham did not list an 8" meter size so it would need to be calculated. Two others listed an 8" meter as ranging from 29 ERU (Port Townsend) to 80 times a typical residential meter (Shelton).
- **Combination/Other** – Birch Bay W&S District uses a per Equivalent Living Unit (ELU) where full or partial ELUs are assigned by use type that differentiates for year-round or seasonal, and full time or part time basis. Poulsbo uses a combination of meter size (8" is 80 times a typical residential meter) plus an adjustment for the type of use (apartment/condos and transitory living units are partial ERU's per unit).

RV Park Specific – Several examples identify RV Parks specifically to determine the sewer GFC, including Kettle Falls, Royal City, Chelan, Sequim and Carlsborg. However other examples could be relevant as they describe various types of living units. The tables summarize the customer class and ERU's by community.

RV Park Specific Language		
Community	Description	ERU
Kettle Falls	Motel, hotel, rooming house or RV park	
	First Unit	1.00
	Each Additional Unit	0.28
	Park restroom facility	1.00
	RV Dump Site	1.00
Royal City	Motel, hotel, RV Park, etc.	
	First Unit	1.50
	Each Additional Unit	0.80
City of Chelan	RV Park, etc.	
	First Unit	1.50
	Each Additional Unit	0.40
City of Sequim	Temporary residential units in 2 categories:	
	motel/hotel, seasonal overnight travel trailer parks & RV parks (per unit)	0.30
	rest homes, nursing homes, assisted care facilities (per unit)	1.60
Carlsborg, Clallam Co.	RV Parks (per space)	0.70

Other Relevant Examples		
Community	Description	ERU
Birch Bay WSD	by Equivalent Living Units	
	Mobile Home Park or Trailer Court (per space)	1.00
	Camping Mobile Home Park or Camping Trailer Park (per space)	0.50
	Campgrounds with water service to individual sites (per space)	0.33
	Campgrounds without water/sewer service to individual sites (per space)	0.25
Anacortes	Other building types:	
	manufactured home space in man. home park (per space)	0.65
	hotel and motel (per room/unit)	0.25
	recreational vehicle waste dumping station (per station)	0.65
Poulsbo	Duplex, triplex, fourplex (per unit)	0.85
	Apartment/condo (5+ units) (per unit)	0.80
	Transitory living units (motel/hotel, care facilities) (per unit)	0.40
Belfair, Mason Co.	Multifamily 2+ units in 1 structure (per unit)	0.70
	SFR 400 sq ft or less, on same parcel considered MF units (per unit)	0.70
	Manufactured housing community, if elected, billed as single customer with MF dwelling units (per unit)	0.70

Sedro-Woolley – The current Sedro-Woolley fee structure allows for a fixture count measure as detailed in a staff report. One ERU is equal to 24 fixture units. The fixture units for a typical RV were counted for a total of 10 fixture units. This is the equivalent of 0.42 ERU for comparison to the information presented in this memo. The current code also requires a special connection fee on Fruitdale Road to reimburse the City for as connections are made for the sewer line installed to serve the area. This would be applied at the same equivalent of 0.42 ERU per unit.

The City has been planning a Council discussion on Accessory Dwelling Unit (ADU) language for this summer. The ADU language to be proposed would be for a new category for ADU's up to 450 square feet to be assigned the equivalent of 0.30 ERU per unit. RV sites could potentially fit this definition, but this option is not currently available to staff. The City Council will need to have the discussion and adopt a change in the code and fee structure for it to be available to be used.

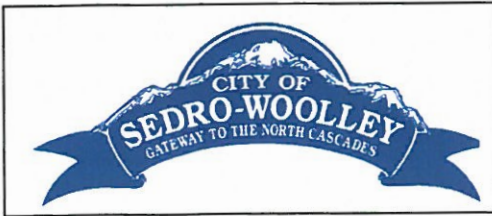
After reviewing the RV park examples in other jurisdictions, both the current fee structure with fixture units at 0.42 ERU per unit and the proposed ADU language at 0.30 ERU per unit are within the range.

Sedro-Woolley Sewer GFC - Equivalent ERU's for RV site		
Method	Description	Equivalent ERU
Fixture Counts	Current Fee Structure, using 10 fixture units (per site)	0.42
ADU Class < 450 sq ft	Requires Council discussion and adoption (per site)	0.30

Summary – It appears typical to assign a partial ERU per space/site/unit for an RV park, in addition to separate ERU calculations for a restroom building, community room, laundry, RV dump station and other uses that may be within the park. The range of ERU's for each site is from 1.5 for a first unit, to 0.28 for each additional unit. When multiplied by 75 sites, the range is between 22 and 61 ERU's for the sites without other uses. A partial ERU assignment clearly adds up over 75 sites.

For Sedro-Woolley, the current code when applied on a fixture count basis would be the equivalent of 0.42 ERU per unit/site/space. The City has planned a discussion with City Council on proposing a new class of customer for smaller ADU, up to 450 square feet, that would be the equivalent of 0.30 ERU per unit/site/space. These are both well within the range of examples found on RV parks, however the ADU language is not available until the Council has time to discuss, consider public input and adopt.

The lower number would likely be preferred by the developer for the proposed RV park, however this cannot be offered until Council discussion and action has taken place. And this is on hold due to State orders in response to the COVID-19 pandemic.



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Leo Jacobs
Solid Waste Supervisor

DRAFT

February 3, 2021

Mark,

As I have made you aware, world recycling markets have undergone significant changes in recent months with the collapse of the China market and other outfall from that situation. This is affecting us here in the City of Sedro Woolley with increased disposal costs for recyclables. In addition, we are seeing higher recycling rates by our customers. These impacts are being experienced by our sister agencies as well.

Following are six points regarding this situation that I am providing as a starting point for council consideration:

- 1) Should we maintain the Recycling Program and pass on the increased costs on to the rate payers?
- 2) Should we modify or hybrid the program to make it an optional service (similar to the optional Yard/Food Waste program)?
- 3) Should we discontinue Recycle curbside pickup and direct rate payers to the city recycling drop off center?
- 4) Should we suspend the Recycle program altogether and handle all waste disposable, sending it to the landfill, till recycling markets recover.
- 5) Should we modify the Recycle program to only take paper products?

Detailed discussion:

- 1) **Keep the Recycling Program and pass on the cost to the rate payers:** Most of the cities and other jurisdictions are keeping their programs even as the processing rates for recycling the products continues to go up. Other Cities have been in contracts since before the recycling market crash, so they have not been hit with the increases we have been. Some however (like Mount Vernon) are starting to see big increases from their solid waste contractor. Sedro-Woolley's tipping rates are now at \$168.33 per ton. We pick up about 800 tons per year of Recyclables. Our 2021 rate is \$4.94 per unit, up from \$3.49 in 2020. We can always evaluate any part of the recycling programs from year to year and if we need any changes we can adjust it as necessary. One revenue producing option is to bill for each Recycle cart furnished. Our current practice is to furnish one or more Recycle cart per customer (if they request more than one) for the basic Recycle fee. We have about 600 customers that have at least one additional recycling cart and many that have three or more recycling carts. Charging for each cart furnished will increase revenue and offset some of the cost of the service. This may however result in increased waste disposal as customers limit their carts for cost purposes.
- 2) **Modify or hybrid the program to make it an optional service (such as the Yard/Food Waste program):** This program could be modified to be an optional service that the subscribers would pay for. Anyone may subscribe to the service if they want to. **Pros;** it will save some rate payers money, if they have very little or no recycling. The apartment complexes could opt out and save monies for their tenants. **Cons;** we may have to purchase a software program to keep track of the accounts in our trucks, for instance who is signed up and who is not. Stopping and starting services will be demanding on our delivery staff and the billing staff. The price point for this user group may be higher depending on how many subscribers use it. People may opt to put their recycling in the garbage and send it to the landfill. We may need to purchase larger and more containers to accommodate the increase in garbage stream.

- 3) **Direct rate payers to recycling drop off centers:** An idea is to let rate payers opt out of the program and we can direct those people to the city or commercial drop off station(s). Customers would have to follow the rules of separation of their materials at the site they choose to use. We are currently getting some value for some of our products. Cardboard, metal & aluminum for instance is paying us \$20-\$70.00 per ton. Other recyclables are a net loss including mixed paper, glass, and mixed plastics. **Pros;** it will save some rate payers money. **Cons;** we may need to increase staff at our recycling site to help with influx of more recycling.
- 4) **Suspend or discontinue the program until recycling markets recover:** We could opt to put the recycling in the garbage stream. **Pros;** it will save some people money if they are not producing or have very little recycling. **Cons;** the 800 plus tons of recycling has to go somewhere. If it goes into the garbage stream it will cost those people more, because those people will have to do something with their extra materials. 95% of households have 68 gallons of recycling that we pick up 2 times per month. That would have to go into the garbage system so rate payers will have to get bigger garbage containers. For instance, if you have a 32 gallon now you will have to get a 96 gallon to fit all your recyclables. We would have to purchase either more lids or more containers to accommodate this change. We have at least 600 rate payers that have more than one 68-gallon recycling container. The additional solid waste disposal would require us to add an additional residential garbage route, for which we would repurpose the present recycling truck and driver. **If we do suspend or discontinue the program and the markets come back, it may be extremely hard if not impossible to revive the program.**
- 5) **Modify to only take paper products:** We could potentially modify the program to only take paper products. With this change we could work with Skagit River Steel and Recycling to take those products for market rates. Rates for 2020 have been around \$60.00 per ton (our cost to dispose at the Recycle center). This is still lower cost of disposing solid waste at the County transfer station at \$102 per ton. Paper is the heaviest of the recycling products. This may also benefit the city as Skagit River Steel is in Burlington and a shorter trip than the County site, which would save us at least 1 hour per day for staff and truck time. If we went this way, we could direct all other recyclables to drop off sites like ours, or customers could dispose recyclables as trash. This would require lots of training and educational information to get to the customers. This option would likely take about 4- 6 months to be fully operational. **Pros** we could save money and keep our rates lower by doing this. **Cons;** we would need to add staff to our recycling yard to help with the influx of people and materials. **Rate payers may choose to throw there recycling in the trash, which would increase our tipping fee and trucking costs.**

For every action we have a reaction in all these scenarios, except if we continue the recycling program. No matter how we slice it up we have about 800 tons of recycling material per year to go somewhere.

My recommendation: Continue the program as is and make some minor modifications such as remove glass from the recycling program in 2021. In 2022 I would recommend to have any rate payer that has additional recycling carts above one pay for those additional carts.

We have about 600 customers that have, at least one additional recycling cart and many that have three or more recycling carts. As with any service they should pay for their level of service. In regards to glass removal. It has been recommended by the state of Washington to help clean up the curbside recycling stream and it could help us make our product more attractive to other recycling processors in the future. The City of Tacoma has recently taken glass out of their recycling stream. If we move forward we can provide drop off locations for citizens to drop off their glass besides the one at our recycling yard.

1/17/2020			
Rates comparison			Notes
	Recycling	Yard waste	
Anacortes	\$11.50	\$14.05	Anacortes is weekly recycling service Est of EOW \$7.02
Mount Vernon	\$5.92	\$12.69	Mount Vernon has just recently signed a contract for curbside recycling, it is estimated that their rates could be as high as \$10-\$12 per household, begging of May of 2021
Burlington	\$4.03	\$10.51	
Skagit County	\$11.32	\$10.90	
Sedro Woolley	\$3.49	\$11.60	For 2021 we have increased the recycling rate to \$4.94

What are other cities doing with their recycling?

After contacting several of the local cities, they are all keeping their recycling programs and no one indicated any change in the near future. Anacortes said they have a 6-year contract and will honor that contract. WM continues to request price increases.

City of Burlington has been getting requests from WM for an .80 cents increase per residential account, their contract is up in 2022 and they expect to see a much higher price.

City of Mount Vernon has just renewed their contract and have another 5-7 years no change in their recycling programs but their price has gone up estimated at \$10- \$12 per cart, per rate payer.

Growth to note: Our Dept. continues to see pressure from residential growth and with the new developments being built and new proposed ones coming into the city. At any given time, there's a possibility of a couple hundred lots open for building in the next 2 plus years. Our residential trucks are at capacity and with this increased growth we will need to add a new driver as soon as early 2022 and a new or used truck by 2023 or 2024, to accommodate this growth.

Even with the added driver and the added truck we will very likely need to move to a 5-day residential pick up schedule with garbage and recycling.