CITY OF MATTAWA

COUNCIL MEETING AGENDA
September 19, 2024
5:30 P.M.

Call to Order:
Roll Call: Mayor Maria Celaya, Sun Hwang, Brian Berghout, Silvia Barajas, Tony Acosta, Alex Heredia, Fabiola Hernandez, Wendy Lopez, student liaison Yurixa Martinez

I. Additions/Approval of Agenda:

II. Public Comments:

III. Consent Agenda/Informational:

- Minutes- Council Meeting 09.05.24
- Gray & Osborne Project Summary 09.11.24
- 2024 Claims EFT & Checks Approval #20629-20653 -- $141,570.04
- 2024 Payroll EFT Approval -- $9,800.00

IV. Reports:

Mayor Report

Council Report

Police Department Report

Public Works Department Report

V. **Council, Items for Motion (Old Business):**

1. Water & Sewer GFC Study & Analysis Review

VI. **Council, Items for Motion (New Business):**

None.

VII. **Adjournment:**

CITY OF MATTAWA
COUNCIL MEETING MINUTES
September 05, 2024
5:30 PM

Call to Order/Roll Call

The council meeting was called to order by Mayor Maria Celaya at 5:30 p.m. Council members present were Sun Hwang, Silvia Barajas, Tony Acosta, Fabiola Hernandez, Wendy Lopez, student liaison Yurixa Martinez.
M/s; Acosta / Barajas motion to excuse Alex Heredia. Motion carried. (Alex came in late)
M/s; Acosta / Lopez motion to not excuse Brian Berghout. Motion carried.

Staff present – Interim Police Chief Alex Zesati, Public Works Director Juan Ledezma, City Clerk Anabel Martinez

Others present: City attorney Katherine Kenison, Hardeep Singh, Blake Rollins & other reals estate brokers.

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I. Additions/Approval of Agenda:
** M/s; Acosta / Barajas motion to add to the agenda an executive session for potential litigation and accept tonight's agenda. Motion carried.

II. Public Comments:
** Broker Blake Rollins for the Bodrero CAD Homes development said that Mattawa had a very high interest in potential buyers for new homes, there were around 270 interest buyers. He and 2 other brokers are present today to ask the city to consider reducing the utility permit fees. The council was provided with a graph indicating that Mattawa had the highest fees than any other city around them.

III. Presentations:

- **Mattawa Projects by Unity Partners**
  ** Hardeep Singh provided a PowerPoint presentation on the existing and future developments that they will be proposing to Mattawa. They are currently working on a Mattawa C-Store on the corner of SR243 & Rd. 24 SW. The proposed project features a

convenience store, a pizza place, retail space for rent and a semi-truck fueler with car fueling.
** The 2nd development will be a Mattawa affordable housing project that consists of 60 sites on a 7-acre land located on Rd. 24 SW.
** The 3rd development is a Mattawa retail center that consists of a national grocery chain, national fast-food chain, auto parts chain and a regional bank. This is also located on Rd. 24 SW.

IV. Consent Agenda/Information

- Minutes – Council Meeting 08.15.24
- Gray & Osborne Project Summary 08.28.24
- Liquor License Renewal; El Valle Markets & Lep-Re-Kon Harvest Foods #3
- 2024 Claims EFT & Checks Approval #20599-20628 -- $284,656.80
- 2024 Payroll EFT & Checks Approval #31966-31973 -- $105,753.94

** Approval of Claims, Prepaid Claims and Payroll Vouchers audited and certified by the City Clerk as required by RCW 42.24.080, and those expense reimbursement claims, certified as required by RCW 42.24.090, have been recorded on a listing which has been made available to the Council for approval and is retained for public inspection at city hall.
** As of September 5th, 2024, the Council approved payment of 2024 Claims EFT & checks approval #20599-20628 in the amount of $284,656.80, 2024 Payroll EFT & checks approval #31966-31973 in the amount of $105,753.94.

***** M/s; Acosta / Hwang motion that bills, checks, payroll, 08.15.24 meeting minutes be approved. Motion carried.***

V. Reports:

Mayor's Report

**The Women's' Justice Circle held their vigil at the catholic church as well as a soccer game.
** We are on track to work on the Mexican consulate along with the school for next summer, more information to come.

Council Report

**None.

Police Department Report

**Chief Zesati reported on the unfortunate event of a shooting that occurred in Desert Aire, Mattawa PD assisted since this was county's jurisdiction. There is additional county assistance to prevent any form of retaliation.
**Chief provided council with an updated list of calls for service report.
**Hiring update – there is a list of four applicants that need approval from the civil service. The hiring can take up to a year and a half from start to finish, that includes the academy. Currently there are two open positions.

Public Works Department Report

**The Riverview Improvements project with the complete streets funding has been completed.
**The Basketball court sidewalk on Manson Lane is essentially complete, this a combination of a Paul Lauzier grant, CBHA donations & City's TBD Fund.
**Well #2 Re-equipping is 95% complete, call for bids will be next week.
**Tomorrow is the fall clean-up event, it is open to everyone with a fee.

VI. Council, Items for Motion (Old Business):

None.

VII. Council, Items for Motion (New Business):

1. ***Bodrero Estates Development – Utilities Permit Fees***
   There was a discussion between council members and Mr. Rollins on the current rates for utility connections. The utility quote was also higher due to the property being outside the city's ULID. Katherine spoke on the legal side and said any change would require an ordinance change, but from a business perspective I would not recommend an amendment without an analysis to support the rates. The council would like to review the analysis done for the water & sewer GFC's; no action needed.

2. ***Resolution 24.09.06 Updated Community Events 2024***
   M/s; Lopez / Hernandez motion to approve. Motion carried.

3. ***Acceptance of Riverview Improvements Project (Rebid) as Completed***
   M/s; Acosta / Lopez motion to accept project as complete. Motion carried.

VIII. Executive Session 42.30.110 (i) Potential litigation
**** Session started at 6:43 pm for 15 minutes.**
**** The council reconvened at 6:58 pm.**
**** There was no decision, a minor discussion with city engineer clarifying the utility rates from the graph provided by the real estate broker.**

IX. Adjournment:

The council meeting was adjourned at 7:00 P.M. M/s; Acosta / Barajas. Motion carried.

Respectfully submitted,

Anabel Martinez, City Clerk

Maria Celaya, Mayor

Gray & Osborne/City of Mattawa Project Summary (9/11/24)

Development Projects

Hwang Subdivision – Mike Meskimen, Julio Renteria

Project Number: 21845.05/24858.03

Funded: Developer Contributions

- Preliminary subdivision approval granted
- Development agreement completed
- Completed review of construction drawings
- Completed preconstruction conference
- Part-inspection will be provided during construction

Bodrero Development – Mike Meskimen, Jamin Ankney

Project Number: 21845.07/21845.21

Funded: Developer Contributions

- Preliminary subdivision review period complete
- Completed review of construction drawings
- Completed preconstruction conference
- Currently providing inspection of ongoing construction

Transportation Projects

Government Road Multi-Use Pathway – Julio Renteria, Mike Meskimen, Russ Powers (funding)

Project Number: 21815

Funded: CDBG/City Funds (Developer Contributions)

- 10-foot-wide path from Steven Street to Mansion.
- Construction closeout ongoing
- ***Total Budget: $715,000***

Riverview Avenue Improvements

Project Number: 23844

Project Completion: July 2024

Funded: TIB/City

- Design completed
- Construction is complete
- The project was accepted as completed at the 9/5 council meeting
- ***Total Budget: $100,000***

TIB Applications – Mike Meskimen, Julio Renteria, Michael Woodkey

Project Number: OH230.42

- Applications were due August 9, 2024
- A TIB application was submitted and is under agency review

- TIB has offered the City an out-of-call project

Government Road Feasibility Study Update – Mike Meskimen, Julio Renteria, Michael Woodkey

- Cost ranges for update provided by G&O
- City to determine next steps desired
- City may budget this effort for next year

Water System Projects

Well 2 – Re-equipping Design and CA – Jamin Ankney, Steve Wagner, Jared McMeen

Project Number 22867/24846
Project Completion: August 2024
Funded: City Water Fund/Public Works Board

- Final design and construction funding for the project will be from the PWB
- A funding scope change is being processed that will increase the grant to 50%
- The final design has incorporated comments based on review by City, PWB, DOH, and building department
- The project advertised for bids on September 10 and will open bids on October 1
- ***Total Budget: $666,237***

Water System Capacity Analysis – Jamin Ankney, Jared McMeen

Project Number: 24816
Project Completion: July 2024
Funded: City Water Fund

- DOH has approved the analysis
- The City now has 1,026 approved connections
- ***Total Budget $21,000***

CDS Funding Compliance Assistance – Russ Powers, Jamin Ankney

Project Number: 24846
Project Completion: October 2024
Funded: CDS funding

- G&O is completing the paperwork for CDS funding
- Confirmation has been received that this effort will be reimbursed from the CDS funding
- ***Total Budget $7,780***

Re-equipping Well 2 Construction/Well 5/Pressure Zone Improvements – Jamin Ankney, Jared McMeen, Russ Powers (funding)

- Applied for Congressional Funding Application – Received funding
- Applied for Legislative Appropriation – Did not receive funding
- Applied to CDBG – Did not receive funding
- Applied to PWB – Received funding
- Applied to DWSRF – Received funding – terms still TBD.

- Added SCADA upgrades to funding application to DWSRF
- Based on discussion with funders PWB funding will be used for Well 2, while the rest of the project will be funded by DWSRF and CDS
- ***Total Budget: $7,200,000***

SCADA Upgrade – Jamin Ankney, Brad Bailey (Conley Engineering)

- Project Number: TBD
- Project Completion: 2025
- Funded: DWSRF
- City has had recent issues with the SCADA system and is working with Connetix to address the issues.
- Connetix provided a cost estimate for improvements for use in procuring future funding
- This project is included within the City's DWSRF funding package
- ***Total Budget: $240,000***

Future/Pending Water System Projects

Water Rights – Aspect Consulting, Jamin Ankney

- ***Total Budget: Not an active project***

Reservoir Project – Jamin Ankney, Myron Basden

- Coating Project
- Reservoir No. 1 – No need to evaluate until 2029.
- Reservoir No. 2 – Need to evaluate in 2025 for potential coating project.
- ***Total Budget: Not an active project***

Wastewater System Projects

WWTF Fire Assistance – Nancy Wetch, Russ Powers

Project Number: 20827
Project Completion: November 2023
Funded: Insurance Reimbursement/City Funds (Ecology Emergency Funding)

- Phase 1 – Blower Procurement
- Phase 2 – Building Restoration
- Phase 3 – Equipment Installation

- ***Total Budget: The total cost of the fire response, cleanup, design, construction, etc., is not completely known at this time as costs are still being assembled and approved by the insurance company.***

Initial Emergency Response (G&O does not have total cost)

Engineering:	***$414,840 (insurance will reimburse)***
Phase I:	***$93,505.84 (insurance will reimburse)***
Phase II:	***$320,864 (insurance will reimburse)***
Phase III:	***$1,189,148 (working on insurance reimbursement, City will be responsible for some costs – TBD)***

- City has all costs in hand and can proceed with closeout
- The City will still need to pay the retainage to Apollo, but can request this from the insurance now
- Apollo produced invoices for use by the City with the insurance company
- Apollo has indicated that they will address the baseboard warranty issue
- Apollo has been notified about the filtrate pump issue

WWTF Improvements Construction – Tim DeVries, Nancy Wetch, Jamin Ankney

Project Number: 19044.01
Project Completion: 2025 (for construction completion)
Funded: Ecology Water Quality Funding

- Construction is ongoing – project is generally going well
- Current schedule appears to extend beyond the allowed construction days – an updated schedule has been received and a response has been provided to the contractor
- Ecology has added the control panel upgrades to the funding agreement and a change order proposal for this work is pending
- ***Total Budget $5,883,000 (includes design, construction, construction administration)***

WWTF Solids Handling Analysis – Nancy Wetch, Jamin Ankney

Project Number: 23813
Project Completion: July 2024

- Council presentation was completed on 7/18
- Council approved a funding application to Ecology at the August 15 council meeting
- Ecology funding applications are due October 15
- ***Total Budget $24,200***

Sewer System Improvements (Portage Avenue LS Elimination) – Jamin Ankney, Justin Wies

Project Number: 24817
Project Completion: 2025
Funded: Ecology Grant/Loan

- Ecology is finalizing the funding agreement
- City has to obtained permission from property owners for survey and geotechnical exploration
- Completion of the environmental/cultural review and survey is ongoing
- City has obtained signed landowner agreements with the property owners to complete the preliminary work
- Ecology has indicated that a cultural resource survey will be required prior to ground disturbing activities
- Slight changes in the proposed route are under consideration to better serve future development in the area
- ***Total Budget $207,500***

Other Projects

RCO COAF Funding –Russ Powers, Jamin Ankney, Justin Wies

- City completed the preliminary application for RCO funding.
- The City made the preliminary list and was invited to submit a full application.
- The funding application has been submitted to RCO

Basketball Courts – Julio Renteria

Project Number 22861
Project Completion: August 2024
Funded: Foundation Grant/City

- Bids received exceed funding
- The City has signed the contract and approved the bonds
- Construction is complete
- ***Total Budget $125,000***

City Hall Feasibility Analysis – Jamin Ankney, Myron Basden

Project Number 23856
Project Completion: November 2023
Funded: City

- Electrical review was completed Monday, September 18
- Structural/HVAC review was completed Monday, October 2
- Memo report was submitted today for staff and council review prior to the November 2 council meeting.
- The 60-day due diligence period ended on November 14
- City could consider funding options for the selected alternative.
- City may consider proceeding with conceptual design to aid in future funding efforts.
- ***Total Budget $27,700***

Easement Preparation – Jamin Ankney, Larry Benson

Project Number: 24949
Project Completion: July 2024
Funded: City Funds

- City staff coordinating locations of proposed easements
- Draft easements were completed for City review and use
- ***Total Budget $2,500***

Next Meeting – September 25, 2024, 3:30 pm

ACCOUNTS PAYABLE

City Of Mattawa

Time: 16:07:13 Date: 09/16/2024

As Of: 09/19/2024

Accts Pay #	Received	Date Due	Vendor	Amount	Memo
17556	**09/19/2024**	**09/19/2024**	**3627 ANATEX LABS INC-SPOKANE**	**660.00**	**RC Samples**
534 10 41 02 Chemical Samples			401 000 534 Water Operatin	240.00	DW RC Samples
535 10 41 02 Testing Samples			405 000 535 Sewer Operatin	60.00	WWTP RC Samples
535 10 41 02 Testing Samples			405 000 535 Sewer Operatin	300.00	WWTP RC Samples
535 10 41 02 Testing Samples			405 000 535 Sewer Operatin	60.00	WWTP RC Samples
17569	**09/19/2024**	**09/19/2024**	**3639 CHICAGO TITLE COMPANY**	**1,000.00**	**Earnest Money Deposit (Troxel Property)**
599 34 89 01 Earnest Money (Troxel Pro			411 000 599 Water Capital Ir	1,000.00	Earnest Money Deposit (Troxel Property)
17541	**09/19/2024**	**09/19/2024**	**112 COLUMBIA BASIN HERALD**	**167.24**	**Ad. For SEPA DNS Well 2 Project**
534 10 41 04 Publishing			401 000 534 Water Operatin	167.24	Ad. For SEPA DNS Well 2 Project
17534	**09/19/2024**	**09/19/2024**	**108 CONSOLIDATED DISPOSAL**	**22,851.88**	**Waste Services August 2024**
537 10 33 00 Consolidated Disposal			420 000 537 Solid Waste Fu	22,851.88	Waste Services August 2024
17529	**09/19/2024**	**09/19/2024**	**199 GALL'S LLC-BLUMENTHAL UNIFORMS**	**26.98**	**MPD-Supplies**
521 22 35 00 LE Equipment/Supplies			001 000 521 Current Expens	26.98	Light Holder
17546	**09/19/2024**	**09/19/2024**	**1698 GRANT COUNTY PUD**	**1,985.04**	**Power Billing August 2024**
542 63 47 00 Street Lighting			101 000 542 Street Fund	1,802.87	Street Lights
576 80 47 00 Park Utilities			001 000 576 Current Expens	182.17	Park Lights
17557	**09/19/2024**	**09/19/2024**	**1734 GRAY & OSBORNE INC**	**53,959.15**	**Well 2 Final Design And Construction Administration Professional Services August 11-Sept 7, 2024**
594 34 41 00 Well 2 Final Design & Con			411 000 594 Water Capital Ir	53,959.15	Well 2 Final Design And Construction Administration Professional Services August 11-Sept 7, 2024
17558	**09/19/2024**	**09/19/2024**	**1734 GRAY & OSBORNE INC**	**1,718.26**	**CDS Funding Compliance Assistance Professional Services August 11-Sept 7, 2024**
534 10 41 03 Engineering Services			401 000 534 Water Operatin	1,718.26	CDS Funding Compliance Assistance Professional Services August 11-Sept 7, 2024
17559	**09/19/2024**	**09/19/2024**	**1734 GRAY & OSBORNE INC**	**4,123.18**	**Sewer System Improvements Design Professional Services August 11-Sept 7, 2024**
594 35 63 01 Lift Station Upgrade			412 000 594 Sewer Capital I	4,123.18	Sewer System Improvements Design Professional Services August 11-Sept 7, 2024

ACCOUNTS PAYABLE

City Of Mattawa

Time: 16:07:13 Date: 09/16/2024

As Of: 09/19/2024

Accts Pay #	Received	Date Due	Vendor	Amount	Memo
17560	**09/19/2024**	**09/19/2024 1734**	**GRAY & OSBORNE INC**	**1,667.78**	**Basketball Court And Parking Lot Improvements Professional Services August 11-Sept 7, 2024**
	594 76 41 00 2022 Paul Lauzier Grant - I		001 000 594 Current Expens	1,667.78	Basketball Court And Parking Lot Improvements Professional Services August 11-Sept 7, 2024
17561	**09/19/2024**	**09/19/2024 1734**	**GRAY & OSBORNE INC**	**180.95**	**Our Lady Of The Desert CUP Professional Services August 11-Sept 7, 2024**
	518 30 49 01 Engineering Services		001 000 518 Current Expens	180.95	Our Lady Of The Desert CUP Professional Services August 11-Sept 7, 2024
17562	**09/19/2024**	**09/19/2024 1734**	**GRAY & OSBORNE INC**	**539.57**	**Celestinos Final Plat Professional Services August 11-Sept 7, 2024**
	518 30 49 01 Engineering Services		001 000 518 Current Expens	539.57	Celestinos Final Plat Professional Services August 11-Sept 7, 2024
17563	**09/19/2024**	**09/19/2024 1734**	**GRAY & OSBORNE INC**	**539.57**	**Pavon Final Plat Professional Services August 11-Sept 7, 2024**
	518 30 49 01 Engineering Services		001 000 518 Current Expens	539.57	Pavon Final Plat Professional Services August 11-Sept 7, 2024
17564	**09/19/2024**	**09/19/2024 1734**	**GRAY & OSBORNE INC**	**271.43**	**Development- Gas Station Professional Services August 11-Sept 7, 2024**
	518 30 49 01 Engineering Services		001 000 518 Current Expens	271.43	Development- Gas Station Professional Services August 11-Sept 7, 2024
17565	**09/19/2024**	**09/19/2024 1734**	**GRAY & OSBORNE INC**	**782.10**	**Electrical Support Water/sewer SystemProfessional Services August 11-Sept 7, 2024**
	534 10 41 03 Engineering Services		401 000 534 Water Operatin	391.05	Electrical Support Water/sewer SystemProfessional Services August 11-Sept 7, 2024
	535 10 41 01 Engineering Services		405 000 535 Sewer Operatin	391.05	Electrical Support Water/sewer SystemProfessional Services August 11-Sept 7, 2024
17566	**09/19/2024**	**09/19/2024 1734**	**GRAY & OSBORNE INC**	**904.75**	**CAD Home Professional Services August 11-Sept 7, 2024**
	518 30 49 01 Engineering Services		001 000 518 Current Expens	904.75	CAD Home Professional Services August 11-Sept 7, 2024

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17567	**09/19/2024**	**09/19/2024**	**1734 GRAY & OSBORNE INC**	**723.80**	**Hwnag Subdivision Professional Services August 11-Sept 7, 2024**
	518 30 49 01 Engineering Services		001 000 518 Current Expens	723.80	Hwnag Subdivision Professional Services August 11-Sept 7, 2024
17568	**09/19/2024**	**09/19/2024**	**1734 GRAY & OSBORNE INC**	**4,076.31**	**WWTF Improvement CA Professional Services August 11-Sept 7, 2024**
	594 35 41 00 WWTF Improvements Proj		412 000 594 Sewer Capital I	4,076.31	WWTF Improvement CA Professional Services August 11-Sept 7, 2024
17547	**09/19/2024**	**09/19/2024**	**3731 INLAND ENVIROMENTAL RESOURCES INC**	**813.00**	**Mag. Feed System**
	535 10 48 02 Sewer Plant Maintenance		405 000 535 Sewer Operatin	813.00	Mag. Feed System
17530	**09/19/2024**	**09/19/2024**	**286 KENISON P.S, KATHERINE L.**	**6,340.00**	**Legal Fees August 2024**
	515 41 41 00 Legal Fees		001 000 515 Current Expens	6,340.00	Legal Fees August 2024
17537	**09/19/2024**	**09/19/2024**	**271 KOTTKAMP & YEDINAK PLLC LLC**	**700.00**	**CAD Homes FInal Plat Aproval- Review File Materials**
	558 60 41 00 Planning-Zoning & Land U		001 000 558 Current Expens	700.00	Review File Materials- FInal Plat Aproval CAD Homes
17538	**09/19/2024**	**09/19/2024**	**271 KOTTKAMP & YEDINAK PLLC LLC**	**700.00**	**Our Lady Of The Desert- Public Hearing/ Review Staff Report/ Draft Decision**
	558 60 41 00 Planning-Zoning & Land U		001 000 558 Current Expens	700.00	Our Lady Of The Desert- Public Hearing/ Review Staff Report/ Draft Decision
17539	**09/19/2024**	**09/19/2024**	**271 KOTTKAMP & YEDINAK PLLC LLC**	**700.00**	**S4 Retail- CUP-Public Hearing/ Review Staff Report/ Draft Decision**
	558 60 41 00 Planning-Zoning & Land U		001 000 558 Current Expens	700.00	S4 Retail- CUP-Public Hearing/ Review Staff Report/ Draft Decision
17540	**09/19/2024**	**09/19/2024**	**271 KOTTKAMP & YEDINAK PLLC LLC**	**700.00**	**S4 Retail-Variance- Public Hearign/ Review Staff Report/ Draft Decision**
	558 60 41 00 Planning-Zoning & Land U		001 000 558 Current Expens	700.00	S4 Retail-Variance- Public Hearign/ Review Staff Report/ Draft Decision
17555	**09/19/2024**	**09/19/2024**	**1193 MARTY'S HARDWARE**	**1,080.13**	**Parts/Supplies**
	514 23 31 02 Office Supplies		001 000 514 Current Expens	7.58	Ant Spray

Accts Pay #	Received	Date Due	Vendor		Amount	Memo
	514 23 31 02 Office Supplies		001 000 514 Current Expens		36.61	Ants Corner Seal
	518 70 31 00 Other Supplies And Furnitu		001 000 518 Current Expens		2.16	Nails
	518 70 31 00 Other Supplies And Furnitu		001 000 518 Current Expens		13.53	Wood Stainable
	518 70 31 00 Other Supplies And Furnitu		001 000 518 Current Expens		-14.90	Refund Corner Iron
	521 20 31 00 Office Supplies		001 000 521 Current Expens		16.80	Batteries-MPD
	534 10 31 01 Operating Supplies		401 000 534 Water Operatin		29.26	Blade
	534 10 31 01 Operating Supplies		401 000 534 Water Operatin		61.73	Mark Paint
	534 10 48 01 Meter Installations		401 000 534 Water Operatin		2.49	Nails
	534 10 48 03 System Repair & Maintenai		401 000 534 Water Operatin		27.41	Pipe
	534 10 48 03 System Repair & Maintenai		401 000 534 Water Operatin		242.77	Nipples/elbows/adapters
	534 10 48 03 System Repair & Maintenai		401 000 534 Water Operatin		36.82	Nipples
	534 10 48 03 System Repair & Maintenai		401 000 534 Water Operatin		53.62	Gate Valve/heat Gasket /Connectors
	535 10 31 00 Office Supplies		405 000 535 Sewer Operatin		161.47	Wrench Set/ Staples/diver Set
	535 10 48 02 Sewer Plant Maintenance		405 000 535 Sewer Operatin		8.50	Nails
	535 10 48 02 Sewer Plant Maintenance		405 000 535 Sewer Operatin		10.29	Fem Coupling
	535 10 48 02 Sewer Plant Maintenance		405 000 535 Sewer Operatin		17.40	Propane
	537 50 48 00 Clean-up Events		420 000 537 Solid Waste Fu		7.58	Duct Tape
	542 30 48 00 City Street Maintenance		101 000 542 Street Fund		4.87	Wd Handle
	542 30 48 00 City Street Maintenance		101 000 542 Street Fund		91.57	Roller Frame/ Plas Lid/roller Cover/DPWl Plastic
	542 30 48 00 City Street Maintenance		101 000 542 Street Fund		46.57	Red Chalt
	542 30 48 00 City Street Maintenance		101 000 542 Street Fund		49.85	Sealer
	576 80 31 00 Park Supplies		001 000 576 Current Expens		58.48	Strip Paint
	576 80 31 00 Park Supplies		001 000 576 Current Expens		16.89	Aero Coating
	576 80 48 00 Park Maintenance		001 000 576 Current Expens		10.83	Marking Paint
	576 80 48 00 Park Maintenance		001 000 576 Current Expens		8.66	Cart Fuse
	576 80 48 00 Park Maintenance		001 000 576 Current Expens		14.09	Nails
	576 80 48 00 Park Maintenance		001 000 576 Current Expens		13.00	Trimmer Line
	576 80 48 00 Park Maintenance		001 000 576 Current Expens		10.83	Marking Paint
	576 80 48 00 Park Maintenance		001 000 576 Current Expens		17.34	Pulsating Sprinkler
	576 80 48 00 Park Maintenance		001 000 576 Current Expens		13.00	Trimmer
	576 80 48 01 Vehicle Repair & Maintena		001 000 576 Current Expens		3.03	Pipe Fiting
17543	**09/19/2024**	**09/19/2024**	**2840**	**MATTAWA AUTO PARTS, LLC**	**106.46**	**Parts/Supplies**
	534 10 48 03 System Repair & Maintenai		401 000 534 Water Operatin		33.99	Hose Clamp
	535 10 48 03 Vehicle Repair / Maintenan		405 000 535 Sewer Operatin		72.47	Column Shift Tube
17552	**09/19/2024**	**09/19/2024**	**1900**	**MATTAWA TIRE SERVICES LLC**	**595.08**	**Fall Clean Up- Tire Disposal**
	537 50 41 00 Spring Clean Up		420 000 537 Solid Waste Fu		595.08	Fall Clean Up- Tire Disposal
17553	**09/19/2024**	**09/19/2024**	**1900**	**MATTAWA TIRE SERVICES LLC**	**282.11**	**PW- Vehicle Maints.**

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	535 10 48 03 Vehicle Repair / Maintenan		405 000 535 Sewer Operatin	27.55	PW- Vehicle Maints.
	537 50 41 00 Spring Clean Up		420 000 537 Solid Waste Fu	254.56	PW- Vehicle Maints.
17549	**09/19/2024**	**09/19/2024 625**	**NORCO**	**29.18**	**Cylinder Rental**
	534 10 31 01 Operating Supplies		401 000 534 Water Operatin	29.18	Cylinder Rental
17554	**09/19/2024**	**09/19/2024 494**	**OVS**	**677.43**	**Parts/Supplies**
	576 80 48 00 Park Maintenance		001 000 576 Current Expens	677.43	Parts/Supplies
17536	**09/19/2024**	**09/19/2024 2729**	**QUADIENT FINANCE USA INC.**	**217.80**	**Postage Machine Lease Sept 28- Dec 4, 2024**
	591 14 70 00 Postage Machine Lease - C		001 000 591 Current Expens	43.56	Postage Machine Lease Sept 28- Dec 4, 2024
	591 21 70 02 Postage Machine Lease - Pl		001 000 591 Current Expens	43.56	Postage Machine Lease Sept 28- Dec 4, 2024
	591 34 70 00 Postage Machine Lease - P'		401 000 591 Water Operatin	43.56	Postage Machine Lease Sept 28- Dec 4, 2024
	591 35 70 01 Postage Machine Lease - P'		405 000 591 Sewer Operatin	43.56	Postage Machine Lease Sept 28- Dec 4, 2024
	591 37 70 00 Postage Machine Lease - P'		420 000 591 Solid Waste Fu	43.56	Postage Machine Lease Sept 28- Dec 4, 2024
17542	**09/19/2024**	**09/19/2024 3786**	**RIVERSIDE COLLISION LLC**	**8,814.44**	**MPD-2023 Ford F-150 Repair**
	521 20 48 00 Vehicle Repair And Mainte		001 000 521 Current Expens	8,814.44	MPD-2023 Ford F-150 Repair
17531	**09/19/2024**	**09/19/2024 3416**	**SCJ ALLIANCE**	**1,438.88**	**Climate And Resiliency Element Period August 3-August 30, 2024**
	558 60 41 04 Mattawa Climate & Resilie		001 000 558 Current Expens	1,438.88	Climate And Resiliency Element Period August 3-August 30, 2024
17532	**09/19/2024**	**09/19/2024 3416**	**SCJ ALLIANCE**	**9,635.25**	**Planning Services Period August 3-August 30, 2024**
	558 60 41 00 Planning-Zoning & Land U		001 000 558 Current Expens	9,635.25	Planning Services Period August 3-August 30, 2024
17535	**09/19/2024**	**09/19/2024 3405**	**STERICYCLE INC**	**148.41**	**Shredding Services 7/26/2024**
	518 30 49 14 Professional Services		001 000 518 Current Expens	74.21	Shredding Services 7/26/2024
	521 10 49 00 Professional Services		001 000 521 Current Expens	74.20	Shredding Services 7/26/2024
17533	**09/19/2024**	**09/19/2024 554**	**U.S. BANK MUN INV. ACCOUNT**	**26.00**	**Bank Fees August 2024**
	514 23 41 01 Banking And Visa/Mercha		001 000 514 Current Expens	26.00	Bank Fees August 2024
17550	**09/19/2024**	**09/19/2024 613**	**UTILITIES UNDERGROUND**	**2.64**	**Excavation Notifications(2)**
	534 10 31 01 Operating Supplies		401 000 534 Water Operatin	2.64	Excavation Notifications(2)
17551	**09/19/2024**	**09/19/2024 3362**	**VISION MUNICIPAL SOLUTIONS LLC**	**2,444.05**	**WWTP Computer**

ACCOUNTS PAYABLE

City Of Mattawa

Time: 16:07:13 Date: 09/16/2024

As Of: 09/19/2024

Accts Pay #	Received	Date Due	Vendor	Amount	Memo
	535 10 48 01 Computer Support/Mainten		405 000 535 Sewer Operatin	2,444.05	WWTP Computer
17545	**09/19/2024**	**09/19/2024 143**	**WA STATE DEPT OF ECOLOGY**	**7,000.00**	**Lake Rossevelt Water Lease**
	534 10 40 00 Columbia River Water Righ		401 000 534 Water Operatin	7,000.00	Lake Rossevelt Water Lease
17544	**09/19/2024**	**09/19/2024 150**	**WA STATE DEPT OF HEALTH**	**1,984.00**	**Project And Plan Review Submital #24-0810**
	594 34 63 03 Well #2 Rehabilitation & R		401 000 594 Water Operatin	1,984.00	Project And Plan Review Submital #24-0810
17548	**09/19/2024**	**09/19/2024 2957**	**WASTE MANAGEMENT**	**144.19**	**WWTF Garbage Container**
	535 10 47 00 Utilities		405 000 535 Sewer Operatin	144.19	WWTF Garbage Container

Report Total: 140,757.04

Fund	
001 Current Expense Fund	35,232.46
101 Street Fund	1,995.73
401 Water Operating Fund	12,064.02
405 Sewer Operating Fund	4,553.53
411 Water Capital Improvement	54,959.15
412 Sewer Capital Improvement	8,199.49
420 Solid Waste Fund	23,752.66

This report has been reviewed by: Anabel Martinez 9/16/24

Anabel Martinez - City Clerk — Date

REMARKS:

CITY OF MATTAWA

GRANT COUNTY WASHINGTON

WATER AND SEWER GENERAL FACILITY CHARGE STUDY

G&O #16048
OCTOBER 2016

Gray & Osborne, Inc.
CONSULTING ENGINEERS

CITY OF MATTAWA

GRANT COUNTY **WASHINGTON**

WATER AND SEWER GENERAL FACILITY CHARGE STUDY

11-9-2016

G&O #16048
OCTOBER 2016

Gray & Osborne, Inc.
CONSULTING ENGINEERS

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

APPENDICES

CHAPTER 1

GENERAL FACILITY CHARGE

INTRODUCTION

Gray & Osborne, Inc. was retained by the City of Mattawa (City) to perform a general facilities charge (GFC) analysis for its water and sewer utilities. A GFC is also commonly referred to as a connection charge or system development charge. Cities, per RCW 35.92.025 are authorized to charge property owners seeking to connect to the water or sewer system as a condition of granting the right to connect to the system. The legislative body of the City shall determine the property owner equitable share of the system.

Chapter 1 presents the background and legal overview on how the City may determine the GFC charge. Chapter 2 and 3 develops the GFC for the water system and sewer system respectively. This report develops the legal maximum amount GFC that the City can charge to new connections. The City can decide to utilize a lower GFC charge.

It should be recognized that GFCs are only one aspect of a utility's total source of revenue. The final determination of appropriate GFCs should also consider the impact of rates and contributions in aid of development in meeting a community's long-term goals for system development and financial viability. Other considerations include the condition of existing facilities, anticipated repair and replacement costs, the timing and need for additional system capacity, and the benefits associated with system growth (e.g. economy of scale). This analysis, in order to provide the City with the utmost flexibility regarding long-term planning, provides the maximum GFC amounts for consideration by the City. The City may, however, decide to implement lower GFCs.

OVERVIEW

The Revised Code of Washington (RCW) addresses some aspects of how a GFC may be determined. However, GFCs are determined primarily based on practices that have been upheld by State courts and industry standards (e.g. American Water Works Association). RCW 35.92.025, which authorizes cities and towns to charge for connecting to a water and sewer system states the following:

> "Cities and towns are authorized to charge property owners seeking to connect to the water or sewerage system of the city or town as a condition to granting the right to so connect, in addition to the cost of such connection, such reasonable connection charge as the legislative body of the city or town shall determine proper in order that such property owners shall bear their equitable share of the cost of such system. The equitable share may include interest charges applied

> from the date of construction of the water or sewer system until the connection, or for a period not to exceed ten years, at a rate commensurate with the rate of interest applicable to the city or town at the time of construction or major rehabilitation of the water or sewer system, or at the time of installation of the water or sewer lines to which the property owner is seeking to connect but not to exceed ten percent per year: PROVIDED, That the aggregate amount of interest shall not exceed the equitable share of the cost of the system allocated to such property owners. Connection charges collected shall be considered revenue of such system."

RCW 57.08.005, which addresses connection charges for special purpose districts, also specifically allows districts to charge a pro-rata share of the cost of future facilities planned in the next ten years. An opinion provided by Foster, Pepper, and Shefelman, PLLC concluded that cities might also include costs of future facilities intended to serve growth. Therefore, this analysis includes a pro-rata share of planned facilities in addition to existing facilities as part of the equitable share allowed by RCW 35.92.025.

Under RCW 57.08.005 that covers special districts are <u>not</u> allowed to include costs associated with facilities that are funded from grants/donations. In 1999, the Washington State Supreme Court ruled in the case of Landmark Development, Inc. versus the City of Roy that cities and towns <u>may</u> include costs associated with facilities funded wholly or in part by grants/donations when calculating a connection charge. Therefore, this analysis includes the costs of all existing facilities that will benefit future customers, regardless of how these assets were funded.

The general facility charges (GFCs) calculated herein include a pro-rata share of the cost of existing facilities (existing facility component) and a pro-rata share of planned facilities (future facility component). The existing facility component is based on the cost of existing assets that are determined to benefit future customers. The future facility component contributes towards the cost of capital improvements needed to serve customers in the future and is intended to minimize the impact on existing customers to fund the construction of facilities that may only be required for growth.

GFCs for water and wastewater connections are calculated in terms of dollars per equivalent residential unit, or ERU. The term ERU is used to convert non-residential (e.g. commercial) customers into an equivalent number of residential units based on water flow or wastewater flow from a single-family residence.

EXISTING CHARGES

The City does not have a general facility charge. The City has a connection charge which is the cost to install the meter or the side sewer. The connection charge is as follows:

- The sewer connection fee is $1,000 plus any associated costs. The typical actual sewer connection fee is approximately $2,000 ($1,000 + $1,000 in actual cost).
- The water connection fee is $1,000 plus actual cost for parts and materials plus 15 percent, actual cost for labor plus 10 percent and hourly rental rates for machine rental. The typical actual total connection fee is approximately $3,000 ($1,000 + $2000 in actual costs).

Since the City includes the actual cost for the connection the $1,000 connection fee could be consider a GFC charge. Since the City is going to implement a GFC, the basic connection fee will be reduced to a smaller administration charge of $350.

EXISTING SYTEM CONSTRUCTION

The most of the water mains for the water system were constructed by a utility local improvement district (ULID) in 1995. The wells, reservoirs and transmission main to Reservoir 2 were not constructed by the ULID. The ULID financing was for a 30-year term. Figure 1-1 presents the water system ULID boundary.

The sewer system and the wastewater treatment facility were constructed by a ULID in 1999. The biosolids improvement in 1997 is the one improvement not constructed by the ULID. The ULID financing was for a 30-year term. Figure 1-2 presents the sewer ULID boundary.

The ULIDs constructed and financed a significant portion of the existing system. The City has determined that is not equitable to charge the property owners inside of the ULID existing system facility charges for items that were funded by the ULID. These property owners have already paid a charge similar to a GFC and should not be charged twice for the existing facilities constructed by the ULID. The City will have a separate facility charge for properties that are part of the ULID that will not include existing facilities constructed by the ULID. In addition, the City desires to create an incentive to infill the existing area by charging a lower GFC charge in the ULID area.

INVENTORY OF SYSTEM FACILITIES

The initial step in the analysis is to develop an inventory of existing system facilities and to estimate their original cost. In compiling the inventory, a list of all major facilities was assembled, including piping systems. As part of the documentation, major facility parameters (reservoir capacity, pipe length, etc.) and installation dates for each facility were identified.

This inventory of the City's utility infrastructure is based on existing inventories, a review of current and past comprehensive plans, and conversations with City staff. During this process, all known original facility costs were documented. Those costs that were not sufficiently documented were estimated. The standard methodology used to estimate original costs throughout the analysis is:

1. Identify the facility's capacity and installation date;
2. Determine a relationship between capacity and construction cost;
3. Estimate the construction cost for replacing the facility;
4. Estimate the engineering, construction management, and administrative costs;
5. Estimate the total replacement cost in today's dollars;
6. Adjust the replacement cost to an estimated original cost using historical construction cost indices.
7. Assign facilities cost to inside and outside of ULID.

Construction costs include local sales tax (8.1%). Engineering, construction management, and administrative costs (25%) are added to the construction cost to yield the replacement cost. Inflation factors utilized in this analysis are from the *Engineering News Record* Construction Cost Index (CCI). CCIs are reported monthly and this analysis utilizes the average CCI during each year. Appendix A provides the average CCIs for the years 1908 through 2016.

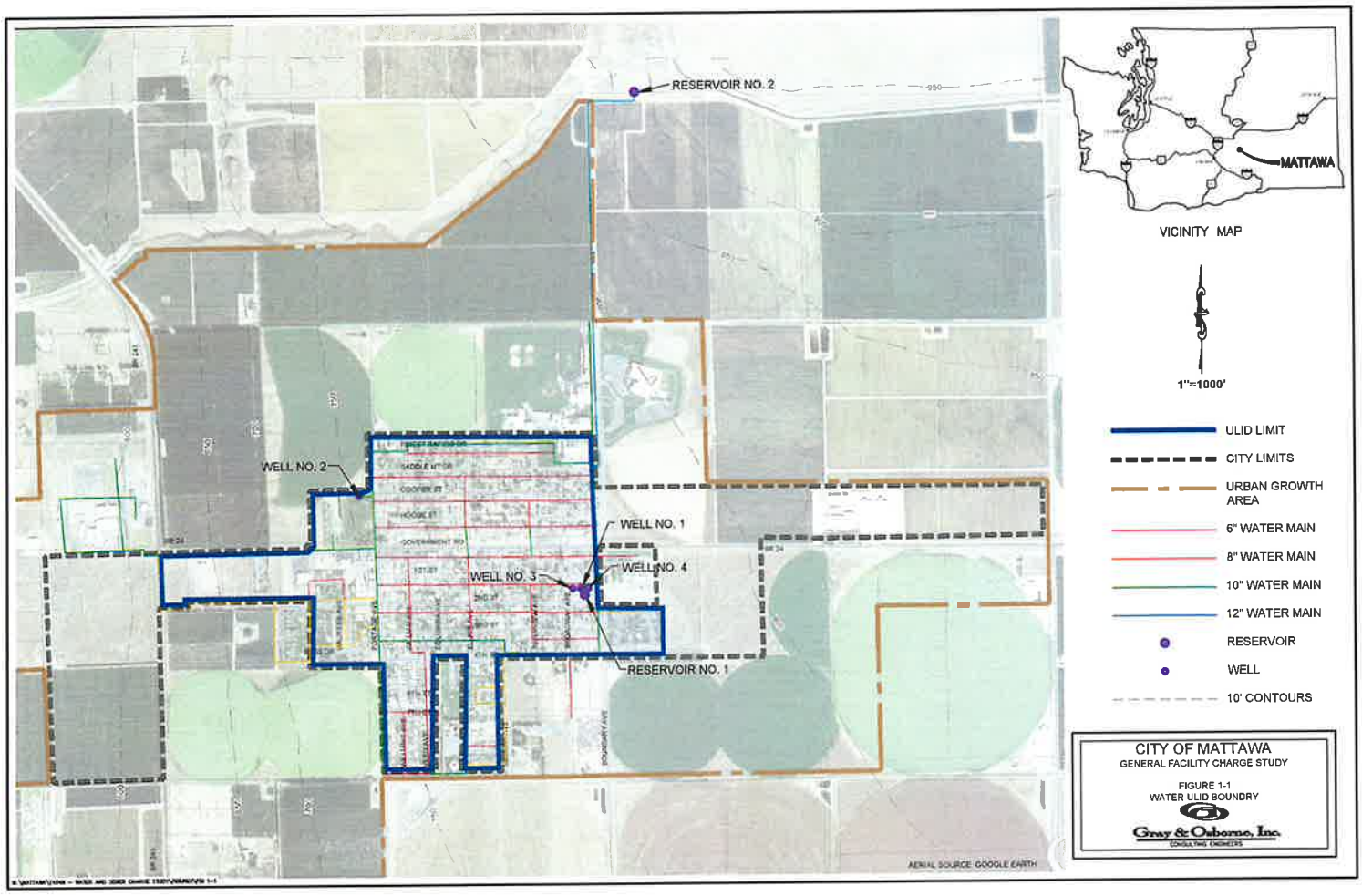
All existing facilities are useful to all existing customers whether inside of the ULID or outside of the ULID. However, the customers inside of the ULID have already paid a portion and are continuing to pay a portion of the existing facilities. Therefore, the existing facilities cost assigned to the connection inside of the ULID are only a portion of total system costs.

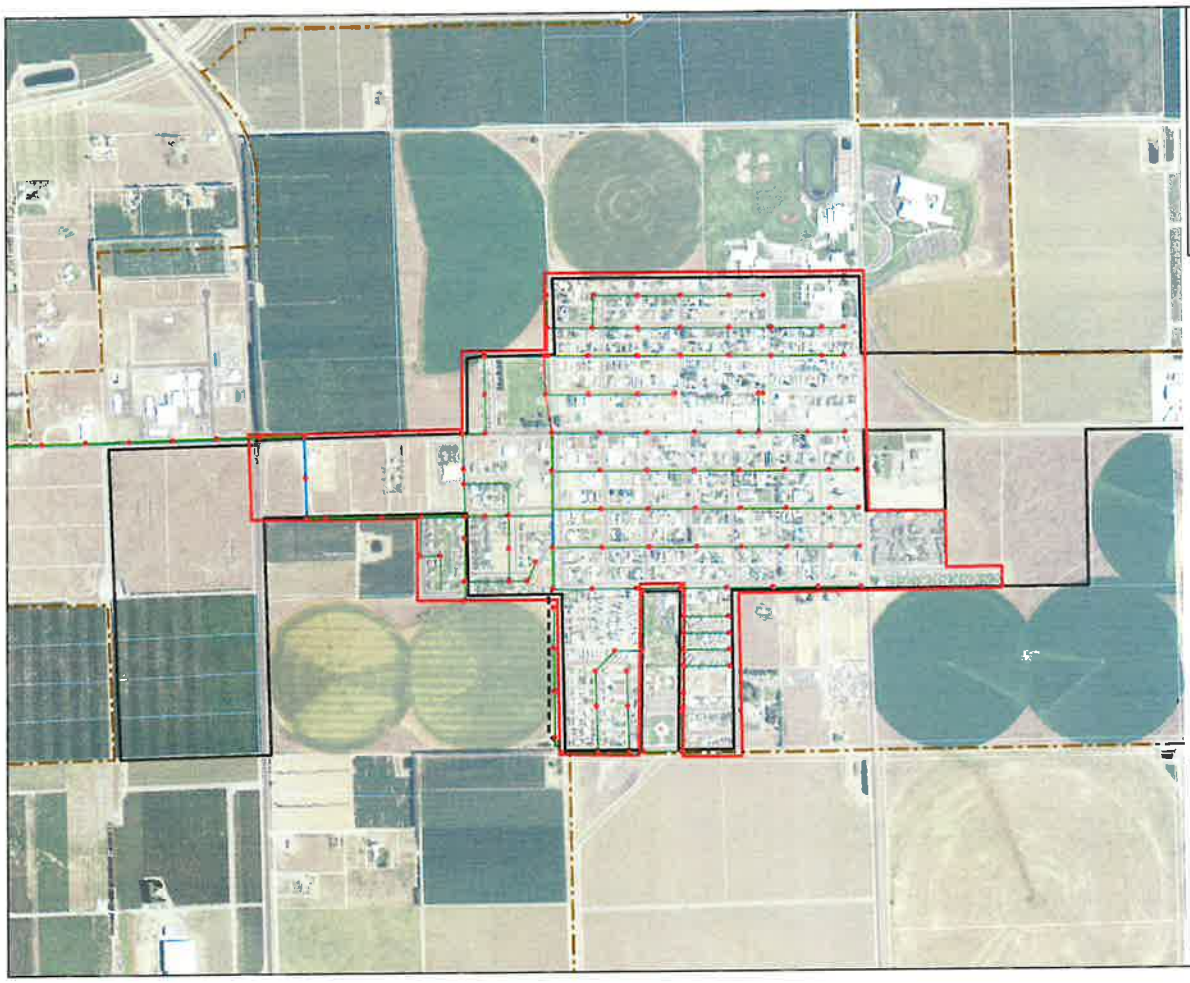
Appendix A also presents the typical municipal bond interest rates for 1947 through 2016.

PLANNING DOCUMENTS

This analysis utilizes information regarding capital projects and growth projections from the City's most current comprehensive plan and recent analyses performed by Gray & Osborne, Inc. The following planning documents were utilized to complete the GFC analyses:

- City of Mattawa Water System Plan, September 2014, Gray & Osborne Inc.


RESERVOIR NO. 2
WELL NO. 2
WELL NO. 1
WELL NO. 3
WELL NO. 4
RESERVOIR NO. 1
MATTAWA
VICINITY MAP
1"=1000'
ULID LIMIT
CITY LIMITS
URBAN GROWTH AREA
6" WATER MAIN
8" WATER MAIN
10" WATER MAIN
12" WATER MAIN
RESERVOIR
WELL
10' CONTOURS
CITY OF MATTAWA
GENERAL FACILITY CHARGE STUDY
FIGURE 1-1
WATER ULID BOUNDRY
Gray & Osborne, Inc.
CONSULTING ENGINEERS
AERIAL SOURCE: GOOGLE EARTH


SEATTLE
SPOKANE
OLYMPIA
MATTAWA
VICINITY MAP
N
0
400
800
1,600
Feet
1 " = 800 '
Legend
SEWER MANHOLE
ULID BOUNDARY
URBAN GROWTH AREA
CITY LIMITS
PARCELS
6-INCH FORCE MAIN
PIPE DIAMETER:
8-INCH
10-INCH
12-INCH
15-INCH
18-INCH
21-INCH
24-INCH
CITY OF MATTAWA
GENERAL FACILITY CHARGE
FIGURE 1-2
SEWER ULID BOUNDARY
Gray & Osborne, Inc.
M:\MATTAWA\16048 - Water and Sewer Charge Study\GIS\sewer_ulid_boundary.mxd

- City of Mattawa Draft Wastewater Facility Plan 2016, Gray & Osborne, Inc.
- Town of Mattawa, Proposed Wastewater Treatment Facilities Plan Supplement 1997, Hammond Collier Wade Livingston, Associates, Inc.

Additional financial data used in the calculation of the GFCs was provided by the City based on 2015 end of year records.

CHAPTER 2

WATER GENERAL FACILITY CHARGE

INTRODUCTION

This chapter outlines the calculation of the general facility charge, or GFC, for the City's water utility. Significant portion of the existing facilities were constructed with ULID financing in 1995. The City will develop two GFC charges for inside and outside of the ULID as discussed in Chapter 1.

EQUIVALENT RESIDENTIAL UNITS (ERUS)

Equivalent residential units (ERUs) are a unit of measure that relates non-residential water usage and sewage flows to that of the average single family residence. For example, if a commercial customer uses 4 times as much water as a single family customer, it is equivalent to 4 ERUs.

For the City of Mattawa a water ERU is 767 gpd of water consumed according to the *Water System Plan.*

The City's *Water System Plan* projects ERUs from 2013 through 2026. For purposes of the GFC analysis, the number of ERUs in 2016 and 2026 are necessary. The *Water System Plan* projects a growth rate of 1.43 percent per year. Per the City's planning consultant, Darryl Piercy, the current annual current growth rate used for planning purposes (1.43%) is expected to increase in the City's 2017 comprehensive plan to approximately 1.7 percent annually, which will be used for the projected growth rate. Table 2-1 presents the water system ERUs per the *Water System Plan,* updated to 2016 for actual population, and utilizing 1.7 percent annual growth rate.

TABLE 2-1

Water System ERUS

Category	2012	2016	2026
Population	4,495 (1)	4,625 (1)	5,474 (4)
ERU	888 (2)	914 (3)	1,082 (4)

(1) Population per Office of Financial Management.
(2) 2012 ERU per the *Water System Plan.*
(3) 2016 ERU increased proportionately to the population increase from 2012 to 2016.
(4) 2026 projected population and ERU increased at 1.7 percent per year from 2016.

EXISTING FACILITY COMPONENT OF THE WATER GFC

The City's existing facilities include wells, reservoirs, and water mains. Table 2-2 summarizes the 2016 replacement cost for the water utility for all existing facilities that are not scheduled for replacement in the next ten years. Table 2-2 also presents the replacement costs that are allocated to the ULID. A list of facilities with costs is provided in Appendix B.

TABLE 2-2

Water System Replacement Cost Summary (1)

Water Facility	Total System (2)	ULID (3)
Wells	$3,434,000	$3,434,000
Reservoirs	$2,886,000	$2,886,000
Water Mains	$6,849,000	$516,000
Total	**$13,169,000**	**$6,836,000**

(1) See Appendix B for inventory and cost summary.
(2) Total system is the replacement cost for the entire system.
(3) ULID is the replacement cost for the components that were not constructed by the ULID.

Table 2-3 summarizes the original cost for the water utility for all existing facilities that are not scheduled for replacement in the next ten years.

TABLE 2-3

Water System Original Cost Summary (1)

Water Facility	Total System (2)	ULID (3)
Wells	$2,014,000	$2,014,000
Reservoirs	$1,747,000	$1,747,000
Water Mains	$3,858,000	$292,000
Total	**$7,619,000**	**$4,053,000**

(1) See Appendix B for inventory and cost summary.
(2) Total system is the replacement cost for the entire system.
(3) ULID is the replacement cost for the components that were not constructed by the ULID.

As allowed by the RCW, up to ten years of interest charges may be included. To determine an equitable share for each customer, the total amount of outstanding debt is subtracted since annual debt service will be paid for through monthly service rates by existing and future customers as they join the system.

Table 2-4 lists all outstanding debts associated with the water utility and the total outstanding principal owed as of the end of 2015. The debt can be allocated to both the total system and the ULID.

TABLE 2-4

Outstanding Water Utility Debt Principals (1)

Outstanding Debts	System Debt
Columbia Bank	$667,000
Total	**$667,000**

(1) This data was provided by the City and is based on total debt principal outstanding as of end of year 2015.

As specified in the RCW, an interest rate applicable at the time of construction can be used in calculating the ten years of interest charges. Appendix B calculates the ten years of interest payments for all facilities for the interest rate for the year constructed assuming a loan term of 20 years. Table 2-5 shows the accumulated interest payments to build the existing facilities. The interest was calculated on the amount of the project that was not grant funded.

TABLE 2-5

Accumulated Water Utility Interest Charges (1)

	Total System	ULID
Total Accumulated Interest	$3,754,000	$1,923,000

(1) Based on municipal interest rate at time of construction (maximum 10%). Interest is ten years of interest for a 20-year term loan. Assumes that 50 percent of water mains constructed in 1995 were grant funding at 0 percent interest.
(2) Total system interest charge is the amount of interest that can be allocated to the total system.
(3) ULID system interest charge is the amount of interest that can be allocated to the ULID.

Table 2-6 details the total costs included in the existing facility component of the GFC after existing assets are adjusted for outstanding debt and accumulated interest charges.

TABLE 2-6

Total Amounts Included in the Existing Facility Component of the Water GFC (1)

Adjustments to Costs Included in GFC	Total System	ULID
Total Original Costs	$7,619,000	$4,053,000
Plus 10 Years Accumulated Interest	$3,754,000	$1,923,000
Less Outstanding Debt	($667,000)	($667,000)
Total Costs Included in GFC	**$10,706,000**	**$5,309,000**

(1) From Tables 2-3 to 2-5.

The pro-rata share of the original cost of existing facilities (the existing facility component) is determined by dividing the cost of existing utility assets that will benefit future customers by the number of existing ERUs. Table 2-7 determines the GFC cost per ERU.

TABLE 2-7

Existing Facility Component of the Water GFC

Area	Existing Facility Costs Included in GFC (1)	No. of ERUs (2)	GFC ($/ERU) (3)
Outside ULID (4)	$10,706,000	914	$11,713
Inside ULID	$5,309,000	914	$5,809

(1) From Table 2-6.
(2) From Table 2-1 for 2016.
(3) GFC = Existing Facility Cost Included in GFC / No. of ERUs.
(4) Based on total system existing facilities.

FUTURE FACILITY COMPONENT OF THE WATER GFC

A GFC may also include a pro-rata share of the cost of facilities planned within the next ten years. Table 2-8 lists capital improvements by costs for all water projects considered for inclusion in the GFC. The projects listed in Table 2-8 are based on those projects as listed in the 2014 *Water System Plan*, but have been updated to remove those projects that have been completed, are no longer planned to be constructed within ten years, or planned to be constructed by a developer. Some other projects identified in the *Water System Plan* were also not included because they are associated with maintenance (e.g. reservoir cleaning).

TABLE 2-8

Planned Facilities Included in the Future Facility Component of the Water GFC

Water Utility Improvements	2016 Costs
Automatic Meter Reading Project	$160,000
Total	**$160,000**

Table 2-9 presents the future facility component of the GFC based on total improvement costs in Table 2-8 and the number of projected ERUs in the year 2026.

TABLE 2-9

Future Facility Component of the Water GFC

Future Facility Costs (1)	Projected ERUs in 2026 (2)	GFC ($/ERU)
$160,000	1,082	$148

(1) From Table 2-8
(2) Number of ERUs from Table 2-1 for 2026.

MAXIMUM WATER GENERAL FACILITY CHARGES

Table 2-10 lists the maximum supportable GFCs.

TABLE 2-10

Maximum Water Utility GFCs

Water GFCs	Outside of ULID GFC ($/ERU)	Inside of ULID GFC ($/ERU)
Existing Facility Component	$11,713	$5,809
Future Facility Component	$148	$148
Total GFC (maximum)	**$11,861**	**$5,956**

The calculated GFC presented is the maximum amount that the City may charge new customers; however the City may elect to adopt a lower GFC in consideration of local market forces or City policies in regard to community economic development. The City's current connection charge (cost to install meter) is $1,000 per connection plus actual costs.

Table 2-11 presents water connection charges (cost to install meter) and GFCs for various other cities and districts in Eastern Washington. Comparing total cost to connection to

the water system allows an equivalent comparison between systems. The total cost of connection to the systems range from $990 for the City of Wenatchee to $7,501 for the City of Chelan. The three nearest water systems (Royal City, George and Desert Aire) have an average total connection charge of at least $3,572.

TABLE 2-11

Water GFCs for Other Jurisdictions (2016)

Jurisdiction	Connection [4]	GFC	Total
City of Chelan Uplake	[1]	$7,501	$7,501
Chelan PUD Chelan Falls System	$3,760	$2,950	$6,710
City of Chelan Downtown (CRIDWS)	[1]	$4,122	$4,122
Chelan PUD District Systems	$3,760	$2,372	$6,132
Lake Chelan Reclamation District	$750	$4,900	$5,650
City of Moses Lake [2]	$670	$1,093 to 4,495	$1,763 to 5,165
City of Chelan Downtown	[1]	$4,955	$4,955
City of George	$143 [3]	$3,500	$3,643
Royal City	$850	$2,700	$3,550
Ellensburg	$900	$2,630	$3,530
Desert Aire Owners Association	$650	$2,774	$3,424
Union Gap	$1,131	$1,844	$2,975
City of Quincy	$1,065	$1,475	$2,540
East Wenatchee Water District	$500	$2,000	$2,500
Yakima County	[3]	$2,500	$2,500
Sunnyside	$1,500 [3]	$500	$2,000
City of Yakima	$1,285	$674	$1,959
City of Cashmere	$250 [3]	$1,500	$1,750
City of Wenatchee	$590	$400	$990

(1) Does not charge a connection fee.
(2) Charge varies depending on location in the City. This includes the cost for water main.
(3) Additional fees are charged based on actual costs.
(5) Cost to install water meter.

METHODS TO CHARGE GFC

The City of Mattawa does not have a GFC but does have a connection charge (cost to install the meter). The existing connection charge (cost to install the meter) is $1,000 plus actual costs. There are several methods typically used to determine how to bill for a GFC. The two most common methods are discussed below.

ERU Method

The *Water System Plan* determined that a water ERU is 767 gallons per day (gpd) of water use. The GFC connection charge could be determined by the following method:

- Define a single family residence as 1 ERU.
- Existing multifamily units are equal to 0.5 ERU (33,224,000 gal/year/multifamily & multifamily irrigation / 365 days/year / 256 multifamily units in the City / 767 gal/day/ERU). Therefore, define a new multifamily unit (apartment, RV lot in a RV park) as 0.5 ERU.
- For dormitory style or other type of residential units a bed or person would equal to 0.17 ERU ([179,952,000 gal/year/single family +29,087,000 gal/year/multifamily] / 365 days/year / 4495 pop / 767 gal/day/ERU).
- For all other new connections or large customers estimate the amount of water to be used by the new customer. Determine the number of ERUs based on 767 gal/day/ERU. The GFC is equal to the ERU rate multiplied by the estimated number of ERUs.

This is a simple system to administer for single family and multifamily residences. However, this method incentivizes large customers to underestimate the amount of water to be used and thus reduce the GFC. To prevent this, the City could charge the estimated GFC at the time of meter installation and then determine the actual number of ERUs after one year of usage based on actual water usage. The City would then either charge additional GFC or provide a partial refund of the GFC at the one year anniversary based on actual water usage. This one year anniversary method can be difficult to administer.

Equivalent Meter Method

The American Water Works Association (AWWA) has determined an equivalent meter ratio for different sized meters based on the maximum capacity that the meter can supply. This method would allocate ERU's based on the meter size. A 5/8-inch meter would be 1 ERU while the ERUs for other meters would equal the equivalent meter ratio. Table 2-12 presents the equivalent meter ratios for meters.

TABLE 2-12

Equivalent Meter Ratio

Meter Size (inches)	AWWA (max capacity gpm)	Meter Equivalent (ERU)
5/8 (1)	20	1
3/4 (1)	30	1.5
1 (1)	50	2.5
1-1/2 (1)	100	5
2 (1)	160	8
3 (2)	350	18
4 (2)	630	32

(1) Based on displacement meter.
(2) Based on turbine meter class 1

However, AWWA cautions the use of equivalent meter ratio for large meters (typically larger than 2 inch) because the maximum capacity of larger meters may not calculate ERUs accurately. This is because large meters are typically associated with facilities that utilize water on a continuous basis. For those types of facilities with continuous water usage, the equivalent meter method will significantly underestimate the number of ERUs for that facility. The City may want to limit this method to a maximum size of a 2-inch meter and utilize the ERU method for customers greater than 2-inch or state that 2-inch meters or larger GFC will be determine by the Council.

GFC Determination Summary

The ERU Method is the most accurate method to determine a GFC. It is simple to administer for single family and multi-family connections. It can be difficult to administer for other customers, especially if the City implements a one year anniversary GFC calculation and charge/refund GFCs based on water usage.

The City can forgo the one year anniversary GFC calculation to make this method simple to administer but the City may undercharge or overcharge for the GFCs if the City forgoes the one year anniversary calculation. In addition, the customer may not have funds available at the one-year anniversary to pay for the additional GFC charge.

The City should utilize the ERU method for all large customers (typically greater than a 2-inch meter) or determine the GFC on a case by case basis for large meters because all of the other methods will determine an incorrect GFC.

CHAPTER 3

SEWER GENERAL FACILITY CHARGE

INTRODUCTION

This chapter outlines the calculation of the general facility charge, or GFC, for the City's sewer utility. Significant portion of the existing facilities were constructed with ULID financing in 1995. The City will develop two GFC charges for inside and outside of the ULID as discussed in Chapter 1.

EQUIVALENT RESIDENTIAL UNITS (ERUS)

Equivalent residential units (ERUs) are a unit of measure that relates non-residential water usage and sewage flows to that of the average single family residence. For example, if a commercial customer uses 4 times as much water as a single family customer, it is equivalent to 4 ERUs.

Sewer ERUs are more difficult to calculate than water ERUs because most water use during the summer months is used for irrigation and does not go to the Wastewater Treatment Facility (WWTF).

Water consumption data can often be used as a surrogate to estimate the sanitary wastewater flow production and can be used to develop wastewater ERUs. The wastewater ERU value is calculated based on residential winter water use, since use for irrigation is typically negligible during the winter months and a high percentage of water consumed during this period is treated at the WWTF.

Winter water consumption records for the period of 2013 through 2015 were reviewed from the City's billing database. Table 3-1 presents the winter water consumption in gallons per day (gpd) by customer class obtained from the database. The following analysis is based on water connections with active sewer connections and excludes connections for irrigation. The winter usage period is considered to be from November 1 to March 31.

TABLE 3-1

Winter Water Use by Year and Customer Class (2013 to 2015) (1) (2)

Customer Type	2013 Winter Water Use (gpd)	2014 Winter Water Use (gpd)	2015 Winter Water Use (gpd)
SF Residential	182,511	190,965	187,170
MF Residential	45,887	45,516	41,998
Commercial	38,835	45,225	48,055
Municipal	338	487	227
Total	267,571	282,192	277,450

(1) All values in gallons per day
(2) Winter water use period from November 1 through March 31

The wastewater ERU value is calculated by dividing a percentage of the winter water use for single-family residential (SFR) units by the number of SFR units served. *Wastewater Engineering: Treatment and Reuse (Metcalf and Eddy, 2003)* states that between 60 and 90 percent of metered water consumption generally enters the sewer system. The lower end of this range is noted as applying to arid regions with high irrigation requirements. Although irrigation requirements are substantial during summer months, during winter months, irrigation can be assumed to be negligible. Based on a comparison of water use data and adjusted WWTF effluent flow records, a conservative estimate of 90 percent of the residential winter water consumption is assumed to become influent to the WWTF. It is estimated that 10 percent of the winter water consumption does not enter the wastewater collection system due to winter irrigation flows, hydrant use, and spills. The wastewater ERU is therefore calculated using the following equation:

$$ERU_{gpd} = \left(SFR\ Average\ Winter\ Water\ Use_{gpd}/SFR\ Units\right) \times 90(\%)$$

This analysis is summarized in Table 3-2.

TABLE 3-2

Winter Water Use and Equivalent Residential Units (2013 to 2015) [1]

Parameter	2013 Winter Water Use	2014 Winter Water Use	2015 Winter Water Use	Average Winter Water Use
SF Residential Winter Water Use (gpd)	182,511	190,965	187,170	186,882
Number of SFR Units	601	599	604	601
Water ERU Value (gpd/ERU)[1]	304	319	310	311
Wastewater ERU Value (gpd/ERU)[2]	273	287	279	280

(1) SF Residential winter water use divided by number of Units
(2) 90 percent of water ERU value

As shown in Table 3-2, using the average of the winter water use and units served over the three year period results in a water use ERU of 311 gallons per day. Multiplying this by 90 percent yields a wastewater ERU of 280 gallons per day. Mattawa's wastewater ERU value is relatively high compared to other eastern Washington communities; however, its average household size, 5.6 persons per household, according to the 2010 Census, is also higher than most eastern Washington communities. Consequently, the City's average per capita generation of wastewater for this period, 50 gpd per person (280 ÷ 5.6), is within the range of typical values for eastern Washington communities. Table 3-3 summarizes current wastewater ERUs based on an analysis of winter water use by active sewer customers during 2013 to 2015.

TABLE 3-3

2013 to 2015 Average Wastewater ERUs Based on Winter Water Use

Customer Type	Average Winter Water Use	90 % of Average Winter Water Use	Wastewater ERU Count[1]	% of Total ERUs
SFR Winter Water Use (gpd)[2]	186,882	168,194	601	68
MFR Units Served (gpd)	44,467	40,020	143	16
Commercial (gpd)[3]	44,039	39,635	142	16
Municipal (gpd)	351	316	1	-
Total	**275,738**	**257,042**	**887**	**100**

(1) Wastewater ERU Count = (average winter water use per customer type x 0.90) / 280 gpd/ERU
(2) Includes churches
(3) Includes schools, fire station, housing authority, post office

Table 3-3 calculates 887 sewer ERUs while Table 2-1 calculates 888 water ERUs for 2012. Both methods calculate a similar number of ERUs. This report will make sewer ERUs equal to water ERUs for the following reasons:

- Water and sewer have similar number of ERUs for 2012 to 2015 time frame.
- Water ERUs are slightly higher than sewer ERUs and thus will make the GFC calculations more conservative.
- Both water and sewer ERUs are expected to grow at the same rate.

The City's *Water System Plan* projects ERUs from 2013 through 2033. For purposes of the GFC analysis, the number of ERUs in 2016 and 2026 are necessary. The *Water System Plan* projects a growth rate of 1.43 percent per year. Per the City's planning consultant, Darryl Piercy, the current annual current growth rate used for planning purposes (1.43%) is expected to increase in the City's 2017 comprehensive plan to approximately 1.7 percent annually, which will be used for the projected growth rate. Table 2-1 presents the water system ERUs per the *Water System Plan,* updated to 2016 for actual population, and utilizing 1.7 percent annual growth rate.

TABLE 3-4

Water/Sewer ERUS (1)

Year	2012	2016	2026
Population	4,495 (1)	4,625 (1)	5,331 (4)
ERU	888 (2)	914 (3)	1,053 (4)

(1) From Table 2-1.

EXISTING FACILITY COMPONENT OF THE SEWER GFC

Most of the sewer system was constructed in 1999, which included the WWTF, lift station and gravity sewer system. In 2007, the City constructed the improvements for biosolids processing. Table 3-5 summarizes the original cost for the sewer utility for all facilities that will not be replaced in the next ten years. A listing of facilities with costs is provided in Appendix C.

TABLE 3-5

Sewer System Original Cost Summary

Water Facility	Total System	ULID (3)
WWTF and Sewer System (1)	$11,321,000	$0
Biosolids Improvements (2)	$832,000	$832,000
Total	**$12,153,000**	**$832,000**

(1) As determined in the *Proposed Wastewater Treatment Facilities Plan Supplement 1997.*
(2) Data provided by the City.
(3) ULID is the cost for the components that were not constructed by the ULID

Table 3-6 summarizes the replacement cost for the sewer utility for all facilities that will not be replaced in the next ten years.

TABLE 3-6

Sewer System Replacement Cost Summary (1)

Water Facility	Total System	ULID (2)
WWTF and Sewer System	$7,575,000	$0
Biosolids Improvements	$690,000	$690,000
Total	**$8,265,000**	**$690,000**

(1) Original costs Table 3-5 adjusted to year 2016 based on the ENR Construction Cost Index.
(2) ULID is the cost for the components that were not constructed by the ULID

As allowed by the RCW, up to ten years of interest charges may be included. To determine an equitable share for each customer, the total amount of outstanding debt is subtracted since annual debt service will be paid for through monthly service rates by existing and future customers as they join the system.

Table 3-7 lists all outstanding debts associated with the sewer utility and the total outstanding principal owed as of the end of 2015. The debt can be allocated to both the total system and the ULID.

TABLE 3-7

Outstanding Sewer Utility Debt Principal [1]

Outstanding Debts	Total Outstanding Debt Principal
Department of Ecology Centennial Loan	$40,000
Department of Ecology SRF Loan	$27,000
PWTF Loan	$277,000
Columbia Bank Loan	$506,000
Total	**$850,000**

(1) This data was provided by the City and is based on total debt principal outstanding as of end of year 2015.

As specified in the RCW, an interest rate applicable at the time of construction is to be used in calculating the ten years of interest charges. Appendix C calculates the ten years of interest payments for all facilities for the interest rate for the year constructed for a 20 year term loan. Table 3-8 shows the accumulated interest payments to build the existing facilities. The interest was calculated on the amount of the project that was not grant funded.

TABLE 3-8

Accumulated Sewer Utility Interest Charges [1]

	Total System [2]	ULID [3]
Total Accumulated Interest	$455,000	$71,000

(1) Based on municipal interest rate at time of construction (maximum 10%). Interest is ten years of interest for a 20-year term loan. Assumes that 50 percent of sewer system constructed in 1999 were grant funded at 0 percent interest.
(2) Total system interest charge is the amount of interest that can be allocated to the total system.
(3) ULID system interest charge is the amount of interest that can be allocated to t he ULID.

Table 3-9 details the total costs included in the existing facility component of the GFC after existing assets are adjusted for outstanding debt and accumulated interest charges.

TABLE 3-9

Total Amounts Included in the Existing Facility Component of the Sewer GFC (1)

Adjustments to Costs Included in GFC	Total System	ULID
Total Original Costs	$8,265,000	$690,000
Plus 10 Years Accumulated Interest	$455,000	$71,000
Less Outstanding Debt	($850,000)	**($850,000)**
Total Costs Included in GFC	**$7,870,000**	**$0**

(1) From Tables 3-5 to 3-8.

The pro-rata share of the original cost of existing facilities (the existing facility component) is determined by dividing the cost of existing utility assets that will benefit future customers by the number of existing ERUs. Table 3-10 determines the GFC cost per ERU.

TABLE 3-10

Existing Facility Component of the Sewer GFC

Area	Existing Facility Costs Included in GFC (1)	No. of ERUs (2)	GFC ($/ERU) (3)
Outside ULID (4)	$7,870,000	$914	$8,611
Inside ULID	$0	$0	$0

(1) From Table 3-9.
(2) From Table 3-4 for 2016.
(3) GFC = Existing Facility Cost Included in GFC / No. of ERUs.
(4) Based on Total System Existing Facilities.

FUTURE FACILITY COMPONENT OF THE SEWER GFC

A GFC may also include a pro-rata share of the cost of facilities planned within the next ten years. The regulations require that the future facilities be listed in a capital improvement plan. The *Draft Wastewater Facility Plan* has developed a capital improvement cost of $3,100,000 for improvements to the WWTF. Table 3-11 presents the costs for planned improvements.

TABLE 3-11

Planned Facilities Included in the Future Facility Component of the Water GFC

Sewer Utility Improvements	2016 Costs
WWTF Improvements	$3,100,000
Total	**$3,100,000**

Table 3-12 presents the future facility component of the GFC based on total improvement costs in Table 3-11 and the number of projected ERUs in the year 2026.

TABLE 3-12

Future Facility Component of the Water GFC

Future Facility Costs (1)	Projected ERUs in 2026 (2)	GFC ($/ERU)
$3,100,000	1,082	$2,865

(1) From Table 3-11.
(2) Number of ERUs from Table 2-1 for 2026.

MAXIMUM SEWER GENERAL FACILITY CHARGES

Table 3-13 lists the maximum supportable GFCs.

TABLE 3-13

Maximum Sewer Utility GFCs

Water GFCs	Outside of ULID GFC ($/ERU)	Inside of ULID GFC ($/ERU)
Existing Facility Component	$8,611	$0
Future Facility Component	$2,865	$2,865
Total GFC (maximum)	**$11,476**	**$2,865**

The calculated GFC presented is the maximum amount that the City may charge new customers; however the City may elect to adopt a lower GFC in consideration of local market forces or City policies in regard to community economic development. The City current connection charge (cost to install side sewer) is $1,000 per connection plus actual costs.

Table 3-14 presents Sewer GFCs for various other cities and districts in Eastern Washington. The total cost to connect is the connection charge (cost to install side sewer) and the GFC charge. Comparing total cost per connection to the sewer system

allows an equivalent comparison between systems. The total cost of connection to the systems range from $400 for the City of Sunnyside to $16,296 for the Chelan Count PUD. The two nearest sewer systems (Royal City and George) have an average total connection charge of $3,250. Desert Aire does not have a sewer system but each homeowner must install an on-site sewage disposal system (septic system) that can range in cost from $3,000 to $10,000.

TABLE 3-14

Sewer GFCs for Other Jurisdictions (2015)

Jurisdiction	Connection	GFC	Total
Chelan PUD Lake Wenatchee/Peshastin (2)	$11,500	$4,796	$16,296
Union Gap South Broadway Pioneer Street	(1)	$11,900	$11,900
Lake Chelan Reclamation District	$750 (1)	$4,100	$4,850
Union Gap South Broadway Area A	(1)	$4,400	$4,400
Chelan PUD Dryden	(1)	$4,343	$4,343
City of Chelan Uplake	(1)	$4,280	$4,280
City of George	(1)	$4,000	$4,000
City of Leavenworth	$674	$2,544	$3,218
City of Yakima	$700	$2,377	$3,077
City of Chelan Downtown	(1)	$2,717	$2,717
City of Royal City (3)	$550 (1)	$1,950	$2,500
City of Spokane	(1)	$2,400	$2,400
Ellensburg	$175 (1)	$2,180	$2,355
Union Gap	(1)	$2,157	$2,157
City of Cashmere	$350 (1)	$1,500	$1,850
Union Gap South Broadway Area B	(1)	$1,500	$1,500
Selah	(1)	$1,282	$1,282
City of Quincy	(1)	$958	$958
City of Ephrata	$761	-	$761
City of Wenatchee	(1)	$570	$570
Sunnyside	(1)	$400	$400

(1) Additional fee are charged based on time and material.
(2) $11,500 fee charged for the installation of the septic tank effluent pumping system.

METHODS TO CHARGE GFC

The City of Mattawa does not have a GFC rate ordinance and there are several methods typically used to determine how to bill for a GFC. A discussion of the various methods is included in Chapter 2. To simplify administration, the City should utilize the same method for both water and sewer GFC.

The ERU method in Chapter 2 should be modified for the sewer system as follows:

- An ERU is defined as 280 gpd for winter water use (November 1 to March 31) and should not include any irrigation water use.
- A multi-family residential unit is defined as 0.55 sewer ERU (143 ERUs multi-family from Table 3-3 / 256 multifamily units in the City).
- For dormitory style or other type of residential units a bed or person would equal to 0.18 ERU ([186,822 gal/day/single family + 44,467 gal/day/multifamily] / 4,495 pop / 280 gal/day/ERU). Water data from Table 3-3.

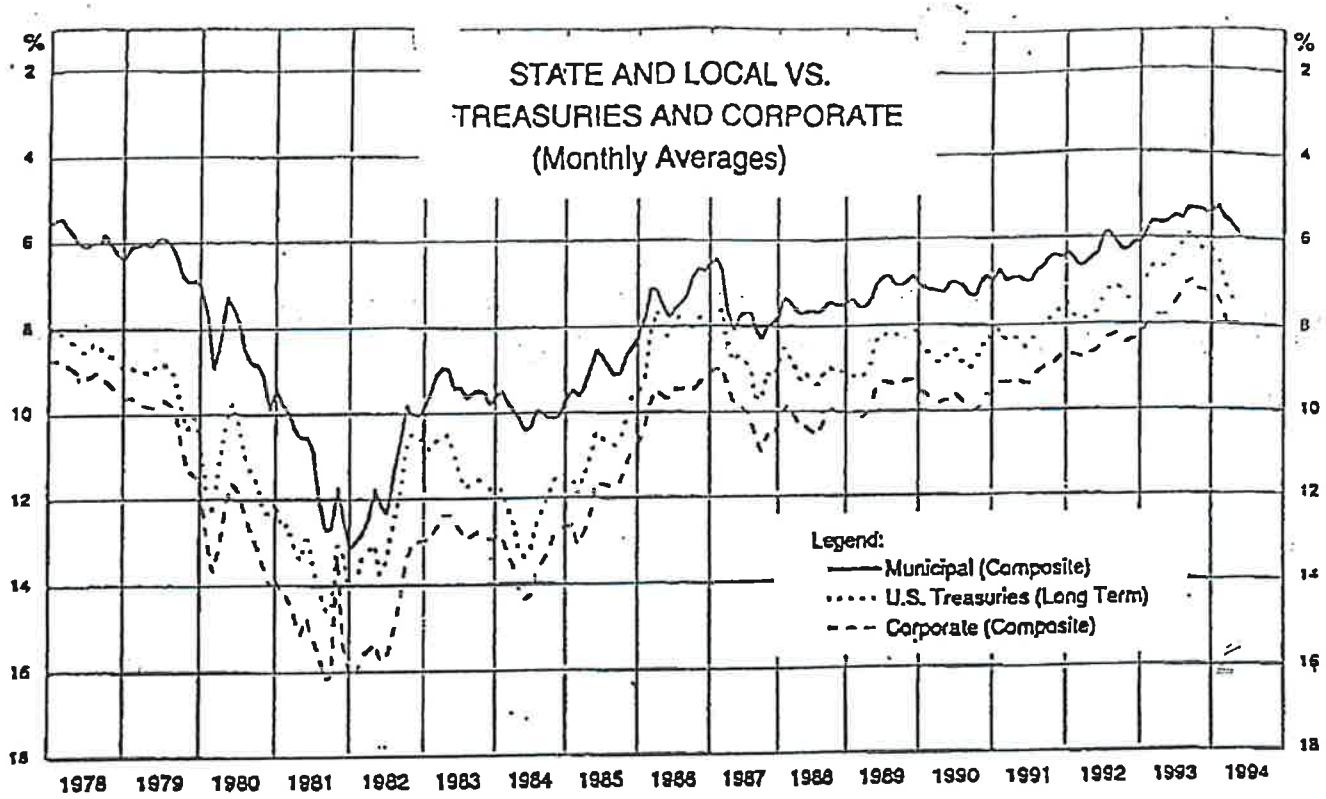
APPENDIX A

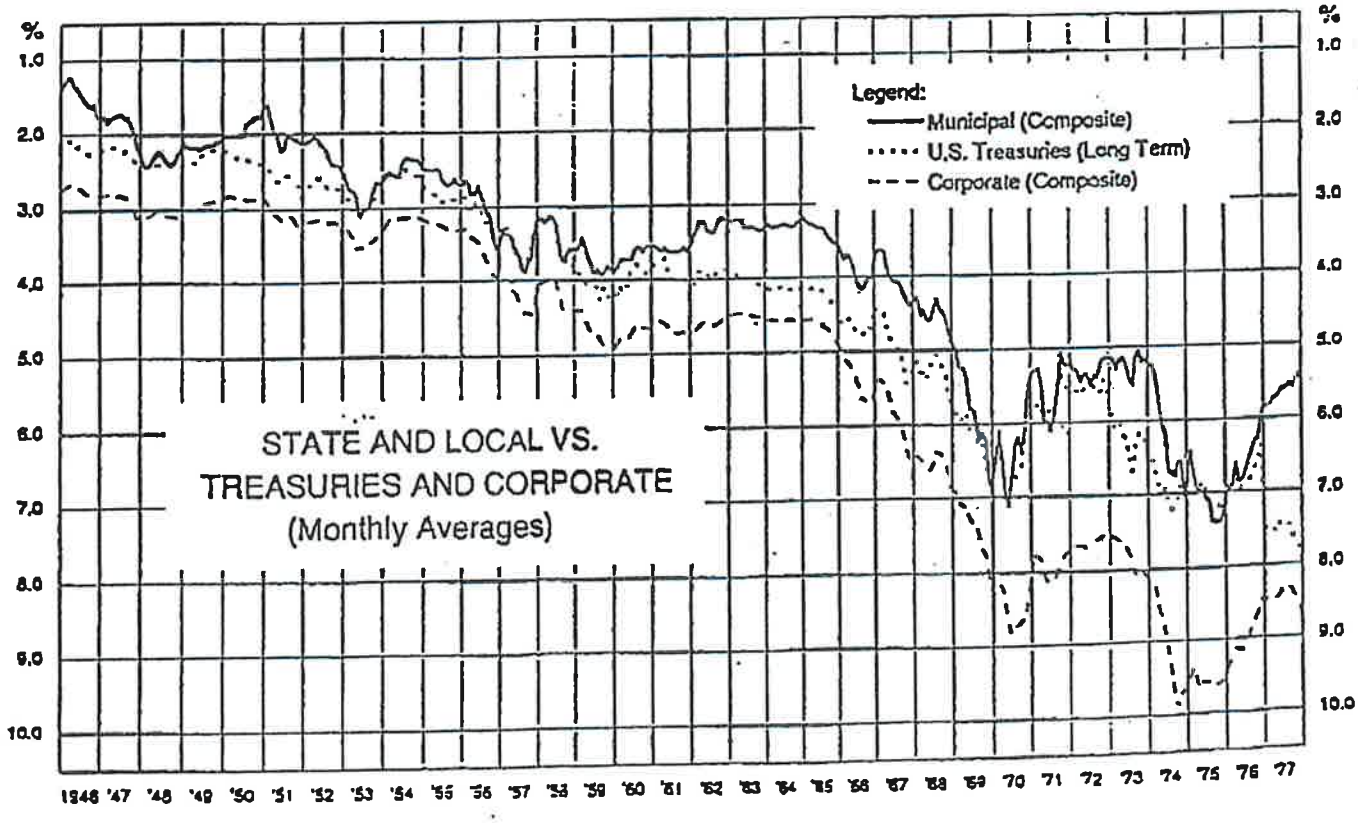
CONSTRUCTION COST INDEX AND MUNICIPAL BOND INTEREST RATES

Construction Cost Index and Muncipal Bond Interest Rate				
Year	CCI	% of 2016 CCI	Year	Muncipal Bond Interest Rate
1908	97	0.9%	1908	
1909	91	0.9%	1909	
1910	96	0.9%	1910	
1911	93	0.9%	1911	
1912	91	0.9%	1912	
1913	100	1.0%	1913	
1914	89	0.9%	1914	
1915	93	0.9%	1915	
1916	130	1.3%	1916	
1917	181	1.7%	1917	
1918	189	1.8%	1918	
1919	198	1.9%	1919	
1920	251	2.4%	1920	
1921	202	1.9%	1921	
1922	174	1.7%	1922	
1923	214	2.1%	1923	
1924	215	2.1%	1924	
1925	207	2.0%	1925	
1926	208	2.0%	1926	
1927	206	2.0%	1927	
1928	207	2.0%	1928	
1929	207	2.0%	1929	
1930	203	2.0%	1930	
1931	181	1.7%	1931	
1932	157	1.5%	1932	
1933	170	1.6%	1933	
1934	198	1.9%	1934	
1935	196	1.9%	1935	
1936	206	2.0%	1936	
1937	235	2.3%	1937	
1938	236	2.3%	1938	
1939	236	2.3%	1939	
1940	242	2.3%	1940	
1941	258	2.5%	1941	
1942	276	2.7%	1942	
1943	290	2.8%	1943	
1944	299	2.9%	1944	
1945	308	3.0%	1945	
1946	346	3.3%	1946	
1947	413	4.0%	1947	1.5%
1948	461	4.4%	1948	1.8%
1949	477	4.6%	1949	2.3%
1950	510	4.9%	1950	2.0%
1951	543	5.2%	1951	2.0%
1952	569	5.5%	1952	2.2%
1953	600	5.8%	1953	2.8%

Year	CCI	% of 2016 CCI	Year	Muncipal Bond Interest Rate
1954	628	6.0%	1954	2.5%
1955	660	6.3%	1955	2.6%
1956	692	6.7%	1956	3.0%
1957	724	7.0%	1957	3.5%
1958	799	7.7%	1958	3.5%
1959	831	8.0%	1959	3.8%
1960	853	8.2%	1960	3.8%
1961	887	8.5%	1961	3.6%
1962	919	8.8%	1962	3.2%
1963	956	9.2%	1963	3.2%
1964	985	9.5%	1964	3.2%
1965	1,030	9.9%	1965	3.2%
1966	1,080	10.4%	1966	3.8%
1967	1,130	10.9%	1967	4.0%
1968	1,253	12.1%	1968	4.5%
1969	1,335	12.8%	1969	5.5%
1970	1,408	13.5%	1970	6.5%
1971	1,570	15.1%	1971	5.5%
1972	1,680	16.2%	1972	5.3%
1973	1,844	17.7%	1973	5.3%
1974	1,985	19.1%	1974	5.5%
1975	2,303	22.2%	1975	7.0%
1976	2,588	24.9%	1976	6.5%
1977	2,775	26.7%	1977	5.8%
1978	3,056	29.4%	1978	6.0%
1979	3,375	32.5%	1979	6.1%
1980	3,682	35.4%	1980	8.0%
1981	4,151	39.9%	1981	11.0%
1982	4,337	41.7%	1982	11.0%
1983	4,569	43.9%	1983	9.0%
1984	4,553	43.8%	1984	10.0%
1985	4,568	43.9%	1985	8.5%
1986	4,587	44.1%	1986	7.0%
1987	4,661	44.8%	1987	8.0%
1988	4,749	45.7%	1988	7.5%
1989	4,731	45.5%	1989	7.2%
1990	4,937	47.5%	1990	7.2%
1991	5,039	48.5%	1991	7.0%
1992	5,223	50.2%	1992	6.5%
1993	5,491	52.8%	1993	5.5%
1994	5,753	55.3%	1994	6.0%
1995	5,854	56.3%	1995	6.0%
1996	5,952	57.3%	1996	5.8%
1997	6,350	61.1%	1997	5.5%
1998	6,745	64.9%	1998	5.0%
1999	6,956	66.9%	1999	5.5%
2000	7,195	69.2%	2000	5.8%
2001	7,339	70.6%	2001	5.1%

Year	CCI	% of 2016 CCI	Year	Muncipal Bond Interest Rate
2002	7,560	72.7%	2002	5.0%
2003	7,560	72.7%	2003	4.8%
2004	7,864	75.6%	2004	4.6%
2005	8,165	78.5%	2005	4.5%
2006	8,465	81.4%	2006	4.5%
2007	8,626	83.0%	2007	4.5%
2008	8,607	82.8%	2008	4.8%
2009	8,726	83.9%	2009	4.5%
2010	8,645	83.2%	2010	4.3%
2011	8,704	83.7%	2011	4.5%
2012	9,060	87.1%	2012	4.0%
2013	9,418	90.6%	2013	4.3%
2014	10,140	97.5%	2014	4.5%
2015	10,388	99.9%	2015	3.8%
2016	10,396	100.0%	2016	3.2%


STATE AND LOCAL VS.
TREASURIES AND CORPORATE
(Monthly Averages)
%
2
4
6
8
10
12
14
16
18
Legend:
Municipal (Composite)
U.S. Treasuries (Long Term)
Corporate (Composite)
1978 1979 1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994


STATE AND LOCAL VS.
TREASURIES AND CORPORATE
(Monthly Averages)
%
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Legend:
Municipal (Composite)
U.S. Treasuries (Long Term)
Corporate (Composite)
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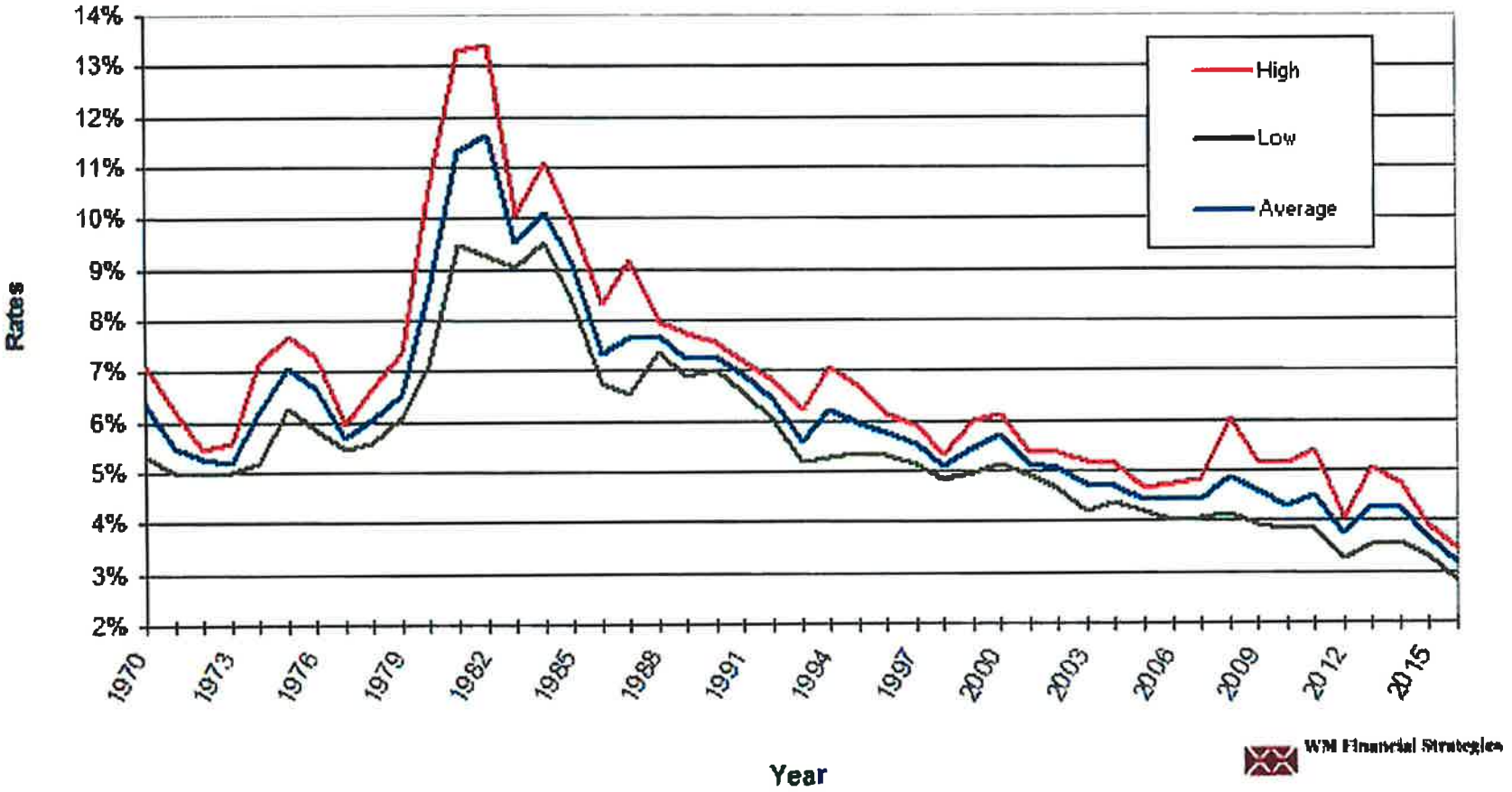
20-BOND BUYER INDEX
1970-PRESENT



APPENDIX B

WATER SYSTEM INVENTORY, COST ESTIMATES AND INTEREST DETERMINATION

Wells Inventory

No.	Well No.	Depth	Diameter	HP	Year Installed	Estimated Replacement Cost	Estimated Original Cost	Interest Rate	Ten Years Interest
1	Well No. 1	764	12	0	1956	$0	$0	3.0%	$0
2	Well No. 2	993	12	75	1981	$1,081,000	$432,000	10.0%	$387,000
3	Well No. 3	1,135	16	150	1993	$1,233,000	$651,000	5.5%	$304,000
4	Well No. 4	1,116	12	100	2010	$1,120,000	$931,000	4.3%	$219,000
					Total System	**$3,434,000**	**$2,014,000**		**$910,000**
					Total ULID	**$3,434,000**	**$2,014,000**		**$910,000**

Well No. 1 costs not included because Well No. 1 is not in use.

Replacement Cost based on cost to drill similar wells in 2015 including cost of engineering and administration (25%).

Original Cost is replacement cost adjusted to year of construction based on the ENR Construction cost index.

Ten Year Interest based on municipal interest rate at time of construction (Max 10%) and 20 year loan term.

Reservoirs Inventory

No.	Reservoir Name	Type	Capacity (gallons)	Year Installed	Estimated Replacement Cost	Estimated Original Cost	Interest Rate	Ten Years Interest
1	Reservoir No. 1	Steel	440,000	1982	$1,006,000	$420,000	10.0%	$376,000
2	Reservoir No. 2	Steel	1,000,000	2001	$1,880,000	$1,327,000	5.1%	$525,000
				Total System	**$2,886,000**	**$1,747,000**		**$901,000**
				Total ULID	**$2,886,000**	**$1,747,000**		**$901,000**

Replacement costs based on cost to Gray and Osborne Reservoir Cost Curve (cost to Construction 40 Reservoir) plus engineering and administration (25%) .

Original Cost is replacement cost adjusted to year of construction based on the ENR Construction cost index.

Ten Year Interest based on municipal interest rate at time of construction (Max 10%) and 20 year loan term.

Water Mains Inventory

No.	Length (lf)	Diameter (in)	Year Installed	Estimated Replacement Cost	Estimated Original Cost	Interest Rate	Ten Years Interest
1	386	6	1950	$38,000	$2,000	2.0%	$0
2	27,772	6	1995	$2,737,000	$1,541,000	6.0%	$791,000
3	10,170	8	1995	$1,098,000	$618,000	6.0%	$317,000
4	21,264	10	1995	$2,498,000	$1,407,000	6.0%	$723,000
5	5,025	12	2001	$638,000	$450,000	5.1%	$194,000
6	Water Meter Replacement		2016	-$160,000	-$160,000	6.0%	-$82,000
			Total System	**$6,849,000**	**$3,858,000**		**$1,943,000**
			Total ULID	**$516,000**	**$292,000**		**$112,000**

Replacement Cost based on cost to construction similar water mains in 2015 including cost of engineering and administration (25%).

Original Cost is replacement cost adjusted to year of construction based on the ENR Construction cost index.

Ten Year Interest based on municipal interest rate at time of construction (Max 10%) and 20 year loan term. Assumes that 50% of 1995 Water mains were grants with 0% interest

Water meters are being replaced and cost can not be included.

APPENDIX C

SEWER SYSTEM INVENTORY, COST ESTIMATES AND INTEREST DETERMINATION

Sewer System Inventory

No.	Project	Year Installed	Estimated Replacement Cost	Estimated Original Cost	CCI Ratio	Interest Rate	Ten Years Interest
1	Sewer System (Including WWTF)	1999	$11,321,000	$7,575,000	0.669	2.5%	$384,000
2	Biosolids Processing	2007	$832,000	$690,000	0.830	2.0%	$71,000
	Total System		**$12,153,000**	**$8,265,000**			**$455,000**
	ULID		**$832,000**	**$690,000**			**$71,000**

Sewer System orginal cost based off of the 1997 *Proposed Wastewater Treatment Facilities Plan Supplement* 1997

Biosolids Processing original cost provided by the City.

Replacement Cost is original cost adjusted to 2016 on the ENR Construction Cost Index.

Ten Year Interest based on municipal interest rate at time of construction (Max 10%) and 20 year loan term. Assumes that 50% of Sewer System was grant with 0% interest

Gray & Osborne, Inc.
CONSULTING ENGINEERS

MEMORANDUM

TO: MATTAWA CITY COUNCIL
FROM: NANCY WETCH, P.E.
DATE: DECEMBER 21, 2022
SUBJECT: WATER SYSTEM GENERAL FACILITY CHARGE UPDATE
CITY OF MATTAWA, GRANT COUNTY, WASHINGTON
G&O #22834

The purpose of this memo is to provide an updated calculation of the maximum allowable General Facility Charge (GFC) that the City Council could consider based on the City's 2022 Water System Plan.

CURRENT GENERAL FACILITY CHARGES

In 2018, the City implemented GFCs per Resolution 18.05.03. The resolution was based on the City's Water and Sewer General Facility Charge Study (Gray & Osborne, 2016.) Table 1 shows the City's current total development charge which is comprised of three components: the system access fee, the estimated City costs for the physical connection, and the GFC.

TABLE 1

Current Estimated Development Charge

Estimated Total Development Charge per ERU	Outside ULID	Inside ULID
System Access Fee	$350	$350
Estimated Cost Physical Connection		
Parts and Materials (1)	Actual cost +15%	
Labor (1)	Actual cost + 10%	
Machine Rental (1)	Hourly Rental Rates	
Inspection of Private Installation (1)	Actual cost +10%	
General Facility Charge	$4,000	$2,000
Total	**$6,350**	**$4,350**

(1) Historically these charges have averaged around $2,000 per installation.

The City's water system was originally developed utilizing a utility local improvement district (ULID). As a result, many of the property owners had already paid an assessment to the City for water service. Therefore, the City established inside and outside ULID categories.

The 2016 GFC Study calculated the following maximum water utility GFCs. A summary of the maximum allowable GFCs calculated is shown in Table 2.

TABLE 2

2016 Calculated Maximum Allowable GFC(1)

Water GFC	Outside of ULID GFC ($/ERU)	Inside of ULID GFC ($/ERU)
Existing Facility Component	$11,713	$5,809
Future Facility Component	$148	$148
Total GFC (maximum)	**$11,861**	**$5,956**

(1) From Table 2-10 of the City's Water and Sewer General Facility Charge Study (Gray & Osborne, 2016).

As shown in Table 2, very little of the calculated maximum allowable GFC was attributed to the "future facility component." This was due to the fact that the 2012 Water System Plan did not have any major planned capital improvements. Although Council was justified to charge the maximum allowable GFC as shown in Table 2, the Council chose to adopt a lower GFC, as shown in Table 1, in consideration of local market forces and the City policies in regard to community economic development.

In 2022, the City updated their water system plan and major capital improvements are required to ensure that the City's water system can meet the needs of the community in the 20-year planning period. Following are the updated existing and future facility components and the calculation for a new maximum allowable GFC based on the 2022 Water System Plan.

Existing Facility Component

GFCs are comprised of two components, the existing facility component and the future facility component. Table 3 is a summary of the existing facility component as presented in the 2016 GFC Study. The outstanding debt has been updated to current outstanding debt owed by the City.

TABLE 3

Existing Facility Component

Adjustments to Costs Included in the GFC	Outside the ULID	Inside the ULID
Total Original Cost	$7,619,000	$4,053,000
Plus 10 years Accumulated Interest	$3,754,000	$1,923,000
Less Outstanding Debt	($316,000)	($316,000)
Total Costs included in the GFC	**$11,507,000**	**$5,660,000**
Total Current ERUs	1,044	1,044
Existing Facility Component GFC(1)	**$11,022**	**$5,421**

(1) Total cost included in the GFC / Total Current ERUs = Existing Facility Component GFC.

Future Facility Component

A GFC also includes a pro-rata share of the cost of facilities planned within the next 10 years. Table 4 lists capital improvements by costs for all water projects considered for inclusion in the GFC. The projects listed in Table 4 are based on those projects as listed in the 2022 Water System Plan.

TABLE 4

Future Capital Improvement Plan

Water Utility Improvement	2022 Costs
New Well 5	$2,500,000
Well 2 Rehab and Re-Equip	$1,400,000
Wells 3 and 4 Isolation Valving	$75,000
Decommissioning Well 1	$130,000
Well Level Monitoring	$100,000
Well 3 Condition Assessment	$30,000
Recoat Reservoir 2	$1,300,000
Replace PLCs and Radios	$100,000
New Pressure Zone	$1,200,000
Isolation Valve Cut-IN	$375,000
Total Capital Projects	**$7,210,000**
Projected ERUs in 2032	1,182
Future Facility Component GFC	**$6,099**

(1) Total Capital Projects / Projected ERUs in 2032 = Future Facility Component GFC

MAXIMUM CALCULATED WATER GENERAL FACILITY CHARGE

Table 5 presents the maximum calculated GFC based on the existing and future facility components. In addition to the GFC, the City should consider the $350 access fee and the estimated $2,000 physical connection charge when calculating the total development charge.

TABLE 5

2022 Maximum Calculated Water GFC and Development Charge

Water GFCs	Outside of ULID GFC ($/ERU)	Inside of ULID GFC ($/ERU)
Existing Facility Component	$11,022	$5,421
Future Facility Component	$6,099	$6,099
Total GFC (maximum)[1]	**$17,121**	**$11,520**
Administrative Fee	$350	$350
Physical Connection	$2,000	$2,000
2022 Total Maximum Development Charge[2]	**$19,471**	**$13,870**
Current Total Development Charge[3]	**$6,350**	**$4,350**

(1) This is the total maximum calculated GFC, the City should consider local market forces and economic development as part of the factors that determine the new GFC.
(2) Total GFC + Administrative Fee + Physical Connection = Total Maximum Development Charge.
(3) Taken from Table 1.

Table 6 presents water development charges and GFCs for other cities near Mattawa. Comparing the total cost for a connection to the water system (sum of administrative charges, installation costs, and GFCs) allows an equivalent comparison between systems.

TABLE 6

Water GFCs Other Jurisdictions

Jurisdiction	Installation	Administrative	GFC	Total
George	(1)	$143	$3,500	$5,643
Kittitas	(1)	$1,000	$2,500	$5,500
Mabton	(1)	$500	$3,500	$6,000
Royal City	(2)	$850	$2,700	$3,550
Soap Lake	(1)	$500	$1,000	$3,500

(1) Installation costs paid by the connecting user at actual cost of installation (estimated to be $2,000).
(2) Installation costs included in "Administrative" charge shown.

It is recommended that the City consider increasing the GFC based on the Total GFC (maximum) fee calculated in Table 5. The City should consider local market forces and economic development as part of the factors that determine the new GFC.

NW/cah

Gray & Osborne, Inc.
CONSULTING ENGINEERS

MEMORANDUM

TO:	MATTAWA CITY COUNCIL
FROM:	NANCY WETCH, P.E. MICHAEL WOODKEY, P.E.
DATE:	MAY 12, 2023
SUBJECT:	SEWER SYSTEM GENERAL FACILITY CHARGE UPDATE CITY OF MATTAWA, GRANT COUNTY, WASHINGTON G&O #23825.00

The purpose of this memo is to provide an updated calculation of the maximum allowable General Facility Charge (GFC) that the City Council could consider based on recent and upcoming projects currently under construction or listed in an approved Plan by the City. These include the following projects:

- WWTF Improvements, Gray & Osborne, 2023
- Portage Avenue Lift Station Study, Gray & Osborne, 2022

CURRENT GENERAL FACILITY CHARGES

In 2018, the City implemented GFCs per Resolution 18.05.04. The resolution was based on the City's Water and Sewer General Facility Charge Study (Gray & Osborne, 2016). Table 1 shows the City's current total development charge which is comprised of three components: the system access fee, the estimated City costs for the physical connection, and the GFC.

TABLE 1

Current Estimated Development Charge

Estimated Total Development Charge per ERU	Outside ULID	Inside ULID
System Access Fee	$350	$350
Estimated Cost Physical Connection		
Parts and Materials[1]	Actual cost +15%	
Labor[1]	Actual cost + 10%	
Machine Rental[1]	Hourly Rental Rates	
Inspection of Private Installation[1]	Actual cost +10%	
General Facility Charge	$5,000	$2,500
Total	**$7,850**	**$5,350**

(1) Historically these charges have averaged around $2,500 per installation.

The City's sewer system was originally developed utilizing a utility local improvement district (ULID). As a result, many of the property owners had already paid an assessment to the City for sewer service. Therefore, the City established inside and outside ULID categories.

The 2016 GFC Study calculated the following maximum sewer utility GFCs. A summary of the maximum allowable GFCs calculated is shown in Table 2.

TABLE 2

2016 Calculated Maximum Allowable GFC[1]

Sewer GFC	Outside of ULID GFC ($/ERU)	Inside of ULID GFC ($/ERU)
Existing Facility Component	$8,611	$0
Future Facility Component	$2,865	$2,865
Total GFC (maximum)	**$11,476**	**$2,865**

(1) From Table 3-13 of the City's Water and Sewer General Facility Charge Study (Gray & Osborne, 2016).

As shown in Table 2, a majority of the calculated maximum allowable GFC was attributed to the "existing facility component" for properties outside of the ULID. However, for properties located within the ULID boundary, no "existing facilities component" was warranted, due to the fact that the existing sewer facilities were financed

through an assessment against each property, rather than through new debt service covered by future rates.

Although Council was justified to charge the maximum allowable GFC as shown in Table 2, the Council chose to adopt a lower GFC, as shown in Table 1 in consideration of local market forces and the City policies in regard to community economic development.

The City has recently completed two planning/design projects that will result in major capital improvements required to ensure that the City's sewer system can meet the needs of the community in the 20-year planning period.

- **WWTF Improvements**. This project will begin construction in 2023. An estimated project cost was included in the 2016 "future facility component" of the GFC, as listed in Table 2 above. Since that time, the City has completed design and awarded the project to a Contractor for construction. The construction project has not started as of the date of this memo and will not be complete until 2025. The actual project bid costs for this project will be considered for the updated "future facility component."

- **Portage Avenue Lift Station Study**. In 2022, the City completed a planning effort related to the Portage Avenue Lift Station. The selected alternative from this study would eliminate the need for a lift station in this area by constructing 5,100 LF of new a gravity sewer main, which would provide the City with a second sewer main crossing of SR 243.

The following are the updated existing and future facility components and the calculation for a new maximum allowable GFC based on above planning/design efforts completed by the City.

Existing Facility Component

GFCs are comprised of two components, the existing facility component and the future facility component. Table 3 is a summary of the existing facility component as presented in the 2016 GFC Study. The outstanding debt has been updated to current outstanding debt owed by the City.

TABLE 3

Existing Facility Component

Adjustments to costs Included in the GFC	Outside the ULID	Inside the ULID
Total Original Cost	$8,265,000	$690,000
Plus 10 years Accumulated Interest	$455,000	$71,000
Less Outstanding Debt	($336,000)	($336,000)
Total Costs included in the GFC	$8,384,000	$425,000
Total Current ERUs(1)	1,057	1,057
Existing Facility Component GFC(2)	**$7,932**	**$402**

(1) System ERUs from 2022 City of Mattawa Water System Plan, Table 2-8.
(2) Total cost included in the GFC / Total Current ERUs = Existing Facility Component GFC.

Future Facility Component

A GFC also includes a pro-rata share of the cost of facilities planned within the next ten years. Table 4 lists capital improvements by costs for all wastewater projects considered for inclusion in the GFC. The projects identified in Table 4 are based on those projects listed in recent City planning documents and design projects.

TABLE 4

Future Capital Improvement Plan

Sewer Utility Improvement	2023 Costs
WWTF Improvements	$5,883,000
Portage Avenue Lift Station Improvements	$2,417,000
Total Capital Projects	**$8,300,000**
Projected ERUs in 2033(1)	1,197
Future Facility Component GFC(2)	**$6,934**

(1) System ERUs from 2022 City of Mattawa Water System Plan, Table 2-8.
(2) Total Capital Projects / Projected ERUs in 2033 = Future Facility Component GFC.

MAXIMUM CALCULATED SEWER GENERAL FACILITY CHARGE

Table 5 presents the maximum calculated GFC based on the existing and future facility components. In addition to the GFC, the City should consider the $350 access fee and the estimated $2,500 installation cost (material, equipment, and labor) when calculating the total development charge.

TABLE 5

2023 Maximum Calculated Sewer GFC and Development Charge

Sewer GFCs	Outside of ULID GFC ($/ERU)	Inside of ULID GFC ($/ERU)
Existing Facility Component	$7,932	$402
Future Facility Component	$6,934	$6,934
Total GFC (maximum)[1]	**$14,866**	**$7,336**
Administrative Fee	$350	$350
Installation Costs (est.)	$2,500	$2,500
2023 Total Maximum Development Charge[2]	**$17,716**	**$10,186**
Current Total Development Charge[3]	**$7,850**	**$5,350**

(1) This is the total maximum calculated GFC, the City should consider local market forces and economic development as part of the factors that determine the new GFC.
(2) Total GFC + Administrative Fee + Physical Connection = Total Maximum Development Charge.
(3) Taken from Table 1.

Table 6 presents sewer development charges and GFCs for other cities near Mattawa. Comparing the total cost for a connection to the sewer system (sum of administrative charges, installation costs, and GFCs) allows an equivalent comparison between systems.

TABLE 6

Sewer GFCs Other Jurisdictions

Jurisdiction	Installation	Administrative	GFC	Total
Mabton	(1)	$500	$4,500	$7,500
George	(1)	$0	$4,000	$6,500
Kittitas	(1)	1,000	$2,500	$6,000
Royal City	(1)	$550	$1,950	$5,000
Soap Lake	(1)	$500	$1,000	$4,000

(1) Installation costs paid by the connecting user at actual cost of installation (estimated to be $2,500).

It is recommended that the City consider increasing the GFC based on the Total GFC (maximum) fee calculated in Table 5. The City should consider local market forces and economic development as part of the factors that determine the new GFC.

MW/cah