

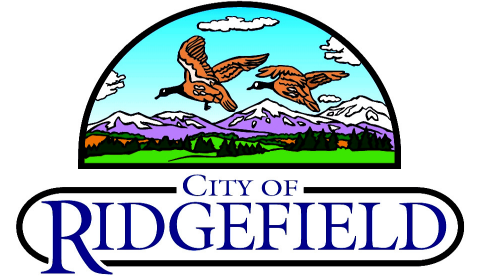
## Sewer Utility

- The City has a General Sewer Plan and Capital Facilities Plan that are regularly updated and approved by the Washington State Department of Ecology. The City's most recent Sewer Capital Facilities Plan identifies \$104.1 million in projects to ensure the City is providing reliable collection and treatment of wastewater (sewer) to serve both new and existing customers. The City's sewer rates play a vital role in the financing of the projects identified in the Sewer Capital Facilities Plan.
- The majority of the City's sewer infrastructure installed in the "downtown" area was installed in the late 1950's. The downtown infrastructure is beginning to fail, and the City needs to be proactive in addressing system needs. The majority of repair and replacement of the existing infrastructure can only be paid for through rates, not through fees imposed on new development.
- The City has outstanding debt on projects that were completed in the past to serve both new and existing customers. The City has historically relied on new growth to help pay the outstanding debt; however, new growth has slowed dramatically over the last few years which has decreased the revenue the City receives. A strong utility uses both sewer rates and fees imposed on new development to pay for new infrastructure so that the utility is not solely dependent on one revenue source.
- The City is currently participating in a partnership with the City of Battle Ground, Clark County and Clark Regional Wastewater District to explore the possibility of forming a regional sewer agency. The City has also been investigating other potential options to stabilize the City's sewer rates. As part of this effort, the City has completed extensive financial modeling of the City's sewer system over the past few years. All options being investigated will likely require that the City raise rates to pay the outstanding balance on loans received in the past and to pay for new projects that will serve both existing and new customers.
- Fees imposed on new development (Sewer System Development Charges) may only be used to pay for projects serving new growth. However, based on financial modeling and current growth projections, fees imposed on new development may not be sufficient to pay for new projects that will be required to serve not only new development, but would also benefit existing customers.

*For cost saving measures, the City of Ridgefield has printed this pamphlet on plain copy paper in black and white.*

## **POSTAL CUSTOMER** **Ridgefield, WA 98642**

CITY OF RIDGEFIELD  
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### **INFORMATION REGARDING PROPOSED UTILITY RATE INCREASES**

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## Information Regarding Proposed Utility Rate Increases

Known for its small town charm, rural feel and high quality of life, the City of Ridgefield has created a vision for the future that preserves our quality of life while allowing growth into a well-balanced community—one in which our residents can live, work and recreate.

Over the past seven years, Ridgefield has been the fastest growing city in Southwest Washington, growing from a 2,195 in 2004 to 4,975 in 2011—a 127% population increase!

A key component in maintaining our quality of life is through operation of three utilities: the water, sewer and stormwater utilities. Providing clean, quality drinking water to our customers and protection of human health and the environment through comprehensive collection and treatment of sewage and stormwater are the primary objectives of our utilities. With such important operational objectives, these utilities are understandably heavily regulated by State of Washington and federal government. Unfortunately, the cost of meeting these ever increasing mandated standards continues to grow. In addition, a significant portion of our existing infrastructure of each utility is aging and in need of repair and replacement. Customer's rates help pay for the operation, repair, and replacement of the infrastructure as well as the projects necessary to serve new growth.

The City strives to operate its utilities in the most efficient manner possible while not compromising its core mission of protecting human health and the environment. It was with that efficiency that the City has been able to hold its water and sewer rates steady for the past two years. Unfortunately, with the cost of operations continuing to outpace revenues and existing infrastructure nearing its life expectancy, the City must consider rate increases to meet these demands.

To meet the demands of the system, the City is proposing the following the following rate increases for 2012:

Water: 5% = \$1.02 per month (residential)  
 Sewer: 10% = \$4.98 per month (residential)  
 Stormwater: \$0.50 per month per equivalent dwelling unit

<i>RESIDENTIAL</i>	Current	Proposed	Difference
WATER RATE	\$ 20.42	\$ 21.44	\$ 1.02
Utility tax (8% of Rate)	\$ 1.63	\$ 1.72	\$ 0.08
SEWER RATE	\$ 49.79	\$ 54.77	\$ 4.98
Utility tax (8% of Rate)	\$ 3.98	\$ 4.38	\$ 0.40
STORMWATER RATE	\$ 5.00	\$ 5.50	\$ 0.50
Total monthly minimum charge	\$ 80.83	\$ 87.81	\$ 6.98

### Water Utility

- The City has a Water System Plan and Capital Facilities Plan that are updated regularly and approved by the Washington State Department of Health. The City's most recent Water Capital Facilities Plan identifies \$33.5 million in projects to ensure the City provides safe and reliable drinking water to both new and existing customers. The City's water rates play a vital role in the operation and maintenance of the existing system and the financing of the projects identified in the Water System Plan.
- There was no rate increase in 2011. Since the last water rate increase in 2010, the Consumer Price Index (a mark of inflation) for the area increased by 5.2%. To keep up with the cost of inflation, the City is proposing to increase rates in 2012.
- The majority of the City's water infrastructure installed in the "downtown" area was installed prior to 1960. The downtown infrastructure is beginning to fail, and the City needs to be proactive in addressing system needs. The majority of repair and replacement of the existing infrastructure can only be paid for through rates, not through fees imposed on new development.
- The City has historically relied on fees imposed on new development to pay for new projects. However, new growth has slowed dramatically over the last few years which has decreased the revenue the City receives. A strong utility uses both rates and fees imposed on new development to pay for infrastructure so that the utility is not solely dependent on one revenue source.

- The City's Water Utility planning documents have a large number of proposed projects to serve existing customers and new customers. Water rates play a vital role in completing these projects as there are a number of limited finance options available. Two important near-term projects include construction of a 1.0 million gallon reservoir and installation of a new well. These projects will provide additional water and fire flow protection to citizens and businesses throughout most of the City.



### Stormwater Utility

- The stormwater utility was formed in 2005 to prepare for new Washington State regulations and ensure the City's stormwater system is properly managed.
- The Ridgefield Stormwater Management Plan, completed in 2008, analyzed the City's existing stormwater system and recommended rates necessary to provide for adequate operation and maintenance of the stormwater system, and to help pay for projects in the downtown area to correct existing deficiencies that are estimated to cost \$1.74 million. The Stormwater Plan assumes a stormwater utility rate of approximately \$7.00 per month in 2012; however, the City has traditionally kept the rate increases lower than specified in the Plan.