

CHEHALIS CITY COUNCIL AGENDA
 CITY HALL
 350 N MARKET BOULEVARD, CHEHALIS, WA 98532

Terry F. Harris, District 1, Mayor Pro Tem Daryl J. Lund, District 2 Dr. Isaac S. Pope, District 4	Anthony E. Ketchum Sr., District 3 Mayor	Dennis Dawes, Position at Large Chad E. Taylor, Position at Large Bob Spahr, Position at Large
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Regular Meeting of Monday, October 22, 2012

6:00 p.m.

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
1. <u>Call to Order.</u> (Mayor)		
2. <u>Pledge of Allegiance.</u> (Mayor)		

CITIZENS BUSINESS		
This is an opportunity for members of the audience to address the council on matters not listed elsewhere on the agenda. Speaker identification forms are available at the door and may be given to the city clerk prior to the beginning of the meeting.		

SPECIAL BUSINESS		
3. <u>Proclamation Declaring October as Domestic Violence Month in Chehalis.</u> (Mayor)	---	
4. <u>Briefing on PacMtn Targeted Industry Cluster Work.</u> (Dick Larman, Executive Director Lewis County Economic Development Council)	---	

CONSENT CALENDAR		
5. <u>Minutes of the Regular Meeting of October 8, 2012.</u> (City Clerk)	APPROVE	1
6. <u>Vouchers and Transfers.</u> (Finance Manager)	APPROVE	5
7. <u>Set Dates and Time of November 13, 2012, and November 26, 2012, at 6:05 p.m. for Public Hearings on the 2013 Budget.</u> (Finance Manager)	SET DATES AND TIME FOR PUBLIC HEARINGS	

ADMINISTRATION AND CITY COUNCIL REPORTS		
8. <u>Administration Reports.</u>		
a. Third quarter and September financial report. (Finance Manager)	INFORMATION ONLY	6
b. Third quarter sales and use tax report. (Finance Manager)	INFORMATION ONLY	12
c. Report on development of K-9 program. (Police Chief)	INFORMATION ONLY	
9. <u>Council Reports.</u>		
a. Councilor reports. (City Council)	INFORMATION ONLY	
b. Council committee reports. (City Council)	INFORMATION ONLY	

UNFINISHED BUSINESS		
10. <u>Ordinance No. 900-B, Second and Final Reading – Water Utility Rate Adjustments.</u> (City Manager, Public Works Director)	PASS	13
11. <u>Ordinance No. 901-B, Second and Final Reading – Wastewater Utility Rate Adjustments.</u> (City Manager, Public Works Director)	PASS	18
12. <u>Ordinance No. 902-B, Second and Final Reading – Storm Water Utility Rate Adjustments.</u> (City Manager, Public Works Director)	PASS	21

THE CITY COUNCIL MAY ADD AND TAKE ACTION ON
OTHER ITEMS NOT LISTED ON THIS AGENDA

NEXT REGULAR CITY COUNCIL MEETING WILL BE ON TUESDAY, NOVEMBER 13, 2012

October 8, 2012

The Chehalis city council met in regular session on Monday, October 8, 2012, in the Chehalis city hall. Mayor Pro-tem Harris called the meeting to order at 5:30 p.m. with the following council members present: Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Mayor Tony Ketchum was absent (excused). Staff present included Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Peggy Hammer, Human Resources Administrator.

1. **Executive Session.** Mayor Pro-tem Harris announced the council would be in executive session pursuant to RCW 42.30.140(4)(a) – collective bargaining for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Mayor Pro-tem Harris closed the executive session at 5:56 p.m. and announced the council would take a five minute recess before opening the regular meeting at 6:01 p.m. Additional staff included Glenn Schaffer, Police Chief; Bob Nacht, Community Development Director; Herta Fairbanks, Public Works Director; Rick Sahlin, Street Superintendent; Dave Vasilaukas, Water Superintendent; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Kyle Spurr from *The Chronicle*.

2. **Presentation of Certificates.** Bob Nacht recognized the Bethel Church, St. Joseph Church, and the Church of Jesus Christ of Latter-day Saints for their participation in the 2012 National Day of Service, noting they did a significant cleanup/painting project for the city. Mr. Nacht presented a certificate of appreciation to Newell Jorgensen, representing the Church of Jesus Christ of Latter-day Saints, who had about 350 volunteers out in the community working on various projects for different agencies. He noted certificates were prepared for all three churches and he would be delivering the other two.

3. **Briefing on Updates to the 2012 Lewis County CEMP Annexes.** Lewis County Deputy Director of Emergency Management Ross McDowell briefed the council on the 2012 CEMP. He reported on the four new annexes, which included: the AMBER Plan (America's Missing; Broadcast Emergency Response Plan); the EAS Plan (Emergency Alert System Plan); the Counter Terrorism Response Plan; and the Hazardous Materials Emergency Response Plan.

Mayor Pro-tem Harris asked how they kept accurate information with regard to addresses, phone numbers, and such. Mr. McDowell reported their database is updated daily. He noted they request updates twice a year from the different agencies and ask the liaisons from each agency to keep them updated as things change within their organizations. The city's main liaison is Fire Chief Kelvin Johnson.

4. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:
- a. Minutes of the regular meeting of September 24, 2012;
 - b. Claim Vouchers No. 104232-104339 in the amount of \$122,462.20 dated September 28, 2012; Payroll Vouchers No. 35998-36080, Direct Deposit Payroll Vouchers No. 3448-3520, and Electronic Federal Tax Payment No. 115 in the amount of \$706,376.28 dated September 28, 2012; and
 - c. Resolution No.16-2012, first and final reading - adopting the 2012 Lewis County Comprehensive Emergency Management Plan, including annexes.

The motion was seconded by Councilor Spahr and carried unanimously.

5. **Council Reports.**

a. **Update From Councilor Pope.** Councilor Pope reminded the council about the Chehalis Foundation's gala on October 17. He noted the emphasis would be on the fundraiser for the Chehalis Pool.

b. **Update From Councilor Dawes.** Councilor Dawes reported that he and the other two budget committee members, Mayor Pro-tem Harris and Councilor Spahr, had been working with the different city departments on the 2013 budget. He noted there were some items that would be coming back to the full council for discussion.

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Councilor Dawes reported the Lewis County Historical Museum would be holding its annual meeting on November 4. He stated he didn't know how many of the current officers would be returning, noting a lot of them committed to one year, until the museum got back on their feet.

Councilor Dawes reported on the North Lewis County Regional Fire Authority Planning Committee, noting they were getting closer to where they can start rolling in some more firm information. He stated the committee hoped to have something ready in 2013, at which time the council would have to decide what the next step would be for the city.

c. **Update From Mayor Pro-tem Harris.** Mayor Pro-tem Harris report the Lodging Tax Advisory Committee met on Friday, October 5 to review and put together a proposal for the 2013 funding allocations. He noted City Manager MacReynold and his administrative assistant Caryn Foley were also in attendance. Mayor Pro-tem Harris stated they planned to bring something back to the council on October 22 for their consideration.

6. **Resolution No. 15-2012, First and Final Reading – Adopting the Port of Chehalis Comprehensive Plan.** Mr. Nacht reported there was a joint effort between the city and the Port of Chehalis to get our planning documents in line with each other. He noted under growth management there were a number of plans associated with the city's comprehensive plan, which the city adopts by reference.

Mr. Nacht reported the Port's comprehensive scheme of development in the Industrial Development District was regulated by the city and its development review process under an interlocal agreement the city has with Lewis County. He reported the interlocal agreement provides an opportunity for the Port to be a reviewer for anything presented in the Port. Mr. Nacht stated the city also provides review in the case of permit applications presented by the Port for Port projects. He noted several years ago the city revised its subdivision regulations and created a special section to deal with the manner in which the Port develops property for their specific purposes.

Executive Director Jim Rothlin talked briefly about the primary mission of the Port, which was to bring new jobs and retain jobs for the community. He reported their focus over the last five years has been to provide "shovel ready" property, noting they signed off on a regional general permit last year that was approved by the United States Corps of Engineers (Corps) that allows them to pre-permit properties. Mr. Rothlin suggested by taking care of the items that require consultation by the Corps first, the property would be ready when the tenants come looking to develop. He stated their primary goal was to get it from a one to two year process down to a one to two month process.

Mr. Rothlin reported they were also looking at transportation, water capacity, and development guidelines. He noted they worked with Mr. Nacht on the current city development standards and adapted them to industrial use. Mr. Rothlin stated the Port's plan was very understandable, consistent, and affordable. He indicated they were starting to focus on flexibility and labor force, noting they never know what a client will be looking for.

Mr. Rothlin reported they were working on an incubator project through the University of Washington's Research and Development Department, and they were also tied in with the Centralia College Center of Excellence Program.

Mr. Rothlin thanked City Manager MacReynold for his support, noting he was very pro-development. He stated it was nice to have a city that works with you, which is not the case for most ports.

Councilor Spahr moved that the council adopt Resolution No. 15-2012 on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

7. **Ordinance No. 900-B, First Reading – Water Utility Rate Adjustments; Ordinance No. 901-B, First Reading – Wastewater Utility Rate Adjustments; and Ordinance No. 902-B, First Reading – Storm Water Utility Rate Adjustments.** Public Works Director Herta Fairbanks reported the three ordinances were proposing to adjust the utility rates for the water, sewer and storm water systems, based on the direction given by the council at the previous meeting.

Ms. Fairbanks briefly reviewed the direction given by the council, which was to take a conservative look at our reserve levels and keep all of our utilities in a financially viable position.

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Ms. Fairbanks noted the city had not raised rates since 2007, adding they had done everything possible to try to offset the need to have to come to council. She noted one of the main driving factors was the debt service requirement for the wastewater treatment plant.

Ms. Fairbanks talked briefly about the zero percent interest loan the city took out several years ago to build the new wastewater treatment plant. She noted they knew it would have an impact on the rates, but the offset that the city would be in compliance with environmental regulations and be able to treat the city's wastewater was worth the need to issue the debt and resulting debt service.

Ms. Fairbanks reported they were now at the critical point where they are going to have to start drawing down that debt service reserve, which would not sit well with our funding agencies.

Councilor Spahr stated, in light of the fact that they started the process when the plant was first built and stopped it midstream, the city needed to get back on track.

Councilor Spahr moved to pass Ordinance Nos. 900-B, 901-B, and 902-B on first reading.

Councilor Pope seconded the motion.

Councilor Taylor reported he understood that projects and taking care of maintenance are important to do, but the requirement of having to keep so much of the taxpayers' dollars in reserves didn't sit well with him. He felt the economy was still in a recession and for people who are finding it hard to find work, having to pay an increased utility bill was asking lot. Councilor Taylor stated he understood the requirement put on the city and the need to raise more money to cover it, but he didn't think trying to do projects right now was the right thing to do.

Councilor Taylor stated he could see himself supporting the need to take care of the debt obligation, but couldn't vote for a rate increase at this time.

Councilor Lund stated he would be following Councilor Taylor and voting against raising the rates. He reported we have one of the highest unemployment rates in the state, and people can't afford to pay what they pay now. Councilor Lund noted he agreed with former Mayor Walter B. Graham, Sr. that the city should be run like a business.

Councilor Spahr stated it was a business, and it has responsibilities and debt. He felt by not raising rates they would put the loan in jeopardy, costing the rate payers a lot more money down the road.

Councilor Pope suggested deferring the rates over the past several years was not good business. He felt the city was stressed and they needed to raise the rates to take care of the debt.

Councilor Lund noted several times he's asked the question, "Why aren't we working on cutting the budgets in the utility departments like they were with the rest of the city." He reported he was told by several people that the city didn't have to worry about it because those departments have money coming in all the time. Councilor Lund suggested if they would have cut back, maybe they wouldn't be in the position they are in now.

Councilor Spahr stated the utilities provide a service, and the cost for providing service is now exceeding the city's revenues. He believed they had made some reductions in the utility departments, as much as they possibly could. Councilor Spahr suggested by not doing something right now would be pretty irresponsible.

Councilor Dawes stated he could certainly understand both side of the argument, but they can only mitigate so much. He suggested if they want to be ready for when things bounce back, they were going to have to put money into the infrastructure. Councilor Dawes noted it was unfortunate the city is being required to put a certain amount of money in reserves, but they should always have a certain amount put away because you never know when something big may blow.

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Councilor Dawes stated he was comfortable supporting the rate increases because he's been assured that only projects that absolutely have to be done will be done. He suggested if they don't do anything they may end up digging themselves into such a hole that they have to charge two to three times the amount they are looking at now. Councilor Dawes stated if they want the city to get better there are going to be sacrifices, and as the council, they were going to have to make those tough decisions.

Councilor Pope called for the question.

The motion carried 4-2, with Councilors Taylor and Lund voting against the motion.

There being no further business to come before the council, the meeting adjourned at 6:46 p.m.

Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of October 8, 2012.

CITY OF CHEHALIS
AGENDA REPORT

DATE: October 15, 2012

TO: The Honorable Mayor and City Council

FROM: Eva Lindgren, Finance Manager *EL*

PREPARED BY: Michelle White, Accounting Tech II *MW*

SUBJECT: Vouchers and Transfers

ISSUE

Council approval is requested of the following financial transactions:

Claim Vouchers No. 104340 through 104474 in the amount of \$593,924.31 dated October 15, 2012 and the transfer of \$131,016.57 from the General Fund, \$497.50 from the Automotive Equipment Reserve Fund, \$420.56 from the Garbage Fund, \$183,354.21 from the Wastewater Fund, \$270,902.65 from the Water Fund, \$3,804.22 from the Storm & Surface Water Utility Fund, \$3,843.60 from the Firemen's Pension Fund and \$85.00 from the City Agency Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the October 15, 2012 Claim Vouchers No. 104340 through 104474 in the amount of \$593,924.31.

SUGGESTED MOTION

I move to approve the October 15, 2012 Claim Vouchers No. 104340 through 104474 in the amount of \$593,924.31.

Reviewed by: *Michelle White*, City Manager

City of Chehalis
Third Quarter Financial Statements - All Funds
With Preliminary Actual Beginning Fund Balances
September 30, 2012

	General Fund #001	
	Budget	Actual
Beginning Fund Balance	828,989	828,989
Revs. & Transfers In	9,007,411	5,366,570
Exps. & Transfers Out	(9,009,426)	(5,633,763)
Ending Fund Balance	826,974	561,796

	Arterial Street Fund #102	
	Budget	Actual
	26,808	26,808
	155,000	109,865
	(155,826)	(112,019)
	26,182	24,654

	Tourism Fund #107	
	Budget	Actual
	73,255	73,255
	155,150	113,901
	(175,200)	(102,006)
	53,205	85,150

	Compensated Abs. #110	
	Budget	Actual
	4,036	4,045
	10	0
	(4,046)	(816)
	0	3,229

	CDBG Fund #195	
	Budget	Actual
	21,987	21,725
	5,050	4,679
	(6,500)	(6,232)
	20,537	20,172

	HUD Fund #197	
	Budget	Actual
Beginning Fund Balance	319,758	319,920
Revs. & Transfers In	4,214	4,034
Exps. & Transfers Out	(2,500)	(1,214)
Ending Fund Balance	321,472	322,740

	Gambling Enforcem. #198	
	Budget	Actual
	263,954	260,592
	500	70
	(171,961)	(141,477)
	92,493	119,185

	Federal & State Grant Fund #199	
	Budget	Actual
	0	0
	2,212,216	28,853
	(2,212,216)	(24,973)
	0	3,880

	2011 G.O. Bond Fund #200	
	Budget	Actual
	4,270	4,272
	94,560	70,920
	(98,830)	(16,677)
	0	58,515

	Public Fac. Res. #301	
	Budget	Actual
	33,515	33,874
	22,951	22,901
	(55,901)	(33,000)
	565	23,775

	Auto/Equip. Res. #302	
	Budget	Actual
Beginning Fund Balance	35,639	35,647
Revs. & Transfers In	33,000	33,000
Exps. & Transfers Out	(66,500)	(56,775)
Ending Fund Balance	139	11,872

	1st Qtr. REET Fund #305	
	Budget	Actual
	142,806	139,987
	35,200	18,823
	(40,188)	(30,141)
	137,818	128,669

	2nd Qtr. REET Fund #306	
	Budget	Actual
	50,659	47,816
	35,075	18,449
	(30,732)	(23,049)
	55,002	43,216

	Garbage Fund #402	
	Budget	Actual
	11,089	11,796
	6,500	6,313
	(12,580)	(9,149)
	5,009	8,960

	Wastewater Fund #404	
	Budget	Actual
	2,288,868	2,288,868
	4,659,749	2,866,227
	(4,919,314)	(2,931,164)
	2,029,303	2,223,931

	Water Fund #405	
	Budget	Actual
Beginning Fund Balance	2,885,253	2,885,253
Revs. & Transfers In	2,486,633	1,911,838
Exps. & Transfers Out	(4,046,646)	(1,800,916)
Ending Fund Balance	1,325,240	2,996,175

	Storm/Surface Wtr. #406	
	Budget	Actual
	364,776	364,776
	413,757	313,360
	(416,269)	(253,368)
	362,264	424,768

	Firemens' Pension #611	
	Budget	Actual
	189,349	190,491
	157,100	88,840
	(135,000)	(98,386)
	211,449	180,943

	City Agency Fund #633	
	Budget	Actual
	349,742	349,003
	0	0
	0	0
	349,742	349,003

	All Funds Totals	
	Budget	Actual
	7,894,753	7,887,117
	19,484,076	10,978,643
	(21,561,435)	(11,275,127)
	5,817,394	7,590,633

Note: In some instances, ending fund balances include non-cash components, such as prepaid insurance and inventory. Resulting variances are considered immaterial.

To: The Honorable Mayor and Council
 Via: Merlin MacReynold, City Manager
 From: Eva K. Lindgren, Finance Manager
 Date: October 15, 2012
 Subject: Monthly Financial Reports for August

City of Chehalis
 Comparative Financial Reports
 September 2011 and 2012

GENERAL FUND (#001) REVENUES	A September 2011		B		C=B/A		D		E		F=E/D		G		H [^]		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd	Budget	Actual	September 2012	Actual	% Rec'd	% Rec'd	Expected % Rec'd [*]	Expected	Varnc frm Expected	% Variance		
General Property Taxes	\$1,219,000	\$674,402	\$1,235,000	\$681,243	55.3%	55.2%	\$1,235,000	\$681,243	September 2012	Actual	55.2%	75.0%	75.0%	(\$245,007)	-19.8%			
EMS Property Taxes	233,000	129,096	236,000	130,353	55.4%	55.2%	236,000	130,353			55.2%	75.0%	75.0%	(46,647)	-19.8%			
Sales & Use Tax	3,000,000	2,314,427	3,000,000	2,260,871	77.1%	75.4%	3,000,000	2,260,871			75.4%	75.0%	75.0%	10,871	0.4%			
Electricity Tax	375,000	315,642	400,000	276,204	84.2%	69.1%	400,000	276,204			69.1%	75.0%	75.0%	(23,796)	-5.9%			
Gas/Natural Gas Tax	253,000	196,026	250,000	184,838	77.5%	73.9%	250,000	184,838			73.9%	75.0%	75.0%	(2,662)	-1.1%			
Criminal Justice Tax	92,000	66,606	88,000	65,162	72.4%	74.0%	88,000	65,162			74.0%	75.0%	75.0%	(838)	-1.0%			
Interfund Water/Sewer Tax	350,000	239,628	340,000	247,038	68.5%	72.7%	340,000	247,038			72.7%	75.0%	75.0%	(7,962)	-2.3%			
Garbage Tax	65,000	44,011	62,000	43,177	67.7%	69.6%	62,000	43,177			69.6%	75.0%	75.0%	(3,323)	-5.4%			
Cable Tax	80,000	68,414	92,000	68,780	85.5%	74.8%	92,000	68,780			74.8%	75.0%	75.0%	(220)	-0.2%			
Telephone Tax	335,000	236,491	325,000	237,098	70.6%	73.0%	325,000	237,098			73.0%	75.0%	75.0%	(6,652)	-2.0%			
Leasehold Excise Tax	35,000	26,448	35,000	27,299	75.6%	78.0%	35,000	27,299			78.0%	75.0%	75.0%	1,049	3.0%			
Other Taxes	0	27	30	32	N/A	106.7%	30	32			106.7%	75.0%	75.0%	10	31.7%			
Total Tax Revenues	6,037,000	4,311,218	6,063,030	4,222,095	71.4%	69.6%	6,063,030	4,222,095			69.6%	75.0%	75.0%	(325,178)	-5.4%			
Licenses & Permits	120,200	46,646	63,630	42,137	38.8%	66.2%	63,630	42,137			66.2%	75.0%	75.0%	(5,586)	-8.8%			
Intergov't Grants/Entitlements	337,414	229,195	720,239	228,496	67.9%	31.7%	720,239	228,496			31.7%	75.0%	75.0%	(311,683)	-43.3%			
Charges for Goods and Svcs.	779,094	579,250	800,725	611,234	74.3%	76.3%	800,725	611,234			76.3%	75.0%	75.0%	10,690	1.3%			
Fines and Forfeitures	147,824	120,443	167,080	117,118	81.5%	70.1%	167,080	117,118			70.1%	75.0%	75.0%	(8,192)	-4.9%			
Interest Earnings	18,800	7,718	12,546	7,457	41.1%	59.4%	12,546	7,457			59.4%	75.0%	75.0%	(1,953)	-15.6%			
Rents & Royalties	64,200	54,542	71,422	50,292	85.0%	70.4%	71,422	50,292			70.4%	75.0%	75.0%	(3,275)	-4.6%			
Donations/Contributions	102,599	98,598	76,756	77,313	96.1%	100.7%	76,756	77,313			100.7%	75.0%	75.0%	19,746	25.7%			
Misc. Revenue/Insurance	10,918	11,335	3,100	7,510	103.8%	242.3%	3,100	7,510			242.3%	75.0%	75.0%	5,185	167.3%			
Non-Revenues	5,500	3,278	4,866	2,918	59.6%	60.0%	4,866	2,918			60.0%	75.0%	75.0%	(732)	-15.0%			
Total Non-Tax Revenues	1,586,549	1,151,005	1,920,364	1,144,475	72.5%	59.6%	1,920,364	1,144,475			59.6%	75.0%	75.0%	(295,798)	-15.4%			
Proceeds of Long-Term Debt	1,131,362	0	0	0	0.0%	N/A	0	0			N/A	75.0%	75.0%	0	N/A			
Operating Transfers-In	24,000	18,000	1,024,017	0	75.0%	0.0%	1,024,017	0			0.0%	75.0%	75.0%	(768,013)	-75.0%			
Total Other Financing Sources	1,155,362	18,000	1,024,017	0	1.6%	0.0%	1,024,017	0			0.0%	75.0%	75.0%	(768,013)	-75.0%			
TOTALS	\$8,778,911	\$5,480,223	\$9,007,411	\$5,366,570	62.4%	59.6%	\$9,007,411	\$5,366,570			59.6%	75.0%	75.0%	(\$1,388,988)	-15.4%			

Key:
 * The expected percentage is calculated as follows: since the report is for the 9th month of the year, 9 is divided by 12-the number of months in the year.
 ^ To calculate the dollar variance between expected and actual expenditures, the following formula is used:
 H=(D*G) - E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

City of Chehalis
Comparative Financial Reports
September 2011 and 2012

GENERAL FUND (#001) EXPENDITURES	A September 2011		B		C=B/A		D		E		F=E/D		G		H^		I=G-F			
	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	September 2012 Actual	Actual	% Exp'd	% Exp'd	Expected % Exp^	Expected	Var inc-frm Expected	% Variance	% Variance			
City Council	\$101,063	\$74,927	\$100,319	\$72,673	74.1%	72.4%	\$100,319	\$72,673	75.0%	75.0%	75.0%	75.0%	75.0%	\$2,566	2.6%					
Municipal Court	334,798	233,948	348,378	240,134	69.9%	68.9%	348,378	240,134	75.0%	75.0%	75.0%	75.0%	75.0%	21,150	6.1%					
City Manager	323,204	243,068	338,840	250,478	75.2%	73.9%	338,840	250,478	75.0%	75.0%	75.0%	75.0%	75.0%	3,652	1.1%					
Finance	317,680	231,077	325,177	238,550	72.7%	73.4%	325,177	238,550	75.0%	75.0%	75.0%	75.0%	75.0%	5,333	1.6%					
City Clerk	91,305	65,989	94,231	67,876	72.3%	72.0%	94,231	67,876	75.0%	75.0%	75.0%	75.0%	75.0%	2,797	3.0%					
Non-Departmental	1,542,687	210,051	1,414,721	254,806	13.6%	18.0%	1,414,721	254,806	75.0%	75.0%	75.0%	75.0%	75.0%	806,235	57.0%		(3)			
Human Resources	130,530	107,175	129,020	91,932	82.1%	71.3%	129,020	91,932	75.0%	75.0%	75.0%	75.0%	75.0%	4,833	3.7%					
Police	2,269,433	1,620,929	2,348,788	1,707,086	71.4%	72.7%	2,348,788	1,707,086	75.0%	75.0%	75.0%	75.0%	75.0%	54,505	2.3%					
Fire	1,766,840	1,295,875	1,729,924	1,266,763	73.3%	73.2%	1,729,924	1,266,763	75.0%	75.0%	75.0%	75.0%	75.0%	30,680	1.8%					
Public Works - Streets	464,160	278,697	891,029	404,263	60.0%	45.4%	891,029	404,263	75.0%	75.0%	75.0%	75.0%	75.0%	264,009	29.6%		(2)			
Public Works - Engineering	138,813	86,316	111,017	74,656	62.2%	67.2%	111,017	74,656	75.0%	75.0%	75.0%	75.0%	75.0%	8,607	7.8%					
Community Development	1,218,672	995,586	1,177,982	964,546	81.7%	81.9%	1,177,982	964,546	75.0%	75.0%	75.0%	75.0%	75.0%	(81,060)	-6.9%					
TOTALS	8,699,185	5,443,538	9,009,426	5,633,763	62.6%	62.5%	9,009,426	5,633,763	75.0%	75.0%	75.0%	75.0%	75.0%	1,123,307	12.5%					
Net Budget/Income/Variance:															\$79,726	\$36,585	(\$2,015)	(\$267,193)	(\$265,682)	-2.9%

Key:

* The expected percentage is calculated as follows: since the report is for the 9th month of the year, 9 is divided by 12-the number of months in the year.

^To calculate the dollar variance between expected and actual expenditures, the following formula is used:

H=(D*G) -E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

(1) Property taxes are not collected evenly throughout the year.

(2) WSDOT and TIB-funded street projects are pending.

(3) Operating transfers are dependent upon FEMA elevation activity. Transfers will be made out of Non-Departmental, as necessary, to provide adequate cash-flow for the project. These funds will be transferred back to the General Fund from the Federal and State Grant Fund when not required.

City of Chehalis
Comparative Financial Reports
September 2011 and 2012

WASTEWATER FUND (#404) REVENUES	A September 2011		B September 2011		C=B/A		D September 2012		E September 2012		F=E/D		G Expected % Rec'd*		H^ Variance Expected		I=F-G % Variance	
	Budget	Actual	% Rec'd	Budget	Actual	% Rec'd	Budget	Actual	% Rec'd	Actual	% Rec'd	Expected % Rec'd*	Expected	Variance	Expected	% Variance		
Wastewater Fees	\$3,338,552	\$2,508,576	75.1%	\$3,404,344	\$2,559,837	75.2%	\$2,559,837	\$2,559,837	75.0%	\$2,559,837	75.0%	75.0%	\$6,579	0.2%	\$6,579	0.2%		
Sewer Connection/Misc. Fees	35,000	15,836	45.2%	25,000	26,623	106.5%	26,623	26,623	75.0%	26,623	75.0%	75.0%	7,873	31.5%	7,873	31.5%		
Rentals	3,750	3,750	100.0%	3,750	3,323	88.6%	3,323	3,323	75.0%	3,323	75.0%	75.0%	511	13.9%	511	13.9%		
Misc. Revenues/Insurance	2,500	8,706	348.2%	22,000	25,419	115.5%	25,419	25,419	75.0%	25,419	75.0%	75.0%	8,919	40.5%	8,919	40.5%		
Intergovernmental Revenues	0	0	N/A	0	1,025	N/A	1,025	1,025	75.0%	1,025	75.0%	75.0%	1,025	N/A	1,025	N/A		
Interfund Principal Repayment	565,681	0	0.0%	0	0	0.0%	0	0	75.0%	0	75.0%	75.0%	0	N/A	0	N/A		
Interfund Loan Received	0	0	N/A	1,200,000	250,000	20.8%	250,000	250,000	75.0%	250,000	75.0%	75.0%	(650,000)	-54.2%	(650,000)	-54.2%		(1)
Interest Earnings	16,000	8,870	55.4%	4,655	0	0.0%	0	0	75.0%	0	75.0%	75.0%	(3,491)	-75.0%	(3,491)	-75.0%		
Totals:	\$3,961,483	\$2,545,738	64.3%	\$4,659,749	\$2,866,227	61.5%	\$2,866,227	\$2,866,227	75.0%	\$2,866,227	75.0%	75.0%	(\$628,585)	-13.5%	(\$628,585)	-13.5%		

WASTEWATER FUND (#404) EXPENSES	A September 2011		B September 2011		C=B/A		D September 2012		E September 2012		F=E/D		G Expected % Exp*		H^ Variance Expected		I=G-F % Variance	
	Budget	Actual	% Exp'd	Budget	Actual	% Exp'd	Budget	Actual	% Exp'd	Actual	% Exp'd	Expected % Exp*	Expected	Variance	Expected	% Variance		
Operating Expenses	\$2,427,364	\$1,781,182	73.4%	\$2,533,710	\$1,840,411	72.6%	\$1,840,411	\$1,840,411	75.0%	\$1,840,411	75.0%	75.0%	\$59,872	2.4%	\$59,872	2.4%		
Capital Outlay	290,000	107,558	37.1%	650,000	124,872	19.2%	124,872	124,872	75.0%	124,872	75.0%	75.0%	362,628	55.8%	362,628	55.8%		(2)
Debt Principal	1,685,894	932,595	55.3%	1,694,944	940,487	55.5%	940,487	940,487	75.0%	940,487	75.0%	75.0%	330,721	19.5%	330,721	19.5%		(3)
Interest Expense	50,166	33,741	67.3%	40,660	25,394	62.5%	25,394	25,394	75.0%	25,394	75.0%	75.0%	5,101	12.5%	5,101	12.5%		
Totals:	4,453,424	2,855,076	64.1%	4,919,314	2,931,164	59.6%	2,931,164	2,931,164	75.0%	2,931,164	75.0%	75.0%	758,322	15.4%	758,322	15.4%		

Net Budget/Income/Variance: (\$491,941) (\$309,338) (\$259,565) (\$64,937) \$129,737 1.9%

Key:

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 ^ To calculate the dollar variance between expected and actual expenditures, the following formula is used:
 H=(D*G) - E (i.e. (annual budgeted amount x expected % expended) - actual expenditures.)

- (1) Interfund loan "revenues" are budgeted at \$1,200,000 for 2012. However, the City Council has only approved a loan of \$250,000, so far.
 (See Ordinance 897-B.)
- (2) Capital expenditures are not made evenly throughout the year.
- (3) Debt is not paid evenly throughout the year.

City of Chehalis
Comparative Financial Reports
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WATER FUND (#405) REVENUES	A September 2011		B Actual	C=B/A		D September 2012		E Actual	F=E/D		G Expected		H [^] Variance		I=F-G %
	Budget	% Rec'd		Budget	% Rec'd	% Rec'd	% Rec'd		% Rec'd	% Rec'd	Expected	Variance			
Water Sales	\$2,541,852	70.7%	\$1,798,246	70.7%	\$2,456,633	75.6%	\$1,856,966	75.6%	75.0%	\$14,491	0.6%				
Water Connection/Misc. Fees	26,000	154.9%	40,271	154.9%	20,000	211.2%	42,246	211.2%	75.0%	27,246	136.2%				
Intergovernmental Revenues	14,520	100.0%	14,520	100.0%	0	N/A	1,961	N/A	75.0%	1,961	N/A				
Interfund Principal Repayment	565,681	0.0%	0	0.0%	0	N/A	0	N/A	75.0%	0	N/A				
Misc. Revenues/Insurance	0	N/A	1,037	N/A	0	N/A	2,153	N/A	75.0%	2,153	N/A				
Interest Earnings	16,000	43.9%	7,020	43.9%	10,000	85.1%	8,512	85.1%	75.0%	1,012	10.1%				
Totals:	\$3,164,053	58.8%	\$1,861,094	58.8%	\$2,486,633	76.9%	\$1,911,838	76.9%	75.0%	\$46,863	1.9%				

WATER FUND (#405) EXPENSES	A September 2011		B Actual	C=B/A		D September 2012		E Actual	F=E/D		G Expected		H [^] Variance		I=G-F %
	Budget	% Exp'd		Budget	% Exp'd	% Exp'd	% Exp'd		% Exp'd	% Exp'd	Expected	Variance			
Operating Expenses	1,940,075	69.1%	1,339,844	69.1%	1,902,438	68.4%	1,300,922	68.4%	75.0%	125,907	6.6%				
Capital Outlay	320,768	24.9%	79,809	24.9%	790,000	12.1%	95,786	12.1%	75.0%	496,714	62.9%				
Interfund Loan Disbursed	0	N/A	0	N/A	1,200,000	20.8%	250,000	20.8%	75.0%	650,000	54.2%				
Debt Principal	129,077	100.0%	129,077	100.0%	130,077	100.0%	130,077	100.0%	75.0%	(32,519)	(25.0%)				
Interest Expense	26,496	100.0%	26,496	100.0%	24,131	100.0%	24,131	100.0%	75.0%	(6,033)	(25.0%)				
Totals:	2,416,416	65.2%	1,575,226	65.2%	4,046,646	44.5%	1,800,916	44.5%	75.0%	1,234,069	30.5%				

Net Budget/Income/Variance: \$747,637 \$285,868 (\$1,560,013) \$110,922 \$1,280,932 32.4%

Key:

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^ To calculate the dollar variance between expected and actual expenditures, the following formula is used:

H=(D*G) -E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

- (1) Capital expenditures are not made evenly throughout the year.
- (2) Interfund loan "expenditures" are budgeted at \$1,200,000 for 2012. However, the City Council has only approved a loan of \$250,000, so far.
(See Ordinance 897-B.)

City of Chehalis
Comparative Financial Reports
September 2011 and 2012

STORM FUND (#406) REVENUES	A September 2011		B Actual	C=B/A		D September 2012		E Actual	F=E/D		G Expected % Rec'd*	H^ Variance		I=F-G %
	Budget	% Rec'd		Budget	% Rec'd	% Exp'd	Expected % Rec'd*		Expected	% Variance				
Storm & Surface Water Fees	\$401,500	75.7%	\$303,982	\$407,780	74.9%	\$305,422	75.0%	(413)	-0.1%					
Storm Connection/Misc. Fees	10,000	4.9%	489	5,477	100.0%	5,477	75.0%	1,369	25.0%					
Interest Earnings	500	49.0%	245	500	0.0%	0	75.0%	(375)	-75.0%					
Misc. Revenues/Insurance	0	N/A	398	0	N/A	2,461	75.0%	2,461	N/A					
Totals:	\$412,000	74.1%	\$306,114	\$413,757	75.7%	\$313,360	75.0%	\$3,042	0.7%					

STORM FUND (#406) EXPENSES	A September 2011		B Actual	C=B/A		D September 2012		E Actual	F=E/D		G Expected % Exp*	H^ Variance		I=G-F %
	Budget	% Exp'd		Budget	% Exp'd	% Exp'd	Expected % Exp*		Expected	% Variance				
Operating Expenses	\$363,139	62.7%	\$227,661	\$359,853	63.5%	\$228,503	75.0%	\$41,387	11.5%					
Capital Outlay	0	N/A	3,464	56,416	44.1%	24,865	75.0%	17,447	30.9%					
Totals:	363,139	63.6%	231,125	416,269	60.9%	253,368	75.0%	58,834	14.1%					

Net Budget/Income/Variance: \$48,861 \$73,989 (\$2,512) \$59,992 \$61,876 14.8%

Key:

* The expected percentage is calculated as follows: since the report is for the 9th month of the year, 9 is divided by 12-the number of months in the year.

^To calculate the dollar variance between expected and actual expenditures, the following formula is used:

H=(D*G) -E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

RECOMMENDATION/COUNCIL ACTION DESIRED

This report is for the Council's information only. No action is necessary.

Reviewed by  City Manager

City of Chehalis Sales & Use Tax Revenue

	Month-by-Month Comparisons							Key	
	2006	2007	2008	2009	2010	2011	2012		% Chg.
January	264,552.49	303,003.96	338,775.84	311,681.25	242,158.24	255,550.11	239,905.57	-6.4%	1
February	388,722.09	370,242.18	325,708.20	326,987.75	296,867.87	288,322.28	293,448.86	1.8%	
March	254,068.00	275,769.04	352,594.58	247,974.49	269,687.71	209,202.31	201,418.97	-3.7%	
April	246,106.89	262,854.70	323,886.70	245,182.86	223,636.27	211,769.41	229,146.29	8.2%	2
May	350,778.11	309,705.17	366,700.91	255,481.63	246,998.74	269,316.42	250,189.48	-7.4%	3
June	287,446.83	288,762.68	340,751.01	266,335.35	228,867.63	253,348.87	253,817.94	0.2%	
July	318,763.36	280,090.89	352,426.34	270,324.94	239,316.92	235,882.93	251,676.19	6.7%	
August	331,608.32	367,841.64	416,021.47	276,851.50	268,052.83	264,592.08	264,996.44	0.2%	
September	304,839.70	331,262.66	327,171.53	250,448.70	246,365.20	320,998.49	276,271.10	-13.9%	4
October	327,097.48	353,302.89	305,787.51	345,695.15	260,630.19	245,472.95			
November	303,346.25	352,562.39	373,132.35	257,314.61	251,801.70	261,382.66			
December	322,768.97	314,120.78	194,375.82	234,399.17	241,368.04	233,191.67			
Inter-year adj.	-16,143.47								
Totals	3,683,955.02	3,809,518.98	4,017,332.26	3,288,677.40	3,015,751.34	3,049,030.18		N/A	
As of 9/XX:	2,746,885.79	2,789,532.92	3,144,036.58	2,451,268.47	2,261,951.41	2,308,982.90	2,260,870.84	-2.1%	
As of 3rd Qtr.:	2,746,885.79	2,789,532.92	3,144,036.58	2,451,268.47	2,261,951.41	2,308,982.90	2,260,870.84	-2.1%	

Key:

- 1 In 2011, taxes relating to "Health Care Social Assistance" category were over-stated. This year they were not, and most of the variance is attributable to this.
- 2 Net increase appears to primarily be the result of stable or increased revenues for many existing businesses and sales being reported for businesses which only generate sales sporadically. Did not note any significant audit adjustments during review.
- 3 For May 2011, \$16,860 in sales and use tax revenues were attributable to the tax amnesty program in effect at the time. The tax amnesty program was not in effect during 2012; the program stopped accepting payments after April 2011.
- 4 In 2011, over \$68,000 in use taxes came from one business which makes very large purchases once or twice per year. Without those taxes in 2011, total sales and use taxes for the period would have been reduced to \$252,689.

CITY OF CHEHALIS

AGENDA REPORT

DATE: October 17, 2012
TO: The Honorable Mayor and City Council
FROM: Herta Fairbanks, Public Works Director
SUBJECT: Utility Rate Adjustments

ISSUE

The city has not adjusted utility rates for its water, wastewater, or stormwater utility since 2007, but operating costs have continued to increase, notably, fuel, insurance, power and chemicals.

DISCUSSION

The city has been conscientious of the current economic conditions and the affect these conditions have had on our community, and as a result has chosen to not adjust utility rates since 2007, although our operating costs have increased since that time. The city has been fortunate to be able to mitigate the increases in operating costs through a combination of efficient management and reserves, however, the utilities are now at the point where managerial creativity can no longer stave off necessary rate adjustments.

The administration presented two options for rate adjustments for the city's water, wastewater, and stormwater utilities during a council workshop held on September 24, 2012. The two options presented provided for a very conservative look at reserve levels, general financial indicators, and overall utility viability. The first option provided for one capital project in wastewater over a 6 year horizon and drawing down reserves on all three utilities to levels below "generally accepted" levels, but providing for them to be slowly rebuilt. In the second option, two capital projects were contemplated for wastewater and the drawdown on the reserves for the utilities is not as dramatic, while the recovery period is closer to "generally accepted" levels is faster.

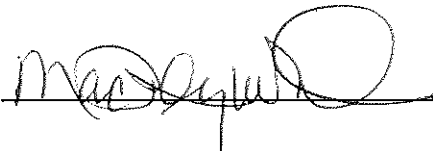
After discussion at the workshop, council directed the administration to prepare ordinances for the first, lower cost option. The administration presented the necessary updates to our municipal code to implement the option 1 proposal for first reading on October 8, 2012. The ordinances passed on first reading. Since the first reading, clarifying language was added to ordinance number 900-B, 901-B, and 902-B identifying the effective dates of the rate changes. No other changes were made to the ordinances.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the city council pass Ordinance Nos. 900-B, 901-B, and 902-B on second and final reading as amended.

SUGGESTED MOTION

I move that the city council pass Ordinance Nos. 900-B, 901-B, and 902-B on second and final reading as amended.

REVIEWED BY:  _____, CITY MANAGER

ORDINANCE NO. 900-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, AMENDING SECTIONS 13.12.090, 13.12.110, 13.12.120 AND 13.12.180, ORDINANCE NO. 865-B, PASSED THE 14TH DAY OF FEBRUARY, 2011, AS CODIFIED IN THE CHEHALIS MUNICIPAL CODE.

THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Sections 13.12.090, 13.12.110, 13.12.120, and 13.12.180 of the Chehalis Municipal Code shall be, and the same hereby are, amended to read as follows:

13.12.090 Charge for fire protection.

The monthly charge for fire protection service shall be as follows:

<u>Water Meter Service Size</u>	<u>Inside City Limits</u>	<u>Outside City Limits</u>
2"	\$ 6.58	\$ 7.23
3"	12.72	14.00
4"	35.29	38.83
6"	105.03	115.54
8"	207.59	228.36
10"	330.67	363.74
12"	474.26	521.69

13.12.110 Water rates inside of the city limits.

The water rates to be charged for water usage for customers inside the city limits shall be as follows:

A. Residential Fixed Rate:

Size of Water Meter Service	2012	2013	2014	2015
5/8" x 3/4"	\$ 15.93	\$ 16.57	\$ 17.23	\$ 17.92
1"	22.86	23.77	24.73	25.71
1½" and 2"	48.17	50.10	52.10	54.19

B. Commercial Fixed Rate:

Size of Water Meter Service	2012	2013	2014	2015
5/8" x 3/4"	\$ 17.85	\$ 18.57	\$ 19.31	\$ 20.08
1"	25.57	26.59	27.66	28.76
1½" and 2"	53.86	56.01	58.25	60.58
3" and 4"	141.28	146.94	152.81	158.93
6"	269.86	280.65	291.88	303.55
8"	424.13	441.10	458.74	477.09

C. Consumption:

<u>Year</u>	<u>Amount Per Unit of 100 Cubic Feet</u>
2012	\$2.36
2013	2.46
2014	2.55
2015	2.66

D. Water rates inside the city limits shall be as stated for the years 2012, 2013, 2014, and 2015, as outlined in Section 13.12.110 - A, B, and C, and shall remain in effect for 12 month periods from the effective date of Ordinance No. 900B, codified in this subsection. In all other respects, the terms and conditions of this section shall remain in full force and effect.

13.12.120 Water rates outside of the city limits.

The water rates to be charged for water usage for customers outside the city limits shall be as follows:

A. Residential Fixed Rate:

Size of Water Meter Service	2012	2013	2014	2015
5/8" x 3/4"	\$ 17.53	\$ 18.23	\$ 18.96	\$ 19.71
1"	25.14	26.15	27.19	28.28
1½" and 2"	53.04	55.16	57.37	59.67

B. Commercial Fixed Rate:

Size of Water Meter Service	2012	2013	2014	2015
5/8" x 3/4"	\$ 19.64	\$ 20.42	\$ 21.24	\$ 22.09
1"	28.13	29.25	30.42	31.64
1½" and 2"	59.23	61.60	64.07	66.63
3" and 4"	155.41	161.63	168.09	174.81
6"	296.84	308.71	321.06	333.90
8"	466.54	485.20	504.61	524.80

C. Consumption:

<u>Year</u>	<u>Amount Per Unit of 100 Cubic Feet</u>
2012	\$2.60
2013	2.70
2014	2.81
2015	2.92

D. Water rates outside the city limits shall be as stated for the years 2012, 2013, 2014, and 2015, as outlined in Section 13.12.120 - A, B, and C, and shall remain in effect for 12 month periods from the effective date of Ordinance No. 900B, codified in this subsection. In all other respects, the terms and conditions of this section shall remain in full force and effect.

13.12.180 Effective date.

The effective date of this ordinance shall be the 1st day of November, 2012.

PASSED by the city council of the city of Chehalis, Washington, and **APPROVED** by its mayor, at a regularly scheduled open public meeting thereof this 22nd day of October, 2012.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

ORDINANCE NO. 901-B

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON
AMENDING SECTIONS 13.16.040, AND 13.16.050, ORDINANCE
NO. 773-B, PASSED THE 27TH DAY OF SEPTEMBER, 2004, AND
CREATING SECTION 13.16.045, AS CODIFIED IN THE
CHEHALIS MUNICIPAL CODE.**

**THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, DO ORDAIN AS
FOLLOWS:**

Section 1. Sections 13.16.040, and 13.16.050 of the Chehalis Municipal Code shall be, and the same hereby are, amended to read as follows:

13.16.040 Residential sewer charges.

A. Single-family residential sewer charges shall include a fixed rate charge and a usage charge. Sewer usage charges shall be based on the volume of water used during the winter months and averaged for summer month calculations. The monthly charges for single-family unit sewer service shall be as follows:

1. Residential fixed rate:

Year	Inside City Limits	Outside City Limits
2012	\$44.91	\$67.35
2013	47.61	71.39
2014	50.46	75.67
2015	53.49	80.21

2. Residential usage charge (per unit of 100 cubic feet)

Year	Inside City Limits	Outside City Limits
2012	\$5.40	\$5.79
2013	5.72	6.13
2014	6.07	6.50
2015	6.43	6.89

B. Monthly or bimonthly sewer usage for each account shall be calculated during the winter billing periods of October through March, or November through April, by using the actual total water usage for each account. Charges shall be calculated during the summer billing periods of April through September, or May through October, by using the lesser of the actual water usage during those periods, or the average of the actual water usage for the winter billing periods of October through March, or November through April; unless it can be demonstrated that another quantity of usage is actually used, or another method of calculating sewer usage charges is more accurate. In such cases, the demonstrated actual quantity of usage or more accurate method shall be used in computing the monthly sewer usage charges. The monthly sewer usage or averaged usage shall be added to the fixed rate charge.

C. For new sewer customers connecting or opening a utility account during the summer months, or where there is no history of winter water usage for an account, the lesser of the actual usage by the new customer or an average usage quantity for all residential customers, as determined by the finance director, shall be used, to calculate the summer sewer usage charge, unless it can be demonstrated that another

quantity of usage is actually used. In such cases, the demonstrated actual quantity of usage shall be used in computing the monthly sewer charges. The monthly sewer usage or average usage charge shall be added to the fixed rate charge.

D. Sewer rates for residential customers inside and outside the city limits shall be as stated for the years 2012, 2013, 2014, and 2015, as outlined in Section 13.16.040 - A, B, and C, and shall remain in effect for 12 month periods from the effective date of Ordinance No. 901B, codified in this subsection. In all other respects, the terms and conditions of this section shall remain in full force and effect.

13.16.050 Commercial, industrial, and temporary sewer charges.

Commercial, industrial, and temporary sewer charges shall include a fixed rate charge and a usage charge. Sewer usage charges shall be based on volume of water used unless it can be demonstrated that another quantity of usage is actually used, or another method of calculating sewer usage charges is more accurate. In such cases, the demonstrated actual quantity of usage or more accurate method shall be used in computing the monthly sewer usage charges. The monthly charges for commercial sewer service shall be as follows:

A. Commercial, industrial, and temporary fixed rate inside the city limits:

Size of Water Meter Service	2012	2013	2014
5/8" x 3/4"	\$ 61.43	\$ 65.11	\$ 69.02
1"	109.44	116.00	122.96
1½" and 2"	151.35	160.43	170.06
3" and 4"	286.41	303.60	321.81
6"	648.60	687.52	728.77
8"	972.91	1,031.29	1,093.16

Size of Water Meter Service 2015

5/8" x 3/4"	\$ 73.16
1"	130.34
1½" and 2"	180.26
3" and 4"	341.12
6"	772.49
8"	1,158.75

B. Commercial, industrial, and temporary fixed rate outside the city limits:

Size of Water Meter Service	2012	2013	2014	2015
5/8" x 3/4"	\$ 92.14	\$ 97.67	\$ 103.53	\$109.74
1"	164.16	174.01	184.45	195.52
1½" and 2"	227.04	240.66	255.10	270.41
3" and 4"	429.63	455.40	482.73	511.69
6"	972.90	1,031.27	1,093.15	1,158.74
8"	1,459.31	1,546.87	1,639.68	1,738.06

C. Commercial, industrial, and temporary usage charge (per unit of 100 cubic feet)

Year	Inside City Limits	Outside City Limits
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2012	\$5.40	\$5.79
2013	5.72	6.13
2014	6.07	6.50
2015	6.43	6.89

D. Sewer rates for commercial, industrial and temporary usage customers inside and outside the city limits shall be as stated for the years 2012, 2013, 2014, and 2015, as outlined in Section 13.16.050 - A, B, and C, and shall remain in effect for 12 month periods from the effective date of Ordinance No. 901B, codified in this subsection. In all other respects, the terms and conditions of this section shall remain in full force and effect.

Section 2. Section 13.16.045 of the Chehalis Municipal Code is hereby created to read as follows:

13.16.045 Effective Date

The effective date of this ordinance shall be the 1st day of November, 2012.

PASSED by the city council of the city of Chehalis, Washington, and **APPROVED** by its mayor, at a regularly scheduled open public meeting thereof this 22nd day of October, 2012.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

ORDINANCE NO. 902-B

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON
AMENDING SECTIONS 13.28.030, 13.28.040, AND 13.28.120,
ORDINANCE NO. 868-B, PASSED THE 14TH DAY OF FEBRUARY,
2011; AS CODIFIED IN THE CHEHALIS MUNICIPAL CODE.**

**THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, DO
ORDAIN AS FOLLOWS:**

13.28.030 Charges for specific parcels and uses.

The following utility charges are established for all parcels of real property in the city:

A. Residential Parcels. The single-family residential charges shall apply to each parcel having one dwelling unit. The monthly charges for single-family unit storm water service shall be as follows:

Year	Amount per Unit
2012	\$6.45
2013	6.95
2014	7.45
2015	7.95
2016	8.45
2017	8.95
2018	9.45

A residential parcel shall be deemed one ESU.

B. Undeveloped Parcels. Undeveloped parcels shall not be charged.

C. Parcels Located within a Flood Control District. Parcels located within a flood control district shall not be charged.

D. Parcels Containing a Detention Structure. The charge for all parcels containing a detention structure shall be based upon the total amount of measured impervious surface divided by the ESU and rounded to the nearest one-tenth whole number. The monthly service charge shall consist of the residential parcel charge for the first ESU and \$1.00 for each additional measured ESU:

Year	Amount per Unit
2012	\$6.45 plus \$1.00 per each additional ESU
2013	6.95 plus \$1.00 per each additional ESU
2014	7.45 plus \$1.00 per each additional ESU
2015	7.95 plus \$1.00 per each additional ESU
2016	8.45 plus \$1.00 per each additional ESU
2017	8.95 plus \$1.00 per each additional ESU
2018	9.45 plus \$1.00 per each additional ESU

E. Parcels with a Retention Structure. The monthly charge for all parcels containing a retention structure shall be the same as the monthly charge for residential parcels.

F. Other Parcels. The charge for all other parcels shall be based upon the total amount of measured impervious surface divided by the ESU, and rounded to the nearest one-tenth whole number. The actual total monthly service charge shall be computed by multiplying the measured ESUs for a parcel by the following monthly unit rates:

Year	Amount per Unit
2012	\$6.45
2013	6.95
2014	7.45
2015	7.95
2016	8.45
2017	8.95
2018	9.45

G. Limited-Access Highways, City Transportation System. State of Washington limited-access highways shall be excluded from being charged consistent with this ordinance and Chapter 90.03 RCW. The city transportation system, including surfaced and non-surfaced streets, alleys, and all other public roads located within city rights-of-way, shall be excluded from being charged consistent with this ordinance.

H. Storm water utility rates shall be as stated for the year 2012, 2013, 2014, and 2015, as outlined in Section 13.28.020 – A, D, E, and F, and shall remain the same for a period of 12 months from the effective date of Ord. 902B, codified in this subsection. In all other respects, the terms and conditions of this section shall remain in full force and effect.

13.28.040 Appeal of ESU charges.

A. Any person, within 60 days after being notified of the determination of ESUs for a particular parcel(s) who considers the ESU determination or storm water utility charge calculation(s) applied to the parcel to be inaccurate, or who otherwise disagrees with a storm water utility rate determination, may apply to the public works director for a rate adjustment, stating in writing the grounds of the appeal.

B. Any person, after making or causing changes to a particular parcel(s) where such changes or modifications, reduce the total amount of impervious area of the parcel, may apply to the director for a redetermination of ESU(s). The director shall review the case file and determine whether a readjustment is warranted. If the director determines that an adjustment is warranted, the director shall cause the redetermination of impervious area and assignment of current ESU(s) to take place.

C. Any person, after making or causing changes to a particular parcel(s) where such changes or modifications provide mitigation that both exceeds that required by the city as a condition of a development and is available for the benefit of other developed parcel(s), may apply to the director for a rate adjustment, stating in writing the reason or grounds of the request. The director shall review the case file and determine whether a rate adjustment is warranted. If the director determines that an adjustment is warranted, the actual total monthly service charge shall be computed by multiplying the measured ESUs for the parcel by the following monthly unit rate:

Year	Amount per Unit
2012	\$5.10

2013	5.49
2014	5.89
2015	6.28
2016	6.68
2017	7.07
2018	7.47

D. Appeals of any decisions made by the director may be brought before the city manager who may direct the reevaluation of the appeal. Appeals beyond the city manager may then be brought before council.

E. Nothing in this ordinance shall be construed to grant a right to judicial review, which does not otherwise exist in law. (In all cases, the decision of the council shall be final and conclusive.

13.28.120 Effective Date.

The effective date of this ordinance shall be the November 1, 2012.

PASSED by city council of the city of Chehalis, Washington, and **APPROVED** by its mayor, at a regularly scheduled open public meeting thereof this 22nd day of October, 2012.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney