

## GET INVOLVED

The City of Kirkland will be covering the 2013-2014 budget process



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# BUDGET BYLINES



A CONTINUING CITY OF KIRKLAND REPORT ON THE 2013-2014 BUDGET PROCESS

## Water, sewer to cost more in 2013

### City Council tables decision on solid waste rates

**D**rinking water, sewage treatment, and garbage pick-up will cost more in the next two years than they did in 2012. And the primary culprits for the rising utility costs, Public Works Director Ray Steiger said in a Sept. 4 presentation to council, are escalating charges from other agencies coupled with reduced demand—too few people paying for a series of long-term infrastructure investments in the future.

To cover the gaps, the Kirkland City Council agreed on Sept. 18 to raise the City's sewer rates by six percent and its water rates by three percent. Council members postponed their decision to increase garbage rates until Kirkland administrators can determine the effect of Waste Management's fines for the service disruptions that resulted from the August labor strike.



*Photo courtesy of Puget Sound Energy*

Lake Tapps in Pierce County, is owned by the Cascade Water Alliance, which supplies Kirkland with water. Ed Cebron, an economist with the Cascade Water Alliance, says one of the drivers for the water rate increases his agency is passing onto Kirkland and other customers is the \$9.2 million reconstruction of a mile-long water flume. Lake Tapps is likely the eventual source of Kirkland's water supply.

For the typical family, this is roughly a \$10-monthly increase for all four of the City's utilities, from \$149 for water, sewer, garbage and surface water services in 2012 to \$158 in 2013 and \$160 in 2014.

"My sense is that we are all going to get used to paying a little more, for a little less where these rates are concerned," said City Council Member Penny Sweet. "The infrastructure, the baseline costs of providing the

service are really what we are paying for. I also believe we are a community that is fully committed to conservation. We're seeing that in our water use.

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We're certainly seeing that in our garbage practices."

The increases are mostly the result of pass-throughs—costs Waste Management, the Cascade Water Alliance and King County are passing onto the City. Some of these additional costs result from long-term investments in basic infrastructure, such as King County's \$1.8 billion Brightwater Treatment System or Cascade Water Alliance's \$9.2 million project to replace a mile-long, wooden section of an in-take flume on Lake Tapps, the eventual source of Kirkland's drinking water.

"These are very fixed-cost businesses," said Tracey Dunlap, Kirkland's Director of Finance and Administration. "Water is the primary example. When you conserve water, it just puts off needing additional supply into the future. It doesn't change the pipes and everything needed to get clean water out of your faucet." Most of the rate increases result from a public that has learned to do more with less.

## Garbage

Garbage is another example. The public is recycling more, composting more and throwing away less, which means they needed less space for garbage and more for recyclables, yard waste and compost.

To encourage residents to

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— Tracey Dunlap, Director of Finance and Administration



Photo courtesy of pfly, via Flickr

A flume on Lake Tapps transports water from the White River into the lake. The Cascade Water Alliance is replacing a mile-long, wooden section of an in-take flume on Lake Tapps.

recycle more and throw away less, Kirkland leaders created in 2008 a pricing structure that charged substantially less for the smaller carts than the larger ones, while providing recycling, compost and yard waste services at no additional charge. And 28 percent of Kirkland's garbage service customers have opted for the smaller carts since then. This is one of the reasons Kirkland's single family residents recycled 66 percent of

their waste in 2011, topping a list of 36 regional jurisdictions for the fifth straight year.

Unfortunately, under Kirkland's current price plan, the smaller carts cost more for Waste Management to service than Kirkland collects—in the case of the 20-gallon weekly service option, 89 percent more. To make up the difference for 2012, Kirkland has resorted to tapping its solid waste reserve fund.

"We had \$2.1 million in reserves a couple of years ago," said John MacGillivray, Kirkland's Solid Waste Coordinator. "Now we have less than \$1 million. We couldn't make it through the next cycle with these rates."

The proposed solution for the price discrepancy is a compromise between the subsidized rate and the actual cost of Waste Management's service. Under this proposed plan, the typical household will pay \$2.86 more per month than it currently does.

## Water

For water, the typical family will pay \$1.24 more per month in 2013 and \$3.11 more in 2014 than it currently does. Like the rates for garbage, this is largely the result of residents learning to do more with less. That trend might have begun in 1992 with one of Washington state's most severe droughts on record, said Tracey Dunlap, Kirkland's Director of Finance and Administration. To endure the drought, Puget Sounders resorted to conservation—low-pressure showerheads, yellow grass, and more efficient plumbing. The result has been a steady decline in water consumption. These factors have reduced the average family's water consumption from 250 gallons a day in the 1980s to less than 200 gallons a day today, said Ed Cebon, an economist for the Cascade Water Alliance, which provides Kirkland with

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its drinking water.

“We had assumed we’d get some conservation,” Cebron said. “But we also assumed we’d get more growth.”

And growth helps disperse the fixed costs for the infrastructure required to provide drinking water. This is especially true for the construction of new houses. The Cascade Water Alliance collects \$6,005 for every new house it connects to its water supply. But that revenue stream slowed to a trickle in 2009, when the recession hit.

“In 2005, we projected we’d have 3,000 paying connections in 2010,” Cebron said. “What we actually got was 1,000. In 2012, we lowered our projections to 800. But we’re definitely seeing them turn the corner. Now we’re at about 1,000. How quickly that recovers, whether it ever recovers? It’s doubtful.”

## Sewer

Wastewater services for the typical Kirkland household will increase by \$3.94 per month in 2013.

“Again, regional growth continues to lag,” Steiger explained during his Sept. 4 proposal to City Council. “We just don’t have the people coming into our system. And we have some fixed costs we need to share.”

One of those fixed costs is the construction of King County’s estimated \$1.8 billion Brightwater Treatment System



*Photos courtesy of King County*



**Above:** Crews during construction of the headworks, which is where wastewater first enters the plant. Brightwater will treat 36 million gallons of wastewater per day for about 250,000 people in south Snohomish County and north King County. **Left:** This 16-foot-diameter tunnel will run from Bothell to the Brightwater plant north of Woodinville. The entire Brightwater tunnel will be 14 miles long, and up to 400 to 450 feet deep.

near Woodinville on Highway 9. After that treatment facility is complete this fall, King County will likely begin transporting Kirkland’s wastewater to it. And it will serve Kirkland for decades.

“A lot of that capital construc-

tion, they financed with bonds,” Steiger said. “Part of the money we pay in our rates is to cover for the borrowing of that.”

The County’s service represents 62 percent of the City’s costs for the wastewater utility.

Currently, King County trans-

ports Kirkland’s sewage to Renton’s West Point Treatment Plant.

“There will be no [sewer rate] increase in 2014,” Steiger said.

Surface water rates will not change either in 2013 or 2014.