

Lake Forest Park Water Rate Increase FAQ

Background

Beginning November 1, 2009, new water rates go into effect for Lake Forest Park residential and commercial customers that include a six percent franchise fee, to be collected by Seattle Public Utilities (SPU) and paid to the City of Lake Forest Park.

1. What is happening to Lake Forest Park residential and commercial water rates?

The water service charge for residential and commercial customers will increase by six percent beginning November 1, 2009. The six percent increase will be incorporated into new water rates for all Lake Forest Park customers. See the table below for specific details:

Lake Forest Park Residential and Commercial Water Rates

| | RESIDENTIAL | | COMMERCIAL | |
|---|--------------|--------------|--------------|--------------|
| | Old | New | Old | New |
| Base Service Charge* | \$ 13.33/mo. | \$ 14.22/mo. | \$ 13.33/mo. | \$ 14.22/mo. |
| Off-Peak Usage (Sept. 16 – May 15) | \$ 3.70/ccf | \$ 3.95/ccf | \$ 3.70/ccf | \$ 3.95/ccf |
| Peak Usage (May 16 – Sept. 15) | | | | |
| 1st Tier – up to 10 ccf in 60 days | \$ 4.09/ccf | \$ 4.34/ccf | \$ 4.75/ccf | \$ 5.05/ccf |
| 2nd Tier – next 26 ccf in 60 days | \$ 4.75/ccf | \$ 5.05/ccf | \$ 4.75/ccf | \$ 5.05/ccf |
| 3rd Tier – over 36 ccf in 60 days | \$ 12.11/ccf | \$ 12.88/ccf | \$ 4.75/ccf | \$ 5.05/ccf |

Note: One ccf equals 100 cubic feet or 748 gallons of water.

**Assumes a ¾" meter. Actual charge varies with meter size.*

2. Why are water rates for Lake Forest Park increasing?

Seattle Public Utilities (SPU) has been providing water service to about 400 out-of-city retail customers since 1963 that are now located within the incorporated boundaries of the City of Lake Forest Park. The City of Lake Forest Park has requested a franchise agreement from SPU which formalizes the terms under which SPU operates in the City's rights-of-way and includes a requirement that SPU collect a franchise fee from its residents through the water utility bills and pay it to the City of Lake Forest Park.

3. When will the rates increase?

The new water rates for Lake Forest Park residential and commercial customers go into effect November 1, 2009.

4. What does the franchise fee pay for?

SPU operates a water system within the City of Lake Forest Park's public rights-of-way that includes distribution infrastructure to retail customers as well as major regional transmission facilities. All of the revenues from this fee are paid to the City of Lake Forest Park. Neither Seattle nor any water customer outside of Lake Forest Park receives a benefit from this fee.

5. How much is the Lake Forest Park utility franchise fee per month?

The fee will vary for all customers as it is based on water consumption. The fee is six percent, which equates to \$0.25 per ccf for off-peak usage in 2009. One ccf equals 100 cubic feet or 748 gallons of water.

6. What is the base water service charge?

The base service charge is a fixed monthly fee, determined by the size of the water meter installed at your property. Most single family residences are served by a ¾" meter, which is the smallest and least expensive available.

7. What is the base water service charge used for?

The base service charge more equitably distributes service costs that are not related to the volume of water used. Base service costs include items such as bill production, customer service, water service inspections, and meter reading, maintenance and replacement.

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