



PLANNING CONFERENCE AGENDA

Saturday, January 25, 2014, 9 a.m.

**Lacamas Lake Lodge & Conference Center
227 NE Lake Road, Camas, WA**

I. OPENING COMMENTS/PLANNING CONFERENCE AGENDA REVIEW (9:00 a.m.)

II. FIRE DEPARTMENT (9:15 a.m.)

A. Special Events Permits Allowing Fireworks Discharge Outside Prescribed Times

1. Details: For many years, the Camas Fire Department (CFD) has issued special events permits for the discharge of fireworks outside the normally allowed times. Typically, these permits would be for celebrations like anniversaries and birthdays. In an opinion rendered on July 29, 2013, City Attorney Roger Knapp issued an opinion stating that the ordinance language that the CFD had always used as authorization for issuing such permits, in fact, did not grant the proper legal authority required. The Revised Code of Washington (RCW) 70.77.311 does allow the issuance of special events permits for fireworks. However, the City Attorney states that Camas Municipal Code 5.20.050 (Special Events Permits) must be amended to contain a reference to RCW 70.77.311 for such a provision to be used for fireworks. Based on the suggestion from the City Attorney and on order from the Fire Chief, the issuance of special events permits for fireworks have been prohibited since that time. Several months ago, Fire Chief Nick Swinhart approached the Council at a workshop and asked for direction on this issue. The direction requested was if the Council wished such permits to be issued in the future, and if so, whether they were prepared to make the necessary ordinance changes to do so. Direction of Council at this meeting was that they desired the continuation of such permits, but with more strict guidelines. They asked the Fire Chief to investigate what kind of restrictions other municipalities used, and to report back with sample guidelines when completed. Based on this research, some sample restrictions are being attached to the agenda for Council to discuss.

Department/Presenter: Nick Swinhart, Fire Chief

Recommended Action: There is no action necessary. This topic is for discussion only.

III. PUBLIC WORKS DEPARTMENT (9:45 a.m.)

A. Utility Rate Subsidy Program for Low Income/Seniors

1. Details: During the adoption of the 2014-2018 utility rates, Council requested that staff research options to provide a safety net for low income/senior constituents. Staff tasked the FSC Group with identifying legal parameters for subsidies, and to provide examples of other Washington City programs (see attached memorandum). Shawn MacPherson, City Attorney, confirmed with the Washington

Cities Insurance Authority (WCIA) that the Utility Fund can make a direct contribution to an outside rate assistance program. Funding contribution levels and rate impacts have been identified for each utility in the attached spreadsheet. During the utility rate discussion, staff recommended that any assistance program should only have minimal impact on existing City staff, and have no or minimal impact on existing rate payers.

Department/Presenter: Eric Levison, Public Works Director, and Cathy Huber Nickerson, Finance Director

Recommended Action: Based on the above noted guiding principles, staff recommends that Council directs staff to move forward with the implementation of a utility rate assistance program similar to the City of Spokane example described in the FCS Group Memorandum. The program would be funded by direct contribution from the utility funds and customer donations. The recommended utility rate funding is as follows: Water - \$2,500 per year; sewer - \$4,500 per year; and sanitation - \$1,900 per year for a total of \$8,900 per year for City funds only. These levels equate to a rate increase of less than \$0.01 per month per utility for water, sewer and sanitary. The Storm Utility Fund was not included due to the sensitivity to the rates. The total average bill for a single family home is \$96.39 per month (including storm). This funding level would provide 92 full month subsidies per year. If Council authorizes this methodology the following policy issues need guidance: Target group (low income, senior low income, disability or all); and guidance on specific qualifications for the program and limitations on accessing the program. An agreement with a local nonprofit partner will need to be established to implement the program.

IV. BREAK (10:15 a.m.)

V. CITY ADMINISTRATION (10:30 a.m.)

A. Salary Review Commission

1. Details: The session will consist of a discussion relating to the creation of a Salary Review Commission for the purpose of setting the salary for the Mayor and Council members. The Commission would study the relationship of salaries to duties of the Mayor and Council members. They would be required to hold at least one public hearing prior to establishing the salaries.

Department/Presenter: Pete Capell, City Administration

Recommended Action: Direct the City Attorney to begin drafting an ordinance for the creation of a Salary Review Commission

VI. FINANCE DEPARTMENT (10:45 a.m.)

A. 2014 Budget, Debt Outstanding and Financial Policies

1. Details: This presentation is to walk through the new 2014 City of Camas Budget Document. This document is reformatted to conform to the Government Finance Officers Association (GFOA's) Best Practices. Included in the document is a section on the debt outstanding for the City as well as financial policies. Discussion around debt will be about potential future obligations and the possible need for short term financing. Financial policies discussion will center on the need to bring the policies up to date with the GFOA Best Practices and what that effort provides.

Department/Presenter: Cathy Huber Nickerson, Finance Director

Recommended Action: There is no action necessary. This topic is for discussion only.

VII. PUBLIC COMMENTS/CLOSING REVIEW (11:45 a.m.)

VIII. ADJOURNMENT

NOTE: The City of Camas welcomes and encourages the participation of all of its citizens in the public meeting process. A special effort will be made to ensure that persons with special needs have opportunities to participate. For more information, please call 360.834.6864.

Apply no less than 20 days before discharge: This window is being suggested to give potentially impacted neighbors time to express concerns with the fire marshal, fire chief, or council. If a party who requests a permit is denied, this time span would also give them time to appeal before the fire chief and/or council.

Not allowed if determined to be a danger or hazard to human life or property: This would include the prohibition or revocation of permits during periods of extreme fire danger.

Permit is non-transferrable

Permit would be free: Charging for such permits is illegal under RCW 70.77.311

Requirement for notification of impacted neighbors/residents within 300' radius of the discharge location: Our suggestion is that the onus for this notification should be on the person seeking the permit, especially since we wouldn't be allowed to recoup any notification costs through permit fees.

Dispute process: We need to have a process in place for how someone can protest the issuance or denial of a permit. Who should the final authority be? Options to consider include the fire marshal, fire chief, and council and/or mayor.

Time and Date Restrictions: No permits for discharge after 10 pm

Minimum age of 18 for those setting off devices

Location/Property: No permits for use on someone else's property without property owner's permission.

Permit can revoked at any time for any reason by the fire chief or their designee

Site plan for discharge must be filed with permit application

Other restrictions that Council may want to adopt from Camas Code 5.20.050. For your reference, 5.20.050 lists some of the reasons a special events permit may be denied. Some of these have already been borrowed for the proposed restrictions listed above:

A. The event would endanger public safety or health;

B. The event would seriously inconvenience the general public's use of public property, services or facilities;

C. The applicant fails to complete the application form after having been notified of the additional information or documents required in a timely manner;

D. Information contained in the application, or supplemental information requested from the applicant is found to be false in any material detail;

E. The applicant refuses or fails to agree, to abide, or comply with all of the conditions and terms of the permit;

F. The location of the event will substantially interfere with any construction or maintenance work scheduled to take place upon or along public property or right-of-way, or a previously granted encroachment permit;

G. The dates of the event could conflict with other previously permitted events;

H. The event would create or constitute a public nuisance or the noise could disrupt educational activities of a nearby school;

I. The event would be likely to cause significant damage to public property or facilities; and

J. The event would engage in or encourage participants to engage in illegal acts.

To: Eric Levison; City of Camas

Date: January 13, 2014

From: Angie Sanchez Virnoche, Sergey Tarasov, Catherine Otten; FCS Group

RE: Low-Income Senior Disabled Rate Assessment

As part of the comprehensive utility rate study currently being conducted for the City of Camas (City), FCS GROUP (FCSG) was tasked to evaluate the feasibility of a low-income senior disabled rate. This memorandum discusses the feasibility and assesses the impacts of providing subsidies to qualifying groups. The findings of the analysis are summarized below with the detail provided in the following sections.

Q1: Confirm statutory authority to provide subsidies to the qualifying groups and identify statutory limits.

A: RCW 74.38.070, 35.92.020, 35.67.020, 46.19.010, 74.18.020 and 84.36.381 provide the statutory authority to provide discount rates for "Municipal Utilities." The governing body has the authority to set the qualifications for these programs. Additional detail is provided in Section 1.

Q2: Assess opportunities to "piggyback" on local agencies with existing programs that provide qualification verification.

A: Several "piggyback" opportunities are identified in Section 2. The most common alternative is the use of RCW 84.36.381(5)(b), which is used by the Clark County Assessor's Office and would be available for the City to "piggyback". Additional details are in Section 2.

Q3: Determine if the City can contribute funds directly to a local non-profit to allocate back to qualifying participants from the Utilities Fund or the General Fund.

A: The City can make contributions to assist qualifying groups. Typically, the Utility Fund is used to cover the expenses associated with a reduced rate program and the General Fund is used for funding other assistance programs outside utilities. Additional detail is available in Section 3.

Q4: Assess alternative subsidy programs including discounted rates and good neighbor funds.

A: Not all utilities offer discount rates. Of the 30 utilities that were surveyed, half provide a discount on the total bill ranging from 20 percent to 75 percent. The good neighbor fund program is also gaining acceptance. Examples of municipalities using these programs are provided in Section 4.

Q5: Provide a summary of the participation rates of existing rate discount programs.

A: Program participation rates are shown in Section 5. The range is from 1.3% to 7.5% with the average at 3.0 percent.

Q6: Evaluate the impacts of implementation of a subsidy program.

A: Section 7 outlines the annual impacts of the subsidy programs based on the range of participation. The low range participation levels show no impact for all utilities except for stormwater, where an average single-family increase would be approximately \$0.01 to \$0.03 per month compared to the 2013 study. With maximum participation levels, the highest impacts would be on the sewer utility ranging from \$0.46 to \$1.35 per month on an average single-family monthly bill.

1. STATUTORY AUTHORITY

The primary Washington State Statute that provides the authority to offer utility services at reduced rates for low income seniors or other low income citizens is *RCW 74.38.070*. This statute does not specifically state types of utilities and is assumed to apply equally to all, including the City's water, sewer, storm, and sanitation utilities. Utility specific authority to provide discounted rates can be found in *RCW 35.92.020(5)*, which authorizes cities "to provide assistance to aid low-income persons in connection with services provided under" chapter 35.92 ("Municipal Utilities") and in *RCW 35.67.020(5)*, which provides the same authority for "Sewerage Systems".

Various qualification thresholds for reduced rates can be defined by the governing body and can include limits on income level, age, disability, and property ownership. Many jurisdictions also extend discounts to disabled and blind citizens. The statute used as the basis for determining disabled citizen eligibility is *RCW 46.19.010(1)(a) through (j)*. This is the same statute used to qualify an individual for special parking privileges. For determining blind citizen eligibility, *RCW 74.18.020(4)* is the statute used. The Municipal Research and Services Center (MRSC), a non-profit independent research service for Washington State recommends using *RCW 84.36.381(5)(b)* to set income thresholds. The Clark County Assessor's Office uses this statute for determining property tax exemption eligibility. Alternatively, Federal guidelines can be used to help define thresholds, such as:

- ◆ A percentage of the median income that the U.S. Department of Housing and Urban Development (HUD) estimates for the state and for Metropolitan Statistical Areas (MSAs) (the City of Camas is part of the Portland-Vancouver-Hillsboro, OR-WA MSA)
- ◆ A percentage of the U.S. Department of Health and Human Services (HHS) Poverty Guidelines which are the same nationwide
- ◆ Documentation of benefits from the Social Security Administrations (S.S.A.). The threshold can be determined by the City's governing authority

2. DEFINING ELIGIBILITY

The most common method of setting age and income eligibility is the use of *RCW 84.36.381(5)(b)*, which is also the statute used by most county assessors (including Clark County) for determining property tax exemption eligibility. Many utilities use the same age and income threshold because it allows the utility to "piggyback" on the information from the county tax assessor's office. The utility can simply ask the person applying for the reduced rates for a copy of their property tax exemption. This saves the City labor time and relies on the county assessor to check the income levels. Any additional requirements (i.e., disability, different age or income threshold) mean that the utility has to independently verify that individual customers are eligible.

The downside of using the assessor as a verification of income level is that the utility must use the same income levels that the assessor uses. The City of Bellevue has encountered this issue, as they wanted to use a different income level threshold for their discount program. They were able to resolve this issue by implementing their own thresholds that are tied to HUD estimates and increased by CPI. Each citizen wishing to participate in the program is required to provide copies of verification of their income sources (W-2, social security statements, etc.). This is a more labor-intensive process, but it allows the City to specifically target those citizens they wish to receive the discount. The City dedicates the equivalent of one full-time employee to the program; additional costs include the "subsidy" costs of the discount that are allocated to the other customer classes as well as any other administrative costs.

Utilities around the state use a variety of methods to verify a customer's status as low income or disabled, including:

- ◆ Food Stamps
- ◆ Medicaid
- ◆ Low Income Home Energy Assistance Program (LIHEAP)
- ◆ Social Security statement
- ◆ Public assistance benefit statements from the Department of Social and Health Services (DSHS)
- ◆ Aid to Families with Dependent Children (AFDC)
- ◆ Property tax exemption
- ◆ Proof of payment from programs assisting disabled persons - Veterans Administration, Social Security Disability (SSDI), etc.
- ◆ Letter from care provider in the area
- ◆ Note from doctor confirming disability

Although there are many possibilities, most utilities that provide a discount generally use the eligibility requirements of another assistance program to qualify for their own discount program. This minimizes the administrative cost to the utility.

3. CONTRIBUTIONS

In order to help customers in need by offering discounted rates, funds need to be secured to cover the reduced amount of revenue that will be received. This discount may be covered by the Utility Enterprise Fund through rate increases to other customer classes.

In regard to use of funds, the Washington State Constitution Article VIII Section 7 states:

“No county, city, town or other municipal corporation shall hereafter give any money, or property, or loan its money, or credit to or in aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm...”

As long as the subsidy is for discounted rates that are only given to customers that qualify as poor or infirm, it would appear that the City can also help cover these costs with money from the General Fund. Based on discussion with a Municipal Research and Services Center (MRSC) of Washington consultant, it has been confirmed that the General Fund can be used to cover costs associated with assisting the poor and infirm.

It is important to keep in mind that it will be necessary to ensure that the funds are being correctly used and accounted for. The City will need to check with the state auditor to ensure that all audit, reporting and internal controls are being met.

4. ALTERNATIVE SUBSIDY PROGRAMS

A way for jurisdictions to provide assistance to low-income residents is to provide low-income related discounts to qualifying utility customers. Often these discounts are a certain percent off of the base rate or the total bill. However, many of these low-income customers are renters in multi-family housing and it can be difficult to ensure the discount gets to the correct person.

A. Discounted Rates

Utility affordability programs may include discounted rates. Program approaches vary widely and can include discount on the full bill, discount on the variable (usage) portion, discount on the fixed (minimum) portion, percentage of income discount and fixed credits (generally applicable to renters). A sample of 30 Washington cities was conducted resulting in the following:

- ◆ 15 of the 30 provided a discount on the total bill ranging from 20% to 75%
- ◆ 10 of the 30 had no discounted rate (although 2 worked with outside assistance programs)
- ◆ 5 of the 30 provided a discount on the fixed charge ranging from 17% to 75%.

B. Good Neighbor Fund

Another assistance program gaining acceptance is the "Good Neighbor Fund". The programs are generally administered by a third party and funding is typically from Utility Fund money or through direct individual donations from other customers.

A few examples of outside assistance programs employed by other jurisdictions are provided here.

a) City of Spokane

The City of Spokane works with The Salvation Army (TSA) of Spokane to run their U-Help program. The program asks customers to make contributions along with their monthly utility bill to help low income households pay a portion of their water, sewer and garbage bill. Since TSA administers this program free of charge, every dollar donated goes directly to the U-Help Fund and is applied to qualified customer bills. In addition, the City has set aside \$50,000 in their 2014 Utility Fund budget to match these donations until this amount is exceeded.

U-Help funds can be used to pay utility bills or to reconnect utilities by payment of the reconnect fee, but cannot be used for repairs, such as broken pipes, because funds are only available for application to a utility account. The eligibility criterion for application is generally to utilize 125 percent of the current poverty level guidelines issued by the U.S. Department of Health and Human Services. Eligible low-income customers can receive assistance from U-Help if they receive a final notice for their utility account, they have not had U-Help assistance in the last 12 months, and the U-Help contribution will be sufficient (by itself or with payments from the customer and/or other agencies) to keep the customer from shut off status until the next bill or to get the water turned on if it has already been turned off.

Depending on the balance in the U-Help account, the City will occasionally request that TSA allot higher or lower payments to their customers. The general guideline is that the customer can receive a maximum of up to two months average bill each year; however TSA does attempt to keep the contribution to \$60.00 to allow them to assist more customers.

The City of Spokane uses the U-Help outside assistance program as their only means of helping low-income customers. They have not, and do not plan to offer discounted rates.

b) City of Port Angeles

The City of Port Angeles has a voluntary contribution utility assistance program called "Pass the Buck", which provides funds to help those in need pay their utility bills in emergency situations. This program assists qualified low-income City residential customers in paying their utility bills. The Pass the Buck program is entirely funded from customer contributions. Donors may elect to make a one-time donation, or designate a certain amount be donated to the program every month.

Olympic Community Action Program (OCAP) is a non-profit agency providing help to people who have encountered unexpected circumstances and suddenly find themselves in need of help during difficult

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times. Neither the City of Port Angeles nor OCAP deduct any administrative costs; 100 percent of the contributions are given directly to Olympic Community Action Council. The Olympic Community Action Council handles all monies donated and they will determine eligibility and assist recipients through a screening process. The City of Port Angeles does monitor the program to determine that funds are administered. An appointment must be made with Olympic Community Action Council to be considered for one of their programs. This is not completed by the City.

Pass the Buck funds are given to low-income households no more than once in a 12 month period to help pay past due utility charges. There is a \$200 per year cap on the funds that are distributed to a utility account. Funds have decreased over the years, but OCAP distributes whatever is available and sends quarterly reports to the City that state who the money has been pledged to.

In addition to this outside assistance program, the City of Port Angeles started offering low-income electric utility discounts, which began in 2013. In the past, the City had offered discounts on all utilities, but only to senior and disabled low-income customers. The new City program consists only of offering a discount on the electric portion of the utility bill to all qualifying citizens. The program currently determines eligibility based on income ranges of \$833.67 - \$1,125 per month for a 20% discount and \$0 - \$833.66 per month for a 30% discount. The City is currently reviewing the possibility of changing the income limits and household size to more accurately reflect the need for a subsidy. The discounts would change to 25% and 35% and would use 100% to 125% respectively of 2013 Federal Poverty Guidelines, which are adjusted based on household size.

However, funding for this discount program is limited. Discounts are not guaranteed for the entire year. Total funding available for the program is set every year in the City's budget. When the total is reached, the program ends for all customers for the rest of the calendar year. In the 2014 Budget process \$150,000 was budgeted for the City's utility discount program to be paid for by utility tax revenue in the General Fund.

c) City of Kirkland

The City of Kirkland has a program called Kirkland Cares, where utility customers can donate when they pay their utility bill (water, sewer and garbage). Any payments that are for Kirkland Cares are remitted to Hopelink (100 percent) on a monthly basis. When utility customers need help with their utility bills, they are referred to Hopelink. Hopelink takes care of all aspects of the assistance program and does not require additional information or assistance from the City. Previously, assistance was given only after a shutoff notice was received, but now assistance is available after receipt of a final payment notice, which includes the potential date of shutoff.

The City of Kirkland also offers reduced water, sewer and garbage rates for qualifying low-income single family residential customers who are 62 years or older, as well as those who are blind, disabled, or home kidney dialysis customers. Their qualifying requirements are updated in February of every year and are tied to the annual low-income index generated by the county for use in federal housing and community development block grant programs, which is defined by HUD. Discounts include paying only 50 percent of the fixed water charge, 75 percent of the fixed sewer charge and 60 percent of the solid waste charge based on service level. These discounted rates are paid for by slight increases to the monthly rates for all other customer classes.

5. PROGRAM PARTICIPATION RATES

Based on current data available from various clients and various utilities, participation rates in discounted rate programs vary from approximately 1.3 percent to 7.5 percent with an average participation rate of about 3.0 percent of the total residential customer base. Average participation rates are shown in the following table, with the highest participation rate being for water service in Blaine.

The table illustrates participation rates in comparison to the total number of customers in the respective customer classes and does not illustrate the participation rate of eligible customers only.

Client	Service	Discount	% of Customers
Bellevue	Water	75%	1.5%
Bremerton	Water, Sewer, Stormwater	35 - 40%	2.6%
Blaine	Water, Sewer	20 - 40%	7.5%
Everett	Water	20 - 40%	1.7%
Kirkland	Water, Sewer, Solid Waste	50 - 75%	1.5%
Lacey	Stormwater	50%	1.3%
Lynnwood	Water, Sewer, Stormwater	50 - 60%	4.8%
Olympia	Water, Sewer	50%	1.5%
Port Angeles	Water, Sewer, Electric	5 - 30%	3.2%
Port Townsend	Water, Sewer	50 - 70%	4.5%
Seattle	Water, Sewer, Electric	50 - 60%	n/a
Spokane County	Sewer	20%	3.3%
Washougal	Sewer	44 - 67%	3.0%

Note: n/a = not available

Discounts are applied to all fixed and variable charges for some clients and to specific charges for other. For example, Port Townsend water rate discounts are applied only to the fixed rate, not to the usage rate; Bellevue water rate discounts are applied to the fixed rate and block one of three for the variable rate.

6. PROGRAM CONSIDERATIONS

The administration of discount programs can raise several cost-related issues. The following discussion outlines several key issues that should be considered.

- ◆ **Additional labor costs:** The administration of a discount program can be extremely labor-intensive, especially if the City wishes to implement its own income thresholds independent of an existing eligibility program.
- ◆ **"Subsidy" provided must be paid for by other customer classes:** The discount created for one customer class must be made up by the other customers served by the utility. This will result in the other customer classes providing a subsidy to the targeted discount customers, which is a real cost to the utility and must be factored into the rate structure.
- ◆ **Public outreach and advertising:** A public outreach process is necessary to ensure that the target customers know that a discount program is available. One option would be to send flyers with or print a message at the bottom of utility bills sent to each customer. A more involved program option used by jurisdictions is to send city employees to areas of high densities of income-eligible customers and to local malls to make the process of applying for the discount program easier. This also increases the visibility of the program and encourages a "word of mouth" type of publicity.
- ◆ **Billing System Adjustments/Programming Costs:** Any change in rate structure creates the possibility of additional costs due to re-programming or altering the billing systems. The viability of making such adjustments should be considered.
- ◆ **Renters:** The most difficult issue related to providing a discount for this target customer segment is ensuring the benefit is provided to those customers needing assistance. Often, low-income customers pay their utility bills through their rent, and therefore do not receive their bills directly. The city of

Bellevue has developed an innovative program to reach this type of customer through the use of year-end rebate checks. In order to receive the discount, the citizen must apply every year by providing proof of income, senior or disability status, and a copy of their lease where it states that they do indeed pay utility bills through rent. In return the renter receives a rebate check at the end of the year for up to 75 percent of the average single family's annual bill total for water, sewer, and stormwater utilities.

An option discussed in the American Water Works Association M1 manual is a fixed credit. The credit is given in the form of a coupon used to make rent payments to landlords, who in turn, can use these coupons to pay a portion of the water bill for the building. The City of Seattle uses a similar approach in which a renter qualifying for the low income discount receives a monthly "rent voucher" in the amount of 50 percent of the average single family water bill, which can be applied toward their monthly rent payment. The landlord can then apply the voucher they receive from their tenant toward the monthly utility bill for the building. Both the landlord and renter must sign the application to verify that utility bills are indeed included in the tenant's lease agreement.

Providing a discounted rate for renters in the multifamily class is not a common practice. One issue to consider is that the majority of the low-income customers are typically located within the multifamily classification. By providing a subsidy to the low-income customers in the single-family class only, all other customers, including the low-income customer in the multifamily class, will generally have to cover the cost.

7. IMPACTS OF IMPLEMENTATION

A. Participation Rates

For the purpose of this analysis it is assumed that the City will provide a low-income, senior/disabled rate to single-family customers only. According to 2008-2012 data from the U.S. Census Bureau, of the 20,490 people in Camas, 6.3 percent are below the poverty level (\$11,170 poverty threshold for a single person) and likely eligible for a discount program.

To estimate the range of potential customer participation customer statistics from the 2013 rate study were used for each utility. The data available does not separate single-family and multifamily customers from total residential customers. Since it is assumed that the discounted rates would be available to only single-family customers, Census data for home ownership was used to isolate the single-family accounts from total residential accounts. To estimate the upper range of participation, the City's estimated poverty level of 6.3 percent was applied to the single family accounts. Table below provides a summary of the calculation.

Utility	Residential Accounts	Home Ownership	Estimated S.Family	% Below Poverty	Low-Inc. S.Family
Water	6,700	80.0%	5,400	6.3%	340
Sewer	6,300	80.0%	5,000	6.3%	315
Sanitation	6,400	80.0%	5,100	6.3%	321
Storm	6,500	80.0%	5,200	6.3%	328

Notes:

Figures used are rounded.

Alternatively, the Census data indicates that approximately 8.7 percent of the population is 65 year and over with 3.6 percent of that figure being below poverty. Applying these figures to our original single-family account estimates by utility results generates the lower range of participation as demonstrated in the table below.

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Utility	Estimated S. Family	% At Or Above 65	% Sen. < Poverty	Low-Inc. Senior
Water	5,400	8.7%	3.6%	17
Sewer	5,000	8.7%	3.6%	16
Sanitation	5,100	8.7%	3.6%	16
Storm	5,200	8.7%	3.6%	16

Notes:

Figures used are rounded.

Since disability information was not available at the time of the study we could not estimate the number of eligible customers; therefore, the impacts were calculated for a range of potential participation. Using 100 percent participation of the eligible customer base is not very typical, but should provide a “book-ends” assessment on possible impacts.

B. Costs

As discussed in Section 6, offering a discount to one customer class results in a “subsidy,” or additional costs that must be paid for by the remaining customer classes. Since the utilities operate on a stand-alone basis, when one customer class pays a discounted rate, the other customers must pay a higher rate to make up the difference.

This analysis assumes:

- ◆ The City will “piggyback” to existing verification programs and will not require hiring additional employees;
- ◆ The existing billing system is sufficient to handle low-income, senior/disabled rates;
- ◆ The only cost associated with this program is related to the subsidy of providing a discount to eligible customers; and
- ◆ To estimate the subsidy provided to the eligible participants, a 50.0 percent discount is assumed to the fixed and variable (if applicable) charges.

To calculate the subsidy for each utility an average single-family bill is calculated using 2013 rates and further reduced by the assumed discount amount. The monthly subsidy by account is then multiplied by the range of eligible customers and multiplied by 12 to calculate the annual subsidy by utility:

2013	Water	Sewer	Sanitation	Stormwater
Avg. Mo. Bill	\$ 22.20	\$ 45.71	\$ 19.21	\$ 9.27
Discount	50.0%	50.0%	50.0%	50.0%
Mo. Subsidy	\$ 11.10	\$ 22.85	\$ 9.61	\$ 4.64
Participation (Low)	17	16	16	16
Participation (High)	340	315	321	328
Annual Subsidy (Low)	\$ 2,264	\$ 4,388	\$ 1,844	\$ 890
Annual Subsidy (High)	45,315	86,382	37,033	18,221

Notes:

Water average bill assumes a 5/8" meter with 10ccf monthly use.

Wastewater average bill assumes 7.5ccf monthly use.

Sanitation assumes the use of a 35 gallon container including recycling.

C. 5-Year Impacts

The costs associated with the annual subsidy were added into the analysis from the 2013 rate study. Future costs were forecasted using annual growth and rate increase assumptions. As identified in the table below, the low end of participation would not have an impact on the 2013 rate study increases for all utilities except stormwater, which would experience an impact of 0.05 percent per year or \$0.01 to \$0.03 per year. The high end participation would require minor annual adjustments to all utilities ranging from a low of 0.30 percent per year for the water utility to 0.65 percent for the Sanitation utility. The highest impact for an average single-family bill would be for the sewer utility at \$0.46 to \$1.35 per month above the 2013 rate study findings assuming the high end participation rates.

Impacts of Subsidy on 2013 Rate Study Forecast

Utility	2014	2015	2016	2017	2018
Water					
2013 Study	5.00%	5.00%	5.00%	5.00%	5.00%
Low End	5.00%	5.00%	5.00%	5.00%	5.00%
High End	5.30%	5.30%	5.30%	5.30%	5.30%
Sewer					
2013 Study	3.00%	3.00%	3.00%	3.00%	3.00%
Low End	3.00%	3.00%	3.00%	3.00%	3.00%
High End	4.00%	3.40%	3.40%	3.40%	3.40%
Sanitation					
2013 Study	2.75%	2.75%	2.50%	2.50%	2.50%
Low End	2.75%	2.75%	2.50%	2.50%	2.50%
High End	3.40%	3.40%	3.40%	3.40%	3.40%
Stormwater					
2013 Study	4.75%	4.75%	4.75%	4.75%	4.75%
Low End	4.80%	4.80%	4.80%	4.80%	4.80%
High End	5.10%	5.10%	5.10%	5.10%	5.10%

Notes:

Water High End scenario would require \$25,000 CIP moved out of 2015.

Impacts of Subsidy on 2013 Rate Study Forecast Average Single-Family Monthly Bills

Utility	2014	2015	2016	2017	2018
Water					
Low End Mo. Increase	\$ -	\$ -	\$ -	\$ -	\$ -
High End Mo. Increase	0.07	0.14	0.22	0.31	0.41
Sewer					
Low End Mo. Increase	\$ -	\$ -	\$ -	\$ -	\$ -
High End Mo. Increase	0.46	0.66	0.88	1.11	1.35
Sanitation					
Low End Mo. Increase	\$ -	\$ -	\$ -	\$ -	\$ -
High End Mo. Increase	0.12	0.26	0.45	0.65	0.86
Stormwater					
Low End Mo. Increase	\$ 0.00	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.03
High End Mo. Increase	0.03	0.07	0.11	0.15	0.20

Notes:

Water average bill assumes a 5/8" meter with 10cwf monthly use.

Wastewater average bill assumes 7.5cwf monthly use.

Sanitation assumes the use of a 35gallon container including recycling

8. CONCLUSIONS

The City does not currently offer a discount program to any customers. Developing a discount program would create a “subsidy” that must be paid for by other customers of the utility. Expanding a discount program to customers that do not pay the utility directly (renters) creates additional issues, such as how to reach that customer through their landlord (rebate check, voucher, etc.) and the additional costs that correspond with verifying eligibility. We have presented examples of two utilities that have created unique solutions to this problem (Bellevue and Seattle); however, these programs are accompanied by increased costs in terms of labor hours and administrative expenses.

Additional outside assistance programs can provide cost effective assistance to low-income customers because these programs are not administered by the City. However, many are provided on an emergency basis and do not assist with regular monthly payments or have a maximum assistance amount and therefore are not as consistent of a benefit as discounted rates.

Creating a discount program will allow the City to assist low-income customers. However, this benefit must be weighed against the increased costs associated with such modifications. Specifically, additional labor and operating expenses are required to administer the program, and other customer classes must absorb rate increases to make up for the loss in revenue resulting from the discount.

Water	Low End Ratio	2013	2014	2015	2016	2017	2018
\$0 Subsidy	0		5.00%	5.00%	5.00%	5.00%	5.00%
\$2,264 Subsidy	1		5.00%	5.00%	5.00%	5.00%	5.00%
\$4,528 Subsidy	2		5.02%	5.02%	5.02%	5.02%	5.02%
\$6,793 Subsidy	3		5.04%	5.04%	5.04%	5.04%	5.04%
\$9,058 Subsidy	4		5.05%	5.05%	5.05%	5.05%	5.05%
\$11,322 Subsidy	5		5.06%	5.06%	5.06%	5.06%	5.06%
\$22,640 Subsidy	10		5.14%	5.14%	5.14%	5.14%	5.14%

Water - Monthly Bill	Low End Ratio	2013	2014	2015	2016	2017	2018
\$0 Subsidy	0	\$ 22.20	\$ 23.31	\$ 24.48	\$ 25.70	\$ 26.98	\$ 28.33
\$2,264 Subsidy	1	22.20	23.31	24.48	25.70	26.98	28.33
\$4,528 Subsidy	2	22.20	23.31	24.48	25.71	27.00	28.36
\$6,793 Subsidy	3	22.20	23.32	24.49	25.73	27.03	28.39
\$9,058 Subsidy	4	22.20	23.32	24.50	25.74	27.04	28.40
\$11,322 Subsidy	5	22.20	23.32	24.50	25.74	27.05	28.41
\$22,640 Subsidy	10	22.20	23.34	24.54	25.80	27.13	28.52

Water - Increase Over 2013 Study	Low End Ratio	2013	2014	2015	2016	2017	2018
\$0 Subsidy	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$2,264 Subsidy	1	-	-	-	-	-	-
\$4,528 Subsidy	2	-	0.00	0.01	0.01	0.02	0.03
\$6,793 Subsidy	3	-	0.01	0.02	0.03	0.04	0.05
\$9,058 Subsidy	4	-	0.01	0.02	0.04	0.05	0.07
\$11,322 Subsidy	5	-	0.01	0.03	0.04	0.06	0.08
\$22,640 Subsidy	10	-	0.03	0.07	0.10	0.14	0.19

Sewer	Low End Ratio	2013	2014	2015	2016	2017	2018
\$0 Subsidy	0		3.00%	3.00%	3.00%	3.00%	3.00%
\$4,388 Subsidy	1		3.00%	3.00%	3.00%	3.00%	3.00%
\$8,775 Subsidy	2		3.02%	3.02%	3.02%	3.02%	3.02%
\$13,163 Subsidy	3		3.05%	3.05%	3.05%	3.05%	3.05%
\$17,551 Subsidy	4		3.08%	3.08%	3.08%	3.08%	3.08%
\$21,938 Subsidy	5		3.12%	3.12%	3.12%	3.12%	3.12%
\$43,887 Subsidy	10		3.27%	3.27%	3.27%	3.27%	3.27%

Sewer Monthly Bill	Low End Ratio	2013	2014	2015	2016	2017	2018
\$0 Subsidy	0	\$ 45.71	\$ 47.08	\$ 48.49	\$ 49.94	\$ 51.44	\$ 52.98
\$4,388 Subsidy	1	45.71	47.08	48.49	49.94	51.44	52.98
\$8,775 Subsidy	2	45.71	47.09	48.51	49.97	51.48	53.04
\$13,163 Subsidy	3	45.71	47.10	48.54	50.02	51.54	53.11
\$17,551 Subsidy	4	45.71	47.11	48.56	50.06	51.60	53.19
\$21,938 Subsidy	5	45.71	47.13	48.60	50.12	51.68	53.29
\$43,887 Subsidy	10	45.71	47.20	48.74	50.34	51.98	53.68

Sewer Increase Over 2013 Study	Low End Ratio	2013	2014	2015	2016	2017	2018
\$0 Subsidy	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$4,388 Subsidy	1	-	-	-	-	-	-
\$8,775 Subsidy	2	-	0.01	0.02	0.03	0.04	0.05
\$13,163 Subsidy	3	-	0.02	0.05	0.07	0.10	0.13
\$17,551 Subsidy	4	-	0.04	0.08	0.12	0.16	0.21
\$21,938 Subsidy	5	-	0.05	0.11	0.17	0.24	0.31
\$43,887 Subsidy	10	-	0.12	0.25	0.39	0.54	0.70

Stormwater	Low End Ratio	2013	2014	2015	2016	2017	2018
\$0 Subsidy	0		4.75%	4.75%	4.75%	4.75%	4.75%
\$890 Subsidy	1		4.80%	4.80%	4.80%	4.80%	4.80%
\$1,780 Subsidy	2		4.80%	4.80%	4.80%	4.80%	4.80%
\$2,670 Subsidy	3		4.81%	4.81%	4.81%	4.81%	4.81%
\$3,560 Subsidy	4		4.82%	4.82%	4.82%	4.82%	4.82%
\$4,450 Subsidy	5		4.83%	4.83%	4.83%	4.83%	4.83%
\$8,899 Subsidy	10		4.92%	4.92%	4.92%	4.92%	4.92%

Stormwater - Monthly Bill	Low End Ratio	2013	2014	2015	2016	2017	2018
\$0 Subsidy	0	\$ 9.27	\$ 9.71	\$ 10.17	\$ 10.65	\$ 11.16	\$ 11.69
\$890 Subsidy	1	9.27	9.71	10.18	10.67	11.18	11.72
\$1,780 Subsidy	2	9.27	9.71	10.18	10.67	11.18	11.72
\$2,670 Subsidy	3	9.27	9.72	10.18	10.67	11.19	11.72
\$3,560 Subsidy	4	9.27	9.72	10.19	10.68	11.19	11.73
\$4,450 Subsidy	5	9.27	9.72	10.19	10.68	11.19	11.74
\$8,899 Subsidy	10	9.27	9.73	10.20	10.71	11.23	11.79

Stormwater - Increase Over 2013 Study	Low End Ratio	2013	2014	2015	2016	2017	2018
\$0 Subsidy	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$890 Subsidy	1	-	0.00	0.01	0.02	0.02	0.03
\$1,780 Subsidy	2	-	0.00	0.01	0.02	0.02	0.03
\$2,670 Subsidy	3	-	0.01	0.01	0.02	0.03	0.03
\$3,560 Subsidy	4	-	0.01	0.01	0.02	0.03	0.04
\$4,450 Subsidy	5	-	0.01	0.02	0.02	0.03	0.04
\$8,899 Subsidy	10	-	0.02	0.03	0.05	0.07	0.10

Sanitation	Low End Ratio	2013	2014	2015	2016	2017	2018
\$0 Subsidy	0		2.75%	2.75%	2.50%	2.50%	2.50%
\$1,844 Subsidy	1		2.75%	2.75%	2.50%	2.50%	2.50%
\$3,688 Subsidy	2		2.75%	2.75%	2.55%	2.55%	2.55%
\$5,532 Subsidy	3		2.75%	2.75%	2.60%	2.60%	2.60%
\$7,377 Subsidy	4		2.75%	2.75%	2.62%	2.62%	2.62%
\$9,221 Subsidy	5		2.75%	2.75%	2.67%	2.67%	2.67%
\$18,442 Subsidy	10		2.82%	2.82%	2.82%	2.82%	2.82%

Sanitation - Monthly Bill	Low End Ratio	2013	2014	2015	2016	2017	2018
\$0 Subsidy	0	\$ 19.21	\$ 19.74	\$ 20.28	\$ 20.79	\$ 21.31	\$ 21.84
\$1,844 Subsidy	1	19.21	19.74	20.28	20.79	21.31	21.84
\$3,688 Subsidy	2	19.21	19.74	20.28	20.80	21.33	21.87
\$5,532 Subsidy	3	19.21	19.74	20.28	20.81	21.35	21.90
\$7,377 Subsidy	4	19.21	19.74	20.28	20.81	21.36	21.92
\$9,221 Subsidy	5	19.21	19.74	20.28	20.82	21.38	21.95
\$18,442 Subsidy	10	19.21	19.75	20.31	20.88	21.47	22.08

Sanitation - Increase Over 2013 Study	Low End Ratio	2013	2014	2015	2016	2017	2018
\$0 Subsidy	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$1,844 Subsidy	1	-	-	-	-	-	-
\$3,688 Subsidy	2	-	-	-	0.01	0.02	0.03
\$5,532 Subsidy	3	-	-	-	0.02	0.04	0.06
\$7,377 Subsidy	4	-	-	-	0.02	0.05	0.08
\$9,221 Subsidy	5	-	-	-	0.03	0.07	0.11
\$18,442 Subsidy	10	-	0.01	0.03	0.09	0.16	0.24

Section 2.18 Citizen's Commission on Mayor/City Council Salaries: There is hereby created the Vancouver Citizen's Commission on Mayor/City Council Salaries to consist of five members appointed as provided herein and to set the salary and compensation of the City Mayor and City Councilmembers.

The Commission shall consist for five members who shall be registered voters and residents of the City of Vancouver. No city officer, official, or employee or immediate family member of any City officer, official or employee shall be eligible for membership on the commission. As used in this section, "immediate family member" means parents, spouse, siblings, children or dependent relative of the officer, official or employee whether or not living in the household of the officer, official or employee.

Commission members shall be appointed by the Mayor, subject to approval of the City Council. The first members shall be appointed by January 1, 1995.

Each commission member shall be appointed for a single four-year term of office; except that the first five members appointed to the commission shall be appointed for different terms as follows:

- a. Two members to serve for periods of four years;
- b. Two members to serve for periods of three years; and
- c. One member to serve for a period of two years.

No member shall be removed during his or her term of office unless for cause of incapacity, incompetence, neglect of duty or malfeasance in office or for a disqualifying change of residence.

Upon a vacancy in any position on the commission a successor shall be selected and appointed to fill the unexpired term. The selection and appointment shall be concluded within 30 days of the date the position becomes vacant and shall be conducted in the same manner as for original appointments.

The commission authority and responsibility shall be as follows:

- a. The commission shall study the relationship of salaries to the duties of the Mayor and City Councilmembers and shall fix a salary for each such position by an affirmative vote of not less than a majority of the commission.
- b. Except as provided in this section, the commission shall be solely responsible for its own organization, operation and action and shall enjoy the fullest cooperation of all city officers, officials, departments and employees.

c. The members of the commission shall elect a chairperson from among their number every two years.

d. The commission shall file its initial schedule of salaries for the positions of Mayor and City Councilmembers with the City Clerk no later than May 1, 1995, and shall thereafter file schedules by May 1st of the applicable later years so as to coincide with the City budget cycle.

e. Each such schedule shall be filed in ordinance form, shall be assigned a chapter number, shall be published in the same manner as a City ordinance, and shall become effective thirty days after filing with the City Clerk. Such schedule shall be subject to referendum in the same manner as provided by Section 10.2 of the City Charter.

f. Signature of the chairperson of the commission shall be affixed on each schedule submitted to the City Clerk.

g. Prior to the filing of any salary schedule, the commission shall hold no fewer than two public hearings thereon within the four months immediately preceding the filing.

The members of the commission shall receive no compensation for their services but shall receive reasonable reimbursement for their expenses in accordance with state law and city ordinance.

It shall be the duty of all city officers, officials and employees to aid in all proper ways of carrying out the provisions of this resolution. The commission shall have access to all city books, papers, documents and accounts applying or in any way concerning the subject matter of this resolution. Staff shall be assigned to the commission to provide support for its work.

This section shall supersede 2.03 and Section 2.04 of the City Charter but only insofar as they provide for the change of the salaries of the Councilmembers and Mayor by ordinance. (Added by vote of the people on November 8, 1994.)

Chapter 2.118 SALARY COMMISSION

Sections:

- 2.118.010 Membership, appointment, compensation, term.
- 2.118.020 Definitions.
- 2.118.030 Vacancies.
- 2.118.040 Removal.
- 2.118.050 Duties.
- 2.118.060 Meetings, operations and expenses.
- 2.118.070 Referendum.

2.118.010 Membership, appointment, compensation, term.

(1) There is created a salary commission for the city of Washougal. The commission shall consist of five members who are residents and registered voters of the city, to be appointed by the mayor with the approval of the city council.

(2) A member of the commission shall serve for a four-year term without compensation. The initial membership shall be appointed for staggered terms with one member serving a two-year term, two members serving three-year terms and two members serving four-year terms.

(3) No member of the commission shall be appointed for more than two terms.

(4) A member of the commission shall not be an officer, official, or employee of the city or an immediate family member of an officer, official, or employee of the city. For purposes of this section, "immediate family member" means the parents, spouse, siblings, children, or dependent relatives of an officer, official, or employee of the city, whether or not living in the household of the officer, official, or employee.

(Ord. 1553 § 1, 2006)

2.118.020 Definitions.

(1) "Salary" or "salaries," as used in this chapter, means a total cost of compensation provided to any elected official, specifically including any fixed compensation paid periodically for work or services and the total cost of any medical or other benefits provided.

(2) This definition expressly excludes any expenses paid or reimbursed on behalf of any elected official in compliance with city council policy and procedure for travel and business expense reimbursements.

(Ord. 1616 § 1, 2008; Ord. 1553 § 1, 2006)

2.118.030 Vacancies.

In the event of a vacancy in office of commissioner, the mayor shall appoint, subject to approval of the city council, a person to serve the unexpired portion of the term of the expired position.

(Ord. 1553 § 1, 2006)

2.118.040 Removal.

Commission members may only be removed during their terms of office for cause of incapacity, incompetency, neglect of duty, malfeasance in office, or for a disqualifying change in residence or voter status.

(Ord. 1553 § 1, 2006)

2.118.050 Duties.

(1) The commission shall have the duty to review the salaries paid by the city to each elected city official. If after such review the commission determines that the salary paid to any elected city official should be increased or decreased, the commission shall file a written salary schedule with the city clerk indicating the increase or decrease in salary.

(2) Any increase or decrease in salary established by the commission shall become effective and incorporated in the city budget without further action of the city council or the commission.

(3) A new schedule shall be timed to be effective simultaneously and equally to all city council members. The commission shall file its initial schedule for elected city officials no later than November 1, 2006. The commission shall file subsequent schedules on a yearly basis following the effective date of the ordinance codified in this subsection. Each schedule shall be prepared in a form approved by the city attorney. The signature of the commission chair shall be affixed to each schedule submitted to the city clerk. The commission chair shall certify in writing that the schedule has been adopted in compliance with: (a) the rules and procedures, if any, of the commission; (b) the provisions of this chapter; and (c) other applicable laws including the State Constitution.

(4) The decision to raise or lower salaries shall be by the decision of the majority of the commission.

(5) Salary increases established by the commission shall be effective as to all city-elected officials regardless of their terms of office and shall take effect January 1st of the following year.

(6) Salary decreases established by the commission shall become effective as to an incumbent city-elected official at the commencement of their 2.118.060 (Revised 12/11) 2-34 next subsequent term of office. (Ord. 1620 § 1, 2008; Ord. 1616 § 1, 2008; Ord. 1553 § 1, 2006)

2.118.060 Meetings, operations and expenses.

The meetings and operations of the commission shall be conducted as follows:

(1) All meetings, actions, hearings, and business of the salary commission shall be subject to the Open Public Meetings Act, Chapter 42.30 RCW, and the Public Records Act. Prior to filing of any salary schedule: (a) The commission shall first develop a proposed schedule; then (b) Publish notices in the same manner as the city council agendas; and (c) Hold at least one public hearing and take testimony thereon, within one month immediately proceeding the filing of the salary schedule.

(2) Operations. Except as provided hereinafter, the salary commission shall be solely responsible for its own organization, operation and action, and shall receive the fullest cooperation of all elected and appointed city officials and employees, departments and agencies of the city of Washougal. Staff support shall be provided as determined in the city budget and by the mayor. The members of the commission shall select a chair from among their number.

(Ord. 1553 § 1, 2006)

2.118.070 Referendum.

Any salary increase or decrease established by the commission pursuant to this chapter shall be subject to referendum petition by the voters of the city, in the same manner as a city ordinance, by filing of a referendum petition with the city clerk within 30 days after filing of a salary schedule by the commission. In the event of filing of a valid referendum petition, the salary increase or decrease shall not go into effect until approved by a vote of the people. Referendum measures under this section shall be submitted to the voters of the city at the next following general or municipal election occurring 30 days or more after a petition is filed, and shall otherwise be governed by the provision of the State Constitution and the laws generally applicable to referendum measures.

(Ord. 1553 § 1, 2006)