

The Pipeline

November 1, 2004

Board Reviews Proposed \$3.50 Rate Increase for 2005

Fast Facts...

- Members of the District's Maintenance Department hold a professional certification through the Washington Wastewater Collection Personnel Association (WWCPA)
- Certification levels range from Level I (one year experience) to Level IV (supervisory level certification)
- To date, Maintenance personnel have achieved the following certifications:
 - 1- Level IV
 - 4- Level III
 - 6- Level II

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The Hazel Dell Sewer District Board of Commissioners is reviewing proposed sewer rates for 2005. A budget workshop, which is open to the public, is scheduled for October 26; in addition, a public hearing is scheduled for November 23. Both meetings will begin at 3 PM at the main office location. The current rate is \$27.00 per month per equivalent residential unit, which equates to a normal single-family dwelling. **Staff has developed a financial forecast, which anticipates a \$3.50 rate increase for 2005.** At the upcoming workshop and public hearing, the Board of Commissioners will be reviewing the needs of the District as it expands the Salmon Creek treatment plant to meet the demand for capacity. The proposed 2005 rate increase reflects only the capital needs to expand the treatment plant.

2005 BUDGET AND FUNDING FOR NEXT CAPITAL EXPANSION

The District Commissioners, Norm Harker, Neil Kimsey and Denny Kiggins, will be reviewing the preliminary 2005 District budget at the two sessions described above.

Before this budget process started, the District Commissioners did review a ten-year forecast that took into account future infrastructure needs. The next phase of capital expansion at the Salmon Creek treatment facility, which is now underway, is driving all of the cost increases. This next capital expansion at the Salmon Creek treatment plant is called phase 4, and has a preliminary price tag of \$60 million. The District and the City of Battle Ground's ratepayers share in this cost.

The District funds their share of this capital expansion through connection fees (Regional Facilities Charge) and through existing rates. The District and City of Battle Ground have been successful in receiving \$11 million in low cost financing each (i.e. interest rate 0.5%) that will be used towards this \$60 million expansion. The District will continue to apply for and hopefully receive other low cost loans that can help keep rates lower than normal debt borrowing.

Staff has prepared the 2005 budget with the anticipation that the District ratepayers will

need to fund a portion of the phase 4 debt and capital expansion at the Salmon Creek treatment plant. This proposed 2005 rate increase would assure that funds would be available for the payment of debt as it becomes due.

The District continues to look for ways to better serve our customers. Staff continues to look at controlling operating costs, and for 2005, the District will present a preliminary budget that reflects a decrease in operating expenses of 1.4% or \$157,464 over 2004.

RATES BELOW STATE AVERAGE

In a recent review of sewer rates throughout the state, the average rate in 2003 was \$31.24. A closer look at the factors that influence our operating costs and our rates include geography, miles of lines, age of lines, number of pumping stations, population growth, density of area being served and treatment costs. Together this shows that the District provides a service well within the norm of other sewer providers in the state.

Board Reviews Proposed \$3.50 Rate Increase for 2005

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MAINTAINING HIGH STANDARDS

The philosophy at the District has always been to require a high standard for construction and maintenance of our facilities. We adhere to a high standard of preventive maintenance to avoid future interruptions of service and to protect the longevity of the District's infrastructure and the local environment. The District routinely evaluates the entire system to determine the level of future resources.

District staffing has stayed about the same since 2002, and will be reduced to 38 full-time employees for 2005. Staff will continue to meet the growing demands of our service area and will maintain our level of service to our customers.

For 2005, the District will continue to utilize technology, which will provide a

value to our customers and maintain our high standard of service without incurring additional labor dollars.

The following areas are some of the ways the District is looking at providing value to our customers while managing and controlling the impact to the bottom line:

- Installing technology to constantly analyze our pump stations, reducing physical site visits.
- Installing application software to monitor workflow and system maintenance.
- Continuing the same high standards for infrastructure installation that will benefit the ratepayer in future years.

- Establishing and adopting sound fiscal policies regarding the District's finances, budgets and forecasts, so that financing for large capital projects is obtained, and associated interest costs are kept low.

- Utilizing system applications and technology with a related reduction in overall costs.
- Maintaining safety and loss control measures that provide savings to the District customers by way of premium reimbursements and reduced labor downtime.

Further efforts such as partnering, outsourcing, and the use of technology by District staff will continue to be pursued to keep costs low yet maintain the level of service our customers expect of the District.

Environmentally Friendly Substitutes

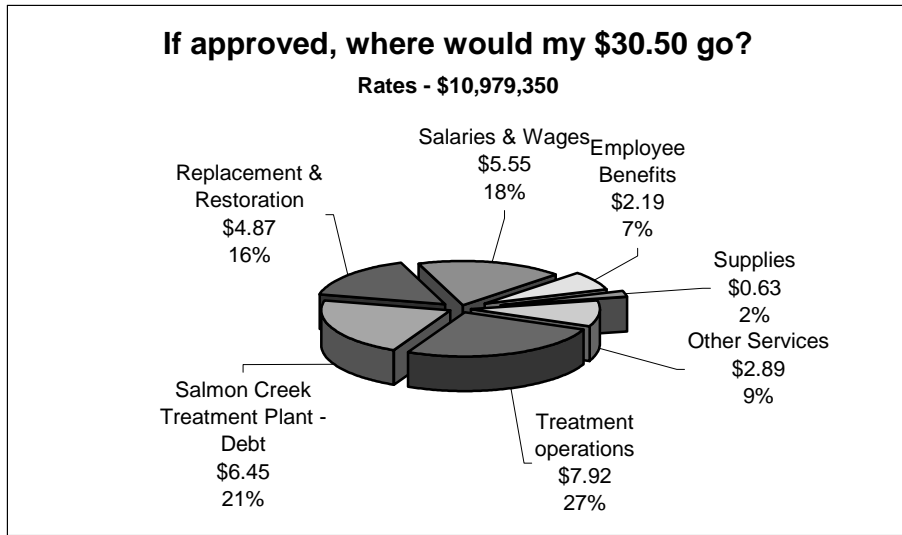
- ◆ Air Freshener—Simmer cloves and cinnamon in boiling water. Leave an opened box of baking soda in the room. Set out a dish of vinegar.
- ◆ Insect Spray for Plants—Blend six cloves, crushed garlic, one minced onion, 1 tsp. pure soap in one gallon of hot water. Let it sit for two days; strain & use.

Budget Questions & Answers

1. What were the total District budgeted and expected operating expenses in 2004?
 - Budgeted \$11,335,510 and projected actual expenses to be \$10,567,624
2. What are the proposed changes?
 - Increased operating expenses include:
 - ◇ Wage increases based on a 2.0% increase in the cost of living adjustment.
 - ◇ Increases in healthcare costs of 15%.
 - ◇ Supplies increases: Pump station maintenance - odor control program; Transportation fuel cost increases of 62%; and upgrade existing computer hardware and software.
 - ◇ Other Services has increased 1.5% due to phone, insurance, postage and utility cost increases. Election costs are estimated at \$46,000.
3. Why can't the new growth pay for the increase?
 - New growth does pay for its impact. If new capacity is needed, development fees pay for the capacity, as well as connection fees. If existing capacity requires upgrades, then existing ratepayers participate.

Budget Questions & Answers (Continued from Page 2)

4. What do my monthly rates pay for?



5. How do our monthly rates compare with others in Clark County?

- Proposed 2005 or Current Outside City Rates
Service provided by:
 - ⇒ Battle Ground \$ 46.25 (Current)
 - ⇒ Vancouver \$ 42.75
 - ⇒ Camas \$ 33.90
 - ⇒ **Hazel Dell Sewer \$ 30.50 (Proposed)**

For any questions relating to the District budget, please contact Fred Kowell at the District office at (360) 993-8824.

HDSO Partnering with Area Dentists

Mercury and silver are toxic substances, found more and more in our environment. Mercury has been proven to cause birth defects and is considered a Persistent Bio-accumulative, Toxic, (PBT) which contains dioxin and PCB's. There is a history of these metals being used in the dental profession.

On July 13, 2004 the Hazel Dell Sewer District partnered with Clark County and the City of Vancouver (Local Interagency Networking Cooperative) to host a Dental Checkup meeting. The purpose of the meeting was to provide an opportunity for the dentists in our community to meet with vendors that would provide equipment and technology for treating dental wastewater, improving our environment. We also involved speakers from the Washington

State Department of Ecology and the Washington State Dental Association.

The following list includes dentists in our area that are participating in protecting our environment:

- Thomas Erickson, DMD
215 NW 78th Street
- Theodore Fujioka, DMD
215 NW 78th Street
- Ronald Lund
7819 NE 13th Avenue
- Alder Family Dentists
8700 NE Hazel Dell Avenue
- Wendel Family Dental Center
1300 NE 134th Street, Suite A
- Scott McClure, DDS
14201 NE 20th Avenue

The District would also like to recognize the following dentists who attended, which are located outside of our service area: Evergreen Dental Center; Fort Vancouver Dental Center; Grin & Bear It Dental Center; New Horizons Family Dentistry; Fourth Plain Dental & Implant; Douglas Johnson; Wayne Truscinski, DDS; Clinton Harrell, DDS; Kathryn Polseon, DMD; Brian Shaffer, DDS; Dennis Graham, DDS; Charles Dufort, DDS; Cascade Dental Group; Columbia Endontic Group; Neil Gray, DDS; Michael Warner, DMD; and Sheryl Lee, DMD.

We would like to thank each dentist who participated in this meeting and look forward to our continued partnership.

Hazel Dell Sewer District

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Hours of Operation: **Monday-Friday**
8:00 am—5:00 pm
Closed Sat, Sun, & Holidays

Commissioners: **Norm Harker**
Neil Kimsey
Denny Kiggins

Manager: **Bob Bandarra**

Coming Soon... Exciting Website Changes

Watch for exciting changes to our website in the coming months! The District is currently re-designing our website, so that you, our customers, can easily obtain information on the services and programs we provide.

We're on the web!
www.hdsd.com



FREE Leaf Disposal Program Offered Again

The District is pleased to support Clark County and the City of Vancouver in their efforts to save money for citizens and help the environment, too. To the right is a coupon to drop off your autumn leaves for *free*! The leaves will end up being composted into rich material that will keep yards, parks and public areas green and healthy. The District is proud to do our part by distributing coupons to make it easier for you to participate in this environmentally-friendly program.



FREE LEAF DISPOSAL With This Coupon October 1—December 15, 2004

Prevent flooding—don't place leaves in the street.
Instead, bring this coupon for *free* leaf disposal at:

H&H Wood Recyclers, 8401 NE 117 Avenue, **360-892-2805**

Monday-Saturday 8 AM-5 PM; Sunday 9 AM-4 PM (*closed Thanksgiving Day*)

West Van Materials Recovery Center, 6601 NW Old Lower River Rd.,
360-737-1727

Monday-Friday 6 AM-6 PM; Saturday 8 AM-4 PM (*closed Sundays and Thanksgiving Day*)

McFarlane's Bark, 8806 NE 117 Ave., **360-892-6125**

Monday-Sunday 8 AM-5 PM (*closed Thanksgiving Day and Sundays in December*)

This coupon must be presented at the drop-off site and is for leaves ONLY. Yard debris or mixed loads will be charged at the regular price. Leaves brought in plastic bags must be dumped out.

Please complete the following information:

My street address: _____ Zip Code: _____

Sponsored by: City of Vancouver and Clark County