

West Sound Water Association Summary of Charges As Revised October, 2013

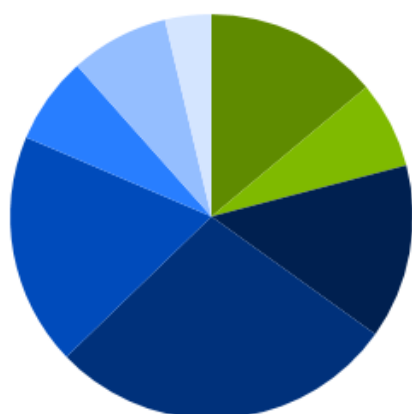
Our monthly rate structure traces back to 2009, when a major change was made. Prior to the 2009 Annual Meeting, the Board of Directors provided members a [discussion document](#) explaining the new philosophy, which we still utilize today. One goal was to “appropriately encourage conservation, without unnecessarily discouraging reasonable levels of use.”

There have been two subsequent changes. In 2011, a 3.7% surcharge was implemented after WSWA became subject to the state Public Utility Tax (on charges related to water use) and the state Business and Occupations Tax (on most other income). Prior to 2010, the Association had been exempt from those taxes. Then, in 2013, a 7.5% inflation adjustment was made to the **Monthly Billing Structure**:

- Each of our 37 members pays a **monthly assessment**, now \$70, intended to fund an equal share of the fixed costs the association incurs to provide a system capable of serving the membership. These costs are incurred whether or not a member elects to use water. The pie chart below breaks down our expenditures for a typical year.
- Members who use water during a month also pay **usage charges** to cover the costs of pumping and treating our water, plus other usage-related costs:
 - Beginning with the first gallon used, the rate is 1.29 cents/gal. To reward conservation, this is less than the approx. 1.4 cents/gal cost we attribute to usage.
 - After usage exceeds 3,600 gallons (averaging 120 gpd), the rate increases to 1.64 cents/gal. We expect full time residences to average about 120 gpd during the summer months, so the higher rate signals “above average usage”.
 - After 6,000 gallons are used (200 gpd), the rate increases to 2.18 cents/gal, signaling that the member is beginning to exceed the system's total water capacity, divided over our 37 members. (Average capacity is currently estimated to be 240 gpd.)
 - In addition, any member who exceeds 13,500 gallons of use during a month is assessed a \$55 **over-use surcharge**, while continuing to pay the applicable usage rates. This reflects the current 450 gpd limit on usage, over a 30 day month.
 - [A table](#) shows these usage charges at 100 gallon increments.
- All of the above also are subject to the 3.7% surcharge.

Other Fees:

- A **late fee** of \$10 is charged if a billing remains unpaid by the 5th of the following month.
- A **membership transfer fee** of \$100.00 is charged to the new owner of a parcel that is associated with a WSWA membership, unless that fee is assumed by the seller.
- Members may be charged additional fees for certain **labor or equipment** provided by the Association. Members must cover the Association’s cost for the meter supplied at the time a member first hooks up. After that, WSWA will replace meters at the Association’s expense, whenever we judge that replacement is warranted.



WSWA Typical Annual Expense Breakdown

- Usage: Electricity + Treatment (\$6,000)
- Usage: Depreciation (\$3,000)
- Shared: System Maintenance (\$6,000)
- Shared: New Capital Spending (\$12,000)
- Shared: Water Manager (\$8,000)
- Shared: Bookkeeping & Accounting (\$3,000)
- Shared: Insurance & taxes (\$3,400)
- Shared: Misc. Expenses (\$1,600)

This breakdown shows \$40,000 in cash expenses, plus \$3,000 depreciation. \$9,000 is attributed to water usage, to be covered by per gallon fees. The rest is shared equally.