



2024 RATE NOTIFICATION

April 2024

Dear Ratepayers:

The decision to raise rates is an issue every responsible utility must face. Before last year (2023), Northshore Utility District (NUD) had last raised water rates in 2017. This is possible largely due to NUD's unique water supply contract with Seattle Public Utilities (SPU). However, other rising operational costs have been impactful in maintaining safe and reliable water services.

Sewer services have seen similar increases as water. King County Wastewater Treatment Division raised its costs by 5.8% annually over the past three years. This increase is being treated as a pass-through cost to District customers, along with NUD's rising operational costs. This decision was reached after conducting an open public hearing held on April 1, 2024. The 2024 Rate Resolution was adopted and applied to all utility bills sent after April 2, 2024, regardless of when service is rendered.

Balancing rising costs through difficult times

Besides sewage treatment and wholesale water supply costs, numerous other factors are considered when evaluating revenue needs to provide safe and reliable services. These include analyzing increased costs related to personnel, security, technology, fuel, power, communications, construction, insurance, and local municipal fees.

Like all businesses, NUD has experienced increases in its operating costs, notably through a recent 4.6% increase in the Consumer Price Index annual figure. The District has maintained a long-term focus to continually invest in its infrastructure. This approach reduces the erratic high costs associated with being reactive to infrastructure needs. These investments include rehabilitating, replacing, and expanding facilities and pipelines; enhancing IT security systems; and adopting new technologies to improve efficiency and enhance our customer experience.

Efficient operating practices and financial stewardship help keep costs low

NUD's mission focuses on providing efficient service and proactively investing in infrastructure for the long-term interest of its rate payers. For utilities, one measure of operational efficiency is the staff-to-service connection ratio. NUD maintains one of the lowest staffing counts compared to similar sized water/sewer service providers and has adopted Best Management Principals (BMPs) to maximize the useful life of the infrastructure. In addition, NUD exercises sound fiscal management principles and avoids accruing unnecessary debt costs. As a special purpose government, NUD can focus solely on providing utility service, which facilitates keeping rates as affordable as possible and a still provide a high level of service.

2024 BIMONTHLY SINGLE-FAMILY WATER AND SEWER RATES

WATER SERVICE (increase of \$3.88)

Bimonthly Base Charge	\$34.92
Usage Charge per 100 Cubic Foot (CCF) (NUD billing units)	
0 through 10 CCFs	\$3.67
11 through 20 CCFs	\$4.73
21 CCFs and above	\$5.80
Bill for Bimonthly Average Use of 13 CCFs	\$85.21
Bill after 5% Early Payment Discount	\$80.95

SEWER SERVICE (increase of \$5.98)

Bimonthly Base Charge	\$146.38
Usage Charge per CCF*	\$4.54
Typical Bimonthly Bill	\$146.38
Bill after 5% Early Payment Discount	\$139.06

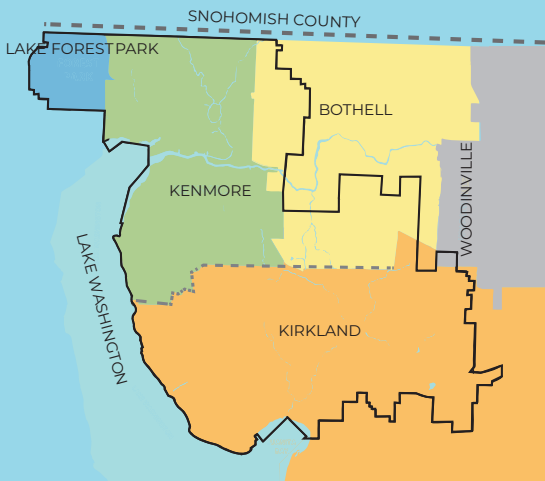
**For NUD - the typical single-family home uses 10 CCFs in the winter. Sewer usage charge is assessed based on bimonthly winter water use. ~2% of total sewer usage was above this threshold.*

How NUD's rates compare with local neighboring public utilities

A meaningful comparison of rates can be difficult, since different agencies have significant cost impacts associated with its water supply source and sewage treatment costs.

The table below compares water and sewer rates for NUD, Woodinville Water District, and the cities of Seattle, Bothell, and Kirkland. Each of these agencies purchase their water from SPU and pay King County to treat their sewage. The information for NUD reflects a 5% early payment discount used by approximately 85% of NUD ratepayers. The District is the only provider that offers this discount.

NUD SERVICE AREA MAP



2024 RATES¹

	WATER	SEWER	TOTAL
NUD 2024 <i>(including 5% discount)</i>	\$80.95	\$139.06	\$220.01
Bothell (Inside City)	\$89.89	\$205.54	\$295.43
Bothell (Outside City)	\$89.89	\$254.57	\$344.46
City of Kirkland Utilities	\$97.99	*\$185.91	\$283.90
Woodinville (Winter)	\$130.26	\$177.14	\$307.40
Woodinville (Summer)	\$146.21	\$177.14	\$323.35
Seattle (Winter)*	\$138.37	*\$237.90	\$376.27
Seattle (Summer)**	\$145.94	*\$237.90	\$383.84

* Based on 10 units of average winter consumption.

** Seattle customers located in cities of Shoreline and Lake Forest Park.

¹Comparisons represents billing information based on average single-family residential usage of 13 CCF per bi-monthly billing period. Amounts do not include franchise fees and utility taxes charged by, and paid to, the respective cities. Franchise fees are listed as a separate line item on water and sewer bills. Current franchise fee information is found at www.nud.net/customers/rate-information

Working to represent your needs

Rate payers are the owners of this utility, and as your elected Board of Commissioners, we take great pride in representing you. We are focused on being an effective governing body that establishes policies to ensure high quality drinking water and sewer services are provided in an affordable, sustainable manner.

We welcome the opportunity to discuss District policies or the future direction of the District with you. Please contact any of us by phone or email. You can find our contact information on NUD's website www.nud.net/board.

Sincerely,

The Northshore Utility District Board of Commissioners

Suzanne Greathouse, Board President

Trudy Rolla, Board Secretary

Matt Breyse, Commissioner

Tom Mortimer, Commissioner

Bruce Gardiner, Commissioner