

CITY OF ISSAQUAH
City Council
Mobility & Infrastructure Committee

6:30 PM
July 15, 2025

MINUTES

Council Chambers, 135 E.
Sunset Way, Issaquah WA

COUNCIL AND ADMINISTRATIVE PERSONNEL PRESENT

Committee Members:

Russell Joe, Chair
Barbara de Michele
Chris Reh

Administration/Staff:

Andrea Snyder, Deputy City Administrator
T. Cassidy Mueller, Deputy City Clerk

CALL TO ORDER

Chair Joe called the meeting to order at 6:30 PM.

PUBLIC COMMENT - None

- a) No members of the public spoke.

APPROVAL OF MINUTES

- a) Minutes of June 17, 2025. There being no changes, the minutes were unanimously approved as presented.

AGENDA ITEMS

A 10-minute recess was called at 6:37 PM due to a brief power outage. The meeting resumed at 6:47 PM.

- a) **COM 0159 - Utility Rate Study - Rate Design**

Presented by:

Emily Moon, Director of Public Works
Matt Ellis, Utility Engineering Manager
Sergey Tarasov, FCS Consulting Group

The Committee recommended the City align the bimonthly rates for duplex and single-family water and sewer bills and recalibrate the minimum volume assumption for sewer charges to align with King County Treatment Residential Customer Equivalent (RCE) definitions for non-single family residential structures.

Other comments included:

- Recommend being mindful that outreach and incentives promoting water conservation may need a different approach for residents living in condos or apartments that share meters and do not see their direct water usage, nor necessarily pay any more or less for their utilities based on their individual usage.
- Recommend ensuring that the proposed rates will keep the utility funds healthy for use in capital projects and emergencies.

ADJOURNMENT

There being no further business, the meeting was adjourned at approximately 7:31 PM.

Russell Joe, Chair

T. Cassidy Mueller, Deputy City Clerk



Staff Report

COM # 0120 – Utility Rate Study – Review of Study, Findings and Recommendations

Meeting Date September 16, 2025
Department PW - Public Works
Staff Lead Matt Ellis, Emily Moon
Attachments

A. Presentation

Direction Needed from Council

The purpose of this meeting is to provide the Mobility & Infrastructure Committee with the utility rate study's final recommendations and a summary of committee decisions to-date. Administration seeks the Committee's concurrence to forward the Utility Rate Study to the City Council on October 20, 2025 for adoption.

Recommendation

Administration recommends:

- Authorizing the Utility Rate Study to be forwarded to City Council for final consideration and adoption.

Background

At previous Mobility and Infrastructure Committee Meetings, City staff and consultants presented on the following topics:

- The March 10, 2025 Committee of the Whole included review of the study's purpose, the utilities' budgets and revenue requirements, and rate-setting guidance objectives.
- The May 14, 2025 Mobility and Infrastructure Committee Meeting focused on evaluating cost-of-service requirements. The cost-of-service assessment evaluated how existing revenues compare to the forecasted cost recovery by customer class of service. This analysis established a defensible basis for assigning cost shares and defining "cost equity" among the City's customers in a way that is tailored to the unique characteristics of the City's utility systems and customers.

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- The June 17, 2025 Mobility and Infrastructure Committee Meeting discussed General Facilities Charges (GFC). The GFC is a one-time charge for new development or expanded utility connections. New or upsized connections bear a proportional share for system capacity investments. Customers pay GFCs as well as regional charges for water and sewer services upon connection.
- The July 15, 2025 Mobility and Infrastructure Committee Meeting reviewed utility rate design for the water, sewer and stormwater utilities. This step in the rate study process involved developing rates (including both fixed and variable charges) for each customer class for water, sewer and storm utilities to recover allocated costs.

Policy Discussion

The following policy assumptions were discussed with and supported by the Committee. These assumptions were incorporated into the rate study model and shape proposed rates:

- No new debt will be assumed for any of the three utilities through 2030.
- Rates will consider longer-term capital project funding needs (e.g., for projects with phases that extend beyond 2030).
- The combined rate increase for all three utilities will be maintained at or below 6.0% per year for local charges.
- The cost-of-service adjustment will be gradually phased in over a 10-year period.
- The private and parks irrigation customer classes will be gradually aligned.
- Duplex rates will be aligned with single-family rates for water and sewer charges.
- The minimum volume assumption for sewer charges will be recalibrated to align with King County Residential Customer Equivalent (RCE) definitions for non-single-family residential structures.
- Sewer and storm General Facility Charges (GFCs) will be set at the updated cost-based levels. Water GFCs will be gradually phased in.
- The City will continue to adjust GFCs for inflation.

Timing & Next Steps

- October 20, 2025 Regular Meeting of City Council - Rate Study adoption and proposed code modifications.
- If adopted, new rates would be effective January 1, 2026.



CITY OF
ISSAQUAH
WASHINGTON

Utility Rate Study

Findings and Recommendations

SEPTEMBER 16, 2025 | MOBILITY & INFRASTRUCTURE COMMITTEE

MATT ELLIS AND EMILY MOON, PUBLIC WORKS

SERGEY TARASOV, FCS CONSULTING GROUP

Purpose

Review the Utility Rate Study's final recommendations and the Committee's direction regarding policy assumptions.

Utility Rate Study Goal

Develop new rates for the City's water, sewer and stormwater services that fund operational and capital needs over the next 5-year period, while planning for longer-term.

Utility Rate Objectives

Future rates will be:

- Be predictable, smooth, and uniform
- Establish a defensible basis for assigning cost shares and providing equity for rate payers
- Cover the full cost of providing utility services now and in the future
- Provide sufficient operating reserves to protect the solvency of the funds
- Afford the investment in capital infrastructure to ensure current and future customers pay their share of system costs