

Revenue Policy

Three Lakes Water Association

Effective Date: August 15, 2026 | Fiscal Year 2026-2027

I. Revenue Policy Purpose

A. The purpose of this policy is to establish membership, connection, service and other charges and the use of those resulting revenues.

B. Meter and connection equivalency shall be on the basis of equivalent residential units (ERUs), with a single-family residence as the basis for this measure. ERUs shall be expressed relative to size of water meter serving the property, as indicated below. Water volumes are expressed in cubic feet (C.F.)

II. Membership and Connection Charges

A. Share Cost for Membership in the Association

- 1. The charge for each Association membership shall be **\$1000.00** per connection.
- 2. The full cost of the share shall be due for membership reinstatements.

B. Connection Charges

1. Each connection or re-connection to the System shall be subject to two connection charges. The General Facilities Charge (GFC) represents a Member's pro-rata share in the value of the existing system, and planned improvements to maintain adequate capacity for anticipated growth. The Site Facilities Charge (SFC) represents the actual cost of installation, not less than the minimum established rate, of a water service and meter assembly from the existing main to the point of service at the new or reconnecting Member's property, and the cost of administration thereof. The GFC was reviewed and updated in a study by David Evans and Associates, Inc. dated February 9, 2025.

C. General Facility Charge (GFC)

- 1. General Facility Charge per ERU, effective August 15, 2026:

Member Type	Meter Size	GFC Amount	Schedule
New Member	5/8" Meter	\$15,000.00	Schedule 1
New Member	1" Meter	\$22,500.00	Schedule 7
New Member	1½" Meter	\$30,000.00	Schedule 8
New Member	2" Meter	\$52,500.00	Schedule 9

Note: Schedule 5 Member (non-user) must pay the General Facility Charge and Site Facilities Charge before moving to another schedule.

2. A connection shall be vested with the General Facility Charge paid at the time of connection, for the appropriate meter size, and shall remain vested provided the bi-monthly rates are paid continuously.
3. If service is disconnected and water service charges are not paid for more than six consecutive months (three consecutive bi-monthly cycles), the parcel shall be subject to the payment of the full General Facility Charge in effect as appropriate at the time renewal of water service is requested, without credit for any prior payment of a General Facilities Charge for that connection.
4. Alternatively, if the membership share has not been transferred and/or the property owner has not changed from the time of service disconnection, water service charges including penalties, fees and other charges due for the parcel, may be paid in full for the period over which payments were discontinued, to avoid the requirement for payment of the then-current GFC.

D. Site Facilities Charge (SFC) or Service Installation Fee

1. Confirmed per connection charge review/assessment:

Schedule	Meter Size	SFC Amount
Schedule 1	5/8" Meter	\$6,000.00
Schedule 7	1" Meter	\$7,000.00
Schedule 8	1½" Meter	\$9,000.00
Schedule 9	2" Meter	\$12,000.00

Note: Schedule 5 Member (non-user) has no tap, service or meter installed.

III. Rate Structure

A. General Bi-Monthly Water Service Charges

1. Fiscal year 2015-2025 water service charges are based on a study completed in the spring of 2013 by CHS Engineers, LLC, and adopted by the Board of Trustees. Water service charges to be effective as of the start of the 2026-2027 Fiscal Year are based on review and update of that study, based on Fiscal Year 2024-2025 financial statements, completed by David Evans and Associates, Inc. in February, 2026, and adopted by the Board on May 12, 2026.
2. Future rate increases will be necessary due to the State and Federal Regulations to operate, maintain, and update our system and to support system needs as determined by the Board, including prudent financial planning for long-term water main replacement needs.
3. Bi-monthly base rates will be assessed to all members with an active or inactive water Service (i.e. users and non-users, respectively). Bi-monthly usage rates will be assessed to all members with active water service, based on metered use for that period.
4. Members' base rate will be determined by the meter size and associated count of ERUs (the basis for different rate schedules) and the number of meters serving the property. The meter size shall be selected by the Member, and may be smaller than the size of the water service line from the Association water main to the water meter (minimum 1"), or the Association shall determine the size and type of connection at the water main.

5. For all new connections, each tax parcel shall be served by one meter and service connection, regardless of the number or types of uses on the parcel. In cases in which Snohomish County deems two adjoining tax parcels to be considered one legal lot, one meter and service connection shall be allowed for the two tax parcels considered by the County to be one legal lot.

B. Bi-Monthly Water Service Charges Rate Schedule – Effective as of the start of Fiscal Year 2026-2027

Schedule	ERU	Meter	Base Rate	Includes
Schedule 1	1 ERU	5/8" Meter	\$195.00	0 – 600 C.F.
Schedule 5	0 ERU	No Meter	\$72.00	Member with no meter – 0 C.F.
Schedule 7	1.5 ERU	1" Meter	\$292.50	0 – 900 C.F.
Schedule 8	2.0 ERU	1½" Meter	\$390.00	0 – 1,200 C.F.
Schedule 9	3.5 ERU	2" Meter	\$682.50	0 – 2,100 C.F.

Additional Volume Usage Charges (per 100 C.F.):

Schedule	Usage Range (C.F.)	Rate per 100 C.F.	
Sch. 1 (5/8")	601 – 1,200 C.F.	\$3.80	Tier 1
	1,201 – 1,800 C.F.	\$4.05	Tier 2
	1,801 – 2,400 C.F.	\$4.30	Tier 3
	2,401 – 3,000 C.F.	\$4.55	Tier 4
	3,001+ C.F.	\$4.90	Tier 5
Sch. 7 (1")	901 – 1,800 C.F.	\$3.80	Tier 1
	1,801 – 2,700 C.F.	\$4.05	Tier 2
	2,701 – 3,600 C.F.	\$4.30	Tier 3
	3,601 – 4,500 C.F.	\$4.55	Tier 4
	4,501+ C.F.	\$4.90	Tier 5
Sch. 8 (1½")	1,201 – 2,400 C.F.	\$3.80	Tier 1
	2,401 – 3,600 C.F.	\$4.05	Tier 2
	3,601 – 4,800 C.F.	\$4.30	Tier 3
	4,801 – 6,000 C.F.	\$4.55	Tier 4
	6,001+ C.F.	\$4.90	Tier 5
Sch. 9 (2")	2,101 – 4,200 C.F.	\$3.80	Tier 1
	4,201 – 6,300 C.F.	\$4.05	Tier 2
	6,301 – 8,400 C.F.	\$4.30	Tier 3

Schedule	Usage Range (C.F.)	Rate per 100 C.F.	
	8,401 – 10,500 C.F.	\$4.55	Tier 4
	10,501+ C.F.	\$4.90	Tier 5

C. Other Service Fees & Charges

Service / Fee	Amount
Certificate of Water Availability	\$100.00 per parcel
Fire Flow Availability	\$50.00 + engineer's invoiced amount
Share Transfer Fee	\$100.00 per share
Past Due Penalty Fee	Assessed 1st business day after bill due date (10% of unpaid balance)
Shutoff/Lock-Off Service Fee	\$50.00 (over shutoff threshold/CCS non-compliance)
Failure to Follow Through on Promise to Pay	\$50.00
Past Normal Business Hours Turn-On Fee	\$45.00
Insufficient Funds	\$25.00
Meter Obstruction Fee – 1st offense	\$10.00
Meter Obstruction Fee – 2nd offense (within calendar year)	\$50.00
Meter Obstruction Fee – 3rd offense (Staff cleans meter)	\$50.00
Hydrant Use Permit	\$65.00
Hydrant Use – Deposit (minimum per first 500 gallons)	\$42.50 minimum + \$1.50 per 100 gallons over minimum
CCS Certified Letter	\$50.00
Unauthorized Use of Water / Tampering with Facilities	\$500.00 (doubles for each subsequent offense)
Penalty for Not Requesting a Locate	\$50.00 + cost of repairs per State Law
Duplicate Billing to Occupant (at Member/Owner's request)	\$5.00 per duplicate bill
Copy Fee	\$0.25 per page

G. Developer Extensions and Other Revenue

1. The Association has developed a Developer Extension Policy and supporting Manual which defines the details of when fees and charges are required and when payments are due, and what other charges are due as part of the completion of a developer extension.

2. The cost of the Developer Extension Manual shall be **\$50.00**.
3. Lease payments for use of Association assets by third-parties shall be charged per the applicable lease agreements.
4. Miscellaneous charges for service provided by the Association, or reimbursement as required by agreement shall be charged as agreed.

IV. Allocation of Revenues

A. General Fund

1. Revenue from water service charges and associated late fees, penalties and interest, and all other charges shall be deposited to the General Fund.

B. Capital Funds

1. The Capital Fund and Debt Funds are supported by revenues from the membership share charge, GFC, SFC, developer extension deposits and payments, and transfers from the General Fund as determined by the Board of Trustees.

V. General Information on Billing and Payments

A. Bi-Monthly Service Charges

1. The Association shall prepare and send, and Members shall receive, a bi-monthly statement for services. Payment for which is due on the last day of the odd-numbered months.
2. The bills shall be sent on the last business day of the even-numbered months.
3. The bills shall be based on actual meter readings, typically read during the third week of every even-numbered month.
4. In the event a meter cannot be read, the usage and therefore the total amount due shall be estimated, but only when necessary.
5. If members are not paying through the Association's online bill payment option, all payments shall be mailed to the Association's post office box or dropped off at the office during the Association's regular business hours.
6. Post-dated checks shall not be accepted.
7. Payments shall be posted when received.

B. Late Fees

1. Late fees shall be assessed on the first business day after the bill due date.
2. The late fee shall be **10%** of the amount billed and unpaid.

C. Shutoff Notices

1. Shutoff notices shall be generated on the first business day after the bill due date by Staff when the account is delinquent and amount owed is **\$350.00** or greater, after late fees are assessed.
2. Shutoff notices shall be mailed and reflect the unpaid balance in addition to late fees and other past due fees.

VI. Regulatory Compliance and Legal Authority

A. Legal Authority and State Regulatory Compliance

1. Three Lakes Water Association (the “Association”) is a Group A Public Water System operating under a water right permit issued by the Washington State Department of Ecology (Ecology) pursuant to RCW 90.03 (Water Rights – General) and is regulated as a public water system under RCW 70A.125 and the Washington State Department of Health (DOH) Group A Water System regulations set forth in WAC 246-290.
2. This Revenue Policy is adopted pursuant to the Association’s authority under RCW 57 (Water-Sewer Districts), its Association bylaws, and applicable state and federal law. All rates, fees, and charges established herein are intended to be consistent with, and shall not conflict with, applicable provisions of state and federal law.
3. All rates, fees, and charges shall be reviewed at least annually and updated as needed to ensure the financial sustainability of the water system and compliance with applicable regulations.

B. Washington State DOH Water System Planning Requirements

1. Pursuant to WAC 246-290-100, the Association shall maintain a current Water System Plan (WSP) or Small Water System Management Program (SWSMP) approved by the Washington State Department of Health. Rate setting shall consider the capital improvement and operations and maintenance needs identified in the approved plan.
2. Revenue generated under this policy shall be sufficient to fund the operations, maintenance, and capital improvements identified in the Association’s current approved Water System Plan, consistent with WAC 246-290-100 and RCW 43.20.050.
3. The Association shall maintain adequate financial reserves as may be required by DOH or as identified in the approved Water System Plan.

C. Cross-Connection Control (CCS) – WAC 246-290-490

1. Consistent with WAC 246-290-490, the Association operates a Cross-Connection Control (CCS) Program. All members are required to comply with the CCS program requirements. Failure to comply within the timeframes established by the Association’s CCS program may result in service termination and applicable fees as established in Section III.C of this policy.
2. The Association reserves the right to discontinue water service to any member found in violation of the Cross-Connection Control Program after proper notice and in accordance with the procedures set forth in WAC 246-290-490 and the Association’s adopted CCS program.

D. Water Conservation Requirements – RCW 90.54 / WAC 246-290-140

1. The Association’s tiered volumetric rate structure (Section III.B) is designed, in part, to encourage water conservation consistent with RCW 90.54 (Water Resources Act of 1971) and WAC 246-290-140 (Water Use Efficiency). Rates are structured to promote efficient water use and discourage excessive consumption.
2. The Association shall comply with all Water Use Efficiency (WUE) reporting requirements under WAC 246-290-140, including submission of annual WUE reports to the Washington State Department of Health.
3. The Association shall implement and maintain a Water Loss Control Program consistent with state requirements and shall track and report distribution system water losses as required.

E. Safe Drinking Water Act (SDWA) Compliance – Federal

1. The Association, as a public water system, is subject to the federal Safe Drinking Water Act (42 U.S.C. §§ 300f et seq.) and the regulations promulgated thereunder by the U.S. Environmental Protection Agency (EPA), as implemented and enforced in Washington State by the Department of Health under primacy agreement.
2. Revenues collected by the Association shall be sufficient to fund ongoing compliance with all applicable National Primary Drinking Water Regulations (NPDWRs) and National Secondary Drinking Water Regulations (NSDWRs), including treatment, monitoring, reporting, and public notification requirements.
3. The Association shall allocate sufficient revenues to support SDWA compliance activities, including but not limited to: lead and copper monitoring (40 CFR Part 141 Subpart I), total coliform and E. coli monitoring (40 CFR Part 141 Subpart Y), surface water treatment (if applicable), and chemical contaminant monitoring.

F. Americans with Disabilities Act (ADA) Compliance

1. To the extent applicable, the Association shall ensure that its billing and payment processes, public notices, and other communications are accessible and nondiscriminatory, consistent with the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and Section 504 of the Rehabilitation Act of 1973.

G. Low-Income Customer Protections – WAC 246-290

1. Consistent with Washington State policy encouraging equitable access to safe drinking water, the Association may, at the Board's discretion, establish a low-income rate assistance program or defer to applicable state programs. Any such program shall be developed in compliance with applicable law and shall not jeopardize the financial viability of the water system.
2. The Association shall not deny water service on the basis of race, color, national origin, sex, religion, disability, or other protected class, consistent with Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d) and applicable state anti-discrimination laws.

H. Public Records and Transparency – RCW 42.56

1. This Revenue Policy and any supporting rate studies, financial statements, and Board minutes related to the adoption of rates and charges are public records subject to disclosure under RCW 42.56 (Public Records Act) upon lawful request.
2. Rate change notices shall be provided to members consistent with applicable law and Association bylaws prior to the effective date of any rate change.

I. Lien Authority – RCW 57.08.081

1. Pursuant to RCW 57.08.081 and applicable provisions of the Association's governing documents, unpaid water service charges may constitute a lien on the property served. The Association reserves all rights to collect delinquent charges, including but not limited to placement of a lien on the property, referral to collection, or such other remedies as are available under applicable law.

J. Backflow Prevention and Cross-Connection Control Certification

1. All required backflow prevention assemblies must be tested annually by a Washington State-certified backflow assembly tester (BAT), consistent with WAC 246-290-490 and local requirements. Costs associated with testing, repair, and replacement of backflow prevention devices are the responsibility of the member/property owner.

VII. Adoption and Review

This Revenue Policy was reviewed and adopted by the Board of Trustees of Three Lakes Water Association. It supersedes all prior revenue policies and shall remain in effect until amended or superseded by action of the Board.

Board President Signature:  Steven Lefebure (Aug 18, 2026 08:42:25 PDT) Name: Steve Lefebure Effective Date: August 15, 2026	Board Secretary Signature:  Marek Jedrzejewicz (Aug 19, 2026 07:54:23 PDT) Name: Marek Jedrzejewicz Effective Date: August 15, 2026
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