

## Water Works Utility Financial Policies – City of Bellevue Comprehensive Financial Policies Policy Crosswalk

Key Policy Provisions		Policy Section	
		Waterworks Utility Financial Policies	Comprehensive Financial Policies
1	Each utility shall remain a self-supporting enterprise fund	I.B	3.4.4.1; 7.10.2
2	All utility system plans shall use a 20-year planning horizon or greater, and shall consider the life cycle costs to identify funding needs	I.C	3.5.2
3	Funding for capital investment shall be sustained at a level sufficient to meet the projected 20-year (or longer) capital program costs	II.B	3.4.4.1
4	Funding from rates shall fund current construction and engineering costs and contributions to the Renewal & Replacement (R&R) Account, and debt service, if any	II.B	7.2, 7.10.2
5	Inter-generational equity will be ensured by making contributions to and withdrawals from the R&R Account in a manner which produces smooth rate transitions over a 20-year (or longer) planning period	II.B	8.2.6.2
6	Those seeking or who are required to have Utility service are responsible for extending and/or upgrading the existing utility systems prior to connecting	III.A	7.5.1
7	The utility shall establish fees and charges to recover utility costs related to: (1) development services, and (2) capital facilities that provide services to the property. The utility may enter into Latecomer Agreements with developers for recovery of their costs for capital improvements, which benefit other properties in accordance with State law. The utility will add an administrative charge for this service.	III.B	7.7; 7.10.2
8	The utility may waive capital recovery charges with respect to construction of affordable housing projects as found by the director, provided there is non-utility revenue available to reimburse the city for the charges waived	III.D	7.5.2
9	Rates shall be set at a level sufficient to cover current and future expenses	IV.A	7.10.2.1
10	Changes in rate levels should be gradual and uniform	IV.A	7.10.2.1
11	Cost increases or decreases for wholesale services shall be passed directly through to Bellevue customers	IV.A	7.10.2.1
12	The rate structure shall fairly allocate costs between the different rate classes; Funding of the CIP also provides rates that fairly spread costs over current and future customers	IV.G	7.10.2.5
13	Rates shall be uniform for all utility customers of the same class and level of service	IV.H	7.10.2.6

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14	Rate assistance programs shall be provided for specific low-income customers as permitted by state law	IV.I	7.10.2.7
15	Utilities biennial budget and rate recommendations shall provide funding for reserves, operating contingency, and plant emergency reserves on a consolidated basis	V.A	8.2.6; 8.3
16	Management of operating reserves, including minimum and target levels; transfer excess reserves to R&R Accounts consistent with long-range financial plan	V.B	Included under Administrative Policies
17	Utility funds will maintain separate Asset Replacement Accounts to provide a source of funding for replacement of operating equipment and systems	V.C	8.2.6.3