



2026 Rate Adjustment Notice

Effective May 1, 2026, water and sewer rates are increasing to account for the increase to our wholesale purchase rates and for those living in the City of Mill Creek, to accommodate the new 5% utility tax. For those outside Mill Creek, the base residential water rate is increasing from \$18.69 per month to \$20.09 and the 100 cubic feet charge (1 CCF) is increasing from \$4.60 to \$4.95 (summer rates). The sewer rate in the Everett basin is increasing from \$84.16 to \$90.48 and in the Alderwood basin from \$82.89 to \$89.11. The following are examples of a single-family residential rate increase for those that use 5 CCFs per month:

Outside City of Mill Creek rates:

SFR Bill - Everett Basin	5/1/2025	5/1/2026	SFR Bill - AWWD Basin	5/1/2025	5/1/2026
Water Base	\$18.69	\$20.09	Water Base	\$18.69	\$20.09
CCF fee	\$23.00	\$24.73	CCF fee	\$23.00	\$24.73
Sewer	\$84.16	\$90.47	Sewer	\$82.89	\$89.11
subtotal monthly	\$125.85	\$135.29	subtotal monthly	\$124.58	\$133.92
bi-monthly bill	\$251.70	\$270.58	bi-monthly bill	\$249.16	\$267.85

Earlier this year, the City of Mill Creek enacted a 5% utility tax on all utilities that provide service within the city. This tax goes into effect on June 1, 2026. Unlike a sales tax, which is added to the amount of the sale, a utility tax is a gross receipts tax on all revenues derived from our water and sewer operations. In order to accommodate a 5% utility tax, rates need to be adjusted 5.25% as illustrated by the following example:

	If treated like an add on tax	If treated like a gross receipts tax
Rate collected	\$100.00	\$105.25
Add on 5%	\$5.00	N/A
Total Collected	\$105.00	\$105.25
Actual tax due (Total Collected x 5%)	\$5.25	\$5.26
Amount short between tax due and amount collected for tax	(\$0.25)	(\$0.01)* *due to rounding

If you live within the City of Mill Creek, your rates are increasing an additional 5.25% to accommodate the new utility tax enacted by the City. This tax is only levied on accounts within the City. For City of Mill Creek accounts, the base residential water rate is increasing from \$18.69 per month to \$21.07 and the 100 cubic feet charge (1 CCF) is increasing from \$4.60 to \$5.19. The sewer rate in the Everett basin is increasing from \$84.16 to \$94.89 and in the Alderwood

basin from \$82.89 to \$93.46. The following are examples of a single-family residential rate increase for those that use 5 CCFs per month:

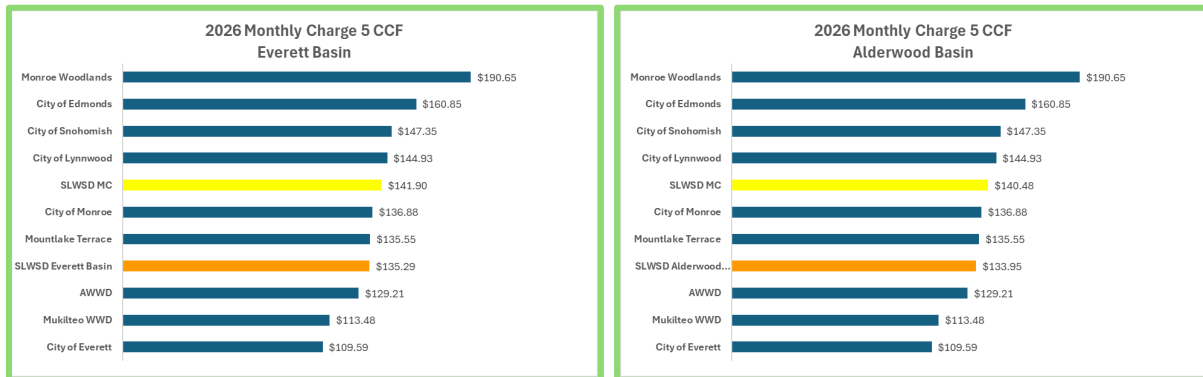
Inside City of Mill Creek rates:

SFR Bill - Everett Basin	5/1/2025	5/1/2026	SFR Bill - AWWD Basin	5/1/2025	5/1/2026
Water Base	\$18.69	\$21.07	Water Base	\$18.69	\$21.07
CCF fee	\$23.00	\$25.93	CCF fee	\$23.00	\$25.93
Sewer	\$84.16	\$94.89	Sewer	\$82.89	\$93.46
subtotal monthly	\$125.85	\$141.90	subtotal monthly	\$124.58	\$140.46
bi-monthly bill	\$251.70	\$283.79	bi-monthly bill	\$249.16	\$280.93

For questions regarding the rate increases or how the utility tax is calculated, please call our customer service line at 425-337-3647. For questions regarding the utility tax, please call City of Mill Creek at 425-745-1891.

Rate Comparisons

In comparing our May 1, 2026 rates (which uses our higher, summer consumption rates – winter consumption rates would result in our rates being even lower) to other jurisdictions in our areas, our rates remain competitive, as illustrated by the graphs below (Silver Lake in orange and yellow):



For those customers who live outside the City of Mill Creek, our rates remain in the lower third quartile of our comparables as evidenced by the orange line on the above charts. For those customers who live within the City of Mill Creek, the additional collection for the utility tax puts our rates just above the medium of comparable rates, as evidenced by the yellow line on the above charts.

About Silver Lake/Wholesale Sources

The Silver Lake Water and Sewer District is committed to providing safe and reliable water and sewer services to our customers that meet and/or exceed all federal and state requirements. As a publicly owned utility, our rates do not include a “profit margin.” Our rates are designed to fund our operational and capital costs needed to achieve our commitment to you. The rates you pay also cover the cost of the District’s purchases of wholesale water and wholesale sewer services.



The District purchases its water wholesale from three sources: the majority is from Clearview Water Supply Agency (CWSA), with some from the Alderwood Water/Wastewater District (AWWD) and some directly from the City of Everett. The City of Everett supplies water to both CWSA and AWWD. The District received notice that its wholesale water supply rates for 2026 may increase another 18% on top of the 125% over what we have paid since 2023 for a total of 143% (the rates have been in dispute since 2024). After discussion at the April 9, 2026 Board meeting and the public hearing at the April 23, 2026 Board meeting, the District’s Board has chosen to mitigate this increase to our customers by limiting our water rate increase to 7.5% (12.75% for those that live within the City of Mill Creek due to Mill Creek’s utility tax).

Along with water, the District purchases sewer treatment services at a wholesale rate from both the City of Everett (Everett basin) and the Alderwood Water/Wastewater District (the Alderwood or AWWD basin). The District received notice that our wholesale sewer rates for AWWD would be increasing by 7.66% and received notice our wholesale sewer rates for Everett would be increasing 21.26%. Again, the Board chose to mitigate these increases for our customers by limiting our sewer rate increase to 7.5% for this year (12.75% for those that live within the City of Mill Creek due to Mill Creek’s utility tax).



While the District has no control over the outside agencies from which we purchase our wholesale services, the District does have control over its operations and its capital improvement programs. By being as efficient (and lean) as possible with our staffing and operational costs and by being strategic in when we schedule capital projects and how we pay for capital projects, we were able to mitigate the rate increases imposed by these outside agencies for 2026.

Our mitigation efforts will not jeopardize our capital program, nor jeopardize our reserves which are used to ensure cash flow for paying our expenses and for appropriate cash in the near future for our necessary capital expenses.

Customer Assistance

The District acknowledges that rate increases of any amount, while necessary to maintain the health, safety, and efficiency of our water and sewer systems, can be challenging in these current economic times. If you are experiencing challenges paying your utility bill, please don't hesitate to visit our website at www.slwsd.com for a list of customer assistance programs/agencies that may be able to help you.



Contact Information

Silver Lake Website	www.slwsd.com
Silver Lake Customer Assistance	www.slwsd.com/customer-assistance-programs
Silver Lake Customer Service	425-337-3647 or service@slwsd.com
City of Mill Creek	425-745-1891