

INCENTIVIZING CUSTOMER IMPLEMENTATION OF STORMWATER BEST MANAGEMENT PRACTICES

ISSUE

Recognizing that onsite mitigation of stormwater runoff has a system-wide benefit, the City of Olympia wishes to consider alternative methods of incentivizing customer implementation of best management practices for stormwater management.

ANALYSIS

Stormwater utilities have had success in incentivizing current and future customers to mitigate their runoff impact through a handful of different mechanisms.

- **Rate Credits:** Many stormwater utilities provide credits against monthly rates to recognize the effects of onsite detention and other means of stormwater control. The concept of rate credits intends to provide incentives for customers to meet or exceed storm water quantity and quality requirements. The level of credit offered to a customer should be linked to the actual benefit to the utility in terms of the quantity and quality of the stormwater runoff that they generate.
- **Education and Information Credits:** A more targeted variation of the rate-credit concept, the City could provide a credit to public and private schools providing the curriculum to educate students and teachers on community stewardship of water resources and stormwater pollution prevention. These programs are thought to benefit the public because school district funds which would be spent on stormwater rates are now available for enhancing water quality education. A school district is often provided the opportunity for an additional credit for partnership and support of environmental education programs as approved by the jurisdiction. Thurston County provides an example of this type of credit through their School Curriculum Credit and Watershed Education Partners Credit.
- **Land-Based Incentive Packages:** Land-based incentive packages are another avenue to incentivize stormwater best management practices by encouraging low-impact development. This strategy is largely aimed at developers and non-single family property owners rather than single-family residents. Property owners who exceed expectations for onsite stormwater mitigation can receive incentive packages that often include any combination of reduction in taxes, reduced permit fees, expedited project review and permitting times, and/or increased allowable density.
- **Rebates and Installation Financing:** To offset costs, municipalities might offer grants, matching funds, low-interest loans, tax credits, or reimbursements to property owners who install specific elements of low-impact development. Some communities offer programs that subsidize the cost of rain barrels, plants, and other materials that can be used to control stormwater. For example, the City of Philadelphia currently has two programs that provide installation financing:

- The Stormwater Management Incentives Program (SMIP) provides grants directly to non-residential property owners who want to construct stormwater retrofit projects.
- The Greened Acre Retrofit Program (GARP) provides grants to contractors and/or companies that can build large-scale stormwater retrofit projects across multiple properties.
- ***Awards and Recognition Programs:*** Some communities also hold low-impact development design contests to encourage local participation and innovation. Many municipalities highlight successful stormwater mitigation sites by featuring them in newspaper articles, on websites and in utility bill mailings. Some also issue yard signs to recognize property owners who have installed low impact development systems. Recognition programs can help to increase property values, promote property sales and rentals and generally increase demand for the properties.

Not surprisingly, the most impactful incentives program will likely include a combination of the mechanisms discussed above. A key policy decision impacting all potential incentive programs is whether the City will offer the different incentive packages to only those who exceed development requirements, or to those who simply meet them. While storm drainage utilities are split on this issue, many are opting to offer the incentive credits and packages to only those going beyond mandatory storm drainage quantity and quality regulations. The case for limiting credit eligibility to only those customers exceeding design requirements is based on the fact that by going beyond requirements, the property has effectively reduced the amount of storm drainage flow that will need to be handled by the City's system, thereby increasing the system's capacity.

In regards to direct rate credits, there is an additional question to consider – how much of the service charge should be made available for credit? If the whole service charge is made available for credit, the assumption would be that the site totally retains storm drainage runoff and the customer is not being served by any of the programs or services offered by the utility. However, given the fact that storm drainage activities such as water quality management, regulatory compliance, and public information will continue to benefit all the City's customers, it is certainly questionable whether any property is left totally unserved by the program. Based on this logic, it is generally accepted that some level of the fee remain in place regardless of the level of onsite mitigation.

A cost-of-service analysis can inform the development of an appropriate rate credit recognizing the share of costs that could go down with onsite mitigation. A detailed review of the City stormwater utility's expenses (provided as an appendix) found that about two-thirds of the stormwater utility's annual costs are fixed and do not vary with onsite mitigation. This suggests that the City could justify a rate credit of about 33% based on costs avoided or reduced by onsite mitigation, but the City can choose to offer a higher credit as a policy decision to better encourage desired customer behavior.

When evaluating the different incentive structures, the City should consider the related administrative burden and direct project costs that can come with implementation, such as costs associated with providing grants or matching funds for low-impact development projects. Incentive mechanisms can also increase overhead costs for the utility by requiring additional staff time to review and track applications and manage rewards programs.

RECOMMENDATION

The City already offers rate credits to its customers as follows:

- Single-family residences with a signed maintenance agreement pay a monthly rate that is approximately 10.5% lower than the rate applicable to those without such an agreement. Based on 2017 data, approximately two percent of the City’s single-family residential customers had a signed maintenance agreement in place.
- Other customers pay a fixed administrative charge per parcel and an impervious-area charge for every 2,528 square feet of impervious surface area. Under the existing structure, the impervious-area charge groups customers into three categories based on development date: pre-1980, 1980 – 1990, and 1990 onward. Relative to the pre-1980 (“Category 3”) rate, the existing commercial rate structure reflects stormwater rate credits of 21% for parcels developed during the 1980s (“Category 2”), and 62% for parcels developed after 1990 (“Category 1”).

To better recognize the actual benefits of onsite mitigation to the stormwater utility, the recommended structure of rate credits focuses on level of onsite mitigation rather than development date (which does not necessarily correlate to the level of mitigation). The proposed structure offers a 20% rate credit for customers with partial mitigation, and a 50% rate credit for those with full mitigation (including low-impact development).

Particularly for the customers that receive credits for partial or full onsite mitigation, the City will need to verify ongoing maintenance of the facilities that made them eligible for the credits. We would recommend a policy where the City requires these customers to apply for the credit annually, demonstrating compliance with the applicable requirements and standards.

The City can work to integrate developer incentive packages, rebate and installation financing, or award programs to further encourage low-impact development in its service area. It will be important for the City to analyze the costs and benefits of these programs in conjunction with rate credits, as the combination reduced revenue and increased administrative costs could trigger rate increases for the utility.

City of Olympia
Stormwater Rate Study
Functional Cost Allocation

Allocation of Operating Expenses						
Test Year =>		2018	FUNCTIONS OF STORMWATER SERVICE			
OPERATING EXPENSE	Total Cost	Base	Use	As All Other	Total	Allocation Basis
Storm Drainage Utility (404-8409-648)						
Salaries and Wages	\$ 475,393	50.00%	50.00%	0.00%	100.00%	50% Base, 50% Use
Hourly	27,395	50.00%	50.00%	0.00%	100.00%	50% Base, 50% Use
Overtime	14,951	50.00%	50.00%	0.00%	100.00%	50% Base, 50% Use
Longevity	2,745	50.00%	50.00%	0.00%	100.00%	50% Base, 50% Use
Special Pay	9,799	50.00%	50.00%	0.00%	100.00%	50% Base, 50% Use
Benefit Opt-Out Incentive	1,162	50.00%	50.00%	0.00%	100.00%	50% Base, 50% Use
Personnel Benefits	220,508	50.00%	50.00%	0.00%	100.00%	50% Base, 50% Use
Clothing Allowance	-	100.00%	0.00%	0.00%	100.00%	All to Base
Office Supplies	2,093	100.00%	0.00%	0.00%	100.00%	All to Base
Misc Operating Supp	2,889	100.00%	0.00%	0.00%	100.00%	All to Base
Clothing	3,916	100.00%	0.00%	0.00%	100.00%	All to Base
Custodial Supplies	255	100.00%	0.00%	0.00%	100.00%	All to Base
Books and Manuals	511	100.00%	0.00%	0.00%	100.00%	All to Base
Other Repair and Maint Supp	71,623	100.00%	0.00%	0.00%	100.00%	All to Base
R & M Supplies - Elec	-	100.00%	0.00%	0.00%	100.00%	All to Base
Repair & Maintenance	3,063	100.00%	0.00%	0.00%	100.00%	All to Base
R&M Supplies - Sewer Coll	-	100.00%	0.00%	0.00%	100.00%	All to Base
Safety Equipment	6,095	100.00%	0.00%	0.00%	100.00%	All to Base
Gas & Oil	-	100.00%	0.00%	0.00%	100.00%	All to Base
Small Tools & Minor Equip	8,168	100.00%	0.00%	0.00%	100.00%	All to Base
General Professional Svcs	11,946	100.00%	0.00%	0.00%	100.00%	All to Base
Medical Services	613	100.00%	0.00%	0.00%	100.00%	All to Base
Communication	4,329	100.00%	0.00%	0.00%	100.00%	All to Base
Travel	919	100.00%	0.00%	0.00%	100.00%	All to Base
Advertising	511	100.00%	0.00%	0.00%	100.00%	All to Base
Operating Rentals & Lease	6,126	100.00%	0.00%	0.00%	100.00%	All to Base
Computer Rentals	1,062	100.00%	0.00%	0.00%	100.00%	All to Base
Copy Machine Rentals	817	100.00%	0.00%	0.00%	100.00%	All to Base
City Utilities	2,553	100.00%	0.00%	0.00%	100.00%	All to Base
Power & Light	1,654	100.00%	0.00%	0.00%	100.00%	All to Base
Dump/Pump Station Fees	71,470	0.00%	100.00%	0.00%	100.00%	All to Use
Repair and Maint	-	100.00%	0.00%	0.00%	100.00%	All to Base
Repair and Maint - Office Equip Contracts	-	100.00%	0.00%	0.00%	100.00%	All to Base
Collection Systems	77,519	0.00%	100.00%	0.00%	100.00%	All to Use
General Miscellaneous	521	100.00%	0.00%	0.00%	100.00%	All to Base
Dues, Memberships	204	100.00%	0.00%	0.00%	100.00%	All to Base
Registration, Certificate	6,391	100.00%	0.00%	0.00%	100.00%	All to Base
Laundry	766	100.00%	0.00%	0.00%	100.00%	All to Base
Printing and Binding	511	100.00%	0.00%	0.00%	100.00%	All to Base
Special Disposal Fees	-	100.00%	0.00%	0.00%	100.00%	All to Base
Improvements Non-Building	-	100.00%	0.00%	0.00%	100.00%	All to Base
City Administration	-	100.00%	0.00%	0.00%	100.00%	All to Base

City of Olympia
Stormwater Rate Study
Functional Cost Allocation

Allocation of Operating Expenses						
Test Year =>		2018	FUNCTIONS OF STORMWATER SERVICE			
OPERATING EXPENSE	Total Cost	Base	Use	As All Other	Total	Allocation Basis
City Equipment Rental	84,615	0.00%	100.00%	0.00%	100.00%	All to Use
Maintenance Center	19,807	0.00%	100.00%	0.00%	100.00%	All to Use
Liability Insurance	13,865	0.00%	100.00%	0.00%	100.00%	All to Use
Fleet Repair and Maint	78,133	0.00%	100.00%	0.00%	100.00%	All to Use
Street Lob Service	51,050	0.00%	100.00%	0.00%	100.00%	All to Use
Fuel Consumed	21,653	0.00%	100.00%	0.00%	100.00%	All to Use
PC Replacement Pool	3,186	0.00%	100.00%	0.00%	100.00%	All to Use
Fire Services	27,138	0.00%	100.00%	0.00%	100.00%	All to Use
Environmental Services (404-8431-596)						
Salaries and Wages	540,942	100.00%	0.00%	0.00%	100.00%	All to Base
Hourly	161,478	100.00%	0.00%	0.00%	100.00%	All to Base
Overtime	6,198	100.00%	0.00%	0.00%	100.00%	All to Base
Special Pay	-	100.00%	0.00%	0.00%	100.00%	All to Base
Benefit Opt-Out Incentive	-	100.00%	0.00%	0.00%	100.00%	All to Base
Personnel Benefits	216,749	100.00%	0.00%	0.00%	100.00%	All to Base
Pension Expense Allocations	-	100.00%	0.00%	0.00%	100.00%	All to Base
Office Supplies	3,829	100.00%	0.00%	0.00%	100.00%	All to Base
Misc Operating Supplies	5,360	100.00%	0.00%	0.00%	100.00%	All to Base
Food	-	100.00%	0.00%	0.00%	100.00%	All to Base
Clothing	1,532	100.00%	0.00%	0.00%	100.00%	All to Base
Books and Manuals	306	100.00%	0.00%	0.00%	100.00%	All to Base
Other Repair & Maint Supp	26,801	100.00%	0.00%	0.00%	100.00%	All to Base
Safety Equipment	766	100.00%	0.00%	0.00%	100.00%	All to Base
Gas and Oil	-	100.00%	0.00%	0.00%	100.00%	All to Base
Small Tools & Minor Equip	10,471	100.00%	0.00%	0.00%	100.00%	All to Base
General Professional Services	37,679	100.00%	0.00%	0.00%	100.00%	All to Base
Legal Services	22,973	100.00%	0.00%	0.00%	100.00%	All to Base
Communication	3,446	100.00%	0.00%	0.00%	100.00%	All to Base
Travel	1,532	100.00%	0.00%	0.00%	100.00%	All to Base
Advertising	383	100.00%	0.00%	0.00%	100.00%	All to Base
Operating Rentals & Lease	4,212	100.00%	0.00%	0.00%	100.00%	All to Base
Computer Rentals	2,297	100.00%	0.00%	0.00%	100.00%	All to Base
Copy Machine Rentals/Lease	1,532	100.00%	0.00%	0.00%	100.00%	All to Base
Operating Lease	383	100.00%	0.00%	0.00%	100.00%	All to Base
Olympia Center	536	100.00%	0.00%	0.00%	100.00%	All to Base
City Utilities	2,297	100.00%	0.00%	0.00%	100.00%	All to Base
Power and Light	-	100.00%	0.00%	0.00%	100.00%	All to Base
Gas	-	100.00%	0.00%	0.00%	100.00%	All to Base
Repairs and Maintenance	35,735	100.00%	0.00%	0.00%	100.00%	All to Base
Office Equip Contracts	1,532	100.00%	0.00%	0.00%	100.00%	All to Base
General Miscellaneous	383	100.00%	0.00%	0.00%	100.00%	All to Base
Dues, Memberships	459	100.00%	0.00%	0.00%	100.00%	All to Base
Registration, Certificate	2,297	100.00%	0.00%	0.00%	100.00%	All to Base

City of Olympia
Stormwater Rate Study
Functional Cost Allocation

Allocation of Operating Expenses						
Test Year =>		2018	FUNCTIONS OF STORMWATER SERVICE			
OPERATING EXPENSE	Total Cost	Base	Use	As All Other	Total	Allocation Basis
Printing and Binding	1,914	100.00%	0.00%	0.00%	100.00%	All to Base
Subscriptions	77	100.00%	0.00%	0.00%	100.00%	All to Base
Special Disposal Fees	-	100.00%	0.00%	0.00%	100.00%	All to Base
Thurston County - General	18,378	100.00%	0.00%	0.00%	100.00%	All to Base
Department of Ecology	49,790	100.00%	0.00%	0.00%	100.00%	All to Base
Th Cty Cons Dist - Pr Green	14,702	100.00%	0.00%	0.00%	100.00%	All to Base
City Equipment Rental	14,078	100.00%	0.00%	0.00%	100.00%	All to Base
Fleet Repair and Maint	14,944	100.00%	0.00%	0.00%	100.00%	All to Base
Fuel Consumed	5,291	100.00%	0.00%	0.00%	100.00%	All to Base
PC Replacement Pool	7,024	100.00%	0.00%	0.00%	100.00%	All to Base
Engineering & Planning (404-8431-625/649)						
Engineering & Data Svcs	141,535	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Salaries and Wages	243,782	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Hourly	-	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Special Pay	-	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Benefits Opt-Out Incentive	-	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Personnel Benefits	75,478	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Office Supplies	1,532	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Misc Operating Supplies	3,676	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Clothing	322	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Books & Manuals	-	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Repair and Maint Supplies	-	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Safety Equipment	322	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Small Tools & Minor Equip	1,838	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
General Professional Services	20,420	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Legal Services	-	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Aerial Mapping	2,593	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Communication	3,676	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Travel	1,634	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Advertising	-	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Operating Rentals / Leases	-	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Computer Rentals	4,288	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Copier Rentals	-	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Operating Lease	-	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
City Utilities	-	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Maintenance & Repair	715	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Lawn & Landscaping Services	-	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
General Miscellaneous	2,042	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Dues, Memberships	970	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Registration/Certification	4,840	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Laundry	-	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Printing and Binding	-	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Subscriptions	-	44.08%	55.92%	0.00%	100.00%	As CIP Expenses

City of Olympia
Stormwater Rate Study
Functional Cost Allocation

Allocation of Operating Expenses						
Test Year =>		2018	FUNCTIONS OF STORMWATER SERVICE			
OPERATING EXPENSE	Total Cost	Base	Use	As All Other	Total	Allocation Basis
Fleet Repair and Maint	-	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Fuel Consumed	306	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
PC Replacement Pool	2,634	44.08%	55.92%	0.00%	100.00%	As CIP Expenses
Capital Outlays						
Machinery and Equip	-	100.00%	0.00%	0.00%	100.00%	All to Base
Machinery and Equip	-	100.00%	0.00%	0.00%	100.00%	All to Base
Water Resource Administration (404-8431-645)						
Salaries and Wages	60,490	100.00%	0.00%	0.00%	100.00%	All to Base
Overtime	-	100.00%	0.00%	0.00%	100.00%	All to Base
Special Pay	-	100.00%	0.00%	0.00%	100.00%	All to Base
Personnel Benefits	26,930	100.00%	0.00%	0.00%	100.00%	All to Base
Office Supplies	159	100.00%	0.00%	0.00%	100.00%	All to Base
Misc Operating Supplies	204	100.00%	0.00%	0.00%	100.00%	All to Base
Office & Operating Food	-	100.00%	0.00%	0.00%	100.00%	All to Base
Books and Manuals	61	100.00%	0.00%	0.00%	100.00%	All to Base
Small Tools & Minor Equip	147	100.00%	0.00%	0.00%	100.00%	All to Base
General Professional Services	-	100.00%	0.00%	0.00%	100.00%	All to Base
Interfund Professional Services (P/W General Admin)	-	100.00%	0.00%	0.00%	100.00%	All to Base
Communication	294	100.00%	0.00%	0.00%	100.00%	All to Base
Travel	153	100.00%	0.00%	0.00%	100.00%	All to Base
Advertising	51	100.00%	0.00%	0.00%	100.00%	All to Base
Computer Rentals	62	100.00%	0.00%	0.00%	100.00%	All to Base
Copy Machine Rentals/Lease	204	100.00%	0.00%	0.00%	100.00%	All to Base
Vehicle Allowance	-	100.00%	0.00%	0.00%	100.00%	All to Base
Office Equip Contracts	4,977	100.00%	0.00%	0.00%	100.00%	All to Base
General Miscellaneous	1,007	100.00%	0.00%	0.00%	100.00%	All to Base
Dues, Memberships	76	100.00%	0.00%	0.00%	100.00%	All to Base
Registration, Certificate	222	100.00%	0.00%	0.00%	100.00%	All to Base
Printing and Binding	57	100.00%	0.00%	0.00%	100.00%	All to Base
Subscriptions	34	100.00%	0.00%	0.00%	100.00%	All to Base
Thurston County	-	100.00%	0.00%	0.00%	100.00%	All to Base
City Administration	154,294	100.00%	0.00%	0.00%	100.00%	All to Base
Finance-Accounting Svcs	55,358	100.00%	0.00%	0.00%	100.00%	All to Base
Utility Billing	124,893	100.00%	0.00%	0.00%	100.00%	All to Base
IT Services	149,685	100.00%	0.00%	0.00%	100.00%	All to Base
Development Services	14,549	100.00%	0.00%	0.00%	100.00%	All to Base
Public Works Admin	56,322	100.00%	0.00%	0.00%	100.00%	All to Base
City Hall Rent	78,847	100.00%	0.00%	0.00%	100.00%	All to Base
Liability Insurance	26,117	100.00%	0.00%	0.00%	100.00%	All to Base
Fleet Repair & Maintenance	31	100.00%	0.00%	0.00%	100.00%	All to Base
Taxes						
State Taxes	75,106	0.00%	0.00%	100.00%	100.00%	As All Others
Olympia Utility Tax	504,110	0.00%	0.00%	100.00%	100.00%	As All Others

City of Olympia
Stormwater Rate Study
Functional Cost Allocation

Allocation of Operating Expenses						
Test Year => 2018						
OPERATING EXPENSE	Total Cost	FUNCTIONS OF STORMWATER SERVICE				Allocation Basis
		Base	Use	As All Other	Total	
Transfers Out						
Interfund Transfers (to General Fund)	112,819	100.00%	0.00%	0.00%	100.00%	All to Base
Interfund Transfers (to Special Acct Control)	12,763	100.00%	0.00%	0.00%	100.00%	All to Base
Other						
Prior Period Adjustments - Pension	-	100.00%	0.00%	0.00%	100.00%	All to Base
Incremental CIP O&M - 4th Ave Treatment Facility	-	0.00%	100.00%	0.00%	100.00%	All to Use
Incremental CIP O&M - East Bay Water Quality Retrofit	4,084	0.00%	100.00%	0.00%	100.00%	All to Use
Incremental CIP O&M - Harrison Avenue Treatment Facility	10,000	0.00%	100.00%	0.00%	100.00%	All to Use
Incremental CIP O&M - Capitol Way Treatment Facility	-	0.00%	100.00%	0.00%	100.00%	All to Use
Incremental CIP O&M - Evergreen Park Dr Treatment Facility	-	0.00%	100.00%	0.00%	100.00%	All to Use
FTE Additions - 1.0 LID Lead	88,276	50.00%	50.00%	0.00%	100.00%	50% Base, 50% Use
FTE Additions - 0.25 LID Plan Review	30,763	50.00%	50.00%	0.00%	100.00%	50% Base, 50% Use
FTE Additions - 1.0 Maintenance II (Street Sweeping)	-	50.00%	50.00%	0.00%	100.00%	50% Base, 50% Use
FTE Additions - 2.0 LID (Maintenance II)	-	50.00%	50.00%	0.00%	100.00%	50% Base, 50% Use
FTE Additions - 2.0 LID (Maintenance I)	-	50.00%	50.00%	0.00%	100.00%	50% Base, 50% Use
FTE Additions - 1.5 LID (Temporary Maintenance I)	-	50.00%	50.00%	0.00%	100.00%	50% Base, 50% Use
Total Operating Expenses	\$ 4,661,974	\$ 2,898,072	\$ 1,184,685	\$ 579,216	\$ 4,661,974	
Allocation of "As All Others"		411,146	168,070	(579,216)	-	
TOTAL	\$ 4,661,974	\$ 3,309,219	\$ 1,352,755	\$ -	\$ 4,661,974	
Allocation Percentages		70.98%	29.02%	0.00%	100.00%	

Allocation of CIP						
CIP EXPENSES (Utility Share)	Total Cost	FUNCTIONS OF STORMWATER SERVICE				Allocation Basis
		Base	Use	As All Other	Total	
Asphalt Overlay Adjustments						
Asphalt Overlay Adjustments	\$ 3,150,000	100.00%	0.00%	0.00%	100.00%	All to Base
Aquatic Habitat Improvements						
Habitat Improvement/Stewardship	7,200,000	100.00%	0.00%	0.00%	100.00%	All to Base
Ellis Creek Fish Passage *#	937,500	100.00%	0.00%	0.00%	100.00%	All to Base
Mission Creek Fish Passage - Feasibility Study and Concept Design	100,000	100.00%	0.00%	0.00%	100.00%	All to Base
West Bay Shoreline Improvements - Garfield Creek/Lagoon Reaches *#	187,500	100.00%	0.00%	0.00%	100.00%	All to Base
East Bay Shoreline and Salt Marsh*	312,500	100.00%	0.00%	0.00%	100.00%	All to Base
Property Acquisition	1,400,000	100.00%	0.00%	0.00%	100.00%	All to Base
Schneider Creek Fish Passage	1,000,000	100.00%	0.00%	0.00%	100.00%	All to Base
Water Quality Improvements						
Neighborhood LID Design Grant	37,500	0.00%	100.00%	0.00%	100.00%	All to Use
Harrison Water Quality Retrofit	133,500	0.00%	100.00%	0.00%	100.00%	All to Use

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Allocation of Operating Expenses						
Test Year => 2018						
OPERATING EXPENSE	FUNCTIONS OF STORMWATER SERVICE					Allocation Basis
	Total Cost	Base	Use	As All Other	Total	
Capitol Way Water Quality Retrofit	160,000	0.00%	100.00%	0.00%	100.00%	All to Use
Evergreen Park Drive Treatment Facility Construction	137,500	0.00%	100.00%	0.00%	100.00%	All to Use
Plum Street Water Quality Retrofit	200,000	0.00%	100.00%	0.00%	100.00%	All to Use
Union Avenue at Plum Water Quality Retrofit	150,000	0.00%	100.00%	0.00%	100.00%	All to Use
Martin Way at Mary Elder Water Quality Retrofit	137,500	0.00%	100.00%	0.00%	100.00%	All to Use
South Capitol Combined Sewer/Storm Separation w/ LID	100,000	0.00%	100.00%	0.00%	100.00%	All to Use
Downtown Combined Sewer/Storm Separation	175,000	0.00%	100.00%	0.00%	100.00%	All to Use
Arterial Roadway Retrofit	1,250,000	0.00%	100.00%	0.00%	100.00%	All to Use
Brawne Avenue Retrofit (West Bay #5)	200,000	0.00%	100.00%	0.00%	100.00%	All to Use
SW Olympia (West Bay #12)	712,500	0.00%	100.00%	0.00%	100.00%	All to Use
West Bay Drive Retrofit (West Bay #17)	57,750	0.00%	100.00%	0.00%	100.00%	All to Use
Madison and Percival NW (West Bay #13)	225,000	0.00%	100.00%	0.00%	100.00%	All to Use
Madison and Thomas NW (West Bay #14)	225,000	0.00%	100.00%	0.00%	100.00%	All to Use
Giles Facility Upgrade (West Bay #18)	280,000	0.00%	100.00%	0.00%	100.00%	All to Use
2100 West Bay Drive Ditches (West Bay #11)	150,000	0.00%	100.00%	0.00%	100.00%	All to Use
Flood Mitigation and Collection						
Conveyance Spot Repairs (Pipe Replacement)	1,659,000	0.00%	100.00%	0.00%	100.00%	All to Use
Condition Rating Existing Conveyance	1,378,200	0.00%	100.00%	0.00%	100.00%	All to Use
Public Pond Rehabilitation ("City Owned Stormwater Pond Rehab")	1,010,000	0.00%	100.00%	0.00%	100.00%	All to Use
Downtown Flood Mitigation	735,000	0.00%	100.00%	0.00%	100.00%	All to Use
Olympia Woodland Trail Culvert Beaver Controls	-	0.00%	100.00%	0.00%	100.00%	All to Use
Port Storm Diversion	1,199,880	0.00%	100.00%	0.00%	100.00%	All to Use
Cooper Point and Black Lake Conveyance Design	250,000	0.00%	100.00%	0.00%	100.00%	All to Use
Cooper Point and Black Lake Conveyance Construction	4,700,000	0.00%	100.00%	0.00%	100.00%	All to Use
Ascension and 4th Avenue Facility	276,700	0.00%	100.00%	0.00%	100.00%	All to Use
Ken Lake Flood Conveyance - Design	-	0.00%	100.00%	0.00%	100.00%	All to Use
Ken Lake Flood Conveyance - Construction	-	0.00%	100.00%	0.00%	100.00%	All to Use
2900 block 28th Avenue NW - Street and Storm Reconstruction	150,000	0.00%	100.00%	0.00%	100.00%	All to Use
1300 block Kaiser Road at Green Cove Creek Culvert Replacement	50,000	0.00%	100.00%	0.00%	100.00%	All to Use
4800 block Harrison Road Closed Depression Emergency Overflow	600,000	0.00%	100.00%	0.00%	100.00%	All to Use
2300 block of Crestline Blvd - Conveyance and Street Improvements	400,000	0.00%	100.00%	0.00%	100.00%	All to Use
1400 block Frederick St SE - Culvert Replacement	50,000	0.00%	100.00%	0.00%	100.00%	All to Use
Wiggins Road Ditch Reconstruction ^	750,000	0.00%	100.00%	0.00%	100.00%	All to Use
Pacific Avenue at Chambers - Pipe Replacement	300,000	0.00%	100.00%	0.00%	100.00%	All to Use
North Percival Stormwater Facility Modifications	288,300	0.00%	100.00%	0.00%	100.00%	All to Use
Infrastructure Predesign and Planning						
Infrastructure Predesign and Planning	1,028,400	0.00%	0.00%	100.00%	100.00%	As All Others
Pervious Pavement Contingency Fund	503,400	0.00%	0.00%	100.00%	100.00%	As All Others
Wiggins Road - Road and Stormwater Predesign	100,000	0.00%	0.00%	100.00%	100.00%	As All Others
Storm and Surface Water Utility Master Plan Update	130,000	0.00%	0.00%	100.00%	100.00%	As All Others
Drainage Design and Erosion Control Manual Updates	240,000	0.00%	0.00%	100.00%	100.00%	As All Others
Sea Level Rise Response Plan	700,000	0.00%	0.00%	100.00%	100.00%	As All Others
2016 Expense Capital Investments						

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Allocation of Operating Expenses						
Test Year =>		2018	FUNCTIONS OF STORMWATER SERVICE			
OPERATING EXPENSE	Total Cost	Base	Use	As All Other	Total	Allocation Basis
Land	-	100.00%	0.00%	0.00%	100.00%	All to Base
Improvements Non-Building	-	100.00%	0.00%	0.00%	100.00%	All to Base
Sea Level Rise						
Outfall Consolidation - East Bay	2,500,000	0.00%	0.00%	100.00%	100.00%	As All Others
Outfall Consolidation - Capitol Lake	100,000	0.00%	0.00%	100.00%	100.00%	As All Others
Outfall Consolidation - West Bay	-	0.00%	0.00%	100.00%	100.00%	As All Others
North Trunk Line	1,599,000	0.00%	0.00%	100.00%	100.00%	As All Others
North Trunk Line Laterals	715,500	0.00%	0.00%	100.00%	100.00%	As All Others
South Trunk Line	2,489,000	0.00%	0.00%	100.00%	100.00%	As All Others
South Trunk Line Laterals	248,625	0.00%	0.00%	100.00%	100.00%	As All Others
Outfall Pipe from Structure to Bay	90,000	0.00%	0.00%	100.00%	100.00%	As All Others
Flood Barrier Construction - Phase I (1 foot SLR)	-	0.00%	0.00%	100.00%	100.00%	As All Others
Capitol Lake/Heritage Park Area	-	0.00%	0.00%	100.00%	100.00%	As All Others
West Bay Marina	-	0.00%	0.00%	100.00%	100.00%	As All Others
Yacht Club Peninsula	-	0.00%	0.00%	100.00%	100.00%	As All Others
West Side Port Peninsula	-	0.00%	0.00%	100.00%	100.00%	As All Others
North Shoreline Port Peninsula	-	0.00%	0.00%	100.00%	100.00%	As All Others
East Shoreline Port Peninsula	-	0.00%	0.00%	100.00%	100.00%	As All Others
500 cfs Pump Station	-	0.00%	0.00%	100.00%	100.00%	As All Others
50 cfs Pump Station	-	0.00%	0.00%	100.00%	100.00%	As All Others
Small Pump Station	-	0.00%	0.00%	100.00%	100.00%	As All Others
Tide Gate Installation	-	0.00%	0.00%	100.00%	100.00%	As All Others
Total CIP Expenses	\$ 42,859,755	\$ 14,287,500	\$ 18,128,330	\$ 10,443,925	\$ 42,859,755	
Stormwater Service Functions		44.08%	55.92%		100.00%	
Allocation of "As All Others"		\$ 4,603,232	\$ 5,840,693	\$ (10,443,925)	\$ -	
TOTAL	\$ 42,859,755	\$ 18,890,732	\$ 23,969,023	\$ -	\$ 42,859,755	
Allocation Percentages		44.08%	55.92%	0.00%	100.00%	

Allocation of Revenue Requirement						
Design Rates For =>		2018	FUNCTIONS OF STORMWATER SERVICE			
Revenue Requirement	Total Cost	Base	Use	As All Other	Total	Allocation Basis
OPERATING AND CAPITAL EXPENSES						
Other Operating Expenses	\$ 4,661,974	70.98%	29.02%	0.00%	100.00%	As O&M Expenses
Debt Service	123,359	0.00%	0.00%	100.00%	100.00%	As All Others
Replacement Funding	908,980	44.08%	55.92%	0.00%	100.00%	As CIP Expenses

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Allocation of Operating Expenses						
Test Year =>		2018	FUNCTIONS OF STORMWATER SERVICE			
OPERATING EXPENSE	Total Cost	Base	Use	As All Other	Total	Allocation Basis
Additions to Operating Fund	-	100.00%	0.00%	0.00%	100.00%	All to Base
Total Expenses	\$ 5,694,314	65.15%	32.68%	2.17%	100.00%	
OTHER REVENUES AND ADJUSTMENTS						
Less:						
Operating Fund Interest Earnings	\$ (5,543)	0.00%	0.00%	100.00%	100.00%	As All Others
Use of Bond Reserve for Debt Service	(5,453)	0.00%	0.00%	100.00%	100.00%	As All Others
Other Operating Revenues	-	0.00%	0.00%	100.00%	100.00%	As All Others
Plus:						
Total Incremental Taxes from Implemented Rate Adjustment	\$ 75,364	0.00%	0.00%	100.00%	100.00%	As All Others
Cash Flow Surplus (Deficit)	(62,242)	0.00%	0.00%	100.00%	100.00%	As All Others
Rate Revenue Requirement	\$ 5,696,440	\$ 3,709,858	\$ 1,861,096	\$ 125,486	\$ 5,696,440	
Stormwater Service Functions		66.59%	33.41%		100.00%	
Allocation of "As All Others"		\$ 83,564	\$ 41,921	\$ (125,486)	\$ -	
Rate Revenue Requirement	\$ 5,696,440	\$ 3,793,423	\$ 1,903,018	\$ -	\$ 5,696,440	
Allocation Percentages		66.59%	33.41%	0.00%	100.00%	