



Stormwater Rate Structure Project Update

August 6, 2020

Agenda

- Introductions
- Definitions
- Commercial property impervious surfaces update
- New rate structure proposal
 - Concept review NOT RATE REVIEW
- Next steps



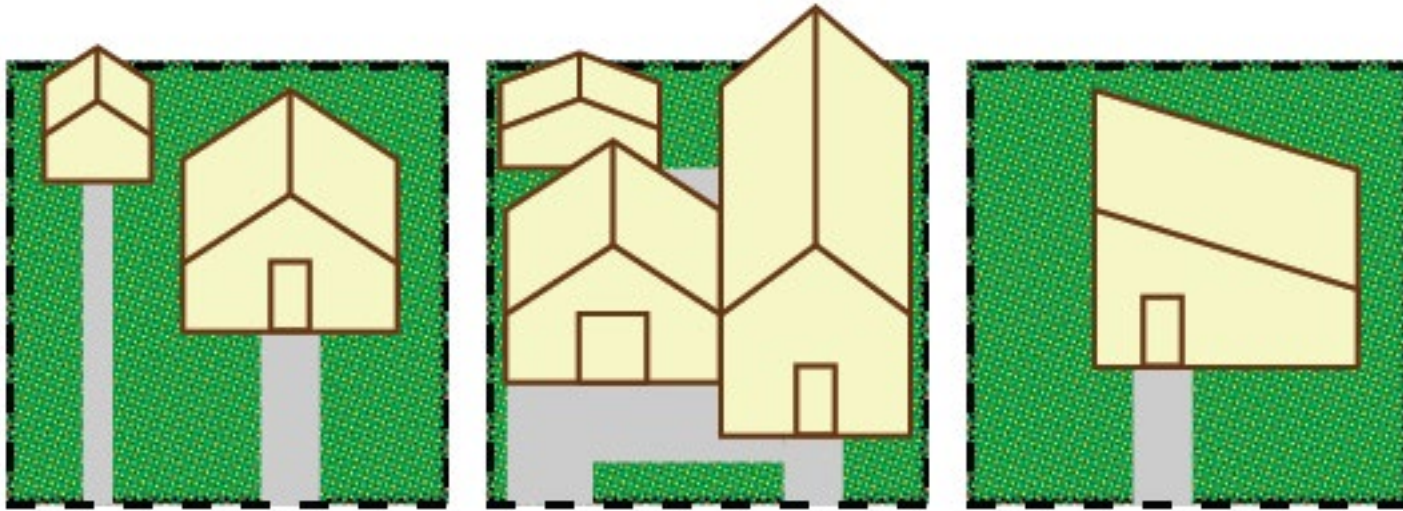
Questions as we go....

Definition: Impervious Surface



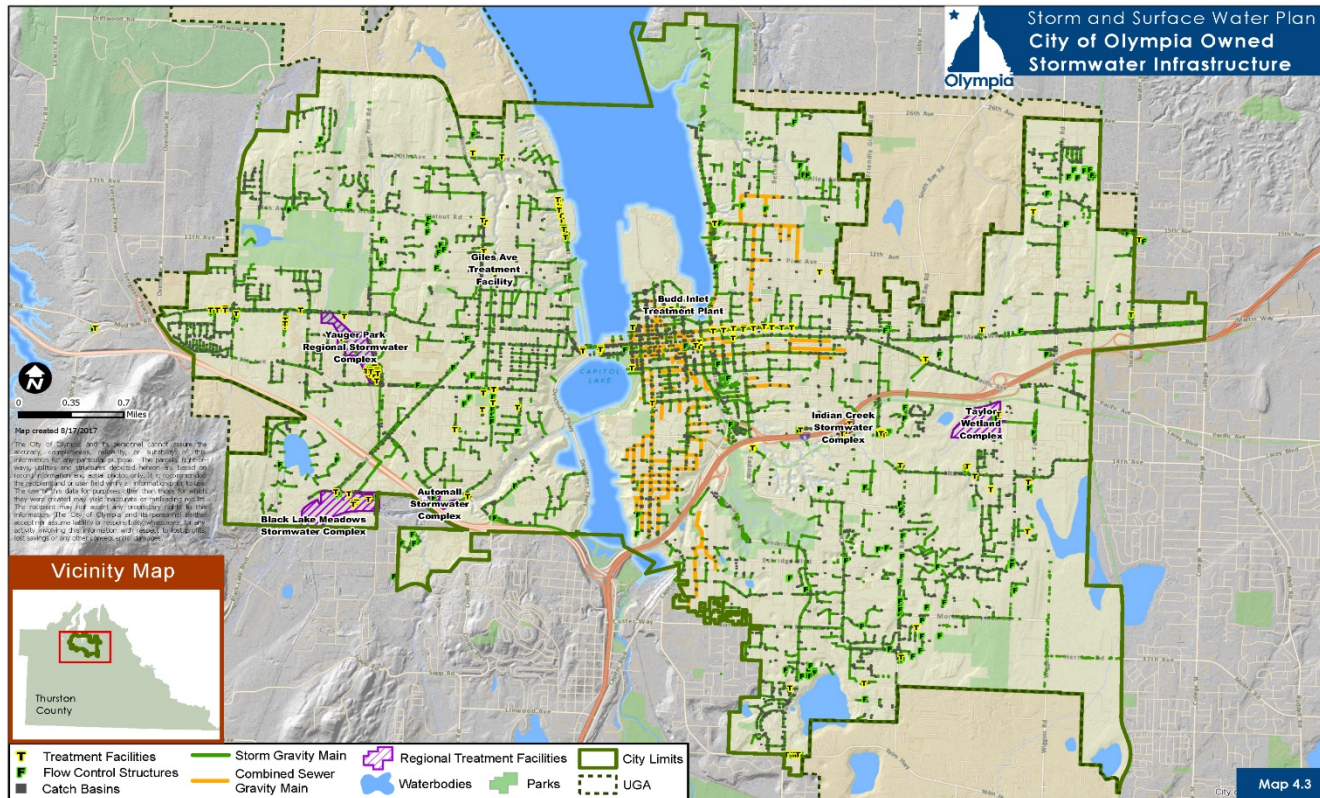
“Impervious surface” means a non-vegetated surface area which (1) either prevents or retards the entry of water into the soil mantle as under natural conditions prior to development, or (2) causes water to run off the surface in greater quantities or at an increased rate of flow from the flow present under natural conditions prior to development. Common impervious surfaces include, but are not limited to, roof tops, walkways, patios, driveways, parking lots or storage areas, concrete or asphalt paving, gravel roads, packed earthen materials, and oiled, macadam or other surfaces which similarly impede the natural infiltration of stormwater.

Billing Unit - Equivalent Residential Unit (ERU)



A “billing unit” and an “equivalent residential unit” both mean two thousand five hundred twenty-eight (2,528) square feet of impervious surface development on a parcel. (OMC 13.16.010 B) This is the average amount of impervious surface found on a single-family residential parcel and is used as the unit of measure to calculate non-single-family-residential account charges.

Municipal Separate Storm Sewer System (MS4)



“Municipal separate storm sewer system” or “MS4” means a conveyance or system of conveyances: a) Owned or operated by the City; b) Designed or used for collecting or conveying stormwater.

Current Rate Structure

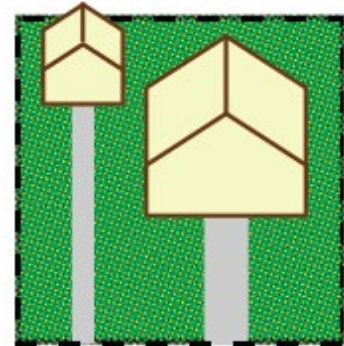
Residential

- Flat Monthly Rate
- Maintenance Agreement Discount



Commercial

- Administrative Fee
- + # Billing Units X's Assigned Rate Category
- Rate category based on year of development

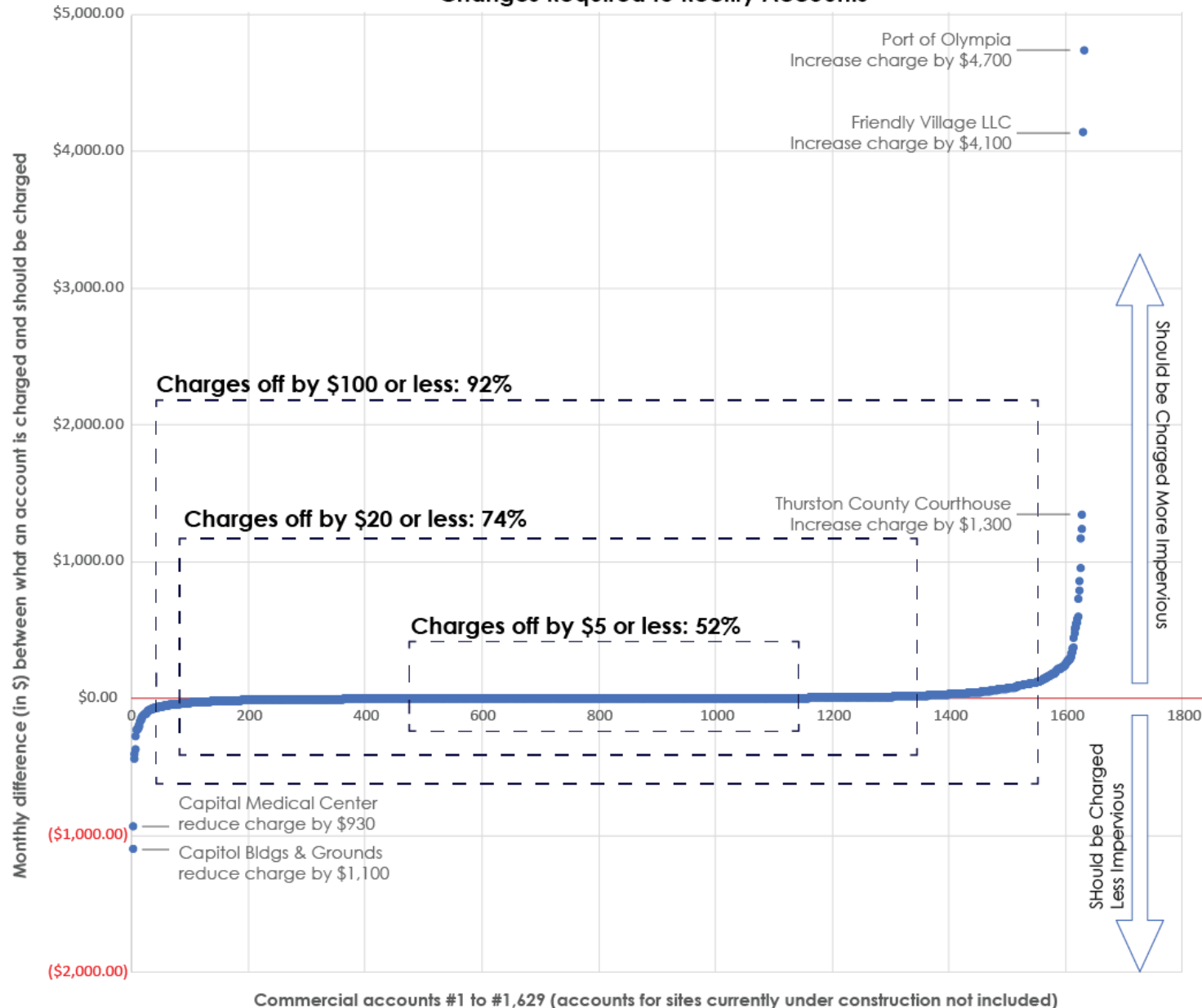


**IMPORTANT TO GET COMMERCIAL IMPERVIOUS
SURFACES AMOUNT CORRECT**



Reconciliation – Commercial Accounts

Changes Required to Rectify Accounts



Proposed Rate Structure

- Make the rate structure more equitable based on the level of on-site stormwater mitigation
 - Now based on development year
 - No low impact development category
- Provide incentives for retrofitting private development



Storm and Surface Water Plan

2018



olympiawa.gov/sswplan

New Rate Structure - Considerations

- Using impervious surface area for billing recognizes with greater impervious surface area comes greater impact
- Residential rates based on impervious surface area comes with a cost – uniform rate is commonly used
- Commercial accounts should continue to use impervious surface area
- Billing unit (ERU) calculation should be reviewed
- Revise development date to level of on-site mitigation provided

New Rate Structure - Considerations

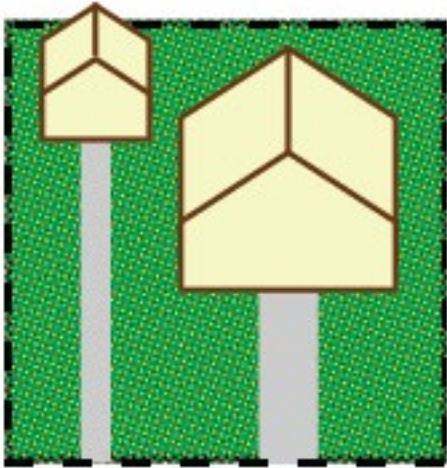
- 66 percent of the Utility's expenses are fixed – do not change with more impervious surfaces
 - All customers responsible for paying
- 20 percent rate credit for commercial with partial on-site mitigation; 50 percent with full mitigation

**Charge at our "cost of service" – revenue neutral

**Residential accounts to continue to recover 47 percent of costs & commercial accounts to continue to recover 53 percent



Conceptual Rate Structure - Residential



\$17.27 a month

No discount:
Assumes all residences obligated to maintain stormwater facilities per OMC 13.16.170.



\$34.54 a month

Single-family charge x2.

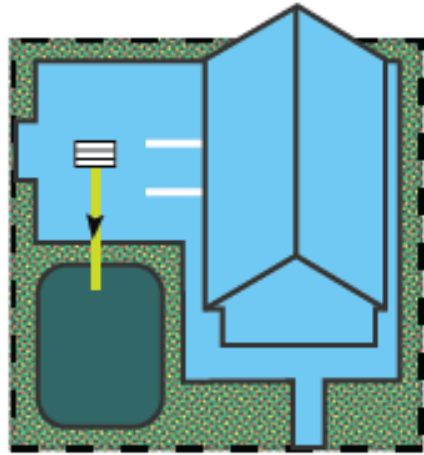


\$6.11 a month

UNDER REVIEW.

1 Equivalent Residential Unit = 2,882 square feet of impervious development

Conceptual Rate Structure - Commercial

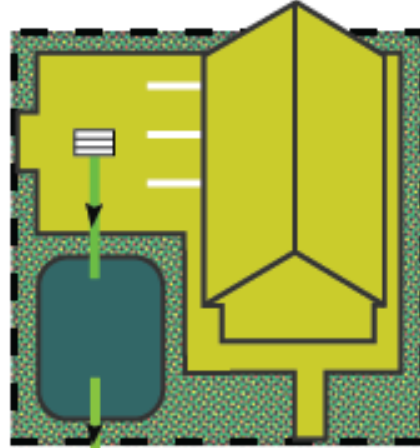


Category 1

\$5.68 a month

Sites with highest level of mitigation - LID – that do not connect/overflow into MS4.

50% Reduction.



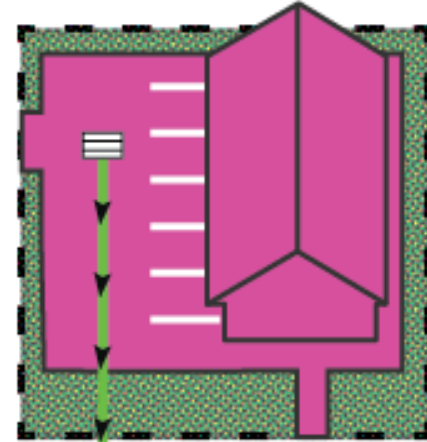
Category 2

\$9.09 a month

Any kind of stormwater management (flow control or treatment).

20% Reduction.

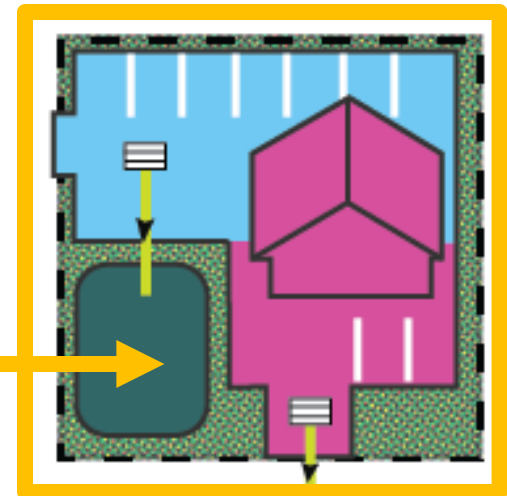
A site may be charged for impervious in more than one category.



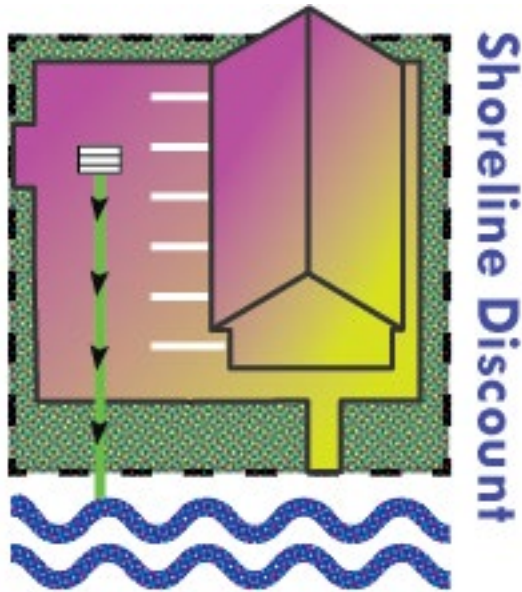
Category 3

\$11.36 a month

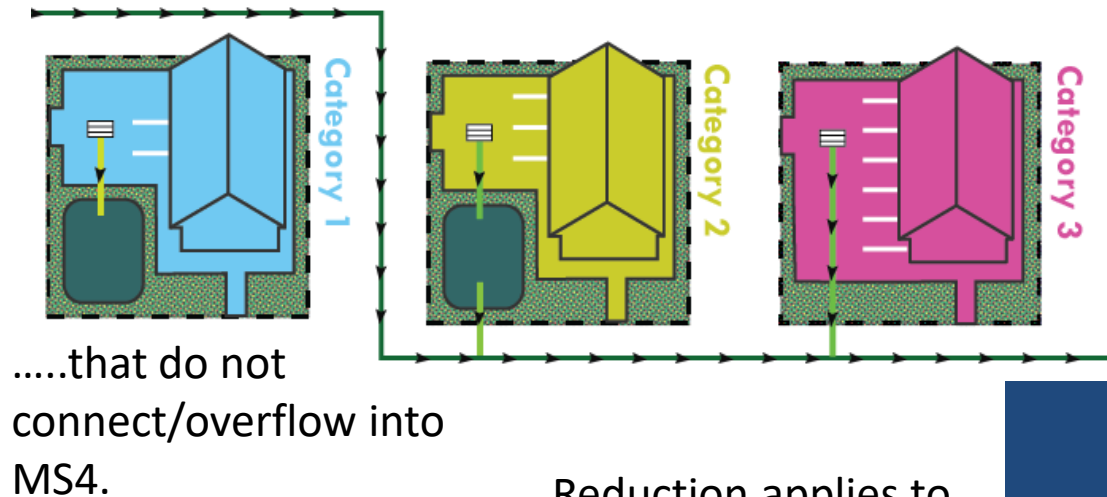
Sites with no stormwater management.



Conceptual Commercial Shoreline Discount



Properties that discharge directly to surface water (e.g. Port of Olympia) deserve a discount because they do not benefit from the City's MS4.



Reduction applies to Category 2 and 3 rates when applicable

New Rate Structure – Administrative Fee

Preliminary recommendation

- Include the fixed costs of running the Utility – costs that do not depend on amount of impervious surfaces or managing run-off
- Divide by total accounts
- Same administrative fee for residential and commercial accounts – embedded in residential rates
- *Rename to fixed or “community”?*



Next Steps

- Financial consultant to finish review & recommendations
- Discussions with UAC in September and October
- Finalize on-line tools & a storymap
- Postcards to commercial accounts
 - Allows for verification of impervious surfaces & rate category
- Council review & approval

On-line Map



Legend

Site Boundary



Shoreline Discount



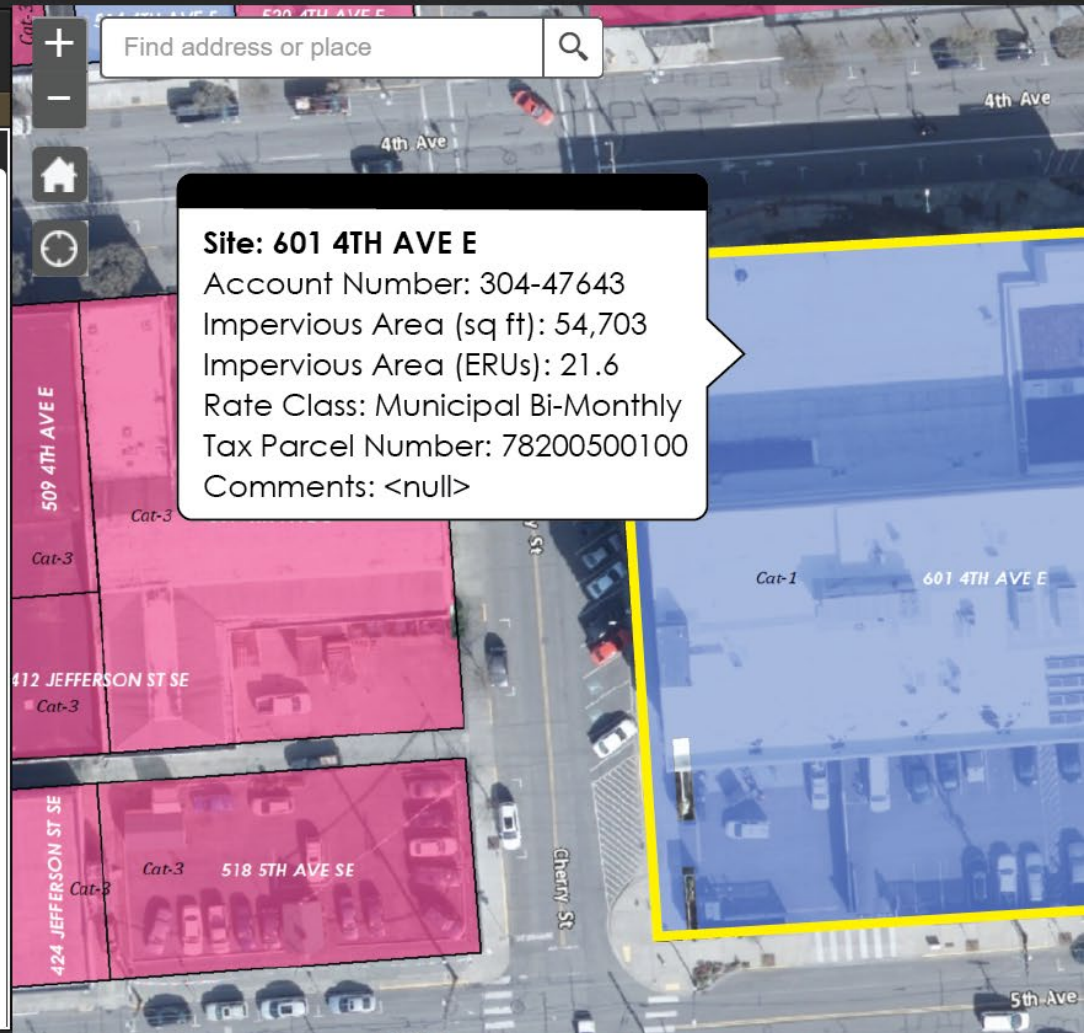
Billable Impervious Surface

Stormwater Treatment Level

- Enhanced (LID) Treatment (Cat-1)
- Some Stormwater Treatment (Cat-2)
- No Stormwater Treatment (Cat-3)

Other

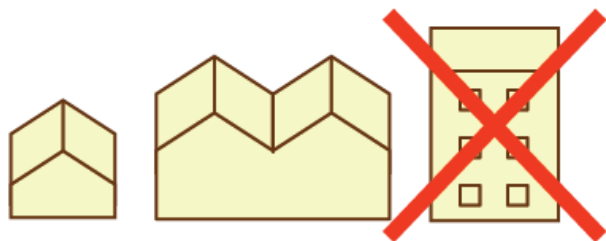
Aerial 2018



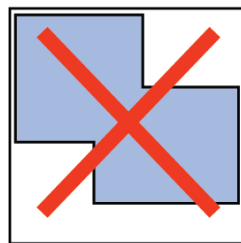
Filing An Appeal

13.16.130 Adjustment of charges and appeals (Revised 2/20)

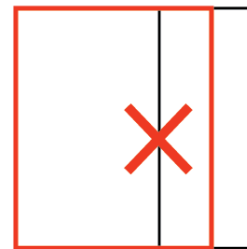
Any person who considers that the charges established for their parcel are in error may apply in writing to the public works department for an adjustment. The grounds of the complaint shall be explicitly stated in the written complaint. The public works department shall review each complaint and respond to it in writing. A copy of the response shall be forwarded to the complainant and the department of administrative services.



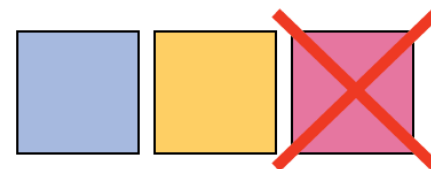
inaccurate rate class



inaccurate
impervious
area



inaccurate
site
boundary



inaccurate stormwater
management category

Tonight's Conclusion

- We have done work to verify commercial impervious surfaces calculations
- We have done work to verify actual on-site mitigation occurring on commercial properties
- We have determined today's median ERU value – 2,882 square feet
- We have received preliminary rate structure recommendations – greater detail to come for Sept/Oct discussions
- Rate structure concept:
 - Residential rates remain a flat fee – no discount for maintenance agreements
 - Administrative and construction fees to be revisited – Rename to fixed or "community"?
 - Commercial customers will pay an administrative fee – embedded for residential customers
 - Commercial customers will now pay a fee based on actual on-site mitigation
- Commercial customers will have the opportunity to review & appeal impervious surfaces calculations & new rate category – now & in the future

Questions

