



# Stormwater Rate Structure Project Update

April 1, 2021

# Agenda

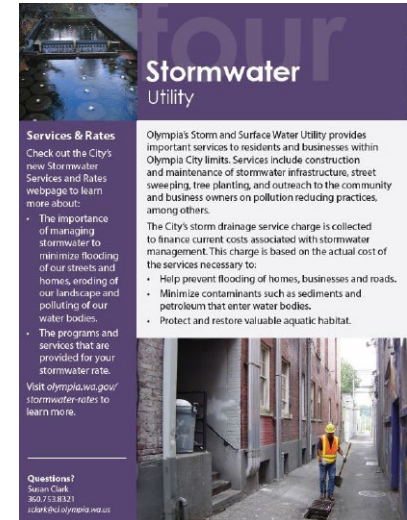
- What have we done since August 6, 2020?
- Quick review
  - Why now?
  - Definitions and current rate structure
- Proposed Rate Structure
  - Changes from August
- Next steps
  - Timeline for finalization
  - Outreach



Questions as we go....

# What Has Been Done?

- Considered August 6, 2020 discussion points
  - Single-family rate structure
  - Waterfront discount – commercial accounts
  - Administrative, fixed or community fee
- Worked with Financial Consultants
  - Simplified rate structure
- Rate structure & implementation coordination
  - Original goal – mid-2021 effective date
  - Incorporate into 2022 rate review – effective 1/1/2022
- Stormwater services messaging



# Proposed Rate Structure – Why Now?

- 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
- Rate structure essentially unchanged since utility established
- New technology now available



Storm and Surface Water Plan

2018



[olympiawa.gov/sswplan](http://olympiawa.gov/sswplan)

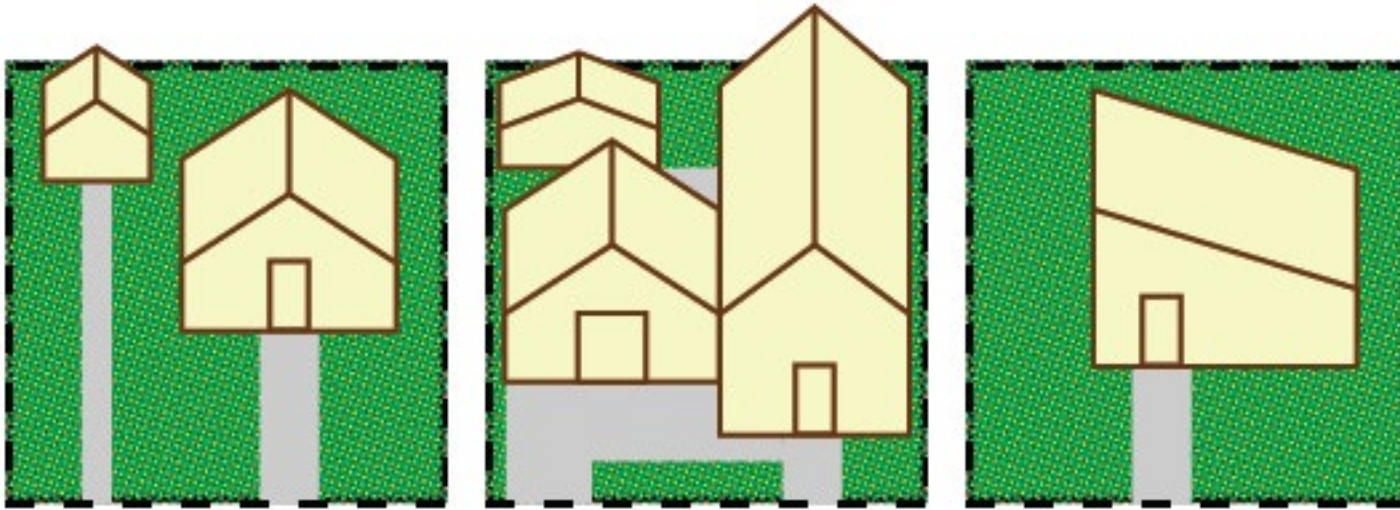
# Refresher: Impervious Surface Definition



“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.



# Refresher: Billing Unit - Equivalent Residential Unit (ERU)

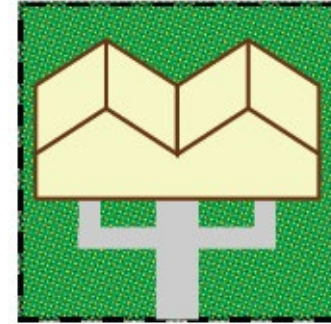


A “billing unit” and an “equivalent residential unit” both mean two thousand five hundred twenty-eight (2,528) square feet of impervious surface development on a parcel. (OMC 13.16.010 B) This is the average amount of impervious surface found on a single-family residential parcel and is used as the unit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

# Refresher: Current Rate Structure

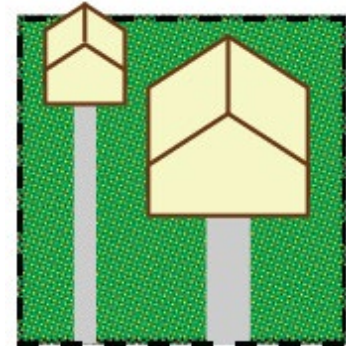
## Residential

- Flat monthly rate
- Maintenance agreement discount
- Construction charge

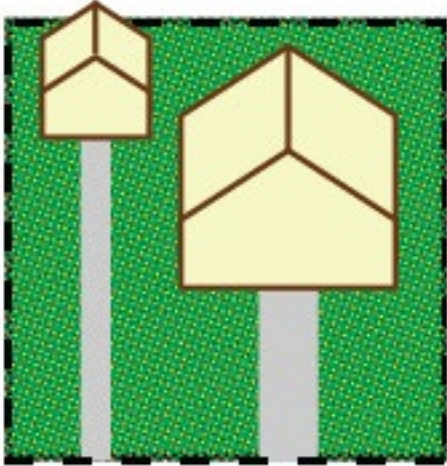


## Commercial

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



# Conceptual Rate Structure - Residential



**\$13.98 a month**

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



**\$27.97 a month**

Single-family charge x2.



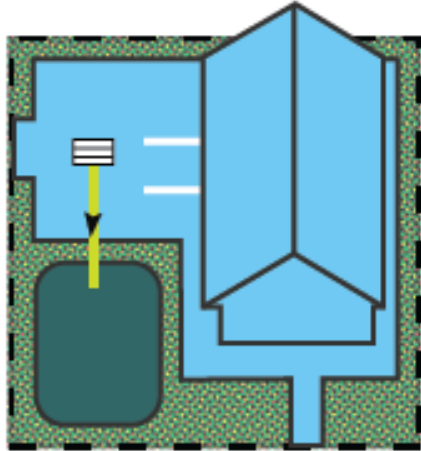
~~UNDER REVIEW.~~

**Eliminate**

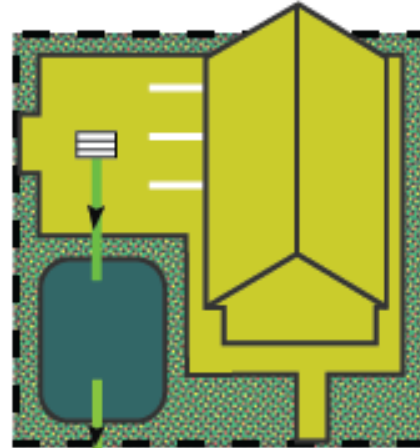
**1 Equivalent Residential Unit = 2,882 square feet of impervious development**



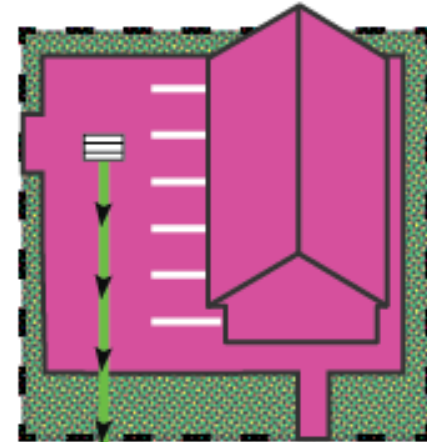
# Conceptual Rate Structure - Commercial



Category 1



Category 2



Category 3

**\$6.99 a month**

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

50% Reduction.

**\$10.49 a month**

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

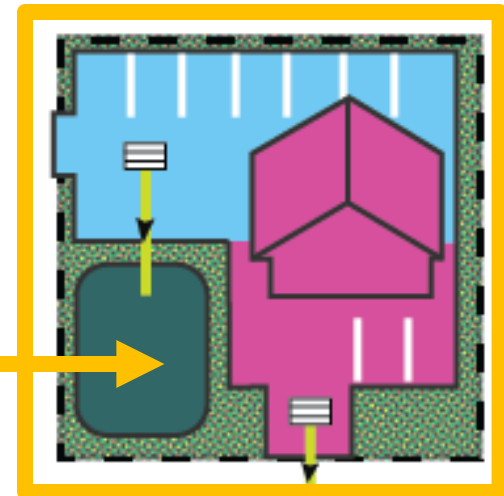
~~20% Reduction.~~

**25% Reduction.**

**\$13.98 a month**

Sites with no stormwater management.

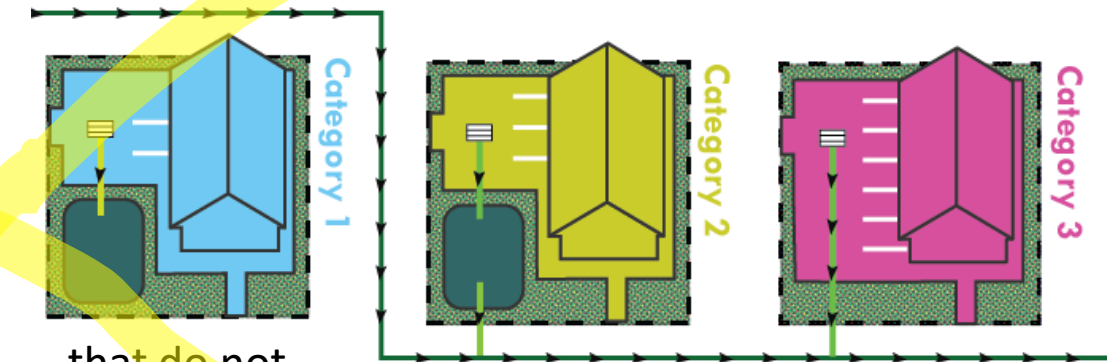
*A site may be charged for impervious in more than one category.*



# 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.



....that do not connect/overflow into MS4.

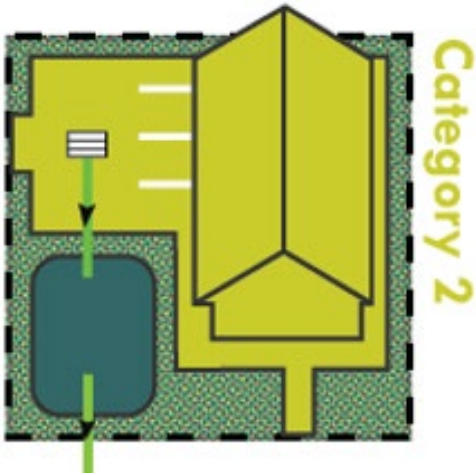
Reduction applies to Category 2 and 3 rates when applicable

# Flow Control Exempt Area

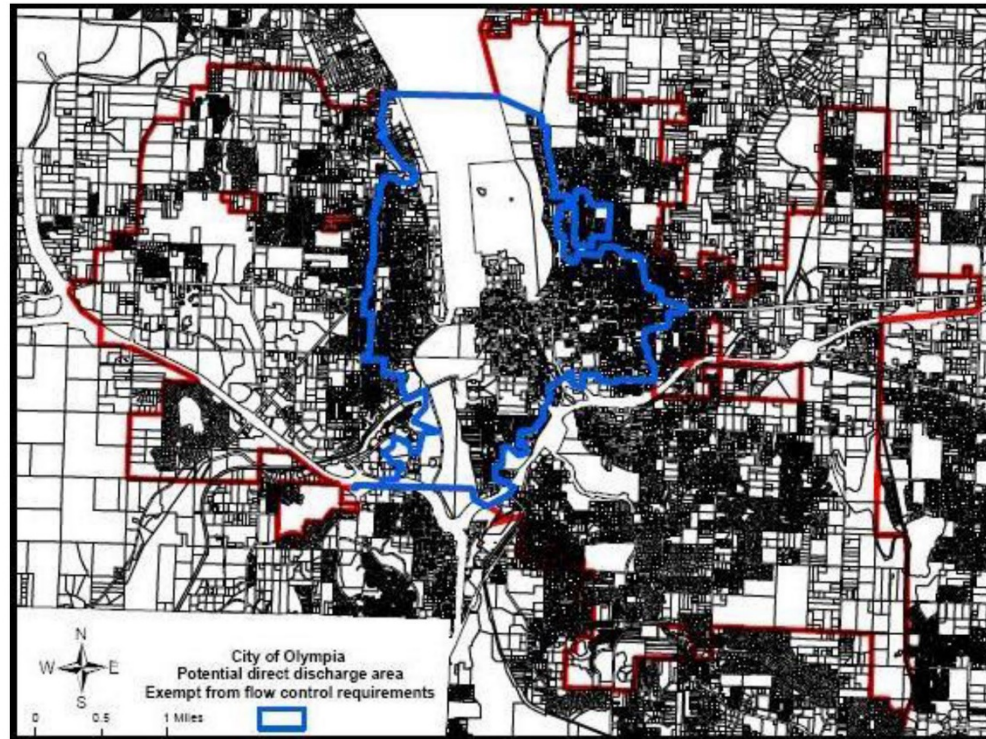
## Drainage Design and Erosion Control Manual

### 2.5.7 Core Requirement #7: Flow Control

- Flow Control (detention) is not required for projects that discharge directly or indirectly to: Capitol Lake/Deschutes River downstream of Tumwater Falls or marine waters of Budd Inlet



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





# New Rate Structure – Administrative Fee

## Preliminary recommendation

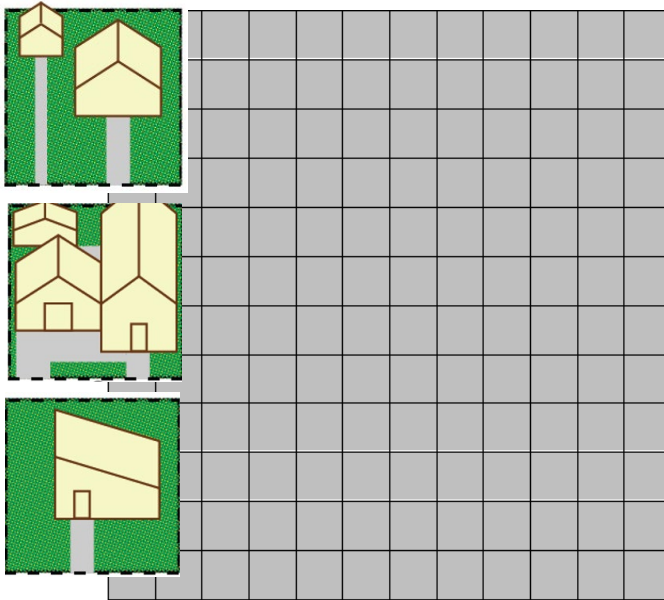
- Include the fixed costs of running the Utility – costs that do not depend on amount of impervious surfaces or managing run-off
- Divide by total accounts
- Same administrative fee for residential and commercial accounts – embedded in residential rates
- *Rename to fixed or “community”?*





# Summary of Rate Structure

14,400 Residential Accounts



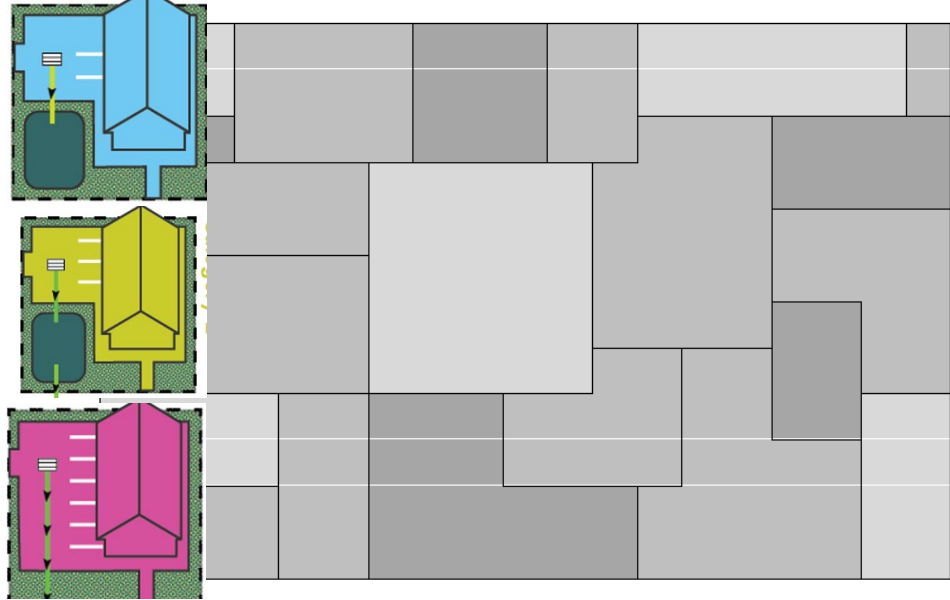
Each customer pays the same rate – 2,822 square feet

No discount maintenance agreement (330 accounts)

No construction charge

Decrease in rates

1,684 Commercial Accounts



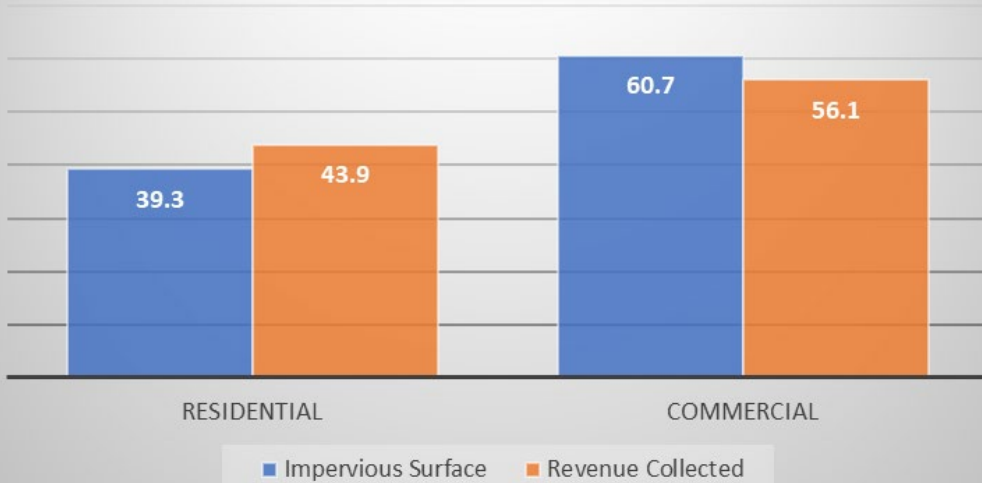
Rates based on actual impervious surface & stormwater mitigation

No administrative fee (consistent with 80% of utilities)

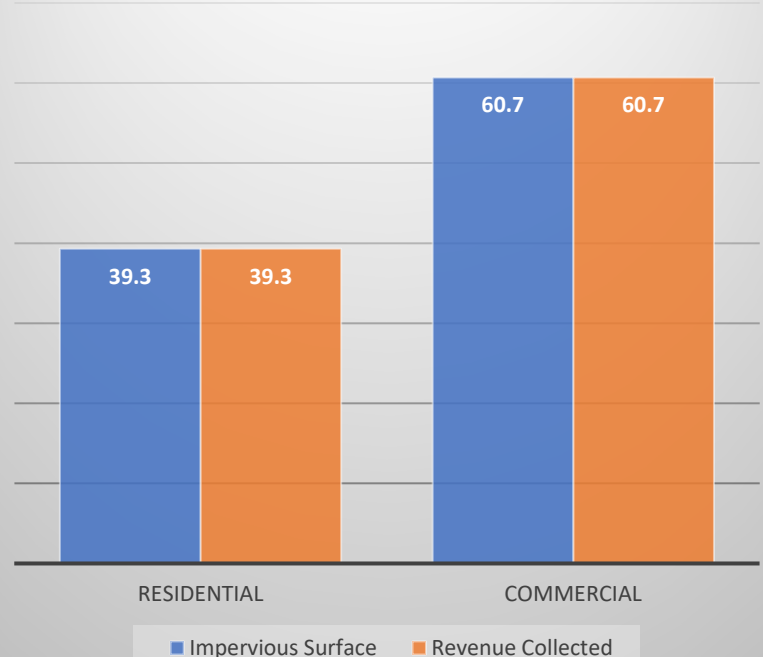
Rate impacts site specific

# Recovery of Stormwater Utility Expenses

## Recovery of Costs -Current



## Recovery of Costs - Proposed



# New Rate Structure Timeline

- Incorporated into budget & rate discussions occurring in September and October
- Council review & approval – component of budget review/approval
- January 1, 2022 effective date

# Plan for Outreach

- New SSW Services and Rates webpage launched
  - Advertised in March/April 5 Things article & E-Newsletter
  - To be updated in late July – serve as rate update project page
- Postcards to commercial accounts
  - Late July/August
  - Verify impervious surface & stormwater mitigation
  - Rate structure update process – September/October UAC review
- Additional 5 Things article
  - July/August and/or September/October
  - Residential account focused



# Questions

