

2011 - 2012 Seattle City Council Green Sheet

Approved

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5	1	A	2

Budget Action Title: Amend and pass as amended C.B. 116926 -- the 2011-2012 drainage rate ordinance, and revise the proposed 2011-2012 SPU budget accordingly; and increase GSF revenues to reflect increased tax revenues.

Councilmembers: Conlin; Harrell; O'Brien

Staff Analyst: Meg Moorehead

Council Bill or Resolution: C.B. 116926, gray tab 38

Budget Committee Vote:

Date	Result	SB	BH	SC	TR	JG	NL	RC	TB	MO
11/10/2010	Pass 9-	Y	Y	Y	Y	Y	Y	Y	Y	Y

Summary of Dollar Effect

See the following pages for detailed technical information

	2011 Increase (Decrease)	2012 Increase (Decrease)
General Subfund		
<i>General Subfund Revenues</i>	\$48,000	\$130,000
<u><i>General Subfund Expenditures</i></u>	\$0	\$0
<i>Net Balance Effect</i>	\$48,000	\$130,000
Other Funds		
<i>Drainage and Wastewater Fund</i>		
<i>Revenues</i>	\$412,000	\$1,109,000
<u><i>Expenditures</i></u>	(\$91,000)	(\$142,000)
<i>Net Balance Effect</i>	\$503,000	\$1,251,000
Total Other Funds	\$503,000	\$1,251,000
Total Budget Balance Effect	\$551,000	\$1,381,000

Budget Action description:

This green sheet would amend and recommend passage as amended of C.B. 116926 (tab 38 in the gray budget legislation notebook and attached in mark-up format), the 2011-2012 drainage rate ordinance.

The Seattle Public Utilities (SPU)-proposed rate ordinance was re-referred to the Budget Committee together with Seattle Public Utilities and Neighborhoods (SPUN) Committee recommendations for changes in the rates and associated budget expenditures. The attached version 2 of the legislation incorporates the SPUN Committee recommendations. SPUN recommendations affect Drainage and Wastewater Fund (DWF) expenditures that are supported by both drainage rates and wastewater

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rates. Instead of splitting the expenditure changes between this green sheet and the wastewater rate green sheet 6-1-A, the entire change (including the associated utility tax and General Subfund (GSF) revenue changes) is shown on this green sheet. Thus approval of this green sheet relies on approval of green sheet 6-1-A and C.B. 116928 (tab 40 in the gray budget legislation notebook).

SPUN recommendations have the seemingly contradictory effect of increasing rates but reducing the proposed budget:

- Rate increases. SPUN-recommended rates include late-breaking cost increases identified during budget preparation but after rate submittal. These late-breaking increases include cost shifts from other SPU Funds to the DWF and increased staff hours for operations and maintenance activities instead of capital projects. Because the late-breaking cost increases were not in the original rates proposal, SPUN recommendations result in a net rate increase (13.8% average 2011 system increase instead of 12.5%) compared to the SPU-proposed rate ordinance despite SPUN-recommended spending reductions to reflect work force efficiencies from actions such as shift changes. The recommended rate increase requires a commensurate increase in appropriation authority to pay resulting taxes, including City utility taxes.
- Budget reduction. Spending authority for late-breaking cost increases is included in the proposed budget but authority for associated tax payments is not. Spending increases for those tax payments and spending decreases to implement SPUN's recommendation for work force efficiencies result in a net budget decrease.

Because the City Budget Office and SPU did not want to presume Council approval of the late-breaking cost increases, the proposed budget did not include increased utility tax revenue associated with those increases. Approval of the late-breaking cost increases, and any resulting GSF utility tax changes, was left to the Council's discretion. Thus this green sheet would increase GSF utility tax revenues to reflect SPUN recommendations to approve the late-breaking cost increases.

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Budget Action Transactions

Budget Action Title: Amend and pass as amended C.B. 116926 -- the 2011-2012 drainage rate ordinance, and revise the proposed 2011-2012 SPU budget accordingly; and increase GSF revenues to reflect increased tax revenues.

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
1	Decrease labor costs to reflect work force efficiencies				SPU	Other Operating	N400B-DW	44010	2011		(\$150,000)
2	Decrease labor costs to reflect work force efficiencies				SPU	Other Operating	N400B-DW	44010	2012		(\$300,000)
3	Increase tax payments (City and state) associated with higher drainage and wastewater rates				SPU	General Expense	N000B-DW	44010	2011		\$59,000
4	Increase tax payments (City and state) associated with higher drainage and wastewater rates				SPU	General Expense	N000B-DW	44010	2012		\$158,000
5	Increase GSF drainage and wastewater tax revenues				GSF	Utilities Business Tax - Drainage/Waste Water (100%)	516440	00100	2011	\$48,000	
6	Increase GSF drainage and wastewater tax revenues				GSF	Utilities Business Tax - Drainage/Waste Water (100%)	516440	00100	2012	\$130,000	
7	Increase Drainage and Wastewater Fund (DWF) revenues to reflect increased drainage rates				SPU	Drainage Utility Services	443610	44010	2011	\$206,000	
8	Increase DWF revenues to reflect increased drainage rates				SPU	Drainage Utility Services	443610	44010	2012	\$540,000	

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#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
9	Increase DWF revenues to reflect increased wastewater rates				SPU	Wastewater Utility Services	443510	44010	2011	\$206,000	
10	Increase DWF revenues to reflect increased wastewater rates				SPU	Wastewater Utility Services	443510	44010	2012	\$569,000	
11	Decrease use of working capital to reflect spending reductions				SPU	Decrease (Increase) in Working Capital	379100	44010	2011	(\$503,000)	
12	Decrease use of working capital to reflect spending reductions				SPU	Decrease (Increase) in Working Capital	379100	44010	2012	(\$1,251,000)	

1 For purposes of this chapter, the words or phrases below shall have the

2 following meanings:

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6 L. "Impervious surface" or "impervious ground cover" means "Impervious surface" as defined in
7 Section 22.801 of the Seattle Municipal Code, as may be amended from time to time. (~~means~~
8 ~~those hard areas which prevent or retard the entry of water into the soil in the manner that such~~
9 ~~water entered the soil under natural conditions pre-existent to development, or which cause water~~
10 ~~to run off the surface in greater quantities or at an increased rate of flow than that present under~~
11 ~~natural conditions pre-existent to development, including, but not limited to, such surfaces as~~
12 ~~rooftops, asphalt or concrete paving, driveways, parking lots, walkways, patio areas, storage~~
13 ~~areas, hardpan, compacted surfaces, or other surfaces which similarly affect the natural~~
14 ~~infiltration or runoff patterns existing prior to development.~~)

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19 W. "Stormwater performance goals" mean (~~the standards for~~) minimum requirements for flow
20 control and treatment

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22 ((~~1. water quality as shown by total suspended solids;~~

23
24 ~~2. total volume;~~

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26 ~~3. two year peak volume and duration; and~~

1 ~~4. twenty five year peak volume~~) as appropriate for the drainage discharge point and thresholds
2 as more particularly described in the Stormwater Code Chapters 22.800 through 22.808.

3 * * *

4
5 Section 2. Section 21.33.030 of the Seattle Municipal Code is amended as follows:
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7 **SMC 21.33.030 Drainage service charges and drainage rates --**

8 **Schedule -- Exemptions.**

9
10 A. A drainage service charge is imposed on every parcel within the City, and the owner(s)
11 thereof, except for the following exempted property(ies):
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13 1. Houseboats and piers;

14
15 2. That portion of a parcel that is submerged. If the parcel is entirely submerged, the entire parcel
16 is exempt. If a portion of the parcel is submerged, only the submerged part will be exempt and
17 the remainder of the parcel shall be billed as all other properties;

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19 3. City streets;

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21 4. State of Washington highways, so long as the State of Washington shall agree to maintain,
22 construct and improve all drainage facilities associated with State highways as required by the
23 Utility in conformance with all Utility standards for maintenance, construction and improvement
24 hereafter established by the Utility and so far as such maintenance, construction and
25 improvements shall be achieved at no cost to the Utility or to the City; and
26

1 5. All other streets, so long as such streets provide drainage services in the same manner as City
2 streets and the owner(s) shall agree to maintain, construct and improve all drainage facilities
3 associated with such streets as required by the Utility in conformance with all Utility standards
4 for maintenance, construction and improvement hereafter established by the Utility and so far as
5 such maintenance, construction and improvements shall be achieved at no cost to the Utility or to
6 the City.
7

8 B. The drainage service charge shall be based upon a parcel's estimated contribution to City-wide
9 surface and storm water runoff. A parcel's run-off is estimated based on its size and surface
10 characteristics, including the amount and type of impervious and pervious surface it contains.
11

12 C. Drainage service charges shall be determined as follows:
13

14 1. Small single-family residential properties shall be assigned to one of four (4) flat rate
15 categories based on a billable area. Within each category, properties will be charged a uniform
16 annual drainage rate per parcel which is calculated based on an estimated average contribution of
17 surface and storm water runoff for the category. The applicable drainage rate shall equal the
18 drainage service charge.
19

20
21 2. General service and large residential properties shall be assigned to a rate category based on
22 the estimated percent of impervious surface contained within the parcel. Subsequently, properties
23 assigned to the "undeveloped," "light," and "moderate" rate categories that also contain sufficient
24 quantities of highly infiltrative pervious surface cover to meet Utility-defined performance
25 requirements shall be assigned to a "low impact" rate category. A separate drainage rate shall
26

1 apply to each general service and large residential rate category. The drainage service charge
2 shall be calculated by multiplying the drainage rate, as determined by the parcel's rate category
3 assignment, by the parcel's billable area (rounded to the nearest whole number of a square foot
4 and divided by one thousand). For condominiums, the drainage service charge shall be
5 determined for the entire parcel and then divided evenly among the owners. Present use code,
6 site visits, planimetric maps based on aerial photography, and other information shall be used to
7 estimate the percentage of impervious area.
8

9 D. Drainage rates used in the calculation of drainage service charges shall be the sum of the
10 treatment rate and the system rate, as follows:
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12 1. Treatment rate: The "treatment rate" shall be the rate required to pay the drainage share of
13 "treatment cost" which is the cost of wastewater treatment, interception and disposal service, and
14 any associated costs necessary to meet Drainage and Wastewater Fund policies. The treatment
15 rate shall be the amount obtained when (a) the projected drainage treatment cost for each rate
16 category is divided by (b) the projected number of billing units in each rate category and the
17 result is multiplied by ~~((sixteen and three tenths percent (116.3%)))~~ one hundred eighteen
18 percent (118.0%) to cover the costs of taxes, ~~((and))~~ low income rate assistance and other
19 allowances. The projected treatment cost shall be the treatment cost anticipated for the upcoming
20 calendar year, which may include an adjustment to reflect the difference, whether positive or
21 negative, between the drainage share of expected total treatment cost for the current year and the
22 total drainage service charge revenues attributable to the treatment rate expected for the current
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1 year. The treatment rate is designed to pass through cost changes driven by King County and
 2 may be adjusted by ordinance at any time in response to such charges.

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 4 2. System rate: The "system rate" shall be the rate required to fund the expense associated with
 5 operating, maintaining, and constructing the City's surface and stormwater management system,
 6 including any share of combined sanitary and stormwater system expense assigned to drainage.

7
 8 3. The rate categories and the corresponding annual drainage rates are as follows:

9
 10 ((Effective January 1, 2009:

Rate Category		Treatment Rate	System Rate	Total Drainage Rate	Billing Unit
Small Residential					
-	Under 3000 sq. ft.	\$4.48	\$ 98.42	\$102.90	per parcel
	3000 – 4999 sq. ft.	\$6.50	\$143.06	\$149.56	per parcel
	5000 – 6999 sq. ft.	\$8.78	\$193.39	\$202.17	per parcel
	7000 – 9999 sq. ft.	\$11.13	\$245.25	\$256.38	per parcel
General Service/Large Residential					
Undeveloped	(0–15% impervious)	-			
	Low Impact	\$0.44	\$ 9.75	\$10.19	per 1000 sq. ft.
	Regular	\$0.73	\$16.12	\$16.85	per 1000 sq. ft.
Light	(16–35% impervious)	-			
	Low Impact	\$0.82	\$18.16	\$18.98	per 1000 sq. ft.
	Regular	\$1.09	\$24.11	\$25.20	per 1000 sq. ft.

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1	Moderate	(36–65% impervious)	-		
2		Low Impact	\$1.29	\$28.41	\$29.70 per 1000 sq. ft.
3		Regular	\$1.59	\$35.02	\$36.61 per 1000 sq. ft.
4	Heavy	(66–85% impervious)	\$2.06	\$47.28	\$47.34 per 1000 sq. ft.
5					
6	Very Heavy	(86–100% impervious)	\$2.45	\$53.78	\$56.23 per 1000 sq. ft.))
7					

8
 9 Effective January 1, 2010:

10	Rate Category		Treatment Rate	System Rate	Total Drainage Rate	Billing Unit
11	Small Residential					
12		Under 3000 sq. ft.	\$4.48	\$100.42	\$104.90	per parcel
13		3000– 4999 sq. ft.	\$6.50	\$145.96	\$152.46	per parcel
14		5000– 6999 sq. ft.	\$8.78	\$197.31	\$206.09	per parcel
15		7000– 9999 sq. ft.	\$11.13	\$250.22	\$261.35	per parcel
16	General Service/Large Residential					
17	Undeveloped	(0– 15% impervious)				
18		Low Impact	\$0.44	\$9.95	\$10.39	per 1000 sq. ft.
19		Regular	\$0.73	\$16.45	\$17.18	per 1000 sq. ft.
20	Light	(16– 35% impervious)				
21		Low Impact	\$0.82	\$18.53	\$19.35	per 1000 sq. ft.
22		Regular	\$1.09	\$24.60	\$25.69	per 1000 sq. ft.
23	Moderate	(36– 65%				

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	impervious)				
	Low Impact	\$1.29	\$28.99	\$30.28	per 1000 sq. ft.
	Regular	\$1.59	\$35.73	\$37.32	per 1000 sq. ft.
Heavy	(66– 85% impervious)	\$2.06	\$46.20	\$48.26	per 1000 sq. ft.
Very Heavy	(86– 100% impervious)	\$2.45	\$54.87	\$57.32	per 1000 sq. ft.

Effective January 1, 2011:

<u>Rate Category</u>	<u>Treatment Rate</u>	<u>System Rate</u>	<u>Total Drainage Rate</u>	<u>Billing Unit</u>	
<u>Small Residential</u>					
-	Under 3000 sq. ft.	\$7.63 <u>\$7.62</u>	\$125.39 <u>\$124.94</u>	\$133.02 <u>\$132.56</u>	per parcel
	3000– 4999 sq. ft.	\$9.84 <u>\$9.84</u>	\$161.89 <u>\$161.36</u>	\$171.73 <u>\$171.20</u>	per parcel
	5000– 6999 sq. ft.	\$13.36 <u>\$13.36</u>	\$219.72 <u>\$219.02</u>	\$233.08 <u>\$232.38</u>	per parcel
	7000– 9999 sq. ft.	\$16.97 <u>\$16.98</u>	\$279.10 <u>\$278.26</u>	\$296.07 <u>\$295.24</u>	per parcel
<u>General Service/Large Residential</u>					
<u>Undeveloped</u>	(0– 15% impervious)				
	<u>Regular Low Impact</u>	\$1.12 <u>\$0.70</u>	\$18.44 <u>\$11.54</u>	\$19.56 <u>\$12.24</u>	per 1000 sq. ft.
	<u>Low Impact Regular</u>	\$0.70 <u>\$1.12</u>	\$11.55 <u>\$18.42</u>	\$12.25 <u>\$19.54</u>	per 1000 sq. ft.
<u>Light</u>	(16– 35% impervious)				
	<u>Regular Low Impact</u>	\$1.68 <u>\$1.34</u>	\$27.70 <u>\$21.89</u>	\$29.38 <u>\$23.23</u>	per 1000 sq. ft.

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	<u>Low Impact Regular</u>	<u>\$1.33</u> \$1.69	<u>\$21.95</u> \$27.62	<u>\$23.28</u> \$29.31	<u>per 1000 sq. ft.</u>
<u>Moderate</u>	(36– 65% impervious)				
	<u>Regular Low Impact</u>	<u>\$2.44</u> \$1.96	<u>\$40.11</u> \$32.10	<u>\$42.55</u> \$34.06	<u>per 1000 sq. ft.</u>
	<u>Low Impact Regular</u>	<u>\$1.96</u> \$2.44	<u>\$32.20</u> \$39.98	<u>\$34.16</u> \$42.42	<u>per 1000 sq. ft.</u>
<u>Heavy</u>	(66– 85% impervious)	<u>\$3.22</u> \$3.22	<u>\$52.91</u> \$52.71	<u>\$56.13</u> \$55.93	<u>per 1000 sq. ft.</u>
<u>Very Heavy</u>	(86– 100% impervious)	<u>\$3.80</u> \$3.80	<u>\$62.57</u> \$62.32	<u>\$66.37</u> \$66.12	<u>per 1000 sq. ft.</u>

Effective January 1, 2012:

<u>Rate Category</u>	<u>Treatment Rate</u>	<u>System Rate</u>	<u>Total Drainage Rate</u>	<u>Billing Unit</u>	
<u>Small Residential</u>					
-	<u>Under 3000 sq. ft.</u>	<u>\$10.10</u> \$10.10	<u>\$137.89</u> \$136.75	<u>\$147.99</u> \$146.85	<u>per parcel</u>
	<u>3000– 4999 sq. ft.</u>	<u>\$13.04</u> \$13.05	<u>\$178.01</u> \$176.61	<u>\$191.05</u> \$189.66	<u>per parcel</u>
	<u>5000– 6999 sq. ft.</u>	<u>\$17.70</u> \$17.71	<u>\$241.60</u> \$239.73	<u>\$259.30</u> \$257.44	<u>per parcel</u>
	<u>7000– 9999 sq. ft.</u>	<u>\$22.48</u> \$22.51	<u>\$306.89</u> \$304.55	<u>\$329.37</u> \$327.06	<u>per parcel</u>
<u>General Service/Large Residential</u>					
<u>Undeveloped</u>	(0– 15% impervious)				
	<u>Regular Low Impact</u>	<u>\$1.49</u> \$0.93	<u>\$20.27</u> \$12.63	<u>\$21.76</u> \$13.56	<u>per 1000 sq. ft.</u>

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	<u>Low Impact Regular</u>	<u>\$0.93</u> \$1.49	<u>\$12.70</u> \$20.15	<u>\$13.63</u> \$21.64	per 1000 sq. ft.
<u>Light</u>	(16– 35% impervious)				
	<u>Regular Low Impact</u>	<u>\$2.23</u> \$1.77	<u>\$30.45</u> \$23.96	<u>\$32.68</u> \$25.73	per 1000 sq. ft.
	<u>Low Impact Regular</u>	<u>\$1.77</u> \$2.23	<u>\$24.13</u> \$30.24	<u>\$25.90</u> \$32.47	per 1000 sq. ft.
<u>Moderate</u>	(36– 65% impervious)				
	<u>Regular Low Impact</u>	<u>\$3.23</u> \$2.59	<u>\$44.10</u> \$35.14	<u>\$47.33</u> \$37.73	per 1000 sq. ft.
	<u>Low Impact Regular</u>	<u>\$2.59</u> \$3.23	<u>\$35.41</u> \$43.76	<u>\$38.35</u> \$46.99	per 1000 sq. ft.
<u>Heavy</u>	(66– 85% impervious)	<u>\$4.26</u> \$4.26	<u>\$58.18</u> \$57.70	<u>\$62.44</u> \$61.96	per 1000 sq. ft.
<u>Very Heavy</u>	(86– 100% impervious)	<u>\$5.04</u> \$5.04	<u>\$68.79</u> \$68.21	<u>\$73.83</u> \$73.25	per 1000 sq. ft.

1 4. SPU shall provide a 10% reduction in the drainage service charge for parcels containing new
2 or remodeled commercial buildings that, after July 27, 2003, install and utilize rainwater
3 harvesting systems that meet the performance requirement that the systems are sized to use the
4 amount of rain that falls on the roofs of such buildings during a one year, 24-hour storm event. A
5 system that involves indoor uses of rainwater must be permitted by Seattle-King County
6 Department of Health to qualify for the rate reduction. A system that relies solely on the capture
7 and indoor use of rainwater shall qualify for the drainage service charge reduction only if the
8 system is sized to meet the performance requirement stated above. Qualifying for the drainage
9 service charge reduction does not relieve the property owner from the obligation to comply with
10 applicable stormwater and drainage code requirements for the buildings and site.
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12
13 5. Open space properties or parcels shall be charged only for the area of impervious surface and
14 at the rate under which the parcel is classified using the total parcel acreage.
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16 E. Each bill shall be rounded to the nearest cent. The minimum annual drainage service charge
17 shall be Five Dollars (\$5) per parcel.
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19 * * *

20 Section 3. Paragraph 21.76.040 A.2 of the Seattle Municipal Code is amended as
21 follows:
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23 **21.76.040 Low Income Rate Credits.**

24 2. Drainage. Eligible recipients residing inside The City of Seattle shall receive the following
25 credits for drainage services based on dwelling type:
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	Effective January 1, 2009	Effective January 1, 2010	<u>Effective</u> January 1, 2011	<u>Effective</u> January 1, 2012
Single-family	\$8.42 per month	\$8.95 per month	<u>\$9.71 per month</u>	<u>\$10.80 per month</u>
Duplex	4.21 per month	4.29 per month	<u>\$4.86 per month</u>	<u>\$5.40 per month</u>
Multifamily	0.90 per month	0.92 per month	<u>\$1.04 per month</u>	<u>\$1.16 per month</u>

* * *

Section 4. This ordinance does not affect any existing right acquired or liability or obligation incurred under the sections amended or repealed in this ordinance or under any rule or order adopted under those sections, nor does it affect any proceeding instituted under those sections.

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Section 4.5. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, then such provision or provisions shall be null and severed from the rest of this ordinance with respect to the particular person or circumstance. The offending provision with respect to all other persons and all other circumstances, as well as all other provisions of this ordinance, shall remain valid and enforceable.

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Section 56. This ordinance shall take effect and be in force 30 days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the ____ day of _____, 2010, and signed by me in open session in authentication of its passage this ____ day of _____, 2010.

President _____ of the City Council

Approved by me this ____ day of _____, 2010.

Michael McGinn, Mayor

Filed by me this ____ day of _____, 2010.

City Clerk

(Seal)