

2013 - 2014 Seattle City Council Green Sheet

Ready for Notebook

Tab	Action	Option	Version
28	1	A	1

Budget Action Title: Amend as recommended by the LUC Committee and pass as amended C.B. 117520 – the 2013-2015 drainage rate ordinance, and revise SPU’s proposed 2013-2014 budget accordingly; and decrease GSF revenues

Councilmembers: Bagshaw; Conlin; Godden

Staff Analyst: Meg Moorehead

Council Bill or Resolution: C.B. 117520

Date		Total	SB	BH	TR	RC	TB	NL	JG	SC	MO
	Yes										
	No										
	Abstain										
	Absent										

Summary of Dollar Effect

See the following pages for detailed technical information

	2013 Increase (Decrease)	2014 Increase (Decrease)
General Subfund		
General Subfund Revenues	(\$72,000)	(\$147,000)
General Subfund Expenditures	\$0	\$0
Net Balance Effect	(\$72,000)	(\$147,000)
Other Funds		
Drainage and Wastewater Fund		
Revenues	\$0	\$0
Expenditures	(\$590,000)	(\$684,000)
Net Balance Effect	\$590,000	\$684,000
Total Budget Balance Effect	\$518,000	\$537,000

Budget Action description:

This green sheet amends C.B. 117520 (attached in mark-up format) - the 2013-2015 drainage rate ordinance - as recommended by the Libraries, Utilities and Center (LUC) Committee, and recommends passage as amended. It also revises the proposed 2013-2014 Seattle Public Utilities (SPU) budget and General Subfund (GSF) utility tax revenues to reflect rate changes.

The SPU-proposed rate ordinance was re-referred to the Budget Committee together with the attached LUC Committee recommendations for changes to rates and associated budget

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expenditures. LUC recommendations would slightly reduce both the proposed rate increases and proposed budget. Changes that affect the rates and budget include:

- 100% Federal Agency Drainage Payments. Approve rates that assume 100% drainage bill payment by federal agencies. This recommendation assumes collection of more rate revenue from the agencies, resulting in other drainage customers paying a little less. This recommendation would not change the total amount of rate revenue collected or spending in the proposed budget but does change the rate amounts shown in the LUC-recommended version 3 of the drainage rate ordinance.
- Drainage and Wastewater Cost Efficiencies. Achieve \$500,000 of rate and budget savings by reducing the 2013 budget for claims and continuing the savings into 2014 and 2015. LUC recommendations also resulted in small reductions in payments made to King County for placing drainage bills on property tax statements.

The recommendation affects Drainage and Wastewater Fund (DWF) expenditures that are supported by both drainage rates and the wastewater rates in C.B. 117521. Instead of splitting the spending changes between this green sheet and the LUC-recommended wastewater rate green sheet 29-1-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 29-1-A. A chart showing the relationship between the proposed Council 2013-2014 SPU budget actions is attached.

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Budget Action Transactions

Budget Action Title: Amend as recommended by the LUC Committee and pass as amended C.B. 117520 – the 2013-2015 drainage rate ordinance, and revise SPU’s proposed 2013-2014 budget accordingly; and decrease GSF revenues

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
1	Decrease spending on claims - Drainage and Wastewater Fund (DWF) rates				SPU	General Expense	N000B-DW	44010	2013		(\$500,000)
2	Decrease spending on claims - DWF rates				SPU	General Expense	N000B-DW	44010	2014		(\$500,000)
3	Decrease King County (KC) billing payments - DWF rates				SPU	General Expense	N000B-DW	44010	2013		(\$4,000)
4	Decrease KC billing payments - DWF rates				SPU	General Expense	N000B-DW	44010	2014		(\$2,000)
5	Decrease tax payments (City and state) - DWF rates				SPU	General Expense	N000B-DW	44010	2013		(\$86,000)
6	Decrease tax payments (City and state) - DWF rates				SPU	General Expense	N000B-DW	44010	2014		(\$182,000)
7	Decrease GSF drainage and wastewater tax revenues - DWF rates				GSF	Utilities Business Tax - Drainage/Waste Water (100%)	516440	00100	2013	(\$72,000)	
8	Decrease GSF drainage and wastewater tax revenues - DWF rates				GSF	Utilities Business Tax - Drainage/Waste Water (100%)	516440	00100	2014	(\$147,000)	
9	Decrease use of working capital to reflect spending reductions - DWF rates				SPU	Decrease (Increase) in Working Capital	379100	44010	2013	(\$590,000)	

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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
10	Decrease use of working capital to reflect spending reductions - DWF rates				SPU	Decrease (Increase) in Working Capital	379100	44010	2014	(\$684,000)	

RELATIONSHIP BETWEEN SEATTLE PUBLIC UTILITIES (SPU) 2013-2014 BUDGET ACTIONS

Each action under each tab can be approved alone or together with the other actions under the tab (i.e. rate approval green sheets are additive so that Libraries, Utilities and Center (LUC) Committee-recommended rates plus late-breaking budget change rates plus other actions can be approved, resulting in a Round 2 green sheet that incorporates changes from all of the tab's approved green sheets). Because spending changes due to LUC recommendations and late-breaking budget changes are supported by both drainage and wastewater rates and the wastewater treatment ordinance incorporates the revised drainage and wastewater rates, consistent choices for drainage and wastewater rates are advisable (i.e. if only the LUC-recommended drainage rates are approved, only the LUC-recommended wastewater rates should be approved).

Topic	Tab#	Actions		
SPU Strategic Plan	27	SPU Rate Growth Strategic Plan SLI 27-1-A-1	SPU Strategic Plan Consultant Proviso 27-2-A-1	
Drainage Rates	28	LUC-Recommended Drainage Rates 28-1-A-1	Drainage Rates with Late-Breaking Budget Changes 28-2-A-1	Add \$500,000 for Green Seattle Partnership 28-3-A-1
Wastewater Rates	29	LUC-Recommended Wastewater Rates 29-1-A-1	Wastewater Rates with Late-Breaking Budget Changes 29-2-A-1	
Wastewater Treatment Rates	30	LUC-Recommended Wastewater Treatment Rates 30-1-A-1	Wastewater Treatment Rates with Late-Breaking Budget Changes 30-2-A-1	
Solid Waste Rates	31	LUC-Recommended Solid Waste Rates 31-1-A-1	Solid Waste Rates with Late-Breaking Budget Changes 31-2-A-1	DO NOT PASS SPU-Proposed Solid Waste Rates 31-3-A-1
Solid Waste Bonds	32	Solid Waste Bonds 32-1-A-1		
Bill Delinquency Reduction	33	SPU and SCL Bill Delinquency Reduction SLI 33-1-A-1		



**Legislative Department
Seattle City Council**

September 24, 2012

TO: Libraries, Utilities and Center (LUC) Committee

FM: Meg Moorehead and Patricia Lee, Council Central Staff

RE: Proposed 2013-2015 Drainage and Wastewater Rates and 2013-2016 Solid Waste Rates

COMMITTEE RECOMMENDATIONS

On September 18, the LUC Committee completed its three-month-long review of Seattle Public Utilities' (SPU's) proposed 2013-2015 drainage and wastewater rates (Council Bills 117520, 117521 and 117566) and 2013-2016 solid waste rates (C.B. 117522). Committee-recommended changes (*listed below*) sought to ensure cost-effective, reliable utility services. Committee recommendations, together with the SPU-proposed rate ordinances were forwarded to the Full Council to be re-referred to the Budget Committee. The Budget Committee will amend and adopt the rate ordinances as part of Council adoption of the 2013-2014 budget.

SHARED DRAINAGE, WASTEWATER AND SOLID WASTE RATE RECOMMENDATIONS

- **Strategic Plan as Basis for Rate Growth Policy.** Direct SPU to build onto existing planning efforts to develop a strategic plan prior to SPU's next rate proposal that covers all of its lines of business as a basis for a rate growth policy. Direct SPU to use at least \$100,000 of its appropriations to hire a consultant to identify cost efficiencies as part of the strategic planning process. Do not add funding for that consultant into rates but instead use spending authority that would have been directed to other purposes.
- **Work Place Efficiencies Annual Report.** Request that SPU provide an annual progress report to Council's LUC Committee detailing their analysis, decisions and progress in implementing SPU's Workforce Efficiency Workgroup recommendations and any related cost savings.
- **Contracting Annual Report.** Request that SPU provide an annual progress report to Council's LUC Committee identifying any work SPU has assigned to City employees instead of contracting the work out, and any changes to City procedures or practices that were necessary to accomplish this.
- **Low-Income Assistance Program Improvements.** Given that most seniors' incomes are stable, increase seniors' enrollment period for low-income rates from 18 to 36 months to reduce both the applicant's and the City's administrative work. Also make low-income rate discounts for approved applicants retroactive to the date when the Human Services Department determines that the application is complete, so that enrollees do not overpay if there are City-caused delays in the enrollment process.
- **Bill Timing and Delinquencies.** Pursue a Statement of Legislative Intent directing SPU and City Light to develop options for billing customers for SPU services in one month and City Light services in the next, or to average out bills over the year. Also include a report

back to Council on the success of City Light's data analysis of high and delinquent bills and subsequent outreach.

- **Reconciling Rates and Late-Breaking Budget Changes.** Complete a Committee rate recommendation in September so that the Full Council can re-refer rate ordinances to the Budget Committee. The Committee can then consider whether to further amend rate ordinances to reflect any cost savings or cost increases that emerge as part of budget review.

DRAINAGE AND WASTEWATER-SPECIFIC RECOMMENDATIONS

- **New Drainage Rate Exemptions.** To recognize drainage benefits provided by certain properties, approve new exemptions for undeveloped wetlands, riparian areas and islands as proposed by SPU.
- **SPU-Proposed Drainage and Wastewater Capital Program Accomplishment Rate.** Approve rates with the 85% to 90% capital improvement program (CIP) accomplishment rate proposed by SPU. Request a Committee briefing each year on CIP progress.
- **100% Federal Agency Drainage Payments.** Assume that federal agencies will pay 100% of their drainage bills, which adds \$130,000/year of drainage revenue from federal agencies.
- **Fund the Green Seattle Partnership (GSP) as Proposed by SPU.** Approve rates with the \$100,000/year GSP funding proposed by SPU. Consider further Parks funding of GSP during Council review of the 2013-2014 budget.
- **Drainage and Wastewater Cost Efficiencies.** Achieve \$500,000 of rate savings by reducing the claims budget by that amount in 2013 and continue the savings in 2014 and 2015.
- **Wastewater Treatment Rates.** Amend SPU-proposed wastewater treatment rates as needed to reflect LUC-recommended drainage and wastewater system rates.

SOLID WASTE-SPECIFIC RECOMMENDATIONS

- **Solid Waste Contract Committee Briefings.** Request SPU to brief the Council, in the appropriate Council committee, before Requests for Proposals (RFPs) for solid waste contracts are finalized.
- **One Less Truck (OLT) Citywide Implementation.** Assume that successful completion of the 2012 pilot will result in citywide OLT implementation starting in April 2015. Adopt rate changes to reflect OLT savings as part of a midterm surcharge adjustment (*see below*).
- **SPU-Proposed Mini Can Prices.** Approve rates with the mini can prices proposed by SPU.
- **Increase Extras Price.** To encourage waste reduction, increase the cost of curbside pick-up of an extra bag of garbage to \$10.00 in 2013 rising incrementally to \$10.65 in 2016.
- **4-year Solid Waste Rates with 3% Contract Inflation and Midterm Surcharge/**

Reduction Option. Adopt rates for a four-year period with a one-time surcharge or reduction considered midterm to adjust rates for 2015 and 2016, with the following provisions:

- Rates would assume 3%/year contract inflation based on past inflation and projections for the Consumer Price Index (CPI), labor cost increases and fuel cost increases during the rate period.
 - Any increases in cash balances beyond projections in the 2013-2016 rate study would be moved to a reserve account. Funds from this account could be transferred in future years to address financial performance shortfalls or reduce 2015 rates if financial performance targets can still be met.
 - Any midterm rate changes would be based on a midyear 2014 financial evaluation that considers actual 2013 and 2014 contract expense, actual 2013 bond issue debt service expense, revenue performance so far in the rate period, and savings associated with One Less Truck.
 - A surcharge (rate increase) for 2015 and 2016 would be considered only if SPU is not projected to meet financial policy targets due to revenue shortfalls or higher than assumed contract inflation experienced in 2013 and 2014. Higher than projected non-contract spending would not factor into the surcharge unless approved by Council. New rates would begin in April.
- **Recycling Processing Revenue.** Given that recycling processing has been a net revenue source (instead of expense) in recent years, assume that the amount by which recycling processing expenses exceed revenues will be \$250,000 to \$350,000/year, which is half of what was assumed in the rate study.
 - **Solid Waste Cost Efficiencies.** Achieve \$260,000 of rate savings by reducing solid waste operations and maintenance spending except that further spending reductions shall not be made to priority programs including yellow pages opt-out, school grants for food waste composting, rate growth strategic plan efficiency consultant, or solid waste environmental education programs. Specific spending reductions will be identified by SPU during Council review of the proposed 2013-2014 budget.
 - **Clear Alley Expansion to the International District.** Expand Clear Alley service to the International District as proposed by the Executive after the submittal of solid waste rates.

EFFECTS ON RATEPAYERS

LUC Committee recommendations result in small changes to SPU-proposed rates and give more Council guidance for how services funded by those rates will be provided. The rate and bill increases will support continued base services, major capital investments for transfer stations and combined sewer upgrades, and compliance with the Clean Water Act. Table 1 shows impacts of the LUC recommendations on typical single-family residential monthly bills. Table 2 shows the percent increase in the average systemwide rates.

TABLE 1: COMBINED DRAINAGE (D), WASTEWATER (WW) AND SOLID WASTE (SW) BILLS: SPU PROPOSAL VS.LUC RECOMMENDATIONS

	2012	2013 1/ SPU	2013 LUC	2014 SPU	2014 LUC	2015 3/ SPU	2015 LUC	2012 to 2015 SPU \$ and %	2012 to 2015 LUC \$ and %
Combined Residential D, WW & SW Monthly Bill 2/	\$104.73	\$114.16	\$113.50	\$118.73	\$118.06	\$127.99	\$127.12		
Combined Monthly Bill difference between SPU & LUC			(\$0.66)		(\$0.67)		(\$0.87)		
Increase 2012-2015 (and average increase/year)								\$23.26 or 22% (\$7.75 or 6.9%)	\$22.39 or 21.4% (\$7.46 or 6.7%)
Combined Residential Monthly SPU Bill (incl. Water) 4/	\$138.68	\$150.54	\$149.88	\$157.66	\$156.99	\$168.20	\$167.33		

- 1/ The full bill the customer would pay when King County treatment rate increases and solid waste contract inflation, which were excluded from SPU's rate study, are shown as part of the bill.
- 2/ Based on a typical single family customer with a 5,000 to <7,000 sq.ft. parcel, 32-gallon garbage can, 96-gallon organics can, and 4.3 hundred cubic feet (ccf) of wastewater use (which is lower than the 5.2 ccf used in the last rate study).
- 3/ The solid waste rate study includes further bill increases of \$0.65 (less than one-half of a percent of the combined bill) in 2016 or a \$1.55 (1% of the combined bill) increase if the total bill were shown. The 2013-2016 solid waste rate increases are effective April 1 of each year. Consequently, ratepayers will pay prior year rates for the first three months of the year and the rates cited above for the remaining nine months. The monthly bill information above assumes the bills at the new solid waste rates effective April 1. The average monthly bill paid by customers in each year will be lower than the bill amounts shown above.
- 4/ Total bill a typical single-family customer would pay for SPU services including previously adopted water rate increases.

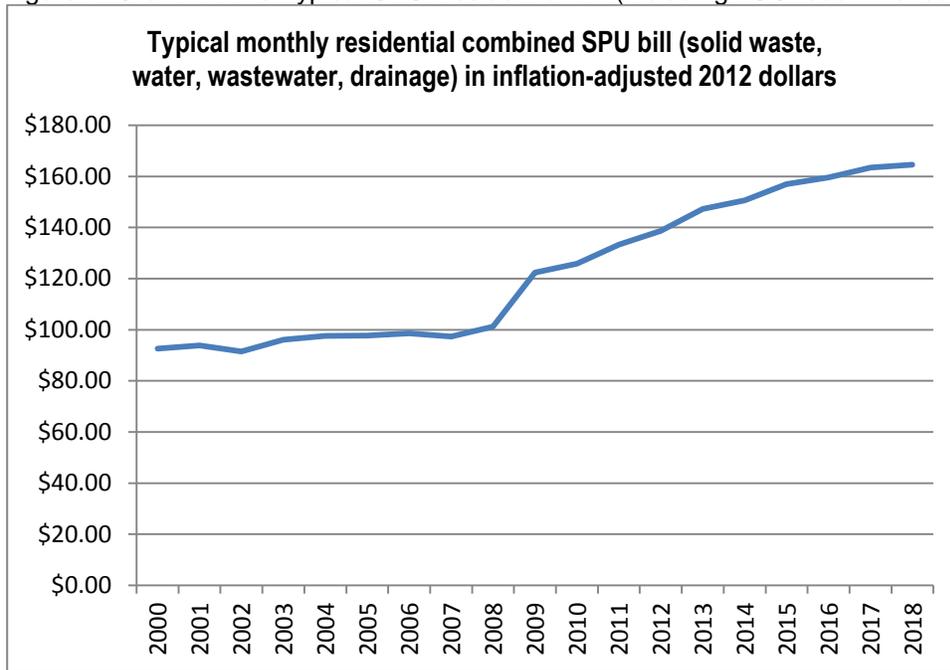
TABLE 2: YEAR-TO-YEAR PERCENT INCREASE IN AVERAGE SYSTEMWIDE RATES: SPU PROPOSAL VS. LUC RECOMMENDATIONS

	2013 1/ SPU	2013 LUC	2014 SPU	2014 LUC	2015 2/ SPU	2015 LUC	2012 to 2015 SPU	2012 to 2015 LUC
Drainage	11.1%	10.5%	10.1%	10.3%	11.1%	11.1%	35.9%	35.3%
Wastewater	9.3%	9.1%	0.9%	0.9%	8.7%	8.7%	19.9%	19.6%
Solid Waste 3/	7.4%	6.3%	4.3%	4.1%	4.6%	4.3%	17.2%	15.4%

- 1/ The full percent increase including King County treatment rate increases and solid waste contract inflation, which were excluded from SPU's rate study.
- 2/ The solid waste rate study includes further 2016 increases of 3.6% under SPU's proposal and 3.4% under the LUC Committee recommendation. The 2015 drainage and wastewater rate increases include the currently projected 2015 King County wastewater treatment rate increase of 11.2%. Actual treatment rate impacts will be known in mid-2014 when the County adopts new rates for 2015 and beyond.
- 3/ The 2013-2016 solid waste rate increases are effective April 1 of each year. Consequently, ratepayers will pay prior year rates for the first three months of the year and the rates cited above for the remaining nine months. The percents shown above assume bills at the new solid waste rates effective April 1. The average increase by solid waste customers in each year will be lower than the percents shown above.

With LUC Committee recommendations, bills will continue to increase faster than inflation, consuming more and more of a ratepayer's income over time (Figure 1). By 2016 the typical residence with the most recently reported (2010) median Seattle household income of \$63,088/year would pay about 3% of their income on SPU bills. That is below the 8% (2% per utility service) of median household income threshold once proposed (and later withdrawn) by SPU as an affordability threshold. The percent would be higher households with below-median income that do not qualify for low income rates, however, potentially making it more difficult for those customers to pay bills.

Figure 1: Growth in the Typical SPU Residential Bill (including LUC recommendations)



CITY OF SEATTLE
ORDINANCE _____
COUNCIL BILL _____

AN ORDINANCE relating to drainage services of Seattle Public Utilities (SPU); amending Section 21.33.010 of the Seattle Municipal Code to update definitions; amending Section 21.33.030 of the Seattle Municipal Code to update exemptions from drainage rates and adjust drainage rates; amending Sections 21.33.050 and 21.33.070 to clarify billing and collection procedures; and amending Section 21.76.040 of the Seattle Municipal Code to revise credits to low-income drainage customers.

WHEREAS, certain definitions used for drainage billing do not accurately reflect current billing policies; and

WHEREAS, drainage rates were last increased on January 1, 2012, as authorized by Ordinance 123449 to pass through increased King County treatment charges; and

WHEREAS, Seattle Public Utilities (SPU) has identified additional infrastructure needs requiring additional capital funding; and

WHEREAS, SPU has completed a rate study showing that existing drainage rates will not provide sufficient revenues to pay the costs of providing drainage services and debt service and that rate increases therefore are required; and proposing certain undeveloped areas be exempt from drainage fees; and

WHEREAS, billing and collection procedures have been updated; and

WHEREAS, credits for qualified low-income customers need to be revised to reflect an increase in drainage rates; NOW THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Definitions in Subsections E, I, M, Q, and U-AA of Section 21.33.010 of the Seattle Municipal Code are amended and a new definition is added as Subsection T as follows:

SMC 21.33.010 Definitions

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

2 following meanings:

3
4 * * *

5
6 E. "Condominiums" or "townhouses" means properties which contain ~~((more than))~~ two ~~((2))~~ or
7 more residential dwelling units which are individually owned and are billed separately for
8 property taxes.

9
10 * * *

11
12 I. "General service properties or parcels" means properties or parcels with no existing single
13 family or duplex dwelling unit, including vacant properties, condominium complexes,
14 ~~((townhouses,))~~ apartment buildings, and institutional, commercial or industrial properties.

15
16 * * *

17
18 M. "Large residential property or parcel" means any single family residential property or
19 townhouse whose billable area is 10,000 square feet or greater.

20
21 * * *

22
23 Q. "Property owner of record", also referred to as "owner" or "property owner", shall be the
24 person or persons recorded by the King County Assessor to be the owner(s) of property and to
25 whom property tax statements are directed.

* * *

1
2 T. "Riparian corridors" are the riparian watercourse and riparian management area as defined in
3 SMC 25.09.020.D.5.a.

4
5 ~~((F))~~U. "Single-family residential property or parcel" means any property or parcel which
6 contains one (1) or two (2) residential dwelling units, ~~((excluding))~~including townhouses~~((which~~
7 ~~are considered general service properties or parcels))~~.

8
9 ~~((U))~~V. "Small residential property or parcel" means any single family residential property or
10 townhouse whose billable area is less than 10,000 square feet.

11
12 ~~((V))~~W. "Stormwater facility credit" means a percentage credit, up to the allowable maximum, in
13 accordance with Section 33.040 of this Chapter, which reduces the drainage service charge for a
14 particular parcel because one or more approved stormwater management facilities are installed
and maintained on the parcel that relieve some of the burden on the City's stormwater system.

15
16 ~~((W))~~X. "Stormwater performance goals" mean minimum requirements for flow control and
17 treatment as appropriate for the drainage discharge point and thresholds as more particularly
described in the Stormwater Code Chapters 22.800 through 22.808.

18
19 ~~((X))~~Y. "Stormwater system" means the entire system of flood protection and stormwater
20 drainage and surface water runoff facilities owned or leased by the City or over which the City
has right of use for the movement and control of storm drainage and surface water runoff,
including both naturally occurring and man-made facilities.

21
22 ~~((Y))~~Z. "Submerged" means that portion of a parcel that extends beyond the shoreline, as
delineated by ~~((the City's))~~ Geographic Information System (GIS).

23
24 ~~((Z))~~AA. "Utility" means Seattle Public Utilities.

25
26 * * *

1 Section 2. Section 21.33.030 of the Seattle Municipal Code is amended as follows:

2 **SMC 21.33.030 Drainage service charges and drainage rates --**

3 **Schedule -- Exemptions.**

4
5 A. A drainage service charge is imposed on every parcel within the City, and the owner(s)
6 thereof, except for the following exempted property(ies):

7
8 1. The portion of a parcel that contains ~~((H))~~houseboats ~~((and))~~or piers that extend beyond the
9 shoreline, as delineated by Geographic Information Systems (GIS) data;

10
11 2. That portion of a parcel that is submerged. If the parcel is entirely submerged, the entire parcel
12 is exempt. If a portion of the parcel is submerged, only the submerged part will be exempt and
13 the remainder of the parcel shall be billed as all other properties;

14
15 3. City streets;

16
17 4. State of Washington highways, so long as the State of Washington shall agree to maintain,
18 construct and improve all drainage facilities associated with State highways as required by the
19 Utility in conformance with all Utility standards for maintenance, construction and improvement
20 hereafter established by the Utility and so far as such maintenance, construction and
21 improvements shall be achieved at no cost to the Utility or to the City; and

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23
24 5. All other streets, so long as such streets provide drainage services in the same manner as City
25 streets and the owner(s) shall agree to maintain, construct and improve all drainage facilities
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1 associated with such streets as required by the Utility in conformance with all Utility standards
2 for maintenance, construction and improvement hereafter established by the Utility and so far as
3 such maintenance, construction and improvements shall be achieved at no cost to the Utility or to
4 the City.

5
6 6. Effective January 1, 2013, that portion of a parcel containing a riparian corridor that contains
7 highly infiltrative pervious surface and meeting all qualification criteria established by the Utility
8 by Director's Rule under Section 3.32.020 of the Seattle Municipal Code. The Utility may
9 consider Geographic Information System data and any other information determined necessary
10 in identifying qualifying riparian corridors.

11
12 7. Effective January 1, 2013, that portion of a parcel containing an island that contains highly
13 infiltrative pervious surface and less than ten percent impervious surface area. The Utility may
14 consider Geographic Information System data and any other information determined necessary
15 in identifying qualifying islands.

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18 8. Effective upon the date set by Directors Rule, but no later than January 1, 2014, that portion of
19 a parcel containing a wetland that contains highly infiltrative pervious surface and meets all
20 qualification criteria as established by the Utility by Director's Rule under Section 3.32.020 of
21 the Seattle Municipal Code. The Utility may consider Geographic Information System data and
22 any other necessary information in identifying qualifying wetlands.
23

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

4
5 C. Drainage service charges shall be determined as follows:

6
7 1. Small single-family residential properties shall be assigned to one of four (~~4~~) flat rate
8 categories based on a billable area. Within each category, properties will be charged a uniform
9 annual drainage rate per parcel which is calculated based on an estimated average contribution of
10 surface and storm water runoff for the category. The applicable drainage rate shall equal the
11 drainage service charge.

12
13 2. General service and large residential properties shall be assigned to a rate category based on
14 the estimated percent of impervious surface contained within the parcel. Subsequently, properties
15 assigned to the "undeveloped," "light," and "moderate" rate categories that also contain sufficient
16 quantities of highly infiltrative pervious surface cover to meet Utility-defined performance
17 requirements shall be assigned to a "low impact" rate category. A separate drainage rate shall
18 apply to each general service and large residential rate category. The drainage service charge
19 shall be calculated by multiplying the drainage rate, as determined by the parcel's rate category
20 assignment, by the parcel's billable area (rounded to the nearest whole number of a square foot
21 and divided by one thousand). For condominiums, the drainage service charge shall be
22 determined for the entire parcel and then divided evenly among the owners. Present use code,
23 site visits, planimetric maps based on aerial photography, and other information shall be used to
24 estimate the percentage of impervious area.
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1 D. Drainage rates used in the calculation of drainage service charges shall be the sum of the
2 treatment rate and the system rate, as follows:

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4 1. Treatment rate: The "treatment rate" shall be the rate required to pay the drainage share of
5 "treatment cost" which is the cost of wastewater treatment, interception and disposal service, and
6 any associated costs necessary to meet Drainage and Wastewater Fund policies. The treatment
7 rate shall be the amount obtained when (a) the projected drainage treatment cost for each rate
8 category is divided by (b) the projected number of billing units in each rate category and the
9 result is multiplied by ~~((one hundred eighteen percent (118((%))))~~ percent to cover the costs of
10 taxes, low income rate assistance and other allowances. The projected treatment cost shall be the
11 treatment cost anticipated for the upcoming calendar year, which may include an adjustment to
12 reflect the difference, whether positive or negative, between the drainage share of expected total
13 treatment cost for the current year and the total drainage service charge revenues attributable to
14 the treatment rate expected for the current year. The treatment rate is designed to pass through
15 cost changes driven by King County and may be adjusted by ordinance at any time in response to
16 such charges.
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19
20 2. System rate: The "system rate" shall be the rate required to fund the expense associated with
21 operating, maintaining, and constructing the City's surface and stormwater management system,
22 including any share of combined sanitary and stormwater system expense assigned to drainage.
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24 3. The rate categories and the corresponding annual drainage rates are as follows:
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((Effective January 1, 2010:

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Rate Category		Treatment Rate	System Rate	Total Drainage Rate	Billing Unit
Small Residential					
	Under 3000 sq. ft.	\$4.48	\$100.42	\$104.90	per parcel
	3000 - 4999 sq. ft.	\$6.50	\$145.96	\$152.46	per parcel
	5000 - 6999 sq. ft.	\$8.78	\$197.31	\$206.09	per parcel
	7000 - 9999 sq. ft.	\$11.13	\$250.22	\$261.35	per parcel
General Service/Large Residential					
Undeveloped	(0 - 15% impervious)				
	Low Impact	\$0.44	\$9.95	\$10.39	per 1000 Sq. Ft.
	Regular	\$0.73	\$16.45	\$17.18	per 1000 Sq. Ft.
Light	(16 - 35% impervious)				
	Low Impact	\$0.82	\$18.53	\$19.35	per 1000 Sq. Ft.
	Regular	\$1.09	\$24.60	\$25.69	per 1000 Sq. Ft.

Maria Coe
 SPU Drainage Rates ORD
 10/26/2012
 Version #3

1	Moderate	(36 –65% impervious)				
2		Low Impact	\$1.29	\$28.99	\$30.28	per 1000 Sq. Ft.
3		Regular	\$1.59	\$35.73	\$37.32	per 1000 Sq. Ft.
4						
5						
6	Heavy	(66 –85% impervious)	\$2.06	\$46.20	\$48.26	per 1000 Sq. Ft.
7						
8	Very Heavy	(86 –100% impervious)	\$2.45	\$54.87	\$57.32	per 1000 Sq. Ft.
9						

Effective January 1, 2011:

Rate Category	Treatment Rate	System Rate	Total Drainage Rate	Billing Unit
Small Residential				
Under 3000 sq. ft.	\$8.67	\$125.39	\$134.06	per parcel
3000-4999 sq. ft.	\$11.21	\$161.89	\$173.10	per parcel
5000-6999 sq. ft.	\$15.22	\$219.72	\$234.94	per parcel

Maria Coe
 SPU Drainage Rates ORD
 10/26/2012
 Version #3

1		7000-9999 sq-ft	\$19.22	\$279.10	\$298.32	per parcel
2	General Service/Large Residential					
3						
4	Undeveloped	(0-15% impervious)				
5						
6		Regular	\$1.28	\$18.44	\$19.72	per 1000 Sq Ft
7						
8		Low Impact	\$0.80	\$11.55	\$12.35	per 1000 Sq Ft
9						
10	Light	(16-35% impervious)				
11						
12		Regular	\$1.92	\$27.70	\$29.62	per 1000 Sq Ft
13						
14		Low Impact	\$1.52	\$21.95	\$23.47	per 1000 Sq Ft
15						
16	Moderate	(36-65% impervious)				
17						
18		Regular	\$2.78	\$40.11	\$42.89	per 1000 Sq Ft
19						
20		Low Impact	\$2.23	\$32.20	\$34.43	per 1000 Sq Ft
21						
22	Heavy	(66-85% impervious)	\$3.66	\$52.91	\$56.57	per 1000 Sq Ft
23						
24	Very Heavy	(86-100% impervious)	\$4.33	\$62.57	\$66.90	per 1000 Sq Ft)

Effective January 1, 2012:

Maria Coe
 SPU Drainage Rates ORD
 10/26/2012
 Version #3

1	Rate Category		Treatment Rate	System Rate	Total Drainage Rate	Billing Unit
2						
3	Small Residential					
4		Under 3000 sq. ft.	\$11.44	\$137.89	\$149.33	per parcel
5		3000-4999 sq. ft.	\$14.78	\$178.01	\$192.79	per parcel
6		5000-6999 sq. ft.	\$20.06	\$241.60	\$261.66	per parcel
7		7000-9999 sq. ft.	\$25.34	\$306.89	\$332.23	per parcel
8						
9	General Service/Large Residential					
10	Undeveloped	(0-15% impervious)				
11		Regular	\$1.69	\$20.27	\$21.96	per 1000 Sq Ft
12		Low Impact	\$1.06	\$12.70	\$13.76	per 1000 Sq Ft
13	Light	(16-35% impervious)				
14		Regular	\$2.53	\$30.45	\$32.98	per 1000 Sq Ft
15		Low Impact	\$2.01	\$24.13	\$26.14	per 1000 Sq Ft
16	Moderate	(36-65% impervious)				

1		Regular	\$3.66	\$44.10	\$47.76	per 1000 Sq Ft
2		Low Impact	\$2.94	\$35.41	\$38.35	per 1000 Sq Ft
3		Heavy (66-85% impervious)	\$4.83	\$58.18	\$63.01	per 1000 Sq Ft
4		Very Heavy (86-100% impervious)	\$5.70	\$68.79	\$74.49	per 1000 Sq Ft

Effective January 1, 2013

11	<u>Rate Category</u>		<u>Treatment Rate</u>	<u>System Rate</u>	<u>Total Drainage Rate</u>	<u>Billing Unit</u>
12	<u>Small Residential</u>					
13		<u>Under 3000 sq. ft.</u>	\$14.59	\$148.13	\$162.72	<u>per parcel</u>
14		<u>3000-4999 sq. ft.</u>	\$18.92	\$192.04	\$210.96	<u>per parcel</u>
15		<u>5000-6999 sq. ft.</u>	\$25.68	\$260.71	\$286.39	<u>per parcel</u>
16		<u>7000-9999 sq. ft.</u>	\$32.30	\$330.05	\$362.34	<u>per parcel</u>
17	<u>General Service/Large Residential</u>					
18	<u>Undeveloped</u>	<u>(0-15% impervious)</u>				
19		<u>Regular</u>	\$2.06	\$20.91	\$22.97	<u>per 1000 Sq Ft</u>

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	<u>impervious)</u>				<u>Ft</u>
<u>Effective January 1, 2015</u>					
<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>\$17.34</u>	<u>\$179.93</u>	<u>\$197.27</u>	<u>per parcel</u>
	<u>3000-4999 sq. ft.</u>	<u>\$22.48</u>	<u>\$233.27</u>	<u>\$255.75</u>	<u>per parcel</u>
	<u>5000-6999 sq. ft.</u>	<u>\$30.52</u>	<u>\$316.67</u>	<u>\$347.19</u>	<u>per parcel</u>
	<u>7000-9999 sq. ft.</u>	<u>\$38.38</u>	<u>\$400.90</u>	<u>\$439.28</u>	<u>per parcel</u>
<u>General Service/Large Residential</u>					
<u>Undeveloped</u>	<u>(0-15% impervious)</u>				
	<u>Regular</u>	<u>\$2.45</u>	<u>\$25.40</u>	<u>\$27.85</u>	<u>per 1000 Sq Ft</u>
	<u>Low Impact</u>	<u>\$1.43</u>	<u>\$14.88</u>	<u>\$16.31</u>	<u>per 1000 Sq Ft</u>
<u>Light</u>	<u>(16-35% impervious)</u>				
	<u>Regular</u>	<u>\$3.80</u>	<u>\$39.41</u>	<u>\$43.21</u>	<u>per 1000 Sq</u>

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1					Ft
2		<u>Low Impact</u>			per 1000 Sq
3			<u>\$2.99</u>	<u>\$31.01</u>	<u>\$34.00</u>
4	<u>Moderate</u>	<u>(36-65% impervious)</u>			Ft
5					
6		<u>Regular</u>			per 1000 Sq
7			<u>\$5.53</u>	<u>\$57.36</u>	<u>\$62.89</u>
8		<u>Low Impact</u>			per 1000 Sq
9			<u>\$4.45</u>	<u>\$46.12</u>	<u>\$50.57</u>
10	<u>Heavy</u>	<u>(66-85% impervious)</u>			per 1000 Sq
11			<u>\$7.43</u>	<u>\$77.03</u>	<u>\$84.46</u>
12	<u>Very Heavy</u>	<u>(86-100% impervious)</u>			per 1000 Sq
13			<u>\$8.79</u>	<u>\$91.16</u>	<u>\$99.95</u>
14					Ft

16 4. SPU shall provide a 10((%)) percent reduction in the drainage service charge for parcels
 17 containing new or remodeled commercial buildings that, after July 27, 2003, install and utilize
 18 rainwater harvesting systems that meet the performance requirement that the systems are sized
 19 to use the amount of rain that falls on the roofs of such buildings during a one year, 24-hour
 20 storm event. A system that involves indoor uses of rainwater must be permitted by Seattle-
 21 King County Department of Health to qualify for the rate reduction. A system that relies solely
 22 on the capture and indoor use of rainwater shall qualify for the drainage service charge
 23 reduction only if the system is sized to meet the performance requirement stated above.
 24 Qualifying for the drainage service charge reduction does not relieve the property owner from
 25 the obligation to comply with applicable stormwater and drainage code requirements for the
 26 buildings and site.

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1 5. Open space properties or parcels shall be charged only for the area of impervious surface and
2 at the rate under which the parcel is classified using the total parcel acreage.

3 E. Each bill shall be rounded to the nearest cent. The minimum annual drainage service charge
4 shall be ~~((Five Dollars €))~~\$5((+)) per parcel.
5

6
7 Section 3. Section 21.33.050 of the Seattle Municipal Code is amended as follows:

8 **SMC 21.33.050**

9 **Drainage service charges -- Adjustments.**

10 A. Any person receiving a drainage service charge may apply in writing to the Utility for a bill
11 adjustment. Filing such a request does not extend the period for payment of the charge. Requests
12 for adjustments on delinquent accounts will not be acted upon until paid in full.
13

14 B. A request for a bill adjustment may be based on one ~~((+))~~ or more of the following:
15

16 1. The billable area of the parcel is incorrect;
17

18 2. The percent of impervious surface on a large residential or general service parcel places the
19 parcel in a different rate category than the category assigned by the Utility;
20

21 3. The parcel is a large residential or general service parcel which contains highly infiltrative
22 pervious surface and meets all Utility requirements for low-impact rate category designation but
23 has not been properly assigned to such a category by the Utility;
24

25 4. The parcel meets the definition of exempted property;
26
27
28

1 5. The parcel is wholly or partially outside City of Seattle limits; or

2 6. The parcel's stormwater facility credit was calculated with inaccurate data related to the parcel
3 or to the approved stormwater management facility.
4

5 7. The drainage service charge is otherwise erroneous in applying the terms of this chapter.
6

7 C. Applications for adjustments may be made to the Utility. The burden of proof shall be on the
8 applicant to show that the ((rate)) adjustment sought should be granted. All decisions of the
9 Utility shall be final.
10

11 D. Applications for ((rate)) adjustment must be filed within ((one (1) year))90 days of the billing
12 date((~~To receive credit in the current billing year, however, applications for rate adjustment~~
13 ~~must be made no more than ninety (90) days after the billing date~~)), except for the low-income
14 credit, which shall be administered as defined in Seattle Municipal Code Section 21.76.030.
15

16 Applications received after ((~~ninety (90)~~(+)) days of the billing date shall be effective for
17 subsequent years only.
18

19 E. If the Utility grants an adjustment which reduces the charge for the current year, the applicant
20 shall receive an adjusted bill or be refunded the amount overpaid. If the Utility determines that
21 an adjustment should be made which increases the charge due for the current year, the applicant
22 shall receive a supplemental bill that will be due within ((~~forty five (45)~~(+)) days of the date of
23 issue. Applicants for rate adjustments shall be notified in writing of the Utility's decision.
24
25
26
27
28

Section 4. Subsection 21.33.070.B of the Seattle Municipal Code is amended as follows:

SMC 21.33.070 Billing and Collection Procedures

B. The drainage service charge shall be displayed and billed on the annual King County property tax statement for the parcel and shall be mailed to the name and address shown on the real property tax roll at the time annual property bills are prepared. ~~((Properties not subject to property taxes and not otherwise exempted will receive a separate drainage service charge billing statement.))~~ The drainage service charge billed on the annual King County property tax statement ~~((or separate drainage service charge billing statement.))~~ shall be net of any stormwater facility credit, that has been approved by December 1st of the calendar year prior to the applicable billing year. Stormwater facility credit applications that are received timely in accordance with Section 21.33.040.B, but not approved until after December 1, will receive credit within the applicable billing year.

* * *

Section 5. Subsection 21.76.040.A.2 of the Seattle Municipal Code is amended as follows:

21.76.040 Low Income Rate Credits.

A. Drainage, Wastewater, and Water. Persons qualified by the Human Services Department as eligible recipients of low income utility credits provided for in Section 21.76.010 (eligible recipients) shall be granted low income billing credits in the following amounts:

* * *

2. Drainage. Eligible recipients residing inside The City of Seattle shall receive the following credits for drainage services based on dwelling type:

	(Effective	Effective	Effective	<u>Effective</u>	<u>Effective</u>	<u>Effective</u>
	January 1,	January 1,	January 1,	<u>January 1,</u>	<u>January 1,</u>	<u>January 1,</u>
	2010	2011	2012	<u>2013</u>	<u>2014</u>	<u>2015</u>
Single-family	\$8.95 per	\$9.80 per	\$10.90 per	<u>\$11.93 per</u>	<u>\$13.15 per</u>	<u>\$14.47 per</u>
	month	month	month	<u>month</u>	<u>month</u>	<u>month</u>
Duplex	4.29 per	\$4.90 per	\$5.45 per	<u>\$5.97 per</u>	<u>\$6.58 per</u>	<u>\$7.24 per</u>
	month	month	month	<u>month</u>	<u>month</u>	<u>month</u>
Multifamily	0.92 per	\$1.05 per	\$1.17 per	<u>\$1.28 per</u>	<u>\$1.41 per</u>	<u>\$1.55 per</u>
	month	month))	month	<u>month</u>	<u>month</u>	<u>month</u>

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Section 6. 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

1 ordinance with respect to the particular person or circumstance. The offending provision with
2 respect to all other persons and all other circumstances, as well as all other provisions of this
3 ordinance, shall remain valid and enforceable.

4 Section 7. This ordinance shall take effect and be in force 30 days from and after its
5 approval by the Mayor, but if not approved and returned by the Mayor within ten days after
6 presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

7
8 Passed by the City Council the ____ day of _____, 2012, and signed by me in
9 open session in authentication of its passage this ____ day of _____, 2012.

10
11
12 _____
13 President _____ of the City Council

14 Approved by me this ____ day of _____, 2012.

15
16 _____
17 Michael McGinn, Mayor

18 Filed by me this ____ day of _____, 2012.

19
20 _____
21 Monica Martinez Simmons, City Clerk

22 (Seal)
23
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