

CITY COUNCIL REGULAR SESSION

Ordinance establishing revised storm and surface water drainage rates and charges for the Storm and Surface Water Utility of the City of Bellevue; repealing Ordinance No. 6554; providing for severability; and establishing an effective date.

Nav Otal, Director, 452-2041

Andy Baker, Fiscal Manager 452-4193

Utilities Department

EXECUTIVE SUMMARY

This Ordinance will revise the storm and surface water drainage rates and charges to provide sufficient resources to support the annual operating and capital investment program (CIP) funding needs of the Storm and Surface Water Utility; consistent with the City Manager's 2023-2024 Preliminary Budget.

RECOMMENDATION

Move to adopt Ordinance No. 6695

BACKGROUND/ANALYSIS

As with any business enterprise, the changes in the cost to deliver services must be evaluated and incorporated into the budget. The key budget drivers for the Storm and Surface Water Utility are: 1) external financial obligations including payments for taxes and support services from the General Fund; and 2) investments in the City's stormwater utility infrastructure. Maintaining the integrity of the utility infrastructure is critical to the Department's ability to continue quality service delivery to the community.

This Ordinance will revise the storm and surface water charges to include updated costs for local program operating and capital expenditures, and will establish charges needed to support the 2023-2024 biennial budget. Rate increases of 5.3 percent in 2023 and 5.3 percent in 2024 are needed for critical capital infrastructure needs, now and in the future, increases in payments for taxes and support services, and local operations and maintenance costs.

The Environmental Services Commission reviewed the proposed Utilities Department operating and capital budget in detail between January and September, and recommended approval of the proposed rate increases to Council on September 15. The City Council reviewed the proposed Utilities Department budget and rate increases during the Council study session on October 10.

POLICY & FISCAL IMPACTS

Policy Impact

State Law

State law requires approval of a balanced budget.

City Financial Policies

In accordance with Council-adopted policies, storm and surface water service rate increases are needed to invest in utility infrastructure to ensure reliable service delivery to storm and surface water

customers and meet increased payments for taxes and support services from the General Fund. The requested charges meet Council-approved rate guidelines for providing sufficient funding to fulfill Council policy regarding infrastructure replacement reserves.

Fiscal Impact

Changes to the existing storm and surface water service charges in 2023 and 2024 are needed to provide sufficient resources to support annual operating and capital funding needs of the Storm and Surface Water Utility, consistent with the proposed 2023-2024 Utilities Department budget and the Utilities Six-Year Rates Forecast.

The impacts on the typical customer monthly bills in 2023 and 2024 from the proposed storm and surface water service charge increases are shown below:

	<u>Bill</u>	<u>\$ Increase</u>	<u>% Increase</u>
Single Family: 10,000 sq ft lot, Moderate Development			
2022	\$29.76	N/A	N/A
2023	\$31.34	\$1.58	5.3%
2024	\$33.01	\$1.67	5.3%

	<u>Bill</u>	<u>\$ Increase</u>	<u>% Increase</u>
Multi-family: 2-acre lot, Very Heavy Development			
2022	\$464.54	N/A	N/A
2023	\$489.06	\$24.52	5.3%
2024	\$514.99	\$25.93	5.3%

	<u>Bill</u>	<u>\$ Increase</u>	<u>% Increase</u>
Commercial: 10-acre lot, Very Heavy Development			
2022	\$2,287.75	N/A	N/A
2023	\$2,408.52	\$120.77	5.3%
2024	\$2,536.20	\$127.68	5.3%

OPTIONS

1. Adopt the Ordinance establishing revised storm and surface water drainage rates and charges for the Storm and Surface Water Utility of the City of Bellevue; repealing Ordinance No. 6554; providing for severability; and establishing an effective date.
2. Do not adopt the Ordinance and provide alternative direction to staff.

ATTACHMENTS

Proposed Ordinance No. 6695

AVAILABLE IN COUNCIL LIBRARY

N/A