

## CITY COUNCIL AGENDA MEMORANDUM

### **SUBJECT**

Ordinance establishing revised storm and surface water drainage rates and charges for the Storm & Surface Water Utility of the City of Bellevue; repealing Ordinance No. 6204; providing for severability; and establishing an effective date.

### **FISCAL IMPACT**

Changes to the existing storm and surface water service charges in 2017 and 2018 are needed to provide sufficient resources to support the annual operating and CIP funding needs of the Storm and Surface Water Utility, consistent with the proposed 2017-2018 Utilities department budget and the Utility's six-year financial forecast.

The impacts on typical monthly customer bills in 2017 and 2018 from the proposed storm and surface water charges are shown below:

		<u>Bill</u>	<u>\$ Increase</u>	<u>% Increase</u>
Single Family	2016	\$ 22.95	n/a	n/a
	2017	23.94	\$ 0.99	4.3%
	2018	25.04	1.10	4.6%
		<u>Bill</u>	<u>\$ Increase</u>	<u>% Increase</u>
Multi-family	2016	\$ 358.51	n/a	n/a
	2017	373.93	\$ 15.42	4.3%
	2018	391.21	17.28	4.6%
		<u>Bill</u>	<u>\$ Increase</u>	<u>% Increase</u>
Commercial (Medium Office)	2016	\$ 1,765.61	n/a	n/a
	2017	1,841.52	\$ 75.91	4.3%
	2018	1,926.64	85.12	4.6%

### **STAFF CONTACTS**

Nav Ota, Director, 452-2041

Lucy Liu, Assistant Director, 452-4445

*Utilities Department*

### **POLICY CONSIDERATION**

State law:

State law requires approval of a balanced budget.

City financial policies:

In accordance with Council-adopted financial policies, storm and surface water rate increases are needed to maintain, operate, and invest in utility infrastructure to ensure reliable service delivery to storm and surface water customers. The requested charges meet Council-approved rate guidelines for providing sufficient funding to fulfill Council policy regarding infrastructure replacement reserves.

**BACKGROUND**

The key budget drivers for the Storm and Surface Water Utility include investments to address infrastructure needs and inflationary increases to operating costs. The increased charges in 2017 and 2018 will implement a balanced Storm & Surface Water Utility budget, including local programs and projects proposed in the 2017-2018 budget process.

The Environmental Services Commission reviewed the proposed Utilities Department operating and capital budget in detail between January 2016 and October 2016 and recommended approval of the proposed rate increases to Council on November 8, 2016. The City Council reviewed the proposed Utilities Department budget and rate increases during council study sessions on October 24 and November 14, 2016.

**EFFECTIVE DATE**

If adopted by Council, this Ordinance becomes effective on January 1, 2017.

**OPTIONS**

1. Adopt Ordinance establishing revised storm and surface water drainage rates and charges for the Storm & Surface Water Utility of the City of Bellevue; repealing Ordinance No. 6204; providing for severability; and establishing an effective date.
2. Do not adopt the Ordinance and provide alternative direction to staff regarding future storm and surface water charge increases.

**RECOMMENDATION**

Option 1.

**MOTION**

Move to adopt Ordinance No. 6331 establishing revised storm and surface water drainage rates and charges for the Storm & Surface Water Utility of the City of Bellevue; repealing Ordinance No. 6204; providing for severability; and establishing an effective date.

**ATTACHMENT**

Ordinance No. 6204 (existing charges)  
Proposed Ordinance No. 6331

**AVAILABLE IN COUNCIL ELECTRONIC DOCUMENT LIBRARY**

N/A