

CITY COUNCIL REGULAR SESSION

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. 6331; providing for severability; and establishing an effective date.

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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 CIP funding needs of the Storm and Surface Water Utility, consistent with the proposed 2019-2020 Utilities Department budget.

RECOMMENDATION

Move to adopt Ordinance No. 6442.

If approved, effective date: December 13, 2018.

BACKGROUND/ANALYSIS

The key budget drivers for the Storm and Surface Water Utility include investments to address infrastructure needs, and inflationary increases to operating costs.

This Ordinance will revise the storm and surface water charges to include updated assumptions for local program operating and capital expenditures and will establish charges needed to finance the 2019 and 2020 budgets, resulting in rate increases of 5.4 percent in 2019 and 5.4 percent in 2020.

The Environmental Services Commission reviewed the proposed Utilities Department operating and capital budget in detail between January 2018 and October 2018 and recommended approval of the proposed rate increases to Council on November 8. The City Council reviewed the proposed Utilities Department budget and rate increases during Council study session on November 19.

POLICY & FISCAL IMPACTS**State Law**

State law requires approval of a balanced budget.

City Financial Policies

In accordance with Council-adopted financial policies, storm and surface water service 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.

Fiscal Impact

Changes to the existing storm and surface water service charges in 2019 and 2020 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 2019-2020 Utilities Department budget and the Utility's Six-Year Financial Forecast.

The impacts on typical customer monthly bills in 2019 and 2020 from the proposed storm and surface water service charge increases are shown below:

		<u>Bill</u>	<u>\$ Increase</u>	<u>% Increase</u>
Single Family	2018	\$25.04	n/a	n/a
10,000 sq ft lot	2019	\$26.39	\$1.35	5.4%
Moderate Development	2020	\$27.82	\$1.43	5.4%

		<u>Bill</u>	<u>\$ Increase</u>	<u>% Increase</u>
Multi-family	2018	\$391.21	n/a	n/a
2-acre site	2019	\$412.16	\$20.95	5.4%
Very Heavy Development	2020	\$434.35	\$22.19	5.4%

		<u>Bill</u>	<u>\$ Increase</u>	<u>% Increase</u>
Commercial	2018	\$1,926.64	n/a	n/a
10-acre site	2019	\$2,029.83	\$103.19	5.4%
Very Heavy Development	2020	\$2,139.09	\$109.26	5.4%

OPTIONS

1. Adopt the 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. 6331; providing for severability; and establishing an effective date.
2. Do not adopt the Ordinance and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

Proposed Ordinance No. 6442

AVAILABLE IN COUNCIL LIBRARY

N/A