



**TO:** Elizabeth A. Pauli, City Manager  
**FROM:** Michael P. Slevin III, P.E., Director, Environmental Services  
Dan Thompson, Ph.D., Division Manager, Business Operations  
**COPY:** City Council and City Clerk  
**SUBJECT:** Request for Ordinance Amending Chapter 12.08 of the Municipal Code related to Wastewater and Surface Water Rates for the years 2019 and 2020 – November 13, 2018  
**DATE:** October 18, 2018

*[Handwritten signature: P. Slevin]*  
*[Handwritten initials: DMPS]*

---

**SUMMARY:**

An ordinance amending Chapter 12.08 of the Municipal Code, relating to the Wastewater and Surface Water Management – Regulation and Rates, to adjust rates and charges for services provided by the wastewater and surface water utilities for the years 2019 and 2020.

**STRATEGIC POLICY PRIORITY:**

- Strengthen and support a safe city with healthy residents.
- Assure outstanding stewardship of the natural and built environment.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

The proper operation and adequate funding of these utilities produce direct benefits in cleaner water discharges to Commencement Bay. The utilities provide infrastructure and services to manage wastewater and surface water for the protection of health, property, and quality of life for all residents; promote the growth and development of a vibrant economy; and help sustain a healthy environment.

**BACKGROUND:**

The Environmental Services Department, working with the Environmental Services Commission (ESC), has updated its multi-year rate plan and developed proposed general revenue increases for the 2019-2020 biennium for wastewater and surface water customers. Consistent with the recommendation from the ESC, increases of 4 percent for wastewater in 2019 and 2020 respectively, and an increase of 3.5 percent is proposed for surface water in 2019 and 2020 respectively. These rate increases are driven primarily by increased labor costs and increased investment in infrastructure. The Low income elderly/low income disabled discount has been maintained at 30 percent.

The Environmental Services Department delivered presentations to the Neighborhood Councils, the Government Performance and Finance Committee, and to the City Council at the October 16, 2018 study session.

**ISSUE:**

Adequate funding is necessary to provide important and reliable wastewater collection and treatment and storm water management in order to protect the health and safety of the residents, properties, and environment.

**ALTERNATIVES:**

The alternative of not increasing revenue would be to reduce capital investment in the City's waste and storm collection and treatment systems which would result in costlier emergency construction



repairs, legal disputes and damage claims, permit violations, reduced operational and maintenance activities, and potential bond covenant violations and financial problems.

**RECOMMENDATION:**

An ordinance amending Chapter 12.08 of the Municipal Code, relating to the Wastewater and Surface Water Management – Regulation and Rates, to adjust rates and charges for services provided by the wastewater and surface water utilities for the years 2019 and 2020.

**FISCAL IMPACT:**

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
<b>TOTAL</b>			

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
ES Wastewater Fund 4300	523900	Various	\$8,800,000
ES Surface Water Fund 4301	521900	Various	\$4,900,000
<b>TOTAL</b>			<b>\$13,700,000</b>

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: None**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes**