

Subject: Ordinance #1580 – Updating Stormwater rates and creating A new rate structure, including Adopting a staggered effective Date for the revisions.

Dept. Origin: Mayor’s Office/Utilities

Prepared by: Jennifer Robertson
City Attorney’s Office

For Agenda of: May 7, 2024

Exhibits: Ordinance No. 1580

Proposed Council Action:

This matter is on for First Reading. Unless Directed otherwise, this will return for Second Reading and Action on May 21, 2024.

	Initial & Date
Concurred by Mayor:	_____
Approved/form by City Atty:	<u>JSR/4-29-2024</u>
Approved by _____ Director:	_____
Approved by Department Head:	_____

INFORMATION / BACKGROUND

Under state law (Chapter 35.67 RCW) the City is authorized to provide stormwater services to properties within the City. Under RCW 35.67.020, the City has the authority to establish charges for the stormwater facilities and under RCW 35.67.190, the City has the authority to fix the rates for stormwater services. Ruston has not increased its stormwater rates since 2005 while the costs of delivering stormwater services is increasing and additional revenue is needed to sustain the City’s stormwater utility.

The proposed Ordinance No. 1580 updates the stormwater rate from \$5.00 per lot to \$12.00 per lot in order to keep up with the increased costs of the stormwater program. This is called the “Stormwater Fixed Fee” That change would take effect on June 1, 2024. In addition, since all lots do not produce the same level of stormwater, a variable rate will also apply starting April 1, 2025 which will take into account the size and use of the lot. This is called the “Stormwater Rate.” Many cities vary the stormwater charges in this matter, including the City of Tacoma. This way, customers that create more stormwater runoff pay more than customers that create less stormwater runoff.

The Stormwater Rate is established per every 500 square feet of property on the lot and classification is based on the range of overall parcel runoff.

BASIC CATEGORIES OF DEVELOPMENT	RANGE OF OVERALL PARCEL RUNOFF FACTORS	STORMWATER RATE PER 500 SQUARE FEET
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(a) Undeveloped	0 to 0.22	\$0.3192 for one acre or less; if over one acre, additional area is charged \$0.0706
(b) Light	0.23 to 0.39	\$1.0287
(c) Moderate	0.40 to 0.56	\$1.4142
(d) Heavy	0.57 to 0.79	\$2.0765
(e) Very Heavy	0.80 to 1	\$2.8086

Single family homes and duplexes would typically be moderate, whereas triplex, more dense residential, and commercial would typically be heavy, unless the City determine that “very heavy” is appropriate based on runoff.

In addition to establishing the new rate and rate structure in RMC 20.02.020, two new code sections are recommended. These are 20.02.024 and 20.02.026. RMC 20.02.024 allows owners to request a City review of the rates if the owner believes that the rates are incorrect based on the lot density, classification, or runoff rate. RMC 20.02.026 provides that stormwater fees are not levied on the City’s roads, streets, alleys, or right of way when the City is accepting the runoff from those roads into the City’s stormwater system.

RECOMMENDATION / MOTION

Review ordinance and give direction to staff. This matter is on for First Reading. Unless directed otherwise, this will return for Second Reading and Action on May 21, 2024.

ORDINANCE NO. 1580

AN ORDINANCE OF THE CITY OF RUSTON, WASHINGTON, RELATING TO CHARGES FOR SANITARY SEWER SERVICES WITHIN THE CITY OF RUSTON, AMENDING SECTION 20.02.020 OF THE RUSTON MUNICIPAL CODE TO MODIFY THE RATE STRUCTURE AND INCREASE RATES FOR THE CITY STORM SEWER, ADOPTING NEW SECTIONS 20.02.024 REGARDING PROCESS FOR RECONSIDERATION OF STORMWATER RATES AND 20.02.026 EXCLUDING CERTAIN PROPERTIES FROM STORMWATER RATES AND FEES, PROVIDING FOR SEVERABILITY, PUBLICATION, AND CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE AND ESTABLISHING STAGGERED DATES FOR CHANGES TO RATES.

WHEREAS, in accordance with Chapter 35.67 RCW, the City is authorized to provide stormwater services to properties within the City; and

WHEREAS, in accordance with RCW 35.67.020, the City has the authority to establish charges for the stormwater facilities; and

WHEREAS, in accordance with RCW 35.67.190, the City has the authority to fix the rates for stormwater services; and

WHEREAS, Ruston has not increased its stormwater rates since 2005; and

WHEREAS, the costs of delivering stormwater services are increasing and additional revenue is needed to sustain the City's stormwater utility; and

WHEREAS, on May 7, 2024, the City Council held the first reading of this Ordinance; and

WHEREAS, on May 21, 2024, the City Council held a public hearing on the new stormwater rates; and

WHEREAS, on May 21, 2024, the City Council adopted this Ordinance at Second Reading during its regular meeting; **NOW, THEREFORE,**

THE CITY COUNCIL OF THE CITY OF RUSTON HEREBY ORDAINS AS

FOLLOWS:

Section 1. Section 20.02.020 of the Ruston Municipal Code is hereby amended to read as follows:

20.02.020 ~~Rate~~Stormwater rates and fees.

~~A monthly rate of \$5.00 is established to be charged to each sanitary sewer billing customer and each customer serviced by private septic tank who occupies property from which storm or surface runoff is carried by the storm sewer utility.~~

- A. The City is authorized to establish and impose stormwater rates and fees for all parcels of real property within the City limits. Such rates and fees shall be calculated in accordance with this chapter and established by ordinance or resolution of the City Council.
- B. The City is also authorized to establish and impose stormwater rates and fees when necessary to recover the cost of authorizing and regulating one-time, or short-term, discharges to the municipal stormwater system.
- C. The City shall determine what rates and fees shall apply to each specific parcel in accordance with this section, subject to the exclusions in RMC 20.02.026.
- D. Stormwater rates and fees are calculated based on the following:
 - 1. Unless otherwise provided for in this chapter, each parcel, lot, or tract will be charged a monthly Stormwater Fixed Fee in the amount of \$12.00 per month plus the applicable monthly Stormwater Rate based upon the square footage of the parcel and the land use designation of the parcel. The Stormwater Rate will not take effect until April 1, 2025. Between the effective date of this ordinance and April 1, 2025, only the Stormwater Fixed Fee will be charged.

Except as otherwise provided for in this chapter, for purposes of computing stormwater rates and fees under this section, the land use designation shall be classified based on the principal activity on the parcel using the North American Industry Classification System (NAICS, 2002) Code, adopted hereby for this purpose. The land use designation correlates to the level of development and amount of impervious surface on the parcel. Additional land use or location specific categories are further outlined in subsection "E" below which are also considered in determining the Stormwater Rate. The City shall determine the land use or location specific category for each parcel based upon the principal activity on or use of the parcel and place each parcel in one of the five following specific categories, hereinafter referred to as "Basic Categories of Development," as to each of which the Stormwater Rate per month per 500-square-foot increment of parcel area shall apply. The basic categories of development used for billing are: (a) Undeveloped; (b) Light; (c) Moderate; (d) Heavy; and (e) Very Heavy. Each basic category of development has

been assigned a range of overall parcel runoff factors and Stormwater Rate per the table below:

<u>BASIC CATEGORIES OF DEVELOPMENT</u>	<u>RANGE OF OVERALL PARCEL RUNOFF FACTORS</u>	<u>STORMWATER RATE PER 500 SQUARE FEET</u>
<u>(a) Undeveloped</u>	<u>0 to 0.22</u>	<u>\$0.3192 for one acre or less; if over one acre, additional area is charged \$0.0706</u>
<u>(b) Light</u>	<u>0.23 to 0.39</u>	<u>\$1.0287</u>
<u>(c) Moderate</u>	<u>0.40 to 0.56</u>	<u>\$1.4142</u>
<u>(d) Heavy</u>	<u>0.57 to 0.79</u>	<u>\$2.0765</u>
<u>(e) Very Heavy</u>	<u>0.80 to 1</u>	<u>\$2.8086</u>

The overall parcel runoff factor is related to the amount of impervious surfaces on a site. The more intensely a site is developed the higher the overall parcel runoff factor. Each NAICS code has been assigned an overall parcel runoff factor based upon typical development intensity for the uses represented by the NAICS code. The overall parcel runoff factor provides the correlation from NAICS code to the basic category of development utilized for stormwater billing.

2. In the event the City determines that the assigned NAICS code classification does not correlate to existing site conditions, the City may, in-lieu of classification based on NAICS code, calculate impervious surfaces on the site and make a determination as to the most applicable category of development, and that category should be applied.
3. If a parcel is redeveloped, segregated, or combined with another parcel, the revised parcels and, if applicable, land use designation or other land use or location specific designation in subsection "E" below, will be used to reestablish the basic category of development per subsection "D(2)" above, that will be assigned to the parcel for municipal stormwater utility billing purposes.
4. For purposes of computing stormwater rates and fees, the area of the parcel shall be rounded to the nearest 500-square foot increment (the area of premises less than 500-square feet shall be set at 500-square feet) and the number of such increments shall be multiplied by the applicable Stormwater Rate.
5. Stormwater rates shall be computed by carrying the computation to the third decimal place and rounding to a whole cent using a method that rounds up to the next cent whenever the third decimal place is greater than four.

E. Land use Specific Stormwater Rate Categories.

1. Open space parcels with forested land cover shall be charged only the Stormwater Fixed Fee and no Stormwater Rate for square footage will be applied to these parcels.
2. For undeveloped parcels over one acre, the first acre shall be billed at the undeveloped first acre or less stormwater rate, and any area over one acre shall be billed at the undeveloped area in excess of one acre stormwater rate.

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3. Single-family residential parcels and duplexes will be assigned the “moderate” basic category of development for determination of monthly stormwater rates. Triplexes or more dense residential parcels (more than two units) and commercial will be assigned “heavy” basic category of development for determination of monthly stormwater rates, unless the City determine that “very heavy” is the appropriate rate.

F. A connection fee of \$500.00 is ~~established to be~~ charged to each new customer at the time of building permit application.

Section 2. A new section 20.02.024 is hereby added to the Ruston Municipal Code to read as follows:

20.02.024 Reconsideration of stormwater rates.

Owners or other persons responsible for paying stormwater rates for a parcel may request that the City review the rates they are being charged if they believe such rates are based on erroneous information about the lot density, classification, or runoff rate. Such requests shall be made in writing and include the parcel number and a detailed description of the erroneous information alleged in the request. Upon receipt of such request, the City shall evaluate the requester’s information against the criteria set forth in the applicable provisions of this chapter, applicable state laws, and other factors reasonably related to the determination of whether the requester’s stormwater rate is based on erroneous information about the lot density, classification, or runoff rate. If the City determines that a requester’s stormwater rate is based on erroneous information about the issues in this section, the City may adjust the charge to reflect the proper rate under this chapter.

Section 3. A new section 20.02.026 is hereby added to the Ruston Municipal Code to read as follows:

20.02.026 Exclusions of certain properties from stormwater rates and fees.

Stormwater rates and fees shall not be levied directly to any City street, road, alley or right-of-way where the stormwater function has been transferred to and made a part of the municipal stormwater system. The City Council finds all City streets, roads, alleys and rights-of-way collect and transport stormwater from multiple individual properties, which provides stormwater management benefits to the City, which corresponds to a value equal to the reasonable charge therefor that would otherwise be charged by the City for such streets, roads, alleys, and rights-of-way.

Section 4. Severability. If any section, sentence, clause, or phrase of this Ordinance should be held to be unconstitutional by a court of competent jurisdiction, such invalidity or

unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 5. Publication. This Ordinance shall be published by an approved summary consisting of the title.

Section 6. Corrections. Upon the approval of the city attorney, the city clerk, and/or the code publisher is authorized to make any necessary technical corrections to this ordinance, including but not limited to the correction of scrivener’s/clerical errors, references, ordinance numbering, section/subsection numbers, and any reference thereto.

Section 7. Effective Date. This Ordinance shall be effective five days after publication as provided by law. The Stormwater Fixed Fee shall take effect on June 1, 2024. The Stormwater Rate shall take effect on April 1, 2025 as set forth in Section 1 above.

ADOPTED by the City Council of the City of Ruston and attested by the City Clerk in authentication of such passage on this 21st day of May, 2024.

APPROVED by the Mayor this 21st day of May, 2024.

Bruce Hopkins, Mayor

ATTEST/AUTHENTICATED:

Laurie Cassell, City Clerk

APPROVED AS TO FORM:

Jennifer S. Robertson
Ruston City Attorney

FILED WITH THE CITY CLERK: _____

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PASSED BY THE CITY COUNCIL: _____

PUBLISHED: _____

EFFECTIVE DATE: _____

ORDINANCE NO: 1580