

Snohomish County Surface Water Management Business Plan & Budget

Snohomish Basin Salmon Recovery Forum

AUGUST 2, 2018

SWM's Rates—Unchanged for 10 years

2018 Single Family Annual Surface Water Service Charges

48 Puget Sound Communities (January 2018)



Rates Recap

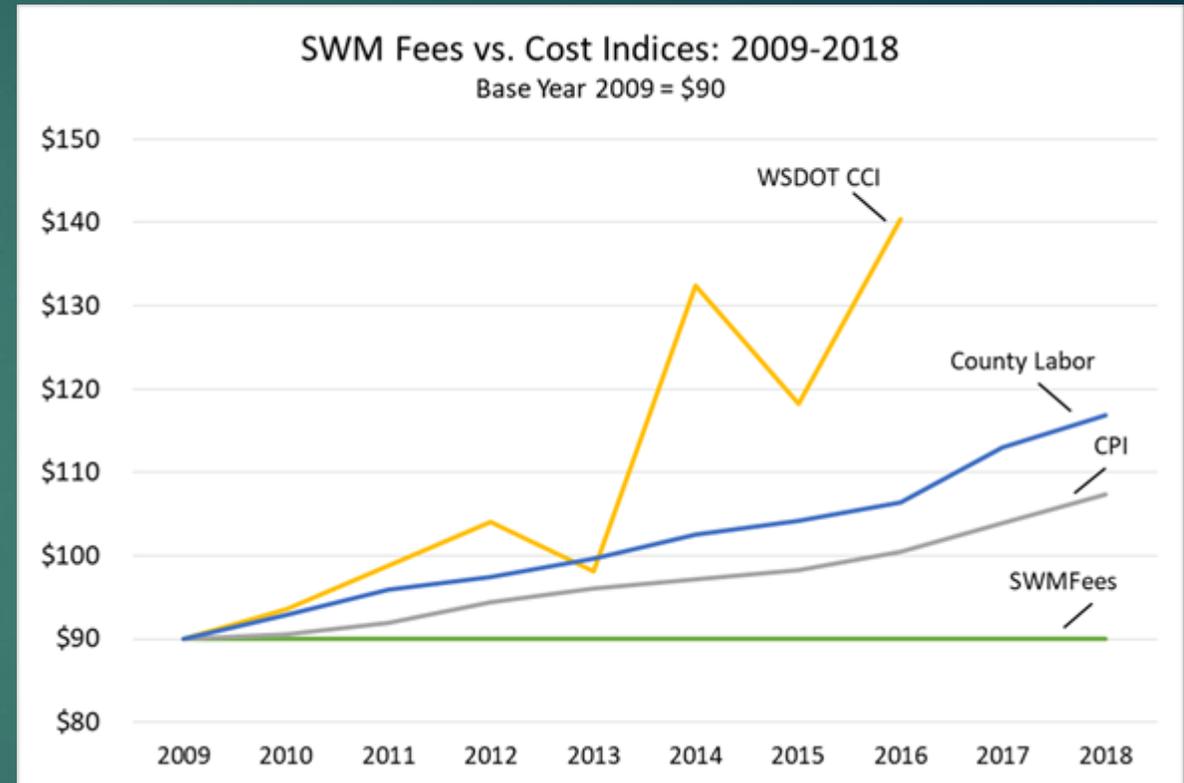
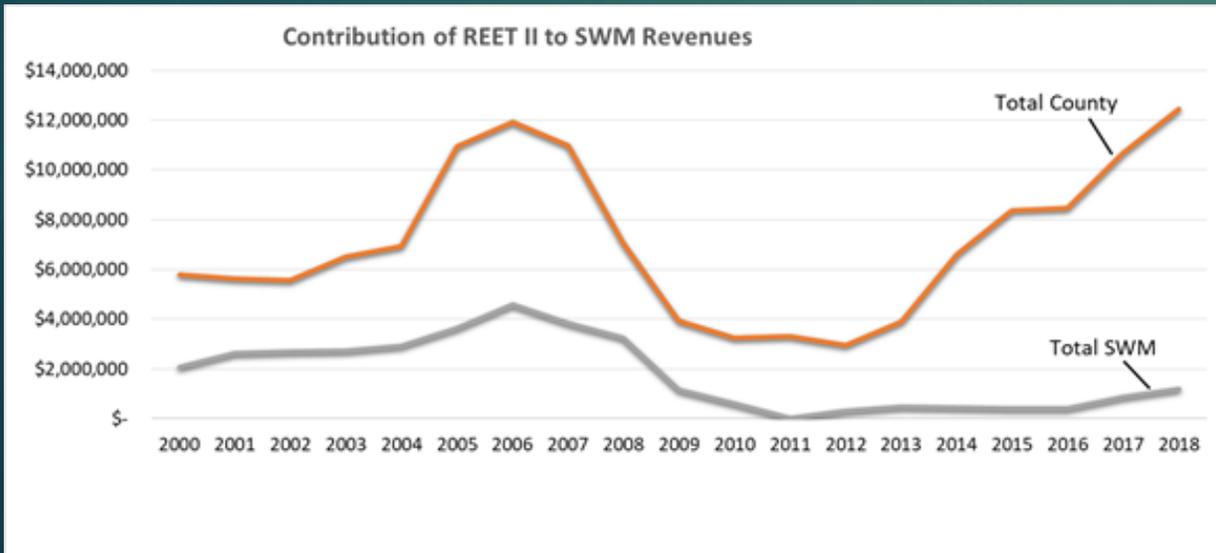
- Snohomish County has the lowest rate of all NPDES Phase 1 jurisdictions
- Snohomish County has one of the lowest surface water rates of 48 Puget Sound communities surveyed.

Rate Increases

- Out of the 48 Puget Sound communities surveyed, Snohomish County is one of only four that had no rate increase since 2009.
- In the past two years, 39 of 48 Puget Sound communities received rate increases.

SWMs Revenue

- ▶ Increased Cost of Doing Business
- ▶ Reduction of revenue sources



Costs and Demands Increased

- ▶ Retirement funds requirement (GASB 68)
- ▶ 2013 NPDES requirements
- ▶ Stormwater facilities have tripled since 2009
- ▶ Fish passage culverts
- ▶ Failing drainage pipes
- ▶ Increased rainfall



Fish passage before



Failing drainage pipes



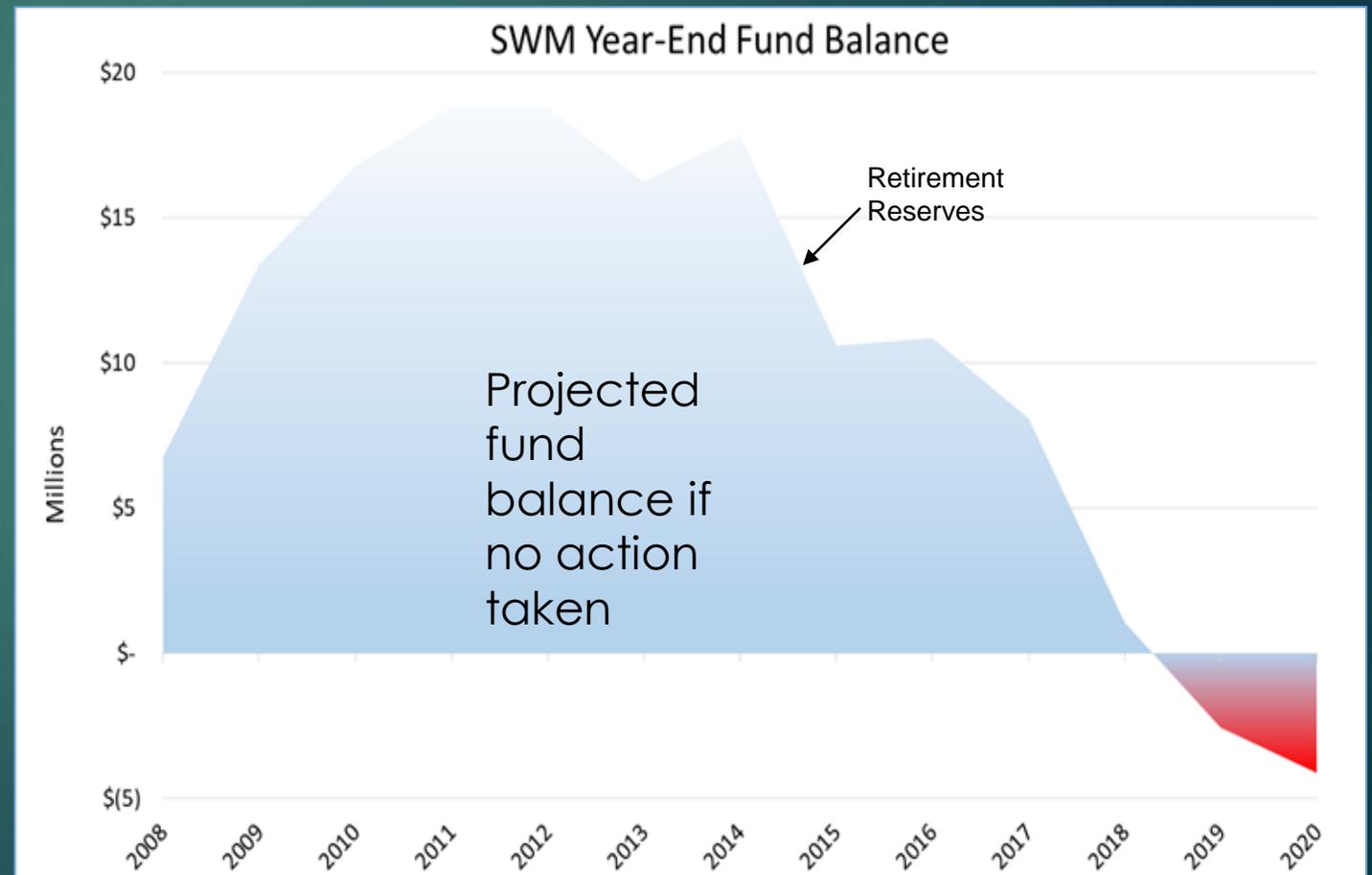
Fish passage after

SWM's Financial Impacts

Actions Taken:

- ▶ Stretched ratepayer's dollars with grants & other revenues
- ▶ Implemented efficiencies
- ▶ 2018 service cuts
- ▶ Vacancy holds
- ▶ 2019 proposed service cuts

Fund Balance Draw Down



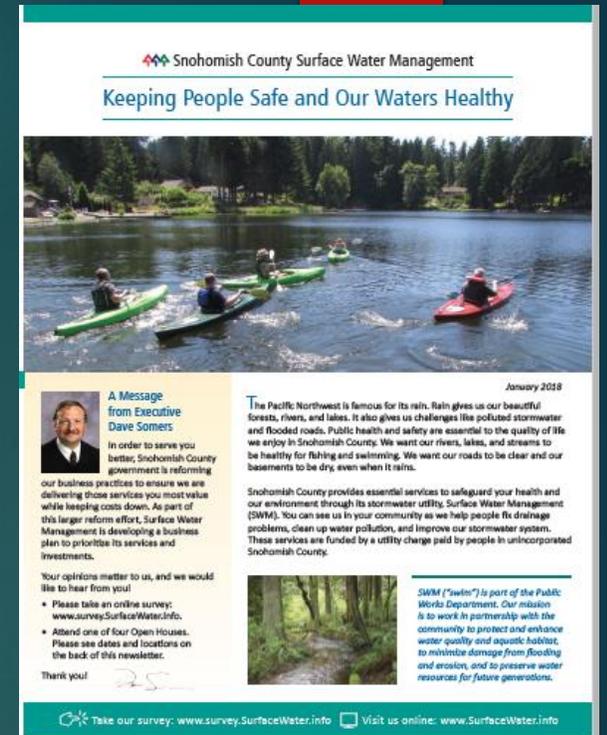
Ratepayer Outreach



Advisory Panel



Open Houses



Newsletter

2. How important to you is our work to maintain stormwater drainage systems?
- Not at all important
 - Slightly important
 - Moderately important
 - Very important
 - Extremely important
 - Not sure

Ratepayer Survey

Ratepayer Expectations

- Over 5,100 of 95,000 ratepayers responded

How important to you is our work in...?

SWM Service	Very or Extremely Important
Maintain stormwater drainage systems	84%
Identify & fix water pollution problems	83%
Build projects that reduce local flooding	77%
Build projects to restore rivers, lakes, and streams for fish and wildlife	72%

SWM should do more to:

- Repair and replace aging stormwater infrastructure
- Keep water healthy for swimming and fishing
- Protect and restore habitat
- Reduce local flooding
- Reduce impacts to river flooding

SMW's Rate Alternatives

▶ 7 Alternatives

- ▶ Range from \$6.5 million of enhanced services to \$2 million dollars in service reductions
- ▶ Impacts of no rate increase
 - ▶ >\$4 million/year in cuts
 - ▶ Reduction in staff starting in 2020

Initial Business Plan Alternatives

Alternative	Current Services	Enhancements	Total Annual REET	Base Residential SWM Charge (Countywide)	
				2019	2021
1. Advisory Panel Recommended	Yes	\$6.5M/yr	\$600k	\$128	\$176
2. Current Services Maintained with Moderate Enhancements	Yes	\$2.8M/yr	\$600k	\$124	\$150
3. Current Services Maintained	Yes	No	\$600k	\$121	\$132
4. Current Services Reduction	Cuts >\$4M/yr	No	\$600k	\$90	\$90

- Assumes SWM’s current rate structure with UGA surcharge in place through 2021
- Alternatives 1-3 include annual revenue increases to keep pace with rising costs
- The alternatives do not account for increased costs of the 2019 NPDES permit

Additional Alternatives – No UGA Surcharge

Alternatives	SWM Services		Total Annual REET		2019 Base Residential SWM Charge (Countywide)
	2019-2021	2022-2023	2019-2020	2021	
5	Cuts of \$2.1M/yr	Cuts reduced to \$1.0M/yr	\$2.1M	\$600k	\$122
6	Current	Current	\$2.1M	\$600k	\$128
7	Current	Enhancements \$1.1M/yr	\$600k	\$600k	\$136

- Assumes SWM base utility rates are the same across the County
- Assumes UGA surcharge is eliminated and base rates increased for all ratepayers
- Assumes annual revenue increases after 2019 of roughly 3.35%
- The alternatives do not account for increased costs of the 2019 NPDES permit

Annual Cost Adjustments

- ▶ Annual adjustments to rates needed to maintain services
- ▶ Beyond 2019, inflation estimated to increase costs by ~2.8%

2019 SWM Budget Reductions

SWM Service Cuts	Amount (\$M)
2018	
Council Directed Consolidation Cuts	\$ 0.5
Additional Service Cuts	\$ 1.1
2019	
Service Cuts in Proposed Budget	\$ 1.6
Total =	\$ 3.2

2019 SWM Budget Reductions

Prioritized Cuts in Services	Prioritized Services Retained
<ul style="list-style-type: none">• New initiatives• ILAs (paying for good work of other partners)• Paying for staff from other departments (PDS, Parks)• Reducing consultant use• Internal efficiencies and cuts (vehicles, supplies, staff training)	<ul style="list-style-type: none">• Staff (no layoffs)• NPDES-required programs• Retained all long-standing SWM programs

Reductions in Salmon Recovery Planning (Snohomish Basin)

- ▶ 2018 Reductions:

- ▶ none

- ▶ 2019 Reductions (\$20,000):

- ▶ Support for updating recovery strategies and goals based on the forthcoming 10 Year Status and Trends Report
 - ▶ Production of communication / outreach materials to share 10 year status information and re-engage Forum and recovery community in Snohomish Basin salmon recovery

Reductions in Habitat Restoration Services (Snohomish Basin)

- ▶ 2018 Reductions (\$320,000):
 - ▶ Consultant designs for Middle Pilchuck River, Thomas' Eddy and Fields Riffle
 - ▶ Slowed down coordination of future projects near Shinglebolt Slough
- ▶ 2019 Reductions (~\$94,000):
 - ▶ Consultant designs for Middle Pilchuck River and Shinglebolt Slough
 - ▶ Removal of 3 small derelict boats on Snohomish River

Reductions in Marine Resource Services

- ▶ 2018 Reductions (\$20,000):
 - ▶ Forage fish & sediment monitoring to evaluate Nearshore Project success
 - ▶ Education/Outreach in schools focused on marine conservation
 - ▶ Planning of new restoration projects in the nearshore
- ▶ 2019 Reductions (\$22,800):
 - ▶ Derelict crab pot removal efforts
 - ▶ Support of WSU Beach Watcher Program
 - ▶ Support for stormwater contaminant study of caged mussels
 - ▶ Removal of derelict boats