

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

| ITEM INFORMATION | | |
|---|--|---|
| SUBJECT: Adopt a Stormwater rate increase from \$16.00 to \$19.00 per Equivalent Residential Unit (ERU) per month effective January 1, 2019 and approve an Annual CPI-U inflationary rate increase beginning in 2020 and beyond. | Agenda Date: December 6, 2018 AB18-114 | |
| | Mayor Carol Benson | |
| | City Administrator | |
| | City Attorney David Linehan | |
| | City Clerk – Brenda L. Martinez | |
| | Com Dev/Nat Res – | |
| | Finance – May Miller | X |
| | MDRT/Ec Dev – Andy Williamson | |
| | Police – Chief Kiblinger | |
| | Public Works – Seth Boettcher | |
| Timeline: January 1, 2019 | Court – Stephanie Metcalf | |
| Cost Impact (see also Fiscal Note): | | |
| Fund Source: --Stormwater Utility Fund | | |
| Agenda Placement: <input checked="" type="checkbox"/> Mayor <input type="checkbox"/> Two Councilmembers <input type="checkbox"/> Committee Chair <input type="checkbox"/> City Administrator | | |
| Attachments: Ordinance; Financial Analysis | | |
| <p>SUMMARY STATEMENT: A work-study meeting and a Public Hearing were held on November 15, 2018 to review the recommended Stormwater rate increase of \$3.00 a month from \$16.00 to \$19.00 per month per Equivalent Residential Unit (ERU) effective January 1, 2019. This rate will affect all residential and business customers based on the ERU units. Qualifies residential customers will see an increase from \$8.00 per ERU to \$9.50 per ERU.</p> <p>The last time the Stormwater rates were increased to \$16.00 Per ERU was in 2014, The financial consultant computer model at that time showed that the rates needed to be increased to \$20.00 per ERU, but that never happen as it was thought that the Master Plan development growth was just around the corner.</p> <p>Several detailed Financial Cash-flow projections for 2018 and 2019 at the current rate, shows the operating cash position may be completely at a deficit by the end of 2019 without a rate increase. It is urgent that we correct the Stormwater rates to cover the cost of Operations.</p> <p>Mr. Ashley Emery of Peninsula Financial Consulting was hired to update the financial computer models that he has created when we increased the rates in 2013 and 2014. A workstudy Council meeting was held on November 15, 2018 were the Finance Director, Public Works and Mr. Emery reviewed the Financial Analysis and the impact different growth scenarios and the long-term impact on the Stormwater Rates</p> <p>A two-pronged approach is recommended, with a 2019 ERU rate increase of \$3.00 a month from \$16.00 to \$19.00 per month per ERU beginning January 1, 2019. The second tier is to include an annual CPI-U inflationary rate increase beginning in 2020 and beyond. This is like the annual inflationary rate increase that the City share of the Sewer rate has in place. This will help insure that rates increase more slowly over time to keep up with inflationary costs.</p> | | |

Council has the responsibility to ensure that Utility Fund has adequate rates in place to cover the cost of Operating, Capital and possible future debt costs. Currently, we are just requesting a 2019 rate increase to cover the Stormwater Operating costs.

FISCAL NOTE (Finance Department): A 2019 Stormwater rate increase is essential to provide Operating revenue and cash for 2019 and beyond.

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION: The Finance Committee reviewed the Proposed Stormwater rated increase and recommended forwarding to the full council.

RECOMMENDED ACTION: **MOTION to adopt Ordinance No. 18-1113, regarding a Stormwater rate increase of \$3.00 per month from \$16.00 to \$19.00 per month per Equivalent Residential Unit effective January 1, 2019 and approve an annual CPI-U inflationary rate increase effective January 2020 and beyond.**

RECORD OF COUNCIL ACTION

| <i>Meeting Date</i> | <i>Action</i> | <i>Vote</i> |
|---------------------|---------------|-------------|
| December 6, 2018 | | |
| | | |

CITY OF BLACK DIAMOND WASHINGTON

ORDINANCE NO. 18-1113

AN ORDINANCE OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON; RELATING TO STORMWATER UTILITY RATES; AMENDING SECTION 14.02.110 OF THE BLACK DIAMOND MUNICIPAL CODE; IMPLEMENTING A MONTHLY RATE INCREASE OF THREE DOLLARS PER ERU IN 2019 AND ADDING A CPI-U INFLATIONARY INCREASE IN 2020 AND BEYOND; PROVIDING FOR SEVERABILITY; ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City of Black Diamond is a municipal corporation operating under the laws of the state of Washington as a code city pursuant to Chapter 35A of the Revised Code of Washington; and

WHEREAS, as a code city, the legislative body of the City of Black Diamond is vested with all powers possible for a city or town to have under the Constitution of this state, and not specifically denied to code cities by law; and

WHEREAS, RCW Ch. 35.92 and Ch. 35.67 authorizes the City of Black Diamond to construct, condemn and purchase, acquire, add to, alter, maintain, and operate storm and surface water sewerage systems, and establish the rates therefore; and

WHEREAS, in 2018 the City contracted with Mr. Ashley Emery, Peninsula Financial Consulting, to up-date his computerized Stormwater Rate Analysis of the Stormwater Utility utilizing Black Diamond historical financial data, local Consumer Price Index data and various rates of growth over the next six years. The Financial analysis and computerized analysis were presented to Council at a November 15, 2018 Council workstudy meeting for the purpose of (a) identifying current and projected stormwater utility Maintenance, Operation and Capital costs and the rates needed to ensure that the City can continue providing adequate stormwater utility service throughout the City and meet its statutory and contractual obligations related thereto, and (b) identifying stormwater utility rates that will adequately fund such existing and projected costs; and

WHEREAS, Mr. Emery, in a previous 2013 rate analysis, had projected that the Stormwater rates should increase from \$16.00 to \$20.00 in 2015, however, the City postponed that rate increase from year to year as the Master Plan Development was expected to add growth each of the last four

years. This projected growth has finally begun in 2018, but the rate increase delay caused the need for an immediate rate increase effective January 1, 2019 to generate enough revenue to sustain a self-supporting and financially viable stormwater utility; and

WHEREAS, the financial data provided by the Finance Director and Mr. Emery's rate analysis recommend that the Stormwater rate needs to increase from \$16.00 per month to \$19.00 per month per Equivalent Residential Unit (ERU) effective January 1, 2019. Qualifying Lifeline residential users will see their rates increase from \$8.00 per month to \$9.50 per month per ESU; and

WHEREAS, in addition, the stormwater utility needs a yearly rate increase of the CPI-U annual adjustment effective January 1, 2020 and beyond. This inflationary increase will help ensure that revenues keep pace with the inflationary costs over time and help off-set the need for a future larger rate increase; and

WHEREAS, on December 3, 2018, the City Council held a public hearing on the Stormwater rate increase.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Amendment of BDMC 14.02.110 (Service Rate Charges). Section 14.02.110 of the Black Diamond Municipal Code is hereby amended (*amendments shown in legislative revision marks*) to read as follows:

14.02.110 - Service charge rates.

A. Service charges are hereby imposed on each parcel of real property within the city served by or to which is available for service the stormwater and surface water management utility.

B. The following service charge rate is hereby established for all parcels of real property in the city, subject to any credits as described in subsection (C), below:

1. Effective January 1, 2019, the service charge rate shall be nineteen dollars per ERU per month.

2. Effective January 1, 2020, an annual CPI-U inflationary adjustment shall be added each year for the annual percentage of change in the all urban consumer price index (CPI-U) published by the Bureau of Labor Statistics of the U. S. Department of Labor for the Western Region using the July index for the year immediately preceding the year of the adjustment. In no event shall the monthly charge decrease as a result of the CPI-U adjustment without separate and specific actions by the City Council. The CPI-U adjustment shall apply to the base Stormwater ERU rate and be rounded to the nearest fifty cents.

C. Credits. Where applicable, the following credits may be applied in calculating the service rate for a parcel of real property within the City of Black Diamond:

1. *Department of ecology permit credit.* Any customer within the City of Black Diamond that is required to obtain a general or individual wastewater permit from the Washington State Department of Ecology shall receive a credit, prorated monthly, in the amount paid each year for such permit toward the amount owed to the City of Black Diamond under this chapter. In order to qualify for this credit, the business must provide the city with a copy of the department of ecology permit and proof of payments along with a letter to the city utility clerk requesting the credit.

2. *Storm pond investment credit.* Any customer that is assessed a stormwater utility fee under Section 14.02.070.B.4 and that constructs and has approved by the city a storm water detention/retention facility shall be eligible for a credit toward the storm water utility rate for the site served by the facility, subject to the following:

(a) To qualify for a credit, the detention/retention pond and associated facilities must adequately perform storm water treatment functions through the use of such methods as oil/water separators, bioswales, wet ponds, cartridge filter systems, or other means. The city may revoke any credit granted under this section upon a determination that the facilities are out of compliance with this section.

(b) The owner of record must provide the city's public works department with a copy of the facility's "as built" plans, stamped and signed by the owner's engineer, to verify that the drainage system has adequate capacity to meet the design criteria for which the owner is requesting a credit. The engineer shall also provide a stamped and signed operations manual for the retention/detention pond. New capacity calculations, "as built" plans, and a new operations manual shall be provided to the city if the retention/detention pond is increased or decreased in size.

(c) Annually by January 1 of the year preceeding the year for which the credit is being requested, each owner of record shall provide a certified statement on a form provided by the city verifying that all required maintenance has been performed in accordance with the operations manual. Once every five years, the certified statement shall be stamped and signed by the owner's engineer.

(d) The owner of record shall provide the city with a "hold harmless" statement on a form provided by the city that indemnifies the city from any loss arising from the construction and maintenance and operation of the retention/detention pond and associated private drainage facilities for

both the quantity and quality of water runoff from the owner's property. This statement shall be signed by the owner and will be recorded with the county auditor by the owner of record. The owner of record shall provide a copy to the city showing the county auditor's recording number stamped on it before the credit will be given by the city.

(e) Each owner of record must enter into an agreement that allows the city to enter upon the owner's property to inspect the retention/detention pond and associated drainage facilities and verify all information submitted by the owner and his or her engineer. The agreement shall be on a form provided by the city and shall be recorded with the county auditor by the owner. The owner shall provide a copy to the city showing the county auditor's recording number stamped on it before the credit will be given by the city.

(f) Credit shall be given as follows:

(1) *Retention facilities:*

- a. One hundred-year storage: Eighty-five percent credit.
- b. Fifty-year storage: Forty percent credit.
- c. Twenty-five-year storage: Twenty percent credit.
- d. Ten-year storage: Ten percent credit.

(2) *Detention facilities:*

- a. One hundred-year storage facility with release rate of fifty percent of the predevelopment discharge rate for a two-year storm: Eighty-five percent credit.
- b. Fifty-year storage facility with release rate of fifty percent of the predevelopment discharge rate for a two-year storm: Forty percent credit.
- c. Twenty-five-year storage facility with release rate of fifty percent of the predevelopment discharge rate for a two-year storm: Twenty percent credit.
- d. Ten-year storage facility with release rate of fifty percent of the predevelopment discharge rate for a two-year storm: Ten percent credit.

Section 2. Effective Date. This Ordinance shall be in full force and effect five days after its passage, approval, posting and publication as provided by law. A summary of this Ordinance may be published in lieu of publishing the ordinance in its entirety.

Section 3. Severability. If any provision of this ordinance, or ordinance modified by it is determined to be invalid or unenforceable for any reason, the remaining provision of this ordinance and ordinances and/or resolutions modified by it shall remain in force and effect.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE ____TH DAY OF _____, 2018.

Mayor, Carol Benson

tested:

Brenda L. Martinez,
City Clerk

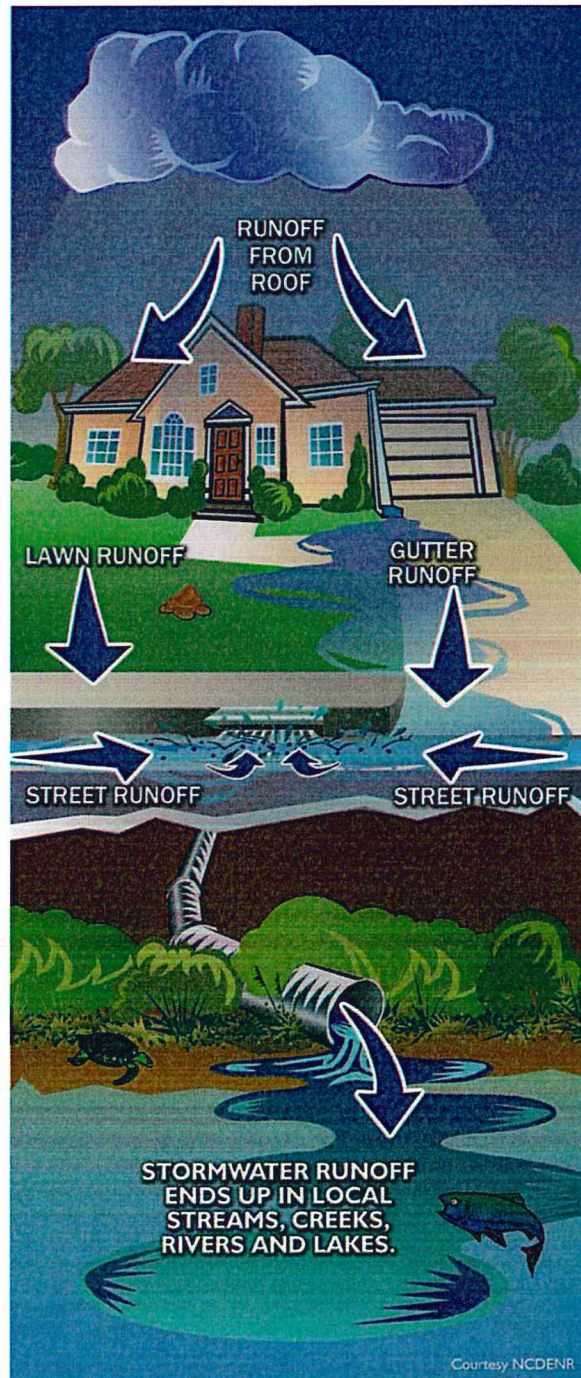
APPROVED AS TO FORM:

David Linehan
Kenyon Disend, PLLC
City Attorney

Published: _____
Posted: _____
Effective Date: _____

City of Black Diamond

Stormwater Rate Analysis



November 15, 2018

Table of Contents

| | |
|--|---|
| Memo and Overview | 1 |
| What is the Stormwater Utility? | 2 |
| Exhibit A, B & C | 4 |
| Black Diamond Stormwater Rate Comparisons..... | 7 |
| Other Cities Rate Comparisons | 8 |
| 2013 Cash Flow Plan (\$20 rate by 2015) | 9 |



CITY OF BLACK DIAMOND STORMWATER UTILITY RATES

To: Councilmembers

Subject: Stormwater Utility Rates for 2019

Date: November 15, 2018

During the 2019 Budget development and presentations to Council, it became evident that the 2019 rates for the City Stormwater Utility Fund were not currently enough to provide the revenue needed to cover operating expenditures.

After a monthly analysis, the details show that operating expenditures exceed total Revenue for 2019 by \$82,921 without a rate increase (see Exhibit A). The monthly cash flow also shows a monthly negative cash balance in ten of the twelve months of next year.

The current rates of \$16.00 per unit or ESU have been in place since 2014. The last rate study showed that rates should go to \$20.00 per unit in 2015, but that increase did not happen as each year it was thought that growth was right around the corner. Now it is urgent we increase rates for 2019 to cover the cost of operating and provide adequate cash-flow for the Stormwater Utility Fund.

Black Diamond bills the Residential \$16.00 a month rates through King County's Property Tax Billing system to save cost of staff time billing, stuffing and mailing approximately 1,500 stormwater bills per month. This also saves time of not receipting 1,500 individual payments per month. King County, however needs to know the Black Diamond Stormwater Rates for 2019 by December 13, 2018 and needs the supporting ordinance.

The consultant that completed the last Stormwater rate analysis, Mr. Ashley Emery of Peninsula Financial Consulting has been hired to update and present his computerized rate analysis models. He will present several models that will show the future effect different growth rates will have on the Stormwater cash balances at the November 15, 2018 Council Workstudy meeting.

A 2019 proposed rate increase of \$3.00 per month is recommended which will increase the monthly \$16.00 rate to \$19.00 per month per ESU. Several financial worksheets are attached showing the current cash deficit and urgent need for a 2019 Stormwater rate increase. By also including a second 2020 and beyond inflationary rate increase in the ordinance, future revenue will be able to keep pace with stormwater expenses. Council has the responsibility to ensure rates in Utility Funds are adequate to cover the costs of Operations, Capital and Debt for each fund.

A Public Hearing is planned for December 3, 2018 and adoption of a rate increase Ordinance is planned for December 6, 2018.

CITY OF BLACK DIAMOND
STORMWATER UTILITY

What does the Stormwater Utility do and why?

There are two main purposes of the Stormwater Utility.

- 1. Mitigate the water quality impact of urban living on local creeks, wetlands, and lakes.** When homes and businesses congregate in urban densities higher levels of pollutants impact our creeks, wetlands and lakes from vehicles, garbage, landscaping, chemicals we buy, pets, cleaning things and construction. The City has a State Department of Ecology permit to discharge stormwater into local lakes and streams. This permit has six areas of compliance activities to reduce this urban impact on our environment including:
 - Assess, monitor and report to DOE on the effectiveness of the Best Management Practices being applied by the city.
 - Provide public education and outreach
 - Provide for public input into the City's stormwater management Program each year.
 - Maintain an ongoing program to prevent, detect, characterize, trace and eliminate illicit connection and discharges into the city's storm water system.
 - Implement and enforce a program to reduce pollutants in stormwater runoff from construction and development

- Prevent and reduce pollutant runoff from municipal operations, including proper equipment washing, pond maintenance, street sweeping, proper storage of materials, and approximately 20 other best management practices.

Each of these areas have multiple areas of expense and fees.

2. Protect and Preserve the street system from the impacts of stormwater runoff.

A major contributor to premature road failure is poor drainage. The City's maintenance activities in ditch cleaning, storm pipe cleaning, catch basin pumping, drainage way clearing, dealing with leaf and storm debris, replacing damaged or broken city storm pipes helps protect and preserve our streets and well as protect private property.

How are Stormwater rates assessed?

All residential customers share the cost of the utility budget on an equal fixed fee basis. Businesses are included on that equal share based on how large the business is comparing the amount of impervious surface for the business to the amount of impervious surface of a residential home. The City Council set the impervious surface for a typical residential home at 3000 square feet. In our code this is referred to as an Equivalent Surface Unit (ESU).

Since we all use the streets and are part of an urban environment, all citizens and businesses are part of the problem, but we are also a part of the corporate solution, actively contributing to minimizing our impact to our natural aquatic environment.

**City of Black Diamond
Stormwater Rate Analysis**

Exhibit A

| 2018: Stormwater Revenue & Expenditures (Oct & on are estimated) | | | | | | | | |
|--|------------------------|----------------------------|--------------------|-------------------|---------------------|--------------------|-------------------|---------------------------|
| Month | City Collected Revenue | King Co. Collected Revenue | Stormwater Permits | Grants & Deposits | Investment Interest | 2018 Total Revenue | 2018 Expenditures | Revenue Less Expenditures |
| Jan | 9,015 | 480 | 35 | - | 193 | 9,723 | 27,379 | (17,656) |
| Feb | 7,203 | 2,016 | 698 | - | 135 | 10,052 | 30,537 | (20,485) |
| Mar | 7,792 | 8,179 | 315 | - | 160 | 16,445 | 29,566 | (13,121) |
| Apr | 9,183 | 103,544 | 1,358 | 3,467 | 141 | 117,694 | 45,652 | 72,042 |
| May | 6,368 | 25,434 | 1,561 | - | 153 | 33,516 | 35,468 | (1,952) |
| Jun | 7,474 | 1,728 | 3,820 | - | 240 | 13,263 | 43,932 | (30,669) |
| Jul | 7,586 | 816 | - | 2,886 | 245 | 11,533 | 28,375 | (16,842) |
| Aug | 7,338 | 1,008 | 1,737 | 4,000 | 247 | 14,330 | 34,996 | (20,667) |
| Sep | 8,595 | 3,606 | 6,482 | - | 170 | 18,853 | 31,709 | (12,856) |
| Oct | 8,494 | 102,406 | 487 | - | 179 | 111,566 | 34,179 | 77,386 |
| Nov | 8,834 | 20,832 | - | 18,647 | 200 | 48,513 | 34,179 | 14,334 |
| Dec | 9,090 | 480 | 1,000 | - | 200 | 10,770 | 34,179 | (23,409) |
| Total | \$96,973 | \$270,528 | \$17,493 | \$29,000 | \$2,263 | \$416,257 | \$410,153 | \$6,104 |

2018

| ASSUMPTIONS for 2019: | | | | | | | | | |
|--|------------------------|----------------------------|--------------------|-------------------|---------------------|--------------------|-------------------|---------------------------|----------------------|
| 1. 2019 Stormwater Budget with Current Rates | | | | | | | | | |
| 2. Estimated growth of 16 ESUs/Month | | | | | | | | | |
| Effect of 2019 Stormwater Budget at Current Rates \$16 | | | | | | | | | |
| 2019 | City Collected Revenue | King Co. Collected Revenue | Stormwater Permits | Grants & Deposits | Investment Interest | 2019 Total Revenue | 2019 Expenditures | Revenue Less Expenditures | Monthly Cash Balance |
| Beg Bal | | | | | | | | | \$80,000 |
| Jan | 7,266 | 524 | 487 | - | 193 | 8,471 | 39,615 | (31,145) | 48,855 |
| Feb | 7,522 | 2,202 | 487 | - | 135 | 10,346 | 39,615 | (29,269) | 19,586 |
| Mar | 7,778 | 8,933 | 629 | - | 160 | 17,501 | 39,615 | (22,115) | (2,528) |
| Apr | 8,034 | 113,097 | 487 | - | 141 | 121,760 | 39,615 | 82,144 | 79,616 |
| May | 8,290 | 27,781 | 487 | - | 153 | 36,711 | 39,615 | (2,904) | 76,712 |
| Jun | 8,546 | 1,887 | 1,358 | - | 240 | 12,032 | 39,615 | (27,583) | 49,128 |
| Jul | 8,802 | 891 | 487 | - | 245 | 10,425 | 42,615 | (32,190) | 16,939 |
| Aug | 9,058 | 1,101 | 487 | - | 247 | 10,893 | 42,615 | (31,722) | (14,783) |
| Sep | 9,314 | 3,938 | 1,358 | - | 170 | 14,781 | 42,615 | (27,835) | (42,618) |
| Oct | 9,570 | 111,854 | 487 | - | 200 | 122,111 | 42,615 | 79,496 | 36,878 |
| Nov | 9,826 | 22,754 | 487 | - | 200 | 33,267 | 42,615 | (9,348) | 27,530 |
| Dec | 10,082 | 524 | 1,358 | - | 200 | 12,165 | 42,615 | (30,451) | (\$2,921) |
| Total | \$104,092 | \$295,488 | \$8,599 | \$0 | \$2,284 | \$410,463 | \$493,384 | (\$82,921) | |

* Projected Ending Fund Balance in 2019 at Current Rates

**City of Black Diamond
Stormwater Rate Analysis**

Exhibit B

ASSUMPTIONS for 2019:

1. 2019 Stormwater Budget with rate increase of 12.5%: From \$16 to \$18
2. Estimated growth of 16 ESUs/Month

| Ending Cash Balance Effect of 2019 Stormwater Budget with 12.5% Increase in Rates | | | | | | | | | |
|---|------------------------|----------------------------|--------------------|-------------------|---------------------|--------------------|-------------------|---------------------------|----------------------|
| 2019 Months | City Collected Revenue | King Co. Collected Revenue | Stormwater Permits | Grants & Deposits | Investment Interest | 2019 Total Revenue | 2019 Expenditures | Revenue Less Expenditures | Monthly Cash Balance |
| Beg Bal | | | | | | | | | \$80,000 |
| Jan | 8,175 | 590 | 487 | - | 193 | 9,445 | 40,454 | (31,010) | 48,990 |
| Feb | 8,463 | 2,477 | 487 | - | 135 | 11,562 | 40,454 | (28,893) | 20,098 |
| Mar | 8,751 | 10,050 | 629 | - | 160 | 19,589 | 40,454 | (20,865) | (767) |
| Apr | 9,039 | 127,234 | 487 | - | 141 | 136,901 | 40,454 | 96,447 | 95,680 |
| May | 9,327 | 31,254 | 487 | - | 153 | 41,220 | 40,454 | 766 | 96,445 |
| Jun | 9,615 | 2,123 | 1,358 | - | 240 | 13,336 | 40,454 | (27,118) | 69,327 |
| Jul | 9,903 | 1,003 | 487 | - | 245 | 11,637 | 43,454 | (31,817) | 37,510 |
| Aug | 10,191 | 1,239 | 487 | - | 247 | 12,163 | 43,454 | (31,291) | 6,219 |
| Sep | 10,479 | 4,431 | 1,358 | - | 170 | 16,437 | 43,454 | (27,017) | (20,798) |
| Oct | 10,767 | 125,836 | 487 | - | 200 | 137,289 | 43,454 | 93,835 | 73,037 |
| Nov | 11,055 | 25,598 | 487 | - | 200 | 37,340 | 43,454 | (6,114) | 66,923 |
| Dec | 11,343 | 590 | 1,358 | - | 200 | 13,490 | 43,454 | (29,964) | \$36,959 * |
| Total | \$117,104 | \$332,424 | \$8,599 | \$0 | \$2,284 | \$460,411 | \$503,452 | (\$43,041) | |

* Projected Ending Fund Balance in 2019 with 12.5% increase in rates

**City of Black Diamond
Stormwater Rate Analysis**

Exhibit C

- ASSUMPTIONS for 2019:**
1. 2019 Stormwater Budget with rate increase of 19%: From \$16 to \$19
 2. Estimated growth of 16 ESUs/Month

| Ending Cash Balance Effect of 2019 Stormwater Budget with 19% Increase in Rates | | | | | | | | | |
|---|------------------------|----------------------------|--------------------|-------------------|---------------------|--------------------|-------------------|---------------------------|----------------------|
| 2019 Months | City Collected Revenue | King Co. Collected Revenue | Stormwater Permits | Grants & Deposits | Investment Interest | 2019 Total Revenue | 2019 Expenditures | Revenue Less Expenditures | Monthly Cash Balance |
| Beg Bal | | | | | | | | | \$80,000 |
| Jan | 8,647 | 624 | 487 | - | 193 | 9,951 | 40,878 | (30,927) | 49,073 |
| Feb | 8,952 | 2,620 | 487 | - | 135 | 12,194 | 40,878 | (28,684) | 20,388 |
| Mar | 9,256 | 10,631 | 629 | - | 160 | 20,676 | 40,878 | (20,203) | 186 |
| Apr | 9,561 | 134,586 | 487 | - | 141 | 144,775 | 40,878 | 103,896 | 104,082 |
| May | 9,866 | 33,059 | 487 | - | 153 | 43,565 | 40,878 | 2,686 | 106,768 |
| Jun | 10,170 | 2,246 | 1,358 | - | 240 | 14,014 | 40,878 | (26,864) | 79,904 |
| Jul | 10,475 | 1,061 | 487 | - | 245 | 12,267 | 43,878 | (31,611) | 48,293 |
| Aug | 10,779 | 1,310 | 487 | - | 247 | 12,824 | 43,878 | (31,055) | 17,239 |
| Sep | 11,084 | 4,687 | 1,358 | - | 170 | 17,299 | 43,878 | (26,579) | (9,341) |
| Oct | 11,389 | 133,106 | 487 | - | 200 | 145,182 | 43,878 | 101,304 | 91,963 |
| Nov | 11,693 | 27,077 | 487 | - | 200 | 39,458 | 43,878 | (4,421) | 87,542 |
| Dec | 11,998 | 624 | 1,358 | - | 200 | 14,180 | 43,878 | (29,698) | \$57,844* |
| Total | \$123,870 | \$351,631 | \$8,599 | \$0 | \$2,284 | \$486,384 | \$508,540 | (\$22,156) | |

* Projected Ending Fund Balance in 2019 with 19% increase in rates

City of Black Diamond Stormwater Monthly Rate Comparison

| | Estimated # 2019 | Group | Billing thru | Monthly 2018 | Monthly 2019 | Monthly Increase |
|----------------------------|---------------------|--------------------------------------|--|---------------------|---------------------|---------------------|
| Regular Accounts | 41 | Lifeline | King County property tax collection, April and October | \$8.00 | \$9.50 | \$1.50 |
| | 1609 | Residential & Small Business | King County property tax collection, April and October | \$16.00 | \$19.00 | \$3.00 |
| Larger Lot Accounts | 28 | Small Business 1.5 - 4.0 ESUs | City Utility Billing Process | \$24.00 - \$64.00 | \$28.50 - \$76.00 | \$4.50 - \$12.00 |
| | 16 | Business 4.5 - 9.5 ESUs | City Utility Billing Process | \$72.00 - \$152.00 | \$85.50 - \$186.50 | \$13.50 - \$28.50 |
| | 9 | Business 10 - 22.5 ESUs | City Utility Billing Process | \$160.00 - \$360.00 | \$190.00 - \$427.50 | \$30.00 - \$67.50 |
| | 1 | BD Elem.School 33.5 ESUs | City Utility Billing Process | \$536.00 | \$637.00* | \$100.00 |
| Special Accounts | 100 | New 2019 Homes | City Utility Billing 1st Year, to KC 2020 | \$16.00 | \$19.00 | \$3.00 |
| | 24 | Rainier View Senior Housing Lifeline | City Utility Billing Because of Turnover | \$8.00 | \$9.50 | \$1.50 |
| | 6 | Rainier View Senior Housing Lifeline | City Utility Billing Because of Turnover | \$16.00 | \$19.00 | \$3.00 |
| | 3 | Mobile Home Park and 2 Others | City Utility Billing | ** | | |

* Is eligible for a possible \$450 Storm Pond Discount

** Mobile Home Park and a few other accounts have storm pond discounts and special unit charges

2018 Stormwater Rate Comparison to Other Cities

| Jurisdiction | Residential rate |
|--------------------------------------|-------------------------|
| Kent | \$12.51 |
| Covington | \$18.47 |
| North Bend | \$12.36 |
| Issaquah | \$15.91 |
| Auburn | \$20.22 |
| Maple Valley | \$9.93 |
| Bellevue | \$28.45 |
| Duvall | \$19.59 |
| Redmond | \$16.56 |
| Snohomish | \$14.68 |
| Snoqualmie | \$20.45 |
| <i>Proposed Black Diamond</i> | <i>\$19.00</i> |

2013 Stormwater Rate Analysis: Rate Increase to \$20 in 2015

| City of Black Diamond, Washington | | No MPD Growth | | | Draft 6/3/2013 | | | |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Stormwater Utility Fund | | | | | | | | |
| Five Year Cash Flow -One Scenario | | | | | | | | |
| Stormwater Fund | 2013 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| | Budget | Proposed | Budget | Budget | Budget | Budget | Budget | Budget |
| Possible Monthly Rates | 14.00 | 14.00 | 15.00 | 20.00 | 20.00 | 20.00 | 20.00 | 20.00 |
| Operating Begin Cash Bal | 80,250 | 82,436 | 90,318 | 102,690 | 105,383 | 108,167 | 111,056 | 114,057 |
| Capital & Reserve Cash Bal | 1,750 | (436) | 6,481 | (21,632) | 5,617 | 24,403 | 34,348 | 35,261 |
| Total Beg Cash & Inv. | 82,000 | 82,000 | 96,779 | 81,058 | 109,106 | 128,726 | 139,551 | 141,396 |
| Operating Revenue-City | 280,000 | 306,000 | 328,240 | 328,240 | 328,240 | 328,240 | 328,240 | 328,240 |
| Operating possible Rate Inc. | | | | 109,280 | 109,280 | 109,280 | 109,280 | 109,280 |
| Misc Revenue | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 |
| Funding Reimbursement | 60,925 | 47,550 | 15,500 | 0 | 0 | 0 | 0 | 0 |
| Infill Growth | | 672 | 1,512 | 2,880 | 5,280 | 7,680 | 10,320 | 13,200 |
| Infill Connection Charges | | | | | | | | |
| Total Stormwater Fund Sourc | 341,225 | 354,522 | 345,552 | 440,700 | 443,100 | 445,500 | 448,140 | 451,020 |
| New Infill ERU's per Year | 3 | 3 | 4 | 5 | 10 | 10 | 11 | 12 |
| Cum Per Capita Other Growth | | | 7 | 12 | 22 | 32 | 43 | 55 |
| Stormwater Fund Expenditures | | | | | | | | |
| Salaries & Bene | 118,148 | 119,933 | 123,531 | 127,237 | 131,054 | 134,986 | 139,035 | 143,206 |
| Benefits | 54,053 | 54,299 | 56,471 | 58,730 | 61,079 | 63,522 | 66,063 | 68,706 |
| City Adm (2015 FT/Pt. Sr Acct) | | | | 20,639 | 21,877 | 23,190 | 24,581 | 26,056 |
| Supplies | 14,000 | 14,000 | 14,560 | 15,142 | 15,748 | 16,378 | 17,033 | 17,714 |
| Services & Charges | 89,190 | 89,190 | 91,420 | 93,705 | 96,048 | 98,449 | 100,910 | 103,433 |
| B&O & Util Tax | 35,610 | 42,321 | 65,291 | 87,199 | 87,674 | 88,150 | 88,672 | 89,243 |
| Transfers to Cap Equip | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Sub Total Operating Uses | 321,001 | 329,743 | 361,273 | 412,652 | 423,480 | 434,675 | 446,295 | 458,359 |
| Loan -from Sewer | 30,500 | 10,000 | | | | | | |
| Sub total Debt Service | 30,500 | 10,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Street Sweep/Cln/Debre dis | | | 35,000 | 35,900 | 36,800 | 37,700 | 38,600 | 39,600 |
| Capital Projects | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Stormwater Fund Uses | 351,501 | 339,743 | 361,273 | 412,652 | 423,480 | 434,675 | 446,295 | 458,359 |
| Change in Cash & Inv | (10,276) | 14,779 | (15,721) | 28,048 | 19,620 | 10,825 | 1,845 | (7,339) |
| Ending Cash & Invest Bal | 71,724 | 96,779 | 81,058 | 109,106 | 128,726 | 139,551 | 141,396 | 134,057 |

Cash & Investment Balance needs to cover three months of operating expenditures per city resolutions No. #08-850 & 13-866.
Note Beginning Cash & Investment Balance

Stormwater Scenario includes the adopted 2014 and 2015 rates, and anticipated an approximate \$5.00 per month increase in 2015. \$2.00 of the increase will be needed to cover the Catch basin Cleaning, Street Sweeping, storage and disposal that had been covered by a DOE grant in the past.