



**Agenda**  
**Gig Harbor City Council Study Session**  
**Thursday, November 18, 2021**  
**3:00 p.m.**  
**Council Chambers**

*This meeting may also be accessed through Zoom at <https://zoom.us/j/93216056382> or by calling (253) 215-8782 and entering Meeting ID 932 1605 6382.*

**CALL TO ORDER**

**ROLL CALL**

**DISCUSSION ITEMS**

1. Stormwater Utility Revenue Structure

**ADJOURN**



PUBLIC WORKS DEPARTMENT

## **MEMORANDUM**

TO: Mayor and City Councilmembers

FROM: Jeff Langhelm, PE, Public Works Director

DATE: November 10, 2021

SUBJECT: Stormwater Utility Revenue Structure

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The City of Gig Harbor created its stormwater utility in 1984. Since then, the City has seen significant increases in population, development, stormwater infrastructure, and stormwater regulations. Beginning in 2007 the City was mandated to manage the City stormwater facilities under a National Pollution Discharge Elimination System (NPDES) permit issued by the Department of Ecology. More recent stormwater regulations have created a mixture of regulations under which the City has managed stormwater between 1984 and today. Some of these mixtures of regulations have caused perceived stormwater rate inequalities between properties that have developed between 1984 and today.

At the June 10 City Council Study Session, it was recommended that staff proceed with the Stormwater Utility Revenue Study to clarify the City's stormwater utility billing policies by considering current utility costs and possible municipal code updates.

Staff has subsequently developed a new City webpage summarizing the purpose and efforts behind this study and the pending direction the City is heading to adjust the way the City collects stormwater revenues. This webpage is located here: <http://www.cityofgigharbor.net/747/Stormwater-Revenue-Study>.

Staff also held two virtual open houses in September where we provided information to the public on Gig Harbor's stormwater infrastructure, permit regulations, current costs, equivalent billing unit (EBU) calculations, and perceived rate inequalities. Here is the video from the September 16 meeting: <https://youtu.be/GlWYnsXAtcc>. Please watch this video before our November 18 study session if you have the opportunity.

At the November 18 Council Study Session Staff will:

1. Recap the purpose of reviewing the City's stormwater utility revenue structure.
2. Review the draft update to GHMC 14.10 (attached).
3. Discuss possible implementation options for commercial customers who's revenue structure will be adjusted.
4. Discuss a possible partitioning of single family residential dwelling units into two or three separate categories, depending on amount of hard surface.
5. Answer questions posed by City Council.

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## Chapter 14.10 STORMWATER BILLING AND COLLECTION

### 14.10.010 Definitions.

The following words when used in this chapter shall have the following meanings, unless the context clearly indicates otherwise:

- A. The “city” shall mean the corporate limits of the city of Gig Harbor, Washington, a municipal corporation created and existing under the laws of the state of Washington.
- B. “Developed” shall mean real property that has hard surfaces.
- C. “Equivalent billing unit” or “EBU” shall mean 4,400 square feet of hard surface.
- D. “Hard surface” shall mean all surfaces that are part of a built environment or other human-made physical features, except for landscaped areas with vegetation.
- E. “Parcel” shall mean each legally defined tract of real property.
- F. “Residential” means activity involving the human occupation of a building for living, cooking, sleeping, and recreation.
- G. “Single-family dwelling” means a residential structure with one dwelling unit that is constructed on a permanent foundation. Single-family dwellings are detached from other single-family dwellings except that accessory apartments may be attached to a single-family dwelling.
- H. “System” shall mean the entire system of stormwater facilities owned by the utility or over which the utility has control or right of use for the movement and retention of storm and surface waters, including both naturally occurring and manmade facilities.
- I. “Undeveloped” shall mean real property that is not considered developed.
- J. “Utility” shall mean the city stormwater utility, a municipal separate storm sewer system (MS4) as defined by Western Washington Phase II Municipal Stormwater Permit, which operates and maintains the storm or surface water drains, channels and facilities, outfalls for storm drainage and the rights and interests in property relating to the system.

### 14.10.020 Policy on rates and charges.

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A. Each single-family dwelling, each accessory dwelling unit, each residential unit of a duplex, and each mobile/manufactured home, is one equivalent billing unit for each parcel of developed real property.

B. For all other developed real properties, the utility shall determine the number of equivalent billing units contained on each parcel based on the amount of hard surface on each parcel as defined in GHMC 14.10.010. Regardless of calculation of hard surface, a minimum of one equivalent billing unit shall be determined. Calculations that result in more than one equivalent billing unit shall be adjusted to the nearest 0.1 EBU.

#### **14.10.030 Classification of property.**

Repealed.

#### **14.10.040 Undeveloped real property.**

Repealed.

#### **14.10.050 Stormwater monthly service rates.**

A. In accordance with the basis for a rate structure set forth in GHMC [14.10.020](#), each parcel of developed real property shall be charged the following monthly service rates, not including state and city sales tax, which shall be collected from the owner of each parcel based on the number of equivalent billing units contained on each parcel:

1. Effective August 1, 2015, shall be \$12.56.
2. Effective January 1, 2016, shall be \$13.00.
3. Effective January 1, 2017, shall be \$13.46.
4. Effective January 1, 2018, shall be \$13.93.
5. Effective January 1, 2019, shall be \$14.42.
6. Effective January 1, 2020, shall be \$14.92.

#### **14.10.055 Stormwater system general facilities charges.<sup>1</sup>**

The city shall impose a stormwater general facilities charge of \$1,770 for each equivalent billing unit for each parcel of developed real property pursuant to GHMC [14.10.020](#). Each general facilities charge shall be calculated and paid to the city at the time of building permit issuance.

#### **14.10.060 Property exempt from monthly rates and general facilities charges.**

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The following special categories of developed property are exempt from monthly service rates and general facilities charges:

- A. City street rights-of-way;
- B. State of Washington and Pierce County highway rights-of-way.

## **14.10.070 Collection.**

- A. All rates, charges, and all other utility fees or charges hereafter established by the city council by ordinance shall be deemed to be levied upon the premises themselves.
- B. The city shall have a lien for all delinquent and unpaid rates, charges, and fees for stormwater utility purposes, including without limitation monthly rates and system development charges assessed against all premises to which service was furnished, which lien shall have the superiority established by RCW [35.67.200](#) and shall be foreclosed in the manner provided in RCW [35.67.220](#) et seq.
- C. As an additional and concurrent method of enforcing its lien upon any premises for delinquent stormwater utility rates, charges, and fees, the utility is authorized, in accordance with law and in the manner provided by this code to stop providing water service to such premises for so long as any delinquent rates, charges, or fees remain unpaid.
- D. Unpaid stormwater monthly service rates shall be deemed delinquent if not paid within 30 days following the billing date. Interest at the rate of eight percent per year shall be charged on all delinquent monthly service rates and late charges.
- E. Utility appeals shall be directed to the Public Works Director or designee.

## **14.10.080 Periodic review of rates, charges, and fees.**

Periodic review of rates, charges and fees will be completed by the city.

## **14.10.090 Commencement or termination of stormwater monthly service rates.**

- A. Monthly service rates shall commence when a water utility meter is turned on or a Certificate of Occupancy for the parcel is issued, whichever comes first.
- B. Monthly service rates shall terminate on parcels that undergo city permits to bring property back into a state of undeveloped real property as of the date of final approval for a city-issued demolition permit.