**Surface Water Management Local Drainage Services**

Analyst: Jenny Ngo

|  |  | **Expenditures** |  | **Revenues** |  | **FTEs** |  | **TLTs** | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2021-2022 Revised Budget |  | $89,366,700 |  | $86,873,918 |  | 128.0 |  | 11.0 | |
| 2023-2024 Base Budget Adjust. |  | ($2,412,892) |  | ($102,138) |  | 0.0 |  | (6.0) | |
| 2023-2024 Decision Packages |  | $6,506,797 |  | $5,884,694 |  | (30.0) |  | (2.0) | |
| **2023-2024 Proposed Budget** |  | **$93,461,000** |  | **$92,656,474** |  | **98.0** |  | **3.0** | |
| % Change from prior biennium |  | 4.6% |  |  |  |  |  |  | |
| Dec. Pkg. as % of prior biennium |  | 7.3% |  |  |  |  |  |  | |
| **Major Revenue Sources:** SWM fees, Grants, Contracts, General Fund | | | | | | | | |
| **Base Budget Assumptions:** (1) Remove one-time expenditures, including those related to pandemic response; (2) annualized supplemental changes; (3) update personnel rates; (4) 4.0% GWI for 2023; (5) 4.0% GWI for 2024 | | | | | | | | |

**Description**

Surface Water Management (SWM) Local Drainage Services provides a variety of functions for surface water management in King County. Local Drainage Services designs and constructs stormwater facilities; updates surface water design standards and regulations in compliance with federal and state requirements; inspects and maintains existing stormwater facilities; investigates, reports, and repairs drainage and water quality problems; and manages compliance with the National Pollutant Discharge Elimination System (NPDES) permit required under the Clean Water Act. This fund holds the money for capital projects, which are transferred to the SWM CIP Non-bond Subfund through a pay-as-you-go system.

**Summary of Proposed Budget and Changes**

The SWM revenue is proposed to increase by $9.6 million through an 11.8 percent increase to the SWM rates, discussed further in the Issues section below. This revenue would provide for current levels of service and expand support services in both the SWM Local Drainage Services appropriation unit and the Water and Land appropriation unit. Other notable changes are described below:

* Add a business analyst position, including $327,871 and 1.0 FTE, to provide support for stormwater management fee billing and the customer relationship management database, as well as to provide process improvements. Currently, the program pays KCIT to provide data analytics support. The agency anticipates a cost reduction of up to $75,000 after this 2023-2024 biennium, once SWM billing support is fully transitioned to this business analyst position.
* Move the Agricultural and Neighborhood Drainage and Water Quality Programs (also known as ADAP and NDAP) from the SWM capital fund to the operating fund due to the non-capital project nature of these programs. Although there is a $1.15 million expenditure request, this is a net-zero impact due to how moneys for capital projects are transferred between this operating fund and the SWM CIP Non-bond Subfund.
* Move three programs from Surface Water Management Local Drainage Services to the Water and Land Resources appropriation unit. These programs are the Open Space Acquisition (OSA) unit; Agriculture, Forestry, and Incentive unit; and Basin Stewards. The purpose of this move is to align the SWM Local Drainage Services fund scope more closely with surface water management activities. This proposed technical adjustment includes disappropriating $10.08 million, 31.0 FTE and 2.0 TLT positions

**Key Issues**

**Issue 1 – SWM Rates Increase: $9,613,272**

The Executive proposed 2023-2024 budget would increase the SWM rates 11.8 percent for all property classifications. Proposed Ordinance 2022-0377, which would increase the SWM rates, was transmitted with the Executive’s 2023-20224 Proposed Budget. The SWM program pays for the cost of planning, designing, constructing, maintaining, and operating stormwater control facilities under county and state law.[[1]](#footnote-1)

Table 1 below illustrates the current SWM rates and the 2023-2024 proposed SWM rates for unincorporated King County property owners.

**Table 1. 2019-2022 SWM Rates and 2023-2024 Proposed SWM Rates (corrected)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Rate Classification** | **Percent Impervious Surface** | **2019-2022**  **Rate** | **2023-2024 Proposed Rate** |
| 1 Residential | N/A | $289.00 / parcel | $323.00 / parcel |
| 2 Very Light | 10% or less | $289.00 / parcel | $323.00 / parcel |
| 3 Light | 10.1% - 20% | $803.51 / acre | $898.04 / acre |
| 4 Moderate | 20.1% - 45% | $1,504.04 / acre | $1,680.99 / acre |
| 5 Moderately Heavy | 45.1% - 65% | $2,566.60 /acre | $2,868.55/ acre |
| 6 Heavy | 65.1% - 85% | $3,575.37 / acre | $3,996.00 / acre |
| 7 Very Heavy | 85.1% - 100% | $4,399.10 / acre | $4,916.64 / acre |

The proposed 2023-2024 SWM fee for a single-family residence is $323.10 per parcel. A sample of 34 jurisdictions in the region identified a range of $129 to $466 for a single-family residence in 2022, with a median SWM fee of $207.

The SWM rate increase would cover inflationary increases to maintain current levels of service and expand support services in both the Water and Land Resources appropriation unit and the SWM Local Drainage Services appropriation unit. According to Executive staff, these support services would include grant development, policy and interjurisdictional relations, human resources, prioritization of chemicals of emerging concern, kokanee salmon recovery, immigrant-refugee farm program staffing, forest health and restoration staffing, fish passage restoration capital projects team, business analysis support, and fish passage projects in County rights-of-way. Information on these support services, proposed expenditures, and staffing can be found in the budget summary section for these appropriation units.

The Council will have the opportunity to review the proposed rate increases as part of its review of Proposed Ordinance 2022-0377. If the proposed rate increases are not approved, in whole or in part, the proposed 2023-2024 operating and capital budget expenditures in several agency divisions would need to be adjusted or fund balance would need to be used.

**Issue 2 – WSDOT SWM Payment**

There is an ongoing issue related to WSDOT's payment of SWM fees to the County. Since 2020, WSDOT has not paid its SWM fees under its interpretation of RCW 90.03.525, as amended in 2019. WSDOT is one of the largest SWM fee rate payers, and according to Executive staff, WSDOT's nonpayment presents a financial risk of up to $3.9 million for the 2023-2024 biennium. Consistent with the statute, the Executive is in discussions with WSDOT on how to resolve this issue for the biennium and for past nonpayment. The 2023-2024 Executive proposed budget assumes full payment of the WSDOT SWM fee.

**Response to Council Inquiries**

**Question 1: Corrected SWM Rate Tables**

Answer:

**Table 2. 2019-2022 SWM Rates and 2023-2024 Proposed SWM Rates**

|  |  |  |  |
| --- | --- | --- | --- |
| **Rate Classification** | **Percent Impervious Surface** | **2019-2022**  **Rate** | **2023-2024 Proposed Rate** |
| 1 Residential | N/A | $289.00 / parcel | $323.00 / parcel |
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| 7 Very Heavy | 85.1% - 100% | $4,399.10 / acre | $4,916.64 / acre |

**Question 2: What were SWM rates over the past 10 years?**

Answer: Historical SWM rates are shown in the table below.

**Table 3. King County SWM Rates between 1986 and 2019**

**with Proposed 2023 Rates**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year** | **SWM Service Charge** | **Dollar Increase** | **Percent Increase** | **Inflation Over Same Period[[2]](#footnote-2)[1]** |
| **1986** | $26.07 | -- | -- | -- |
| **1992** | $85.02 | $58.95 | 226% | 26% |
| **2002** | $102.00 | $16.98 | 20.0% | 28.2% |
| **2007** | $111.00 | $9.00 | 8.8% | 14.3% |
| **2011** | $133.00 | $22.00 | 19.8% | 8.8% |
| **2013** | $151.00 | $18.00 | 13.5% | 4.6% |
| **2014** | $171.50 | $20.50 | 13.6% | 1.6% |
| **2017** | $240.44 | $68.94 | 40.2% | 3.8% |
| **2019** | $289.00 | $48.56 | 20.2% | -- |
| **2023 (proposed)** | $323.00 | $34.00 | 11.8% | -- |

**Question 3: Concerning the Neighborhood Drainage Assistance Program (NDAP), what is the current demand for the program, what is the backlog for this program, have there been discussion on how to clear the backlog, what would it take to clear such a backlog?**

Answer: The Water and Land Resources Division staff have reached out directly to Councilmember Upthegrove to provide additional information.

**Question 4: Has WSDOT paid all of the SWM fees? What grounds are we expected to be made whole?**

Answer: No, WSDOT's last payment of SWM fees occurred in 2019. If the issue is unresolved through 2022, that would equate to $5.3 million in past-due fees. If fees are not paid through 2024, this would equate to $9 million. As discussed in the issues section above and by Director Dively during the October 5th Budget Panel 2 meeting, the Executive is in discussions with WSDOT on a resolution.

**Question 5: Who pays this rate?**

Answer: Every developed parcel in unincorporated King County is subject to a SWM fee. Fees are dependent on the type of use (single-family residential or non-single-family residential) and, for non-single-family residential, the impervious surface cover of the property. The rates are identified in Table 1, above. There are several SWM fee discounts available for property owners including: senior or disabled customers, customers with household incomes at or below 200 percent of the federal poverty guidelines, public schools providing a surface water curriculum, parcels with on-site stormwater mitigation systems in place, partially forested properties, and open space parcels.

**Question 6: What is the SWM increase? Is it just to maintain?**

Answer: The SWM rate increase is intended to cover both inflationary increases and address ongoing efforts to improve water quality and fish passage, and to address aging infrastructure. Nearly half of the $9.6 million in revenues address inflationary costs alone. The remaining moneys would support a majority of 9 FTE adds and provide $1.83 million for fish passage work in for capital projects in the Roads Division.

**Question 7: What is the total increase to residents across this Division?**

Answer: The effect of both the SWM and Noxious Weed rates combined is roughly $35 per year for a single-family residence in unincorporated King County. However, it is worth noting that SWM and Noxious Weed rates are calculated differently and will vary. SWM rates are adopted by each jurisdiction and vary in range.

1. RCW 36.89.080 through 36.89.120 and K.C.C. Chapter 9.08. [↑](#footnote-ref-1)
2. [1] Bureau of Labor Statistics Consumer Price Index Inflation Calculator starting from January of the given year [↑](#footnote-ref-2)