

## FINDINGS

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**Division:** Resources Policy and Planning

**Staff Name:** Earl Rowell

**Email:** [earl.rowell@clark.wa.gov](mailto:earl.rowell@clark.wa.gov)

**Phone:** (360) 397.2121 ext. 4580

**TOPIC: Review of 1999 Exhibit E: Clark County Clean Water Funding Task Force: Summary of Public Comments; 2014 Clark County Clean Water Program Increase (Modify CCC 13.30A)**

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### EXECUTIVE SUMMARY

This is a review of Clark County's 1999 *Exhibit E: Clark County Clean Water Funding Task Force: Summary of Public Comments* and relationship to the October 1999 Staff Report: *Consider Adoption of a Clean Water Funding Ordinance for Unincorporated Clark County* (Attachment A). This effort led to the Clean Water Program fee (CCC 13.30A) or *enterprise fund* to comply with federal and state stormwater management requirements for the unincorporated area.

In 2014, the Department of Environmental Services Clean Water Program began pursuing an increase in the Clean Water Program fee (which by the year-end will have a short fall of \$1.6 million) to meet rigorous NPDES permit requirements and resolves a settlement of \$3.6 million.

### BACKGROUND

Exhibit E is one of six exhibits listed in the 1999 Staff Report, and it describes five funding options ranging from (Attachment B):

- Flat fee per tax lot
- Flat tax rate based on property value
- Fee based on land use
- Fee/tax combination
- Flat fee based on area of impervious surface

#### 1999

The 1999 Staff Report draws heavily from Exhibit E, *Summary: Round 2 Public Gatherings* a preferred funding concept that combines a *fee based on land use* and *impervious surface* (Attachment A). This concept defines what is: a base unit; single-family unit; single-family with acreage (larger than ½ acre); multi-family unit; commercial, industrial would pay based on the amount of impervious surface; raw land or lots with structures; apply a senior citizen/low income discount; and allow schools a fee reduction/waiver in exchange for contract to public education and management of their stormwater facilities; undeveloped land with improvements of less than \$10,000 would not assessed a stormwater fee.

Round 2 Public Gathering, also provides "other funding systems ideas" including, but limited not to, "tax on fertilizer and pesticides, use the county road fund, exempt agriculture and forest lands", among others ideas (Attachment B).

#### 2014

In 2014 Department of Environmental Services Clean Water Program staff reviewed the continued cost of NPDES Permit requirements, as well as, new monitoring and watershed planning requirements that will cost the county about \$6.8 million.

Program Budget

Capital improvements = \$1.7 million  
Facilities maintenance = \$1.5 million  
Program Operations = \$3.5 million

Current program revenue is \$5.2 million, thus there a \$1.6 million shortfall in the Clean Water Program.

To maintain compliance with the permit, county staff proposes modifying *CCC 13.30A.050 Rate Structure and Fee*, based on the *March 19, 2014 Clean Water Program Funding to the Board of County Commissioners: Work Session*. The proposal splits the unincorporated Clark County area into *urban* and *rural* where urban area pays \$47 and rural pays \$35 per year. It also incorporates a new *Section E* (i.e. surcharge of \$5.00 on each base unit) to settle s \$3.6 million lawsuit. The surcharge will run from 2015 through 2019. In 2020 the fee goes back to \$47 and \$35 per year.

Also, from the work session is a proposal to focus on other sources of revenue which is similar to what was done in 1999 (Attachment B). However in 2014, the focus shifted to *Alternative Pollution Fee Options* such as a bottle bill, fireworks permits, litter fees, pet licenses, private roads, recycling collection contracts, road use intensity, septic system fees, single use plastic bags, solid waste collection district, system development charges, vehicle registration surcharge, large commercial without stormwater facilities (Attachment C).

**EVALUATION OF 1999 EXHIBIT E AND PROPOSED 2014 REVISIONS TO CLARK COUNTY CODE 13.30A**

Here are the standards that created the 1999 Exhibit E and are used in developing the 2014 proposed modifications to CCC 13.30A:

1999 Standards:

- Acceptable      Is it fair and equitable
- Effective        It generates the needed revenue
- Efficient        It is easy to understand, administer, and collect
- Complete        It addresses the entire stormwater management plan need
- Accountable    It allows for tracking funds and program effectiveness

2014 Standards:

- Is there a direct nexus
- Easy to collect
- Easy to assess
- Does Clark County have authority
- What revenue would it generate

The 2014 standards used to modify “CCC 13.30A.050 Rate Structure and Fees” are nearly the same as the 1999 standards. These standards support: equitability, generate ample funding, understandable, comply with federal and state NPDES permit (stormwater) requirements, and accountability.

**RECOMMENDATION/CONCLUSION**

The evaluation process to select funding opportunities is essentially the same in 1999 and 2014. In 2014, separating the urban and rural areas each with its own stormwater fee and having a surcharge over five-year period seems appropriate.

The funding component of the clean water program should be reevaluated every NPDES permit cycle (every five years).