

CITY OF FIFE, WASHINGTON

ORDINANCE NO. 1883

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FIFE, PIERCE COUNTY, WASHINGTON, ADDING A NEW SUBSECTION 13.18.070(D) TO THE FIFE MUNICIPAL CODE REGARDING STORMWATER UTILITY RATES

WHEREAS, the City operates a storm drainage and surface water management utility pursuant to Chapters 35A.80 and 35.67 RCW; and

WHEREAS, the purpose of the stormwater utility is to protect public and private property from flood damage, protect environmentally sensitive areas, reduce localized flooding, and comply with state and federal regulations; and

WHEREAS, the City hired the outside consulting group, FCS Group, to analyze the City's current rate structure and make recommendations about future costs and necessary increases; and

WHEREAS, FCS Group has made a recommendation that the stormwater utility rates be adjusted based on a weighted average inflation index, a formula that is comprised of operating and management costs that are linked to general cost inflation as defined by the Seattle Consumer Price Index (CPI), and rate-funded capital costs that are linked to construction cost inflation, as defined by the Engineering News Record (ENR) Construction Cost Index; and

WHEREAS, the use of this formula would go into effect from the year 2020 onward; and

WHEREAS, a public hearing on the proposed rate change was held on September 9, 2014; now therefore

THE CITY COUNCIL OF THE CITY OF FIFE, PIERCE COUNTY, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. A new section 13.18.070(D) is hereby added to the Fife Municipal Code to read as follows:

D. Commencing January 1, 2020, and on the first day of January each successive year thereafter, the monthly rates for storm drainage and surface water management services for each development category shall be increased from the previous year in accordance with the following formula:

$$[\text{Operating Costs as \% of Total Costs}] \times [\text{Increase in Average Annual Consumer Price Index for Seattle (CPI-U: All Urban Consumers)}] + [\text{Rate-Funded Capital Costs as \% of Total Costs}] \times [\text{Increase in Average Annual Engineering News Record (ENR) Construction Cost Index for Seattle}] = \text{Indexed Rate Adjustment}$$

For purposes of this formula:

Total Costs shall consist of the following percentages:

| | |
|---------------------------|--------|
| Operating Costs | 77.4% |
| Rate-Funded Capital Costs | 22.6% |
| Total Costs | 100.0% |

Increase in Average Annual Consumer Price Index for Seattle (CPI-U: All Urban Consumers) shall be measured for the 12-month period ending in June of the previous year as published by the U.S. Bureau of Labor and Statistics.

Increase in Average Annual Engineering News Record (ENR) Construction Cost Index for Seattle] shall be measured for the 12-month period ending in October of the previous year.

The city manager shall cause to be prepared a rate worksheet setting forth the future monthly rate for each development category based on the percentage increases set forth herein, and said worksheet shall be available to the public.

Section 2. The Public Works director shall periodically, but no less frequently than every five years, review and if necessary recommend adjustments to the Total Cost percentage allocations sets forth in FMC 13.18.070(D) to insure that they reflect current and forecasted expenditures.

Section 3. This Ordinance shall be in full force and effect five (5) days after publication as required by law. A summary of this Ordinance may be published in lieu of the entire Ordinance, as authorized by State law.

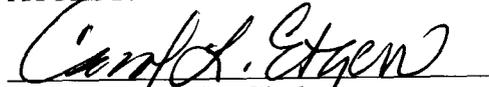
Introduced the 23rd day of Sept. 2014.

Passed by the City Council on the 14th day of Oct. 2014.



Subir Mukerjee, Intefim City Manager

ATTEST:



Carol Etgen, City Clerk

APPROVED AS TO FORM:



Loren D. Combs, City Attorney
assistant city attorney

Published: Oct 16, 2014
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