

# Stormwater Rate Structures: Alternatives, Evaluation, and Innovation City of Tacoma

**Ecology Grant WQSWGRS-2123-TacoES-00087**

**April 20, 2022 – June 30, 2023**

**Ecology Funded Grant: \$185,060**

**Actual Project Cost: Approximately \$135,000**

## Project Description

Many jurisdictions have not updated their stormwater rate structures despite the rising costs of meeting stormwater utility obligations, raising concerns about equity and effectiveness. This project included a comprehensive benchmarking survey, a review of industry-wide best practices, the development of rate structure and rate credit evaluation frameworks, an evaluation of stormwater rate credit/exemption policies, and an example case study to illustrate how the findings can be applied by a permittee. The project included six unique tasks:

**Task 1:** *Project Administration/Management*

**Task 2:** *Technical Advisory Committee & Project Team Meetings*

**Task 3:** *Benchmarking and Rate Structure Survey*

**Task 4:** *Rate Structure Evaluation Framework*

**Task 5:** *Stormwater Rate Credit and Exemption Evaluation*

**Task 6:** *Rate Evaluation Process Documentation and Case Study*



## Task Deliverables

While Task 1 was primarily administrative, Tasks 2 - 6 each produced key project deliverables. Each deliverable is listed below:

### **Task 2: Technical Advisory Committee & Project Team Meetings**

- *Technical Advisory Committee (TAC) organization, meeting agendas, notes, and summaries*

### **Task 3: Benchmarking and Rate Structure Survey**

- *Stormwater Benchmarking & Rate Structure Survey Results Memo, data from survey results*
- *Stormwater Environmental Justice Research Report*
- *Stormwater Rate Structure Policy Brief*

### **Task 4: Rate Structure Evaluation Framework**

- *Stormwater Rate Structure Evaluation Framework*

### **Task 5: Stormwater Rate Credit and Exemption Evaluation**

- *Stormwater Rate Credit and Exemption Evaluation Policy Paper*
- *Stormwater Rate Credit Evaluation Framework*

### **Task 6: Rate Evaluation Process Documentation and Case Study**

- *City of Tacoma Stormwater Rate Case Study*

The task reports have been incorporated into one final report for ease of access.

## Key Findings

### Task 2: Technical Advisory Committee & Project Team Meetings

- Hosted several TAC meetings where feedback was solicited from TAC members.

### Task 3: Benchmarking and Rate Structure Survey

- Stormwater Benchmarking & Rate Structure Survey Results Memo
  - Received 62 total responses from jurisdictions across the state. Key findings included 78% of respondents utilize an impervious area rate structure, 32% of respondents administer a connection charge, etc.
- Stormwater Environmental Justice Research Report
  - Conducted nationwide research documenting novel and emerging stormwater rate structures and other techniques that utilities have used to address environmental justice concerns.
- Stormwater Rate Structure Policy Brief
  - Detailed the rate structures described in the Benchmarking Survey and Environmental Justice Research Reports

### Task 4: Rate Structure Evaluation Framework

- Created a methodology for jurisdictions to prioritize and evaluate rate structure objectives and proposed steps to address and / or make progress within each objective.

### Task 5: Stormwater Rate Credit and Exemption Evaluation

- Stormwater Rate Credit and Exemption Evaluation
  - Provided examples of instances in which jurisdictions could offer rate credits or adjustments, the rational basis for such credits, and elements to consider during implementation.
- Stormwater Rate Credit Evaluation Framework
  - Created a methodology for jurisdictions to prioritize and evaluate rate credit and exemption objectives and proposed steps to address and / or make progress within each objective.

### Task 6: Rate Evaluation Process Documentation and Case Study

- Evaluated the City of Tacoma's rate structure and rate adjustments and made preliminary recommendations and suggestions.

## Project Impact

For jurisdictions looking to reevaluate their stormwater utility, this project gives them the tools to do so. From in-depth discussions of different rate structure or rate credit policies to surveys of local and national trends and even environmental justice considerations, the groundwork for improving stormwater utility policies is provided in these documents.

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