SWM’s Rates—Unchanged for 10 years

2018 Single Family Annual Surface Water Service Charges
48 Puget Sound Communities (January 2018)

Rates Recap
- Snohomish County has the lowest rate of all NPDES Phase 1 jurisdictions
- Snohomish County has one of the lowest surface water rates of 48 Puget Sound communities surveyed.

Rate Increases
- Out of the 48 Puget Sound communities surveyed, Snohomish County is one of only four that had no rate increase since 2009.
- In the past two years, 39 of 48 Puget Sound communities received rate increases.
SWMs Revenue

- Increased Cost of Doing Business
- Reduction of revenue sources
Costs and Demands Increased

- Retirement funds requirement (GASB 68)
- 2013 NPDES requirements
- Stormwater facilities have tripled since 2009
- Fish passage culverts
- Failing drainage pipes
- Increased rainfall
SWM’s Financial Impacts

Actions Taken:

- Stretched ratepayer’s dollars with grants & other revenues
- Implemented efficiencies
- 2018 service cuts
- Vacancy holds (hiring freeze)
- 2019 proposed service cuts

Fund Balance Draw Down

![SWM Fund Balance Graph]
Ratepayer Outreach

Advisory Panel

Open Houses

Ratepayer Survey

Newsletter
SMW’s Rate Alternatives

6 Alternatives

- Range from $6.5 million of enhanced services to $2 million dollars in service reductions

- Impacts of no rate increase
  - Increasing budget reductions needed every year
  - Reduction in staff starting in 2020
### Prioritized Cuts in Services

- New initiatives
- ILAs (paying for good work of other partners)
- Paying for staff from other County departments
- Reducing consultant use
- Internal efficiencies and cuts (vehicles, supplies, staff training)

### Prioritized Services Retained

- Staff (no layoffs)
- NPDES-required programs
- Retained all long-standing SWM programs

### County Departments and Partners Impacted by Cuts

- Parks
- PDS
- Flood Control Districts
- Snohomish Conservation District
- Salmon Recovery Partners
- Tribes
- King County
- WSU Extension
- Snohomish Health District
<table>
<thead>
<tr>
<th>Programs and Examples</th>
<th>2018</th>
<th>2019</th>
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<tbody>
<tr>
<td><strong>Water Quality Services</strong></td>
<td></td>
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<tr>
<td>• Reduce programs to understand the health of lakes, rivers and streams</td>
<td>$146,000</td>
<td>$500,000</td>
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<tr>
<td>• Reduce outreach to ratepayers aimed at preventing water pollution</td>
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<tr>
<td><strong>Salmon, Shellfish &amp; Marine Resource Services</strong></td>
<td>$598,000</td>
<td>$389,000</td>
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<td>• Complete river habitat projects slower</td>
<td></td>
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<tr>
<td><strong>Road Flooding Services</strong></td>
<td>$247,000</td>
<td>$347,000</td>
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<td>• Slower response to resolve road flooding</td>
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<tr>
<td><strong>River Flooding Services</strong></td>
<td>$100,000</td>
<td>$140,000</td>
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<td>• Increase risk of dike/levee failure</td>
<td></td>
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<td><strong>Fiscal, Billing &amp; Administration Services</strong></td>
<td>$45,000</td>
<td>$89,000</td>
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<td>• Reduce communications to our ratepayers</td>
<td></td>
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<tr>
<td><strong>Total</strong></td>
<td>$1,136,000</td>
<td>$1,465,000</td>
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</tbody>
</table>

Near term funding gap >$4 million
Smith Island estuary restoration project, tidal influence re-established August 10, 2018

Questions?