

# SULTAN CITY COUNCIL

## AGENDA ITEM COVER SHEET

---

**ITEM NO:** Continued Public Hearing

**DATE:** February 28, 2008

**SUBJECT:** Stormwater Utility Formation

**CONTACT PERSON:** Connie Dunn, Public Works Director *CD*  
Deborah Knight, City Administrator

---

### ISSUE:

The issue before the City Council is continuing to receive comments on establishing a stormwater utility for developed residential and commercial properties in Sultan.

### STAFF RECOMMENDATION:

- 1) Staff recommends the City Council continue the January 24, 2008 Public Hearing and take comment on establishing the stormwater utility for developed residential and commercial properties in Sultan.
- 2) Direct Staff and Stakeholders to review and discuss the needs of the stormwater system as part of the comprehensive plan update, then report back to Council.

### BACKGROUND:

On January 24, 2008, during Council Public Hearing, comments were received regarding the stormwater utility. The Public Hearing was continued to February 28, 2008 at Sultan High School to allow more people and time to comment. At the January 24<sup>th</sup> Public Hearing the public asked a number of questions including:

- Is gravel pervious or impervious?
  - Gravel is considered impervious per the 2005 Washington State DOE Volume I, Minimum Technical Requirements and Site Planning, glossary page 25. Attachment A
- Can the Council reduce the budget and reduce the utility fee?
  - This is certainly an option the Council can address during formation of the utility
  - The budget includes staffing, maintenance costs of existing system, public education, publications, testing of discharge water
  - Contracting with Snohomish County Surface Water Division is an option
- Is the cost of the stormwater rate – too high?
  - The business community has expressed concern that the proposed \$12.35 per Equivalent Residential Unit rate is too high for Sultan's businesses to absorb at this time.

- Others have stated the City needs to be "Business Friendly"
- The Council could consider starting at a lower rate and working up to an amount that would support the utility. The Council has taken this approach in water and sewer rates.
- What is the budget?
  - Comprehensive Plan requirements to provide provisions within the plan addressing stormwater
  - Fifty (50) percent of the budget will be for capital projects in the City of Sultan
  - The General Population of Sultan is concerned staff is going to receive an increase in wages. THIS IS NOT TRUE
  - City of Sultan staff wages is paid by different funds within the City Budget. The percentage of staff time and wages determine the percentage that comes from each fund.

Example:

2008 Budget distribution of Wages, Attachment C:

Public Works Director: 9% from streets, 1% from cemetery, 30% from water, 30% from sewer, 20% from garbage and 2008 10% was to come from the stormwater fund equals 100% of the Public Works Directors Wages of \$65,000 per year.

- Fifty (50) percent to be used for maintenance and operations of the existing system
- What would be the consequence of not applying for the NPDES in 2012?
  - The city is preparing for the NPDES Phase II requirements in 2012 per DOE comments and suggestion.
  - The City may or may not be required to get a permit in 2012
  - If the City doesn't prepare, the system falls further behind and it will cost more to bring the system into compliance.
  - Operations and maintenance are more expensive
- Senior Discount for residents
  - Currently the Council has allowed for Senior Discounts in the Fee Schedule, there is an application to fill out to become qualified.
- Pristine Waters
  - Sultan waters are clean
  - Establishing a stormwater utility ensures they will remain clean as the city's population grows and the number of businesses increase.
- Utilities are a tax to the citizens of Sultan
  - Utilities (Water, Sewer, and Garbage) are a service to Sultan's citizens provided by the City.
  - Rates have increased through the years, as the cost of doing business increases
  - Stormwater as a service will include cleaning catch basins, vactoring stormwater lines, Lab test of runoff, inspection of existing facilities – city owned and private owned facilities, repair and replacement of deficient lines and facilities.

- Will National Permits Discharge Elimination System (NPDES) be required starting in 2012? There are variables that determine the timing for which the City of Sultan will need to comply with Department of Ecology requirements.
  - Population per acre
  - Population size of the entire City
  - Classification of the City – Urban or Non-Urban
  - Stormwater Discharge Treatment Requirements
- The Stormwater utility will have a negative Impact on properties impacted with wetlands and critical areas - this will take even more of industrial and business properties
  - The stormwater utility can be a benefit as properties develop. There will be stormwater retention and treatment on properties, which in turn can give increased building area to property ratio.

Attachment D is a summary for the August 9 Public Hearing describing:

- Need
- The three components of the Stormwater Utility
- Equivalent Residential Units
- The Stormwater Fee
- Annual Budget
- Adopting the Stormwater Utility

Faced with Federal and State Stormwater Requirements the City of Sultan is preparing, as are many cities, to address the discharge permit requirements that could be required in 2012.

The Storm Water Utility will address:

- Existing System Operation and Maintenance
- Water quality
- Fish habitat
- Flood management, localized flooding

## **DISCUSSION:**

### The Next Steps:

The City has established a Stakeholder Group:

The first meeting of approximately five to seven people is February 25, 2008 at 3:00pm to discuss the existing System Inventory, and Stormwater Comprehensive Plan including:

- What the existing system consists of
- Culvert location and condition
- Line Size and Type
- Discharge locations into rivers, streams, and ground
- Existing Pretreatment – City owned detention-retention facilities

The completion of this work for the Comprehensive Plan, Stormwater Element will be working with Tony Beedle and providing information to Dean Frantz, Pertteet Engineering, consultant for Comprehensive Pan Compliance.

March 3, 2008 at 6:30 PM will be the next meeting of the stakeholders that signed up at the January 24, 2008 Council meeting, the agenda to be announced later.

**FISCAL IMPACT:**

Cost to Adopt a Surface Water Utility

The cost to adopt a surface water utility include the fee analysis work currently contracted with Shockey Brent. This work is budgeted at approximately \$18,500.

The proposed public education/awareness program consists of press releases, community workshop(s), flyers, discussions with interested citizen groups, and public hearings. The estimate for education/awareness is approximately \$1,500.

The cost of establishing a billing system is estimated between \$2,500 to use the City's existing billing system to \$20,000 for a separate system. These costs will be refined throughout the year and will be included in the overall cost of running the utility.

The stormwater utility would be an enterprise fund and will reduce expenditures in the General Fund, Streets, and Sewer because of moving stormwater maintenance activities: street sweeping, vactoring and staff time to maintain the existing stormwater system from the funds currently picking up the costs. No Staff members are receiving a raise in pay, the utility provides a true funding source to charge the involved personnel hours (percentage of time) to the stormwater utility.

As history has proven the longer we wait - the more it costs.

**RECOMMENDED ACTION:**

- 1) The City Council continues to take comment on establishing of the stormwater utility for developed residential and commercial properties in Sultan.
  
- 2) The City Council to direct Staff and Stakeholders over the next six months to review and discuss the needs of the stormwater system as part of the comprehensive plan update, then report to Council at the end of the six months their findings.

**ATTACHMENTS:**

Attachment A – Washington State DOE, Volume I, Minimum Technical Requirements and Site Planning, glossy page 25

Attachment B – 2008 Budget Distribution of Wages

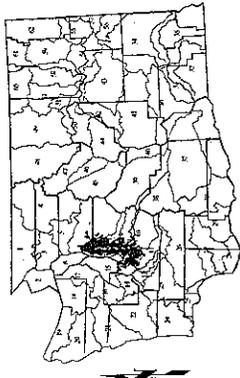
Attachment C – Seattle, Washington Urbanized Area Map

Attachment D – August 9, 2007 Public Hearing

<sup>1</sup> Vladimir Novotny and Harvey Olem. *Water Quality Prevention, Identification, and Management of Diffuse Pollution*, Van Nostrand Reinhold: New York, 1994, p. 109.

<b>Hydrology</b>	The science of the behavior of water in the atmosphere, on the surface of the earth, and underground.
<b>Hydroperiod</b>	A seasonal occurrence of flooding and/or soil saturation; it encompasses depth, frequency, duration, and seasonal pattern of inundation.
<b>Hytograph</b>	A graph of percentages of total precipitation for a series of time steps representing the total time in which precipitation occurs.
<b>Illicit discharge</b>	All non-stormwater discharges to stormwater drainage systems that cause or contribute to a violation of state water quality, sediment quality or ground water quality standards, including but not limited to sanitary sewer connections, industrial process water, interior floor drains, car washing, and greywater systems.
<b>Impact basin</b>	A device used to dissipate the energy of flowing water. Generally constructed of concrete in the form of a partially depressed or partially submerged vessel, it may utilize baffles to dissipate velocities.
<b>Impervious</b>	A surface which cannot be easily penetrated. For instance, rain does not readily penetrate paved surfaces.
<b><u>Impervious surface</u></b>	A hard surface area which either prevents or retards the entry of water into the soil mantle as under natural conditions prior to development. A hard surface area which causes water to run off the surface in greater quantities or at an increased rate of flow from the flow present under natural conditions prior to development. Common impervious surfaces include, but are not limited to, roof tops, walkways, patios, driveways, parking lots or storage areas, concrete or asphalt paving, gravel roads, packed earthen materials, and oiled, macadam or other surfaces which similarly impede the natural infiltration of stormwater. Open, uncovered retention/detention facilities shall not be considered as impervious surfaces for the purposes of determining whether the thresholds for application of minimum requirements are exceeded. Open, uncovered retention/detention facilities shall be considered impervious surfaces for purposes of runoff modeling.
<b>Impoundment</b>	A natural or man-made containment for surface water.
<b>Improvement</b>	Streets (with or without curbs or gutters), sidewalks, crosswalks, parking lots, water mains, sanitary and storm sewers, drainage facilities, street trees and other appropriate items.





## Seattle Urban Area Snohomish County

Municipal Stormwater Permit Areas	
Phase I Area	Urban Growth Area (UGA)
Phase II	Urban Area (UA)
	Incorporated City

- County
- WRIA Boundary
- US/State Highways
- Rivers/Streams

### Representational Feature Source:

- Urban Areas - USDOC/Census, 2000, 1:500,000
- Urban Growth Areas - WOFM/Ecology 2003, 1:24,000
- Cities - WDOI, 2003, 1:24,000
- Counties - Ecology/WIDNR, 2002, 1:24,000
- WRIA - Ecology 2002, 1:24,000
- Highways - WDOI, 2001, 1:24,000
- Hydrography - Ecology/WDFW, 1998, 1:100,000

Maps are only accurate to the scales listed above. They do not represent exact boundaries. Please consult higher resolution city, county or census maps to determine the exact boundaries.

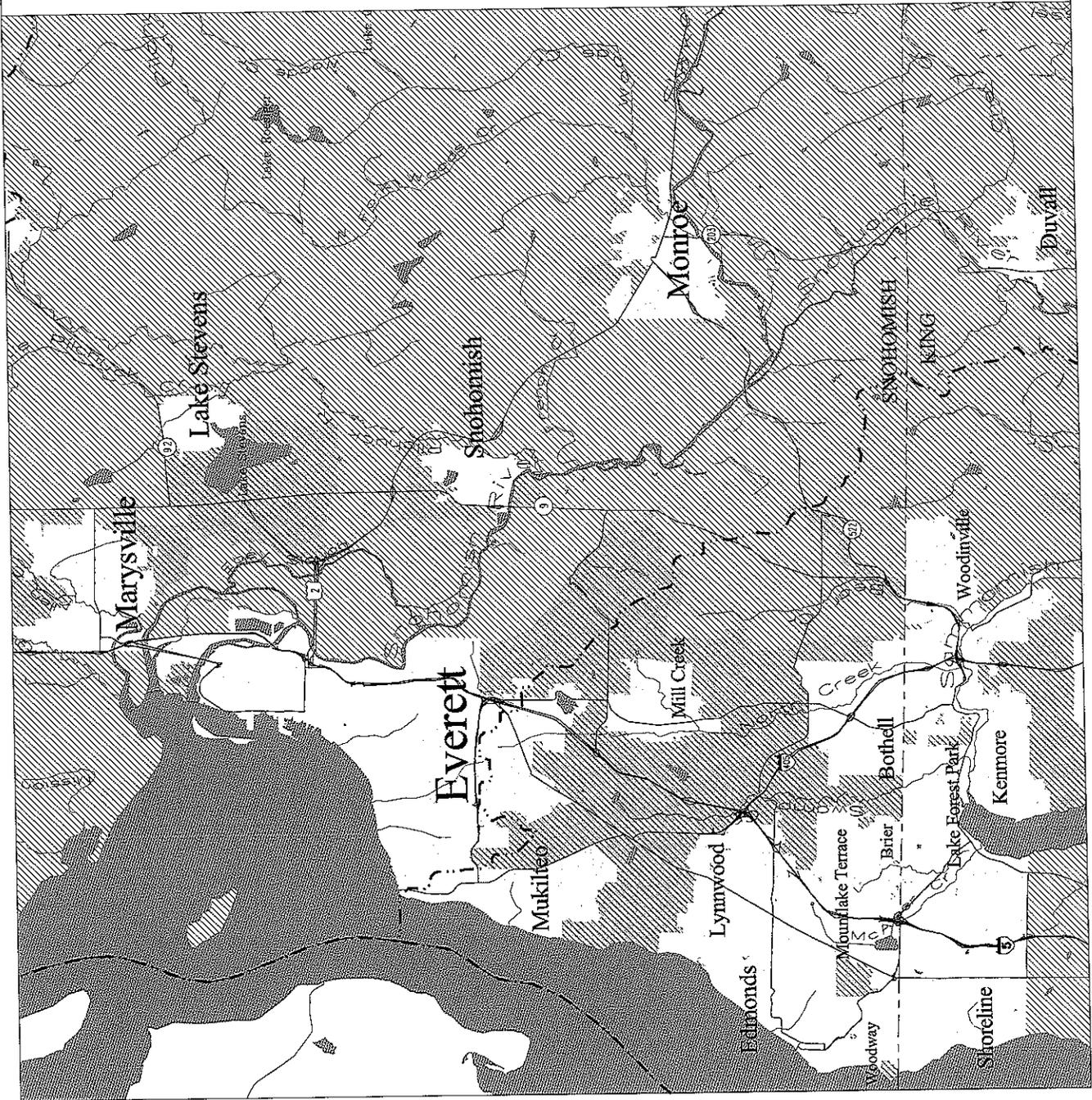


Water Quality Program



WASHINGTON STATE  
DEPARTMENT OF  
**E C O L O G Y**

GIS Technical Services  
03/10/06  
ta80389c



**SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET**

---

ITEM NO: Public Hearing  
DATE: August 9, 2007  
SUBJECT: Public Hearing to Consider Establishing a Stormwater Utility  
CONTACT PERSON: Deborah Knight, City Administrator

**ISSUE:**

The issue before the City Council is to hold a Public Hearing to take comment on establishing a stormwater utility for developed residential and commercial properties in Sultan.

**STAFF RECOMMENDATION:**

1. City staff recommend the City Council hold a Public Hearing to take comment on establishing a stormwater utility for developed residential and commercial properties in Sultan.
2. Direct staff to make any changes to the proposed stormwater utility and return to Council with an adopting ordinance.

**PLANNING BOARD RECOMMENDATION:**

The Planning Board held a public hearing at its meeting on July 17, 2007. Public comment at the meeting was supportive of adopting the Stormwater Utility. The Board received a letter from Donald and Suzanne Martinell located at 327 Walburn Rd (Attachment E) requesting a stormwater utility credit potential for private residential property owners that fully contain all rain water and resulting runoff from adjacent property and buildings.

Although the Small Work Group did not contemplate a credit for private residential facilities, City staff recommend incorporating language into the adopting ordinance (Section 9, page 6 – Adopting Ordinance) and Credit Manual (Section 2.2, page 5) to address this situation.

**SUBCOMMITTEE RECOMMENDATION:**

The Council subcommittee reviewed the stormwater utility at its July 17, 2007 meeting. The committee discussed establishing a connection fee for new development in

addition to the user fee. The City of Edmonds has adopted a stormwater connection fee. City staff recommend the City Council proceed with adopting the proposed ordinance as written and directing staff to review the stormwater connection fee following adoption of the proposed ordinance.

#### PUBLIC COMMENT:

The City has endeavored to keep the community informed and involved in the discussion to establish a stormwater utility.

The City established a Small Work Group comprised of a city resident, business owner, and Planning Board member to review alternatives and make a recommendation to the Planning Board.

- The Small Work Group met on February 20, March 6, April 17, and May 1.
- The City held an open house on March 13, 2007. The Open House included information on the proposed Stormwater Utility. Notice of the Open House was mailed to all residents and businesses within the Sultan zip code, including residents outside the City limits.
- On March 20, 2007 the Planning Board received an update from the Small Work Group – the Board reviewed the need to form a stormwater utility and the survey of stormwater utilities across the state.
- On April 12, 2007 the City Council received an update from the Small Work Group – the Council reviewed the need to form a stormwater utility and the survey of stormwater utilities across the state, and key policy questions.
- A second Open House was held on May 15, 2007
- On May 1, 2007 the Planning Board reviewed the calculations for the ERU, draft Stormwater Utility Report, and budget, and directed staff to areas of concern.
- On May 17, the City Council subcommittee received a similar update.
- Notice of the proposed formation of the Stormwater Utility was included in the June and July utility billing statements.
- On May 24, the full Council reviewed the calculations for the ERU, draft Stormwater Utility Report, and budget.
- On June 26, the Planning Board discussed credits for private facilities, public schools, non-profit organizations, and senior citizens and low-income residents. The Board also reviewed the draft ordinance and credit manual, and directed staff to set the Public Hearing for July 17, 2007.
- July 23, meeting with the Sultan School Board to discuss the proposed utility, calculation of equivalent residential units, and grass as a pervious/impervious surface.

At the July 23, 2007 presentation to the School Board, the Board questioned the inclusion of grass areas on the District's properties as impervious surface. A brief review of information on the internet regarding grass as an impervious surface seems to

D-2

support the School District's recommendation to remove play fields as an impervious surface when calculating equivalent residential units (Attachment G).

At the Board's request, City staff are surveying peer cities to determine how other jurisdictions are handling play fields. Due to staff vacations, this agenda cover was prepared prior to completion of the survey. Information on play fields will be available to the Council prior to the public hearing.

The schedule to review and adopt a Stormwater Utility is as follows:

- Planning Board public hearing and recommendation to Council - July 17 (complete)
- Final Draft Report and recommendation to Council – July 26 (complete)
- City Council action to adopt ordinance and amend fee schedule – August/September
- Public outreach and implementation – September through December.
- Implementation - December 1, 2007

#### SUMMARY:

##### Establishing the Need

Under normal circumstances stormwater flow impounds in wetlands, depressions, ponds and puddles and soaks into the water table slowly. This process allows toxins and pollutants in the water to filter out in the soil, lessening the impact of the stormwater on our aquatic resources and our private well systems. This process also slows the volume of water that goes into our streams during a rain event, reducing flooding.

Increased development and impervious (paved) surfaces in populated areas causes stormwater to flow rapidly from the impervious surfaces into streams, lakes and marine waterways. The stormwater carries pollutants and causes long-term damage to salmon and other aquatic life. Rapid stormwater flows increases the water volume in streams to the point of flooding.

As the population of Sultan grows, so do its impervious surfaces and the need for stormwater infrastructure improvements to handle the additional runoff.

In the future, when Sultan's population reaches a certain level, the State will require the City to comply with the National Pollution Discharge Elimination System (NPDES) permit program, which dictates that cities and counties develop stormwater quality management programs.

The City of Sultan is considering the establishment of a Surface Water Utility based on the recommendations in the 2002 *Surface Water Quality Management Plan*. The Plan

consists of a review of the existing conditions that affect surface water flow and quality within the City to establish a basis for surface water quality management within the City.

The Plan was incorporated in the Comprehensive Plan in February 2006 by Ordinance No. 913-06 (Attachment A). Attachment B contains portions of the Plan as background information for this report. Copies of the Plan are available upon request.

The Plan recommended forming a Surface Water Utility to:

- Provide a stable source of funding to adequately operate and maintain the City's existing surface water facilities
- Create a source of funding that could be set aside in reserve for capital expansion, including upgrading the existing surface water facilities and constructing new surface water facilities which are identified as solutions to the surface water quality and quantity problems in the City.

Surface water facilities consist of catch basins, culverts, ditches, pipelines, retention/detention ponds and underground vaults. Most surface water is carried to the Skykomish and Sultan Rivers. Some of the water is conveyed through the Waste Water Treatment Plant.

Presently, the operation and maintenance of the City's existing surface water facilities is one of many functions of the Sultan Public Works Department. Currently, surface water management is financed through the Street Fund, which receives the majority of its funding (\$231,893) from property taxes, motor vehicle excise taxes, and business and occupation taxes on electric utilities, and the Sewer Fund which funded the Water Quality Management Plan. The Street Fund is also used to support other public works functions such as street maintenance and repair.

The limited amount of funding that is allocated to the Sultan Public Works Department goes primarily toward street maintenance and leaves very little funding and staff resources to operate and maintain the City's surface water facilities. The 2002 Plan notes that previous budgeting activities have been "inadequate to meet the Puget Sound Water Quality Action Plan guidelines."

Adopting the proposed Surface Water Utility fee would make additional funds available for other necessary city activities.

### Stormwater Utility

The stormwater utility is made up of three components:

1. Calculation of Equivalent Residential Units (ERU)
2. Annual budget needed to accomplish stormwater functions within the City (e.g. maintenance, operations, capital improvements, public outreach, etc.)
3. Stormwater fee charged to for each ERU

Equivalent Residential Units

The Equivalent Residential Unit is the most prevalent method for calculating a stormwater rate. ERU's are used for the purpose of calculating the stormwater user's rate. An ERU represents the average square footage of impervious surface of a detached single-family residential property and is applied to commercial properties to calculate the commercial rate. The ERU is established by reviewing a representative sample of recorded data, maps, surveys or field measurement to obtain the average impervious area for a single-family lot. Non-residential properties are converted into ERUS based on the amount of impervious area on the property.

Each single family residential customer = 1 ERU

Each non-residential customer = n ERUs

When n = the property's impervious area divided by the average single-family parcel impervious area (x square feet)

For the City of Sultan, the calculated ERU is 4,519 square feet. Of the 14 jurisdictions examined in the phone survey for the study, Sultan's ERU was the second highest. This is largely due to the rural nature of residential properties and the number of barns and outbuildings.

The Stormwater Utility Rate Study (available at City Hall upon Request) includes a section Appendix B to the Study titled "Equivalent Residential Unit – City of Sultan Stormwater Utility". This section provides the detail on how the ERU was calculated for the City. Appendix C to the Study details the impervious surface calculation for each commercial property.

All residential properties will be charged the rate for one (1) ERU

All multi-plex 2-4 unit dwellings will be charged the rate for 1.75 ERUs

All non residential properties and multi-plex properties will be charged for the square footage of impervious surfaces on their property divided by the number of ERUs and multiplied by the base rate per ERU.

Stormwater Fee

The total number of ERUs in the City are:

Multifamily Residential 1-4 plexes	75
Commercial Properties	920
Residential Properties	1,246
Schools	<u>398</u>
Total	2,639

The annual cost for operations, maintenance, and capital improvements divided by the number of ERUs yields the total annual amount that must be charged per ERU to satisfy the needs of the utility. The required rate per ERU per month would be approximately \$12.35. The fee determination must take into account the increase in ERUs that happens every year due to development and annexations.

Annual Budget

Costs to operate a stormwater utility are broken down into two categories:

1. On-going costs or costs of conducting Operations and Maintenance, and for associated administrative costs for the stormwater system
2. One-time costs or capital improvements

The City currently maintains 3 detention ponds, 15 infiltration trenches, 592 inlets and 5 outlets. The proposed six-year budget is as follows.

<b>Surfacewater Fund</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
# of full-time Equivelent employees	3	3	3	3	3	3
Salaries and Wages	\$ 209,300	\$216,626	\$224,207	\$232,055	\$240,177	\$ 248,583
Benefits	\$ 52,325	\$ 54,156	\$ 56,052	\$ 58,014	\$ 60,044	\$ 62,146
Operating Supplies	\$ 12,000	\$ 12,240	\$ 12,485	\$ 12,734	\$ 12,989	\$ 13,444
Other Services/charges	\$ 115,000	\$ 40,750	\$ 16,538	\$ 17,364	\$ 18,233	\$ 19,144
Intergovernment Services	\$ -	\$ -	\$ -	\$ -		\$ -
Capital Outlay	\$ 62,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 23,000
Debt Service Payment w/ Interest	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000	\$ 21,000
Operating Transfer Out to Capital Improvement	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
<b>Total Surface Water Fund</b>	<b>\$ 521,625</b>	<b>\$344,772</b>	<b>\$330,282</b>	<b>\$341,167</b>	<b>\$352,442</b>	<b>\$ 366,316</b>

D-6

The first year (2008) budget includes start up capital equipment costs such as a utility pick-up, computer, inspection equipment. Debt service payments are for a vactor truck and street sweeper. See Attachment F.

## BACKGROUND:

### Statutory Authority

A surface water utility is essentially a special assessment district set up to generate funding specifically for surface water management. Users within the district pay a surface water fee, and the revenue generated directly supports maintenance and upgrade of existing storm drain systems; development of drainage plans, flood control measures, and water-quality programs; administrative costs; and sometimes construction of major capital improvements. Unlike a surface water program that draws on the general tax fund or uses property taxes for revenue, the people who benefit are the only ones who pay.

Surface water management within the City is governed by federal, state, regional, county and city laws including the Clean Water Act, Endangered Species Act, the Growth Management Act, Shoreline Management Act, State Environmental Policy Act, Stormwater Management Performance Standards, and Puget Sound Water Quality Action Plan.

There are a number of state statutes that pertain either directly or indirectly to the City's authority to form a surface water utility. One of the more broad based statutes pertains to municipal utilities in general and states that a code city may provide utility service within and outside its city limits and this includes the exercise of all powers to the extent authorized by law (RCW 35A.80.010).

### Adopting the Stormwater Utility

City staff recommended forming the City of Sultan's Surface Water Utility through a phased process:

- Phase I - The adoption of the *Surface Water Quality Management Plan*. This is complete.
- Phase II (January 2007-March 2007) - An assessment of revenue sources for the major surface water utility functions centering around operations, maintenance and capital expansion. Some of this work was done in the 2002 Plan but must be updated for an analysis of current costs. The principal source of revenue will be user fees and this will entail a detailed analysis to determine an appropriate and equitable rate structure. This work has just started and should be complete by March.
- Phase III (February 2007-September 2007) - Public outreach including a public awareness/education program and public hearings. This work should begin in

late January and early February, following Council direction, and continue until the Storm Water Utility is adopted and fees are established.

- Phase IV (April 2007-July 2007) – The formation of the utility which would be codified through the passage of the Surface Water Utility formation ordinance. This work would begin in April and should be complete by mid-summer.

This phase would be predicated upon the outcome of the previous phases. The City will need to have been successful in both making the public aware that there is a surface water need as well as successfully building support for the formation of a utility as the most optimal means to correct the surface water problems that currently exist and proactively address future problems.

Public hearings will be used to address any concerns that might not have been fully addressed during the awareness/education program, or to make any corrections to the cost of service and rate study.

- Phase V (June 2007-September 2007) – Establishing and initiating a surface water utility billing system. There are at least three potential billing systems: including the surface water utility charge with the annual property tax, using the City's existing utility billing system or creating a new billing system with software and hardware specifically for surface water with billings sent out on a monthly, quarterly or annual basis. This work would start June and be complete by September.

#### DISCUSSION:

The Planning Board reviewed several policy issues at its meeting on June 26, 2007. and directed staff to make the following changes to the draft ordinance (Attachment C) and credit manual (Attachment D):

- 25% credit for private facilities with existing and maintained stormwater control
- 70% credit for fully-contained private facilities that do not impact the City's system
- 25% credit for public schools upon receipt of an acceptable curriculum regarding stormwater issues.
- 0% credit for non-profit organizations
- Senior Citizen/Low Income Discounts as provided for in the City's other utilities

Although the Small Work Group did not contemplate a credit for private residential facilities, City staff recommend incorporating language into the adopting ordinance (Section 9, page 6 – Adopting Ordinance) and Credit Manual (Section 2.2, page 5) to address this situation.

## FISCAL IMPACT:

### Cost to Adopt a Surface Water Utility

The cost to adopt a surface water utility include the fee analysis work currently contracted with Shockey Brent. This work is budgeted at approximately \$18,500.

The proposed public education/awareness program consists of press releases, community workshop(s), flyers, discussions with interested citizen groups, and public hearings. The estimate for education/awareness is approximately \$1,500.

The cost of establishing a billing system is estimated between \$2,500 to use the City's existing billing system to \$20,000 for a separate system. These costs will be refined throughout the year and will be included in the overall cost of running the utility.

The stormwater utility will be established as an enterprise fund and will reduce expenditures in the General Fund as a result of moving stormwater maintenance functions such as street sweeping, vactoring and staff time to maintain the stormwater system from the General Fund.

## RECOMMENDED ACTION:

1. Hold a Public Hearing to take comment on establishing a stormwater utility for developed residential and commercial properties in Sultan.
2. Direct staff to make any changes to the proposed stormwater utility and return to Council with an adopting ordinance.

## ATTACHMENTS

Attachment A – Ordinance No. 913-06

Attachment B – 2002 Surface Water Quality Management Plan

Attachment C – Draft Ordinance

Attachment D – Credit Manual for Stormwater Fees

Attachment E – July 17, 2007 letter from Donald and Suzanne Martinell

Attachment F – Proposed Budget

Attachment G – Literature on impervious surfaces