



**City of Bellingham**  
210 Lottie Street  
Bellingham, WA 98225

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## STAFF REPORT

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**TO:** CITY COUNCIL  
**FROM:** ERIC JOHNSTON, PUBLIC WORKS DIRECTOR  
**CC:** MAYOR SETH FLEETWOOD  
**SUBJECT:** DRAFT 2020 SURFACE AND STORMWATER COMPREHENSIVE PLAN UPDATE  
**DATE:** August 31, 2020 – revised for September 14, 2020

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### **BACKGROUND:**

Bellingham's Surface and Storm and Surface Water Utility (SSWU) was established in 1990 to further the public health, safety and welfare by promoting a comprehensive approach to surface and stormwater problems, controlling storm and surface runoff and enhancing environmental protection. In creating the SSWU, the City specifically stated the following 4 purposes:

- Protect the City's aquatic resources;
- Provide a response to reduce flooding and erosion damages;
- Reduce the discharge of pollutants; and
- Improve fish habitat within the City

The SSWU is responsible for operation of the City's storm drainage system under the regulatory framework of the National Pollution Discharge Elimination System (NPDES) Phase II Permit Municipal Stormwater permit which is a requirement of the federal Clean Water Act of 1972. The SSWU is funded by charging all developed properties in the city a fair and equitable charge.

### **SUMMARY:**

The [Draft 2020 Surface & Stormwater Comprehensive Plan \(SSWCP\)](#) includes analysis of the City's stormwater management programs and its activities for compliance with NPDES Phase II Permit, identifies opportunities for new stormwater capital projects and retrofits, and makes recommendations for staffing and funding resources needed to meet the City's objectives, policies, and legacies and strategic commitments.

In summary, the 2020 SSWCP:

- Describes the City's stormwater management program;
- Presents four different options for a Capital Improvement Plan;
- Evaluates NPDES Phase II Permit programs for regulatory compliance;
- Provides retrofit planning recommendations to address water quality concerns in areas developed prior to the use of stormwater regulations;

- Recommends capital improvement projects for improving water quality, fish habitat, flood control, and infrastructure renewal;
- A rate study and recommendations on distributing charges in fair and equitable manner based on a cost of service model; and
- Recommends shifting cost of service to properties creating the greatest impact.

The draft plan contains several options for capital programs and for rate structures funding the SSWU. Staff recommends proceeding with the following key elements and options:

- Funding the “medium” capital improvement program;
- A phased in rate structure shifting costs to large footprint properties;
- Adjusting system development charges;
- Increasing cost of permits; and
- Elimination of charges for city streets and WSDOT billing

This combination of elements helps ensure the utility appropriately charges based on proportionate impacts, funds programs required of the utility and provides long term funding stability. These actions will also bring the SSWU into consistency with the Water and Sewer utility management policies.

#### **NEXT STEPS:**

Staff are seeking public input on the draft plan and recommended actions using a virtual open house format and other tools, including the new Engage Bellingham platform. The virtual open house will be held on Monday September 1, 2020 at 6:30pm. In addition, staff will be reaching out directly to larger customers with significant impacts by the proposed changes in rate structure. At the same time, the formal SEPA process and comment period will be open.

In September, staff will provide a Council a summary of the public input and responses thereto for additional Council discussion. Based on Council direction draft resolutions and ordinance will be prepared for further discussion.

Looking further ahead to October, the ordinances approving the plan and implementing the proposed changes may be introduced for consideration and action. Implementation of the proposed changes in October ensures changes in rates occur in January to coincide with the 2021-2022 budget and annual utility billing changes.

You may also provide input through [the Engage Bellingham: 2020 Surface & Stormwater Comprehensive Plan Update](#)

#### **RECOMMENDATION COUNCIL ACTION:**

No action is required of the Council at the August 31<sup>st</sup> meeting.