

10/25/06
BOARD MTG.
HANDOUT.

THIS WAS
NOT PRESENTED.
RAN OUT OF
TIME.



**Board of Directors Meeting
October 25, 2006**

- A. "Rate Structure Resolution" Technical Issues
- B. Credits, Exemptions, and Appeals
- C. Customer Service / Billing Implementation
- D. Next Steps

Jon Sorensen
Bob McGregor
Carrie Thompson



1

A. "Rate Structure Resolution" Technical Issues
Single Family Residential (detached)

Proposed Rate Structure and Rates

| Tier | Impervious Area Range (square feet) | | Median Impervious Area | Monthly Fee | Annual Fee |
|------|--|--------|------------------------------|----------------|------------|
| 1 | 100 | 2,000* | 1,859 | \$3.75 | \$45.00 |
| 2 | 2,001* | 2,900 | 2,544 | \$5.00 | \$60.00 |
| 3 | 2,901 | 3,900 | 3,300 | \$6.50 | \$78.00 |
| 4 | 3,901 | 7,500 | 4,400 | \$8.75 | \$105.00 |
| 5 | 7,501 | 50,000 | 9,652 | \$19.00 | \$228.00 |

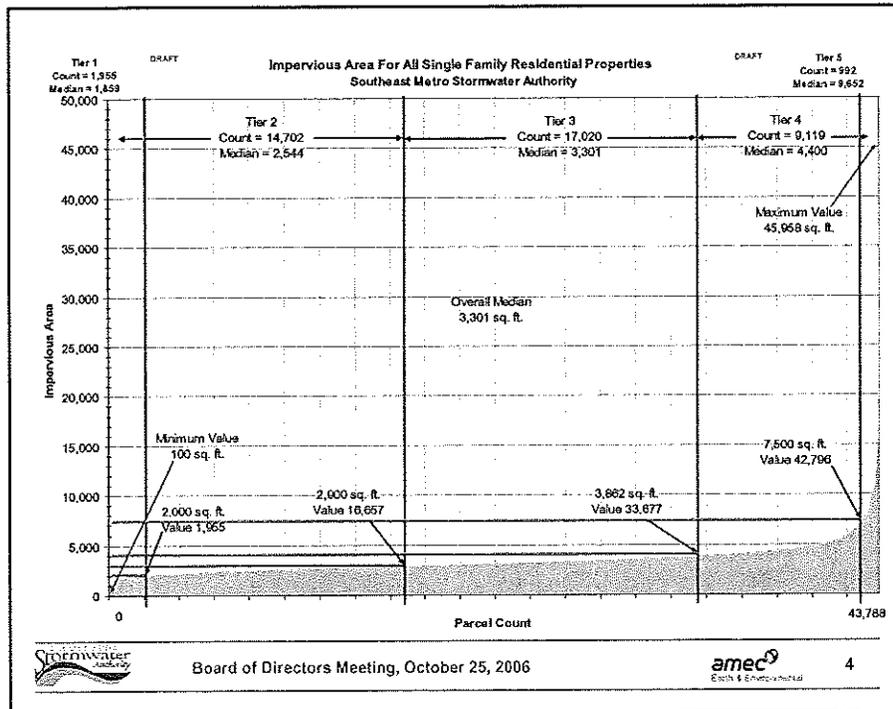
*Revised data base numbers



A. "Rate Structure Resolution" Technical Issues
Single Family Residential (SFR) (detached)

Rate structure details

1. Minimum Fee is \$45.00 per year (lowest tier)
2. Under 100 square feet, no fee (AMEC did not digitize SFR properties with less than 100 square feet of impervious area).
3. Measurements of impervious area are rounded to the nearest 100 square feet, consistent with average measurement accuracy based on parcel boundary accuracy and aerial photography resolution.
4. Note that the SFR (detached) classification is according to the County Assessor (for tax purposes).



A. "Rate Structure Resolution" Technical Issues
 Non-Single Family Residential (detached)

Process to Determine Fee

1. Determine impervious area on parcel (nearest 500 s.f.).
2. Determine total area of parcel (nearest 500 s.f.)
3. Determine impervious percent of parcel (equal to the impervious area divided by the total area).
4. Find impervious percent range in the table and the monthly rate per square foot per month for the range.
5. Multiply the impervious area times the rate from the table to determine the monthly fee.
6. Multiply the monthly rate by 12 to determine the annual fee.

| Group | Impervious Percent Range (percent) | | Monthly Rate per Square Foot of Impervious Area |
|-------|------------------------------------|------|---|
| | | | |
| A. | 2% | 40% | 0.001280 |
| B. | 41% | 70% | 0.001970 |
| C. | 71% | 100% | 0.002659 |

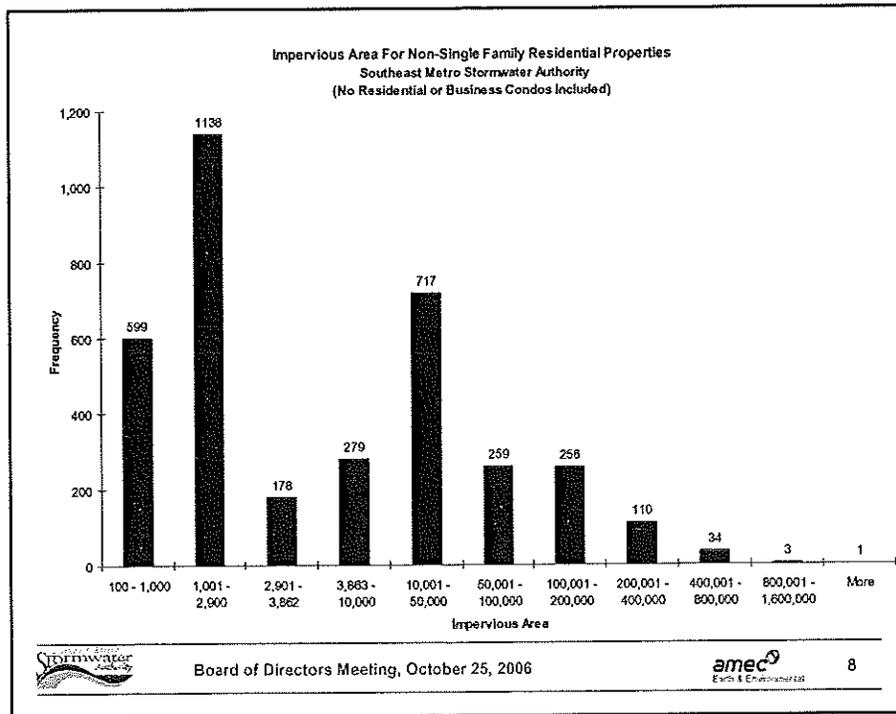
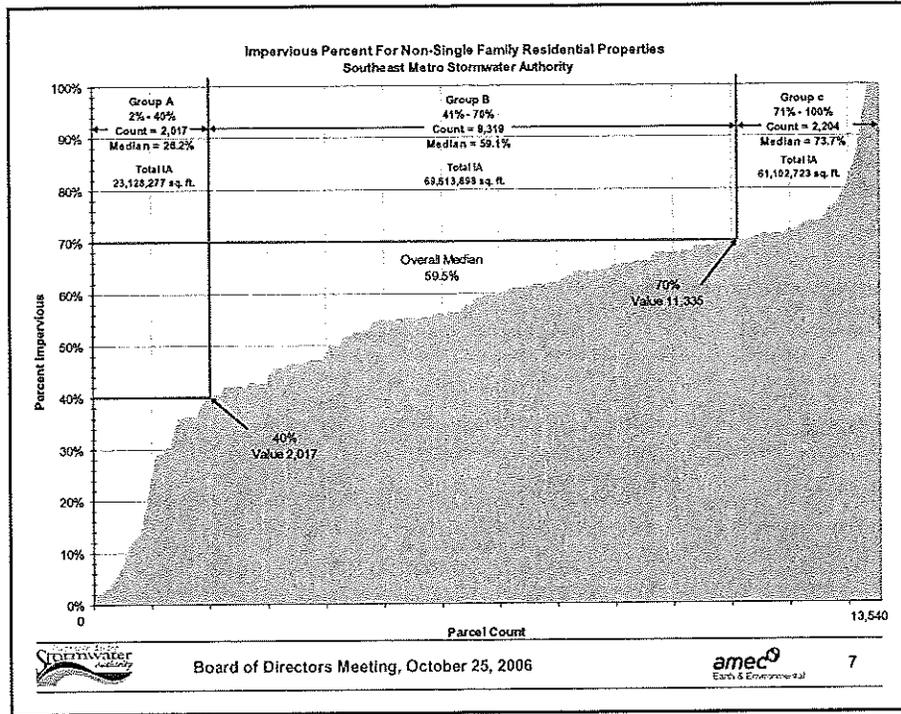


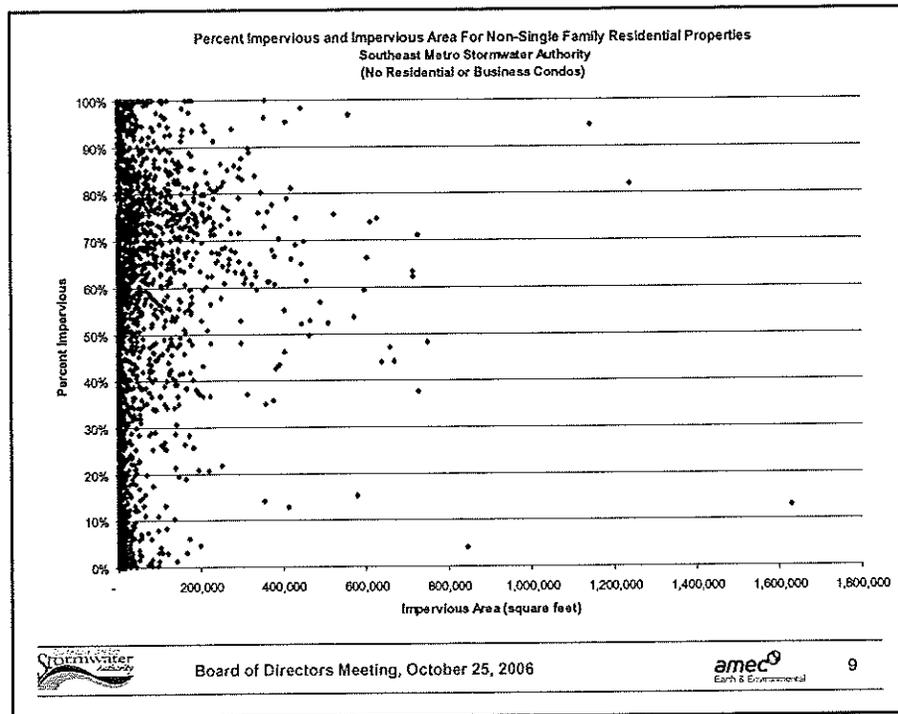
A. "Rate Structure Resolution" Technical Issues
 Non-Single Family Residential (detached)

Rate structure details

1. Measurement accuracy, on the average is plus or minus 500 square feet.
2. All measurements will be rounded to the nearest 500 square feet.
3. Therefore properties less than 500 square feet will not be charged.







B. Credits (reduction in annual service fee)

- Economic incentive for property owners to modify system for mutual benefit
- Beneficial public relations and education
- Based on rough approximation of actual program cost reduction and usually requires;
 - Board approval of credit policy and process
 - Formal application by property owner
 - Review and approval by staff
 - Assurance of long-term effectiveness of basis for credit
 - Renewal or cancellation of credit based on review of effectiveness of measures by property owner via a credit renewal process (i.e. once every 1 to 5 years)

B. Credits (reduction in annual service fee)

- Budget assumed the following reduction in revenue due to credits
 - 2% in 2007
 - 3% in 2008
 - 4% in 2009
 - 5% in 2010 and beyond
- Initiate credits incrementally over 4 years to determine their financial impact and adjust credit percentages based on number of qualifying parcels and revenue impact.



B. Preliminary Concepts

Proposed Credits for Non Single Family Residential Parcels

| Credit Description | Qualifying Parcels | Preliminary Percentage Credit | Year |
|---|--|-------------------------------|------|
| 100 year peak flow reduction | Parcels exceeding 10,000 s.f. impervious area (1,600) | 20% | 2007 |
| Construction and maintenance of stormwater system | Airport and other qualifying properties exceeding 100,000 s.f. impervious area (4,000) | 35% | 2007 |
| 100 year peak flow reduction | Parcels exceeding 5,000 s.f. impervious area (2,200) | 20% | 2008 |
| Pollution reduction via low impact or "green" site design | Parcels exceeding 5,000 s.f. impervious area (1,800) | 20% | 2008 |



B. Preliminary Concepts
 Proposed Credits for
 Non Single Family Residential Parcels

| Credit Description | Qualifying Parcels | Preliminary Percentage Credit | Year |
|---|--|-------------------------------|------|
| Best management practices that go beyond standards adopted by SEMSWA | Parcels exceeding 5,000 s.f. impervious area (1,800) | 20% | 2009 |
| Holders of industrial or non-standard NPDES permits issued by the state or as required as part of a municipal permit (not including construction permits) | All parcels (?) | 15% | 2009 |



B. Preliminary Concepts
 Proposed Credits for
 Single Family Residential (detached) Parcels

| Credit Description | Qualifying Parcels | Preliminary Percentage Credit | Year |
|---|---|-------------------------------|------|
| Low impervious area to total parcel area | Less than 20% impervious area to total parcel area (3,000 parcels) | 35% | 2007 |
| Pollution reduction via low impact or "green" site design and or best management practices that go beyond standards | Parcels exceeding 7,500 s.f. impervious area (Tier 5) (About 1,000 parcels) | 20% | 2009 |
| Pollution reduction via low impact or "green" site design and or best management practices that go beyond standards | Parcels exceeding 3,862 s.f. impervious area (Tier 4) (About 9,000 parcels) | 20% | 2010 |



B. Proposed Exemptions

Types of Parcels to Exempt

- Railroad right-of-way (Federal law and typically pervious)
- Public right-of-way including public streets, alleys, and sidewalks

Types of Surfaces Included as Impervious Area

- Impervious surfaces/features that have an area of at least 100 square feet including:
 - Structure rooflines (commercial buildings, houses, garages, sheds, etc.)
 - Parking lots (paved, asphalt, concrete)
 - Walkways, driveways, and private streets (paved, asphalt, concrete)
 - Patios, gazebos, decks, etc.

Types of Surfaces Not Included

- features smaller than 100 ft²
- any area within the Right-of-Way, including public sidewalks adjacent to public streets
- gravel or dirt areas
- landscaped areas (grass, mulch, plants, pea-gravel, sand)
- storm channels / water-control features
- natural rock formations
- water in swimming pools (capture cement apron surrounding, but NOT pool interior)
- bridges
- vehicles / wheeled trailers



B. Preliminary

Proposed Appeals Process

- **Single family residential (detached)**
 - Tier placement (CSR quotes impervious area and tiers from data base)
 - Classification as SFR (CSR requires proof that it is not a SFR use)
 - If elevated to supervisor, technician prints and sends screen shot of parcel showing impervious area.
- **Non single family residential**
 - Impervious area determination (CSR quotes data base numbers)
 - Impervious percent determination (CSR quotes data base numbers)
 - If elevated to supervisor, technician prints and sends screen shot of parcel showing impervious area.
 - If large property owner (over 10,000 s.f. impervious area), supervisor and or technician offers to meet with property owner.



B. Preliminary

Proposed Appeals Process

- If above process does not resolve issue, the appeal is elevated to the Executive Director for a decision
- If Executive Director does not resolve issue, the appeal is elevated to the Board for resolution



C. Billing and Customer Service Related Activities

- **NOVEMBER**
 - Set up of call in number for customer service
 - Letter to County Treasurer with instructions for their customer service representatives for calls related to SEMSWA line item on tax bill
 - Preparation of customer service tracking database and training manual
 - Set-up of billing and accounts receivable process for Douglas County parcels
- **DECEMBER**
 - Set-up of customer service workstations, computers, software, phones
 - Hiring of customer service supervisor and temporary customer service representatives (CSR's) for "as needed" telephone support
 - Training of customer service representatives (CSR's)
 - Go live with customer service
 - Letter to tax exempt properties – about 900
 - Letter to Douglas County properties- about 80 in ACWWA and IWSD
 - Letter to all parcel owners- about 60,000
- **JANUARY**
 - Hiring and set-up of accounts receivable staff



D. Next Steps for AMEC

- **Completion of impervious area data base and delivery to County Treasurer, and development of maintenance plan**
- **Implementation of customer service tasks if authorized**
- **Completion of program and level of service description (for website, public meetings, education, mailings, and report)**
 1. **Program**
 2. **Maintenance**
 3. **Capital**
- **Completion of rate and rate structure description for public and analysis for report.**
- **Development of policies for asset acceptance, capital program, maintenance program.**

Possible SEMSWA Billing without County Treasurer (Contingency Thoughts)

- **Major Tasks**
 1. **Printing, Processing, Mailing Bills**
 2. **Receiving payments**
 3. **Accounting for payments (data base)**
 4. **Handling late payments and non-pays**
 5. **Customer service**
- **Basic Options**
 1. **Complete outsourcing**
 2. **Outsourcing of 1. and 2. above, and in house for remainder**
 3. **In house for all**

Possible SEMSWA Billing without County Treasurer (Contingency Thoughts)

Pros and Cons of Options

1. **Complete outsourcing**
 1. Most expensive
 2. Fastest to implement
 3. Least SEMSWA staff
 4. Many banks and others provide service
 5. Does not maintain control of important aspects
2. **Outsourcing of printing, processing, mailing and payment processing and in-house for remainder**
 1. May be most cost-effective
 2. Maintains control of important aspects
 3. May be possible within existing time frame
3. **In house for all**
 1. Mid level cost
 2. Would need to amortize printing, sorting, inserting, equipment and software
 3. Would require most SEMSWA staff and lead time
 4. Payment processing not a good idea