

Chapter 10 Program and Revenue Options

10.1 INTRODUCTION

The overall purpose of this Surface Water Management Plan is to guide Jefferson County's development of a Surface Water Management Program. This chapter considers the surface water conditions and issues, regulatory requirements, revenue sources, program components, and goals and policies discussed in the preceding chapters. It presents three options for managing Jefferson County's surface water resources. For each option there is a discussion of:

- **Program Management:**
 - How should the Surface Water Management Program be managed?
 - Where should the program be located in Jefferson County's overall organizational structure?
 - What staffing levels would be required to implement the Program?
 - What should be the relationship between County departments and other agencies that perform Program activities?
- **Program Components**
- **Estimated Program Expenditures**
- **Revenue Sources**
- **Evaluation Criteria.**

Evaluation Criteria

Each option is evaluated based on the following criteria:

Goals and Policies: It's the option consistent with the Surface Water Management Program goals and policies proposed in Chapter 8?

Program Components: Does it implement the priority Surface Water Management Program components proposed in Chapter 6?

Revenue: Does it identify adequate, stable, and equitable revenue sources to fund Program components?

Table 10-1 Program Options: Components, Expenditures, and Revenues at the end of this chapter depicts the proposed options, program components and costs, and stormwater control fee that could fund the options. The first spreadsheet depicts County-wide program components. The second depicts components of a Port Hadlock UGA Stormwater Management Program.

10.2 ANALYSIS OF EXISTING SURFACE WATER MANAGEMENT ACTIVITIES

Chapters 4 and 6 document Jefferson County's existing surface water management activities and deficiencies. This section briefly recaps that analysis in order to focus discussion on options for developing a Surface Water Management Program.

Strengths:

Jefferson County's surface water management activities have been effective responses to many emerging surface water management problems. This success has resulted in large part from the capacity to mobilize the expertise, resources, and commitment of Jefferson County departments, the County's surface water management partners (the County Conservation District and Washington State University Cooperative Extension), community groups, and individual citizens.

Deficiencies:

Jefferson County's current approach to surface water management lacks:

- Adequate planning and established priorities and objectives,
- Coordination between County departments and with other agencies,
- Established goals and policies,
- Priority Program components, and
- Adequate and stable revenue.

Priority Program Components

Chapter 6 identifies the following priority Program components that are not currently being conducted, that should be enhanced, or that are vulnerable to cuts in existing funding:

- Agriculture and Fish & Wildlife Habitat Protection Plans,
- Comprehensive water quality monitoring,
- Public education and technical assistance,
- Inspection of private stormwater management facilities,
- Urban stormwater management,
- Flood hazard management,
- Watershed management planning, and
- Monitoring and adaptive management.

Revenue

Existing surface water management activities are funded primarily by transfers from the County General Fund and by revenue from Washington State University and the State Conservation Commission, and grants. There are also significant expenditures from the County Roads Fund for stormwater management facilities primarily related to County Roads. Jefferson County has used a Centennial Clean Water Fund grant to fund the development of this Surface Water Management Plan and to assist WSU Extension and the Conservation District to develop and implement public education and technical assistance activities. The General Fund and County Roads Fund each contributed half of the \$69,000 local match for that grant.

Existing revenues are not adequate to fund priority Program components. In addition due to restrictions on the growth of General Fund revenues and the demand for other County services, the County may not be able to maintain the current level of funding in the future.

10.3 SURFACE WATER MANAGEMENT PROGRAM OPTIONS

Program Option 1: Program Development and Coordination

Under this option Jefferson County would develop a Surface Water Management Program with minimal components. The County would:

- Formally initiate a Surface Water Management Program and hire a full-time Program Manager,
- Improve coordination and communication among the County departments and local agencies involved in surface water management,
- Develop a Five Year Surface Water Management Strategic Plan to establish program priorities and objectives, and
- Conduct a detailed analysis of revenue sources to fund program activities.

Jefferson County would designate a County department to develop and implement the Surface Water Management Program. That department would hire a Program Manager to conduct program activities. This would include developing interlocal agreements with the County's surface water management partners - the County Conservation District (JCCD) and the WSU Extension to implement program activities. It would also include applying for and managing grants to fund Program activities.

This option is a minimal approach to surface water management. With one exception, it would not immediately implement additional Program components. Due to the County's commitments under the settlement agreement with the Washington Environmental Council, this option should include implementing the Chimacum Creek Clean Water Project and providing funding to the Conservation District to implement the agricultural BMPs in the Chimacum Creek Agriculture and Fish & Wildlife Habitat Protection Plan and the Plan being prepared for the remaining County watersheds. The Board of County Commissioners has already committed \$119,000 over three years as the local grant match to fund the Chimacum Creek Clean Water Project. This option recommends allocating an additional \$30,000 per year to the Conservation District to implement agricultural BMPs in the Agriculture and Fish & Wildlife Plans.

This option would continue Jefferson County's annual contribution to the Conservation District. This supports the District's operations that are largely focused on activities that benefit surface water resources.

It is anticipated that the following existing Program components would continue to be implemented, provided that existing funding sources are available:

- Water quality monitoring conducted by the Conservation District and funded by the Washington State Conservation Commission and
- Development and implementation of the WRIA 16 and 17 Watershed Management Plans conducted by the Natural Resources Division and funded by the Department of Ecology.

The Program Manager would develop a Five-Year Surface Water Management Strategic Plan. The Strategic Plan would establish program priorities, objectives, and an implementation schedule and identify the strategies and resources to achieve them. This Surface Water Management Plan would guide development of the Strategic Plan.

Under this option the Program Manager would conduct additional analysis of potential revenues sources, including a stormwater control fee and a natural resource conservation assessment. This would be in preparation for developing a 2007 Surface Water Management Program budget. Jefferson County would consider the Strategic Plan and revenue analysis and determine whether to implement additional Program components and the revenues sources needed to support them.

Option 1 Program Management Expenditures

Implementing this option would require the following Program management expenditures:

- **Program Manager:** \$70,000 (One FTE. Wages and benefits)
- **Support staff:** \$15,000 (0.33 FTE. Wages and benefits)
- **Indirect Program Expenditures:** \$25,500 (@ 30% of direct costs for office rent and equipment, automobile, management and accounting services, etc.)

Total Program Management Expenditures: \$110,300

Option 1 Program Component Expenditures:

Implementing this option would require the following Program component expenditures:

- **Develop a Five-Year Strategic Plan:** \$10,000 (One-time expenditure for consultant services)
- **Chimacum Creek Clean Water Project:** \$39,750 per year for three years
- **Jefferson County Conservation District:** \$79,750
 - Support for Conservation District operations: \$49,750
 - Implement Agricultural BMPs: \$30,000 (BMPs identified in Agriculture and Fish & Wildlife Plans, not covered by Chimacum Creek Project; local grant match)

Total Program Component Expenditures: \$129,500

Option 1 Total Program Expenditures: \$240,000

Evaluation

Goals and policies

This option would address two primary goals identified in Chapter 8 of this Plan: to initiate the development of a Surface Water Management Program and increase coordination and communication among the agencies that conduct surface water management activities. However, it would not address other important goals related to:

- Comprehensive water quality monitoring,
- Public education and technical assistance,
- Inspection of private stormwater management facilities,
- Urban stormwater management,
- Flood hazard management,
- Watershed planning, and
- Monitoring and adaptive management.

Because of these deficiencies, it would not meet the overall goal of this Plan: To maintain the high quality of Jefferson County's surface water resources and restore degraded resources.

Program components

This option is a minimal Surface Water Management Program that would accomplish the important tasks of initiating program development and improving communication and coordination. It would not add new components that are identified in Chapter 6 as priorities for protecting and restoring the County's surface water resources, including:

- Comprehensive water quality monitoring,
- Public education and technical assistance,
- Inspections of private stormwater management facilities,
- Urban stormwater management,
- Flood hazard management,
- Watershed management plan implementation, and
- Monitoring and adaptive management.

Revenue

It should be noted that of the total expenditures for this option, \$89,500 represents existing commitments (Chimacum Creek Project and Conservation District operations) and another \$30,000 implements the County's commitment to implement the Agriculture and Fish & Wildlife Plans.

Therefore, of the total expenditures for this option, only \$120,500 should be considered as a new commitment.

It may be possible in the short term to fund this option from the General Fund and other existing sources. However, in the long term, particularly if additional Program components are added, funding the Surface Water Management Program from the General Fund would conflict with the County's commitments to law and justice, human services, and recreation programs. Implementing a Surface Water Management Program would require Jefferson County to implement additional revenue sources.

Stormwater Control Fee and Natural Resource Conservation Assessment

Under this option the Program Manager would conduct a detailed analysis of stormwater control fees and a conservation assessment. This would provide information necessary for the County to consider whether to implement one or both.

Based on the planning level analysis in Chapter 7, a stormwater control fee of \$6.25 per Equivalent Residential Unit (ERU) of impervious surface would generate \$100,000. In order to fund the estimated \$240,000 cost of Option 1 entirely with a stormwater control fee, a fee of \$15 per ERU would be required.

A natural resource conservation assessment of \$5 per parcel would generate approximately \$94,000 in revenue to the Conservation District. If a conservation assessment were collected, the stormwater fee could be reduced to about \$9.

Program Option 2: Implement a Comprehensive Surface Water Management Program

Under this option Jefferson County would develop a comprehensive Surface Water Management Program. As with Option 1, the County would:

- Initiate the development of a Surface Water Management Program and hire a Program Manager,
- Improve coordination and communication among the County departments and local agencies involved in surface water management,
- Develop a Five Year Surface Water Management Strategic Plan to establish Program priorities and objectives, and
- Conduct a detailed analysis of revenue sources to fund program activities.

In addition, Jefferson County and its surface water management partners would implement a comprehensive Program that would implement the following priority components:

- Implement the Chimacum Creek Clean Water Project (EHD, JCCD, NOSC)
- Implement Agriculture and Fish & Wildlife Habitat Protection Plans (JCCD),
- Comprehensive water quality monitoring (JCCD),
- Public education (WSU and JCCD),
- Technical assistance (JCCD),
- Inspections of private stormwater management facilities (Public Works),
- Port Hadlock Urban Growth Area stormwater management (Public Works),
- Watershed planning (Natural Resources),
- Flood hazard management (Natural Resources), and
- Monitoring and adaptive management (Natural Resources).

Under this option the Program staff would be responsible for overall Program development and management and for certain Program components. Other Program components would be implemented through interdepartmental agreements and interlocal agreements with the Conservation District and WSU Extension.

In order to fund this option, it would be necessary to implement new revenue sources. The Program Manager would conduct a detailed analysis of appropriate revenue sources, including a stormwater control fee and a conservation assessment. Based on the outcome of that analysis, Jefferson County would determine which revenue sources to implement.

Option 2 Program Management Expenditures

Implementing this option would require the following Program management expenditures:

- **Program Manager:** \$70,000 (One FTE. Wages and benefits)
- **Program Specialist:** \$60,000 (One FTE. Wages and benefits)
- **Support staff:** \$22,500 (0.5 FTE. Wages and benefits)
- **Indirect Program Expenditures:** \$45,750 (@ 30% of direct costs for office rent and equipment, automobile, management and accounting services, etc.)

Total Program Management Expenditures: \$198,250

Option 2 Program Component Expenditures:

Implementing this option would require the following Program component expenditures:

- **Develop a Five-Year Strategic Plan:** \$10,000 (One-time expenditure for consultant services)
- **Chimacum Creek Clean Water Project:** \$39,750 per year for three years
- **Jefferson County Conservation District:** \$144,750
 - Support for District operations: \$49,750 (Replace transfer to District from General Fund)
 - Implement Agricultural BMPs: \$30,000 (BMPs identified in Agriculture and Fish & Wildlife Plans, not covered by Chimacum Creek Project; local grant match)
 - Public education and technical assistance: \$45,000 (Continue activities funded by Centennial Clean Water Fund grant at 2005 level)
 - Expanded water quality monitoring: \$20,000
- **WSU Extension public education activities:** \$45,000 (Continue activities funded by Centennial Clean Water Fund grant at 2005 level)
- **Inspect Stormwater Management Facilities outside of UGA:** \$10,000 (Based on estimate derived from UGA Stormwater Management Plan)
- **Watershed Planning:**
 - Continue Watershed Planning: This activity would be funded by Ecology.
 - Implement Watershed Management Plans: The schedule and budget for implementing Plan recommendations would be included in the estimate of Program expenditures when they have been determined.
 - Collect additional geo-hydrologic data needed to set instream flows and groundwater reserves: This activity would be funded by Ecology.

- **Flood hazard management program: \$20,000**
 - Develop Flood Hazard Management Plans: \$20,000 (One plan per year for the Dosewallips and Duckabush Rivers)
 - Construct flood hazard mitigation projects: Cost estimates would be developed in the Plans and funded primarily by FCAAP and Salmon Recovery Fund grants. Local matches from stormwater control fee or flood district assessments might be required.
- **Monitoring and Adaptive Management:** The initial cost for implementing an adaptive management program would be minimal and would be included as a portion of the Program Manager and Specialist cost. There would be future costs to assess forest cover and impervious surface at the time of Comprehensive Plan updates.

Total Program Component Expenditures: \$269,500

Option 2 Total Program Expenditures: \$467,750

In addition the following activities would be implemented:

- **On-site Septic System Database Management: \$25,000**
- **Port Hadlock UGA Stormwater Management**
 - **Port Hadlock UGA Storm Sewer Improvements**
 - Treatment Vault: \$10,000
 - Conveyance Replacement: \$144,000.
 - **Port Hadlock UGA Stormwater Management Program**
 - Facility Inspections: \$10,000
 - Program activities: \$15,000 (Public education and monitoring).

The Environmental Health Department expenditures for managing the on-site septic system database are discussed in Chapter 4. The expenditures for the Port Hadlock UGA stormwater management components are based on estimates from UGA Stormwater Management Plan. Revenue sources to fund these activities are discussed below.

Evaluation:

Goals and policies

This option addresses Jefferson County’s surface water management goals and policies expressed in this Plan.

Program components

This option represents the opposite end of the program development spectrum from Option 1. It would develop a comprehensive Surface Water Management Program that implements all of the identified priority components. While this option would require significant additional expenditures for Jefferson County to implement, it is appropriate to consider it in order to understand the program components and expenditures required to implement a comprehensive Program.

Revenue

This option would require significant new revenues. Designated surface water management revenue would fund all Program activities and transfers from the General Fund would be eliminated. This would allow General Fund revenues to be focused on law and justice, human services, and recreation programs.

Stormwater Control Fee and Natural Resource Conservation Assessment

Based on the planning level analysis in Chapter 7, a stormwater control fee of \$6.25 per Equivalent Residential Unit (ERU) would generate \$100,000. In order to fund the estimated \$467,750 cost of Option 2 entirely with a stormwater control fee, an annual fee of \$29.23 per ERU would be required.

A natural resource conservation assessment of \$5 per parcel would generate approximately \$94,000 to fund Agriculture and Fish & Wildlife Plans and other Conservation District activities. If a conservation assessment were collected, the annual stormwater fee could be reduced to \$23.36.

Environmental Health Department On-site Septic System Database Management

This component would be funded by a \$0.02 per gallon charge on on-site septic system pumping and remain part of the Environmental Health Department's On-site Septic System Program. The average charge per effluent pumping approximately every 6 years would be \$20 (See Chapter 4).

Port Hadlock UGA Stormwater Management

The expenditures for the Port Hadlock UGA stormwater management components would be funded by stormwater control fees assessed on property in the UGA. The one-time fees for the treatment vault facility and conveyance replacement would be assessed on parcels served by the storm sewer system. The annual fee for facility inspections would be assessed on parcels designated as commercial, industrial, and multi-family residential. The annual fee for program activities (public education and monitoring) could be assessed either on commercial, industrial, and multi-family residential parcels only or on all developed parcels including single-family residential.

Port Hadlock UGA Storm Sewer Improvements

- Treatment Vault: \$22.08 per ERU served by Port Hadlock storm sewer
- Conveyance Replacement: \$317.88 per ERU served by the Port Hadlock Storm sewer

Port Hadlock UGA Stormwater Management Program

- Facility Inspections: \$7 per ERU of commercial, industrial, and multi-family residential
- Program activities (Public education and monitoring):
 - Commercial, industrial, and multi-family residential: \$10.50 per ERU or
 - All developed UGA parcels: \$2.86 per ERU.

The spreadsheet at the end of this chapter depicts stormwater control fee options for funding a UGA Stormwater Management Program.

Program Option 3: Implement a Comprehensive Surface Water Management Program within a Public Works Department Utility Division

Under this option Jefferson County would implement the comprehensive Surface Water Management Program described under Option 2. The County would establish Public Works Department Utility Division that would manage the Surface Water Management Program. The Utility Division would also manage the design, construction, and operation of the Port Hadlock UGA sanitary sewer system. Bringing these programs together in a Utility Division would create an efficient management structure with expertise in engineering, capital facility planning, project management, and operations management. This option would support the development of the sewer and stormwater management systems that are vital for the development of the Port Hadlock UGA.

Under this option the Utility Division would be responsible for overall Program management. It would also be responsible for implementing Program components such as urban stormwater

management and facility inspections that require engineering and operations management expertise. Other Program components such as public education, technical assistance, and water quality monitoring would be implemented through interdepartmental agreements and interlocal agreements with the Conservation District and WSU Extension.

Program Expenditures

The staffing and expenditures for this option would be identical to Option 2 with the exception that the Surface Water Management Program would fund a portion of the salary and benefits of the Utility Division Manager and related indirect costs.

Option 2 Program Expenditures: \$467,750

Option 3 Program Management Expenditures: \$20,800

- Utility Division Manager: \$16,000 (20% FTE. Salary and benefits)
- Additional Indirect Program Expenditures: \$4,800 (@ 30% of Utility Division Manager direct costs for office rent and equipment, automobile, management and accounting services, etc.)

Option 3 Total Program Expenditures: \$488,550.

Evaluation:

Goals and policies

This option addresses Jefferson County's surface water management goals and policies expressed in this Plan.

Program components

As with Option 2, this option represents the opposite end of the program development spectrum from Option 1. It would develop a comprehensive Surface Water Management Program that implements all of the identified priority components. While this option would require significant additional expenditures for Jefferson County to implement, it is appropriate to consider it in order to understand the program components and expenditures required to implement a comprehensive Program.

Revenue

This option would require significant new revenues. Under this option, designated surface water management revenue would fund all Program activities and transfers from the General Fund would be eliminated. This would allow General Fund revenues to be focused on law and justice, human services, and recreation programs.

Stormwater Control Fee and Natural Resource Conservation Assessment

Based on the planning level analysis in Chapter 7, a stormwater control fee of \$6.25 per Equivalent Residential Unit (ERU) would generate \$100,000. In order to fund the estimated \$488,550 cost of Option 3 entirely with a stormwater control fee, a fee of \$30.53 per ERU would be required.

A natural resource conservation assessment of \$5 per parcel would generate approximately \$94,000 to fund Agriculture and Fish & Wildlife Plans and other Conservation District surface water management activities. If a conservation assessment were collected, the stormwater fee could be reduced to \$24.66.

The other component of the Utility Division, the Port Hadlock sanitary sewer system, would be funded by a combination of loans, grants, bonds, system charges, and service fees that would be independent of the Surface Water Management Program revenue.

Port Hadlock UGA Stormwater Management

As with Option 2, the expenditures for the Port Hadlock UGA stormwater management components would be funded by stormwater control fees assessed on property in the UGA.

10.4 RECOMMENDATION

Jefferson County's Comprehensive Plan committed the County to implementing a Surface Water Management Program to protect and restore its surface water resources as the County continues to grow and develop. Based on the analysis of the County's financial and surface water conditions, Jefferson County should implement Option 1 in 2007 as an interim measure.

The Program Manager would prepare a Strategic Plan and revenue analysis prior to the adoption of the 2008 County budget. Based on the Strategic Plan and revenue analysis, the County would decide which of the priority Program components to implement in 2008 through a comprehensive Surface Water Management Program.

Since Jefferson County is proceeding with the design and construction of the Port Hadlock UGA sanitary sewer system, from a program management perspective it would be sensible to implement this approach by developing a Public Works Department Utility Division as described in Option 3.

See Table 10-1 Program Options: Components, Expenditures, and Revenues