

RATES & CHARGES





THURSTON CONSERVATION DISTRICT



Our vision is to create healthy, functioning ecosystems in Thurston County through advocacy, education and technical assistance efforts; thereby empowering every citizen of Thurston County to be a steward of the environment.



SERVICE AREA

The Thurston Conservation District (TCD) was established in 1947 and serves most of Thurston County



For the last 71 years, TCD has aimed to conserve and sustain the beneficial use and protection of local natural resources through partnerships with the County's rural, agricultural and urban communities, as well as local, state, federal and tribal agencies



PROGRAMS & SERVICES



"The Thurston Conservation District staff know the local land, they know the landowners, they know the agricultural operations, and they can help guide landowners through what some would call a regulatory maze. I think it's easier to get landowners involved in conservation activities through knowledge and incentives, rather than through regulations. The ability of the Conservation District technician to talk with the landowner and help guide them is critical for the success of the community as we try to conserve our resources." ~Fred Colvin, Colvin Ranch





BASIC SERVICES



District activities are currently supported through a combination of project-specific federal, state and local grants (1993 – 2017 \$5/parcel + \$0.10/acre assessment)

Grant funding fluctuates year-to-year and is a volatile revenue source for TCD

Implementing a system of rates and charges will provide a more reliable revenue source and will be tied to the direct and indirect benefits to each parcel

Local revenue can then be leveraged to bring additional state and federal grant dollars into Thurston County



RCW 89.08.405 RATES & CHARGES SYSTEM



Adds Conservation District “rates and charges” option – alternative to assessment approach

Rate may be

Annual per acre amount ($\leq \$0.10/\text{acre}$)

Annual per parcel amount

$\leq \$15/\text{parcel}$ for counties > 1.5 million population – *King County*

$\leq \$10/\text{parcel}$ for counties $> 480,000$ and ≤ 1.5 million population – *Pierce, Snohomish, Spokane Counties*

$\leq \$5/\text{parcel}$ for counties $\leq 480,000$ population – *All others counties (Thurston)*

Annual per acre ($\leq \$0.10/\text{acre}$) + per parcel amount ($\leq \$5/\text{parcel}$)

Within limitations, forest lands *may be* subject to rates or charges if served by the conservation district



RATES VS. ASSESSMENT



A **rate** is a charge intended to recover the cost of public programs based on services received or mitigation needed

Services received/impact may be indirect

May be different for each Program/Service offered

May be different for each land use category

An **assessment** is a user charge intended to recover the cost of improvements/services that increase the value of the property charged



DEVELOPING RATES & CHARGES

1. Define Key Programs & Services – Strategic Plan Elements

Water Quality, Protect and Restore Ecosystems, Producer Support, Preservation of Working Lands, Rural and Urban Stewardship, Efficient District Operations

2. Allocate Service & Associated Cost between Direct & Indirect

3. Determine Cost Recovery Basis (per acre v. per parcel)

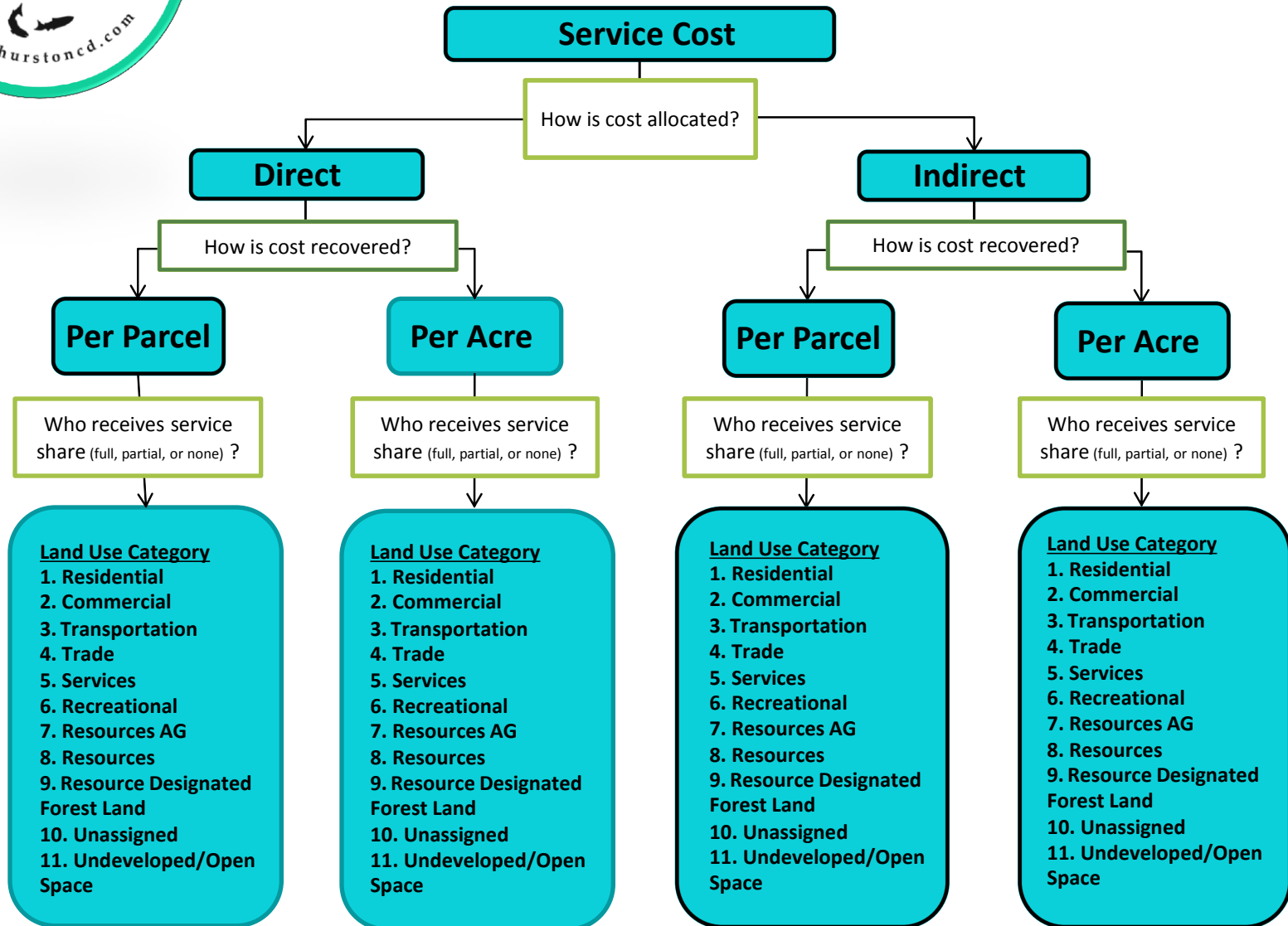
4. Evaluate Customer Types Served by Program

5. Calculate Rates by Customer Type





ALLOCATION PROCESS





CUSTOMER BASE



The land use categories are based on the present Department of Revenue land use of each parcel in the Thurston County tax account assessment file

There are a total of 109,759 chargeable parcels and 430,957 chargeable acres in the Conservation District service area

Yelm, Rainier and Tenino are currently excluded from the TCD based on their original 1948 incorporated boundaries



RATE/REVENUE REQUIREMENT

Calculated Rates and Revenue Reconciliation

Land Use Category	Calculated Rates		No of Charge Units		Revenue Reconciliation		
	Per Parcel	Per Acre	No of Parcels	No of Acres	Parcel Charge	Acreage Charge	TOTAL
1 Residential	\$ 5.3600	\$ 0.1300	88,973	292,420	\$ 476,895	\$ 38,015	\$ 514,910
2 Commercial	\$ 5.3500	\$ 0.1300	134	675	\$ 717	\$ 88	\$ 805
3 Transportation	\$ 5.3500	\$ 0.1300	845	1,834	\$ 4,521	\$ 238	\$ 4,759
4 Trade	\$ 5.3500	\$ 0.1300	1,013	1,356	\$ 5,420	\$ 176	\$ 5,596
5 Services	\$ 5.3500	\$ 0.1300	2,315	4,228	\$ 12,385	\$ 550	\$ 12,935
6 Recreational	\$ 5.3500	\$ 0.1300	1,356	3,678	\$ 7,255	\$ 478	\$ 7,733
7 Resources AG	\$ 5.3600	\$ 0.1300	872	8,885	\$ 4,674	\$ 1,155	\$ 5,829
8 Resources	\$ 5.3500	\$ 0.1300	94	871	\$ 503	\$ 113	\$ 616
9 Resource Designated Forest Land	\$ 5.3500	\$ 0.1300	476	82,287	\$ 2,547	\$ 10,697	\$ 13,244
10 Unassigned	\$ -	\$ -	-	-	\$ -	\$ -	\$ -
11 Undeveloped/Open Space	\$ 5.3500	\$ 0.1300	12,545	34,724	\$ 67,116	\$ 4,514	\$ 71,630
TOTAL			108,623	430,957	\$ 582,032	\$ 56,024	\$ 638,056

Total Costs	\$ 1,810,933
Less: Total Other Revenues	\$ (1,173,632)
Net Revenues Needed from Rates	\$ 637,301

Expense calculations based on funding needed to complete 2017 – 2022 Thurston Conservation District Strategic Plan .
Revenue calculations based on 2017 grant funding (comparable to anticipated annual grant revenue for 2017 – 2022).



RATE PROPOSAL

Rates are adjusted proportionally such that the highest rate is \$5.00 per parcel and \$0.10 per acre, as per statute

Rates to be Charged and Revenue Calculation

Maximum Allowable Rates	Per Parcel	Per Acre
All Other Land Uses Max	\$ 5.0000	\$ 0.1000
Designated Forest Land Max	\$ 3.0000	\$ 0.0100

Land Use Category	Calculated Rates	
	Per Parcel	Per Acre
1 Residential	\$ 5.0000	\$ 0.1000
2 Commercial	\$ 4.9900	\$ 0.1000
3 Transportation	\$ 4.9900	\$ 0.1000
4 Trade	\$ 4.9900	\$ 0.1000
5 Services	\$ 4.9900	\$ 0.1000
6 Recreational	\$ 4.9900	\$ 0.1000
7 Resources AG	\$ 5.0000	\$ 0.1000
8 Resources	\$ 4.9900	\$ 0.1000
9 Resource Designated Forest Land	\$ 2.9900	\$ 0.0100
10 Unassigned	\$ -	\$ -
11 Undeveloped/Open Space	\$ 4.9900	\$ 0.1000
TOTAL		

No of Charge Units	
No of Parcels	No of Acres
88,973	292,420
134	675
845	1,834
1,013	1,356
2,315	4,228
1,356	3,678
872	8,885
94	871
476	82,287
-	-
12,545	34,724
108,623	430,957

Calculated Revenues		
Parcel Charge	Acreage Charge	TOTAL
\$ 444,865	\$ 29,242	\$ 474,107
\$ 669	\$ 67	\$ 736
\$ 4,217	\$ 183	\$ 4,400
\$ 5,055	\$ 136	\$ 5,191
\$ 11,552	\$ 423	\$ 11,975
\$ 6,766	\$ 368	\$ 7,134
\$ 4,360	\$ 888	\$ 5,248
\$ 469	\$ 87	\$ 556
\$ 1,423	\$ 823	\$ 2,246
\$ -	\$ -	\$ -
\$ 62,600	\$ 3,472	\$ 66,072
\$ 541,975	\$ 35,690	\$ 577,665



A YEAR WITHOUT AN ASSESSMENT

Loss of 4 technical staff positions (conservation planning, technical assistance and landowner support, cost share implementation)

Loss of Executive Director and vital administrative support capacity

Loss of local match for state and federal grants, limited funds to prepare applications

Loss of county-wide service to landowners, constrained to grant-funded geographies

Loss of funding for local cost share and shellfish protection district funding

Limited support for landowners dealing with regulatory referrals



SUMMARY

Conservation Board of Supervisors requests adoption of an Ordinance to approve rate structure (*up to \$5/parcel + \$0.10/acre annually*)

Rates are a more stable and appropriate revenue source to fund the needed programs and services at Thurston Conservation District

Proposed rates have a ceiling and cannot be raised without concurrence from the County Board of Commissioners and Conservation District Board of Supervisors

Requesting a five (5) year term for proposed rates





THANK YOU

Sarah Moorehead
Interim Executive Director
www.thurstoncd.com



Thank you to our community and partners for your continued support of voluntary natural resource conservation throughout the last 71 years!

BACKGROUND SLIDES



Direct/Indirect Allocation

Natural Resource Programs	Total Cost	Allocation Basis
Water Quality & Quantity		
Improve shoreline conditions and Increase water use efficiencies	\$ 11,386	7 5% Direct / 95% Indirect
Protect and restore marine and freshwater habitat	20,854	1 All Indirect
Upgrade shellfish beds and reduce surface and ground water impacts	47,688	1 All Indirect
Support healthy salmon populations	32,426	1 All Indirect
Subtotal	\$ 112,354	



Allocation of Indirect Service Costs

Improve shoreline conditions and Increase water use efficiencies - Indirect Benefit Costs

TOTAL COST
\$ 10,817

% to be Recovered from " <i>per Parcel</i> " Charge:	100.0%
Allocated Cost Basis for " <i>per Parcel</i> " Charge:	\$ 10,817

Land Use Category	1	Allocation of Costs				Calculation of Rates		Notes
	No. of Parcels [a]	Benefits Adj. Factors	Adjusted Allocation	% Share	Allocated Cost	Rate Basis No of Parcels	Unit Cost (per Parcel)	
1 Residential	88,973	2	88,973	81.91%	\$ 8,860	88,973	\$ 0.0996	
2 Commercial	134	2	134	0.12%	\$ 13	134	\$ 0.0996	
3 Transportation	845	2	845	0.78%	\$ 84	845	\$ 0.0996	
4 Trade	1,013	2	1,013	0.93%	\$ 101	1,013	\$ 0.0996	
5 Services	2,315	2	2,315	2.13%	\$ 231	2,315	\$ 0.0996	
6 Recreational	1,356	2	1,356	1.25%	\$ 135	1,356	\$ 0.0996	
7 Resources AG	872	2	872	0.80%	\$ 87	872	\$ 0.0996	
8 Resources	94	2	94	0.09%	\$ 9	94	\$ 0.0996	
9 Resource Designated Forest Land	476	2	476	0.44%	\$ 47	476	\$ 0.0996	
10 Unassigned	-	2	-	0.00%	\$ -	-	\$ -	
11 Undeveloped/Open Space	12,545	2	12,545	11.55%	\$ 1,249	12,545	\$ 0.0996	
TOTAL	108,623		108,623	100.00%	\$ 10,817	108,623	\$ 0.0996	

Notes:



Allocation of Direct Service Costs

Improve shoreline conditions and Increase water use efficiencies - Direct Benefit Costs

TOTAL COST
\$ 569

% to be Recovered from " <i>per Parcel</i> " Charge:	90.0%
Allocated Cost Basis for " <i>per Parcel</i> " Charge:	\$ 512

Land Use Category	1	Allocation of Costs				Calculation of Rates		Notes
	No. of Parcels [a]	Benefits Adj. Factors	Adjusted Allocation	% Share	Allocated Cost	Rate Basis <i>No of Parcels</i>	Unit Cost <i>(per Parcel)</i>	
1 Residential	88,973	2	88,973	89.05%	\$ 456	88,973	\$ 0.0051	
2 Commercial	134	1	67	0.07%	\$ 0	134	\$ 0.0026	
3 Transportation	845	1	423	0.42%	\$ 2	845	\$ 0.0026	
4 Trade	1,013	1	507	0.51%	\$ 3	1,013	\$ 0.0026	
5 Services	2,315	1	1,158	1.16%	\$ 6	2,315	\$ 0.0026	
6 Recreational	1,356	2	1,356	1.36%	\$ 7	1,356	\$ 0.0051	
7 Resources AG	872	2	872	0.87%	\$ 4	872	\$ 0.0051	
8 Resources	94	1	47	0.05%	\$ 0	94	\$ 0.0026	
9 Resource Designated Forest Land	476	1	238	0.24%	\$ 1	476	\$ 0.0026	
10 Unassigned	-	1	-	0.00%	\$ -	-	\$ -	
11 Undeveloped/Open Space	12,545	1	6,273	6.28%	\$ 32	12,545	\$ 0.0026	
TOTAL	108,623		99,912	100.00%	\$ 512	108,623	\$ 0.0047	



Estimated Revenue Shortfall

Estimated Revenue Loss

Land Use Category	Calculated Rates	
	Per Parcel	Per Acre
1 Residential	\$ (0.3600)	\$ (0.0300)
2 Commercial	\$ (0.3600)	\$ (0.0300)
3 Transportation	\$ (0.3600)	\$ (0.0300)
4 Trade	\$ (0.3600)	\$ (0.0300)
5 Services	\$ (0.3600)	\$ (0.0300)
6 Recreational	\$ (0.3600)	\$ (0.0300)
7 Resources AG	\$ (0.3600)	\$ (0.0300)
8 Resources	\$ (0.3600)	\$ (0.0300)
9 Resource Designated Forest Land	\$ (2.3600)	\$ (0.1200)
10 Unassigned	\$ -	\$ -
11 Undeveloped/Open Space	\$ (0.3600)	\$ (0.0300)
TOTAL		

No of Charge Units	
No of Parcels	No of Acres
88,973	292,420
134	675
845	1,834
1,013	1,356
2,315	4,228
1,356	3,678
872	8,885
94	871
476	82,287
-	-
12,545	34,724
108,623	430,957

Estimated Revenue Loss		
Parcel Charge	Acreage Charge	TOTAL
\$ (32,030)	\$ (8,773)	\$ (40,803)
\$ (48)	\$ (20)	\$ (68)
\$ (304)	\$ (55)	\$ (359)
\$ (365)	\$ (41)	\$ (405)
\$ (833)	\$ (127)	\$ (960)
\$ (488)	\$ (110)	\$ (598)
\$ (314)	\$ (267)	\$ (580)
\$ (34)	\$ (26)	\$ (60)
\$ (1,123)	\$ (9,874)	\$ (10,998)
\$ -	\$ -	\$ -
\$ (4,516)	\$ (1,042)	\$ (5,558)
\$ (40,056)	\$ (20,335)	\$ (60,391)

Thurston Conservation District and FCS Group

John Ghilarducci, Principal

Contact FCS GROUP:

(425) 867-1802

www.fcsgroup.com