



Thurston Conservation District



Rates & Charges

Thurston Conservation District and FCS Group

July 26th, 2017

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 70 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



Current Programs of Thurston CD



**Water
Quality &
Quantity**



**Protect
& Restore
Ecosystems**



**Producer
Support &
Preservation of
Working
Lands**



**Rural &
Urban Land
Stewardship**

"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



**Outreach
& Education**



**Local Food
Production &
Consumption**



**Climate
Change
Adaptability**



**District
Operations**



Basic Funding



- ◆ District activities are currently supported through a combination of project-specific federal, state and local grants and assessment revenue
- ◆ 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
 - 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. Assessments

- ◆ 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





General Approach

1. Define Key Programs

- Water Quality & Quantity
- Protect and Restore Ecosystems
- Producer Support and Preservation of Working Lands
- Rural and Urban Stewardship, etc.



2. Allocate Service & Associated Cost between Direct & Indirect

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

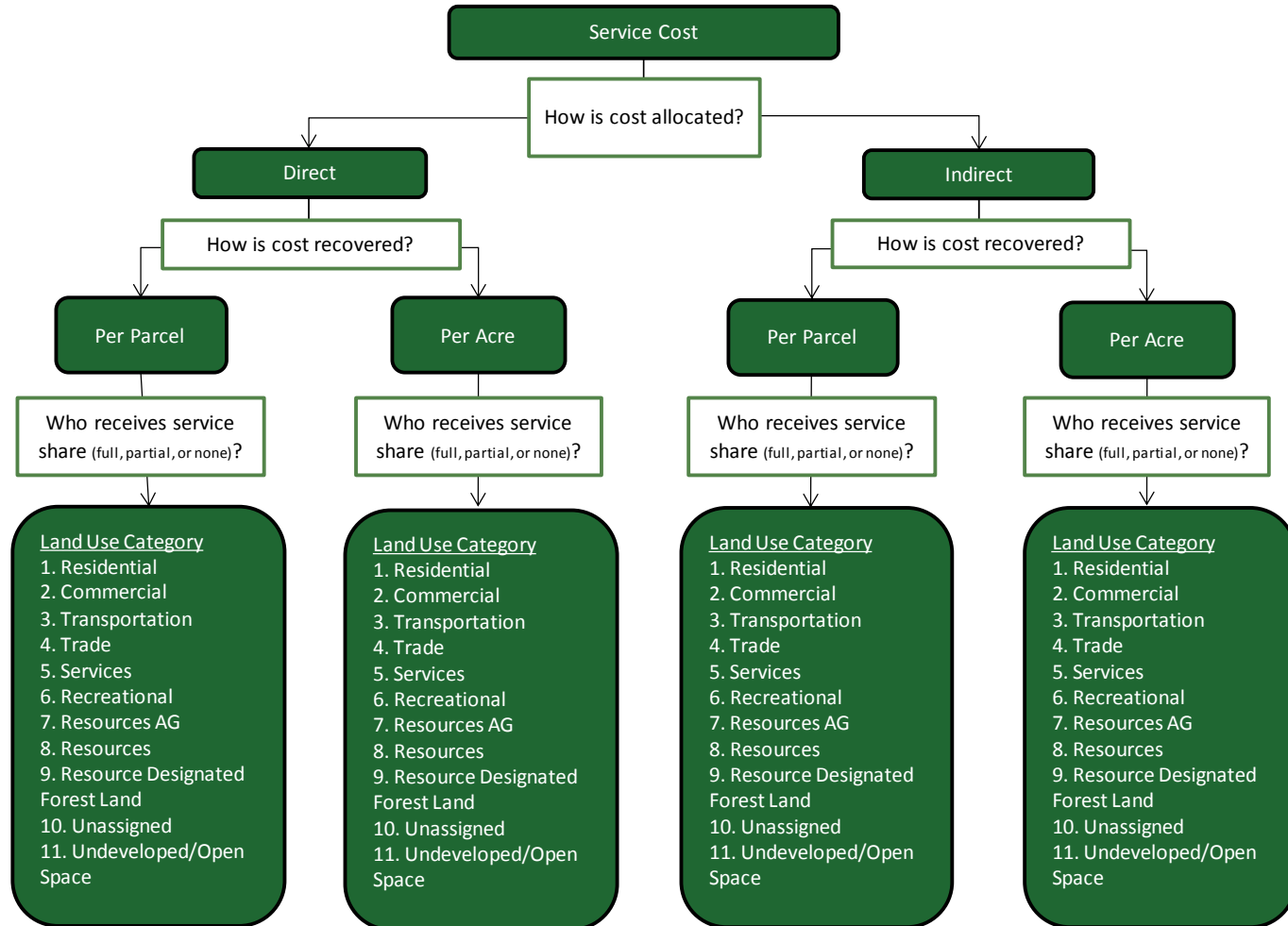
4. Evaluate Customer Types Served by Program

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



2017 Budget

	Water Quality & Quantity	\$112,354
	Protect and Restore Ecosystems	\$155,880
	Preservation of Working Lands	\$114,133
	Rural & Urban Stewardship	\$634,146
	Local Food Production & Consumption	\$33,396
	Climate Change Adaptability	\$45,620
	Community Outreach & Education	\$197,748
	District Operations	\$517,656
	GRAND TOTAL	\$1,810,933



Rates/Revenue Requirement

Calculated Rates and Revenue Reconciliation

Land Use Category	Calculated Rates	
	Per Parcel	Per Acre
1 Residential	\$ 5.3600	\$ 0.1300
2 Commercial	\$ 5.3500	\$ 0.1300
3 Transportation	\$ 5.3500	\$ 0.1300
4 Trade	\$ 5.3500	\$ 0.1300
5 Services	\$ 5.3500	\$ 0.1300
6 Recreational	\$ 5.3500	\$ 0.1300
7 Resources AG	\$ 5.3600	\$ 0.1300
8 Resources	\$ 5.3500	\$ 0.1300
9 Resource Designated Forest Land	\$ 5.3500	\$ 0.1300
10 Unassigned	\$ -	\$ -
11 Undeveloped/Open Space	\$ 5.3500	\$ 0.1300
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

Revenue Reconciliation		
Parcel Charge	Acreage Charge	TOTAL
\$ 476,895	\$ 38,015	\$ 514,910
\$ 717	\$ 88	\$ 805
\$ 4,521	\$ 238	\$ 4,759
\$ 5,420	\$ 176	\$ 5,596
\$ 12,385	\$ 550	\$ 12,935
\$ 7,255	\$ 478	\$ 7,733
\$ 4,674	\$ 1,155	\$ 5,829
\$ 503	\$ 113	\$ 616
\$ 2,547	\$ 10,697	\$ 13,244
\$ -	\$ -	\$ -
\$ 67,116	\$ 4,514	\$ 71,630
\$ 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



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		

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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

In Summary

- ◆ **Conservation Board of Supervisors requests adoption of an Ordinance to approve rate structure**
- ◆ **Rates are a more stable revenue source to provide funding for the 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 ten year term for proposed rates**





QUESTIONS

