Marine Stormwater Utility 2027 Rate Adoption

November 17, 2026

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Port of Seattle®

Action Requested

- Request Commission authorization of 8.0% rate increase in 2027 to fund Marine Stormwater Utility (Utility)
- Funding Criteria
  - Maintain adequate budget to meet Port's Long-range Plan and Utility Charter responsibilities
  - Continue investment to maintain and improve a high functioning stormwater system to protect water quality
  - Support a 6-month fund reserve consistent with Port policy and best practices
  - Maintain predictable rate over a 5-year projection



Utility Pipe Repair Work Adjacent to the MInC Project

2026 Accomplishments

- Guiding principles in Century Agenda
  - Met system rehabilitation goal of 75% in 2025 versus 2035
  - Continue to meet or exceed agency permit requirements for stormwater leaving Port-owned or operated facilities
  - Increased sweeping, inspections, spill response, and tenant outreach
- Benchmarking of Utility rates and financial best practices
- Completed 1,400+ Marine Maintenance work orders annually
  - Regulatory requirements
  - Proactive and data-driven asset management
- Managed Utility Capital Program
  - Completed a full pipe replacement at Terminal 46
  - Provided design guidance and review all maritime projects with stormwater components



Pipe repair work at Terminal 46



Ponding at Terminal 106 South Nevada St

Financial Goals & Objectives

Top Priorities:

- Sustain 75% rehabilitated system and meet water quality objectives
- Maintain rates below City stormwater utility rates
- Rebuild 6-month reserve fund balance by 2031
- Fund limited 5-year capital improvement plan



Stormwater Improvements at the Maritime Industrial Center

Stormwater Utility Operating Budget

$ in 000's	2025 Actual	2026 Approved Budget	2027 Proposed Budget
Revenue	**8,407**	**9,093**	**9,813**
Expenses			
SWU	1,923	2,372	2,369
Maintenance	4,429	5,185	5,019
Other	1,869	1,941	2,011
Total Expense	**8,221**	**9,498**	**9,399**
Capital Program	1,489	1,511	935
Total Expense & Capital	**9,710**	**11,009**	**10,334**
Annual Revenue – Total Budget	**(1,303)**	**(1,916)**	**(521)**
Fund Balance (end of year)	**2,717 65%**	**1,400 29%**	**1,256 28%**

Notes:

- *2027 budget proposal based on 8.0% rate increase*
- *2027 expense budget down 1% from 2026*
- *The Utility has not fully funded 6-month reserves or capital for last 3 years*

2027-2031 Rate Scenarios

Alternative	Rate Increase	O&M Reserve	Comments
1 - Not preferred	8.0%, 2027-2031	Will reach 79% in 2031	Under this alternative there is insufficient revenue to cover O&M cost increases and CIP through 2031. Six-month fund balance not met by end of 2031. Not preferred.
2 - Not preferred	9.0%, 2027-2031	Will reach 111% in 2031	Meets O&M reserve and CIP goals with $4.89M 5-year capital and $0.602M in additional funds in 2031. Not preferred due to higher cost impacts on tenants and NWSA.
3 - Not preferred	10.0%, 2027-2031	Will reach 144% in 2031	Meets O&M reserve and CIP goals with $4.89M 5-year capital and $2.393M in additional funds in 2031. Not preferred due to higher cost impacts on tenants and NWSA.
4 - Preferred	8.0%, 2027 9.0%, 2028-2031	Will reach 101% in 2031	Meets O&M reserve and CIP goals with $4.89M 5-year capital and $0.045M in additional funds in 2031. Lower cost impact on tenants and NWSA than other alternatives except alternative 1.

Note: Target O&M reserve for 2031 is $5.467M

Current City & Port Rate Comparison

Port rate is 15-18% lower for industrial properties compared to City

Stormwater Rate Category	City 2026*	Port 2026*	City Rate % Higher than Port
Undeveloped (0 – 15% Impervious)	$54.23-70.91	$55.34	-2 to 118.9%
Light (16 – 35% Impervious)	$97.01	$85.57	13.4%
Medium (36 – 65% Impervious)	$129.37-152.60	$124.28	4.1 to 52.6%
Heavy (66 – 85% Impervious)	$192.45	$166.75	15.4%
Very Heavy (86 – 100% Impervious)	$232.15	$197.24	17.7%

Note: In 2025, City of Seattle revised rate categories for 0-65% impervious surfaces, and categories no longer directly align with the Port's rate categories. City categories for 66-100% impervious surfaces continue to be consistent with the Port's allowing for direct comparison of rates. These two categories (Heavy and Very Heavy) also reflect most Port properties.

**Rates are shown as $ per 1,000 sq ft*

Request Adoption of 2026 Rate

Questions?

