

# Tiered Rate Structure Example

## Washington, North Carolina

### Background

The Tiered Rate Structure establishes groupings, or tiers, of similar properties based on a shared characteristic, which may include but is not limited to; impervious area, property size, land use and municipal zoning. A uniform SWU fee is applied to all property owners within each tier.

### Washington, North Carolina

Population: 9,583

Land Area: 6.5 square miles

Fees Established: 2002

Amount collected annually: \$360,000

Residential		Non-Residential	
Impervious Surface Area	Monthly Charge	Impervious Surface Area	Monthly Charge
Up to 1,517 sq. ft.	\$2.00	201 to 600 sq. ft.	\$10.00
1,518-2,322 sq. ft.	\$3.00	601 to 20,000 sq. ft.	\$20.00
Greater than 2,322 sq. ft.	\$4.00	20,001 to 40,000 sq. ft.	\$40.00
		40,001 to 100,000 sq. ft.	\$50.00
		Greater than 100,000 sq. ft.	\$100.00

### PROS

- Simple to develop and implement
- Tiers streamline establishment of fees
- Flexible parameter selection for tiers
- Minimal data management required
- Minimal appeals from property owners regarding minor property changes/variations

### CONS

- Not a precise estimate of stormwater runoff from individual properties
- Numerous tiers required for widely diverse property characteristics
- Tier development must be justified up front

### Final Notes

- The fee in Washington, North Carolina was initially established to pay for new capital improvements to the stormwater system and eventually for the maintenance to the existing system as well.
- This is a simple rate structure to develop but may not be as equitable as other rate structures that calculate fees based on actual site-specific information, such as impervious area, property size etc., and may require more up front justification of the tiers and fees during development.
- Visit Washington, North Carolina's website for more information on their process: [https://www.washingtonnc.gov/departments/stormwater\\_utility.php](https://www.washingtonnc.gov/departments/stormwater_utility.php)
- An example Stormwater Resolution from Washington, North Carolina: [https://cms8.revize.com/revize/washingtonnc/Document\\_Center/Department/Utilities/City%20of%20Washington,%20NC%20-%20Stormwater%20Resolution.pdf](https://cms8.revize.com/revize/washingtonnc/Document_Center/Department/Utilities/City%20of%20Washington,%20NC%20-%20Stormwater%20Resolution.pdf)