

Finance Committee

DEPARTMENT: Public Works



FROM: Justin Scharnhorst, Deputy Director of Public Works

MEETING: May 27, 2026

SUBJECT:

Receive a report, hold a discussion, and provide recommendations to the city council on the proposed timeline and budget for adopting a stormwater utility fee. *(Staff Contact: Justin Scharnhorst, Deputy Director of Public Works)*

STRATEGIC PRIORITY AND GOAL(S):

Strategic Priority	Strategic Goal
 <p>High Performing City Organization Providing Exceptional, People Focused Services</p>	1.2 Continue to improve the efficiency and productivity of operations 1.3 Deliver high-quality service and communications to external and internal customers
 <p>Dynamic & Preferred City Through Managed Growth</p>	2.5 Develop and maintain facilities and utility services

SUMMARY:

The City has been evaluating the implementation of a stormwater utility and associated fee structure as part of its long-term strategy to address a significant backlog of deficient drainage infrastructure and related items that impact the community. This item has been presented and discussed at multiple levels for several years, including Council Committees and City Council, where staff has provided updates on program development, funding needs, and potential rate structures.

For purposes of this discussion, staff is seeking direction to proceed to the full Council with development of a Stormwater Utility and fee structure that includes a base rate not to exceed \$8.00 per ERU per month, a tiered residential rate structure, a capital improvement component,

and funding for an additional drainage maintenance crew. Under the proposed framework, religious institutions would receive a 75% discount, or a rate not to exceed \$2.00 per ERU.

Through these discussions and at Council's direction, staff is preparing the proposed program to be presented alongside the FY 2027 Budget in the coming months for consideration as part of the annual budget adoption process.

RECOMMENDATION:

N/A

PRIOR ACTION/INPUT (Council, Boards, Citizens):

1/6/2025: City Council awarded a professional services contract to Freese and Nichols for technical assistance in the development of a stormwater utility and fee. CSO#5715-01-2025; CSO#5716-01-2025

5/21/2025: Infrastructure & Development Committee received a report from staff and provided recommendations to City Council

5/27/2025: City Council received a report and provided direction to staff to proceed with development of a stormwater utility and fee

12/15/2025: City Council received a report and provided direction to staff to provide additional information

2/2/2026: City Council received a report and provided staff additional direction to modify the program and continue moving forward.

REFERENCE:

N/A

FISCAL IMPACT:

N/A

STAFF CONTACT:

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