



At present time, over 20% of the system's infrastructure has exceeded its recommended service life and the remaining system components' structural condition is deteriorating rapidly.

Additionally, consistent increases in land and water temperatures, and in the severity and frequency of weather events and other environmental stressors, continue to pose a challenge to the Stormwater system's capacity to handle storm events of both small and large magnitude.

Moreover, the utility operates as a self-supporting enterprise fund, but has historically used operating reserves to cover actual expenses that exceeded the budget amounts. Also, the utility experiences frequent operational disruptions due to staffing shortages and an aging fleet.

To continue to address these concerns, in January 2023, the Town Commission engaged with financial consultant Raftelis to conduct a comprehensive fiscal analysis of the Stormwater Utility.

The primary objectives of the analysis are as follows:

- Develop a funding strategy to pay for stormwater system operations, maintenance and capital repairs & upgrades
- - Emphasis on replacement of aging fleet and funding capital improvements to meet the drainage needs of the service area
    - Historically, stormwater rates were only established to recover operating expenses without any additional revenues for capital improvements
- Estimate revenue requirements to be recovered from stormwater rates
- Identify the need for future rate adjustments

Finally, during the follow-up public meeting scheduled for May 18, 2023, Town and Raftelis Staffs will present information regarding the state of the Stormwater utility as well as present the findings and recommendations associated with improving the utility's operation and fiscal standing.

**Recommended Motion:** There is no motion associated with this Agenda item. For discussion only.