



AGENDA ITEM SUMMARY FORM

PROPOSED MEETING DATE: July 19, 2023
PREPARED BY: Scott Dunlop, Director
DEPARTMENT: Development Services

AGENDA ITEM DESCRIPTION:

Consideration, discussion, and possible action on a Stormwater Drainage Fee.

BACKGROUND/SUMMARY:

The drainage fee was last presented to the City Council on April 19th during a workshop session and then at the regular meeting. We received feedback about varying rates between residential and nonresidential properties and when other cities that have implemented a fee adopted them and their populations at the time. Legal has provided an opinion on the varying rate structure and Raftelis has prepared an analysis of when surrounding communities implemented their fees, how much those fees were, and what their populations were.

For the purposes of this discussion, if the City Council is satisfied with the information provided to move forward, we'd like to establish the rate structure and get feedback and approval of the community outreach plan. We have created an implementation schedule that has a go-live date of October 1st for the upcoming FY, so to stay on target for that date we need to move into community outreach over the next two months, but to communicate the fee and its benefits effectively and accurately we need to know the rate structure.

Three rate structures have been provided as options so far for FY24- \$2, \$3, and \$6.50 per ERU. The \$2 primarily will fund the Stormwater Master Plan and Capital Planning. \$3 funds those activities plus 1 full-time employee (this employee is already active and paid from the Streets Dept budget but would be paid from the drainage fee if implemented at \$3 or more). \$6.50 funds the full 1st year suggested program: Stormwater Master Plan, Capital Planning, 1 FTE (existing), contracted MS4 compliance, maintenance, storm drain medallions, system mapping, street sweeper, 1 FTE (new), and small project maintenance and repair.

The rate model starting at \$3 in FY24 was also included out to FY30 that increases to \$4 in FY25, \$5 FY26, \$6 FY27, \$7.50 FY28, and \$8 FY29 and FY30. Those rates do not fund the full program or capital projects in some fiscal years and if the City Council desires to fund more of the program then transfers from the General Fund would be necessary.

As originally modeled to fully fund the program and estimated capital project costs, the starting rate was \$6.50/ERU, increasing to \$8.50 in FY26, then \$10 in FY27 to FY33. This rate model includes the "enhanced level of service" in FY28 when the city would create a Drainage Department either as part of the Streets Dept or its own department in Public Works. That enhanced level of service includes 3 new FTEs, gradall truck, dump truck, vector trailer, dumping fees, and fuel/maintenance for those vehicles. Also under the full program, the estimated capital project revenue is about \$400,000/year, which can be reserved over a few years if certain capital projects exceed that amount.

LEGAL REVIEW: Yes, Veronica Rivera
FISCAL IMPACT: No
PRESENTATION: Yes
ATTACHMENTS: Yes

- Presentation
- Benchmarking
- Draft Communication Plan

- Draft Feasibility Report
- Implementation Schedule

STAFF RECOMMENDATION:

It is the City staff's recommendation that the City Council discuss and provide feedback to staff on a stormwater drainage fee rate model and community outreach plan.

PLANNING & ZONING COMMISSION: **Recommend Approval** **Disapproval** **None**
