



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: July 6, 2017

Staff Contact: Darren Schulz, Public Works Director

Agenda Title: For Possible Action: Provide direction to staff on how to proceed with funding the storm water management program. (Darren Schulz, dschulz@carson.org)

Staff Summary: The Board of Supervisors will be presented with a brief historical overview of the development of the storm water management program, the Utility Finance Oversight rate recommendations and options for using a rate consultant. On March 28th, the Utility Finance Oversight Committee was presented with a staff recommended plan to fund operations and a 10-year capital improvement plan. The Committee recommended changes to the plan which was presented to the Board of Supervisors on May 4th but no action was taken. Staff was later directed to bring back an additional option for using a rate consultant to assist with funding options. Based on this direction, staff provides the following options and recommends Option 2: Option 1 - Keep existing rate structure and program in place with no changes. Option 2 - Adopt the Utility Finance Oversight Committee recommended rate plan. Option 3 - Hire a rate consultant to evaluate elements of the program. Option 3A - Use existing revenue estimated needs and perform up to three alternative cost of services analysis (up to \$50,000). Option 3B - Hire a rate consultant to evaluate the program, perform a gap or needs analysis and recommend options moving forward (up to \$100,000). Option 3C - Hire a rate consultant, re-evaluate the complete program with options to accommodate low impact development standards and/or other rebate options (up to \$250,000). The cost to use a rate consultant could vary significantly based upon the depth and breadth of their scope of work and options listed above provide general guidance based on a low, medium and high expenditure. If additional expenses are incurred, staff will need direction on how to fund the expense such as the use of reserve funds, a rate increase or use of an alternative funding source.

Agenda Action: Formal Action/Motion

Time Requested: 30 minutes

Proposed Motion

Move to direct staff to...

Board's Strategic Goal

Sustainable Infrastructure

Previous Action

On May 4, 2017, staff brought forth the Utility Finance Oversight Committee recommended storm water rate plan of keeping the existing rate structure and phasing in an increase of 25% the first year, 35% the second year, and 35% the third year, effective FY2018.

Background/Issues & Analysis

From a historical perspective, in the late 1990's, the City recognized it will be required to obtain and comply with a National Pollutant Discharge Eliminations System permit and formed a Storm Drainage Advisory Committee to work closely with consultants, to examine stormwater management issues for nearly four years

prior to the establishment of the storm drain proprietary fund. The Committee developed key policies that were used to create a foundation for funding decisions. They examined the practicality of nearly a dozen funding sources and brought forth a recommendation to the Board of Supervisors. In 2003, the Board approved the fee generation method, but acknowledged that the proposed program funding level will not keep the City in compliance with NDEP requirements and that support will be needed through the Street Division and alternative sources such as sales tax levy. Since the inception, the storm water management program has expanded in scope beyond storm water quality, to include storm water control capital improvements and floodplain management, which is the National Flood Insurance Program (NFIP) and Community Rating System (CRS).

Applicable Statute, Code, Policy, Rule or Regulation

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number: Storm Drain Fund

Is it currently budgeted? Yes No

Explanation of Fiscal Impact: The fiscal impact will depend on how the Board would like to proceed.

Alternatives

The Board may direct staff proceed with other options.

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

CARSON CITY



STORM WATER MANAGEMENT PROGRAM

July 6, 2017

Storm Water Management Program Funding

David Bruketta
Utility Manager

Darren Schulz, PE
Director of Public Works

Robb Fellows, PE
Stormwater Engineer





Outline

- **Current Program**

- History
- Elements
- Expenditures
- Rate structure

- **UFOC Proposed Rates**

- Proposed rates
- Proposed Capital Improvement Plans

- **Funding Options**

- No Changes
- Adopt UFOC recommendation
- Consultant options



History



Storm Drain Advisory Committee and rate consultants

Storm Water Plan and Utility Adoption

MS4 Permit and renewals





Elements

National Flood Insurance Program (NFIP)

- FEMA program – adopt and enforce floodplain management regulations
 - Reduced rate insurance to property owners
 - Reduced damages to infrastructure, economic disruption and losses
 - Enhanced public safety
 - Qualify for disaster assistance

Community Rating System (CRS)

- FEMA program – further reduced rate insurance to property owners
 - Exceed NFIP requirements
- Qualify for other Federal assistance programs

Municipal Separate Storm Sewer Systems (MS4).

- Permit issued by NDEP
 - Reduce discharge of pollutants
 - Protect water quality



Expenditures



Storm Water Quality

- MS4 permit requirements (Federal & State laws)
- 7 Best Management Practices with multiple activities

Floodplain Management

- NFIP / CRS (Federal requirements)
- 10 minimum requirements – 16 activities

Debt Service

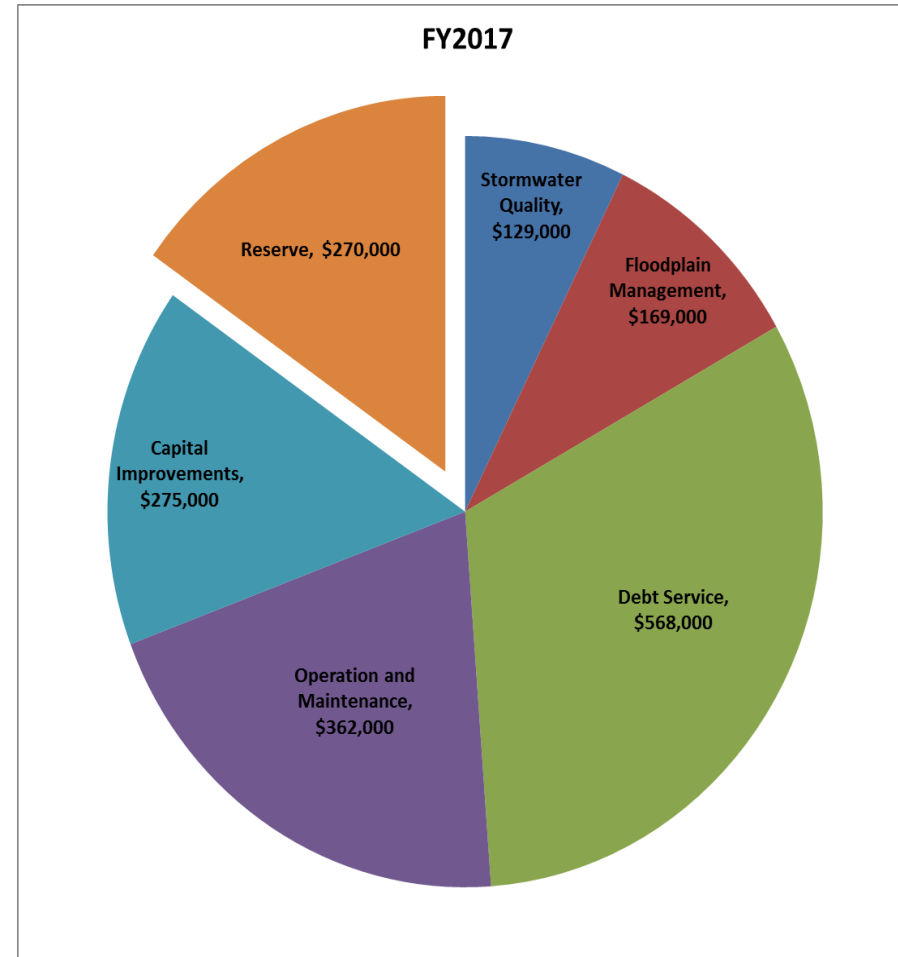
- Bonds

Operations & Maintenance

- Salary, benefits (2.3FTE)
- Services & supplies

Capital Improvements

- System improvements (new and upgrades)
- Culverts, detention basins, ditches, etc.





Rate Structure

Carson City Municipal Code:

Chapter 12.07 -Storm Water Service Charges

12.17.020 - Rate policy.

It shall be the policy of the city that the rate structure to be applied in establishing the amount of service charges assessed against each parcel of developed real property within the boundaries of the city shall be based upon the amount of majority of the zoning classification assigned to each parcel of property as defined by Title 18 of the Carson City Municipal Code.





Rate Structure

12.17.040 - Service charge rates.

Classification	Monthly Rate
"Single-Family" Property	\$4.38
"Multi-Family" Property	\$22.56
"Public" Property	\$24.64
"Manufacturing" Property	\$29.38
"Commercial" Property	\$31.51





Rate Structure

12.17.010 - Definitions.

"Single family" property shall mean developed property that is zoned, in the majority, "SF5A", "SF2A", "SF1A", "SF12", "SF6", "CR", "A", "MH6", "MH12", or "MH1A", all as defined in Title 18 of the Carson City Municipal Code.

"Multi-family" property shall mean developed property that is zoned, in the majority, "MFD", "MHP" or "MFA", all as defined in Title 18 of the Carson City Municipal Code.

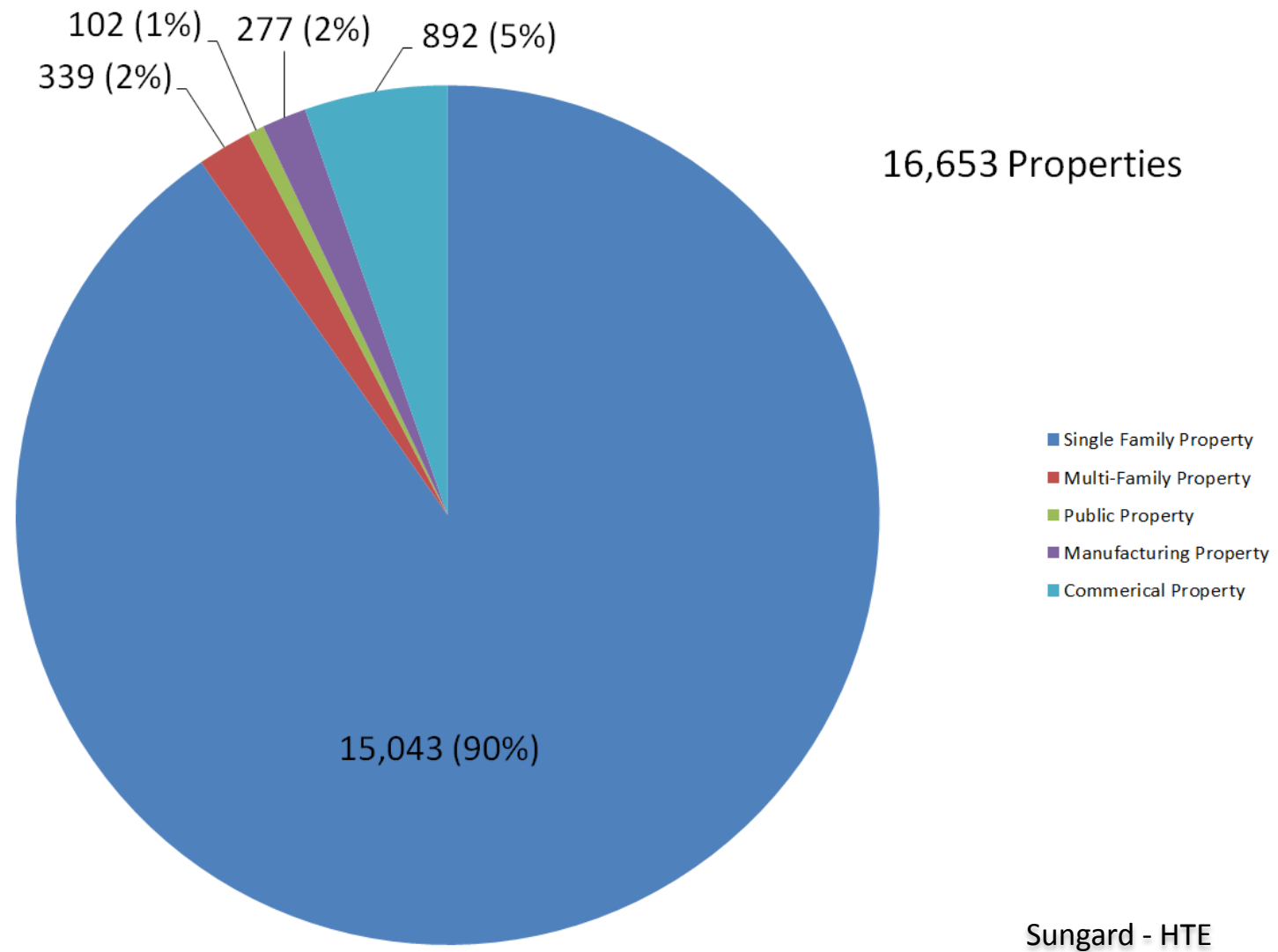
"Public" property shall mean developed property zoned "P", as defined in Title 18 of the Carson City Municipal Code.

"Manufacturing" property shall mean developed property that is zoned, in the majority, "LI", "GI", or "AIP", all as defined in Title 18 of the Carson City Municipal Code.

"Commercial" property shall mean developed property that is zoned, in the majority, "RO", "GO", "NB", "RC", "GC", "TC", or "DC", all as defined in title 18 of the Carson City Municipal Code.



Rate Structure





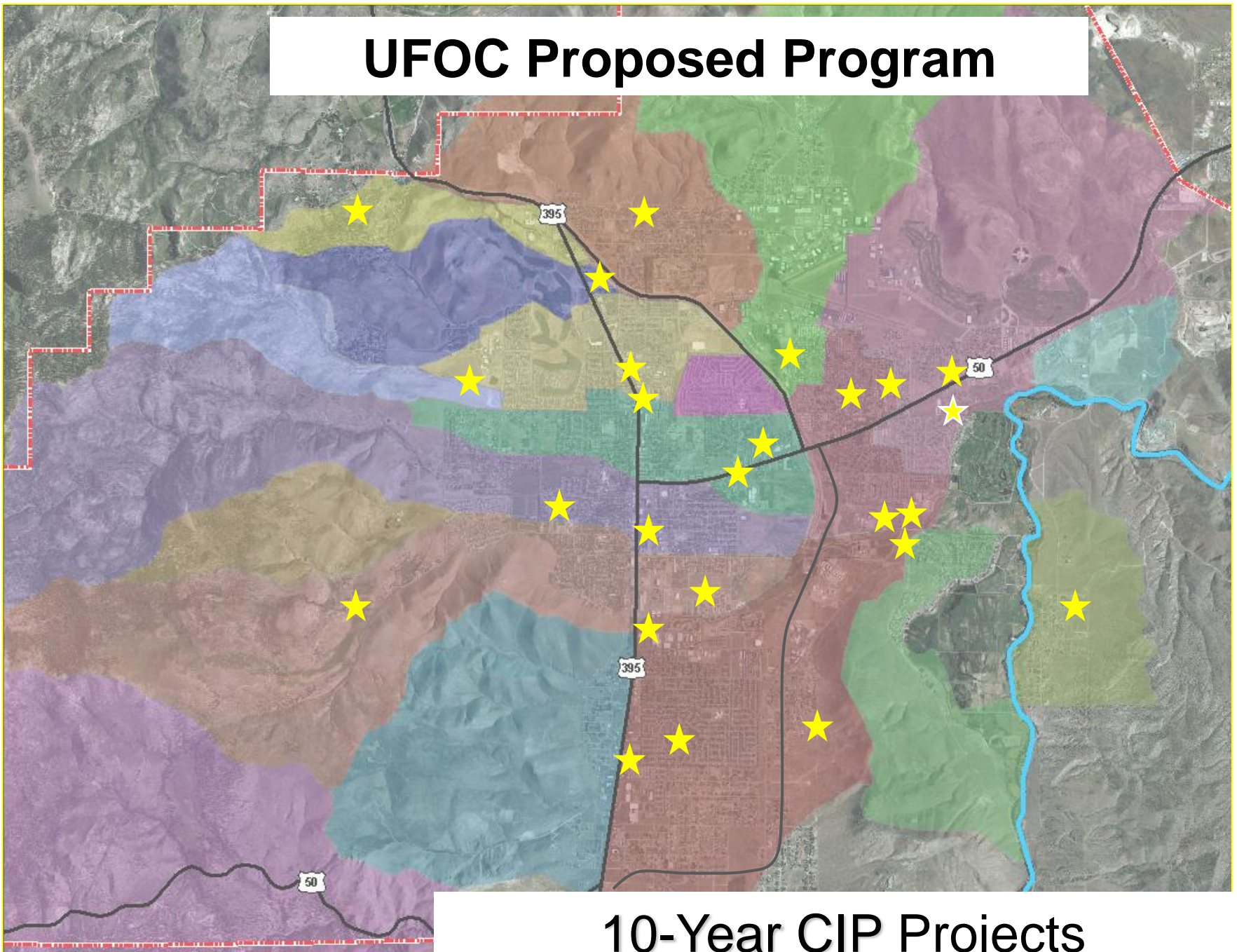
UFOC Proposed Program

Monthly Rates					
		Proposed	Proposed	Proposed	Proposed
Classification	Current	FY18	FY19	FY20	FY28
Single Family Property	\$ 4.38	\$ 5.48	\$ 7.40	\$ 9.99	
Multi-Family Property	\$ 22.56	\$ 28.20	\$ 38.07	\$ 51.39	
Public Property	\$ 24.64	\$ 30.80	\$ 41.58	\$ 56.13	
Manufacturing Property	\$ 29.38	\$ 36.73	\$ 49.59	\$ 66.95	
Commercial Property	\$ 31.51	\$ 39.39	\$ 53.18	\$ 71.79	
Annual revenue	\$ 1,396,316	\$ 1,745,395	\$ 2,356,283	\$ 3,180,982	\$ 29,549,534
Annual revenue increase (comp to FY17)		\$ 349,079	\$ 959,967	\$ 1,784,666	\$ 15,586,374
Available to Operating (20%)		\$ 69,816	\$ 191,993	\$ 356,933	\$ 3,117,275
Available to Capital (80%)		\$ 279,263	\$ 767,974	\$ 1,427,733	\$ 12,469,099



FY: Fiscal Year
Fiscal Year: July 1 – June 30

UFOC Proposed Program



10-Year CIP Projects



Storm Water 10 Year CIP with Proposed Rate Increases

7/6/2017

	Project Name	Estimated Expense
1	Lakeview SD Improvements	\$ 250,000
2	Kings Canyon Channel Maintenance Project (Roop to Saliman)	110,000
3	Kings Canyon Road Culvert Upgrade (at Creek Crossing)	90,000
4	Carson Street SD Improvements (Fairview to Clearview)	900,000
5	Carson Street SD Improvements (5th to Stewart)	2,900,000
6	Minor SD Improvements	625,000
7	Nye/N. Carson Steet Channel Berms	85,000
8	Flood Emergency Equipment	800,000
9	Anderson Ranch Access and SD Improvements	100,000
10	SD Fleet	1,089,000
11	Lower Kings Canyon Channel Restoration Project	400,000
12	Lower Goni Wash SD Improvements	115,000
13	Airport Road SD Improvements (HWY 50 to Sherman)	350,000
14	Rand Avenue SD Improvements (William to Rand Ct)	200,000
15	Vicee Watershed Access Management	150,000
16	Carson Street SD Improvements (Stewart to Rhodes)	950,000
17	Carmine Street SD Improvements (N. Lompa to Bunch Way)	600,000
18	Panamint & Merrimac SD Improvements	150,000
19	Sean Drive SD Improvements (Baker to Gillis Way)	120,000
20	Carson Street SD Improvements (N. Carson Street to Nye)	450,000
21	Empire System SD Improvements (Gordon Street to Morgan Mill)	1,100,000
22	Voltaire Canyon Channel and System Improvements - phase 1	1,000,000
	Totals	\$ 12,534,000



Options



No Changes

Adopt UFOC recommended rate plan

Rate consultant options

