

STAFF REPORT

Date: December 13, 2023

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Bill No. _____ An ordinance amending Reno Municipal Code Title 12 entitled "Public Works and Utilities, adding Chapter 12.17, Stormwater Utility, creating a stormwater utility establishing the amount and basis for the stormwater utility fee, together with matters which pertain to or are necessarily connected thereto."

From: Jon Simpson, Engineering Manager

Department: Utility Services

Summary:

Introduction of an ordinance that would amend Reno Municipal Code (RMC) Title 12 to establish a stormwater utility and implement a fee. This staff report is in conjunction with Items E.1, Resolution establishing the Stormwater Enterprise Fund per Nevada Revised Statutes (NRS) 354.612 and approval of the Fund Policy for the Stormwater Enterprise Fund; E.2, Acceptance of the Stormwater Utility Business Impact Statement (BIS) and finding that the adoption of the Stormwater Utility Ordinance does not impose a direct and significant economic burden upon a business nor directly restrict the formation or expansion of a business; and E.3, Determination in compliance with NRS 354.613, finding that the fee increase is not prohibited by law, is necessary for the purpose of the Stormwater Utility, and the fees deposited will be used solely for the purpose for which the fees are collected, together with matters which pertain to or are necessarily connected thereto, also on today's Council agenda.

Alignment with Strategic Plan:

Fiscal Sustainability

Infrastructure, Climate Change, and Environmental Sustainability

Previous Council Action:

December 14, 2022: Presentation, discussion, and potential direction to staff regarding the Stormwater Utility proposed rates and program elements.

January 27, 2021: Council presentation, discussion, and approval of proposed Public Outreach and Communications Plan for Implementation of City of Reno Stormwater Utility.

August 26, 2020: Council approved an Agreement with Raftelis Financial Consultants in the amount of \$865,406 for Implementation of a City of Reno Stormwater Utility.

July 30, 2020: Council directed staff to bring an Agreement for Implementation of a City of Reno Stormwater Utility for Council's consideration at a future meeting.

March 13, 2019: Keith Readling, Vice President of Raftelis, presented Raftelis' findings from the Stormwater Utility Implementation phase, including possible methods and rates.

July 25, 2018: Council approved an Agreement with Raftelis for \$125,760 to conduct a feasibility study for the formation of a stormwater utility for the City of Reno.

Discussion:

Based on the updated stormwater utility revenue requirements, public and business input through the recent outreach, and the BIS, staff recommends the City implement a stormwater utility monthly fee of \$9.80 per equivalent residential unit (ERU) beginning January 1, 2025.

The rate would be tied to the Western Region Consumer Price Index for All Urban Consumers (CPI-U) to maintain a consistent funding source that will not degrade and require repeated Council ordinance changes to keep up with inflation.

A crediting program will allow for an education credit and a community Stormwater Management Credit for regional stormwater benefits. Airport runways, taxiways, and aprons associated with the National Transportation system would be excluded from fees. The program would also include a Low-Income Assistance program.

The resulting rate would allow the City to meet its stormwater program goals, fund stormwater maintenance and operations, and provide the funding necessary to complete the \$470.6M capital improvement program (CIP) projects within 32 years.

Financial Implications:

The ordinance would introduce a new fee rate for a single-family residence (SFR) home of \$9.80 per month. The fee for a non-residential single-family residence (NSFR) (multi-family, commercial, industrial) will be based on the impervious footprint of the parcel.

Recommendation:

Refer Bill No. _____ for a second reading and adoption.

Proposed Motion:

Move to refer Bill No. _____ for a second reading and adoption.

Attachments:

Ordinance