

Stormwater Utility

December 13, 2023

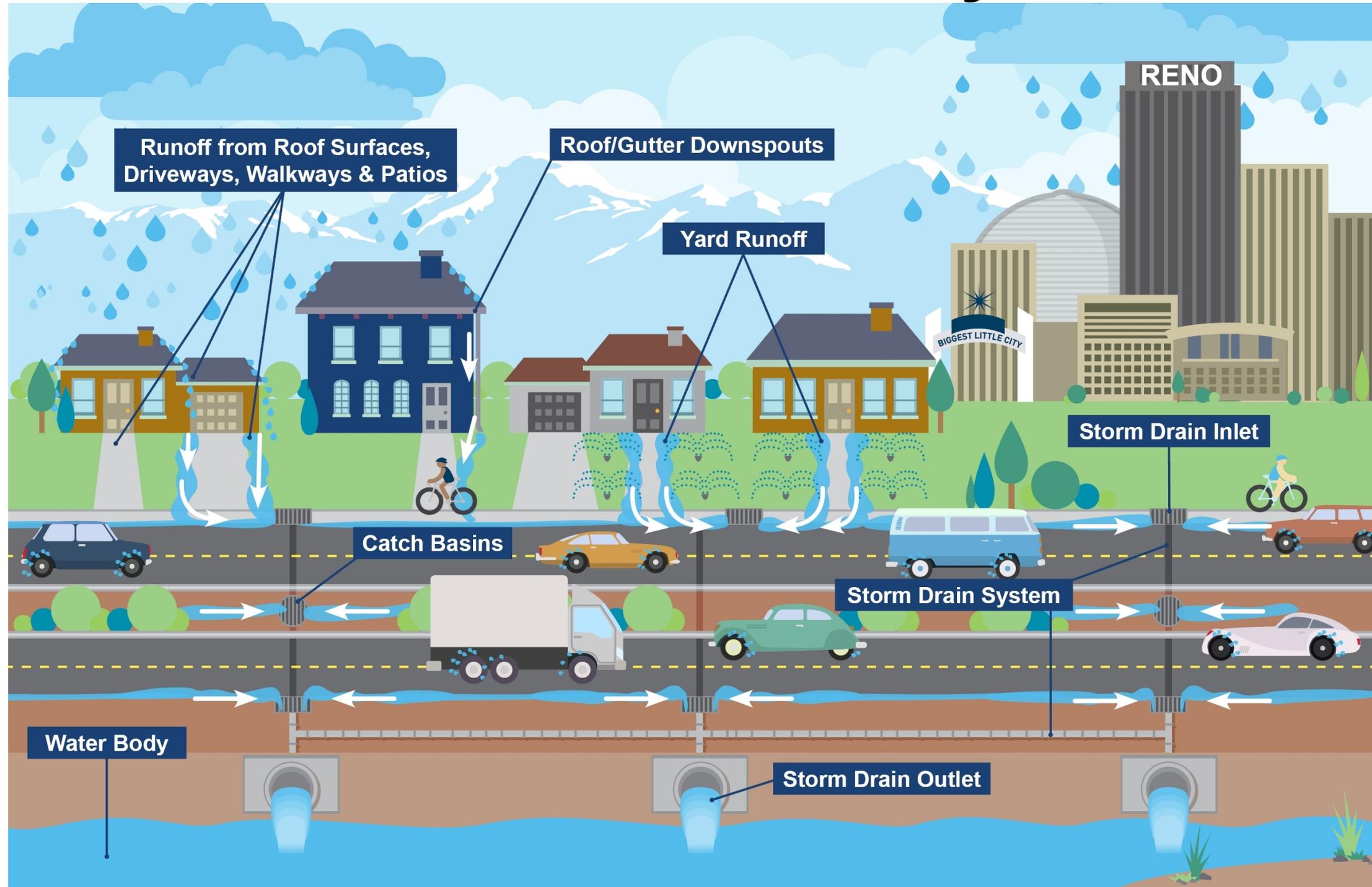
Items E1, E2, E3, E4



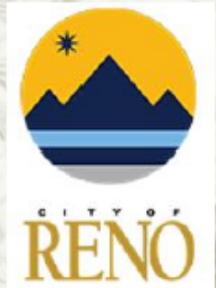
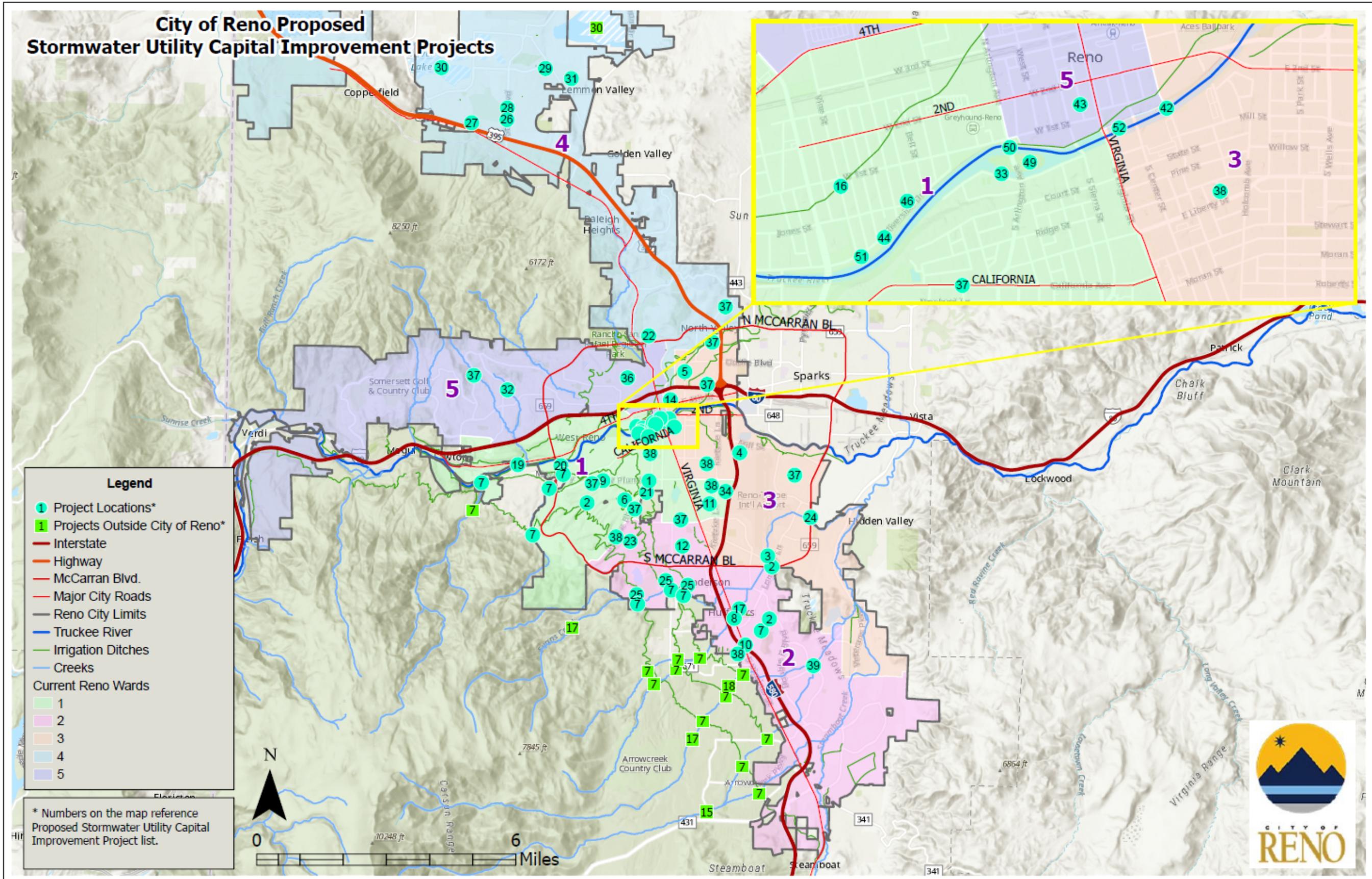
C I T Y O F
RENO

- Item E1 – Establishment of a Stormwater Utility Fund
- Item E2 – Acceptance of the Business Impact Statement
- Item E3 – Determination compliance with NRS 354.613 finding that the Stormwater Utility fee increase is not prohibited by law
- Item E4 – Proposed First Reading of the Stormwater Utility Ordinance and refer Bill for a second reading and adoption

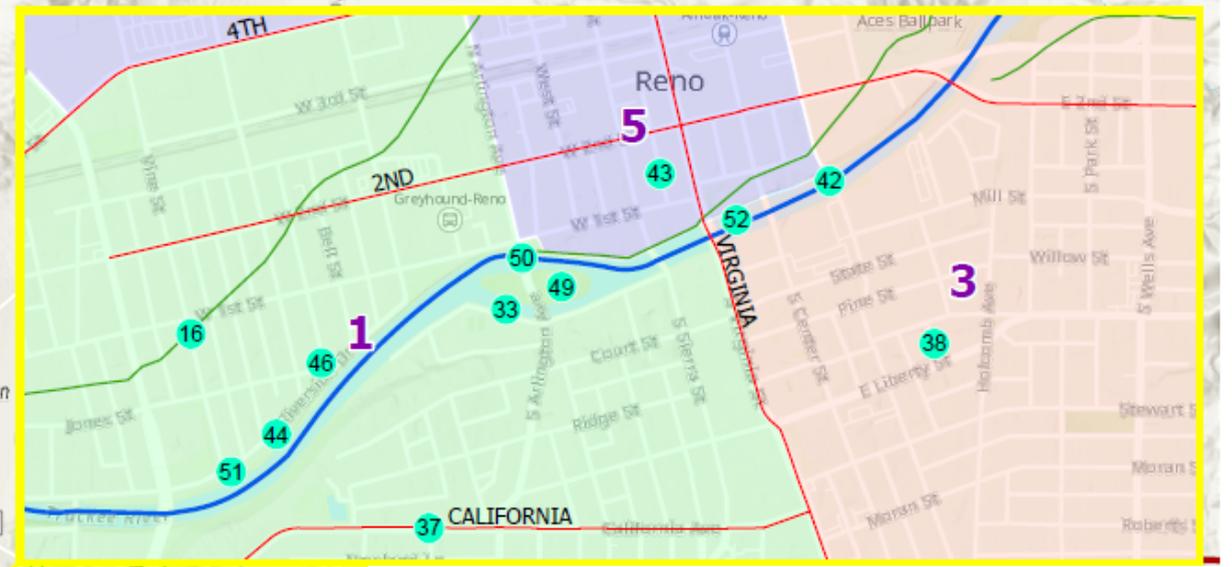
Purpose of the Stormwater Utility



City of Reno Proposed Stormwater Utility Capital Improvement Projects



City of Reno Proposed Stormwater Utility Capital Improvement Projects



Project Highlights

- 2. Autum Hills Stormdrain
- 7. Irrigation Ditch Tributary Crossing Improvements
- 9. Aquila at Sagittarius
- 24. Boynton Slough – Culverts @ McCarran
- 26. Stead Stormdrain/ Channel Improvements
- 32. Chalk Creek Channel Stabilization
- 34. Margrave Ditch Erosion (Near Costco)

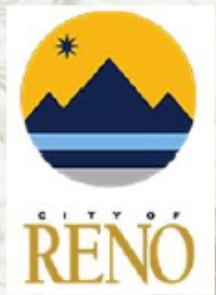
Legend

- Project Locations*
- Projects Outside City of Reno*
- Interstate
- Highway
- McCarran Blvd.
- Major City Roads
- Reno City Limits
- Truckee River
- Irrigation Ditches
- Creeks

Current Reno Wards

- 1
- 2
- 3
- 4
- 5

* Numbers on the map reference Proposed Stormwater Utility Capital Improvement Project list.



Capital Improvement Projects



Autumn Hills



Capital Improvement Projects

Irrigation Ditch Tributary Cross Connections



Capital Improvement Projects



January 2017 - Aquila at Sagittarius

Capital Improvement Projects

January 2017



January 2006



Capital Improvement Projects



January 2023



Cabello and Perro February 14, 2019



December 2022



Boynton Slough @ McCarran

Capital Improvement Projects



Moya Blvd -January 2008

Capital Improvement Projects

Silver Lake Road & Stead Blvd 2005



Silver Lake Road & Stead Blvd Culvert Improvements

Capital Improvement Projects



Margrave (Costco) Ditch – January 2017

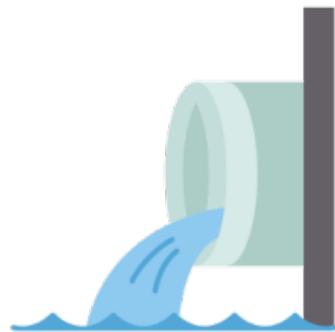
Capital Improvement Projects

- Chalk Creek @ Sapphire Ridge



City Owned and/or Maintained Stormwater Infrastructure

Storm Drains & Culverts*



685 Miles

5' Larger = 15 Miles

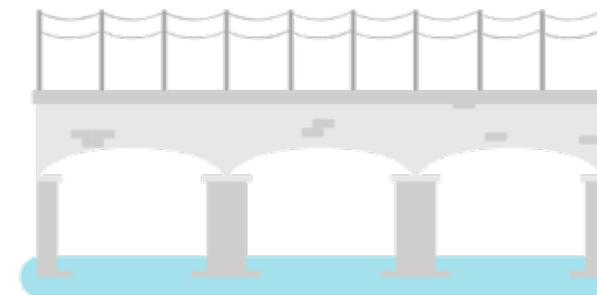
3' to 5' = 60 Miles

3' Smaller = 426 Miles

Size unknown = 152 Miles

*Typical life = 20-100 years

Bridges



92 Bridges

(within City Limits)

Creeks / Manmade Channels



163 Miles

(within City Limits)

Irrigation Ditches



35 Miles

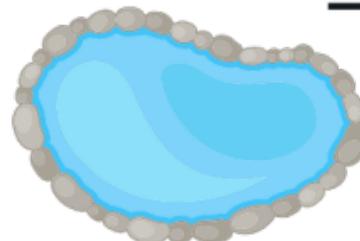
Lake Ditch (8.7mile)

Last Chance Ditch (8.9 Miles)

Steamboat Ditch (13.3 Miles)

Cochrane Ditch (4 Miles)

Basins



of Detention /
Retention Basins
TBD

What is not included in the CIP?



Ongoing Rehabilitation, Repair and Replacement of Aging and Deficient Infrastructure

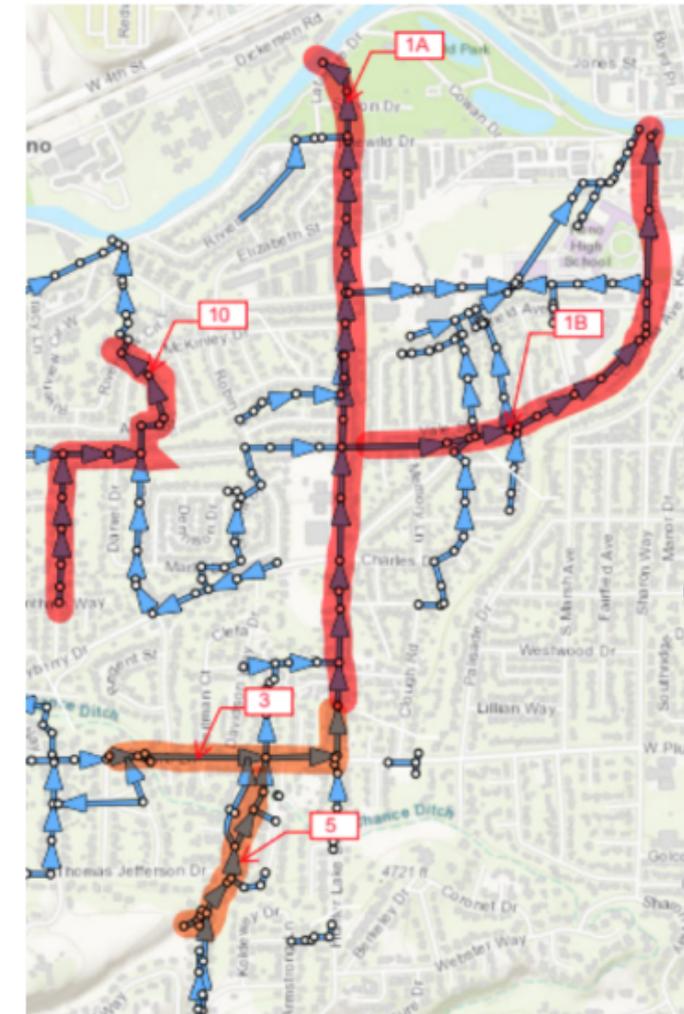
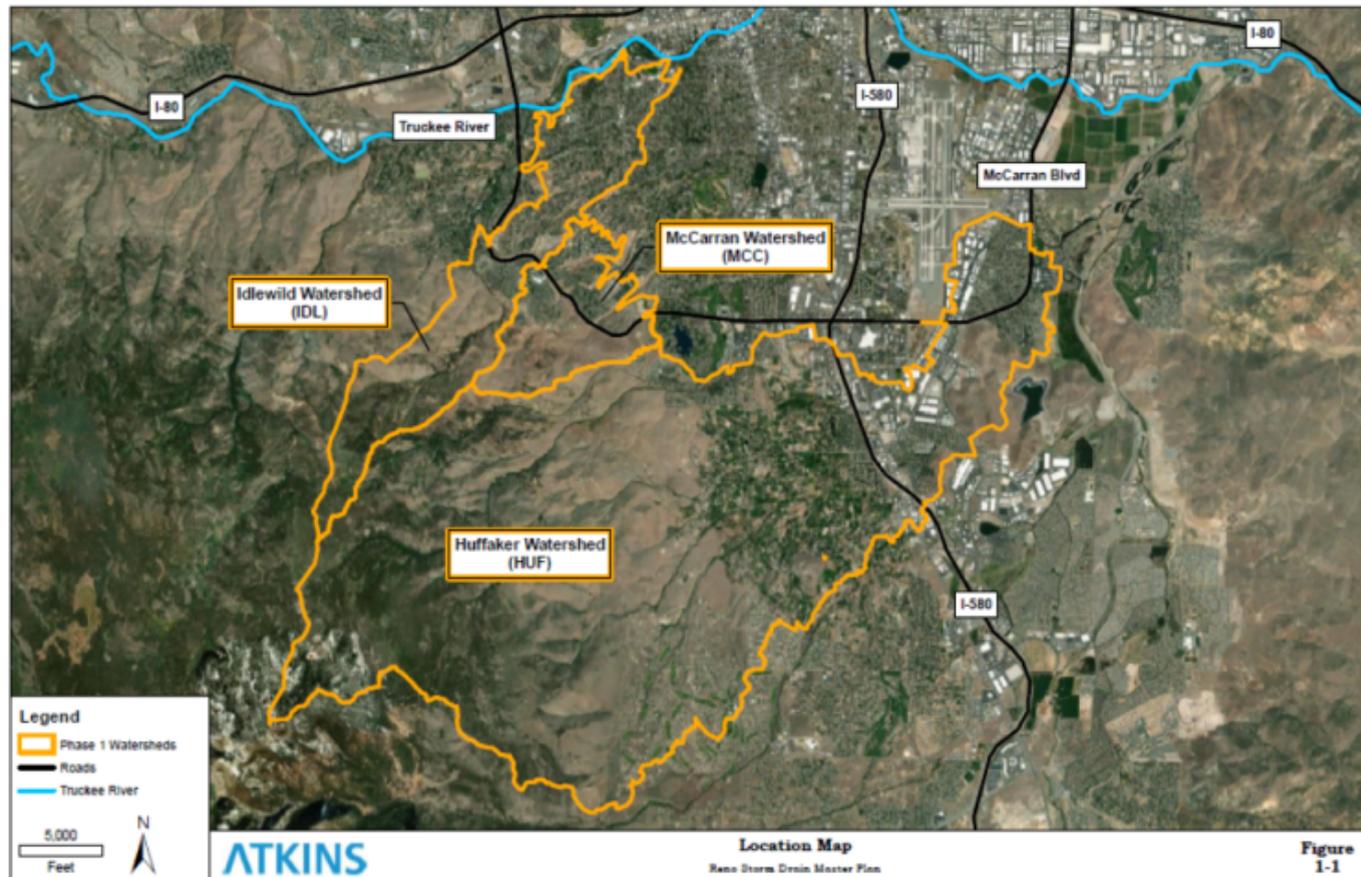


New Projects that will be Discovered:
Double R & Damonte Ranch Drive Culvert

What is not included in the CIP?

STORM DRAIN MASTER PLAN UNDERWAY

Phase 1 recently completed = **\$112M Additional**
Phase 2 and 3 remaining = **TBD Additional**



Aquila area **\$37M** for 0.4% of citywide storm drain system

What is Not Included in the CIP?



Stormwater Management: The Cost of Inaction

The National Institute of Building Science research demonstrates each **\$1** spent on risk reduction measures saves **\$6** in disaster costs.

SMART INVESTING
MITIGATION SAVES

EVERY \$1
SPENT ON
MITIGATION,
SAVES **\$6**
ON FUTURE
DISASTER
LOSSES

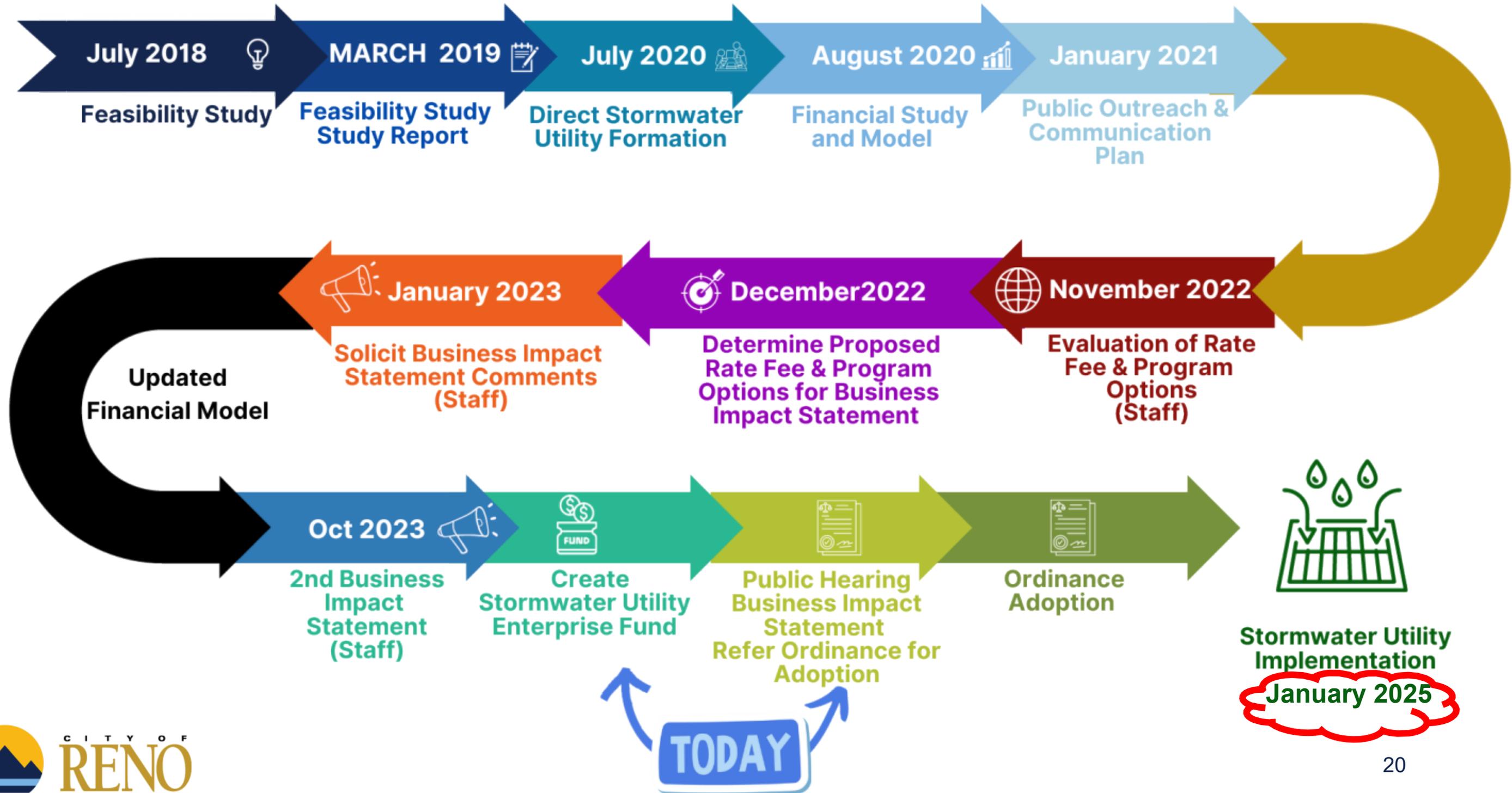
Natural Hazard Mitigation Saves: 2017 Interim Report
nibs.org/mitigationsaves

National Institute of
BUILDING SCIENCES

FEMA

The infographic features a dark blue circle with white and green text. An orange arrow curves from the circle to a stack of green-outlined dollar bills. A green circle with a white plus sign is positioned above the stack of bills.

STORMWATER UTILITY IMPLEMENTATION



Rate Calculation Method: Impervious Surface

Residential: Fees based on the impervious surface of a typical house size

Residential Equivalent Residential Unit (ERU)= 3500 sq.ft. of impervious surface



1 ERU

Non-Residential: Businesses, Industries, Public Facilities, Places of Worship, Schools, Apartment Complex, Multi-family Property

Fee Based on Equivalent Residential Impervious Area



26 ERUs

Public Outreach Program

1

Public Meetings

3 public meetings

- Council chambers
- Neil Road Recreation Center
-Spanish Speaking
- Virtual (Zoom)



2

Media & Other Messaging

8 Media Stories

(Spanish Radio, RGJ, KOLO, KTNV)

City of Reno Website

Notices in Sewer Bills

Instagram, Facebook, Twitter, Nextdoor Messaging



3

Board Meetings & Stakeholder Group

13 stakeholder groups or boards

- Reno Tahoe Airport Authority (RTAA)
- National Association for Industrial and Office Parks (NAIOP)
- Builders Association of Northern Nevada (BANN)
- Nevada Resort Association
- Washoe County School District (WCSD)
- Nevada System of Higher Education (NSHE)
- Reno Sparks Indian Colony
- Chamber of Commerce
- Reno Sparks Association of Realtors
- others



4

Neighborhood Advisory Boards (NAB)

Presentations All 5 Ward Neighborhood Advisory Boards

July 2021 - September 2021

Stormwater Utility Public & Stakeholder Feedback

Public Outreach & Stakeholder Comments

Number of Comments Provided:

- ❖ 117 General Public
- ❖ 46 Public Meetings/
Neighborhood Advisory Boards
- ❖ 34 Stakeholder

City Manager's Office

MEMORANDUM

DATE: June 16, 2022

TO: Mayor and City Council

THRU: Doug Thornley, City Manager Approved Electronically

FROM: Trina Magoon, Utility Services Director

SUBJECT: Stormwater Utility Implementation: Monthly Status Memo

At the January 27, 2021 Council meeting, staff and Raffelis financial consultants presented the Stormwater Utility "Public Outreach and Communications Plan." The Plan listed activities towards implementing the Stormwater Utility in the City of Reno. At that time, we committed to provide monthly updates to the City Council apprised of activities, schedule, meetings, and public input opportunities. The January 27, 2022 Stormwater Utility Implementation Monthly Status memorandum reported on the progress of the Stormwater Utility and feedback received to date, and next steps in the implementation of the Stormwater Utility. This memorandum is your update since the February 4, 2022 memo, and also includes information on all public outreach and input opportunities, memos, and presentations to Council conducted since the January 27, 2021 City Council meeting.

Public Outreach and Information Meetings:

To date, staff have planned, scheduled, and conducted informational meetings with stakeholders according to the "Public Outreach and Communications Plan." These meetings and input opportunities have provided a direct line of communication between these stakeholders and City staff. As reported in prior status memos, we have made considerable progress to provide public outreach.

Since the February 4, 2022 memo, we have conducted the following outreach with stakeholders:

- Chamber of Commerce: virtual webinar
- Nevada Resort Association: virtual webinar
- Reno Sparks Convention and Visitors Authority: discussed potential stormwater utility with staff
- Economic Development Authority of Western Nevada (EDAWN): met with Mike Kazmierski, President and CEO

The following list identifies major stakeholders we anticipate for future targeted outreach and discussion:

Press Release (10/3): "City still seeking feedback..."

Stormwater Utility 1st January BIS Rate Option

JANUARY BUSINESS IMPACT STATEMENT RATE

- ANNUAL REVENUE
 - \$25.8 MILLION
- YEARLY CIP ALLOCATION:
 - \$20.8 MILLION
- 11 NEW STAFF & M&O EQUIPMENT
- CREDITS & PROGRAM ELEMENTS INCLUDED:
 - LOW INCOME ASSISTANCE PROGRAM
 - WASHOE COUNTY SCHOOL EDUCATION CREDIT
 - WATER QUALITY AND QUANTITY MITIGATION CREDIT
 - REMOVED AIRPORT RUNWAY/TAXIWAY AS PART OF THE NATIONAL TRANSPORTATION NETWORK
 - RATE RAMP-UP
 - TIED TO ANNUAL CPI INCREASES
- **\$470M CIP @ 20YRS AND**
- **\$890 MILLION TOTAL CIP W/ INFLATION**

\$13.46*

*PER ERU

January BIS Feedback

Number of Comments Provided:

- ❖ 20 Business Impact Comments
- ❖ 9 Non-Profit Institutions
- ❖ 233 General Public
- ❖ 325 Damonte Ranch Community

Office of the City Manager

RENO

MEMORANDUM

DATE: February 22, 2023
TO: Mayor and City Council
THROUGH: Doug Thornley, City Manager *Approved Electronically*
FROM: Trina Magoon, Utility Services Director
SUBJECT: Response to Stormwater Utility Business Impact Statement Council Questions

The following questions were received by city council members regarding the Stormwater Utility Business Impact Statement (BIS) process and anticipated future council agenda items.

1. What is the most up to date implementation schedule for the Stormwater Utility Program? Is the timeline and information on the city website up to date, and if not when will it be updated?
 There was significant public input throughout the process. We are analyzing the feedback and determining whether any proposed changes would require a new Business Impact Statement (BIS) process or if we can proceed to ordinance reading.
2. What input have you received so far from the public (from the website, public meetings, etc.) regarding the BIS process?
 Staff have received numerous comments through the BIS process from non-profit companies, the education sector, and the public at large through various channels of concerted public outreach efforts. The following list of comments received are categorized by comment source:
Business Impact Statement Formal Comments
 - Association for General Contractors (AGC)
 - All government owned facilities should be exempt
 - Requests the \$3.50/month fee be eliminated in the sewer utility bill, because it was created to support stormwater maintenance, management, and construction
 - Requests a sunset date

February 22, 2023 Council Memo



Stormwater Utility Rate Options

JANUARY BUSINESS IMPACT STATEMENT RATE

- ANNUAL REVENUE
 - \$25.8 MILLION
- YEARLY CIP ALLOCATION:
 - \$20.8 MILLION
- 11 NEW STAFF & EQUIPMENT
- CREDITS: LIA, WCSD (75%), HOA, RTAA, RATE RAMPUP, MITIGATION
- \$470M CIP @ 20YRS AND \$890 MILLION W/ INFLATION

RATE OPTION #1

- ANNUAL REVENUE
 - \$22.5 MILLION
- YEARLY CIP ALLOCATION:
 - \$14 MILLION
- 6 NEW STAFF & EQUIPMENT
- CREDITS: LIA, RTAA, WCSD (60%)
- \$470M CIP @ 32YRS AND \$1.2 BILLION W/ INFLATION

RATE OPTION #2

- ANNUAL REVENUE
 - \$8.5 MILLION
- YEARLY CIP ALLOCATION:
 - \$3.3 MILLION
- 2 NEW STAFF
- CREDITS: LIA & RTAA
- \$470M CIP @ 98YRS AND \$8.8 BILLION W/ INFLATION

City of Sparks
\$15.52*

\$13.46*

Carson City
\$7.50 - \$15.00*

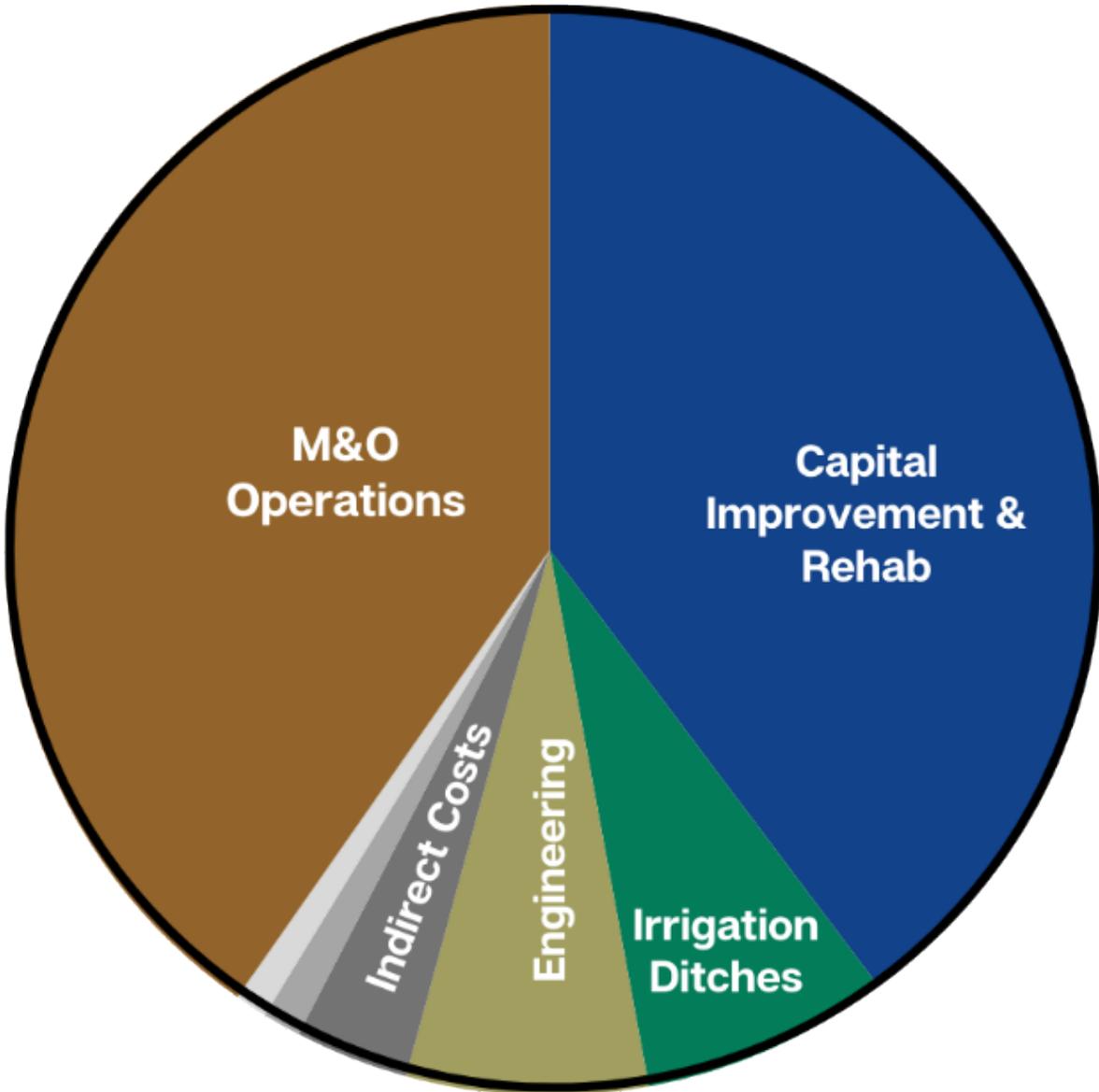
\$9.80*

\$5.00*



*PER ERU

FY 2022 Stormwater Funding \$7,447,811



**FY22 Current Funding
Allocated to Stormwater
\$7,486,811**

\$ 2,957,141	M&O Operation Costs
\$ 549,530	Utility Services Department (Engineering)
\$ 533,751	Irrigation Ditches (Annual Maintenance Cost)
\$ 251,763	Indirect Costs (6% Sewer Services & Supply)
\$ 84,276	Environmental Control
\$ 71,350	Billing Admin
\$ 4,447,811	Subtotal
\$ 3,000,000	Capital Improvements **
\$ 7,447,811	TOTAL

** Actual FY22 CIP Cost \$3,696,346, however due to annual fluctuation in spending an average from FY17 thru FY23 was used for the CIP Total

Stormwater Utility Rate Options

JANUARY BUSINESS IMPACT STATEMENT RATE

- ANNUAL REVENUE
 - \$25.8 MILLION
- YEARLY CIP ALLOCATION:
 - \$20.8 MILLION
- 11 NEW STAFF & EQUIPMENT
- CREDITS: LIA, WCSD (75%), HOA, RTAA, RATE RAMPUP, MITIGATION
- \$470M CIP @ 20YRS AND \$890 MILLION W/ INFLATION

RATE OPTION #1

- ANNUAL REVENUE
 - \$22.5 MILLION
- YEARLY CIP ALLOCATION:
 - \$14 MILLION
- 6 NEW STAFF & EQUIPMENT
- CREDITS: LIA, RTAA, WCSD (60%)
- \$470M CIP @ 32YRS AND \$1.2 BILLION W/ INFLATION

RATE OPTION #2

- ANNUAL REVENUE
 - \$8.5 MILLION
- YEARLY CIP ALLOCATION:
 - \$3.3 MILLION
- 2 NEW STAFF
- CREDITS: LIA & RTAA
- \$470M CIP @ 98YRS AND \$8.8 BILLION W/ INFLATION

*City of Sparks
\$15.52**

\$13.46*

*Carson City
\$7.50 - \$15.00**

\$9.80*

\$5.00*



*PER ERU

Reno & Sparks Sewer+Stormwater Rate Comparison

City	Sewer Rate	Stormwater/ Flood Rate	Total Rate
	\$41.98	\$15.52	\$57.50
	\$57.05	\$9.80*	\$66.85*

* Proposed Stormwater Rate

** Rates are based on Single Family Residential Property



Stormwater Utility Financial Model Base Model Assumptions

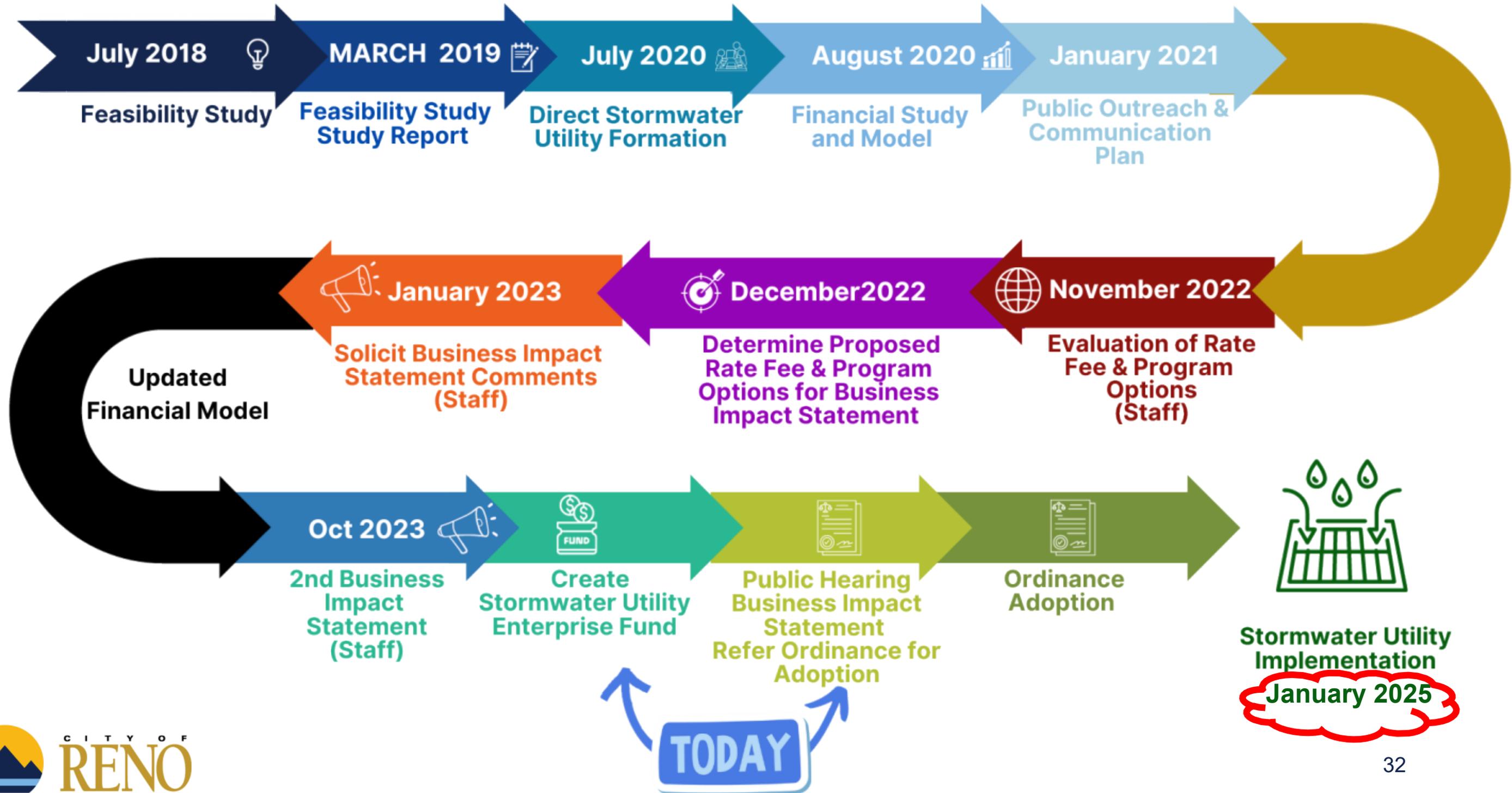
\$9.80 Month Per ERU

- **32-Year Capital Improvement Program (CIP) Duration**
 - \$470M Stormwater Program
 - 5% inflation on CIP
- **Rates Tied to Consumer Price Index**
 - 3.5% increase
- **Add six (6) FTEs to support:**
 - Stormwater Utility management
 - CIP program implementation
 - Additional maintenance and operations staff
 - Stormwater Truck and Associated Equipment
- **Program Elements and Crediting**
 - 15% Regional Stormwater Management Credit
 - Airports Runways/Taxiways/Aprons removed as part of the National Transportation System.
 - Low Income Assistance Program
 - 60% K-12 School Education Credit
- **Revenue**
 - \$22.5 Million Annual (1st year)
 - \$14 Million Annual Programed to CIP
- **Implementation Start Date: January 2025**

October 2023 Second BIS Findings

- ❖ **There will be a financial impact to the Non Single Family Residential properties with impervious surfaces.**
- ❖ **The City's Stormwater Utility necessities outweigh the impact of the new fee as not maintaining the infrastructure and improving flood mitigation is more detrimental to businesses and the community.**

STORMWATER UTILITY IMPLEMENTATION



Recommendation Motion

Item E1: Adopt Resolution and approve the Fund Policy.

Item E2: I move to approve acceptance of the Business Impact Statement and finding that in compliance with NRS 237.080, a Business Impact Statement was prepared and in accordance thereto, the Reno City Council hereby finds that this Ordinance does not impose a direct and significant economic burden upon a business nor directly restrict the formation or expansion of a business.

Item E3: Determination that in compliance with NRS 354.613, the Reno City Council hereby finds that fee increase is not prohibited by law; the fee increase is necessary for the continuation or expansion of the purpose for which the enterprise fund was created; and that the fees that are deposited in the Stormwater Utility enterprise fund to be used solely the purpose for which the fees are collected.

Item E4: Refer Bill No. _____ for a second reading and adoption.

