

# Stormwater Utility

December 13, 2023

Items E1, E2, E3, E4



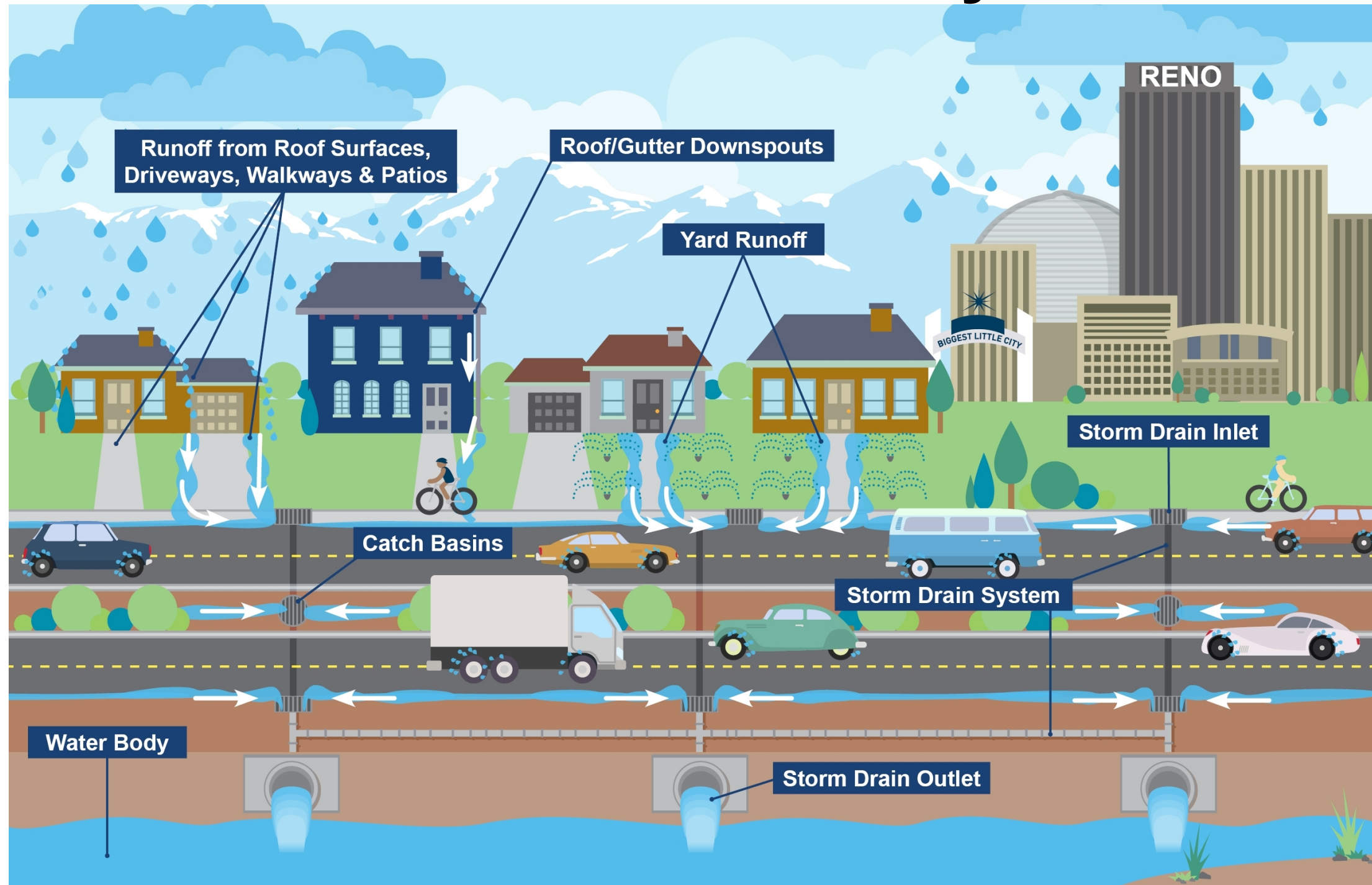
C I T Y O F  
**RENO**



- 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

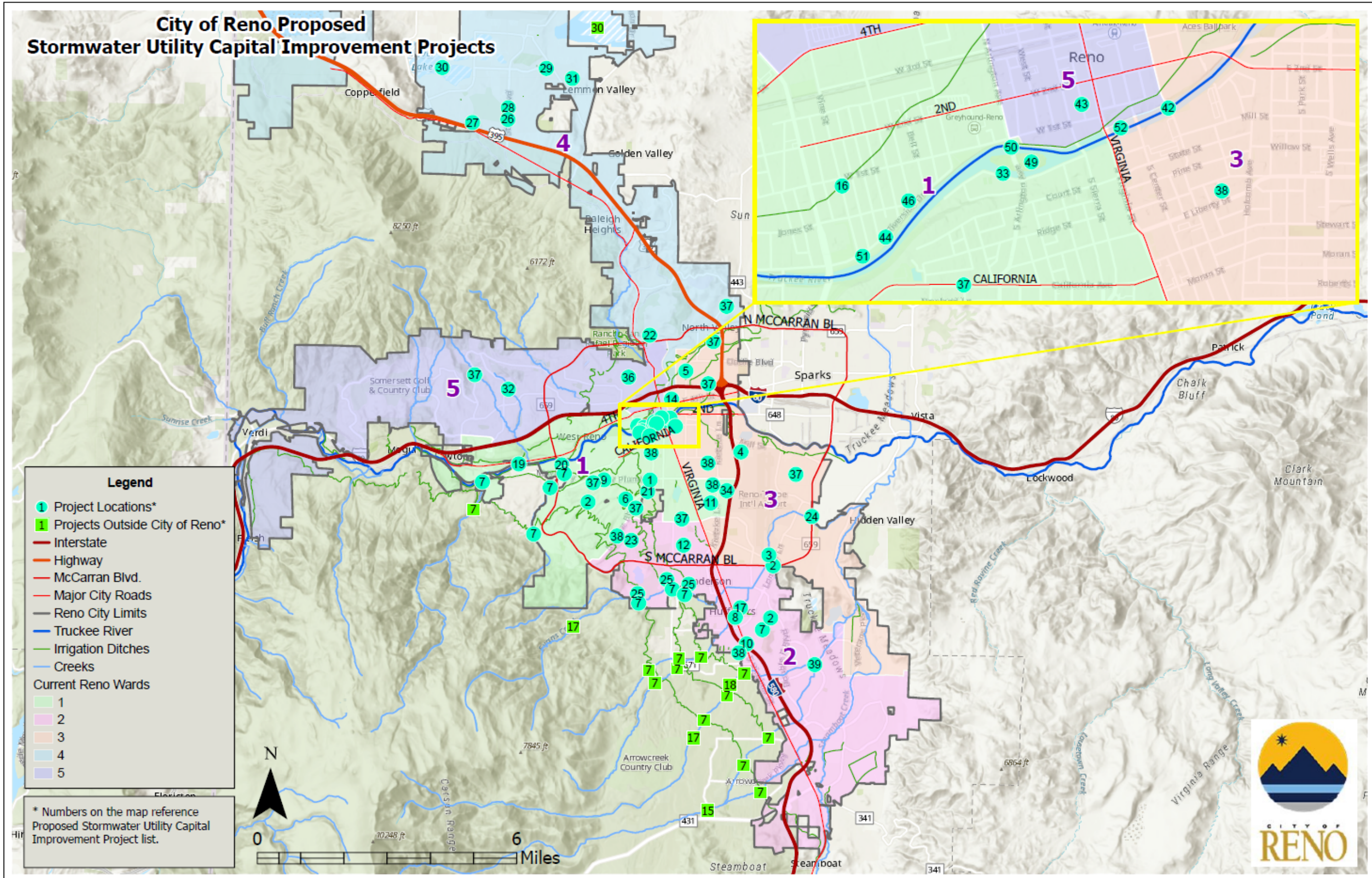


# Purpose of the Stormwater Utility



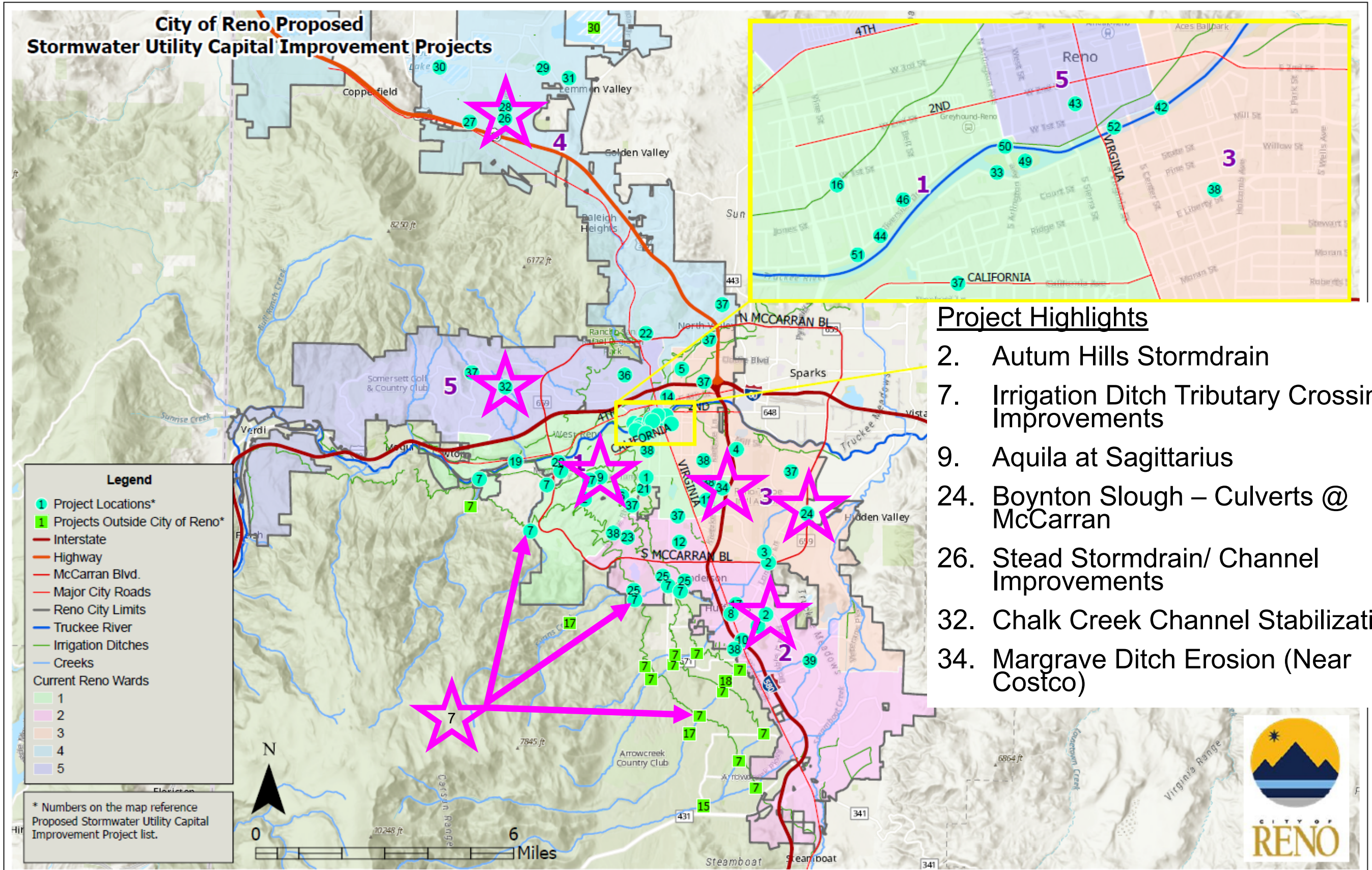


# City of Reno Proposed Stormwater Utility Capital Improvement Projects





# City of Reno Proposed Stormwater Utility Capital Improvement Projects





# 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





# Capital Improvement Projects



Moya Blvd -January 2008



# Capital Improvement Projects

Silver Lake Road & Stead Blvd 2005





# Capital Improvement Projects





# Capital Improvement Projects

- Chalk Creek @ Sapphire Ridge





# City Owned and/or Maintained Stormwater Infrastructure

## Storm Drains & Culverts\*



**685 Miles**

5' Larger = 15 Miles

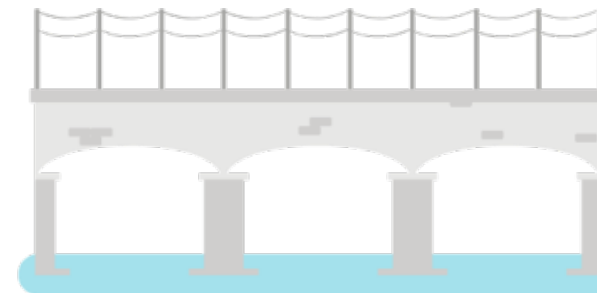
3' to 5' = 60 Miles

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**

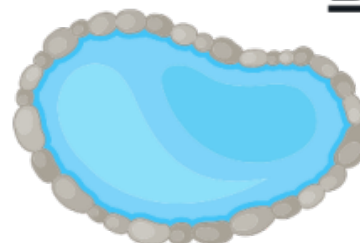
Lake Ditch (8.7mile)

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



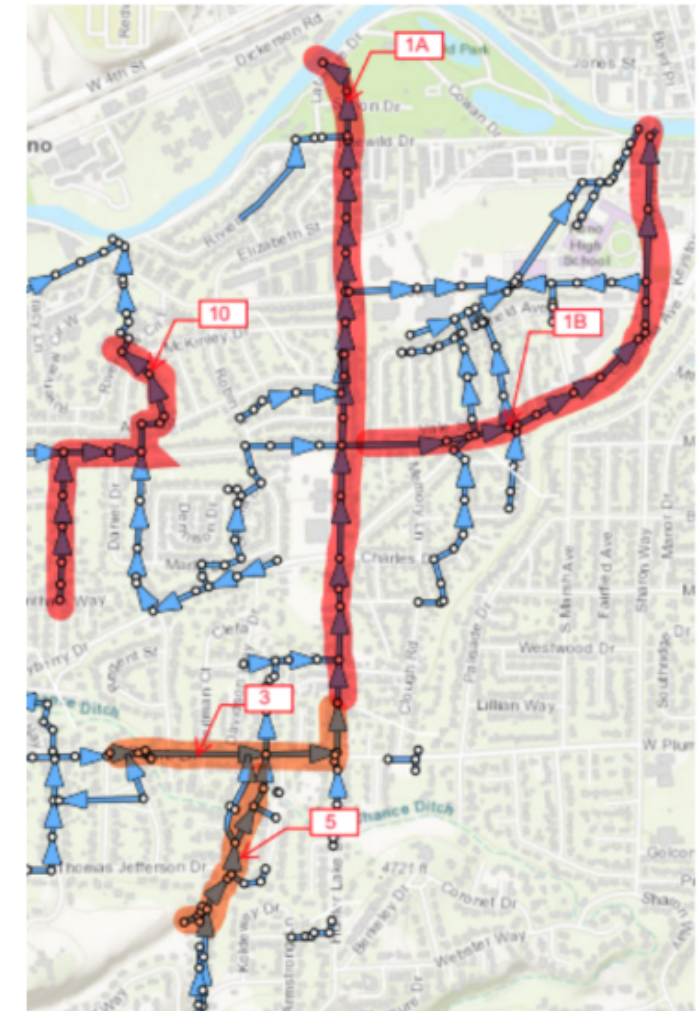
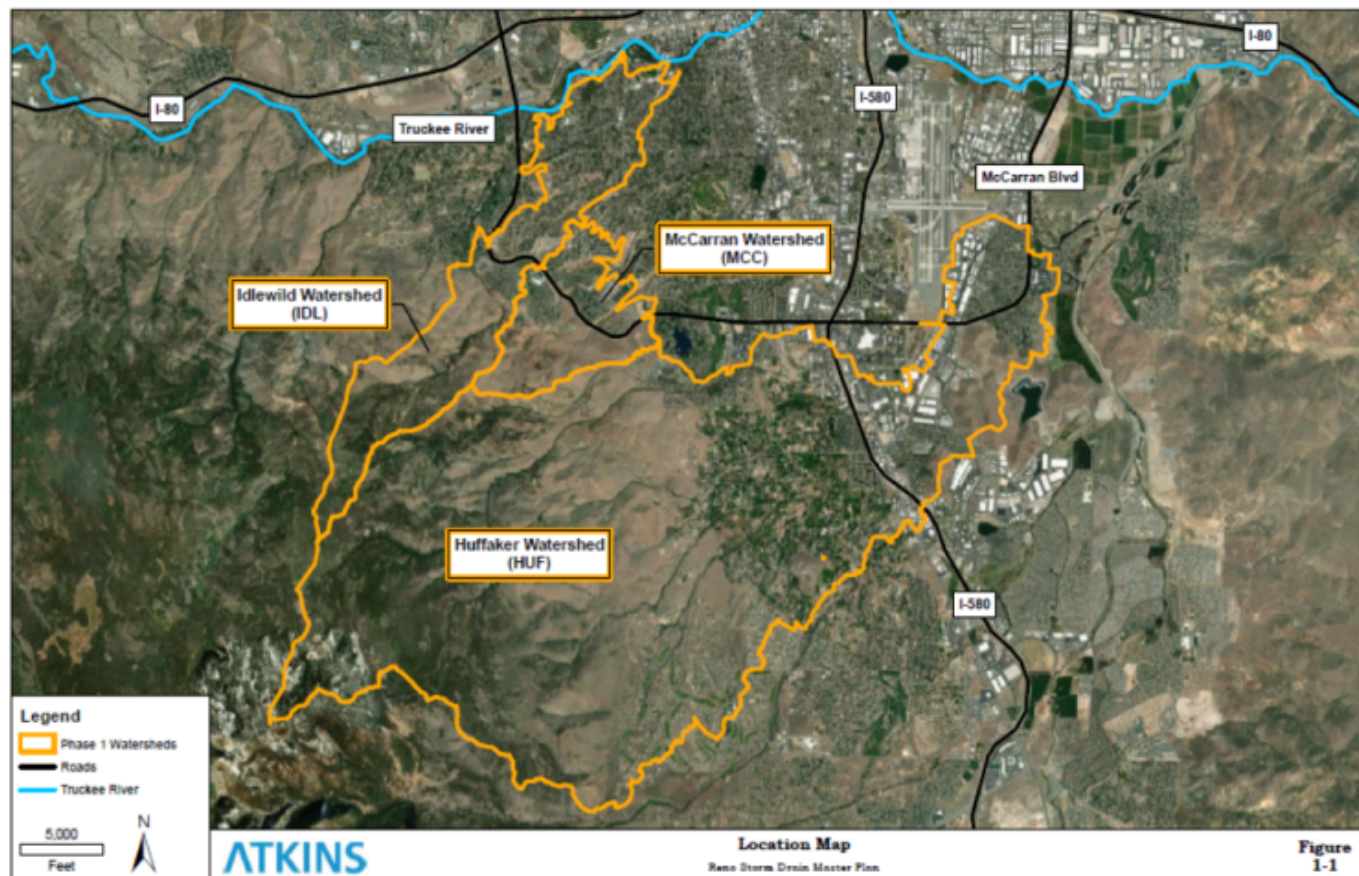
New Projects that will be Discovered:  
Double R & Damonte Ranch Drive Culvert



# 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?





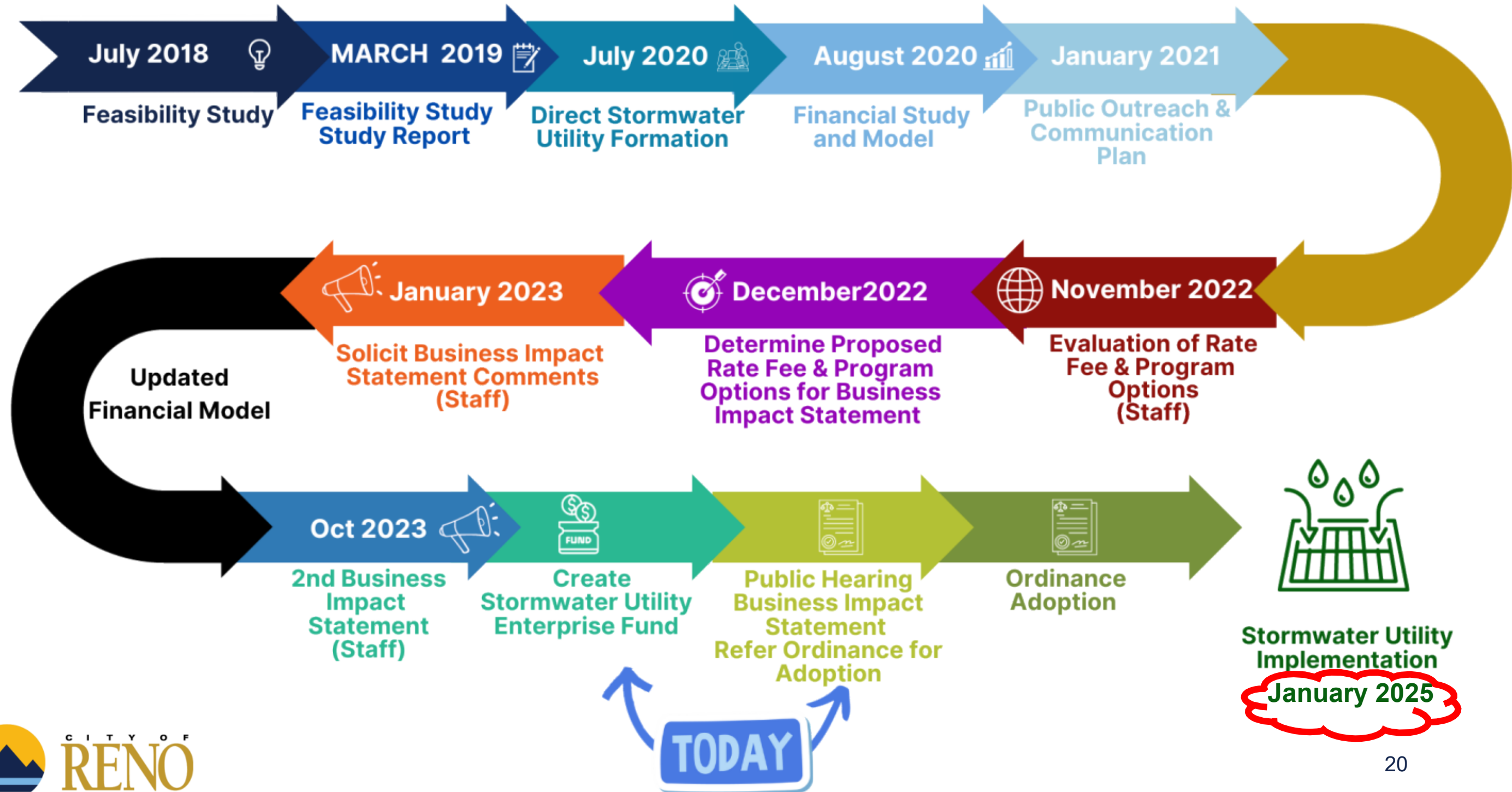
# Stormwater Management: The Cost of Inaction

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





# 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 Raffetis financial consultants presented the Stormwater Utility "Public Outreach and Communications Plan." The Plan listed activities towards implementing a 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. 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 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:

June 16, 2022 Council Memo

Press Release (10/5): "City still seeking feedback..."



# Stormwater Utility 1<sup>st</sup> 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

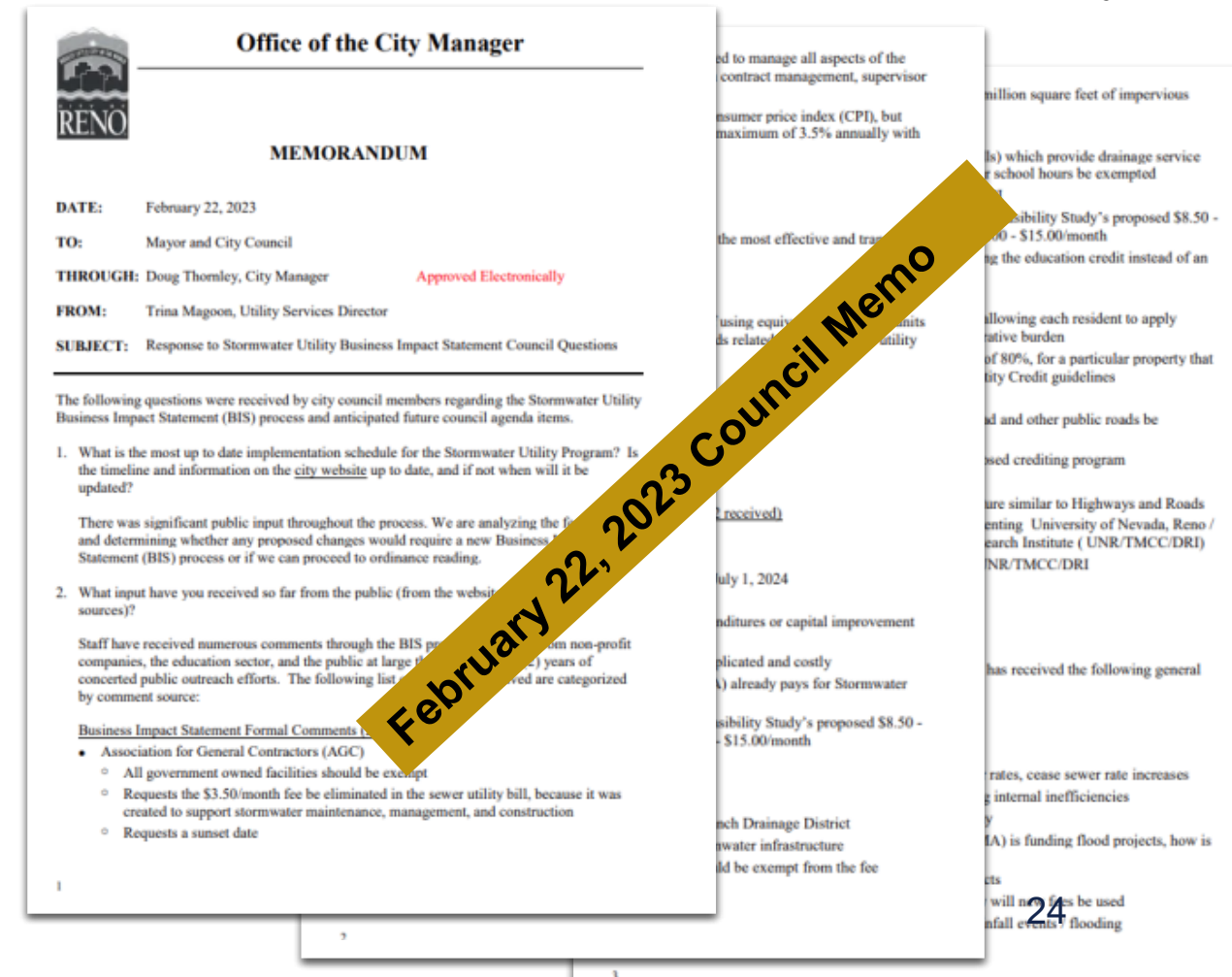
**\$13.46\***

\*PER ERU

## January BIS Feedback

Number of Comments Provided:

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





# Stormwater Utility Rate Options

JANUARY BUSINESS IMPACT STATEMENT RATE	RATE OPTION #1	RATE OPTION #2
<ul style="list-style-type: none"><li>• <u>ANNUAL REVENUE</u><ul style="list-style-type: none"><li>◦ \$25.8 MILLION</li></ul></li><li>• <u>YEARLY CIP ALLOCATION:</u><ul style="list-style-type: none"><li>◦ \$20.8 MILLION</li></ul></li><li>• 11 NEW STAFF &amp; EQUIPMENT</li><li>• <u>CREDITS:</u> LIA, WCSD (75%), HOA, RTAA, RATE RAMPUP, MITIGATION</li><li>• \$470M CIP @ 20YRS AND \$890 MILLION W/ INFLATION</li></ul>	<ul style="list-style-type: none"><li>• <u>ANNUAL REVENUE</u><ul style="list-style-type: none"><li>◦ \$22.5 MILLION</li></ul></li><li>• <u>YEARLY CIP ALLOCATION:</u><ul style="list-style-type: none"><li>◦ \$14 MILLION</li></ul></li><li>• 6 NEW STAFF &amp; EQUIPMENT</li><li>• <u>CREDITS:</u> LIA, RTAA, WCSD (60%)</li><li>• \$470M CIP @ 32YRS AND \$1.2 BILLION W/ INFLATION</li></ul>	<ul style="list-style-type: none"><li>• <u>ANNUAL REVENUE</u><ul style="list-style-type: none"><li>◦ \$8.5 MILLION</li></ul></li><li>• <u>YEARLY CIP ALLOCATION:</u><ul style="list-style-type: none"><li>◦ \$3.3 MILLION</li></ul></li><li>• 2 NEW STAFF</li><li>• <u>CREDITS:</u> LIA &amp; RTAA</li><li>• \$470M CIP @ 98YRS AND \$8.8 BILLION W/ INFLATION</li></ul>
\$13.46*	\$9.80*	\$5.00*

City of Sparks  
\$15.52\*

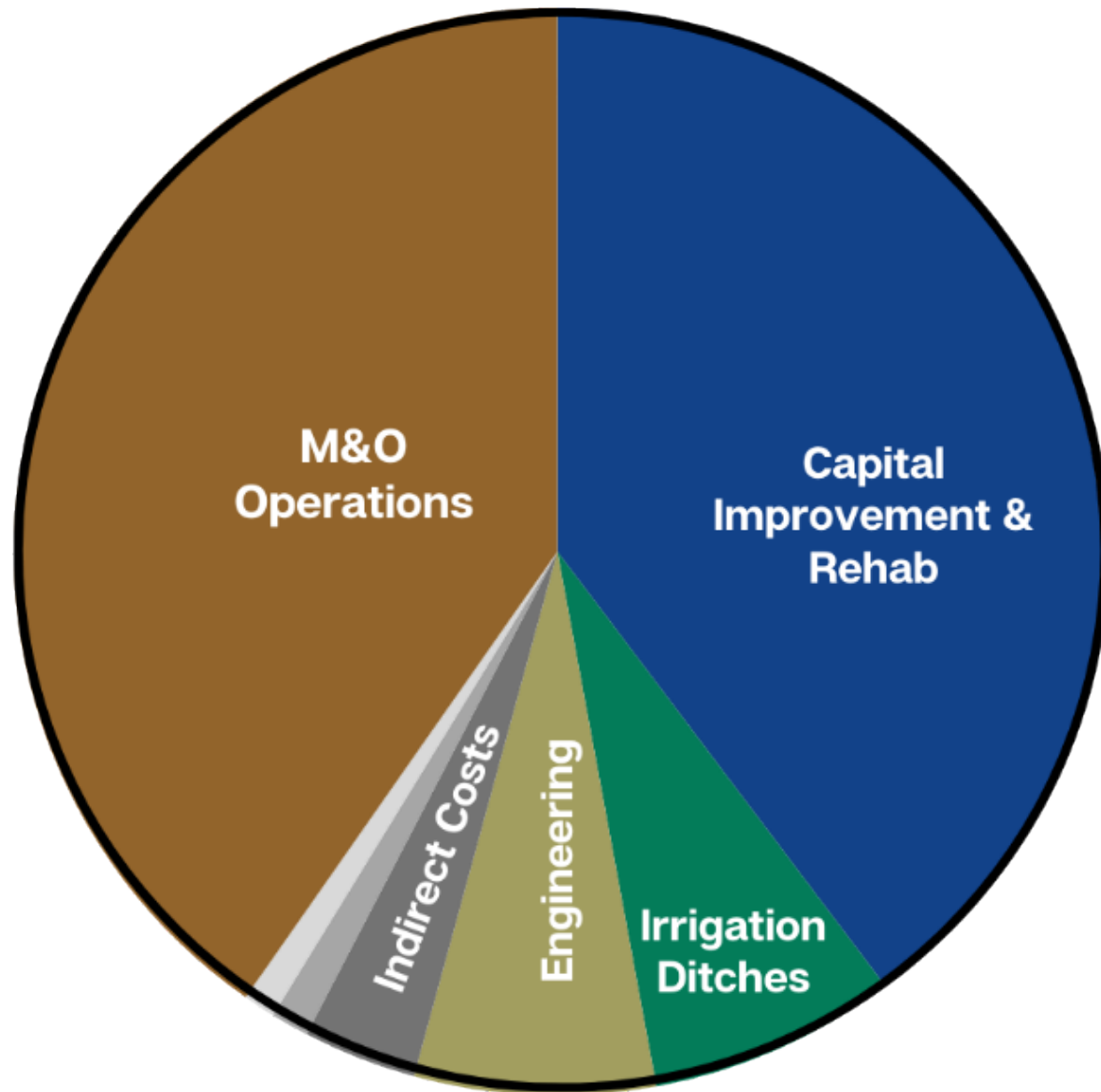
Carson City  
\$7.50 - \$15.00\*



\*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
<b>\$ 4,447,811</b>	<b>Subtotal</b>
\$ 3,000,000	Capital Improvements **
<b>\$ 7,447,811</b>	<b>TOTAL</b>

\*\* 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	RATE OPTION #1	RATE OPTION #2
<ul style="list-style-type: none"><li>• <u>ANNUAL REVENUE</u><ul style="list-style-type: none"><li>◦ \$25.8 MILLION</li></ul></li><li>• <u>YEARLY CIP ALLOCATION:</u><ul style="list-style-type: none"><li>◦ \$20.8 MILLION</li></ul></li><li>• 11 NEW STAFF &amp; EQUIPMENT</li><li>• <u>CREDITS:</u> LIA, WCSD (75%), HOA, RTAA, RATE RAMPUP, MITIGATION</li><li>• \$470M CIP @ 20YRS AND \$890 MILLION W/ INFLATION</li></ul>	<ul style="list-style-type: none"><li>• <u>ANNUAL REVENUE</u><ul style="list-style-type: none"><li>◦ \$22.5 MILLION</li></ul></li><li>• <u>YEARLY CIP ALLOCATION:</u><ul style="list-style-type: none"><li>◦ \$14 MILLION</li></ul></li><li>• 6 NEW STAFF &amp; EQUIPMENT</li><li>• <u>CREDITS:</u> LIA, RTAA, WCSD (60%)</li><li>• \$470M CIP @ 32YRS AND \$1.2 BILLION W/ INFLATION</li></ul>	<ul style="list-style-type: none"><li>• <u>ANNUAL REVENUE</u><ul style="list-style-type: none"><li>◦ \$8.5 MILLION</li></ul></li><li>• <u>YEARLY CIP ALLOCATION:</u><ul style="list-style-type: none"><li>◦ \$3.3 MILLION</li></ul></li><li>• 2 NEW STAFF</li><li>• <u>CREDITS:</u> LIA &amp; RTAA</li><li>• \$470M CIP @ 98YRS AND \$8.8 BILLION W/ INFLATION</li></ul>
\$13.46*	\$9.80*	\$5.00*

City of Sparks  
\$15.52\*



Carson City  
\$7.50 - \$15.00\*



\*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 (1<sup>st</sup> year)
  - \$14 Million Annual Programed to CIP
- **Implementation Start Date: January 2025**



# October 2023 Second BIS Comments

**\$9.80 Month Per ERU**

## BIS Comments Received

- ❖ 10 Business Impact Comments
- ❖ 5 Non-Profit Institutions
- ❖ 10 General Public
- ❖ 42 Damonte Ranch



**BUSINESS IMPACT STATEMENT**

The following business impact statement was prepared pursuant to NRS 237.090 to address the proposed impact of adoption of RMC 12.17.

1. The following is a description of the manner in which comment was solicited from affected trade associations or businesses, and a summary of their comments:

A. NOTICE

A notice was published in the Reno Gazette Journal on October 13, 2023, notifying that interested persons could submit comments on or before November 6, 2023 to Jon Simpson at PO Box 1900, Reno, Nevada 89501 and/or [simpsonj@reno.gov](mailto:simpsonj@reno.gov).

Potentially affected businesses were also mailed the same notice directly.

B. SUMMARY OF COMMENTS

A summary of the comments received is attached as Exhibit "A."

Other interested parties may obtain a copy of the Business Impact Statement including summary of comments by contacting the City Clerk, at City Hall, 1 E. First Street, S. P.O. Box 1900, Reno, NV 89505, phone: (775) 334-2030.

2. The estimated economic effect of the proposed ordinance on business limitation, both adverse and beneficial effects, and both direct and indirect effects:

Adverse effects:

a) A new stormwater utility fee, adjusted annually by the Consumer Price Index (CPI) for all Non-Single Family Residential (NSFR) Property, will be implemented. The stormwater utility fee for all NSFR Property will be \$9.80 per month per ERU.

The proposed Stormwater Utility fee will be based on the impervious surface area of the property. The fee amount is calculated by multiplying the impervious surface area, which has a direct impact on the stormwater system. One Equivalent Residential Unit (ERU) is defined as 1,000 square feet of impervious surface area. NSFR Property is calculated using the formula: total impervious area divided by 1,000 square feet. The result is rounded up to the next whole number unit, or ERU, rounded up to the next whole number.

Total ERU =  $\frac{\text{Property Total Impervious Area}}{1,000 \text{ Sq Ft}}$  rounded up to the next whole number

The Rate for one ERU is \$9.80.

Beneficial effects:

a) The stormwater utility fee will allow the City of Reno to collect the necessary funds for capital improvements needed to properly manage and control stormwater within the city limits.

December 13, 2023 Business Impact Statement – Attached to Council Staff Report

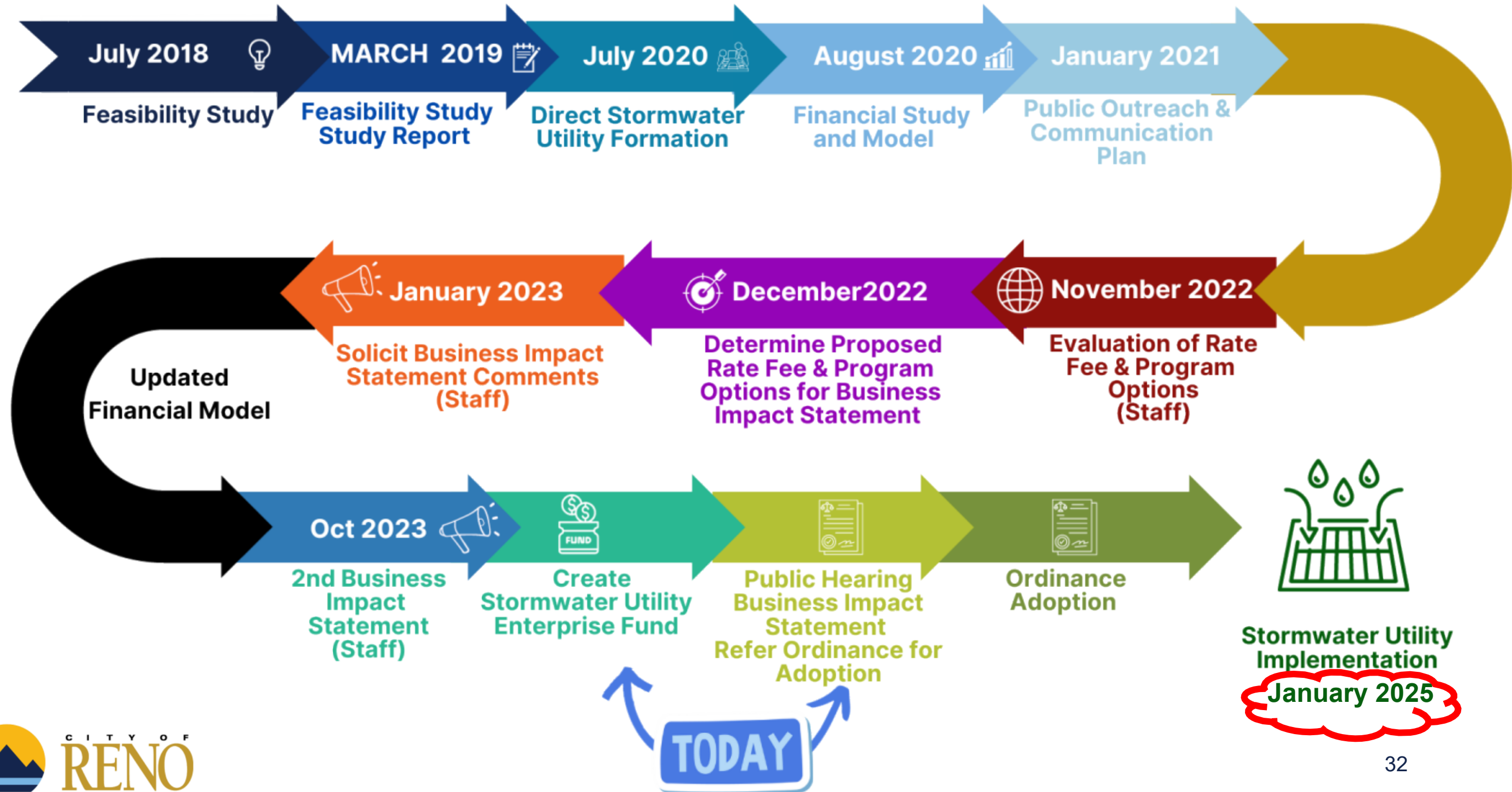


# October 2023 Second BIS Findings

- ❖ **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.