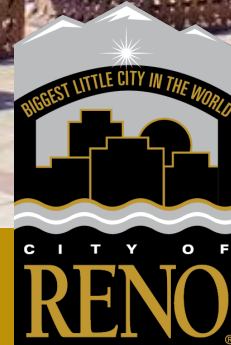


Stormwater Utility

Proposed Rate for Business Impact Statement Process

12.14.2022

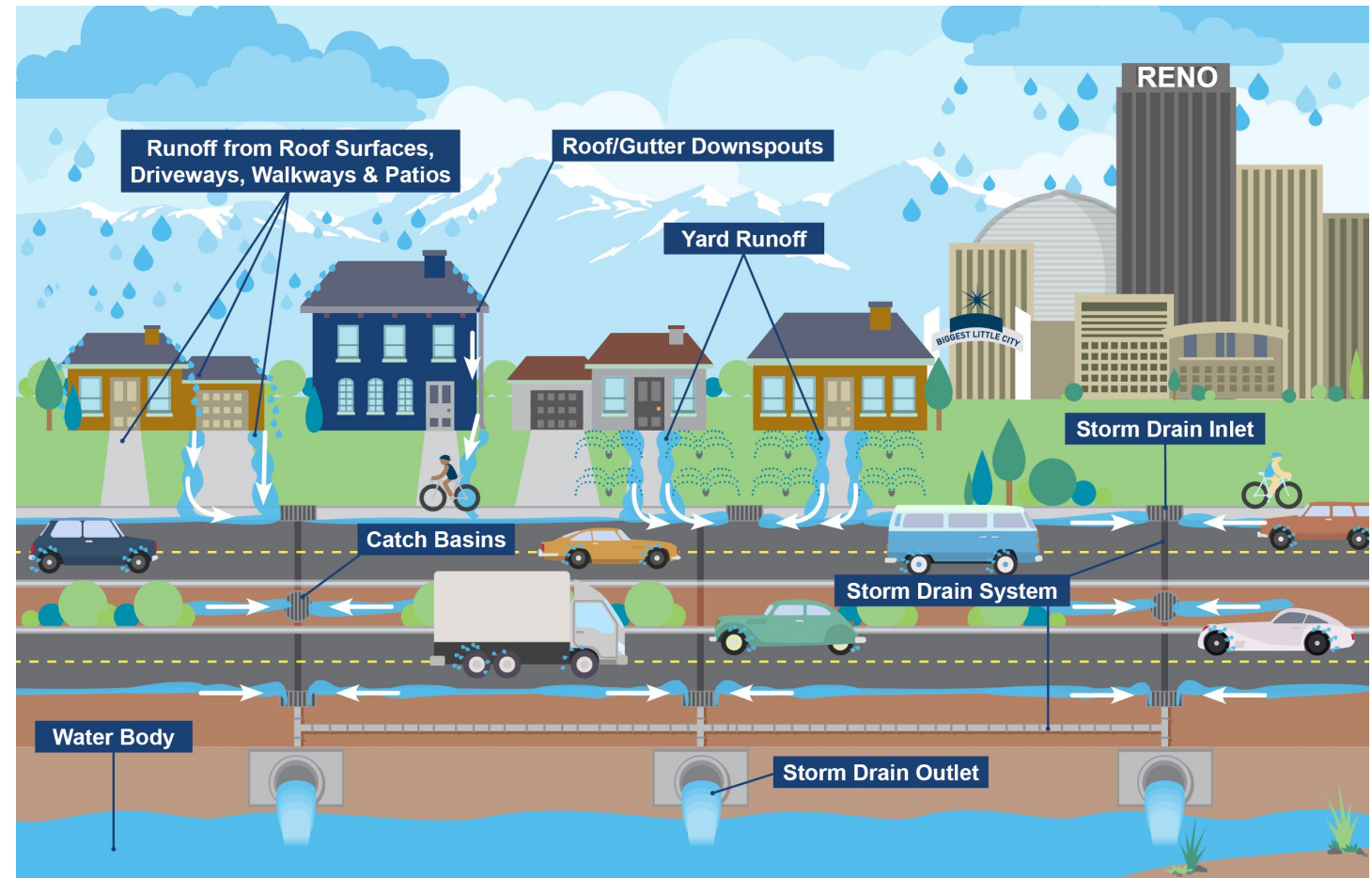


What is a Stormwater Utility?

The concept of a stormwater utility is that virtually every property in a watershed contributes stormwater

A stormwater utility fee is similar to a water or sewer utility fee and provides a dedicated funding source for:

- Engineering analysis and construction for capital improvements
- Cleaning and maintenance of storm drains and culverts
- Rehabilitation of aging infrastructure
- Addressing the increased frequency and / or intensity of storms
- Compliance with State and Federal environmental regulatory requirements



Why are we forming a Stormwater Utility?

The Cost of Inaction:



January 2017

January 2017 - Aquila at Sagittarius

Cost of Inaction:

- \$10M+ CIP Project
 - New storm drain improvements
 - Upsizing existing improvements
- 2008 and 2017 Flood Events
 - 2017 \$4M Emergency Repair

Why are we forming a Stormwater Utility?

The Cost of Inaction:



January 2017
Sagittarius - Andromeda to Aquila

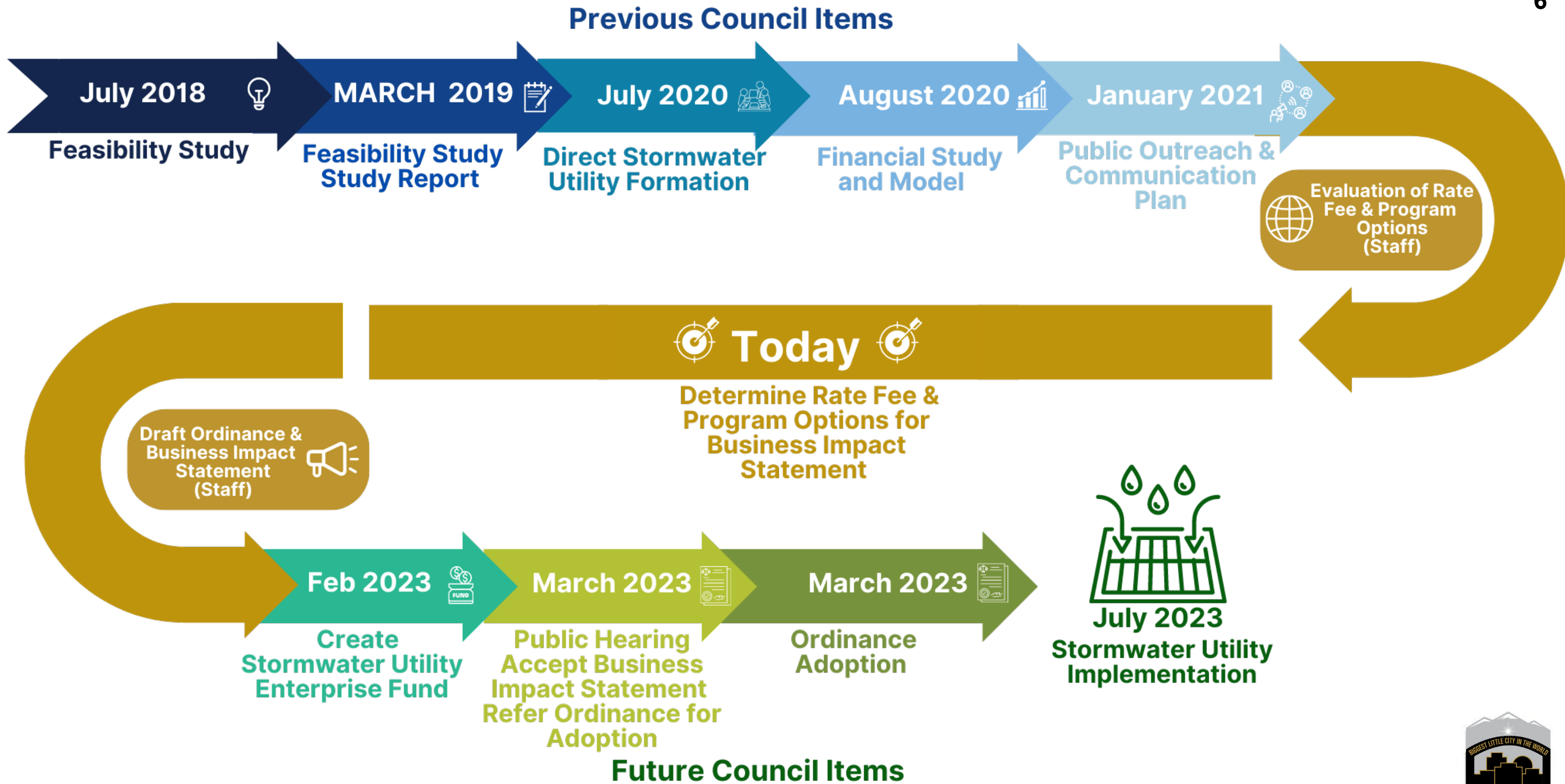
Why are we forming a Stormwater Utility?

The Cost of Inaction:

- Truckee River Flood of 1997
 - 2018 UNR Economic Impact Study
 - \$2.5B structures, contents, loss of business
- TRFMA Flood project
 - Excludes downtown bridges and Floodwall replacement
 - Includes benching for airport and Southeast Reno

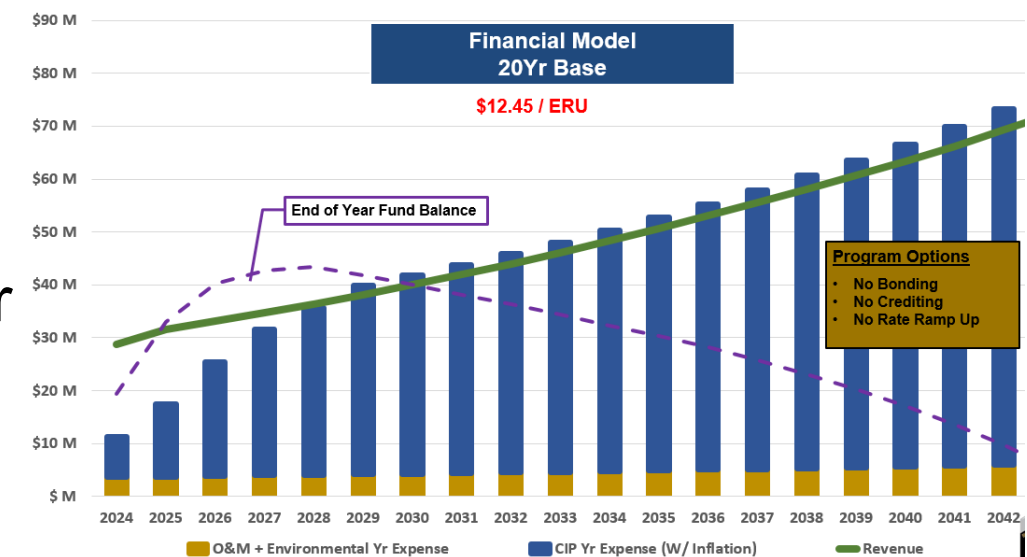


January 1997



Stormwater Utility Financial Model

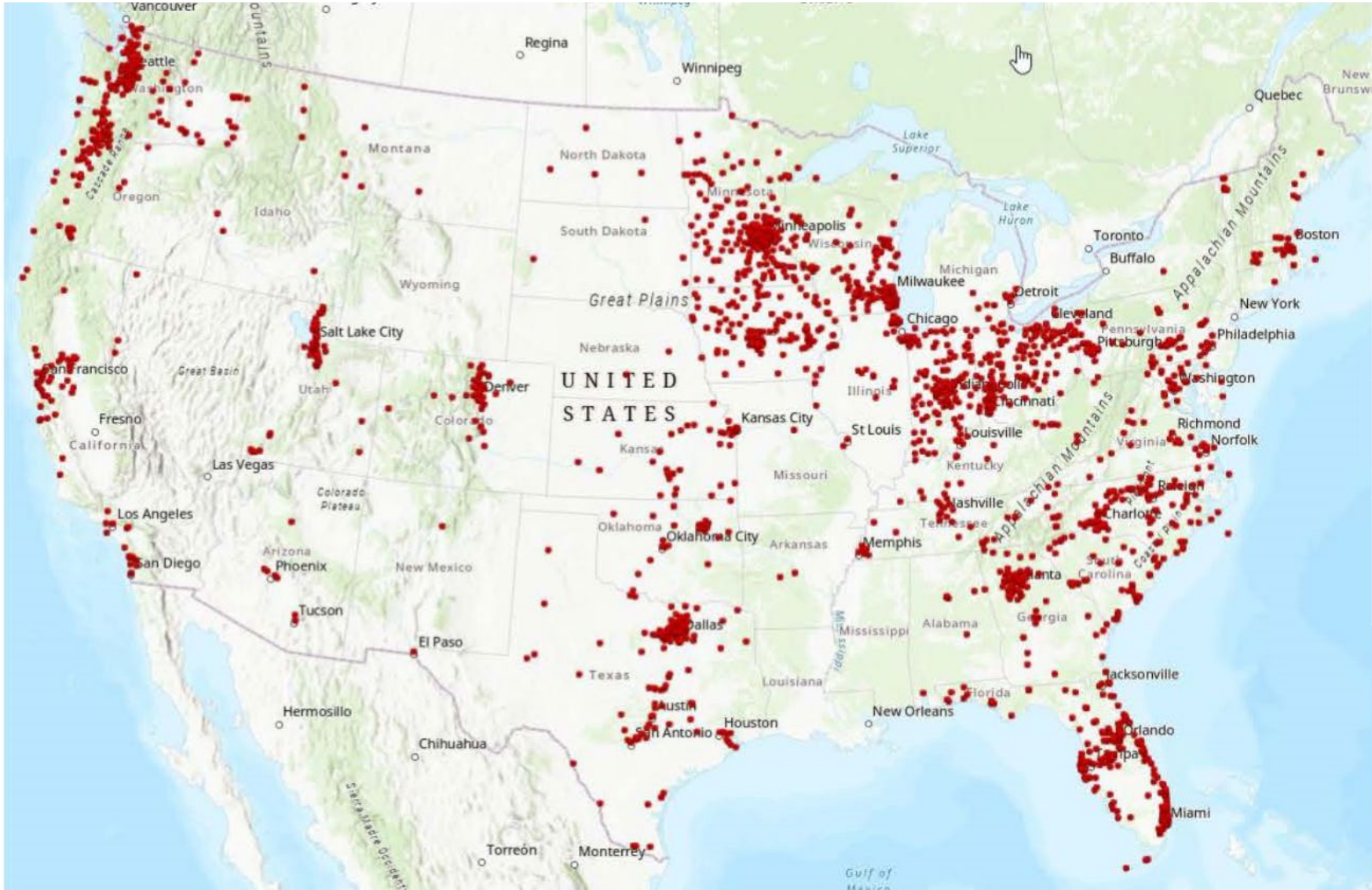
- Base Model Assumptions
 - 20-Year Capital Improvement Program (CIP) Duration
 - \$470M Stormwater Program
 - 5% inflation on CIP
 - Rates Tied to Consumer Price Index
 - 8% increase for FY24 and FY25 then 3.5% thereafter
 - Add eleven (11) FTEs to support:
 - Stormwater Utility management
 - CIP program implementation
 - Additional maintenance and operations staff
 - 2 Stormwater Truck and Associated Equipment



Financial Model Rates

Model	Total CIP	Total CIP Expenditure w/ Inflation	Base Model Fee Per ERU	<u>Program Elements</u> NSFR 30%, Schools Airport, Rate Ramp Up Fee Per ERU
20Yr	\$470.6M	\$871.4M	\$12.45	\$13.46

Stormwater Utilities: Peer and Across the Nation



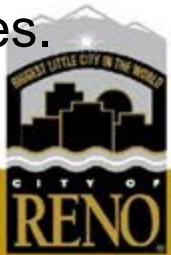
U.S. Stormwater Utilities
Western Kentucky University Stormwater Utility Survey 2022

Peer Stormwater Utility Rates Residential Only

	Population (2018-rounded)	Stormwater Fee / Month (FY 21)
Washoe County	116,500	\$9.31
City of Sparks	101,000	\$15.53
Carson City	55,000	\$10.23
Proposed City of Reno	243,000	\$12.00-13.50

Stormwater Utilities are a common practice throughout the U.S. to maintain and improve stormwater systems.

The US has approx. 2600 Stormwater Utilities.



Staff Recommendation

- Staff recommends Council direct staff to use a **\$13.46 per ERU rate** to be included in the draft ordinance and Business Impact Statement.