



# Office of the City Manager

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## MEMORANDUM

**DATE:** April 5, 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

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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 have analyzed the feedback and have determined that some of the proposed changes would require a new Business Impact Statement (BIS) process. Staff continues to work with the public and stakeholders as we prepare an updated the stormwater utility ordinance and crediting policy. Any and all changes will be presented to council at their briefings prior to moving forward with a new BIS. The City website will be updated when a meeting date is set for the public hearing and ordinance.

2. What input have you received so far from the public (from the website and from other sources)?

Staff have received numerous comments through the BIS process as well as from non-profit companies, the education sector, and the public at large through over two (2) years of concerted public outreach efforts. The following list of comments received are categorized by comment source:

Business Impact Statement Formal Comments (2 received):

- 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
- Requests no more than four (4) employees be hired to manage all aspects of the stormwater utility, including billing, construction contract management, supervisor oversight, etc
- Requests the annual increase not be tied to the consumer price index (CPI), but instead to the Producer Price Index (PPI), with a maximum of 3.5% annually with Council approval
- Requests a July 1, 2024 implementation date
- Requests a three (3) year ramp up period
- Requests a more streamlined credit program
- Requests an oversight board be created to ensure the most effective and transparent use of these funds
- Grand Sierra Resort (GSR)
  - Opposes stormwater utility fee
  - Objects to the complicated calculation process of using equivalent residential units and the estimated scale of the City of Reno's needs related to a stormwater utility
  - Requests a July 1, 2024 implementation date
  - Requests a longer rate ramp up duration
  - Objects to automatic CPI increases
  - Requests a more flexible credit program
  - Requests a reduced scope of the program
  - Requests a sunset date

Business Impact Statement Other General Comments (32 received)

- Do not support the new fee or tax
- Support a minimum three year rate ramp up
- Support a one (1) year delay in rate collection, until July 1, 2024
- Fees are too high
- Requests additional details on funding revenue, expenditures or capital improvement projects (CIP), and project priorities
- Process to receive a stormwater fee credit is too complicated and costly
- Drainage Districts / Homeowners Associations (HOA) already pays for Stormwater Management
- Questions regarding the increase in fees from the Feasibility Study's proposed \$8.50 - \$10.50/month to the currently recommended \$13.00 - \$15.00/month
- Objects to automatic CPI increases

Other Non-Profit Comments (10 received):

- The Di Loreto Companies, representing Damonte Ranch Drainage District
  - It is unfair for homeowners to pay twice for stormwater infrastructure

- Damonte Ranch residential property owners should be exempt from the fee
- Washoe County School District (WCSD)
  - The fee would be extensive because of the 12.4 million square feet of impervious surface owned by WCSD
  - The fee is an illegal tax
  - All sidewalks, paved roadways, (not parking stalls) which provide drainage service and are accessible to the public outside of regular school hours be exempted
  - Annual increase in fees should not be based on CPI
  - Questions regarding the increase in fees from the Feasibility Study's proposed \$8.50 - \$10.50/month to the currently recommended \$13.00 - \$15.00/month
  - Proposes a one-time, global certification regarding the education credit instead of an annual proposal or by school
- Reno Housing Authority (RHA)
  - 50% credit on behalf of its residents rather than allowing each resident to apply individually for the credit, to minimize administrative burden
  - Proposes an additional credit, up to a maximum of 80%, for a particular property that complies with the Stormwater Quality and Quantity Credit guidelines
- Reno-Tahoe Airport Authority (RTAA)
  - Requests taxiways, runways, Terminal Loop Road and other public roads be exempted
  - Requests RTAA tenants have access to the proposed crediting program
  - Requests implementation of July 1, 2024
  - Equitable treatment of Transportation infrastructure similar to Highways and Roads
- Nevada System of Higher Education (NSHE) representing University of Nevada, Reno / Truckee Meadows Community College / Desert Research Institute ( UNR/TMCC/DRI)
  - The fee is a tax and cannot be assessed against UNR/TMCC/DRI
- Faith based institutions
  - Large budget increase for non-profit
  - Opposed to the fee

Aside from the Business Impact Statement process, the city has received the following general public comments:

General Public Comment (233 received):

- In Favor / Seeking Clarification
- Sufficient funds in sewer rates, overpaying on sewer rates, cease sewer rate increases
- City mis-spending on other things, fund by removing internal inefficiencies
- Cease development subsidies / developers should pay
- Truckee River Flood Management Authority (TRFMA) is funding flood projects, how is this fee different
- Fixed Income / Cost of living / Other financial impacts
- Where are these services being funded now and how will new fees be used

- No perceived need due to lack of or frequency of rainfall events / flooding
- No new fees or taxes
- Maintenance Issues
- Provide CIP and associated map on website / don't hide plan
- The fee is a tax/special assessment; therefore, is not legal

General Public Comment from Damonte Ranch Residents (325 received)

- Homeowners within Drainage Districts that already pay for stormwater management
- Remove Damonte Ranch residential property owners from the fee
- Opposed the new tax/fee

**3. Where is the public input being archived?**

Public input is being received via multiple outlets; public meetings, Reno Direct, the City's Stormwater Utility website's Feedback Form, direct emails to staff, phone calls, among others. All feedback is being logged on a public feedback spreadsheet and each individual email/correspondence will be archived on the City's server. The exception is for phone calls which are manually logged into the public feedback spreadsheet.