



City Manager's Office

MEMORANDUM

DATE: 10/24/2023

TO: Honorable Mayor and City Council

THROUGH: Doug Thornley, City Manager Approved Electronically

FROM: Trina Magoon, Director of Utility Services
Jonathan Simpson, Utility Services Engineering Manager

SUBJECT: Council Update on the Proposed Stormwater Utility

This memo provides an update on the proposed Stormwater Utility Business Impact Statement (BIS) process, the proposed ordinance and upcoming schedule.

Based on feedback from the January 2023 BIS, indicating that the program was too expensive and an overly complex crediting program, staff worked with our consultant Raftelis to develop alternative programs and associated financial modeling. These alternatives were presented to Council Members in September briefings and through that feedback staff is proceeding through a second BIS. The proposed ordinance and BIS feedback can be found at the following website:

<https://www.reno.gov/government/departments/utility-services/stormwater-utility>

and a direct link to the ordinance can be found here:

<https://www.reno.gov/home/showpublisheddocument/91189/638327175756300000>

Key elements of the proposed ordinance and the proposed schedule are summarized below:

Stormwater Utility Rates:

- Single-family property owner rate has been set at \$9.80 per month, which is also considered one (1) Equivalent Residential Unit (ERU) or an average residential impervious surface area of 3,500 sqft.
 - The tiered rate for larger and smaller residential properties was removed, and all residential properties will pay the standard 1 ERU Rate.
- Businesses, government buildings, apartment complexes and other similar types of properties are considered non-single-family residential properties and will continue to pay based on the impervious surface. These properties are billed using the formula Total Impervious Area/ 1 ERU (Impervious Area equal to an equivalent residential units),

rounded up to the next whole number.

- Example: Total IA = 9,000 sq ft / 3,500 sq ft IA = 2.57 ERUs – rounded up to 3 ERU.

Program Elements and Credits:

- A Low-Income Assistance Program will be available for property owners that meet specific income requirements similar to the sewer rebate program. The Reno Housing Authority will also be able to apply on behalf of individuals who lease their properties.
- Reno Tahoe Airport Authority runways and taxiway will be removed from the impervious area, as they are considered part of the federal transportation system.
- Washoe County School District and other K-12 schools are eligible for a 60% reduction in the fee by providing an education curriculum related to stormwater and water quality.
- Community Stormwater Management Credit will be available for areas that reduce or alleviate the City's cost of providing regional stormwater management benefit at a rate reduction of up to a 15%. Damonte Ranch area is one community that can meet this credit criteria.
- Implementation Date of January 1, 2025, will allow property owners and business to prepare for the new fee.

Proposed Schedule:

Following are recent Stormwater Utility actions and upcoming proposed dates for further Stormwater Utility implementation.

Recent Actions:

- September 7-22, 2023 – Council Briefings on the Stormwater Utility
- October 2, 2023 – Council memo new proposed BIS and general program elements.
- October 13, 2023 – BIS was noticed in the paper and mailed requesting feedback.

Proposed Upcoming Dates

- Week of October 30, 2023 – Letter to Damonte Ranch Residences responding to their feedback and clarifying the program elements and misperceptions.
- Week of October 30, 2023 – Social Media Public Outreach and Reno Minute
- November 6, 2023 – BIS last day to provide comments or feedback from businesses.
- December 6, 2023 – Public Hearing at City Council
- December 6, 2023 – Council 1st Reading of the Stormwater Utility Ordinance
- December 13, 2023 – Council 2nd Reading and Ordinance Adoption
- January 1, 2025 – Stormwater Utility Implementation and Begin to Collect Fees