



Office of the City Manager

MEMORANDUM

DATE: January 11, 2024

TO: Honorable Mayor and City Council

THROUGH: Doug Thornley, City Manager **Approved Electronically**

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

SUBJECT: Proposed Stormwater Utility Fee Stakeholder Feedback Request

At the December 13, 2023, City Council Meeting, Council directed staff to review specific items related to the proposed Stormwater Utility Ordinance and provide additional information and/or options for council consideration.

In order to obtain stakeholder and interested public feedback on these items, staff created a survey that was sent to a list of people showing interest in the proposed stormwater utility including stakeholders, BIS respondents and individuals who previously commented through the Stormwater Utility website and requested updates. The combined list included approximately 550 individuals.

The Stormwater Utility Fee Stakeholder Feedback email included the following information:

On January 24, 2024, the Reno City Council will hear a proposal regarding the City of Reno Stormwater Utility.

A survey is available at [Stormwater Utility Feedback Form](#) if you wish to provide input. The deadline for input is January 22, 2024. Staff will consolidate the feedback and provide it to Council prior to January 24, 2023.

Additional information about the Stormwater Utility is available at reno.gov/stormwaterutility.

Thank you for your feedback.

A printout of the is attached for reference. Staff will compile the responses received and present them to City Council. Staff will also make time for any stakeholder requested meeting to discuss further.

Stormwater Utility Fee Stakeholder Feedback

1. The Reno Tahoe Airport Authority (RTAA) recommends the term "Private Aircraft" be deleted from section 12.17.120 B.4 and the terms "Public Aircraft" and "Civil Aircraft" be added to section 12.17.120 B.4.

Rationale: Through coordination with the RTAA, staff currently recommends excluding portions of the airport that are part of the National Transportation Network that are commonly excluded in stormwater utility ordinances throughout the county. The proposed ordinance would include these principles:

Airport runway, taxiways, and aprons which are part of the National Transportation System, and are used for public and commercial civil aircraft, and areas on airport property that drain to the sewer collection system are fully exempt.

Private aircraft facilities, including taxi lanes, aprons, hangars, and associated parking areas, are not exempt.

Do you strongly support, strongly oppose, or are you neutral towards Staff's recommendation? Why?

Enter your answer

2. Staff currently recommends City Council review the Stormwater Utility Fund and rate schedule every 5 years.

Rationale: The City's annual budget process provides the City Council with an annual review of proposed Capital Improvement Program (CIP) expenditures by fiscal year. A more detailed review of the Stormwater Utility fund on a 5-year basis would provide an opportunity to present to City Council clearly defined Stormwater Utility reporting, including accomplishments, CIP status and newly identified projects, previous 5-year expenditure review, 5-year outlook for revenue and associated staffing levels.

Do you strongly support, strongly oppose, or are you neutral towards Staff's recommendation? Why?

Enter your answer

3. Staff currently recommends against a sunset for the Stormwater Utility Fee.

Rationale: There are currently \$470 million of identified projects in the backlog for the City of Reno's stormwater needs. This does not include additional needs that have been identified but not yet quantified, nor unidentified needs that will arise through capacity and condition assessments, aging infrastructure, and future flood events. In addition, the Stormwater Utility will provide the funding source for all stormwater maintenance and operations with associated staff, stormwater engineering, environmental permitting and stormwater control, and irrigation ditch maintenance costs. A random sunset date might jeopardize the Stormwater Utility. Rather, Council may choose to sunset the program at any point in the future if Council decides it is no longer needed.

Do you strongly support, strongly oppose, or are you neutral towards Staff's recommendation? Why?

Enter your answer

4. Staff currently recommends that Single Family Residential (SFR) properties be charged for stormwater using three tiers based on the amount of impervious surface, areas that do not allow water to infiltrate and produce runoff, on the property, including the footprint of the house and all external buildings, driveways, patios, etc.

Rationale: A three tiered rate accounts for properties with significantly smaller or larger amounts of impervious surfaces.

- Small
 - Impervious areas measuring 400sqft to 2,500sqft
 - 60% of Base Rate

- Medium
 - Impervious areas measuring 2,501sqft to 5,000sqft
 - Billed at the Base Rate

- Large
 - Impervious areas measuring greater than 5,000sqft
 - 170% of Base Rate

Do you strongly support, strongly oppose, or are you neutral towards Staff's recommendation? Why?

Enter your answer

5. Staff currently recommends clarifying language regarding the definitions of community, developers, and property in the ordinance as follows:

- Community: Community refers to a group of people living in the same locality and under the same governance. Communities can consist of properties held under one unified development such as a Planned Unit Development (PUD) or Homeowners Association (HOA) and can include a mix residences, businesses, institutions, and public facilities.
- Developer: A developer is an individual, group, or company that prepares a site for construction or constructs buildings. Developers may be responsible for constructing stormwater management systems such as storm drains, detention/retention basins and/or water quality features to manage runoff required for the development.
- Property Owner:
 - Current definition: Property Owner (owner) means the owner of the real property as shown on the tax records of Washoe County.
 - Proposed Change: Property Owner means the owner (person or entity) that legally owns the real property as shown on the tax records of Washoe County.

Rationale: Clarifying the definitions will reduce confusion.

Do you strongly support, strongly oppose, or are you neutral towards Staff's recommendation? Why?

Enter your answer

6. Staff currently recommends against a Stormwater Quality/Quantity Crediting Program (SWQQC) for property owners that constructed water quality or quantity infrastructure as required for development.

Rationale: A SWQQC Credit is overly complex for property owners, including developers, homeowners associations, drainage districts and increase City staff administration which will increase the costs of the program. The majority of the responses to the first Business Impact Statement indicated a preference to not have a SWQQC because it was too complicated.

Do you strongly support, strongly oppose, or are you neutral towards Staff's recommendation? Why?

Enter your answer

7. Staff currently recommends City Council adopt a Community Regional Stormwater Management Credit (CRSMC). The CRSMC would reduce an individual property's Stormwater Utility fees if the property lies within a community that constructed regional water quality and quantity reduction infrastructure that provides a benefit to an area larger than the community for which the infrastructure was constructed, and is above and beyond code required for development of the community.

Rationale: Where there is a regional benefit from a community's stormwater infrastructure, a credit, commensurate with the percentage of regional benefit provided, may be applied to those residents' bills.

Do you strongly support, strongly oppose, or are you neutral towards Staff's recommendation? Why?

Enter your answer

8. Staff currently recommends the Stormwater Utility Fee increase annually by the Western Consumer Price Index (CPI) with a minimum increase of 1% and a maximum increase of 4% annually.

Rationale: By eliminating CPI from the program, inflationary cost increases can have a major detrimental effect to the viability of the program. If CPI is eliminated, the \$470 million dollar Capital Improvement Program (deferred projects) may never be completed. The Western

Consumer Price Index (CPI) is utilized by many western state municipalities and utilities to measure price change from the purchaser's perspective, will help to keep the proposed Stormwater Utility program on schedule and reduce the need for larger infrequent rate increases.

Do you strongly support, strongly oppose, or are you neutral towards Staff's recommendation? Why?

Enter your answer

9. Staff currently recommends City Council not reduce the current Sewer Fee by the corresponding Stormwater Utility Fee amount.

Rationale: There are significant infrastructure needs in both the City's stormwater and sewer systems. Reducing the sewer fee will impede the City's ability to perform needed infrastructure repairs and upgrades for the sewer system.

Do you strongly support, strongly oppose, or are you neutral towards Staff's recommendation? Why?

Enter your answer

10. Staff currently recommends a 60% credit for K-12 education institutions, based on teacher participation in state teacher education programs related to water and environment curriculum.

Rationale: The proposed Education Credit is based on K-12 teacher education thereby providing a benefit to the Stormwater Utility by educating students in water and the environment, creating future stewards of the system.

Do you strongly support, strongly oppose, or are you neutral towards Staff's recommendation? Why?

Enter your answer

11. Staff currently recommends initiating conversations regarding regionalizing stormwater infrastructure fees and services with Washoe County and the City of Sparks would benefit the City of Reno.

Rationale: Regionalizing stormwater infrastructure and fees will ultimately best serve the citizens of the Washoe County region. However, such efforts will take at least a decade to materialize; therefore, creating a Stormwater Utility for the City of Reno now will assist the region as we move towards that goal.

Do you strongly support, strongly oppose, or are you neutral towards Staff's recommendation? Why?

Enter your answer