

REQUEST FOR COUNCIL ACTION

SUBJECT: Update Storm Water Rates

SUMMARY: Increase to residential and commercial storm rates from \$4.02 to \$5.71 per ERU (equivalent residential unit) to fund capital projects and additional employees and equipment required by the state UPDES audit.

FISCAL AND/OR

ASSET IMPACT: About \$1.2M additional annual revenue.

STAFF RECOMMENDATION:

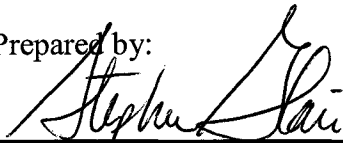
Staff supports the City Manager's recommendation. Staff also recommends using a consultant in near future for a Cost of Service Analysis and comprehensive utility rate study (last done in 2006) to create long-term solution.

MOTION RECOMMENDED:

"I move to adopt City Manager's recommended Storm rate increase with tentative effective date of _____ after a future public hearing to adopt a revised Uniform Fee Schedule.."

Roll Call vote required

Prepared by:



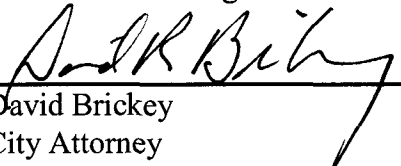
Stephen Glain
Mgt. Asst. to City Mgr.

Recommended by:

 FOK


Wendell Rigby
Public Works Director

Reviewed as to Legal Sufficiency:



David Brickey
City Attorney

Recommended by:



Mark R. Palesh
City Manager

BACKGROUND DISCUSSION:

The City's Storm Water services were historically provided as part of the Wastewater Department. A separate Storm Water utility was created in 2012 in order to improve service, track expenses separately, and create a dedicated revenue source. During 2015-16 the Utah Department of Environmental Quality performed a UPDES audit of our Storm program (Utah Pollutant Discharge Elimination System). As a result of this audit, the State is requiring West Jordan to acquire additional personnel and equipment in order to inspect and clean our system more frequently, and reduce pollutant discharges.

The following is the exact language from the audit letter:

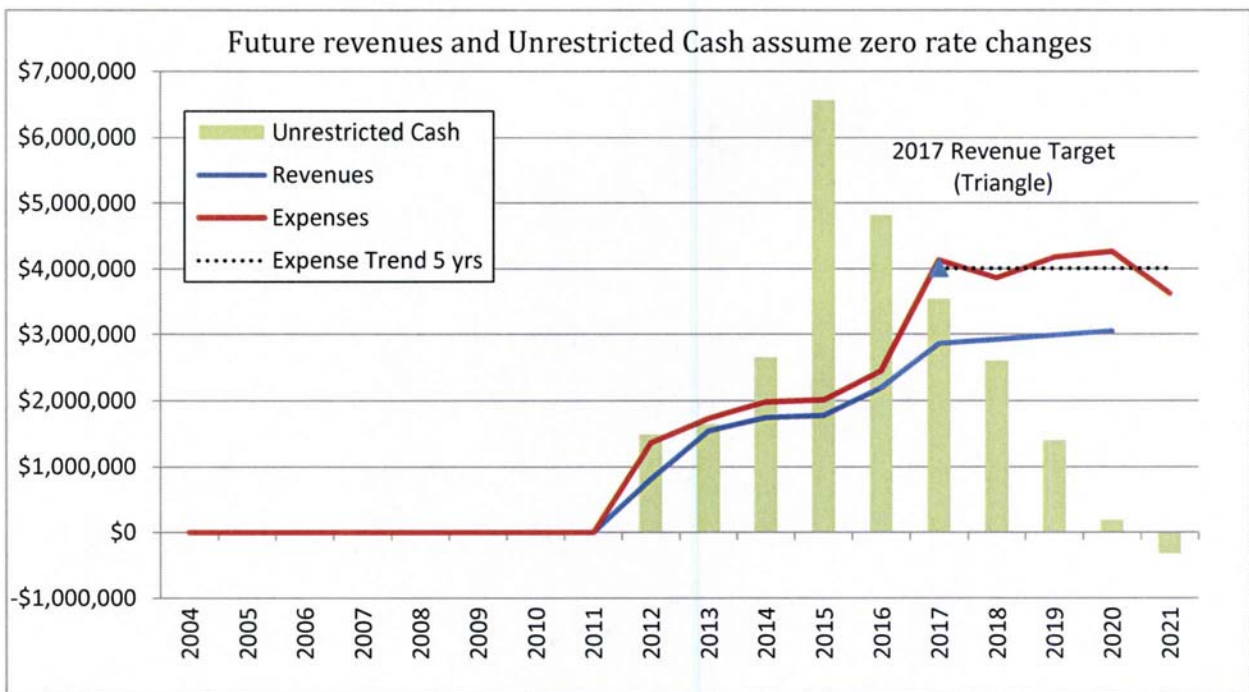
“Deficiency: One Vactor truck is not adequate for a city the size of West Jordan City. The City must prioritize storm sewer system maintenance, with the highest priority areas being maintained at the greatest frequency. Priorities should be driven by water quality concerns, the condition of receiving waters, and, the amount and type of material that typically accumulates in an area (Permit Part 4.2.6.9). West Jordan is a rapidly growing suburb with much development occurring. It is impossible to prioritize storm sewer system maintenance with only one Vactor truck and cleaning 1 of 6 grids every 2-3 years is not an acceptable maintenance schedule. A system-wide annual cleaning schedule in addition to service requests as needed is recommended. The City must secure the resources necessary to meet all requirements of this Permit (Permit Part 4.1.2.2.).”

To clarify the proposed changes to meet the audit we currently have:

- Two operators and a vactor truck for cleaning over 200 miles of storm drain pipe, including inlets and control devices, and 104 public detention basins. Operators also are responsible for making sure dry washes are clear of weeds and debris.
- Currently have two operators and a TV truck for inspecting over 200 miles of storm drain pipe. Also perform dry weather screening and help with dry washes maintenance.
- Crew Supervisor directs crews, maintains records, illicit discharges, maintain permit requirements, handling public and private inspections and reports
- Stormwater Inspector insuring SWPPP compliance with the approximate 50 active construction projects in the City.

Proposed to add based upon audit deficiencies:

- A full-time Stormwater Program Manager to handle audit and permit requirements, the Stormwater Management Plan, Code, maintain records, perform IDDE trainings. This frees up the Crew Supervisor to direct field operations.
- Two stormwater operators and another Vactor truck to allow for two crews to perform maintenance operations.
- Another operator to handle private post-construction and city-owned facility inspections (mentioned as other audit deficiencies). Required annual inspection reports of the private detention basins.
- Two operators to work in System Repair (there is currently nobody to handle storm system repairs; wastewater crews are used to make repairs to storm systems when emergencies arise).



The City staff 2016 Utility Rate Analysis estimates that a 42% revenue increase will be sufficient to match the 5-year expense trendline and meet the UPDES Audit requirements. The City's Storm fee is currently \$4.02 per ERU (equivalent residential unit) and would need to increase by \$1.69 to a total of \$5.71 per ERU. See table below:

	<u>Annual Expense Increase since last rate change</u>	<u>Monthly Fee Increase per ERU</u>	<u>Rate Increase (for Fixed and Variable charges)</u>
*Personnel	\$ 374,247	\$ 0.57	14.2%
*Operations (equip pmts)	\$ 76,459	\$ 0.12	3.0%
Cap. Projects	\$ 825,711	\$ 1.00	24.9%
Totals	\$ 1,276,417	\$ 1.69	**42.0%

*Required by UPDES Audit.

**42.0% would bring total revenues up to the projected 5-yr trend of expenses (2016 staff Utility Rate Analysis, audited by Keddington & Christensen, LLC).

City Manager's Recommendation: Increase of \$1.69 per ERU (from \$4.02 to \$5.71) for all residential and commercial customers. The cost of the proposed new Public Works building will also be shared by all enterprise funds (Water, Sewer, Storm, Solid Waste, Street Lights, etc.).