

Stormwater Utility Development



COUNCIL WORK SESSION

April 11, 2016



Discussion Agenda

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- Review revenue requirements approach
- Review current stormwater program
- Review future program elements
- Summarize stormwater revenue requirements
- Seek Council feedback

Steps to Adoption

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Legal

- Implement local code changes

Financial
Plan

- **Identify revenue requirements** and funding level

Rate
Structure

- Select rate structure and calculate rates

Implementation
Plan

- Conduct public outreach
- Develop internal systems (billing & accounting)

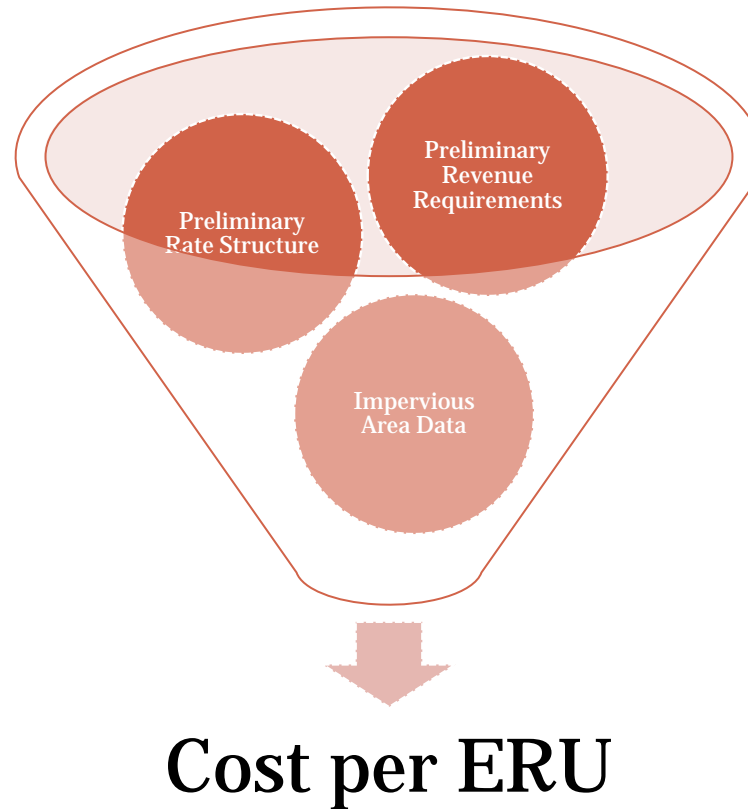
Developing Revenue Requirements

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- **Revenue requirements**
 - Operation and maintenance
 - Regulatory compliance
 - Capital repair, replacement and expansion



Mixing the Parts Together



Revenue Requirements Approach

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- **Bracket program costs** → existing and future
- **Existing program = baseline funding**
 - No asset management program, limited regulatory efforts
- **Looking out 5 years**
 - Realistic program implementation
 - Permit requirements compliance
 - Initially share equipment, personnel
 - Ramp up preventative maintenance and PLR
 - Consider one-time costs

Existing Stormwater Program

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- **What are Albany's current activities?**
 - Operations and Regulatory – catch basin cleaning, minimal flood protection, street sweeping, spill response, public outreach and involvement, construction site runoff management...*cost = (\$900,000)*
 - Capital – pipe replacement with street projects, stormwater quality facilities...*cost = (\$400,000)*
- **How is program currently funded?**
 - Sewer funds - *\$700,000*
 - Street funds - *\$550,000*
 - Erosion control permit fees - *\$50,000*

Future Program Elements

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- **Operations – current activities plus:**
 - Pipe cleaning, CCTV inspections, pipe repairs
 - Initially share equipment with other programs
 - Build capacity to properly manage stormwater assets
- **Regulatory – current activities plus:**
 - Field screening, expand existing programs, tracking & reporting
 - Standards development; education, outreach, & involvement
 - Mapping and monitoring, spill prevention activities
- **Capital repair and maintenance (existing system):**
 - Pipe replacement with street projects, stormwater quality facilities
 - Perpetual life replacement (PLR)

Funding Level Policy Questions

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- Define levels of service and timing
- Begin asset management program (~\$100M asset)
 - 128 miles of pipes, 70 miles of ditches
 - 2,300 manholes, 4,200 catch basins, ~100 SW quality facilities
- Meet minimum regulatory requirements
- Balance equity and simplicity – low admin costs
- Phased implementation

Revenue Requirements Summary

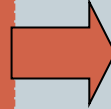
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- **Existing program (\$1.3 million)**
 - Operation, maintenance, regulatory (\$900,000)
 - Capital street project stormwater work (\$400,000)
- **Projected program costs (\$3.0 million):**
 - Operation, maintenance, regulatory (\$1.9 million)
 - Capital repair, replacement, SW quality facilities (\$1.1 million)
- **To be determined**
 - Stormwater capacity capital needs
 - Permit conditions and timelines within permit
 - Worst case scenario permit

Program Progression

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Current Program \$1.3M



- Street sweeping, catch basin cleaning, public outreach, erosion control, spill response
- No crew or equipment, no asset management, no preventative maintenance, minimal flood protection
- Use other program resources, reduces production
- TMDL compliance

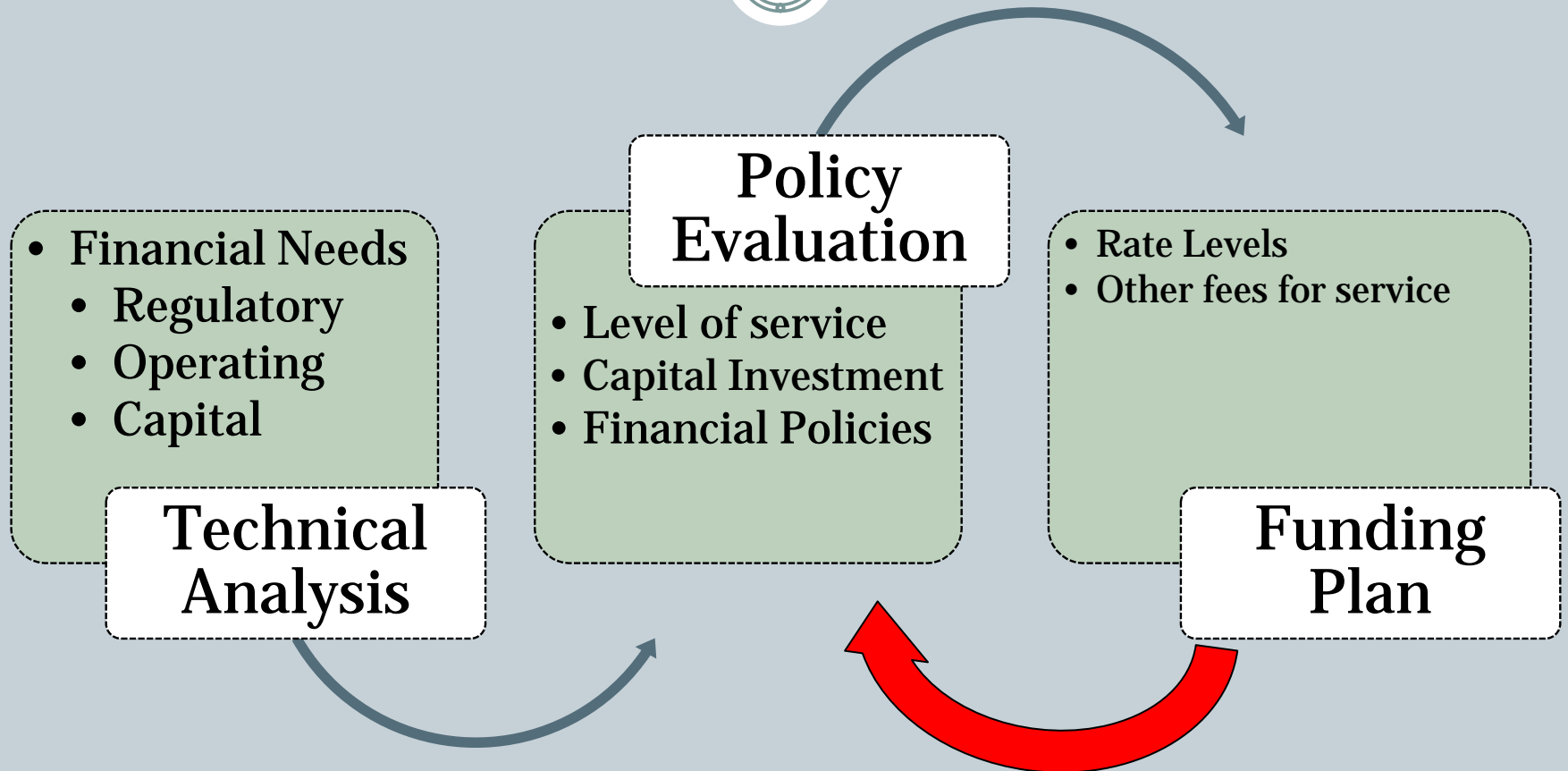
Future Program \$3M*

- Phase II permit, field screening, SW program plans, expanded existing programs, spill prevention, DEQ reports
- Basic crew, equipment
- Limited preventative O&M and flood protection
- Asset management database framework
- Limited PLR

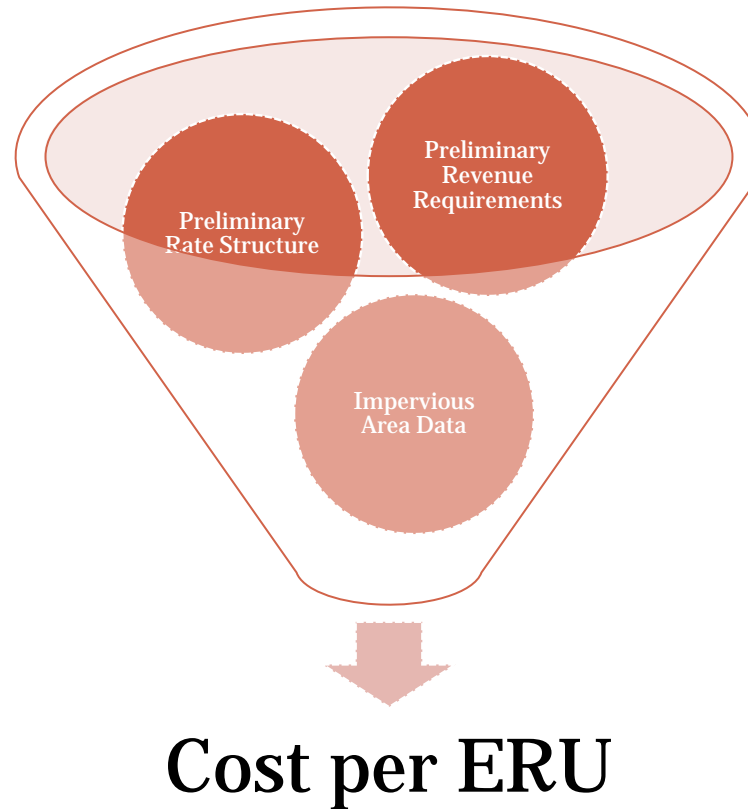
*The projected costs have not been adjusted for inflation

An Iterative Process

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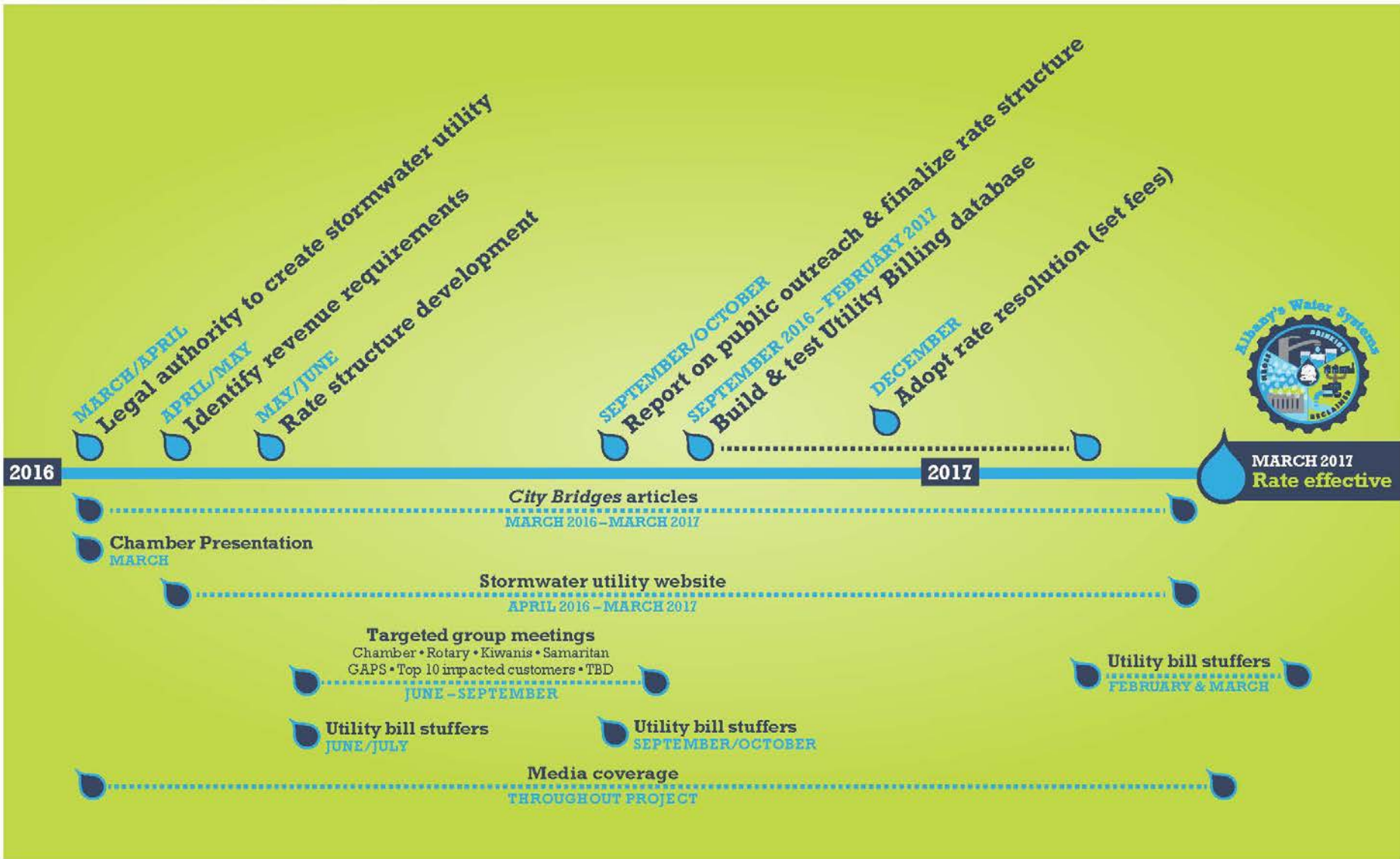
Mixing the Parts Together





STORMWATER UTILITY DEVELOPMENT

Public Outreach & Project Milestones



Next Steps with Council

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- **May 9, 2016**
 - Preliminary results
 - ❖ Apply revenue requirements to rate structure
 - Establish revenue targets
- **June 6, 2016**
 - Continue discussion, follow up as necessary
 - Confirm next steps in public outreach
 - ❖ Define target outreach groups

Questions/Discussion

