

City of Newark

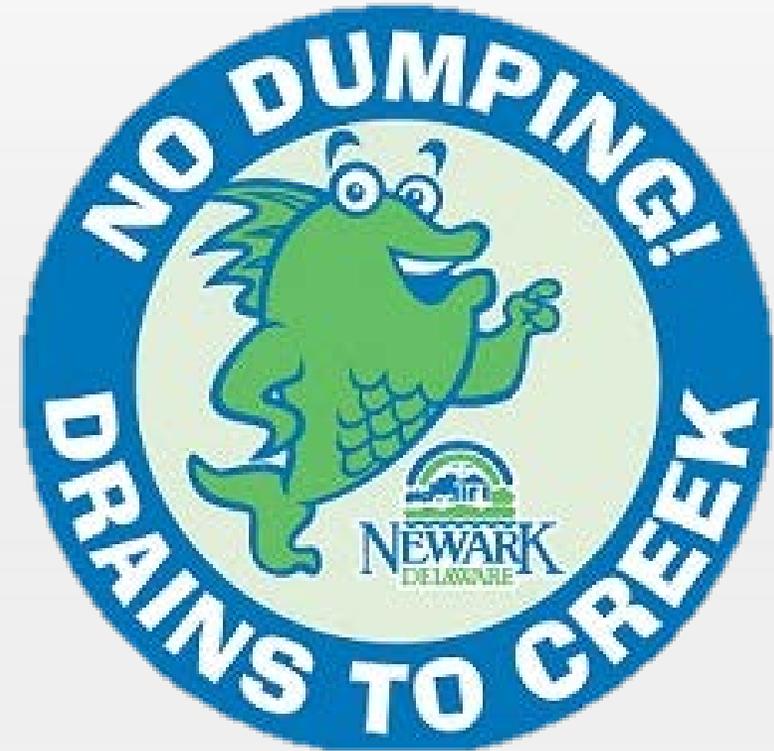
Proposed Stormwater Utility

Review and Update

October 9, 2017

Why a Stormwater Utility?

- ▶ Dedicated, Predictable, and Stable funding source
- ▶ Equitable cost allocation
- ▶ Addresses both Water Quality and Water Quantity
- ▶ Streamlines NPDES Permit compliance
- ▶ Builds on momentum of recent projects and studies
- ▶ Continue to address backlog of infrastructure maintenance



Council Questions for Follow Up

- ▶ The following list of items were asked by Council and are addressed as noted:
 - ▶ Remove non-residential credit for meeting regulations: **The Credit and Appeals Manual has been updated to remove credits for meeting the regulation.**
 - ▶ Revise ordinance to include a statement that transfers to the general fund are prohibited: **The Ordinance now includes language which prohibits transfers out of the Stormwater Fund.**
 - ▶ Investigate discounts for residential parcels, will need to have a prohibition on getting a discount for a project funded by the grant program: **Staff intends to review this for consideration in Year 2 (2019) of the Stormwater Utility.**
 - ▶ Investigate surcharges for residential parcels that exceed either a set cover percentage or a specific square footage of impervious cover (or both). **Staff intends to review this for consideration in Year 2 (2019) of the Stormwater Utility.**
 - ▶ Modify credits and appeals manual to include some guidance on how grant applications will be ranked, what is our preference for what we want to see people doing: **The final draft will complete this task. A list of preferred practices is included in the most recent version of the Manual.**

Council Questions for Follow Up (cont.)

- ▶ The following list of items were asked by Council and are addressed as noted:
 - ▶ We need to know how much of the stormwater charge is being billed against City properties and understand the specific impact on each fund: **The City owned parcels account for approximately \$125,000, or 8% of the total ESU's. This has been accounted for in the 2018 budget by charging against the facilities budget which will be distributed through inter-fund transfers.**
 - ▶ Add a statement to the credit, appeals, and grants manual that makes it clear that the manual can be modified in the future by direction of Council: **This statement will be added to the CAG Manual as part of the final document.**

Monthly Impact to Residents

- ▶ Stormwater is currently set up as a Division within the Water Fund. The following information is provided to show the impact to a typical residential bill for various stormwater funding sources and why the Stormwater Utility is the lowest cost option:

OPTIONS					
Move to:	Current	Proposed	Difference	% Difference	Comments
Stormwater	\$ 273.34	\$ 276.29	\$ 2.95	1.1%	lowest impact on residents
Sewer	\$ 273.34	\$ 281.58	\$ 8.24	3.0%	
Water (all)	\$ 273.34	\$ 279.32	\$ 5.98	2.2%	
Water (in-town only)	\$ 273.34	\$ 280.58	\$ 7.24	2.6%	
Tax	\$ 273.34	\$ 282.36	\$ 9.03	3.3%	

- ▶ Assumptions:
 - ▶ 167 Gallons Per Day for Water and Sewer
 - ▶ Median Taxable Assessment of \$66,500

Capital Improvement Program

- ▶ Based on Video Inspection of all known Corrugated Metal Pipe (CMP)
 - ▶ 14 year Program to repair or replace approximately 5 miles of CMP
 - ▶ Approximately \$350,000 per year. Majority of the CIP for Stormwater Utility for first 10 years
 - ▶ Ability to push CMP for alternate project through budgeting process, if merited.

Table 3: Priority Level and Cost Summary

	Priority 1	Priority 2	Priority 3	Priority 4	Total
Dig and Replace	\$513,000	\$190,000	\$9,000	\$405,000	\$1,117,000
CIPP Lining	\$1,264,000	\$842,000	\$145,000	\$1,255,000	\$3,506,000
Total:	\$1,777,000	\$1,032,000	\$154,000	\$1,660,000	\$4,623,000
15% Contingency	\$266,550	\$154,800	\$23,100	\$249,000	\$693,450
Total (With Contingency)	\$2,043,550	\$1,186,800	\$177,100	\$1,909,000	\$5,316,450

Capital Improvement Program (cont.)

- ▶ Water Quality Retrofits
 - ▶ \$40,000 per year to implement retrofits to existing stormwater basins per Stormwater Retrofit Review and Prioritization Report.
- ▶ Flood Mitigation Review and Implementation
 - ▶ Increases from \$70,000-\$160,000 over 5 year CIP to review existing drainage issues and upgrade facilities or infrastructure as recommended.
- ▶ Rodney Parcel
 - ▶ Provides mechanism to fund the stormwater portions of the Rodney Project, if referendum is successful.
 - ▶ Current estimate for \$8mm concept impact is approximately \$1.10 per month for residential Tier 2 Property. (Based on total cost of project for simplicity)

Water Quality Program

- ▶ National Pollutant Discharge Elimination System (NPDES) Permit
 - ▶ Municipal Separate Storm Sewer System (MS4)
 - ▶ Federal Permit through EPA and DNREC
 - ▶ New Permit due in late 2017.
 - ▶ Implementation of permit will require plan to address water quality and pollution prevention.

Operations and Maintenance

- ▶ Deferred Maintenance to City-owned Stormwater Facilities and Outfalls
 - ▶ Continue maintenance on backlog of maintenance identified through annual outfall and pond inspections.
 - ▶ Approximately 450 known outfalls, 65% need some level of maintenance.
 - ▶ Utilize city crews where practical and contracts when necessary.
- ▶ Street Sweeping
- ▶ Catch Basin Cleaning and Repair

What's next?

- ▶ If Approved on October 9, 2017 the following tasks will be completed:
 - ▶ Complete Stormwater Utility Implementation and Billing Processes for rollout on January 1, 2018.
 - ▶ Complete 2018 Budget reflecting the Stormwater Utility as a separate fund.
 - ▶ Finalize and Publish Documentation for Credits, Appeals, and Grants Manual.
 - ▶ Finalize and Publish SW Utility FAQ's for Residential and Non-Residential Properties.
 - ▶ Finalize and Publish Stormwater Plan.
 - ▶ Hold series of Public Meetings to help educate public on new utility beginning on October 18, followed by two meetings in November.
 - ▶ Meet separately with high impact customers to help educate about new utility.