



Legislation Text

File #: ID#19-6534, **Version:** 1

SUBJECT/RECOMMENDATION:

Approve a decrease of residential and commercial Stormwater Utility rates by 8.5% per Equivalent Residential Unit (ERU) beginning October 1, 2019 and increases of residential and commercial Stormwater Utility rates by 0.5% ERU beginning October 1, 2020 and October 1, 2021; and pass Ordinance 9305-19 on first reading.

SUMMARY:

Council adopted five years of Stormwater rate increases in August 2017 at a rate of 0.5% per year for fiscal years 2018 through 2022. Per this agenda item, staff is recommending a revision of the remaining three years, fiscal years 2020 through 2022.

Stantec Consulting Services' (SCS) 2017 revenue sufficiency and financial forecast analysis showed that an increase of 0.5% was needed for fiscal year 2020 (\$14.72). Due to project management and operating savings, SCS 2019 revenue sufficiency analysis shows Fiscal Year (FY) 2020 can be reduced to \$13.40, an 8.5% decrease instead of a 0.5% increase as approved in 2017, with additional 0.5% increases needed for FY2021 (\$13.47) and FY2022 (\$13.54). Per Stantec's analysis, additional 0.5% increases would be required for the remaining seven years of the ten-year rate study forecast.

An equivalent alternative for council consideration is the same 8.5% decrease for FY2020 (\$13.40), followed by 0.0% increases for FY2021 and FY2022. Per Stantec's review, additional 1.0% increases would be required for the remaining seven years of the ten-year rate study forecast under this option.

Since the 2017 rate increases were passed, several significant flood control and water quality projects have been completed, or are underway, including Mango Outfall, Magnolia Outfall, East Gateway, Hillcrest Bypass and Druid Rd/Allens Creek Storm System.

Individual projects have previously been approved or will be presented to Council for future approval.