R2018-23: A RESOLUTION TO AMEND THE SCHEDULE OF STORM WATER FEES ACCORDING TO THE PROCEDURE SPECIFIED IN CITY CODE SEC.18-27.

<u>Applicant/Purpose:</u> Staff/ to increase the rate for the storm water fee from \$5.75/ Equivalent Residential Unit to \$6.25/ERU to finance operations & improvements to the City's storm drainage system.

Brief:

- Operating costs have grown by 42.6% since the last rate increase in FY14 while revenues from the fee have increased only 12.8%. Maintenance & monitoring costs, as well as the addition of a Street Sweeper position represent the largest areas of expenditure increase.
- The 5-year Capital Improvement plan calls for master planning of the storm water drainage system in order to identify the next round of projects necessary to accommodate the drainage needs of the City.
- The 5-year Capital Improvement Plan also contemplates the construction of 2 additional Ocean Outfalls.

Issues:

- Absent the resolution, the storm water fee will not produce sufficient revenue to continue to cover operations or allow for additional infrastructure improvements to the storm drainage system.
- W/ approval of this proposed increase transfers from other funds would have to be increased to cover any operating deficits & finance new storm water management projects.

Public Notification: Normal meeting notification.

<u>Alternatives:</u> Deny resolution resulting in a delay in storm water infrastructure project, master planning & construction.

<u>Financial Impact</u>: Impact on rate payers will be 50¢/month (\$6/year for a residential unit or equivalent).

<u>Manager's Recommendation</u>: I recommend approval.

Attachment(s): Proposed resolution

Brenda Bethune, Mayor

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Jennifer Stanford, Interim City Clerk