STAFF REPORT

To: City Council Finance Committee Date: March 25, 2014

From: Ken Putnam, PE, Interim Public Works Director

Prepared By: McCray Coates, PE Stormwater Services Manager

Subject: Stormwater Service Level

Summary Statement: The consideration of alternative service levels for the stormwater utility program.

Review: This past summer, the City of Asheville received record rainfall. As staff was investigating many areas of concern, citizens were asking staff to perform additional maintenance activities and perform more watershed analysis which would help identify flood mitigation projects. Staff continued to make the repairs to the aging infrastructure and damages associated with the summer rainfall events. Following several individual meetings with citizens concerning specific items, staff decided to have a public meeting to discuss the vulnerabilities of the city.

During this meeting which took place in November, several citizens came forward and asked the city to increase the level of services for the stormwater program. One focus of the citizens was to increase the maintenance activities which could include having two maintenance crews. The work these crews would perform could include perform ditching activities, additional replacement of existing drainage structures, and more frequent inspections to the current system. Also included would be the opportunity to evaluate the current status of the stormwater system throughout the public easements and rights of way and develop a priority needs list. An additional focus area was the evaluation of the watersheds for flood control opportunities. This watershed analysis could include finding areas that would promote water quality and also provide flood mitigation areas also. Detailed analysis of the hydraulic system would be conducted for the watershed studies. Also, priority lists would be developed from this program.

Shortly following the meeting, the city hired the team of McGill Associates and Martin-McGill to investigate the current status of the program and to also look at what would be necessary to expand the program to meet the needs the citizens were asking for. The team has developed three scenarios.

Option One:
Option one demonstrates a minimal program which includes modest capital improvements and maintaining the current levels of investment. In order to meet continue to meet the current level of service moving forward due to the increased cost to produce work over the past 9 years and the cost of the services utilized by the stormwater division through the general fund, in this case, the utility fee would be increased from **$2.34/Month per ERU to $3.20/Month per ERU**.

Option Two:
The second options demonstrates a strategic program which also includes capital investment and conducts strategic research and planning and implementation. This option would include hiring putting on additional staff to supplement the current stormwater construction crew and re-engineer it to become a larger maintenance crew. This crew would perform the larger

maintenance projects including roadway ditching and replacement of longer stretches of existing infrastructure. Also included in this option would include the addition of a project manager in which the city would then be contracting out more stormwater drainage project. These projects would be the larger scale projects typically over 300 feet in length and would be constructed by private construction companies. This option would allow the city to utilize and expand the existing maintenance program while also addressing additional concerns through private construction operations. This plan would also establish a city wide assessment of the current infrastructure and through this assessment would help develop a priority list of projects that would become part of the future stormwater capital improvement projects. This scenario would also incorporate water shed analysis to be performed on an annual basis and a priority list to be developed and incorporated into the stormwater CIP. For this option, the utility fee would increase from **$2.34/Month per ERU to $3.50/Month per ERU.**

Option Three:
The third option would include everything in the second scenario but would provide additional revenue to be more aggressive in pursuing the capital projects. This would allow the project to be incorporated sooner. With this option, additional stormwater inspectors would be needed to oversee the projects that would be constructed. For this option, the utility fee would increase from **$2.34/Month per ERU to $4.00/Month per ERU**.

Each of the above options advance the City's plans to be environmentally conscience and manage infrastructure in a more sustainable manor. Associated pro's and con's are as follows:

Pros:

- Citizens would receive a higher level of services from additional maintenance activities.
- Provides higher level of service by prioritizing critical needs of the stormwater system.
- Provide the revenue sources to implement larger scale projects, such as the Biltmore Ave Bridge flood plain removal.
- Provide preventative maintenance activities which should increase the life cycle of the infrastructure.
- This program will provide a visioning tool which staff can work toward and address future needs and prioritize those needs.

Cons:

- The citizens' stormwater utility fee will increase.
- The general fund is currently the largest contributor to the stormwater utility fund, this will also increase.

Fiscal Impact: The current stormwater utility fee is $2.34 per Equivalent Residential Unit (ERU) which is 2,442 square feet of impervious area. The fiscal impacts are dependent on the service level. The stormwater utility fee has been unchanged from inception in 2005. Attached is benchmark information from North Carolina cities with their current stormwater utility fees.

Recommendation: Staff recommends City Council consider the analysis provided of current conditions and the options for improving stormwater service delivery. The fee analysis is provided so that implementation may be built into the FY 15 Budget.

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