

REQUEST FOR COUNCIL ACTION

SUBJECT: Update Storm Water Rates

SUMMARY: Increase to residential and commercial storm rates to fund capital projects, new Public Works building, and additional employees and equipment required by the state UPDES audit: 12% (Dec.1, 2016) and 16% (July 1, 2017).

FISCAL AND/OR

ASSET IMPACT: About \$840,000 additional annual revenue.

STAFF RECOMMENDATION:

Staff supports the City Manager's recommendation. Staff also recommends using a consultant in near future for a Cost of Service Analysis and comprehensive utility rate study (last done in 2006) to create long-term solution.

MOTION RECOMMENDED:

"I move to adopt City Manager's recommended Storm rate increase with effective dates of December 1, 2016 (1st phase) and July 1, 2017 (second phase)."

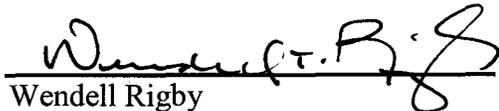
Roll Call vote required

Prepared by:



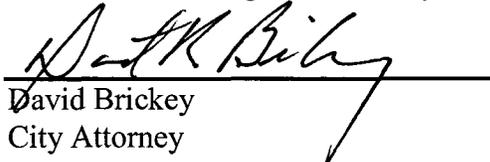
Stephen Glain
Mgt. Asst. to City Mgr.

Recommended by:



Wendell Rigby
Public Works Director

Reviewed as to Legal Sufficiency:



David Brickey
City Attorney

Recommended by:



Mark R. Palesh
City Manager

BACKGROUND DISCUSSION:

The City Manager is recommending a two-phase rate increase in the “per ERU rate” for all residential and commercial rates:

- First phase 12% (Dec.1, 2016)
- Second phase 16% (July 1, 2017)

During 2015-16 the Utah Department of Environmental Quality performed a UPDES audit of our Storm program (Utah Pollutant Discharge Elimination System). As a result of this audit, the State is requiring West Jordan to acquire additional personnel and equipment in order to inspect and clean our system more frequently, and reduce pollutant discharges.

The following is the exact language from the audit letter:

“Deficiency: One Vactor truck is not adequate for a city the size of West Jordan City. The City must prioritize storm sewer system maintenance, with the highest priority areas being maintained at the greatest frequency. Priorities should be driven by water quality concerns, the condition of receiving waters, and, the amount and type of material that typically accumulates in an area (Permit Part 4.2.6.9). West Jordan is a rapidly growing suburb with much development occurring. It is impossible to prioritize storm sewer system maintenance with only one Vactor truck and cleaning 1 of 6 grids every 2-3 years is not an acceptable maintenance schedule. A system-wide annual cleaning schedule in addition to service requests as needed is recommended. The City must secure the resources necessary to meet all requirements of this Permit (Permit Part 4.1.2.2.).”

To clarify the proposed changes to meet the audit we currently have:

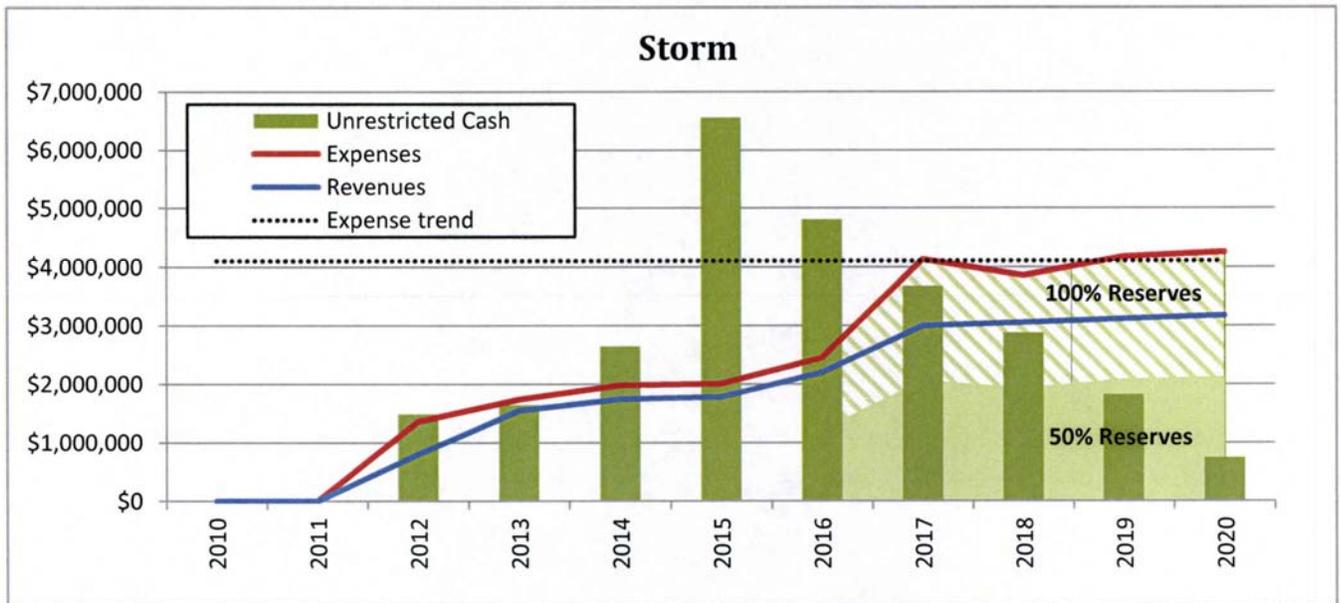
- Two operators and a vactor truck for cleaning over 200 miles of storm drain pipe, including inlets and control devices, and 104 public detention basins. Operators also are responsible for making sure dry washes are clear of weeds and debris.
- Currently have two operators and a TV truck for inspecting over 200 miles of storm drain pipe. Also perform dry weather screening and help with dry washes maintenance.
- Crew Supervisor directs crews, maintains records, illicit discharges, maintain permit requirements, handling public and private inspections and reports
- Stormwater Inspector insuring SWPPP compliance with the approximate 50 active construction projects in the City.

Proposed to add based upon audit deficiencies:

- A full-time Stormwater Program Manager to handle audit and permit requirements, the Stormwater Management Plan, Code, maintain records, perform IDDE trainings. This frees up the Crew Supervisor to direct field operations.
- Two stormwater operators and another Vactor truck to allow for two crews to perform maintenance operations.
- Another operator to handle private post-construction and city-owned facility inspections (mentioned as other audit deficiencies). Required annual inspection reports of the private detention basins.
- Two operators to work in System Repair (there is currently nobody to handle storm system repairs; wastewater crews are used to make repairs to storm systems when emergencies arise).

Storm
No DPW
 No Rate Changes

	<u>Revenues</u>	<u>Expenses</u>	<u>Unrestricted Cash</u>	<u>Notes</u>
2010	0	0	0	
2011	0	0	0	
2012	806,368	1,366,140	1,492,160	Storm Fund created
2013	1,540,476	1,734,665	1,641,189	
2014	1,740,866	1,982,908	2,654,896	
2015	1,777,496	2,011,798	6,565,411	Rec'd \$4M from Solid Waste
2016 est	2,196,979	2,447,983	4,814,408	Cap Proj, \$1.5M Restr. Cash shortfall
2017 est	2,999,988	4,134,804	3,679,591	CapProj, UPDES audit
2018 est	3,059,988	3,859,349	2,880,230	CapProj, UPDES audit
2019 est	3,121,188	4,178,316	1,823,102	CapProj, UPDES audit
2020 est	3,183,611	4,262,968	743,746	CapProj, UPDES audit



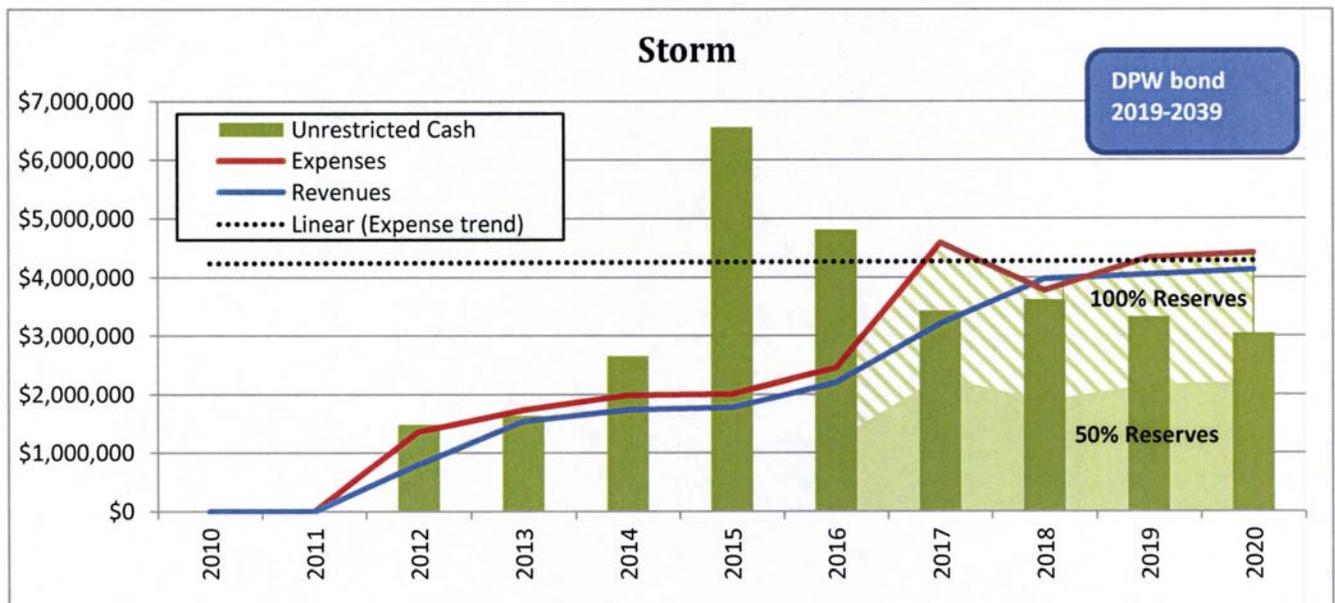
UPDES Audit requirements:			
<u>Personnel</u>	<u>Salary/Benefits</u>	<u>Qty</u>	<u>Subtotals</u>
Wastewater Construction Tech (Range 42)	57,303	2	114,606
Stormwater System Operator 1 (Range 45)	60,336	2	120,672
Stormwater System Operator 2 (Range 47)	62,507	1	62,507
Stormwater Program Mgr (Range 58)	76,462	1	76,462
Total			374,247
Annual Cost			374,247
<u>Equipment</u>			
Vactor Truck			410,000
Pickup Trucks F150,F250,F550			125,215
Total - paid over 7 yrs			535,215
Annual Cost			76,459
Total Annual Costs			
Personnel			374,247
Equipment			76,459
Total Annual Costs			450,706

Storm

2 Phase Plan: including DPW bond & UPDES audit costs

Rate Increases: 12% (12/1/16) and 16% (7/1/17)

Rate %		Revenues	Expenses	Unrestricted Cash	Notes
	2010	0	0	0	
	2011	0	0	0	
	2012	806,368	1,366,140	1,492,160	Storm Fund created
	2013	1,540,476	1,734,665	1,641,189	
	2014	1,740,866	1,982,908	2,654,896	
	2015	1,777,496	2,011,798	6,565,411	Rec'd \$4M from Solid Waste
	2016 est	2,196,979	2,447,983	4,814,408	Cap Proj, \$1.5M Restr. Cash shortfall
12.0%	2017 est	3,209,987	4,593,560	3,430,835	CapProj, UPDES audit
16.0%	2018 est	3,975,536	3,782,890	3,623,481	CapProj, UPDES audit
	2019 est	4,055,047	4,341,059	3,337,469	CapProj, UPDES audit, DPW bond
	2020 est	4,136,148	4,425,711	3,047,905	CapProj, UPDES audit, DPW bond



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Wastewater Construction Tech (Range 42)	57,303	2	114,606
Stormwater System Operator 1 (Range 45)	60,336	2	120,672
Stormwater System Operator 2 (Range 47)	62,507	1	62,507
Stormwater Program Mgr (Range 58)	76,462	1	76,462
Total			374,247
Annual Cost			374,247
<u>Equipment</u>			
Vactor Truck			410,000
Pickup Trucks F150,F250,F550			125,215
One-Time cost			535,215