



**Date:** March 3, 2014

**To:** Thomas J. Bonfield, City Manager  
**Through:** W. Bowman Ferguson, Deputy City Manager  
**From:** Marvin G. Williams, Director of Public Works  
**Subject:** FY2015 Stormwater Rate Increase

**Executive Summary**

In order to provide for activities associated with the National Pollution Discharge Elimination System (NPDES) permit the administration recommends adoption of a stormwater rate increase of 7.5% effective July 1, 2014. This increase is lower than the City Council adopted budget development guidance of 8.5%. Changes to stormwater utility rates require a public hearing under applicable State law.

**Recommendation**

The Administration recommends the City Council:

- 1) Hold a public hearing to receive comment on the proposed stormwater rate increase.
- 2) Adopt an ordinance to change the Fee Schedule revising stormwater rates effective on July 1, 2014.

**Background**

The stormwater fund is a utility in that it receives no tax support for stormwater related activities. Current rates for all residential tiers and non-residential are “middle of the pack” when compared with benchmark cities that have stormwater fees. The proposed increase of 7.5% supports increased capital funding of stormwater retrofits to comply with Falls Lake existing development requirements.

Customer bill impacts of this increase will average:

Tier	Current Monthly Rate	Proposed Monthly Rate	Monthly Increase	Annual Increase
1 – Residential	\$3.03	\$3.26	\$0.23	\$2.76
2 – Residential	\$6.28	\$6.75	\$0.47	\$5.64
3 – Residential	\$12.58	\$13.52	\$0.94	\$11.28
Avg. All Non-Residential *	\$122.12	\$131.26	\$9.14	\$109.68
ERU*** Based – Per ERU	\$6.28	\$6.75	\$0.47	\$5.64

\* Includes ERU based monthly, bimonthly and HOA’s.

Note: There is a significant range of actual billing amounts in non-residential bills as they are based on the actual number of ERUs. Residential bills are annual with customer option for monthly billing.

\*\*\* ERU is defined as 2,400 sq. ft. of impervious surface.

Residential customers are billed annually but, upon request, can receive periodic billings.

**Alternative(s)**

The Council can choose to adopt the stormwater rate increase of 7.5% which is the staff recommendation. The Council can choose to delay the rate increase for one year in favor of an expected larger increase in FY2016 and beyond, with the potential of an increase in the possibility of regulatory fines due to non-compliance with the NPDES permit requirements, including state regulations. Specifically, the CIP projects contribute to NPDES and state required water quality activities that could potentially fall out of compliance without the rate increase.

**Financial Impact**

This rate increase will produce approximately \$1,013,556 in new revenues annually.

**SDBE Summary**

Not applicable, there are no SDBE requirements associated with this action.

**Attachments**

Ordinance – Rate Change  
Presentation