

City of Palm Coast, Florida Agenda Item

Agenda Date: 09/11/2018

Department	Construction Management and Engineering	Amount
Item Key		Account #
Subject PRESENTATION – FINAL STORMWATER RATE STUDY		
<p>Background : <u>UPDATE FROM THE AUGUST 14, 2018 WORKSHOP</u> This item was heard by City Council at their August 14, 2018 Workshop. City Council will be presented with a new option that phases-in the accelerated plan that was previously presented to City Council. A summary table is included that comparison table of the current existing budget, the accelerated plan and the phased-in accelerated plan for various items of the stormwater budget. A draft resolution has been attached for Council's consideration.</p> <p><u>ORIGINAL BACKGROUND FROM THE AUGUST 14, 2018 WORKSHOP</u> The last Stormwater Fee adjustment was in 2013 and has remained fixed while the cost of operation, maintenance, and capital improvement projects has continued to increase. Much of the existing stormwater system is in excess of 40 to 50 years old. Recent major storm events and prolonged periods of rain have highlighted the need to address the City's aging stormwater infrastructure. At the current level of funding, efforts to maintain and replace existing infrastructure is not keeping pace with the rate of deterioration. In order to keep pace, and continue efforts to try and improve the City's stormwater system, City staff have identified the need for additional Stormwater Fund revenues.</p> <p>The FY18 budget included funding for retaining a consultant to assist with the review of the current stormwater utility fee. City staff worked closely with professional engineers within the Water Resources and Stormwater Management Department at DRMP to analyze our current system and assist with updating our 5 and 10 year Stormwater Capital Improvement Plan. City staff, and DRMP, will present 3 Capital Improvement Plans:</p> <ul style="list-style-type: none"> • The first plan to be presented will be based on current revenue projections and will show that if revenue is not increased for this fund there will be a need to make reductions in stormwater maintenance levels of service, the number of capital projects such as weirs, large diameter pipe crossings, and stormwater storage capacity improvements • The second plan presented will be an enhanced plan approach that will increase the City's ability to replace aging infrastructure, improve the level of service, and add capacity, but will require additional revenue. • The third plan will be an accelerated version of the enhanced plan that will expedite rehabilitation and improvement projects, add more system capacity, and allow system improvements that will help reduce long-term maintenance, but will also require additional revenue. <p>After developing funding needs for the three options, the City worked with a rate consultant (PRMG) to determine necessary stormwater fee rate adjustments and to review funding alternatives.</p>		

City staff and consultants (DRMP & PRMG) will present their initial findings in draft form at this workshop. The final report will be presented to council in a few weeks.

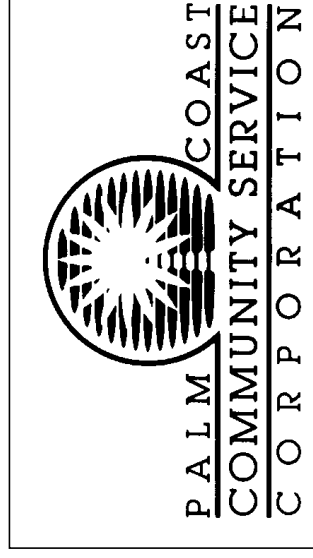
Recommended Action : For discussion and direction purposes.

COPC Stormwater Drainage System Management

Accelerated Plan Comparison



1969 – 1991
ITT Community
Development



1991-2005
Palm Coast
Community Service
Corp.



2005 – Present
City of Palm Coast
Stormwater Department



*Find Your Florida*⁵

Stormwater Budget Comparison

CANAL SYSTEM			
Item	Current Budget	Accelerated Plan	Revised Accelerated
Pipes Thru Seawalls	2 Replacements/Yr.	18 Replacements/Year	2 Replacements/Yr.
Canal End Seawalls	2/Year	8/Year	2/Year
Lake Maintenance	\$600/Yr.	N/C	N/C
Stormwater Storage/Detention	\$90,594 FY19-FY20 No Budget FY20-FY23	\$10.92M FY19-FY23 Constr. Start FY20	\$9.36M FY-19-FY23 Constr. Start FY21
Water Control Structures	\$426K FY19-FY23	\$3.84M FY19 – FY23	N/C
Major Pipe Crossings/Replacements	\$15K FY19 (No Budget FY20-FY23)	\$1.7M FY19 \$2.15M FY20-FY23	\$1.7M FY19 \$1.75M FY20-FY23



Find Your Florida

Stormwater Budget Comparison

CANAL SYSTEM (Cont'd)			
Item	Current Budget	Accelerated Plan	Revised Accelerated
Pipe Inspections/Linings	\$525,000 FY19-FY23	\$2.56M FY19-FY23	\$2.50M FY19-FY23
Freshwater Canal Maintenance	\$2.81M FY19-FY23 (No Dredging)	\$16.12M FY19-FY23 (10Yr. Dredging Program – Beginning FY20)	\$11.41M FY19-FY23 (12Yr. Dredging Program – Begin FY21)



Stormwater Budget Comparison

STORMWATER DITCHES AND SWALES				
Item	Current Budget	Accelerated Plan	Revised Accelerated	
Swale & Ditch Pipe Projects	\$2.35M FY19-FY23	\$7.08M FY19-FY23	\$6.42M FY19-FY23	
Swale Maintenance R&R	\$905,280 FY19-FY23	\$1.95M FY19-FY23	N/C	
Drainage System Capacity/Conveyance Improvements	No Budget	No Budget FY19 \$1.48M FY20-FY23	No Budget FY19 \$1.73M FY20-FY23	
Ditch Maintenance Program	\$1.15M FY19-FY23	\$2.22M FY19-FY23	N/C	
Ditch Spray Program	No Budget	\$1.28M FY19-FY23	N/C	



RESOLUTION 2018-____
AMENDING STORMWATER UTILITY FEE/CHARGES

A RESOLUTION OF THE CITY OF PALM COAST, FLAGLER COUNTY, FLORIDA, AMENDING RESOLUTION 2011-18, SECTION 2(B) STORMWATER UTILITY CHARGES/FEES; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY, PROVIDING FOR IMPLEMENTING ACTIONS, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Palm Coast is authorized pursuant to Section 403.0893, Florida Statutes, and the Florida Home Rule Powers Act, to create one or more stormwater utilities and adopt stormwater utility fees sufficient to plan, construct, operate, and maintain stormwater management systems; and

WHEREAS, the City of Palm Coast is dedicated to maintaining a master stormwater system for the benefit of real property within the municipal boundaries of the City of Palm Coast in order to provide proper drainage infrastructure to mitigate against flooding; provide recharge to the aquifer; provide storage for stormwater runoff so that it does not adversely impact downstream receiving water bodies; and provide other stormwater retention benefits; and

WHEREAS, the City of Palm Coast stormwater utility is an enterprise fund which is established to ensure stable funding for operation, maintenance, and capital projects that are necessary for addressing flooding issues and meeting the required level of service adopted by law; and

WHEREAS, the City Council hereby acknowledges, and relies, on the Florida Supreme Court's decision in *City of Gainesville v. State of Florida*, 863 So.2d 138 (Fla. 2003), and the other cases affirmatively stated therein, upholding the propriety of a municipality's power to impose a stormwater user fee; and

WHEREAS, the City retained the consulting services of Public Resource Management Group (PRMG) to technically evaluate, analyze, and establish the City's methodology used in imposing stormwater charges based on the beneficiaries relative contribution to the need for the City's stormwater utility; and

WHEREAS, the City Council of the City of Palm Coast, Florida, has the authority to establish Stormwater Utility Charges/Fees as set forth in Ordinance Number 2011-1; and

WHEREAS, pursuant to the provisions of Ordinance Number 2011-1 the charges/fees rate are to be set by resolution; and

WHEREAS, on March 1, 2011 City Council approved Resolution 2011-18 setting the fees for Stormwater Utility Fees/Charges effective on April 1, 2011; and

WHEREAS, on December 18, 2012 City Council approved Resolution 2012-101 amending Section 2(B) of Resolution 2011-18 and setting the fees for Stormwater Utility Fees/Charges effective on January 1, 2013; and

WHEREAS, on May 21, 2013 City Council approved Resolution 2013-49 amending Section 2(C) of Resolution 2011-18 to establish a service level credit reduction for certain vacant lands ; and

WHEREAS, the City Council finds and determines that an increase from \$ 11.65 per ERU to the rates set forth in Exhibit A of this Resolution for Stormwater Utility Charges/Fees is rational, reasonable, and equitable.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Palm Coast, Florida,

SECTION 1. AMENDING RESOLUTION 2012-101- TO REPLACE SECTION 2(B) STORMWATER UTILITY FEES/CHARGES AS FOLLOWS, deletions are shown in strikethrough and additions are shown in underline:

~~(B) The fee per ERU, as defined in Ordinance 2011-1, Section 24-132(e) shall be set at \$11.65 per ERU.~~

(B) The fee per ERU, as defined in Ordinance 2011-1, Section 24 132(e) shall be set at \$15.55 and shall increase as set forth in Exhibit A of this Resolution.

SECTION 2. CONFLICTS. All resolutions or parts of resolutions in conflict with this Resolution are hereby repealed.

SECTION 3. SEVERABILITY. If any section, sentence, phrase, word, or portion of this Resolution is determined to be invalid, unlawful or unconstitutional, said determination shall not be held to invalidate or impair the validity, force or effect of any other section, sentence, phrase, word, or portion of this Resolution not otherwise determined to be invalid, unlawful or unconstitutional.

SECTION 4. IMPLEMENTING ACTIONS. The City Manager is hereby authorized to take any actions necessary to implement the action taken in this Resolution.

SECTION 5. EFFECTIVE DATE. This Resolution shall take effect October 1, 2018.

PASSED and ADOPTED at the public meeting of the City Council of the City of Palm Coast held on the 18th day of September, 2018.

CITY OF PALM COAST, FLORIDA

Milissa Holland, Mayor

ATTEST:

Virginia A. Smith, City Clerk

Approved as to form and legality

William E. Reischmann, Jr., Esq.

EXHIBIT "A"
STORMWATER RATES, FEES AND CHARGES

Effective October 1, 2018	\$	15.55
Effective October 1, 2019	\$	17.23
Effective October 1, 2020	\$	18.91
Effective October 1, 2021	\$	20.59
Effective October 1, 2022	\$	22.27
Effective October 1, 2023	\$	23.95

Annual increase on October 1 of each year, commencing on October 1, 2024 and thereafter, by the Consumer Price Index for All Urban Consumers as of June 30 of each year as published by the United States Department of Labor, Bureau of Labor Statistics or a minimum 2%; whichever is greater.

THEREAFTER