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DEPARTMENT OF
PUBLIC WORKS

DIVISION OF
FLOOD CONTROL AND SEWERS

CITY OF SACRAMENTO
CALIFORNIA

1391-35TH AVENUE
SACRAMENTO, CA
95822-2911

916-449-5271

May 30, 1990

Budget & Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: Proposed Storm Drainage Rates For 1990 - 1991

SUMMARY

This report recommends the adoption of an 18% increase in storm drainage rates. This rate increase is necessary to: (1) make capital improvements to the entire system; (2) provide continued maintenance and operation; (3) provide continued City funding to the large Federal projects now proceeding through flood control studies, design and into construction; (4) meet the requirements of NPDES Permit Regulations for stormwater discharges; (5) continue support for the Sacramento Area Flood Control Agency (SAFCA) and its levee stabilization projects; and (6) to set aside funds to reimburse the State for payments made to the City under provisions of AB2536 (Cortese). This proposed rate increase is 2% less than that shown in the proposed budget.

BACKGROUND

The Storm Drainage Fund is an enterprise fund which supports the organizations of Storm Drainage, Regional Sanitation Pumping, and Stormwater Pumping and Treatment. The continued maintenance and operation program demonstrates excellence in what it accomplishes. Field personnel have provided a coordinated effort to maintain all areas of the City and prepare this City for each winter storm season. Stations, pumps, maintenance holes, levees, ditches, canals, and facilities require continuous preventive maintenance.

Continuing investigations over a period of years have led to the development of a list of drainage projects that would eliminate numerous persistent drainage problems throughout the City. The

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scope of these projects ranges from improvement of roadside ditches or culverts to major drainage ditch improvements and improvement of pumping stations to reduce flooding potential. The City must continue capital outlays to improve nine pump stations acquired from the American River Flood Control District to meet City standards. Other deficiencies in the City's storm drainage system that require continuing attention are substandard pumping plant capacity, inadequate pipe sizes to carry storm drainage, and absence of storm drainage facilities. The severe storm in January 1990 clearly demonstrated the need to improve the capabilities of the stormwater collection system.

The Corps of Engineers (CoE) and the City have initiated numerous flood control studies involving the City of Sacramento. Each study reiterates the necessity of additional drainage and flood control system construction to solve the City's potential flooding problems. The following indicates a summary to date of the projects' total cost and potential share of the City:

<u>Location</u>	<u>Estimated Total Cost</u>	<u>Estimated Local Share</u>
PROJECTS FUNDED THROUGH COP:		
(\$10 Million SAFCA Loan)		
South Sacramento Levees	\$ 8,600,000	\$ 600,000
Natomas Levees	133,200,000	6,400,000
North Sacramento Levees	33,000,000	3,000,000
FUNDED THROUGH SAFCA		
Folsom Reoperation	\$ 40,000,000	\$ 200,000
OTHER PROJECTS		
Morrison Creek Levees	\$ 25,000,000	\$6,250,000*
Magpie Creek Diversion	10,000,000	5,000,000*

*Amounts include projected expenditures beyond the 5 year Capital Improvement Plan.

All of these projects, except those listed as "OTHER," are being monitored by the Sacramento Area Flood Control Agency (SAFCA). However, because SAFCA has not yet received assessing authority, the City is providing the local share through storm drainage funds. It is anticipated that once SAFCA obtains assessment authority, the storm drainage funds used to support the regional projects will be reimbursed by SAFCA.

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The Federal Register of December 7, 1988 has published the USEPA Proposed Rule for National Pollution Discharge Elimination System (NPDES) Permit Regulations for Stormwater Discharges. There is no federal funding in this compliance program. The City of Sacramento and County of Sacramento have received the draft permit under the NPDES Program. At the present time, the City's future costs for compliance with the requirements of the permit are yet to be determined.

The budget also sets aside funds to reimburse the State for payments made to the City under provisions of AB2536 (Cortese). The final State audit of the City projects has not been completed; however, the State may find that project expenses totaling \$1,990,000 should be disallowed. Therefore, it has been deemed prudent to prepare for reimbursement to the State in that amount.

FINANCIAL DATA

The revenue generated in user charges for the drainage fund for the 1990-91 fiscal year is estimated to be \$18,279,000. The breakdown of expenditures is as follows:

Approved capital improvement projects	23%
Sacramento Area Flood Control Agency (SAFCA)	9%
Regional wastewater pumping	8%
Drainage ditch, channel, and levee maintenance and repair	22%
Stormwater pumping	14%
Engineering and administrative support	11%
Reserve to repay State funds	9%
Contingency reserve	4%

The various programs mentioned above would cost an additional \$1.29 a month for the typical homeowner. Considering the possible damages due to flood and drainage problems, the average total bill can be viewed as one form of low cost flood insurance.

Average monthly fees for typical users would increase as follows:

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<u>Category</u>	<u>Current</u>	<u>Proposed</u>	<u>\$ Change</u>	<u>% Increase</u>
Single Family Residence (6-7 room house)	7.18	8.47	\$1.29	18%
Commercial Property (per 10,000 sq. ft.)	12.22	14.42	\$2.20	18%

Exhibit A shows the proposed charges in all rate categories.

The fee for the typical 6-7 room house would be distributed as follows:

	<u>Actual 1989-90</u>	<u>Proposed 1990-91</u>	<u>Change</u>	<u>Percent of Increase</u>
1. Storm Water Pumping Operations	\$1.16	\$1.23	\$.07	1%
2. Drainage Line, Levee and Channel Cleaning, Repair, and Maintenance	1.51	1.84	.33	5%
3. Regional Sanitation Pumping	.62	.69	.07	1%
4. Other Operational Costs	.95	1.41	.46	6%
5. Approved Capital Improvement Projects	2.38	1.97	(.41)	(6%)
6. Sacramento Area Flood Control Agency	.31	.65	.34	5%
7. State Audit Refund Reserve	.00	.80	.80	11%
8. Contingency Reserves and Emergencies	<u>.25</u>	<u>(.12)</u>	<u>(.37)</u>	<u>(5%)</u>
TOTAL	<u>\$7.18</u>	<u>\$8.47</u>	<u>\$1.29</u>	<u>18%</u>

It should be noted that the need to fund cost-sharing projects to improve the levees and flood control and drainage systems protecting the City will continue for several years in the future as will the need to fund the NPDES requirements.

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POLICY CONSIDERATIONS

Sacramento City Code 36.502, Division 1, Article V, of Chapter 36 allows the City Council to establish sewer and storm drainage rates by resolution.

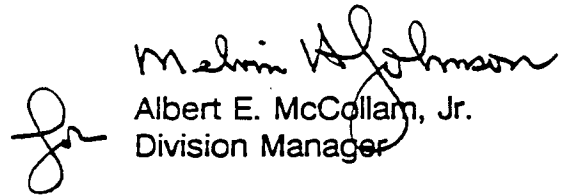
MBE/WBE EFFORTS

Not applicable.

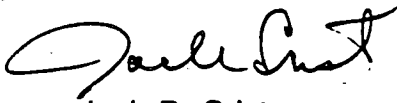
RECOMMENDATION

It is recommended that the Budget and Finance Committee recommend approval of an increase of 18% in the drainage user service rates and findings reflected in the attached resolutions to be effective July 1, 1990, and forward them to the full City Council.

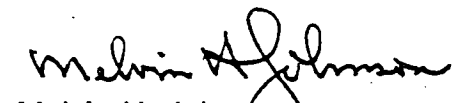
Respectfully submitted,


Albert E. McCollam, Jr.
Division Manager

Recommendation Approved:


Jack R. Crist
Deputy City Manager

Approved:


Melvin H. Johnson
Director of Public Works

Contact Person to Answer Questions:
Albert E. McCollam, Jr., Division Manager
449-5271

May 30, 1990
All Districts

PUBLIC WORKS DEPARTMENT - STORM DRAINAGE SERVICES

I. STORM DRAINAGE SERVICE RATES - RESIDENCE

Single-family residence:

<u>No. of Rooms</u>		
1-3	\$4.77	\$5.63
4-5	6.08	7.17
6-7	7.18	8.47
8-9	8.47	10.00
10-15	9.66	11.40
Over 15, each additional room	0.75	0.89

Multiple-family residence:

Each dwelling unit charged the same as a single-family residence

II. STORM DRAINAGE SERVICE RATES - MONTHLY COMMERCIAL

For each 10,000 sq.ft. of gross surface area or fraction thereof	12.22	14.42
Minimum Rate	5.31	6.27

Where commercial property contains common facilities, e.g., a parking lot, the common facilities will be treated as one property and the owner shall be liable for payment of fees for the common facilities, notwithstanding the fact that other fees charged to the property may be charged to the tenants or owners of divided interests. Common areas in planned unit developments or condominium developments shall be treated as commercial property for purposes of this division.

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION OF FINDINGS ON INCREASED STORM DRAINAGE FEES

WHEREAS, the Joint Transportation and Community Development/Budget and Finance Committee has held a public hearing on storm drainage fees on May 30, 1990, at which staff made a presentation including a report and at which public testimony was heard and said committee recommended adoption of an increased storm drainage fee schedule, and

WHEREAS, the City Council on June 26, 1990, at a regular public council meeting, received the following information:

- 1) A staff report on the proposed increased storm drainage fees;
- 2) Oral presentation by City staff;
- 3) Public testimony from interested parties.

NOW THEREFORE, based on this data and all information part of the public record on this matter, the City Council makes the following findings to comply with Government Code Section 210809(b)8 to establish that the passing of the increased storm drainage and connection fees of even date herewith serves the following purposes:

- 1) The storm drainage fees will provide funds to meet operating expenses.
- 2) The storm drainage fees will permit the generation of necessary cash flow to finance maintenance of the system and meet financial requirements.
- 3) The storm drainage fees will permit the purchase of necessary equipment for the storm drainage system.
- 4) The storm drainage fees are essential as a source of funds for capital projects necessary to maintain the storm drainage system.

NOW THEREFORE, based on this information and the public words, the Council of the City of Sacramento makes the specific finding contained herein as well as all other matters in the public record as its basis for the resolution establishing the fees passed of even date herewith.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION AMENDING THE CITY OF SACRAMENTO FEE AND CHARGE REPORT
TO ESTABLISH STORM DRAINAGE SERVICE FEES AND CHARGES
PURSUANT TO SECTION 36.502 OF THE SACRAMENTO CITY CODE

BE IT RESOLVED BY THE CITY COUNCIL OF SACRAMENTO:

That the City of Sacramento Fee and Charge Report is hereby amended to include the following storm drainage fees and charges to take effect on July 1, 1990.

I. STORM DRAINAGE SERVICE RATES - RESIDENCE RATE
CODE

Single-family residence:

<u>No. of Rooms</u>		
1-3	5.63	300
4-5	7.17	300
6-7	8.47	300
8-9	10.00	300
10-15	11.40	300
Over 15, each additional room	0.89	300

Multiple-family residence:

Each dwelling unit charged the same as a single-family residence

II. STORM DRAINAGE SERVICE RATES - MONTHLY COMMERCIAL

For each 10,000 sq.ft. of gross surface area or fraction thereof	14.42	330
Minimum Rate	6.27	300

Where commercial property contains common facilities, e.g., a parking lot, the common facilities will be treated as one property and the owner shall be liable for payment of fees for the common facilities, notwithstanding the fact that other fees charged to the property may be charged to the tenants or owners of divided interests. Common areas in planned unit developments or condominium developments shall be treated as commercial property for purposes of this division.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____