

Laramie Stormwater Drainage Fee Study
Stormwater Focus Group

MEETING NOTES

April 4, 2024

Focus Group Members Attending:	City Staff:
Martin Curry	Shawn Klein, Public Works Deputy Director
David Gertsch	Eric Jaap, City Engineer
Ronald Marrs	Brooks Webb, Public Works Director
Tim Morton	Consultants:
Donal O'Toole	Aaron Murray, WSP
Mike Samp	Elizabeth Treadway, WSP
Jake Schneider	
Bill Shepeler	

Aaron Murray opened the meeting, thanking members of the Focus Group for participating in the meeting. Members of the SFG, City staff and consultants introduced themselves. Aaron began a presentation, attached to these meeting minutes, by reviewing the agenda, including feedback from the recent Council Work Session, the recommended level of service for the City's stormwater program, and a financial forecast.

Aaron summarized the feedback received from the City Council during a work session on February 27, 2024. Feedback was similar to the input received from the Focus Group, including that all stormwater services should be funded and all owners should be charged, including the City. Some council members expressed concern that single family homes and small businesses shouldn't bear an undue burden. A draft ordinance and rate structure will be presented to the Council in May 2024.

Aaron continued the discussion by summarizing the recommended Level of Service for each service area (Asset Management, Engineering & Planning, Operations & Maintenance, Capital Investment, and Administration & Customer Service) which were presented to Council and developed based on input from the Focus Group and City staff. Some activities will start at a basic level and ramp up to a medium level by Year 3 (Engineering & Planning and Capital Improvements), while other activities will start at a medium level in Year 1 (Asset Management

and O&M). For each stormwater program activity, Aaron detailed the primary goals, resources needed, and desired outcomes. The SFG had the following comments and questions:

- Residents will need to see that the funds generated are improving the performance of the stormwater system (less flooding).
- The outcomes should be measurable, specific, and reported to the public.

Next, Elizabeth reviewed the financial forecast for the stormwater program, starting with reviewing the five-year financial plan that incorporated projected operational and capital expenses required to provide the recommended levels of service. She described the funding model developed to project expenses, revenue, and fund management. Expenses were broken down into three categories: Personnel, Direct Expenses, and Capital Expenditures. Elizabeth presented the projected costs for the next 5 years (Slide 13), noting that the capital expenditures will vary significantly from year to year as the size of capital improvement projects varies. A lower expenditure one year may be needed so that a large project can be funded the following year.

Elizabeth showed how a sampling of impervious area measurements on single family homes in Laramie was used to determine a draft basis of rates. A histogram of impervious area for the sampled properties showed a "bell-curve" distribution with a median impervious area of approximately 2,750 square feet. She explained how this value could be considered one billing unit, representing a single family home. Commercial properties would be billed based on the number of billing units of impervious area ($\text{Billing Units} = \text{Total Impervious Area} \div 2,750$).

Elizabeth also described the cash flow analysis that is built into the draft cost model, including the use of reserve funds. She noted that several policy decisions still need to be made before the cost model can be finalized, such as a credit policy for owners that construct and maintain on-site stormwater improvements.

The SFG had the following comments/questions on the financial forecast:

- How will impervious area be determined? *The City has contracted an aerial survey that was flown April 3 -4, 2024. The results of this survey will provide measurements for impervious surfaces on each parcel.*
- Can a higher rate be charged for land uses more likely to contribute pollution to stormwater? *Elizabeth cautioned that charging a higher rate for these properties could be challenged without direct proof of higher pollution contributions. The City has better options for managing these types of properties, such as requiring treatment of stormwater as part of the building permit process.*
- Under-served areas of the City may provide resistance, if it is not clear that they are receiving benefits from their fees.
- It will be important to explain what will be done with the general fund dollars that are currently spent on stormwater.

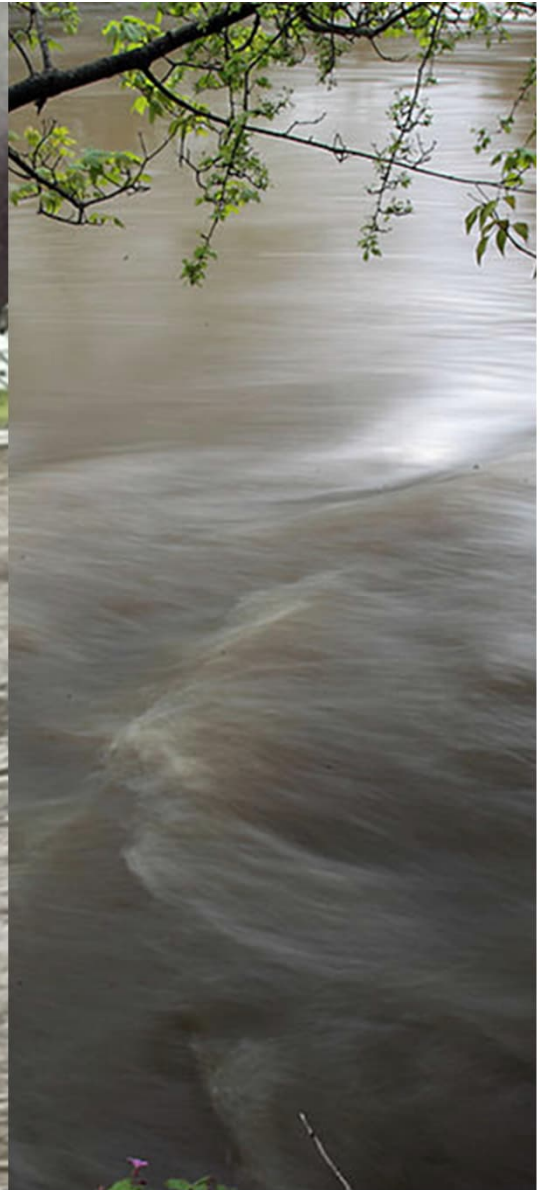
A preliminary range of rates per single family home per month was discussed, with the caveats that numerous factors that could affect the final rate are pending (policy decisions and impervious area measurements). The reactions from the SFG included:

- All members felt that the range of rates was reasonable.
- Some members stated that they would be happy to pay the fee since the services provided are needed.
- The range of rates is in line with other rates in Wyoming, and much lower than rates across the country.
- Is there a program to assist residents or small businesses that cannot afford the fees? *Shawn Klein stated that the City's other utility programs (water, sewer) have a hardship program, which may be an option for a stormwater utility.*
- Have stormwater fees in other communities been a disincentive for business? *WSP has not seen this as an issue in other communities.*

Finally, next steps to be completed and the timing of the next meeting were discussed. The next meeting will likely occur after the next report to council on May 28, 2024.

The meeting ended at 3:45 pm.

Attachment: Presentation slides



City of
Laramie
Stormwater Focus
Group Meeting **#3**

April 4, 2024

Agenda

Welcome, Introductions and Agenda Review,

Summary Feedback from Council Workshop

Level of Service - Recommendations

Financial Forecast

Feedback, and Wrap Up

Council Workshop - February 27, 2024

Feedback from Council Workshop

- ❖ All stormwater services should be funded
- ❖ All owners should be charged, including City
- ❖ Capital projects - pursue grants to ease burden on residents
- ❖ Credits - Focus on commercial parcels, since that will have most impact
- ❖ Don't want undue burden on single family homes and small businesses
- ❖ Looking forward to presentation of ordinance/rate structure in May



Level of Service Recommendation

ACTIVITY/CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10
Asset Management / System Inspection	Medium	Medium	Medium	Medium	Medium	High
Engineering / Planning	Basic	Basic	Medium	Medium	Medium	Medium
Operation & Maintenance	Medium	Medium	Medium	Medium	Medium	High
Capital Improvements	Basic	Basic	Medium	Medium	Medium	Medium
Administration / Customer Service	Basic	Medium	Medium	Medium	Medium	High

Asset Management

ACTIVITY/CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10
Asset Management / System Inspection	Medium	Medium	Medium	Medium	Medium	High

Primary Goals

1. Maintain inventory of system in GIS with conditions assessment
2. Address all minor repairs annually
3. Maintain annual inspection program for condition/failure assessment
4. Shift to proactive program for ongoing maintenance
5. Maintain ongoing sweeping program (spring through fall)

Resources

1. Four Public Works Street Operators - Year 1
2. CCTV equipment - Year 2
3. GIS support for Inventory - PW Engineering
4. Increase in tools, supplies, fuel, equipment maintenance

Outcomes

1. New winter season inspection program; Entire system inspected on 5-year rotating cycle
2. Dedicated street sweeping program - Spring to Fall
3. Maintained GIS inventory of the system on condition, material, age
4. Completion of minor repairs on drainage system annually
5. Sustained capacity of pipe network through routine cleaning and inspections

Operations and Maintenance

ACTIVITY/CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5		YEAR 10
Operation & Maintenance	Medium	Medium	Medium	Medium	Medium		High

Primary Goals

1. Shift to proactive maintenance program over time
2. Maintain capacity for dedicated stormwater maintenance program (hires or contracted services)
3. Establish capacity for an effective street sweeping program
4. Have materials/equipment in place to support ongoing operations in maintenance of the storm system

Resources

- See Asset Management Section for staff
1. Increased materials and supplies for minor repairs
 2. Repair and replacement of equipment on routine schedule to maintain performance goal
 3. Initiate water quality monitoring program at public system outfalls

Outcomes

1. Improved capacity of system due to sweeping and system cleaning programs
2. Longevity and productivity of equipment - limited downtime
3. Increased capacity to complete minor repairs of drainage system (repair cost under \$1M)
4. Performance goals are met (e.g., lane miles swept, tons removed from system).
5. Water quality improvements are targeted based on field test results

Engineering and Planning

ACTIVITY/CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5		YEAR 10
Engineering / Planning	Basic	Basic	Medium	Medium	Medium		Medium

<i>Primary Goals</i>	<i>Resources</i>	<i>Outcomes</i>
<ol style="list-style-type: none"> Maintain staff capacity to oversee Master Plan implementation and long-term capital program; maintain all Engineering Services while addressing Master Plan Initiate and maintain major capital project design support to implement system rehab and new system extensions Develop policy/design standards for storm sewer systems Develop policy /design standards for use of Green Infrastructure; maintain design proficiency Maintain support services to development community 	<ol style="list-style-type: none"> Year 1 - add engineering technician Year 2 - add engineer Contract for inspection services Provide vehicles and supplies, computers, communication equipment, office setup 	<ol style="list-style-type: none"> Maintain ongoing services for development activities Increased number of capital projects in process of implementation Support expansion of Green Infrastructure with goal of reduced impacts to water quality and quantity Increased capital investment in drainage system capacity, targeting reduced flooding and improved water quality discharge

Capital Projects

ACTIVITY/CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5		YEAR 10
Capital Improvements	Basic	Basic	Medium	Medium	Medium		Medium

Primary Goals

1. Annual investment goal of \$4M to capitalize the Master Plan to effectively manage runoff
2. Maximize currently available capital funding
3. Issue Bonds or obtain grants for projects greater than \$2M with specific targets and timelines
4. Design/construct high priority capital projects (known and identified by inspections)
5. Rehabilitate and extend life of existing system through pipe-lining

Resources

- See Engineering and Planning for staff resources, equipment, supplies
1. Maintain capacity for design, permitting, and construction oversight with outsourced partners
 2. Provide training of staff and education of engineering community on Green Infrastructure practices
 3. Periodically recalibrate/ update system model by contracted services

Outcomes

1. Existing underground system productive life is optimized
2. Currently underserved areas of City have improved drainage service
3. Reduced neighborhood flooding
4. Repair/rehab projects well planned and targeted based on systemwide data

Administration and Customer Service

ACTIVITY/CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5		YEAR 10
Administration / Customer Service	Basic	Medium	Medium	Medium	Medium		High

Primary Goals

1. Maintain appropriate financial accounting for stormwater fees
2. Report to the community on overall program goals and accomplishments
3. Provide customer service for billing and administration
4. Update user fee rates to maintain sufficient cash flow, meeting program needs

Resources

1. Contract for necessary assistance in drainage fee integration and ongoing administration
2. Master account file data maintained by Public Works Engineering (with additional Technician added under Engineering)

Outcomes

1. Support measurable outcomes in financial management and budget oversight.
2. Provide high level of customer service and inform community leaders and Public Works on performance.

Financial Forecast

Five Year Financial Plan

1. Cost Recovery
 - a) Operational expenses - engineering, maintenance and operations, DPW administration
 - b) Capital expenses - design, construction, project oversight, equipment
2. Service needs
 - a) Operations - street sweeping, inspections, system capacity improvements
 - b) Capital - master plan projects (design, permitting, construction), pipe lining, equipment replacement
 - c) Administration - enterprise accounting and customer support, cost share for billing, collections

Fund Model

Expenses

- ❖ Operations - short term, annual expenses
- ❖ Capital
- ❖ Fund reserves
- ❖ Bonds/loans
- ❖ Internal Services

Revenue

- ❖ Drainage fee
- ❖ Grants
- ❖ Bonds/Loans

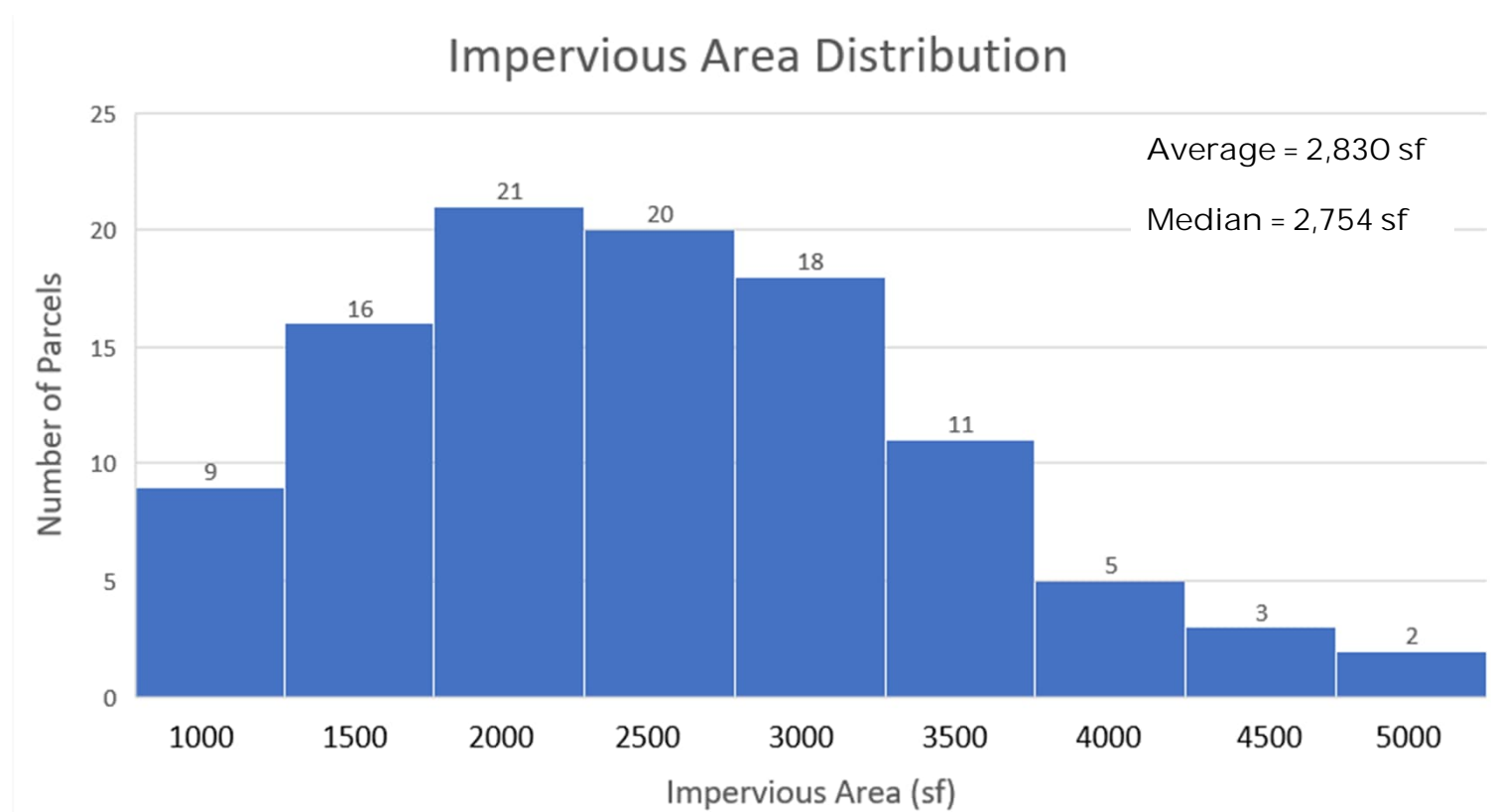
Fund Management

- ❖ Delinquencies
- ❖ Bond/Loan coverage
- ❖ Credits

Cost Projection - Draft

Cost Center	FY25	FY26	FY27	FY28	FY29
Personnel Basic	\$ 765,548	\$ 892,325	\$ 919,095	\$ 946,667	\$ 975,067
Direct Expenses	\$ 267,403	\$ 279,864	\$ 290,120	\$ 293,933	\$ 302,086
Capital Projection	\$ 655,233	\$ 3,976,281	\$ 1,440,484	\$ 11,844,347	\$ 2,803,166
Total Forecast	\$ 1,688,184	\$ 5,148,470	\$ 2,649,698	\$ 13,084,948	\$ 4,080,320

Rate Basis - Single Family Homes



Expenses - Program Implementation
Operating Expense
Capital Expense
General Fund Expense
<i>Subtotal</i>
Debt Payments (P&I)
Bond Placement Costs
<i>Subtotal</i>
<i>Total - Expenditures</i>
Other Revenue
Bond Revenue
Permit Fee Revenue
Grant Revenue
Interest Income
Bad Debt Recovery
<i>Total - Other Revenue</i>
Net Value - Service Fee Revenue Requirem
Revenue Reduction Allowances
Delinquencies and Bad Debt
Credits
Total Revenue Reduction Allowances
Total Service Fee Revenue Requirement
<i>Number of Billing Units</i>
<i>Estimated Annual Fee</i>
Projected Total Revenue from User Fees
Gain or Loss
Appropriated Cash On Hand
→ Enter Here - Annual Rate per Billing Unit

Cash Flow Analysis

Reserve Policy - Operating and Capital

Earnings on Cash - Invested and Liquid

Credit Policy Impacts

Growth in Impervious Area

Net Change in Cash Position

Cash Funding versus External Resources for Capital

Finalizing Key Policy Options

- ❖ Operations to be funded - All services
- ❖ Capital projects - pursue grants for multimillion dollar projects; use debt when appropriate
- ❖ All owners should be charged - meet a "reasonableness test"

Additional policy issues:

- ❖ Capital, operating, and emergency reserves
- ❖ Credits

Behind the Scenes – Next Steps

Analysis of Geographic Information System (GIS)

- ❖ Evaluate new data to support drainage fee based on impervious surface area

Complete Billing Systems Option Analysis

Report to Council on May 28, 2024

Develop ordinance to adopt fee structure





Thank you



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