

SARASOTA COUNTY GOVERNMENT

Public Works

TO: Sarasota County Commission
THROUGH: Jonathan R. Lewis, County Administrator
FROM: Spencer L. Anderson, P.E., CFM, Public Works Director
DATE: July 13, 2022
SUBJECT: **Public hearing on Stormwater Environmental Utility proposed ordinance and initial rate resolution**

RECOMMENDED MOTION(S) OR ACTION(S):

- A. (Public hearing) To adopt Ordinance No. 2022-027 amending Article IX, Chapter 110 of the County Code relating to Stormwater Environmental Utility rates;
- B. (Not a public hearing) To adopt a resolution related to the cost of stormwater management services provided by the County;
- C. (Not a public hearing) To direct the County Administrator to continue using the rate methodology set forth in Resolution No. 95-153 and confirmed with Resolution No. 95-211. (TO BE CONSIDERED ONLY IF MOTIONS A AND B ARE NOT APPROVED.)

BACKGROUND/ANALYSIS:

On August 27, 2020, Public Works discussed the Stormwater Environmental Utility (SEU) with the Board, including the following major topics: History and Scope of Operation; Rate/Ordinance Study; Topics for Proposed Policy Changes, and Next Steps in the process of developing a full update to the SEU. On May 18, 2021, the County's rate study consultant raised several topics that required policy guidance from the Board. This discussion provided some guidance and was utilized as the rate study was further developed.

Following prior Board meetings and associated direction, staff and the County's consultant further developed and refined the SEU Business Plan and rate structure. Currently, three proposed rate structure options based on revenue needs defined in the Business Plan and are shown in Table 1. The three rate option differences are in structure and credit program management. There are no changes from the current rate model for: government owned property, public right of way, ungated private right of way, and airport runways and facilities.

Staff is recommending Option 3, as reflected in the proposed initial rate resolution.

Table 1

Option 1	Option 2	Option 3
Current rate structure; cost divided into three categories	Per parcel charge based on impervious surface area	Per parcel charge based on impervious surface area
No change to rate policies	Add-in private ROW in gated communities and rail lines	Add-in private ROW in gated communities and rail lines
	Maintain existing credits	Phasing out credits and implementing incentive program

The Business Plan identifies initiatives for which an increase in SEU revenue is required, as follows:

- Increased focus on water quality
 - Establish water quality level of service (WQLOS)
 - Pollutant load monitoring and analysis to direct improvements and avoid further impairment
 - Improve aquatic vegetation (weed) management
 - Revise current credit program and create a new incentive-based program focused on water quality improvement
 - Capital Project funding to match available grant programs
- Planning for stormwater resiliency
 - Improve the FEMA Community Rating System (CRS) ranking to Class 3 or 2
 - Model updates to account for future conditions
 - Funding to establish a homeowner repetitive loss assistance program
- Long-Range Capital Improvement Planning
 - Establish long-range capital projects with benefit-based prioritization
 - Consider intangible benefits when evaluating cost to benefit ratio
 - Advance implementation of water quality projects
- Increased Operations and Maintenance
 - Increased coordination with SWFWMD on maintenance requirements
 - Regular inspections, rather than complaint-driven
 - Provide improved life-cycle asset management
 - Added resources to match increasing and aging infrastructure needs
- Improved Operational Efficiency
 - Maximize execution of NPDES required activities within Stormwater Division
 - Consolidate cross-departmental NPDES related activities

- Compliance with State and Federal regulations
 - Compliance with Total Maximum Daily Loads (TMDL)
 - Development of Reasonable Assurance Plans (RAP) for impaired waters
 - Proper inspection and maintenance of Regional Offsite Mitigation Areas (ROMA)
- Planning for future Field Operations Center
- Consideration of Rate Indexing or Annual Adjustments to Account for Inflation and/or Changes in Impervious Areas

An example comparison for the three rate options is shown in the below table. This example provides an equivalent analysis for a Developed Medium Single-Family Dwelling with 3153 square feet of impervious area (equivalent to 1 billing unit in the existing SEU rate structure).

	Customer Service Monthly	Countywide Service Monthly	Maintenance Monthly	Fixed Charge Monthly	IA Charge Monthly	Monthly Total Charge	Monthly Increase	Daily Increase
Existing	\$0.26	\$1.93	\$5.37			\$7.56		
Option 1	\$1.84	\$2.83	\$6.32			\$10.99	\$3.43	\$0.11
Option 2				\$2.40	\$7.50	\$9.90	\$2.34	\$0.08
Option 3				\$2.40	\$7.03	\$9.43	\$1.87	\$0.06

Since the last SEU rate change in 2009, SEU revenue has trended well below annual economic indicators of the Building Cost Index, total County permits issued, total County residential single-family home permits issued and population.

The proposed business plan and rate model consider an annual inflation adjustment of 3.5% that would be evaluated as part of the annual budget process.

As stated previously, staff recommends Option 3 as the preferred rate structure, and such is reflected in the proposed initial rate resolution.

RELEVANT PRIOR BOARD ACTION:

1. July 12, 1994 – The Board adopted Ordinance No. 94-066, rescinding Ordinance Nos. 89-117 and 92-024, Stormwater Environmental Utility Assessment, and to adopt Resolution No. 94-189, as amended, regarding non-ad valorem assessments (5-0 vote).
2. September 7, 1995 – The Board adopted Resolution No. 95-211, regarding stormwater service assessments.
3. August 27, 2020 – The Board considered a presentation by Public Works Director Spencer Anderson on the Stormwater Environmental Utility Rate Study and recommendations.

4. May 18, 2021 – The Board considered a presentation on the Stormwater Environmental Utility Rate Study and recommendations by Public Works Director Spencer Anderson, Stormwater Senior Manager Amanda Boone, and Elizabeth Treadway of Wood Environment and Infrastructure Solutions, Inc. The Board requested the County Administrator bring this item back with statistics on how eliminating the credit program would impact customers (consensus).
5. May 10, 2022 – the Board authorized a public hearing for an ordinance to revise the Stormwater Environmental Utility (SEU) Rates (5-0 vote).
6. June 7, 2022 – the Board pulled Item 74 from the Public Hearing section to reschedule at a future meeting, as requested by staff (5-0 vote).

OUTREACH:

City of Sarasota staff have been a stakeholder in the rate study process and were provided this update on March 15, 2022. Staff has provided informational presentations to the County Stormwater Environmental Utility Advisory Council (SEUAC) and City of Sarasota. Additionally, in April, staff conducted two public informational workshops and three separate informational meetings with community stakeholder organizations.

PROCUREMENT ACTION:

N/A

FUNDING:

The initial rate resolution detailing the SEU rates and rate methodology is attached and proposed for approval.

STRATEGIC PLAN ALIGNMENT:

Goal: Exceptional County Services Aligned with Resources

Objectives:

- Invest in the maintenance and upgrade of county infrastructure, facilities and buildings
- Plan and fund water quality
- Maintain a high customer satisfaction level with county projects, programs and services

Goal: World-Class Quality of Life Amenities

Objectives:

- Maintain and enhance the beauty and functional value of Sarasota County both natural and built
- Acquire and preserve natural lands and habitat

Goal: Great Place to Live

Objectives:

- Protect and enhance Sarasota County natural resources and environment

NEXT STEPS:

June 17, 2022 – Not to Exceed Rates due to the Office of Financial Management.

July 8, 2022 – Assessments delivered to Property Appraiser for inclusion in the 2023 trim notice.

STAFF RECOMMENDATION(S):

Staff recommends Board adoption of Ordinance No. 2022-027, amending Article IX, Chapter 110 of the County Code to revise the Stormwater Environmental Utility (SEU) Rates and the proposed initial stormwater service assessment resolution relating to cost of County stormwater management services, consistent with recommended rate Option 3. Changes would be effective October 1, 2022.

ATTACHMENTS:

1. Ordinance No. 2022-027
2. Proposed Resolution for SEU rates
3. Appendix A Stormwater Utility Area Map
4. Business Plan Draft
5. PH Notice of Ad
6. Letters received regarding proposed changes
7. Presentation