

## List the capital projects included in the proposed fee structure and the proposed timing of those projects

The projects discussed included:

- Storm Drain Pump Station #6 Replacement (Richards Blvd. Underpass) Study and Construction
- Storm Drain Pump Station #3 Upgrade (H St.)
- Storm Drain Pump Station #5 Upgrade (Yolo Bypass)
- Widening Covell Channel/Lake & Covell Improvements

The proposed fee structure allows the City to move forward with the projects, especially the priority projects identified in the Fee Report, beginning with project design. Construction would likely take a number of years, but would be started sooner rather than later.

#### **Additional information on Capital Improvement Projects:**

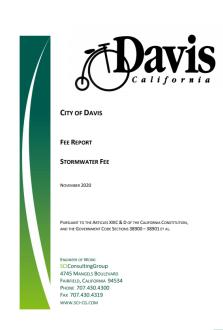
- <u>Capital Improvement Projects Staff Report</u> from the September 16, 2020 Utilities Commission Meeting
- Stormwater Fee Report

#### Describe the structure of the proposed fee

The City, working with a consultant, used the average single-family residential parcel (SFR) as the basic unit of measure, and analyzed the average amount of impervious services on SFR parcels to develop the basic structure of the fee, or the benchmark (the single-family equivalent, SFE). For property owners with questions about the fee for their parcel, there will be opportunities for individual assessments.

### Additional information on the proposed fee and land use type calculations:

<u>Stormwater Fee Report</u> (starts on page 15 of the Report)



#### Describe some of the challenges with the Richards Blvd. Pump Station, and if there is discussion around cost sharing for areas stormwater impacts from other entities

**Richards Blvd Station**: The Stormwater Pump Station located by the Richards Blvd undercrossing has been modified to allow for a manual pump hookup when flooding is beyond what the current station equipment can control. The manual hookup is provided by a pump that is trucked to the area when flooding exceeds the station capacity.

Cost Sharing: From stormwater case law, natural drainage that occurs and where it ultimately flows is not the responsibly of upstream users; if water is coming in, it's the responsibility of the City to make sure that it flows through without causing issue. Water flowing out of the City also follows this principle, and the City does not participate in the operations and maintenance of stormwater infrastructure outside of City boundaries. However, in some specific instances where there are clear areas of shared responsibility with other agencies (such as with South Davis and the non-City contributors to that station), the City is in discussions to establish some cost recovery agreements. Should those discussions, or the possibility of other revenue streams such as grants be successful, the additional revenue will play into the discussion of annual rate adjustments in the future.

#### Additional information on Stormwater Station No. 6 (Richards Blvd Station):

 <u>Capital Improvement Projects Staff Report</u> from the September 16, 2020 Utilities Commission Meeting

#### Additional information on areas with potential cost-share discussions:

- South Davis Drainage Area from the October 21, 2020 Utilities Commission Meeting
- West Davis Drainage Area and the Proposed CIP for County Road 99 Lake Boulevard/Covell Boulevard from the October 21, 2020 Utilities Commission Meeting





## With the current discussions around infrastructure grants from the Federal government, does the City think that the City will be more likely to be awarded grants than in the past?

Applying for grants for the stormwater utility has been a challenge in the past as the City has had limited ability to develop plans for large infrastructure projects. Planning grants are harder to find than implementation grants for "shovel ready" projects, and without projects that are "shovel ready" grant opportunities have been extremely limited. Should the proposed fees pass, the City can develop plans for implementation projects, and be in a better position to apply for grants in the future. The City also does not qualify as a 'disadvantaged community' within the criteria of many grant award agencies, so it will be ranked below other agencies that do qualify. As with the discussions around other revenue sources, if the City is successful in gaining grant opportunities, it would lessen potential rate adjustments within the annual cap of 3% in future years.

#### Additional information on grant funding challenges:

 <u>Capital Improvement Projects Staff Report</u> from the September 16, 2020 Utilities Commission Meeting (starting on page 6)

## Describe the updates in regulations referred to in the development of the proposed fee

There have been a number of changes to stormwater regulations that impact the City of Davis, with the largest being what's called the "Trash Amendments," which requires the City to mitigate trash and other contaminants from the City entering local waterways. This requires the City to add screens to stormwater discharge locations, and to improve inlets in areas of town with persistent issues. The installation and maintenance of these improvements will increase operations costs. In addition, reporting requirements and water quality testing (including sampling efforts at stormwater discharge locations) have also increased City costs. The stormwater regulatory framework is not unlike where the water/wastewater regulatory framework was 20 years ago, as stormwater is the largest contributor to contaminants in the water (and without water treatment).

#### Additional information on regulatory changes and Trash Amendments:

- Memorandum from Larry Walker Associates Comprehensive Stormwater/Drainage Rate Study from the June 17, 2020 Utilities Commission Meeting
- <u>Stormwater Additional Resources: Regulatory & Operations and Maintenance Requirements</u> from the September 16, 2020 Utilities Commission meeting
- <u>Stormwater Utility 101</u> (starts on page 7)



# There's a debate that the City can use general fund dollars reallocated from other planned expenditures to address the stormwater utility. Can the City use general fund dollars to fund stormwater infrastructure?

The general fund can be used for a wide variety of purposes (the benefit of general funding), however with that flexibility comes a wide variety of competing priorities in terms of what can be supported by the general fund. From the perspective of staff, the most resilient path for revenue and to ensure that the revenue is as stable as possible is via rate setting. The proposed fee is calculated based on ongoing needs over the next 20-30 years, which is one reason why it is important that the revenue source for the utility is not subject to competing priorities, economic impacts, or subject to pressures to divert the funds for purposes other than stormwater utility needs (as revenue received from fees for a utility service can only be used for expenses related to that utility service).

#### Additional information the general fund and utilities:

 <u>Capital Improvement Projects Staff Report</u> from the September 16, 2020 Utilities Commission Meeting (on page 6)

## Does the City coordinate responses to camping in the stormwater channels to address possible impacts?

Camping in the storm drainage channels has been a persistent issue, and the City's stormwater operations teams work with the County to mitigate impacts to the stormwater system and waterways, while the City Council has been working to address reasons why people are living in the channels, with the work supporting homelessness outreach and the Respite Center. Teams of staff from all City departments work to address the maintenance and clean out of the areas, but it is an ongoing issue.

Does the proposed project to widen the Covell Channel address the causes of flooding at the hospital seen in previous years (and does staff know the purpose of the activity underway in the hospital parking lot?)



While staff is not aware of the reasons behind the activity in the hospital parking lot (as it's private property), one of the priority projects included in the proposed fee and Fee Report is to address the storm drainage issues in the area of Lake Blvd and West Covell, to prevent any major flooding that would impede access to Sutter Davis Hospital.

#### Additional information on addressing the flooding in West Davis by the hospital:

West Davis Drainage Area and the Proposed CIP for County Road 99 Lake Boulevard/Covell
Boulevard from the October 21, 2020 Utilities Commission Meeting

