

# Stormwater Enterprise Fee Increase

Adjustment to Stormwater Enterprise Fees

February 8, 2021

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# City Code



- City Code § 14.8.107(E).
  - Stormwater service fees as established in subsection D of this section may be increased by City Council by duly adopted City Council resolution only to the extent required to comply with a valid court order, Federal or State permits, Federal or State laws, or any intergovernmental agreement to which the City is a party which was entered into before June 1, 2016.

# Existing Revenue



- Current fee structure
  - Residential: \$5 per dwelling unit per month
  - Non-residential: \$30 per developed/improved acre per month
  - In place from July 2018 to present
- Total SWENT annual revenue: \$16.25M

# SWENT Obligations



## Increasing Financial Requirements

- Step-up in minimum expenditures and capital projects required by City/Pueblo County IGA
- Consent decree (CD) program requirements
- Stormwater locates required by new legislation

# SWENT Obligations Cont.



## Increasing Financial Requirements - Annually

- IGA Increase - \$1.7M (\$2M with CSU commitment)
- Consent decree (CD) program requirements - \$2.9M
- Stormwater locates required by new legislation -\$250K

# Goals and Guiding Principals



- Solution that results in an even percentage increase between residential and non-residential rates
- Solution that provides revenue to meet increases in IGA and CD required expenditures
- Solution that does not require additional increases within the next 15 years (extent of IGA and CD)
- Solution that results in fees which are less than the average along the Front Range and nationally

# Assumptions



- 2% annual growth of non-residential accounts
- 1.2% annual growth of residential accounts
- 94% average non-residential collection rate
- 95% average residential collection rate
- 3.5% annual growth of operating expenses
- 2% annual growth of capital project construction costs (per City/Pueblo IGA)

# Options for Rate Increase



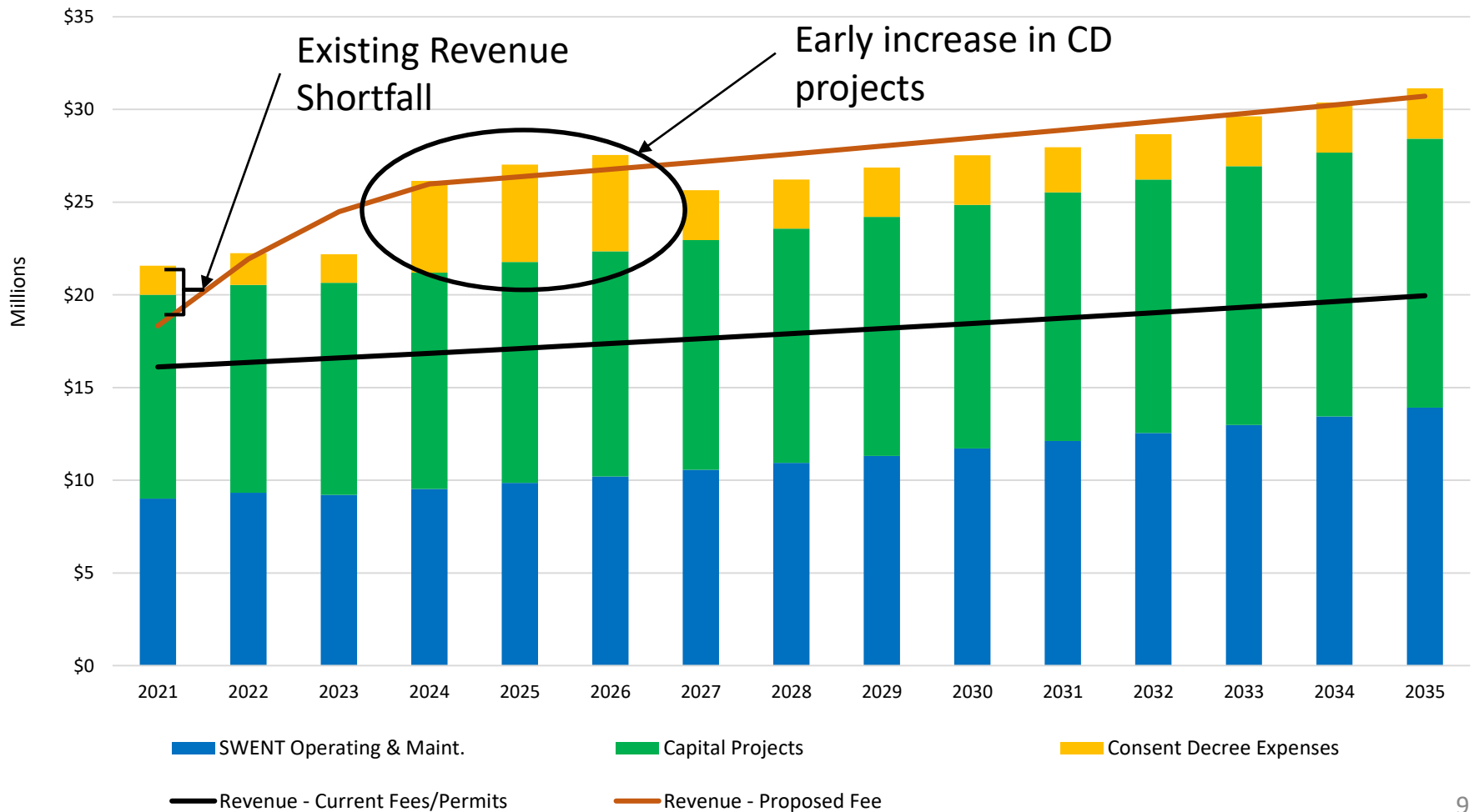
	Current Fees	Option 1		Option 2	
<b>2021 Rates</b>					
Residential/Unit	\$5	\$6.50	30.0%	\$7.00	40.0%
Non-residential/Acre	\$30	\$38.00	26.7%	\$40.50	35.0%
<b>2022 Rates</b>					
Residential/Unit	\$5	\$7.50	15.4%	\$7.50	7.1%
Non-residential/Acre	\$30	\$40.00	5.3%	\$43.00	6.2%
<b>2023-2035 Rates</b>					
Residential/Unit	\$5	\$8.50	13.3%	\$8.00	6.7%
Non-residential/Acre	\$30	\$42.00	5.0%	\$45.00	4.7%



# Option 1



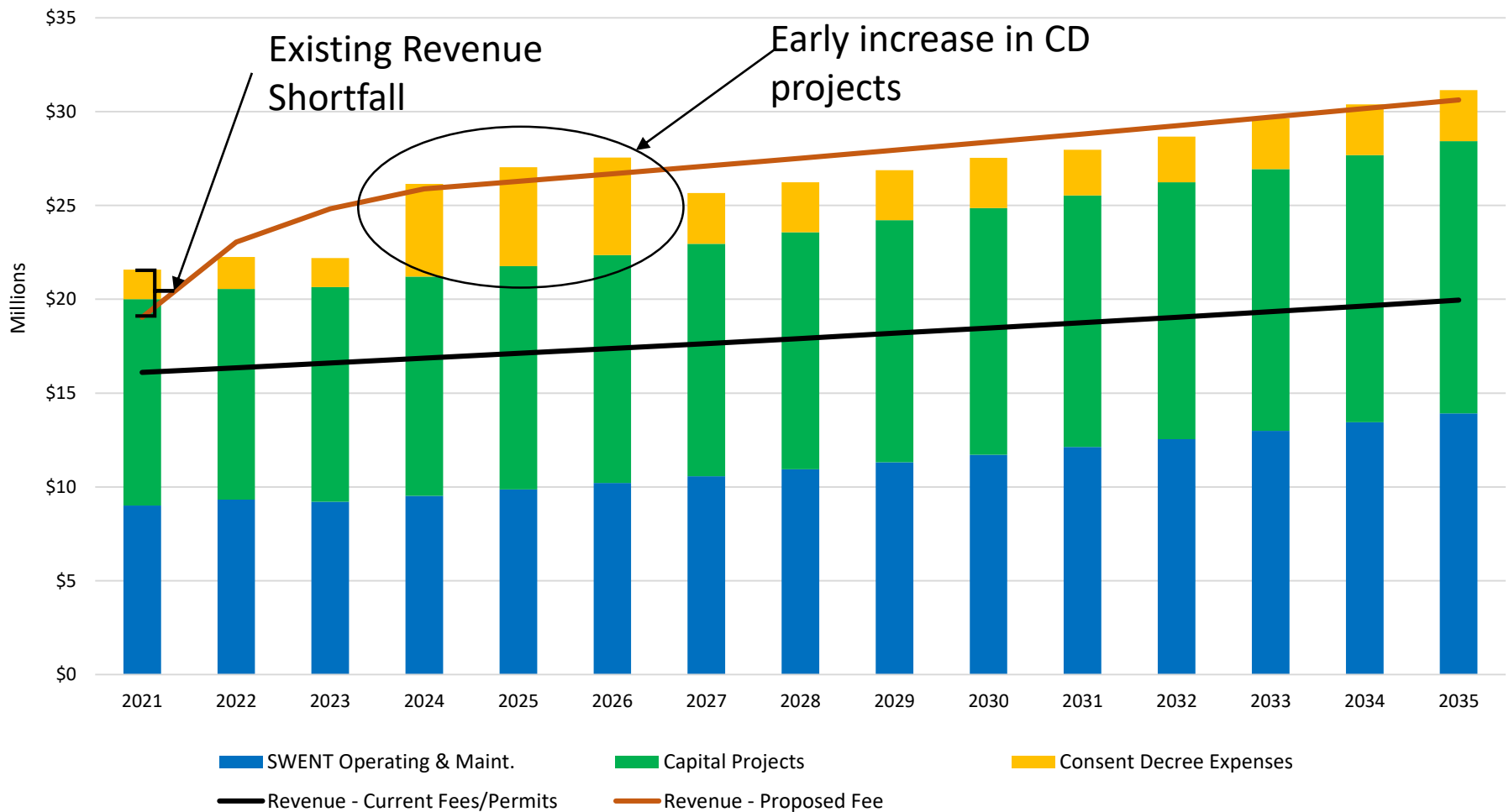
Option 1 - Fee Increases (\$6.50/\$38, \$7.50/\$40, \$8.50/\$42)



# Option 2



Option 2 - Fee Increases (\$7/\$40.50, \$7.50/\$43, \$8/\$45)



# Summary



- The proposed fees will:
  - Provide adequate revenues to meet CD requirements for the remainder of the 15-year term
  - Provide adequate revenues to meet future required increases in minimum IGA expenditures
- The proposed fees are below the state average for both residential and non-residential properties
- The proposed options seek to more evenly increase fees on a % basis for both residential and non-residential properties

# Property Examples