



Albemarle County

Legislation Details (With Text)

File #: 16-522 **Version:** 1 **Name:**
Type: Work Session - Action **Status:** Work Session
File created: 8/22/2016 **In control:** Board of Supervisors
On agenda: 9/7/2016 **Final action:** 9/7/2016
Title: Water Resources Program Funding

Sponsors:

Indexes:

Code sections:

Attachments: 1. Attach A - Final Recommendations of Committee.pdf, 2.
Attachment_B_Projected_Program_Costs.pdf

Date	Ver.	Action By	Action	Result
9/7/2016	1	Board of Supervisors	approved	Pass
9/7/2016	1	Board of Supervisors	approved	Pass

AGENDA DATE: 9/7/2016

TITLE:

Water Resources Program Funding

SUBJECT/PROPOSAL/REQUEST: Discussion and consideration of funding sources for the continued development and implementation of the Water Resources Program

ITEM TYPE: Regular Action Item

STAFF CONTACT(S): Foley, Letteri, Kamptner, Henry, Harper

PRESENTER (S): Bill Letteri, Greg Harper

LEGAL REVIEW: Yes

REVIEWED BY: Thomas C. Foley

BACKGROUND:

On October 7, 2015, the Board was presented with recommendations of the Water Resources Funding Advisory Committee ("Committee"); these recommendations are detailed in the Committee's final report (Attachment A). As part of its work, the Committee defined a model 10-year Program Plan to serve as the basis for estimating program costs and analyzing rate structures under various funding scenarios. The Program Plan includes the implementation of three major new programs: 1) addressing mandated stream and bay cleanup requirements (known as TMDLs), 2) proactively repairing and maintaining public drainage infrastructure, and 3) voluntarily addressing stream impairments and other ecological issues throughout the County.

The three new programs comprised the majority of the costs of the proposed Program Plan. To support these programs, the Committee recommended - by a narrow majority - that the County implement a County-wide stormwater utility with fees based primarily on impervious area but also including generous rate adjustments for low-density properties and for private investments in stormwater management. At that point, the

Committee's work was completed and it was discharged.

Subsequent to the Committee recommendations, the Virginia Department of Environmental Quality (DEQ) confirmed that the County has already made considerable progress towards meeting long-term pollution reduction requirements mandated as part of the Chesapeake Bay TMDL. Consequently, the estimated future annual cost of TMDL implementation was reduced from \$2.5M to \$0.5M. Attachment B depicts the revised costs over the 10-year planning period of major categories of the Committee's proposed Program Plan (with updated TMDL costs) compared to anticipated revenues from existing, dedicated revenue sources - 0.7-cents of the real property tax rate earmarked for the program and various permit fees.

At a May 11, 2016 work session, the Board was briefed on the Committee's recommendations and program cost revisions and requested that the Committee members reconvene to reconsider their recommendations in light of the lower TMDL cost estimates.

STRATEGIC PLAN:

Goal 2: Critical Infrastructure: Prioritize, plan and invest in critical infrastructure that responds to past and future changes and improves the capacity to serve community needs.

Goal 6: Natural Resources: Thoughtfully protect and manage Albemarle County's ecosystems and natural resources in both the rural and development areas to safeguard the quality of life of current and future generations. **Year-1 Priority:** By October 2015, establish direction and funding for a program to improve water quality.

DISCUSSION: The purpose of this work session is for the Board to receive updated Committee recommendations and comments and to provide direction on its preferences regarding program level and funding method. The desired outcome is for the Board to provide direction regarding 1) its support for the Committee's proposed 10-year Program Plan; and 2) the establishment of a stormwater utility.

On July 12, 2016, the Committee reconvened for a special meeting and was presented with information regarding the County's TMDL progress and updated cost estimates to fulfill the TMDL mandates. Despite a reduction in anticipated program costs, the sentiments of the Committee did not change. A narrow majority of the members (7 of 12) still support a stormwater utility, citing the following reasons: fairness, stability of funding to better enable long-term planning, the need to catch up with mounting challenges due to past underfunding, and flexibility. The five dissenting members support the continuation of funding through the General Fund, citing a lower administrative burden, the efficiencies brought by having to compete against other County priorities, and concern for small tax-exempt organizations and disadvantaged citizens. Regardless of the source of funding, the Committee broadly supports a more comprehensive program as represented by the proposed 10-year Program Plan.

The implementation of a stormwater utility would require additional steps that would take approximately 12 to 18 months to complete. This work would advance the efforts begun by the Committee and culminate in a proposed ordinance and specific utility rate formula the Board would then be asked to adopt following public hearings. These endeavors would require the services of an engineering consultant.

BUDGET IMPACT: The Facilities and Environmental Services Department FY 17 budget includes approximately \$100,000 to support the required consulting services. Additional funding may be required in FY 18 to finalize all necessary work efforts. If the Board authorizes establishment of a stormwater utility, staff anticipates that the program would be self-sustaining in subsequent years.

RECOMMENDATION:

Staff recommends that the Board affirm the level of service represented by the 10-Year Program Plan recommended by the Committee with the understanding that the Program Plan may be revised in the future to incorporate new information and to respond to new mandates. Staff also recommends that the Board provide direction regarding its support for the formation of a stormwater utility and the other activities needed in its

formation, including procurement of a funding consultant.

ATTACHMENTS:

A - [Final Recommendations Report of the Water Resources Funding Advisory Committee](https://www.albemarle.org/upload/images/Forms_Center/Departments/Water_Resources/Forms/WRFAC_recommendations_report.pdf)
<https://www.albemarle.org/upload/images/Forms_Center/Departments/Water_Resources/Forms/WRFAC_recommendations_report.pdf>

B - Graph of Projected 10-Year Annual Program Cost Categories and Revenues (reflects revised TMDL costs)