



## Memorandum

Date: September 16, 2020  
To: Utilities Commission  
Stan Gryczko, Public Works Utilities and Operations Director  
From: Brian Mickelson, Assistant City Engineer  
Adrienne Heinig, Management Analyst  
Subject: Item 6D – Stormwater Additional Resources: Regulatory & Operations and Maintenance Requirements

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### **Recommendation**

Receive informational report.

### **Background**

For the past few months, the Utilities Commission has been reviewing the financial plan for the Stormwater Utility, one of three cost of service studies that are currently underway. As stated in the memo on Capital Improvement Project (CIP) prioritization, along with the CIP projects, the requested ‘Additional Needs’ (discussed in June) amount to about \$868,000 for staffing, contract and other costs associated with stormwater regulatory requirements, and operations and maintenance. At the July Commission meeting, staff indicated that each of these ‘Additional Needs’ sections (Regulatory Requirements and Operations and Maintenance) would be reviewed again for any further reductions that could be achieved, with a goal of less impact on the necessary stormwater rate adjustments moving forward.

### **Regulatory Requirement ‘Additional Resources’**

As stated in the staff report to the Commission on June 17, 2020 (Stormwater Cost of Service Financial Plan Introduction):

*Regulatory changes associated with the City’s Phase II Small Municipal Separate Storm Sewer System (MS4) General Permit (Phase II Permit) by the State Water Resources Control Board (State Water Board) require the City to take on additional monitoring, enforcement, outreach and reporting, phased in over ten years...Larry Walker Associates (LWA) has provided the City with a technical memo (Attachment 4) detailing the current additional needs for the City to comply (i.e. the costs in the near-term necessary to comply with the permit requirements), including additional staffing and the cost of permit fees. LWA also included estimates for costs associated with known future needs (i.e. programs or activities not yet required, but will be in future years based on permit requirements).*

An important component of the consideration of the costs presented by Larry Walker Associates is the *current* additional needs, as well as the *future* additional needs breakdown. As included in

Table 2 from the report (a portion of this table is below for reference), there are costs associated with the Trash Amendments and the Phase II Permit that account for the current program requirements (i.e. staffing required to maintain minimum levels of monitoring and reporting to the State within the current permit) that the City has not enacted. Currently the City meets all Permit requirements, however the phased-in approach of the Trash Amendment, and the current limited staffing of the stormwater quality program (1 FTE) would require the City to either redistribute work within Environmental Resources Division (where the stormwater quality staff is located), add additional staff to comply with requirements, or some combination of the two options.

**Table 2. Detailed Costs for Stormwater Program, by Cost Category and Fiscal Year**

Cost Category	Current		
	FY 19-20	FY 20-21	FY 21-22
<b>Existing Identified Expenses</b>			
Phase II Permit			
Phase II Permit fees <sup>[b]</sup>	\$21,344	\$21,344	\$21,344
Baseline Costs <sup>[c]</sup>	\$406,708	\$418,015	\$429,635
Other Operating Costs <sup>[d]</sup>	\$88,418	\$90,876	\$93,403
<b>Total Existing Identified Expenses</b>	<b>\$516,470</b>	<b>\$530,235</b>	<b>\$544,382</b>
<b>Additional Needs</b>			
<b>Current Additional Needs<sup>[e]</sup></b>			
Phase II Permit			
Environmental Resources Specialist for Discharge Prohibitions (10% FTE) <sup>[f]</sup>	-	\$17,680	\$18,172
Construction Inspector (100% FTE) <sup>[f]</sup>	-	\$176,800	\$181,715
Assistance with Annual Reporting (20% FTE) <sup>[f]</sup>	-	\$35,360	\$36,343
Statewide Trash Amendments <sup>[g]</sup>	-	\$62,500	\$10,000
Other Operating Costs <sup>[d]</sup>	-	\$63,555	\$53,530
<b>Total Current Additional Needs</b>	<b>\$0</b>	<b>\$355,895</b>	<b>\$299,760</b>
<b>Future Anticipated Needs<sup>[h]</sup></b>			
Pyrethroid Pesticides TMDL and Basin Plan Amendment	-	\$15,000	\$15,417
Renewed Phase II Permit Requirements (15% of baseline current costs)	-	\$0	\$64,445
Other Operating Costs <sup>[d]</sup>	-	\$3,261	\$17,362
<b>Total Future Anticipated Needs</b>	<b>\$0</b>	<b>\$18,261</b>	<b>\$97,224</b>
<b>Total Additional Needs</b>	<b>\$0</b>	<b>\$374,156</b>	<b>\$396,984</b>
<b>Total Regulatory Expenses (Rounded)</b>	<b>\$516,000</b>	<b>\$904,000</b>	<b>\$941,000</b>

Recommendations from LWA to meet *current* regulatory requirements, in addition to the City's current program staff.

Recommendations from LWA to meet *future* regulatory requirements (that are known) – additional needs resulting from permit or amendment modifications could arise at a later date.

After further review of the report from LWA, staff have determined that the recommended Construction Inspector (100% FTE) can be reduced to 50% (part-time), as two team members (one focused on inspections, and one on reporting) would likely be able to cover the tasks necessary to maintain regulatory compliance, rather than three. This reduces the 'Additional Resources' needs for regulatory compliance by about \$88,000 per year, which, although a limited impact on the overall additional needs cost, reflects the Environmental Division's

emphasis on teamwork and collaboration, which keeps staffing levels down, but productivity at appropriate levels.

### **Operations and Maintenance ‘Additional Resources’**

In addition to the needs outlined for regulatory compliance, additional staffing and contract costs were included within operations and maintenance activities. The stormwater operations and maintenance program has been operating with one working supervisor and two FTE maintenance workers (and some temporary part time, or TPT, support) for a number of years. Additional assistance, when needed, is often pulled from other divisions within the Public Works Utilities and Operations Department, including Streets and Collections. This model of shared labor is effective, and aids the City to keep labor consistent throughout the year (some demands are seasonal, and the increased staffing demands can be met by existing staff in other divisions, rather than hiring new employees), however the limited staff trained for stormwater system maintenance can be a significant issue with operations. Challenges arise with scheduling and completing preventative maintenance tasks, among other issues. In the stormwater program evaluation completed in 2018, West Yost associates included the following on page 27 of that report:

*Discussions with City O&M staff and review of O&M information indicate that there is a shortage of staffing needed to complete day-to-day operations and complete preventative maintenance tasks. There is also turnover of temporary staff that requires training of new staff. The City currently only has staffing to perform the day-to-day operations, corrective maintenance needs, and some preventative maintenance tasks. City staff noted that not all preventative maintenance tasks are being performed due to shortage of staff.*

Recommendations from the report (and reflected in the additional needs) included the following (on page 36):

- *Convert two temporary staff to one full-time entry-level worker position to improve efficiency and technical ability of this existing staff resource, and lessen the training burden on full-time staff.*
- *Add one new lead Collection System Technician position to maximize the flexibility of crew sizes to meet the maintenance tasks at hand.*

The report included benchmark surveys with other agencies in the area on service levels and maintenance frequencies. The use of contractors for regular maintenance projects, like pipe flushing or stormwater channel cleaning is a common practice, would aid City staff in focusing on higher priority projects and tasks, and ensure that regular maintenance is conducted to both identify areas of infrastructure that may need to be repaired or replaced, and prevent the build-up of maintenance needs over time.

In reviewing the requests for staffing and funding for annual maintenance contracts, staff would not recommend any reductions at this time.