

12.0 FISCAL ANALYSIS COMPONENT

12.1 Introduction

This section discusses Permit requirements that apply to the Fiscal Analysis Component of the Jurisdictional Urban Runoff Management Plan (JURMP) and what methodologies will be employed to accomplish all activities of the Storm Water Protection Program and provide a method to secure funds for on-going expenditures.

Since FY02, the City of Carlsbad has had a separate special revenue account for storm water protection (See attached budgetary sheets). These special revenue funds pay for all non-capital expenditures for the City's URMP including sampling, testing, inspection, enforcement, education and administration. Prior to FY08, these funds also paid for the majority of Storm Drain facilities maintenance costs. In FY08, the City established a separate account, funded by both Storm Water fees and General Fund revenues, to pay for storm drain maintenance and repair activities, as well as street sweeping, City-wide litter removal and hazardous materials response incidents. The total FY08 budget for Storm Water Pollution Prevention and Storm Drain Maintenance activities is \$2,726,943. In future years, these budgets may go up, or down, according to the resources needed to comply with the requirements of the new Permit. For example, there are over \$100,000 in one-time funds in this year's budget for consultants and Capital Purchases of Equipment that are not expected to be requested in future years. Another \$250,000 is included in the Storm Water budget for compliance with the Regional Board's anticipated Total Maximum Daily Load (TMDL) Investigative Order. Typically, budgets will be increased by a percentage determined by the City's Finance Department, adjusted for inflation and economic growth.

In September 2003, the City completed a Storm Water Regulatory fee study. As a result of this fee study, a Storm Water fee, in the form of a surcharge on Trash collection was established. The purpose of the fee is to fund those activities directly related to Storm Water Protection. The team that conducted the fee study determined that nearly all pollutants of concern by the Environmental Protection Agency with respect to Storm Water discharges can be classified as solid waste, and as such, a surcharge on trash collection was an appropriate avenue for funding the Storm Water Protection Program. In addition to the Storm Water fee, the City established additional fees for Storm Water Pollution Prevention Plan review and inspection, which are assessed on new development projects in the City. These two fees are the primary funding sources for Storm Water Pollution Prevention activities. The City continues to review and refine funding sources and operations to ensure that the available revenues are adequate to fund the on-going program operations.

With regards to future capital facility expenditures, the City intends to prepare an update to the Master Drainage and Storm Water Quality Management Plan (Master Drainage Plan). This plan identifies all needed improvements to the City's storm drainage infrastructure and establishes the basis for the costs included in the City's Local Drainage Area Fee program. The updated Master Drainage Plan will include analysis to incorporate infrastructure that may be necessary for water quality purposes. Once the

Master Drainage Plan is completed, the City will revise the Local Drainage Area Fees accordingly.

12.2 Fiscal Analysis Methods

As noted in section 12.1, the City of Carlsbad has developed a mechanism for funding Storm Water Pollution Prevention activities including a trash surcharge on residential and commercial customers, and Storm Water specific fees on development projects. In reviewing the City's approach to complying with the requirements of the Permit (R9-2007-0001), a comprehensive fiscal review was conducted, including a determination of what additional resources were necessary to comply with the permit. As part of this review, the 2003 fee study was updated with projected resource needs. The following steps were taken as part of the FY08 budget process:

- Requested an increase in the Storm Water fee for Residential and Commercial Customers, after reviewing the resources necessary to ensure compliance with the Permit, and determining that additional funding would be necessary to provide the resources required for compliance.
- Broke out the Storm Drain Maintenance program into a separate reporting structure and budget account to better track expenses and appropriate funding sources (these activities are not 100% Storm Water fee funded; approximately 15% of this budget is the responsibility of the City's General Fund).
- Requested additional dedicated staff and resources for Storm Water Pollution Prevention and Storm Drain Maintenance, based on an analysis of the new Permit requirements.

In addition, the City has taken steps to ensure that there are adequate resources in the budget for FY08 and beyond to meet all obligations under the urban runoff management programs of which we are a part. This year's budget anticipated increased resources necessary to comply with the requirements of the Permit. In addition to contributing over \$120,000 to Regional programs for the various Regional efforts the City is a part of, the following resources are included in the FY08 budget:

- The City is the lead Copermitee for the Carlsbad Watershed. As such, the City has responsibility for coordinating activities for the Watershed, organizing and holding meetings, and reporting to the Regional Board. This City budgeted \$40,000 specifically for Watershed Coordination activities, in addition to our regular operating budget.
- The City anticipated greater participation in Regional Committees, and supplemented resources accordingly. Specific actions taken include:
 - Adding an Environmental Specialist position to help with water quality monitoring, local complaint response and inspections, and thereby allowing other, higher level staff the time to participate in Regional Committees.
 - Supplemented budgets to provide for greater cost-share for existing programs, and to pay for new programs, including the Hydromodification Program (\$60,000) and Regional Outreach and Education efforts (over \$60,000).

- On the Jurisdictional Level, the City requested and received additional Staff resources to assist with compliance with the requirements of the Permit. Included in these resources are:
 - A Senior Construction Inspector dedicated to Storm Water Pollution Prevention activities at Construction Sites around the City, and responsible to ensuring that Special Event Venues meet the terms of the Permit.
 - An Environmental Specialist position to assist with complaint response and inspections, as well as water quality monitoring efforts, as part of the City's Storm Water Program.
 - A Public Works Supervisor and ½ of a Senior Office Specialist Position to assist with coordination and supervision of the City's Storm Drain Maintenance Program and the reporting requirements that are part of this program.
 - Over \$70,000 to fund contract and temporary help for Storm Water Facility Asset inventory and mapping, and staff training on Low Impact Development techniques.

In future years, the City will continue to re-evaluate and prioritize its fiscal needs in order to meet the requirements of the JURMP and the Permit. Budget adjustments and resources may vary based on the needs to effectively implement the program.

A copy of the budget for Storm Water Protection and Storm Drain Maintenance is show below, as Table 12-1:

Table 12-1 FY08 Budget for Storm Water Activities

PROGRAM: STORM WATER PROTECTION/
STORM DRAIN MAINTENANCE
FUND: SOLID WASTE ENTERPRISE
PROGRAM GROUP: ENVIRONMENTAL PROGRAMS ACCT NO. 5215710/5216310

	2004-05 ACTUAL	2005-06 ACTUAL	2006-07 BUDGET	2007-08 BUDGET
PERSONNEL	524,349	570,628	677,499	936,792
MAINTENANCE & OPERATIONS	590,674	644,628	943,834	1,732,224
CAPITAL/TRANSFERS	9,541	43304.4	159,150	57,927
GRAND TOTAL	1,124,565	1,258,562	1,780,483	2,726,943
FULL TIME POSITIONS	8.10	8.10	8.30	11.10
HOURLY/FTE POSITIONS	0.40	0.40	0.00	0.00

In addition to these actions taken as part of the budget process, the City continues to review expenses and funding sources to ensure that adequate revenue streams are available to fund Storm Water-related activities. The City is currently reviewing

Construction Inspection and Development activities to determine what costs can be isolated as specifically related to Storm Water runoff activities.