TO: Mayor and City Council

FROM: Michael L. Wolfe, P.E., Public Works Director/City Engineer

AGENDA DATE: March 17, 2020

TITLE: APPROVAL OF THE FISCAL YEAR 2020/2021 STORM WATER PROTECTION PROGRAM BUDGET FOR COUNTY SERVICE AREA (CSA) 152

RECOMMENDED ACTION

Recommendations:

1. Approve the County Service Area (CSA) 152 Budget for Fiscal Year (FY) 2020/2021 in the amount $708,326.

2. Authorize the levy of County Service Area 152 Assessment at $8.15 per Benefit Assessment Unit (BAU) for FY 2020/2021.

SUMMARY

The County Service Area (CSA) 152 was formed by Riverside County to offset a portion of the costs of the federally mandated National Pollutant Discharge Elimination System (NPDES) program. The County continues to manage the CSA program and applies parcel charges on the property tax bills of parcels which benefit from the services. For the City to receive funding from the County, the City must prepare a CSA 152 Budget for submission to the County. This report recommends approval of the Fiscal Year (FY) 2020/2021 County Service Area 152 Budget in the amount of $708,326 and the authorization to levy the CSA 152 assessment at $8.15 per Benefit Assessment Unit (BAU).

DISCUSSION

The CSA 152 program, as administered by the County, allows for the collection of revenues on the property tax bills to support the NPDES program. The County is the lead agency in administering CSA 152 and the City is a participating agency. In order to continue with the service provided under CSA 152, the City is required to approve the
CSA 152 budget for FY 2020/2021 in a specific amount (Attachment 1); and approve a CSA 152 Assessment per Benefit Assessment Unit (BAU) for FY 2020/2021.

The CSA 152 funds are eligible to use for the NPDES program (Program) costs identified on the attached. In addition to CSA 152 revenues, the City has other funding sources (e.g. and approved NPDES Parcel Charge), which is also eligible for specified Program costs. Staff is not recommending an increase of the BAU assessment beyond the previously approved amount of $8.15. Any increase to the BAU would require a mail ballot process under Proposition 218 and the approval of the property owners.

The County CSA 152 Administrative Services Agreement requires the City to adopt an annual CSA 152 Budget. To ensure the funding is secured and the assessment remains on the tax rolls for FY 2020/2021 staff is recommending Council adopt the CSA 152 budget as presented this evening. The County levies CSA 152 on the annual property tax bill on behalf of the City of Moreno Valley. The Finance Subcommittee was scheduled to review the proposed FY 2020/21 maximum and applied assessments at its February 25, 2020 meeting.

Failure by the City to enforce the NPDES program can result in penalties of up to $37,500 per day for noncompliance and/or civil and criminal penalties. This is a federally mandated program administered by the State. There has been neither State nor Federal monies specifically allocated to local agencies to address the programs general requirements.

ALTERNATIVES

1. Approve the CSA 152 Budget for FY 2020/2021 in the amount of $708,326 and authorize the levy of CSA 152 Assessment at $8.15 per BAU for FY 2020/2021. Approval of this alternative ensures that a portion of the funds necessary to support the various storm water management and maintenance programs for the City will continue to be collected.

2. Do not approve the CSA 152 Budget for FY 2020/2021 in the amount of $708,326 and do not authorize the levy of CSA 152 Assessment at $8.15 per BAU for FY 2020/2021. This alternative does not provide for the collection of the assessment on the annual tax rolls to fund portions of the storm water management and maintenance programs. Not authorizing either the budget or levy will interrupt the assessment and revenue collection process. If the CSA assessment is not approved, another funding source such as the General Fund, would need to cover the expected $708,326 revenue because the Program is State mandated with no options to significantly reduce services without the possibility of State issued monetary penalties.

FISCAL IMPACT

Adoption of the recommended CSA 152 Budget and authorization of the annual levy will ensure that the City receives its authorized funding from this source. With the
implementation of the federally mandated NPDES program, the City uses CSA 152 revenues together with other funding sources. The costs associated with the Program are included in the City approved Operating Budget. Approving the CSA 152 Budget will ensure this eligible funding source is available for specific Program costs. Funds collected from the CSA 152 annual levy are restricted for use only within the Storm Water Management programs.

NOTIFICATION

Publication of agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Rae Beimer
Storm Water Program Manager

Concurred By:
Michael Lloyd, P.E.
Engineering Division Manager/Assistant City Engineer

Department Head Approval:
Michael Wolfe, P.E.
Public Works Director/City Engineer

Concurred By:
Marshall Eyerman
Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Public Safety. Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs
Objective 4.2: Develop and maintain a comprehensive Infrastructure Plan to invest in and deliver City infrastructure.

ATTACHMENTS

1. Proposed CSA 152 Budget Detail FY 2020-2021

APPROVALS
### CITY OF MORENO VALLEY

**FISCAL YEAR 2020/2021 CSA 152 - BUDGET DETAIL**

<table>
<thead>
<tr>
<th>Non-Fee Recovered Expenses</th>
<th>Revenues Source</th>
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<tr>
<td></td>
<td>CSA 152 Levy</td>
<td>Other City Funding Sources</td>
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<tr>
<td>1. STREET SWEEPING</td>
<td>$ 295,096.68</td>
<td>$ 147,218.94</td>
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<td>2. STORMDRAIN MAINTENANCE</td>
<td>$ 148,853.10</td>
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<td>3. NPDES MS4 ANNUAL PERMIT FEE</td>
<td>$ 55,961.00</td>
<td>$ 27,918.03</td>
<td>$ 28,042.97</td>
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<td>4. RIVERSIDE COUNTY FLOOD CONTROL COST SHARE</td>
<td>$ 72,383.00</td>
<td>$ 36,110.70</td>
<td>$ 36,272.30</td>
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<td>5. TMDL TASK FORCE_TMDL COMPLIANCE</td>
<td>$ 144,495.00</td>
<td>$ 72,086.21</td>
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<td>6. STORMWATER PROGRAM CONSULTANT</td>
<td>$ 205,213.78</td>
<td>$ 102,377.82</td>
<td>$ 102,835.96</td>
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<td>7. ADMINISTRATION_STAFF TIME</td>
<td>$ 145,546.15</td>
<td>$ 72,610.61</td>
<td>$ 72,935.54</td>
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<td>8. CSA 152 COUNTY ADMINISTRATION FEE</td>
<td>$ 39,867.54</td>
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<td>9. CSA 152 ANNUAL ANALYSISCONSULTANT</td>
<td>$ 4,000.00</td>
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<td>10. GENERAL OVERHEAD_ADMIN_ISF (FUNDS 2008/1010)</td>
<td>$ 264,342.75</td>
<td>$ 131,876.30</td>
<td>$ 132,466.45</td>
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<td>TOTAL PROJECTED</td>
<td>$ 1,375,758.99</td>
<td>$ 708,326.54</td>
<td>$ 667,432.45</td>
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Benefit Assessment Unit (BAU) Max Rate $8.15
Total BAUs 86,911
TOTAL PROJECTED CSA 152 BUDGET $708,327