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SHAPING THE FUTURE ONE PROJECT AT A TIMESM

Annual Report

for the

Storm Drain User Fee

FY 2011-12

For the

City of Rancho Palos Verdes

Los Angeles County, California

June 27, 2011

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**FY 2011-12 Annual Report
City of Rancho Palos Verdes
Storm Drain User Fee**

The undersigned respectfully submits the enclosed report as directed by the City Council.

DATED: June 27, 2011


BY: K. Dennis Klingelhofer
R.C.E. No. 50255

I HEREBY CERTIFY that the enclosed Annual Report, together with Assessment Roll thereto attached, was filed with me on the ____ day of _____, 2011.

Carla Morreale, City Clerk,
City of Rancho Palos Verdes
Los Angeles County, California

By _____

I HEREBY CERTIFY that the enclosed Annual Report, together with Assessment Roll thereto attached was finally adopted and confirmed by the City Council of the City of Rancho Palos Verdes, California, on the ____ day of _____, 2011.

Carla Morreale, City Clerk,
City of Rancho Palos Verdes
Los Angeles County, California

By _____

INTRODUCTION

To insure a flow of funds for the Water Quality and Flood Protection Program, the City of Rancho Palos Verdes established a user fee in September 2005. This Fee ensures a fair and equitable levying of the costs of the Water Quality and Flood Protection Program.

Pursuant to Section 3.44.40 of the City's Municipal Code, at a public hearing, the City Council will consider whether to collect the Storm Drain User Fee for Fiscal Year 2011-12 (July 1, 2011 through June 30, 2012), and, if so, establish the rate per Equivalent Residential Unit for Fiscal Year 2011-12. In making its determinations, the City Council will take into account the current and projected revenues of the City for Fiscal Year 2011-12, including but not limited to, property taxes, sales taxes and transient occupancy taxes; the current and projected expenditures of the City for Fiscal Year 2011-12, including, but not limited to, proposed expenditures in connection with the City's storm drain system; the balance, if any, in the Water Quality and Flood Protection Program Enterprise Fund; and the current and projected General Fund reserves. In addition, the City Council will consider any report and recommendation submitted by the Oversight Committee established by the City Council in connection with the City's Water Quality and Flood Protection Program.

The Storm Drain User Fee is levied under the authority of the California Health and Safety Code Section 5471 et seq. (the "Code"). Payment of the fees for each parcel will be made in the same manner and at the same time as payments are made for property taxes for each property.

This report contains the necessary data required to establish the annual fee rates and is submitted for filing in the office of the City Clerk, where it shall remain open for public inspection.

COST ESTIMATE

The estimated annual costs to fund the Water Quality and Flood Protection Program are provided below in Table 1.

Table 1 – Estimated Annual Costs

BEGINNING FUND BALANCE (7/1/11)	\$563,692
ESTIMATED REVENUES	
Annual Fee Levy	\$1,367,832
Interest Earnings	\$2,800
City Contribution	\$0
	\$1,370,632
ESTIMATED EXPENDITURES	
Storm Drain Master Plan	\$225,000
Backbone Projects	\$200,000
Pipe Lining	\$319,555
Secondary Projects	\$342,500
Miscellaneous Repairs & Maintenance	\$194,817
Filtration Device Installation	\$0
Reserve for Anticipated Additional Costs	\$0
Administration (contract/staff engineer)	\$223,017
	\$1,504,889
ENDING FUND BALANCE (6/30/12)	\$429,435

The ending fund balance constitutes a Reserve for Future Projects.

ANNUAL FEE RATE CALCULATIONS

By definition, all properties that drain into the City’s storm drain system use the storm drain system. The amount of use attributed to each parcel is measurable by the amount of storm runoff contributed by the property, which is directly proportional to the amount of impervious area on a parcel (such as buildings and concrete). The more impervious area on a property, the more storm runoff the property generates. Vacant, unimproved parcels are still in their natural states and do not contribute any additional runoff to burden the system, therefore these parcels are not charged a storm drain fee.

Table 2 shows the estimated Impervious Percentages for single-family residential (SFR) properties of various size ranges. These Impervious Percentages are the estimated percent impervious cover on a property based on a ten percent data sampling of SFR parcels within the City of Rancho Palos Verdes when the fee was initially adopted.

Because of the variations in condominiums and non-SFR properties, which include multi-family residential, institutional (such as churches and private schools) and government-owned properties, these properties were reviewed individually using the City GIS and Aerial photography to determine the actual Impervious cover for each parcel.

Table 2 – SFR Impervious Percentages

Land Use	Impervious Percentage	SFR Size Ranges
SFR1	74.0%	0.01 - 0.16 acres (~1 sf - ~7,012 sf)
SFR2	58.0%	0.161 - 0.20 acres (~7,013 sf - ~8,755 sf)
SFR3	48.5%	0.201 - 0.28 acres (~8,756 sf - ~12,239 sf)
SFR4	41.0%	0.281 - 0.54 acres (~12,240 sf - ~23,565 sf)
SFR5	34.5%	0.541 - 2.99** acres (~23,566 sf - ~130,680 sf)
SFR6	n/a*	3.0 acres and greater

* the actual impervious percentage is used for each parcel.

** the actual impervious percentage is used for SFR5 over 3/4 AC if less than originally noticed.

The amount each parcel uses the storm drain system is computed by the following formula:

$$(\text{Parcel Area}) \times (\text{Impervious Percentage}) = \text{Drainage Units}$$

The more Drainage Units a parcel has, the more storm run-off it generates, and the more it uses the storm drain system.

It is often convenient to relate other land uses to a developed single family home, instead of working exclusively with Drainage Units. Since 85% of the parcels within the City are designated as Single Family Residential (SFR) parcels, and the median number of Drainage Units is 0.118 for all SFR parcels, it makes sense to relate all parcels to this median residential property. Therefore, 0.118 Drainage Units is set equal to one Equivalent Residential Unit (ERU).

Parcels within the City that have runoff flowing out of the City without going through any City-maintained drainage infrastructure are not included in this fee. There are also a number of County-maintained pipes within the City. If properties drain exclusively to these pipes and the pipe system

does not include any City-maintained infrastructure, then they are not included in the fee. These areas, which consist of approximately 3,042 parcels, are excluded from the Storm Drain User Fee.

For the purposes of this report, City-maintained infrastructure includes pipes, inlets, outlets, and natural drainage courses, and is also referred to as the “City’s storm drain system.”

Inventory of Parcels

Table 3, below, provides a summary of parcels by land use and shows the total estimated Drainage Units and ERUs for the City.

Table 3 – Drainage Unit Summary Table

Land Use	Parcels	Acreege	Imperv. Percent	Drainage Units	ERU	Land Use Description
SFR1	1,113	162.57	74.0%	120.056	1,017.4318	SFR: 0.01 - 0.16 acres (~0 sf - ~7,012 sf)
SFR2	1,900	350.02	58.0%	202.768	1,718.4219	SFR: 0.161 - 0.20 acres (~7,013 sf - ~8,755 sf)
SFR3	3,096	736.16	48.5%	357.307	3,028.0663	SFR: 0.201 - 0.28 acres (~8,756 sf - ~12,239 sf)
SFR4	2,798	1,101.23	41.0%	449.141	3,806.2846	SFR: 0.281 - 0.54 acres (~12,240 sf - ~23,565 sf)
SFR5	944	741.69	34.5%*	212.431	1,800.2628	SFR: 0.541 - 2.99 acres (~23,566 sf - ~130,680 sf)
SFR6	10	52.38	actual*	3.551	30.0930	SFR: 3.0 acres and greater
CNDO	1,846	139.48	actual*	95.727	811.2726	Condominiums
MFR	38	50.77	actual*	40.501	343.2288	Multi-Family Residential
COM	47	152.73	actual*	77.693	658.4151	Commercial
INST	20	114.80	actual*	64.692	548.2371	Churches, Private Schools, Institutions
GOV	47	488.25	actual*	120.462	1,020.8641	Government-owned parcels
	11,859	4,090.09		1,744.329	14,782.5781	

* the actual impervious percentages have been used for parcels with these landuses which includes SFR5 parcels > .75 AC

The parcel areas for condominiums are calculated by dividing the total area of the condominium complex (which includes the common area) by the number of condominium units, and the total imperviousness of the entire complex is attributed to each individual condo parcel in the complex. (This divides the runoff of the entire complex to each of the individual units.) Because the condominium common areas are taken into consideration in this manner, they are exempt from the charge.

Annual Fee Rate

Table 4 provides the calculation of the Maximum Annual Fee Rate for FY 2011-12 and shows the actual proposed Fee Rate.

Table 4 –Annual Fee Rate

	CPI Increase	CPI Rate	2% Rate	Max. Rate	Actual Rate
Base Year - FY 2006-07				\$86.00	\$86.00
FY 2007-08	3.8%	\$89.27	\$87.72	\$87.72	\$87.72
FY 2008-09	3.3%	\$90.61	\$89.47	\$89.47	\$89.47
FY 2009-10	0.0%	\$89.47	\$91.26	\$89.47	\$89.47
FY 2010-11	1.4%	\$90.72	\$91.26	\$90.72	\$90.72
FY 2011-12	2.3%	\$92.81	\$92.53	\$92.53	\$92.53

The maximum rate will increase automatically on an annual basis by an amount equal to the annual change in Consumer Price Index for all Urban Consumers (CPI) for the Los Angeles, Riverside, Orange County Areas including all items as published by the U.S. Bureau of Labor Statistics as of March 1 of each year, not to exceed a maximum increase of two percent (2%) per year.

The actual rate to be levied each year will be as approved by the City Council at a public hearing, after they consider an Annual Fee Report outlining the estimated annual costs of the program.

Table 5 provides sample fee calculations for various land uses and parcel sizes based on the proposed Actual Fee Rate.

Table 5 – Sample Calculations

Land Use Designation	Parcel Area (sf)	Parcel Area (ac)	x	Est. Imperv. Percent	=	Drainage Units / 0.118	=	ERU's	FY 11-12 Annual Fee Rate/ERU \$92.53
SFR1	3,500	0.08	x	0.740	=	0.059 / 0.118	=	0.5000	\$46.27
SFR2	7,400	0.17	x	0.580	=	0.099 / 0.118	=	0.8390	\$77.63
SFR2	8,300	0.19	x	0.580	=	0.110 / 0.118	=	0.9322	\$86.26
SFR3	9,200	0.21	x	0.485	=	0.102 / 0.118	=	0.8644	\$79.98
SFR3	10,000	0.23	x	0.485	=	0.112 / 0.118	=	0.9492	\$87.83
SFR3	11,300	0.26	x	0.485	=	0.126 / 0.118	=	1.0678	\$98.80
SFR4	13,500	0.31	x	0.410	=	0.127 / 0.118	=	1.0763	\$99.59
SFR4	17,000	0.39	x	0.410	=	0.160 / 0.118	=	1.3559	\$125.46
SFR4	21,400	0.49	x	0.410	=	0.201 / 0.118	=	1.7034	\$157.62
SFR5	52,300	1.20	x	0.345	=	0.414 / 0.118	=	3.5085	\$324.64
CNDO*	1,307	0.03	x	0.800	=	0.024 / 0.118	=	0.2034	\$18.82
CNDO*	3,049	0.07	x	0.850	=	0.060 / 0.118	=	0.5085	\$47.05
Non-SFR	13,068	0.30	x	0.820	=	0.246 / 0.118	=	2.0847	\$192.90
Non-SFR	13,068	0.30	x	0.700	=	0.210 / 0.118	=	1.7797	\$164.68
Non-SFR	29,185	0.67	x	0.350	=	0.235 / 0.118	=	1.9915	\$184.27
Non-SFR	29,185	0.67	x	0.700	=	0.469 / 0.118	=	3.9746	\$367.77
Non-SFR	71,874	1.65	x	0.650	=	1.073 / 0.118	=	9.0932	\$841.39
Non-SFR	71,874	1.65	x	0.850	=	1.403 / 0.118	=	11.8898	\$1,100.16
Non-SFR	135,907	3.12	x	0.400	=	1.248 / 0.118	=	10.5763	\$978.63
Non-SFR	135,907	3.12	x	0.600	=	1.872 / 0.118	=	15.8644	\$1,467.93

0.118 = Drainage Units per median SFR ERU = Equivalent Residential Unit

* Condominium parcel areas = the area of the entire complex divided by the total number of units in the complex.

The Preliminary Fee Roll, which is a listing of each parcel to be charged a fee and maximum and actual fee for FY 2011-12, is on file in the office of the City Clerk.

Appeals Process

If a property owner disagrees with the calculation of his or her fee, based on the parcel area and estimated impervious percentage assigned to the property, then the property owner may appeal the calculation as follows:

1. Property owner must provide written documentation explaining the reason why the charge should be changed. This documentation must include:
 - a. The name, phone number, mailing address, and email address, if available, of the property owner.

- b. The Assessor's Parcel Number (APN) of the property in question.
 - c. To-scale drawings of the property in question and the impervious areas located on it with accompanying calculations. The to-scale drawings shall include the square footage and labels for each impervious area (i.e. house, garage, driveway, patio, tool shed, carport, etc.).
2. If additional documentation is required or insufficient documentation was submitted, a representative of the Public Works Department or his or her designee (Staff) will notify the property owner in writing within two (2) weeks of receipt of the appeal.
 3. Once Staff has determined that sufficient documentation has been submitted, Staff will perform the initial review. Staff will notify the property owner in writing within four (4) weeks from the time sufficient documentation was submitted as to whether or not the fee amount will be changed.
 - a. If the determination is to change the fee amount, then the new fee amount will be documented within the City's fee database.
 - b. If the determination is that the fee should not be changed, the property owner can appeal Staff's decision to the Director of Public Works (Director). The appeal must be made in writing and returned no later than four (4) weeks from the date of mailing of Staff's initial review decision. The Director will notify the property owner in writing within four (4) weeks from the date of receipt of the appeal as to whether or not the fee amount will be changed.

If the Director's determination is that the fee should not be changed, the property owner can appeal this decision to the City Council. The appeal must be made in writing and returned no later than four (4) weeks from the date of mailing of the Director's appeal decision. The City Clerk shall fix a time and place for hearing the appeal and shall give notice in writing to the appellant in the manner prescribed in Section 3.16.090 for service of notice of hearing. The City Council's determination on the appeal shall be final.

Appeals will be accepted annually up until June 30 for inclusion on the following fiscal year's property tax roll submittal. However, if an appeal is granted by Staff, the Director or the City Council that does not permit inclusion for the following fiscal year's property tax roll submittal, a reimbursement will be provided to the property owner by the City.