



2017
STORMWATER UTILITY
ANNUAL REPORT
Feb 15, 2018

Background

This annual report is being submitted in accordance with Section 13.26.120 of the Milton Municipal Code which requires that “The Director of Public Works shall conduct an annual review of the utility’s operations, the total costs of operation and maintenance of the stormwater retention, detention, collection and conveyance systems, and the schedule of rates and charges. The director shall submit an annual report to the mayor and city council...summarizing the review and containing any recommendations for rate adjustments...”

Stormwater Planning

In early 2017 the stormwater division was separated, for staffing purposes, into a stand-alone utility. Previously stormwater operations had been under the umbrella of streets and water. A dedicated lead was appointed for field operations and there are now employees dedicated to the utility.

The stormwater Capital Improvement Program (CIP) is a component of the Stormwater Comprehensive Plan, the last update of which was adopted in 2005. This, along with staff recommendations, is used to prioritize projects and plan the stormwater budget.

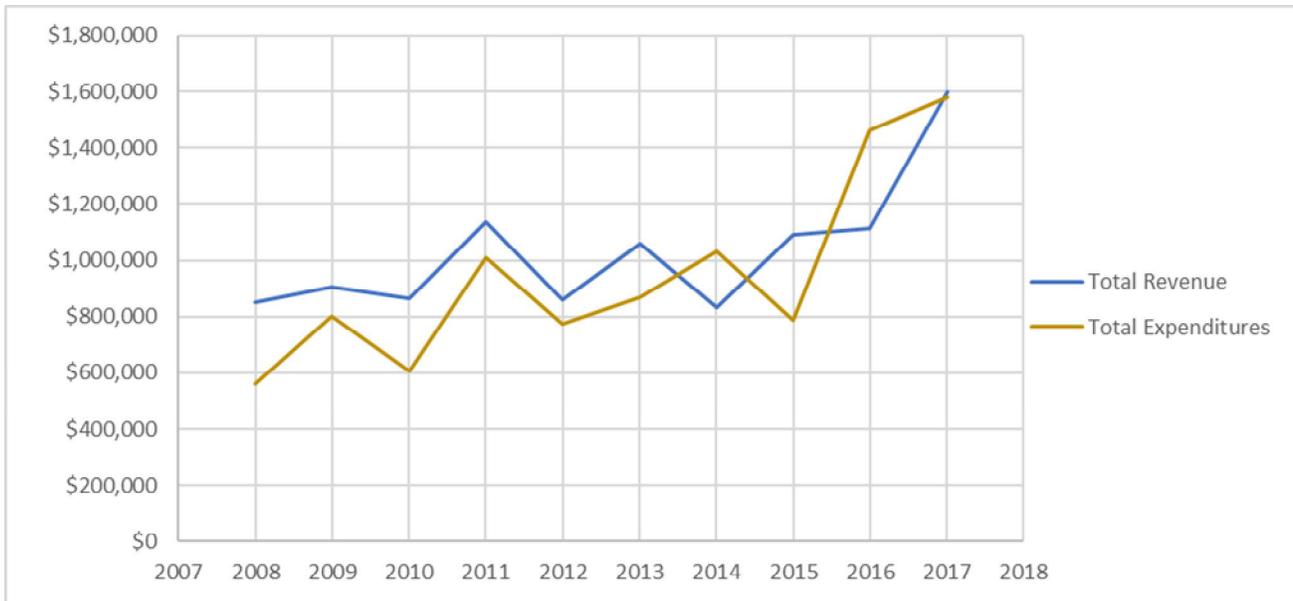
The stormwater CIP has been updated to reflect decisions made as part of the 2018 budget process. This document will be reviewed annually as part of the City’s annual CIP update.

2017 Financial Results

The stormwater utility operations fund started the year with a balance of \$772,419. Revenues throughout the year totaled \$1,003,297 and expenditures were \$1,149,903 exceeding revenue by \$146,606. Operating transfers-out were made totaling \$150,925 to the Stormwater Utility Capital Improvement Fund, and \$29,236 to the Asset Replacement Fund. The 2017 ending fund balance is \$625,814.

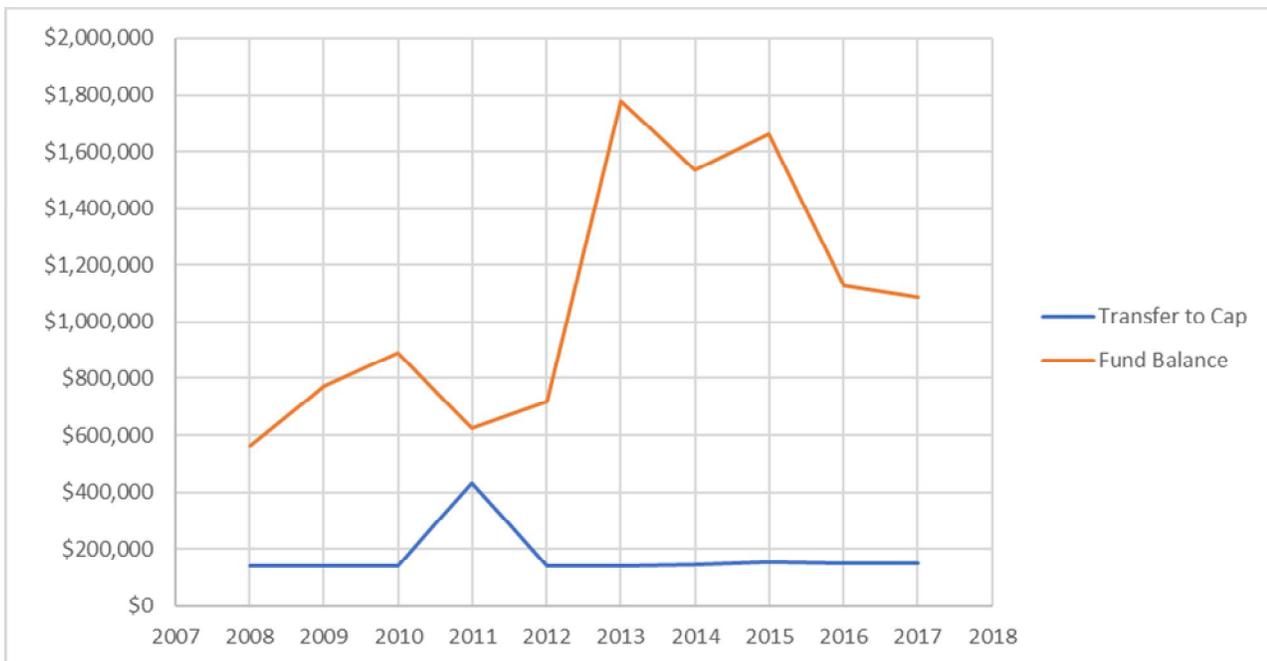
The Stormwater Capital Fund revenues for 2017 totaled \$593,107 which include the aforementioned transfer, state, and federal funding, grant reimbursements, and a small amount of investment earnings.

For purposes of illustration, the chart below reflects combined data of the Stormwater Operating and the Capital funds. For 2017, the total revenue was \$1,596,404 and total expenditures were \$1,578,031.



Graph 1 - Total SW Fund Revenue and Expenditures over time

Revenues increased once again in 2017 as our rate audit became completely implemented and we were receiving grant money from four different projects. Total expenditures kept up with revenues in 2017.



Graph 2 – Total Fund Balance and Capital Transfers over time

Although we spent a fair amount of City money on improvements and projects, we had some help from the Department of Ecology, as well. In 2017, the City received \$404,093 from four separate Department of Ecology grants, with more to come during 2018. One of the grants is a routine capacity

grant for fiscal years 2017-2019 in the amount of \$50,000 which aids with expenses incurred as part of our continuing compliance with the National Pollutant Discharge Elimination System.

The overall fund balance continued to drop, although not as steeply as in 2016, reflecting the city’s effort to accomplish more with the Stormwater Utility.

2017 Maintenance Efforts

In 2017, approximately 157 catch basins were cleaned utilizing the City’s vactor truck. Money was set aside in the budget to achieve some long-standing goals for the stormwater department including comprehensive catch basin cleaning and ditch/culvert maintenance. Meeting Ecology’s requirements while keeping our stormwater collection system maintained to the highest standards possible is the shared goal.

2018 Financial Outlook

The stormwater utility operations and capital improvement funds have anticipated revenues of \$2,131,141 and anticipated expenses of \$2,567,683. The projected ending fund balance for stormwater after 2018 is projected to be \$378,268.

2018 Capital Improvement Outlook

Only one project, the City of Milton Decant Facility, has been budgeted for from the stormwater capital improvement fund this year. This is an important project that will greatly benefit the City by saving time and money that is required to dump catch basin spoils at other facilities. It is grant supplemented and is the result of several years of hard work by city staff.

Table 1 – 2018 CIP Projects and Schedule			
	Ecology Grant	Design 2017	Construction 2018
Decant Facility	X	X	X
City Wide Misc. Storm Improvements			X

2018 Maintenance Plan

It is the goal of all involved to have a proactive culture that preemptively solves problems as well as being able to competently respond to unforeseen ones. To stay in compliance with our National Pollutant Discharge Elimination System Phase II permit, we have many obligations and goals.

One of those goals was to have every catch basin inspected by August 31st, 2017. In 2014, a large-scale effort was mounted and 210 catch basins, or approximately 28% of them, were inspected and, if deemed necessary, cleaned in the month of September. In 2016, 26% were inspected and serviced. In

2017, another 157 basins, or 24% were inspected and cleaned. This was a good effort but did not fulfill our permit requirements resulting in a letter of non-compliance to Ecology. Essentially a non-compliance, or G20, letter is a promise to do the work required to put the city back into compliance. They will ask for a realistic plan or different methodology to fulfill the permit requirements.

Another mandated goal from Ecology is that 40% of the Municipal Separate Stormwater System – MS4 (including pipes, catch basins and facilities) be screened by December 31st, 2017 and then 12% on average each subsequent year. It is the goal of this department to integrate the screening, inspection, cleaning programs to make the most efficient use of staff time and resources while performing quality work.

National Pollutant Elimination System (NPDES) Phase II

In 2006, the Public Works Department established the position of Storm Water Compliance Inspector to ensure that all development in the City of Milton complies with the most current version of the Department of Ecology Stormwater Manual for Western Washington and the City's NPDES permit. The City of Milton's National Pollutant Discharge Elimination System Phase II (NPDES) permit was officially issued on January 17, 2007.

The City is currently in compliance with all requirements of its NPDES permit, with the exception of the aforementioned catch basin cleaning program. A new and updated NPDES permit was anticipated to be issued in 2018, but the Department of Ecology has delayed it until 2019.

Stormwater Grants / Loans

Capital Improvement Programs (CIP) are intended to deter flooding and potential overflow conditions. The most current comprehensive CIP for storm, adopted in February of 2011, identifies ten needed capital improvement projects of which 1 have been completed (Kent St. Detention Pond) and at least 2 more have the potential to be funded by grants. See Table 2 below.

Table 2 – 2011 Adopted CIP			
	Estimated Cost (2011 \$)	Eligible for Grant	Completed
Kent Street Detention Pond	\$209,000		X
11th Ave Pipe Installation	\$226,000		
Taylor Street Drainage Improvements	\$303,000		Design Complete
Oak St. & 17 th Ave– Re-route stormwater	\$576,000		
Xavier and 14 th Ave – Install pipes to alleviate low spots	\$268,000		
Surprise Lake Outfall	\$270,000		
Milton Way & Yuma St. – Pipe flow to Yuma St.	\$699,000		
Emerald St. – Replace 12-inch culverts	\$164,000		
5 th Ave. – Replace culverts (pipes) w/box culvert	\$404,000	X	
City Center storm project	\$300,000	X	

Our current grant agreements with the Washington State Department of Ecology are for the City of Milton Decant Facility (currently in design phase) and our bi-annual capacity grant. The amount of the capacity grant is \$50,000 for fiscal years 2017-2019. The City has received capacity grants in various amounts from the Department of Ecology for seven consecutive years to assist with implementation of the City’s NPDES permit. These funds have been utilized for education and outreach programs, purchasing equipment for stormwater monitoring, modeling, new stormwater regulations, and staff time.

Recommendations

Staff recently completed an audit of the stormwater utility by evaluating accounts and performing site visits. Accounts were properly adjusted and created as required. It is recommended, based on satisfactory revenues and auditing of current billing, that the current storm water utility rate matrix is adequate.

Inspection Report

In compliance with MMC 13.26.250, the director shall report annually to the City Council about the status of the stormwater inspections. We conduct 4 different types of stormwater inspections.

First, we inspect all active construction sites for proper Best Management Practices (BMP's) regarding erosion and sediment control and material handling. These sites have the potential to cause pollution and problems for downstream structures and property. All active construction sites in town were inspected multiple times in 2017. The city worked with contractors to avoid polluting or violating the terms of their permits and no formal enforcement actions were taken against any developers this last year.

The second kind of inspection we do is the Private Business Inspection. Many businesses have the potential to pollute and we attempt to be pro-active and talk to business and property owners about how they can stay out of trouble with the city and the state. These inspections are ongoing.

We also inspect Private Developments such as apartment buildings, condo communities, and retirement homes. Some of these developments enjoy a discounted stormwater rate based on their storm collection system. Inspections help determine if the systems are working properly and allow the discounts to continue. About half of the developments were inspected in 2017 while the others are scheduled for 2018.

The city's stormwater inspector is also responsible for inspection of city owned facilities and new storm infrastructure constructed during city projects. These inspections happen annually and during construction.