Proposed 25-051

Amending the Stormwater Utility Fee Schedule

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UNFUNDED LAKES & STORMWATER PROJECTS

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The Current Stormwater CIP is funded through the stormwater utility

The Stormwater CIP funds

- Stormwater drainage construction
- Stormwater systems operation and maintenance
- Stormwater pollution prevention and treatment
- Surface water quality restoration projects
- Aquatic plant management
- Environmental code enforcement
- Stormwater utility mapping and GIS

Stormwater utility rates have not been raised since FY21

Current Stormwater Utility Revenue and Expenses

- FY26 budget revenue = **$9.3** million
- FY26 operating expenses = **$8.6** million (36 FT employees, equipment, materials)
- FY26 CIP funds allocated to **ALL** drainage & water quality improvement projects = **$700K**

- Unfunded work is estimated at more than **$69.4** million
  - ~$43 million unfunded drainage improvement projects
    - Stormwater control and flood protection/mitigation
    - Construct, improve, expand conveyance systems
    - Replace or retrofit undersized and/or aging infrastructure, and
  - ~$25 million unfunded surface water restoration projects
    - State and Federal mandates to restore surface water
    - Regulatory requirements to reduce stormwater pollution

  - **Revenue deficit of ~$6.9 million annually over 10 years**

Stormwater Utility Rate Study

The last SWU review was completed in 2016, and last rate increase was in 2021

Since 2016:

- The City has experienced population growth and increased development
- Experienced more frequent and more severe storm events that have burdened aging stormwater infrastructure
- Five additional lakes added to mandatory TMDL and/or Pollution Reduction plans
- Increase in State regulatory requirements for stormwater system monitoring and maintenance

The Lakes & Stormwater Division engaged Geosyntec Consultants, Inc. and their subconsultant Anser Advisory to review the City's stormwater utility's (SWU) rate structure and fiscal needs:

- Maintain and operate the stormwater system
- Enhance flood control measures
- Meet unfunded regulatory mandates for stormwater pollution prevention and lake restoration
- Plan for future growth

Stormwater Utility Rate Study

The scope of work included:

- Review of current ordinance, fees, and rate structure
- Assess the current & future fiscal condition of the SWU using the current funded Stormwater CIP and accounting for unfunded necessary project work
- Validate and/or update the current Equivalent Residential Unit (ERU) value via impervious surface measurements of sample residential parcels and non-residential parcels
  - Impervious surface measurements for a statistical sample of single-family residents concluded the City's average single family residential parcel has 3,850 sq.ft. of impervious area or less
  - Residential parcels are assigned one (1) ERU
  - Non-residential parcels are assigned ERUs based on the actual impervious area for each parcel
- Calculate cost apportionment method for SWU rates and revenues to invest in and maintain the stormwater systems that protect the City and comply with unfunded regulatory mandates
- Validate through comparison to 20 comparable SWU utilities based on population, area served and/or location

San Gully Road Drainage Stabilization Project

Severe erosion has destabilized the conveyance and encroached into the right of way, endangering the roadway and nearby 55+ mobile home communities

WSP completed an engineering study in FY25 recommended piping ~1,200 feet of the open ditch, eliminating erosion and stabilization issues

Final concept design and permitting to be completed

Estimated cost of completion is $**2.4** million

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Highland Hills Drainage Improvement and Stabilization

Highland Hills Ditch is an aged, ~2,300-foot long, concrete-lined ditch between Westover Street and Cleveland Heights Boulevard

- Flows through an easement located in the backyard of homes located on Carolyn Drive & Hillside Drive
- Experiences ongoing failure due to erosion, undermining, and stabilization issues resulting in costly maintenance, stormwater control issues, flooding, and safety concerns

WSP completed an engineering study in FY25 to evaluate the current and proposed conditions and recommended enclosing the existing ditch with twin 7’x 5’ box culverts

Final concept design and permitting to be completed
Preliminary cost estimated at **~$10** million

Lake Bonny Watershed Management Plan and Improvements

AECOM completed a Watershed Assessment to analyze flooding sources and develop potential flood relief options

- The study identified several improvements to infrastructure located downstream of Lake Bonny (outside City limits in unincorporated Polk County)
- Polk County has taken the lead on execution of downstream drainage project in unincorporated Polk County

Additional activities that need to be completed include evaluating potential stormwater diversion, conveyance and storage options within the Lake Bonny watershed to reduce stormwater inputs to the lake during severe storm events

Estimated costs to complete studies, design, permitting and construction = $**5 to $10** million

Lake Hollingsworth South Drainage Improvement Project

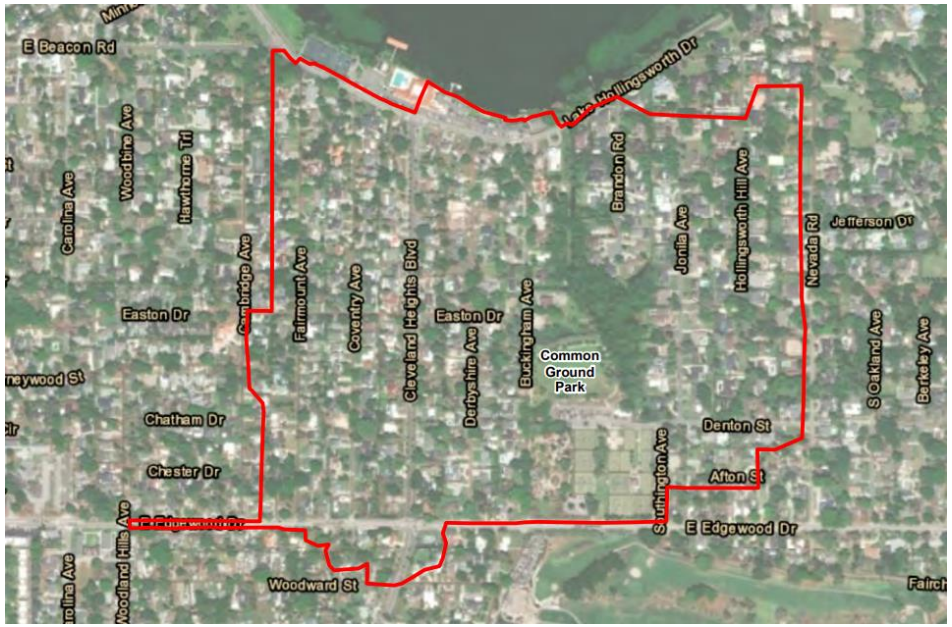
The area south of Lake Hollingsworth from Lake Hollingsworth Drive to Edgewood Avenue between Jonila Avenue and Cleveland Heights Blvd is subject to periodic and sometimes significant flooding issues

WSP completed a drainage infrastructure assessment and improvement feasibility study to model current and proposed improvements to drainage conveyances and infrastructure and identify feasible flood control, storage and mitigation options.

Proposed feasible improvements include:

- Construction of stormwater pipes and drainage conveyances including installation of new trunklines
- Replacing existing cross-drain systems with concrete culverts to improve flow at Lake Hollingsworth Drive
- consolidation of existing outfalls

Final design, permitting and construction to be completed
Estimated cost to complete is **~$6 to $8** million



Wayman Street Ditch Rehabilitation Project

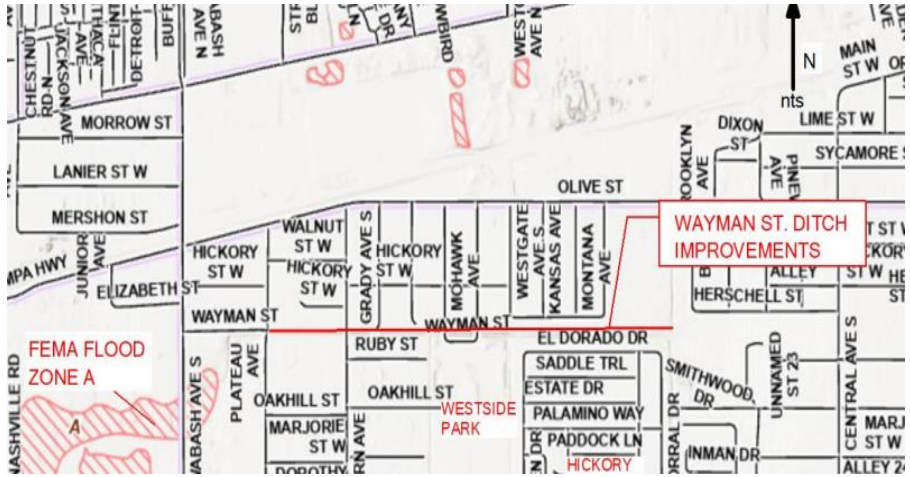
Wayman Ditch is an aged, 3,300-foot concrete paved, steeply sloped ditch located along Wayman Street between Wabash Avenue S and Corral Drive

The conveyance experiences ongoing erosion and stabilization issues resulting in frequent failures and costly maintenance

WSP completed a drainage infrastructure assessment and improvement feasibility study to model current and proposed improvements to drainage conveyances and infrastructure and identify drainage system improvements to reduce maintenance, reduce flood risk, and improve safety to workers and residents

Recommended actions include constructing an underdrain system and enclosing the ditch

Final concept design and permitting to be completed
Estimated costs of construction range from **$10.4 to $14.3** million



East Bay Street Stormwater Improvement Project

Stormwater improvement project to retrofit three FDOT ponds and one City pond and install BAM on pond sides and bottom.

Goal is to increase storage capacity, reduce street flooding, and decrease nutrients and sediments discharged to Lake Parker

Total Project Budget = $800,000 - $1.0 million
Applied for a surface water quality improvement grant from FDEP - received only $550,000 to be used towards construction

City will need to provide matching funds up to **$250,000**

Grant Funding Opportunities Help, But…

Lakes & Stormwater Division aggressively pursues & relies upon outside funding through State and Federal grants to complete LARGE & COMPLEX unfunded projects - even so up to 50% matching funds are often required

Grant funding is intermittent, *highly competitive*, and awards are not guaranteed even for GREAT PROJECTs

Impending regulations for surface water quality will result in additional financial burden

Restoration requirements for impaired surface water bodies

Forthcoming regulatory standards for algae, bacteria and PFAS

Recently passed State stormwater regulations require stringent nutrient reduction monitoring and compliance, O&M, retrofitting, inspections and reporting - will result in additional financial burden

Non-compliance with regulatory mandates could result in consent order and impact eligibility to receive grant funding

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Additional Necessary Stormwater Project Examples

- Dixieland West Drainage Improvements ($850K)
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- Ingraham & Osceola road flooding mitigation ($350K)
- S. Lincoln Avenue Drainage Improvements ($500K)
- Webster Avenue Drainage Improvements ($375K)
- Mass Market Area Drainage Improvements ($400K)
- North Lake Avenue Stormwater Retrofit ($400K)
- Lake Mirror Stormwater Improvements ($500K)
- Lake Morton Stormwater Improvements ($500K)
- Downtown Core Drainage Improvements ($1M)

Additional Necessary Surface Water Quality Restoration Needs

Based on unfunded mandates for impaired surface water bodies within City limits (estimated):

- Lake Bonny (2,550,000)
- Lake Bonnet (1,500,000)
- Crystal Lake (750,000)
- Lake Gibson (1,250,000)
- Lake Hollingsworth (3,000,000)
- Lake Hunter (2,000,000)
- Lake Mirror (1,600,000)
- Lake Morton (1,600,000)
- Lake Parker (11,125,000)

Questions

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Proposed Solution - (Scenario 2)

- Our proposed solution is to
  - Lower the ERU from 5,000 sf to 3,850 sf in 2026
  - Phase in a rate increase beginning in 2026 through 2030
  - Lower mitigation credits from 75% to 50%

- The effect of these changes can be seen on the following slide.
  - It is important to note that the comparative rates are from 2024 for the other agencies. At the same time, we were asked to show what our proposed rates will be in 2030, at the end of the 5-year rate increase.
  - Even with our proposed rates 5 years ahead of our peers, the City is in the midrange for rates.

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Proposed Solution – (Scenario 2)

Lakeland's Rate in Year 5 vs 2024 Peer Comparatives

		Jurisdiction	Population	Area Served (Acres)	Unit Size	Monthly Rate	Monthly cost per Unit	Annual Rate	Annual Bill @ 3,850 ERU
1	1	Winter Park, City of	30,522	6,509	2,324	$23.50	$0.0101	$282.00	$467.17
2	2	Palm Coast, City of	86,768	34,528	3,682	$28.27	$0.0077	$339.24	$354.72
3	3	Clearwater, City of	109,907	16,000	1,830	$13.87	$0.0076	$166.44	$350.16
4	4	Naples, City of	25,000	8,000	1,934	$14.50	$0.0075	$174.00	$346.38
5	5	West Palm Beach, City of	150,000	35,434	2,171	$15.73	$0.0072	$188.76	$334.74
6	6	Daytona Beach, City of	72,647	42,240	1,661	$11.96	$0.0072	$143.52	$332.66
7	7	Port St. Lucie, City of	212,015	75,600	2,280	$14.00	$0.0061	$168.00	$283.68
8	8	Safety Harbour, City of	17,072	3,200	1,865	$10.93	$0.0059	$131.16	$270.76
9	9	Largo, City of	83,071	12,246	2,257	$12.84	$0.0057	$154.08	$262.83
10	10	Tallahassee, City of	193,551	66,360	1,990	$10.06	$0.0051	$120.72	$233.55
11	11	Gainesville, City of	141,085	41,310	2,300	$11.00	$0.0048	$132.00	$220.96
	12	Lakeland, City of **(Scenario 2)**	110,000	47,995	3,850	$17.47	$0.0045	$209.64	$209.64
12	13	St. Petersburg, City of	250,000	37,920	2,406	$9.93	$0.0041	$119.16	$190.68
13	14	Fort Myers, City of	86,400	31,360	2,500	$9.80	$0.0039	$117.60	$181.10
14	15	Ocala, City of	57,586	29,028	1,948	$7.52	$0.0039	$90.24	$178.35
15	16	Kissimmee, City of	60,375	13,580	2,404	$9.10	$0.0038	$109.20	$174.88
16	17	Cape Coral, City of	200,000	76,800	3,296	$11.83	$0.0036	$141.96	$165.82
17	18	Palm Bay, City of	119,000	43,520	4,693	$10.92	$0.0023	$131.04	$107.50
18		Lakeland, City of **(Current)**	110,000	47,995	5,000	$9.72	$0.0019	$116.64	$89.81
19	19	Melbourne, City of	83,319	32,947	2,500	$3.67	$0.0015	$44.04	$67.82
20	20	Winter Haven, City of	50,000	26,349	NR	$7.83	N/A	$93.96	N/A

Source: Stormwater Utility Report 2024, prepared by Florida Stormwater Association

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