

Office of the County Auditor
Auditor's Analysis

Council Resolution No. 35-2020

Introduced: March 2, 2020

Auditor: Owen Clark

Fiscal Impact:

We anticipate the passage of this resolution will result in an incremental increase in the amount of reimbursements paid to private landowners through the County's stormwater management incentive programs. However, we cannot quantify this increase since we have no basis for estimating the volume of future applicants to the program.

The Administration has not prepared an analysis of this resolution's fiscal impact. However, it does expect to provide reimbursements for the total funding provided to this program in Fiscal Year 2021. This funding is anticipated to remain level at \$130,000 for the residential program and \$300,000 for the non-residential program.

Compared to the past two fiscal years that averaged reimbursements of \$65,000, all from the residential program, this rate change would result in increased reimbursements of about \$365,000 annually. Since the program's inception there have been zero non-residential best management practices (BMP's) installed via the reimbursement program. If demand for these reimbursements exceeds the funding, a waiting list would be kept until FY 2022.

Funding for these reimbursements will continue to come from the Watershed Protection and Restoration Fund, which is an Enterprise fund that derives revenues from a fee charged in residents' real estate tax bills.

Purpose:

This resolution amends the rates applicable to one-time reimbursements out of the Watershed Protection and Restoration Fund for the installation of stormwater BMP's on private property. Other new requirements include:

- Approved BMP's must be installed by a licensed contractor and secured by a maintenance agreement; and
- Owners of residential property may be eligible for up to 100 percent reimbursement if their household income is 250 percent or less of the poverty level.

These reimbursements are part of the residential and non-residential stormwater incentive programs that are administered by the Office of Community Sustainability.

Other Comments:

It should be noted that lower income residents who qualify for the 100 percent reimbursement of BMP installation costs would still be required to pay the total cost of their installation before applying for reimbursement. The Office of Community Sustainability (OCS) has indicated it will work with contractors and residents on this situation to ensure the fastest possible reimbursement.

Due to the inactivity of the non-residential program, OCS has partnered with commercial properties on larger stormwater retrofits. To support this effort, the County has a contract with OptiRTC, Inc. (Opti) through November 2023 for \$1,657,689. Per SAP (a County financial database), the County has paid Opti \$375,838 since Fiscal Year 2018.

Since FY 2018, there have been 96 residential BMP's installed via the reimbursement program. These installations have resulted in 2.5 impervious acre credits towards the County's Municipal Separate Storm Sewer Systems (MS4) permit, which is 0.1 percent of the restoration target identified in the permit's FY 2018 Annual Report.

The Administration stated the requirements that BMP's be installed by a licensed contractor and secured by a maintenance agreement were included to assure they are compliant with the County's MS4 permit. Regarding the maintenance agreements, these will include:

- Homeowners signing a Maintenance and Right of Entry Agreement for the life of the BMP (approximately 10 years) that requires triennial inspections.
- No cost to the County, as the County will not provide the maintenance.
- The private landowner being responsible for ensuring the BMP is maintained by a contractor or according to maintenance guidelines available through online guidance.

The Office of Community Sustainability anticipates the residential program will continue to be initiated through an online request process, and it plans to create an online request form for the non-residential program after this resolution passes in anticipation of it generating greater interest.