

**Agenda Item 10.A (1)
Meeting of 4/21/21****RESOLUTION 2021-14625**

A RESOLUTION AMENDING THE 2020-21 BUDGET ADOPTED BY ORDINANCE 2020-14570 TO FUND THE COST OF A STORMWATER UTILITY RATE STUDY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City adopted a budget in December 2020 via Resolution 2020-14570; and

WHEREAS, at the January 19, 2021 Workshop meeting of the Naples City Council, staff was directed by consensus to advance the Stormwater Utility Rate Study, hereinafter "Study", from Fiscal Year 2021-22 to Fiscal Year 2020-21; and

WHEREAS, staff requested letters of interest from professional consulting firms that were prequalified under the Consultants Competitive Negotiations Act requirements through Bid 19-001 to perform the Study; and

WHEREAS, three firms submitted letters which were evaluated by Streets & Stormwater Department staff in collaboration with the Finance and Utilities Department; and

WHEREAS Stantec, Inc., was selected as the top ranked firm and a scope of work, fee of One Hundred Thirty-Four Thousand, Two Hundred Five Dollars (\$134,205), and schedule were successfully negotiated; and

WHEREAS the Stormwater Utility Fund Balance has sufficient funds to provide said funding; and

WHEREAS, Naples City Council has determined the funding for the Study will be provided by the Stormwater Utility Fund Balance;

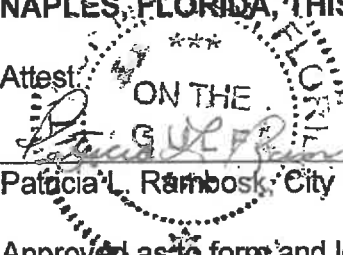
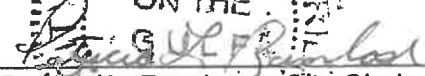
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NAPLES, FLORIDA:

Section 1. That the 2020-21 budget of the Stormwater Utility Fund is amended by appropriating \$134,205 in professional services from the unappropriated fund balance of the Stormwater Utility Fund.

Section 2. That this resolution will become effective immediately upon adoption.

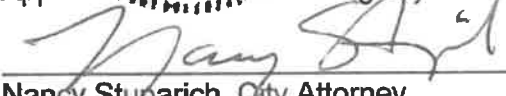
PASSED IN OPEN AND REGULAR SESSION OF THE CITY COUNCIL OF THE CITY OF NAPLES, FLORIDA, THIS 21ST DAY OF APRIL 2021.

Attest:

 ON THE

Patricia L. Rambosk, City Clerk


Teresa Lee Heitmann, Mayor

Approved as to form and legality:


Nancy Stuparich, City Attorney

Date filed with City Clerk: 5-4-21



Agenda MEMORANDUM

Streets & Stormwater Department

Natural Resources • Stormwater • Streets & Traffic

To: City Council
From: Gregg Strakaluse, Director
Date: January 4, 2021
Regular Meeting Date: January 20, 2021

Legislative Quasi-Judicial

SUBJECT:

1. Consider a Task Order Agreement with Stantec Consulting Services, Inc. to provide professional services for a Stormwater Utility Fee Rate Study in an amount of \$134,205; and authorize the City Manager to sign the Agreement; and
2. A Resolution Amending the 2020-2021 budget adopted by Resolution 2020-14570 to fund the cost of a Stormwater Utility Fee Rate Study in the amount of \$134,205.

SUMMARY:

The City of Naples has had a Stormwater Utility in place since 1994. Over the years, the stormwater management needs have changed, thereby causing a need to reassess the stormwater utility fee that is charged to each property owner in the City that uses a water meter. The goals and responsibilities of the Stormwater Utility are guided by the utility's enabling ordinance and a 10-year Stormwater Master Plan which is updated regularly. A Stormwater Utility Rate Study will conduct a revenue sufficiency Analysis and develop a 10-year financial management plan.

In reviewing this item and contemplating future action, staff is providing a unique resource for policymakers. Just this month, Black & Veatch Management Consulting, Inc. came out with their 2021 Stormwater Utility Survey Report that surveyed participants, mostly cities, in 20 states throughout the country. It's a wonderful summary about what stormwater utilities are doing throughout the country. Please see Attachment #1: 2021 Stormwater Utility Survey Report.

BACKGROUND:

At the January 19, 2021 City Council Workshop, by consensus, City Council directed staff to accelerate the stormwater rate study to the current fiscal year (FY 20-21). As the Department has presented numerous plans and projects with costs, it is becoming clear that the current stormwater utility may be underfunded for future needs. The existing revenue generated by the Utility is approximately \$5.1 million per year, based on a \$13.96 per month per average residential unit (ARU). The Utility bills 30,294 ARUs.

The Stormwater Utility's most recent 5-Year Capital Improvement Program contains over \$34 million in capital needs, and \$2.6 million in annual operational costs. Operating costs are

Ethics above all else... Service to others before self... Quality in all that we do.

expected to increase to \$3 million in FY 21-22. The public desire for improved flood protection and water quality are basic and significant quality of life issues. Preserving natural resources such as the Gulf of Mexico, Naples Bay and Moorings Bay (and the habitat they support), has energized efforts and direction for the Utility to make a positive difference.

Also, with recent evaluations of City infrastructure vulnerabilities, the Department has placed strong emphasis on building resiliency into projects to better protect valuable public assets from more frequent storms with increasing intensities. This has added cost to projects. To better understand the scope of projects and programs within the Utility, the following documents can be reference:

- The \$60 million Stormwater Master Plan;
- The \$30 million Lakes Management Plan;
- A multi-year swale reclamation plan;
- Basin Assessments that have resulted in multi-million-dollar infrastructure recommendations;
- Restoration projects that include oyster reefs, sea grasses, and mangrove protection;
- Vulnerability Assessments of City infrastructure;
- Increased street sweeping efforts;
- Integrating advanced stormwater quality technology.

In February 2021, staff issued a request for Letters of Interest (LOI) to four prequalified firms on the City's CCNA list (Consultant Competitive Negotiations Act). The CCNA list was developed through competitive solicitation, managed by the Purchasing Division, in 2019 under RFP 19-001. The four firms that received the request for LOI were:

1. Stantec, Inc.
2. AECOM Technical Services, Inc.
3. Wood Environmental & Infrastructure Solutions, Inc.
4. Tetra Tech, Inc.

Three firms submitted LOI's, Tetra Tech, Inc. did not. An evaluation team, comprised of three Department staff members, ranked the LOI's. They were:

- Gregg Strakaluse, Director
- Andy Holland, Engineering Manager
- James Miller, Stormwater Engineer & Plans Reviewer

Prior to ranking, the team consulted with Bob Middleton, Utilities Department Director, and Gary Young, Finance Director, to discuss the proposed rate study and expectations the City should have for a consultant in providing these specialized services. After careful consideration, the evaluation team ranked the firms in order shown above, with Stantec number one. Subsequently, a scope of work, fee and schedule was negotiated with Stantec. Attachment #2 includes Stantec's Task Order Agreement for the Stormwater Utility Rate Study, inclusive of a scope of work, fee breakdown, and schedule. While the original schedule submitted by Stantec indicated that work could be completed within 113 business days (or about August 12, 2021); staff has requested that the work be carried through the last City Council meeting of the year or December 15, 2021. This schedule allows the team to use the

summer recess for comprehensive research and analysis, while developing a set of rate options and methodologies for the community and City Council to consider. It also allows the team to properly schedule public involvement activities and City Council workshops and meetings.

FUNDING SOURCE:

A Stormwater Utility Rate Study was originally programmed for FY21-22; however, at the January 19, 2021 Workshop, City Council directed staff, by consensus, to accelerate the study to this fiscal year. Therefore, a budget amendment is required for this item to reallocate \$134,205 from the Stormwater Utility Fund Balance to professional services operating account #470-6002-539-531010.

RETURN ON VISION (ROV):

Goal #1: Preserve Naples small town character and culture.

N/A

Goal #2: Environmental sensitivity.

Funding a rate study demonstrates the City's strong interest in protecting the environment through effective stormwater fees, projects and programs.

Goal #3: Maintain an extraordinary quality of life for residents.

Funding a rate study demonstrates the City's strong interest in protecting the quality of life for residents through effective stormwater fees, projects and programs.

Goal #4: Maintain and strengthen the economic health and vitality of the City.

Funding a rate study enables the City to consider stormwater fees that support infrastructure projects that are fundamental to the economic health and vitality of the City.

RECOMMENDED ACTION:

1. Approve a Task Order Agreement with Stantec Consulting Services, Inc. to provide professional services for a Stormwater Utility Fee Rate Study in an amount of \$134,205; and authorize the City Manager to sign the Agreement; and
2. Adopt a Resolution Amending the 2020-2021 budget adopted by Resolution 2020-14570 to fund the cost of a Stormwater Utility Fee Rate Study in the amount of \$134,205.

