



# MAYOR & COUNCIL COMMUNICATION

February 4, 2020

**Subject: Creation of a Green Stormwater Infrastructure Fund Ordinance and Proposed Initiation of the Green Stormwater Infrastructure Program (City Wide)**

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**Issue** - Creation by ordinance of a restricted Green Stormwater Infrastructure (GSI) Fund to segregate monies derived from the new GSI Fee, and discussion of a staff proposal for rollout of the GSI Program.

**City Manager's Office Recommendation** – The Mayor and Council are respectfully requested to adopt the attached ordinance establishing the GSI Fund and to provide direction to staff regarding initiation of the GSI Program.

**Background** – On September 4, 2019, Mayor and Council approved the establishment of a GSI Program, as described in the attached GSI Fund Proposal (Attachment A). Mayor and Council directed staff to establish a GSI Fee to be issued to City residents via the Utility Services Statement at a rate of \$0.13 per Ccf (748 gallons) of water usage. Mayor and Council further directed staff to look into exempting from the fee those customers participating in Tucson Water's low-income assistance program.

In accordance with State law, staff has provided the required public notice of intent to establish the new fee, to become effective April 6, 2020.

**Present Considerations** – Staff seeks Mayor and Council adoption of a dedicated GSI Fund, as described in the "Financial Considerations" section below. Following establishment of the GSI Fund, staff proposes a series of actions to initiate the GSI Program:

## April 2020

- Begin \$0.13 per Ccf charge to residents within City limits (excluding those participating in Tucson Water's low-income assistance program)
- Develop outreach materials and web site
- Conduct media and social media outreach
- Train customer service staff
- Begin hiring process for program staff

## May 2020

- Customers will see first charges on their Utility Services Statement
- Separate, full-color insert will accompany utility statement, with information on GSI Fee and Program

## April-September 2020: Overall activities

- Hire program staff
- Begin maintenance of existing GSI features citywide

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- Identify time-sensitive capital project leveraging opportunities with Proposition 407 and Pima County Regional Flood Control District projects planned for FY 2021
- Evaluate pilot of Tucson Water's Neighborhood Scale Stormwater Harvesting Program (three-year pilot period ending June 2020); develop plan for future implementation of the program within the GSI Fund
- Outreach:
  - In-person, on-the-ground outreach will be limited until program staff is hired
  - Initial focus will be on neighborhoods where GSI maintenance will take place
  - Web, social, and traditional media, including Spanish-language

October 2020: Full formal public launch of the GSI Program

**Plan Tucson Considerations** – This proposal addresses sixteen policies in the areas of *Public Safety; Public Health; Water Resources; Energy and Climate Readiness; Green Infrastructure; and Land Use, Transportation, and Urban Design*. These policies are listed in Table 1 of Attachment A, the *Green Stormwater Infrastructure Fund Proposal*.

**Financial Considerations** – As provided in the attached ordinance, the GSI Fund is a separate fund consisting of those assets set aside for the purpose of financing, initiating, and operating the GSI Program described in Attachment A. This fund shall consist of accumulated revenue generated by a GSI Fee as established by the Mayor and Council and any interest earned thereon, consistent with limits and controls placed on fund interest by other provisions of the City Charter, the City Code, State law, and Federal law. The GSI Fee appears in Section 27-55 of the Tucson City code.

The Director of Finance shall be the custodian of all the GSI Fund's assets. Payment from the fund shall be made by the Director of Finance on demands prepared by City staff and authorized by the City Manager or City Manager's designee for purposes of funding the GSI Program. Monies in the GSI Fund shall be deposited in the City of Tucson's Investment Pool, which is a pool of all City receipts that is invested by the Finance Department to provide interest on those receipts while still allowing liquidity in each fund. Any balance in the GSI Fund at the end of any fiscal year shall remain in this fund to be available for future authorized uses. Any shortages in the GSI Fund at the end of any fiscal year shall be debited from the City's General Fund. The Director of Finance shall be responsible for maintaining a system of accounts for the funds in accordance with generally accepted accounting principles.

The GSI Fee will be issued only to residents and businesses within City limits via the Utility Services Statement, at a rate of \$0.13 per Ccf of water usage. Utility customers within the City who do not have water charges on their bill will be charged based on their sewer winter quarter average, or an average water use for their Environmental Services customer class. It is estimated that the GSI Fee will generate revenues of \$3.2 million in the first year of the GSI Fund.

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The GSI Fee will automatically sunset on June 30, 2023, unless extended by Mayor and Council. On or before December 31, 2022, City staff will present a review of the GSI Fee and Fund to Mayor and Council for their consideration in extending the fund or allowing it to sunset. If the GSI Fee is allowed to sunset, any remaining GSI Fund balance will be expended on approved GSI-related activities until the Fund is exhausted.

**Legal Considerations** – The attached ordinance has been prepared by the City Attorney's Office to establish the Green Stormwater Infrastructure Fund.

Respectfully submitted,



Albert Elias  
Assistant City Manager

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Timothy Thomure, Director, Tucson Water

Attachments: A - Green Water Stormwater Infrastructure Fund Proposal  
Ordinance