

SOUTHEAST METRO STORMWATER AUTHORITY
Acting by and through
SEMSWA WATER ACTIVITY ENTERPRISE

RESOLUTION 13-13
Adoption of Transportation Project Funding Participation Policy

WHEREAS, the Board has authorized the development of a Transportation Project Funding Participation Policy to equitably address requests for participation in the funding of stormwater management structures and facility components of transportation public improvement projects; and

WHEREAS, a Policy has been developed pursuant to the Board's authorization; and

WHEREAS, the policy addresses the Board's desire to account for situations when it is worthwhile to participate in the funding of transportation projects as an investment in the stormwater system or for unique projects that provide a discernable benefit to the stormwater system or existing SEMSWA ratepayers; and

WHEREAS, the Transportation Project Funding Participation Policy fulfills the Board's desire to participate in funding of selected stormwater system components of a transportation project in a consistent, equitable, and fair manner.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Board of Directors of the Southeast Metro Stormwater Authority, acting by and through SEMSWA Water Activity Enterprise, hereby approves and adopts the attached Transportation Project Funding Participation Policy.
2. The Executive Director is authorized and directed to implement the Transportation Project Funding Participation Policy detailed therein as of May 1, 2013.

SOUTHEAST METRO STORMWATER AUTHORITY
acting by and through
SEMSWA WATER ACTIVITY ENTERPRISE

Date: _____

ATTEST:

Secretary

Chairperson

APPROVED AS TO FORM:

Attorney for
Southeast Metro Stormwater Authority

By: _____
Edward J. Krisor

POLICY INTENT

The intent of this policy document is to provide criteria and procedures which shall serve as the basis for funding participation by the Southeast Metro Stormwater Authority (SEMSWA) in a public transportation project located in its Service Area. Transportation projects primarily address improvements to road system capacity and functionality. However, there may be situations when a transportation project also improves outfall system drainage, channel or stream conveyance and/or reduces roadway overtopping. In these instances, the transportation project may provide a benefit to the stormwater management system that SEMSWA operates and maintains; and therefore, may warrant funding participation.

STATEMENT OF PURPOSE

The purpose of this document is to establish SEMSWA's **Transportation Project Funding Participation Policy (Policy)** for transportation projects funded in whole or in part by Arapahoe County (County) or the City of Centennial (City) in SEMSWA's service area. SEMSWA recognizes that there are public transportation projects that may include drainage conveyance components that can assist SEMSWA in achieving its stormwater system management goals. A nexus between SEMSWA's purpose to plan, fund, construct, acquire, operate, and maintain drainage and flood control facilities and any transportation project funding request must be confirmed. This policy document will provide the foundation for establishing an appropriate connection for funding participation approvals.

Transportation Project Funding

SEMSWA may provide funding or partial funding of a public transportation project's drainage component if the upsizing, upgrading or replacing of a major drainageway crossing structure is determined to be beneficial to SEMSWA ratepayers. An example would be SEMSWA funding the replacement of an undersized culvert on a major drainageway at the same time the City or County completes a roadway project.

If a drainageway crossing improvement project is required solely to address stormwater issues, SEMSWA will coordinate with the City and/or County with respect to the timing of the project, but will be responsible for funding the improvement in its entirety. SEMSWA drainage system projects, which are located in a public right of way, will be brought to the City/County in a timely manner to determine if there may be an opportunity to meet a City/County need that could result in some level of funding participation by the City/County.

Executive Director Determination

A transportation project may present a unique opportunity to provide a benefit to SEMSWA's ratepayers. In such cases, the SEMSWA Executive Director would confirm that the project meets a SEMSWA stormwater management goal and has a direct connection to SEMSWA's purpose. The Executive Director determination, defined as an adjustment in the SEMSWA process or funding decision based on an evaluation of the drainage system project outcome, may be made on a case-by-

case basis. An example would be the utilization of an innovative water quality treatment component for the transportation project that provides targeted treatment above and beyond requirements, and is of interest to SEMSWA.

POLICY DISCUSSION

SEMSWA provides stormwater management services to the City and the unincorporated areas of the County within SEMSWA's Service Area. Stormwater management criteria for street drainage, pipes, culverts and bridges has been established in the SEMSWA Service Area via the approved SEMSWA and Arapahoe County Stormwater Management, GESC, and Infrastructure Criteria Manuals. These criteria establish that the principal function of a street is for traffic movement, and that drainage considerations are subservient to that function and must not interfere with the traffic function of the street.

Drainageway crossing structures are generally considered to be part of the transportation system. Therefore, there are times when a transportation project benefits SEMSWA's ratepayers by the inclusion of a drainageway crossing structure which improves drainage, channel or stream conveyance and/or eliminates roadway overtopping.

SEMSWA typically funds the construction of new drainage system infrastructure and improvements to its existing system with a combination of the fees paid by its ratepayers, system development fees (SDFs), and matching funds from the Urban Drainage and Flood Control District (UDFCD). SDFs are collected by SEMSWA from development projects. The SDFs are based on the estimated costs of regional improvements from the approved master plans for each basin. This is one funding source for SEMSWA's Capital Improvement Program, but represents only a fraction of the cost of constructing the master planned improvements. UDFCD funds are used primarily for stream stabilization and reclamation projects, and for regional system improvements.

This document establishes a policy of available participation options for transportation projects that include stormwater management components that benefit SEMSWA's existing ratepayers, as follows:

Funding of a public transportation project component

Stormwater management facilities associated with roadways normally include some or all of the following: drainageway crossing structures; pavement drainage systems including pipes, inlets, ditches, and swales; and water quality facilities. SEMSWA generally relies on regional Major Drainageway Plans (MDPs) or Outfall System Plans (OSP) to identify major drainageway crossing structures which have inadequate hydraulic capacity; and relies on its own inspections, to identify structures which may need replacement or rehabilitation due to poor physical condition.

SEMSWA is committed to providing maintenance of the existing storm sewers, inlets and outfall systems, which are part of an existing public pavement drainage system, and maintenance of public water quality facilities, which treat runoff from public roadways. However, it will not fund the construction of new pavement drainage system components or water quality facilities which exclusively treat existing, new or expanded roadways. At a minimum, SEMSWA will fund fifty percent (50%) of the costs associated with providing the eligible stormwater and water quality facilities identified in approved MDPs and OSPs. SEMSWA's level of funding participation in a transportation project will be determined

without consideration given to the source of funds. The option to use SDFs or UDFCD matching funds will not increase SEMSWA's level of funding participation.

SEMSWA participation in the funding of the replacement or upgrading of existing major drainageway crossing structures will be evaluated with consideration given to several factors, including, but not limited to the following:

- The improvements for upsizing, replacing or otherwise upgrading the drainage system structure are identified in a SEMSWA and/or County approved regional MDP or OSP;
- A SEMSWA inspection has identified damage requiring repair;
- The extent that the proposed transportation project benefits the regional stormwater system;
- The timing of the transportation project design and construction with respect to other funding commitments identified in SEMSWA's 5-year CIP plan;
- The priority of the structure replacement/improvement as determined by SEMSWA's current prioritization criteria for the determination of funding commitments and scheduling for CIP projects.
- The contribution to regional water quality.

SEMSWA will work closely with the City and County CIP departments to optimize the timing and construction aspects of any transportation project that includes a drainage component.

Executive Director Determination

The opportunity for funding participation to be based on an Executive Director Determination recognizes that there is the potential for an adjustment in the SEMSWA process or funding decision for a unique circumstance that provides a benefit to the SEMSWA ratepayers and meets a SEMSWA stormwater management goal. It is anticipated that this funding opportunity will be used infrequently, only when there is a unique but compelling circumstance and a demonstration has been made of an important benefit to ratepayers or to the stormwater system. Funding participation levels will be evaluated with consideration given to:

- A demonstration of an important benefit to ratepayers or to the stormwater system including resolution of a maintenance issue or a solution to a stormwater program area of concern that could be realized from the transportation project.
- The transportation project's innovative water quality facility adds to the 'science' of water quality treatment for the purpose of meeting future linear permanent water quality treatment requirements. SEMSWA may provide partial or full funding of this water quality facility, based on SEMSWA budget commitments, and will be directly involved in the design process.

CONDITIONS FOR SEMSWA PARTICIPATION

Funding of Stormwater Facilities Associated with a Transportation Project

Participation in the funding of a major drainageway crossing structure associated with a transportation project may be allowed if one or more of the following conditions are met:

1. **The need for an existing structure improvement has been identified in a SEMSWA and/or County approved regional MDP or OSP.** This includes funding for the replacement or upgrading of existing major drainageway crossing structures, or regional detention / water quality facilities. The ability for SEMSWA to construct these master planned improvements during a roadway expansion or realignment project is of primary interest to SEMSWA. For major drainageway crossing structures, SEMSWA's funding participation for the structure will be limited to the costs SEMSWA would have incurred in designing, replacing, improving, or rehabilitating the existing structure across the existing roadway at the existing location.
2. **A SEMSWA inspection of the existing structure has identified the need for structure replacement or rehabilitation.** The drainage crossing structure may not have been identified as a master planned improvement, but condition assessment inspections or other engineering analysis of the existing structure identifies damage or poor condition, and there is a direct benefit to the stormwater system from replacement or rehabilitation of the structure. SEMSWA's funding participation for the structure replacement or rehabilitation will be limited to the costs SEMSWA would have incurred in designing, replacing, improving, or rehabilitating the existing structure across the existing roadway at the existing location.
3. **The replacement/improvement of an existing structure is warranted on the basis of SEMSWA's current prioritization criteria used to assist in the determination of the budgeting and scheduling of CIP projects.** SEMSWA will construct regional stormwater management components based on an analysis of the needs of the system as a whole, and the resulting benefits to the existing ratepayers. SEMSWA funding participation for the replacement/improvement of a structure will be limited to the costs SEMSWA would have incurred in designing, replacing, improving, or rehabilitating the existing structure across the existing roadway at the existing location.

Funding participation will require SEMSWA to be jointly involved with the City or County in the project scoping, design, review and approval, and during construction activities at a level to be determined for the conditions detailed above. Requests for SEMSWA's funding participation should be made as early as possible in the transportation project's planning process in order to provide adequate time for SEMSWA to accommodate the request in its 5-year CIP development process. The Executive Director will review all requests for funding. The Executive Director will ensure that any funding participation provides a benefit to existing SEMSWA ratepayers and the stormwater system, and that all participation meets established criteria. The final participation amount for any project exceeding \$30,000 shall be approved by SEMSWA's Board of Directors as required by existing policy.

Executive Director Determination

Funding participation for a specific request to the Executive Director for a determination may be allowed if one or more of the following conditions are met:

1. **The transportation project includes an improvement to the long-term maintenance of a stormwater facility and resolves a significant maintenance issue.** There must be a tangible benefit to existing ratepayers in the form of reduced maintenance activity, and the funding participation level will be related specifically to the direct benefit received.
2. **The transportation project includes an improvement which resolves a significant stormwater management program area issue or facilitates the implementation of a SEMSWA system enhancement goal; for example, the project resolves a significant flooding issue not identified in an MDP or OSP, but confirmed by a SEMSWA engineering analysis.** There must be a benefit to existing ratepayers by the resolution of the issue or the benefit of the goal being implemented, and the funding participation level will be related specifically to the resolution or implementation benefit.
3. **The transportation project includes an innovative water quality facility for the treatment of the added roadway impervious surface that is of interest to SEMSWA.** If the construction of the facility, and subsequent maintenance of the facility, provides SEMSWA with important insight and understanding of the role of state-of-the-art treatment technologies for a linear roadway project, SEMSWA may choose to participate in partial or full funding, at a level to be determined based on SEMSWA budget commitments.
4. **The transportation project provides an important ancillary or direct benefit to SEMSWA's existing ratepayers or to the stormwater system.** If the ancillary benefit of the roadway project provides a direct source of revenue to SEMSWA through developer paid System Development Fees or through an increase in ratepayer Annual Fees due to a substantial increase in impervious area that benefits existing ratepayers, and there is a reasonable time for return on the initial stormwater infrastructure investment, SEMSWA may choose to participate in funding of the project, at a level to be determined.

An Executive Director determination for funding participation in a City or County transportation project is on a case-by-case basis. In all instances, SEMSWA will need to be involved up-front in the scoping, design, construction and monitoring activities, at a level to be determined. Requests for SEMSWA's funding participation should be made as early as possible in the transportation project's planning process in order to provide adequate time for SEMSWA to accommodate the request in its 5-year CIP development process. The benefit to the ratepayers and/or to the stormwater system, compliance with established criteria, and the basis for the participation will be documented in the determination. The determination may include additional written documentation up to and including a professional engineer's analysis.

IMPLEMENTATION PROCEDURES

The City or County shall contact the SEMSWA CIP Program Manager in the planning stages of the transportation project to discuss the stormwater management system components of the proposed project. Early communication on funding requests is critical since SEMSWA annually reviews and updates its 5-Year Capital Improvement Program. The SEMSWA CIP Program Manager begins the final prioritization and budget planning in July for the subsequent year's projects, and finalizes the CIP budget in September of each year.

In general, the implementation procedure for authorizing funding participation will include:

- ✓ Contacting the SEMSWA CIP Program Manager to identify the transportation project
- ✓ Meeting with the CIP Program Manager, the Land Development Program Manager, and other SEMSWA staff to discuss the stormwater management aspects of the project
- ✓ SEMSWA field verification of the project site conditions, if applicable
- ✓ SEMSWA and City or County determination of specific project scope
- ✓ SEMSWA determination of project funding contribution amount
- ✓ Written request by partner entity for funding contribution from SEMSWA
- ✓ Funding approval by the Executive Director
- ✓ Inclusion in the CIP budget, as applicable

POLICY EXEMPTIONS/LIMITATIONS

No public development shall receive funding participation for any transportation construction activity unrelated to SEMSWA's mission of providing regional stormwater management services. No private roadway projects will be funded.

APPEALS PROCESS

Appeals of funding participation decisions will automatically be brought to the SEMSWA Board of Directors within thirty (30) days of the funding decision by the Executive Director. The requesting agency shall provide a statement including all reasons for the appeal and any supporting documentation available.