

A RESOLUTION

ESTABLISHING A STORMWATER UTILITY FEE
ADVISORY COMMITTEE

WHEREAS, the City Council has established development of a plan to fund stormwater drainage improvement as a 2009-2011 City Council goal; and

WHEREAS, City Council directed staff at the March 23, 2010, Study Session to proceed with the next implementation step for the stormwater utility fee. This would involve establishing a Stormwater Utility Fee Advisory Committee and proceeding with the development of an expenditure, revenue, and billing plan for a City of Champaign stormwater utility fee; and

WHEREAS, the development and implementation of a stormwater utility fee requires extensive technical and community input; and

WHEREAS, an Advisory Committee provides an opportunity for both technical and citizen input and review.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHAMPAIGN, ILLINOIS, as follows:

Section 1. There is hereby established a Stormwater Utility Fee Advisory Committee.

Section 2. The Stormwater Utility Fee Advisory Committee shall consist of fifteen (15) members appointed by the Mayor with the approval of the City Council. Members shall include representatives from each of the following: one member of the Champaign City Council, one member from the John Street Steering Committee, one member from the Washington Street East Steering Committee, one member from the Washington Street West Steering Committee, two property owners from Champaign neighborhoods, one member from the Central Illinois Apartment Association, one member from non-profit organizations, two members from commercial businesses, one member from industrial business, one member from the Unit 4

School District, one member from the Champaign Park District, one member from Parkland College, and one member from the University of Illinois.

Section 3. The duties of the Stormwater Utility Fee Advisory Committee shall be to:

- a. Develop goals and objectives for the expenditure, revenue, and billing plan for the stormwater utility fee;
- b. Provide input and direction on the expenditure, revenue, and billing plan prepared by City staff and/or the consultant for the stormwater utility fee.
- c. Assist with obtaining public input on the expenditure, revenue, and billing plan for the stormwater utility fee.
- d. Carry out such other responsibilities as may be determined by City Council.

Section 4. The Advisory Committee shall adopt such rules and procedures as it find desirable.

Section 5. The Public Works Department shall provide necessary staff support to the Advisory Committee.

Section 6. The Advisory Committee shall cease to exist after the stormwater utility fee expenditure, revenue, and billing plan has been presented to City Council.

COUNCIL BILL NO. 2010 - 127

PASSED:

APPROVED: _____
Mayor

ATTEST: _____
City Clerk

APPROVED AS TO FORM:

City Attorney



REPORT TO CITY COUNCIL

FROM: Steven C. Carter, City Manager

DATE: June 11, 2010

SUBJECT: EXPLANATION OF COUNCIL BILL NO. 2010-127 AND 2010-128

A. Introduction: The purpose of these Council Bills is to authorize the following actions:

1. Establish a Stormwater Utility Fee Advisory Committee, and
2. Appoint individuals to the above referenced advisory committee.

B. Recommended Action: The Mayor and Administration recommends the approval of these Council Bills.

C. Prior Council Action:

- March 17, 1992, CB 1992-79 – Council established a Stormwater Management Task Force to provide input and direction for the Stormwater Management Plan Report.
- May 19, 1994, CB 1994-129 and CB 1994-130 – Council established and appointed members to the Phinney Branch Task Force. The task force provided input and direction for the Phinney Branch Master Plan.
- Exhibit A attached to this report provides a summary of prior City efforts concerning a stormwater utility fee.
- March 23, 2010, Study Session – The Background section below summarizes Council direction at this Study Session.

D. Summary:

- City Council has established development of a plan to fund stormwater drainage improvements as a 2009-11 City Council goal.
- A stormwater utility fee is one method of providing this funding.
- At the March 23, 2010, Study Session, Council directed staff to proceed with the next implementation step for the stormwater utility fee. Staff indicated the next step would be establishing a Stormwater Utility Fee Advisory Committee and proceeding with the development of an expenditure, revenue, and billing plan for a City of Champaign stormwater utility fee.

- A Stormwater Utility Fee Advisory Committee provides an opportunity for technical and citizen input on a stormwater utility fee.
- The Stormwater Utility Fee Advisory Committee will consist of fifteen members.
- The advisory committee would cease to exist after the stormwater utility fee expenditure, revenue, and billing plan has been completed.

E. Background:

1. Stormwater Utility Fee. City Council has established development of a plan to fund stormwater drainage improvements as a 2009-2011 City Council goal. A stormwater utility fee is one method of providing this funding.

Stormwater runoff can be managed as a utility and billed as a fee. The fee is based on the concept that every property in a watershed contributes runoff and should support the operation, maintenance, and rehabilitation of the stormwater transport system. The amount of support is based on the amount of runoff the property contributes to the stormwater drainage system.

The runoff from a property is usually based on the amount of impervious area that has been constructed on a property. Impervious area is typically measured in terms of equivalent residential units (ERU) i.e. the amount of impervious area for a typical residential property.

A stormwater utility fee would incorporate a credit program. The credit program is designed to encourage property owners to construct and maintain improvements to their properties to reduce and treat the stormwater from their property.

2. Council Study Session. At the March 23, 2010, Study Session, Council directed staff to proceed with the next implementation step for the stormwater utility fee. Staff indicated the next step would be establishing a Stormwater Utility Fee Advisory Committee and proceeding with the development of an expenditure, revenue, and billing plan for a City of Champaign stormwater utility fee.

The Council Bills associated with this report establish a Stormwater Utility Fee Advisory Committee and appoints individuals to this committee. Staff has also completed the selection process for a consultant. The consultant would help staff complete the expenditure, revenue, and billing plan. Staff anticipates Council action on the consultant's professional services agreement at the July 20 Council meeting.

3. Stormwater Utility Fee Advisory Committee. The development and implementation of a stormwater utility fee would require extensive technical and community input. A Stormwater Utility Fee Advisory Committee provides an opportunity for both technical and citizen input and review. The duties of the committee are outlined in the resolution that establishes the committee.

The committee would meet six to nine times over the course of the next 12 months. The committee would cease to exist after the stormwater utility fee expenditure, revenue, and billing plan has been presented to the City Council.

4. Committee Membership. The proposed Stormwater Utility Fee Advisory Committee would have 15 members. Working with the Mayor, the John Street, Washington Street East and

West Steering Committees, Unit 4 School District, Champaign Park District, Parkland College, University of Illinois, and the Central Illinois Apartment Association were contacted by staff and asked to recommend an individual from their organization to serve on the advisory committee. The Champaign County Chamber of Commerce recommended individuals for the commercial and industrial businesses.

Staff proposed two property owners. The goal for one position was to select someone who owned property in a subdivision that was constructed to current City stormwater infrastructure standards (Vic McIntosh, 501 Clearwater). The goal for the other position was to select someone who owned property in a subdivision that had none or very little stormwater infrastructure. Council Member Dodds helped in finding a property owner willing to serve from that area (Anna Maria Watkin, 1721 West Haven Drive). Including property owners from these neighborhoods on the committee will help address questions concerning the benefit of a stormwater utility fee to them.

At this time, the one member to represent non-profit organizations on the advisory committee has not been identified. The Church of the Living God is assisting the City in this selection. The Mayor will ask Council to confirm the non-profit representative appointment to the committee at a later Council meeting.

The University of Illinois will also have Bruce Walden serve as an alternate to Jack Dempsey when he cannot attend an advisory committee meeting. All individuals have been contacted by the City and they have agreed to serve. Vic McIntosh has agreed to serve as chair of the committee at the request of the Mayor.

F. Alternatives:

1. Approve the Council Bills establishing the Stormwater Utility Fee Advisory Committee and appointing individuals to the advisory committee.
2. Do not approve the Council Bills and provide direction to staff.

G. Discussion of Alternatives:

Alternative 1 establishes the Stormwater Utility Fee Advisory Committee and appoints individuals to the committee.

a. Advantages

- Consistent with Council's direction to proceed with the next implementation step for a stormwater utility fee.
- Provides a means for staff to obtain stakeholder (individual and major property owner) input on a stormwater utility fee.

b. Disadvantages

- Initially requires additional staff time.
- Could marginally increase the cost for implementing a stormwater utility fee.

Alternative 2 does not approve the Council Bills.

a. Advantages

- Allows Council the opportunity to revise either the purpose or membership of the Stormwater Utility Fee Advisory Committee.
- Dependent upon Council direction, there could be other advantages.

b. Disadvantages

- Individual disadvantages would be dependent on Council's direction.
- Could result in delays to the City's efforts to investigate a stormwater utility fee.

H. Community Input: No specific public input was sought for these Council Bills. The public had an opportunity to provide input on the Stormwater Utility Fee Advisory Committee at the March 23, 2010, City Council Study Session. The public would have an opportunity for input on the advisory committee when these Council Bills are considered for Council action.

I. Budget Impact: Budget impact from Stormwater Utility Fee Advisory Committee would be minimal. Staff recommended the hiring of a consultant to assist with the preparation of the Expenditure, Revenue, and Billing Plan for the stormwater utility fee. Staff will want the consultant to attend most, if not all, advisory committee meetings. Staff estimates the cost of this attendance at less than \$10,000.

J. Staffing Impact: The Stormwater Utility Fee Advisory Committee staffing impact would be significant. Staff estimates it will take approximately twenty to thirty hours to prepare for, attend, and document each of the six to nine advisory committee meetings. The City Engineer, Public Works Director, and one Public Works project specialist (ten hours per week) would provide most, if not all, staffing needs of the Stormwater Utility Fee Advisory Committee.

Prepared by:

Dennis Schmidt, P.E.
Public Works Director

Attachments: Exhibit A: Stormwater Utility Fee – Prior City Efforts

EXHIBIT A

Stormwater Utility Fee Prior City Efforts

July 1996 – The task force finished its work and summarized its findings in a report titled Stormwater Management Plan. A copy of the plan is on the City’s website. The plan contains 6 objectives and 32 strategies for stormwater management. Strategy E1 of the Stormwater Management Plan states, “Establish a utility fee to be applied to all properties within the City for the purpose of funding all ongoing or annually recurring drainage system maintenance and management expenses.” Since 1996, strategies listed in the Stormwater Management Plan have been accomplished. The strategies have been the basis for future City stormwater efforts.

November 1996 – Staff presented to Council a Stormwater Facility Maintenance and Rehabilitation Plan. At that time, the City did not have a complete inventory of its storm sewer system, i.e. the City did not know exactly how many miles of storm sewer pipe or number of inlets or manholes were in the system. At the time, the City’s stormwater maintenance was reactive in nature, i.e. storm sewers were not cleaned until they were plugged and a citizen called about the surface flooding, and storm sewers were not repaired until sink holes appeared on the ground surface.

The Stormwater Facility Maintenance and Rehabilitation Plan outlined several alternatives for inventorying the storm sewer system and providing a comprehensive storm sewer preventive maintenance program. Staff also provided information on a stormwater utility fee (Exhibit A). The revenues from the fee could be used to fund the additional cost for storm sewer maintenance.

No decision was made on the stormwater utility fee at that time. Staff was directed to inventory the storm sewer system and complete pilot storm sewer maintenance projects in order to develop better cost estimates for maintenance activities.

March 1998 – Staff presented to Council an updated Stormwater Facility Maintenance and Rehabilitation Plan. The Plan incorporated the completed inventory of the City’s storm sewer system and updated cost estimates for alternatives to provide a storm sewer preventive maintenance program. Generally, Council supported a plan to clean and televise storm sewers on a 10-year cycle and fund rehabilitation needs discovered during the televising process. Council did express concerns regarding how to fund expanded storm sewer maintenance activities.

November 1998 – Staff presented two methods for funding an expanded storm sewer preventive maintenance program. One method would involve funding additional maintenance activities with a stormwater utility fee. The other method scaled back the storm sewer maintenance program and funded the additional maintenance expenses by eliminating the property tax subsidy in the sanitary sewer fund, increasing sanitary sewer fees to fund all sanitary sewer costs and using the property tax revenues for storm sewer maintenance. Council generally supported the parameters of method two.

April 2001 – As part of the FY02 budget preparation process, staff prepared a budget memorandum for stormwater management. The memorandum recommended a storm sewer preventive maintenance program that would clean and televise storm sewers on a 5-year cycle and provide additional funds to repair the storm sewers, inlets, and manholes that were identified with deficiencies. The memorandum also recommended funding this enhanced storm sewer maintenance program with a stormwater utility fee. Council voted against the fee and directed staff to scale back the storm sewer maintenance program.

April 2002 – In a FY03 Budget Memorandum pertaining to the FY02/03 proposed budget, staff recommended providing \$988,000 annually for stormwater management. Specifically, \$125,000 of that total was dedicated for expenses associated with stormwater quality as part of the City's National Pollutant Discharge Elimination System (NPDES) permit. The balance, \$863,000, would be used for storm sewer cleaning, televising, and repairs. The funding would be provided by eliminating the property tax subsidy in the sanitary sewer fund, increasing sanitary sewer fees and using the property tax revenue for storm sewer maintenance. Council adopted this recommendation. Increased sanitary sewer fees were phased in over a five-year period and the new stormwater funding was fully implemented in FY2006/2007.