

COUNCIL BILL NO. 2012-045

A RESOLUTION

APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN
THE CITY OF CHAMPAIGN AND THE URBANA & CHAMPAIGN SANITARY DISTRICT
FOR STORMWATER UTILITY FEE BILLING SERVICES
(Public Works Department – Urbana & Champaign Sanitary District)

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

Section 1. That the agreement between the City of Champaign and the Urbana & Champaign Sanitary District entitled “Intergovernmental Agreement for Billing Services,” a copy of which is attached hereto and made a part hereof, is approved.

Section 2. That the City Manager is hereby authorized to execute an agreement substantially in the same form as approved in Section 1 above.

COUNCIL BILL NO. 2012-045

PASSED:

APPROVED: _____
Mayor

ATTEST: _____
City Clerk

APPROVED AS TO FORM:

City Attorney

**INTERGOVERNMENTAL AGREEMENT
FOR BILLING SERVICES**

URBANA & CHAMPAIGN SANITARY DISTRICT/CITY OF CHAMPAIGN

THIS AGREEMENT is made this ____ day of _____ 2012, by and between the **URBANA & CHAMPAIGN SANITARY DISTRICT**, a municipal corporation (hereinafter referred to as "**District**") and the **CITY OF CHAMPAIGN**, a municipal corporation (hereinafter referred to as "**City**").

WHEREAS, the City has established a sanitary sewer fee for use of the City's sanitary sewer system in accordance with Section 29-301 through Section 29-506 and Section 29-601 through Section 29-811 of the Champaign Municipal Code, 1985, attached hereto as Exhibit A (hereinafter "Sanitary Sewer Fee Ordinance").

WHEREAS, the City has established in a stormwater utility fee for the use of the City's stormwater sewer system in accordance with Article VI of Chapter 29.5 of the Champaign Municipal Code, 1985, attached hereto as Exhibit B (hereinafter "Stormwater Utility Fee Ordinance.")

WHEREAS, the City and District agree that provision of billing services by the District to the City is in the best interests of the parties and the parties' customers.

NOW, THEREFORE, IT IS AGREED BY AND BETWEEN THE PARTIES as follows:

I. Billing Services, Billing Rate, and Calculation of Charges

A. On the date of this agreement and thereafter.

1. The District shall include charges for the City's Sewer Use Fee and Stormwater Utility Fee on bills for the District's services. Each City fee will be listed as a separate line item on the District's sewer bill. The fees will be identified on the bill as the "sewer use fee" and "stormwater utility fee".
2. The City shall establish billing formulas for each service for each entire calendar year. The District shall calculate bills using the formulas established by the City. The City will notify the District of any change to the City's billing formulas not later than December 15 of the year before the effective date. The District will implement any change in the City's formulas with the first billing of the new calendar year. The new rate(s) shall apply to all bills generated on or after the effective date of the rate or rate change.
3. The District shall accurately calculate and use its best efforts to collect the City's fees. Notwithstanding the foregoing, the District shall not be liable for any fees not collected. The District's calculation methods shall include the following:

- a. The District will calculate the City's sewer use fee based upon the rate provided to the District by the City as applied to the billable flow for each parcel billed by the District.
 - b. The District will bill the City's stormwater utility fee based on information provided by the City.
 - c. The District will assess delinquency fees on unpaid balances in accordance with the District's standard procedures utilized for its own delinquent accounts.
 - d. City sewer use fees billed by the District that become delinquent will be collected in accordance with the District's standard procedures that it utilizes for collecting its own delinquent accounts. The District will communicate material changes to these procedures to the City prior to implementation.
 - e. City stormwater utility fees billed by the District that become delinquent will be collected in accordance with the District's standard procedures that it utilizes for collecting its own delinquent accounts up to the step of discontinuance of water service. At that point, the District will reverse all outstanding stormwater utility fees assessed by the District on the delinquent account, create a detail of the fees, and forward that information to the City. Collection efforts for stormwater utility fees reversed for non-payment will become the responsibility of the City.
 - f. The City may determine that fee adjustments are to be applied to certain stormwater utility accounts in accordance with City ordinance or policy. Additions of or changes to existing criteria will be forwarded to the District no more frequently than once a week. Change information shall include the parcel identification number, property address, ERU, and /or credit percentage. Changes will be incorporated into the stormwater fee calculation for the specified parcel and will apply to the next regularly generated bill.
- B. Response to Customer Questions: The District will make good faith efforts to respond to questions from customers concerning the City's charges, including past-due amounts. The District will direct customers who request additional information to the City at a phone number provided to the District by the City.
- C. Processing Payments. The District will process all payments of the fees as it processes payments of District charges. Payments shall be applied to the oldest outstanding bill first in the following order: delinquency or collection fees, District charges, sewer use fee, and stormwater utility fee. The District will distribute all receipts collected to the City each month via wire transfer or ACH before the end of the fifth business day of the following month. The District shall not pay to the City interest earned on funds held on behalf of the City during the month in which it is collected.

II. Responsibilities of City Prior to Initiation of District Billing

- A. Prior to implementing the stormwater utility fee, the City will notify all owners of property in the City that Stormwater Utility Fees will be assessed to each parcel and will be included on the District's regular bill.

III. Fees for Services Provided by the District.

- A. Fees. The City shall pay to the District 3.0% of billed revenues for services rendered. Changes in fee structure for subsequent years shall be set by mutual written agreement between the Executive Director of the Urbana & Sanitary District and the City Manager of the City of Champaign. Effective date for billing fees for all bills generated on or after shall be January 1, 2013.

IV. District Information Sharing Responsibilities.

- A. No later than the date specified in I.C., the District shall provide the following information to the City regarding billing information for the City's fees:
 - 1. The amount billed, paid, outstanding, and the amount that the District deems uncollectible by reason of bankruptcy or similar reason. Those City fees that the District deems uncollectible shall receive no further attention by the District. The District will identify such accounts by address and Parcel Identification Number.

V. Amendment and Termination.

- A. This Agreement may be amended by written agreement of both parties.
- B. This Agreement may be terminated by either party for any reason by notifying the other party in writing at least 90 days prior to the 31st day of December of the year of termination.
- C. In the event that this Agreement is terminated for any reason, within thirty (30) calendar days following the date of termination, the District shall provide to the City the following information for each property subject to the City's fees, in an industry-standard format using industry-standard electronic media:
 - 1. Parcel identification number assigned by County
 - 2. Premise number assigned by IAWC
 - 3. Property address
 - 4. Billing address
 - 5. Property owner name
 - 6. Billing and payment history, including the following for each billing period:
 - a. Water reading
 - b. Billed sewer units (daily base or actual water use, as applicable)
 - c. Dollar amount billed for sewer use fee
 - d. Dollar amount billed for stormwater utility fee
 - e. Amount paid toward each fee type
 - f. Amount outstanding for each fee type

Within thirty (30) calendar days of termination, the District shall also provide to the City the following information for each property within the City of Champaign boundaries that is not subject to the City's sewer use fee and stormwater utility fee, in an industry-standard format using industry-standard electronic media:

- 1. Parcel identification number assigned by County
- 2. Premise number assigned by IAWC
- 3. Property address
- 4. Billing address
- 5. Property owner name

The District shall provide the above data to the City upon the City's request prior to termination of this Agreement, and provide other information that the City might reasonably request, so that the City may test conversion of the data to the City's billing system.

VI. Notices

Any notices required or made pursuant to this Agreement shall be delivered personally or sent by first class mail as follows:

To the District

Executive Director
Urbana & Champaign Sanitary District
P. O. Box 669
Urbana, IL 61803-0669

To the City

City Manager
City of Champaign
102 North Neil Street
Champaign, IL 61820

IN WITNESS WHEREOF, the parties hereto have set their hand and seal the day and year first written above.

URBANA & CHAMPAIGN
SANITARY DISTRICT

CITY OF CHAMPAIGN

By: _____
President

By: _____
City Manager

ATTEST:

By: _____
Clerk

By: _____
City Clerk

SEAL:

SEAL:

APPROVED AS TO FORM:

City Attorney

EXHIBIT A

Sec. 29-301. - Sanitary sewer fee.

(a) The owner as of January 1st in a calendar year of a service unit in existence as that date shall be liable for the sanitary sewer fee in an amount determined pursuant to this article for the calendar year in which that January 1 occurs, and such fee, together with penalties, interest and costs that may accrue thereon, shall be a lien on such real property from and after the first day of January until paid.

(b) The owner of real property as of the date of connection to a sanitary sewer connected to the City's sanitary sewer system after January 1 shall be liable for the sanitary sewer fee as determined by this article for the year in which the property is connected based on the prorated portion of the calendar year in which the property is connected, and such fee, together with penalty and interest and costs that may accrue thereon shall be a lien on such real property from and after the date of connection.

Sec. 29-301.1. - Agreement for billing with the Urbana-Champaign Sanitary District.

(a) The City Manager is hereby authorized to enter into an Intergovernmental Agreement ("Billing Agreement") with the Urbana-Champaign Sanitary District ("District") for the District to send bills to users of sanitary sewers for the City's Sanitary Sewer Fee.

(b) The City Manager is authorized to execute addendums to any Billing Agreement which has been previously approved by the City Council for the purpose of making the billing arrangements contained in the Agreement more efficient or for the purpose of adjusting the fees paid by the City to the District.

(c) To the extent that any provision of this article is superseded, amended, or changed by the terms of the Billing Agreement, then the provisions of this article shall not be effective or controlling while the Billing Agreement is in effect.

(d) To the extent the adopted procedures of the Sanitary District contradict the provisions of this article, the procedures in the Agreement shall apply while the Agreement is in force and effect.

Sec. 29-302. - Definitions.

As used in this article, the following words and terms shall have the meanings and constructions as set forth in this article.

Sec. 29-303. - Billed water usage defined.

Billed water usage means the average daily amount of water indicated as used by a service unit as determined from the records of the public utility providing water service to the service unit for one selected actual or estimated water meter reading for such service unit during the months of November, December, January, February and March for the most recent year for which data is available to the City.

Sec. 29-304. - Director defined.

Director means the Finance Director for the City, or said Director's designee or other person designated by the City Manager.

Sec. 29-305. - Statement date defined.

Statement date means the date the sanitary sewer fee bill as determined under this article is caused to be deposited in the United States mail by the Director.

Sec. 29-306. - Service unit defined.

Service unit means any lot, tract or parcel of real property which has a sanitary sewer connected into a City of Champaign sanitary sewer for purposes of allowing discharge of water or waste from the real property.

Secs. 29-307—29-400. - Reserved.

Sec. 29-401. - Determination of sanitary sewer fee.

(a) Each service unit shall pay as a sanitary sewer fee an amount determined by the following formula: $a = b \times c$, where

a = Amount of sanitary sewer fee for the service unit

b = Billed water usage expressed in average daily cubic feet for the service unit

c = The following sums per cubic foot or pro rata portion thereof:

- for the year starting January 1, 2009: \$2.77
- for the year starting January 1, 2011: \$2.85

The adequacy of the sewer use fee will be reviewed during annual budget preparation. The amount may be amended annually using the same formula or such other appropriate formula as the Council may determine to reflect a change in capital or operating, maintenance, and repair costs.

Sec. 29-402. - Adjustments to billed water usage.

The billed water usage may be adjusted by the Director:

(a) To exclude water furnished to the service unit which was evaporated or bottled for shipment in a commercial or industrial operation; or

(b) To an amount which more properly represents the average daily actual sanitary sewer usage by the service unit, upon presentation by the owner of the service unit of factual evidence which, in the Director's sole discretion, establishes that the meter reading used to calculate the billed water usage does not reflect the average daily amount of water entering the sanitary sewer system for reasons such as but not limited to a water line leak, or unusual water usage during the base month as evidenced by lower average daily readings during other periods.

Sec. 29-403. - Responsibility for initiating adjustment process.

The owner of the service unit is responsible for initiating any review of the billed water usage for a service unit and presenting factual evidence in support of a change in the billed water usage if the owner wishes to have the billed water usage adjusted.

Sec. 29-404. - Time period for seeking an adjustment.

The owner of the service unit must file an application for an adjustment on forms provided by the City and file the application and factual evidence in support of the adjustment with the Director within thirty (30) days of the initial bill first notifying the owner of the service unit's rate.

Secs. 29-405—29-500. - Reserved.

Sec. 29-501. - Billing address.

The bill for a service unit shall be sent to the owner of the property as shown by the records of the supervisor of assessments within the last ninety (90) days before the statement date at the address shown in said records.

Sec. 29-502. - Payment periods and due dates.

The sanitary sewer fee for each service unit shall be computed annually and billed on an annual basis. Payment of each annual bill may be made in two (2) equal installments if the bill is more than seventy dollars (\$70.00), the first installment of which shall be due thirty (30) days after the statement date and the second installment of which shall be due ninety (90) days after the statement date. If the annual bill is for seventy dollars (\$70.00) or less, payment in full shall be due thirty (30) days after the statement date.

Sec. 29-503. - Penalties for delinquent payments.

In the event the sanitary sewer fee for a service unit remains unpaid in whole or in part after the due date, the charge shall then be delinquent and a late penalty in the amount of ten (10) percent of the amount of the fee for which payment is unpaid rounded up to the nearest cent shall be added to the bill as a late penalty. Interest shall be charged at the rate of two (2) percent per month or any part of a month thereof on the unpaid fee and penalty which remains unpaid from the date the fee becomes delinquent until the date of payment.

Sec. 29-504. - Billable period.

Whenever the period for which a service unit has metered water service is less than the full billing period of twelve (12) months as maintained by the City for the sanitary sewer fee, the sanitary sewer fee shall be prorated for the period the service unit has metered water service.

Sec. 29-505. - Information included with bill.

The sanitary sewer fee bill for each service unit shall contain such information as the Director shall prescribe by rule or regulation and shall include:

- (a) The amount of the annual sanitary sewer fee rate applicable to the service unit;
- (b) That portion of the user charges which are attributable to the operation, maintenance and replacement;
- (c) The amount of the annual payment for which the bill is rendered;
- (d) The period for which the bill is rendered;
- (e) The name and address of the property owner as shown on the records of the supervisor of assessments;
- (f) The permanent parcel number of the real property on which the service unit is located;
- (g) When and where the sanitary sewer fee is payable;
- (h) The installment amount due, if applicable;
- (i) The total amount due for this payment including penalty and interest;
- (j) If any delinquency exists, the amount of delinquency, penalties and interest charges due;
- (k) A statement that if the amount billed remains unpaid for more than thirty (30) days a lien for said amount may be recorded against the property in addition to other remedies.

Sec. 29-506. - Application of payments in the event of delinquency.

Payment received for a service unit shall be applied first to any outstanding interest due on the sanitary sewer fee for the service unit, then to any outstanding penalties, then to any delinquent sanitary sewer fee charged to the service unit and then to any outstanding current sanitary sewer fee for the service unit. Any payments in excess of the amount outstanding shall be credited to the service unit's future liability when it becomes due or, if requested by the owner of the service unit in writing, refunded to the owner.

Sec. 29-601. - Lien for delinquent sanitary sewer fee.

Whenever the sanitary sewer fee for a service unit becomes delinquent as set forth in this article, the delinquent fee together with outstanding penalties and interest shall become and constitute a lien upon the property on which the service unit is located.

EXHIBIT B

ARTICLE VI. STORMWATER UTILITY

Sec. 29.5-6.01. Stormwater utility and stormwater fund established.

(a) The City of Champaign hereby establishes a stormwater utility within the Public Works Department to provide for the management, protection, control, regulation, use, construction and enhancement of the City's stormwater systems and facilities.

(b) The City hereby establishes a stormwater enterprise fund. All revenues from the stormwater utility fee shall be deposited into the stormwater fund and used only for purposes of the stormwater utility as deemed appropriate by the City Council.

Sec. 29.5-6.02. Definitions.

(a) *Credit* means a conditional reduction to the amount of a stormwater service charge to an individual property based upon the provisions of the City of Champaign Stormwater Credit and Incentive Manual.

(b) *Direct Discharge* means the conveyance of stormwater runoff directly to a receiving stream (water of the State of Illinois) without entering the City-owned stormwater drainage system. For the purposes of the stormwater utility, these discharges also do not pass through City-owned or operated culverts or bridges once in the receiving stream.

(c) *District* means the Urbana & Champaign Sanitary District.

(d) *District Agreement* means the Intergovernmental Agreement for Billing Services for the Urbana & Champaign Sanitary District and the City of Champaign.

(e) *Duplex Property* means any residential property containing a single structure designed with two dwelling units for occupancy by one family in each unit. Each dwelling unit shall contain at least one bedroom, a kitchen, and a bathroom.

(f) *Equivalent Residential Unit (ERU)* shall be used as the basis for determining the stormwater service charge to a parcel. Three thousand four hundred seventy-eight (3,478) square feet of impervious area shall be one ERU. The number of ERUs attributed to a parcel will be determined by dividing the total impervious area (square feet) of the parcel by Three thousand four hundred seventy-eight (3,478) and rounding the result per Section 29.5-6.04.

(g) *Finance Director* means the Director of the Finance Department of the City of Champaign.

(h) *Gross Area* means the entire area of a parcel, including both the impervious and pervious areas.

(i) *Impervious Area or Impervious Surface* means those areas that prevent or impede the infiltration of stormwater into the soil. Common impervious areas include, but are not limited to, rooftops, sidewalks, walkways, patio areas, driveways, parking lots, storage areas, and awnings.

(j) *Incentive* means a one-time disbursement that fully or partially compensates a property owner for partnering with the City to achieve a stormwater management objective.

(k) *Parcel* means any designated lot, tract, or area of land, established by a plat or other legal means and to be used, developed or built upon as a unit.

(l) *Single Family Residential (SFR)* means developed land containing one dwelling structure which contains one or more bedrooms, with a bathroom and kitchen facilities, designed for occupancy by one family. SFR units may include houses, manufactured homes, and mobile homes located on one or more individual parcel or parcels of land.

(m) *Stormwater Utility* means a stormwater management program that may include all or part of the following: administration, engineering, planning, operations, enforcement, educational and capital programs.

Sec. 29.5-6.03. Stormwater utility fee created/amount/responsibility for payment.

(a) A stormwater utility fee is hereby created to fund activities of the Stormwater Utility.

(b) The amount of said fee is set forth in Section 19-8.15.3 of this code.

(c) The owner of each parcel of real property that is wholly or partially located within the corporate limits of the City shall be responsible for the payment of any stormwater utility fee assessed against said parcel.

Sec. 29.5-6.04. Stormwater utility fee rate structure.

The stormwater utility fee will be determined by distributing among parcels in the City certain stormwater operation, maintenance and rehabilitation costs as approved by City Council based on the demand for service that is determined for each parcel.

(a) The basis for determining the stormwater utility fee for each parcel shall be the amount of impervious area on the parcel. The billing unit shall be based on the mean level of imperviousness on single family residential parcels. This billing unit is known as an “Equivalent Residential Unit” or “ERU” and has been determined to be Three thousand four hundred seventy-eight (3,478) square feet of impervious surface in the City of Champaign.

(b) Each parcel that is the site of a single family dwelling unit or a duplex residential structure shall be grouped into one of three tiers based on the amount of impervious surface on the parcel. Each parcel will be billed at a flat rate as determined for that tier. The three tiers shall be defined as follows:

- (1) Tier 1 – parcels having 6,000 or fewer square feet of impervious area
- (2) Tier 2 – parcels having 6,001 – 8,000 square feet of impervious area
- (3) Tier 3 – parcels having more than 8,000 square feet of impervious area

(c) All other parcels in the City shall be billed based on the measured number of ERUs on the parcel. Fractional ERUs equal to or less than 0.5 shall be rounded down to the next whole ERU. Fractional ERUs greater than 0.5 shall be rounded up to the next whole ERU. For example, 10,000 square feet of impervious area represents 2.9 ERUs and would be rounded up to 3.0 ERUs for billing purposes.

(d) Fees to qualifying parcels may be adjusted if stormwater utility fee credits are approved by the City for on-site stormwater management (see Section 29.5-6.09).

Sec. 29.5-6.05. Stormwater utility fee applicability.

(a) The stormwater utility fee shall be charged to all parcels wholly or partially in the City that have at least 500 square feet of impervious area.

(b) The stormwater utility fee shall not be charged to streets and sidewalks that are inside the public right-of-way.

(c) Parcels that are annexed into the City after the stormwater utility becomes operational shall be subject to the fee upon completion by the Public Works Department of the applicable calculations of the amount of impervious surface on the parcels in question.

Sec. 29.5-6.06. Stormwater utility rate.

The City Council shall set and adjust the stormwater utility fee rates.

Sec. 29.5-6.07. Director of Public Works authority to delegate responsibilities.

Whenever there is a reference in this Article to responsibilities or powers assigned to the Director of Public Works, the Director shall have the authority to delegate the responsibilities or powers in question in writing to another specified employee in the Public Works Department.

Sec. 29.5-6.08. City of Champaign stormwater credit and incentive manual.

The Director of Public Works is hereby authorized to develop and publish a Stormwater Credit and Incentive Manual for purposes of establishing a program of incentives and credits that will reduce the stormwater utility fee that particular property owners will be required to pay, to promote efforts by said property owners to mitigate the effects of stormwater on the City's stormwater system and facilities. The Stormwater Credit and Incentive Manual shall not go into effect until fifteen (15) days after a copy of the manual has been provided to the City Council.

Sec. 29.5-6.09. Stormwater utility fee credits.

Persons subject to the stormwater utility fee shall be eligible to receive a stormwater utility charge credit and/or incentive based upon the requirements of the City of Champaign Stormwater Credit and Incentive Manual.

Any credit allowed against the stormwater utility charge is to be conditioned upon continuing compliance with the City of Champaign Stormwater Credit and Incentive Manual. Proof of compliance as defined in the manual will be required.

Sec. 29.5-6.10. Agreement for billing with the Urbana & Champaign Sanitary District.

(a) The City Manager is hereby authorized to enter into an Intergovernmental Agreement ("Billing Agreement") with the Urbana & Champaign Sanitary District ("District") for the District to bill for the City's stormwater utility fee to property owners in the City, subject to the City Council's approval of the initial terms and conditions of such an agreement. Said agreement shall, at a minimum, provide the following:

- i. A schedule for forwarding the proceeds from the billing to the City.
- ii. A financial penalty for delinquent payment of the fee.
- iii. A reasonable system for the collection of said fee.

(b) The City Manager is authorized to execute addenda or amendments to any Billing Agreement for collection of the stormwater utility fee which has been previously approved by the City Council for the purpose of making the billing arrangements contained in the agreement more efficient or for the purpose of adjusting the fees paid by the City to the District without prior City Council approval, provided that a copy of the proposed addenda or amendments shall be provided to the City Council at least fifteen (15) days prior to execution of said addenda or amendment.

(c) To the extent that any provision of this Article is superseded, amended, or changed by the terms of the Billing Agreement with the District, then the provisions of this Article shall not be effective or controlling while the Billing Agreement is in effect.

(d) To the extent the adopted procedures of the District contradict the provisions of this Article, the procedures in the agreement shall apply while the agreement is in force and effect.

Sec. 29.5-6.11. Collection of stormwater utility fees by the City.

If the City is unable to enter into an agreement with the District for the collection of the stormwater utility fee, or the agreement with the District for the collection of said fee is terminated for any reason, then the City Manager shall have the authority to formulate and implement written procedures for collection of said fee by the City, provided that the City

Manager shall provide the City Council with a copy of any proposed procedures at least fifteen (15) days prior to the time said procedures are to go into effect.

Sec. 29.5-6.12. Stormwater utility fee amounts.

(a) The stormwater fee for all parcels shall be based on a tiered flat rate for residential and duplex parcels or on the number of ERUs and the current monthly stormwater utility rate for all other parcels.

(b) The stormwater utility fee for any parcel will remain constant from month to month unless one of the following changes occur:

- (1) A physical modification to the parcel that changes its level of imperviousness;
- (2) A credit for on-site stormwater management is either awarded or revoked;
- (3) The stormwater utility fee rate is changed by the City Council; or
- (4) Any other billing adjustment as described in Section 29.5-6.20-22 is applied to the account.
- (5) The new fee will be assessed on all bills processed on or after the effective date of the fee or new fee.

Sec. 29.5-6.13. Lien for delinquent stormwater utility fee.

Whenever the stormwater utility fee for a parcel becomes delinquent as set forth in the collection process implemented by the Urbana & Champaign Sanitary District or the City Manager in accordance with this Article, the delinquent fee together with outstanding penalties shall become and constitute a lien upon the parcel.

Sec. 29.5-6.14. Notice of lien.

Statements rendered for such delinquent stormwater utility fee shall be deemed notice of the lien to the owner of the property if such statement is mailed to the owner of the parcel as shown in the records of the supervisor of assessments by first class mail. No additional notice of lien is required to be sent to the owner nor is a copy of the claim of lien required to be sent to the owner.

Sec. 29.5-6.15. Contents of lien claim.

The claim of lien for delinquent stormwater utility fee shall be made in the form of a sworn statement by the Finance Director setting forth the following information:

- (a) A description of the parcel, sufficient for identification;
- (b) The amount or amounts of money due including outstanding penalties and interest charges;

- (c) The date or dates when such amount or amounts became delinquent; and
- (d) The owner of record of the property as disclosed by the records of the supervisor of assessments within ninety (90) days before the last statement date.
- (e) Said claim shall be recorded in the Office of the Recorder for Champaign County.

Sec. 29.5-6.16 Additional lien charge.

In all cases where the stormwater utility fee has become delinquent and the City elects to file a claim for lien as set forth in this Article, there shall be added to the amount due prior to recording, in addition to other charges, penalties and interest amounts then due, such charges and expenses as are necessary and required to verify the legal description of the parcel and ownership information and to prepare and record the claim of lien and release the claim for lien. Such additional charge shall be included in the amount claimed due by the lien claim. The amount of the additional charge shall be established by rule or regulation of the Finance Director.

Sec. 29.5-6.17. Other remedies.

In addition to the recording of a lien, the City may seek payment for delinquent stormwater utility fees, penalties and interest, including any additional lien charges due, by filing suit to collect the same.

Sec. 29.5-6.18. Adjustments to stormwater bills.

A parcel's stormwater utility rate and/or computed number of ERUs may be adjusted by the Director of Public Works to an amount which more properly represents the impervious surfaces on a parcel. This may be done upon presentation by the property owner of factual evidence which, in the Director's sole discretion, establishes that the impervious area used to determine the parcel's stormwater utility tier or the computed number of ERUs was incorrect.

Sec. 29.5-6.19. Responsibility for initiating adjustment process.

The owner of the parcel is responsible for initiating any review of the impervious area computation for a parcel or any other computations involved in determining the stormwater utility fee for that parcel by filing an application for an adjustment of the fee, hereinafter referred to in this Article as an "application for an adjustment", and presenting factual evidence in support of a change in the fee.

Sec. 29.5-6.20. Application for adjustment.

The owner of the parcel must file an application for an adjustment on forms provided by the City, and file the application and factual evidence in support of the adjustment with the Director of Public Works.

Sec. 29.5-6.21. Decision on application.

The Director of Public Works shall make a decision approving or denying the application for an adjustment within sixty (60) days of receipt of a completed application for an adjustment. The Director's decision shall be in writing and, if the decision is to deny the application, it shall state the reasons for said denial. The decision shall be mailed to the applicant at the address as shown on the application for an adjustment.

Sec. 29.5-6.22. Effective date of adjustment.

If an application for an adjustment is approved by the Director of Public Works, the stormwater fee shall be adjusted accordingly for the specified parcel and will apply to the next regularly generated bill.

Sec. 29.5-6.23. Appeal from denial of application for an adjustment.

(a) General. An applicant for an adjustment may appeal a denial of said application to the City Manager by filing a written appeal at the office of the City Manager within ten (10) calendar days of the date of mailing of the decision denying said application.

(b) Form for appeal. An appeal to the City Manager shall be submitted on a form provided by the Director of Public Works and must be accompanied by any documentation or other evidence the appellant wishes the City Manager to consider in deciding the appeal.

(c) Time/Form of Decision. The City Manager shall review and make a decision whether to allow or deny the appeal within sixty (60) days of receipt of a completed appeal application. Said decision shall be in writing and, if it denies the appeal, it shall state the reasons for the denial.

(d) Decision by the City Manager a Final Administrative Decision. The City Manager's decision on an appeal from a denial of an application for an adjustment shall be a final administrative decision of the City and may be appealed to the local Circuit Court for Champaign County in accordance with Illinois law.

Sec. 29.5-6.24. - Responsibility of owner.

The failure of any owner of property to receive a bill or statement for the stormwater utility fee shall not be grounds for nonpayment or grounds to extend or defer the date upon which payment is due or avoid the inclusion of penalties. Owners of property which are subject to the stormwater utility fee and the recording of a claim of lien pursuant to the terms of this Article shall be charged with notice of the existence of the charge and are responsible for ascertaining from the City all amounts, if any, due as provided in this Article.

Sec. 29.5-6.25. Accounts.

The Finance Director shall establish a proper system of accounts and shall keep proper books, records and accounts in which complete and correct entries shall be made of all transactions relative to the stormwater fund.

In addition to the financial statements, the statistical section of the Comprehensive Annual Financial Report shall also reflect the revenues and operating expenses of the stormwater fund. The financial information to be shown in the audit report shall include the following:

- (1) Billing data to show total number of billing units per fiscal year.
- (2) Debt service for the next succeeding fiscal year.
- (3) Number of stormwater utility ratepayers.

Sec. 29.5-6.26. Access to records.

The City shall allow any relevant agency of the State of Illinois or their authorized representative to have access to any applicable books, documents, paper and records of the stormwater utility fee for the purpose of making audit, examination, excerpts and transcriptions thereof to ensure compliance with the terms of loan agreements and rules of any state loans.

Sec. 29.5-6.27. Authority of Directors to issue rules and regulations.

The Directors of Finance and Public Works may issue rules and regulations necessary to implement this Article provided that a copy of each rule or regulation is filed with the City Manager and City Clerk and distributed to the Mayor and each Council Member at least fifteen (15) days before the rule or regulation becomes effective.



REPORT TO CITY COUNCIL

FROM: Steven C. Carter, City Manager

DATE: April 13, 2012

SUBJECT: EXPLANATION OF COUNCIL BILL NO. 2012-044, 2012-045, and 2012-046

A. Introduction: These Council Bills will do the following:

1. Adopt an ordinance that amends the City Code to establish the stormwater utility fee,
2. Authorize the City Manager to execute the intergovernmental agreement for stormwater utility fee billing services with the Urbana & Champaign Sanitary District (UCSD), and
3. Authorize the City Manager to execute a professional services agreement with AMEC Earth and Environmental, Inc., Indianapolis, Indiana, in an amount not to exceed \$231,522.

B. Recommended Action: The Administration recommends approval of the Council Bills. These Council Bills will:

1. Amend the City Code to establish the stormwater utility fee. The stormwater utility fee is a user fee based on impervious area. It is estimated the fee would generate an additional \$3.2M annually for the Stormwater Fund. The fee for single family and duplex properties would be \$4.94 per month for zero to 6,000 square feet (ft²) of impervious area, \$10.55 per month for 6,001 to 8,000 ft², and \$13.64 per month for over 8,000 ft² of impervious area. All non-single family and duplex properties would be \$5.24 per month for 3,478 ft² of impervious area.
2. Execute a billing agreement with UCSD. The agreement would require UCSD to include, as a separate line item on their bill, the City's stormwater utility fee.
3. Execute a professional services agreement with AMEC Earth and Environmental, Inc. AMEC would develop the billing database and assist staff with the development of the Credit and Incentive Manual, billing procedures, and public education for the stormwater utility fee implementation.

C. Prior Council Action:

- On October 27, 2009, Council discussed a report on financial options to address flooding in three neighborhoods, which the Finance Department had prepared at Council's request. Council directed staff to provide additional information on stormwater utility fees.

- March 23, 2010, Council Study Session, SS 2010-022, Council directed staff to develop an Expenditure, Revenue, and Billing Plan for a stormwater utility fee.
- June 15, 2010, CB 2010-127, Council established a Stormwater Utility Fee Advisory Committee.
- June 15, 2010, CB 2010-128, Council appointed individuals to the Stormwater Utility Fee Advisory Committee.
- August 3, 2010, CB 2010-168, Council authorized the City Manager to execute a professional services agreement with AMEC Earth and Environmental, Inc., Indianapolis, Indiana, to assist staff with the development of a stormwater utility fee Expenditure, Revenue, and Billing Plan.
- March 29, 2011, Council Study Session, SS 2011-019, Council directed staff to proceed with the completion of the Stormwater Utility Fee Expenditure, Revenue, and Billing Plan.
- August 23, 2011, Council Study Session, SS 2011-054, Council took the following actions on the stormwater utility fee:
 1. Provided input on the Revenue Plan, Credit and Incentive Plan, Billing Plan, and Public Outreach Plan.
 2. Directed staff to incorporate a \$3.2 Expenditure Plan into the Stormwater Utility Fee Expenditure, Revenue, and Billing Plan.
 3. Directed staff to proceed with the Public Outreach Plan.
 4. Directed staff to develop a “draft” Stormwater Utility Fee Rate Ordinance.
- February 28, 2012, Council Study Session, SS 2012-012, Council directed staff to finalize the rate ordinance and UCSD billing agreement and schedule these items for Council action at the April 17 meeting. Staff also indicated they would finalize the AMEC professional services agreement and have that document also ready for Council action at the April 17 meeting.

D. Summary:

- Currently, there is no funding available in the Stormwater Fund for additional capital projects. The City committed all previously uncommitted resources in the fund to the Boneyard Creek Second Street Reach, Washington Street East, and John Street Drainage Improvement Projects.
- Council established development of a plan to fund stormwater drainage improvements as a 2009-2011 City Council goal. A key project for the 2011-2013 City Council goals was “Adopt a dedicated funding source for stormwater improvements.”
- March 2010, Council directed staff to prepare an Expenditure, Revenue, and Billing Plan for a stormwater utility fee.
- June 2010, Council established the Stormwater Utility Fee Advisory and Technical Committees. The purpose of the committees was to assist staff with the preparation of the stormwater utility fee Expenditure, Revenue, and Billing Plan.
- August 2011, Council provided input on the staff/advisory committee completed Expenditure, Revenue, and Billing Plan for the stormwater utility fee, plus Council provided input on the Credit and Incentive Plan for the fee. Council directed staff to incorporate a \$3.2M Expenditure Plan into the stormwater utility fee Expenditure, Revenue, and Billing

Plan and directed staff to proceed with the Public Outreach Plan in order to gather more public input on the stormwater utility fee. Council also directed staff to develop a draft Stormwater Utility Fee Rate Ordinance.

- February 2012, staff reviewed the public input gathered on the stormwater utility fee. The draft rate ordinance and UCSD intergovernmental agreement were also attached to the Report to Council. Council directed staff to finalize the rate ordinance and UCSD billing agreement and schedule these items for Council action at the April 17 meeting. Staff also indicated they would finalize the AMEC professional services agreement and have that document also ready for Council action at the April 17 meeting.
- The Stormwater Utility Fee Rate Ordinance amends chapters 19 and 29 of the City's Municipal Code. The fee for single family and duplex properties would be \$4.94 per month for zero to 6,000 ft² of impervious area, \$10.55 per month for 6,001 to 8,000 ft², and \$13.64 per month for over 8,000 ft² of impervious area. All non-single family and duplex properties would be \$5.24 per month for 3,478 ft² of impervious area.
- The UCSD intergovernmental agreement requires UCSD to include the stormwater utility fee as a separate line item on their bills. UCSD would collect the fee and send the fee receipts to the City monthly. In return, the City would pay UCSD three percent of billed services for services rendered.
- It will take the City approximately one year to build the billing database and work out all the details with UCSD for the stormwater utility fee bill. Assuming the stormwater utility fee is adopted April 2012, City and UCSD staff has targeted the first stormwater utility fee bills for May 2013.
- AMEC's scope of work for the next implementation phase for the stormwater utility fee includes developing the billing database and assisting staff with the development of the Credit and Incentive Manual, billing procedures and public education for the stormwater utility fee implementation. Attachment A is a schedule for the major scope of work items.
- AMEC's not to exceed cost for the scope of work for this last phase of work on the stormwater utility fee is approximately \$231,522. This scope of work includes 2,597 hours of AMEC staff time. The two largest tasks are developing the billing database (2,181 staff hours = 84 percent of total) and the Credit and Incentive Manual (180 staff hours = seven percent). City staff has the expertise to perform all the AMEC scope of work in-house. However, due to the limited number of staff, it would take the City staff three years to complete the work that AMEC can get done in one year.
- Staff originally estimated to develop and implement a stormwater utility fee would require approximately \$500,000 of professional services. To date, the City has contracted for \$167,224 with AMEC. With the proposed contract (\$231,522), the total professional services would be a little under \$400,000. Additional AMEC professional services will not be needed after this next phase of work.
- Staff also proposes to utilize the professional services of a local minority contractor for this next phase of implementation for the stormwater utility fee. Chrisp Media will develop a web site for the stormwater utility fee. Staff estimates this cost at \$20,000. A dedicated website would make it easier for property owners to access information on the stormwater utility fee.
- The recommended Council Bills will do the following:
 - Adopt an ordinance that amends the City Code to establish the stormwater utility fee,

- Authorize the City Manager to execute the intergovernmental agreement for stormwater utility fee billing services with the Urbana & Champaign Sanitary District (UCSD), and
- Authorize the City Manager to execute a professional services agreement with AMEC Earth and Environmental, Inc., Indianapolis, Indiana, in an amount not to exceed \$231,522.

E. Background:

1. Stormwater Funds Totally Committed. Due to the 2008 and 2009 record rainfalls and the neighborhood flooding those rainfalls caused, Council expressed an interest in completing more capital drainage improvement projects. The improvement projects would address neighborhood flooding problems. Currently, there is no funding available in the Stormwater Fund for additional capital projects. In 2010, the City committed all previously-uncommitted resources in the fund to the Boneyard Creek Second Street Reach Project, Washington Street East, and John Street Drainage Improvement Projects. The following information summarizes the Stormwater Management Fund’s revenues and programs for a typical year:

Revenues		Expenditures	
¼ Cent Sales Tax	\$2.9M	Operating Budget	\$1.0M
Property Tax	\$1.3M	Recurring Projects	\$1.8M
General Fund Transfer	\$0.7M	Debt Service	\$2.7M
Build America Bond Payments	\$0.4M		
Other	\$0.2M		
Total Revenues	\$5.5M	Total Expenditures	\$5.5M

Current recurring revenue in this fund is about \$5.5 million per year from several sources, but primarily a one-quarter percent sales tax that the City levies under its Home-rule authority. The “Build America Bonds Payments” in the chart above refers to payments from the Federal Government, authorized in the 2009 economic stimulus program, which pays 35% of the interest expense on certain state and local government bonds issued in 2009 and 2010. The City’s 2010 bonds were issued as Build America Bonds and the payments reduce the effective rate of interest paid by the City. The payments contributed to the City’s ability to expand the debt issuance to include projects beyond the Boneyard Second Street Basin.

Stormwater Management Fund expenditures fund the following activities, which use all available funds:

- Operations, which includes activities such as water quality management (pursuant to Federal requirements) and response to flooding - \$1.1 million annually.
- Recurring projects include maintenance of storm sewers and channels and rehabilitation of storm sewers and related facilities such as catch basins - \$1.8 million annually.
- Debt Service: The City typically finances large projects through bond issues with debt service payments for up to about 20 years. Currently the City pays debt service on two bond series issued in the late 1990’s Boneyard Creek improvements (the Healey Street Detention Basin and Campustown Channel Improvements) and a bond series issued in 2010 to finance the Second Street Basin, East Washington, and John Street drainage

improvement projects. That bond issue exhausted all uncommitted resources in the Stormwater Management Fund for the next 20 years – about \$2.7 million annually, of which about \$400,000 is reimbursed by Federal Build America Bond payments.

2. Council Goals.

- a. 2009-2011 City Council Goals – Key stormwater projects identified were:
 - Fund the John Street and Washington Street East flood abatement projects.
 - Develop flood abatement plans for Washington Street West.
 - Develop a plan to fund stormwater drainage improvements.
- b. 2011-2013 City Council Goals – Key stormwater projects identified were:
 - Finish John Street stormwater project.
 - Finish Phase 2 of Washington Street West stormwater project.
 - Initiate Phase 3 of Boneyard stormwater improvements.
 - Adopt a dedicated funding source for stormwater improvements.

3. Stormwater Utility Fee. A stormwater utility fee is one method of providing the funding that would be needed to accomplish the key stormwater projects listed under the Council goals.

Stormwater runoff can be managed as a utility and billed as a fee. The fee is based on the concept that every property 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 directly proportional to the amount of impervious area that has been constructed on a property. Impervious areas include roofs, sidewalks, driveways, parking lots, and any other surfaces that will not allow rainfall to soak into the ground.

A stormwater utility fee would incorporate a credit and/or incentive program. The program is designed to encourage property owners to construct and maintain improvements to their properties to reduce and treat the stormwater from their property. In return, the property owners receive either a one-time (incentive) or recurring (credit) reduction in their stormwater utility fee.

Over 1,000 communities across the nation have adopted a stormwater fee.

4. Stormwater Utility Fee Efforts. At the March 23, 2010, Council Study Session, Council directed staff to prepare an Expenditure, Revenue, and Billing Plan for a City stormwater utility fee. Generally, the plan would identify stormwater expenditures that could be supported by the fee, develop the structure (rates) for the fee, and determine how the fee would be billed. Staff indicated this plan would help Council in reaching a decision on whether or not to implement a stormwater utility fee.

At the June 15, 2010, City Council meeting, Council established the Stormwater Utility Fee Advisory Committee and appointed individuals to the committee. A Stormwater Utility Fee Advisory Committee provided an opportunity for both technical and citizen input and review for

the stormwater utility fee. The committee consisted of 14 members from the community representing a variety of interests.

A Stormwater Utility Fee Technical Committee was also formed. It consisted of City staff from Finance, Planning, and Information Technology Departments, plus a representative from the development community and the Champaign County Chamber of Commerce.

At the August 3, 2010, City Council meeting, Council authorized the City Manager to execute an engineering agreement with AMEC Earth and Environmental, Inc., Indianapolis, Indiana. The purpose of the agreement was to have AMEC assist staff with the preparation of the Expenditure, Revenue, and Billing Plan. Staff has limited experience in the preparation of a stormwater utility fee plan. AMEC had extensive experience with this type of plan. AMEC help assured the utility fee plan was completed in a timely fashion.

The Stormwater Utility Fee Advisory and Technical Committee had their first meeting on September 13, 2010. The committee met eleven times, concluding their work at the July 7, 2011, meeting.

At the March 29, 2011, Council Study Session, Council provided input on the Expenditure Plan that was developed by the Stormwater Utility Fee Advisory Committee. Council directed staff to incorporate their input into the Expenditure Plan and directed staff and the advisory committee to proceed with the completion of the Expenditure, Revenue, and Billing Plan for the stormwater utility fee.

At the August 23, 2011, Council Study Session, Council provided input on the staff/advisory committee completed Expenditure, Revenue, and Billing Plan for the stormwater utility fee, plus Council provided input on the Credit and Incentive Plan for the fee. Council directed staff to incorporate a \$3.2M Expenditure Plan into the Stormwater Utility Fee Expenditure, Revenue, and Billing Plan and directed staff to proceed with the Public Outreach Plan in order to gather more public input on the stormwater utility fee. Council also directed staff to develop a “draft” Stormwater Utility Fee Rate Ordinance.

At the February 28, 2012, Council Study Session, staff reviewed the public input gathered on the stormwater utility fee. The draft rate ordinance and UCSD intergovernmental agreement were also attached to the Report to Council. Council directed staff to finalize the rate ordinance and UCSD billing agreement and schedule these items for Council action at the April 17 meeting. Staff also indicated they would finalize the AMEC professional services agreement and have that document also ready for Council action at the April 17 meeting.

5. Stormwater Utility Fee Rate Ordinance. The Stormwater Utility Fee Rate Ordinance was developed by the Public Works and Legal Departments. The ordinance amends chapters 19 and 29 of the City’s Municipal Code. Chapter 19 amendments set the rates for the stormwater utility fee. Chapter 29 amendments establish the stormwater utility fee.

A draft of the rate ordinance was attached to the Report to Council for the February 28, 2012, Study Session. Staff has made revisions to the February draft.

- a. The definitions were moved to the front of the code revisions.
- b. Section 29.5-6.01 was revised to provide a more complete purpose statement making it more consistent with other Illinois communities' stormwater utility fee ordinances.
- c. A definition was added for impervious area or impervious surface.
- d. Section 29.5-6.03 was revised to explain how fractional equivalent residential units (ERUs) would be rounded to the next whole number.
- e. Section 29.5-6.07 was added allowing the Public Works Director to delegate his various responsibilities to others.
- f. Section 29.5-6.08 was added authorizing the Public Works Director to develop and publish a Credit and Incentive Manual and indicating the manual would go into effect 15 days after Council has been provided a copy.
- g. The sections on applying for and granting of stormwater utility fee adjustments were revised to better define the process and establish an appeal process.

The proposed rates for the stormwater utility fee in the rate ordinance were not changed. The fee for single family and duplex properties would be \$4.94 per month for zero to 6,000 ft² of impervious area, \$10.55 per month for 6,001 to 8,000 ft², and \$13.64 per month for over 8,000 ft² of impervious area. All non- single family and duplex properties would be \$5.24 per month for 3,478 ft² of impervious area.

The rate ordinance (Section 29.5-6.09) states that "Persons subject to the stormwater utility fee shall be eligible to receive a stormwater utility charge credit and/or incentive based upon the requirements of the City of Champaign Credit and Incentive Manual." City staff with help from AMEC will develop the Stormwater Credit and Incentive Manual in the next implementation phase of work for the stormwater utility fee. As the manual is being developed, staff will review with Council in Study Session.

6. UCSD Intergovernmental Agreement. The UCSD intergovernmental agreement for stormwater utility fee billing services was developed by UCSD and City staff. In general, the intergovernmental agreement requires UCSD to include the stormwater utility fee as a separate line item on their bills. UCSD would collect the fee and send the fee receipts to the City monthly. In return, the City would pay UCSD three percent of billed services for services rendered.

UCSD is currently performing these same billing services for the City's sanitary sewer fee. UCSD has billed the City's sanitary sewer fee for almost 10 years. This billing service has worked well for both UCSD and the City. Staff expects the stormwater utility fee billing to also work well.

A draft of the UCSD intergovernmental agreement was attached to the Report to Council for the February 28, 2012, Study Session. No substantive changes have been made to the agreement.

If the intergovernmental agreement is approved on April 17, it will take the City approximately one year to build the billing database and work out all the details with UCSD for the stormwater utility fee bill. City and UCSD staff has targeted the first stormwater utility fee bills for May 2013. Since UCSD bills are for two months of service, the May bills for the stormwater utility fee would be for the two previous months of service.

This intergovernmental agreement is very similar to the agreement the City executed with UCSD ten years ago for sanitary sewer fee billing services. UCSD staff has indicated their Board is scheduled to act on this intergovernmental agreement at their May Board meeting. UCSD staff has reviewed the intergovernmental agreement with their Board and indicated their Board supports the agreement.

7. AMEC Professional Services Agreement. City staff has completed contract negotiations with AMEC Earth and Environmental, Inc. for the next implementation phase for the stormwater utility fee. In general, AMEC's scope of work includes developing the billing database and assisting staff with the development of the Credit and Incentive Manual, billing procedures, and public education for the stormwater utility fee implementation.

AMEC's more specific scope of work is summarized below:

- Development of the Stormwater Utility Fee Credit/Incentive Manual. The manual would provide guidance for developers, property owners, and other users on what activities and/or facilities qualify for a credit/incentive, the process to follow to apply for a credit/incentive, the requirements that must be met in order to maintain a credit and the appeals process for a credit/incentive that is not approved by staff. The Credit/Incentive Manual would include application forms and examples illustrating the computational methods required for particular credits/incentives. Once the "draft" Credit/Incentive Manual has been developed staff would schedule a Council Study Session. The "draft" Credit/Incentive Manual should be completed approximately six months after adoption of the Stormwater Utility Fee Rate Ordinance.
- Development of a training program for the Credit/Incentive Manual. The training program would be both a web-based and PowerPoint versions. Web-based would be installed on the City's website and the PowerPoint would be used by City staff for on-site training programs.
- Development of City standards for the operation and maintenance of private detention basins. The Credit/Incentive Manual would offer a credit for all property owners that are tributary to a private detention basin which is maintained to City standards.
- Assisting City staff with billing agent (UCSD) coordination. This includes developing the delivery format for billing data, developing/testing billing data protocols, and reviewing billing agent's customer service program.
- Developing impervious surface database for all non-single family/duplex properties. (4,400 parcels)
- Assigning single family/duplex properties to one of the three tiers. (18,400 parcels)
- Creation of the master billing account file.
- Assisting City staff with continued public education on the stormwater utility fee. This includes bill stuffers and informational fliers that would be sent to property owners prior to the first stormwater utility fee bill. This also includes meetings with the University of Illinois to develop the University's service agreement.
- Assisting City staff in the development of a customer service plan. This would include the creation of flow charts, frequently asked questions (FAQs), and complaint response guidelines.

AMEC's not to exceed cost for the scope of work for this last phase of work on the stormwater utility fee is approximately \$231,522. This scope of work includes 2,597 hours of AMEC staff time. The two largest tasks are developing the billing database (2,181 staff hours = 84 percent of total) and the Credit and Incentive Manual (180 staff hours = seven percent). City staff has the expertise to perform all the AMEC scope of work in-house. However, due to the limited number of staff, it would take the City staff three years to complete the work that AMEC can get done in one year.

Staff originally estimated to develop and implement a stormwater utility fee would require approximately \$500,000 of professional services. To date, the City has contracted for \$167,224 with AMEC. With the proposed contract (\$231,522), the total professional services would be a little under \$400,000. Additional AMEC professional services will not be needed after this next phase of work.

Staff also proposes to utilize the professional services of a local minority contractor for this next phase of implementation for the stormwater utility fee. Chrisp Media will develop a web site for the stormwater utility fee. Staff estimates this cost at \$20,000. A dedicated website would make it easier for property owners to access information on the stormwater utility fee.

8. Next Steps. Attachment A is a schedule for the major tasks that need to be completed in the next implementation phase for the stormwater utility fee. The schedule assumes AMEC's contract is executed in April 2012. Key tasks are summarized below:

- a. Credit and Incentive Manual – Work on the manual would start mid-May and the draft would be completed by the end of July. Council Study Session to review the draft manual be would be scheduled for August/September.
- b. Private Detention Basin Maintenance Standards – One of the proposed credits for the stormwater utility fee is a 15 percent credit for those private detention basins that meet City standards. The schedule indicates these standards would be developed in fall 2012. Staff would review these standards with Council early winter 2012.
- c. Billing Database – The billing database for the stormwater utility fee would be completed by mid-January 2013. This would mean that each single family and duplex property has been assigned to one of the three tiers and the impervious area for all non-single family/duplex properties has been calculated. At this point, the City should be able to calculate the stormwater utility fee for any property in the City.
- d. Public Outreach and Education – All materials for public outreach and education would be completed by the end of 2012. Flyers, notices, bill stuffers, and sample bills would be sent to all property owners the first quarter of 2013.
- e. Stormwater Utility Fee Bill – First bill is scheduled to be sent May 2013.

F. Alternatives:

1. Approve the Council Bills which accomplishes the following:
 - Adopts an ordinance that amends the City Code to establish the stormwater utility fee,

- Authorizes the City Manager to execute the UCSD intergovernmental agreement for stormwater utility fee billing services, and
 - Authorizes the City Manager to execute a professional services agreement with AMEC Earth and Environmental, Inc. in an amount not to exceed \$231,522.
2. Do not approve the Council Bills and provide further direction to staff.

G. Discussion of Alternatives:

Alternative 1 would adopt an ordinance that amends the City Code to establish the stormwater utility fee. Alternative 1 would also authorize the City Manager to execute the UCSD intergovernmental agreement for stormwater utility fee billing services. Finally, Alternative 1 would authorize the City Manager to execute a professional services agreement with AMEC Earth and Environmental, Inc. in an amount not to exceed \$231,522.

a. Advantages

- Continues progress toward the implementation of a stormwater utility fee.
- Could provide additional resources so more unfunded stormwater capital projects could be completed.
- Could provide a more equitable means to pay for stormwater management activities.

b. Disadvantages

- Could shift more of the cost for stormwater management to property owners who are currently paying less.
- An additional fee that property owners will have to pay could be unpopular with some property owners.
- Implementation of a stormwater utility fee has a significant implementation cost. The cost to implement a complete stormwater utility fee is estimated at approximately \$500,000.

Alternative 2 would not approve the Council Bills.

a. Advantages

- Does not require further expenditures for the stormwater utility fee and those resources could be used for other stormwater management activities.
- Provides an opportunity for Council input.
- Depending on Council action, there could be other advantages.

b. Disadvantages

- Difficult to identify disadvantages without knowing what Council direction could be.

H. Community Input: There have been several study sessions addressing drainage issues. Citizens at several of these meetings have voiced support for enacting a stormwater utility fee to help pay for needed drainage projects.

Additionally, there have been numerous neighborhood and steering committee meetings to discuss local flooding and drainage problems. Questions about a stormwater utility fee have been asked at several of the meetings. Public Works staff has discussed and provided steering committee members with stormwater utility fee information.

The John Street, Washington Street East and West Steering Committees were provided with a copy of this report. The public will have an opportunity to provide input on the Council Bills at the Council meeting.

Council established a Stormwater Utility Fee Advisory and Technical Committee. The committees met monthly from September 2010 through July 2011. The packets for each committee meeting and minutes from each meeting are available at the City's website at: ci.champaign.il.us/departments/public-works/residents/stormwater-management/stormwater-utility-fee/stormwater-utility-fee-advisory-committee/resource-page/. Committee meetings were televised on CGTV. Committee meetings were recorded and are available for viewing at: www.ci.champaign.il.us/cgtv (search keyword is "storm").

Staff developed a Public Outreach Plan for the stormwater utility fee, and the plan has been completed. The completed outreach activities and written public input were attached in Exhibits D and E of the Council Study Session, February 28, 2012, Report to Council: <http://archive.ci.champaign.il.us/archive/dsweb/Get/Document-10734/SS%202012-012.pdf>.

I. Budget Impact: To implement a stormwater utility fee, staff estimated the total cost at \$500,000. Staff feels this estimated cost is still a valid representation of what it could cost the City to implement a stormwater utility fee.

To date, the City has contracted for \$167,224 with AMEC to assist with the preparation of the Expenditure, Revenue, Billing, and Credit/Incentive Plans, plus the preparation of the draft Stormwater Utility Fee Rate Ordinance. This \$167,224 is part of the \$500,000 estimate.

AMEC would also assist staff with the development of the Credit/Incentive Manual, billing procedures, billing database, and public education for the stormwater utility fee implementation. AMEC's help for these activities is a not to exceed amount of \$231,522. All funds needed for the stormwater utility fee implementation were budgeted in either the FY12 or FY13.

Sufficient resources have been budgeted in the Stormwater Fund to implement the stormwater utility fee at the estimated cost of \$500,000. The stormwater utility fee rates would be established at a level to pay back the Stormwater Fund for all costs associated with developing and implementing the stormwater utility fee.

J. Staffing Impact: Staff has been working on the stormwater utility fee for approximately two years. On the average, staff has spent approximately 1,000 hours each year on the fee.

It took approximately 80 staff hours to prepare this Report to Council. Sufficient staff resources are currently available in the Public Works Department FY12 budget to continue work on the stormwater utility fee through the budget year. If Council decides to implement a stormwater utility fee, staff estimates a temporary Project Specialist would be needed at 10 hours per week in FY13 to assist the Public Works Director and other existing staff to implement the fee. Additional temporary staffing (six months), one full-time engineering technician, and an upgrade of an existing Civil Engineer II would be needed in FY14 to implement the fee. The cost for additional temporary and permanent staffing for the stormwater utility fee has been included in the Expenditure, Revenue, and Billing Plan for the fee.

Prepared by:

Dennis Schmidt, PE
Public Works Director

Attachment A: Schedule for Final Phases of Stormwater Utility Fee Implementation

Links and QR Codes (for use with smart phones):

- Stormwater Utility Fee Advisory and Technical Committee Meeting Packets: ci.champaign.il.us/departments/public-works/residents/stormwater-management/stormwater-utility-fee/stormwater-utility-fee-advisory-committee/resource-page/ 
- Videos of Stormwater Utility Fee Advisory Committee Meetings: www.ci.champaign.il.us/cgtv (search keyword is “storm”)
Note: Videos may not be compatible with all devices 
- February 28, 2012, SS 2012-012, Stormwater Utility Fee Report to Council: <http://archive.ci.champaign.il.us/archive/dsweb/Get/Document-10734/SS%202012-012.pdf> 

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City of Champaign Stormwater Utility Fee Implementation Schedule

TASKS	2012									2013			
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
Project Management													
Kick-Off	█												
General Administration	█	█	█	█	█	█	█	█	█	█	█	█	█
Credits & Incentives													
Manual Development		█	█	█	█								
Private Detention Standards					█	█							
Training						█	█						
Billing Plan Implementation													
Planning / UCSD Coordination	█	█	█	█	█	█	█	█	█	█	█	█	█
Impervious Database Creation		█	█	█	█	█							
Single Family Tiers							█	█					
Master Account File Build								█	█	█			
Billing File Testing/ Quality Control										█	█		
File Maintenance Plan										█	█		
First Billing Cycle													█
Public Education and Outreach													
Materials & Meetings		█	█	█	█	█							
Outreach / Website					█	█	█	█	█				
Customer Service Assistance													
Frequently Asked Questions (FAQ)								█	█				
Complaint Response Guideline									█	█			