

COUNCIL BILL NO. 2012 - 046

A RESOLUTION

AUTHORIZING THE PURCHASE OF PROFESSIONAL SERVICES FOR  
THE STORMWATER UTILITY FEE PROJECT  
(City Project No. 21-0000-07900-0605-700)  
(Public Works Department – AMEC Earth & Environmental, Inc.)

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

**Section 1.** That a standard professional services agreement between the City and AMEC Earth & Environmental, Inc. in an amount not to exceed Two Hundred Thirty-one Thousand Five Hundred Twenty-two Dollars (\$231,522.00) for the scope of services attached to the Resolution is hereby approved.

**Section 2.** That the City Manager is hereby authorized to execute a standard professional services agreement for the amount approved in Section 1 above for substantially the same scope of services approved in Section 1 above.

COUNCIL BILL NO. 2012 - 046

PASSED:

APPROVED: \_\_\_\_\_  
Mayor

ATTEST: \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney



## EXHIBIT C

### SCOPE OF SERVICES

#### PHASE 2 – STORMWATER UTILITY IMPLEMENTATION

Phase 2 of the stormwater utility project is the implementation of the utility after its adoption by the City Council. In this phase of the project AMEC will build the master account file for the service charge billing and will provide support services, such as the full development of a credit and incentive program, the development of customer service tools, and continued outreach support. The specific tasks to be performed are described below.

#### TASK 1. PROJECT MANAGEMENT

Project management is a component of all projects. AMEC will provide diligent schedule management due to the need to keep the execution of this project on schedule. The quality assurance process at AMEC also requires an internal peer review. This review will be performed by a senior AMEC staff member that is experienced in storm water utility development. In the billing plan implementation peer review time is included in the cost of the individual tasks for which the review is to be provided.

- a. *General Project Administration.* The AMEC Project Manager's responsibilities for this task include: scheduling and conducting progress meetings, project schedule and financial management, project direction management, project documentation and communication, coordination planning and execution, budget tracking, and review for quality of all decisions and products. Throughout the project, AMEC shall conduct progress meetings with the City's Project Manager on an as-needed basis to review the progress of the work. AMEC shall make all project work available for review and examination by the City as part of these meetings.
- b. *Kick-Off Meeting.* AMEC will work with the City to schedule a Project Kick-Off Meeting soon after receiving Notice to Proceed. The kick-off meeting will be a working meeting in which the scope and schedule of the stormwater utility implementation will be discussed.
- c. *Project Closeout.* This task is the collection of all work products and the documentation of all policy decisions as necessary to closeout the implementation of the stormwater utility.

#### ***Deliverable Summary***

The deliverables of the Project Management task will be:

1. *Kick-Off Meeting*, including the actual meeting and minutes of the meeting.
2. *Regular Project Status Meetings*, which includes the meetings and the minutes of the meetings.
3. *Other Meeting Minutes*, which includes minutes for all project meetings, including teleconferences.
4. *Status Reports*, which will be included with project billings.
5. *Final Documentation*, copies of project deliverables/products and a summary of all policy decisions made in setting up the utility.

## TASK 2. CREDIT AND INCENTIVE PROGRAM

In order to provide equity to the stormwater utility rate structure the City has elected to incorporate both a credit program and an incentive program into the stormwater utility rate structure. In the first phase of the stormwater utility fee study the City developed a set of policies that outlines the stormwater utility credit and incentive program. In the implementation phase a credit and incentive program manual will be developed that adds detail pertaining to how a property owner may apply for and receive the identified types of credits and incentives.

- a. *Credit and Incentive Program Manual.* AMEC will develop a credit and incentive program manual, based on previously approved policies, that provides guidance for local developers, site designers, and property owners on what activities and/or facilities qualify for a credit or incentive, the process to be followed to apply for a credit or incentive, the requirements that must be met in order to maintain a credit, and the appeals process if the applicant disagrees with the City's determination on whether to approve a specific credit or incentive application. The manual(s) will also include the application forms necessary to apply for credits and for incentive program participation as well as examples illustrating the computational methods required to complete the forms for each type of credit and incentive.
- b. *Detention Basin Operation & Maintenance Standards.* AMEC will develop a "draft" version of operation and maintenance standards for private detention basins for the City. The standards will define the criteria that must be met by operators of private detention basins in order to make tributary properties eligible to receive a 15% credit. The deliverable will be approximately one page in length.
- c. *Credit and Incentive Program Training.* AMEC will provide a training session for local developers, site designers, and property owners on the use of the credit policy and manual after approval by the City. The primary training tool will be in the form of a PowerPoint™ presentation. Delivery of the training will be in two formats:
  - i) A web-based version ready for installation on the City's website. and
  - ii) An on-site training session to be presented in conjunction with city staff,

### ***Deliverable Summary***

The deliverables of the Credit and Incentive Program task will be:

1. *Credit and incentive program manual*, both a draft and final copy of the credit and incentive program manual(s).
2. *Detention Basin O&M Standards.* Standards to be met in order to qualify for the private detention basin credit.
3. *Training*, a training session and a web site application to provide training on the content of the credit and incentive program.

## TASK 3. BILLING PLAN IMPLEMENTATION

The key component to the implementation of the stormwater utility is the implementation of the Billing Plan. This task includes the development of an action plan that lays out the milestones, their sequencing, and scheduling to pull all of the components together to create and deliver an accurate master account file to the billing agent. Also included are the steps required to develop an accurate impervious surface database, a process to determine which residential parcels belong in each of the three tiers, the preparation of a file for delivery to the biller, quality assurance prior to delivery of the file to the biller, verification of

the accuracy of sample bill prints, and the delivery of guidance on maintaining the data and master account files.

- a. *Action Plan.* AMEC will develop a plan that identifies the milestones to be met, their sequence, the responsible parties for production and review of billing information, and a schedule / timeline for implementation.
- b. *Billing Agent Coordination.* AMEC will coordinate with the City and the billing agent. Specific items to be coordinated include but are not limited to: the delivery format for the billing data; the billing data testing protocol, including review of test prints; and review of the billing agent's customer service program. In this task AMEC will also make any needed modifications to rate model based on final agreed upon fee and terms for service for billing services.
- c. *Impervious Surface Database.* AMEC will develop an impervious surface database for all parcels in the city. The database will include an indicator for single family residential and duplex properties that will point to the appropriate residential tier. For all other properties the actual impervious footprint for the property will be digitized.

*For areas where development has occurred since the latest available aerial photography AMEC will expect the City to provide either as-built drawings or to survey impervious areas. All information to be provided by the City will be delivered no later than September 1, 2012.*

In addition, parcel boundaries will be checked as the digitizing occurs and a correction made for those parcel boundaries that do not fall outside the public right-of-way. These corrections will be stored in a layer that is to be used for the purposes of the utility only. The list of parcels that are subject to such modification will be provided to the city. AMEC will meet with the City to discuss the changes in parcel boundaries upon completion of digitizing to verify the changes made. Many of the parcels with these issues are on University of Illinois owned parcels. It is assumed that a meeting will be held with the University (Facilities and Services) to discuss these parcel boundary issues also.

- d. *Single Family Residential Tiers.* AMEC will deploy a process to assign single family residential and duplex properties to the appropriate "tier" for billing purposes. The tiers are defined as Tier 1 ( $\leq 6000$  square feet of impervious area), Tier 2 (between 6001 and 8000 square feet of impervious area), and Tier 3 ( $> 8000$  square feet of impervious area). The process to be deployed will allow us to quickly assign up to 60% of the parcels to the Tier 1. The remainder of the single family residential and duplex properties will be digitized to determine which of the three tiers they should be assigned to.
- e. *Master Account File.* AMEC will create a master billing account file for delivery to the biller. The first task in the development of the master account file will be to determine the file structure. The file structure will be determined as a result of the meetings in Task 3.b. The expected delivery format as well as the number of stormwater utility-related fields will guide the formatting of the file. This step requires delivery of the records for all properties currently in the billing system that are inside the city limits of the City of Champaign.

Once the file structure has been established the master account file will be built from the billing system file and the impervious surface file. The first step in this process will be address matching to insure that properties in the billing system will be assigned the appropriate number of stormwater billing units, to identify properties that may not have matches in the billing file, and to identify properties that do not have existing accounts with the biller (stormwater only accounts). The end product will be the master billing account file for the stormwater utility in an agreed upon format that can be readily uploaded to the billing system.

AMEC will develop and execute a procedure to screen the master account file for errors and eliminate such errors to the maximum extent practicable when the base master account file for the stormwater service charges is nearing initial completion (recognizing it will always be a dynamic system). This will involve AMEC and City staff working together so that the personnel who will be responsible for the system are familiar with the typical problems that are present. Limited field work may be performed under this task.

AMEC will then deliver the master billing account file to the City and/or biller. Upon receipt of the master billing account file the biller will arrange for an off-line load of the stormwater billing data and will print sample bills that will be checked for accuracy by AMEC.

AMEC will assist the City staff in preparing for the long-term maintenance of the master account file. One of the key steps in the process is accomplished by involving the staff throughout the initial preparation of the file. AMEC will develop and provide a flowchart and checklist on how to maintain the master account file including a description of the database methodology and processes that will trigger the need for updates to be made. The flowchart will also document the flow of information that will be necessary to keep the master account file current.

#### ***Deliverable Summary***

The deliverables of the Billing Plan Implementation task will be:

1. ***Billing implementation action plan*** - a detailed plan for billing implementation
2. ***Impervious surface database*** - impervious data, includes tier indicator for single family & duplex)
3. ***Suspect parcel list*** - list of parcels where parcel boundaries were considered suspect
4. ***Suspect parcel coverage*** - GIS correction coverage (limited to stormwater utility use)
5. ***Master account file*** - digital file containing billing data in master account file format
6. ***Maintenance memo*** - master account file and impervious surface database technical memo

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#### **TASK 4. PUBLIC EDUCATION AND OUTREACH**

AMEC will assist the City in its continued efforts to make the public aware of the stormwater program needs and how the stormwater utility fee will help to satisfy those needs. Specific assistance to be provided includes the development of bill stuffers or other informational fliers, presentation materials for use by staff at neighborhood, Chamber of Commerce, or other speaking engagements, and assistance in meetings with key ratepayers. It is assumed that one or two trips for meetings with ratepayers, including the University of Illinois, will be necessary.

AMEC will also provide planning assistance and oversight for the development of website applications for the stormwater utility. The website applications will be developed by an independent City contractor.

#### ***Deliverable Summary***

The deliverables of the Public Education and Outreach task will be:

1. ***Bill stuffers*** - to be mailed twice prior to the first stormwater billing cycle
2. ***PowerPoint presentations*** - and other materials for use by City staff
3. ***Outreach meetings*** - meetings with the University and others (2 trips)
4. ***Mentoring and oversight of minority business on stormwater utility outreach materials***

## TASK 5. CUSTOMER SERVICE ASSISTANCE

When a new municipal program is initiated there are a variety of services that should be provided in order to support its smooth introduction. Whenever the program involves the implementation of a new fee there will be a need for customer service representatives to provide answers to a wide range of questions for callers in varying moods about their bills. Consistency in answering the more routine questions is essential to an effective program rollout and customer service program. Consistency is enhanced by the development of a Frequently Asked Questions (FAQ) guide and a flowchart that show the different customer service representative when it is appropriate for them to answer questions and when the ratepayer should be redirected to another level within the customer service process.

- a. *Customer Service Toolkit.* AMEC will assist the city in the development of a customer service plan that includes both the flowchart and the FAQ. It is anticipated that the customer service organization will include;
  - i) the staff of the biller to answer questions related to the bills themselves and transaction history,
  - ii) the staff of the City's Finance Department to answer questions related to customer accounts, and
  - iii) the staff of the City's Public Works Department for technical questions or questions that contest the charges set for the property owner.
  
- b. *Complaint Response Guidelines.* AMEC will develop a complaint response guideline outlining appropriate complaint *response* measures and approaches that is based on the process described in the stormwater utility ordinance.

### ***Deliverable Summary***

The deliverables of the Customer Service task will be:

- ***FAQ*** - Stormwater utility FAQ for installation on the City's web site for quick reference by the customer service representatives
- ***Flow Chart*** - Stormwater utility customer service response flow chart / decision tree
- ***Complaint Response Guideline*** – guidance for handling customer calls

**Exhibit C**  
**Storm Water Utility Implementation**  
**Scope and Cost of Services**  
**March 9, 2012**

Task	Project Staff										Expenses		Total Cost	
	DN Pr/PM \$254	KR SUB \$249	NC Pro Sci \$95	M/F Sr Tech \$83	EB Tech \$55	CM Clerical \$45	Labor Total By Task	Direct \$1	Travel \$1	Total By Task	Total Cost By Task			
<b>1.0 Project Management</b>														
Task 1 Hours	49	0	0	49	0	0	98							
Task 1 Costs	12,446	0	0	4,082	0	0	16,528	0	907	975				\$17,503
<b>2.0 Credit and Incentive Program</b>														
Task 3 Hours	70	0	76	24	0	10	180							
Task 3 Costs	17,780	0	7,213	1,999	0	452	27,444	0	1,025	1,102				\$28,546
<b>3.0 Billing Plan Implementation</b>														
Task 4 Hours	57	44	0	513	1,565	2	2,181							
Task 4 Costs	14,478	10,935	0	42,731	86,138	90	154,371	763	5,024	6,221				\$160,592
<b>4.0 Public Education and Outreach</b>														
Task 5 Hours	34	0	20	8	0	0	62							
Task 5 Costs	8,636	0	1,898	666	0	0	11,201	0	2,825	3,037				\$14,237
<b>5.0 Customer Service Assistance</b>														
Task 6 Hours	22	0	48	6	0	0	76							
Task 6 Costs	5,588	0	4,556	500	0	0	10,644	0	0	0				\$10,644
<b>Total Labor</b>	232	44	144	600	1,565	12	2,597							
<b>Total Costs</b>	58,928	10,935	13,667	49,978	86,138	542	220,187	763	9,781	11,335				\$231,522



## 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 (ft<sup>2</sup>) of impervious area, \$10.55 per month for 6,001 to 8,000 ft<sup>2</sup>, and \$13.64 per month for over 8,000 ft<sup>2</sup> of impervious area. All non-single family and duplex properties would be \$5.24 per month for 3,478 ft<sup>2</sup> 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 ft<sup>2</sup> of impervious area, \$10.55 per month for 6,001 to 8,000 ft<sup>2</sup>, and \$13.64 per month for over 8,000 ft<sup>2</sup> of impervious area. All non-single family and duplex properties would be \$5.24 per month for 3,478 ft<sup>2</sup> 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		
<b>Total Revenues</b>	<b>\$5.5M</b>	<b>Total Expenditures</b>	<b>\$5.5M</b>

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 ft<sup>2</sup> of impervious area, \$10.55 per month for 6,001 to 8,000 ft<sup>2</sup>, and \$13.64 per month for over 8,000 ft<sup>2</sup> of impervious area. All non- single family and duplex properties would be \$5.24 per month for 3,478 ft<sup>2</sup> 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/](http://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](http://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/](http://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](http://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
<b>Project Management</b>													
Kick-Off	█												
General Administration	█	█	█	█	█	█	█	█	█	█	█	█	█
<b>Credits &amp; Incentives</b>													
Manual Development		█	█	█	█								
Private Detention Standards					█	█							
Training						█	█						
<b>Billing Plan Implementation</b>													
Planning / UCSD Coordination	█	█	█	█	█	█	█	█	█	█	█	█	█
Impervious Database Creation		█	█	█	█	█							
Single Family Tiers							█	█					
Master Account File Build								█	█	█			
Billing File Testing/ Quality Control										█	█		
File Maintenance Plan										█	█		
First Billing Cycle													█
<b>Public Education and Outreach</b>													
Materials & Meetings		█	█	█	█	█							
Outreach / Website					█	█	█	█	█	█			
<b>Customer Service Assistance</b>													
Frequently Asked Questions (FAQ)								█	█				
Complaint Response Guideline									█	█			