

City of Champaign, Illinois
Minutes of Meeting

Stormwater Utility Fee Advisory & Technical Committees Meeting

July 11, 2011

Advisory Committee Members Present: Donald Agin, Charles Allen, Eliana Brown, Clif Carey, Steve Cochran, James Creighton, Karen Foster, Jim Jesso, Vic McIntosh, Anna Marie Watkin

Advisory Committee Members Absent: Jim Bustard, Jim Spencer, David Tomlinson

Technical Committee Members Present: Leslie Lundy, Lorrie Pearson

Technical Committee Members Absent: Shawn Luesse, Mark Toalson

City Staff Present: Dennis Schmidt, Jamie Vermillion, Roland White

Consultants Present: None

Call to Order

The meeting was called to order at 4:01 p.m.

Minutes

The minutes from June 13, 2011 were approved.

Member Inquiries/Staff Follow-up

Schmidt indicated there were questions from the University of Illinois included in the meeting packet. Responses to these inquiries will be provided in the Public Participation portion of the meeting.

Stormwater Management – Billing Plan

Schmidt made a presentation discussing the billing plan for the stormwater utility fee.

McIntosh asked if a resident would be able to pay the stormwater utility fee a full year in advance, if there is quarterly billing. Schmidt explained staff had not gotten into those types of details yet, but the option can be explored. Urbana-Champaign Sanitary District (UCSD) does have the capabilities for a resident to pay in advance should the City utilize UCSD for billing services.

Creighton asked if UCSD currently provides any billing services for the City. Schmidt indicated UCSD does bill residents for the City's sanitary sewer fee. Creighton asked what the City's savings would be if the City billed for the sanitary sewer fee rather than UCSD. Schmidt

estimated that approximately \$30,000 would be offset if the City billed for the sanitary sewer fee and no longer utilized the billing services of the Sanitary District.

Watkin asked what the formal task of the Stormwater Utility Fee Advisory Committee is. Schmidt explained that the Committee was formed so members of the community would be able to ask questions and provide input regarding the stormwater utility fee.

Watkin asked if a discount for residents would be available for those who might opt for e-billing and e-paying. Schmidt indicated UCSD does have e-bill and e-pay capabilities and the City would like to incorporate those into the stormwater utility fee billing. Schmidt is uncertain as to whether a discount for utilizing e-bill or e-pay would be available.

Creighton asked what the consequences are for not paying a UCSD bill. Schmidt explained there is a collection process including letters to the resident and additional charges added to the bill. Ultimately, if the invoice is not paid UCSD can have a property's water service discontinued. Schmidt further explained this is the process for those who do not pay their sanitary sewer fee. In all probability, UCSD will not discontinue water service for someone who fails to pay their stormwater utility fee invoice.

Cochran asked if the stormwater utility fee will result in a net increase of \$670,000 from what the City currently allocates for stormwater activities should the City adopt the \$3.2 million revenue plan. Schmidt explained if Council adopts the \$3.2 million revenue plan, there would be an increase of \$2.5 million uncommitted dollars. Schmidt notes that Council has indicated if a stormwater utility fee is adopted, members would prefer to utilize that \$2.5 million for additional capital projects.

Public Participation

Schmidt provided responses to the questions presented by the University of Illinois. Following are the questions and responses:

Question: Is the utility's short term goal mainly financial; to take pressure off the general revenue fund and begin dealing with the backlog of deferred maintenance?

Response: Based upon previous discussions with Council, the City is not going to use these dollars to reduce pressure on the general revenue fund.

Brown asked if the revenue would be used for deferred maintenance. Schmidt indicated Council has expressed an interest to use the additional revenue for new capital projects.

Question: Is the proposed \$2.2 or \$3.2 million/year revenue stream realistic and financially sustainable, i.e. adequate to renew/replace/maintain 280 miles of storm sewers (approx. \$320-\$350 million worth of infrastructure)?

Response: Schmidt indicated that by his calculations the estimated revenue streams are adequate. He further explained that the City has \$350 million worth of infrastructure with an estimated 50-year life. If you divide \$350 million by 50 years, the City would need \$7 million each year for operation/maintenance/rehabilitation of the storm sewers. The City is currently

dedicating \$5.1 million yearly for those activities and if \$2.2 million or \$3.2 million is added, the City will meet the \$7 million needed yearly for operation, maintenance and rehabilitation.

Question: Is the proposed fee structure designed to provide cost-effective incentives for onsite detention and infiltration; i.e.: Will the proposed fee structure stimulate the voluntary investments by owners of private property whenever such investments would be less costly than public works projects on public land?

Response: Schmidt explained that the City has proposed an incentive program to encourage property owners to make improvements that will reduce runoff volumes and improve water quality. From an economic standpoint, if a resident were to analyze the cost effectiveness of the investment to make these improvements, it is doubtful they would get an adequate return on their investment.

Brown asked if a regulatory requirement could be put into place requiring residents to make water quality and/or volume reduction improvements to their properties. Schmidt explained that the City could make more stringent requirements and as time goes on the City may be forced to have more stringent water quality requirements as a result of IEPA regulations.

Watkin commented that the volume reduction and water quality improvements should be elements of a greater Citywide sustainability package.

Question: Will fees reflect the City's avoided costs of meeting stormwater quantity and quality goals?

Response: Schmidt indicated cost estimates have not been adjusted for any avoided costs.

Question: Is the proposed fee structure consistent with the long term goal of protecting downstream interests reducing the quantity and improving the quality of stormwater discharges. i.e.: Will it generate sufficient revenue over the long term to facilitate the transition from an infrastructure designed to move water out of town as fast as possible, to an infrastructure that mimics pre-development runoff quantity and quality to the maximum extent possible?

Response: The City has invested in hundreds of detention basins, so it is not a goal of the City to move water out of town as fast as possible. With respect to incentives, credits and fees, the City could make them higher. This could result in faster achievement of goals. However, because this decision is made in a political atmosphere, the City has to make incentives and fees reasonable amounts.

Question: Will exempting one-third of Champaign's impervious area (all city streets) plus some private streets/driveways provide adequate incentives for designers to cost-effectively achieve stormwater quality and quantity goals?

Response: Schmidt said if the City had to pay a stormwater utility fee for its impervious area, this could motivate the City to do more than what is currently being done. However, Schmidt thought the City was already motivated. Schmidt pointed out several current and recent efforts which focus on meeting stormwater quality and quantity goals, i.e. John Street, Curtis Road and I-57 low impact development, developing a City-wide sustainability plan.

Question: Given the proposed fee structure, what fraction of the necessary detention and infiltration is expected to be achieved via a) market response to fee structure; b) credits and incentives; c) public works projects?

Response: Schmidt estimates a 19% participation rate in the credit and incentive program, which equates to alternative volume reduction and water quality improvements to 19% of the City's impervious area.

Jesso commented that he would like to see a hardship or assistance program to assist residents in paying for the stormwater utility fee.

Adjourn

The meeting was adjourned at 5:14 p.m.