



**STORMWATER UTILITY FEE
ADVISORY COMMITTEE
City of Champaign, Illinois**

TO: Stormwater Utility Fee Advisory and Technical Committee Members

FROM: Vic McIntosh, Chair

DATE: July 7, 2011

SUBJECT: NOTICE OF MEETING

The Stormwater Utility Fee Advisory Committee will meet on Monday, July 11, 2011, at 4 p.m. in the City of Champaign Council Chambers, 102 North Neil Street, 61820.

AGENDA

1. Minutes (June 13, 2011)
2. Member Inquiries / Staff Follow-up
3. Stormwater Management – Billing Plan
4. Public Participation
5. Adjourn

The City of Champaign strives to ensure that its programs, services and activities are accessible to individuals with disabilities. If you are planning on attending this meeting and would like to request special accommodations, please contact the Public Works Department at 217/403-4700 at least 72 hours prior to the start of the meeting with your specific request.

Stormwater Utility Fee Advisory / Technical Committee Meeting

July 11, 2011
4 – 5:30 p.m.

July 11, 2011 Meeting Agenda

1. Minutes (June 13, 2011)
2. Member Inquiries / Staff Follow-up
3. Stormwater Management – Billing Plan
4. Public Participation
5. Adjourn



Stormwater Utility Fee Advisory / Technical Committee Meeting

July 11, 2011

Agenda Item 1

June 13, 2011 Meeting Minutes



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City of Champaign, Illinois
Minutes of Meeting

Stormwater Utility Fee Advisory & Technical Committees Meeting

June 13, 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: Shawn Luesse, Leslie Lundy, Lorrie Pearson

Technical Committee Members Absent: Mark Toalson

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

Consultants Present: None

Call to Order

The meeting was called to order at 4:00 p.m.

Minutes

The minutes from May 9, 2011 were approved.

Member Inquiries/Staff Follow-up

Staff received emails from Jack Dempsey of the University of Illinois and Champaign resident, Patti Petrie regarding the stormwater utility fee. The correspondence between staff and these individuals are included in the meeting packet.

Stormwater Management – Credit & Incentive Plan

Schmidt made a presentation discussing the credit and incentive plan for the stormwater utility fee.

Watkin asked if residents with rain barrels already installed will be eligible for an incentive and if those with multiple barrels will receive multiple incentives. Schmidt indicated his proposal to Council will outline eligibility for one incentive per property regardless of the number of barrels on a property. Staff will discuss and obtain feedback from Council to determine if eligibility for the incentive will be retroactive.

Brown asked if there will be a City-led effort to encourage rain garden installation beyond the incentive. Schmidt explained that City staff will review and approve rain garden plans and

inspect the gardens. The City will be as active as possible in assisting with development of the rain gardens, but with current staffing limitations, the City may not be able to be as involved as they would like to be.

Foster asked if a school could be eligible for an education incentive for installing a rain garden. Schmidt indicated that schools would fall into another category, which will be discussed in the credits portion of the presentation. Schools would be eligible for a Best Management Practice (BMP) credit if they were to install a rain garden.

Watkin asked if there had been any discussion of an incentive for green roofs. Schmidt will discuss this topic later in the credits portion of the presentation. A green roof could be eligible for a water quality or volume reduction credit.

Creighton suggested that the City provide a list of plantings available to enhance a rain garden. Schmidt indicated the information is available and could easily be provided to residents on the City website.

Brown asked how staff determined the \$250 value for the rain garden incentive. Schmidt said that \$250 is approximately five years worth of stormwater utility fees for a single family property. Schmidt indicated there is no specific reason why he chose five years, he just wanted to have an amount that was significant and equivalent to multiple years of stormwater utility fees.

Luesse asked if the credit pertaining to annual maintenance of detention basins would exclude the City from assisting in detention basin maintenance. Schmidt explained that at this time the City is unaware of the condition of most detention basins, so professional certifications would allow staff to get a grasp on where problems are. Once that information is ascertained, the City could develop a strategy for assisting in detention basin maintenance in the future.

Creighton asked if a detention basin gets filled in (which is currently occurring west of the Lowe's store), would the owner lose some of the credit, if they were getting a credit. White explained that modifying a detention basin is a rare situation, but in this circumstance the area west of Lowe's will continue to serve as a detention area for the required volume of water. Therefore, the property owner would continue to be eligible for the credit.

Cochran asked if property owners are currently required to provide a professional certification showing the detention basin is functioning properly. Schmidt indicated that it is currently a requirement, however staff has not been able to follow-up with property owners who have not provided the annual condition report. Cochran commented that it is interesting that property owners would be eligible for an incentive for something they are supposed to be doing anyway.

Brown asked if a 15% credit would be a financial incentive for some property owners to retrofit existing sites. Schmidt indicated that he does not think a 15% credit would motivate someone financially to retrofit an existing property. It would be more attainable for new development.

Foster asked where a property would store one inch of rain and why they would want to keep it as opposed to draining it off like a detention basin does. Schmidt explained that property owner would need to have a use for the water, i.e. irrigation purposes. White explained that part of the City's motivation for capturing a one inch storm is because this category of storm washes dirt, pesticides, herbicides and other pollutants off the landscape into the storm sewer and later into a stream, causing pollution. Foster then asked what a property owner uses to capture the water. White explained that the rain gardens, permeable pavements and bioswales soak the water into the ground. The water does not have to be stored in a device.

Brown asked if the City would encourage business owners to take advantage of credits by offering an education program of some sort. Schmidt indicated there would be an education program. Brown asked what the program would be. Schmidt explained that a program had not yet been developed, but would be if a stormwater utility fee is adopted.

Cochran asked if federal regulations change to require some of these credit criteria, would the property owners continue to receive credits. Schmidt indicated it is difficult to predict what the regulations will become, but eventually there will be changes in federal and state regulations.

Watkin suggested for the City to lead a comprehensive sustainability campaign that focuses on sustainability as a whole instead of concentrating exclusively on stormwater.

Brown commented that the latest issue of Stormwater Magazine has an article on the stormwater utility fee educational program for Griffin, Georgia.

Creighton suggested giving a bigger water quality incentive to existing properties (such as Country Fair) to encourage them to make changes to their property, so it would be financially viable to the owner. The City would lose some income from the fee, but it would accomplish a better quality of water and runoff. Schmidt indicated that the City could definitely take that approach into consideration.

Brown asked if there is empirical evidence showing how much total suspended solids (TSS) are reduced by a certain BMP. Schmidt said that the credit would be based upon what is generally accepted in the field.

Brown commented that in order for a stormwater utility fee to be legal there had to be a fee for a service. She then asked why a property not utilizing the City's drainage system would only be eligible for a 50% credit instead of a 100% credit. Schmidt explained that the property may not directly contribute to the City's stormwater management system, but could still benefit from it.

Brown asked if Normal's education credit is limited to k-12. Schmidt indicated Normal's credit is for k-12.

Public Participation

Pattsi Petrie thanked Schmidt for placing surveys in an active format on the City website, which allows more people in the community to participate. She continues to have concerns with a flat stormwater utility fee for single family and duplex properties and considers a flat fee to be

inequitable based upon varying lot sizes within the community. Petrie referred to Philadelphia's comprehensive plan relating to stormwater management and encouraged the members of the Stormwater Utility Fee Advisory and Technical Committees to become familiar with their model. Petrie also urged the Committees to make changes to City ordinances which could mitigate stormwater problems. She gave examples of four properties in her neighborhood which are problematic to the watershed.

Jack Dempsey commented that the City of Champaign is trying to solve a 21st century stormwater problem utilizing 19th and 20th century infrastructure. He indicated that a stormwater utility fee would replace tax based funding for stormwater and with fee based funding. He encourages the Committees to pursue other solutions. He also noted that stormwater in the area is managed by City organizations when the boundaries between the university, City of Champaign and City of Urbana are arbitrary and have no relation to the watersheds. He suggested that another approach for stormwater management for the community should be considered.

Foster commented that the Stormwater Utility Fee Advisory and Technical Committees were formed to discuss stormwater utility fee. Issues with ordinances should be directed to another department rather than this committee.

Agin asked if the Committee will be providing a recommendation to Council concerning whether or not the revenues obtained from the stormwater utility fee should be used to supplement stormwater funding or replace current funding. Schmidt indicated the Committee could provide a recommendation, however, Council has shown interest in supplementing currently funded maintenance activities over replacing current funding.

Agin asked if bioswales and detention basins are addressed in landscaping requirements for new commercial construction. White indicated that bioswales or detention basins may be addressed if the City were to adopt a low impact development ordinance. This would encourage developers to design and build more sustainable subdivisions.

McIntosh noted that the purpose of the Advisory and Technical Committees is to study the stormwater utility fee. Ultimately Council will make more technical and permanent decisions regarding a fee.

Next Meeting

McIntosh announced the next meeting will be held July 11, 2011 at 4 p.m. in Council Chambers of the City Building.

Adjourn

The meeting was adjourned at 5:25 p.m.

Stormwater Utility Fee Advisory / Technical Committee Meeting

July 11, 2011

Agenda Item 2

Member Inquiries / Staff Follow-up



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Dennis Schmidt - FW: Stormwater Utility Tax

From: "Dempsey, John G (Facilities & Services)" <jgdempse@illinois.edu>
To: "Dennis Schmidt" <SCHMIDDJ@ci.champaign.il.us>
Date: 6/21/2011 2:01 PM
Subject: FW: Stormwater Utility Tax
CC: "Steve Carter" <CARTERSC.CB.CITY@ci.champaign.il.us>, "Brown, C Eliana (Facilities & Services)" <Brown12@oandm.uiuc.edu>
Attachments: stormwater.pdf

Dennis, please take a look at the attachment. By copy of this email I am asking Eliana to formally present these questions at the next Champaign committee meeting.

From: Dempsey, John G (Facilities & Services)
Sent: Tuesday, June 21, 2011 1:16 PM
To: 'Bennett, Brad'
Cc: Brown, C Eliana (Facilities & Services); Gray, William; Bullard, Clark W
Subject: Stormwater Utility Tax

Brad, attached are questions which were presented at one of the committee meetings. I don't believe we ever got answers to these. I believe it would be good to have these answered prior to discussions with city council members.

Dennis Schmidt - Re: FW: Stormwater Utility Tax

From: Dennis Schmidt
To: Dempsey, John G (Facilities & Services)
Date: 6/24/2011 8:08 AM
Subject: Re: FW: Stormwater Utility Tax
CC: Brown, C Eliana (Facilities & Services); Carter, Steve; McIntosh, Vic; White, Roland
Attachments: stormwater.pdf

Jack - Thanks for the e-mail. I would suggest that Eliana e-mail the questions to all the committee members prior to the meeting or she can get those to me in advance and I can distribute them with the committee packet. I am more than willing to respond to any questions that I can at the committee meeting. If some require a little research, I am very willing to respond to those later by e-mail. Have a nice weekend. Dennis

>>> "Dempsey, John G (Facilities & Services)" <jgdempse@illinois.edu> 6/21/2011 2:01 PM >>>

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Stormwater utility issues to be resolved

The Advisory Committee has attended many presentations by staff and consultants, and made “recommendations” by selecting from a list of options emailed to participants after the meetings. Some feel that it is now time to review those recommendations in a holistic manner. The stated purpose of the stormwater utility is to provide a permanent, sustainable institutional framework for financing the stormwater program. It is now time to ensure that the recommended fee structure is consistent with the City’s stormwater program goals.

Short term

- 1) 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?
- 2) Is the proposed \$1.68M/year revenue stream realistic and financially sustainable, i.e. adequate to renew/replace/maintain 130 miles of storm sewers (approx. \$130M worth of infrastructure)?
- 3) Is the proposed fee structure designed to provide cost-effective incentives for onsite detention and infiltration; i.e.
 - a) will the proposed fee structure stimulate voluntary investments by owners of private property whenever such investments would be less costly than public works projects on public land?
 - b) will fees reflect the City’s avoided costs of meeting stormwater quantity and quality goals?

Long term

- 1) 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.
 - a) 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?
 - b) Note that pre-development annual runoff is 20-30% of annual rainfall; it can be achieved by capturing first ½ - ¾” rainfall on site for infiltration and evaporation.¹
- 2) Will exempting one-third of Urbana’s impervious area (all city streets²) plus some private streets/driveways provide adequate incentives for designers to cost-effectively achieve stormwater quality and quantity goals?
- 3) 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?

¹ Based on data from Jim Angel, ISWS

² Urbana has 42M sqft streets (assumed same density as Champaign), plus sidewalks gives 46M, added to 104M total impervious area in City proposal. Do streets produce more pollution than rooftops and driveways? .

Dennis Schmidt - RE: Direct Discharge Credit

From: "Brown, C Eliana (Facilities & Services)" <Brown12@oandm.uiuc.edu>
To: "Dennis Schmidt" <SCHMIDDJ@ci.champaign.il.us>
Date: 6/16/2011 12:22 PM
Subject: RE: Direct Discharge Credit

Thanks!

From: Dennis Schmidt [mailto:SCHMIDDJ@ci.champaign.il.us]
Sent: Thursday, June 16, 2011 12:15 PM
To: Brown, C Eliana (Facilities & Services)
Subject: Re: Direct Discharge Credit

Eliana - They both are. The 50% pertains only to the Direct Discharge Credit. However, when combined with a credit for Rate Reduction (15%) and a credit for Volume Reduction (15%) and a credit for Water Quality (15%) then a parcel qualifying for a Direct Discharge could qualify for a total of 95%. Dennis

>>> "Brown, C Eliana (Facilities & Services)" <Brown12@oandm.uiuc.edu> 6/16/2011 11:41 AM >>>
Hi Dennis,

On page 11 of the June 13 SUF presentation, the Direct Discharge Credit is listed as 50% maximum. The table on page 12, however, shows it as 50% - 95%. Which one is correct?

Thanks,
Eliana

C. Eliana Brown MS, FE, CPESC, LEED AP
Environmental Compliance, Facilities & Services
University of Illinois at Urbana-Champaign
t: 217.265.0760 | **f:** 217.333.4294 | **e:** brown12@illinois.edu

Stormwater Utility Fee Advisory / Technical Committee Meeting

July 11, 2011

Agenda Item 3
Billing Plan



Stormwater Utility Fee Billing Plan Background

- City – No Billing System – 22,750 parcels
- City – Sanitary Sewer Fee – UCSD
- City – Multifamily Recycling Fee – 5 or more units – Quarterly – 500 Bills
 - No Billing Software



Stormwater Utility Fee Billing Plan Background

- AMEC's Scope of Work – Billing Alternatives
 1. Contracting with Organizations that Currently Bill Champaign Residents – UCSD, IAWC, Ameren, Champaign County
 2. In-House Billing
 3. Outsourcing to a Private Company



Stormwater Utility Fee Billing Plan Alternative Ranking

1. UCSD
2. In-House Billing (Urbana)
3. Outsourcing
 - Lack of Critical Mass (By Ourselves)
 - Cost Effective (City) - ?
 - Profitable (Private) - ?



Stormwater Utility Fee Billing Plan

- Two Highest Ranked Alternatives (UCSD & In-House Billing)
- Costed
- \$2.2M & \$3.2M Expenditure Plans
- Developed – Billing Plan – Four Alternatives



Stormwater Utility Fee Billing Plan Assumptions

- Single Family & Duplexes – Flat Fee – Quarterly
- Non-residential – Demand – Monthly (Most)
- 110,000 Bills – Annually
- UCSD's Billing Fee (3% of Revenue Billed)



STORMWATER UTILITY FEE BILLING PLAN			
	\$2.2 M Expenditure Plan		
	One-Time	Recurring	
Alternative A -UCSD			
1. UCSD Billing Fee		\$ 66,000	
2. Labor			
*Clerical - Temporary (Finance)	\$ 22,000		
*Clerical - Temporary (Public Works)	\$ 22,000		
*Engineering Technician 2 (PWD)		\$ 73,800	
*Office Equipment and Computers	\$ 7,000	\$ 400	
TOTAL - ALTERNATIVE A - UCSD	\$ 51,000	\$ 140,200	
Alternative B - City			
1. Billing Expenses			
*Software (includes startup & Training)	\$ 100,000	\$ 20,000	
*Assist. w/RFP for Software	\$ 10,000		
*Billing Supplies		\$ 70,000	
*Software Support		\$ 20,000	
*Misc. Hardware	\$ 5,000		
2. Labor			
*Clerical - Temporary (Finance)	\$ 22,000		
*Clerical - Temporary (Public Works)	\$ 22,000		
*Engineering Technician 2		\$ 73,800	
*Account Clerk 2 Full-time (Finance)		\$ 51,100	
*Account Clerk 2 Part-time (Finance)		\$ 23,700	
*Office Equipment and Computers	\$ 15,000	\$ 1,200	
TOTAL - ALTERNATIVE B - CITY	\$ 174,000	\$ 259,800	



STORMWATER UTILITY FEE BILLING PLAN					
	\$2.2 M Expenditure Plan		\$3.2 M Expenditure Plan		
	One-Time	Recurring	One-Time	Recurring	
Alternative A -UCSD					
1. UCSD Billing Fee		\$ 66,000		\$ 96,000	
2. Labor					
*Clerical - Temporary (Finance)	\$ 22,000		\$ 22,000		
*Clerical - Temporary (Public Works)	\$ 22,000		\$ 22,000		
*Engineering Technician 2 (PWD)		\$ 73,800		\$ 73,800	
*Office Equipment and Computers	\$ 7,000	\$ 400	\$ 7,000	\$ 400	
TOTAL - ALTERNATIVE A - UCSD	\$ 51,000	\$ 140,200	\$ 51,000	\$ 170,200	
Alternative B - City					
1. Billing Expenses					
*Software (includes startup & Training)	\$ 100,000	\$ 20,000	\$ 100,000	\$ 20,000	
*Assist. w/RFP for Software	\$ 10,000		\$ 10,000		
*Billing Supplies		\$ 70,000		\$ 70,000	
*Software Support		\$ 20,000		\$ 20,000	
*Misc. Hardware	\$ 5,000		\$ 5,000		
2. Labor					
*Clerical - Temporary (Finance)	\$ 22,000		\$ 22,000		
*Clerical - Temporary (Public Works)	\$ 22,000		\$ 22,000		
*Engineering Technician 2		\$ 73,800		\$ 73,800	
*Account Clerk 2 Full-time (Finance)		\$ 51,100		\$ 51,100	
*Account Clerk 2 Part-time (Finance)		\$ 23,700		\$ 23,700	
*Office Equipment and Computers	\$ 15,000	\$ 1,200	\$ 15,000	\$ 1,200	
TOTAL - ALTERNATIVE B - CITY	\$ 174,000	\$ 259,800	\$ 174,000	\$ 259,800	



Stormwater Utility Fee Billing Plan

- Recommendation
 - Pursue – UCSD Billing – Next Step – Intergovernmental Agreement
 - City Billing- In House – Urbana
 - Outsourcing



Stormwater Utility Fee

- March 23, 2010, Council Study Session
 - Council Direction – Prepare Expenditure, Revenue, and Billing Plan for a Stormwater Utility Fee.
- August 23, 2011, Council Study Session



**STORMWATER UTILITY FEE
BILLING PLAN**

	\$2.2 M Expenditure Plan		\$3.2 M Expenditure Plan	
	One-Time	Recurring	One-Time	Recurring
Alternative A -UCSD				
1. UCSD Billing Fee		\$ 66,000		\$ 96,000
2. Labor				
*Clerical - Temporary (Finance)	\$ 22,000		\$ 22,000	
*Clerical - Temporary (Public Works)	\$ 22,000		\$ 22,000	
*Engineering Technician 2 (PWD)		\$ 73,800		\$ 73,800
*Office Equipment and Computers	\$ 7,000	\$ 400	\$ 7,000	\$ 400
TOTAL - ALTERNATIVE A - UCSD	\$ 51,000	\$ 140,200	\$ 51,000	\$ 170,200



Revenue Plan

- Parcels
- Single Family & Duplexes = 18,367
- All Other = 4,379
- \$2.2M Expenditure Plan
 - Single Family and Duplex \$ 3.82/mo
(flat fee) \$ 45.84/yr
 - All Other (Demand) \$ 3.82/mo / 3,478 sf imperv
\$ 45.84/yr / 3,478 sf imperv
- \$3.2M Expenditure Plan
 - Single Family and Duplex \$ 5.24/mo
(flat fee) \$ 62.88/yr
 - All Other (Demand) \$ 5.24/mo / 3,478 sf imperv
\$ 62.88/yr / 3,478 sf imperv

Credit & Incentive Plan ⁽¹⁾ Summary

Incentives ⁽²⁾

	Rate Reduction	Volume Reduction	Water Quality	Direct Discharge	Education
Single Family	\$250	\$250	\$250	-	-
Duplex	\$250	\$250	\$250	-	-

Credits

Single Family	15% ⁽³⁾	-	-	-	-
Duplex	15% ⁽³⁾	-	-	-	-
Other	15 - 30%	15%	15%	50 - 95%	
Education (K-12)	15%	15%	15%	50%	\$5/student

Notes:

1. A stormwater management activity can qualify for either a credit or incentive, but not both.
2. Rain barrel and rain garden incentives are \$25 & \$250, respectively. All other incentives are 25% of construction cost up to a maximum of \$250.
3. Only qualifying stormwater management activity is private detention basin maintenance.

STORMWATER UTILITY FEE EXPENDITURE PLANS

	\$2M Expenditure Plan	\$2M Expenditure Plan	\$3M Expenditure Plan	\$3 M Expenditure Plan
	March 2011	Now	March 2011	Now
STORMWATER EXPENDITURES				
1. Operation, Maintenance and Rehabilitation (City Crews)	\$ 694,000	\$ 694,000	\$ 694,000	\$ 694,000
2. Storm Sewer Cleaning and Televising (Contractual)	\$ 556,000	\$ 456,000	\$ 556,000	\$ 466,000
3. Storm Sewer Pipe and Manhole Repair (Contractual)	\$ 506,000	\$ 506,000	\$ 506,000	\$ 506,000
4. Channel Maintenance			\$ 339,000	\$ 339,000
5. JULIE			\$ 47,000	\$ 47,000
6. Stormwater Quality (NPDES Permit Compliance)			\$ 188,000	\$ 188,000
7. Service Requests (Private Property Drainage Problems)			\$ 131,000	\$ 131,000
8. Master Plan Subdivision Detention Basins			\$ 150,000	\$ 150,000
ADMINISTRATIVE EXPENDITURES				
1. Utility Fee Implementation Cost Recovery	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
2. Billing Costs	\$ 150,000	\$ 140,200	\$ 200,000	\$ 170,200
3. Administrative Fees	\$ 150,000	\$ 150,000	\$ 200,000	\$ 200,000
4. Utility Fee Credits and Incentives	\$ 100,000	\$ 90,000	\$ 100,000	\$ 116,000
5. Collection Fees, Uncollectible, Delinquencies		\$ 63,800		\$ 92,800
TOTAL	\$ 2,256,000	\$ 2,200,000	\$ 3,211,000	\$ 3,200,000
\$'s Available for Other Uses	\$ 1,756,000	\$ 1,656,000	\$ 2,611,000	\$ 2,521,000



