

CITY COUNCIL PUBLIC MEETING REGARDING CREATION OF A STORM WATER UTILITY

April 27, 2016

The City Council of the City of Norman, Cleveland County, State of Oklahoma, attended a public meeting at 6:00 p.m. in the Municipal Building Council Chambers on the 27th day of April, 2016, and notice of the public meeting were posted at the Municipal Building at 201 West Gray, and the Norman Public Library at 225 North Webster 48 hours prior to the beginning of the meeting. Although this meeting was not a regularly scheduled meeting of the Council a quorum was present; therefore, a summary of the meeting was recorded as required by the Open Meeting Act.

PRESENT: Councilmembers Castleberry, Jungman, Lang, Miller, and Mayor Rosenthal

ABSENT: Councilmember Allison, Heiple, Holman, and Williams

PRESENTATION AND DISCUSSION REGARDING THE CREATION OF A STORM WATER UTILITY.

Mayor Rosenthal welcomed everyone and said tonight's meeting will highlight recent meetings and/or options regarding the creations of a Storm Water Utility (SWU). She said City Council has held meetings over the last several weeks to discuss the creation of a Storm Water Utility (SWU) as well as consider multiply rate structure options.

Mr. Shawn O'Leary, Director of Public Works, said the City is very interested in adoption of a SWU and Council has considered multiple rate structure options. He said a final rate structure or method of allocation has not been determined by Council and at this time public input and feedback are being requested to determine the concept and methodology for a SWU.

Mr. O'Leary said a SWU is a "stand-alone" service unit or enterprise fund which would generate its revenue and be responsible for funding the operation and maintenance of storm water facilities as well as a storm water system, planning and management. He said Norman is the only large city in Oklahoma without a SWU and the SWU fees for other Oklahoma cities range from \$0.75 to \$19.00 per month. Mr. O'Leary said Norman needs a SWU to improve water quality/water supply; lesson flooding issues; reduce erosion/improve stream stability (basis maintenance); support unfunded Federal/State mandates that must be implemented in 2016; and assist neighborhood with enhanced maintenance.

Mr. O'Leary said other Norman utility rates have been updated in recent years; however, Norman is behind other communities regarding deferred maintenance and without a SWU, other City services will be impacted/reduced. Mr. O'Leary said unfunded mandates are requirements from Federal/State rules or permits that must be met for compliance. He said current unfunded mandates include the following:

- Better maintenance of existing streams and channels in Norman;
- Total Maximum Daily Load (TMDL) compliance;
- Street sweeping;
- Storm Water Pipeline Condition Assessment; and
- Enhanced neighborhood maintenance and flood relief projects.

Mr. O'Leary highlighted the proposed annual City Storm Water Budget totaling \$7.325 million as follows: current Storm Water Budget (General Fund) FYE 2016: \$2.375 million for basic maintenance and unfunded mandates; and new proposed additional Storm Water Budget with SWU FYE 2017: \$4.950 million for basic maintenance, unfunded mandates, and flood relief projects.

Mr. Sturtz, City Engineer, said Council has considered several SWU concepts to include the following:

- Equivalent Residential Unit (ERU): PROS: more equitable; recommended in the SWMP; based on runoff; defensible; and 80% of utilities nationally are billed in this manner; CONS: some administrative burden and slightly more complicated;
- Flat Rate: PROS: simplest method of billing; less administrative burden; and often used for residential billing in Oklahoma; CONS: only 10% of utilities nationally are billed in this manner; least equitable; and not based on runoff;
- Water Meter Size: PROS: easy billing method and commonly used in Oklahoma City metro; CONS: less equitable; less than 1% utilities nationally are billed in this manner; and not based on runoff; and
- Tiered Rates: PROS: can be equitable based on the ranges; based on runoff; and defensible; CONS: some administrative burden and slightly less complicated.

Mr. Sturtz highlighted SWU options as follows:

Option A:

- Residential parcels – seven (7) tiered rates;
- Non-residential parcels – ERU method;
- No exemptions – all parcel owners pay;
- Provisions for low income customers;
- Appeal process available (simple and accessible); and
- Single family residential average monthly fee \$6.70/Non-residential average monthly fee \$85.05 = \$5.6 million annually

Option B:

- Residential parcels – six (6) tiered rates;
- Non-residential parcels – seven (7) tiered rates;
- No exemptions – all parcel owners pay;
- Provisions for low income customers;
- Appeal process available (simple and accessible); and
- Single family residential average monthly fee \$9.18/Non-residential average monthly fee \$52.60 = 5.2 million

Alternate 1 – Capital Improvements Fee:

- A \$2.00 per month fee to be paid in addition to the SWU rate;
- Funds to be used only for storm water capital improvements;
- The lowest SWU residential rate will be reduced by the amount of the capital improvement fee; and
- This fee will raise an additional \$676,000 per year.

Public Comments:

Option A - \$2.00 base fee will increase the 50,000 sq. ft. non-residential rate by 2%. The \$2.00 base fee will increase the ERU of 3,600 sq. ft. by 33%. Explain why large properties get such a break on the % of increase.

Option A – 1,000 square foot difference in 1st three tiers, 4th tier moves to 1,500 sq. ft., but then tier 5 spans only 1,000 sq. ft. again. Tier 6 is back to 1,500 sq. ft. Why?

What assurances do we have that storm water remedies will be creative and not always mean just more concrete in stream beds resulting in faster water and more erosion downstream? Is Option A permanent?

Why not Option Zero? Zero = calculated square footage X flat rate per square foot. To keep it simple, round fees to the nearest \$.50 or \$1. This avoids any unfair subsidies.

Public Comments continued:

What is the reasoning for a proposed reduced rate for OU? What is the basis used for the proposed rate for OU? Who decided proposed rate? What rate do peer "university cities" charge their universities?

Would a fee incentivize installing gravel driveways? Will parking lots be torn out and grass planted? Austin, TX, requires special gravel and a certain percentage of uncovered ground per lot.

Why are you only reducing the lower SWU rate \$2 under Alternative 1 – why not the other rates?

You are making exceptions for low income, why not for seniors who are on fixed incomes without cost of living increases? Are there any exemptions other than small property? Concerned about public schools.

Will Norman Public Schools be exempt from the fees?

Why are we not enforcing (through fines) violations to our storm water system; i.e., blowing grass into streets, developers not following guidelines to retain "dirt" during developments, etc.

Mr. Harold Heiple, said he represents a group of business people who have lobbied for a storm water fee for many years and asked whether it is absolutely necessary that a SWU ordinance be voted on before July 2016. He asked if citizens will be afforded the same amount of time to voice comments as they would for any other agenda item?

Mr. Bill Scanlon, Ward 6 citizen, said over the last year he has worked with Public Works staff and who has in turn worked tireless for him and his neighbors. Where do we go from here?

Mr. Steve Ellis asked why is the City is tiering Option A - it creates a cap on ERU equivalents.

Ms. Joy Hampton, *The Norman Transcript*, said there is not a lot of information on Option A - if the public is really allowed to give input on both options, why not more on Option A?

Ms. Mary Francis said a residential tier system is complicated and wants a tier system for non-residential. She felt the \$2 base fee is not fair.

Mr. Roger Gallagher said regarding detention ponds - any thought at looking at size of ponds based on size of subdivision? Pervious concrete - too expensive - but if it's advantageous should be able like to work into development. Suggested Parking Service Officers issue citations to landscape companies who blow their grass into the streets.

Mayor Rosenthal and Councilmember Miller thanked all those attending and said another public meeting will be held on Monday, May 2, 2016.

Items submitted for the record

1. PowerPoint presentation entitled, "Norman Storm Water Utility (SWU) Public Meeting, dated April 27, 2016, presented by Shawn O'Leary, Director of Public Works, and Scott Sturtz, City Engineer

The meeting adjourned at 7:43 p.m.

ATTEST:



City Clerk





Mayor