

CITY COUNCIL PUBLIC MEETING REGARDING CREATION OF A STORM WATER UTILITY

May 2, 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 2nd day of May, 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, Holman, Karjala,
Lang, Miller, and Mayor Rosenthal

ABSENT: Councilmember Allison, Heiple, and Jungman

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

Mayor Rosenthal welcomed everyone to tonight's public meeting regarding the creation of a Storm Water Utility (SWU) stating there will be a Staff presentation that will include the proposals Council is considering and afterwards, those in attendance will have an opportunity to ask questions and/or offer input. Mayor Rosenthal said there are also stations set up in the back of the room and Staff can show/help calculate impervious surface, so you may determine what your monthly SWU fee may be. She encouraged those who have not done so to participate in the SWU online questionnaire and said to date; over 400 Norman residents have completed the questionnaire which will be on the City's website through Thursday, May 5, 2016, at noon.

Mayor Rosenthal said the City is trying to achieve three (3) main goals with storm water to include: 1) protect Norman's water supply at Lake Thunderbird from pollution due to water run-off; 2) protect citizen's homes and/or businesses from flooding; and 3) protect property and the community from economic loss, i.e., poor water quality can impact the business community and/or threats to property values that can happen when the storm water infrastructure is not maintained such as erosion of back yards and flooding of homes and/or businesses.

Mayor Rosenthal said experts recognize that non-point source pollution has been the single most unregulated threat to water quality. She said storm water, whether rainfall and/or ice melt, runs over and through the ground and carries away the sediments from construction sites, erodes stream beds, fertilizers and insecticides that are placed on lawns and washes them into the City's streams. Storm water also collects chemicals, oils, and gas residue from streets, driveways, and parking lots, as well as bacteria from pet waste, agriculture operations, and failing septic systems, which wind up in Norman's streams, rivers, lakes, and groundwater.

Mayor Rosenthal said Norman, along with other cities, face new Federal mandates to control this source of pollution, while at the same time Norman is trying to address the flooding threats which are a result of the inability to manage major rain events. She said tonight's meeting will highlight the information and will ask the voters of Norman to recognize the investment of a SWU.

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 can be determined.

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 a SWU is needed now due to the unfunded Federal mandates that must be implemented in 2016 and assist with flooding relief for Norman neighborhoods. He 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 during the development of the SWMP, survey work was performed and it was determined the hard surface area on an average home in Norman is approximately 3,600 sq. ft., i.e., the house is 2,900 sq. ft. with 700 sq. ft. of additional hard surfaces, e.g., driveways, patios, sidewalks, etc. He said the 3,600 sq. ft. is one (1) Equivalent Residential Unit (ERU) and this term will be used a lot tonight as it is a way to set a standard or average. Mr. Sturtz said storm water runs directly off the impervious area with no chance of getting it back into the ground. He explained non-residential properties can also have soft surfaces, i.e., landscaped areas, yards, mulch and/or gravel flower beds, etc., and said storm water can soak into soft areas, getting it back into the ground. Mr. Sturtz said hard or impervious surfaces are used when calculating a SWU; however, soft or pervious surfaces are not used.

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

- 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 \$9.06/Non-residential average monthly fee \$47.79
= 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:

Will this program include new storm water piping to provide greater capacity to remove storm water from streets?
Will any new storm water grates be installed on streets to remove rain water?

Why do new residential driveways have to be paved since impervious surfaces are known problems?

Why set a cap on non-residential property?

How do median rates compare to average? (distribution is skewed)

How do our median and model residences compare with Lubbock, Lawrence, Tulsa, etc?

What is the logic of rate brackets – impervious area ranges? The percentage of parcels in each group seems arbitrary. The smallest parcel share is 4% (6,500-7,999) - the 5,500-6,499 is 5%.

Why not have the same ERU calculation for every user – single family versus non-single family? If 80% of storm water utilities use ERUs with formulas, why not use ERUs in Norman?

How will impervious square footage (ERU) be calculated? Who will perform it?

Why has Norman neglected to plan for growth and infrastructure maintenance as part of budgeting long term, i.e., replacing and adding street sweepers?

What has research shown over the past 10-20 years of water quality deterioration in Lake Thunderbird?

With regards to residential agricultural areas, is credit considered for strategically placed ponds to control runoff?

Are gravel driveways on 20 acre parcels considered impervious surfaces?

Will Homeowners Associations receive a discount from the proposed fee if they already have a detention pond?

Are there fee reduction considerations for those residents that collect water runoff from their roof to use to water their yards?

Need adjustments to Option A - adding at least three tiers – capping at 8,000 sq. ft. lets those who can least afford this bear the burden of the rate increase. Will the City change the tier structure?

Public Comments continued:

If we didn't have the Charter requirement to vote for utility rates what would be your ideal system?

Is it fairer for non-residential to pay more because they have the most runoff and trash?

One of the things missing from the proposal are the \$80 million of capital projects included in the Storm Water Master Plan. How will Council address the big projects?

When will it go to a vote of the people and how will projects be prioritized? Please think about walking trails behind people's properties – concerned about property owners being subject to theft, vandalism, etc.

OG&E substation - maintenance person blowing grass in street - do we need a citizen vigilante group to help address the violations?

Gentlemen spoke who worked in public relations for the City of Tulsa when their storm water utility was created - did not require a vote of the people but they were still diligent to be thoughtful and fair. ORU paid their fair share in Tulsa. He prefers Option A.

Need more public input - two meetings in less than a week - not enough. Option A - tiers need to be enlarged. Wants to have an opportunity to discuss and vote for a plan like Austin uses.

Concerned about storm water and fully supports the utility. Why hasn't the City budgeted funds to take care of the infrastructure over time? Her street hasn't been swept in 10 years. We had more sweepers 30 years ago than we do today. Wants street sweeping to be a high priority if it passes.

Do the street sweepers have vacuums and filtration? Option A – doesn't understand how the tiers were formed? Why do we have brackets with only 4% and 5% included?

Will Options A or B bring us into compliance with federal requirements? As a small business owner in the 400 Block of East Main, concerned about the cost. Is a gravel parking lot an impervious or pervious surface?

How will erosion control be done on urban creeks to meet water quality needs. Do we have access to the creeks?

Option A is less expensive for residents and leaves a little extra funding to use for other needs. Option B is more costly for residents and doesn't leave as much extra dollars. He prefers Option A.

Items submitted for the record

1. PowerPoint presentation entitled, "Norman Storm Water Utility (SWU) Public Meeting, dated May 2, 2016, presented by Shawn O'Leary, Director of Public Works, and Scott Sturtz, City Engineer
2. Option A
3. Option B

The meeting adjourned at 8:03 p.m.

ATTEST:



City Clerk





Mayor