

PUBLIC MEETING

**MUNICIPAL BUILDING COUNCIL CHAMBERS
201 WEST GRAY, NORMAN, OK**

WEDNESDAY, APRIL 27, 2016

6:00 P.M.

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

City Council has been invited to attend this meeting. This is not a regular meeting of the City Council; however, this agenda is being posted in compliance with the Open Meeting Act in the event a quorum of Council is present.

Norman Storm Water Utility (SWU)



Public Meeting

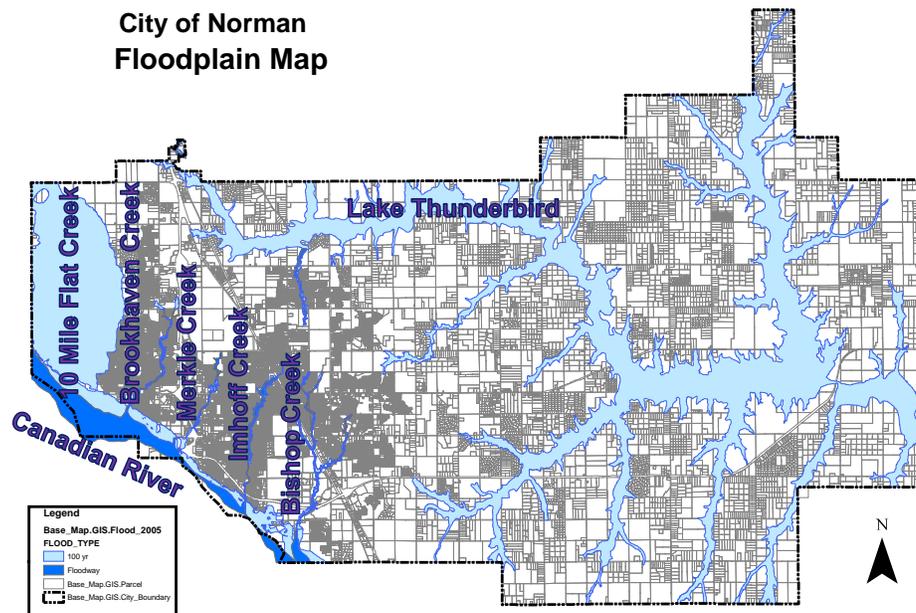
**Wednesday
April 27, 2016**

6:00 p.m.

Presented by: Shawn O'Leary, Director of Public Works
Scott Sturtz, City Engineer



City of Norman Floodplain Map



Key Points Norman Storm Water Utility

- The City is very interested in adoption of a Storm Water Utility in Norman.
- City Council has considered multiple rate structure options.
- A final rate structure or method of allocation has not been determined by City Council.
- The purpose of this evening's meeting is to gather input and feedback on the concept and methodology of a Storm Water Utility.

AGENDA

What is a Storm Water Utility?

Why does Norman need a Storm Water Utility?

How will a Storm Water Utility benefit Norman's residents and businesses?

Why is a Storm Water Utility needed now?

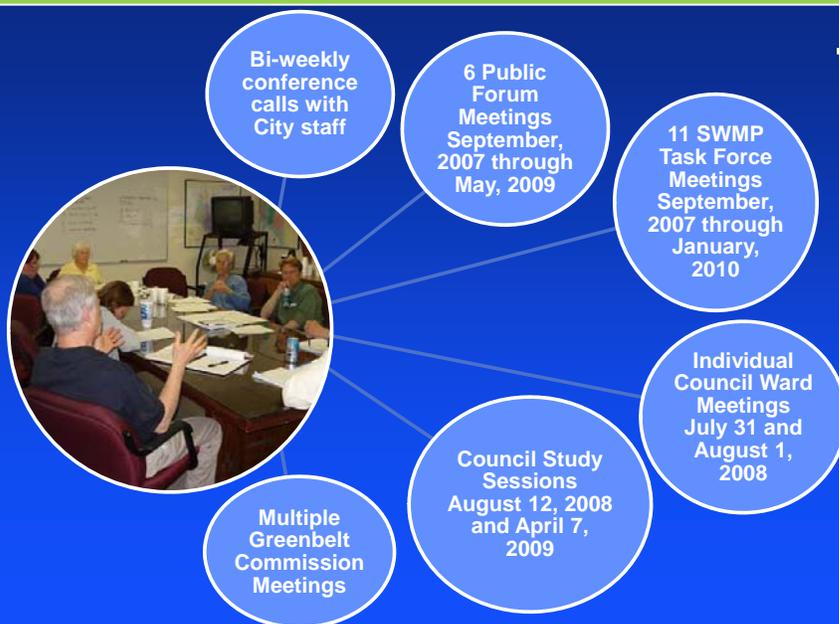
What are the current Storm Water Utility options under consideration by City Council?

Storm Water Utility Key component of City Storm Water Master Plan



Storm Water Utility Key component of City Storm Water Master Plan

Team Meetings and Coordination



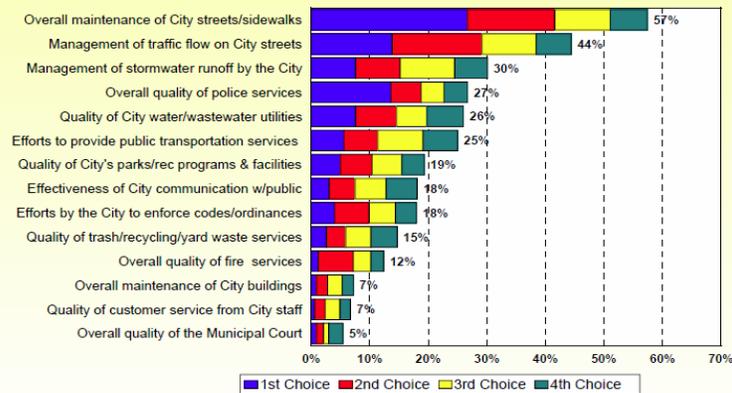
Storm Water Utility Key component of City Storm Water Master Plan



2009 City of Norman Community Survey – Final Report

Q2. City Services That Are The Most Important For The City of Norman to Emphasize Over the Next Two Years

by percentage of respondents who selected the item as one of their top four choices

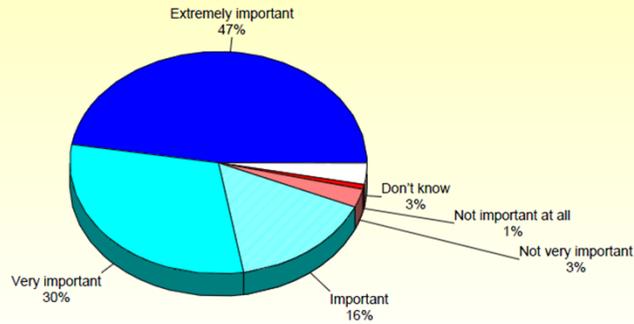


Source: ETC Institute (2009)

2009 City of Norman Community Survey – Final Report

Q29. How important do you think it is for the City of Norman to fund stormwater improvements that will help prevent flooding and protect the quality of water in lakes and streams, such as Lake Thunderbird, which is the City's primary source of drinking water?

by percentage of respondents



Source: ETC Institute (2009)

What is a Storm Water Utility?

A Storm Water Utility is to storm water what a sewer utility is to sewage, and a water utility is to drinking water.



CITY OF NORMAN
 UTILITY DIVISION
 P.O. BOX 8289 • 201 W. GRAY BLVD. G
 NORMAN, OKLAHOMA 73075-8289

PLEASE RETURN THIS PORTION WITH PAYMENT

SERVICE ADDRESS: 413 ANY STREET

ACCOUNT NUMBER	CYCLE	BILL DATE	DUE DATE
123456-12345	06-51	5/14/14	6/10/14

Total Current Charges: 57.57
 Previous Balance: .00
 Total Amount Due: 57.57

Pay 62.57 After 6/10/14

JOHN DOE
 413 ANY STREET
 NORMAN OK 73072

00033122000038012000000123456

Service	Period	Days	Meter	Number	Mult	Comp	Current	Previous	Usage
WA	2/15/14	5/8/14	78	2123456	1.000	100G	12.04	1234	12
TC	SINGLE-FAMILY						5.00		5.00
SW	STORMWATER UTILITY FEE						5.00		5.00
TR	CAP IMPRVT CHG-WA	2/15/14	5/12/14				1.50		1.50
OS	OSWA	2/15/14	5/12/14				.20		.20
SE	BASE			53.88			19.37		24.37
SE	CONSUMPTION						5.00		5.00
SM	SEWER MAINT	2/15/14	5/12/14				14.00		14.00
TR	SINGLE FAMILY						4.00		4.00
WA	WATER								

Total Current Charges: 57.57
 Previous Balance: .00
 Total amount Due: 57.57

Pay 62.57 After 6/10/14

Online Bill Pay Password: 0000123456 Average Cost per day 2.08

City of Norman, 100 W. Gray Blvd., Norman, OK 73069. For payment call (405) 241-2222. Service not available in residence call (405) 211-2776. Please handle 8 am to 5 pm Monday thru Friday. After hours emergency call (405) 251-1533. Save Energy—Pay by Mail. Payments received after due date incur a 10% penalty charge. Failure to receive the bill does not void the water utility charge.

What is a Storm Water Utility?

It is a
"stand-alone"
service unit
(Enterprise)

A Storm Water Utility is
responsible for funding

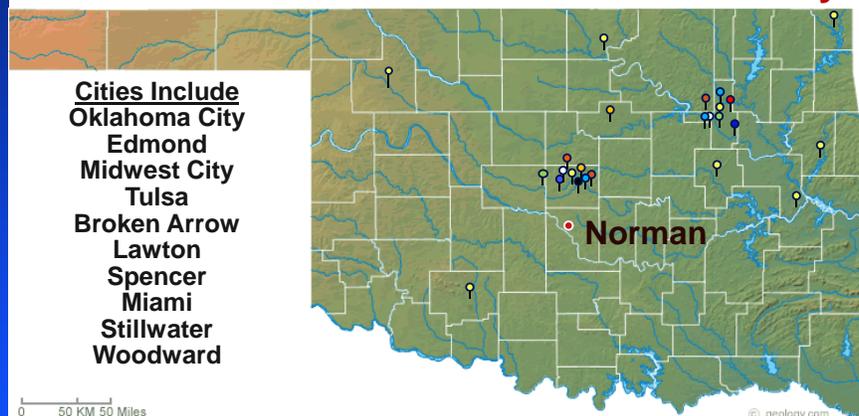
the operation
and
maintenance of
storm water
facilities

storm water
system
planning, and
management

A Storm
Water
Utility
generates
its
revenue

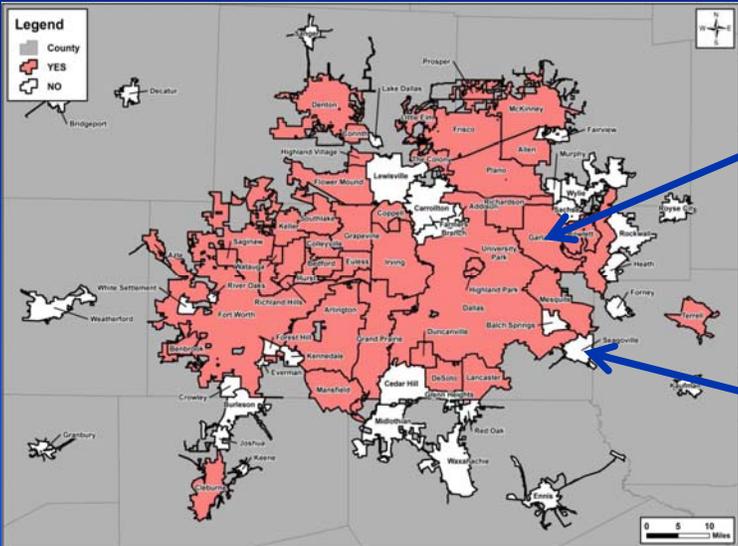
Norman is the only large city in Oklahoma without a storm water utility

Oklahoma Cities with a Storm Water Utility



- Range of fees - \$0.75 to \$19.00 per month
- 25 Utilities in Oklahoma

Storm Water Utilities in Dallas-Ft. Worth Metro Area

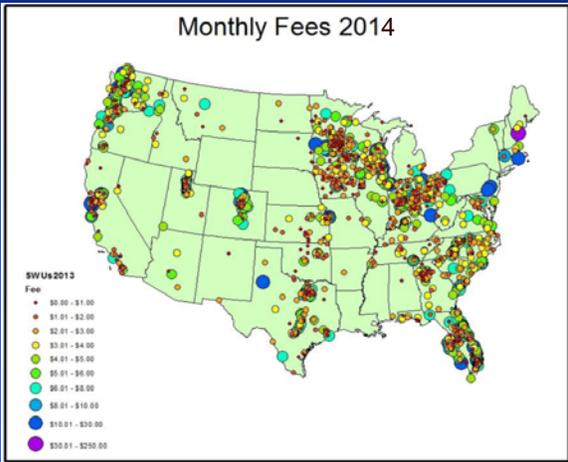


45 Cities in the DFW Area Have a SWU

34 Cities in the DFW Area Do Not Have a SWU

Map from Freese and Nichols, Inc. presentation "Storm Water Utility Fees", 2012

Other Storm Water Utilities in U.S.A.



- 1491 total utilities surveyed
- 1397 are municipal
- 94 are county or other
- 40 states and DC have Storm Water Utilities



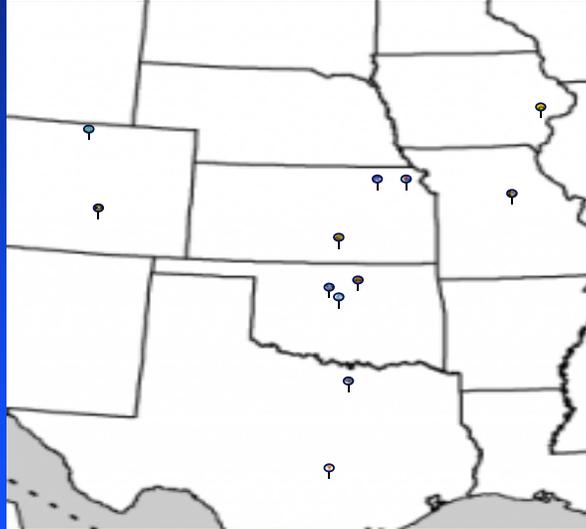
*Data From the Western Kentucky University study conducted in 2014

Other Storm Water Utilities in University Communities

- Regional University Cities with a Storm Water Utility
- Range for Fees - \$1-\$14 per month

Cities Include

Austin, TX
Boulder, CO
Columbia, MO
Denton, TX
Lawrence, KS
Manhattan, KS
Stillwater, OK
Oklahoma City, OK
Edmond, OK
Iowa City, IA
Wichita, KS
Fort Collins, CO



Why Does Norman Need a Storm Water Utility?

Improved water quality/water supply

Less flooding

Reduce erosion/improve stream stability (Basic Maintenance)

Unfunded Federal/State mandates

Neighborhood enhanced maintenance



Why Does Norman Need a Storm Water Utility?

Improved water quality/water supply

Less flooding

Reduce erosion/improve stream stability (Basic Maintenance)

Unfunded Federal/State mandates

Neighborhood enhanced maintenance



Why Does Norman Need a Storm Water Utility?

Improved water quality/water supply

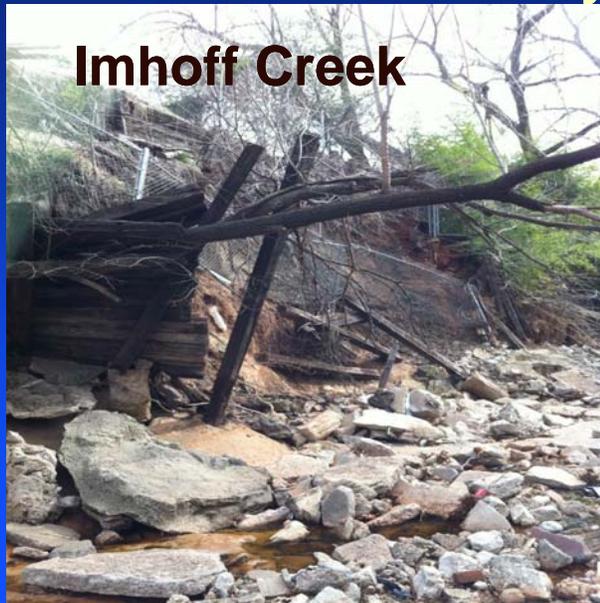
Less flooding

Reduce erosion/improve stream stability (Basic Maintenance)

Unfunded Federal/State mandates

Neighborhood enhanced maintenance

Imhoff Creek



Why Does Norman Need a Storm Water Utility?

Improved water quality/water supply

Less flooding

Reduce erosion/improve stream stability (Basic Maintenance)

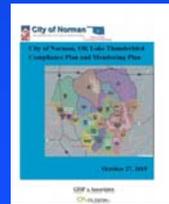
Unfunded Federal/State mandates

Neighborhood enhanced maintenance

Unfunded Mandates - Requirements from Federal/State rules or permits that must be met for compliance

Current unfunded mandates

- Total Maximum Daily Load
- Street Sweeping
- Illicit Discharge Detection
- Enhanced Construction Erosion Control Inspections
- Public Education
- Good Housekeeping
- Dam Safety



Why Does Norman Need a Storm Water Utility?

Improved water quality/water supply

Less flooding

Reduce erosion/improve stream stability (Basic Maintenance)

Unfunded Federal/State mandates

Neighborhood enhanced maintenance



How will a Storm Water Utility benefit Norman's residents and businesses?

Better maintenance of existing streams and channels
(320 miles of streams in Norman)



How will a Storm Water Utility benefit Norman's residents and businesses?

Storm Water Pipeline
Condition Assessment
(138 Miles)

- Pipes as old as 90 years old
- Sizes from 12 inches to 10 foot by 10 foot boxes



- Will help identify illicit discharges to the storm water pipeline system
- Will indicate areas in need of repairs

How will a Storm Water Utility benefit Norman's residents and businesses?



Additional Street Sweeping

- City of Norman Storm Water Phase II permit & TMDL
- Removes contaminants from the street surface reducing the pollution transported to streams and ultimately Lake Thunderbird.
- Adds 4 new sweepers and 4 operators for a total of 6 street sweepers to serve Norman
- Quarterly street sweeping in neighborhoods

How will a Storm Water Utility benefit Norman's residents and businesses?

Lake Thunderbird Total Maximum Daily Load (TMDL)

- Published by the ODEQ on November 13, 2013
- Norman Compliance Plan adopted in November 2015
- TMDL is for total nitrogen, total phosphorus and total suspended solids
- ODEQ currently reviewing Compliance Plan
- Oklahoma City and Moore must also comply with the TMDL



How will a Storm Water Utility benefit Norman's residents and businesses?



Enhanced Neighborhood Maintenance & Flood Relief Projects

- A program to assist neighborhoods, property owners and home owners associations with repairs or upgrades to drainage facilities, detention basins (191 located within Norman), dams and structures.

Why is a Storm Water Utility Needed Now?



- Unfunded Federal Mandates must be implemented in 2016.
- Flooding Relief for Norman neighborhoods.
- Other Norman Utility rates have been updated in recent years.
- Deferred maintenance – Norman is behind other communities.
- Without a Storm Water Utility, other city services will be impacted/reduced.

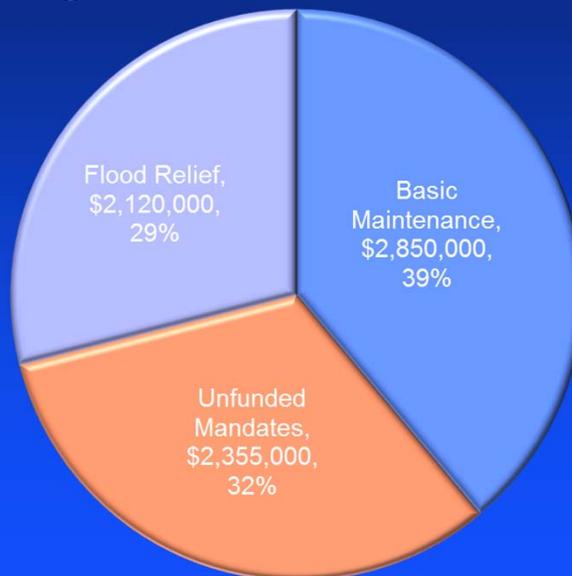
Proposed Annual City Storm Water Budget

Current City Storm Water Budget (General Fund) FYE 2016	
Basic Maintenance	
Storm Water Pipeline/Channel Maintenance	\$1,700,000
Unfunded Mandates	
Street Sweeping	
Storm Water Permit	\$675,000
TOTAL	\$2,375,000
Proposed Additional City Storm Water Budget with SWU FYE 2017	
Basic Maintenance	
Storm Water Pipeline/Channel Maintenance	
Enterprise Fund Practices	\$1,150,000
Unfunded Mandates	
Street Sweeping (including equipment replacement)	
Storm Water Quality	
TMDL and Storm Water Permit	\$1,680,000
Flood Relief Projects	
Enhanced Maintenance in neighborhoods	
Capital Projects	\$2,120,000
TOTAL	\$4,950,000
GRAND TOTAL	\$7,325,000

CURRENT

NEW

Proposed Total City of Norman Annual Budget for Storm Water Utility

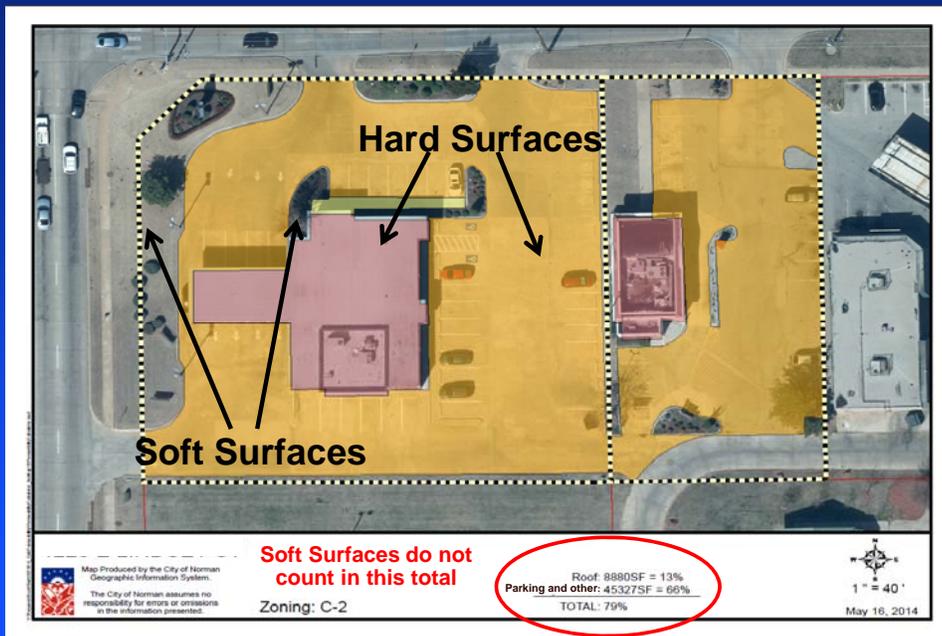


**Total Budget
\$7,325,000**

Equivalent Residential Unit (ERU)



Typical Non-Residential Property in Norman

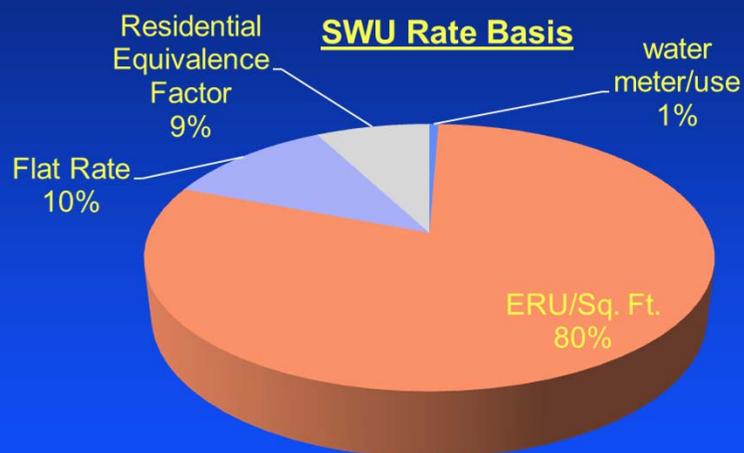


What is the Current Storm Water Utility Concept Under Consideration by City Council?

Several options have been investigated

Rate Structure	Pro	Con
Equivalent Residential Unit (ERU)	<ul style="list-style-type: none"> • More Equitable • Recommended in the SWMP • Defensible • Based on runoff • 80% of utilities nationally are billed in this manner 	<ul style="list-style-type: none"> • Some administrative burden • Slightly more complicated
Flat Rate	<ul style="list-style-type: none"> • Simplest method of billing • Less administrative burden • Often used for <u>residential</u> billing in Oklahoma 	<ul style="list-style-type: none"> • Only 10% of utilities nationally are billed in this manner • Least equitable • Not based on runoff
Water Meter Size	<ul style="list-style-type: none"> • Easy billing method • Commonly used in Oklahoma City Metro 	<ul style="list-style-type: none"> • Less equitable • Less than 1% of utilities nationally are billed in this manner • Not based on runoff
Tiered Rates	<ul style="list-style-type: none"> • Can be equitable based on the ranges • Based on runoff • Defensible 	<ul style="list-style-type: none"> • Some administrative burden • Slightly less complicated

Other Storm Water Utilities in U.S.A.



*Data From the Western Kentucky University study conducted in 2014

Storm Water Utility “Option A”

- Residential parcels – 7 tiered rates
- Non-residential parcels – ERU method
- No exemptions – all parcel owners pay
- Provisions for low income customers
- Appeal process available (simple & accessible)

“Option A” Residential Utility Rates Per Month Based on Hard (Impermeable) Surface Area



\$3.50 - Up to 1,999 sq.ft.



\$4.25 - From 2,000 to 2,999 sq.ft.



\$5.75 - From 3,000 to 3,999 sq.ft.



\$8.00 - From 4,000 to 5,499 sq.ft.



\$10.25 - From 5,500 to 6,499 sq.ft.



\$13.00 - From 6,500 to 7,999 sq.ft.



\$15.00 - Larger than 8,000 sq.ft.

Storm Water Utility

“Option A” ERU Based Categories

- All parcels that are not single family residential will be computed using a \$6.00/3600 sq. ft. ERU
- Total revenue generated from these categories is \$3,386,415

* ERU = Equivalent Residential Unit



Total Projected Revenue From “Option A”

PROPERTY (Per Parcel)	YEARLY REVENUE	AVERAGE MONTHLY FEE
Single Family Residential	\$2,528,352	\$6.70
Non-Single Family Residential	\$3,386,415	\$85.05
TOTAL	\$5,914,767	
TOTAL LESS 5%	\$5,619,028	



88% of Homeowners will pay \$10.25/mo. or less.

Storm Water Utility “Option B”

- Residential parcels – 6 tiered rates
- Non-residential parcels – 7 tiered rates
- No exemptions – all parcel owners pay
- Provisions for low income customers
- Appeal process available (simple & accessible)

“Option B” Residential Utility Rates Per Month Based on Hard (Impermeable) Surface Area



\$4.50 – Up to 2,499 sq.ft.



\$15.00 - From 5,500 to 9,999 sq.ft.



\$7.00 - From 2,500 to 3,999 sq.ft.



\$30.00 - From 10,000 to 24,999 sq.ft.



\$10.00 - From 4,000 to 5,499 sq.ft.



\$40.00 - Larger than 25,000 sq.ft.

“Option B” Non-Residential Utility Rates Per Month Based on Hard (Impermeable) Surface Area



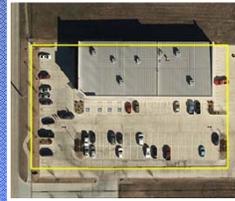
\$7

1,000 to 3,999
Sq. Ft.



\$15

4,000 to 9,999
Sq. Ft.



\$35

10,000 to 24,999
Sq. Ft.



\$90

25,000 to 99,999
Sq. Ft.

“Option B” Non-Residential Utility Rates Per Month Based on Hard (Impermeable) Surface Area



\$195

100,000 to 299,999 Sq. Ft.



\$450

300,000 to 699,999 Sq. Ft.



\$640

700,000 to 5,000,000 Sq. Ft.

Total Projected Revenue From Norman Storm Water Utility "Option B"

PROPERTY (Per Parcel)	YEARLY REVENUE	AVERAGE MONTHLY FEE
Single Family Residential	\$3,373,938	\$9.18
Non-single Family Residential	\$2,100,708	\$52.60
SUB TOTAL	\$5,447,646	
TOTAL less 5%	\$5,200,914	



83% of Homeowners will pay \$10.00/mo. or less.

Comparison of Options "A" and "B"

OPTION A

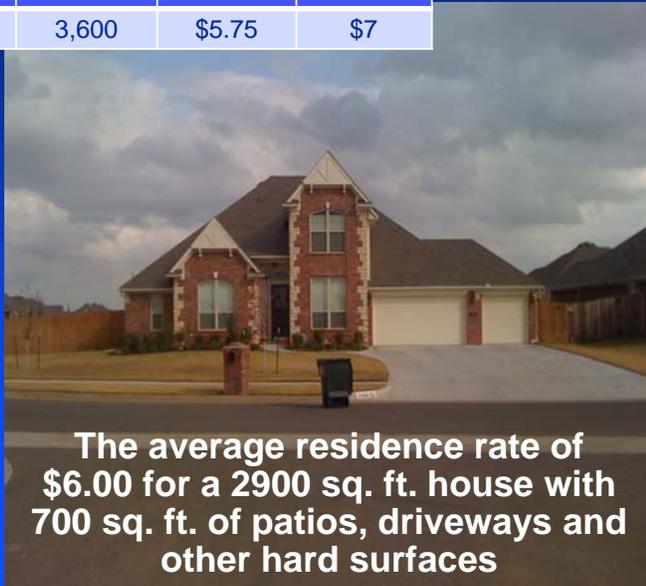


OPTION B



OPTION	YEARLY REVENUE Less 5%	AVERAGE MONTHLY FEE Residential	AVERAGE MONTHLY FEE Non-Residential
Option A	\$5,619,028	\$6.70	\$85.05
Option B	\$5,200,914	\$9.18	\$52.60

Parcels	Imp. Area	Option A	Option B
1	3,600	\$5.75	\$7



The average residence rate of \$6.00 for a 2900 sq. ft. house with 700 sq. ft. of patios, driveways and other hard surfaces

Comparison *	
Lubbock	\$13.48
Lawrence	\$6.08
Tulsa	\$7.37
Broken Arrow	\$6.80
OKC	\$5.53
Edmond	\$3.00

* These ERU based SWU's. Flat rate may be lower

43

Parcels	Imp. Area	Option A	Option B
1	37,000	\$62	\$90



37,000 S.F. Average Non-Single Family Parcel

Map produced by the City of Norman
Geographic Information System
Online Mapping Service
April 26, 2016

The City of Norman assumes no responsibility for errors or omissions in the information presented.

0 40 80 Feet

Comparison *	
Lubbock	\$166
Lawrence	\$63
Tulsa	\$76
Broken Arrow	\$90
OKC	\$26.92
Edmond	\$156

* These ERU based SWU's. Flat rate may be lower

Alternate 1 Capital Improvement Fee

- A \$2 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.
- This fee will raise an additional \$676,000 per year



Norman Storm Water Utility Path Forward

- Option “A” or “B”?
- Alternate 1: Option for creating a separate fund for capital projects?
- What other storm water programs are necessary?
- Should the SWU fully fund storm water services in Norman?



QUESTIONS AND COMMENTS



RESOURCES

Link to questionnaire:

<http://bit.ly/myinput>

Link to Impervious Area
Calculator:

[http://maps.normanok.gov/maps/
PermeabilityCalculatorMap.html](http://maps.normanok.gov/maps/PermeabilityCalculatorMap.html)