CITY OF PARK CITY, KANSAS
COUNCIL CHAMBERS
1941 E. 61ST STREET NORTH

Storm Water Management Advisory Board

September 22, 2022 at 6:00 P.M.

ROLL CALL

Mike Logue
Kyle Lang
Jeff Stone
Terry Ford

MEETING CALLED TO ORDER

Time:

APPROVAL OF AGENDA

Motion:
2nd"

Vote Results: For_____ Against_____

APPROVAL OF THE MINUTES FROM

June 23, 2022

Motion:
2nd:

Vote Results: For Against

PUBLIC FORUM

STAFF REPORTS

Deck Shaver- Interim Public Works Director

NEW BUSINESS

Election of Board Chair and Co-Chair
Discuss and Consider the ERU Study presentation from Wilson & Company.

ADJOURN

Scope of Services

City of Lindsborg
Stormwater Utility Feasibility Study

Summary

Wilson & Company (Consultant) will work with City staff to implement the Stormwater Utility Feasibility Study (Program) for the City of Lindsborg (City). Once implemented, this program will provide revenue and financing options needed for the City to relieve known drainage problems and provide maintenance for the existing stormwater system. Utility program implementation will be completed by conducting the following 16 tasks:

Task Description

1 Project Administration and Coordination
2 Project Workshop
3 Data Collection and Review
4 Stormwater Program Analysis
5 Preliminary Cost of Service Analysis
6 Billing System Coordination
7 Rate Structure (Billing Units/ERUs)
8 Parcel Billing Data Match Coordination
9 Master Billing Data File Coordination
10 Revenue Scenarios and Rate Analysis
11 Calculation of Actual Utility Charges
12 Data Management System-Needs and Procedures
13 Policy Issues
14 Technical Documentation and Administrative Policies and Procedures Manual
15 Public Information/Education (PI/E) Program
16 Stormwater Utility Ordinance

Task 1 - Project Administration and Coordination

This task provides for overall management of the Program. Essentially, this task develops a framework for initiating the user fee and conducting the program analysis to meet the requirements of the City in terms of project objectives, budget and schedule. This task will include:

- ✓ Preparation of monthly progress reports and invoices
- ✓ Implementation of project documentation procedures
- ✓ Regular progress meetings with staff to discuss preliminary results, to resolve key policy issues, and to make necessary policy decisions
- ✓ Periodic updates to the City Council
- ✓ Quality Assurance

Task 2 - Project Workshop

At the outset, the Consultant will make sure that all participants (City Administration, Public Works, Community Development, Finance, Law, and the Consultant) have a clear understanding of stormwater management concepts. The focus of this workshop will be to define goals and objectives for the stormwater management program and explore the issues generated by the participants. This workshop

serves as an important first step toward developing a clear understanding of stormwater needs for all key City staff. The workshop will be directed toward:

- ✓ Identifying existing data resources to support the stormwater program
- ✓ Identifying stormwater management issues and needs in Lindsborg
- ✓ Delineating existing stormwater program services and associated costs
- ✓ Establishing the goals and objectives for the program
- ✓ Identifying existing City capabilities and key staff responsible for their success
- ✓ Introducing NPDES Phase 2 Stormwater Permitting Requirements
- ✓ Establishing the role of City staff and others in the public education/information program
- ✓ Developing a plan for working with the community Stormwater Policy Advisory Committee

Deliverables

✓Workshop meeting results, including data and information needs, and staff responsibilities presented in a technical memorandum.

Task 3 - Data Collection and Review

The principal product from the Project Workshop will be the identification of available and required data and information for the program analysis. Data pertinent to the review of the City's current stormwater management program will be requested and interviews will be conducted with City personnel responsible for various components of the stormwater program. Budget and program information will be gathered for the following activities:

- ✓ Operations and Maintenance (O&M)
- ✓ Capital Improvements Program (CIP)
- ✓ Administration and Regulatory Compliance
- ✓ Planning and Design
- ✓ Replacement and Renewal

The Consultant will collect pertinent data and review this data relative to project objectives. Pertinent data and information to be provided by the City include:

- ✓ Existing rules, ordinances and studies (Community Planning, Cow Creek Drainage Study, Lindsborg NW Drainage Study)
- ✓ City budget, capital improvement program, financial reports, and other pertinent data sources for:
    - Existing and proposed stormwater management program functions and costs

- Proposed facility needs (previous drainage studies)
- Existing general fund tax support for drainage
- Existing City organizational structure and responsibility

✓ Available infrastructure maps, reports and inventory information such as lengths of sewers, ditches, and pipes; numbers of catch basins, manholes, inlets, culverts, outfalls, and detention basins.

✓ Water and sewer billing information

✓ Data describing residential and non-residential parcels from the Assessor's real estate files (to include land use codes, owner name, parcel address, number of dwelling units, assessed valuation, etc., in ASCII and/or GIS format)

✓ Aerial photographs and mapping

✓ Parcel and boundary maps information

Deliverables

✓ Summary of existing data

✓ List of data deficiencies and missing information required for program development

Task 4 - Stormwater Program Analysis

The Consultant will identify the City's known stormwater management needs through staff interviews, existing studies that have been prepared for the City, review of emergency regulations, previous City project experience, and experience in cities with similar drainage infrastructure. A range of possible stormwater management expenditures associated with an expanded program will then be determined for the subsequent funding analysis and the development of a five-year financial plan. This assessment will include estimated fiscal impacts in the following areas:

Operations and Maintenance (O&M)

An adequacy of service evaluation will be performed through interviews with personnel responsible for constructing and maintaining the drainage system. This assessment will assist in identifying the allocable cost for maintenance to a stormwater funding source based upon the present level of service, and will also establish a basis for projecting increased O&M activities associated with increased levels of service. These evaluations will result in projected operation and maintenance costs. Included in this evaluation will be increased staffing, assessment of allocable equipment purchases and annual charges to budgets for maintenance equipment.

Development of O&M activities and costs will require the evaluation and determination of the appropriate level of stormwater service for the City. Based upon this analysis, the projected manpower, equipment and facilities can be identified to satisfy future requirements.

Capital Improvements Program

The cost associated with correcting presently identified problems will be developed from previously completed drainage studies, known needs identified by City staff and comparisons with similar situations

in other cities. A comprehensive list of capital improvements will be developed along with a GIS map identifying potential project locations.

Program Administration and Regulatory Compliance

A budgetary estimate of the cost of administering the stormwater program will be determined. Costs associated with administering and updating the billing system over time must be included in the total expenses. Recommendations on the organization and structure and staffing requirements will be presented, as well as the specific responsibilities.

Deliverables

Technical memorandum presenting:

- ✓ Existing personnel, salary plus benefits, and percent of time associated with stormwater functions
- ✓ Expanded level of service depicting a five-year financial plan
- ✓ Operations and Maintenance activities (street sweeping, cleaning of catch basins, mowing ditches etc.)
- ✓ A City-wide tabulation of total drainage system infrastructure based upon available data summaries provided by the City
- ✓ Capital improvements (based upon interviews with City staff and the previous Master Plan)

Task 5 - Preliminary Cost of Service Analysis

The cost of service analysis (initial five-year period) will estimate the functional cost for all elements of the stormwater management program based upon the Consultant's previous experience and the findings of Task 4. Items to be included will be: administration; billing; planning; design; capital construction; and operation/maintenance. Existing capital improvement projects identified in previous studies and by City Staff and other anticipated future needs will be the basis to project anticipated capital improvement needs over the next five years.

Deliverables

✓Technical memorandum on the City's stormwater needs including cost of service summary table

Task 6 - Billing System Coordination

In order for the user fee or utility concept to generate a continuous and dedicated revenue source for the City's stormwater management program, a billing system must be developed to issue stormwater bills and collect revenues. The stormwater user fee is typically piggybacked on existing municipal utility billing systems, most frequently a water utility. The option of utilizing tax bills as the vehicle for the user charge may be feasible, but does not permit monthly billing and provides the impression that the user charge is a tax. The City will incorporate the stormwater utility into their existing billing system with coordination from the Consultant.

Deliverables

✓Coordination with the City for method of implementing stormwater fee within existing City billing/GIS system.

Task 7 - Rate Structure (Billing Units/ERUs)

The rate methodology identifies the basis for determining the runoff potential and stormwater charge for each property. The rate structure determines how an actual billing unit is configured, typically through development of user classes. Although several methodologies have been employed across the country, the most common and most defendable is the impervious area methodology. Under this structure, each utility customer is billed based on the number of equivalent residential units (ERUs) on their property, where one (1) ERU equals the amount of impervious area associated with a typical residential dwelling unit.

Under this task, the Consultant will work with the City to develop a rate structure using the impervious area methodology. The first task will be completed by City staff with oversight by the Consultant to develop the Equivalent Residential Unit (ERU) based upon measuring impervious area for 10% of the total residential water meters in the community including parcels from each of the following residential categories: single family, multi-family, condominiums, and manufactured homes. The estimated sample size for this effort is 130 parcels. The average impervious area for all residential categories, as determined by these evaluations, will be the ERU. As data is collected, statistics will be tracked to evaluate the range of impervious areas across the residential categories.

Deliverables

- ✓ Oversight and QC of City parcel evaluation process and parcel statistics.
- ✓ Evaluation of summary table statistics provided by the City to evaluate representative sample for residential parcels.
- ✓ Average Dwelling Unit Impervious Area Comparison of Selected cities to the City of Lindsborg
- ✓ Recommendation of an ERU value from the Consultant.

Task 8 - Parcel Billing Data Match Coordination

The City will perform a computer cross-reference between the parcel addresses in the assessor's information and the service addresses in the utility information. Non-residential and non-single family residential parcels that cannot be matched to a utility account by computer will be matched manually. The Consultant will coordinate the City's utility accounts personnel for the process of manually matching the parcel and utility account information.

Deliverables

✓Coordination for residential billing data match process.

Task 9 - Master Billing Data File Coordination

The City will utilize parcel billing data developed in Task 9 to develop a master billing data file that contains all of the data required for the stormwater utility billing system. The data file will be used to store, retrieve, and update the stormwater utility billing information as it is verified. The Consultant will provide coordination with the City during this process of merging of the existing utility billing and new stormwater utility billing files.

The City will determine the impervious area for each non-residential parcel based upon reviewing the assessor's information and the utility information utilized during Task 8. This activity will concentrate upon developing actual values for each utility account to correctly represent the amount of impervious

area and the ERUs determined by dividing the correct impervious area by the specific ERU value for the City.

Deliverables

✓Coordination as the City works through the master billing file development process

Task 10 - Revenue Scenarios and Rate Analysis

A series of revenue projections will be produced for the rate structure considered most appropriate for the City. Because of the comparisons previously performed, the Consultant will generate a series of projections for an initial planning period (i.e., five years). These projections will allow the City to identify the rate that satisfies the programs needs utilizing a pay-as-you-go capital improvement funding methodology in conjunction with financing large-scale capital improvements with revenue bonds. In previous evaluations with other utilities, this analysis requires developing debt coverage ratios that represent the minimum ratio of utility net-income to annual debt service requirements.

The project team will evaluate the stormwater utility's rate base over a five-year period for the selected user fee. The pay-as-you-go and bonded indebtedness options will be considered, and will include projected capital improvements and the corresponding total program cost impacts such as administration, operation and maintenance, etc. The rate model produced by the Consultant will greatly facilitate the evaluation of various options. Through varying costs incurred in any year (phased construction or phasing in additional maintenance crews), various rates can be evaluated for the planning period.

Similarly, the rate model can be used to determine a fixed rate to meet the needs of the first five years of the stormwater program.

The rate model will enable the City to determine the impact on users and the impact on revenues for various options and rate scenarios. The Consultant anticipates developing three revenue scenarios that will consider the following options:

- Inflation, wage rate increases, growth, and the cost of borrowing
- Alternative means of financing capital improvement programs including revenue bonds, general obligation bonds, special purpose bonds, grants, and pay-as-you-go financing
- Alternative capital and operating programs, including implementation schedules
- Alternative allocations of City overhead cost to the stormwater function that might include billing, treasury, legal and City management support depending on the needs of the City

Deliverables

✦Rate model table for three revenue scenarios.

Task 11 - Calculation of Actual Utility Rate and Charges

The City will evaluate all non-residential parcels to determine the impervious area associated with each parcel. Through this process, the City will calculate the number of billing units (ERUs) and the corresponding stormwater utility charge for each parcel in the City's existing billing system. The procedures to calculate utility charges can be incorporated into the billing system. The Consultant will provide oversight and QC throughout the parcel assessment and utility charge calculation process. The

City will provide computer files containing the data sufficient for the initial billing and any additional data that should be maintained in the stormwater utility customer database. The Consultant will review this information with the City to ensure the City understands the processes. Initial updates and corrections to the database will be coordinated with the City for implementation on the City computer billing system.

Deliverables

✓Oversight and QC as the City calculates actual parcel utility rates.

Task 12 - Database Management System Needs and Procedures

The Consultant will provide guideline recommendations in a technical memo to the City's staff for the following items:

- ✓ How to update and append the City's database with the future stormwater user fee information,
- ✓ How to maintain files and develop information maintenance procedures for the stormwater utility information in the City's computer system,
- ✓ How to establish data transfer procedures for billing the stormwater charge;
- ✓ How to establish procedures for updating the City's database with new information in the GIS,
- ✓ General staff and resource considerations to maintain the utility's billing database

The Consultant will provide an outline recommending procedures for updating the stormwater user fee data with information from the building permits, code enforcement, water and sewer billing system, or other data sources. Procedures developed will be incorporated by the City into the routine file maintenance procedures, response to customer complaints and maintenance of the stormwater utility data management system.

Deliverables

✓Technical memorandum for future database management and recommendations for stormwater utility updates.

Task 13 - Policy Issues

While developing and analyzing the City's stormwater management program, numerous policy issues will arise that will need to be addressed and resolved. These issues are included in the following expanded list:

- ✓ Exemption requests for tax-exempt properties
- ✓ Exemption requests for government properties
- ✓ Credits for quality or quantity improvements on private property
- ✓ Credits for land donations
- ✓ Credits for temporary facilities
- ✓ Credits for maintenance

- ✓ Perpetual credit with no future payments
- ✓ Credits for senior citizens
- ✓ Billing of vacant land
- ✓ Credit application procedures

The Consultant will address each of these issues as they arise and seek resolution when practical within the schedule. Policy issues will be discussed, evaluated, and resolved at regular progress meetings with City staff.

Exemptions

The only exemptions supported by state supreme court rulings involve public roads and rights-of-ways. Specifically, the courts in different states have agreed with the concept that the areas of these facilities are part and parcel to the drainage system and should not be billed independently. With respect to any other parcel category, the state supreme courts have ruled that all parcels must pay the stormwater charge if the utility passes the rationale nexus test. No parcel can be exempted due to its tax status or land use; only adjustments to the charge can be applied.

Credit Issues Are Complex

Many policy issues are controversial and complex, the most controversial being the issue of credit for private quality or quantity improvements for maintenance. Such a credit policy can significantly reduce revenue and can add additional administration costs for implementation and ongoing billing system maintenance. The Consultant will identify these issues and make recommendations to the City staff. With potential credits, any reduction in an individual property's utility fee or credit should be based on the avoided cost to the City's stormwater management program. In any instance, the methods of awarding credit should be handled case-by-case.

Should the City adopt a procedure of granting credits, it is recommended that the following criteria and procedures be followed:

1. The applicant must demonstrate that credit is warranted
2. Existing or proposed private stormwater management systems must be properly designed, constructed and maintained according to all appropriate regulations
3. Credit should be based on the reduction in the City's costs resulting from the construction of the private stormwater management system. Credit should be calculated by either the amortized cost savings over the life of the project or the portion of the utility bill assigned to capital improvements. Credit should be based on a demonstration by the applicant that the private stormwater management system is being operated and maintained properly.

Deliverables

✓Technical memorandum discussing major policy issues and recommendations.

Task 14 - Technical Documentation and Administrative Policies and Procedures Manual

14.1 Technical Documentation

The Consultant will develop a document that contains the technical support data for the programmatic costs, the basis for the ERU, the total number of ERUs, and related data in a format suitable to the City.

14.2 Administrative Policy and Procedures Manual

The Consultant will develop a Policies and Procedures Manual addressing computation of fees and billing. This will include guidance for developing policies and procedures for handling parcels that currently are not receiving a utility bill, multiple meters on a single parcel, and a single user fee account serving more than one parcel. The City will provide guideline recommendations for developing policies and procedures for other special cases.

Deliverables

- ✓ Technical Documentation
- ✓ Policy and Procedures Manual

Task 15 Public Information and Education Program

The public information and education (PI&E) task is the most critical component for implementation of the stormwater utility and should be viewed in a broad sense to include City staff, elected officials and key segments of the general public. The objective of the PI&E task is to initiate and carry out a consensus-building process for support of the stormwater utility concept.

The Consultant will assist the City in developing guidance for forming the Stormwater Policy Advisory Committee; will assist the City in developing key issues, meeting agenda and meeting materials; and will also assist the City with recommendations for public or special interest presentations. Based upon our previous experiences, the Consultant will work with the City and make recommendations on target organizations for the City's consideration as Advisory Committee members. The overall objective will be to develop support among City staff, educate and obtain support from the Advisory Committee, work together with the Advisory Committee to maintain City Council support and then focus on professional, civic and special interest groups within the general public. The Consultant will prepare the Advisory Committee agenda, meeting minutes, and attend up to four (4) meetings, scheduled approximately 4-6 weeks apart.

The Consultant will also provide the City with available examples of news articles, notices, brochures, public service announcements and video productions that have been used by other cities and counties during implementation of Stormwater Utility Public Information Programs. The Consultant will assist the City in developing these materials, and assist in two (2) public workshop(s), or make up to two (2) presentations to key professional, or civic organizations.

Deliverables

- ✓ Initial coordination with key City Officials;
- ✓ Example PI&E Material;
- ✓ Support for up to 4 meetings of the Stormwater Policy Advisory Committee;

- ✓ Two presentations to the general public.

Task 16 - Stormwater Utility Ordinance

The Consultant will provide an appropriate sample ordinance and technical input for preparation of a stormwater utility ordinance to the City and to the City's legal staff for review. The City's legal staff will be responsible for producing a suitable stormwater utility ordinance for adoption by the City Council. The Consultant will assist the City with presenting the ordinance and explaining the utility program at one public meeting relative to adopting the ordinance. A specific rate resolution prepared by the City will be reviewed by the Consultant and will also be presented at this meeting.

Deliverables

- ✓ Sample Ordinance and technical input at a monthly meeting
- ✓ Presentation at one public meeting
- ✓ Review and comment on Rate Resolution

ADJOURN

Motion:
2nd:
Vote Results: For Against
Time: