

No. 14-084 CITY COUNCIL OF PEORIA, ILLINOIS, IN COUNCIL, ASSEMBLED YOUR COMMITTEE OF THE WHOLE to Whom was Referred a POLICY SESSION Regarding STORMWATER FUNDING and Provide Direction to Staff as Appropriate.

A Policy Session was held on Tuesday, March 4, 2014, at ROOM, 305 SW Water Street, Peoria, Illinois, at 6:22 P.M., with Mayor Jim Ardis presiding.

ROLL CALL

Roll Call showed the following Council Members were physically present: Akeson (Arrived at 6:24 P.M.), Grayeb, Jensen, Johnson, Montelongo, Spain, Riggensbach, Turner, Weaver, Mayor Ardis – 10; Absent: Moore - 1.

Others present were: City Manager Patrick Urich, Public Works Director Mike Rogers, Civil Engineer II Jane Gerdes, Civil Engineer Andrea Klopfenstein, City Clerk Beth Ball, Chief Deputy City Clerk Stefanie Rice, interested citizens and members of the media.

Communication from the City Manager and the Public Works Director with a Request to Hold a POLICY SESSION Regarding STORMWATER FUNDING and Provide Direction to Staff as Appropriate.

Civil Engineer Jane Gerdes distributed hard copies of the slide presentation to the City Council.

Public Works Director Mike Rogers said this Policy Session was an initial educational segment regarding storm water, and he reported that the Community Investment Plan contained an item that allowed for the hiring of an engineering firm to examine the process of storm water utility fees.

Council Member Akeson arrived at 6:24 P.M.

Director Rogers reviewed storm water events that occurred within the City over the last two years beginning with the flood of 2013. He said the flood cost the City \$1.4 million in Staff time and materials. He said this dollar amount was not inclusive of the loss of economic development or economic activity. Next, he reviewed combined sewer overflow issues, which could cost the City between \$160-\$550 million. He identified storm water issues in all Council Districts ranging from sink holes, to damaged and aging drainage pipes, to poorly constructed drainage pipes, and the erosion that occurred because of these pipes. He reported that a number of these drainage pipes were approximately fifty years old and were becoming ineffective, noting that the life of drainage pipes was about fifty years. He commented that the frost from this winter reached approximately four feet in the ground, which the City had not seen in quite some time. He said when the ground begins to thaw the drainage pipes would shift, which could create the potential for more sinkholes.

Director Rogers reported that storm water issues cost approximately \$1.2 million annually. He provided a breakdown of those costs noting that \$600,000 went toward capital projects such as major pipe replacement, operational expenses of approximately \$300,000 for projects such as inlet repairs and street sweeping, permit requirements of approximately \$150,000, and administration, engineering and enforcement costs of approximately \$150,000.

Director Rogers reviewed the City's existing storm water programs. He reported that the Private Property Drainage Assistance was a matching program where the City provided assistance up

to \$7,500.00 for residents who had drainage issues. He reported that the Street Sweeping Program occurred twice a year, which should actually occur more often, especially with some of the projects taking place within the Warehouse District, which had the expectation of a higher level of maintenance, Main and University, and all of downtown due to the CSO issues.

Civil Engineer Jane Gerdes provided an explanation of storm water utility noting it was a way to fund the cost of storm water management services. She remarked that this would be similar to a sewer bill or an electric bill. She said the cost would be determined by the amount of impervious area on a property. With this utility, she reported that the \$1.2 million spent on storm water issues would no longer be taken from the General Fund, but would be funded by its own designated fund. She said Peoria County conducted a study and invited the City of Peoria and other neighboring communities to participate to review general programs that addressed storm water utility. She said storm water was a combination of rain and combined sewer overflow. She said this utility was an opportunity to not only address storm water, but to address CSO issues as well.

Civil Engineer Gerdes said the money the City received from a storm water utility could be used to address storm water issues proactively, such as condition assessments, expansion of existing programs and televising programs. She provided an explanation of a lining program, which would allow for repairs without the need to dig into the roads. She said ditch cleaning and maintenance only occurred when ditches became blocked. She reviewed additional programs the City should consider with a storm water utility fee, which included stream bank erosion control programs, water quality monitoring, and green infrastructure programs. She said there was a possibility that some of these programs would be required of the City by the Environmental Protection Agency. She said if that was the case, it would be frugal for the City to be proactive and to implement those types of programs immediately. She pointed out that the green infrastructure had an attractive appearance and addressed storm water issues. Most importantly, she said stakeholders would need to identify the needed projects.

Civil Engineer Gerdes reviewed the Peoria County STAG Grant Feasibility Study results. She reported that the implementation of a typical program would cost a single-family home approximately \$4.55 per month; however, she commented that this amount depended on the needs of the stakeholders. She reviewed monthly rates of other comparable communities.

Director Rogers said the next step of this process would be to issue a Request for Proposal for consultant services in the next month, which was part of the City's Community Investment Plan. He explained what the consultant would do beginning with the public involvement process to ensure that the public had an opportunity to be engaged in the rate development and types of projects they felt would be necessary to begin with. He said with the public comments received, Staff would want to look at incorporating the best management practices. He said this was what the consultant team would assist with in order to make sure the City was benchmarking with other cities in order to see how best they could utilize particular actions to assist with permitting that would be required. Most importantly, he said the consultant would assist with the development of the rate. He said the rate would be developed through the public meeting process. Finally, he said the consultants would draft a sustainable Ordinance that would be presented to the City Council for review.

Upon reviewing the timeline, Director Rogers said from the point that the consultant was selected, project planning would begin, which entailed another meeting with the policy makers along with the consultant team. After the initial meeting with the policy makers, he said the consultant would then initiate public involvement, which would assist in the determination of the rate. He said then billing details would need to be reviewed. Once this process was completed,

he said the team would then come before the City Council with a draft Ordinance. He said once the draft Ordinance was presented, the team would then need to initiate public education. He remarked on the importance of public education in order for the utility to be successful.

Mayor Ardis expressed his appreciation for the information presented. He said the City needed to address an issue that had not been addressed for quite some time. As it related to timing, he said the City was faced with CSO issues that would be mandated by the U.S. EPA. He said the timeframe presented for the storm water issue would coincide with that of the CSO. He asked if these two issues could coincide so they could be presented to the citizens at one time rather than at separate times.

Director Rogers said the plan was to address storm water and CSO issues simultaneously. He remarked that the City would have the benefit of public input if both of these processes were moving at the same time. He mentioned, as part of best management practices, the City would address CSO in the same manner as storm water utility. He provided an example stating the more green infrastructure was used, the more it would take storm water out of the system that would actually be contributed to the CSO.

In response to Mayor Ardis, Civil Engineer Gerdes said she was not able to provide a dollar amount at this time as it related to water quality monitoring. She said water that left construction sites would need to be monitored. She said this would require more field inspections and equipment purchases. She said it would be a requirement to make sure that process was done, but those fees would be the responsibility of the developer.

Director Rogers said if these issues were not addressed, the City would be subject to fines. He said someone needed to monitor construction projects to make sure processes were in place before the project began. He said the EPA required monitoring before, during and after projects. He said depending on the number of projects taking place, the cost could be substantial.

Council Member Turner inquired when the last time a condition assessment was done.

Director Rogers said he was unaware of when the last condition assessment was completed. He said there was not a proactive program in place. He said condition assessments had been done as it related to the CSO, with GPSD maintaining the system. For storm water, he said the City had not developed a proactive program to gauge and develop a maintenance plan and a capital plan. He said the City had been reactive with these types of projects. He said condition assessments and televising programs were important to recognizing when a system may fail.

Mayor Ardis remarked that this issue had been discussed over the last several years, and he said now the issue had progressed to the point of today. He said the City would be forced to address the CSO issue in the near future. He said it would make sense to couple CSO with storm water and to address both issues simultaneously.

Director Rogers said this project would take at least a year, which would require multiple public meetings. He said this would be a difficult issue for all policy makers. He said it would be a more difficult decision if the City encountered catastrophic failures.

Council Member Spain said he appreciated the presentation on the storm water utility. He expressed some reluctance of putting storm water issues in front of CSO issues. He said it was his impression that the City was making progress with the EPA. However, he said combining the two issues made sense.

At the request of Council Member Spain, Civil Engineer Gerdes reviewed the assessment for a single-family resident, for commercial and for multi-family units. She said the amount of impervious surface was used to calculate the assessments. Within that, she remarked that the City of Peoria, School District 150 and the Peoria Park District owned the most impervious property.

Director Rogers said, in response to Council Member Spain, that there were communities who developed storm water utilities in order to provide incentives for green solutions. He said a consultant would assist with incorporating credits for developers who implemented a certain amount of green solutions. He said a number of communities already had similar incentives in place. He said these credits could be applied towards future liabilities. He also remarked the need for implementing a cap on the utility due to the size of some entities.

Council Member Akeson said it was important to provide credit to those who implemented green infrastructure. She said the public would be more understanding of the situation once they were educated on storm water issues. She said she believed the public would be supportive of the utility if it was explained.

Council Member Montelongo said citizens needed to be responsible for their own water runoff. He said the City should make an effort by way of an Ordinance and identify key areas within the City to address. He said this should be the first step before discussing some form of a tax rate.

Council Member Riggerbach expressed his appreciation for the information on storm water issues. As it related to project planning, he asked if there was a catalog of needs.

Director Rogers said there was already a catalog of projects. He said each year the City maxed out on the private participation program. Currently, he said Staff was selecting projects turned in last year, and he noted it was on a first- come, first-serve basis.

Council Member Riggerbach said public education was key to the success of this project. He asked whether there were processes the City could implement without having to wait on a consultant, and he inquired whether Staff was already looking at green solutions.

Director Rogers said Staff was researching green solutions as it related to CSO concerns. He said the CSO issues would force the City to be "greener." He said there needed to be a lot less water going into the sewer systems. He said Staff was looking at all capital projects to see what could be done, and noted that incorporating more green solutions would provide more credits to the City when reporting back to the EPA.

Council Member Grayeb said it was his opinion that the public would be supportive of a storm water utility. He said he believed many property owners are aware of the issues.

Council Member Weaver inquired how it was determined that storm water was a City issue, when was it a property owner issue, and when it was the City's responsibility on private property.

Civil Engineer Gerdes said most of the properties located on creeks were under private ownership. She said when an issue affected a number of property owners was when the City would get involved. It was at this point, she said, the property owners would provide easements to the City for access to the property.

Council Member Spain commented that when the City discussed green credits, Special Service Areas should also be incorporated into those discussions.

Mayor Ardis remarked that if this process was going to take 12 to 18 months to review, the City should engage a consultant about best practice and could also engage citizens representing each District, as well as water and sewer representatives and a Public Works representative. He said if the City engaged the citizens from the beginning, then when it came time to discuss potential solutions, those citizens would be able to provide informed input on those solutions.

City Manager Urich said Director Rogers, Civil Engineer Gerdes and Civil Engineer Klopfenstein conducted a lot of research on this issue, and he said this was a matter that needed to be reviewed to see what was best on how to approach this situation when managing the geography of the entire city.

Council Member Montelongo said the City needed begin looking on how to address storm water first before looking at implementing a tax.

Mayor Ardis requested the Request for Proposal be brought back to the City Council for approval.

In response to Council Member Weaver's questions relating to the budget of the project, Director Rogers said the CIP Plan allocated \$350,000.00 for the hiring of a consultant.

Council Member Weaver said preventative maintenance would save the City money in the long run. He said for \$350,000 the City could implement preventative maintenance immediately. He said he was not in favor of a storm water utility tax. He said if the City contributed to the storm water issues, then the City should have liability of the same. He said he would not agree with addressing issues that occurred on private property.

Director Rogers said Staff would begin best practices immediately without waiting for the study to be conducted. He said he would not foresee a consultant costing \$350,000. He said Staff would begin reviewing situations within the City right away.

With regards to the storm water utility, Council Member Weaver requested additional information on how Staff would quantify for the utility.

In response to Council Member Akesson, City Manager Urich said even though the City had capable Staff to do the work of the consultant, the Public Works Department was too understaffed to add this to their workload.

City Manager Urich said there was approximately \$1 million allocated in the budget to address drainage issues for 2014. He said there was \$350,000 budgeted for the storm water utility consultant. He remarked that the City's infrastructure needs were greater than the City's resources.

Director Rogers said it would be the task of the consultant to determine the best form of funding. He said when the City invested with a firm, the project as a whole should be reviewed.

ADJOURNMENT

Council Member Turner moved to adjourn the Policy Session regarding Storm Water Funding; seconded by Council Member Johnson.

Approved by roll call vote

Yeas: Akeson, Grayeb, Jensen, Johnson, Montelongo, Riggenbach, Spain, Turner, Weaver, Mayor Ardis – 10;

Nays: None.

The Policy Session closed at 7:34 P.M.



Beth Ball, MMC, City Clerk
City of Peoria, Illinois

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