

**ITEM NO. \_\_\_\_\_ TO THE CITY COUNCIL OF PEORIA, ILLINOIS, IN COUNCIL,  
ASSEMBLED YOUR COMMITTEE OF THE WHOLE to Whom was  
Referred a POLICY SESSION Regarding WET WEATHER FUNDING  
and to Provide Direction to Staff as Appropriate.**

A Policy Session was held on Friday, March 18, 2016, beginning at 8:05 A.M. at City Hall, Council Chambers (Room 400), 419 Fulton Street, Peoria, Illinois, with Mayor Jim Ardis presiding, and with proper notice having been given.

**ROLL CALL**

Roll Call showed the following Council Members were physically present: Akeson (Arrived at 8:06 A.M.), Jensen (Arrived at 8:06 A.M.), Johnson, Montelongo, Moore, Riggerbach (Left at 9:45 A.M.), Ruckriegel, Spain (Arrived at 8:06 A.M.) Turner, Mayor Ardis – 10;  
Absent: Grayeb -1.

Others present were: City Manager Patrick Urich, Assistant City Manager Chris Setti, Corporation Counsel Don Leist, City Clerk Beth Ball, Public Works Director Michael Rogers, City Engineer / Deputy Director of Public Works Scott Reiese, Chief Innovation Officer Anthony Corso, Director of Information Systems Sam Rivera, Communications Specialist Stacy Peterson, Civil Engineer Jane Gerdes, Facilities Maintenance Manager Jason Meeks, Innovation Team Project Manager Kate Green, Innovation Team Project Manager Kathryn Shakelford, Chief Deputy City Clerk Stefanie Rice, interested citizens and members of the media.

**Communication from City Manager and Director of Public Works with a Request to Hold a  
POLICY SESSION Regarding WET WEATHER FUNDING and to Provide Direction to Staff  
as Appropriate.**

A copy of the PowerPoint presentation, a pamphlet entitled "Our Water, Our Way", and a spreadsheet showing the cost to 25 of the largest entities within the City was distributed to the City Council.

City Manager Urich introduced the Policy Session noting that Staff would provide a presentation on wet weather items the City faced as it related to combined sewer overflow (CSO) issues, wet weather issues, and the requirements the City had under the Federal Government for stormwater management. He said the Policy Session was to review and discuss the sewer rate issue that was previously deferred from the March 8, 2016, City Council meeting that was currently scheduled for the March 22, 2016, City Council meeting. He said Staff wanted to address any questions from the City Council regarding the requirements from the United States Environmental Protection Agency (EPA) and the United States Department of Justice (DOJ).

Public Works Director Mike Rogers reviewed City-wide wet weather funding issues, noting that the issues were not contained to one area, but were throughout the City. He reviewed a map that represented areas for service requests. He remarked that over 906 service requests had taken place, which represented approximately \$4.3 million worth of issues that had already been addressed. He said approximately 112 projects were identified with the Storm Sewer Repair Program since 2012, noting it equated to approximately over \$2 million worth of investments. He reviewed a historical timeline of watershed moments dating back to 1880.

**CITYWIDE STORMWATER PROBLEMS – UNFUNDED MANDATE**

Public Works Director Rogers reported that City-wide stormwater problems was an unfunded mandate, noting it was a serious issue for the City. He provided an overview on the City's

stormwater infrastructure. He said the community felt it had no impact on stormwater issues; however, he said the stormwater infrastructure was more than pipes underground. He said water had to be conveyed somewhere whether it was through ditches, ponds, or lakes. He said the roadways and pavements conveyed water as well. He said it was a costly issue, and if left unaddressed, would become costlier. He reviewed the City's capital needs, which included 84 projects backlogged with 10 of those projects rated high-severity. He said the high-severity projects had the potential of becoming safety issues. He said Staff costed out 84 of those projections stating it would cost approximately \$6.6 million to address. Currently, he said the City had a funding stream of \$1.2 million to address those issues. He said these were the projects of which the City was aware; however, he said issues occurred every day. He remarked on the importance of becoming proactive. He said the City became proactive in 2014 by utilizing a sewer televising crew. He said if Staff saw an issue, it would be addressed in a least costly manner, which would come from the capital budget. He said the other cost pertained to maintenance wherein there were currently 448 existing projects that continued to grow on a daily basis.

Council Member Turner arrived at 8:28 A.M.

Public Works Director Rogers provided a presentation on the importance of maintaining the sewer lines. He said as these lines filled up with silt and debris, they would lose capacity and overflow onto the roadways.

#### COMBINED SEWER OVERFLOWS – UNFUNDED MANDATE

Next, Public Works Director Rogers addressed the unfunded mandate of the combined sewer overflow (CSO). He said there were over 770 other municipalities throughout the country that were under some form of consent decree by the EPA. He reviewed the City's CSO and GPSD areas. He identified the location of the outfalls, which were all below the waterline. He provided some facts about the City's CSO noting, on average, there were approximately 20-30 CSO events each year. However, he said in 2015 the City had 53 events, and in 2016 there could be 53+ events. He said CSO issues were changing with more issues occurring. He remarked that a CSO issue could be triggered with very little rain or snow melt. He said the City supported clean water and preferred not to see CSO issues occur. He said the City had been working with the EPA in order to develop a solution. Overall, he said the infrastructure grade was rated a D. He said the City faced an unfunded mandate from the EPA, noting that negotiations were ongoing. He reported that the City's plan was to reach 100% green infrastructure with the use of rain gardens, bumpouts, and green alleys. He stated it was the City's goal to ensure water was not getting into the sewer system. He said plant materials cleaned the water, and he reviewed the City's green plan. He expressed his appreciation to the City's Innovation Team (i-Team) and the team's ability to think through the plan in a way that was sustainable for the community. He reported that the green plan would help with the ecological systems within our community. He said implementing a green infrastructure would positively impact the City's transportation infrastructure, neighborhood-scale economic development, among others. He reviewed a gray solution that the EPA recommended, noting it was a costly plan with few companies who knew how to implement it. He said a green plan could be broken into smaller projects and was an investment in the people and community.

#### COVERING CSO COSTS

Public Works Director Rogers said the CSO and wet weather issues were community-wide concerns. According to the Clean Water Act compliance, he said the CSO and MS4 were unfunded mandates, noting that the Illinois River belonged to the entire region. He said the City

was trying to ensure that with the proposed plan, the City was not putting the entire burden on the community in a short period of time. He remarked that the EPA wanted the project completed in 8 years; however, the City was requesting 18 years. He said the City was also seeking public involvement, noting there had been 45 presentations in six months that had reached out to 1900 citizens.

Since 2006, Director Rogers said the City Council addressed approximately 16 CSO related agenda item, held a Policy Session in July of 2010, and conducted approximately 20 Executive Sessions regarding pending litigation.

### COSTS AND FUNDING

City Engineer Scott Reese said the stormwater utility was a public utility organized as a separate enterprise in the same fashion as a water utility, sewer utility or parking utility. He said it provided a funding source separate from the General Fund, which was an equitable and responsible way to fund wet weather management. He said the primary reason for a stormwater utility was to create a dedicated funding stream wherein all property owners paid.

City Engineer Reese provided an overview of the One Water committee, which was created in 2015 wherein 7 meetings were open to the public. He said the purpose of this Committee was to make recommendations to Staff to bring to the City Council. He said the Committee helped the Public Works Department set priorities for stormwater infrastructure work. He discussed credits for property owners who reduced the amount of water usage in the home. He said credits were provided for reduced amounts of impervious areas. He reported that the Committee concluded it would cost approximately \$12.1 million to fund a responsible stormwater program; however, he said Staff was able to reduce that amount to approximately \$8.24 million per year of which \$5.3 million would be dedicated to capital costs and \$2.9 million towards operating costs.

City Engineer Reese said Staff calculated potential rates, which would be based on impervious areas on the property such as the roof, driveway, sidewalk, etc. He said the fee would be directly related to runoff contribution. He said credits would be offered, but a credit program was still in the process of being devised. He remarked that incentives would be a one-time benefit. He reviewed a draft average residential rate based on 2,600 square feet of impervious area and he said it would average approximately \$13.00 per month for a monthly stormwater bill.

City Engineer Reese reviewed the cost of the CSO, and he reported that the total cost to fix the CSO would range between \$200-250 million. He said part of the CSO solution would be funded through the stormwater utility with the remaining amount coming from increased sewer bills, property taxes and other taxes. He said the CSO costs would ultimately be a Council policy decision. He reviewed what the Stormwater Utility would fund, noting that most of the projects would be complaint-driven activities. He remarked on the importance of inventorying the City's assets. He reviewed a draft average residential rate stating that the average residential monthly stormwater bill would be \$13.00. He reviewed funding for a green infrastructure, noting that the ongoing maintenance costs once green was installed would be between 1% - 3% of capital costs. He reviewed the annual cost for wet weather management, which included stormwater utility, CSO and existing City sewer fees.

## IMMEDIATE NEEDS

City Engineer Reeise said, as part of the budget process, the City Sewer rate increases were budgeted in for 2016/2017. He said those increases would be back before the City Council on March 22, 2016. He said those funds would go towards the operation and maintenance of City-owned sanitary, CSO, City storm sewer and the debt service. He provided a breakdown of the 2016 wet weather expenses, and he noted that part of those funds would also go towards a CSO Pilot Project.

In response to Council Member Spain's question regarding the agreement with Peoria County to bring the sewer lines up to standard in certain parts of the City, City Engineer Reeise said the City paid 100% of the upgrade, but then the County would take ownership and maintenance of those sewer lines thereafter.

City Engineer Reeise reviewed a map of the City's sanitary and combined sewers as well as the sewer billing components. He remarked that residents south of War Memorial would see an increase of 12% for 2016 and 13% for 2017. For residents north of War Memorial, he said they would see an increase of 6.9% in 2016 and 8.8% in 2017. He reviewed the CSO Pilot Project noting that Peoria would be the first city in the nation to do a 100% green plan. He said Peoria would showcase a green infrastructure, which would be nearly a \$2 million project. He said Staff reviewed various sites throughout the CSO area for a pilot project. He reviewed the summary of recommendations for Council to approve at the next City Council Meeting.

## COUNCIL DISCUSSION

In response to Council Member Spain's question, City Engineer Reeise said the 7% credit provided customers, who had separately metered irrigation systems, was utilized in order to ensure the City's credits coincided with GPSD's credits. He stated that rain events were typically flash events. Because of this, he said the rain water ran off into ditches or roads, which was the reason for the promotion of rain barrels that would slowly distribute the rain into the yards. Regarding the homes on Knoxville Avenue, he said there was an engineering equation to determine the runoff features of those properties. He further confirmed Council Member Spain's statement that the typical residential property bill of \$13.00 per month combined the total water utility funding of \$13.25 million per year.

In response to Council Member Akeson, City Engineer Reeise said if a business installed a green roof, then that business would receive a credit. He remarked that the City currently had a number of Ordinances directly conflicting with the City's stormwater utility, if adopted. He said Staff would need to review those Ordinances for amendments. Regarding driveways, he remarked that not all gravel driveways were impervious.

In response to Council Member Moore's concern regarding the different rates north and south of War Memorial Drive, City Engineer Reeise said this differentiated between the City collecting the lateral rate south of War Memorial, and north of War Memorial there was a GPSD fee.

In response to Council Member Ruckriegel's question regarding outreach programs and for those individuals currently making improvements to their properties and whether the City was educating them as to the potential change, Public Works Director Rogers said Staff had gone to the Neighborhood Associations and various community groups to discuss the issue. He said Staff contacted the top rate payers as well as requested feedback on the parcel map.

City Engineer Reise said the fee was based on impervious areas, which was based on GIS information. He said Staff had reviewed and tracked permits since and was establishing an appeals process. He said Staff had not yet addressed permits for driveways, however, going forward Staff hoped to meet with future developers.

In response to Council Member Johnson regarding an incentive program, Public Works Director Rogers said there were credits that would reduce sewer rates significantly.

City Engineer Reise said Staff was working on bringing back an outline of incentives next month.

Council Member Montelongo remarked on the importance of the community accepting responsibility for water runoff from their own properties, which would provide a better indication of the impact it would have on the sewer systems and the CSO.

Regarding the difference in lateral fees, City Engineer Reise said in response to Council Member Jensen, that GPSD had been increasing their lateral fee each year, noting that the City had gone a number of years without increasing its lateral rate.

Council Member Jensen requested a breakdown of the number of properties that had City sewers and the number of properties that had GPSD sewers.

In response to Council Member Jensen, City Engineer Reise said, ideally, the improvements to the sewer lines and transfer of those lines to Peoria County should be completed by the end of 2016.

Council Member Jensen requested a comparison of the fees charged in 2014 and 2015 and how those compared to the proposed fees for 2016.

For clarification for Council Member Jensen, City Engineer Reise said the fee would be based on the square footage of impermeable spaces such as roofs or driveways, not the total square footage of a building with more than one floor. He also provided an overview of the One Water Committee and how that committee was comprised along with the various public meetings held.

Council Member Jensen remarked on the importance of including the neighborhoods in the discussions of water issues. She said she did not feel residents had been represented on the One Water Committee. She said neighborhood representatives should have been included.

In response to Mayor Ardis, City Engineer Reise said the City would afford an appeals process should a homeowner disagree with their assessment. Regarding credits, he said commercial properties would be reviewed once every two years or annually and homeowners would be reviewed every five years.

In response to Council Member Spain, City Engineer Reise said West Peoria, Peoria Heights and Bartonville affected the City's CSO.

Council Member Akeson requested that Staff schedule a demonstration project of pervious pavement in the spring for Council Members and other groups within the City. She remarked on the importance of making people aware of pervious pavement.

In response to Council Member Montelongo, Public Works Director Rogers and City Engineer Reise agreed that if citizens changed their behavior regarding wet weather issues, then the City would see a significant reduction in CSO issues.

Council Member Montelongo requested a list and locations with dollar amounts of the backlog of projects.

Council Member Akeson expressed her concern for the lack of citizen representation on the One Water Committee.

Mr. Roger Sparks, a concerned citizen, remarked on how CSO issues affected his home and caused several thousand dollars' worth of damage. He express a concern regarding the Peoria Heights connection that dumped stormwater into the City's sanitary sewer, which made the lines ineffective to remove water from his property.

The Policy Session closed at 10:17 A.M.



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

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