



**Meeting Date:** January 27, 2020

**To:** Municipal Services Committee

**From:** [Michael Braiman](#), Assistant Village Manager

**Subject:** Additional Agenda Material- January 28, 2020 MSC Meeting

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Enclosed please find the following additional agenda material for the January 28, 2020 Municipal Services Committee meeting concerning stormwater utility fee credits and incentives:

- Memorandum regarding MWRD detention credits- additional credit option for consideration
- Resident communication



**Meeting Date:** January 24, 2020

**To:** Municipal Services Committee

**From:** [Brigitte Ann Berger-Raish](#), P.E., Dir. of Eng and Public Works  
[Dan Manis](#), P.E., Village Engineer

**Subject:** Detention Credits

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President Bielinski asked staff to take a second look at the recommended credits applied to non-single-family residential properties that install detention compliant with the Metropolitan Water Reclamations District's (MWRD's) Watershed Management Ordinance (WMO). More specifically, the purpose of this review is to ensure the credit is based on sound engineering principles and the value of said credit is commensurate with the reduction in impact to the overall performance of the Village's storm sewer system as it relates to stormwater detention. This review applies to detention facilities previously installed as well as future detention installed as part of development projects.

The original Credits and Incentives Manual stated properties would be eligible for up to a 50% reduction in utility fee if it doubles the volume of required detention as defined by MWRD's WMO. For all other owners that exceed the total WMO detention requirement, credits will be awarded in proportion to the amount of detention exceeded (e.g., 1.5 times detention exceeded will result in a 25% credit).

The credits were then divided into three main categories: prior to 2013, between 2014 and 2019 and 2020 and beyond. These timeframes correspond to significant changes in the MWRD detention requirements.

At the December 10, 2019 Municipal Services Committee meeting, staff presented the table below, which shows credit percentages increase with each variation of the MWRD ordinance.

**Table 1: Detention Credit Table Presented in December\***

<b>Site Detention Facility</b>	<b>Credit</b>
Meets MWRD Pre-2014 Ordinance	20%
Meets 2014 MWRD Ordinance	25%
Meets 2020 MWRD Ordinance	28%
Doubles 2013 Ordinance Requirements	40%
<b>Double 2014 Ordinance Requirements</b>	<b>50%</b>
Double 2020 Ordinance Requirements	57%

*\*All of the credit percentages in Table 1 are based on the initial Credits and Incentives Manual which suggested a property receive a 50% reduction in utility fee if it doubles the volume of required detention as defined by MWRD's WMO.*

The increase in credit percentages with each MWRD Ordinance reflects the rainfall and detention requirements becoming more stringent, and consequently more helpful to the system, over time. This is illustrated in Table 2, which shows the helpfulness rating (HR) for each variation of the WMO.

**Table 2: Helpfulness Ratings (HR)**

<b>Site Detention Facility</b>	<b>Rainfall (inches)</b>	<b>HR</b>
Meets MWRD Pre-2014 Ordinance	6.00	1.00
Meets 2014 MWRD Ordinance	7.58	1.26
Meets 2020 MWRD Ordinance	8.57	1.43

A fee reduction of 50% was the maximum recommended by Raftelis in recognition of the fact that these properties, regardless of the presence of detention, utilize the Village's storm sewer system. For example, a property could detain 100% of their runoff and slowly release the collected water into the storm sewer system at a controlled release rate. While the impact to the public sewer system is decreased due to the reduction in peak flow from the property, the property still uses the Village's storm sewer system to remove the stormwater and convey it to the pump station and ultimately the North Branch of the Chicago River. For this reason, staff believes that any Credit offered not exceed 50% of the total stormwater fee as the public system is still used and the properties are still receiving a benefit from the storm sewer system.

### *Calculating Impacts*

Staff researched how other Village's credit stormwater detention and discussed this matter with the Village's third-party plan review engineer responsible for reviewing stormwater detention for non-single-family properties. It was determined that it would be extremely difficult and cumbersome to try to custom calculate detention impacts for individual properties. The calculation would consider drainage (flow type, runoff volume, storage volume, restrictor size, release rate, topography, etc.) for both existing conditions (pre-detention- which would be very difficult for projects built over a decade ago) as well as post construction as a way to assign a value to the impact. Given the

complexity of this effort, each property would be required to hire a professional engineer to research the drainage conditions and prepare the calculations and a detailed report for a third-party consultant's review. Such a consultant would be an additional expense borne by the Village. Based on this, staff does not recommend a custom calculation of impacts.

*Possible Revisions to the Detention Credit Table*

Staff reviewed the original detention credit table and recognized it was unrealistic to expect that properties would double the required MWRD detention in order to receive a 50% maximum credit in the utility fee. Therefore, the table has been revised to apply the maximum credit amount (50%) for properties that meet the most stringent detention requirements (compliance with MWRD's 2020 WMO regulations). Similar to the credit table presented in December, the remaining percentages established for the 2014 WMO and the pre-2014 WMO, are based on a helpfulness factor derived from rainfall and detention requirements that were in place at the time the detention was constructed. Factoring the maximum recommended 50% credit (2020 WMO) with the helpfulness factor for the 2014 WMO and the Pre-2014 WMO are how the projected value of the associate credits are determined.

Village	Detention Credit
Downers Grove	Up to 20%
Highland Park	Up to 25%
Winnetka	Up to 50%
Wilmette	Up to 50% (2020 WMO)
Wilmette	Up to 45% (2014 WMO)
Wilmette	Up to 35% (Pre-2014 WMO)

*List of Properties with Existing MWRD Detention*

The table below is an updated stormwater utility cash flow that indicates the impact of all credits, institutional/501(c)3 credits, educational credits, and the revised MWRD detention credits. This chart is provided as a reference point, recognizing that the Board may ultimately implement a different credits program.

Stormwater Cash Flow	FY 2020	FY 2022	FY 2024	FY 2026	FY 2028
Revenue	\$ 1,479,736	\$ 3,028,206	\$ 3,953,392	\$ 4,602,970	\$ 4,602,970
Expenditures	\$ 935,000	\$ 2,829,267	\$ 3,731,619	\$ 4,343,318	\$ 4,361,094
<b>Annual Surplus/(Deficit)</b>	<b>\$ 544,736</b>	<b>\$ 198,939</b>	<b>\$ 221,773</b>	<b>\$ 259,652</b>	<b>\$ 241,876</b>
<b>Reserve Level (Revenue)</b>	<b>\$ 544,736</b>	<b>\$ 876,581</b>	<b>\$ 1,282,419</b>	<b>\$ 1,784,924</b>	<b>\$ 2,276,202</b>
<b>Recommended Reserve</b>	<b>\$ 322,420</b>	<b>\$ 652,281</b>	<b>\$ 849,548</b>	<b>\$ 987,960</b>	<b>\$ 987,960</b>
<i>Over/(Under) Reserve</i>	<i>\$ 222,316</i>	<i>\$ 224,300</i>	<i>\$ 432,871</i>	<i>\$ 796,964</i>	<i>\$ 1,288,242</i>

As the table above indicates, the stormwater utility fee, combined with the revised MWRD detention credits continues to provide the flexibility to offer credits without increasing projected single-family rates. Revising the detention credits will reduced revenues by an estimated \$253,969 by the end of 2028, however the funds will remain above the recommended reserve level. Attachment #1 provides an updated listing of properties eligible for the MWRD detention credit and provides the estimated pre-credit and post-credit fees for 2020 and 2026.

**Stormwater Utility Fee Financial Analysis  
Potential MWRD Detention Credits\***

**DETENTION CREDITS**

	Credit Value	2020 Bill	2020 Bill (Post-Credit)	2026 Bill	2026 Bill (Post-Credit)
Marriott Residence Inn	35%	1,687	1,096	5,129	3,334
Optima Center Wilmette	35%	983	639	2,990	1,944
Jewel Osco	35%	3,296	2,142	10,019	6,512
Shiner Retail Development	35%	790	514	2,405	1,564
Ronald Knox Montessori School	35%	548	356	1,671	1,086
Mather Place Phase 2 Addition	45%	2,755	1,515	8,376	4,607
The Residences at Wilmette	45%	1,183	651	3,599	1,979
1121 Greenleaf Mixed Use Bld	45%	379	209	1,158	637
Loyola**	45%	18,305	10,068	55,624	30,593
Trillium Row	45%	245	135	749	412
Westmoreland Parking Lot/Paddle Courts	45%	7,297	4,013	22,175	12,196
Artis Senior Living	45%	1,360	748	4,138	2,276
Cleland Place/HODC (approved project)	45%	426	234	1,299	714
Optima Mixed Use (proposed project)	45%	964	530	2,932	1,613
Edens Plaza Retail Expansion (proposed project)	45%	21,983	12,090	66,798	36,739
<b>All</b>		<b>62,201</b>	<b>34,940</b>	<b>189,062</b>	<b>106,206</b>

*\*The credits displayed on this attachment are for representation purposes and indicate the maximum value for MWRD credits. Each property will be individually assessed*

*\*\*Institutions is only eligible for 50% total credit; can be combination of institutional and detention credit*

**From:** [Lali Watt](#)  
**To:** [Braiman, Michael](#)  
**Subject:** Stormwater Fee - For trustees  
**Date:** Friday, January 24, 2020 2:57:44 PM

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Dear Trustees,

As a longtime environmental advocate and village resident I am concerned the Municipal Services Committee is considering giving credits to the recently introduced stormwater fee to certain organizations.

As I understand it, these credits would be unrelated to their stormwater impact. This is not only illogical but also unfair to organizations and residents who have worked hard to minimize runoff from their properties.

I fully support giving all taxpayers credit for things they have done to manage their own stormwater runoff and reduce the need for huge public spending. It is perverse to give credit to organizations who have done nothing of the kind. In fact many of them have huge, impervious parking lots. There is no reason we should shift part of their fees onto residents.

If you need to raise less revenue from this source please reduce the rates you plan to charge residents or provide residents with credits for having taken steps like creating rain gardens, replacing lawns with native plants or creating pervious patios and driveways.

Thank you for your consideration.

Best regards,

Lali Watt  
811 Chilton Lane, Wilmette

PS - Thank you for distributing to trustees.