



**Date:** September 5, 2019  
**To:** Timothy J. Frenzer, Village Manager  
**From:** Michael Braiman, Assistant Village Manager  
**Subject:** September 23, 2019 COW- Stormwater Utility Fee

---

The September 23, 2019 Committee of the Whole meeting will have two items on the agenda:

- 1) Presentation from Raftelis regarding outstanding policy considerations related to the implementation of a new stormwater utility fee
- 2) Continued discussion of the road program (if necessary and time permitting)

To proceed with implementation of the stormwater utility fee, the following decision points need to be addressed:

- Confirm the residential rate structure will be comprised of three tiers based on impervious surface area
- How to bill multi-family properties
- Non-residential credit program and residential incentive program
- Possible exemptions

The PowerPoint presentation addressing each policy matter is enclosed. To meet the goal of a January 1, 2020 implementation, direction from the Village Board is requested at the September 23<sup>rd</sup> meeting or shortly thereafter. To facilitate the decision-making process, Village Board members are encouraged to meet with staff prior to the meeting to review any questions or concerns. Additionally, Keith Readling of Raftelis will be available for individual meetings with Trustees prior to the meeting between 2:00pm – 6:30pm on Monday, September 23<sup>rd</sup>. If you would like to schedule a meeting with staff or Mr. Readling, please contact Assistant Village Manager Mike Braiman at [braimanm@wilmette.com](mailto:braimanm@wilmette.com) or 847-853-7506.

# Village of Wilmette

---

## Stormwater Policies Discussion

September 5, 2019



# Stormwater Policies Discussion - Meeting Agenda

1. Implementation Timeline
2. Residential Rate Structure
3. Billing Multifamily Properties
4. Credits & Incentives
5. Potential Exemptions
6. Public Education

# Implementation Timeline

# Stormwater Utility Fee - Implementation Timeline

Action	Date
Policy considerations	September 23, 2019
Billing data implementation	October - December
Introduction of rate ordinance	October 22, 2019
Adoption of rate ordinance	November 12, 2019
Fee effective	January 1, 2020

Public education will take place throughout this time period and will be discussed later in the presentation

# Residential Rate Structure

# Residential Rate Structure

- Confirm Tiered Structure of Stormwater Fee
  - › Rate structure based on impervious area
    - Developed tiered residential rates – 25/50/25
    - Nonresidential rates based on equivalent residential unit (ERU)

Stormwater Residential Tiers	Impervious Area	Tier ERUs	% of SFR Properties in Tier
<b>Tier 1</b>	Less than 3,000 sq. ft.	0.75	24%
<b>Tier 2</b>	3,000 to 4,300 sq. ft.	1	51%
<b>Tier 3</b>	More than 4,300 sq. ft.	1.4	25%

# Residential Rate Structure

- Within a tier class, Single Family Residential Properties are substantially similar in the type of demand they place on the stormwater system
- Three flat residential tiers are recommended for ease of administration
  - › While there is variation among residential lot sizes and impervious area, tiers balance the administrative ease and equity between charging all residences a flat fee and calculating individual fees based on each residence's impervious area

# Why Not Assess Residential Properties by a Percentage of Impervious Surface?

- Given the availability of high quality impervious area data for the Village, most equitable to develop rates based on measured impervious area for each property
- Can lead to rate structure complications which makes the fee more difficult for customers to understand
- For ease of administration and data maintenance, rate structure does not accommodate individual property variables such as property slope, soil type, how far impervious area is set back from curb, or relative porosity of surfaces considered pervious

# Multifamily Properties

# Multifamily Property Billing

- Recommended to be billed as nonresidential properties assigned a fee based on the amount of measured impervious area.
- If a single, active master meter is available for the multifamily property, it is recommended that the stormwater fee be assigned to that account
  - › If more than one active account is available, the recommended policy is for the bill to be split equally among the meters

# Multifamily Impacts



- › Property at 141 Green Bay Rd. has 31,705 sq. ft. of impervious area or 9 ERUs
- › FY 2022 estimated stormwater fee is \$2,828

# Multifamily Impacts



- › Property at 422 Ridge Rd. has 11,336 sq. ft. of impervious area or 4 ERUs
- › FY 2022 estimated stormwater fee is \$1,328

# Credits & Incentives

# Credits & Incentives

- Credits are only recommended for non-residential properties as the improvements they can make would have a tangible impact on the sewer system
  - › Stormwater rate projections include an allowance for a modest non-residential credits program
- One-time residential incentives:
  - › Downspout disconnects
  - › Rain barrel installations
  - › Other incentives are already in place through the RainReadyProgram
    - It is recommended that stormwater utility fee revenues fund the RainReadyProgram
    - Stormwater rate projections include RainReadyProgram costs of \$35,000 per year

# Potential Exemptions

# Potential Exemptions

- Lightly developed property
- Non-sewer customers
- Village owned or managed properties
- Tax capped units of government

# Lightly developed property

- Not recommended to exempt
  - › E.g., Lots with low development that may not place as much demand on the stormwater system
- Offering exemption for lightly developed nonresidential properties would create a gap between similarly situated non-single family residential and single family properties
- Logic behind this exemption requires lot impervious areas be disconnected from impervious areas on adjacent lots, a condition that is not guaranteed
- Exempting low-intensity development may also lead to unintended consequences, e.g., rewardingsprawled development that creates more stormwater system demand

# Non-Sewer Customers

- Not recommended to exempt
  - › E.g. Parking lots with no water or sewer accounts
- Non-sewer customers with impervious area on properties contribute to stormwater system demand
- Stormwater rates based on total impervious area in Village

# Village managed properties

- Not recommended to exempt
  - › E.g., Metra & CTA parking and station lots
- Village pays for other utilities on managed properties
- Exempting Village managed properties may open door to other exemption appeals; better to raise parking rates to cover the cost:
  - › Metra: Increase of \$0.15 (\$2.50 to \$2.65 Berman Lot and \$2.00 to \$2.15 in the Poplar Lot)
  - › CTA: Increase of \$0.30 (\$4.00 to \$4.30)
- Exempting commuter lots and stations would increase the average residential stormwater bill in FY 2022 from \$428 per year to \$430 per year

# Village owned properties

- Recommended to exempt
  - › E.g., Fire Stations, Police Department, Depot, etc.
- Village would need to increase other revenues to cover stormwater fees
- Exempting Village owned properties would increase the average residential stormwater bill in FY 2022 from \$428 per year to \$431 per year

# Tax Capped Entities

- The table below demonstrates what each entity would pay under an increased stormwater fee or sewer fee
- The far right column shows the additional cost of the stormwater fee as compared to the sewer fee
  - › Note that tax capped entities currently pay their share of the sewer fee and would continue to do so under either scenario
- Exempted tax capped entities would increase the average residential stormwater bill in FY 2022 from \$428 per year to \$448 per year

<b>Tax Capped Government Entity</b>	<b>Estimated Stormwater Fee</b>	<b>Estimated Sewer Fee Increase</b>	<b>Stormwater vs. Sewer Increase Impact</b>
<b>Board of Education</b>	\$83,556.00	\$21,746.00	\$61,810.00
<b>Avoca School District 37</b>	\$21,384.00	\$4,532.00	\$16,852.00
<b>Wilmette Park District</b>	\$131,680.00	\$65,679.05	\$66,000.95
<b>Wilmette Public Library</b>	\$4,156.00	\$2,410.05	\$1,745.95
<b>Total</b>	<b>\$240,776.00</b>	<b>\$94,367.10</b>	<b>\$146,408.90</b>

# Tax Capped Entities

Exemptions are not recommended, however, if the Village elects to exempt or provide a reduced rate to these entities, the following three options could be considered:

- 1) Exempt tax capped entities on the basis that they cannot raise revenues like private institutions may
- 2) Charge on the basis of percentage of impervious surface
  - › Not recommended for the reasons discussed in Slide 17; this would open to the door to other similar reductions for properties like Regina Dominican, Loyola, etc.
- 3) Charge what they would have paid under the increased sewer fee had that option been selected
  - › Not recommended as it does not relate to stormwater runoff

# Public Education

# Stormwater Utility Fee - Public Education

During the fourth quarter of 2019, the Village can undertake an intensive public education campaign, the purpose of which would be to:

- Provide a clear and concise explanation of the Neighborhood Storage Improvement Project
- Clearly explain the stormwater utility fee, why it is preferred, and how the fee will be assessed
- Engage property owners so they can plan for the increased utility bills; provide tools that will help customers determine their fee
- Receive feedback and quickly address questions

# Stormwater Utility Fee - Public Education

Action	Date
Front page story in <i>Communicator</i>	September, 2019
Create a dedicated page on website	October, 2019
Notice on utility bills	October - December
E-news and social media updates	October - January
Film public information video(s)	November, 2019
Engage local media for feature stories	November, 2019
Direct mail #1 to all property owners	December, 2019
Direct mail #2 (postcard) to all property owners	January, 2020