



Request for City Council Committee Action From the Department of Public Works

Date: June 14, 2010

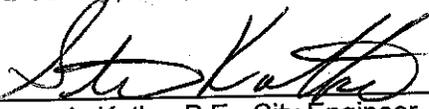
To: Honorable Betsy Hodges, Chair of the Ways & Means/Budget Committee

Subject: Stormwater Utility Fee

Recommendation:
Receive and File

Previous Directives:
None

Prepared by: Lisa Cerney, P.E., Director of Surface Water and Sewers, 612-673-3061

Approved by: 
Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters: Lisa Cerney, P.E., Department of Public Works, Surface Water and Sewers

Reviews:

Permanent Review Committee (PRC)	NA
Civil Rights	NA
Policy review Group (PRG)	NA

Financial Impact
No financial impact

Community Impact
Neighborhood Notification: NA
City Goals: NA
Comprehensive Plan: NA
Zoning Code: NA

Background/Supporting Information

History of the Stormwater Fund
In March 2005, the City of Minneapolis adopted a Stormwater Utility Ordinance, defined in Chapter 510 of the Minneapolis Code of Ordinances, changing the way it bills properties for stormwater management. The change was from a water meter basis to an assumed impervious surface basis. Original rate charges for storm and sanitary sewers were combined and based on metered water consumption. The new and current system is based on a property's impervious surface such as rooftops and parking lots. Rain cannot soak into impervious surfaces, instead most of it runs off the property, carrying contaminants with it, and enters the Minneapolis' stormwater conveyance and management system which discharges to lakes, creeks or the Mississippi River.

The 2005 rates for the Stormwater Utility were established to be generally "revenue neutral" for the City as a whole, such that the total billings under the new system would be approximately the same as the total billings under the old. The Stormwater Utility Fee is applied consistently to taxable and

tax exempt properties. The 2005 starting point for the monthly fees was an assumed runoff coefficient, based on land use type, applied to the parcel's square footage. The runoff coefficients were ascertained from assumptions of extent of impervious surface of different land use types based on national data. (A variation of the runoff coefficient approach is used for single family properties.) In addition if requested by a property owner or if initiated by staff, property can be analyzed individually by using aerial photos or other documentation to make adjustments (either upward or downward) based on measured amounts of imperviousness instead of the assumed runoff coefficient method. The Ordinance also allows for application of quantity or quality credits to the monthly Stormwater Utility fee for on-site practices that improve water quality or manage large quantities.

The Stormwater Utility is the funding mechanism for the City's stormwater management system responsibilities, including regulatory requirements under the National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) Permit for stormwater discharge. The Permit requires management of the system in accordance with water quality standards and Clean Water Act requirements. The Minneapolis Park & Recreation Board (MPRB) is a joint permit holder with the City and owns a significant amount of property adjoining the lakes, creeks and river that act as receiving water bodies for discharge from the stormwater system regulated by the Permit.

Minneapolis Park & Recreation Board Billing Status

Under the existing rate system, the total fees billed to the MPRB are greater than the previous rate model. Staff from MPRB and City have met to perform a thorough review of MPRB properties, in order to (1) adjust billings using actual imperviousness, (2) adjust billings for those portions of properties covered by features exempted in the Ordinance— trails, stormwater conveyance (e.g., underground pipes other than service lines), and stormwater treatment (e.g., stormwater ponds), and (3) apply stormwater quality credits to eligible properties (e.g., credit for rain gardens that treat stormwater runoff from portions of the MPRB Headquarters parking lot). City staff made these adjustments.

The MPRB has not been remitting payment for the billed Stormwater Utility fees, although it has been paying water and wastewater fees. This will be resolved through the following process.

1. MPRB agrees to contribute to the Stormwater Utility Fee per City Ordinance for past and future payments.
2. The City will reimburse MPRB for stormwater activities performed.
 - a. MPRB is eligible for funding from the Stormwater Utility for projects and programs that are consistent with the needs of the system and regulatory requirements for operating the system as joint permittees in the NPDES-MS4 Permit.
 - i. The City currently reimburses MPRB for a portion of the stormwater monitoring and 100% of the stormwater education activities from Stormwater Utility fees.
 - ii. City and MPRB staff has worked together and determined appropriate reimbursement activities using the Criteria for Projects and Programs attachment as a guideline. Past and future reimbursement activities identified include but are not limited to stormwater monitoring, stormwater education, lake water monitoring and capital projects.
 - b. Reimbursement opportunities will follow the City of Minneapolis budget process (operating and capital) and timelines.

Attachments: Criteria for Projects and Programs

Criteria for Projects and Programs

Criteria are based on the existing National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) Permit held jointly by the City of Minneapolis and the Minneapolis Park and Recreation Board. The goal of the permit is to protect water quality in accordance with Minnesota and U.S. statutes and rules including the U.S. Clean Water Act.

Generally speaking, the criteria for eligible projects and programs fall into four categories covered by the permit. They are as follows with examples.

1. System administration, construction, inspection, operation and maintenance
 - a. Stormwater management and erosion control in areas of development and redevelopment including public construction projects
 - b. Minimizing the impact of flood control projects on the water quality of receiving waters
 - c. Installation, inspection and maintenance of water treatment facilities including but not limited to ponds, wetlands, bioinfiltration (rain gardens), infiltration trenches, filter systems, sump manholes, grit chambers, and practices such as shoreline stabilization, street sweeping, and barley straw treatment
 - d. Inspection and maintenance of catch basins, manholes, pipe, tunnels, outfalls
 - e. Appropriate removal and disposal of solids, floatables, dredging and other pollutants resulting from treatment or control
 - f. Identify new technology opportunities to reduce pollution, rate or volume of stormwater discharge
2. Public education and participation
 - a. Facilitating public participation as required by regulatory agencies
 - b. Sharing information and steps the public can take to keep pollutants out of stormwater runoff
3. Compliance and reporting activities
 - a. Annual Municipal Separate Storm Sewer System (MS4) reporting requirements
 - b. Monitoring stormwater runoff, water bodies impacted by stormwater runoff and effectiveness of pollution removal practices
 - c. Participation in Total Maximum Daily Load (TMDL) and anti-degradation studies
 - d. Implementation plans and participation on pollution prevention practices
4. Miscellaneous activities
 - a. Implement a pesticide and fertilizer program to reduce discharge of pollutants
 - b. Take reasonable steps to identify, control and minimize adverse affects of illicit discharges and improper disposal into the storm sewer system
 - c. Coordinate with other governmental agencies on overall stormwater management in the drainage area

