



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

Date: May 17, 2005
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works

Subject: Stormwater Utility

Recommendation:

a) No change at this time in the Stormwater Ordinance and Rate Resolution regarding the billing of the Multi-Family Residential land use classification as it relates to charges to duplexes and triplexes. The Department of Public Works will return quarterly with a report on the results of the impervious area review process, and will include the review process results in determining whether a change to the calculation for the Multi-Family Residential land use classification as set forth in Code of Ordinances Chapter 510.60 (b) shall be recommended as part of the annual budget process; and

b) Receive and file report on Staffing.

Previous Directives:

- May 3, 2005, Committee directed staff to submit recommendations for changes in the Stormwater Ordinance and Rate Resolution regarding the billing of the multi-family residential land use classification as it relates to charges to duplexes and triplexes, and directed staff to submit a report concerning an option for staffing changes needed for additional assistance to the public for stormwater utility billing disputes and appeals.
- January 28, 2005, the City Council approved designating the utility rates for sewer rental and stormwater service.

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Approved by: _____
Klara A. Fabry, P.E., City Engineer, Director of Public Works

Presenters: Rhonda Rae, Director of Engineering Services

Financial Impact (Check those that apply)

No financial impact - or - Action is within current department budget)

(If checked, go directly to Background/Supporting Information)

Action requires an appropriation increase to the Capital Budget

Action requires an appropriation increase to the Operating Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Other financial impact (Explain):

Request provided to the Budget Office when provided to the Committee Coordinator

BACKGROUND/SUPPORTING INFORMATION

Multi-Family Residential Land Use Category

At the May 3, 2005 T&PW committee meeting, Public Works was directed to submit recommendations at the May 17, 2005 Transportation and Public Works Committee meeting regarding changing the Stormwater Utility Ordinance and Rate Resolution for the billing of the multi-family residential land use classification as it relates to charges to duplexes and triplexes.

There are approximately 12,000 properties in the City of Minneapolis that are included in the Multi-Family Residential land use classification. Of these 12,000 properties, 11,000 have a property type of Double Bungalow (duplex) and about 900 are Triplexes. (The remaining multi-family dwelling units fall in other land use classifications.) Individual property owners may request a review of the estimate of impervious area built into the stormwater utility structure of fees. As of early May, we have received 400 impervious area review request forms (approximately 1,000 review request forms have been mailed out since the stormwater utility billing began in early March). Of the 400 forms received, 235 (60%) were from Multi-Family Residential property owners. The review process, wherein property owners furnish actual measurements of impervious surface area which the City then compares to the estimated measurements, provides a means of adjusting Stormwater Utility billings. It also provides data for the City to use to systematically compare actual and estimated measurements in order to identify properties in the Multi-Family Residential land use classification with deviation of actual impervious area from start-up estimates.

Recommendation

We recommend no change at this time in the Stormwater Ordinance and Rate Resolution regarding the billing of the multi-family residential land use classification as it relates to charges to duplexes and triplexes. On a quarterly basis we will update the Committee on the results of the impervious area review process. As part of the annual budget process, the results of the impervious area review process may be pertinent to a recommendation for a change to the calculation for the Multi-Family Residential land use classification, as set forth in Code of Ordinances Chapter 510.60 (b).

Staffing

At the May 3, 2005 T&PW committee meeting, Public Works was also directed to update the Transportation and Public Works Committee on May 17 concerning the need for assistance to the public.

The Stormwater Utility start-up phase began about March 1, 2005 with the initial round of billings to approximately 100,000 homes and businesses. Statistics are kept for phone calls received by the Utility Billing office: In March, the Utility Billing office answered approximately 2,500 phone calls about stormwater issues, out of about 15,600 total calls answered. The average wait time for all callers in March was over 5 minutes. In April, Utility Billing answered approximately 900 calls about stormwater issues, out of about 11,300 total calls answered. The average wait time was reduced to under 2.5 minutes. By comparison, during the two-month period of November/December 2004 (prior to the Stormwater Utility billing start-up, and also prior to the increase in turn-off/turn-on fees from \$20 to \$135) call wait time was somewhat over 2.5 minutes. Statistics are also kept for callers that hang up before their calls are answered. In March 2005, 25% of the callers did not wait. In April, the callers that did not wait was reduced to 10%. This is actually an improvement over the November/December 2004 period, when just under 20% did not wait for the phone to be answered. From these statistics, it is apparent that

the initial surge of phone calls to the Utility Billing office about the Stormwater Utility has lessened considerably. Phone calls are routed to the appropriate staff for explanation of fees, impervious area calculations, applying for credits, special assistance, and so on. The City is handling every question personally and thoroughly.

As the City has transitioned from start-up to actual operations, packets have been going out to property owners that are interested in applying for Best Management Practices (BMP) credits. Since mid-March, approximately 100 of these packets have been distributed. The application information is also on the City's website. As of early May, 46 applications for credits have been returned to the City. (It should be noted that these packets were initially sent with both a credit form and a manual. The manual had been developed for use by technically trained personnel. The manuals are no longer included in the packets as they were not 'user friendly' and not seemingly helpful.) Now that processing of disputes is generally up-to-date, City personnel will begin reviewing the BMP credit requests.

Public Works had originally prepared for two FTE's to run the stormwater utility program; there are currently four FTE's that have been assigned to assist with this program. These personnel are currently responding to disputes, appeals, credits, and general inquiries. This resource also provides general education, attends various meetings, negotiates with large utility fee entities, updates/maintains databases, generates miscellaneous correspondence, updates the stormwater Website, and provides other additional stormwater utility functions as needed. Public education and outreach efforts currently underway include the following:

- Posting information to the City's website, providing information in various news releases, media advisories, and billing inserts.
- Collaborating with organizations such as Blooming Boulevards, Sierra Club, and the Green Institute related to distribution of stormwater credit and other water quality educational materials, and training and implementation of Water Quality Best Management Practices throughout our community.
- Attending various neighborhood meetings to explain the Stormwater Program. For example, distributed information on the benefits of the Stormwater Utility, rain gardens, the BMP credit process and other processes were provided to over 300 attendees at the Blooms Day Event in early May.
- Furnishing special assistance to seniors (including coordination with the City's Senior Ombudsman Office) and faith-based organizations regarding fee information, the dispute process, and the credit program.

The four FTE's that have been temporarily reassigned to assist with the stormwater utility fee were previously assigned to other necessary City functions, such as site plan reviews, connections reviews, utility permit reviews, erosion and sediment control enforcement, 'as-built' record maintenance, and other necessary functions. In light of this staff reallocation, these personnel have been forced to leave some of their tasks/responsibilities unattended. Therefore, Public Works will be hiring two environmental interns to assist with stormwater utility efforts. With these additional personnel, the City will be equipped to address the need for education and enhanced stormwater utility customer service. These two interns will possess a strong background in environmental issues and concepts, and will be able to immediately assist the current stormwater utility staff with the administration of the various elements of the stormwater program. This assistance would include responding to the recent surge of disputes, appeals, negotiations, and credit applications. In addition, the interns will assist in coordinating surface

water quality education and outreach programs with neighborhoods, volunteers, and environmental groups. The City will employ the interns for a period of one year, and then re-evaluate the need for additional personnel.

For longer-term, comprehensive public education and outreach, Public Works is working with Regulatory Services and Communications to develop a unified program. This program will tie together the many components of the education efforts that are currently advanced throughout the City. This effort will yield a comprehensive program that demonstrates the City's commitment to protecting and improving its water quality. We have not yet determined the staffing needs for this effort, but it is likely that the City will need dedicated personnel in order to build/maintain strong water quality education programs, and to promote strong relationships with community and environmental organizations. These needs will be addressed in a future presentation.