AGENDA

I. What is the Proposed Plan?
II. What will the Credit Program look like?
III. Why is Public ROW Exempt?
IV. Will Railroad Property pay the fee?
V. Why this Overall Approach?
VI. Discussion
What are we trying to solve?

**Capital Investment**
Investment is necessary to address flooding and water quality issues

**Program Costs**
Stormwater costs are currently embedded in wastewater utility

**Deferred Maintenance**
Due to inadequate funding of maintenance, routine maintenance of the system has been deferred

**Unbalanced Cost Recovery**
No alignment between the costs incurred and costs recovered through existing user fees
What is being proposed?

Proposed Financial Plan

• All stormwater operating costs would be recovered by stormwater fee
• Additional funding for deferred maintenance
• Funding for $30M of major capital requirements over 6 years instead of $58M over 5 years as originally proposed

Proposed Rate Structure

• All parcels would be billed based on actual impervious area
  • Residential placed into tiers based on actual impervious area
  • Non-residential individually calculated
• Vacant would pay based on actual impervious area instead of run-off coefficient applied to gross area as originally proposed
# How would this impact me?

## Proposed Single-Family Residential Rates

<table>
<thead>
<tr>
<th>Residential Tier</th>
<th>Sq Ft of IA</th>
<th>ESUs</th>
<th>Current Monthly Fee</th>
<th>Proposed 2020 Monthly Fee</th>
<th>Proposed 2021 Monthly Fee</th>
<th>Residential Parcels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>0 – 1,208</td>
<td>0.40</td>
<td>$4.50</td>
<td>$1.54</td>
<td>$1.88</td>
<td>6%</td>
</tr>
<tr>
<td>Tier 2</td>
<td>1,209 – 3,626</td>
<td>1.00</td>
<td>$4.50</td>
<td>$3.85</td>
<td>$4.70</td>
<td>76%</td>
</tr>
<tr>
<td>Tier 3</td>
<td>3,627 – 6,044</td>
<td>1.80</td>
<td>$4.50</td>
<td>$6.93</td>
<td>$8.46</td>
<td>13%</td>
</tr>
<tr>
<td>Tier 4</td>
<td>6,045 +</td>
<td>3.40</td>
<td>$4.50</td>
<td>$13.09</td>
<td>$15.98</td>
<td>5%</td>
</tr>
</tbody>
</table>

## Proposed Non-Residential Examples

<table>
<thead>
<tr>
<th>Grocery Store</th>
<th>Impervious Area (sf)</th>
<th>Estimated ESUs</th>
<th>Proposed 2020 Monthly Fee</th>
<th>Current Monthly Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>91,311</td>
<td>91,311 / 2,420 = 38</td>
<td>38 x $3.85 = $146.30</td>
<td>$4.50</td>
</tr>
</tbody>
</table>

### Sample Vacant Land Parcel

<table>
<thead>
<tr>
<th>Gross Parcel Area (sf)</th>
<th>50,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impervious Area (sf)</td>
<td>0</td>
</tr>
<tr>
<td>Calculated / Minimum ESUs</td>
<td>0.4</td>
</tr>
<tr>
<td>Proposed 2020 Monthly Fee</td>
<td>0.4 X 3.85 = $1.54</td>
</tr>
<tr>
<td>Current Monthly Fee</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
When would this happen?

• 6-month Transition Period:
  • Mid-year 2020 implementation – June 1\textsuperscript{st}
  • No change in program costs or level or service in 2020

• Starting in 2021:
  • All stormwater operating costs would be recovered by stormwater fee
  • Additional funding for deferred maintenance
  • Funding for $30M of major capital requirements over 6 years
What are the stormwater fees for other KC Metro and Kansas communities?

- Data has been collected for 9 communities: Bonner Springs, Lenexa, Olathe, Overland Park, Shawnee, KCMO, Lawrence, Topeka and Wichita

- The proposed fee of $3.85 per ESU for 2020 is lower than the current rate for 6 of these communities

- The proposed fee of $4.70 per ESU for 2021 is lower than the current rate for 4 of these communities

Benchmark communities fees based on 2018 / 2019 rates
CREDIT AND APPEALS PROGRAM REVIEW
Credit Program Overview

I. Program Objectives
II. Proposed Technical Framework
III. Proposed Administrative Framework
IV. Examples
Credit Program Objectives

- Supports reasonable recovery of costs in proportion to contribution
- Reduce pollution in local water bodies and protect our natural resources
- Recognize customers who proactively engage in implementing and maintaining stormwater practices (BMPs) that foster green space
- Support the UG in meeting compliance requirements

Reflects preliminary framework
Will solicit stakeholder input for further development of program
Proposed Technical Framework – Eligibility

• Eligibility:
  - Non-Residential (including Multi-family) customers with impervious area will be eligible for on-going credits
  - One-time cost-sharing opportunities may be offered to residential customers that install rain barrels or raingardens (TBD)
Impervious Area

The number of square feet of surface areas over which the open pore structure of the soil is covered, compacted or chemically sealed by human activity in a manner which either prevents or retards the entry of water into soil mantle, as it entered the unmodified soil with vegetative cover, and/or causes water to run off the surface in greater quantities or at an increased rate of flow than from the unmodified soil with vegetative cover. Impervious area includes, but is not limited to, roofs, roof extensions, patios, porches, driveways, sidewalks, pavement, athletic courts, and compacted dirt or graveled areas.

Ordinance § 30-324.
Proposed Technical Framework - Credit Types

• **Quantity Credit** – For controlling the rate of runoff

• **Quality Credit** – For managing pollutants in runoff

• **Discharge Credit** – 2 types
  
  • **Direct Discharge** - For properties adjacent to the Kansas or Missouri rivers which flow either directly, or through a privately owned and maintained pipe or pump, into these rivers
  
  • **Permitted Discharge** - For properties with a permitted discharge, authorized by either the State or U.G., in full compliance with all permit requirements

**Example Practice:**
- Detention Basin
- Raingarden
## Proposed Technical Framework – Credit Levels

### Quantity and Quality

<table>
<thead>
<tr>
<th>LEVEL</th>
<th>MANAGEMENT CRITERIA</th>
<th>CREDIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Post-development to Predevelopment Conditions</td>
<td>5%</td>
</tr>
<tr>
<td>2</td>
<td>One level above pre-development conditions</td>
<td>10%</td>
</tr>
<tr>
<td>3</td>
<td>Two levels above pre-development conditions</td>
<td>15%</td>
</tr>
<tr>
<td>4</td>
<td>Three levels above pre-development conditions</td>
<td>20%</td>
</tr>
</tbody>
</table>

### Discharge

<table>
<thead>
<tr>
<th>TYPE</th>
<th>CREDIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Discharge</td>
<td>75%</td>
</tr>
<tr>
<td>Permitted Discharge</td>
<td>5%</td>
</tr>
</tbody>
</table>
Proposed Technical Framework

Quality and Quantity Credits

• Maximum Quality Credit = 20%
• Maximum Quantity Credit = 20%
• Quantity/Quality credits are additive

Maximum Q/Q Allowable Credit = 40%

Direct Discharge Credit

• Discharge Credit users eligible for 75%

Overall Maximum Allowable Credit = 75%
Proposed Administrative Framework

• **Effective Date:** Credits will be applied to next bill following approval

• **Grace Period:** Fee adjustments will be applied retroactively for the first three months following the launch of the stormwater fee

• **Credit Duration:** Credits will expire after 2 years

• **Credit Renewals:** Renewal applications must be received prior to the expiration in order to maintain credit
Non-Residential Property with 100,000 square feet of impervious area

ESUs:

\[
\frac{100,000 \text{ sf}}{2,420 \text{ sf/ESU}} = 41.32 \text{ ESUs}
\]

Proposed Initial Fee before Credits:

\[
41.32 \times $3.85/\text{ESU} = $159.08/\text{month}
\]

**Scenario 1:** Meets Level 1 Requirements for Quality and Quantity Credits

- Credit = 5% Quality + 5% Quantity = 10% Total
- Fee Reduction = $159.08 X 10% = $15.91
- **Final Fee** = $159.08 - $15.91 = $143.17/\text{month}

**Scenario 2:** Meets Level 4 Requirements for Quality and Quantity Credit

- Credit = 20% Quality + 20% Quantity = 40% Total
- Fee Reduction = $159.08 X 40% = $63.63
- **Final Fee** = $159.08 - $63.63 = $95.45/\text{month}
Do other KC Metro and Kansas communities offer a credit program?

- Data has been collected for 9 communities: Bonner Springs, Lenexa, Olathe, Overland Park, Shawnee, KCMO, Lawrence, Topeka and Wichita
- Only 3 of the 9 communities offer a credit program (Lawrence, Topeka, and KCMO)
Appeals Program Overview

I. Program Objectives

II. Proposed Reasons for Appeals

III. Proposed Administrative Framework
Proposed Appeals Program Objectives

- Provide a mechanism to address exceptions to:
  - Customer billing information
  - Parcel attributes
  - Stormwater classifications
  - Impervious area estimates
  - Other issues or special conditions not addressed in the stormwater fee policies
Reasons for Appeals

• Customers will have the ability to file an appeal:

1. If the Customer’s billing information (e.g. owner, address, etc.) is believed to be inaccurate.

2. If the parcel’s Stormwater Classification is believed to be inaccurate.

3. If the parcel’s impervious area is believed to be inaccurate.
Proposed Administrative Framework

• **Application:** In order for an appeal to be reviewed, customers will need to submit an appeals application form including required background documentation.

• **Stormwater Payments:** A pending appeal may not constitute a valid reason for non-payment.

• **Grace Period:** Fee adjustments resulting from a successful appeal will be applied retroactively for the first three months following the launch of the stormwater fee.
PUBLIC RIGHT-OF-WAY / RAILROAD
What is Public Right-of-Way?

- In the context of this study, public right-of-way includes:
  - Public streets, roads and medians
  - Owned, operated, and maintained by a public agency
  - Provides multiple common public benefits including space for locating publicly owned utilities

Why is Public Right-of-Way Exempt?

- These areas are typically deemed an integral part of the overall stormwater conveyance system
- Hence, the UG has decided not to assess stormwater charges on public ROW
Cost Recovery if Public Right-of-Way is included

- Non-Exempt properties would pay their own individual property’s stormwater charge and also would pay in the form of taxes for the public ROW’s share of stormwater.
- Tax-Exempt properties would only pay their own individual property’s charge but NOT the public ROW’s share of stormwater.

Using taxes to pay for stormwater user fees further impacts equitable cost recovery.
Do other KC Metro and Kansas communities assess stormwater charges on public ROW?

• Data has been collected for 9 communities: Bonner Springs, Lenexa, Olathe, Overland Park, Shawnee, KCMO, Lawrence, Topeka and Wichita

• None of the 9 communities charge stormwater fees on public ROW.
Railroad Property

• The UG’s GIS currently does not differentiate between buildings, parking lots, or railroad tracks, therefore, all is considered to be railroad ROW

• Information has been shared with the railroad and the UG is working to quantify impervious surface in those areas
WHY THIS OVERALL APPROACH?
Holistic Program Planning, Funding, and Customer Benefits

- Determine Program Needs and Priorities
- Develop Multi-Year Cost of Service Projections
- Develop Impervious Area Based Stormwater User Fee
## Proposed Stormwater User Fee

<table>
<thead>
<tr>
<th></th>
<th>ESU's</th>
<th>2020 (b)</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Residential (c)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 1</td>
<td>0 - 1,207 sq ft</td>
<td>0.40</td>
<td>1.54</td>
<td>1.88</td>
<td>1.96</td>
<td>2.16</td>
<td>2.38</td>
<td>2.52</td>
</tr>
<tr>
<td>Tier 2</td>
<td>1,208 - 3,625 sq ft</td>
<td>1.00</td>
<td>3.85</td>
<td>4.70</td>
<td>4.90</td>
<td>5.40</td>
<td>5.95</td>
<td>6.30</td>
</tr>
<tr>
<td>Tier 3</td>
<td>3,626 - 6,042 sq ft</td>
<td>1.80</td>
<td>6.93</td>
<td>8.46</td>
<td>8.82</td>
<td>9.72</td>
<td>10.71</td>
<td>11.34</td>
</tr>
<tr>
<td><strong>Non-Residential - $/ESU/month</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3.85</td>
<td>4.70</td>
<td>4.90</td>
<td>5.40</td>
<td>5.95</td>
<td>6.30</td>
<td>6.30</td>
</tr>
</tbody>
</table>

(a) Proposed rates effective January 1 of the year shown with the exception of 2020.
(b) Proposed rates effective June 1, 2020.
(c) Includes Single Family and Multi-Family up to 4 units.

sq ft - square feet of impervious area
1 ESU - 2,420 square feet of impervious area