

## MEMORANDUM

**TO:** The Honorable Mayor and City Council

**FROM:** Erik Berg, Management Analyst  
Brandon Kowalke, Senior Management Analyst

**DATE:** February 24, 2023

**SUBJECT:** **Stormwater Utility Fee Assessment**

### Objective

Review how the City can restructure its stormwater utility fee to provide stable levels of funding for stormwater operations and to assess fees proportionally based on service demand instead of water use.

### Background

In May of 2003 the City established its original stormwater utility fee at a rate of \$0.18 per 100 cubic feet of water used. It was also at this time that the City began budgeting for stormwater operations in the City's Sewerage Fund instead of the General Fund. Then, in April of 2016 the City split the Sewerage Fund into two separate enterprise funds, one for Sanitary Sewers and one for Stormwater operations. Most recently in May of 2018, the City Council approved a storm sewer rate increase from \$0.65 to \$0.75 for every 100 cubic feet of water used and added a fixed fee of \$1.50 per month which is paid by all properties that use City water. When funding from the water usage fee and fixed fee is unable to support all stormwater operations, the City covers those costs through transfers from its General Fund.

Water usage, which is the basis of the City's current fee, bears no relationship to the amount of stormwater runoff a property generates. However, the amount of *Impervious Area* on a property strongly correlates to the amount of stormwater runoff it generates. Impervious area is defined as "any area within a parcel that prevents or significantly impedes the infiltration of stormwater into the soil; public rights of way such as streets and sidewalks are not included." Examples of impervious areas include parking lots, roofs, driveways, patios, decks, swimming pools, and gravel/stone areas.

Under the current water usage fee, most properties with large amounts of impervious area use little water, meaning they pay a low amount in fees compared to the actual service demands they put on the stormwater system. Conversely, residential properties tend to use the most water, meaning they pay the highest proportion of fees despite having a low to moderate amount of impervious area. To illustrate this point, 19% of all impervious area in the City is on commercial properties which currently pay 9% of all stormwater fees collected by the City; 65% of all impervious surface area in the City is on residential properties which currently pay 83% of all stormwater fees collected by the City.

A fee based on impervious area would result in property owners paying fees that are more proportional to the service demands their properties place on the City's stormwater system.



WHEATON MAYOR PHILIP J. SUESS

CITY MANAGER MICHAEL DZUGAN

CITY COUNCIL: MICHAEL BARBIER | ERICA BRAY-PARKER | SCOTT BROWN | SUZANNE FITCH | LYNN ROBBINS | SCOTT WELLER

## Difference between Fee and Tax

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Considering this change in methodology requires distinguishing between a tax and fee. A tax is defined as a charge assessed to provide general revenue for a variety of services rendered. A fee is defined as a charge that is compensation for services rendered or to be rendered. A stormwater fee based on impervious area would not be considered a tax since it is (1) reasonably proportional compensation for stormwater services provided to all properties within the City and (2) all revenue collected through the fee will be used for the operation and maintenance of stormwater infrastructure. Impervious area was found to be an acceptable basis for a stormwater fee in the case of *Green v. Village of Winnetka*, which found that the relationship between impervious area and stormwater use was sufficiently established and proportional to the use of the stormwater system.

## Process to Establish a Stormwater Rate Based on Impervious Area

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The City must ensure it has the capacity to implement a stormwater rate based on impervious area. This section contains a summary of the information needed, staff's progress in validating that information, and the logic behind assessing fees under this model.

### Step 1) Calculate Impervious Surface Area on All Property

Using aerial photography and mapping tools, the City must identify the amount of impervious area on each property within its jurisdiction. This exercise results in two data points for each property: (1) the amount of impervious area and (2) the amount of total area on the property.

**Status:** The City has the impervious area for each property from DuPage County. The County also provides updated aerial photography every few years. This data is sufficient for the City to estimate how different fee structures would affect property owners. However, the City needs to fully review this data prior to deploying a new fee to ensure all recently developed impervious areas are accounted for.

**Calculation:** 82,734,538 square feet (sq ft) of impervious area exists on properties in the City.

### Step 2) Establish Billable Units - Equivalent Runoff Units (ERU)

The most common method of charging stormwater fees based on impervious area is to create a standard "billable unit" based on the average amount of impervious area on single-family residential properties, commonly known as an *Equivalent Runoff Unit (ERU)*. Establishing the ERU is essential because it enables the City to charge a proportional fee to each property based on the service demands the property places on the stormwater system; this is done by charging the property owner a fee based on the ratio of their property's impervious area to the ERU. The number of ERU on a property multiplied by the established rate will be that property's monthly fee.

**Status:** The average impervious area on single-family properties is approximately 3,300 square feet. This means for Wheaton, 1 ERU would be equal to 3,300 sq ft of impervious area.

**Calculation:** 
$$\frac{(\# \text{ Impervious Area on Single-Family Properties})}{(\# \text{ of Single-Family Properties})}$$
$$\frac{(42,851,707 \text{ sq ft})}{(13,028 \text{ properties})} = 3,289 \text{ sq ft average}$$

Rounded to 3,300 → **3,300 = 1 ERU**

### Step 3) Calculate the Amount of Revenue Needed to Fund Stormwater Activities

To determine how much the City's stormwater rate will be (*how much it charges per ERU*), it must determine what stormwater operations the fee is intended to cover and how much revenue is needed to fund those operations.

**Status:** Staff are still reviewing the City's total funding needs for stormwater operations. However, to show how this process works staff will use \$1,711,500 as the amount needed annually for operations (*the average annual amount of stormwater fees the City has collected over the past three years*).

**Calculation:**     \$1,711,500 = Annual Revenue Needed for Stormwater Activities

#### **Step 4) Calculate the Stormwater Rate Per ERU**

The City would set the stormwater rate per ERU at the exact amount needed to generate sufficient revenues to fund stormwater activities. This is done by dividing the amount of funds needed by the number of ERUs in the City and then dividing that by the number of times property owners will be billed.

**Status:** To calculate the rate per ERU, the City must first decide from several different methods of structuring the fee. However, to show how fees would be calculated the following scenario is used to show what the fee would be if the City adopts *Option 1 – Actual ERU (discussed in the next section)*.

**Calculation:**     (Total Impervious Area In City) / (ERU) = Total ERU  
                          (82,734,538 sq ft) / (3,300 sq ft) = 25,701 Total ERU  
                          (Annual Revenue Needed) / (Total ERU) / (Annual Billing Frequency) = Fee Per ERU  
                          (\$1,711,500) / (25,701) / (12) = **\$5.69 Per Property ERU, Billed Monthly**

### **Options for Structuring a Stormwater Fee Based on Impervious Area**

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To this point, staff have described the logic and process behind moving to a stormwater utility fee based on impervious area. The City has several options to structure its stormwater fee that will affect how rates are established and fees are assessed to property owners throughout the City. These options are:

**Option 1 - Actual ERU:** Under this fee structure, every property in the City is billed for the exact amount of impervious area on the property proportional to the City's ERU of 3,300 sq ft. The Village of Winnetka deploys this type of fee; they have a rate of \$21.83 per ERU per month that applies to all properties.

**Advantages:** Unlike water usage, this approach assesses fees proportionally to all properties in the City based on the service demands they place on the stormwater system.

**Disadvantages:** This method is considered less proportional than using an *intensity of development factor (IDF)* - a method that also accounts for how much *pervious area* exists on a property.

**Option 2 - Tiered Residential ERU:** Under this fee structure, the City would group single-family properties with different amounts of impervious area into categories and assign standardized ERU values to those properties. Like in *Option 1*, non-single-family properties would be charged based on the proportional amount of impervious area they have relative to the City's ERU of 3,300 sq ft. Below is a table that illustrates how the Village of Downers Grove structured their Tiered ERU.

**Figure 1: Village of Downers Grove – Tiered ERU Structure**

<b>Property Classification</b>	<b># of ERU on Property</b>
Tier 1 Single Family (1-2,500 sq ft of Impervious Area)	0.75 ERU
Tier 2 Single Family (2,501 – 4,000 sq ft of Impervious Area)	1 ERU
Tier 3 Single Family (4,001 – 7,000 sq ft of Impervious Area)	1.5 ERU
Vacant Properties	0.3 ERU
All Other Properties	Actual ERUs

**Advantages:** This structure would simplify billing administration by standardizing the amount charged to all single-family homes in the City and is easier to communicate to most property owners.

**Disadvantages:** Fees are assessed less proportionally under this option because most residential properties will be paying either slightly more or less than the actual amount of impervious area on their property. Like *Option 1*, this approach does not incorporate an *intensity of development factor (IDF)*.

**Option 3 – Intensity of Development Factor (IDF):** Under this fee structure the City would calculate the ratio of *impervious area* to the *total area* for all properties and assign them an *intensity of development factor (IDF)*. In addition to each property's *Actual ERU*, the City would also establish a tiered structure to assign additional ERU to each property based on their level of development. The more developed a property is, the more ERU are assigned to it. Using this fee structure, every property is assigned more ERUs but there are also more ERUs in the total system which reduces the rate per ERU. *Pervious area* is better at retaining stormwater than *impervious area*; an element this fee structure accounts for by reducing the proportion of fees assessed to properties that maintain large amounts of *pervious area*.

**Advantages:** This structure can be considered the most proportional fee option since it accounts for both the amount of *pervious area* and *impervious area* on properties.

**Disadvantages:** This structure can be harder to explain to property owners than other options. More work is needed to maintain information in the property database and administrate billing. This type of rate structure can also push a greater proportion of fees to residential and lightly developed properties.

**Figure 2: Village of Libertyville – IDF Structure**

IDF Classifications	IDF % - (Impervious Area / Total Area)	# ERUs On Property
Vacant	0%	0.2 + Actual ERUs
Light Development	1%-20%	0.5 + Actual ERUs
Medium Development	21%-40%	1.0 + Actual ERUs
Heavy Development	41%-70%	1.5 + Actual ERUs
Very Heavy Development	70%-100%	2.0 + Actual ERUs

#### Projected Impact of Fee Options on Stormwater Customer Base

Adopting a fee based on impervious area better ties the costs of the stormwater utility to the demands individual properties place on the stormwater system. Since the City has an existing stormwater fee based on water consumption, staff can show how adopting a new fee structure would affect the proportion of stormwater fees paid by different types of property owners. Using a combination of information from water billing and parcel data the City was able to categorize all properties and compare how different fee structures would affect the overall proportion of stormwater fees those property owners would pay. The classifications of property types are as follows:

**Residential** - all single-family and multifamily properties.

**Commercial** - all properties used to conduct commercial business.

**Institutional** - all properties owned by public entities, non-profit organizations, and utilities.

**Industrial** - all properties used for industrial purposes.

**Figure 3: Wheaton – Proportional (%) Stormwater Fee Allocation by Property Type**

Property Type	Count of Properties/	Current Fee Water Use	Option 1 Actual ERU	Option 2 Tiered ERU	Option 3 IDF
Residential	16,725	83%	65%	67%	77%
Commercial	764	9%	19%	18%	13%
Institutional	450	8%	16%	15%	10%
Industrial	23	0%	1%	1%	0.4%

Figure 3 highlights the City's current water consumption fee distribution across property owner types and how that fee distribution would shift if the City deployed the fee options discussed in the previous section. Under all options the proportional amount of total fees borne by residential properties decreases and the proportional fees borne by other property types increases.

**Figure 4: Wheaton Stormwater Fee Allocation Increase or (Decrease) from Current Fee**

Property Type	Count of Properties	Current Fee Change	Option 1 Actual ERU	Option 2 Tiered ERU	Option 3 IDF
Residential	16,725	0%	(22%)	(19%)	(8%)
Commercial	764	0%	121%	107%	56%
Institutional	450	0%	89%	77%	16%
Industrial	23	0%	2,642%	2,472%	1,781%

Figure 4 highlights the overall increase or decrease of fees borne by different types of property. There are two main reasons for these shifts in fee distribution. First, under the City's current fee structure residential properties pay the highest portion of fees because those properties use the most water. Second, changing the basis of the fee to impervious area shifts the burden of fees to properties that are more developed and generate more runoff. For reference, the average impervious area on a residential property is 3,300 sq ft while the average impervious area on a commercial/intuitional/industrial property is 23,000 sq ft.

### Recommendation

Staff recommends the City pursue a modified version of the *Option 3 – Intensity of Development Factor* fee structure. Incorporating the IDF improves upon fee proportionality by factoring in the benefits of pervious areas on property, which help to naturally mitigate stormwater runoff. To demonstrate how staff proposes the fee structure from Libertyville could be modified, revised IDF classifications that better distribute the costs between property types in the City are illustrated below.

**Figure 5: City of Wheaton - Draft IDF Structure**

IDF Classifications	IDF % - (Impervious Area / Total Area)	# ERUs On Property
Vacant	0%	0.1 + Actual ERUs
Light Development	1%-20%	0.25 + Actual ERUs
Medium Development	21%-40%	0.5 + Actual ERUs
Heavy Development	41%-70%	0.75 + Actual ERUs
Very Heavy Development	70%-100%	1.0 + Actual ERUs

**Figure 6: Draft IDF Fee Allocation % by Property Type and Increase / (Decrease) from Current Fee**

Property Type	Proportional Fee Allocation			Increase / (Decrease)		
	Current Fee (Water Use)	Option 3 Libertyville	Draft IDF Wheaton	Current Fee (Water Use)	Option 3 Libertyville	Draft IDF Wheaton
Residential	83%	77%	65%	0%	(8%)	(13%)
Commercial	9%	13%	19%	0%	56%	79%
Institutional	8%	10%	16%	0%	16%	42%
Industrial	0%	0.4%	1%	0%	1,781%	2,084%

## Next Steps

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After the City Council provides feedback on which fee structure should be adopted, there are several steps the City will need to take before establishing its new fee structure. Below is a brief overview of these steps and anticipated timelines:

### **1) Determine what operations/costs the stormwater utility fee will cover | June-July 2023**

Staff will return to the City council with a list of anticipated costs for stormwater operations and capital projects, an analysis of how changing the stormwater fee to cover those costs would affect property owners' monthly utility bills, and a summary of what other funding sources aside from utility fees the City could use to help fund stormwater activities.

### **2) Determine what fee incentives, credits, and exemptions the City adopts | August 2023**

Municipalities typically offer one-time incentives and recurring credits that engage residents with stormwater management best practices. This allows property owners to reduce their fees in return for maintaining existing improvements or installing new ones that improve their property's stormwater retention. Some cities also exempt certain properties from paying stormwater fees. For example, the Village of Downers Grove does not charge to stormwater fees to tax-exempt properties. Under Wheaton's current fee, based on water consumption, no properties are automatically exempted from the fee.

### **3) Conduct a full review of property and billing data | August-September 2023**

The City's impervious area data for all properties is from DuPage County and does not reflect more recent construction. Staff will need to check its impervious area data for each property against a combination of aerial photography and building permit information to ensure it is as accurate as possible. Additionally, it will be necessary to align the billing databases currently used for utilities with the impervious area for each parcel. The City will continue to bill stormwater fees at the same time as water fees and on the same utility bill in nearly all instances. However, staff have identified several properties that do not have active water customer accounts or have multiple tenants. Staff will need to review these properties, reconcile existing billing information where possible, and develop a plan to bill properties that are not active water customers.

### **4) Communication and Stormwater Utility Fee Adoption | March-December 2023**

The City will need to fully communicate all elements of the stormwater utility fee to residents and property owners. As the City moves further along in developing a new stormwater fee it will need to deploy an informational campaign to inform property owners of the new fee methodology, policies, and how they will be impacted. In addition to written policies, FAQs, and information on the City website it will be desirable to for the City to host informational sessions and/or public hearings on the topic. Additionally, staff will need to finalize ordinances adopting the new stormwater utility for Council Consideration.

### **5) Implementation | January 2024**

The target date to implement the new fee will be January 2024, at this time utility bills would reflect the new stormwater utility fee.

# Stormwater Utility Fee Assessment

Brandon Kowalke, Senior Management Analyst

Erik Berg, Management Analyst



# Agenda

- Background
- Quantifying Impervious Area
- Fee Options
- Impact of Fee Options
- Recommendation
- Next Steps



# Background



# Purpose

- Review options for restructuring the Stormwater Utility Fee that:
  - Better tie fees to service demands
  - Improve revenue consistency and long-term financial stability
- Seeking City Council feedback on which option to develop

# Current Stormwater Fee

- Originally established in 2003
  - \$0.18 per 100 cubic feet of water consumption
- Moved from combined Sewerage Fund into dedicated enterprise fund in 2016
- As of April 2018:
  - \$0.75 per every 100 cubic feet of water consumption
  - \$1.50 fixed fee

# Challenges

- Water usage does not correlate with stormwater runoff
- Issues with proportionality of fee burden to service demands and revenue consistency

# Impervious Area & Service Demand

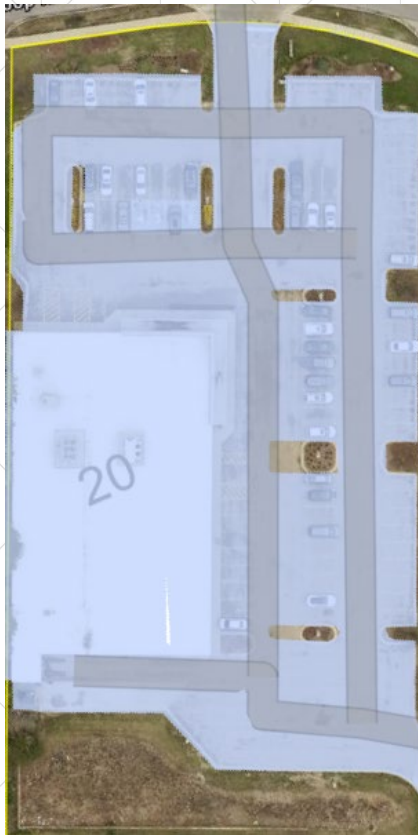
- Surface within a parcel that prevents or impedes infiltration of stormwater into soil
  - Buildings, sheds, walkways, driveways, parking lots, patios, swimming pools, etc
- Strongly correlated with runoff generation and the demands placed on infrastructure

# Comparison of Water Usage Fees to Impervious Area

Property Type	% of Impervious Area	Current Fee Water Use
Residential	65%	83%
Commercial	19%	9%
Institutional	16%	8%
Industrial	1%	0%

# Current Fee Comparison

ALDI



Impervious Area: 74,029 sq ft  
2022 Stormwater Fee: \$63.00

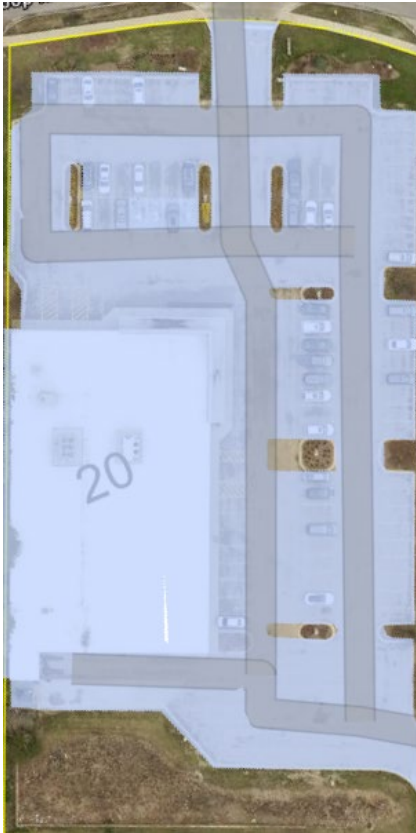
Residential Parcel



Impervious Area: 3,139 sq ft  
2022 Stormwater Fee: \$62.28

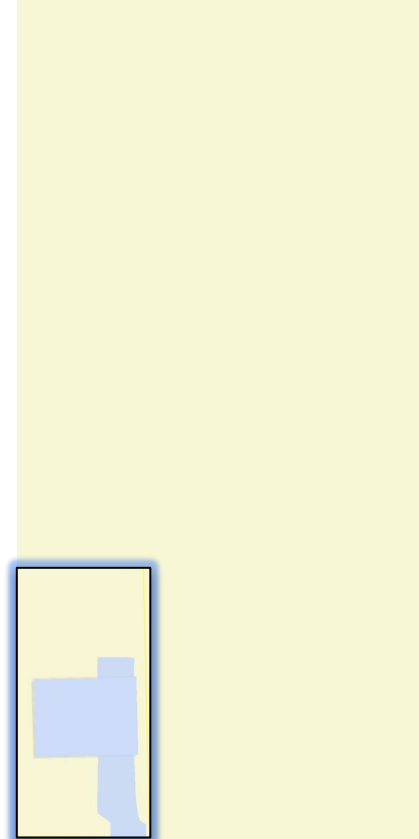
# Current Fee Comparison

ALDI



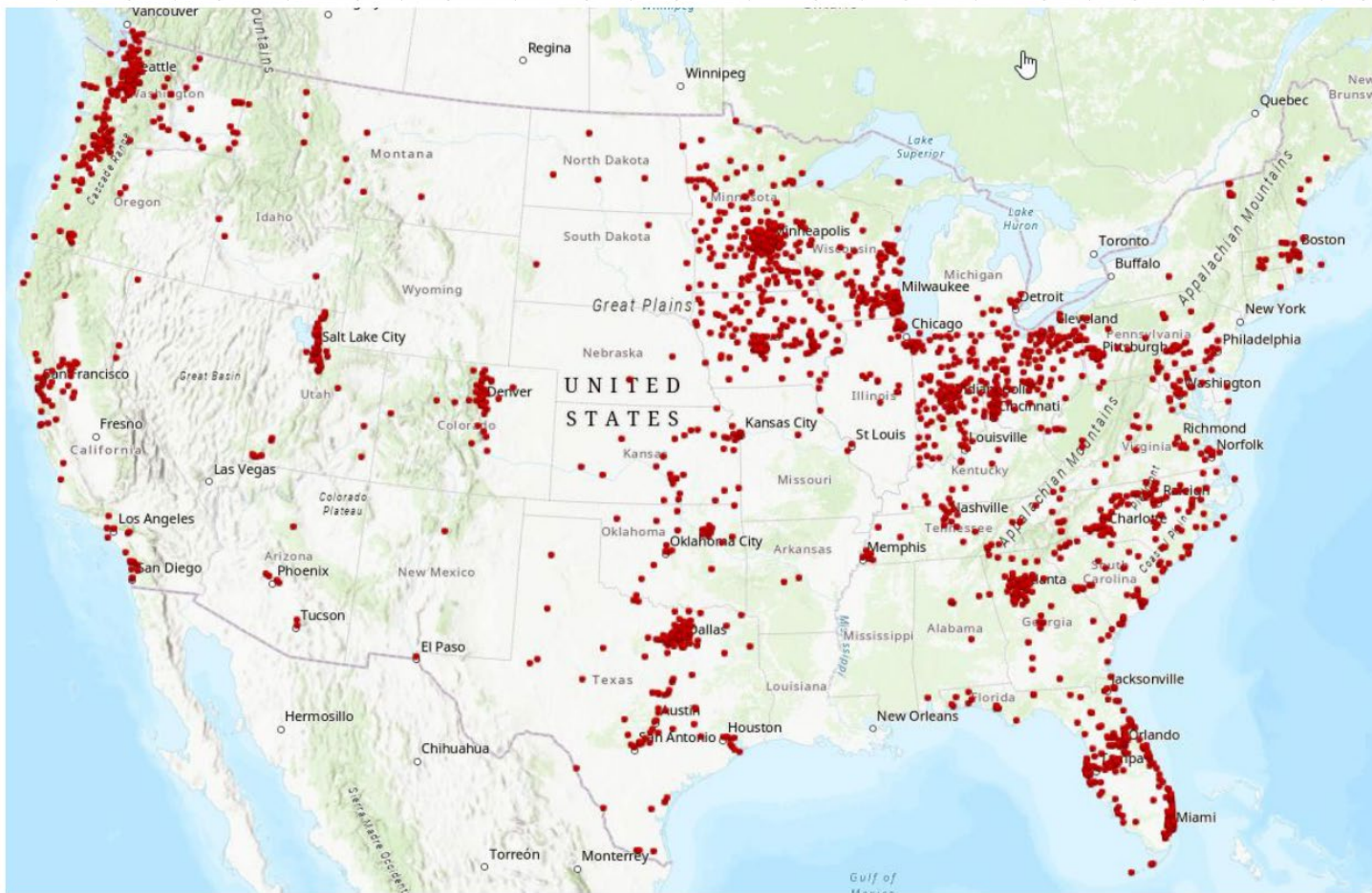
Impervious Area: 74,029 sq ft  
2022 Stormwater Fee: \$63.00

Residential Parcel



Impervious Area: 3,139 sq ft  
2022 Stormwater Fee: \$62.28





**Source:** Western Kentucky University Stormwater Utility Survey, 2021

**2019 Survey**  
1,639 utilities found

**2021 Survey**  
2,057 utilities found  
26% increase

**Figure 1. U.S. stormwater utilities (SWUs).**

Of 2,057 Stormwater Utilities in the USA identified in this study:

- 1,457 (71%) assess fees based on impervious surface area
- 443 (22%) assess fees based only on property type or size
- 144 (7%) were identified utilities but not fully reviewed
- 13 (1%) assess fees based on water consumption



# Tax vs. Fee

- **Tax:** Contribution to general government
- **Fee:** Compensation for specific services rendered or to be rendered
- Revenue from the stormwater fee will only fund stormwater activities

# Quantifying Impervious Area



# ERU System

- Equivalent Runoff Units (*ERU*) is the base billing unit (*rate*), usually the average impervious area of single-family residential properties
- Most common method of stormwater utility

# Determining the ERU

$$\text{ERU} = \frac{\text{Impervious Area, SFR Properties}}{\text{Number of SFR Properties}}$$

$$\text{ERU} = 3,300 \text{ sq ft} = \frac{42,851,707 \text{ sq ft}}{13,028 \text{ properties}}$$

*\*SFR = Single Family Residential*



# Determining Stormwater Rate

$$\text{Monthly ERU Rate} = \frac{\frac{\text{Annual Revenue Needed}}{\text{Total ERUS}}}{\text{Annual Billing Frequency}}$$

$$\text{\$5.69 Monthly ERU Rate} = \frac{\frac{\$1,711,500}{25,701}}{12}$$

# Example ERU Fee

$$\text{Property ERU} = \frac{\text{Impervious Area}}{\text{ERU Area}}$$

$$\text{Property ERU} = \frac{55,851 \text{ sq ft}}{3,300 \text{ sq ft}}$$

$$\text{Property ERU} = 17$$

$$\text{Monthly Fee} = \text{Property ERU} \times \text{ERU Rate}$$

$$\text{Monthly Fee} = 17 \times \$5.69$$

$$\text{Monthly Fee} = \$96.73$$



# Fee Options





# Option 1: Actual ERU

- **All Properties:** Ratio of impervious area of parcel to average residential impervious area

# Option 1: Actual ERU

- **Advantages:** All fees are assessed on proportional service demand
- **Disadvantages:** Does not consider the amount of pervious area of on parcels

# Example of Actual ERU: Village of Winnetka

- \$21.83 Monthly ERU Rate
- ERU = 3,400 sq ft impervious area
- Applies to all properties

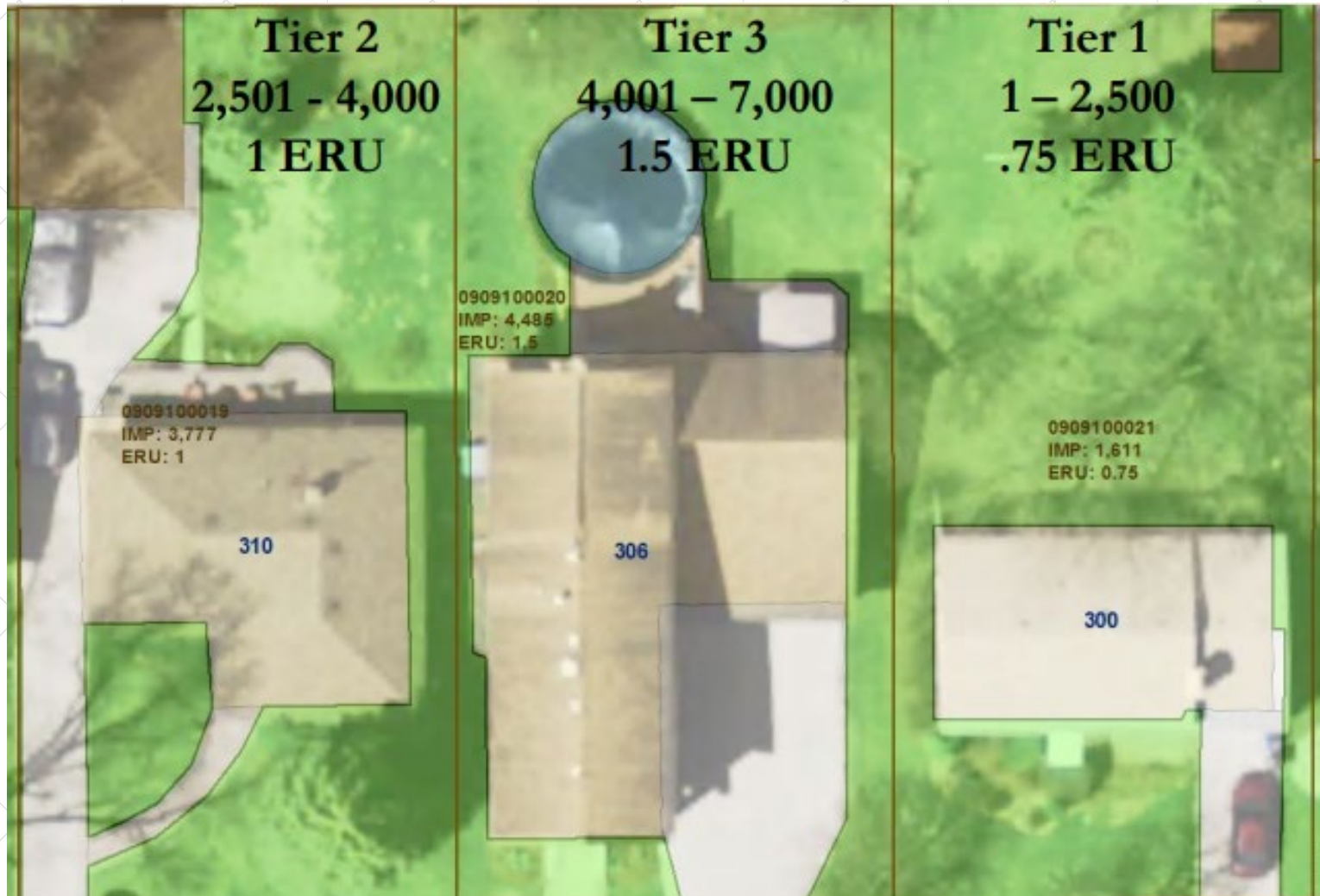
# Option 2: Tiered ERU

- **Single-Family Residential:** Assign tiers with standard ERU values to each property based on total impervious area
- **All Other Properties:** The ratio of impervious area of parcel to average residential impervious area (*Actual ERU*)

# Option 2: Tiered ERU

- **Advantages:** Easier to administer and assess fees for most properties
- **Disadvantages:** Less proportional fee for most properties and does not consider the amount of pervious area on properties

# Visualization of Tiers



Source: Village of Downers Grove

# Example of Tiered Residential ERU: Village of Downers Grove

1. **SINGLE FAMILY RESIDENTIAL** parcels are charged based on a tiered system:

Single Family Residential	2021 Monthly Fee	2022 Monthly Fee
<b>Tier 1</b> (1-2,500 s. f. of impervious area) = .75 ERU	\$10.11	<b>\$10.99</b>
<b>Tier 2</b> (2,501 - 4,000 s.f. of impervious area) = 1 ERU	\$13.48	<b>\$14.65</b>
<b>Tier 3</b> (4,001- 7,000 s.f. of impervious area) = 1.5 ERU	\$20.22	<b>\$21.98</b>

Table 2: Stormwater utility residential tiers.

2. **NON-SINGLE FAMILY RESIDENTIAL** parcels and **RESIDENTIAL PARCELS** with greater than 7,000 s.f. of impervious area are charged based on the actual amount of impervious area, measured in ERUs, rounded to the next whole ERU.

Non-Single Family Residential	2021 Monthly Fee	2022 Monthly Fee
Per ERU (3,300 s.f.)	\$13.48	<b>\$14.65</b>

Table 3: Stormwater utility non-residential tier.

3. **VACANT PARCELS** are charged .3 ERU.

Vacant (unimproved) Parcels	2021 Monthly Fee	2022 Monthly Fee
0.3 ERU	\$4.04	<b>\$4.395</b>

Table 4: Stormwater utility vacant parcel tier.



# Option 3: Intensity of Development Factor (IDF)

- **All Properties:** Ratio of impervious area of a property to ERU (Actual ERU) combined with a flat ERU based on the parcel's ratio of impervious area to total area (*Intensity of Development Factor*)
  - *Actual ERU + IDF ERU*



# Option 3: Intensity of Development Factor (IDF)

- **Advantages:** Considers both the pervious and impervious areas of all properties
- **Disadvantages:** More complicated to explain, more complicated to administer

# Example of IDF: Village of Libertyville

IDF Classification	% Impervious	IDF
Vacant	0%	0.2
Light Development	1% - 20%	0.5
Medium Development	21% - 40%	1.0
Heavy Development	41% - 70%	1.5
Very Heavy Development	>70%	2.0
Totals		

**Monthly Fee:** (Property ERU x ERU Rate) + (IDF ERU x ERU Rate)

**Example:** *Medium Development Property with 1 Property ERU*  
(1 x \$6.50) + (1 x \$6.50)

**Total Fee: \$13.00**

# Impact of Fee Options



# Impact of Fee Options

*Proportion (%) of all Stormwater Fees paid % by Property Type*

Property Types	Count of Properties	Current Fee Water Use	Option 1 Actual ERU	Option 2 Tiered ERU	Option 3 IDF
Residential	16,725	83%	65%	67%	77%
Commercial	764	9%	19%	18%	13%
Institutional	450	8%	16%	15%	10%
Industrial	23	0%	1%	1%	0.4%

- All fee options decrease the overall proportion of fees paid by owners of residential property

# Impact of Fee Options

*Average Fee Increase / (Decrease) from Current Fee*

Property Types	Count of Properties	Current Fee Water Use	Option 1 Change	Option 2 Change	Option 3 Change
Residential	16,725	0%	(22%)	(19%)	(8%)
Commercial	764	0%	121%	107%	56%
Institutional	450	0%	89%	77%	16%
Industrial	23	0%	2,642%	2,472%	1,781%

- Compared to current water usage fees, the average amount paid by non-residential properties increases.

# Recommendation



# Staff Recommendation

- Adopt a modified version of the *Option 3 – Intensity of Development Factor (IDF)* structure.
  - IDF factor provides most proportional fees based on service demands (*pervious and impervious factors*)
  - The City can adapt IDF classifications to better distribute fees between residential and non-residential properties

# Recommendation

## *Draft Wheaton IDF Structure*

IDF Classifications	IDF % (Impervious Area / Total Area)	# ERUs On Property
Vacant	0%	0.1 + Actual ERUs
Light Development	1%-20%	0.25 + Actual ERUs
Medium Development	21%-40%	0.5 + Actual ERUs
Heavy Development	41%-70%	0.75 + Actual ERUs
Very Heavy Development	70%-100%	1.0 + Actual ERUs

## *Draft IDF Fee Allocation % by Property Type and Increase/Decrease from Current Fee*

	Proportional Fee Allocation			Increase / (Decrease)		
Property Type	Current Fee (Water Use)	Option 3 Libertyville	Draft IDF Wheaton	Current Fee (Water Use)	Option 3 Libertyville	Draft IDF Wheaton
Residential	83%	77%	65%	0%	(8%)	(13%)
Commercial	9%	13%	19%	0%	56%	79%
Institutional	8%	10%	16%	0%	16%	42%
Industrial	0%	0.4%	1%	0%	1,781%	2,084%



# Next Steps



# Next Steps

## 1. Determine what costs the fee will cover | June-July 2023

- Calculate anticipated stormwater costs
- Analyze fee impact on property owners' monthly utility bills
- Review other funding sources that can support stormwater

Municipality	Population (#)	Annual Stormwater Fee Revenue (\$)	Revenue Per Capita (\$)	Data Source
Wheaton	53,126	\$1,711,500	\$32	Average 2020-2021
Winnetka	12,744	\$1,998,964	\$156	Budget 2023
Downers Grove	50,247	\$6,203,480	\$123	Budget 2023
Libertyville	20,579	\$2,100,000	\$102	Budget 2023

# Next Steps

## 2. Determine Fee Incentives, Credits, Exemptions | August 2023

- Cities typically establish options for individuals to reduce their stormwater fees and engage in stormwater best practices
  - Examples: maintenance of private stormwater detention/retention facilities, purchase of rain barrels, installation of rain gardens
- Some cities exempt properties from the stormwater fee
  - Example: Downers Grove does not charge fees to tax-exempt properties
  - Wheaton does not exempt any properties from its current fee

## 3. Review of property and billing data | August-September 2023

- Review all properties to ensure recent development is counted
- Establish a billing procedure using impervious area
  - Review all customer/property information for billing purposes
  - Coordinate system communication (*MUNIS & ArcGIS*)

# Next Steps

- 4. Communicate and Adopt New Fee | March-December 2023**
  - Fully inform property owners of new fee methodology, associated policies, and impact on utility fees
  - Finalize ordinance for adoption
- 5. Implementation | January 2024**
  - The target date to implement the new fee is at the start of the City's 2024 budget
  - At this time utility bills would begin to reflect the new stormwater utility fee

# Questions?

