

## MEMORANDUM

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

**FROM:** Erik Berg, Management Analyst

Brandon Kowalke, Senior Management Analyst

**DATE:** January 22, 2024

**SUBJECT:** **Review of Public Comments on Proposed Stormwater Utility Fee**

This memo summarizes the feedback received by staff from members of the public regarding the City's proposed restructuring of its stormwater utility fee.

### **Background**

At the February 27, 2023 and May 8, 2023 Planning Sessions, staff proposed restructuring the stormwater utility fee based on impervious area rather than its current method of water consumption. The intention is to provide a consistent fee base that would be proportional to each property's burden on the City's stormwater system. The City disseminated public information on the proposal through its website, newsletter, social media accounts, water utility bills, and at two public hearings. To capture feedback, the City established a dedicated email and phone line to receive comments. Approximately 25 individuals attended the City's public hearings, 80 reached out via email, and 30 called to speak to staff.

### **Feedback Summary**

Staff have categorized the feedback received from the public on the proposed stormwater fee between pages 2-5 of this memorandum along with staff's comments on the feedback and, if any, proposed actions in response to it. Most of the feedback related to either adding additional ways for property owners to reduce their stormwater fee or changing what types of surfaces the city categorizes as "impervious" for the purposes of assessing the fee.

### **Recommended Actions / Changes**

Staff recommend minimal changes in response to the feedback received; with a goal of avoiding additional administrative complexity and the need to hire additional staff to administer the fee. The following are all recommended changes.

1. Allow property owners with shared common areas (*such as Homeowners Associations, Townhomes, or Planned Unit Developments*) to appeal the City and have fees associated to those common areas distributed across multiple property owners.
2. Allow property owners to apply for a Discharge Credit (*up to 50% reduction in stormwater fees*) for multiple connected properties on the same application.
3. Classify decks as pervious surfaces and remove them from impervious surface area calculations.



WHEATON MAYOR PHILIP J. SUESS

CITY MANAGER MICHAEL DZUGAN

CITY COUNCIL: MICHAEL BARBIER | ERICA BRAY-PARKER | SCOTT BROWN | BRADLEY CLOUSING | LYNN ROBBINS | SCOTT WELLER

# Summary of Feedback on Proposed Stormwater Fee

## Feedback Category 1 – Impervious Surface Area Classifications and Calculations

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### 1. The City should not classify gravel and stone as impervious surfaces.

**Staff Comment:** Compacted gravel and stone, such as driveways, are impervious surfaces. Generally, these surfaces increase the rate and volume of runoff during severe storm events and will be classified as impervious surfaces in the City's proposed stormwater fee. Were the City to establish a process to examine these surfaces to see if they should be exempted, it would require site inspections to determine the surface's perviousness. The amount of impervious area attributed to these surfaces is negligible when compared to other types of impervious surfaces (*asphalt/concrete*). Also, the cost of performing an inspection would almost certainly exceed any fee reduction for the average property.

**Recommended Action:** No change – gravel, stone, and brick are considered impervious surfaces.

### 2. The City should not classify slatted, wooden decks as impervious surfaces since they allow rainwater to percolate into the soil through the deck's boards.

**Staff Comment:** The City cannot determine from its aerial photography whether an impervious weed barrier is installed underneath a deck. Because these barriers may be present, staff categorized all decks as impervious surface areas. However, some decks may not have an impervious weed barrier installed. Given the labor and time that would be required to inspect all decks and determine whether a weed barrier is present through an appeals process, staff recommend a streamlined approach in which all decks are re-classified as permeable surfaces.

**Recommended Action:** Classify decks as pervious surfaces and remove them from impervious surface area calculations.

### 3. The City should not count impervious surface areas from private roads or publicly accessible walkways/trails into a parcel's fee calculation.

**Staff Comment:** Private roads are impervious surfaces that generate stormwater runoff that flows to City stormwater infrastructure and, therefore, is subject to the stormwater utility fee. Impervious walkways/trails, including publicly accessible ones not owned by the City, also generate stormwater runoff that must be handled by the City's stormwater infrastructure.

**Recommended Action:** No change – continue to include impervious surface areas from private roads, and other public walkways/trails in stormwater fee calculations.

### 4. The impervious and pervious areas of common properties of Planned Unit Developments, townhomes, or areas managed by homeowners' associations should be distributed to property owners within the development/property.

**Staff Comment:** If the fee is implemented, common areas on separate parcels will be billed to the property owner, which is usually a management company. However, under the proposed fee structure it would be appropriate to allow property owners and management associations to propose an allocation of fees for common areas to all residents within the development.

**Recommended Action:** Allow property owners to apply for a redistribution of common areas based on their established common ownership of those parcels. The application will require

## Summary of Feedback on Proposed Stormwater Fee

documentation that details the split ownership of a parcel(s) and evidence of the consent of affected property owners to the fee redistribution.

### 5. The City should exempt “permeable pavers,” or similarly constructed surfaces, from a property’s total impervious surface area.

**Staff Comment:** A review of existing research on permeable paver effectiveness by the United States Environmental Protection Agency found that they could reduce stormwater runoff from 25% to 100% compared to other impervious surfaces. The effectiveness of these pavers decreases over time when not properly maintained and is dependent on environmental conditions, design of the pavers, and materials used. Because the specifications and effectiveness of various pavers can vary, staff does not recommend exempting them from impervious surface area calculations. As an alternative, the City could consider a flat incentive program that reimburses a portion of construction costs for the installation of new permeable pavers that are (1) compliant with an established minimum design standard for construction and (2) are not being installed in order to comply with existing local stormwater ordinances.

**Recommended Action:** No change – permeable pavers will not be exempted from impervious surface area calculations. If desired, staff could look into the creation of an incentive program.

### 6. The City should exempt soffits from impervious surface calculations.

**Staff Comment:** All parts of a structure’s roof, including soffits, are impervious surfaces that contribute to the volume and rate of stormwater runoff a property generates.

**Recommended Action:** No change – the full area of any roof is considered an impervious surface.

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### Feedback Category 2 – Fee Reductions, Credits, and Incentives

#### 1. The City should offer fee reductions for the use of rain gardens or rain barrels.

**Staff Comment:** Staff do not recommend offering fee reductions for rain gardens or rain barrels because their impact on the stormwater runoff, and the service demands placed on the City’s stormwater infrastructure, is minimal. These types of improvements primarily benefit water quality or help to reduce a property’s water consumption.

**Recommended Action:** No Change – fee reductions will not be offered for rain barrels/gardens.

#### 2. The City should offer fee reductions for detention/retention basins that retain stormwater.

**Staff Comment:** Detention/retention basins are constructed by property owners or developers to comply with local stormwater ordinances. These facilities slow the discharge of runoff to the City’s infrastructure but that runoff will still be conveyed by the City’s infrastructure. Staff do not recommend offering fee reductions for stormwater facilities that are constructed to achieve compliance with existing stormwater ordinances.

**Recommended Action:** No Change – no fee reductions for detention/retention basins.

## Summary of Feedback on Proposed Stormwater Fee

### 3. The City should not charge the fee to property owners who lack a connection to stormwater infrastructure.

**Staff Comment:** Regardless of whether a property has a direct connection or adjacency to the City's stormwater infrastructure (*ditches, culverts, storm sewer pipe, etc.*) it is likely the property owner still benefits the City's stormwater system. Nearly all properties are adjacent to public roads, which convey stormwater during severe flooding events and are part of the City's stormwater infrastructure. Staff cannot assess the degree of connection for each property in the City through hydrological surveys or other means to support such an exemption.

**Recommended Action:** No Change – no fee reductions based on the scale or proximity of the City's stormwater infrastructure can be implemented.

### 4. The City should exempt property owners who experience flooding on their property from the stormwater utility fee.

**Staff Comment:** Properties discharge runoff even if they experience flooding and staff cannot establish a definition and threshold of flooding that could be applied consistently enough to exempt or reduce properties' stormwater fees. The City supports a Yard Flooding Reimbursement Program under which residents can apply for financial support from the City to complete projects that mitigate flooding on their property.

**Recommended Action:** No Change – no fee reductions based on the presence or severity of flooding for specific properties.

### 5. The City should allow property owners to apply for a credit that affects multiple connected properties (*parcels*) when applying for the City's discharge credit.

**Staff Comment:** In order to qualify for the City's proposed discharge credit the applicant will need to submit materials from a credentialed engineer that assesses the amount of stormwater generated by a property during a 100-year storm event and shows that none of it is conveyed through the City's stormwater infrastructure. It is reasonable to allow property owners to submit such an assessment for multiple contiguous properties (*parcels*) simultaneously.

**Recommended Action:** The City will allow a property owner to apply for Discharge Credits that apply to multiple connected parcels on the same application.

### 6. The City should implement a senior citizen discount for the stormwater fee.

**Staff Comment:** The City's primary goal of restructuring the City's stormwater fee is to assess these fees on a reasonable measure of the service demands that each property places on the City's stormwater infrastructure. To ensure this is achieved to the maximum extent possible, the City should only offer fee reductions that directly relate to those service demands.

**Recommended Action:** No Change – a senior citizen discount will not be implemented.

## **Summary of Feedback on Proposed Stormwater Fee**

### **Feedback Category 3 – Miscellaneous Concerns and Comments**

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- 1. Some residents expressed concerns that the fee increases would have a detrimental effect on commercial properties, Wheaton Park District, and Community Unit School District 200.**
- 2. Some residents indicated support for the City's ongoing efforts to mitigate flooding experienced by residential properties.**
- 3. Some residents expressed skepticism at the validity of the proposed fee or indicated support for maintaining the City's existing fee structure based on water consumption.**
- 4. Some residents expressed concerns that the City does not sufficiently maintain ditches within the public right-of-way.**
- 5. Some residents expressed concerns that the aerial photography used by the City does not accurately reflect the impervious surfaces on their property.**

# **Stormwater Utility Fee Assessment: Public Comment Review**

Brandon Kowalke, Senior Management Analyst

Erik Berg, Management Analyst



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## **Agenda**

- **Purpose**
- **Background**
- **Feedback Summary**
- **Recommended Actions/Changes**
- **Next Steps**

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## Purpose

- **Review the proposed stormwater fee**
- **Review public outreach and review public comments received**
- **Solicit feedback from the City Council on staff's recommended changes in response to public comments**

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## Background: Proposed Fee

### 1) Equivalent Runoff Unit (ERU)

- Ratio of property's impervious area to average single-family home
- 1 ERU = 3,300 square feet of impervious area

### 2) Intensity of Development

- Ratio of a property's impervious area to total area

| Intensity of Development |                     |     |
|--------------------------|---------------------|-----|
| Tiers                    | Impervious Area (%) | ERU |
| Tier 0                   | <1%                 | 0.1 |
| Tier 1                   | 1% - 20%            | 0.2 |
| Tier 2                   | 21% - 40%           | 0.4 |
| Tier 3                   | 41% - 60%           | 0.6 |
| Tier 4                   | 61% - 80%           | 0.8 |
| Tier 5                   | 81% - 100%          | 1.0 |

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## Background: Proposed Fee

### 1) Equivalent Runoff Unit (ERU)

- $3,200 \text{ sq ft} / 3,300 \text{ sq ft} = 1 \text{ ERU}$

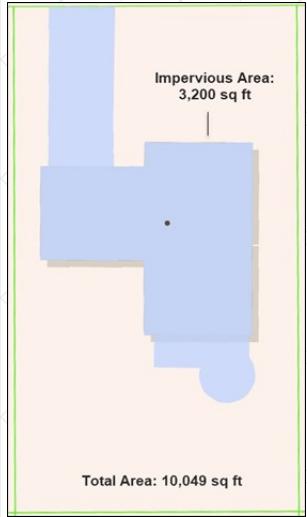
### 2) Intensity of Development

- $3,200 \text{ sq ft} / 10,049 \text{ sq ft} = 0.4 \text{ ERU}$

Estimated Fee per ERU: \$4.24

1 ERU + 0.4 ERU = 1.4 ERU

1.4 ERU X \$4.24 = \$5.94



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## Example Utility Bill

| CITY OF WHEATON                                  |                  | BILL DATE: 09/15/2022                 |                  |
|--|------------------|---------------------------------------|------------------|
| NAME:  | W WESLEY ST      | ACCOUNT NUMBER:                       | CUSTOMER NUMBER: |
| SERVICE ADDRESS:                                 | DISTRICT NO.: 01 | BILL NUMBER: _____                    |                  |
| <b>METER INFORMATION:</b>                        |                  | <b>BILLING PERIOD:</b>                |                  |
| CURRENT READING .....                            | 136              | CURRENT READING DATE .....            | 09/07/2022       |
| PREVIOUS READING .....                           | 133              | PREVIOUS READING DATE .....           | 08/04/2022       |
| USAGE (100 CU. FT.) .....                        | 3                | TYPE OF READING .....                 | ACTUAL           |
| METER SIZE .....                                 | 5/8x3/4"         |                                       |                  |
| LAST PAYMENT RECEIVED ON 09/01/2022 .....        |                  |                                       |                  |
| <b>BALANCE .....</b> <b>\$0.00</b>               |                  |                                       |                  |
| MONTHLY METER SERVICE FEES .....                 | \$13.59          | STORM SEWER USAGE .....               | \$2.25           |
| SANITARY SEWER USAGE .....                       | \$4.20           | STORM SEWER MONTHLY SERVICE FEE ..... | \$1.50           |
|  |                  | WATER USAGE .....                     | \$15.15          |
| CURRENT CHARGES DUE BY 10/10/2022 <b>\$36.69</b> |                  |                                       |                  |
| TOTAL AMOUNT DUE <b>\$36.69</b>                  |                  |                                       |                  |

- “Storm Sewer Usage” and “Storm Sewer Monthly Service Fee” will be replaced by the ERU-based “Stormwater Monthly Fee”

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## Background: Proposed Policies

1. All Property ERU's are rounded to the nearest tenth
2. Properties with less than 250 square feet of impervious surface area will not be charged
3. The City will not charge the fee to its own properties
4. The City will offer a Discharge Credit that reduces qualifying property's stormwater fee by 50% for five years
5. City will establish an appeals process for property owners to contest impervious surface calculations, billing discrepancies, and to correct utility account information
6. Estimated Fee Rate = \$4.24 per ERU billed Monthly

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## Background: Proposed Policies

7. If properties have an existing utility account, the current utility account holder will be billed the stormwater fee
8. If the property does not have an existing utility account, one will be setup for the property owner for billing
9. Common spaces will be billed to the property owner or property management company if part of a PUD/HOA
10. Fees for "stacked parcels" will be set by dividing the impervious area calculations across all properties in them
  - "Stacked Parcels" are when multiple parcels without distinct geographic boundaries exist within a larger parcel

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# Public Outreach Summary

## Timeline

Messages Sent on All Utility Bills | August & October 2023

Hosted two Public Hearings | August & September 2023

Fee Lookup Map Released | November 1, 2023

## Feedback Received

- 80 individuals reached out via email
- 30 individuals reached out via phone
- 25 individuals attended the City's public hearings

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# Feedback: Impervious Surfaces

1. Classify gravel and stone surfaces as pervious
2. Classify decks as pervious surfaces
3. Exclude private roads or publicly accessible walkways/trails from a property's fee calculation
4. Allow property management companies to appeal and redistribute common areas' fees among resident utility accounts
5. Exclude permeable pavers, or similarly constructed surfaces, from property's fee calculation
6. Exclude the surface area of soffits from a fee calculations

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## Feedback: Fee Reductions

1. Offer fee reductions for rain gardens and rain barrels
2. Offer fee reductions for detention/retention basins
3. Reduce fees for properties not adjacent to City stormwater infrastructure
4. Reduce fees for property owners who experience flooding
5. Allow applicants who own multiple connected properties to apply for all properties on one Discharge Credit
6. Implement a senior citizen discount for the stormwater fee

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## Feedback: General

1. Concerns about the increase of stormwater fees on commercial properties and other jurisdictions
2. Support for the City's efforts to mitigate flooding
3. Preference for keeping the City's existing fee structure
4. Concerns over ditch maintenance in the right-of-way
5. Concerns about the accuracy of the City's aerial photography

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## Staff Comments

- Physically inspecting and assessing the perviousness of different surface types is administratively and logically complex. The average fee reduction for most properties would be minimal.
- Implementing additional fee incentives or credits would require additional staff to support them. Of all possible options, staff would recommend focusing on flat, one-time incentives.

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## Recommended Actions/Changes

- Allow properties owners with shared common areas to appeal the City for a redistribution of the common areas' fees to specific utility accounts
- Allow property owners to apply for Discharge Credits that apply to multiple connected properties on one application
- Classify Decks as pervious surfaces and remove them from impervious surface area calculations

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## Next Steps - Schedule

- Match Properties to Utility Accounts | January - April 2024
- Finalize Fee Policies & Ordinance | March 2024
- Review Final Fee Policies & Ordinance | April 2024
- Implement Restructured Fee | May - June 2024

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**Questions & Comments?**



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