TOWN OF MILLIKEN
TOWN BOARD OF TRUSTEES
AGENDA MEMORANDUM

To: Mayor Tokunaga and members of the Town Board of Trustees From: Lamp Rynearson and Seth Hyberger, Community Engagement Specialist Via: Kent Brown, Town Administrator			Meeting Date: March 9, 2016
Agenda Item #	Action:	Discussion: x	Information:
Agenda Title: Reviewing the proposed Town of Milliken Storm Water Management and Facility Utility Enterprise Fee			
Attachments: Stormwater Utility Rate Study Table that provides alternate options for industrial and commercial users. Stormwater Utility FAQ			

PURPOSE

To modify the Town Fee Schedule to establish and incorporate a fee for storm water management.

BACKGROUND INFORMATION

The Storm Water Management and Facility Utility Enterprise was created in December of 2014 for the Town of Milliken. The Town created a Storm Water Management and Facility Utility Enterprise as a special condition of accepting its Energy and Mineral Impact Assistance Grant from the Colorado Department of Local Affairs in the amount of $135,000. The grant funding was utilized to complete the Town's Stormwater Master Plan 2014. The Town's Stormwater Master Plan 2014 listed multiple projects for the Town totaling $22,230,570.The September 2013 Flood Event severely impacted central Milliken and this made evident the deficiencies of the Town's Storm Drainage System. The flood impacts resulted in the necessity to update the Town's 1982 Stormwater Management Plan and establish a Storm Water Management and Facility Utility Enterprise to construct future storm water projects.

The storm water enterprise utility is set up to comply with the statutory and constitutional definitions of an enterprise as a government-owned business which has authority to issue its own revenue bonds and which receives less than 10% of its annual revenues in grants from all state and local governments in Colorado combined.

The next step in the process is the implementation of setting up the Stormwater Utility Fee. Jon Sorenson with ICON Engineering Inc. and Storm Group 1 put together a revised proposal to assist the Town with implementing the Stormwater Utility Fee. This proposal was presented to the Town Board on February 11, 2015. The Board requested the proposal to be simplified. There were two proposals presented and Lamp Rynearson & Associates was selected to complete a study for the Stormwater Utility Fee Implementation as well. The study consisted of 5 phases. These phases are Project Management, GIS Analysis, Rate

Structure Options and Revenue Projections, Public Participation, and Billing Database. The results were presented at a meeting in September and after adjustments based on Town Board's direction, Lamp Rynearson & Associates presented the information at a public hearing on December 9, 2015.

The Town Board had some concerns regarding the costs to be set for industrial and commercial properties. In addition, a consensus on the rate for single family residential customers was not stated until a work session in February.

The attached documents provide alternate options for industrial and commercial users. In addition, the proposal states a flat fee of $5 for residential properties.

BUDGET IMPLICATIONS

This Fee Schedule will increase revenues to the Town to the extent residents apply for, and receive permits to utilize this service. These revenues shall also be used to address known drainage deficiencies and projects in Milliken and ensure funding is available for this critical public service.

STAFF RECOMMENDATION

Give staff direction on the fees for industrial and commercial users and request an ordinance be prepared for the March 23 Town Board meeting to establish the fee structure for this newly created enterprise fund.

Town of Milliken
STORMWATER UTILITY RATE STUDY

Prepared by: Lamp Rynearson

How did we get here?

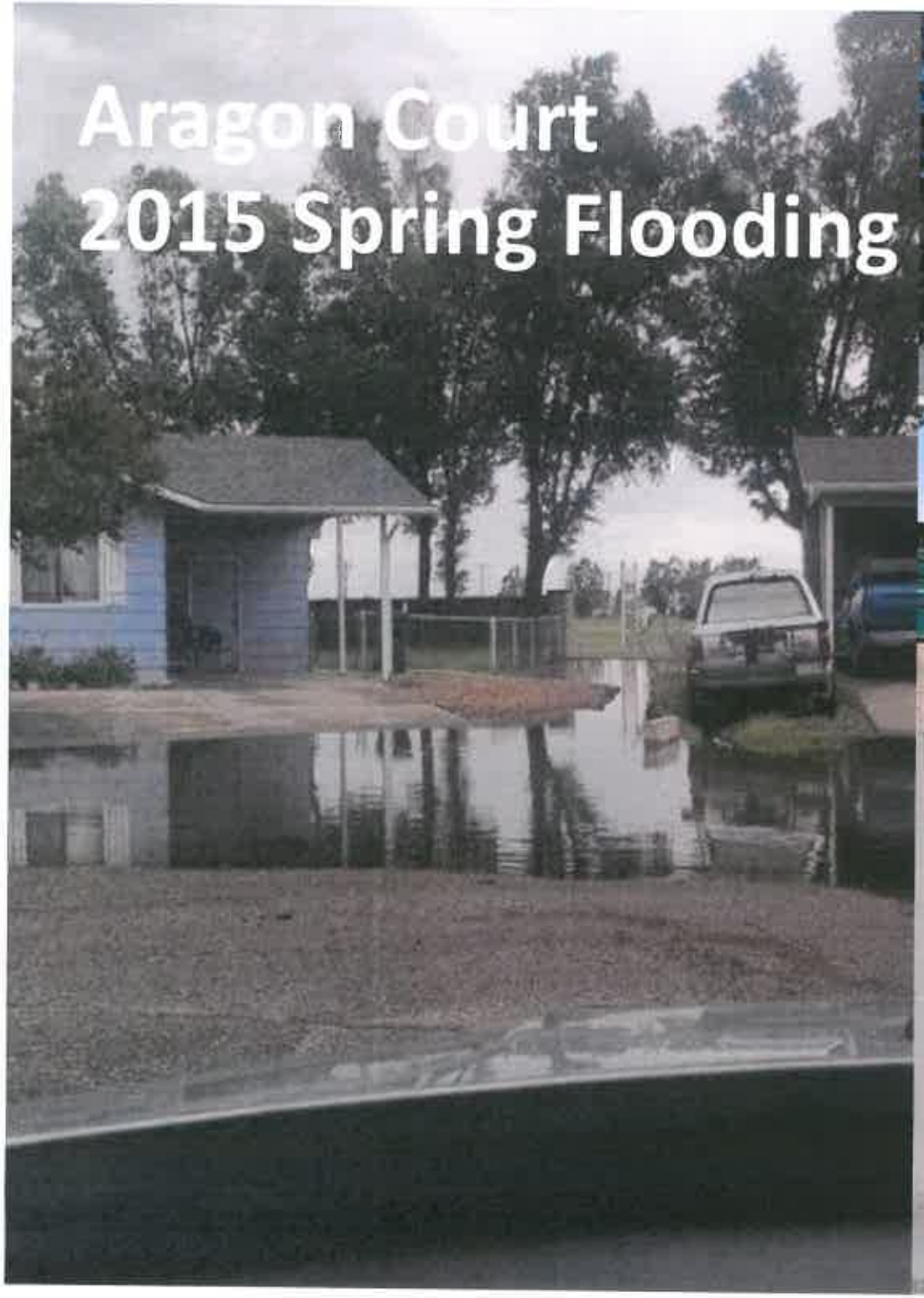
2013 Flood

2014 Flood Plain Study Stormwater Master Plan

Stormwater Utility


HWY 257 2013 Flood Damage

Aragon Court
2015 Spring Flooding




Green & Marjorie
2015 Spring Flooding
ONE WAY

Forest & S. Buenzli Way
2015 Spring Flooding

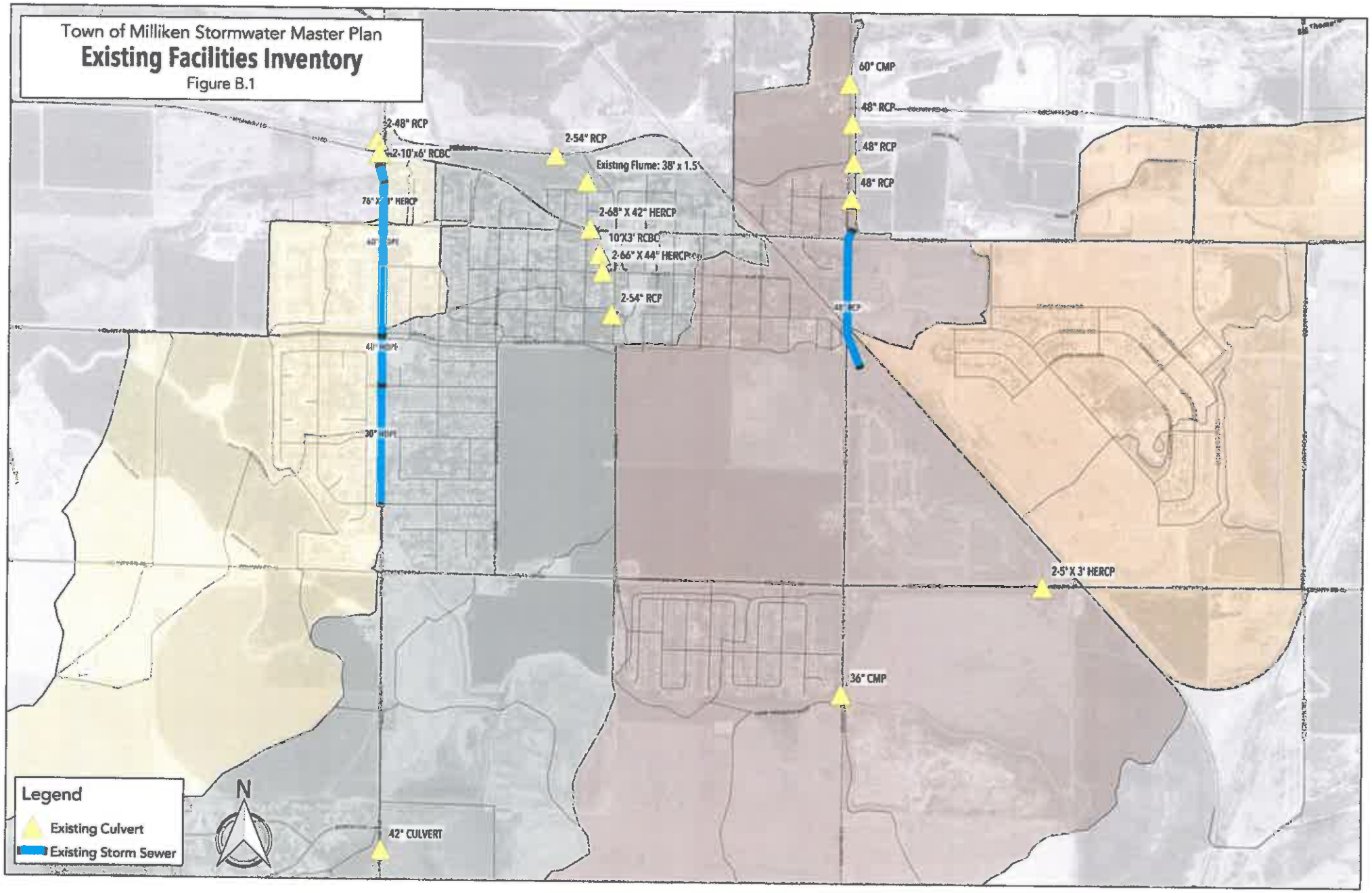

2015 Spring Flooding

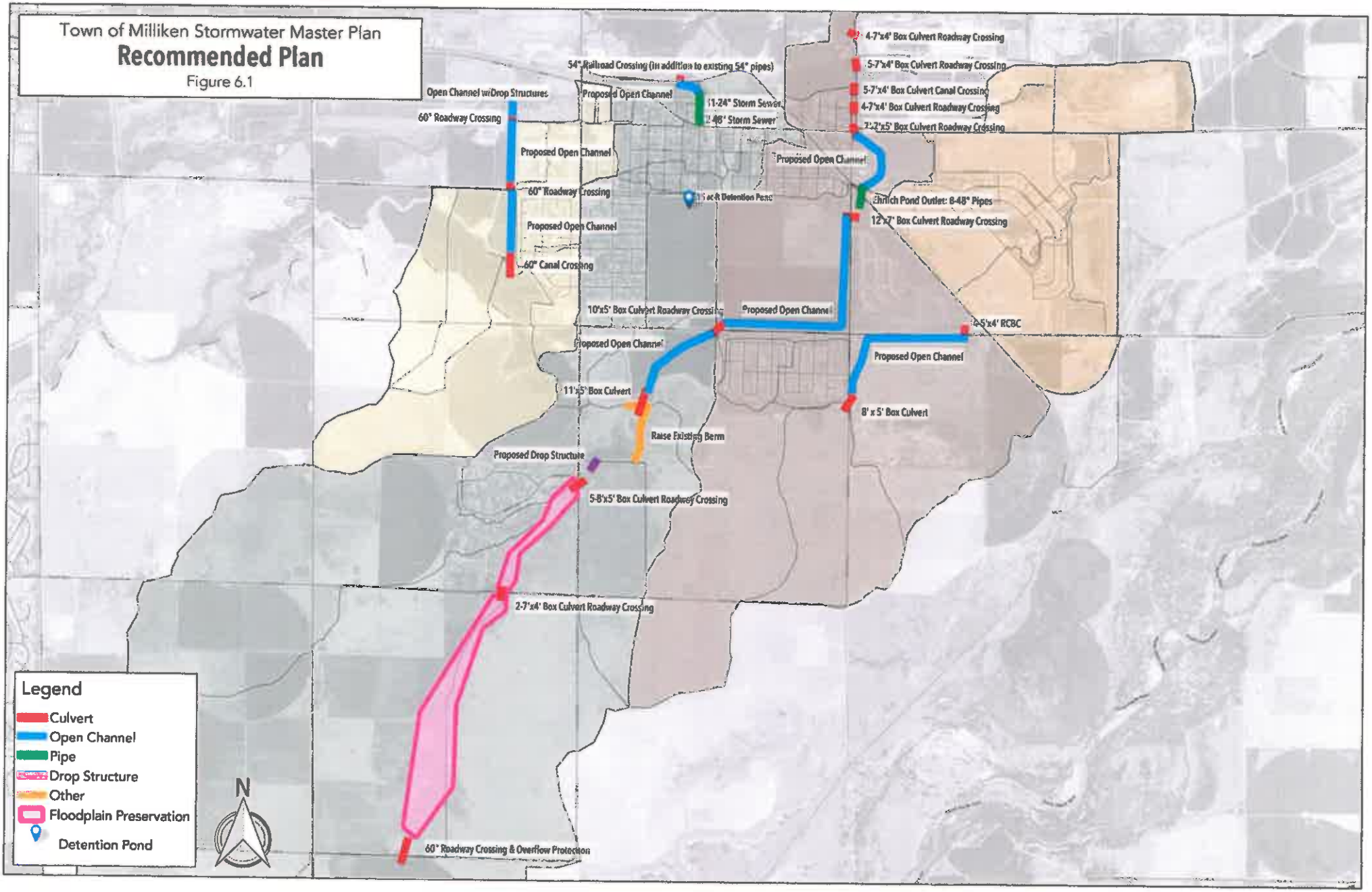
Stormwater Utility Fee Goals

- Protect People and Property
- Resilience to Future Floods
- Protect Property Values

How much is needed for improvements?

$25 Million


Town of Milliken Stormwater Master Plan
Existing Facilities Inventory
Figure B.1
2-48" RCP
2-10'x6' RCBC
2-54" RCP
Existing Flume: 38' x 1.5'
2-68" X 42" HERCP
10'X3' RCBC
2-66" X 44" HERCP
2-54" RCP
60" CMP
48" RCP
48" RCP
48" RCP
2-5' X 3' HERCP
36" CMP
42" CULVERT
Legend
Existing Culvert
Existing Storm Sewer
N


Town of Milliken Stormwater Master Plan
Recommended Plan
Figure 6.1
54" Railroad Crossing (in addition to existing 54" pipes)
Open Channel w/Drop Structures
Proposed Open Channel
11-24" Storm Sewer
48" Storm Sewer
60" Roadway Crossing
Proposed Open Channel
60" Roadway Crossing
Proposed Open Channel
60" Canal Crossing
4-7'x4' Box Culvert Roadway Crossing
5-7'x4' Box Culvert Roadway Crossing
5-7'x4' Box Culvert Canal Crossing
4-7'x4' Box Culvert Roadway Crossing
2-2'x5' Box Culvert Roadway Crossing
Proposed Open Channel
Church Pond Outlet: 8-48" Pipes
12'x7' Box Culvert Roadway Crossing
10'x5' Box Culvert Roadway Crossi
Proposed Open Channel
Proposed Open Channel
6-5'x4' RCBC
Proposed Open Channel
11'x5' Box Culvert
8' x 5' Box Culvert
Raise Existing Berm
Proposed Drop Structure
5-8'x5' Box Culvert Roadway Crossing
2-7'x4' Box Culvert Roadway Crossing
60" Roadway Crossing & Overflow Protection
Legend
Culvert
Open Channel
Pipe
Drop Structure
Other
Floodplain Preservation
Detention Pond
N

The Front Range Approach to Stormwater Utility Fees

Small Communities - Single Family Residential				
Town Name	Population	Monthly Fee/Formula	Fee Basis	Year Initiated
Gilcrest	1,100	$3.50	Flat	
La Salle	2,000	$3.00	Flat	
Wellington	6,725	$9.75	Flat	2006
Fort Lupton	8,000	$3.80	Flat	2007
Frederick	10,500	$6.23	Flat	2008
Johnstown	12,000	$5.00	Flat	2004
Erie	19,500	$5.41	Flat	

The Front Range Approach to Stormwater Utility Fees

Large Communities - Single Family Residential				
Town Name	Population	Monthly Fee/Formula	Fee Basis	Year Initiated
Evans	20,000	$4.30	Flat	1998
Windsor	20,500	Lot Size (ft^2) x $0.000458 x Impervious Rate Factor	Impervious Area	1991
Loveland	71,000	$9.97	Flat	1987
Greeley	100,000	Weighted Runoff Coefficient x $0.001784	Impervious Area	2002
Fort Collins	150,000	Lot Size (ft^2) x $0.0041454x Impervious Rate Factor	Impervious Area	1981

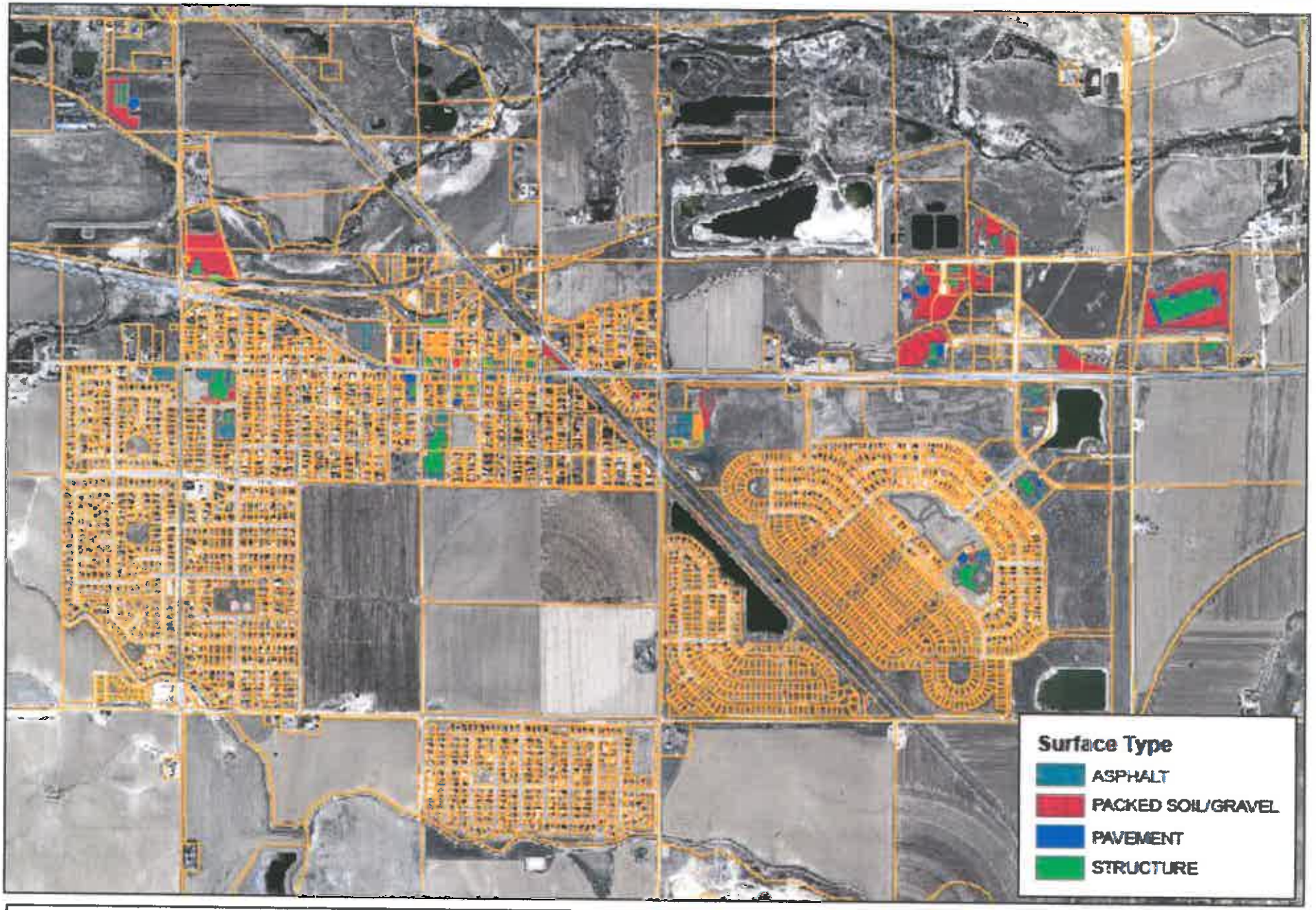
The Front Range Approach to Stormwater Utility Fees

Non-Single Family Residential			
Town Name	Population	Monthly Fee/Formula	Fee Basis
Gilcrest	1,100	$3.50 x Impervious Area / 3,738 ft^2	Impervious Area
La Salle	2,000	$6.00	Flat
Wellington	6,725	$7.40 + SWM Fee	Flat and Impervious Area
Johnstown	14,000	Rate Factor x Lot Area	Impervious & Gross Area
Evans	20,000	$6.65 /20,000 ft^2	Total Lot Area
Loveland	71,000	$75.64 /43,560 ft^2	Total Lot Area
Longmont	90,000	$13.05/20,000 ft^2	Total Lot Area

How Are Stormwater Utility Fees Determined?

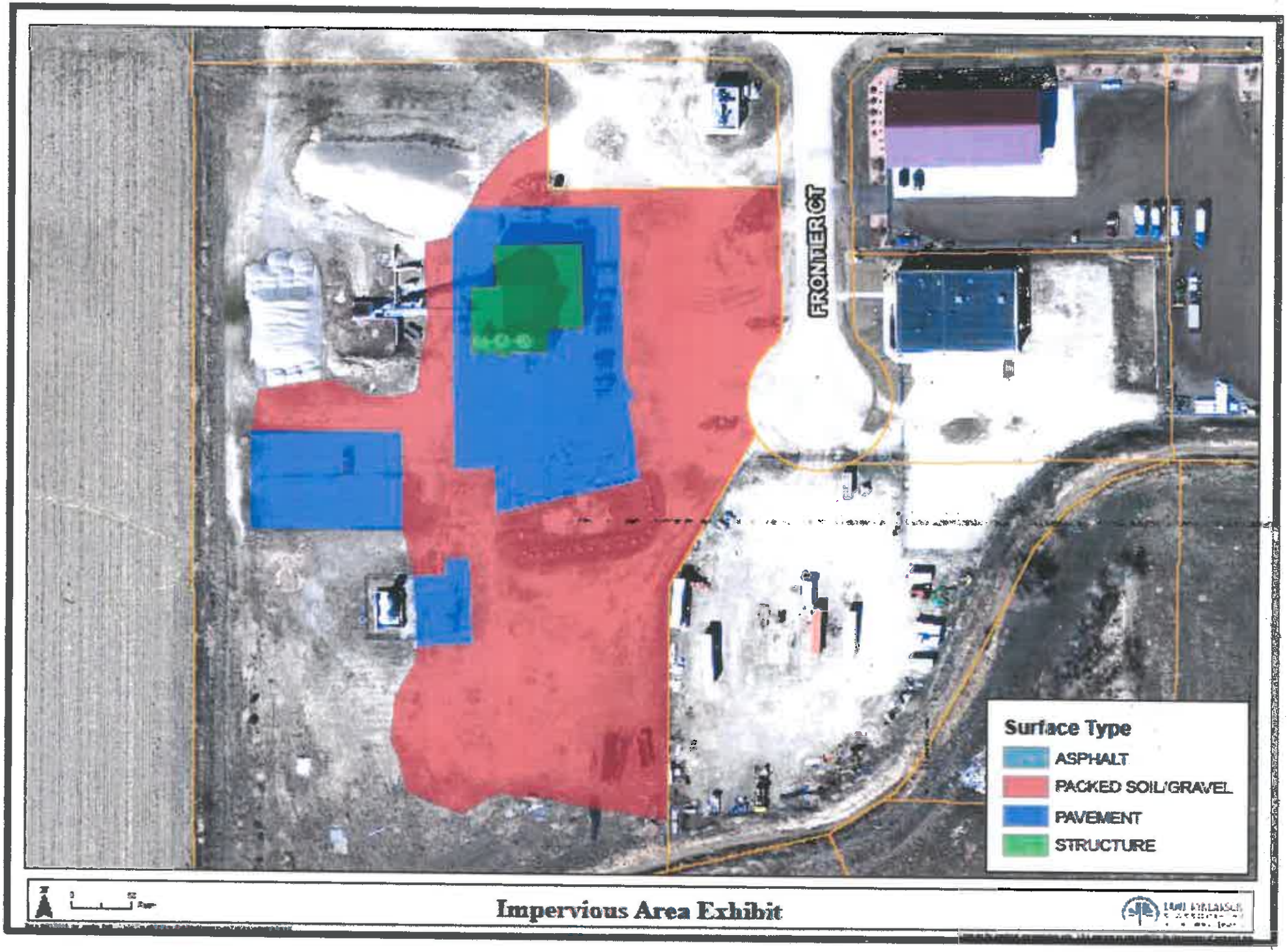
- Single Family Residential - Flat Rate

- Non Single Family Residential - Amount of Impervious Area

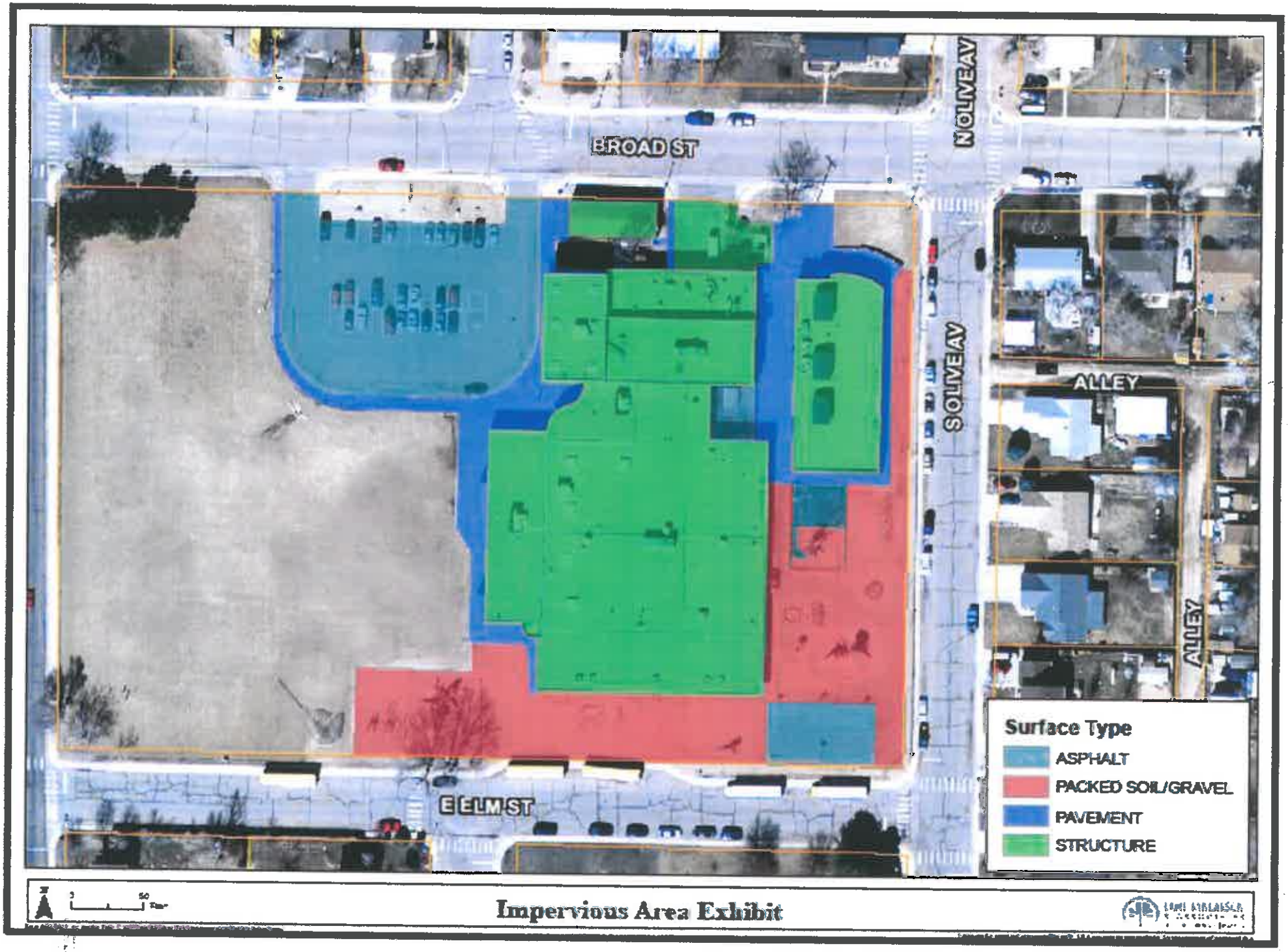


Impervious Area Exhibit

Impervious Area Exhibit



Impervious Area Exhibit

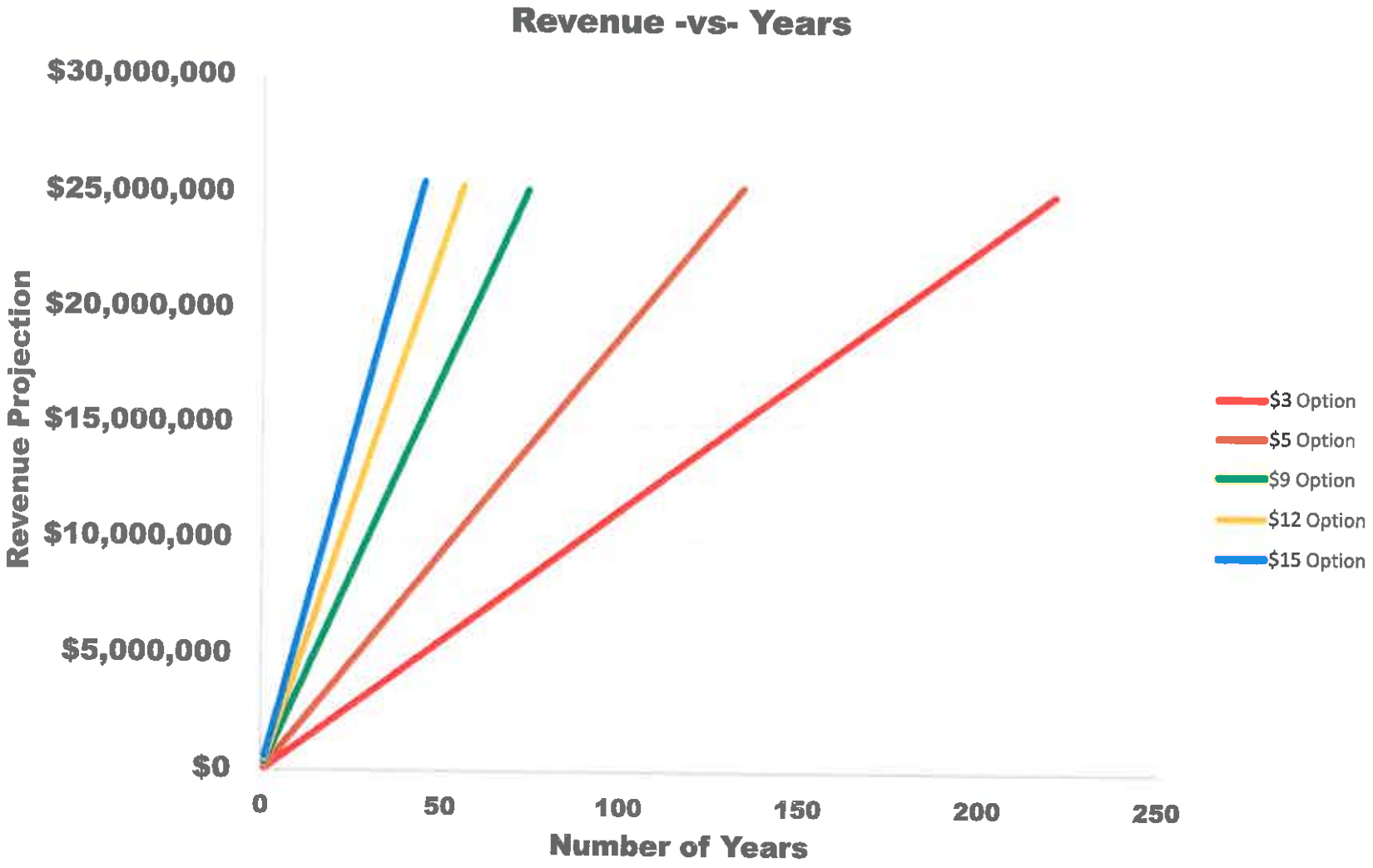


Impervious Area Exhibit

Fee Structure Alternatives

	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5
Fee	$3.00	$5.00	$9.00	$12.00	$15.00
Single Family Revenue	$70,668	$117,780	$212,004	$282,672	$353,340
Non-Single Family Revenue	$42,693	$71,155	$128,080	$170,773	$213,466
Annual Revenue	**$113,361**	**$188,935**	**$340,084**	**$453,445**	**$566,806**

Fee Structure Alternatives



Fee Implementation Schedule

Ordinance Implementation

Fee collection July 1, 2016

Questions

The Front Range Approach to Stormwater Utility Fees

Non-Single Family Residential			
Town Name	Population	Monthly Fee/Formula	Fee Basis
Gilcrest	1,100	$3.50 x Impervious Area / 3,738 ft^2	Impervious Area
La Salle	2,000	$6.00	Flat
Wellington	6,725	$7.40 + SWM Fee	Flat and Impervious Area
Johnstown	14,000	Rate Factor x Lot Area	Impervious & Gross Area
Evans	20,000	$6.65 /20,000 ft^2	Total Lot Area
Loveland	71,000	$75.64 /43,560 ft^2	Total Lot Area
Longmont	90,000	$13.05/20,000 ft^2	Total Lot Area

Possible adjustments to commercial/industrial rate:

%	Commercial Rate based on sq.ft	Annual Commercial Revenue	Residential Plus Commercial Years to Revenue Target $25 Million)
(100% original rate)	0.00167	$71,155	133
(75% original)	0.00125	$53,367	147
(50% original)	0.00083	$35,578	164
(25% original)	0.00033	$14,231	191

Could also propose a flat fee of $xx.xx/acre, then multiply that value by the area of the lot as published by the assessor and the % developed, i.e. if only 20% of the lot is developed then the fee is 20% of the calculated stormwater fee. (*Acres* x *Unit fee* x *% developed* = *Stormwater fee*). The flat acre fee could be adjusted a little so that it may produce a little higher revenue then just taking a % of the impervious calculation. An initial glance is that will not be as equitable, but could be another way to look at this.

Town of Milliken
STORMWATER UTILITY

FAQs

New Stormwater Utility Fees FAQs

The Town of Milliken is considering the adoption of a Stormwater Utility fee effective for July 1, 2016. This fee will be used to improve stormwater infrastructure that will in turn protect people and property, provide resilience to future floods, and protect property values. The State of Colorado requires a stormwater utility fee to be implemented due to previous flooding events within the Town.

What Is A Stormwater Utility And Why Should We Care?

Like all utility services, the Town operates and maintains a system of pipes, channels and storm drains that protect our homes and businesses from flooding. This system is costly to operate and maintain, and is facing increasing regulatory requirements from the Environmental Protection Agency.

Stormwater is runoff produced by precipitation. As rain falls to earth in agricultural and undeveloped areas, it is either absorbed or it slowly runs off and dissipates. Rooftops and paved areas not only prevent the water from being absorbed, but cause an increase in runoff. As a result, runoff can accumulate, causing nuisance flooding, large scale flooding and possible threats to public health and safety. Our current infrastructure system needs repair and replacement due to age as well as improvements that expand its capacity. Fixing drainage problems is only a part of the problem. As the rain falls onto our streets and runs off, it carries pollutants such as gasoline, oil, and heavy metals, pesticides, herbicides, and fertilizers. With the passage of time, these pollutants build up in our waterways and underground drainage systems, damaging our streams, rivers and lakes.

What Is A Stormwater Utility Fee?

The fee is a mechanism for the Town to recover costs for services it must provide to address public demands, meet stormwater regulations and construct improvements to infrastructure outlined in the Stormwater Master Plan. The stormwater user fee is structured to recover costs fairly and equitably.

Are We The Only Community With A Stormwater Utility Fee?

No. Stormwater user fees are being used in many neighboring towns and cities accross Colorado. Nearby communities that have a stormwater user fee include Johnstown, Gillcrest, La Salle, Greeley and Windsor.

Why Do We Need A Stormwater Utility Fee?

Unlike water and sewer services, there is no dedicated funding for the stormwater system. A stormwater user fee provides revenue to maintain existing stormwater infrastructure as well as to be in compliance with State and Federal regulations. The fee allows the town to improve stormwater services thereby:

1. Protect people and property.
2. Provide resilience to future flooding.
3. Protect property values.

New Stormwater Utility Fees FAQs

What Is Impervious Surface?

Impervious surfaces are hardened surface areas that either prevent or limit the natural entry of water into the soil. Rooftops, buildings, streets, parking lots, sidewalks, asphalt, concrete, other paving, driveways, decks, patios, and artificial turf are all examples of impervious surfaces. These improvements reduce natural infiltration into the soil, which increases runoff.

How Is The Impervious Surface Measured?

The Town used a mapping database called a Geographical Information System (GIS) that includes digitized aerial photographs to measure the total square footage of the impervious surface on a parcel of property.

How Are Fees Determined?

Single Family

Single family properties will be billed a flat monthly fee.

Non-Single Family

The Town's approach involved measuring impervious surface areas on individual properties. The fee is determined by multiplying the total square footage of impervious area times a rate per square foot.

Who Has To Pay?

All properties within the Town's limits will pay the stormwater user fee. Properties that will pay the fee include houses, businesses, industries, schools, public facilities, and churches. The Town made a special effort to ensure fairness and equity. This has led to a policy that everybody pays, even government buildings. Everyone contributes to and benefits from the stormwater sewer system.

Why Are Churches And Schools Being Billed?

Because this is a user fee and not a tax. The user fee, just like electric, drinking water, and sanitary sewer fees, is based upon the cost of services provided. Because this is not a tax, it is collected from all customers who receive service. Churches and schools, like other properties, contribute runoff to the Town. Because of the size and amount of parking lots and roofs on these properties, the runoff from these properties is significant. Exempting properties that potentially generate large amounts of runoff would shift the burden of financing the operation and maintenance of the stormwater system to homes and businesses that do not qualify for property exemptions and unfairly result in a higher bill for the non-exempt properties. For this reason, churches and schools will be treated like all other customers under the user fee rate structure.

Why Should I Have To Pay? I Live On A Hill And Don't Have A Drainage Problem.

You may not have a problem, but the runoff generated from your property is contributing to flooding problems downstream. The approach being taken through this program recognizes that everyone contributes to the runoff and everyone will share in the results—reduced flooding, and unimpaired access to roads, etc.

It Hasn't Rained In A While. Do I Still Have To Pay The Stormwater Fee?

Stormwater infrastructure including pipes, channels, etc. must be maintained no matter how much flow is running through it at any given moment. Stormwater infrastructure must be maintained so that the next storm does not result in flooding and cause damage to roads and other infrastructure.

For more information, contact the Town of Milliken at 970.587.4331

Come 'Round To MILLIKEN ™