

ATTACHMENT A

STORMWATER ADVISORY COMMITTEE (SWAC)

Meeting #9 – Agenda
May 1, 2018 @ 3:00 P.M.

CITY HALL
ROOM 337
200 WEST FIFTH STREET

“Come with an open mind, a willingness to hear all opinions or ideas,
and be a champion for sustainable stormwater management in Greenville.”

1. Call to Order
2. Introductions
3. Announcements
4. Public Comment Period
5. Approval of April 3 meeting minutes
6. Chairman’s Comments
7. Rate Structure Alternatives Update
8. Rate Ranges Based on Capital Investments
9. Recommendations on Rate Adjustments
10. Questions and comments
11. Closing remarks

**City of Greenville (COG)
Stormwater Advisory Committee (SWAC) Meeting
April 3, 2018 3:00 pm – 5:00 pm
City Hall, Room 337**

Advisory Committee Members Present:

Tom Best	Drake Brinkley	Cassius Williams
Jon Day	Joni Torres	Beth Ward
Matt Butler	Landon Weaver	

Advisory Committee Members Not Present:

Don Edwards	Michelle Clements	Donnie Brewer
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Staff & Consultants Present:

Daryl Norris/COG	Lisa Kirby/COG	Amanda Braddy/COG
Mark Senior/WK Dickson	Tom Murray/WK Dickson	Katie Cromwell/Raftelis
Keith Readling/Raftelis	Inga Kennedy/PEQ	

1. Advisory Committee Chair Tom Best called the meeting to order and initiated introductions. He confirmed a quorum of committee members.
2. No public comments were registered. Jordan Anders with the City's Public Information Office assigned to Public Works was in attendance.
3. The Chair, Tom Best, called for approval of the previous minutes. Landon Weaver indicated that he did agree that he would support a rate increase but with more factual information and asked for this point to be reflected in a revision of the March 6 meeting minutes.
4. Chairman's Comments:
The Chairman requested the opportunity to have a special presentation by the Soil and Water office along with SWAC member Joni Torres who has requested a special presentation by an ECU stormwater professor. A future SWAC meeting date will be identified to accommodate the requests.
5. The meeting was turned over to Katie Cromwell with Raftelis, who briefed the committee on the agenda and the items to be covered during the meeting which included follow on details requested by the SWAC.
6. Rate Structure Alternatives

Multi-family - Keith Readling with Raftelis provided details of additional revenue that could be generated from three possible rate structure scenarios for multi-family housing including vacant units and minimum

charges of 0.5 and 1 ERUs. Landon Weaver asked if the new increase includes new personnel for overseeing the process. Daryl Norris acknowledged that it be a new policy and would require some coordination and Keith agreed there would be a need for personnel to manage the process. GUC is currently responsible for billing and would need to add an additional procedure for a separate billing item. Keith indicated that an 8% increase could be realized with the minimum ERU charges. Joni Torres asked if multi-family owners could be required to pay for stormwater fees and pass the costs on to the tenant. Keith responded that legally yes, however the process could be challenging based on a number of factors. Lisa confirmed that GUC would not generate a stormwater only bill for Greenville. Landon asked how Wilmington as a utility does it. Keith responded that multifamily is still complicated based on managing and keeping up with vacancies.

Additional Residential Tier – Keith presented the additional revenue that could be generated with a fifth tier structure for single family housing with more than 8,000 square feet. He confirmed that the revenue increase could be approximately 0.2%.

Fixed Administrative Charge – Keith then presented the overview of adding an administrative charge to each customer of \$1.30. Drake suggested that it could hit the little guy. Lisa pointed out that the 50% charge would still be required in addition to the \$1.30. Landon indicated that the information presented should be fair. Daryl mentioned that the big commercial property owners bear a lot of the burden. Keith suggested that the fixed administrative charge is fair and the impact is the same to everyone.

Keith indicated that if all three rate structure alternatives are considered, there would be a 17% increase amounting to \$1million. The vacancy charge would be the biggest challenge and the administrative cost may absorb a major portion of the revenue that is generated. Beth Ward asked if there is anywhere similar to Greenville that charges a vacancy rate. Keith indicated that the City of Cleveland, OH does has a policy that requires vacancy charges. They have a process that disconnects a meter and after three months, can collect on that unit. In Wilson, Daryl suggested there was a challenge billing for stormwater only. Beth asked if the new multi-family developments in the City could be set up with the minimum charge of 1 ERU structure. Jon Day said Greenville has a reputation for high utilities. Tier II at \$10.70 is the currently the most common residential rate structure. Beth asked how many people complain about rates. Lisa indicated the City receives a few per week but has decreased because the recent increase has been in place for a while. Initial calls focused on the need for the increase, how was it generated, etc.. Now the calls are about dramatic individual increases. Beth suggested that something has to be don to generate revenue and the committee should make a recommendation or move on. She iterated the importance of the SWAC.

7. Revenue Requirements

New Operations and Maintenance - Mark Senior with W.K. Dickson presented the revenue requirements for new operations and maintenance costs and identified the services that would be covered. The process considers what the City is paying now at the current LOS. He Indicated that the new costs are calculated at a Level B and are estimated at \$1.1 million based on a 3-year ramping. Donnie asked how staff are included in the cost. Landon asked about specific details including how many personnel are needed, what equipment is needed and what can be accomplished. Mark responded that staffing levels would be doubled with an additional 6 staff needed for open system maintenance and an additional 5 needed in the closed system

maintenance for a total of 11 additional staff. Equipment needs would include an excavator, a large truck, and a Jet-Vac along with fuel and maintenance costs.

Capital Replacement/CIP – Mark presented the process for considering capital costs which would vary from year to year associated with aging infrastructure which he showed on a map of the City identifying the locations of aging systems by color. He also acknowledged that some modifications were made to the Town Creek Culvert debt service to further identify actual costs.

Revenue Requirements Calculations – Katie presented a comprehensive table of updated revenue requirements based on additional analysis conducted by the consultant team. Keith indicated that if nothing is done, the debt service is still \$6 million including \$1million or more for Town Creek Culvert. Landon asked to confirm the do nothing option cost. Lisa and Keith suggested approximately \$4.9 million. Landon suggested that how decisions are made and not what they are made for is paramount to an understanding by the public. He recommended marketing this point to the public and potential business.

8. Potential Rates

Katie presented three rate ranges based on capital investments that were modeled from annual allocations. Keith explained the rate increases and used a table to show a recommended five -year average rate beginning in 2019 to 2023. Jon asked if there is a way to have the Council present an increase from general fund dollars. Keith indicated that the City of Charlotte allowed that process to occur. Beth suggested that people think the County is flush with cash but there are large institutions that do not pay any ad valorem taxes. She suggested that a fee is the only way to go. Daryl suggested that the general fund method only provides for what can be done with what is available.

Residential Impacts – Katie presented a table containing costs at three ERU possibilities using the current residential tiers based on square footage. Lisa suggested that the table may be misleading based on other revenue possibilities. Landon suggested that it is negligible to the overall costs.

Commercial Impacts – Katie presented a similar table for commercial development based on square footage. Joni asked if a separate commercial and residential fee increase would make that big of a difference. She felt that a \$9.00 fee would not be a big deal for a Tier II home. Keith suggested that there should not be a difference for residential and commercial because it would be legally hard to justify. Daryl suggested that it is still arbitrary. Matt Butler asked from the commercial standpoint, how Pitt County schools could justify a doubling of the stormwater fee. He further indicated that they would have to increase taxes and Lisa suggested the City will have the same scenario.

9. Other Community Programs and Rates

Mark presented a table containing community programs and rates from other cities in North Carolina. He explained that the comparisons were based on a monthly fee for 1,000 square feet. He also indicated that

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there are cities in the state that do not have stormwater fees such as Cary who pays for projects from their general revenue fund. Daryl suggested that the per capita revenue is a function of density. Keith suggested that a city like Greensboro doesn't have the flooding that the City of Greenville as an example. Several differences were pointed out within the cities. Drake suggested that in comparison, the numbers from Greenville would be problematic for public relations in the City. Keith suggested that there are different reasons for fee increase issues such as flooding, snow removal, coastal issues, topography, etc.. Mark showed a table where some cities also bill for roads infrastructure. Tom Best asked if Greenville had ever done that. Keith indicated that it is not a separate charge and is usually included with the initial utility.

10. Discussion – Keith summarized the recommendations for rate structures and asked the SWAC members to identify those they would suggest the City pursue. The following suggestions were made.

Recommendations on rate structure or structures to pursue?

- Multi-Family
 - Minimum 1 ERU (7)
 - Vacancy Loophole
- Additional Residential Tier
- Fixed Administrative charge (7)

Timing and level of capital investments?

- \$2M (3) With small steps over 5 years (8)
- \$4M
- \$6M (2)
- Ramping up of investments (1)

Timing of rate changes

- One large rate change? (3)
- Several smaller rate changes? (1)

The meeting was adjourned.

Handouts

May 1, 2018 Meeting Agenda

April 3, 2018 Meeting Summary

May 1, 2018 Power Point Presentation