

ATTACHMENT A

STORMWATER ADVISORY COMMITTEE (SWAC)

Meeting #8 – Agenda
April 3, 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 March 6 meeting minutes
6. Chairman’s Comments
7. Rate Structure Alternatives
 - a. Multi-family analysis
 - b. Additional residential tier
 - c. Fixed administrative rate for all customers
 - d. Billing practices to increase collections
8. Revenue Requirements
 - a. New Operation and Maintenance
 - b. Capital Replacement/CIP
9. Potential Rates
 - a. Ranges based on capital investments
 - b. Review of other community programs and rates
10. Questions and comments
11. Closing remarks

**City of Greenville (COG)
Stormwater Advisory Committee (SWAC) Meeting
March 6, 2018 3:00 pm – 5:00 pm
City Hall, Room 337**

Advisory Committee Members Present:

Tom Best	Donnie Brewer	Drake Brinkley
Michelle Clements	Joni Torres	Beth Ward
Matt Butler	Landon Weaver	Don Edwards

Advisory Committee Members Not Present:

Jon Day Cassius Williams

Staff & Consultants Present:

Kevin Mulligan/COG	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. Emily Kane, Environmental Advisory Commission member for the City of Greenville and Forrest English with Sound Rivers were in attendance.
3. The Chair, Tom Best, called for approval of the previous minutes. No corrections were offered, and the minutes were approved.
4. Chairman's Comments:
Tom Best shared a document from the Sierra Club on creating yards that reduce stormwater pollution.
5. The meeting was turned over to Katie Cromwell with Raftelis, who provided a recap of the decisions for the desired levels of service from the February 6 meeting resulting from the group discussions following the matrix exercise. She also provided a recap of the December 5 meeting's presentation from the Greenville staff on general costs required to make the stormwater program more proactive, including capital replacement, engineering operational and maintenance operational. Daryl Norris asked where the costs for street sweeping would be included, and Katie acknowledged the suggestion for solid waste that would be shared later in the presentation.

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6. Funding Sources and Revenue Options - Katie presented of assigning costs to desired levels of service for Program Management and Regulatory Compliance (\$215K), Operation and Maintenance (\$1.7mill) and Capital Improvement (\$4.7mill) based on the modeling conducted by Raftelis. Keith Readling with Raftelis noted that the model is capable of being used by City staff for several years to assist in projecting costs. Daryl asked how the Level B cost in year 5 was arrived at (150%), and Keith acknowledged that it starts from 0 and is adjustable over the five-year period. Katie then explained the current Operation and Maintenance cost for the desired Level B and the new cost of the same. The Capital Replacement costs were then presented at the Level B. Keith indicated running the model at Level B was for the long-range planning process.
7. Other Costs Considerations – The meeting was turned over to Keith, who described the other considerations contributing to the costs, including the CIP (\$1mill set aside for annual needed repairs/failures), inflation (at 2-5%), rate base of growth (increase of impervious surfaces of 1%), collection rate (of 92%) and reserve funds (of \$1.5 mill for O&M and \$4mill for emergencies). He also discussed the collection rate for billed impervious area and a proposal for using reserve funds, which are added into the model. Based on the modeling and all of the considerations, Keith then provided the projected revenue requirements for the monthly ERU rate, which would need to increase to \$11.00 per month by the year 2020. The five-year average rate is projected at \$12.40
8. Residential Customer Impacts – Keith continued with the residential customer impacts discussion and presented the current four-tier rate structure. He then asked the SWAC to provide their input on whether the rates presented would be acceptable and to discuss any other funding possibilities or combinations. Daryl confirmed that the proposed rates would only yield \$1 million for projects per year. Donnie Brewer asked if the Level was C-, would it affect the cost and Keith responded yes due to the lower yield of funding. Landon Weaver and Beth Ward asked if there is a municipality that is providing services that are balanced against costs. Keith suggested there are municipalities that spend more but are not the same size as Greenville. He noted that Washington, DC spends a lot of money (\$40/month) on stormwater management. Charlotte-Mecklenburg is in the \$14 – 15 ERU range. Lisa Kirby asked if some of the municipalities have higher reserve funds. Keith responded that Horry County, SC has a reserve fund of \$20 to 30 million dollars but that \$4million is in line with other communities.

Don Edwards asked if there is hypothetical information for some of the stormwater fees for increasing impervious surface, such as Tucker Estates. Lisa acknowledged that the majority of the homes (60%) are in Tier II and are paying \$10.70 per month. She also indicated that multi-family owner costs are shared with tenants, and a typical tenant pays \$.75 to \$2.00 per month. Daryl further described that a 40,000 square foot multifamily complex that is divided into 400 units will cost \$.26 per unit. He acknowledged that there are a lot of unoccupied multifamily units in the City that are not being billed but are not taking a big loss as a result.

Tom Best asked if there are activities that yield benefits through the credit policy for residents. Daryl and Lisa acknowledged that the system exists but is not generally known. Residents sometimes ask about the credit policy, but the benefits are nominal. Michelle Clements asked if there is another method for billing, such as the tax bill. It was decided a few years ago that adding to the tax bill may become problematic because of non-profits, etc. Keith acknowledged that there are ways to incorporate the stormwater fee in the tax bill, but the down side is that the tax bill is a once a year billing, so the cash flow would slow up.

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Michelle suggested that GUC could conduct the billing. Landon Weaver asked if there is a way to determine what revenue the City is missing. Lisa responded that they could find that information.

Don Edwards asked if the rate structure is set up to charge wealthy residents more, and Daryl showed how the tiers are set up to charge more for larger structures. Joni Torres highlighted that Tier IV is 6,000 square feet and above and that larger homes (8,000-10,000 sf, for example) should pay more.

Beth suggested that there is momentum but those who have lived in Greenville for a short period of time have no historical context and will need some education.

Michelle asked about the boundary application. Lisa suggested there are ways to apply different rates for commercial developments and other building types.

Keith indicated that reviewing and potentially revising billing policies may not yield much of a reduction in the monthly fee. He also suggested other ways to modify rate structures such as vacant, developable land. He also suggested minimum charges, and Michelle and Lisa agreed. Other rate structures that would increase revenue include removing the four tiers of residential rate structures. There are also some rate structures that could drive revenue down. Lisa asked if ERUs could be reduced. Keith acknowledged that it could be done but it still represents a rate increase.

Joni asked how the \$5.35 fee was determined. Lisa suggested that it began at \$2.85 per ERU and, based on the recently completed watershed master plans, it increased to 5.35. Joni suggested that the rate should reflect the needs.

Matt Butler asked if there are municipalities that are paying \$11.40. He acknowledged that the City Council will have to vote on the recommendations from the SWAC and this will be a question they will ask. Keith suggested that some places also use debt service, such as borrowing, but cautioned they would have to be careful with that process. Keith asked the group more about their thoughts and confirmed that Raftelis could model anything but not scenarios.

9. Tom asked each SWAC member to share their opinion and whether they could support the proposal for a rate increase:

Don Edwards – would like more data on separating the larger square footage footprints; Keith acknowledged there would be very little increase in revenue. Don also asked if there could be some analysis on a minimum charge for individual standard rates for multifamily units. Lisa and Daryl said they could explore some more. Donnie Brewer suggested that certain types of developments are moving away from impervious service. Don acknowledged that he is undecided if there should be a rate increase.

Michelle Clements – going through the GUC process should be easier. Can get additional revenue from apartments if billed by unit, and she is comfortable with that. She is comfortable with a rate increase.

Landon Weaver – thinks a minimum charge could be considered but not sure it would yield much beyond administrative and some small projects. He suggested looking at the CIP and identifying projects that could

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be delayed. He also suggested new development standards, such as smaller streets, etc., that would result in less impervious surface. He would consider a rate increase.

Matt Butler – yes, would consider a rate increase. He did a brief search and the four cities closest in population in North Carolina are lower than Greenville now. Lisa asked that the group be careful about comparisons.

Beth Ward – in favor of a rate increase but not sure how much. She thinks charging for all impervious surface is good. She also supports the minimum rate for multifamily developments. Beth also suggested looking at the current development requirements...some neighborhoods have sidewalks that are not used.

Joni Torres – supports a rate increase based on considerations for climate change issues and coastal location. She also likes the minimum charge for apartment units and likes the fact that the stormwater fee is fixed and does not fluctuate. Joni suggested that more education is needed for rate payers.

Donnie Brewer – would like narrower streets but does like sidewalks. Not set on the footprints. He is undecided about a rate increase.

Drake Brinkley – does not know if the percentages are accurate...is not sure. Keith acknowledged that the numbers are ranges. Drake commented that it is hard to make a definitive decision meeting once per month. What is really going to move the needle? What suggestions will work and not work? On the revenue side, what is going to make a difference and on the expense side, what is needed? The SWAC needs to know. He cannot commit at this time.

Tom Best – if the City is not demonstrating new things above and beyond traditional capital improvements then it will be hard to sell. There is nothing that can be done about weather, tornadoes, heavy rain, etc. There are people who need help with stormwater impacts. He would support an increase.

10. Keith summarized how the SWAC responded. The majority of the group supported a rate increase.

Daryl acknowledged that if all of the suggestions are considered and yielded \$2 million, the bottom line is that the needs will likely remain higher than the revenue even with a rate increase.

Drake reiterated that residents need to see what they are going to get for an increase and the consequences of not doing anything. Beth suggested to highlight what has been done. Kevin Mulligan suggested that the maintenance, upkeep and avoidance of issues and to protect and maintain the infrastructure.

Matt suggested that the message there is “nothing new” for the increase. Kevin responded that maintaining and replacing infrastructure is new.

Matt and Lance asked about the historical rate increases. Lisa responded that the last rate increase was based on a needs assessment through a similar process as the SWAC.

Keith concluded that other informational requests from the meeting would be provided and modifications to the model would be considered.

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The meeting was adjourned.

Handouts

March 6, 2018 Meeting Agenda

February 6, 2018 Meeting Summary

March 6, 2018 Power Point Presentation