Laramie Stormwater Drainage Fee Study

Stormwater Focus Group

MEETING NOTES

July 11, 2024

Focus Group Members Attending:	City Staff:
Martin Curry	Shawn Klein, Public Works Deputy Director
Ronald Marrs	Eric Jaap, City Engineer
Tom Mattimore	Brooks Webb, Public Works Director
Chris Moody	**Consultants:**
Charles Nye	Aaron Murray, WSP
Donal O'Toole	Elizabeth Treadway, WSP
Mike Samp	
Jake Schneider	

Aaron Murray opened the meeting, thanking members of the Focus Group for participating in the meeting. Aaron began a presentation, attached to these meeting minutes, by reviewing the agenda, including providing feedback from the May 28 Council Work Session, reviewing the preliminary rate forecast, and soliciting input on the credit policy.

Aaron summarized the information provided to the City Council during a work session on May 28, 2024 and the feedback received. The consensus from Council on the draft cost model and rate estimation was that the preliminary rate was reasonable. Several council members were concerned about the equity of using the same rate for all single-family parcels, and recommended evaluating other options, including a tiered rate structure or a rate based on a per-square foot value.

Aaron continued the discussion by summarizing the preliminary rate forecast. He summarized the five-year financial plan, including the projected costs for personnel, direct operating costs, and capital project expenditures. Aaron presented three options for developing a rate basis:

1) Using an Equivalent Residential Unit (ERU) based on the median impervious area for single-family properties with all single-family parcel owners paying the same rate. A histogram of impervious area for the sampled properties showed a "bell-curve"

distribution with a median impervious area of approximately 2,840 square feet. This value could be considered one ERU, representing a single-family home. Commercial properties would be billed based on the number of ERUs of impervious area (# of ERUs = Total Impervious Area divided by 2,840).

2) A tiered rate structure, in which single-family properties are grouped into 3 or more tiers based on impervious area ranges, with each tier paying the same rate. Non-single-family properties would pay based on the number of ERUs on their property, like Option 1.

3) A fixed rate per square foot, where all single-family and non-single-family properties would pay based on a fixed rate per square foot. This rate is a possible option due to the high-resolution impervious area data that the City procured. This option is typically provided based on a specific amount of square footage (per 500 sf, for example).

The SFG had the following comments and questions:

- *Some felt Option 1 was most equitable, as all property owners depend on the public stormwater system regardless of the amount of impervious area on their property.*
- *Others felt Option 3 is the fairest option, since all property owners would pay a rate directly connected to the amount of impervious area on their property.*
- *One member felt that development requirements for commercial parking would force owners to pay higher stormwater fees for parking spots they don't need.*

Next, Aaron reviewed the preliminary rate estimates generated by the cost model, showing a range of predicted rates over the first 5 years of the program.

Elizabeth reviewed the purpose and structure of a credit policy. She described how credits recognize that improvements on private property can reduce the cost of public stormwater services, if properly maintained, and that credits only apply to the portion of a site served by the stormwater practice. Elizabeth reminded the SFG that credits are an expense to the stormwater utility program – other property owners will pay more to make up for the revenue lost to credits. Elizabeth described three different models for credit programs: single credit regardless of when a feature was constructed; credits based on function (peak flow reduction, volume control, pollutant removal, etc.); and credits based on the design standard in place when the feature was constructed.

The SFG had the following general comments/questions on credit programs:

- *Some members felt a credit program would not create a business case for owners to implement improvements. Others felt some owners, including single-family property owners, would be interested in participating even though the credit amount would not result in a significant payback on the installation costs.*
- *One member stated since credits are an expense to the program and could create an administrative burden, it was not worth having a credit program at all. Others*

felt that the City should incentivize stormwater management practices, and credits are a way to do that.
- *One member suggested that the City provide a list of accepted practices that would be eligible for credits, to ease the administrative burden.*

The following specific questions were posed to the SFG regarding credit policies, with SFG responses listed following each question:

- What type of structures/practices should be eligible for credits?
  - *detention facilities for businesses;*
  - *infiltration practices to reduce stormwater volume;*
  - *water quality improvements.*
  - *best management practices should be vetted to make sure they are effective in Laramie's climate.*
- Should credits be provided for stormwater improvements that are mandatory as a part of the development approval process?
  - *consensus was no.*
- Should re-development be incentivized to voluntarily install stormwater practices?
  - *on a case-by-case basis, though Laramie hasn't had much redevelopment.*
- Should credit be provided for voluntarily installed structures?
  - *City should update standards to require what is needed to meet stormwater goals, rather than rely on credit incentives, which won't be as effective.*
- Should an owner get additional credit for managing runoff from an off-site property?
  - *no, the upstream owner should be penalized for not managing their runoff;*
  - *yes, on a case-by-case basis;*
  - *not a common issue*
- Should everyone be afforded some opportunity to reduce their utility fee through the credit program, even if just a small amount through non-structural practices (land use conversion, rain barrels, parking lot sweeping, etc.)?
  - *not a good fit for Laramie*
  - *could be an educational program instead of a credit program*
- Should facilities that hold a WDEQ permit for industrial stormwater discharges be provided a credit for having the permit?
  - *no, the permits are not very stringent and we shouldn't give a credit for managing the additional threat to stormwater quality that other properties don't have.*

Elizabeth showed an example of a credit policy framework and credit calculation, showing how various functions (peak flow reduction, runoff volume reduction, and water quality treatment) could each be eligible for credit, up to a maximum value (typically 50% of their stormwater fee).

Finally, next steps to be completed were discussed. SFG members were invited to attend the next Council Work Session.

The meeting ended at 4:10 pm.

Attachment: Presentation slides