

# City Council Agenda Item Memo

**From:** Charlie Richter, City Engineer

**Council Meeting:** August 13, 2024 / August 27, 2024

**Subject:** Ordinance 24-027: Revision to the Storm Drainage Ordinance

**Presenter:** Charlie Richter, City Engineer

## **Summary and Recommended Action:**

The recent update to the City's Master Drainage Plan (Plan) by ISG from Des Moines, IA, recommended revisions to the City's Storm Drainage Fee to a more equitable system for property owners. The proposed switch to the Equivalent Residential Unit (ERU) system will base the fee on the actual impervious coverage on each parcel versus the existing system that estimates the impact on land use. The proposed ERU system provides more equity and is recommended by staff.

## **Item Details:**

The City currently has a storm drainage ordinance which dates back to 1985. This ordinance identifies, among other things, how the Storm Drainage Fee is to be calculated. The Storm Drainage Fee pays for the following: maintenance and replacement of drainage infrastructure; new projects which reduce flooding and improve water quality; personnel / administration; maintenance of stormwater equipment; and public education and outreach.

At the time the Storm Drainage Ordinance was adopted, the City based the fee structure on a similar system used by other South Dakota municipalities that equates land-use to their stormwater impact on the community. The land-use categories identify the runoff factor used to estimate the relative volume of stormwater runoff generated from a parcel. These categories tend to under or overestimate the runoff volume generated by parcels.

Technological advancements since 1985 warrant adjustments to the City's Storm Drainage Fee structure. These advancements allow communities to utilize infra-red technology to identify and quantify impervious coverage on each parcel and provide a more equitable system to calculate storm drainage fees. A fee based on the ERU correlates the amount of actual impervious area on a lot to the runoff volume it produces. Over 80% of communities across the country use a ERU based system to calculate drainage fees.

Staff presented the findings of the Plan to City Council at a November 2023 Study Session, which outlined the proposed revision to the Storm Drainage Fee and impacts.

Staff is recommending a transition to the ERU system this year. If approved, property owners will realize the new fee on their 2025 property tax billing.

**Legal Consideration:**

The City Attorney has reviewed the ordinance amendment.

**Strategic Plan Consideration:**

Fiscal Responsibility – This ordinance revision will responsibly manage resources through transparency, efficiency, equity, and exceptional customer service.

**Financial Consideration:**

The recommended monthly ERU is \$6.14 (\$73.68/year). This equates to a 4.24% increase to the “average” single-family residential property. Industrial and commercial lots will be charged the base on the actual impervious area for that parcel.

The proposed ERU of \$6.14/month, along with a 3% annual increase, is projected to generate sufficient funding over the next 10 years to design and construct \$12 million in stormwater related capital projects, along with annual operations and maintenance costs, increased public outreach and education, and implementation of green infrastructure programs.

**Supporting Documentation:**

Ordinance - clean

Ordinance - marked

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