



## Takoma Park City Council Meeting – April 22, 2020 Agenda Item 2

### **Work Session**

Continued discussion of Proposed Stormwater Rate Structure and Code Amendments

### **Recommended Council Action**

Review status of stormwater rate changes and discuss options for next steps.

### **Context with Key Issues**

On January 9, 2019, City Council received an overview of the Impervious Area Review Study completed by Black & Veatch. Work Session discussions were held on September 11, 2019, and February 5 and February 19, 2020. At the meeting on February 19, there was agreement to prepare notices for all property owners who pay the stormwater fee, with information on what their new fee would be under the proposal to charge \$25 per 500 square feet of impervious surface area. The notice would inform them of a public hearing on the proposal to change the rate structure. There would also be information on some options to phase in some of the increased costs for those property owners whose rates would increase under the new rate system.

Within a short period of time, the COVID-19 pandemic hit this region. Staff focused on shifting work to remote access and to changing services based on the social distancing restrictions that began on March 13. This was also the time staff was focused on proposed budget production.

Due to the emergency, staff did not have time to do the work that would have been required to prepare the notices to the public on the proposed stormwater rate system. However, a rate system and base rate needs to be agreed upon for the adoption of the budget ordinances that will occur on May 13 and May 20.

It is the position of the City Attorney that the stormwater rate structure must be reasonably related to the impact of the stormwater from a particular property on the larger system. It has been the City's practice to use the amount of impervious surface on a property as the way to measure impact on the system.

With the information that was learned in the Black & Veatch study that showed that many single-family residential properties had greater square footage of impervious surface than had been shown in the original study done in the 1990's, it became clear that changes needed to be made to the rate structure to more accurately assess the stormwater fee. The recommendation was to move to a charge per 500 square feet of impervious surface rather than have an average residential unit charge. That average unit (the Equivalent Residential Unit) was then used as the base to charge commercial, institutional and multi-family properties based on their amount of impervious surface.

The question before the Council is, what should be used as the rate structure and billing unit for the FY21 Stormwater budget? Should the City:

- Move forward with the proposed rate structure? Note that \$50,000 is included in the Proposed FY21 Budget (from the General Fund) to assist with phasing in the new rates.
- Keep the current rate structure and work to share information with the public in the coming year so that the new system could be used for FY22?
- Develop a hybrid approach of these two options?

**Council Priority**

Environmentally Sustainable Community; Fiscally Responsible Government

**Environmental Impact of Action**

All stormwater management programs are funded through revenue generated by the Stormwater Utility Fee. These programs include maintenance of existing systems as well as construction of new infiltration and treatment facilities for stormwater management. These programs are mandated by State and Federal law.

**Racial Equity Considerations**

As the Council considers various stormwater fee options, racial equity impacts should be considered. For example, if there is an association between race and properties with less square footage of impervious surfaces, choosing an option that charges by amount of impervious surface could be more equitable than one that charges based on an average of all residential properties.

**Fiscal Impact of Action**

The Stormwater Utility Fee funds all activities the City undertakes for the management and treatment of stormwater. Ensuring that the fee structure is equitably assessed is essential to ensure the ongoing revenue necessary to provide that service.

**Attachments and Links**

- [February 19, 2020 agenda item](#)