City of Peachtree City
STORMWATER WORKSHOP
Minutes of Meeting
January 12, 2006
6:00 p.m.

The City Council of Peachtree City met in a workshop session on Thursday, January 12, 2006, at 6:00 p.m. Council Members attending were: Mayor Harold Logsdon, Steve Boone, Stuart Kourajian, Cyndi Plunkett, and Judi Rutherford. Staff members attending were: City Manager Bernard McMullen, Financial Services Director Paul Salvatore, Assistant City Manager Colin Halterman, City Engineer Dave Borkowsi, Public Services Director Tom Corbett, Public Information Officer/Deputy City Clerk Betsy Tyler, System Administrator Matt Robinson, and Assistant Finance Director Janet Camburn. City Attorney Ted Meeker attended. Ron Feldner, Integrated Science & Engineering, also attended.

Feldner gave a PowerPoint presentation (a copy is included in the official meeting file). Feldner explained why stormwater management was important. He said they had been working on the program for several years and wanted to bring Council up-to-date on their efforts. Feldner explained that the changes in land use and culture altered the natural flow of surface water, which resulted in changes in how stormwater runoff impacted the environment and the watersheds. Stormwater runoff was most affected by impervious surface, which altered the natural condition of the environment. When that occurred, stormwater controls and conveyance systems had to be enhanced so the changes could be handled. Feldner continued that the more recent developments had stormwater controls on site, but there was still an impact. Water that once infiltrated the ground was now conveyed horizontally via runoff, stored in detention ponds, then discharged out at a point source.

Feldner went over the stormwater program timeline: stormwater program action plan, July 2002; City NPDES Phase II stormwater permit, Council Retreat presentation, March 2003; stormwater funding study, March 2004; Stormwater Committee report, Council Retreat presentation, April 2004; stormwater utility report, September 2004; Council meeting presentations, November 2004 and May 2005; public meetings – citizen meeting, October 19 and 27, 2005, business meeting, October 28, 2005; newspaper articles, ongoing; website materials, ongoing; and Council workshop, January 2006.

Feldner said that the City's implementation of a comprehensive stormwater management program (SWMP) was driven by new state and federal stormwater regulations, water quality protection, drinking water (Lake Peachtree and Lake Kedron), drainage system maintenance, detention pond/greenbelt maintenance, recurring flooding, and the City's quality of life. The City's SWMP responsibilities included regulatory compliance, water quality management, implementing and administering stormwater program elements, supporting WASA's NPDES discharge/watershed management requirements, drainage system maintenance and management, and drainage system master planning and capital improvement projects (CIP).

Rutherford asked who was currently inspecting the systems at retail sites. Borkowski said no one was inspecting the systems to ensure they worked properly. The last time City staff saw the systems was during the final inspection. He continued that Wendell Madison went out when complaints were received, but there was no routine inspection currently. Feldner said an inspection program should be in place by the end of the year. Borkowski said the inspection program was part of Phase II, which required that an operations and maintenance program be developed.

Feldner said the City was unique in terms of the available amenity areas and put people in closer contact with those amenities than other communities. It was Council's responsibility, at the end of the day, to ensure the issues were addressed.

Feldner continued that regulatory compliance requirements were in Metropolitan North Georgia Water Planning District (MNGWPD) model ordinances, NPDES Phase II permit, NPDES wastewater discharge permit (WASA), MNGWPD Watershed Plan, the Georgia Erosion and Sedimentation Act, and the Georgia Stormwater Management Manual.

The timeline for the NPDES Phase II permit was March 2003 to December 2008. The six program/permit areas included public education, public involvement, illicit discharge detection and elimination (stopping non-stormwater discharges into the system), construction site runoff control, post-construction runoff control (maintenance), and pollution prevention. The City's program had 25 elements. Each year the City made an annual report to the EPD that looked at the level of compliance or deficiency accomplished during the 12-month period. The key compliance activities for the permit included drainage system inventory/condition assessment, drainage system and detention pond inspections, drainage system and detention pond maintenance, pollution source identification and mitigation, City-wide water quality monitoring, erosion control inspections and enforcement, street sweeping, and implementing the program fully by December 2006. Some activities had been implemented, but some of the more substantial compliance elements had been deferred until 2006. The City was not the only municipality to do so. Feldner said it was EPD's intent to ramp up the activities over the permit life, which was through 2008, with things up and running by 2006.

Kourajian asked if there were any criteria to know if a stormwater structure was good or bad. Feldner said there was a local subjective evaluation. They were trying to get consistency in who did the inspections so there was consistency in the grading, and Public Works could schedule maintenance accordingly. Photographs were taken for documentation and used to develop consensus. He continued that there were some tools and checklists available to help start standardizing things in the metro area. Kourajian asked if the City had developed the criteria yet. Feldner said the criteria had not been developed in detail, but they did have some materials that would be a key part of compliance with the permit. Kourajian clarified that this would allow different people to do the inspections and come back with the same assessment.

Feldner said if the City failed to comply with the permit, EPD would notify the Mayor. Boone asked when notices of violation (NOV) were sent out. Feldner said the NOV would be sent after meeting with the City. The letter would encourage the City to move forward. If that did not happen, the NOV would be issued and the City would be called to a meeting. If the City still had not complied, then administrative fines would be levied.

Rutherford questioned how the EPD would determine what was good or bad, and if that determination was left up to the City. Feldner said the City had to document its activities for the past 12 months for the annual report. The EPD graded the reports and commented on enhancements for particular activities. Boone questioned how the grading worked. Feldner said EPD graded against the milestones or goals in the Notice of Intent that was part of the City's permit. The City reported its progress on the goals in the annual report. The EPD commented on the goals that were deferred, and the City had to show why they had been deferred. Feldner said it was a back and forth process that was not regimented, but had been working. Rutherford noted that the City could do all it was supposed to do, but have terrible water quality and still be in compliance. Feldner said that could happen theoretically. There was not a quantitative monitoring element where EPD stations were set up and monitored. He continued that WASA's permit was renewed every five years and that process had watershed elements in it. The stormwater program was tied to how the wastewater plants operated even though WASA was an authority. The County's water withdrawal permits were similar and were linked together in terms of water supply and watershed management.

Feldner pointed out there was no place in the Phase II permit that said the community had to stop flooding. The Phase II permit program was geared toward stormwater program and water quality elements. Flooding was an independent localized issue within a community, and the City was at the bottom of the watershed so a lot of water passed through the jurisdiction. There was a lot of contributing drainage upstream of the City, which had inherent issues as far as flooding and additional impervious area. The City had ranked more than 60 possible projects and scored them with weighted criteria. The worst issues would be addressed with the highest priority. Feldner went over the capital project overview and explained the ranking criteria. The capital implementation plan would be based on an objective ranking process. The capital drainage program budget would be $3 million. The plan was to secure a revenue bond or a Georgia Environmental Facilities Authority (GEFA) loan to expedite the capital program effort. Most of the problems remained unresolved, and there was no funding for them at this time. Feldner said there were about $9 million in projects on the list, and about $6 million worth had been identified as priorities.

Rutherford referred to a specific situation off Creekside and Ebenezer Road. The problem had always been there, and the City currently had no liability. McMullen said that was one of the elements that would be discussed in terms of extended service and level of service. Rutherford asked if liability would be created because the City fixed something. McMullen said nothing would change because the situation would remain. They would also look at public rights-of-way and City facilities.

Feldner discussed the level of service, and public and private drainage systems. He showed a graphic of the public drainage system, which included storm drain pipes and catch basins in the public rights-of-way. Public drainage easements were also shown. Feldner said it was the City's responsibility to maintain dedicated and accepted easements. Rutherford asked how easements were accepted. Meeker said easements were accepted by Council action or through the Planning Commission's plat approval. Feldner said the City knew where those obligations were.

Feldner continued that the private components of the system included the drainage swales in residential backyards, creeks that traversed private property, and private detention ponds. He said the City had a specific role and specific responsibilities for the public portion of the system. The responsibilities included regulatory compliance, emergency response, operations and maintenance, and capital project implementation. The discharge from public systems could impact downstream and the state's erosion control manual had criteria on evaluating those impacts.

Feldner continued that the City had a limited role and responsibilities for private drainage systems since the majority of the issues were the property owner's responsibility. The City's focus included regulatory compliance, emergency response, enforcement of ordinances, and citizen guidance and education. The property owner was responsible for operations and maintenance, capital project implementation, and oversight. Residential subdivisions that had private streets were also responsible for the private drainage system.

Feldner said there had been a lot of staff time spent researching the City's stormwater costs for the last eight to nine years. The costs ranged from just over $200,000 in the late 1990s to over $500,000 in 2005. Stormwater program costs were often driven by rainfall, and compliance was also beginning to affect programs. The average cost per year was $382,000, rising about 8.5% per year. There were also some necessary construction projects undertaken in 2004 and 2005. The annual program cost would be $1 million to $1.333 million for FY 2007-2010. Personnel costs were estimated between $85,000-$224,000 per year. Ramping up maintenance and being more proactive on maintenance issues, as well as the necessary construction issues, more than tripled the current costs. Feldner said the staff increase would not be office people, but field drainage inspectors and Public Works crews. Two three-man Public Works crews would be dedicated exclusively for storm drain maintenance and small capital projects. There would also be an internal stormwater management program coordinator who would serve as a central point of contact. Feldner said detailed spreadsheets were available to anyone who wanted to see them, including amortization schedules for the bonds. Rutherford asked if unprogrammed capital funds could be used in the event of a major rainstorm. McMullen said that would be one situation where the funds would be used. Feldner said the funds could be used to hire a local contractor to supplement in-house resources. McMullen said there would always be more to do than money to do it with.

Feldner went over the potential funding options and the recommended funding options for the stormwater program. He said the primary methods were stormwater user fees/utility or general fund tax revenue, and would be used to fund a majority of the program. A primary mechanism was needed to fund all elements of the program.

Secondary funding methods included special assessments, special service fees, loans/revenue bonds, general obligation bonds, in-lieu of construction fees, system development charges, impact fees, SPLOST, and federal and state grant funding. They had looked at special assessments, but a direct and measurable benefit had to be identified to the individual property owner paying the assessment. Feldner said that could be a challenge when looking at non-flooding elements of the program. The legal issues would be difficult and they would also have to validate the benefits on an annual basis. Special service fees would offset the costs the City spent in certain areas and were already in place. Loans and revenue bonds had been identified to fund the capital program. General Obligation Bonds required voter approval, which could be a challenge since not everyone was affected. In-lieu of construction fees and system development charges were very close to each other and concerned other means of handling stormwater rather than construction. System development charges were similar to a proportionate share, and were used for sewer. Impact fees were paid for the incremental burden a development had on existing infrastructure. Impact fees could only be for that incremental burden. The system had to be adequate before charging an impact fee. Fees in lieu of development and impact fees were based on new development coming in and offsetting costs. The City was 90% built out so there would not be a lot of new development coming in to provide an influx of cash. Feldner said the County's SPLOST was written for transportation. The money could not be redirected to drainage projects based on the utility legislation. The proposed funding was a combination of options, including user fees, special service fees, loans/revenue bond, and federal and state grant funding.

Feldner said a stormwater utility was three things - the funding aspect, the stormwater program, and the organizational entity, which was the enterprise fund itself. The stormwater approach was recommended because of the fairness and equitableness of how a property's runoff affected the drainage system and the services provided to the property. A utility provided a stable revenue stream that was not subject to competing priorities like the General Fund. A utility was also flexible and the money could be used for any program element that was part of the stormwater program. The user fee was the charge to the property owner for the services based on their demand on the system. Properties with larger impervious areas would pay a higher fee because of the runoff and pollutant discharge associated with the properties.

There were currently 13 stormwater utilities in the state, and the number was expected to double in the next 12-18 months, according to Feldner. The advantages to a utility were dedicated funding via the enterprise fund, everyone was billed including tax-exempt properties, customer credit opportunities were available, revenue bond/loan procurement, a fair and equitable funding source, and a consistent impact on the General Fund.

Feldner explained the rate structure, which was based on impervious area. The base billing rate was $3.95 per billing unit, which was an equivalent residential unit (ERU). The structure was used by 12 of the state's 13 utilities and had been tested in the Georgia Supreme Court. One ERU unit was equal to 4,600 square feet of impervious surface. The flat rate for residential customers was $3.95 per month for one ERU. There would be a tiered billing rate for fairness and equity based on any features of the property that did not allow infiltration. There were also rates for attached residential structures with and without public streets.

Feldner showed a comparison of the stormwater user fee and a tax increase. Seventy percent of property taxes were paid by residential homeowners. The Citywide impervious area breakdown was only 45% residential. The burden shifted to the larger impervious area properties with a utility. Tax-exempt properties (churches, schools, government facilities) represented 10% of the non-residential properties, which had no property tax contribution. Feldner said non-residential customers would get a custom bill based on the defined impervious surface area of their property. The proposed user fee was $3.95 per 4,600 square feet of impervious surface. Eligible properties with stormwater credit opportunities would have a reduction in the monthly bill.

Kourajian asked if the City would bill itself. Feldner said it would. Kourajian asked if the City would be responsible for the streets, including state highways. Feldner said yes. Meeker said there was an ongoing debate regarding the state highways. Feldner said most cities had exempted the state from the stormwater user fee because the state had refused to pay it; however, DOT would repair storm drainage infrastructure in the state right-of-way. It would be almost an in-kind swap. Plunkett and Rutherford asked about credit opportunities. Feldner said the state had a detailed credit manual that defined the opportunities.

McMullen explained that the City was currently spending General Fund dollars on stormwater. Once the utility was in operation, the City would not be spending General Fund dollars. The General Fund became a pass-through for the City's user fee.

Feldner said the user fee was either comparable to, or more advantageous to, the customer than increasing the tax rate. The City would be in the middle as far as how its rates compared to the other utilities. Feldner pointed out that the City's housing stock was unique. The stormwater bills would be separate and standalone using an outsourced billing and collection vendor. Residents would receive a quarterly or possibly an annual bill, while non-residential customers would receive a monthly bill. The proposed mailing date was April 2006. Feldner said the City was developing a credit manual with criteria and policies for residential and non-residential customers. He noted that there would be several opportunities for residential customers to obtain credit. Rutherford asked what the maximum credit was. Feldner said it was 50% for non-residential customers. The Board of Education might have an opportunity to earn more than 50% for the facilities that had on-site controls in addition to the stormwater education program for students.

Kourajian asked if the City and County would share stormwater costs for government facilities. Feldner said that the County, City, and Fayetteville would be able to issue credits to the Board of Education if they had utilities. He continued that the Board of Education was going to teach about stormwater resources so the Board would receive credit on the bill. Kourajian asked if the credits would go to the schools that taught the class. Borkowski said that the subject would be incorporated into the science programs at all grade levels and would be system-wide so the credits could apply to al the properties in the City.

Rutherford asked if credits could be shared or sold. She gave an example of businesses that shared parking to provide greenspace. Feldner said if a detention pond was part of a master plan and the stormwater from outparcels flowed into the detention pond, then they would share the credits. Rutherford asked if Company X with a lot of greenspace could sell credit to Company Y with no greenspace by allowing the company to build a detention pond. Feldner said they should be able to share the credit. Feldner said credits were a key issue and had to be part of the program, according to a recent court decision.

Feldner said Council was scheduled to consider the enabling ordinance on February 2. The customer mass mailing was planned for February 20. When the mass mailing went out, the phone calls would start. Procedures were being developed to handle the calls. If all went as planned, the bills should be issued in March or early April. Capital construction would begin as funds became available.

Boone asked if there had been any feedback from the business community. Feldner said he had spoken to Virginia Gibbs at the Chamber of Commerce several times, and the Chamber was sponsoring a presentation on January 20, 10 a.m., at Cooper Lighting. The focus would be on credits.

Plunkett asked what the reception had been so far since some of the bills would be substantial. Feldner said Fayetteville's utility had generated over $500,000 annually, and less than $1,000 was delinquent in the first year. Covington was only running about 70% on their collections. For the most part, people were on board with the concept. Rutherford said the fees would be less than a property tax increase. The City's annual stormwater bill would be $353,423.73, and included properties, roads, and cart paths.

Boone asked how much was spent each year on maintenance of the drains. Feldner said the number given to him was $235,000 per year was spent strictly on maintenance. McMullen said that in excess of 9,000 hours per year were spent on maintenance, litter pick-up, street sweeping, and other jobs. A portion of that would be done by the stormwater utility. The jobs would be charged to stormwater and paid from the General Fund. McMullen said there would not need to be a budget adjustment within

Engineering or Public Works. They were currently working on where the actual employees would go, either as Public Works employees dedicated to stormwater or a separate department.

Several residents attended the workshop and asked questions. A resident asked the time frame for the revenue bonds. Feldner said it would be possible in the first six to 12 months.

A Tinsley Mill resident asked if there would be opportunity for them to present information on their area. He said it was one of the oldest in the community and the residents owned their own streets. McMullen said he understood the residents' position, but if the City took in Tinsley Mill then it had to take in all private areas with the same situation, which would decrease what the City could do and increase the cost.

Logsdon questioned whether Tinsley Mill was an extreme situation, which might need greater consideration. Meeker said that he agreed in theory, but there were also some constitutional issues involved regarding the City benefiting a private property owner, which was a struggle the City faced with any drainage issue on private property.

Logsdon asked if the work done upstream would mitigate Tinsley Mill's problems. Feldner said that it should help, but there were a lot of factors to be considered from a legal and engineering standpoint. Tinsley Mill was very unique and could not be resolved at this meeting. The resident said the flooding issues got worse when the developments were built upstream. Boone asked if Tinsley Mill's infrastructure could be improved. The resident said probably. It would cost over $600,000, which would be split between 53 owners. Tinsley Mill did receive a FEMA grant to help with some mitigation. Rutherford said the issue would have to be dealt with at a staff level; recommendations for priorities would be made to Council. Dan Gibbs asked whether Council would set the priorities. Rutherford said the experts would make recommendations. Plunkett said Council would discuss the recommendations and priorities, and could possibly disagree with the recommendations based on public comment.

A resident who identified himself as the Brookfield Homeowners Association president said he was concerned about the method of payment. He said his area, which had attached residences, was a private street community, and the residents would be better off if billed individually. Feldner said the logistics could be worked out to benefit the customer group. The policy would be flexible. The resident asked if there would be some relief if they paid annually or quarterly. McMullen said if the billing vendor could reduce the City's cost, then the savings would be passed on to the residents.

Matt Bergen, a City resident who said he worked for the Fayetteville stormwater utility, told Council that everyone would not benefit from a stormwater utility. He said Public Works and WASA could do the job together since they were already working on the issues. He did not see a need for a whole new crew to resolve the problems that had been ongoing for a long time. A utility would not help if it were a private property vs. private property issue. Bergen asked Feldner if new properties were being developed according to the most recent stormwater guidelines. Feldner said properties had been designed to meet the latest standards since 2002. Bergen noted a specific property currently under construction near his subdivision, and said this was not the case with the new development. Feldner said Bergen would need to talk to City staff and look at the site's hydrology study and the determination on whether the developer had followed the ordinance.

Bergen asked why money for stormwater could not be taken out of the General Fund at the beginning of the fiscal year and placed into a stormwater account. He said that should be done prior to collecting a monthly fee. McMullen said that was feasible, but that was not the only reason for using a utility. The revenue bond situation was also a reason, which would get a lot of things done. The bonds were based on the revenue the utility would receive. Meeker said there would also be more funding available on an annual basis. Rutherford asked where the money would come out of in the General Fund. The reality was that if Emergency Services needed that money and the culvert could wait another year, then the culvert could wait another year. She added that a utility spread the cost across the board. Property values were affected by whether or not the community was a nice place to live. Stormwater affected whether or not the City was a nice place to live. McMullen said there was also a regulatory requirement for the utility that 75% of the cost was based on what it cost to maintain the system, water sampling, and citizen education. Replacing undersized culverts could help individual residents, as well as the properties downstream. Rutherford added that schools and churches would also have to pay the utility fee, but they did not pay property taxes. Those facilities had a lot of impervious pavement that contributed to the problem. Bergen noted that residents were the sources of income for schools, municipalities, and churches so taxes would go up anyway. Feldner noted that churches and schools accounted for over 10 million square feet of 110 million square feet of impervious service in the City, or about 10%. Meeker said the fees collected would benefit the entire City. Rutherford said the money collected by the utility would help repair problems downstream of the area with a lot of impervious surface. Bergen said the General Fund money currently used for stormwater management should be pulled out of the General Fund and used to form the utility.

Bergen asked why SPLOST funds could not be used for stormwater management. He said that roadway drainage was a roadway improvement, and that was how SPLOST was sold to the voters. McMullen explained that the state law in effect at the time required that specific projects be identified. The identified projects did not include any reconstruction of roads. If road reconstruction were part of the SPLOST, then any necessary culverts could be replaced. The City's roadway projects were primarily resurfacing, as well as specific landscaping projects. McMullen said the City could not spend SPLOST funds on any projects that were not on the approved SPLOST list.

There being no further business to discuss, the meeting adjourned at 8:20 p.m.

Betsy Tyler

Betsy Tyler, Deputy City Clerk

Harold Logsdon

Harold Logsdon, Mayor

Pamela Dufresne

Pamela Dufresne, Recording Secretary