



Legislation Text

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File #: 14-4943, Version: 1

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City of Alexandria, Virginia

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MEMORANDUM

**DATE:** FEBRUARY 3, 2016

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**FROM:** MARK B. JINKS, CITY MANAGER /s/

**DOCKET TITLE:**

Consideration of an Alternative Public Engagement Process for Implementation of a Stormwater Utility Program and Adoption of a Resolution. [ROLL-CALL VOTE]

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**ISSUE:** Consideration of an alternative public engagement process for implementation of a stormwater utility program. This item was deferred at the January 30 Council meeting and reflects City Council guidance received at that meeting.

**RECOMMENDATION:** That City Council direct the City Manager to pursue one of two alternatives for public engagement prior to implementation of a stormwater utility:

- (1) Adopt an amended resolution to establish an Ad Hoc Stormwater Utility Work Group (Attachment 1) and authorize the City Manager to appoint members to the Work Group as outlined in the resolution; or
- (2) Adopt the Stormwater Utility Public Outreach Framework (Attachment 2) directing staff to use the What's Next/AlexEngage process to directly interact with stakeholders and the community prior to implementation of a stormwater utility program.

**BACKGROUND:** This item was initially presented and discussed at the January 30 City Council meeting (Attachment 3). At that time, Council deferred the recommendation to establish an Ad Hoc Stormwater Utility Work Group and instructed staff to return with two options: (1) Amend the composition and scope of the Ad Hoc Work Group, and (2) present an alternate public engagement process. This item provides two public engagement alternatives for Council consideration prior to formal consideration, adoption and implementation of a stormwater utility.

City Council in December 2014 directed staff to consider a stormwater utility as one option for provision of a

stable and adequate source of funding to meet the City's long-term stormwater management needs. The fee-for-service approach of a utility recognizes that public stormwater services benefit the community as a whole and would distribute this public cost across eligible developed properties based on the amount of their impervious area. These stormwater management needs are driven by efforts to clean up the Chesapeake Bay and spearheaded by the Environmental Protection Agency (EPA) which established a Chesapeake Bay Total Maximum Daily Load (TMDL) requiring localities including the City of Alexandria (City) to meet mandated reductions of nitrogen, phosphorus and sediment from stormwater discharges. These reductions are enforced through the City's Small Municipal Separate Storm Sewer Systems (MS4) general permit. The target reductions have a 15-year implementation period that is enforced through three 5-year permits (2013-2028). The estimated cost to the City to implement meeting this largely unfunded mandate is up to \$100 million. Currently, the City dedicates a portion (one half cent) of the real estate property tax for stormwater programs, which is supplemented by the General Fund. The City is now at the implementation planning stage for a stormwater utility as a funding source for stormwater management, including but not limited to funding needs driven by new mandates.

**DISCUSSION:** On the basis of City Council guidance received at its January 30 meeting, staff is providing two alternatives for public outreach for a stormwater utility:

*Option #1: Revised Composition and Scope of an Ad Hoc Stormwater Utility Work Group:* This is a variation of the option staff provided at the January 30 Council meeting that proposes to decrease the number of work group members and ensure the group is comprised almost entirely of City residents. One member is proposed to be a large property owner who may not necessarily be a resident (given that most large parcels are institutionally owned). The proposed group would consider impacts to the community and provide recommendations on the structure for a Stormwater Utility Program in order to provide funds to meet the City's MS4 permit and Stormwater Management program needs. (An amended resolution is included as Attachment 1.) The revised composition of the work group reflects input from City Council at its January 30 meeting. Additionally, the charge of the work group is revised to focus on establishment of a stormwater utility. The Work Group would ultimately make a recommendation to City Council no later than the second quarter of FY 2017 so the recommendation could be considered as a part of the FY 2018 and/or FY 2019 budget processes. The group would meet as necessary, likely monthly, beginning in the spring of 2016. The Work Group would be staffed by the Department of Transportation and Environmental Services (T&ES), the Office of Management and Budget (OMB), the Department of Finance and the Office of Communications and Public Information (OCPI). There is some risk inherent in Option 1 since this Work Group will need to reach consensus on a recommended framework for a stormwater utility. This timeline for this process - if the Work Group reaches consensus - would include:

- Phase 1 (Fall 2016): Target for Work Group to recommend a framework to City Council establishing basic stormwater utility structure which would be considered as a **resolution**;
- Phase 2 (Spring 2017): If Council adopts a resolution, **adopt** the utility concept as part of FY2018 budget;
- Phase 3 (Fall 2017): Finalization of administrative process; and
- Phase 4 (Winter 2017- ongoing): Implementation Check-In and Ongoing civic engagement; **bills mailed starting sometime in FY 2018.**

*Option #2 Stormwater Utility Public Outreach Framework:* Per discussion at the January 30 Council meeting, this alternative provides a Stormwater Utility Public Outreach Framework (Attachment 3) to guide staff in directly interacting with stakeholders and the community prior to City Council

consideration of implementing a stormwater utility program. This framework proposes to leverage the Environmental Policy Commission (EPC), which would hold at least one public forum, and further engage the public through community presentations, the use of AlexEngage, eNews and the City's social media platforms within the What's Next Alexandria umbrella. Using this framework, staff aims to interact with the same types of stakeholders as would be represented on an Ad Hoc Work Group without creating a standing work group. This process would feature four distinct phases, with critical decision points noted in bold below:

- Phase 1 (Fall 2016): **Resolution** by City Council establishing basic stormwater utility structure;
- Phase 2 (Spring 2017): Oral update on credit policy/billing early in FY 2018 budget process; **adoption** of utility as part of FY 2018 budget;
- Phase 3 (Fall 2017): If approved by City Council, finalization of administrative process; and
- Phase 4 (Winter 2017- ongoing): Implementation Check-In and Ongoing civic engagement; and administrative structure is in place, **bills mailed starting sometime in FY 2018.**

**FISCAL IMPACT:** The approved Stormwater Management FY 2016 to FY 2025 CIP includes \$500,000 for a Stormwater Utility Study. These funds will be used to update the previous Stormwater Utility Study Phase I completed in 2009 that will provide more details and guidance for developing and implementing a Stormwater Utility. Additional funding for the administrative costs associated with operation of a stormwater utility are being considered as part of the FY 2017 budget process.

**ATTACHMENTS:**

Attachment 1: Amended Resolution for Establishment of an Ad Hoc Stormwater Utility Work Group  
Attachment 2: Stormwater Utility Public Outreach Framework  
Attachment 3: Docket memo from January 30, 2016 meeting

**STAFF:**

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