



Stormwater Management Task Force Meeting Notes - February 7, 2013

Welcome & Introductions

The Springfield/Greene County, Missouri Stormwater Management Task Force met in the Springfield-Greene County Public Safety Center. The meeting commenced at 5:00 p.m.

Task Force Co-chair Dan Hoy welcomed the Task Force members and community members in attendance. Those present included the following:

Task Force

Brain Perdue	Dave Murray	Ronda Headland
Rick Scarlet	Chris Carson	Casey Haynes
Daniel Beckman	Stacey Armstrong	Dan Hoy
Fred Palmerton	Tiffany Frey	Chris Macioce
Matthew Pierson	Fred Schlegel	Tom DeWitt
Eric Dove	Andy Hosmer	

Absent: Aaron Wahliquist, Karen Spence, Jerany Jackson, Geoffrey Butler, Dana Elwell, Patrick Harrington, Patty Hamilton, Erik Fjeseth, King Coltrin, Harlan Hill, Matt Bailey, Tom Kisse, Bill Bretall

City and County Staff

Kevin Barnes	Chris Coulter	Sheila Shockey
Vanessa Brandon	Tim Davis	Fred Marty
Phil Broyles	Carrie Lamb	Todd Wagner
Greg Burris	Barbara Lucks	Kimberly White
Karen Elmer	Jan Millington	Jon Williams
Rob Dixon		

Visitors

Mike Kromrey
Sarah Okeson
Mike Pessina

Affordability Task Force Presentation

Rob Dixon, Chamber, summarized the City/County Unfunded Environment Mandates Affordability Task Force Recommendations. The City/County is facing billions of dollars of deficit and it will impact all citizens. Concerns include environmental protection, least able to afford, and protecting economic growth. Affordability & Integrated Planning can provide a solution. The US Environmental Protection Agency (USEPA) may or may not implement. Their charge was to review the Missouri Department of Natural Resources (MDNR) affordability policy. The task force recommended that all environmental mandates be considered in the affordability for the community. MDNR is looking only at water quality (stormwater + wastewater) for the 2% of median household income affordability target.

Mr. Dixon presented 2013-2020-2030 trajectories on income levels. The following recommendations were made by the Affordability Task Force to MDNR:

1. Ask communities for information.
2. Don't penalize for good financial stewardship.
3. Consider all mandates together.
4. Consider law of diminishing returns.
5. Older technology should be allowed to finish its life cycle if still effective.
6. Study the wide impact on lower income residents.
7. Consider environmental investments already made.
8. Consider good faith efforts to maintain environmental compliance.

Questions: Any update on EPA-TMDL decision in Virginia and how does that affect us?

Response: We think USEPA will withdraw from the lawsuit. They will likely start again and use better science to create the TMDL on the stream.

Question: Is HB89 the appropriate the avenue for modifications?

Response: Affordability Task Force recommendations are for agency implementation of HB89.

Funding Discussion

Sheila Shockey presented revenue options and how those correlate with the City/County needs, and priorities established by the Task Force. Considering City and County expenditures together, Sheila shared expenditure projections for 2018 as an example scenario for the discussion.

She reported that the costs for City/County expenses together in 2018 would range from \$6 million - \$17 million to \$35 million. This is for water quality, flood risk minimization and infrastructure replacement totaled together.

Question: How do you estimate mandate if we don't know?

Response: Based on other city's TMDL costs and it is a guess. There was a discussion about whether the City/County could implement a funding source that would only be triggered when TMDL's kick in.

Sheila showed graphs of City and County expenditures through 2021 for 5 different scenarios as examples: 1) minimum mandate, 2) maximum mandate, 3) minimum mandate plus proactive, 4) minimum mandate plus reactive plus flood control, 5) minimum mandate plus proactive plus flood control.

Sheila reviewed priorities established by task force surveys:

1. Protect Water Quality
2. Reduce injury/death caused by flooding events
3. Projects with multiple benefits
4. Reduce property damage caused by flooding events
5. Life cycle replacements for infrastructure

The Task Force discussed how much of each circle they want to fund from each of these priority areas.

Sheila offered some potential funding sources: utility, property tax or sales tax and gave the amount of revenue for each.

utility: She explained that utility user fees are usually based on equivalent residential units (ERU's). No entities are exempt.

Question: How was the 3,200 ERU figured?

Response: We took the impervious area of the average residence (roof, driveways, sheds, etc.) which was 3,200 square feet.

Question: Are incentives for good stewardship provided with a utility?

Response: Yes, it is common. She explained several different methods for providing incentives.

Comment: Incentives could be very complicated based on various site scenarios.

Sheila showed what the statutorily available revenue sources would provide as compared to projected expenditure.

- 1 cent property tax- 8% of Water Quality minimum
- 1/10 cent – 75% of Water Quality minimum
- 1/8 cent- 95% of Water Quality minimum, 71% of WQ & 44% of Water Quality maximum
- ¼ cent- 100% Water Quality minimum, 88% of flood mid service level
- \$3/month- 100% of Water Quality minimum, 92% of flood mid-point
- \$5/month- 100% of Water Quality min, 100% flood mid, 98% Infrastructure mid-point
- ½ cent sales tax provides: 100% of Water Quality minimum, 100% of flood mid-point, or 100% of infrastructure mid-point and some extra available revenue.

Question: What is the administrative cost of utility?

Response: There are startup and ongoing costs associated with administering a utility.

Question: Would utility revenue only be collected from CU customers?

Response: Because the stormwater program is county-wide, it would probably be charged to all county residents or charged to Springfield + urban service area property owners.

Sheila discussed the funding options. They are:

- Use multiple sources of revenue which is a common practice.
- Determine whether the community could enact an escalating funding source since it doesn't need the full amount right away.
- Set a dedicated source for mandated portions of the program and a tax that sunset for capital projects.

- Sheila reviewed the latest survey results. She presented the various pros and cons of the different funding sources, and facilitated a task force discussion to identify others. Con: Utility is burden for municipalities and non-profits to pay for their own imperviousness.
- Con: High cost of utility for churches, which is politically unfavorable.
- Con: City would have no incentive to add more impervious surfaces such as streets and sidewalks if they had to pay a utility fee. Response: You could choose to exempt roads/sidewalks.
- Con: For property tax or sales tax, it is a burden on consumers and not businesses. "No new taxes" is the current mantra.
- Pro: Utility is a disincentive for expanding impervious surfaces.
- Pro: Sales tax is easy to administer.
- Pro: The utility option has more opportunity to provide incentives to those that implement good stormwater practices, going above and beyond the required levels. Comment: For any options, we should require new development to pay for its impact on the watershed
- Con: Sales tax has negative perception of no new taxes.
- Con: A sales tax is burdensome for lower income households. It has a bigger negative effect on the poor.

Comment: The hotel/motel tax is not making enough money now. Springfield in the middle on tax rates compared to benchmark communities.

Comment: Utility could create conflict over arguments on credits plus burden of administering the program is too complicated and bureaucratic. We've had success with sales tax and so that seems to be path of least resistance and most chance of success.

Question: Some communities have a maximum cap for ERU. Have we considered this?

Response: No, because we feel it opens up the utility for lawsuit, makes it less a fee and more of a tax.

Comment: With a sales tax, incentives are not easy.

Question: Do current standards prevent future problems?

Response: Detention has evolved and water quality control is evolving. Mimicking the predevelopment hydrology is where USEPA is headed and we're not there yet. For all the different levels of mitigation that exist, depending on when a development was built and if they went above and beyond, a utility fee can be assessed to reflect that.

Comment: That connection and incentivizing good behavior seems important to our community.

Comment: Retrofits are coming, also as part of mandates.

Comment: Incentives are possible with property tax and sales tax as well, in the form of cash incentives, assistance, permitting fast forward, and public/private partnerships, etc. You could implement incentives through cost-sharing, by allocating revenue for a cost-share program in the budget. This is a way of leveraging private funds with public money.

Question: Structure of utility. How is it set up? Would it have a board of directors?

Response: Not usually. It is typically set up similar to a wastewater utility.

Comment: I'm concerned about using sales tax as that takes away the option to fund certain other community priorities.

Sheila asked Task Force how much water quality protection they want to budget for when we bring certain scenarios back at the next meeting.

Comments: We need to budget more than the minimum in case mandate is higher. If unknown, go with minimum.

Question: What is administrative cost to set up and operate a utility?

Response: We will bring more information next time.

Comment: Administering a TMDL could be more costly than we think. We don't want to have zero in reserve for water quality mandates. We should look at the middle level of funding instead of the minimum.

Question: Would a sales tax have to be tied to specific items or generally anything stormwater-related?

Response: Could be generally water quality, flooding, or infrastructure replacement.

Comment: Being able to shift money between the three if mandate cost fluctuates, can increase or decrease funds for the other two. Fund water quality at the maximum level and if not as expensive as expected, funds can be shifted to other two areas.

Comment: Not in support of that, gives too much latitude to staff and that doesn't serve citizens well.

Sheila asked, 'if there is extra left from mandates, could that be used for incentives?'

Question: What is water quality mandate money spent on?

Response: Programs for MS4 and study or projects for TMDLs. Detail on this was provided in meeting #3 but we will bring that back next meeting.

Question: Are credits one time or ongoing?

Response: They can be both.

Question: Can utility be modified to ease burden on commercial?

Response: Again, this could spark a legal challenge of it as a utility fee.

MS4 permit requirements will require an annual BMP self-inspection report. This could also serve as the ongoing verification for a credited BMP. This eases administration.

Question: Can we get clarification on what is mandated? If we are told we need to spend \$7 million but only spend \$3 million and EPA says this is fine, then \$7 million wasn't a mandate. Is the mandate subject to interpretation and ability to pay?

Question: What does city feel is the most likely cost of mandates?

Response: We will bring back a breakdown of MS4 permit vs. TMDL costs for the next meeting.

Comment: Businesses generate revenue. Don't lose sight of the bigger picture.

Comment: Just because our mandate expenditures don't match up, doesn't mean water quality is not important.

Comment: We shouldn't consider a funding level that we can't pass. Then it doesn't matter what we want. What matters is what we can get (by voters). Decide what we can get and then decided where to spend it (how to divvy it up).

Comments: We would like to see a utility and small sales tax scenario.

Question: Which has most effect on economic growth? (sales tax, property tax or utility) Comment: We will ask Chamber their opinion.

Question: How much funding for infrastructure? Response: Somewhere in between minimum and middle 200 year, middle 100 year. Bring both back.

Next meeting: **February 28, 2013, 5:00-7:00 p.m. at the Springfield- Greene County Public Safety Center.**

The meeting was adjourned at 7:15 p.m.