

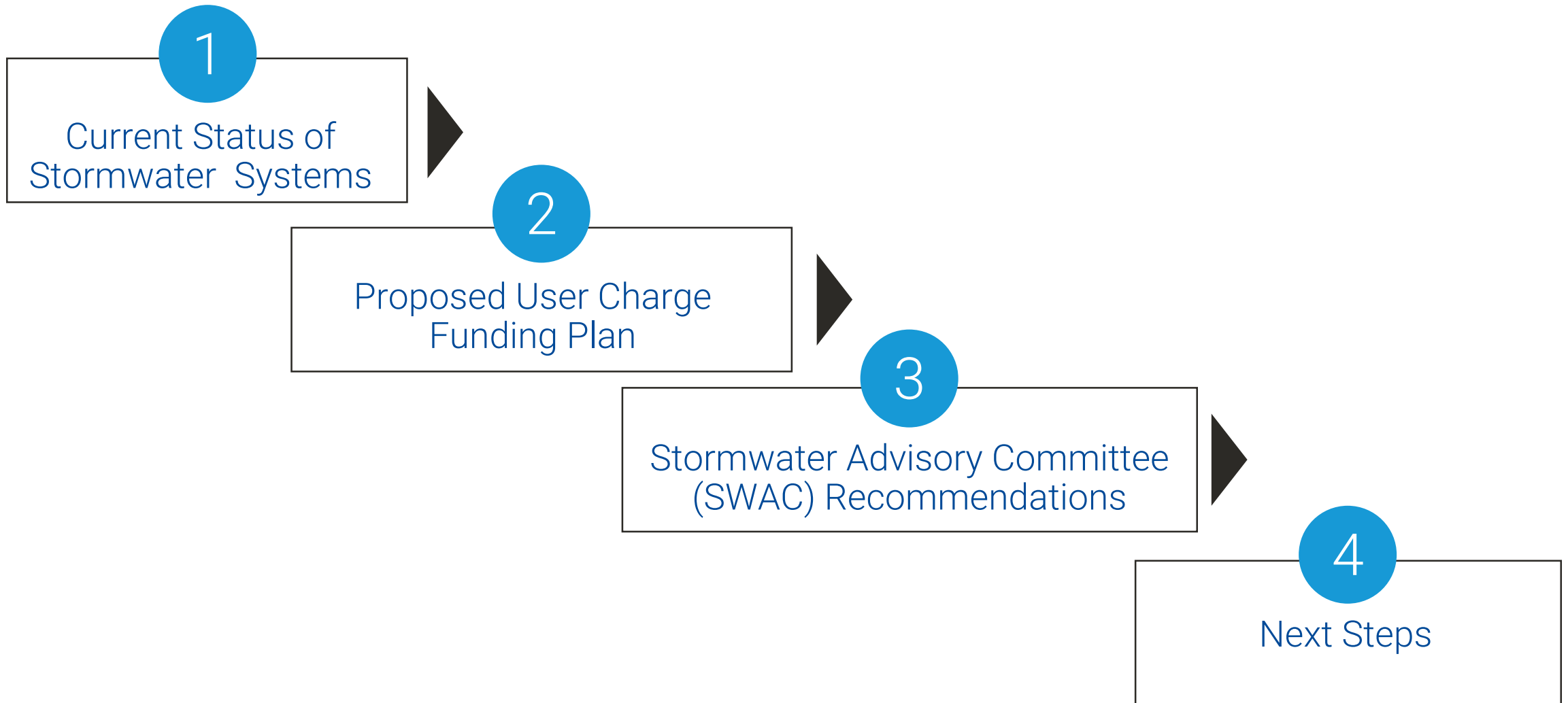
Stormwater Rate Study and Implementation

Council Briefing #2

City of Lee's Summit, MO

JUNE 20, 2023

Our Discussions Today



The Current State

Stormwater Management Challenges



Localized Flooding



Corrugated Metal Pipe Deterioration



Streambank Degradation



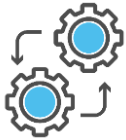
Silt Build-up



Reactive O&M

Key Drivers for Sustainable Stormwater Management

Key Drivers



Drainage Infrastructure

- Proactive management of infrastructure for community safety



Regulatory Compliance

- Improve water quality to comply with MS4* Permit compliance and community health



Enhance Levels of Service

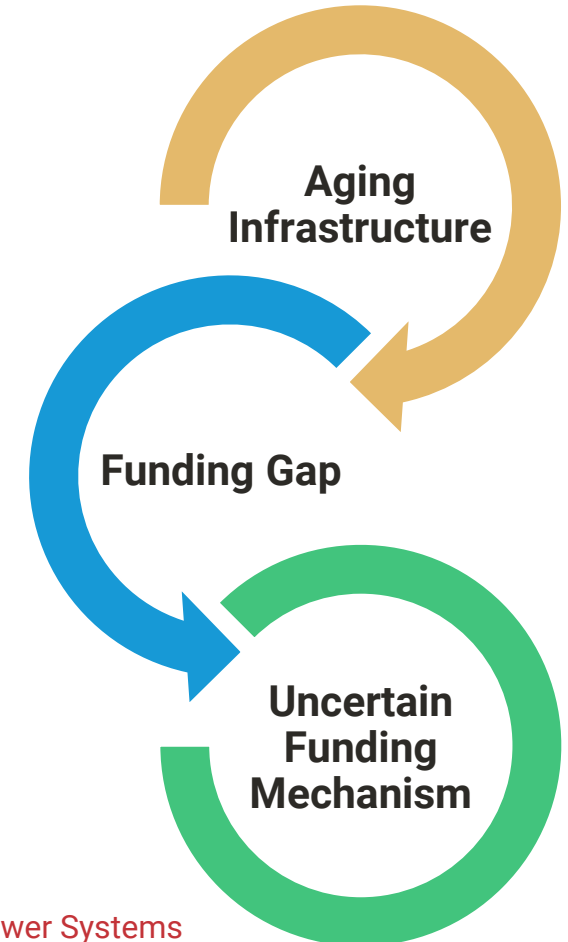
- Address deferred maintenance, known and emerging needs, and infrastructure integrity



Organizational Capacity

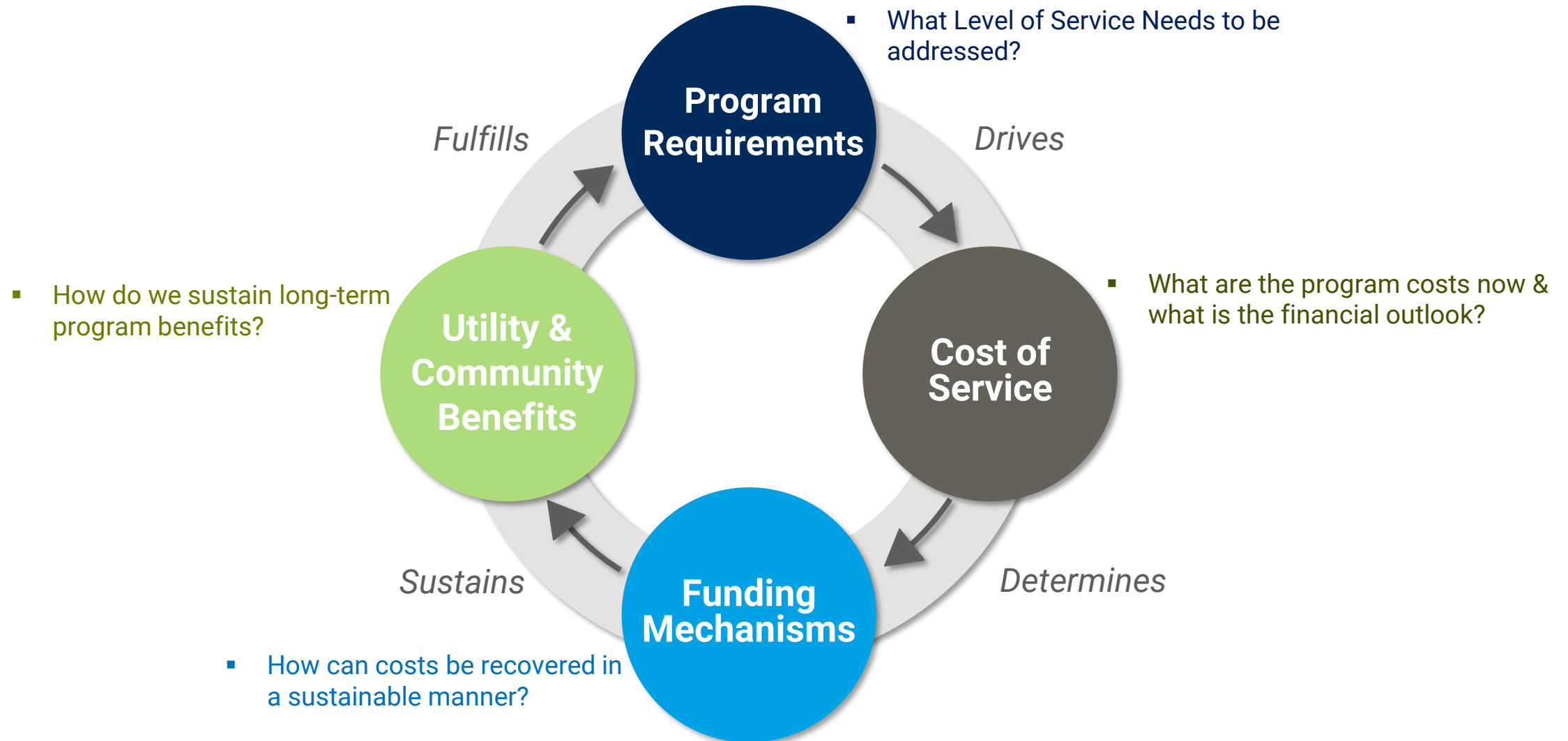
- Increase resources & funding capacity

Current Challenges

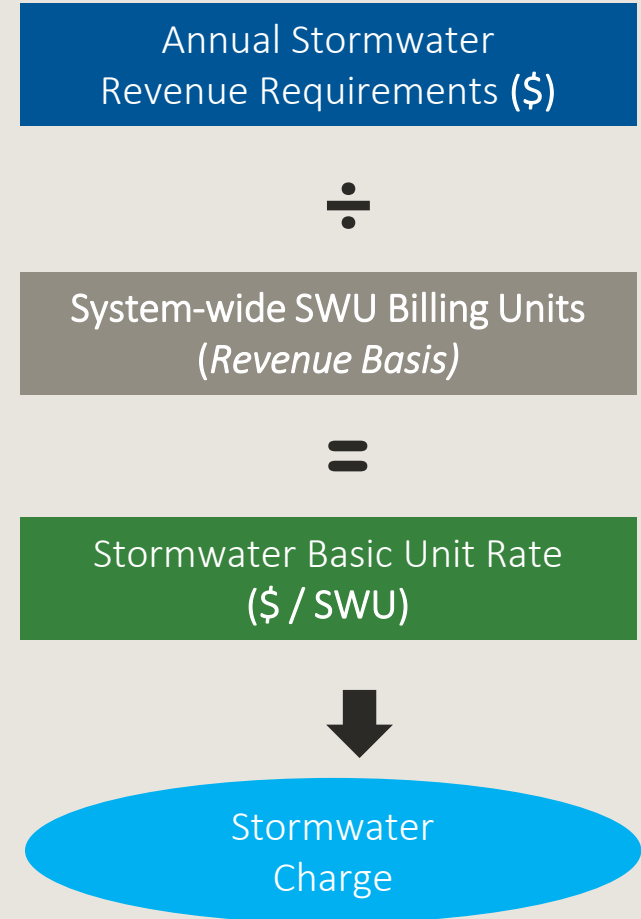


*MS4 = Municipal Separate Storm Sewer Systems

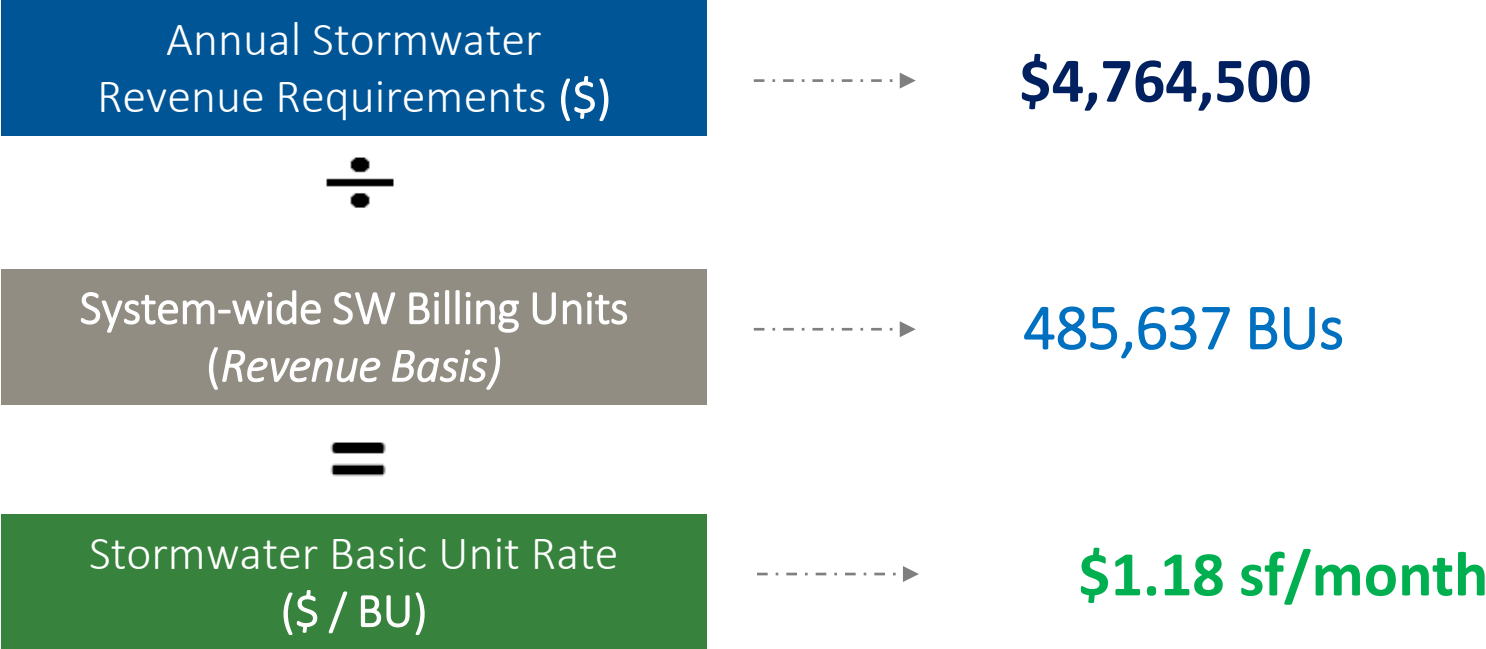
Long-term Program Resilience Solution



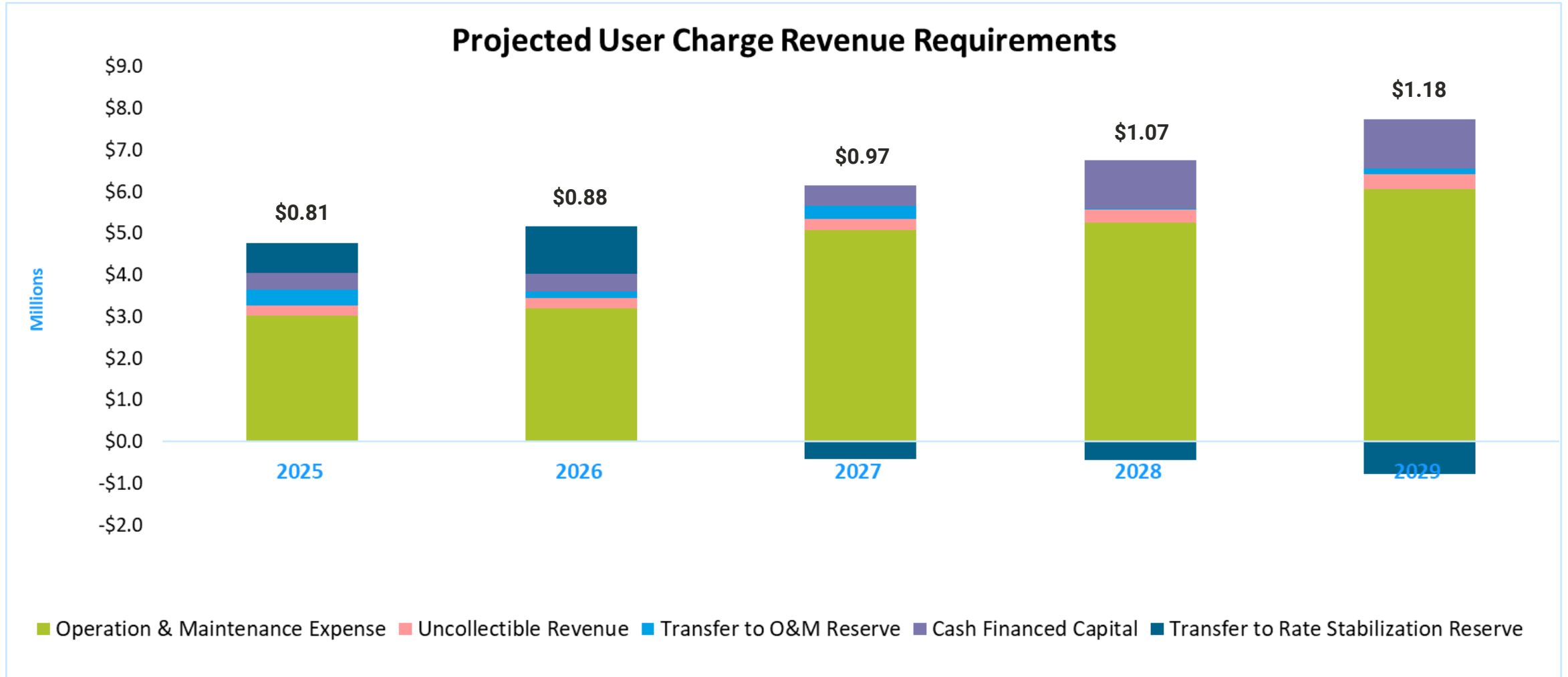
The Proposed Plan



Determination of System-wide Stormwater Unit Rate (2029)



User Rates (PROPOSED): 2025 – 2029 (IA Rate / 500 sf)



Example of Proposed Annual Charge (2029)

Estimated Annual Stormwater User Charge (Based on Inclusion of All Parcels)

Line No	Customer Class	Impervious Area (ft ²)	Billing Units	2029 Annual Charge (a)
				\$
1	Residential	800	1.60	22.66
2	Residential	2,000	4.00	56.64
3	Residential	3,500	7.00	99.12
4	Commercial	2,500	5.00	70.80
5	Commercial	5,000	10.00	141.60
6	Industrial	10,000	20.00	283.20
7	Industrial	25,000	50.00	708.00

(a) Based on \$1.18 per 500 square feet of impervious area per month.

1 Billing Unit = 500 square feet of impervious area

Impervious Area for median home size in LSMO is 3,500 square feet

SWAC Survey Results

Stormwater Advisory Committee Work Sessions

	SESSION #1	SESSION #2	SESSION #3
Potential Discussion Topics ----->	Stormwater Mgmt Overview a. LS SW System b. Historical Context c. Program LOS & Costs d. Stakeholder Perspectives Poll	Stormwater Financial Plan & Funding Mechanism Options a. Five-year Financial Plan and Strategies b. Cost Recovery Methods i. Sales Tax Method ii. Property Tax Method iii. Utility Charge Structure c. Potential Customer Bill Impacts	Stormwater Utility Rate Structure Alternatives a. Recap of SWAC #2 b. SWAC Survey Results c. SWAC Feedback
STORMWATER ADVISORY COMMITTEE (SWAC)	21-Apr-23	12-May-23	2-Jun-23

Perspectives on Funding Solution

- 1** Level of Service
 - Sustain services and investments currently supported by General Fund Budget
 - Additional funding is necessary to transition to a proactive O&M and infrastructure management
- 2** Funding Solution
 - Not sustainable or equitable to rely on a new stormwater Sales Tax or Property Tax for additional funding needs. Need to reserve those for other uses
 - All parcels should contribute to stormwater cost recovery including tax-exempt parcels
 - Stormwater User Charge funding approach is the most appropriate solution to address the funding needs
- 3** Fee Basis & Rate Structure
 - Impervious Area based charge provides the most reasonable connection between charge and stormwater runoff a property contributes
 - 500 square feet of Impervious Area (IA) Billing Unit is intuitive and easy to understand
 - For meaningful cost recovery, it is acceptable to have a minimum monthly IA charge of one Billing Unit (500 sf), if the calculated IA square feet is less than 500 sf.
 - Fair to assess a stormwater charge on parcels with No Impervious Area, as they also contribute some runoff and partake in the community-wide benefit

Perspectives on Public Outreach and Education

1

Key Public Outreach & Education

- Educate on failing infrastructure, risks of inaction, and cost consequences
- Explain succinctly the overall City budget and where the money gets spent including how much currently goes to stormwater management
- Provide quantifiable performance metrics on stormwater issues and activities performed
- Explain the Community-wide benefits and improvements that can be achieved through proactive measures
- Demonstrate to the public, the City's history of financial stewardship

2

SWAC's Key Concerns

- Establishing 500 square feet of Impervious Area (IA) as one base Billing Unit is intuitive and easy to understand
- For meaningful cost recovery, it is acceptable to have a minimum monthly IA charge of one Billing Unit (500 sf), if the calculated IA square feet is less than 500 sf.
- It is acceptable approach to assess a stormwater charge on parcels with No Impervious Area, as they also contribute some runoff to the system and partake in the community-wide benefit of stormwater management

SWAC's Overall Concerns

#	Areas of Concern	Mitigation Strategy
1	Adequacy of funding proposed for FY 2025 – FY 2029	<ul style="list-style-type: none"> Manage effectively with the five-year funding, Monitor performance, and then prepare for the next five-year funding needed
2	City's approach and capacity to make a compelling case to the voters	<ul style="list-style-type: none"> Plan effective public outreach campaign Use a combination of videos, website, brochure, story boards and open house meetings
3	Extent of public outreach and education necessary for the ballot measure effort to be successful	<ul style="list-style-type: none"> Define key messages to communicate per SWAC's feedback Include targeted communications to meet the messaging needs of diverse stakeholder groups

The Road Ahead

In Summary....



- Proactive Operations & Maintenance
- Effective Infrastructure Management
- Regulatory Compliance
- Safe & Resilient Community

- Funding Capacity
- Equity in Cost Recovery
- Customer Affordability
- Community Stewardship



**Leadership
Commitment**



**Holistic & Transformative
Solution**



**Community Trust &
Support**

Next Step:

- Council Discussion
- Ballot Measure Plan
- Public Outreach Plan

