Legislation Details (With Text)

File #:	24-0439	**Version:**	1	**Name:**	4/15/24 An Ordinance to Amend Section 2.69 of Chapter 29 (Stormwater Rates) of Title II of the Code of the City of Ann Arbor
Type:	Ordinance			**Status:**	Passed
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Title: An Ordinance to Amend Section 2:69 of Chapter 29 (Stormwater Rates) of Title II of the Code of the City of Ann Arbor (ORD-24-08)

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD-24-08 Briefed and Approved.pdf, 2. ORD-24-08 Briefed.pdf, 3. Stormwater Ordinance Change FY25.pdf, 4. WLN clipping ORD-24-08 Stormwater Rates - Public Hearing Notice.pdf, 5. ORD-24-08 Approval Notice.pdf

Date	Ver.	Action By	Action	Result
5/6/2024	1	City Council	Held and Closed	
5/6/2024	1	City Council	Adopted on Second Reading	Pass
4/15/2024	1	City Council	Approved on First Reading	Pass

An Ordinance to Amend Section 2:69 of Chapter 29 (Stormwater Rates) of Title II of the Code of the City of Ann Arbor (ORD-24-08)
Your approval is requested to amend section 2:69 of Chapter 29 of Title II of the Code of the City of Ann Arbor to increase stormwater fees for upcoming operating and capital needs consisted with the City's Stormwater Utility Rate Study, Capital Improvement Plan, and Stormwater Asset Management Plan.

The City manages an extensive system consisting of over 235 miles of pipes and culverts, approximately 7,000 manholes, outfalls, surface detention basins, 785 miles of roadway curb and gutters and approximately 11,300 inlets and catch basins that ultimately convey stormwater in the community to the Huron River. The City's stormwater system provides essential services within the community by protecting real and personal property, and by reducing the impacts of urban surface water runoff to the natural environment.

The cost to operate, maintain, repair and replace the system has increased over time due to the increase in precipitation, as well as increased development and impervious surface in the City.

The proposed stormwater rate increase ordinance is the result of the City's annual budget process including an updated analysis of the stormwater system's annual and projected multi-year revenue requirements to ensure sufficient funds for operations, maintenance, repairs, and replacements and to meet capital investment plans and other financial requirements. The revenue requirements incorporate a detailed analysis of operations and maintenance costs, enhanced stormwater management activities based on stakeholder and customer input, level of service options, planned

developments, customer growth, required levels of operating and debt service reserves, capital funding sources, earning on invested funds and planned and required escalation of rate for operating costs. In short, the proposed stormwater rate increase will generate additional funds needed to meet the system's annual and multi-year revenue requirements for operations and capital improvements which protect property and the environment.

The City has identified more than $50 Million in potential projects to improve the City's stormwater system in the coming years. The City's five-year capital improvement plan contains $38 Million in projects for the stormwater system with an estimated annual revenue requirement for operations and capital investments of $16.4 million.

City Customers are billed in conjunction with the sewer and water utility. The increase for the stormwater portion of an average residential customer's bill is an estimated $1.97 per quarter, or $7.88 annually. For the purposes of this comparison, the bill is calculated as a residential customer, the second tier of the fee structure with billable impervious area between 2,187 and 4,175 square feet. The early payment discount (10%) is not included in this calculation.

Prepared by: Ed Ader, Financial Manager
Reviewed by: Marti Praschan, Chief Financial Officer
Brian Steglitz, Public Services Area Administrator
Approved by: Milton Dohoney Jr., City Administrator

(See Attached Ordinance)