



Agenda Item Executive Summary

Title: MC-2-2014 - Adding Code Chapter 13.16 and Establishing a Stormwater Utility

Presenter: Katherine S. Janega, Village Attorney

Agenda Date: 02/04/2014

Consent: YES NO

- | | |
|-------------------------------------|-------------------------|
| <input checked="" type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | Bid Authorization/Award |
| <input type="checkbox"/> | Policy Direction |
| <input type="checkbox"/> | Informational Only |

Item History:

May 14, 2013 Study Session
October 1, 2013 Council Meeting, Agenda pp. 35 - 62

Executive Summary:

At the May 14, 2013 Study Session, and again at the October 1, 2013, Council meeting, the Council received stormwater utility implementation reports from Municipal & Financial Services Group (MFSG), which had prepared a Stormwater Utility Feasibility Study for the Village. MFSG then provided Implementation Assistance, including the development of tax-exempt property information packets, creation of an online stormwater bill estimator to allow residents to estimate the stormwater fee for their particular parcel, and a sample stormwater utility ordinance.

In reporting to the Council, MFSG identified and made recommendations on ten key policy issues. The Council discussed those ten policy issues in detail on October 1st, accepted eight of MFSG's ten recommendations, and deferred action on the remaining two issues, which pertain to credits and incentives.

Based on that policy discussion, Ordinance MC-2-2014 amends the Village Code by adding new Chapter 13.16, to establish and implement a stormwater utility and provide for a stormwater utility charge that spreads the utility's costs among property owners based on the amount of impervious surface. The amount of impervious surface is based on an Equivalent Runoff Unit (ERU) of 3,400 square feet. The stormwater utility fee will be a monthly charge that will go into effect on July 1, 2014 and will be billed along with the water bill. Chapter 13.16 has also been crafted for consistency with Village Code Chapters 13.04, 13.08 and 13.12, which govern the Village's water, electric and sanitary sewer utilities.

The attached Agenda Report discusses the ten policy issues considered by the Village Council on October 1st, and explains where and how each policy issue is addressed in the Ordinance. The policy discussion is followed by a section-by-section explanation of MC-2-2014 and how new Chapter 13.16 relates to the Village Code's Water, Electric and Sewer provisions. The final section of the Agenda Report outlines the next steps in establishing the new utility and stormwater charge, including resolving policy issues, adopting the ordinance, setting rates, and issuing sample bills.

Recommendation / Suggested Action:

Consider a motion to introduce Ordinance MC-2-2014, titled "An Ordinance Adding a New Chapter 13.16 to Title 13 and Making Related Amendments to the Winnetka Village Code to Establish a Stormwater Utility."

Attachments:

Agenda Report
Ordinance MC-2-2014
Attachment 1 – MFSG Table of Policy Issues
Attachment 2 – Minutes of October 1, 2013, Council Meeting
Attachment 3 – MFSG Sample Credit Provisions

Policy Issues

This section addresses the policy issues discussed at the October 1st Council meeting, with cross-references to (i) related sections of new Chapter 13.16, (ii) corresponding pages of Ordinance MC-2-2014, and (iii) the references materials listed at the end of this Agenda Report.

1. **Impervious area.** The method for assessing stormwater fees is based on the extent of impervious area on any given property, as impervious areas contribute directly to runoff. The Council therefore considered what types of impervious areas should be included in calculating the amount of impervious surface on any given property and accepted MFSG's recommendation to capture all impervious features. That policy directive is reflected in the definitions of "Equivalent Runoff Unit (ERU)" and "Impervious Area," as well as in new Section 13.16.070, which bases the utility fee on ERUs, and the Section 13.16.120, which describes how the impervious area database is developed. (Ordinance, pp. 3, 5, and 7)

2. **Semi-pervious area.** The Council also considered whether features such as areas with un-compacted gravel, dirt, stone, or similar material should be treated as partially impervious and included in calculating the ERUs for the master billing file. Because the Village's GIS system does not calculate these features, MFSG did not recommend measuring semi-impermeability, given the uncertainty of the data available and the additional layer of administrative complexity that it would add to determining ERUs. It is therefore not addressed in Ordinance MC-2-2014.

3. **Billing for multi-family and commercial properties.** Because multi-family and commercial properties have meters for either electric, water, or both services together, the Council considered how the Village should bill for those properties. The Council accepted MFSG's recommendation to include the stormwater charge on water bills.

Billing procedures are addressed in new Code Section 13.16.080. Subsection A provides for stormwater charges to be included on customers' utility bills. Multi-family and commercial properties are addressed in Subsection B, which provides for joint and several liability for payment among the owners, occupants and customer of record. (Ordinance, pp. 5-6) Staff will be closely re-examining this section prior to adoption to assure that it adequately covers multi-family and commercial properties.

4. **Billing for parcels with no utility service.** There are properties in the Village with impervious area that are not linked to water and/or electric service accounts, and the Council agreed with MFSG's recommendation to generate separate stormwater bills for such parcels. Paragraph 2 of Subsection 13.16.080 addresses this circumstance. (Ordinance, p. 5)

5. **Impervious area for private roads.** In discussing the allocation of impervious area, the Council considered how impervious area on private roads should be allocated. The Council agreed with MFSG that the amount of road area within a parcel's boundaries should be included in calculating the ERUs. Ordinance MC-2-2014 therefore does not exclude private streets from the definition of Impervious Area or from the impervious area database, and it does not include private roads among the exemptions for streets. (See Issue 7, below.)

6. Impervious area allocation for multifamily and commercial properties with individual water service. Some of these properties are on the same parcel but have multiple water meters. The Council accepted MFSG’s recommendation to divide the impervious area allocation equally for multi-family and commercial properties that have multiple water service meters. This is partially addressed by Section 13.16.080 (see Issue 3, above) and will be implemented through the Rate Resolution, which will flesh out the details on all rates.

7. Exemptions. MFSG reported to the Council that most stormwater fees apply to all property types, except for public roads and rights-of-way, and recommended that only public roads and rights-of-way be exempt from the Village’s stormwater fee. The Council agreed. That policy determination is reflected in subsection A of new Section 13.16.130, which exempts dedicated public rights-of-ways, such as roadways, sidewalks and alleys, from the stormwater fee. (Ordinance, p. 7)

8. Parcels with minimal or no impervious area. The Council considered whether areas within the Village that are vacant or that have minimal impervious area should be subject to the stormwater fee, and accepted MFSG’s recommendation that only parcels with an impervious area over 170 square feet (1/10th ERU) be billed. Subsection A of new Section 13.16.070 provides for measurement in 1/10th increments of the ERU. (Ordinance, p. 5)

9. Stormwater fee credits. A stormwater fee credit is a reduction in the fee charged to a qualifying property in return for on-site stormwater management that may reduce the Village’s stormwater expenditures. MFSG recommended that the Village continue to explore offering credits, in two instances:

- i. A credit of up to 25% for non-residential parcels that provide on-site stormwater management that: (i) exceeds the current Village standards; (ii) provides stormwater detention that reduces the peak runoff rate; and (iii) provides stormwater retention that reduces the total quantity of runoff from the site.
- ii. A credit of up to 50% for any parcel that directly discharges outside the Village system.

MFSG’s October 1st report provided detailed information on credit programs in seven Illinois municipalities that impose a fee based on impervious surface, as recommended by MFSG and reflected in MC-2-2014. The analysis included the credit and incentive program in the City of Rock Island, which had been challenged in court and upheld as a fee. None of the other stormwater fees in the analysis have been challenged.

MFSG’s suggested credit provision can be found in Attachment 3. Because there has been no final policy direction on the issue of credits, Ordinance MC-2-2014 does not include a credit provision. However, it should be noted that new Section 13.16.130 contains an exemption provision that would authorize (but not mandate) the Village to enter into agreements in unique situations where an institutional user provides “significant stormwater management assistance” through providing additional stormwater detention, donating land or making a capital contribution. (Ordinance, p. 7)

It should also be noted that the issue of credits is relevant to addressing the assertion, raised in both public comment and letters to the Council, that the proposed stormwater utility fee is a tax. The same argument was made, without success, in the City of Rock Island case. (*Church of Peace v. City of Rock Island*, 357 Ill.App.3d 471, 828 N.E.2d 1282, 293 Ill.Dec. 784 (3rd Dist. 2005).

10. Incentives. Incentives are one-time reimbursements/rebates for the installation of features that reduce runoff and can result in stormwater credits. Typical programs provide incentives for such features as rain barrels, rain gardens, permeable pavement, etc., to encourage participation in stormwater management. Rain gardens and permeable pavement have been found to provide the additional benefit of improving the quality of runoff, as the ground and permeable pavement also filter the stormwater.

As recommended by MFSG, and as is done in the typical incentive program, the Village controls the program in three ways: (i) by defining the features or activities that are eligible for incentives, (ii) by capping the amount of the individual incentives, and (iii) by budgeting a maximum amount that would be available for incentives in any given year, so that once incentive funds are spent, no further incentives would be allowed in that budget year. Because incentives are incorporated into the budget, the incentive decision can be made each year, based on Village-specific data as to extent of participation, effectiveness, and impact on the stormwater utility budget.

As with the issue of credits, the Council deferred a final decision on incentives, to allow additional information to be gathered. Therefore, the Ordinance MC-2-2014 does not include an incentives provision. As noted above, in the discussion of credits, MFSG’s draft Code provision can be found in Attachment 3 to this Agenda Report.

Section-by-Section Analysis of Ordinance MC-2-2014

The following analysis goes through each section of Ordinance MC-2-2014. In the first column, numbers preceded by the word “Section” refer to the Section numbers in the Ordinance. The indented numbers preceded by the section symbol (§) refer to sections in the Winnetka Village Code (WVC).

Section	Description
Preamble	The preamble contains recitals that serve both as the Council’s legislative history and as a demonstration of the Village’s intent to operate the stormwater system as a fee for service utility rather than as a tax-financed general municipal service.
Section 1	Incorporates the recitals in the preamble as the Council’s findings.
Section 2	Adds Chapter 13.16, “Municipal Stormwater Utility,” to the Winnetka Village Code

Section	Description
§ 13.16.010	Legislative finding, policy and purpose. Section 13.16.010 then restates the Council’s intent as part of the Village Code, in statements of legislative findings, the policy that underpins the creation of the utility, and a statement of the purpose of the stormwater utility.
§ 13.16.020	Definitions. The definitions address the components of the stormwater system and define the utility itself. The definitions also distinguish between developed and undeveloped land, and between land that uses the stormwater system and land that discharges directly to a natural outlet. The two most significant defined terms are “Equivalent Runoff Unit (ERU),” which is set at 3,400 square feet of impervious area, and “Impervious Area,” which provides examples of impervious surfaces.
§13.16.030 and §13.16.040	These two sections establish the stormwater utility, define its scope, and provide for the utility to be operated by the Public Works Department.
§ 13.16.050 and §13.16.060 §13.16.050 §13.16.060 §13.16.060 (cont’d)	<p>These two provisions are drawn from Chapters 13.04 (Water) and 13.08 (Electricity).</p> <p>Section 13.16.050 authorizes the Village Manager to establish rules and regulations for the stormwater utility. Its counterparts for the water and electric utilities can be found in Village Code Sections 13.04.020 and 13.08.020, respectively.</p> <p>Section 13.16.060 provides for users of the stormwater system to be charged rates, fees and charges, as of July 1, 2014. The rates, fees and charges are to be established by Village Council resolution, following the same two-step process of introduction and adoption that is followed for water and electric fees. The corresponding provisions for the water and electric utilities are in Village Code Sections 13.04.040(A) and 13.08.040(A).</p>
§ 13.16.070	<p>This section defines the stormwater fee and its basis in impervious surface, as measured in ERUs, rounded to the 10th of an ERU. This section also establishes two components of the stormwater utility fee: the Base Fee for debt services, and a separate fee or fees for operational expenses. Section 13.16.070 also clearly limits the Base Fee for 2014 to one-half of the debt service costs, since it will be in effect only for the second half of the year.</p> <p>The ERU is used to determine the Base Fee, which is the amount to be charged per month per ERU in order to produce the amount of principal and interest that will be due and payable in the fiscal year for which the Base Fee is calculated. This allows the stormwater rate resolution to be adopted annually, in conjunction with the other rate resolutions. The</p>

Section	Description
§ 13.16.070 (cont'd)	amount of annual debt service for the Series 2013 and 2014 bonds is set by the ordinances that authorized the bonds, so the amount to be included in the Base Fee can be easily identified.
§ 13.16.080	Billing and collection procedures. This section establishes the billing and collection procedures, allows the stormwater bills to be issued with the other utility bills, and provides for issuance of bills for parcels not linked to a utility account. It also prescribes how payments will be applied to the user's account.
§ 13.16.090	Effect of nonpayment. This section is based on Sections 13.04.060, 13.08.060 and 13.12.010(B) and (C), which pertain to the water, electric and sewer utilities.
§ 13.16.100	Adjustments to stormwater fee. This section establishes the procedure for requesting an adjustment to the stormwater fee, based on an incorrect classification of the property, errors in square footage, mathematical errors, or errors in identifying the owner.
§ 13.16.110	Stormwater utility fund. This section requires all revenues for the stormwater utility to be deposited in the stormwater fund and provides for the Finance Director to maintain and report on the utility's financial records.
§ 13.16.120	Impervious area database. This section describes the database used in determining the number of ERUs on any given parcel.
§ 13.16.130	Exemptions. This section allows for the Village to enter into agreements to exempt certain institutional users from all or part of the stormwater charges in return for their providing "significant stormwater management assistance" to the Village, through providing additional stormwater detention, donating land, or making capital contributions. The provision unequivocally reserves the Village Council's "sole and exclusive right and discretion" to determine when to enter into such agreements.
§ 13.16.140	Stormwater service connections. This provision establishes the process whereby individual property owners may be allowed to connect to the Village's stormwater system. It is based on Section 13.04.100 of the Code, which pertains to water connections.
§ 13.16.150 and § 13.16.160	These two provisions prohibit interference with the Village's stormwater system, establish liability for damage to the stormwater system, and reserve the Village's rights to recover costs of repairs. Section 13.16.160 is based directly on Section 13.04.105.

Section	Description
Section 3	Amends WVC Chapter 1.04, “General Provisions.”
§ 1.04.140(A)	This amendment inserts a reference to stormwater in the definition of delinquent accounts in WVC § 1.04.140 of the Village Code’s general provisions
Section 4	Amends WVC Chapter 2.48, “Finance Department.”
§2.48.010 to §2.48.050	<p>This section contains non-substantive and substantive amendments to Chapter 2.48.</p> <p>Non-substantive amendments: The non-substantive amendments restructure the chapter, which is currently a single section, by assigning separate section numbers to what are now subsections. This restructuring mirrors the other chapters in Title 2 and facilitates searches, as only section numbers are listed in the table of contents.</p> <p>Substantive Amendments: The two substantive amendments insert the word “stormwater” in paragraphs 6 and 8 of what is now Section 2.48.050.</p>
Section 5	Amends WVC Chapter 2.64, “Department of Public Works.”
§2.64.010 to §2.64.040	<p>This section contains non-substantive and substantive amendments to Chapter 2.48.</p> <p>Non-substantive amendments: The chapter has been restructured in the same manner as Chapter 2.48.</p> <p>Substantive amendment: The only substantive amendment is in the addition of a new paragraph 6 in what is now Section 2.64.040, to place the operation and maintenance of the stormwater utility system in the Department of Public Works.</p>
Section 6	Boilerplate: Refers to the Village’s exercise of its home rule powers.
Section 7	Boilerplate: States that the Ordinance is to be effective immediately.

Implementation Steps

Following introduction of Ordinance MC-2-2014, several more steps will be necessary to fully implement the Village’s Stormwater Utility. Some of those steps hinge on Council policy decisions, while others are purely administrative.

1. Resolve policy issues. The key policy issue that remains is whether to provide for any credits or incentives in the Village’s stormwater management program. This issue should be resolved before Ordinance MC-2-2014 is adopted, as it may warrant amendments. To assist the Council in that discussion, staff will compile all relevant information from prior agenda packets

for a comprehensive discussion at the next study session. In addition, to assure that Staff has been fully responsive to the Council, Staff requests that the Council identify what additional information it would like to see.

2. Adopt Ordinance MC-2-2014. Assuming that the policy issues have been resolved, Ordinance MC-2-2014 will be placed on the Council’s February 18, 2014, for amendment as necessary to reflect the Council’s latest discussions, and for final adoption.

3. Adopt Rate Resolution. The first rate resolution for the Stormwater Utility will set the long-term framework for the stormwater fees and will formally flesh out the calculation of ERUs, the revenue requirement for 2014, the details of the total number of ERUs, and how the actual charges will be determined.

As with Chapter 13.16, the Rate Resolution will be patterned after the rate resolutions for the Village’s other utilities. In addition, like the other rate resolutions, the Stormwater Rate Resolution will be introduced at one meeting and adopted at the next.

The Rate Resolution cannot be acted on until Ordinance MC-2-2014 has been adopted. However, to assure that the Rate Resolution is fully consistent with the Council’s policy directives, Staff suggests presenting a preliminary draft of the Rate Resolution for Council review and consideration at the next study session. It can then be placed on the Council’s February 18th agenda for introduction, and on the March 4th agenda for adoption.

4. Administrative Implementation. Following the Council’s final legislative acts, Staff would proceed with implementing the impervious area database and doing whatever programming is necessary so that sample bills could be sent to customers well in advance of the July 1, 2014, when the stormwater charges would go into effect.

Attachments:

Ordinance MC-2-2014

Attachment 1 – MFSG Table of Policy Issues

Attachment 2 – Minutes of October 1, 2013, Council Meeting

Attachment 3 – MFSG Sample Credit Provisions

Recommendation:

- 1) Consider a motion to introduce Ordinance MC-2-2014, titled “An Ordinance Adding a New Chapter 13.16 to Title 13 and Making Related Amendments to the Winnetka Village Code to Establish a Stormwater Utility.”

**AN ORDINANCE
ADDING A NEW CHAPTER 13.16 TO TITLE 13
AND MAKING RELATED AMENDMENTS
TO THE WINNETKA VILLAGE CODE
TO ESTABLISH A STORMWATER UTILITY**

WHEREAS, the Village of Winnetka (“Village”) is a home rule municipality in accordance with Article VII, Section 6 of the Constitution of the State of Illinois of 1970 and, pursuant thereto, has the authority, except as limited by said Section 6 of Article VII, to exercise any power and perform any function pertaining to the government and affairs of the Village, including the power to regulate for the protection of the public health, safety and welfare; and

WHEREAS, the Village owns and operates a system of storm sewers, drains, pipes, pump stations and outlets that collects stormwater that drains from properties located within the corporate limits of the Village and transports that stormwater for delivery into open watercourses (“Stormwater System”); and

WHEREAS, the principal watercourses that drain stormwater runoff from the Village are the Skokie River and Lake Michigan; and

WHEREAS, in response to a series of storms that inundated numerous areas of the Village, the Village has embarked on the development and implementation of a stormwater management plan that provides for a series of capital improvements, upgrades and additions to the Stormwater System throughout the Village (“Stormwater Projects”); and

WHEREAS, the Winnetka Village Council (“Village Council”) finds and determines that, due to the high cost of some of the Stormwater Projects and the long life of stormwater facilities once they are in place, it is in the best interests of the Village and its residents that the cost of the Stormwater Projects be spread over a long period of time, so that, to the extent reasonably possible, the Stormwater Projects are paid for as the improvements are used and current users of the Stormwater System do not pay for the use of the Stormwater System by future users; and

WHEREAS, the Village Council finds and determines that, in order to provide an effective and long term approach to stormwater management within the Village, it is necessary to provide an adequate and stable revenue stream for the Stormwater Projects and for the operation and maintenance of the Stormwater System; and

WHEREAS, the Village Council finds and determines that all land in the Village contributes to stormwater runoff and either uses or benefits from the maintenance of the Stormwater System; and

WHEREAS, the Village Council finds and determines that it is in the best interests of the health, safety and general welfare of the Village and its residents that the Stormwater System be operated as a municipal utility that is funded through user fees rather than property taxes; and

WHEREAS, the Village Council finds and determines that owning and operating the Stormwater System, and financing the operation, maintenance and improvement of the

Stormwater System through user fees, are matters pertaining to the government and affairs of the Village.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Winnetka, as follows:

SECTION 1: The foregoing recitals are hereby incorporated as the findings of the Council of the Village of Winnetka, as if fully set forth herein.

SECTION 2: Title 13 of the Winnetka Village Code, “Municipal Utility Services,” is hereby amended by adding a new Chapter 13.16, which shall be titled “Stormwater Utility System” and shall provide as follows:

Chapter 13.16 Stormwater Utility System

Sections:

- | | |
|------------------|---|
| 13.16.010 | Legislative findings, policy and purpose. |
| 13.16.020 | Definitions. |
| 13.16.030 | Stormwater utility established. |
| 13.16.040 | Scope of responsibility of stormwater utility. |
| 13.16.050 | Rules and regulations. |
| 13.16.060 | Charges for stormwater utility service. |
| 13.16.070 | Stormwater utility fee. |
| 13.16.080 | Billing and collection procedures. |
| 13.16.090 | Effect of nonpayment of bill. |
| 13.16.100 | Requests for adjustment of the stormwater utility fee. |
| 13.16.110 | Stormwater utility fund. |
| 13.16.120 | Impervious area database. |
| 13.16.130 | Exemptions from stormwater utility fee. |
| 13.16.140 | Stormwater service connections. |
| 13.16.150 | Interference with stormwater system. |
| 13.16.160 | Responsibility for damage to stormwater system. |

Section 13.16.010 Legislative findings; policy and purpose.

A. Legislative findings. The Village Council finds:

1. that all real property in the Village contributes to runoff and either uses or benefits from the maintenance of the stormwater system;

2. that, in order to provide an effective and long term approach to stormwater management within the Village, it is necessary to provide an adequate and stable revenue stream for the construction, maintenance, operation and improvement of the Village of Winnetka stormwater system; and

3. that it is in the best interests of the health, safety and general welfare of the Village, its residents and property owners, that the Village of Winnetka stormwater system be operated as a municipal utility that is funded through user fees.

B. Statement of policy.

1. It is the policy of the Village of Winnetka to provide a dedicated funding source for the construction, maintenance, operation and improvement of stormwater facilities in the Village, so that the Village is able to proactively manage stormwater for the benefit of all residents and owners of real property within the Village.

2. It is the policy of the Village of Winnetka that, except as provided in this chapter, the owner or owners of any real property in the Village that uses or benefits from the Village's stormwater system be charged a stormwater utility fee, whether or not the owner or parcel is exempt from taxation.

C. Purpose. The purpose of this chapter is to establish a stormwater utility to protect the public health, safety and welfare of the residents of the Village of Winnetka from damage to property and local waterways from stormwater runoff and floods, through the construction and operation of flood reduction and control facilities, and through water quality management and floodplain management. It is also the purpose of this chapter to provide an effective and long-term approach to stormwater management within the Village by identifying and providing an adequate and stable funding source for stormwater management.

Section 13.16.020 Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.

Developed Land means a parcel within the corporate limits of the Village that has been altered from its natural state by the addition of impervious area.

Direct Discharge means the conveyance of stormwater runoff directly from a parcel of property to a receiving stream or Lake Michigan, without using any part of the stormwater system.

Equivalent Runoff Unit (ERU) means the base billing unit for the stormwater utility fee, used as an index to compare runoff generated by different types and uses of parcels with different stormwater runoff characteristics. One ERU is defined as the runoff generated by a typical single family residential parcel and shall equal three thousand four hundred (3,400) square feet of impervious area or any fraction thereof.

Impervious Area means the area within a parcel that prevents or significantly impedes the infiltration of stormwater into the soil. Impervious areas shall include, but are not limited to buildings, roofed structures, paved areas, walkways, driveways, parking lots, patios, decks, swimming pools, and similar non-porous areas.

NPDES or National Pollutant Discharge Elimination System means the national permitting program implemented under the Clean Water Act.

Parcel means an area of land within the corporate limits of the Village that has been established by a plat or other legal means and has been assigned a Property Index Number (PIN) by the County of Cook, Illinois.

Stormwater Service Connection means such pumps, pipes, drains and other appurtenances necessary to drain and channel runoff from any parcel into the Village of Winnetka stormwater system.

Stormwater System, or Village of Winnetka Stormwater System, means the system of conveyances owned and operated by the Village and designed for or used in the collection, control, transportation, treatment or discharge of stormwater, including but not limited to storm sewers, storm drains, curbs, gutters, ditches, detention ponds or basins, dams, river impoundment, manmade channels or storm drains, and flood control facilities, and any appurtenances thereto.

Stormwater Utility means the Village of Winnetka stormwater utility established by this chapter for the management, operation, maintenance, engineering, planning and capital investments related to the stormwater system.

Undeveloped Parcel means a parcel of land that remains in its natural state with no impervious area.

User means the owner of a parcel that uses, benefits from or connects to the Village's stormwater system.

Section 13.16.030 Stormwater utility established.

A. Stormwater Utility. The Village hereby establishes a stormwater utility to provide for the management, operation, maintenance, engineering, planning, construction, enhancement and rehabilitation of the Village's stormwater system, as defined in this chapter.

B. Terms and Conditions of Service. All stormwater management service within the Village shall be provided in accordance with the provisions of this chapter and the rules and regulations promulgated pursuant to this chapter.

Section 13.16.040 Scope of responsibility of stormwater utility.

A. The stormwater utility shall be responsible for the operation, maintenance, management and improvement of the stormwater system owned by the Village in accordance with all applicable permits, licenses and regulations, including all activities required by the NPDES Stormwater Permit.

B. The Village of Winnetka stormwater utility shall be operated by the Department of Public Works established in Chapter 2.64 of this code.

Section 13.16.050 Rules and regulations.

The Village Manager shall adopt such rules and regulations as may be necessary to give effect to and explain the provisions of this chapter. The Director of Public Works shall make recommendations to the Village Manager regarding the content of the rules and regulations and shall enforce the rules and regulations once they are adopted.

Section 13.16.060 Charges for stormwater utility service.

A. Establishing Rates and Fees. Effective July 1, 2014, the owner of any parcel that uses, benefits from or connects to the stormwater utility shall be charged for such service in accordance with rates, fees and charges established from time to time by resolution of the Village Council. All resolutions setting or amending rates, fees and other charges for stormwater utility service shall be introduced at one meeting and adopted at a subsequent meeting.

B. Basis of Rates and Fees. The stormwater utility fee shall be based on the extent to which each parcel creates a need for stormwater management; the amount of impervious area on each parcel; and the cost of operating, maintaining, and improving the stormwater system.

Section 13.16.070 Stormwater utility fee.

A. Fee Imposed. A stormwater utility fee is hereby imposed on the owners of property in the Village. The stormwater utility fee for all parcels in the Village shall be based on the measured number of ERUs on the parcel, rounded to the nearest 10th of an ERU. Parcels with an impervious area of 170 square feet or less shall not be subject to the stormwater utility fee.

B. Fee Resolution. The stormwater utility fee shall be set by resolution as provided in section 13.16.060 of this Chapter

C. Fee components. The stormwater utility fee shall consist of the sum of the following:

1. Base Fee. The base fee shall be the amount to be charged each month per ERU in order to produce the amount of principal and interest on any outstanding stormwater utility system debt that is due and payable during the fiscal year for which the Base Fee is calculated. Notwithstanding the foregoing, the Base Fee for 2014 shall be that portion of principal and interest on outstanding stormwater utility system debt that will become due and payable in the second half of the 2014 Fiscal Year.

2. Such other rates, fees and charges that the Village Council determines are necessary to recover all costs related to operating, maintaining and improving the stormwater system utility.

Section 13.16.080 Billing and collection procedures.

A. Issuance of bill. The Finance Department shall issue all bills for stormwater utility fees.

1. For users of the stormwater system that have an existing utility account with the Village, the Finance Department may include the stormwater utility fee on the same statement issued for such other utility service.

2. The Finance Department may issue a separate bill to the owner of any parcel that does not have an existing utility account with the Village. If the owner of such parcel has not provided the Finance Department with a billing address, then the Finance Department may mail the stormwater utility bill to the same person who receives property tax bills for that parcel.

B. Responsibility for payment. The owner of any parcel, building or premises and the occupant thereof and the customer of the utility service of said system shall be jointly and severally liable to pay for such stormwater utility fee for said premises.

C. Application of payments. If the stormwater utility fee is included on a common statement and the user does not pay the total amount due on the statement, the payment shall be applied first to the stormwater utility fee. If any amount on a utility bill is past due, the payment will first be applied to such past due amounts.

Section 13.16.090 Effect of nonpayment of bill.

A. Additional Charges for Failure to Pay Bill. If any bill for stormwater service is not paid by the date due, as shown on the utility bill, a late payment penalty of five percent shall be added to the bill and collected from the user.

B. Collection Costs. Any unpaid bill that is turned over for collection shall be subject to an additional charge, the amount of which shall be established by the Village Manager, upon the recommendation of the Finance Director, in an amount sufficient to recover the Village's costs of carrying and collecting the debt.

C. Unpaid Accounts Constitute Lien. All unpaid amounts of rates, fees and charges for stormwater utility service shall constitute a lien against the property to which service was provided, to the extent such lien is authorized by law.

D. Effect of Delinquent Accounts. All delinquent stormwater utility accounts shall be subject to the provisions of Section 1.04.140 of this code. In addition, no person with a delinquent stormwater utility account shall be allowed either a new utility service at another location in the Village, or a change or upgrade of the service at the premises for which the delinquent account has accrued, unless the account is paid in full.

Section 13.16.100 Requests for adjustment of the stormwater utility fee.

A. The owner of a parcel, or the owner's authorized agent, may request correction of the stormwater utility fee by submitting a written request to the Village Manager or his or her designee on or before the date payment is due. The owner of the parcel is solely responsible for initiating any review of the amounts of the stormwater utility fee. Grounds for correction of the stormwater utility fee include:

1. Incorrect classification of the property for purposes of determining the fee;
2. Errors in the square footage of the impervious surface area of the property;
3. Mathematical errors in calculating the fee to be applied to the property; and
4. Errors in the identification of the owner of a parcel subject to the fee.

B. The Village Manger shall make a determination within 30 days after receipt of the property owner's completed written request for correction of the fee. The Village Manager's decision on a request for correction of the fee shall be final.

C. Any owner of a parcel who submits a request for correction of a fee shall comply with all rules and procedures adopted by the Village and must provide all information necessary for the Village Manager to make a determination on the request for correction

of the fee. Failure to comply with the provisions of this subsection shall be grounds for denial of the request.

D. If an adjustment or correction is approved by the Village, the adjustment will be incorporated into the stormwater utility fee calculation for the specified parcel and will apply to the next regularly generated bill.

Section 13.16.110 Stormwater utility fund.

A. Revenues. All revenues from the stormwater utility fee shall be deposited in the stormwater utility enterprise fund and shall be used solely for the operation, maintenance, expansion and rehabilitation of the stormwater infrastructure as deemed appropriate by the Village Council.

B. Financial records. The Finance Director shall maintain and report on the financial records of the stormwater utility in accordance with generally accepted government accounting principles.

Section 13.16.120 Impervious area database.

The impervious area for all parcels in the Village is established by the Village. The Village shall maintain an impervious area database for all parcels within the Village which will serve as the basis for determination of the number of ERUs associated with each parcel. The database will be based on available information, including geographic information systems analysis, aerial photographs, mapping information, site examination and other available information, and will be periodically updated based on available information.

Section 13.16.130 Exemptions from stormwater utility fee.

A. Public Rights-of-Way. Dedicated public rights-of-way, such as roadways, sidewalks and alleys, shall not be subject to the stormwater utility fee.

B. The Village Council recognizes that, in certain unique circumstances, some institutions in the Village, such as schools, parks and churches, have sufficient resources that, in addition to complying with applicable stormwater detention requirements, they are also able to provide significant stormwater management assistance to the Village, through such actions as the donation of land for use in the stormwater system, significant capital contributions for the stormwater system or other such activities. The Village Council reserves the sole and exclusive right and discretion to enter into agreements with such owners to provide for such contributions to the Village's stormwater system, and to grant an exemption to such owners from all or part of the stormwater utility fee in exchange for such contribution.

Section 13.16.140 Stormwater service connections.

A. No stormwater service connection shall be installed, repaired, maintained or replaced except by a licensed plumber who has first notified the Public Works Department. All such work shall be subject to the approval of the Public Works

Department and shall be performed in accordance with the rules, regulations, standards and practices of the Public Works Department.

B. Any person who performs any work on a stormwater service connection shall first obtain a permit from the Village as provided in Title 15 of this Code. All such work shall be done in accordance with the terms of the permit authorizing the work and with the rules, regulations, standards and practices of the Public Works Department.

C. Penalties. Any person who engages in any work on a stormwater service connection that requires a permit, without first obtaining such permit, shall be subject to such additional fines, fees and penalties as may be set by the Village Council from time to time pursuant to Title 15 of this Code.

D. Responsibility of Owner. The installation, connection, alteration, maintenance, repair and replacement of stormwater service connections shall be at the sole expense of the owner of the premises to which the water service is supplied.

E. This section does not apply to work performed by employees of the Village.

Section 13.16.150 Interference with stormwater system.

A. No person shall alter, interfere with or disturb the stormwater system or appurtenances thereto without the permission of the Village Manager or his/her designee.

B. No person shall willfully or negligently break, injure or deface such stormwater system and appurtenances, or commit any act which is intended to or which shall obstruct or impair the intended use thereof.

Section 13.16.160 Responsibility for damage to stormwater system.

A. Damage to stormwater utility system. Any person who causes damage to any part of the Village's stormwater utility system shall be responsible for the cost of repairing such damage. The Village shall have the sole discretion and authority to determine the nature and extent of the damage and necessary repairs, the manner in which such repairs shall be done, and the persons who shall perform such repairs.

B. Damage to stormwater service connections. Any person who causes damage to any part of any service connection in the Village's stormwater utility system shall be responsible for the cost of repairing such damage. The Village shall have the sole discretion and authority to determine the nature and extent of the damage and necessary repairs, the manner in which such repairs shall be done, and the persons who shall perform such repairs. All such repairs shall be made by a licensed plumber in accordance with all applicable provisions of the rules, regulations, standards and practices of the Public Works Department.

C. Village rights reserved. The Village reserves all rights to recover the cost of repairing any damage to any part of the Village's stormwater utility system or to any part of any service connection in the Village's stormwater utility from the person or persons that caused the damage necessitating the repairs.

SECTION 3: Subsection A of Section 1.04.140, “Delinquent accounts,” of Chapter 1.04, “General Provisions,” of Title 1 of the Winnetka Village Code, “General Provisions,” is hereby amended to provide as follows:

A. Delinquent Account Defined. For purposes of this section, any account that is not current and for which the person owing the account has not entered into and remained in compliance with an enforceable payment plan pursuant to subsection C of this section, shall be considered to be a delinquent account. Such accounts shall include, but not be limited to, accounts with unpaid stormwater, water and electric fees, accounts with unpaid fees for false alarms, accounts with unpaid parking tickets, accounts with unpaid license or permit fees, and accounts with unpaid late fees or collection charges.

SECTION 4: Chapter 2.48, “Finance Department,” of Title 2 of the Winnetka Village Code, “Administration and Personnel,” is hereby amended in its entirety to provide as follows:

Chapter 2.48 FINANCE DEPARTMENT

Sections:

- 2.48.010 Creation of Finance Department.**
- 2.48.020 Finance Director.**
- 2.48.030 Bond.**
- 2.48.040 Compensation.**
- 2.48.050 Powers and Duties.**
- 2.48.060 Purchasing Agent.**
- 2.48.070 Requisitions for Supplies, Services and Materials.**
- 2.48.080 Approval of Village Bills.**
- 2.48.090 Local Tax Administrator.**

Section 2.48.010 Creation of Finance Department.

~~—A. Creation.~~ There is created the Finance Department, an administrative department of the Village. The Finance Department shall consist of a Finance Director and such other officers and employees as may be provided from time to time by the Council.

Section 2.48.020 Finance Director.

~~—B. Finance Director.~~ There is created the office of Finance Director, an administrative office of the Village. The Finance Director shall be appointed by the Village Manager.

Section 2.48.030 Bond.

~~—C. Bond.~~ Before entering upon the duties of the office of Finance Director, the Finance Director shall execute and file with the Village Clerk a bond with security to be approved by the Council. The bond shall be payable to the Village in the penal sum directed by resolution of the Council, and shall be conditioned upon the faithful

performance of the duties of the office of Finance Director, according to law and the ordinances of the Village. The premiums for such bond shall be paid by the Village.

Section 2.48.040 Compensation.

~~D. Compensation.~~ The compensation of the Finance Director shall be fixed by the Village Council, upon the recommendation of the Village Manager.

Section 2.48.050 Powers and Duties.

~~E. Powers and Duties.~~ The Finance Director shall be subject to the control and direction of the Village Manager and shall be head of the Finance Department. Subject to the approval of the Village Manager, the Finance Director shall have both control over all of the property and employees of the Finance Department and the power to appoint and remove such employees as may be required for the efficient operation of the Department. In addition to the duties required by state law, the Finance Director shall have the following duties, functions and responsibilities:

1. To assist the Budget Officer in the preparation of the annual budgets, and to prepare tax levy and tax abatement ordinances;
2. To supervise all expenditures of the Village and to maintain accurate records of such expenditures;
3. To keep the financial records of the Village;
4. To oversee all purchases made by the Village and to develop and recommend procedures for such purchases;
5. To prepare financial reports and statements;
6. To issue bills and collect fees for water, electric, sewer, refuse, stormwater and other services rendered by the Village;
7. To invest Village funds with the approval of the Treasurer;
8. To collect, and to maintain accurate records of, the following: all special assessments; all cash deposits required by the Village, including deposits for electric, sewer, ~~and~~ water and stormwater service; all fees for licenses and permits issued by the Village; and all payments of fines and fees, as provided in this code;
9. To collect late fees and to recover costs related to the collection of any unpaid or delinquent fees, fines, deposits or other payments due and owing to the Village;
10. To retain deposits and excess payments that may otherwise be subject to refunds, for the sole purpose of applying the retained amount to pay all or part of a delinquent account owed by the person making the deposit;
11. To develop and implement procedures to detect, prevent, and mitigate the impact of identity theft in accordance with section 4.04.020 of this Code and applicable federal laws, rules and regulations; and
12. To perform such other services as may be required by the Village Manager.

Section 2.48.060 Purchasing Agent.

~~F. Purchasing Agent.~~ The Finance Director shall be ex officio Purchasing Agent for the Village, and shall purchase all supplies, services and materials for use in all departments of the Village, pursuant to the written purchasing policy developed by the Village Manager as provided in this code.

Section 2.48.070 Requisitions for Supplies, Services and Materials

~~G. Requisitions for Supplies, Services and Materials.~~ Upon the receipt of a requisition made by the proper officer of any Village department in conformity with the purchasing policy for the purchase of any supplies, services or materials for use in that department, the Purchasing Agent shall issue a purchaser order, which shall be numbered and approved in accordance with the purchasing policy.

Section 2.48.080 Approval of Village Bills.

~~H. Approval of Village Bills.~~ All bills rendered against the Village will be certified as correct by the Finance Director and approved for payment by the Village Manager before being submitted to the Treasurer and the Council.

(Ord. MC-228-99 § 1 (part), 1999: prior code § 3.05)

Section 2.48.090 Local Tax Administrator.

~~I. Local Tax Administrator.~~ The Finance Director shall be ex-officio Local Tax Administrator for the Village, and shall be responsible for administering and collecting all locally imposed and administered taxes, as provided in the Local Taxpayers' Rights and Responsibilities Ordinance, Chapter 4.44 of this Code.

(MC-7-2008 § 2, Amended, 11/6/2008; MC-9-2000, Amended, 01/02/2001, Paragraph I added, Local Tax Administrator)

SECTION 5: Chapter 2.64, "Department of Public Works," of Title 2 of the Winnetka Village Code, "Administration and Personnel," is hereby amended in its entirety to provide as follows:

**Chapter 2.64
DEPARTMENT OF PUBLIC WORKS**

Sections:

- 2.64.010 Creation of Department of Public Works.**
- 2.64.020 Director of Public Works.**
- 2.64.030 Compensation.**
- 2.64.040 Powers and Duties.**

Section 2.64.010 Creation of Department of Public Works.

~~—A. Creation.~~ There is created the Department of Public Works, an administrative department of the Village. The Department of Public Works shall consist of a Director of Public Works and such other officers and employees as may be provided from time to time by the Council.

Section 2.64.020 Director of Public Works.

~~—B. Director of Public Works.~~ There is created the office of Director of Public Works, an administrative office of the Village. The Director of Public Works shall be appointed by the Village Manager.

Section 2.64.030 Compensation.

~~—C. Compensation.~~ The compensation of the Director of Public Works shall be fixed by the Village Manager, with the approval of the Council.

Section 2.64.040 Powers and Duties.

~~—D. Powers and Duties.~~ The Director of Public Works shall be subject to the control and direction of the Village Manager and shall be head of the Department of Public Works. Subject to the approval of the Village Manager, the Director of Public Works shall have both control over all of the property and employees of the Department of Public Works and the power to appoint and remove employees as required for the efficient operation of the Department. In addition, the Director of Public Works shall have the following duties, functions and responsibilities:

1. To maintain all public streets, alleys, roads, bridges, culverts, sidewalks and other structures pertaining to such public streets, alleys, roads, bridges, culverts, sidewalks and other structures in the Village;
2. To operate and maintain all public sewers and drains in the Village;
3. To maintain and protect trees located in the public streets and upon other public property;
4. To maintain all buildings, grounds and equipment belonging to the Village, except that which is expressly delegated to the supervision of other officers and departments;
5. To operate the municipal waste system in accordance with the provisions of Chapter 8.16 of this code.

6. To operate and maintain the stormwater utility system in accordance with the provisions of Chapter 13.16 of this code.

(Ord. MC-228-99 § 1 (part), 1999; Ord. MC-192-97 § 3, 1997; prior code § 3.09)

SECTION 6: This Ordinance is passed by the Council of the Village of Winnetka in the exercise of its home rule powers pursuant to Section 6 of Article VII of the Illinois Constitution of 1970.

SECTION 7: This Ordinance shall take effect immediately upon its passage, approval and publication as provided by law.

PASSED this ____ day of _____, 2014, pursuant to the following roll call vote:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED this ____ day of _____, 2014.

Signed:

Village President

Countersigned:

Village Clerk

Published by authority of the President and Board of Trustees of the Village of Winnetka, Illinois, this ____ day of _____ 2014.

Introduced:

Passed and Approved:

ATTACHMENT 1

MFSG TABLE OF POLICY ISSUES

October 1, 2013 Packet, Page 37

Policy Issue	Recommendation
What impervious area features should be included in the development of the master account billing file?	All impervious area features should be captured within the master account billing file.
Should semi-pervious area features be addressed in the Village stormwater billing file?	Semi-pervious features should not be included in the master account billing file.
How should the Village bill stormwater fees for multi-family and commercial properties?	Stormwater fees for all parcels in the Village should be included on the water utility bill.
How should the Village bill properties that do not currently receive a utility bill?	A separate stormwater bill should be established for parcels without utility service.
How should private road impervious area be allocated among parcels within the Village?	Private road impervious area should be allocated based on the amount of impervious area falling within the parcel boundaries.
How should the Village handle the allocation of impervious area for multi-family residential and commercial properties with multiple water service meters?	The Village should equally allocate impervious area for purposes of developing the stormwater bill for those parcels that receive individual water utility bills.
Should the Village exempt any parcels from the stormwater fee?	Only public roads and right-of-ways should be exempt from the stormwater as these properties serve as a key component of the stormwater system.
Should parcels with minimal or no impervious area be assessed a stormwater fee?	Only parcels with impervious area of greater than 170 square feet (a tenth of an ERU rounded down) should be assessed a stormwater fee.
Should the Village offer stormwater fee credits?	The Village should offer a limited credit program for non-residential on-site stormwater management and any parcel that discharges outside the Village system.
Should the Village offer stormwater incentives?	Stormwater incentives should be offered on a first come first served basis beginning in Fiscal Year 2015.

In most cases the actual numbers of parcels that are impact by each policy issue very are limited. The outlined credit program is the one policy issue which potentially has the most significant impact on the amount of the stormwater fee.

Recommendation:

Review MFSG’s report and recommendations and provide policy direction on each of the identified issues.

Attachments:

1. MFSG Policy Issue Report

ATTACHMENT 2

VILLAGE COUNCIL MINUTES

October 1, 2013

**MINUTES
WINNETKA VILLAGE COUNCIL
REGULAR MEETING
October 1, 2013**

(Approved: October 15, 2013)

A record of a legally convened meeting of the Council of the Village of Winnetka, which was held in the Council Chambers on Tuesday, October 1, 2013, at 7:00 p.m.

- 1) Call to Order. President Greable called the meeting to order at 7:00 p.m. Present: Trustees Arthur Braun, Jack Buck, Richard Kates, and Stuart McCrary. Absent: Trustees Joe Adams and Patrick Corrigan. Also present: Village Manager Robert Bahan, Assistant to the Village Manager Megan Pierce, Village Attorney Katherine Janega, Finance Director Ed McKee, Director of Public Works Steve Saunders, Director of Community Development Mike D'Onofrio, Assistant Planner Ann Klaassen, Cub Scout Den 7 from Crow Island School, and approximately 25 persons in the audience.
- 2) Pledge of Allegiance. President Greable led the group in the Pledge of Allegiance.
- 3) Quorum.
 - a) October 8, 2013 Study Session. All of the Council members present indicated that they expected to attend.
 - b) October 10, 2013 Budget Meeting. All of the Council members present indicated that they expected to attend.
 - c) October 14, 2013 Budget Meeting. All of the Council members present indicated that they expected to attend.
 - d) October 15, 2013 Regular Meeting. All of the Council members present indicated that they expected to attend.
 - e) October 30, 2013 Budget Meeting. All of the Council members present indicated that they expected to attend.
- 4) Approval of the Agenda. President Greable welcomed the members of Cub Scout Den 7 who were in attendance, after which Trustee Braun, seconded by Trustee Buck, moved to approve the Agenda. By roll call vote the motion carried. Ayes: Trustees Braun, Buck, Kates and McCrary. Nays: None. Absent: Trustees Adams and Corrigan.
- 5) Consent Agenda
 - a) Village Council Minutes.
 - i) September 10, 2013 Study Session.
 - ii) September 17, 2013 Regular Meeting.
 - b) Warrant Lists Nos. 1815 and 1816. Approving Warrant List No. 1815 in the amount of \$2,808,817.94, and Warrant List No. 1816 in the amount of \$471,476.31.
 - c) State Bid – Salt Purchase. Approval of the purchase of rock salt through the State of Illinois Cooperative purchasing program for \$51.69 per ton.

- d) Ordinance M-13-2013: 672 Maple Street Zoning Variation – Adoption. An Ordinance granting zoning variations to allow the replacement of the nonconforming screened porch and detached garage on the Subject Property.
- e) Resolution R-29-2013: Second Amendment to New Cingular Cell Site Agreement at 410 Green Bay Road – Adoption. A Resolution approving the second amendment to the 1996 license agreement with New Cingular Wireless PCS, for the use of the Public Safety Building monopole.

Trustee Braun, seconded by Trustee Buck, moved to approve the foregoing items on the Consent Agenda by omnibus vote. By roll call vote, the motion carried. Ayes: Trustees Braun, Buck, Kates and McCrary. Nays: None. Absent: Trustees Adams and Corrigan.

- 6) 2013 Winnetka Preservation Awards. Landmark Preservation Commission (LPC) Chair Louise Holland introduced her fellow Commissioners, Susan Curry, Beth Ann Papoutsis and Anne Grubb. She explained that the Preservation Awards program honors construction projects in the Village that preserve the character of the Village’s housing stock. This year’s winners are all rehabilitation projects that were sympathetic to each home’s original design and honored the building styles and materials.

Chair Holland presented the awards to: Tom and Georgie Geraghty, 661 Blackthorn; John and Tory Raith, 577 Cherry; and Mark and Melissa Iserloth, 823 Humboldt. Ms. Holland encouraged all Winnetkans who are engaged in a home rehabilitation to apply for a Preservation Award.

Trustee Kates congratulated the homeowners on their efforts to preserve their homes.

- 7) Stormwater Update.

- a) Stormwater Utility Implementation. President Greable explained that in May, the Village Council formally endorsed a Stormwater Improvement Program at an estimated cost of \$41.4 million, proposed to be funded with a combination of General Fund reserves and bonds, to be repaid with a stormwater utility fee. The Village has engaged Municipal & Financial Services Group (MFSG) to assist with policies and procedures related to the stormwater utility. MFSG has prepared a report identifying the major policy issues that are unresolved and require guidance from the Village Council.

Village Engineer Steve Saunders said implementation of the stormwater utility requires a number of policy decisions from the Council, which have been laid out on page 37 of the agenda packet. He introduced MFSG’s David Hyder, to review the report and discuss the open issues with the Council.

Mr. Hyder gave a presentation explaining the outstanding policy questions that need to be resolved, along with MFSG’s recommendations.

- 1. **Impervious area.** Method for assessing stormwater fees.
Policy issue: What impervious area features should be included for billing?
Recommendation: Capture all impervious features.
- 2. **Semi-pervious area.** Inclusion of areas comprised of uncompacted stone, dirt or similar material.
Policy issue: Should semi-pervious features be addressed in stormwater billing file?
Recommendation: Not recommended, given the uncertainty of the data available.

3. **Billing for multi-family and commercial properties.** Multi-family and commercial properties have meters for either electric, water, or both services together.
Policy issue: How should the Village bill for these properties?
Recommendation: Place stormwater fee for all Village parcels on the water bill.
4. **Billing for parcels with no utility service.** There are properties in the Village with impervious area that do not have water and/or electric service.
Policy issue: How should the Village bill these properties?
Recommendation: Generate separate stormwater bills for such parcels.
5. **Impervious area for private roads.** Allocation among parcels within the Village.
Policy issue: How should impervious area be allocated on private roads?
Recommendation: Allocate based on the amount of road area within each parcel's boundaries.
6. **Impervious area allocation for multifamily and commercial properties with individual water service.** Some of these properties are on the same parcel but have multiple water meters.
Policy issue: How should allocation be handled for these properties?
Recommendation: Divide impervious area allocation equally for multi-family and commercial properties that have multiple water service meters.
7. **Exemptions.** Most utilities include all property types, except public roads and rights-of-way.
Policy issue: Should any properties be exempt from the stormwater fee?
Recommendation: Exempt only public roads and rights-of-way.
8. **Parcels with minimal or no impervious area.** Limited areas within the Village that have little amount or are vacant.
Policy issue: Should these parcels be assessed a stormwater fee?
Recommendation: Assess only parcels with impervious area over 170 square feet (1/10 ERU).
9. **Stormwater fee credits.** A reduction in the fee charged to a qualifying property in return for on-site stormwater management that may reduce the Village's stormwater expenditures.
Policy issues: Should the Village offer stormwater fee credits?
Recommendation: Offer credits to: (i) non-residential parcels that provide on-site stormwater management exceeding the current Village standards, with a maximum credit of 25%; and (ii) any parcel that directly discharges outside the Village system, with a maximum credit of 50%.

10. **Incentives.** These are one-time reimbursements/rebates for the installation of stormwater credits such as rain barrels, rain gardens, permeable pavement, etc., to encourage participation in stormwater management.

Policy Issue: Should the Village offer stormwater incentives?

Recommendation: Offer an incentives program for parcel owners on a first-come, first-served basis, beginning in 2015.

Responding to a question about private roads, Mr. Saunders explained that private roads are not considered stormwater conveyances like public streets are, because private roads lack curbs and gutters, and are not maintained like public streets.

In answer to questions from the Council, Mr. Saunders recalled that at the last discussion on the issue of credits and incentives, the Council requested more information about how the mechanisms fit into a stormwater utility vs. a tax, and also how other stormwater utilities address the issue. He noted that credits encourage practices that reduce impacts on the stormwater system, and incentives foster behavior that is beneficial for stormwater quality.

Bob Footlik, speaking for his mother Sylvia Footlik at 1548 Tower Road: Mr. Footlik said believes the Northwest Winnetka stormwater project will exacerbate flooding in his mother's neighborhood.

Mr. Saunders said concerns of the Northwest Winnetka neighbors were heard at the last Stormwater Town Hall meeting, and that Christopher B. Burke Engineering, Ltd. (CBBEL) has been asked to reconfirm their hydraulic modeling. In addition, a meeting will be held with these neighbors to respond to their concerns, and no construction is scheduled to start in the area before spring of 2014.

Marc Hecht, 1096 Spruce Street: Mr. Hecht had questions about the credit and incentive aspects: i) clarify what a direct discharge to the lake is; ii) define "first-come, first-serve" and clarify whether there is dollar cap to an incentive program; and iii) how will the Village determine that detention ponds are actually working?

Mr. Hyder explained that direct discharge to the lake can be either a natural process or accomplished with pipes and an engineer would determine if 100% of the runoff drains to the lake; "first-come, first-served" means exactly what it says, and a dollar cap is proposed for any incentive program.

With regard to retention ponds, Mr. Saunders explained that the Village would confirm the calculated volume of detention, check the grading and water flow, and perform final inspections to measure that the restrictor pipe is in place correctly. He noted that credits are provided for volumes above the requirement on the building permit.

Martin Hirsch, 1578 Hazel Lane: Mr. Hirsch thought the incentives will be a loss leader for the Village and he added that the activities would be difficult for the Village to verify.

Geoff Higgins, 329 Woodland Avenue: Mr. Higgins asked if an incentive would be awarded to a property where the water goes into the gardens and not into the stormwater system.

Mr. Saunders answered in the affirmative, in the event that the Village offers an incentive program that includes rain gardens that are designed to absorb water.

Penny Lanphier, 250 Birch Street: Ms. Lanphier asked the Council if a final decision was being made tonight or if there would be more opportunity for public discussion.

Manager Bahan explained that Village Staff needs Council direction to proceed with the utility database so sample calculations could be provided to residents. Final approval of the utility will come before the Council at a future date, at which time there will be further opportunity for public discussion.

It was suggested that private road associations receive the utility bill for their roads and divide it among their members.

Mr. Saunders said that method would involve a more complicated computation, but that as long as it's a one-time only project and the Village does not get involved in a disagreement with a private road association, it should be possible.

The Council discussed the other open policy issues, finding consensus in all but the issues of credits and incentives. They agreed to proceed as recommended by MFSG on policy questions 1 through 8, and to tweak some components later, if necessary.

The Council discussed the credit and incentive options with Messrs. Hyder and Saunders, directing staff to defer these issues so staff could gather additional information. The fee calculator will be based on the other eight policy questions.

8) Ordinances and Resolutions.

a) Ordinance MC-6-2013: Adding Code Chapter 4.23 – Natural Gas Tax – Adoption.

Finance Director Ed McKee explained that a drop-off in natural gas revenues in the last few years, in conjunction with findings from a revenue audit performed Azavar, led to consideration of eliminating a tax differential that exists between the Village's natural gas users. Azavar recommended implementing a natural gas use tax for customers of out-of-state natural gas suppliers, so these users pay taxes similar to those paid by customers that use local suppliers.

Council discussion centered on the fee Azavar would collect as part of their contract with the Village for performing the audit and locating missing revenue. They did not feel the natural gas tax is something new that was uncovered, and should not be subject to Azavar's fee.

Mr. McKee said he would discuss the contract with the Village Attorney, do some additional research and bring the issue back to the Council.

9) Public Comment and Questions.

Mimi Turney, 854 Boal Parkway: Ms. Turney spoke on behalf of the 16 homeowners on Boal, who unanimously oppose the stormwater project for Northwest Winnetka as they believe it will increase flooding in their neighborhood.

Matthew Wendt, 607 Willow Road: Mr. Wendt urged the Council to ensure that building the tunnel will not further pollute the lake, as he believes beaches will be degraded by the stormwater outfall. He said a referendum is needed and commented that the Village has proposed minimal green infrastructure to mitigate stormwater pollution. He suggested using the post office land along with other Village open spaces to store stormwater.

Jim Haft, 850 Heather Lane: Mr. Haft spoke on behalf of the homeowners associations of Heather, Hickory and Hazel Lanes, who are all opposed to the Northwest Winnetka Project as they believe it will harm the natural habitat of the area; he also suggested minimal use of salt on the roads in winter.

Marc Hecht, 1096 Spruce Street: Mr. Hecht asked when President Greable's speeches from the Stormwater Town Hall meetings will be posted on the Village website, and he protested the format that Council agenda packets are placed on the website so that pages cannot be extracted.

Manager Bahan said Village Staff is in the process of compiling all of the information from the Stormwater Town Hall meetings for posting to the web and that information is being coordinated according to the Village President's direction.

Bob Gibson, 1550 Hazel Lane: Mr. Gibson asked the Council to re-evaluate the Northwest Winnetka Project.

Mr. Saunders reiterated that the Village has heard the concerns of neighbors in Northwest Winnetka, and will meet with them and look into their concerns to ensure that problems do not worsen in their area as a result of the Project. He explained that the purpose of tonight's meeting was to get guidance from the Council to be able to move forward with the stormwater utility calculator for residents.

Trustee Kates acknowledged that stormwater pollution to the lake was a concern raised at both Stormwater Town Hall meetings, and he suggested the Council examine the issue of coal tar sealant, which has been outlawed in several communities.

Trustee Braun said the Council takes residents' concerns very seriously and he encouraged the community to provide feedback. Regarding the issue of the tunnel polluting the lake, he asked for facts, not opinion, to be brought before the Council for its consideration. He noted that the Stormwater Implementation Plan has been two years in the making, and was undertaken after residents came to the Council after the July 2011 storm demanding a solution to flooding.

10) Old Business. None.

11) New Business. None.

12) Appointments.

- a) Trustee McCrary, seconded by Trustee Braun, moved to appoint Chuck Dowding as the Chair of the Environmental & Forestry Commission, effective immediately. By voice vote, the motion carried.
- b) Trustee Braun, seconded by Trustee McCrary, moved to re-appoint Lawson Whitesides to the Environmental & Forestry Commission, effective immediately. By voice vote, the motion carried.

13) Reports.

- a) Village President. No report.
- b) Trustees.
 - i) Trustee McCrary reported that at the Fire Pension Board last week, it was revealed that the return on investments over the last six months, one year, five years, and ten years was above the actuarial assumptions.
- c) Attorney. No report.
- d) Manager. No report.

14) Executive Session. None.

15) Adjournment. Trustee Braun, seconded by Trustee Buck, moved to adjourn the meeting. By voice vote, the motion carried. The meeting adjourned at 9:15 p.m.

Recording Secretary

ATTACHMENT 3

MFSG Draft Stormwater Utility Fee Credit Provision

Section xx.8. Stormwater utility fee credits.

The Village Council desires to encourage and recognizes the benefits of on-site stormwater management by individual property owners. As a result parcels shall be eligible to receive a stormwater utility fee credit based upon the requirements of the Village Stormwater Credit and Incentive Manual. Any credit allowed against the stormwater utility fee is conditioned upon continuing compliance with the Village Stormwater Credit and Incentive Manual.