



City of Fayetteville, Arkansas

113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Legislation Text

File #: 2024-1836

Approval of a resolution of intent to adopt Chapter 52, Stormwater Management and Water Quality Utility, of the City of Fayetteville Code or Ordinances establishing a Stormwater Management and Water Quality Fund, authorization to perform additional services and approval of a budget adjustment

A RESOLUTION OF INTENT TO ENACT A STORMWATER UTILITY ORDINANCE AND ESTABLISH A STORMWATER MANAGEMENT AND WATER QUALITY FUND, AUTHORIZE ADDITIONAL SERVICES RELATED TO IMPLEMENTATION AND PUBLIC OUTREACH, AND TO APPROVE A BUDGET ADJUSTMENT

WHEREAS, the Engineering Division, the City Council Stormwater Committee, and the City Council Water & Sewer Committee have studied our community's growing need to improve our stormwater management services; and

WHEREAS, with the help of a professional consultant with extensive experience in creating Stormwater Utilities supported by appropriate and fair utility fees, these City Council committees and Engineering staff have devised the fairest Stormwater Management Utility Fee possible and recommend this ordinance to the full City Council for passage; and

WHEREAS, the City Council has determined that the Stormwater Utility Fee is necessary to equitably and efficiently fund stormwater management services in order to provide for the safety, preserve the health, and promote the prosperity of Fayetteville residents, businesses, and institutions; and

WHEREAS, the City Council also agrees with and adopts all the purposes explained in § 52.01 – **Purpose** of the proposed new code section; and

WHEREAS, additional services authorized with this resolution of intent include development of the billing database and billing tool that would allow property owners and residents to view their proposed fee as a portion of the continued public outreach efforts, which could include engaging a consultant or additional temporary staff.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby expresses its intent to enact **Chapter 52 Stormwater Management Utility Fee** as shown in Exhibit A attached hereto and made a part hereof.

Section 2: That the City Council of the City of Fayetteville, Arkansas hereby approves a budget adjustment, a copy of which is attached to this Resolution, to appropriate funds for additional services including development of the billing database and a billing tool to allow property owners and residents to view their proposed fees.



MEETING OF MAY 21, 2024

TO: Mayor Jordan and City Council
THRU: Chris Brown, Public Works Director
FROM: Alan Pugh, Staff Engineer
SUBJECT: **Approval of a resolution of intent to adopt Chapter 52, Stormwater Management and Water Quality Utility, of the City of Fayetteville Code or Ordinances establishing a Stormwater Management and Water Quality Fund, authorization to perform additional services and approval of a budget adjustment**

RECOMMENDATION:

Staff recommends approval of a resolution of intent to adopt Chapter 52, Stormwater Management and Water Quality Utility, of the City of Fayetteville Code or Ordinances establishing a Stormwater Management and Water Quality Fund, authorization to perform additional services and approval of a budget adjustment.

BACKGROUND:

Like many cities throughout the state and nation, the City of Fayetteville experiences issues with management of its stormwater utility system. These issues stem from many sources including, but not limited to, compliance with the mandated Municipal Separate Stormwater System (MS4) requirements, aging infrastructure, maintenance of system capacity, personnel to perform systematic inspections and the lack of formal drainage systems in many older areas of the City. To address these concerns, the City has historically funded the stormwater program through the Sales Tax Capital Improvement Program (CIP) and the Street Fund for capital and operational/maintenance functions, respectively. However, there are many needs within the City that require funding from these sources and, at least in recent years, the funding for stormwater has been inadequate to comprehensively address stormwater management within the City. To develop a comprehensive solution, additional funding is required for personnel and equipment as well as multiple capital projects, many of which will require more than \$1 million dollars for each project. Given the current levels, it would take many years to address just one of those projects.

In June, 2018, the City Council recognized these needs and approved with a consultant contract for a feasibility study (Resolution 131-18) and amended that agreement on two occasions (Resolutions 209-19 and 250-19) to provide additional investigation and details. That study was completed in August of 2019 and updated in 2022 with more recent program costs, impervious area and associated fees. The Council also passed a resolution of intent to establish a stormwater utility in July of 2022 (Resolution 157-22)

DISCUSSION:

The study recognized several areas that are currently underfunded, with the gap between the funding and actual costs to provide the services increasing every year. These needs include categories such as:

- Operation and Maintenance
- Engineering and Planning

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- Regulatory Compliance
- Capital Improvement Projects

The costs associated with these categories were based on a level and extent of service agreed upon by council early in the program discussions as well as estimates of future regulatory compliance costs and expansion of the stormwater system as Fayetteville continues to grow. The costs associated with the recommended stormwater utility program can be found below.

Program Costs	Current Budget	Additional Needs	Total Program
Operation and Maintenance	\$998,441	\$1,508,000	\$2,506,441
Engineering and Planning	\$67,000	\$122,000	\$189,000
Regulatory Compliance	\$193,000	\$274,000	\$467,000
Stormwater CIP	\$200,000	\$913,400	\$1,113,400
Administrative	\$0	\$324,000	\$324,000
Total	\$1,458,441	\$3,141,400	\$4,599,841

In response to the completed study and the need to find a sustainable funding source for the stormwater management program, City staff has drafted Chapter 52, Stormwater Management and Water Quality Utility, for consideration by City Council. The proposed ordinance would establish an equitable funding source based on impervious areas, which can be directly correlated to the impact of any given property to the stormwater system. The fee is proposed to be billed to sewer users with the City limits in a tiered system. Properties with greater impervious areas would have a higher fee than smaller properties due to the increased impact to the system. If there are multiple sewer customers on a single property, the total impervious area would be allocated between those customers and the appropriate portion of the total fee billed to each customer.

Staff have worked closely with the City Attorney’s office throughout the process and has modified the program to address the concerns that have been raised. The City Attorney has expressed concern over the legality of billing federal, state and county governments, and recommended that they be exempted.

Staff has included a revised monthly fee that reflects this recommendation. The monthly fee is estimated to go to \$1.35 per billing unit with those exemptions, which is a slight increase from the \$1.30 per billing unit discussed previously. That change is reflected in the table below and in the attached draft of Chapter 52.

The proposed fee would provide funding, in addition to that already being allocated from existing sources, to operate and maintain as well as improve and expand the stormwater system. The fee tiers are as shown below.

Tier	Tier Range (by square footage of impervious area on a property)	Billing Units	Initial Monthly Fee (\$1.35 per unit)
1	0≤2,000	1.25	\$1.69

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2	>2,000 to ≤ 3,500	2.75	\$3.71
3	>3,500 to ≤ 5,000	4.25	\$5.73
4	>5,000 to ≤ 6,500	5.75	\$7.76
5	>6,500 to ≤ 8,000	7.25	\$9.79
6	>8,000	Per Calc	Billing Unit x Rate

This fee will close the existing funding gap and will fully fund a program to adequately manage stormwater within the City of Fayetteville. The proposed program presents a sustainable and equitable method of funding.

The additional services authorized with this proposal would include development of the billing database and billing tool that would allow property owners and residents to view their proposed fee as a portion of the continued public outreach efforts. This could include engaging a consultant and/or additional temporary staff. If a consultant is engaged, the contract for the services will be brought back to the council. However, council would be authorizing and to authorize the addition of up to 3.0 temporary full-time equivalent positions for the GIS and utility financial services to backfill existing employees related with the implementation of a Stormwater Utility with this resolution.

This would bring the City one step closer to implementing the program. The anticipated schedule moving forward would be for the billing tool to be available to the public by October of this year and for the council to consider the ordinance adopting the program prior to the end of the year with the goal of the fee being included on sanitary sewer bills by August of 2025. Additional funding is anticipated to be necessary at the time of adoption of Chapter 52 for aerial imagery and impervious data in order to establish the baseline of impervious area for the program.

BUDGET/STAFF IMPACT:

The proposal would initially generate approximately \$3 million in additional funding to be allocated to the Stormwater Management and Water Quality program.

ATTACHMENTS: SRF (#3), BA (#4), Exhibit A - Stormwater Management and Water Quality - Final Draft (#5), 2024-4 Letter of Support_Stormwater Utility_BWA (#6)

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Becky Roark
Executive Director, Beaver Watershed Alliance
PO Box 762
Elkins, AR 72727
Becky@beaverwatershedalliance.org
479-305-9701

April 10, 2024

City of Fayetteville Council Members
113 West Mountain St.
Fayetteville, AR 72701

RE: Support for Stormwater Utility

Dear City of Fayetteville Council Members,

I am writing to express strong support for the implementation of a stormwater utility in Fayetteville and its positive impact on the Beaver Lake watershed. Beaver Watershed Alliance is a 501c3 nonprofit watershed group, formed in 2011, working to protect, enhance and sustain Beaver Lake and the integrity of its watershed. We work closely with the City of Fayetteville and residents to engage the public in conservation stewardship, work alongside city staff to install green infrastructure and have celebrated many success stories in water quality achievements over the past decade. However, with the growth outpacing the resources for water quality protection and restoration needs, we believe that this initiative is crucial for the future of water quality in the Town Branch watershed and West Fork watershed, which are major tributaries to Beaver Lake, and an additional safeguard to keep high-quality drinking water rates low for residents.

Increased urbanization and land development have led to a rise in stormwater runoff, which poses significant threats to water quality and ecosystem health. Pollution from sediment, nutrients, and contaminants can degrade water quality, harm aquatic life, and jeopardize public health. Sediments are costly to the drinking water utilities to remove and dispose.

By implementing a stormwater utility, Fayetteville can take proactive measures to mitigate the adverse effects of stormwater runoff and protect the integrity of the Beaver Lake watershed. The revenue generated from a stormwater utility fee could be invested in critical infrastructure projects, including green infrastructure, detention pond management, and erosion control measures, which help to reduce runoff volume and pollutant loads. Additionally, funding can support educational programs and outreach efforts to raise awareness about the importance of watershed stewardship and encourage sustainable practices among residents and businesses.

We urge you, as members of the City of Fayetteville Council, to consider the positive outcomes from the implementation of a stormwater utility as a critical step towards safeguarding the Beaver Lake watershed and ensuring a sustainable future for generations to come. Your leadership and commitment to environmental stewardship will not only benefit our community and watersheds today but leave a legacy of conservation and responsible resource management in our region.

Thank you for your attention to this matter, and we look forward to seeing the City of Fayetteville continue as a leader in stormwater management and water quality protection.

Sincerely,

A handwritten signature in black ink, appearing to read "Becky Roark", with a long horizontal flourish extending to the right.

Becky Roark
Executive Director
Beaver Watershed Alliance
becky@beaverwatershedalliance.org