

1. Meeting Agenda

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2. Meeting Memoranda

Documents: [JANUARY 10 2013 BOARD OF DIRECTORS OF THE DEPARTMENT OF STORMWATER MANAGEMENT MEETING MEMORANDA.PDF](#)



**Meeting of the Board of Directors of the
Zionsville Department of Stormwater Management**

**Fireplace Room of the Zionsville Town Hall
January 10, 2013 at 4:00 pm**

Meeting Agenda

1. Opening Statements
2. October 16, 2012 Meeting Memoranda
3. Discussion of Town Council Input on Stormwater Utility Fee
4. Next Steps for Board
5. Closing Statements



**Meeting of the Board of Directors of the
Zionsville Department of Stormwater Management**

**Fireplace Room of the Zionsville Town Hall
January 10, 2013 at 4:00 pm**

Meeting Memoranda

1. Opening Statements

- a. President Patel called the meeting to order.
- b. Board members present– Sanjay Patel, John Connor, and Candace Ulmer who joined the meeting at approximately 4:30 pm
- c. CAC members present – Doug Vawter, Ken Woods
- d. Staff present– Lance Lantz, Gavin Merriman
- e. Town Council members present – Steve Mundy

2. Meeting Items

- a. Pres. Patel called for approval of the memoranda of the October 16th meeting of the Board. Vice Pres. Connor moved for approval and Pres. Patel seconded. Memoranda approved unanimously.
- b. Pres. Patel had requested that staff provide a list of comments from Council members from their January 7th meeting and also previously submitted comments. Pres. Patel read through the list, providing comment on each one and inviting discussion from other members of the Board and the CAC.
 - i. Councilor Schuler provided comment that the rate should reflect the distribution of services relative to the rural and urban service districts.
 1. Pres. Patel expressed concern that a rate based on town service districts may be arbitrary relative to the operations of the proposed utility and that he would want a legal opinion on such a rate structure.
 2. Mr. Woods had submitted written comments previously and based on his analysis of the budget, came up with approximately 60% of the services

applying to rural areas which is the same % that the CAC came up with in earlier deliberations.

3. Pres. Patel said he would support this approach as a compromise with the Council if necessary to move forward. However, a legal and defensible method for distinguishing between urban and rural along with the appropriate % reflecting distribution of services would need to be developed.
- ii. Councilor Ulmer provided comments on an alternative funding proposal that would establish multiple revenue streams including existing tax-based funding for 100, 200, and 300 series items through a new stormwater-specific tax stream under the levy, combined with a utility fee for 400 series applicable to only the urban district and then also exploring impact fees for new development and permitting fees to pay for plan review and construction inspections.
 1. Mr. Lantz explained restrictions for increasing revenue under the tax caps and current tax levy. He added that based on previous discussions with the town's financial consultant, H.J. Umbaugh and Associates, that this may not be legal given legal restrictions. There is also a significant cost involved in researching, establishing and administering each funding option proposed by Councilor Ulmer and there is a law of diminishing returns.
 2. Sec. Ulmer explained that her intent was to set up the Stormwater Department independently of the Street Department and ensure that all of consolidated Zionsville was paying for the 100-300 series elements while the Urban was solely responsible for paying for capital and infrastructure related costs.
 3. Mr. Lantz added that the tax-based approach may limit or not allow the generation of new revenue. On the issue of impact fees, he also explained the limitation of these fees under the enabling statute and the costs and difficulty associated with trying to establish the mechanism for implementation. For example, impact fees cannot be used to pay for addressing deficiencies in existing infrastructure nor can they be used for water quality initiatives by statute. Exploring this option would also require consultation with professionals at a cost.
 4. Sec. Ulmer said that her intent was to function similarly to the County Surveyor's office by establishing separate accounts for new developments through impact fees to be used later for infrastructure maintenance.
 - a. Mr. Lantz explained that county drainage boards have statutory authority to operate as they do which may not be afforded to the town.
 5. Pres. Patel stated that the establishment of a utility to only fund the 400 series does not justify the cost to set-up and administer a utility. Pres.

Patel discussed how an appropriate rural rate modifier could achieve the goal proposed by Sec. Ulmer in charging all of Zionsville for the 100-300 series while charging a higher rate to the urban areas to account for capital and infrastructure related services.

- a. Discussion ensued on how to best define urban vs. rural as the service district boundaries are established for taxing purposes and do not necessarily reflect urban and rural boundaries as it would related to stormwater management. The appropriate percentage would also have to be determined as to the services and proposed funding items that are applicable to the rural areas.
 6. Credits for water quality practices were discussed and President Patel restated a previous position that the Board has left open the possibility of adopting credits later but that it is premature to invest the resources given the status of the utility and also that credits would be for practices that go above and beyond what is already required.
 - iii. Councilor Suarez had requested a legal opinion on a recent US District Court case where the EPA was found to have overstepped its bounds in regulating water volume as a surrogate for water quality.
 1. Pres. Patel will approach Council President Papa for direction on expending funds to seek a legal opinion.
 - iv. Councilor Mundy had submitted several comments prior to the November 2012 joint meeting with the Board, CAC and Council regarding the urban and rural district stormwater services, how legal drain fees are related to the proposed utility and providing credits for county fee payers, uncertainty surrounding the demonstrable utility budget and lack of public awareness on what is being proposed for the utility.
 1. Pres. Patel and staff recapped previous discussions on these topics.
 - v. Pres. Patel directed staff to investigate a defensible urban and rural service district delineation methodology that could be effectively administered and reflected in the stormwater rate. He also would like a legal opinion from the town attorney on the legality of a different rural rate and to prepare a more detailed budget contemplating a three-year phase-in of the rate.
3. Meeting adjourned after a motion from Vice Pres. Connor and a second from Sec. Ulmer.