

1. Meeting Agenda

Documents: [FEBRUARY 11 2013 BOARD OF DIRECTORS OF THE DEPARTMENT OF STORMWATER MANAGEMENT MEETING AGENDA.PDF](#)

2. Meeting Memoranda

Documents: [FEBRUARY 11 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
February 11, 2013 at 4:30 pm**

Meeting Agenda

1. Opening Statements
2. January 10th Meeting Memoranda
3. Stormwater Utility Rate Discussion
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
February 11, 2013 at 4:30 pm**

Meeting Memoranda

1. Opening Statements

- a. President Patel called the meeting to order.
- b. Board members present– Sanjay Patel, John Connor
- c. CAC members present – Doug Vawter, Ken Woods
- d. Staff present – Gavin Merriman

2. Meeting Items

- a. Pres. Patel called for approval of the memoranda of the January 10th meeting of the Board. Vice Pres. Connor moved for approval and Pres. Patel seconded. Memoranda approved unanimously.
- b. The Board had directed staff at the previous meeting to develop an example three-year budget based on the proposed three-year rate phase-in and then use that budget to determine a defensible percentage of each line item and overall percentage of planned utility services that are applicable to the rural district. The percentage was then used to generate several rate scenarios reflecting a rural rate reduction. Pres. Patel asked Mr. Merriman to read through the budget line by line and explain each item.
 - i. Vice Pres. Connor asked why the budget does not show the building up of cash reserves to carry forward in each budget year.
 - ii. Mr. Merriman explained that for the purpose of the exercise, staff showed how the money would be spent based on 100% collections and spending all annual revenue. An actual budget would account for collection shortfalls and building up cash reserves accounting for approximately 50% of annual revenue based on standard utility budgeting practices.

- c. Mr. Merriman explained the percent reduction for the rural district assigned to each line item in the example budget. The percentage reflects the portion of each line item that staff feels is applicable to the rural district and then assigns a dollar value reduction for that item. Based on the example budget developed by staff, the resulting total percentage of services applicable to the rural district was 71% which would result in a 0.71 rural rate modifier if adopted.
 - i. Mr. Vawter pointed out that the percent reduction column is actually a percent reduction of the total amount of each item and does not reflect the percent contribution from the rural district relative to the urban.
 - ii. Pres. Patel inquired about IDDE requirements (outfall monitoring) in the rural district.
 - 1. Mr. Merriman explained that the town is only required to monitor its own infrastructure but that town-owned infrastructure is being built currently in the rural district. The Board had also made past commitments to conduct voluntary and as-needed monitoring to protect local waterways.
 - iii. Mr. Woods asked if street sweeping was only conducted on roads with curbs.
 - 1. Mr. Merriman explained that street sweeping is most effective on curbed streets where the material is able to accumulate and be swept/collected.
 - iv. Vice Pres. Connor suggested that the budget should reflect the expectation for future growth and development in the rural district in order to avoid the need for future rate adjustments.
 - 1. Pres. Patel and Mr. Merriman discussed the dynamic nature of the rural and urban district boundaries and that many of the developed areas may ultimately be incorporated into urban. Therefore, conservative estimates of rural service needs for infrastructure-related services may be appropriate.
- d. Pres. Patel stated that the budget and percentages developed by staff are appropriately detailed for the purpose of the rate discussion and exercise.
 - i. Mr. Vawter commented that a good explanation for the rural rate reduction is that the service burden is less in the rural district than in the urban and therefore they are charged less and the urban district more.
- e. Pres. Patel asked if there were any questions or significant concerns about the budget and rural percentage developed by staff.
 - i. Vice Pres. Connor discussed with Mr. Merriman other methods to reflect the percentage that may be more easily understood.
 - ii. Mr. Vawter said that there may be some in the rural district who do not agree with paying for Stormwater Department staff as they have never had to pay for them previously.
 - 1. Vice Pres. Connor suggested that some of the percentage reductions that were assigned to other line items could be applied to certain staff positions.

2. Mr. Merriman added that the rural rate percentage that was previously formally recommended to the Board by the CAC back in 2011 included 100% funding of staff from the rural district.
 - f. Pres. Patel provided explanation on the rate summary sheets that had been developed by staff. If the 71% rural rate was adopted, either the \$646,056 budget could be held constant which would result in a rate adjustment for both the urban and rural rate or the budget could be reduced by the reduced revenue figure to hold the urban rate at \$3.86, thereby only adjusting the rural rate down. He expressed his concern about reducing the budget as the full revenue projection won't likely be realized as the actual collections could be closer to 90% based on the experience of other stormwater utilities surveyed by staff.
 - i. Vice Pres. Connor expressed support for holding the budget constant and amending the rates, especially considering early potential revenue collection shortfalls and the three-year rate phase in.
 - ii. Mr. Woods stated that given the three-year phase in, maintaining the current budget level was likely the best approach and would hopefully avoid the need for future rate increases.
 - iii. Mr. Vawter said that he had recalled previous discussions or comments from the Council regarding the desire for a budget cut, though no parties present at the meeting could recall anything specific. He said that given the potential for collection shortfalls plus the minimal increase in the actual rate that would result, that holding the budget constant was likely the better option.
 - g. Pres. Patel directed Mr. Merriman to reach out to Secretary Ulmer and meet to discuss and look over the budget and rate summary materials.
 - h. Mr. Woods suggested that the budget and rate summary information be made available to the Council.
 - i. Pres. Patel stated that he would contact Council President Papa and get direction on next steps.
 - i. Pres. Patel stated that he had also approached Pres. Papa regarding the request from Councilor Suarez to pursue a legal opinion on a recent US District Court Case involving the EPA. Pres. Papa did not approve Pres. Patel to pursue a legal opinion at this time.
3. Meeting adjourned after a motion from Vice Pres. Connor and a second from Pres. Patel.