Councilmembers Present: Barry, Lillquist, Perrie and Mayor O’Brien.

Mayor O’Brien advised Councilmembers Bassett and Carlson are ill and Councilmember Niner is out of state.

Approve excused absences for Councilmembers Bassett, Carlson and Niner. Barry Affirmed

Others present were City Manager Barkley; City Attorney Pidduck; Public Works Director Akers; Assistant Public Works Director Bollinger; City Engineer Mayo; Deputy Clerk Keno; John Knutsen and Bill Rice of OTAK; and seven members of the audience.

STORMWATER COMPLIANCE AND REVENUE DISCUSSION

The purpose of the study session is to discuss new stormwater requirements including the status of the City's National Pollution Discharge Elimination System (NPDES) Stormwater Permit; review the City options and recommend compliance; review implementation requirements; assess the existing program; review an estimated schedule of costs for a minimum program as well as funding options; review example stormwater fees and recommended next steps.

The City received a $75,000 grant from the Department of Ecology to prepare a stormwater management plan in response to NPDES Phase II requirements mandated by the Washington State Department of Ecology. The City used that grant to hire OTAK of Kirkland, Washington to prepare such a plan.

Council viewed a PowerPoint presentation from John Knutsen and Bill Rice, consultants with OTAK, on stormwater compliance and revenues.

The consultants reviewed the history of the issuance of the City's NPDES Phase II permit issued February 16, 2007. The permit is effective for five years and the City needs to be in full compliance with the permit by year five or 2012.

Council reviewed a summary of new annual funding needed to comply with the permit requirements as well as detailed annual program cost estimates. Total cost estimates range from $108,000 in year 1 of the five year period increasing to $610,500 in year 5. Total cost at year five is estimated at 2.3 million dollars. In response to Council inquiry, the City will need to be in full compliance by year 5. At year 5 the estimated City staffing level is 3.8 full time employees (FTEs). Public Works Director Akers advised that although some employees exist in the current City organization this level of
staffing will require the hiring of additional employees. The eventual implementation of a geographic information system (GIS) that would assist the stormwater management program would also require a significant amount of time from existing staff.

Options considered by the consultants and determined not to be feasible include: 1) the use of general funds; 2) combining the program with existing utilities or funds; 3) the use of state or federal grants; and 4) creation of a new taxing district.

The consultant’s recommended option for funding the program is the creation of a stormwater utility. The reasoning behind this recommendation is: 1) It is the most common approach in other cities and counties; 2) a fee for service approach is utilized like a water/sewer utility; 3) it provides the fairest cost distribution; and 4) it is implemented by a publicly reviewed ordinance.

Stormwater fees are normally based on the amount of impervious surface and land use for each customer group. The consultants recommend a simplified approach on an interim basis while impervious surface measurements are made. Once implemented, the GIS can be used as the platform in the future. Council reviewed example utility fees.

The consultant’s recommended next steps include: 1) public education and outreach; 2) Council direction on utility policies; 3) prepare stormwater utility ordinance; 4) hearings to formally gather public input; 5) revisions to the utility ordinance as directed; 6) Council adoption of the ordinance; and 7) begin implementation of the required programs.

City noncompliance with the NPDES will result in the violation of the Federal Clean Water Act and the State Water Pollution Control Act. Noncompliance can subject the City to fines and penalties; third-party lawsuits; loss of federal and state funds; degradation of rivers, lakes, and streams over time; and potential public health threats.

Council asked questions of staff and the consultant. Methods for public education and outreach were discussed as well as the City’s involvement in the current appeal process.

Staff will have a policy document ready for Council review shortly; Council can then decide when to proceed with the ordinance. Council consensus was to move ahead with policy development and what the construction of the ordinance will look like.

**ADJOURN** Adjourn at 8:21 p.m. Barry Affirmed

_____________________________ Mayor

ATTEST: ______________________________ City Clerk