



Resolution 2023-55

RESOLUTION REQUESTING THE CITY OF MINNEAPOLIS PROVIDE DEDICATED, SUSTAINABLE STORMWATER UTILITY FEE FUNDING AT A RATE OF \$2 PER MONTH PER EQUIVALENT STORM WATER UNIT, WITH AN ANNUAL ESCALATION FACTOR, TO SUPPORT THE MINNEAPOLIS PARK AND RECREATION BOARD'S (MPRBS) MANAGEMENT OF THE MPRB-OWNED STORMWATER INFRASTRUCTURE ON PARK PROPERTY, THE DEVELOPMENT AND IMPLEMENTATION OF A CAPITAL PROGRAM FOR WATER QUALITY IMPROVEMENT PROJECTS TARGETING MINNEAPOLIS' PUBLIC WATERS, AND THE PROTECTION, RESTORATION, AND IMPROVEMENT OF MINNEAPOLIS' PUBLIC WATERS

Whereas, The Minneapolis Park & Recreation Board (MPRB) is the steward of Minneapolis parks;

Whereas, MPRB has the authority under its Charter Chapter 16, Section 11 to regulate the use of water and shores under its control;

Whereas, Minnesota Statutes 2004, Section 444.075 allows the City of Minneapolis (City) to operate a stormwater utility;

Whereas, Minnesota Statutes 2004, Section 444.075 allows for the collection of use charges for the purpose of complying with permits required by law, for stormwater system maintenance and improvements, and for the repayment of debt associated with improvements;

Whereas, Minnesota Statutes 2004, Section 444.075 limits the use of real estate tax revenues for repayment of debt associated with improvements and favors repayment via revenue from use charges;

Whereas, By Chapter 510. "Stormwater Management System and Operation of Stormwater Utility" of the City's Code of Ordinances, the City established a stormwater utility and stormwater management system and declared its intention to operate, construct, maintain, repair and replace the stormwater management system and operate the stormwater utility;

Whereas, The City began collecting stormwater utility fees in 2005 per Chapter 510;

Whereas, The City charges property owners for management of stormwater based on the degree to which their property is covered by impervious surfaces;

Whereas, Stormwater utility fees pay for stormwater design and engineering, construction and capital programs, street cleaning and stormwater system operations and maintenance costs, and are also used to ensure the City is in compliance with federal NPDES (National Pollutant Discharge and Elimination System) permit;



Whereas, MPRB and City of Minneapolis jointly hold a permit that is required by the Federal Clean Water Act: NPDES (National Pollutant Discharge Elimination System) permit, which regulates non-point source pollution associated with stormwater runoff, and MPRB is part of this permit as “owner” of infrastructure that generates, conveys, manages, and otherwise discharges stormwater runoff;

Whereas, City collects monthly fees based on Equivalent Storm Water Units (ESUs) to fund the stormwater utility;

Whereas, In 2023 the ESU rate is \$14.45 per month;

Whereas, An average single family residential home pays one ESU per month;

Whereas, In 2023, the City is projected to collect \$45.2 million in revenue from its stormwater utility fee;

Whereas, MPRB currently pays approximately \$450,000 annually in Minneapolis stormwater utility fees;

Whereas, The City reimburses the MPRB approximately \$700,000 each year to conduct water quality monitoring and education as required by the NPDES permit;

Whereas, MPRB owns a considerable amount of stormwater conveyance and infrastructure on park properties and the management of this conveyance and infrastructure is not funded through current stormwater utility fee collections;

Whereas, Most stormwater generated in the City is released into lakes, creeks and other waterbodies that are, by Charter, the responsibility of the MPRB;

Whereas, Stormwater carries pollutants and trash to lakes and creeks from streets and other sources across the city and it is the top source of pollution for Minneapolis lakes and creeks;

Whereas, MPRB does not have funding sources dedicated to maintaining stormwater infrastructure on park property and implementing water quality improvements;

Whereas, MPRB will allocate funding received through the stormwater utility fee through a criteria based system that incorporates relevant characteristics including equity and condition;
and



Whereas, This resolution is supported in Parks for All, the MPRB Comprehensive Plan 2021-2036, which sets the goal(s) “06. Strengthen ecological connections and “09. Operate a financially sustainable enterprise;”

RESOLVED, That the Board of Commissioners requests the City of Minneapolis provide dedicated, sustainable stormwater utility fee funding at a rate of \$2 per month per equivalent storm water unit, with an annual escalation factor, to support the Minneapolis Park and Recreation Board’s (MPRBs) management of the MPRB-owned stormwater infrastructure on park property, the development and implementation of a capital program for water quality improvement projects targeting Minneapolis’ public waters, and the protection, restoration and improvement of Minneapolis’ public waters; and

RESOLVED, That the President of the Board and Secretary to the Board are authorized to take all necessary administrative actions to implement this resolution.



TO: Administration & Finance Committee

FROM: Al Bangoura, Superintendent

DATE: March 15, 2023

SUBJECT: RESOLUTION REQUESTING THE CITY OF MINNEAPOLIS PROVIDE DEDICATED, SUSTAINABLE STORMWATER UTILITY FEE FUNDING AT A RATE OF \$2 PER MONTH PER EQUIVALENT STORM WATER UNIT, WITH AN ANNUAL ESCALATION FACTOR, TO SUPPORT THE MINNEAPOLIS PARK AND RECREATION BOARD'S (MPRBS) MANAGEMENT OF THE MPRB-OWNED STORMWATER INFRASTRUCTURE ON PARK PROPERTY, THE DEVELOPMENT AND IMPLEMENTATION OF A CAPITAL PROGRAM FOR WATER QUALITY IMPROVEMENT PROJECTS TARGETING MINNEAPOLIS' PUBLIC WATERS, AND THE PROTECTION, RESTORATION, AND IMPROVEMENT OF MINNEAPOLIS' PUBLIC WATERS

BACKGROUND

This action considers requesting that the City of Minneapolis (City) create a dedicated, sustainable stormwater fee at a rate of \$2 per month per equivalent storm water unit, with an annual escalation factor, to support the Minneapolis Park and Recreation Board's management of stormwater infrastructure and water quality improvements.

The City and the Minneapolis Park and Recreation Board (MPRB) stormwater conveyance systems are interconnected in complex ways. Most stormwater collected throughout the City is directed to the creeks, land and other public waters maintained by the MPRB, per City Charter, and portions of the storm sewer system resides on park properties. Stormwater input has a direct impact on the water quality on Minneapolis' public waters. Consistent with this complex connectivity, MPRB and City of Minneapolis jointly hold a permit that is required by the Federal Clean Water Act: NPDES (National Pollutant Discharge Elimination System) permit, which regulates non-point source pollution.

The City, per Minnesota Statutes 2004, Section 444.075, operates a stormwater utility and collects monthly stormwater utility fees within the City of Minneapolis. Chapter 510. "Stormwater Management System and Operation of Stormwater Utility" of the City's Code of Ordinances, provides the structure by which the City collects the stormwater utility fee to manage the stormwater system. The City started collecting fees in 2005 and is projected to collect \$45.2 million in 2023. This funding is used to manage the stormwater system and to fund required NPDES permit activities.



The MPRB, like other property owners, is required to pay a stormwater fee and pays about \$450,000 per year. For the water quality monitoring and stormwater education activities the MPRB performs on an annual basis, it is reimbursed approximately \$700,000 per year from the fee's revenues. This level of funding does not meet stormwater infrastructure management and water quality improvement needs of the MPRB.

The MPRB anticipates that a \$2 increase per ESU per month, with an annual escalation factor, would provide sufficient funds to strategically invest in short- and long-term water quality infrastructure issues and protect Minneapolis lakes and creeks. It would provide management of the MPRB's portion of the storm sewer system, management of MPRB's stormwater best management practices throughout the parks, and funding for capital infrastructure and projects to improve water quality.

RECOMMENDATION

Staff recommends that the Board of Commissioners request the City of Minneapolis provide dedicated, sustainable stormwater utility fee funding at a rate of \$2 per month per equivalent storm water unit, with an annual escalation factor, to support the Minneapolis Park and Recreation Board's management of the MPRB-owned stormwater infrastructure on park property, the development and implementation of a capital program for water quality improvement projects targeting Minneapolis' public waters, and the protection, restoration and improvement of Minneapolis' public waters.

This action is supported by the following goals and strategies in Parks for All, the MPRB Comprehensive Plan 2021-2036.

Goal:

06. Strengthen ecological connections

09. Operate a financially sustainable enterprise

Strategy:

03. Preserve, protect and restore natural areas and aquatic habitat including the lakes, river, and creeks, in parks for the purposes of wildlife habitat, invasive species management, and human respite and refuge.

11. Sustain and advocate for increases in core park funding sources in city, regional and state funding for park, parkway and trail infrastructure

Attachments:

Jbr 3.15.2023.