
City of Ann Arbor, Michigan

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Section 1 – Introduction and Authorization

The City of Ann Arbor established a Stormwater Management Utility on August 20, 1980. The utility provides the City with the authorization to establish and collect just and equitable rates, fees, and charges for the services and facilities provided by the utility system. The City is further authorized by the Michigan Statutes to construct, reconstruct, improve, and extend the Stormwater Management system.

The City's Stormwater Management Utility establishes a mechanism for billing the costs of operating and maintaining the City's stormwater management system and financing the necessary repairs, replacements, improvements, and extensions in a manner that protects the health, safety, and welfare of the citizens of the City of Ann Arbor. The City’s ordinance, codified under Chapters 29 and 33 of the Code, City of Ann Arbor, Michigan, provides the mechanisms for billing and payment, accounting for capital contributions, and establishing the Stormwater Utility Fund.

This Policies and Procedures Manual outlines the guidelines and framework under which the stormwater utility will operate. The Policies and Procedures Manual is intended to identify and clarify the City's procedures for billing the charges and updating the billing data file. It also establishes policies and procedures for the operation and maintenance of the City's stormwater utility system.

Section 2 - Responsibility

The stormwater utility is administered by the City’s Public Services Area. The Public Services Area Administrator (Administrator) is responsible for the operation and maintenance of the stormwater facilities. The Administrator is also responsible for the organization of the operation and maintenance staff, the planning and assessment of stormwater utility facilities, fiscal management, and the management of capital improvements programs. The responsibility for billing and collection of stormwater utility charges is that of the Customer Service Unit of the Public Services Area.

The Administrator is also responsible for ensuring that an accurate record of all properties using the services and facilities of said stormwater management system of the City is kept, and changes are made to update the record and keep it current in accordance with Chapter 33 of the Municipal Code of the City of Ann Arbor.

Section 3 – Stormwater Enterprise Fund

All revenues raised from stormwater utility rates, fees, and charges are placed in a stormwater enterprise fund together with such other revenues from any source or combinations of sources of revenues otherwise legally available which have been designated to be used for the stormwater management program. No part of the funds held in the stormwater enterprise fund may be transferred to any other operating fund or used for any purpose other than payment of direct and indirect services for undertaking the stormwater management program, and operating and maintaining a stormwater system.
Section 4 – Stormwater Utility Charge

A stormwater utility charge shall be charged to each property within the City for their use of the stormwater system. The Administrator shall be responsible for maintaining a list of lots and properties within the incorporated City limits and assigning them to an appropriate customer classification as defined in Chapter 33 of the Code: City of Ann Arbor Michigan. The Administrator shall also recommend the specific rates and charges that will be charged to customers based upon an assessment of the actual services provided, and City Council shall approve the charge. This charge shall be composed of three components whose charge is proportionate to the cost of service received by each property:

- A **Customer Charge** to every customer covering the cost of public education, public involvement, and utility billing administration, operation, and updates.

- A **Stormwater Discharge Rate** proportionate to the amount of stormwater discharged into the public stormwater system, based upon the impervious area of the property and charged at a rate per impervious acre per quarter established by City Council.

- **Specific Charges** to those subsets of customers receiving specialized services from the City. One category of specific charges are those for non-stormwater discharges. Under current standards, a storm sewer in the City of Ann Arbor is designed to convey the peak flow from a 10-year, 1-hour design storm, equal to 1.6 cfs for one acre of impervious area. Therefore, the rate for permitted non-stormwater discharges in $ per cfs shall equal the stormwater discharge rate in $ per impervious acre divided by 1.6 cfs per impervious acre.

Section 5 – Billing, Payment, Delinquent Charges and Non-Payment Penalties

Billing and payment of stormwater utility charges is to be done pursuant to Section 2:69 of the Code, City of Ann Arbor, Michigan. The stormwater utility charge shall be billed and paid under the same terms and conditions established for other utility services (water, sanitary sewer, etc.) and Sections 2:71 and 2:72 of the Code, City of Ann Arbor Michigan.

Section 6 -- Maintenance of Utility Billing Data

The Administrator shall be responsible for maintaining the measurements of the impervious area based on data supplied by the City, or by the property owner, tenant, or developer. The Administrator may require additional information as necessary to make the determination. The Administrator shall update the billing amount based on any additions to the impervious area as approved through the building permit process.

The stormwater utility billing system data file shall be updated periodically to include new stormwater utility customers who construct new developments or make modifications or improvements to existing developed property. It shall be necessary to obtain sufficient information regarding the new utility customers to determine the impervious area and the corresponding monthly utility charge.

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6.1 Site Plan Review and Building Permit Application Procedures
Upon issuance of a Certificate of Occupancy, the Customer Service Unit will begin billing the new location a stormwater utility charge. New single-family and two-family residential customers shall be placed into the .07 acre impervious area category until such time as measured impervious area data becomes available for the property. All customers shall report their changes in impervious area and submit these measurements to the City.

6.2 Utility Billing Data File Update
Receipt of a copy of the Certificate of Occupancy for a property signifies a request for service from the City's stormwater utility. The Customer Service Unit initiates stormwater utility billing with the first billing cycle after the receipt of the Certificate of Occupancy. The System Planning Unit is responsible for the assignment of impervious area to the new customer and furnishing this impervious area to the Customer Service Unit. The Customer Service Unit is responsible for keeping the billing system data file current.

Section 7 - Requests for New Service and Change of Service
A stormwater account should remain active and chargeable regardless of occupant status. Requests by new tenants, owners, residents, or other persons or a request for discontinuation of utility service at an existing, developed property is handled by the Customer Service Unit.

1) For a new request for utility service, the Customer Service Unit will update the stormwater utility billing system data file with the new customer's name, billing address, and other pertinent information; and check to ensure that the account is active and chargeable.

2) For a bill paying tenant moving out, the Customer Service Unit will transfer the current customer information from the account and replace it with information regarding the owner of the property (unless a replacement tenant has already moved in).

3) A request for change of service resulting from a demolition or other reduction in impervious area will follow the adjustment procedure outlined in Section 3 of the Regulations.

Section 8 – Stormwater Utility Billing Guidelines
The stormwater utility billing is provided as a line item on the City's utility billing statement. The customer identification number is used to bill the stormwater utility charge. General billing guidelines are described as follows:

- Residential multifamily such as condominiums, apartment complexes, trailer parks, etc., are generally served by utility accounts in the name of the owner or the property association. In these cases, the stormwater charge is assigned to the utility account for the master water meter and billed to the property owner / association.

- Residential condominiums that are serviced by multiple utility accounts will have the stormwater charge for each land parcel within that condominium divided equally among the utility accounts that are within that land parcel.

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Where multiple utility accounts exist on a single property and the accounts have the same customer name, the stormwater discharge rate and the customer charge shall be billed to one account, with the other accounts designated as zero charge for stormwater billing.

Where multiple utility accounts exist on a single property and the accounts have different customer names and separate customer accounts (i.e., retail shopping center), the stormwater discharge rate is billed to property owners based on the percentage allocation of the total impervious area to that customer and the customer charge is charged to each customer. For these stormwater utility customers, the amount of impervious area is determined and assigned to each customer account based on the percentage of the total impervious area that can be attributed to the individual customer. The percentage allocation is determined on the basis of the ratio of the customer's building area to the total building area. The area of impervious surface assigned to the customer is determined by multiplying the customer's percentage allocation of total building area by the property’s total impervious area.

A property that is not receiving other utility services (i.e. water, sanitary sewer, or solid waste) from the City of Ann Arbor is designated as a "stormwater only" account, and billed based on the procedures mentioned previously. The Administrator may designate a less frequent billing cycle for stormwater only accounts.

Section 9 - Multiple Fund Projects
The City may participate in stormwater management projects with individual property owners or other political jurisdictions if, in the opinion of the City, the project provides stormwater control. The City will allocate project costs on an equitable basis. The City should evaluate the allocation methodology to parallel the stormwater utility concept: the amount of flow/volume/pollution discharged from varying areas should provide the basis for equitably distributing the costs of the required facilities to these areas.

Section 10 - Ancillary Improvements
The Administrator may authorize the construction of curbs, pavements, channels, watercourses, conduits, culverts, or other structures necessary to properly operate and maintain new and existing stormwater facilities within the City's right of way and other environs, and as adjuncts to stormwater facilities within the City's jurisdictional boundaries.

Section 11 - Routine and Remedial Maintenance
The Administrator will provide for inspection and routine maintenance of facilities owned by the City, within a right of way or drainage easement, or causing stormwater problems. Maintenance may include, but not be limited to, catch-basin cleaning, grating and casting repair, inlet and outlet structure repair, channel clearing, and erosion repair. The Administrator will provide for remedial maintenance of facilities based upon the severity of stormwater problems and potential hazard to the public health, safety, and welfare.