1. Participant List – See Attachment #1

2. Welcome – Jennifer Lawson, City of Ann Arbor Water Quality Manager
   a. Advisory Group’s Involvement:
      i. The Advisory Group is critical to ensure all needs are met in a sustainable way. Advisory Group member’s interest and commitment is very much appreciated.
      ii. Group members are asked to review materials and participate in as many meetings as possible.
      iii. Group members are asked to respect all individuals and their perspectives because we are all on the same team.
   b. Project Overview:
      i. The project objective is to evaluate needs of the system and customer expectations.
      ii. The process will focus on engaging the community to identify level of service (LOS) options to be evaluated within the City and to give input for the financial plan to fund the identified LOS options.
      iii. This is a fast tracked project with the goal to bring recommendations to Council in December 2016 for implementation on 7/1/2017.

3. Project Introduction – Jennifer Lawson, City of Ann Arbor Water Quality Manager
   a. The multi-disciplinary project team consists of:
      i. Burton and Associates/Hawksley Consulting – a financial management consulting firm with expertise in utility rate making and stormwater fees.
      ii. OHM Advisors – an engineering firm with knowledge of Ann Arbor.
      iii. Project Innovations – a consulting firm specializing in public engagement.
   b. Advisory Group Members were asked to introduce themselves and identify any specific area of interest in the project. Areas of interest that were identified included: stormwater rate impact, providing citizen viewpoint, green infrastructure, rain gardens, coordination with Drain Commissioner’s office.

4. Review Advisory Group Chartering Agreement
   a. The Chartering Agreement outlines the purpose of the group, operating principles & decision making, membership & leadership, schedule & workplan, and logistics.
   b. This agreement was previously used in the Technical Oversight Advisory Group (TOAG).
   c. The Chartering Agreement was sent to this advisory group for review. Group members are asked to acknowledge and agree to the final Chartering Agreement that will be emailed before the next Advisory Group Meeting.

5. Stormwater System Background and Project Overview
   a. System Overview and Background – Jennifer Lawson
i. City has separated sanitary and storm water systems. The City manages 270 miles of stormwater mains. The stormwater goes to the Huron River and does not receive advanced treatment. The sanitary sewer goes to the Wastewater Treatment Plant for treatment.

ii. Stormwater Utility is a dedicated funding source to support an organization that plans, designs, constructs, and maintains a stormwater management system, sediment and flood control programs, projects and provides education.

iii. Stormwater usage fees are calculated based on the amount of impervious (non-porous) area on the customer’s property.

iv. Flyovers are done using infrared technology every 3 years to measure impervious area. Fees are calculated in a fair and equitable method.

1. Residential customers are billed quarterly for a flat $6.77 administrative charge plus a usage fee ranging from $16.00 to $84.00 that is calculated by impervious area.
2. Commercial and other properties (multi-family, office, institutional, industrial) are billed on the impervious areas at a rate of $400.00 per acre per quarter plus a flat $6.77 administrative charge.

b. 2007 Study Findings – Andy Burnham

i. The 2007 Study established a good process and framework to build upon. It evaluated level of service and overall structure of rates.

ii. The prominence on stakeholder engagement was very important, with a special task force formed to identify guiding principles and objectives. This is an approach that will be used for this project as well.

iii. The study found that the level of funding was not adequate to meet the desired level of service. The recommendation for stormwater revenue was $7.6M to $10.2M annually (Stormwater Citizen’s Advisory Task Force Option B), however, the actual stormwater revenue has not been more than $6.2M (2015).

iv. The Ann Arbor Stormwater Utility faces significant funding challenges. Current revenues are insufficient to address capital funding for aging infrastructure and system improvements. Additional responsibilities have been added to the utility:

1. Green Streets Policy
2. Forestry/Street Trees
3. Additional regulatory requirements

v. Q & A:

1. Q: Were additional funds made available when Forestry/Street Trees were added to the Stormwater Utility? A: No.
2. Q: Why doesn’t the City pay for these services? A: Payment is made for the operations & maintenance and products.
3. Q: Do City taxes pay for the Stormwater Utility? A: No, stormwater fees are based on impervious area and not based on property value because property information alone doesn’t provide a good basis for fees.
4. Q: Are there communities where other fees pay for stormwater improvements? A: Yes, it is increasing over time. Municipalities are looking for ways to cover costs for roads, stormwater, etc. Tax options, special assessments, and grant funding are being used. The Bolt v. City of Lansing changed the structure for stormwater usage fees. Ann Arbor is Bolt compliant.

5. Q: Is performance data on Green Streets Policy available? A: Currently there are no academic studies completed. Data is just coming out related to the rate of return.


c. 2016 Study Scope of Work – Andy Burnham
   i. Build on the work completed in 2007 to evaluate:
      1. Current needs of the stormwater system
      2. Current needs of the community
      3. Current expectations of the customers
      4. Priorities and regulations have changed over the last ten years.
   ii. Engage the community to define and develop:
      1. Level of service option(s) to be provided within the City
      2. Financial plan to fund defined level(s) of service option

d. Study Process – Andy Burnham
   i. Study will take approximately 9 months to complete. Completion targeted for 7/1/17 rate implementation.
   ii. The study will evaluate current costs and level of service to establish a baseline:
       1. Review core programs and identify enhancement opportunities.
       2. Distribute current and projected costs to customer classes.
       3. Define current level of service for key service elements: administration, public engagement, regulation/enforcement, operation & maintenance, planning, and capital improvements.
   iii. The study will identify alternative level of service options and cost requirements:
       1. Establish objectives and guiding principles for level of service options.
       2. Identify emerging needs and opportunities for each service.
       3. Develop level of service options and cost requirements for each service.
   iv. The study will develop updated rates and policies reflecting level of service options.

e. 2007 Study Level of Service Objectives
   i. Flooding of dwellings, businesses, industries & institutions
   ii. Flooding of private property and roadways
   iii. Preservation of floodplains and stream buffer/wetlands
   iv. Stream bank erosion control and stream restoration
   v. Repair/renewal of aged infrastructure (maintenance)
vi. Removal of sediment, debris, and excessive vegetation  

vii. Mosquito control  

viii. Control of pollution in stormwater discharges  

f. 2007 Study Level of Service Guiding Principles  
   i. Protect public health, safety, and welfare  
   ii. Protect ecological health  
   iii. Conduct comprehensive planning to define priorities  
   iv. Encourage shared responsibility  
   v. Offer incentives to guide desired behaviors  
   vi. Educate stormwater system users  
   vii. Provide an understandable, equitable rate structure  

6. Small Group Discussion  
   a. The participants were asked to discuss revisions to the Level of Service Objectives and the Level of Service Guiding Principles.  
   b. Based on the group’s feedback, the Level of Service Objectives were updated to include:  
      i. Flooding of dwellings, businesses, industries & institutions  
      ii. Flooding of private property and roadways  
      iii. Preservation of floodplains and stream buffer/wetlands  
      iv. Stream bank erosion control and stream restoration  
      v. Repair/renewal of aged infrastructure  
      vi. System maintenance/stewardship activities  
      vii. Removal of sediment, debris, and excessive vegetation  
      viii. Public education, outreach, and communication  
      ix. Control of pollution in stormwater discharges  
      x. Street tree maintenance and replacement  
   c. Based on the group’s feedback, the Level of Service Guiding Principles were updated to include:  
      i. Protect public health, safety, welfare, and environment  
      ii. Use modeling and other dynamic decision-making tools  
      iii. Consider climate change and resiliency  
      iv. Evaluate cost effective asset management plans  
      v. Conduct comprehensive planning to define priorities  
      vi. Encourage shared responsibility  
      vii. Educate and inform stormwater system users  
      viii. Use incentives to guide desired behaviors  
      ix. Provide an understandable, equitable rate structure  
      x. Utilize green infrastructure when feasible  
      xi. Leverage available resources (AMPs, forestry plan, etc.)  
      xii. Cross-collaborate with other agencies  

7. Next Steps  
   a. Finalize data collection  
   b. Project team to initialize key elements of analysis
c. Current LOS evaluation

d. Development of LOS options

e. Next Advisory Group Meeting – 8/26

f. Working meeting to review initial analysis

g. Source data, assumptions, scenarios, etc.

ATTACHMENT #1 – Participant List

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<th>Last Name</th>
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<tr>
<td><strong>Advisory Group</strong></td>
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<tr>
<td>Appel</td>
<td>Mike</td>
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<td>Bletcher</td>
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<td><strong>Project Team Consultants</strong></td>
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