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NRD Property Taxes to Rise 40% for Flood Control Dams Sierra Club Recommends Alternative

By Clyde Anderson

On August 12 the Papio-Missouri River Natural Resources District Board approved their FY2005 Budget with a \$7.8 million (32%) increase in spending. Over half of the increase (\$4.5 million) is allocated to flood prevention projects, primarily the Papillion Creek Watershed Project which includes ten new reservoirs.

Sierra Club believes there are more cost and environmentally effective means for providing flood control. Developers support the reservoir plan because general taxpayers will bear much of the cost to provide lakeside and lake-view lots for million dollar mansions. Just look at the recently completed Newport Landing Lake near Bennington.

The Proposed Budget would increase NRD property taxes by \$4.3 million, a whopping 40% jump! And that's just the tip of the iceberg. The HDR study for the Watershed Project estimates that it will cost over \$186 million to construct the ten reservoirs – and that just includes real estate, dam construction, and impact costs. There will undoubtedly be additional costs for erosion control, water quality, and recreational enhancements that are typical of most NRD dam sites.

Why are property taxpayers footing the bill for this grandiose reservoir project? On November 23, 2002, NRD Assistant General Manager Marlin Petermann spoke at a Nebraska Sierra Club meeting about "The Need to Manage Stormwater". At that time the NRD was soliciting support for state legislation that would enable stormwater utility fees. The concept of property owners paying stormwater utility fees based on their contribution to surface water runoff made good sense – kind of like the "polluter pays" concept. We especially liked the concept of giving credits to property owners that proactively developed best management practices such as stormwater retention basins and

wetlands. Over 300 communities around the country have already implemented stormwater fees including Denver, Des Moines, and Kansas City. Stormwater fees and the associated credits encourage property owners to retain stormwater thus reducing the need to construct massive flood control reservoirs.

During the past two Unicameral sessions Sierra Club supported legislation that would enable stormwater utility fees, but lobbying by organizations representing landowners that generate large volumes of stormwater runoff like car dealerships and shopping centers kept the bills from getting out of committee.

Last December I was invited to represent environmental groups on the City of Omaha's Stormwater Funding Program Focus Group. This 21-member group had 11 representatives from commerce and industry, three from institutions (schools, churches, hospitals), one for neighborhood associations, two environmentalists, one from the news media, and three from government agencies. (See Exhibit 1.)

The City hired URS Corp. to provide analytical support and facilitate the three meetings. The Focus Group developed 12 alternate funding options for stormwater management ranging from 100% funding from property taxes to a stormwater service fee. (See Exhibit 2.) With the biased representation on the Focus Group, you shouldn't be surprised that 11 voted for the property tax option, 3 voted against, and the 3 government members abstained. (Four didn't vote or were absent.)

Perhaps this is why the NRD Board decided to put the cost burden of flood prevention on property taxes. **Based on the URS study for Omaha, property taxes is one of the most inequitable alternatives for funding flood control projects.**

Exhibit 1 - Omaha Stormwater Focus Group Participants

Stakeholder Group	Representatives	
	First Name	Last Name
Commercial Property Owners	John	Dickerson
News Media	Dixie	Cavner
Area Schools	Al	Inzerello
Churches	Rev. Michael	Gutstell
Environmental Groups	Barbi	Hayes
MAPA	Pat	Jesse
Chamber of Commerce	Tim	Stuart
Home Builders Association	Gene	Graves
Local Engineers	Shawn	Ovenden
Realtors Association	Mike	Riedmann
State of Nebraska	John	Fech
Douglas County	Kent	Holm
Apartment Complexes	Randy	Lenhoff
Car Dealers	Loy	Todd
Hospitals	Shannon	Anderson
Shopping Centers	Rusty	Strodtman
Industrial and Manufacturing Parks	Mike	Hybl
Warehouses and Storage Facilities	Monte	Matz
Retail Facilities	Timothy	Keigher
Environmental Groups	Clyde	Anderson
Neighborhood Associations	Janet	Bonet

Exhibit 2 - Stormwater funding alternatives and Focus Group voting

Alternative	Number of Ballots Including the Alternative by Balloting Round						
	One		Two		Three		Four
	LB-34 Not Discussed	Current Conditions	LB-34 Enacted	Current Conditions	LB-34 Enacted	Current Conditions	LB-34 Enacted
Alternative 1: Property Tax Only	13	15	12	12			11
Alternative 2: Sales Tax Only	6						
Alternative 3: Stormwater Service Fee Only (Impervious Area)	4						
Alternative 4: Costs Allocated to Residential Parcels Only	0						
Alternative 5: Stormwater Service Fee Only (Impervious+PerVIOUS Area)	8	X	3				
Alternative 6: Stormwater Service Fee Only (Total Parcel Area)	8	X	3				
Alternative 7: Administrative Fee Only	7						
Alternative 8: Hybrid Concept I (Increased Permit Costs and Property Tax)	11	15	13	5			
Alternative 9: Hybrid Concept II (Increased Permit Costs and Sales Tax)	5						
Alternative 10: Hybrid Concept III (Increased Permit Costs + Administrative Fee)	6						
Alternative 11: Hybrid Concept IV (Administrative Fee + Dedicated Property Tax)	13	15	14	13		3	
Fee + Dedicated Property Tax + Stormwater Service Fee)	4						

Notes:
 Shaded areas represent alternatives eliminated through previous balloting
 Crossed out - Not an alternative in current conditions; requires LB-32 enactment.

Residential property generates only 36% of Omaha’s stormwater runoff while non-residential properties generate 64%. (See Exhibit 3.) But 60% of the City’s property tax income comes from residential property. Thus residential properties would pay 66% more than their fair share! (See Exhibit 4.) Also, funding flood prevention projects solely from property taxes provides no incentive for

property owners, especially those with large impervious surfaces, to retain storm water.

Exhibit 3 - Omaha Stormwater runoff by land use classification

Use Classification	Runoff Volume (ac-ft)	Percent of City Total
Residential Properties	946.7	36%
Non-Residential Properties	1,678.8	64%
City of Omaha	2,625.5	100%

Exhibit 4 – Stormwater funding equity

Alternative Description	Residential User Burden (\$/% of Total)	Overcharge
Alt 1 Property Tax Only	\$495,950 60%	66%
Alt 2 Sales Tax Only	\$453,953 55%	52%
Alt 3 Stormwater Service Fee (IA) Only	\$223,091 27%	-25%
Alt 4 Charge Residents Only	\$831,601 100%	178%
Alt 5 Stormwater Service Fee (IA+PA) Only	\$298,225 36%	0%
Alt 6 Stormwater Service Fee (TA) Only	\$395,357 48%	32%
Alt 7 Admin Fee Only	\$638,062 77%	113%
Alt 8 Higher Fees + Property Tax Increment	\$466,131 56%	56%
Alt 9 Higher Fees + Sales Tax Increment	\$426,659 51%	43%
Alt 10 Higher Fees + Admin Fee	\$596,450 72%	99%

The table illustrates that only one of the candidate alternatives, Alternative 5, is absolutely equitable in terms of stormwater runoff volume.

- Alternative 3 subsidizes the residential customer class by shifting the burden to non-residential customers
- Alternatives 6 and 9 overcharge the residential customer class by up to 50%, thereby subsidizing commercial properties
- The remaining alternatives grossly overcharge the residential customer class, by up to 178%, creating significant subsidies for the non-residential customers.

Sierra Club is not opposed to all dams. If a reservoir project can pass stringent financial, land-use, and environmental guidelines, we would not oppose it. Why do I mention land use? If Newport Landing is the example, the proposed reservoirs will promote low-density acreage-type development when the Omaha City Planning Department is encouraging higher density mixed housing in the Papio Creek watershed to support the rapid growth in employment forecast for Douglas and Sarpy Counties during the next 50 years. [For more information Omaha urban density and sprawl go to http://www.otoc.org/otoc_mad_files.htm.]

In summary, Sierra Club recommends that the NRD Board:

- Delay any further expenditures on the Papio Creek Watershed Reservoir Project until a more equitable source of financing can be developed thus eliminating the immediate need to increase the NRD’s property tax levy, and
- Promote stormwater retention projects, especially for developments with large areas of impervious surfaces.



Missouri Valley Group

P.O. Box 4664, Omaha, NE 68104

Tuesday, June 6, 2006

Papio-Missouri River Natural Resources District

Stormwater Management Policies – Papillion Creek Watershed Interlocal Agreement

Dear Ladies & Gentlemen:

My name is Clyde Anderson, and I reside at 7020 Burt St. in Omaha. I am Secretary for the Missouri Valley Group of the Sierra Club. Our group has just over one thousand members in the Omaha metro area.

Since retirement from Union Pacific, my first exposure to stormwater management was in this room on November 23, 2002. I was Chair for the Nebraska Sierra Club, and Marlin Petermann spoke at our quarterly meeting about “The Need to Manage Stormwater”. At that time the NRD was soliciting support for state legislation that would enable stormwater utility fees. The concept of property owners paying stormwater utility fees based on their contribution to surface water runoff made good sense – kind of like the “polluter pays” concept. We especially liked the concept of giving credits to property owners that proactively developed best management practices such a stormwater retention basins and wetlands. Over 300 communities around the country have already implemented stormwater fees including Denver, Des Moines, and Kansas City. Stormwater fees and the associated credits encourage property owners to retain stormwater thus reducing the need to construct massive flood control reservoirs. Since January 2003, Sierra Club supported state legislation that would enable stormwater utility fees

In December 2003 I represented environmental groups on the City of Omaha’s Stormwater Funding Program Focus Group. More recently I attended all but one of the Watershed By Design public forums, and I have reviewed the proposed Stormwater Management Policies of the Papillion Creek Watershed Partnership Interlocal Agreement.

Sierra Club believes that the policies developed by Groups 3, 4, 5, and 6 generally reflect the objectives of Watershed By Design. However, Groups 1 and 2 do not. Policy 2: Peak Flow Reduction appears to be focused primarily on Regional Stormwater Detention Facilities. There is no mention of low-impact stormwater management practices such as incorporating stormwater retention facilities in the design of new developments, especially those with large areas of impervious surfaces. Likewise, Policy 1: Stormwater Management Financing deals with implementing Stormwater Detention Fees as a means to finance the proposed network of regional stormwater detention facilities. What happened to the proposal to give credits to developments where property owners take responsibility for their stormwater runoff and construct low-impact management strategies like those listed in Policy 4?

I detected a shift in watershed management policy when I read in the Spring 2006 issue of *Spectrum*, “When it comes to controlling runoff waters, larger and fewer reservoirs throughout the watershed are deemed more efficient in controlling flood waters and trapping sediment than numerous smaller ponds; and they cost less to maintain.” Large reservoirs may have a role in the Papio Watershed Plan, but relying almost exclusively on reservoirs is not a sound strategy to prevent flooding, especially in the lower part of the watershed where most of the dense development exists.

Although Policy 1 provides for Stormwater Detention Fees, at least two-thirds of the cost to build and maintain the reservoirs will come from other sources such as property taxes. Policy 1 needs to be amended to encourage property owners to incorporate on-site stormwater management strategies as outlined in Policy 4. Not just new developments, but existing facilities, too. Not just private developments, but public properties as well – schools, hospitals, churches – they need to take responsibility for managing their stormwater. Perhaps the NRD, working through the Watershed Partnership, could offer managers of public facilities expertise on stormwater management and grants to help finance low-impact, on-site water retention and pollution control strategies.

Thank you for allowing me to speak here this evening.

A handwritten signature in cursive script that reads "Clyde L. Anderson".

Clyde Anderson, Secretary
Missouri Valley Group – Sierra Club
7020 Burt St., Omaha, NE 68132
(402) 932-7225

For publication in the February 2007 MVG newsletter

Clean Solutions for Omaha
Omaha's Sewer Overflow Study
By Clyde Anderson

When Omaha Together One Community (OTOC) was just getting started in 1993-1995, early house meetings sponsored by member institutions in northeast Omaha revealed that sewerage backing up into basements and foul smells emanating from storm sewer outlets were common complaints by area residents. These problems not only made life miserable, but sewer problems in these older neighborhoods were a major deterrent to new development.

The primary cause of these sewer problems is that Omaha's older neighborhoods (generally east of 72nd St.) are served by a combined sanitary-stormwater sewer system. Wastewater and sewerage from homes, businesses and industry are carried away through a system of pipes to a wastewater treatment plant. This generally works fine when weather is dry.

When it rains, however, the flow is too large and causes the combined sewer to exceed capacity. The system is designed with overflow relief outlets that allow the excess stormwater-sewerage mixture to flow directly into the Missouri River and Papio Creek. In some locations the relief outlets are insufficient during major storms causing sewerage to backup into homes and businesses, especially in northeast Omaha.

Pressure from OTOC and other neighborhood groups resulted in Mayor Morgan in 1995 accelerating a construction plan to solve this backflow problem. But the construction program was severely delayed a few years later when Mayor Daub and the City Council diverted capital funds to other projects, especially development of the Quest Center site.

Omaha continues to slowly construct a new network of storm sewers in the affected area, but now the program isn't expected to be completed until about 2025!

A federal mandate requires Omaha and other communities with combined sewer systems to develop a Long-Term Control Plan (LTCP) that will minimize (not eliminate) the occurrence of Combined Sewer Overflows (CSO's). The City has until 2009 to develop a plan and until 2024 to implement the plan.

Omaha is taking a phased approach that includes public input and development of a LTCP, then the implementation and construction of the plan solutions. Cammy Watkins, Sierra Club Organizer in Omaha, is on the Community Basin Panel for this project and has been attending the planning meetings. Public workshops were held January 20, 23 and February 1.

I attended the Clean Solutions for Omaha (CSO) Burt-Izard Basin Open House meeting January 20 at the Boys & Girls Club center near 26th & Hamilton. Representatives from Omaha Public Works Dept. and HDR made a presentation about Omaha's Combined Sewer Overflow Study. The presentation included specifics about the Burt-Izard Basin including projects underway and those proposed. You can find more information about this study at www.omahacso.com.

There were about 20 attendees present, mostly residents of the Highlander and North Omaha Neighborhood Associations. Several expressed anger toward the City and MUD for continuing delays eliminating the problem of sewerage backing up into their basements. Several

residents complained that their sewer hookups were damaged when stormwater sewers were installed on their streets, and they were required to pay \$3,000 to \$4,000 to make repairs because the contractor and City refused to accept responsibility for the damage. This continues to be a divisive environmental justice issue in Omaha!

Attendees also complained that the findings and recommendations of the CSO Study were very technical and difficult to understand. It was suggested that a tour be organized for interested citizens of the area affected by CSO so they can see firsthand examples of sewer-stormwater separation construction projects, sewer overflow outfalls, and the sewerage treatment plant. Perhaps the Sierra Club could sponsor a tour much like our Tour de Sprawl in 2002 and Back to the River bus tour in 2003. The League of Women Voters sponsored a very educational bus tour last November to many of the proposed NRD stormwater dam sites and holding basins in the Papio Creek Watershed.

For more information contact Cammy Watkins at (402) 551-9480 or camellia.Watkins@sierraclub.org.