



Stormwater Utility Basics

What Is a Stormwater Utility?

A Stormwater Utility, like other utilities, provides a *service* to the public supported by charging *fees* to its customers.

Service – Stormwater Management

- Drainage
- Flood Damage Prevention
- Water Quality Management
- Erosion and Sediment Control

Fee – Runoff Volume

Utilities - Funded Through User Fees



Water Utility – Volume of Water Used



Waste Water Utility – Volume of Water Used



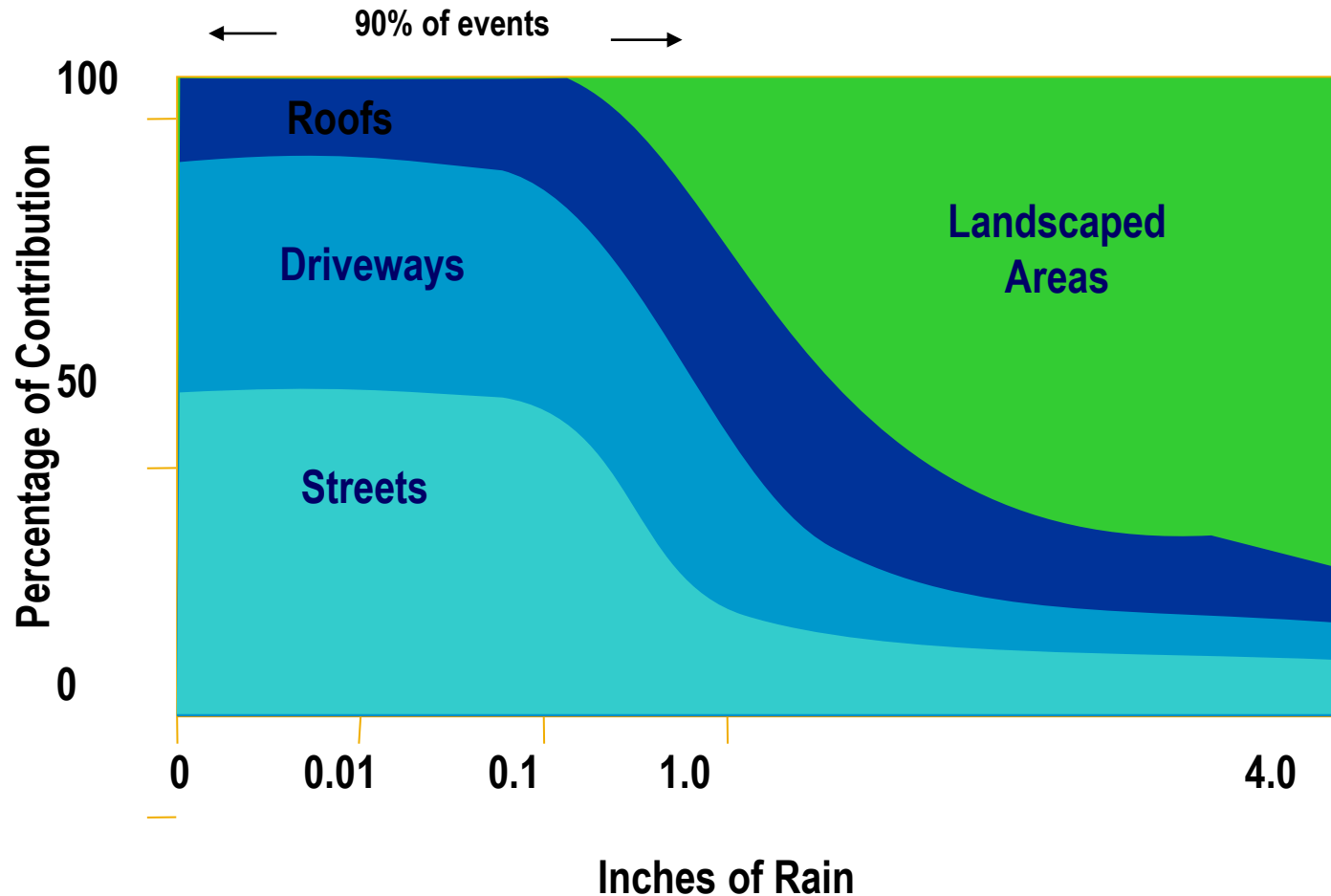
Solid Waste Utility – Weight of Refuse



Stormwater Utility - Stormwater Runoff

User fees are directly related to contribution to problem and/or benefit received from program

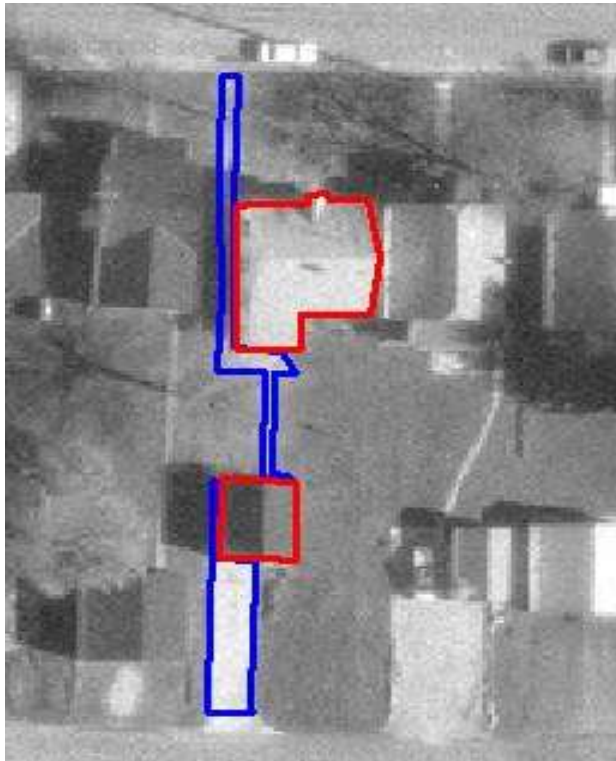
Basis of Utility Fee



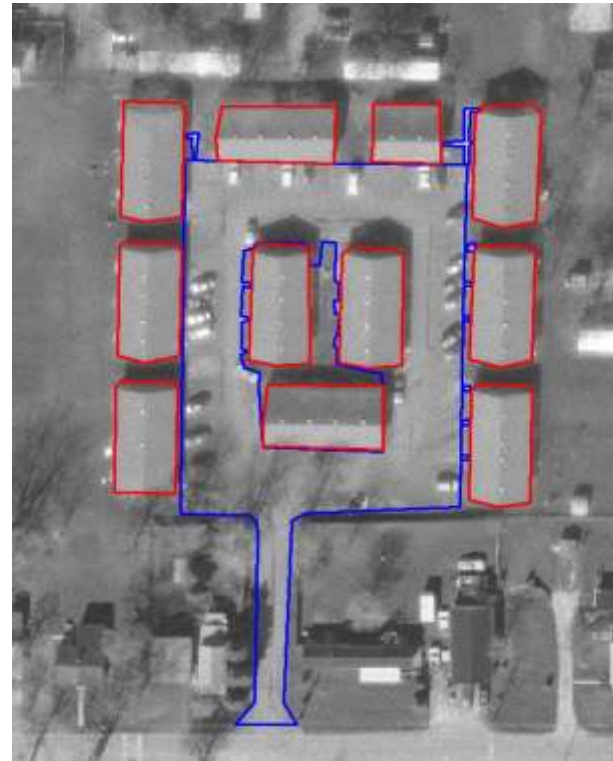
Source: Pitt

Determining Impervious Area

Single Family

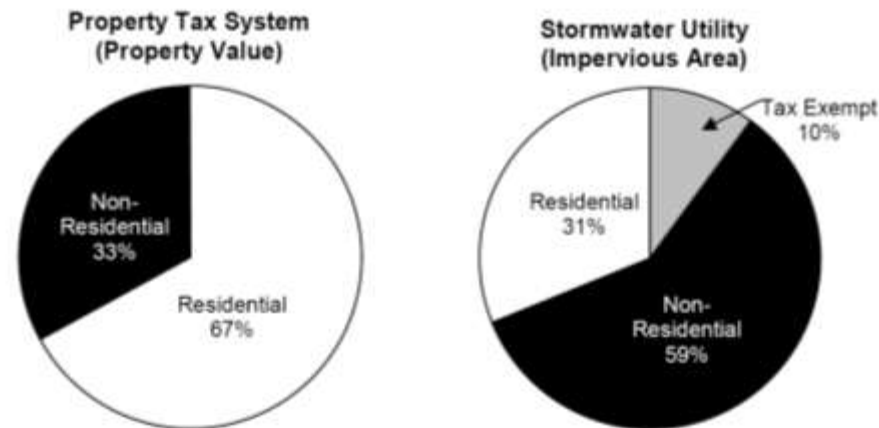


Multi-Family



Stormwater Utility "Pro's"

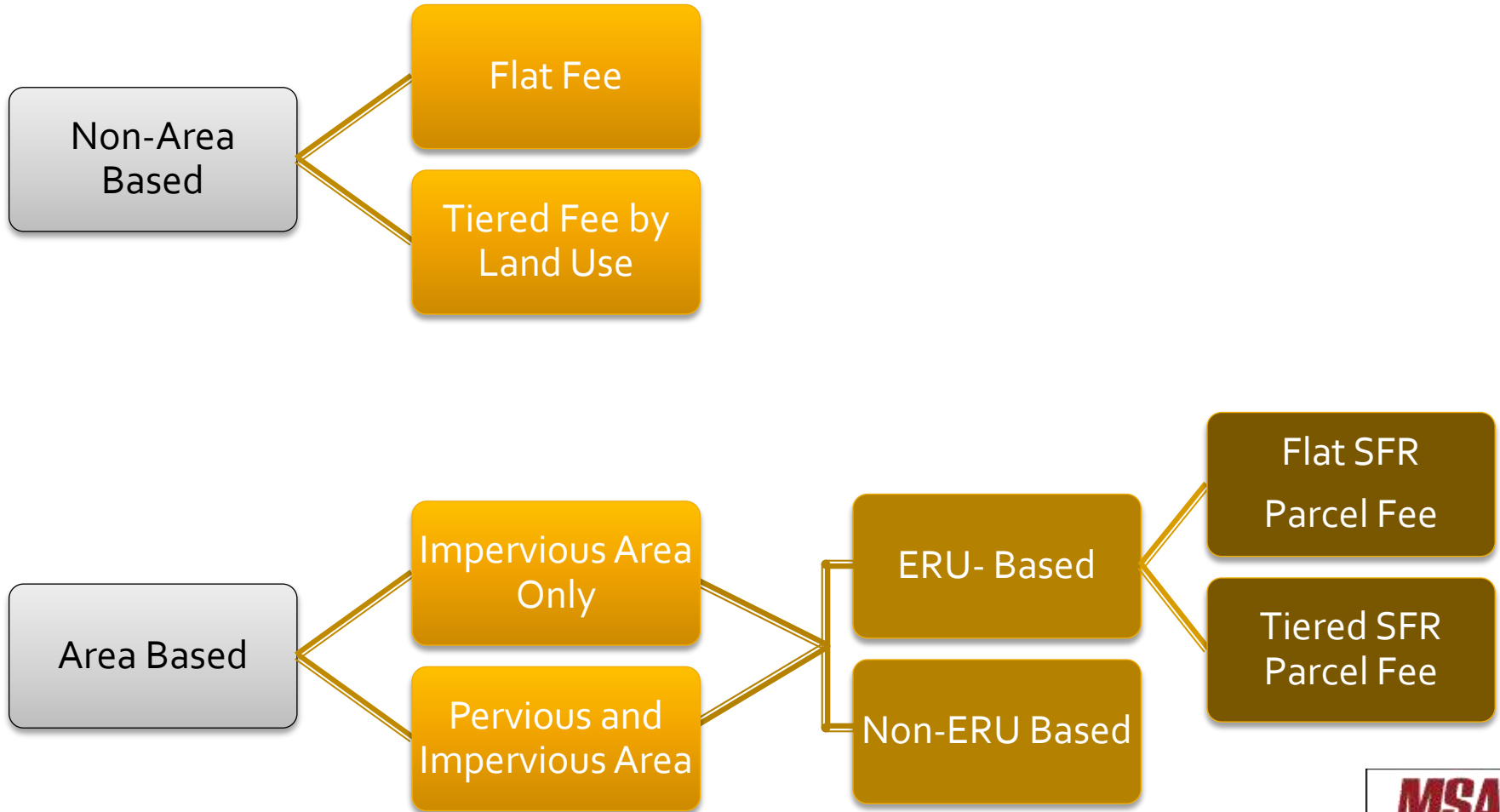
- Dedicated Source of Revenue
- Increased Level of Service
 - Ability to address new regulatory standards
- Creates more Equitable Payment Structure



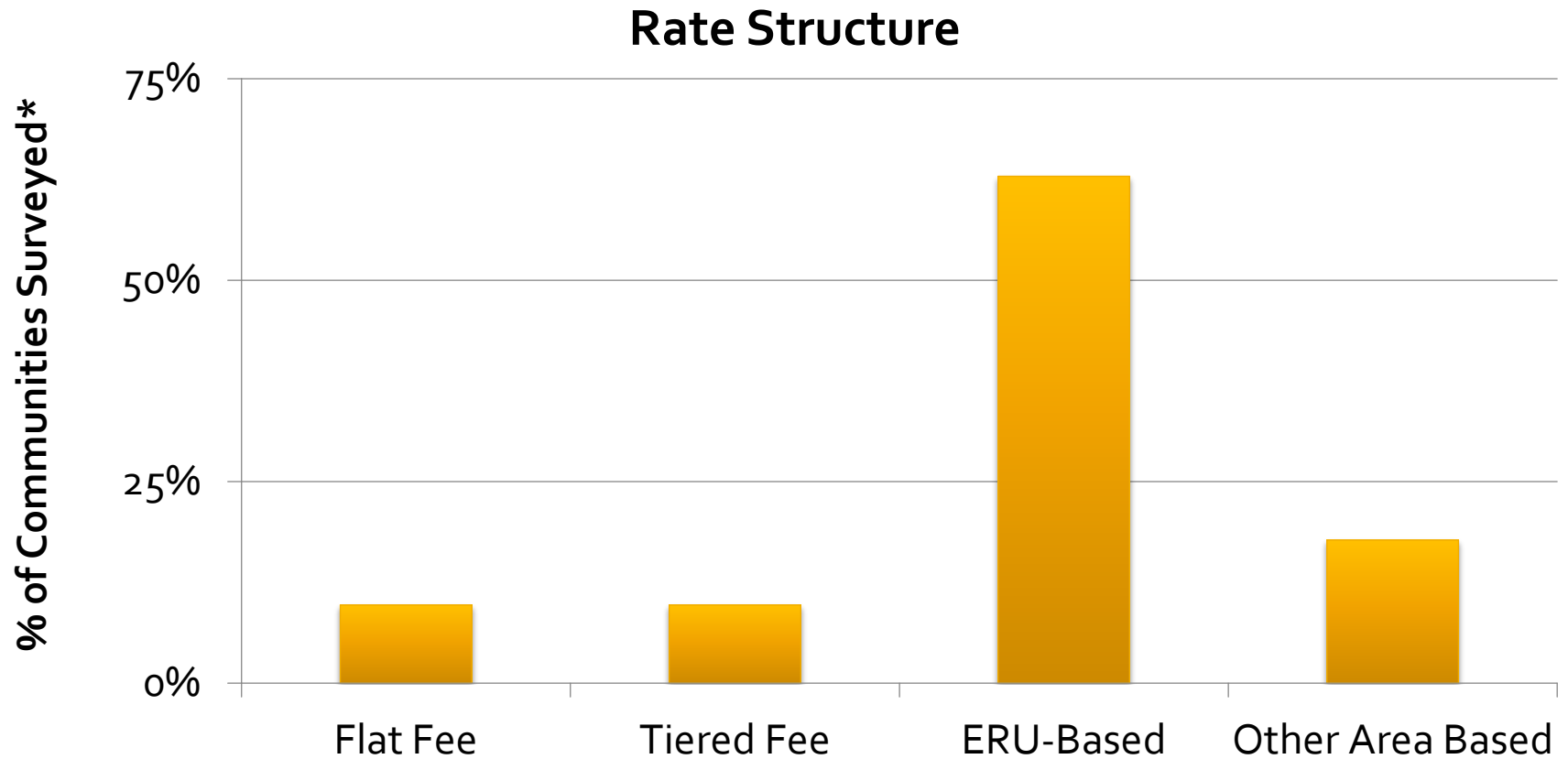
Stormwater Utility “Con’s”

- Additional fees to user (if not off-set...)
- Overhead to operate
- Loss of opportunity for property tax deduction

Stormwater Rate Structure Types



What are other Midwest Communities Doing?



* n=62

ERU System

- Single Family

- Flat Fee =
1 ERU per Living Unit

- Duplex - Multi-Family

- Flat Fee =
1 ERU per Living Unit*

- Commercial - Industrial - Tax Exempt

- $\frac{\text{Parcel Impervious Area}}{\text{ERU Size (square feet)}} \times \text{Charge Rate}$

* Sometimes a reduced value is applied

Potential Utility Revenue for 'Your City'

Net Levy - \$10,000,000

Stormwater Budgets = 2% - 6% of Net Levy
=\$400,000 ± (4%)

Population – 10,000

Residential ERUs = 1 ERU per 2.7 people
= 3,700

Non-Res. ERUs = 65% of Total ERUs
= 6,900

Total ERUs = 10,600

Charge per ERU = \$38 Annually

Stormwater Utility Credits

Possible Credit-Eligible Customers

Non-Residential

Residential

Stormwater Utility Credits

Possible Non-Residential Credit Types

Water Quantity

- Runoff Rate
- Runoff Volume (Infiltration)

Water Quality

- Pollution Reduction
- Temperature Reduction

Direct Discharge

Industrial NDPDES

Other

Other Credit Policy Decisions



Maximum Allowable Credit?



Credit Eligibility Criteria

- None?
- Comply with standards?
- Exceed standards?

Public Education vs: Stakeholder Involvement

What's the Difference?



Public Education

- Inform the public about the stormwater utility so they understand why the charge it is needed, what it pays for, and how their bill was determined
- *Goal is to Inform*



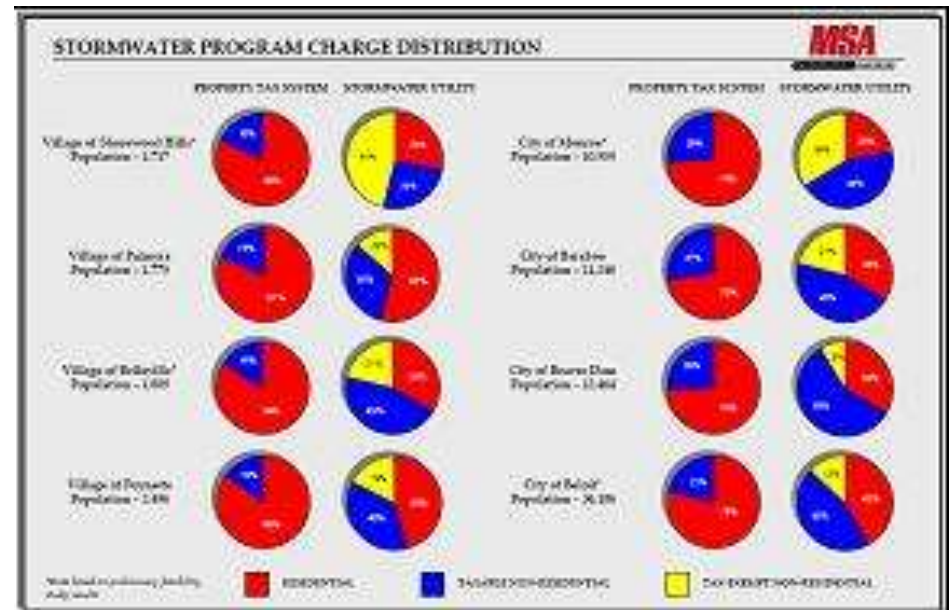
Stakeholder Involvement

- Educate and involve stakeholders and in decision-making process
- *Goal is to provide an active role in the solution process*

Critical Elements of Success

1. Preparation of a clear statement of need.

Without an easily definable problem statement such as a need to provide flooding or drainage relief to a large portion of the City or a need to satisfy new unfunded water quality standards (such as the new Phase II storm water rules) a storm water utility can appear to be a shell game where money is switched from one pot to another to simply free up funds from the general tax levy for other non-storm water programs.



The Community must document that the implementation of the utility will result in an increased level of service proportional to the stormwater utility fee.

Critical Elements of Success

2. Complete and Transparent Accounting.

The argument for implementing a utility is often based only on the fact that costs will be shifted away from residential properties towards non-residential properties (including tax-exempt properties) and will be fairer since this fee structure is proportional to the stormwater generated by each parcel. This is a valid argument; however, if insufficient detail is provided to support this general statement strong resistance from community businesses may develop.

*In practice, comparatively few businesses will be severely impacted annually by a utility. **Usually less than 5% of the customers can be expected to have storm water utility bills over \$100 per month.***

Critical Elements of Success

3. Sense of Control for Customers.

Stormwater Utility Credits provide a sense of control for customers; since they can reduce their storm water charges through a reduction in their 'usage' of the storm water management service provided by the municipality.

In common practice the implementation of credits affect the overall utility revenue generation potential by less than 5%; a small concession for greater public acceptance of a utility.