

STORMWATER UTILITY 101



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ENGINEERING RESOURCE ASSOCIATES, INC.
Consulting Engineers, Scientists & Surveyors

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What is a Stormwater Utility

- Plan to accomplish long-term stormwater management
- Funding mechanism to implement and support the plan



Why Consider a Stormwater Utility?

- Allows for implementation of an effective stormwater program
- Provides a dedicated funding source
- Funds mandated state and federal programs
- Provides an equitable fee schedule to implement programs
- Frees up general fund for other services

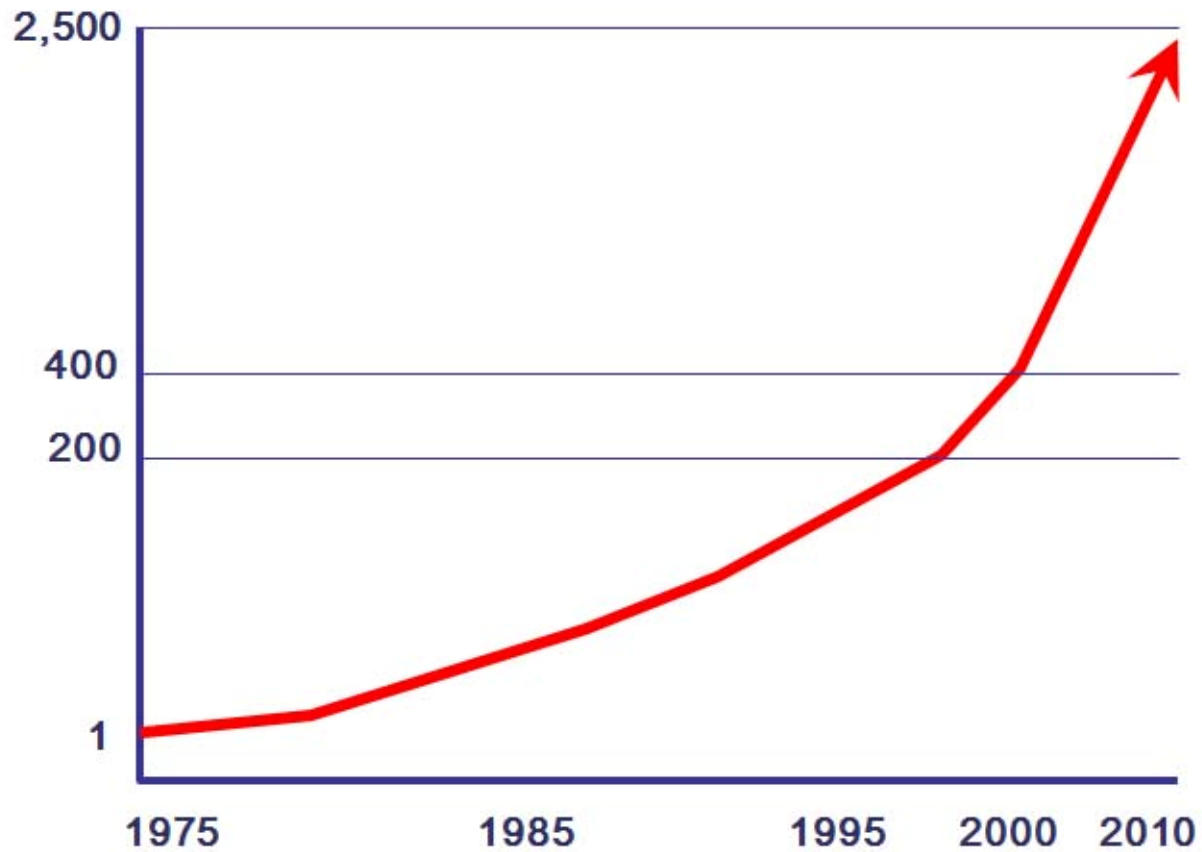


Why Consider a Stormwater Utility?

- Supports long-term funding
- Funds mandated state and federal programs



Growth of Stormwater Utilities



Three Questions

- How much will it cost?
- How will it be paid for?
- How will you gain acceptance?

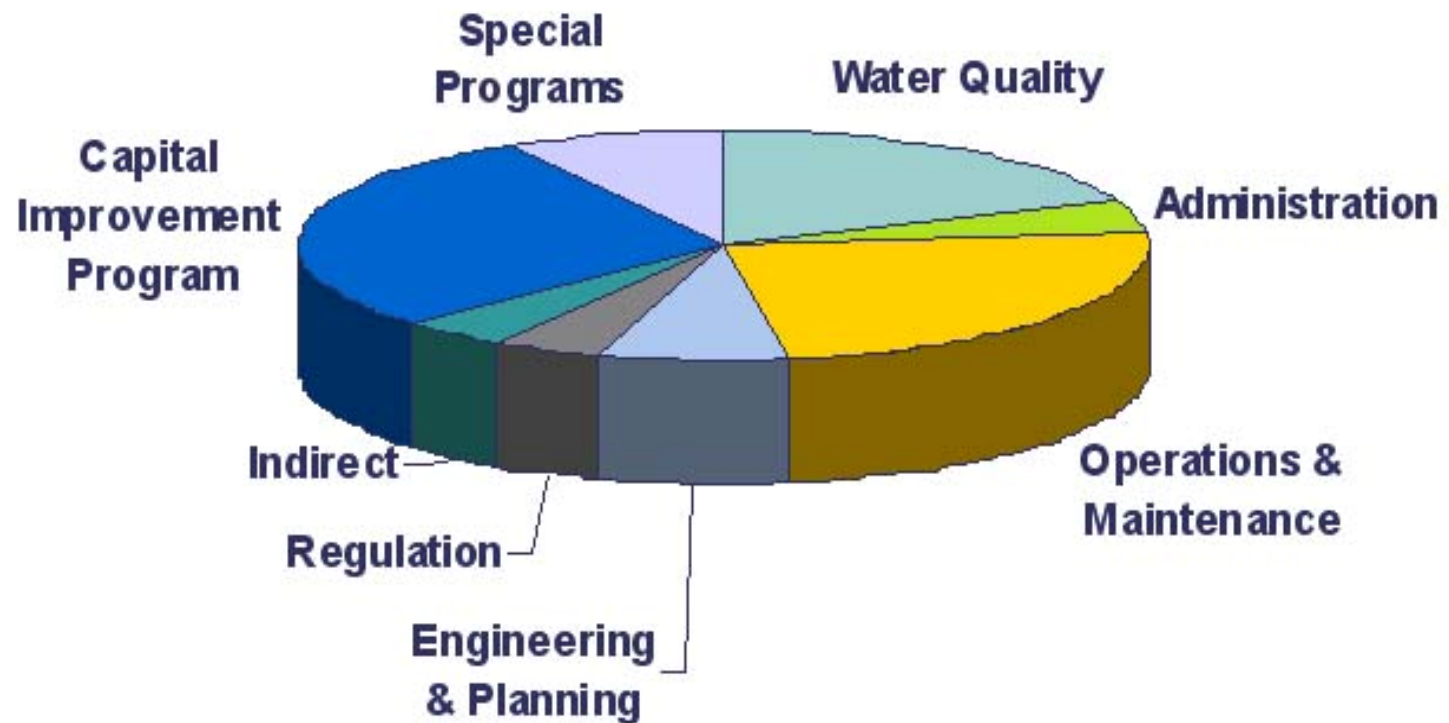


Determine Costs for Plan

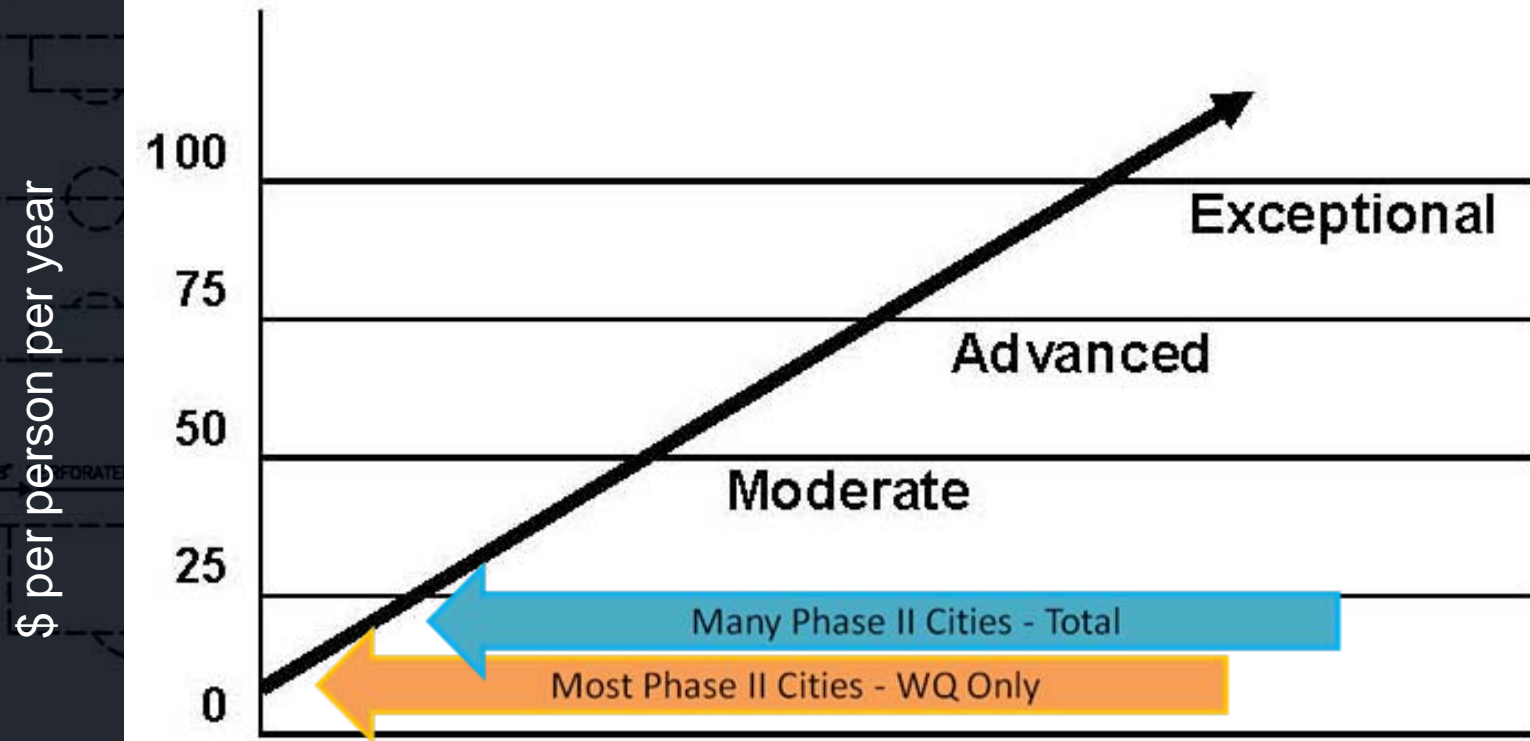
- Assess existing stormwater program
- Develop a strategy or business plan
 - Future needs
 - 5 year planning period
 - Prioritize program goals
 - Determine level of service



Typical Plan Cost Distribution



Estimating Plan Costs



* Assuming 5 persons per acre



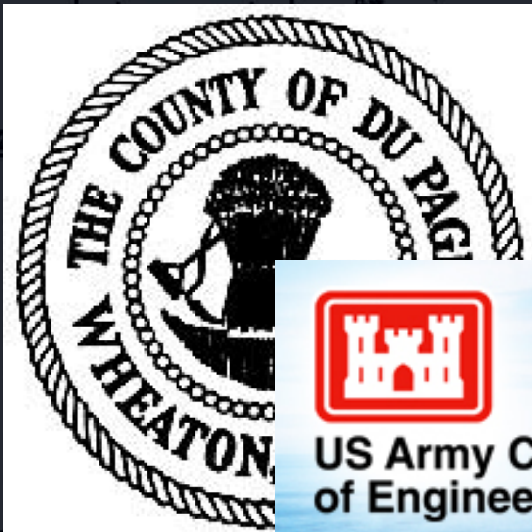
How Will the Plan Be Funded?

- Outside funding sources
- General fund
- Real estate tax
- Stormwater utility fee



Outside Funding Sources

- Not reliable
 - Depends on another agency's budget
- Usually involves cost sharing



The General Fund



- Problem
 - Swing in available revenue
 - High after major flood
 - Low as time goes by



Real Estate Tax

- Inequities in property value versus stormwater contribution
- Not responsive to stormwater plan needs
 - Annual budget constraints



vs.



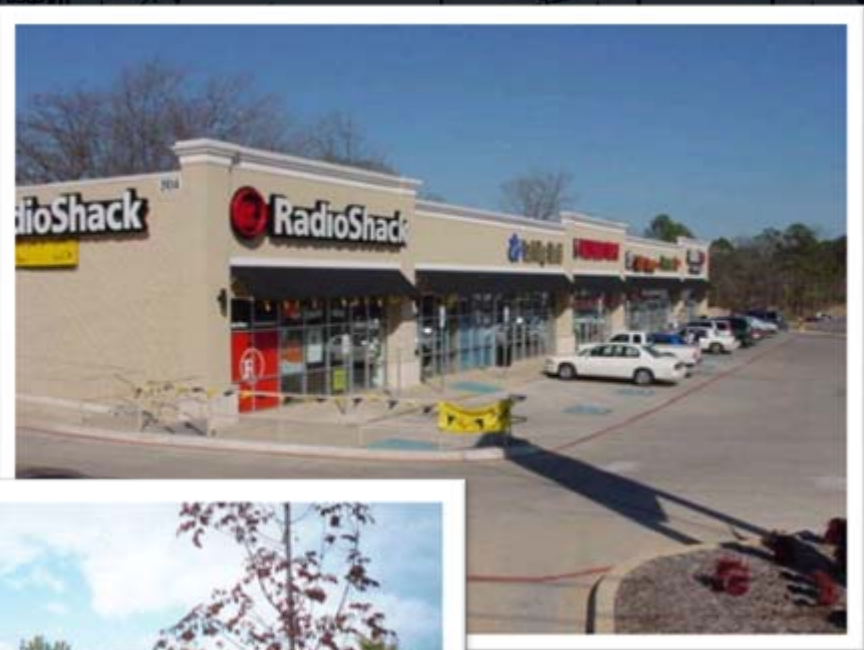
Stormwater Utility Fee

- Not a tax; it's a service fee
 - Based on the demand for services
- Statutory / Legal authority
- Needs to meet the “federal test”
 - Regulatory nature
 - Relationship between fee charged and service provided
 - Voluntary



Stormwater Utility Fee Advantages

- Dedicated funding source
- Reliable funding source
- Equitable
 - Everyone pays their fair share



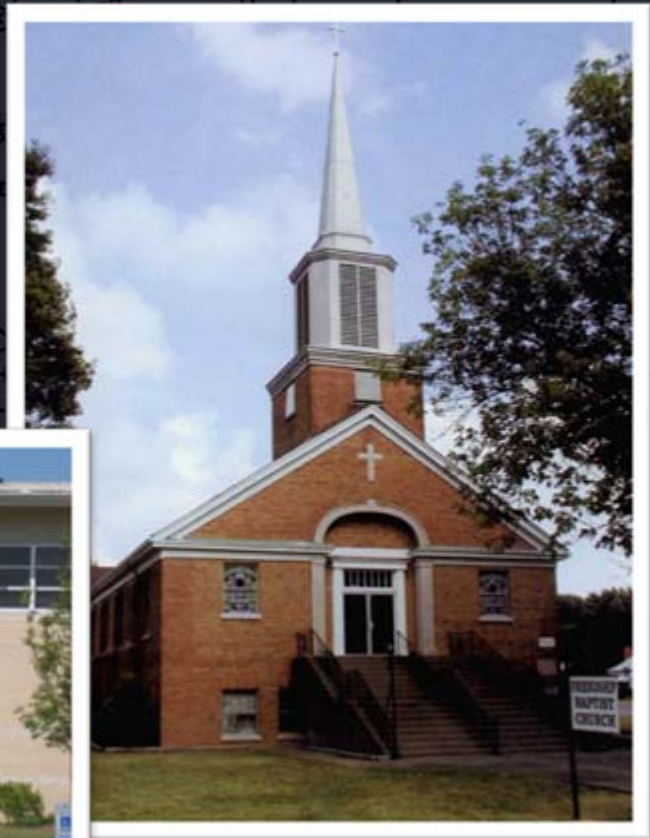
Stormwater Utility Fee Advantages

- Provides incentives to manage stormwater on site
- Supplemented by other possible sources
Permit fees-Special assessments-Fee-in-lieu



Stormwater Utility Fee Disadvantages

- Principal objectors are tax exempt organizations
- Length of time before you see progress
 - 2 to 3 years



Stormwater Utility Fee Disadvantages

- High start up costs
- Hard to gain community acceptance
 - Not something to be used on demand, such as
 - Gas
 - Electric
 - Water



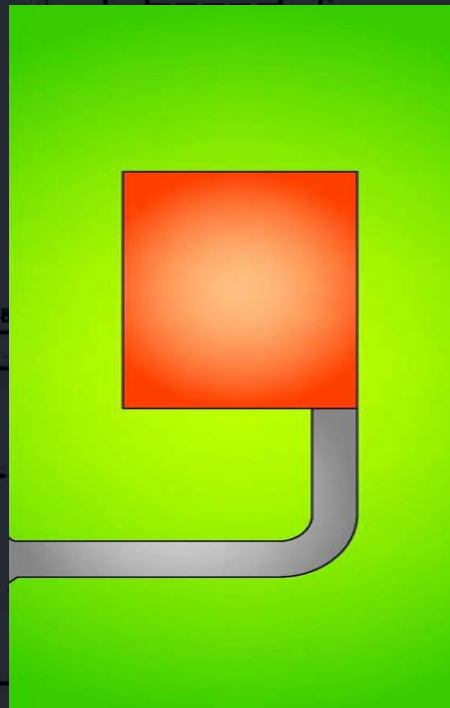
Calculating Stormwater Service Fee

- Methodologies to Determine Service Fee
 - Impervious surface only
 - Impervious surface plus total area
 - Effective hydraulic area
 - Other methodologies that relate runoff to demand



Calculating Stormwater Service Fee

Concept of Equivalent Residential Units (ERU) Based On Imperviousness Only



Assume typical residential lot
= 2,500 sf of
impervious surface

= 2,500 sf impervious surface

= 1 ERU's, less any credits



Calculating Stormwater Service Fee

Commercial Unit

2,500 sf = 1 ERU
impervious surface

= 10,000 sf impervious surface

= 4 ERU's, less any credits



Public Outreach is Crucial

- Develop public outreach programs early
 - Flyers
 - Public meetings
 - Press releases



Public Outreach is Crucial

- Meet with special interest groups
 - Religious organizations
 - School Districts
 - Park Districts
 - Other tax exempt groups



Public Outreach is Crucial

- Coordinate with municipal officials and legal working groups



Conclusion

- Stormwater management is important; pay for it now or pay for it later



Questions



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