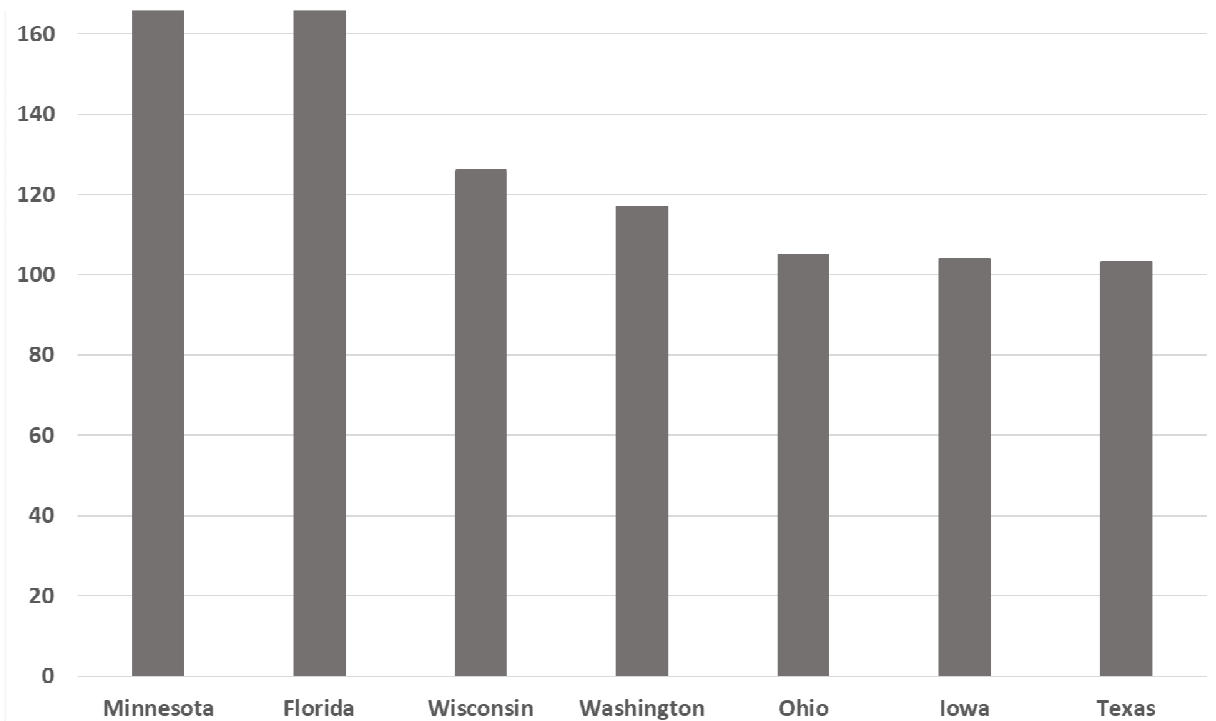




FEASIBILITY ANALYSIS

Stormwater Utility Funding



**STATES WITH MORE THAN 100
UTILITIES**

**1,583 utilities
across the U.S.**

Western Kentucky University
Stormwater Utility Survey 2016

ILLINOIS MUNICIPALITIES WITH STORMWATER UTILITIES

No.	Community	State	Type	ERU	Fee	Year	Pop	Ann. Rev.
448	Aurora	IL	F		\$3.45	1998	170,617	\$3,000,000
449	Bloomington	IL	T			2004	70,970	\$2,760,000
450	Champaign	IL	T	1,000	\$1.51	2012	81,055	\$3,200,000
451	Decatur	IL	E	4,500	\$3.00	2014	75,407	
452	Downer's Grove	IL	T	3,300	\$9.72	2012	48,163	\$3,500,000
453	East Moline	IL	T	2,200	\$2.61	2009	20,333	\$350,000
454	Freeport	IL	T				25,638	\$600,000
455	Highland Park	IL	E	2,765	\$6.00		31,614	
456	Hoffman Estates	IL	T	3,300	\$2.00	2013	51,895	
457	Matteson	IL	D	4,000	\$7.00	2013	19,147	
458	Moline	IL	T			2000	42,916	\$1,800,000
459	Morton	IL	E	3,300	\$4.88	2005	15,757	\$900,000
460	Normal	IL	E	3,200	\$4.60	2006	45,386	\$1,730,000
461	Northbrook	IL	W		\$1.00		33,170	\$1,200,000
462	Palatine	IL	F		\$6.13	2012		
463	Rantoul	IL	F		\$3.43	2001	12,857	\$572,250
464	Richton Park	IL	D		\$4.66		12,533	\$500,000
465	Rock Island	IL	T	2,800	\$3.95	2002	39,020	\$1,600,000
466	Rolling Meadows	IL	E	3,604	\$3.71	2001	23,682	\$560,000
467	Tinley Park	IL	W		\$1.68	1983	56,703	\$475,000
468	Urbana	IL	E	3,100	\$4.94	2012	41,250	\$1,141,000
469	Winetka	IL	E	3,400	\$21.83	2014	12,370	

Western
Kentucky
University
Stormwater
Utility Survey
2016

WHAT DEFINES A STORMWATER UTILITY?

A stormwater utility is **public stormwater management services** that are **funded by user fees**, with revenues placed in a **dedicated fund**

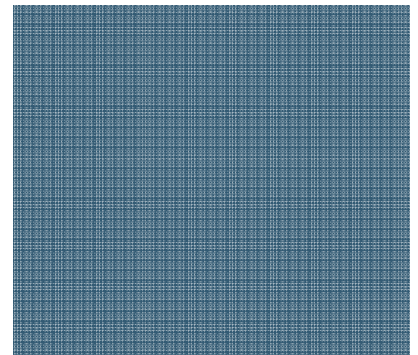
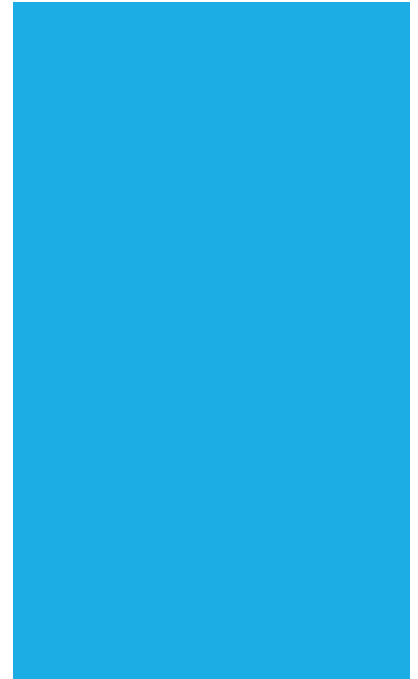
REQUIREMENTS FOR USER FEES

Regulatory – revenues must be designated for stormwater management and any excess revenues must be retained in the fund

Proportionate – charges must be related to the necessary cost of service

Voluntary – if a property reduces its use of the system, its fees must be reduced

Church of Peace vs. City of Rock Island, 2005



IS A STORMWATER UTILITY RIGHT FOR MY COMMUNITY?

A stormwater utility can work well for almost any community
It depends on how you set it up...

KEY QUESTIONS TO ASK BEFORE CREATING A UTILITY

What's the driving force behind this?

What costs would we fund with a utility?

What are the important characteristics of our geography and infrastructure that we need to consider?

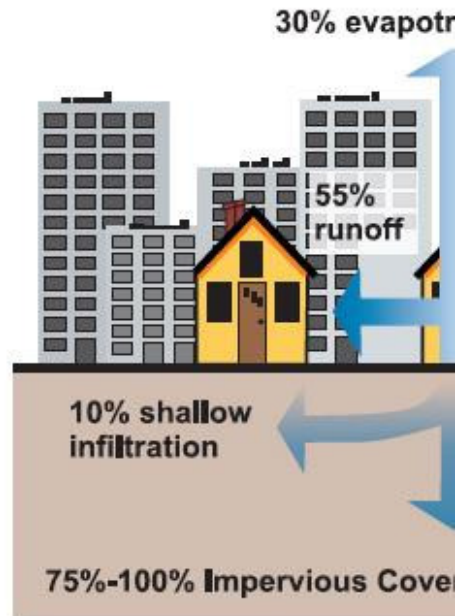
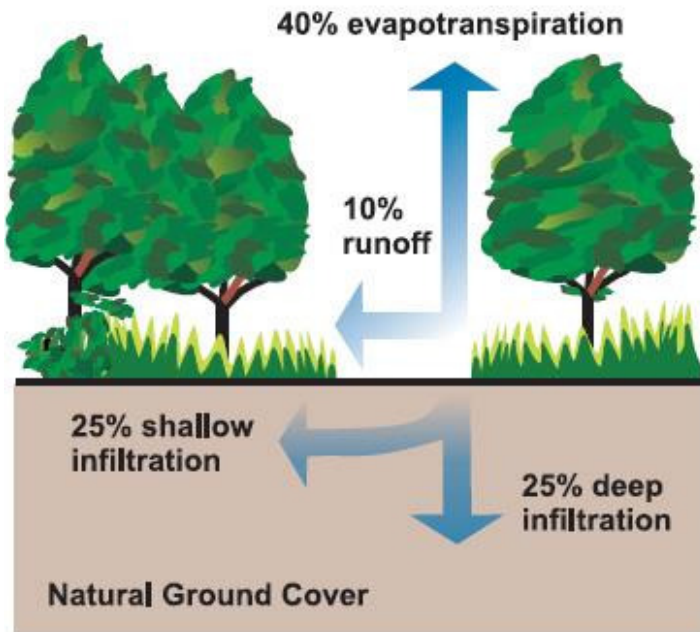
Do we have the resources to manage the database management, billing, accounting, and credits?

What type of rate structure would meet our objectives?

About how much would we have to charge?

How would utility fees shift the burden of paying for stormwater versus our current funding?

Can we communicate a clear message about the benefits of a utility?



COMMON REASONS FOR CREATING A STORMWATER UTILITY

Relieve pressure on the tax levy

Increase funding for stormwater

Ability to collect from tax exempt properties

Address urgent stormwater infrastructure needs

Improve fairness – charge based on use

Encourage property owners or developers to reduce runoff volume or pollutants



THINKING ABOUT COSTS TO FUND WITH A UTILITY

New regulatory requirements

Increased program of maintenance or replacement

Storm water master plan projects

Water quality BMP's

Maintenance of facilities to serve a specific area

GEOGRAPHY AND INFRASTRUCTURE

Are land uses and densities relatively consistent across the entire community?

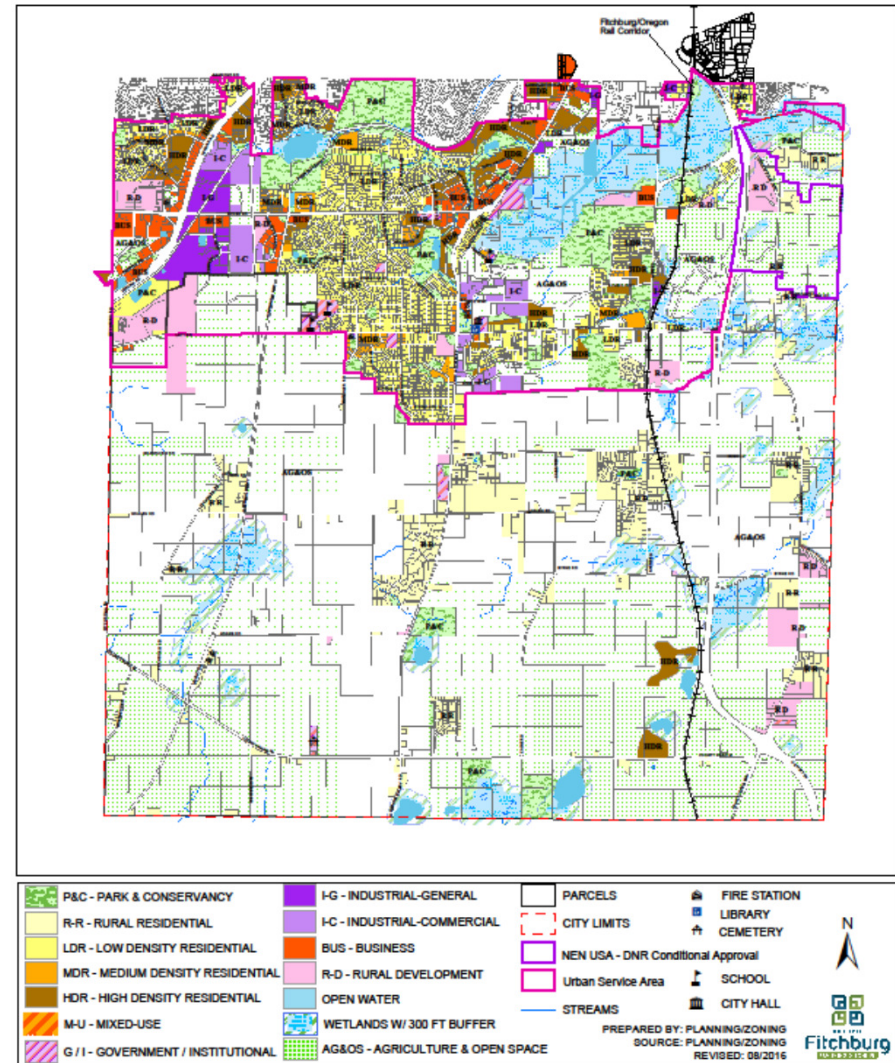
Are the types of stormwater facilities and level of service provided relatively consistent across the entire community?

If not, are there easily definable areas with different densities and levels of service?

Are there any major geographic features to consider?

- Rivers, lakes, wetlands

EXISTING LAND USE MAP



ADMINISTRATION

How will we maintain accurate records of impervious area or other billing units?

Can we add new charges to our billing software?

How many parcels would have stormwater bills but not water bills?

How will we handle accounting for a separate fund?

How will we handle credits and appeals?

Who on staff will be responsible for each of these activities?



City of Tampa Utilities
P.O. Box 30191
Tampa, FL 33630-3191

***Amount Now Due**
\$106.65
Make Check Payable:
City of Tampa Utilities
Your Account Number
0123456-001-0





BILL DATE: 03/01/2013
PAY BY: 03/31/2013

JOHN DOE
3456 S PARK AVE
TAMPA, FL 33333

0123456010 0000010665

TO INSURE PROMPT CREDIT PLEASE RETURN THE ABOVE PORTION OF BILL WITH YOUR PAYMENT



JOHN DOE
3456 S PARK AVE
TAMPA, FL 33333

BILL DATE: 03/01/2013

Service For: JOHN DOE
3456 S PARK AVE

SERVICE TO: 02/21/2013

Meter Number	Meter Readings		Days of Service	CCF (100 cu ft)	Gallons (1000's)
	Current	Previous			
000001234 REC	1373	1361	29	12	09
000001397 WTR	0954	0946	29	08	06

Charge Description	Amount	Rate	Gallons
LAST BILLING LESS PAYMENTS			109.46
RECLAIMED WATER CHARGE	1.20		14.40
WATER TIER 0 CHARGE	2.04		10.45
WATER TIER 1 CHARGE	2.43		7.29
TBW PASS-THROUGH	0.19		1.52
WATER SUBTOTAL	10.26		3.37
WATER UTILITY TAX	10%		37.08
WASTEWATER CHARGE	4.71		31.04
SOLID WASTE - RESIDENTIAL CHARGE			

Pay This Amount → \$106.65

PLEASE PAY BY 03/31/2013 TO AVOID DELINQUENCY

Amount Now Due
\$106.65

Your Account Number
0123456-001-0

1 Water Customer Class
RESIDENTIAL

2 Water Usage History

Months	Gallons (1000's)
FEB	5
JAN	8
DEC	9
NOV	12
OCT	11
SEP	10
AUG	13
JUL	17
JUN	16
MAY	8
APR	11
MAR	12
FEB	8

See Reverse Side for additional information

RATE STRUCTURE CONSIDERATIONS

Simplicity

Ease of explanation
Ease of administration

Equity

Types of costs funded
Level(s) of service
Characteristics of properties served

Revenue Generation

Total revenues generated
Percentage of revenues subject to credits

Incentives

Do we want to structure rates and credits to encourage specific practices?

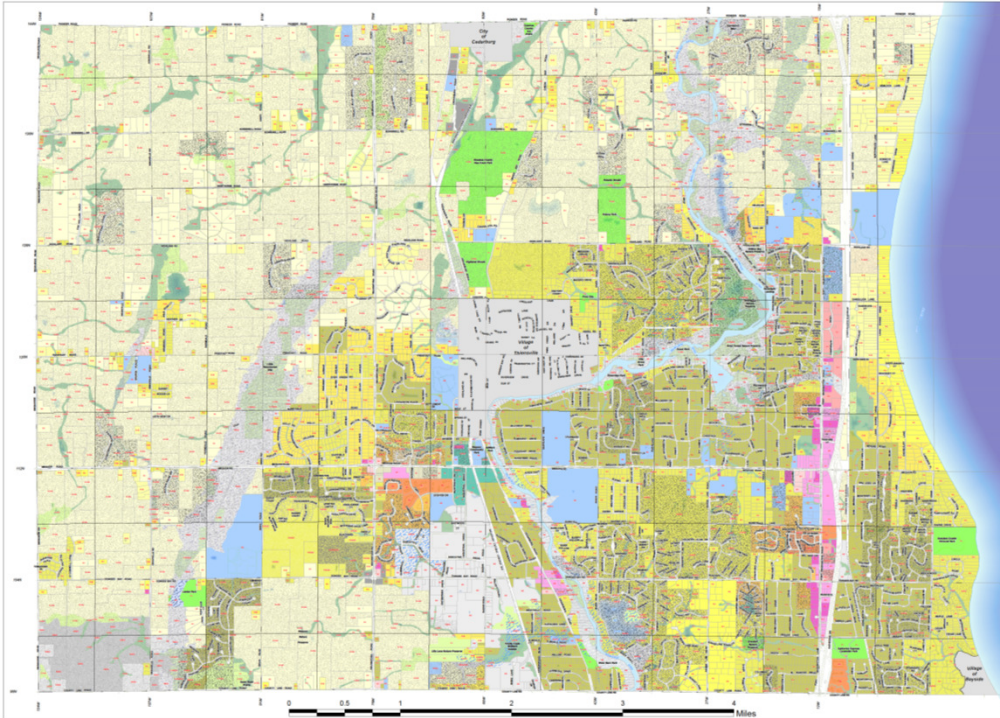
ESTIMATING USER FEES

Target Revenue \div Estimated Units
in Service Area = Fee per Unit

OR

Desired Fee per Unit X Estimated
Units in Service Area = Estimated
Revenues

CITY OF MEQUON ZONING MAP



RESOURCES FOR ESTIMATING UNITS

Existing land use map

Zoning map

Property tax records

Number of housing units

GIS Database

INFORMATION NEEDED TO ESTIMATE BILLING UNITS

Number of improved properties

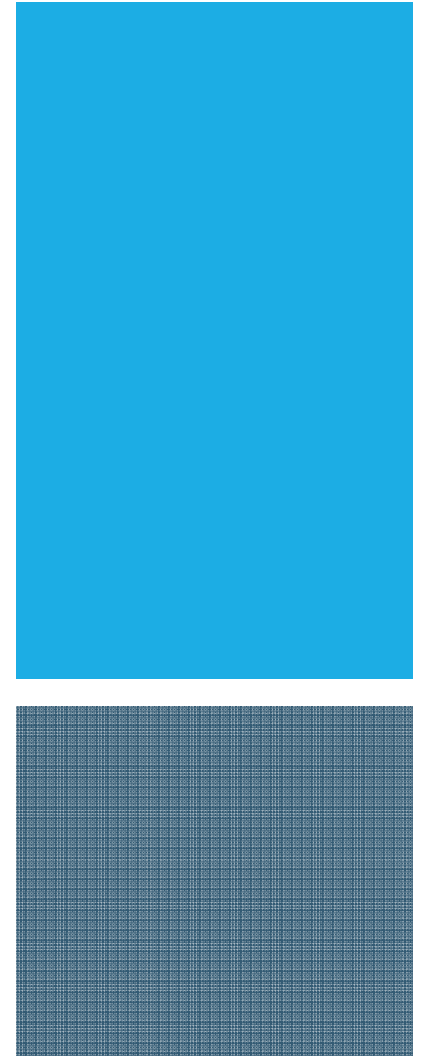
General land use of improved properties (land use, zoning, or tax classification)

Acreage of improved properties by land use

Estimates of density of development – nonresidential properties

Estimates of square feet of impervious area per property – residential

Amount of area, if any, draining directly to a lake or river



FINANCIAL IMPACTS ON PROPERTY OWNERS

Identify large property owners

- Large churches
- School district
- Large manufacturing or commercial properties
- City or village properties
- Other – university, hospital, county or state offices, airport, power plant

Average church or private school

Comparison of Proposed Annual User Charges vs. Property Taxes

	Parcel Size (acres)	Impervious Area (sf)	Equalized Value	Estimated Storm Water User Charge per Year	Property Taxes (for Storm Water)
Single-Family Residence	0.25	2,900	\$100,000	\$16	\$24
Typical Large Commercial	10.00	200,000	\$4,000,000	\$1,108	\$951
Typical Large Manufacturing	25.00	500,000	\$4,500,000	\$2,580	\$1,070
Typical Large Institutional	10.00	150,000		\$658	\$0

*Example parcels for demonstration purposes. The actual user charges for non-residential parcels would depend on the actual amount of impervious area on each parcel.



CAN WE COMMUNICATE A CLEAR MESSAGE ABOUT THE NEED OR BENEFITS?

In response to the unfunded federal mandate, the Village Board decided to create a Storm water Utility to fund the actions required by our permit. The utility is funded by a monthly fee that appears on the sewer and water bill. All fees collected are used exclusively for meeting the permit requirements.



CAN WE COMMUNICATE A CLEAR MESSAGE ABOUT THE NEED OR BENEFITS?

The Stormwater Utility was established in 2002 ([Chapter 40, Article V](#)) to provide consistent funding for meeting the City's stormwater management responsibilities.

CAN WE COMMUNICATE A CLEAR MESSAGE ABOUT THE NEED OR BENEFITS?

Why don't we just pay for this the way we always have - through the general fund?

Separating these funds provides a stable source of revenue, and assures that long-term planning that saves dollars can occur. Storm water planning that anticipates problems can help to eliminate catastrophic flooding. The property loss, economic damage, public health threat and threat to human safety that is caused by flooding is very real. Charges are more fair because they are based on runoff, not property value

ELEMENTS OF A FEASIBILITY STUDY

Purpose and objectives (message)

Types of costs to be funded

Funding needs

Proposed rate structure

Estimated billing units and rates

Financial impacts on example property owners

Staff resources and responsibilities

