REST EASY WHEN IT RAINS

STORMWATER UTILITIES FOR LOCAL LEADERS

March 2023 | ANJEC's Fundamentals for Effective Environmental Commissions
Agenda

- Stormwater: What’s The Fuss?
- Current Stormwater Funding Practices
- Intro to Stormwater Utilities (SWU) & Process
- Questions
What is Stormwater?

- Rain or melting snow that flows off of streets, lawns, or other sites (EPA)

- Why is stormwater runoff increasing?
  - Development & increased storm intensity and frequency.

*Image Credit: District of Columbia Water and Sewer Authority*
Stormwater: What’s the Fuss?

- Stormwater fouls our waters
- Stormwater floods our communities
- Stormwater hurts our economy

Stormwater never travels alone.

Camden, NJ
Current Stormwater Funding Practices

- Property Taxes
- Sewer Fees
Stormwater Management: What Are My Options?

- Do Nothing
- Increase Property Taxes
- Increase Sewer Rates
- Create a Stormwater Utility
What is a Stormwater Utility?

Similar to a water or sewer utility, a stormwater utility is a dedicated funding mechanism to pay for a community’s stormwater management program.
As of 2022, 2,055 stormwater utilities had formed in the United States.

(Source: Western Kentucky University 2022 Stormwater Utility Survey)
Clean Stormwater & Flood Reduction Act

• **New Jersey law** allows, but does not require, local governments to establish stormwater utilities.

• Stormwater utilities must collect fees based on the amount of stormwater a property generates.

• Can be established by municipalities, counties, groups of municipalities, and sewerage and improvement authorities.

• Funds generated are dedicated solely to stormwater management.
Stormwater Utility: Key Benefits

- Equitable
- Dedicated
- Stable
- Sole exemption - agriculture/horticulture
Stormwater Utility: What Can It Pay For?

- Establishment of a Stormwater Utility
- Capital Expenditures
- Operations & Maintenance
- Asset Management
- Public Outreach & Education
Paying a Fair Share in Harrisburg, PA

Fee Distribution

With a Stormwater Fee, Residential Customers pay $1.3M less

*Source: Capital Region Water, 2020*
Stormwater Credits

- **Definition:** Stormwater credits are ongoing reductions in a customer’s stormwater fee provided for private stormwater management activities that reduce demand on the stormwater system and/or reduce the utility’s costs.

- Credit programs also provide a venue for stormwater utilities to promote green initiatives, sustainable development and environmental stewardship across their service area(s).

- NJDEP Guidance
Steps to Establish a Stormwater Utility

Key Milestones For Implementation

Eight Basic Steps to Establish a Stormwater Utility

1. Vetting the concept with top local officials
2. Establishing a core team of internal experts
3. Engaging the mayor (or county executive or utility director)
4. Authorizing a feasibility study to identify options that best suit the community
5. Ongoing stakeholder and outreach activities
6. “Go” or “no go” decision
7. An implementation phase
8. The final launch

https://stormwaterutilities.njfuture.org/key-milestones-for-implementation/
Community Research: Important Questions to Answer

- What are the problems facing your community?
- What are your community’s goals for managing stormwater?
- Do you need a different structure and more resources?
- What is the cost of inaction?
If you Have Any of These Compelling Stormwater Management Needs:

(i) Enhance services and compliance?
(ii) Solve problems in the Community?
(iii) Establish dedicated funding?
(iv) Enhance equity in recovering costs?

Here is a Two-Phased Approach to Your Potential Solution

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**PHASE 1 – STORMWATER USER FEE FEASIBILITY ASSESSMENT**

- Assess Problems & Needs
- Define Program Costs
- Develop Five-Year Financial Plan
- Develop Impervious Area Estimates
- Select Rate Structure
- Define Credit Program
- Assess Customer Bill Impact

**DECISION POINT:** Is stormwater user funding a viable option?

**PHASE 2 – STORMWATER USER FEE IMPLEMENTATION**

- Conduct Public Outreach
- Adopt Rate Ordinance
- Develop Billing/Credit Processes & Manuals
- Establish Billing Data Management Tools
- Complete Staff Training & Readiness
- Issue Customer Notifications
- Launch Fee
SWU Investigations in New Jersey

- Municipal Perspective
  - Flooding Issues
  - Stormwater Infrastructure Needs
  - Water Quality Concerns
Protect Public Health.
Safeguard Your Community.
Rest Easier When It Rains.
Additional Resources

- Consultant Technical Assistance
- Grant Application Assistance

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