REST EASY WHEN IT RAINS

STORMWATER UTILITIES FOR LOCAL LEADERS

March 2023 | ANJEC's Fundamentals for Effective Environmental Commissions



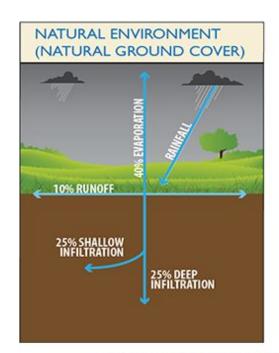


Agenda

- 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.



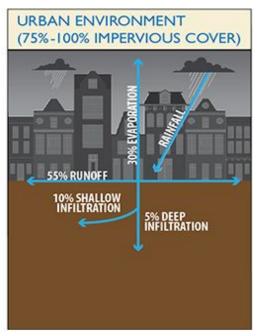


Image Credit: District of Columbia Water and Sewer Authority

Stormwater: What's the Fuss?

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









Current Stormwater Funding Practices

Property Taxes



Sewer Fees

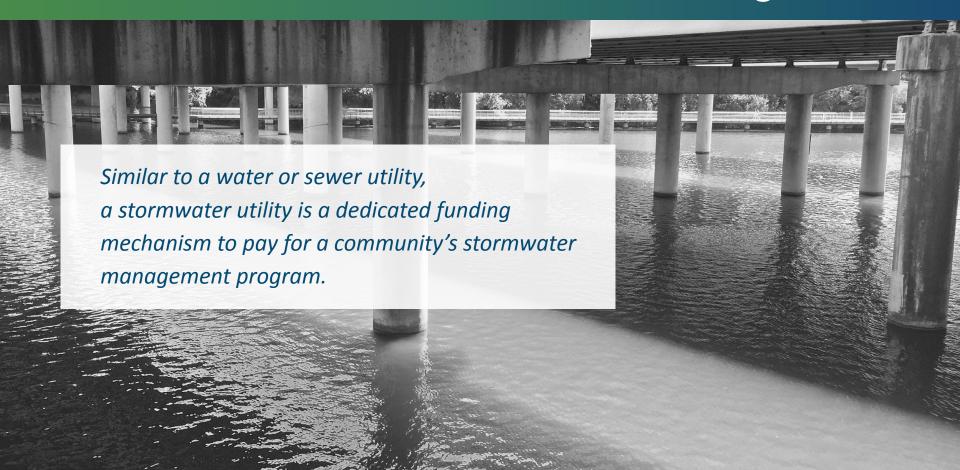


Stormwater Management: What Are My Options?

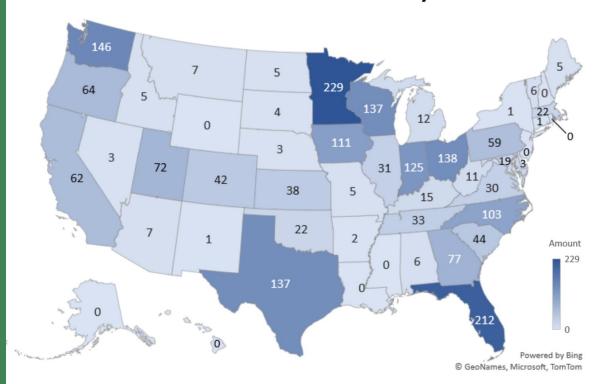


- Do Nothing
- Increase Property Taxes
- Increase Sewer Rates
- Create a Stormwater Utility

What is a Stormwater Utility?



Number of Stormwater Utilities by State 2022



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

- <u>New Jersey law</u> 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

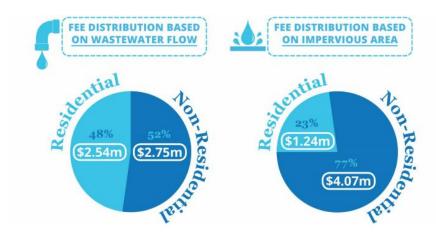
Stormwater Utility: What Can It Pay For?

- 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

- <u>Definition:</u> 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

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: Enhance services and compliance? Here is a Two-Phased Solve problems in the Community? Approach to Your Establish dedicated funding? **Potential Solution** Enhance equity in recovering costs? PHASE 1 - STORMWATER USER FEE FEASIBILITY ASSESSMENT Select Define Assess Define Develop Assess Develop Credit Problems & Rate Customer Bill Program Five-Year Impervious Financial Plan Area Estimates Program Needs Costs Structure Review & Refine DECISION POINT: Is stormwater user funding a viable option? PHASE 2 - STORMWATER USER FEE IMPLEMENTATION Conduct Adopt Develop Establish Complete Issue Launch Billing/Credit Public Rate Billing Data Staff Training Customer Fee Processes & Manuals & Readiness **Notifications** Outreach Ordinance Management Tools

SWU Investigations in New Jersey



- Municipal Perspective
 - Flooding Issues
 - Stormwater
 Infrastructure Needs
 - Water Quality Concerns



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