Stormwater Utility

What is a Business Case for User Fees?

Fun Facts in Feasibility Assessment

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Senior Vice President
WSP USA
WHAT IS A STORMWATER UTILITY IN NJ?

NJ Clean Stormwater and Flood Reduction Act:

➔ Authorizes, but does not require, the establishment of stormwater utilities

➔ Provides authority for a dedicated funding source to be used only for stormwater management.

➔ Grants rights to all types of local government structures to set up a utility including multijurisdictional agencies
WHAT IS AUTHORIZED IN NJ SW UTILITY LAW?

NJ Specifics C40A:26B – states:

…it is in the public interest to authorize the establishment of local stormwater utilities, and to allow those utilities to assess fees that are based on a fair and equitable approximation of the proportionate contribution of stormwater from any real property.…

… shall provide for an exemption from fees and other charges for land actively devoted to agricultural or horticultural use that is valued, assessed, and taxed pursuant to the “Farmland Assessment Act of 1964,” P.L.1964, c.48 (C.54:4-23.1 et seq.).

… shall provide for a partial fee reduction in the form of a credit for any property that maintains and operates a stormwater management system that complies with the State and local stormwater management standards that were in place at the time the system was approved and that effectively reduces, retains, or treats stormwater onsite.
Why Have Communities Implemented a Utility?

- **Flooding** – development pressures; storm intensity
- **Aging Infrastructure** – inspections; capital investment
- **Erosion of channels and streams** – increased impervious surfaces
- **Regulatory mandates** – water quality & ecology
- **Informed constituencies** – political awareness
- **Tight or shrinking budgets** – fight for limited resources
Why are stormwater utilities continuing to be established in the US?

<table>
<thead>
<tr>
<th>Stable</th>
<th>Dedicated enterprise fund; does NOT rely on, or compete for general funds;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adequate</td>
<td>Proper preparation and rate study provide adequate program funding;</td>
</tr>
<tr>
<td>Flexible</td>
<td>Primary source for entire program; can credit good actors; account for environmental costs; and</td>
</tr>
<tr>
<td>Equitable</td>
<td>Based on contribution to system rather than property value or other non-related revenue (earned income, property transfer fees, gambling revenue).</td>
</tr>
</tbody>
</table>
The Basic Logic

Why a Utility

• Stormwater Problems are Real and Unresolved
• Other funding methods fail to sufficiently address problems
• Government must lead and benefits will result
• Shift to fees occurring throughout public services
• Roles for urban systems are changing
• A Utility is a Practical Vehicle for Solutions – stable, adequate, flexible, equitable
Feasibility Study Establishes Legal Foundation

Five key areas of due diligence:
1. Governance and inter-municipal consensus
2. Program concept and the compelling case
3. Public and political education and support
4. Financial policies and documents
5. Database development & accuracy and customer service
Survival Guide
How to Be Successful

Feasible or Not? Meet Your Community Needs

Quick Concept Study

Feasibility Study

With or without Advisory Committee

Utility Implementation
Success or Failure – It is all in the process....

<table>
<thead>
<tr>
<th>Follow</th>
<th>Involve</th>
<th>Make</th>
<th>Prepare</th>
<th>Think</th>
<th>Spend</th>
</tr>
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<td>Follow the steps in each process.</td>
<td>Involve the community early enough and in the right ways – GET PUBLIC SUPPORT.</td>
<td>Make your program and rate easy to understand.</td>
<td>Prepare your elected officials for complaints.</td>
<td>Think of the long-term benefits and recognize the pain is worth the gain.</td>
<td>Spend the money it takes – you get what you pay for.</td>
</tr>
</tbody>
</table>
What Services Can Be Provided?
Stormwater Program Organization

Functional and Cost Categories

1. Administration
   General Administration
   Gen Prog Planning and Dev
   Interlocal Coordination

2. Special Programs
   GIS and Database Management
   Mapping
   General Data Collection
   Public Awareness & Education
   Public Involvement
   Standing Citizen’s Group

3. Billing and Finance
   Billing Operations
   Customer Service
   Financial Management
   Capital Outlay

4. Indirect Cost Allocation
   Overhead Costs
   Cost Control
   Support Services

5. Stormwater Quality Mgmt
   Quality Master Planning
   Retrofitting Program
   Monitoring Program
   Struc and Non-Struc BMP Progs
   Pest, Herb and Fertilizer
   Used Oil & Toxic Materials
   Spill Response and Clean Up
   Prog for Pub Ed and Reporting
   Industrial Program
   Gen Com and Residential Program
   Illicit Con and Illegal Dumping
   Groundwater and Drinking Water
   Watershed Assessment & TMDL
   Septic and I&I Program

6. Engineering & Planning
   Design Criteria, Stds and Guidance
   Field Data Collection
   Quantity Master Planning
   Design, Field and Ops Engr
   Hazard Mitigation
   Zoning support
   Multi-objective Planning Support
   GIS and Database Management
   Mapping

7. Operations
   General Maintenance Mgmt.
   General Routine Maintenance
   General Remedial Maintenance
   Emergency Response Maintenance
   Infrastructure Management
   Public Assistance

8. Regulation and Enforcement
   Code Dev and Enforcement
   General Permit Administration
   Drainage Sys Insp & Reg
   Zoning and Land Use Reg
   Special Inspection Programs
   Flood Insurance Program
   Multi-Obj Floodplain Mgmt.
   Erosion Control Program

9. Capital Improvements
   Major Capital Improvements
   Minor Capital Improvements
   Land, Easement, and ROW
Table 2-2. Major Stormwater Management Functional Cost Centers

<table>
<thead>
<tr>
<th>Function</th>
<th>Primary Responsibility</th>
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<tr>
<td>1. Administration</td>
<td>General Administration, Public Works, Gen Prog Planning and Development, Stormwater Management</td>
</tr>
<tr>
<td>2. Special Programs</td>
<td>Public Awareness and Involvement, GIS and Database Management, Spec Prog Planning and Dev, Stormwater Management</td>
</tr>
</tbody>
</table>
| 3. Billing and Finance | Billing Operations, Customer Service, Capital Outlay, Financial Management, Division Director of Public Works, Finance, Deputy County Engineer, GIS and Database Management, Spec Prog Planning and Dev, Stormwater Management, Deputy County Engineer, Public Works, Finance, Deputy County Engineer, Civil Eng. Designer - CADD/GIS, Deputy County Engineer, Property Manager, Right-of-Way Technician, Engineering Tech, Deputy County Engineer, Engineering Tech, Deputy County Engineer, Engineer, Engineer, Engineer, Engineering Tech, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, Engineer, 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Engineer, Enginee
Principal of Equity and Fairness – Who Pays?
Exempt

$8.90 a month

Equity and Fairness – Perception is Everything
Drivers for Change
“A commitment by Johnson City TN to resolve flooding issues was an initial step in the resurgence of downtown ... Property owners were hesitant to make significant investments in improving their buildings until the flooding situation was improved.”
West Walnut Street

• The West Walnut Street Corridor Redevelopment Plan is a $33 million investment that will lay the foundation for the revitalization of the area that connects East Tennessee State University to downtown.

• Public, accessible greenspaces are included in the plan to aid in the best management of stormwater and serve as gathering places for people living in or visiting the City of Johnson City.
What is Your Why?
Where to Begin?

Prove there are problems
- Physical
- Financial
- Institutional

Identify the Needs
- Program
- Funding
- Organization
Transparency is the Key
Public Engagement is the Path to Success!

No surprises !!

• Who is the public ?
• What is your message ?
• When is the message going out?
• How is the message sent ?
• Emergency response – how to handle reactions?
• Keep the decisionmakers informed – in advance
Step One: Create an internal team to focus on the compelling driver for change

Can you describe:

- Vision for the future
- Issues that must be solved
- Current LOS
- Future LOS
- Costs – now and future
- Legal process
Who will be your champion?

• Leader who will keep focus
• Leader who has “thick skin”
• Leader who can bring team players to the table
• Believer in the process
• Committed to transparency
• Advocate for change
Full consensus support

Informed Consent

Over my dead body!
Justifications that DON’T Work

• The Federal (or State) government is requiring it.
  □ They aren’t.
• Everybody else has one. (Utility envy)
  □ It’s not true
• We can be the first.
  □ Big deal!
• The General Fund will get a windfall.
  □ It erodes fast.
Stormwaterutilities.njfuture.org