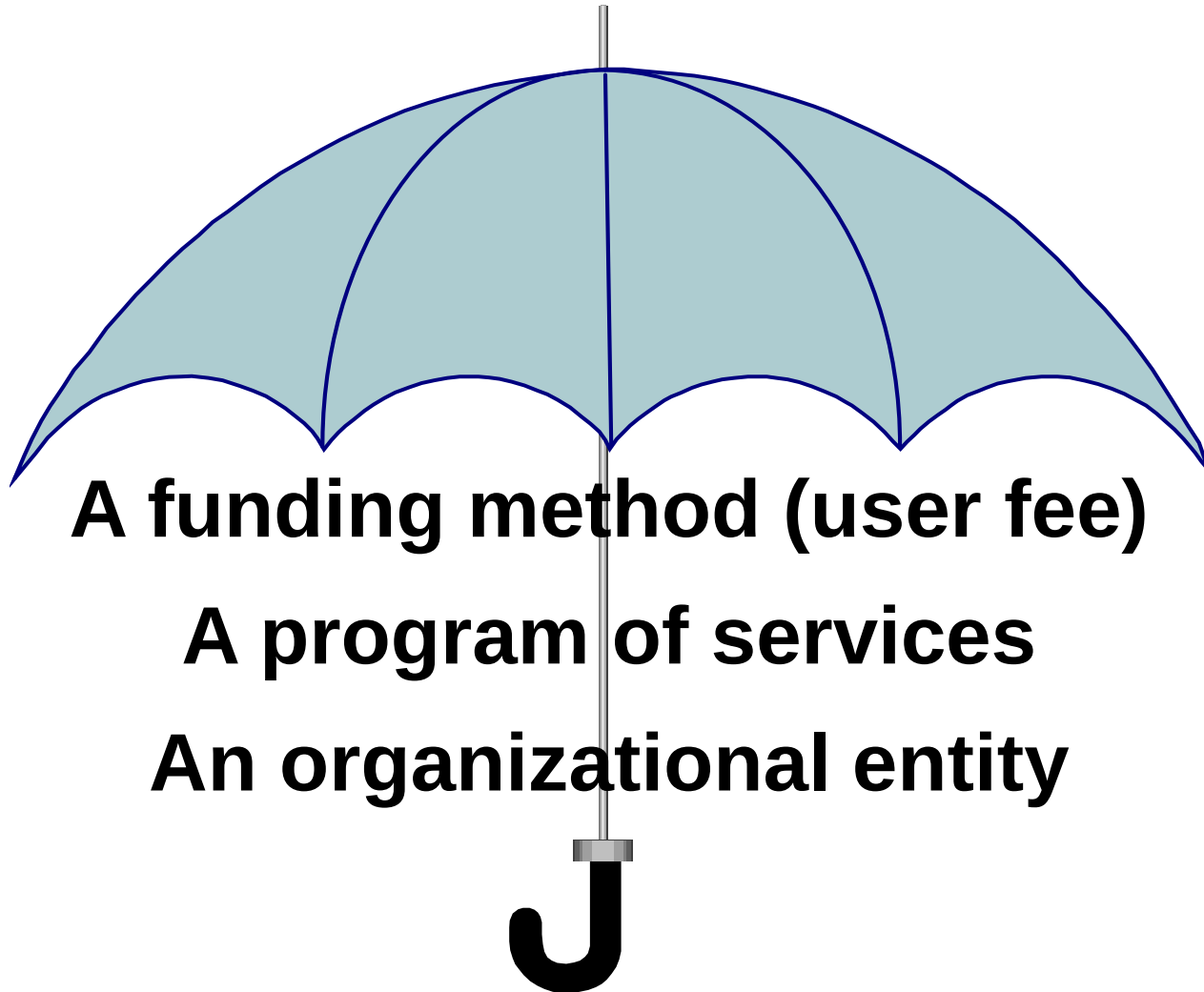


Overview . . .

- What is a Stormwater Utility?
- Pros & Cons
- Stormwater Utilities in New England
- Misconceptions of Failure and Success
- Tips for Success – Utility or Not



What is a Stormwater Utility?



A funding method (user fee)

A program of services

An organizational entity

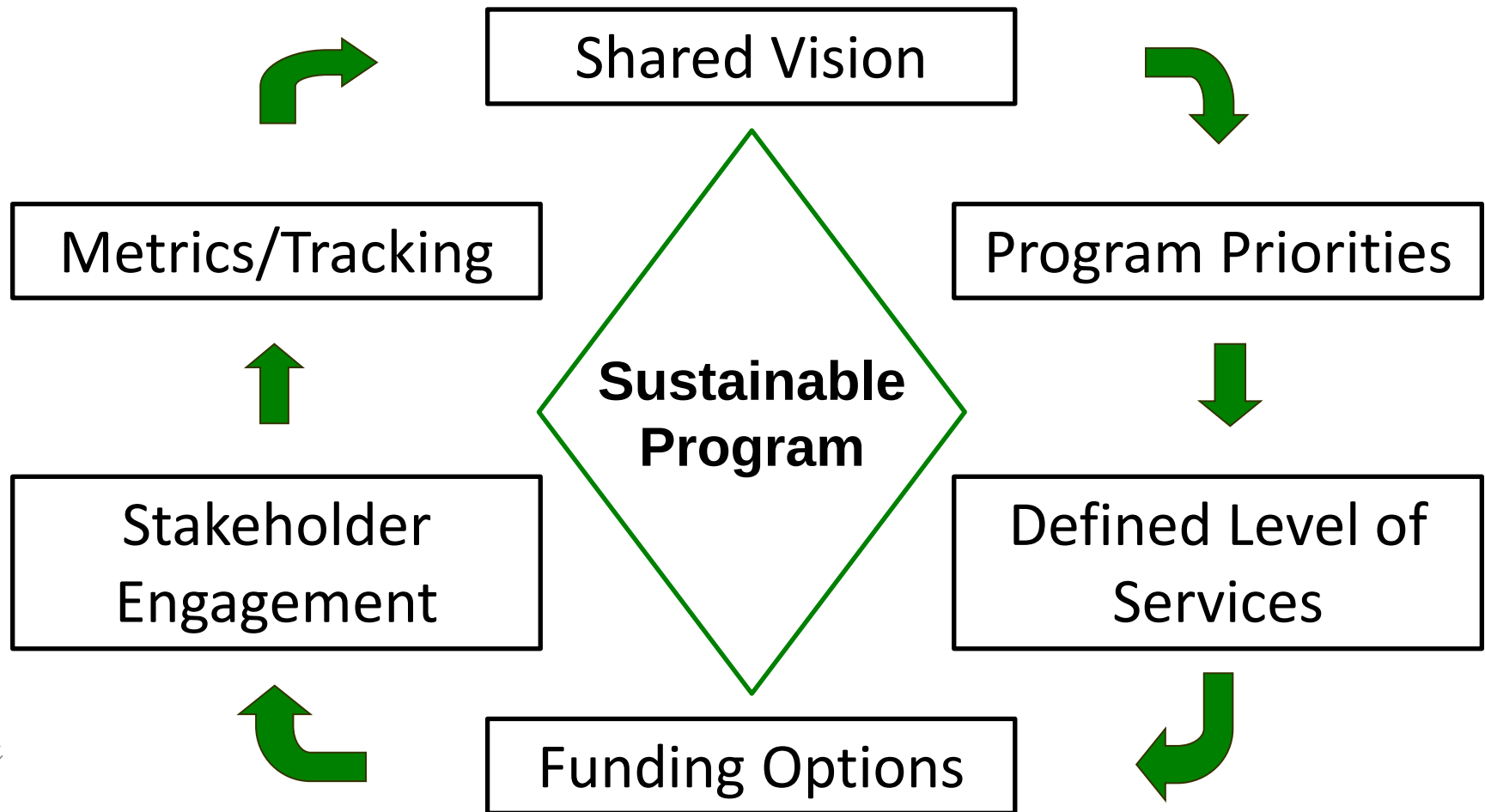


The Case For Stormwater Funding

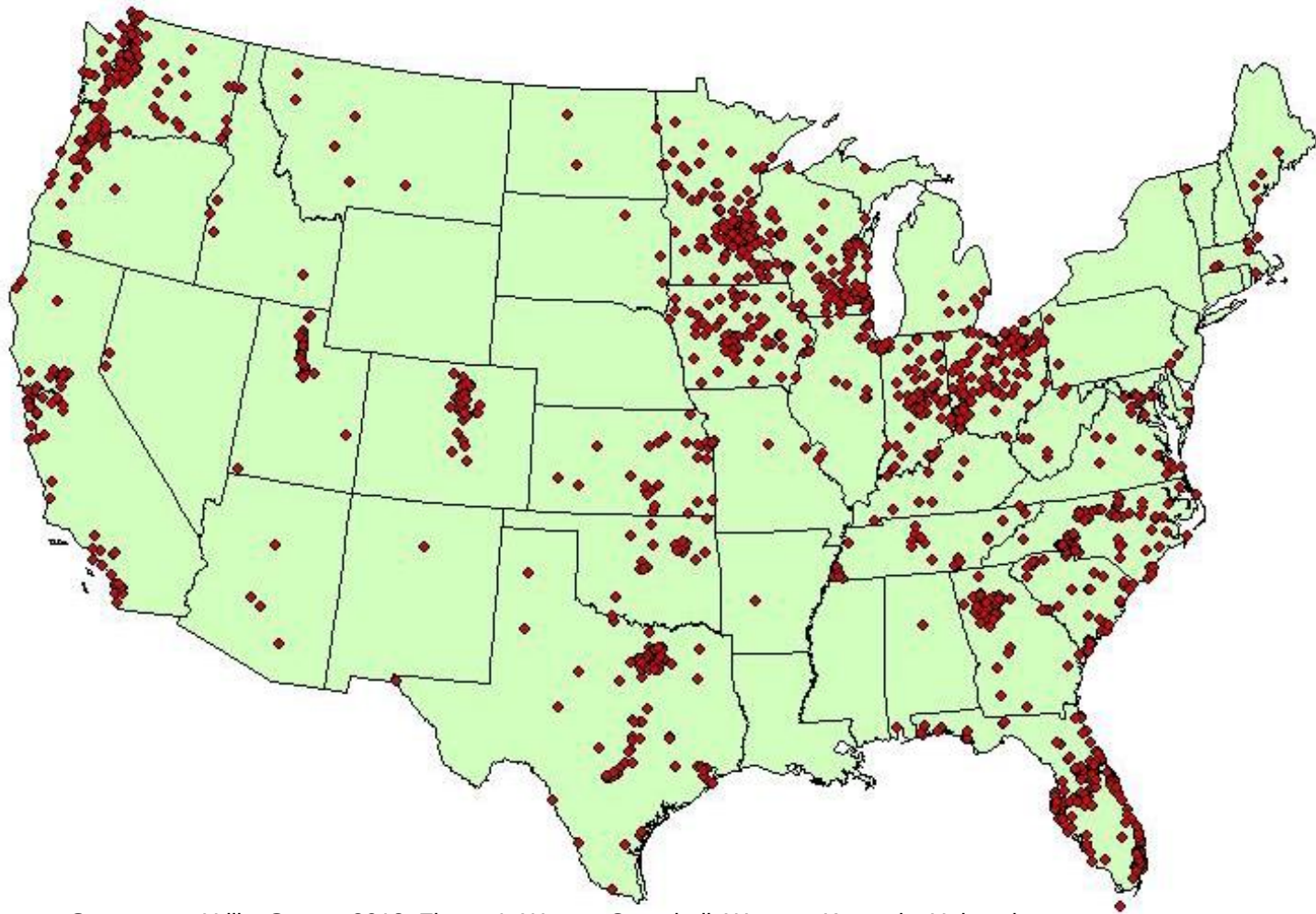
- Stable, adequate, flexible, equitable funding source
- Source water preservation
- Aging infrastructure
- Inflow and infiltration (I/I)
- CSO programs
- Flooding problems
- Water quality & ecology
- Regulatory mandates, TMDLs
- Quality of life & aesthetics
- Preservation of property value
- Erosion of channels & streams



Stormwater Business Plan Process



Existing Stormwater Utilities

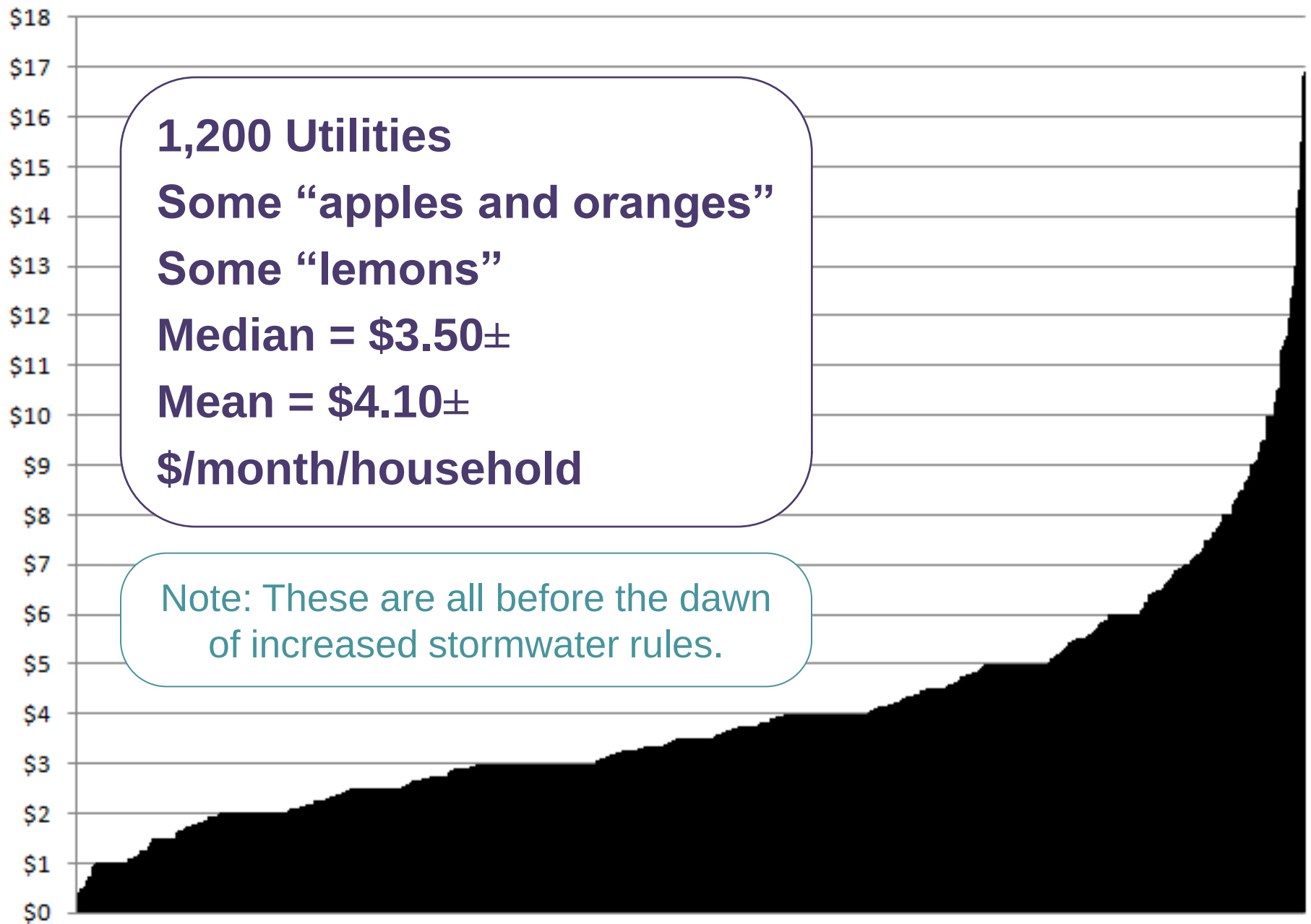


Source: Stormwater Utility Survey 2013, Figure 1, Warren Campbell, Western Kentucky University



1,200 Utilities
Some “apples and oranges”
Some “lemons”
Median = \$3.50±
Mean = \$4.10±
\$/month/household

Note: These are all before the dawn
of increased stormwater rules.



Advantages of a Stormwater Utility to Fund Program

Stable – source of revenue

Adequate – to cover identified needs and costs

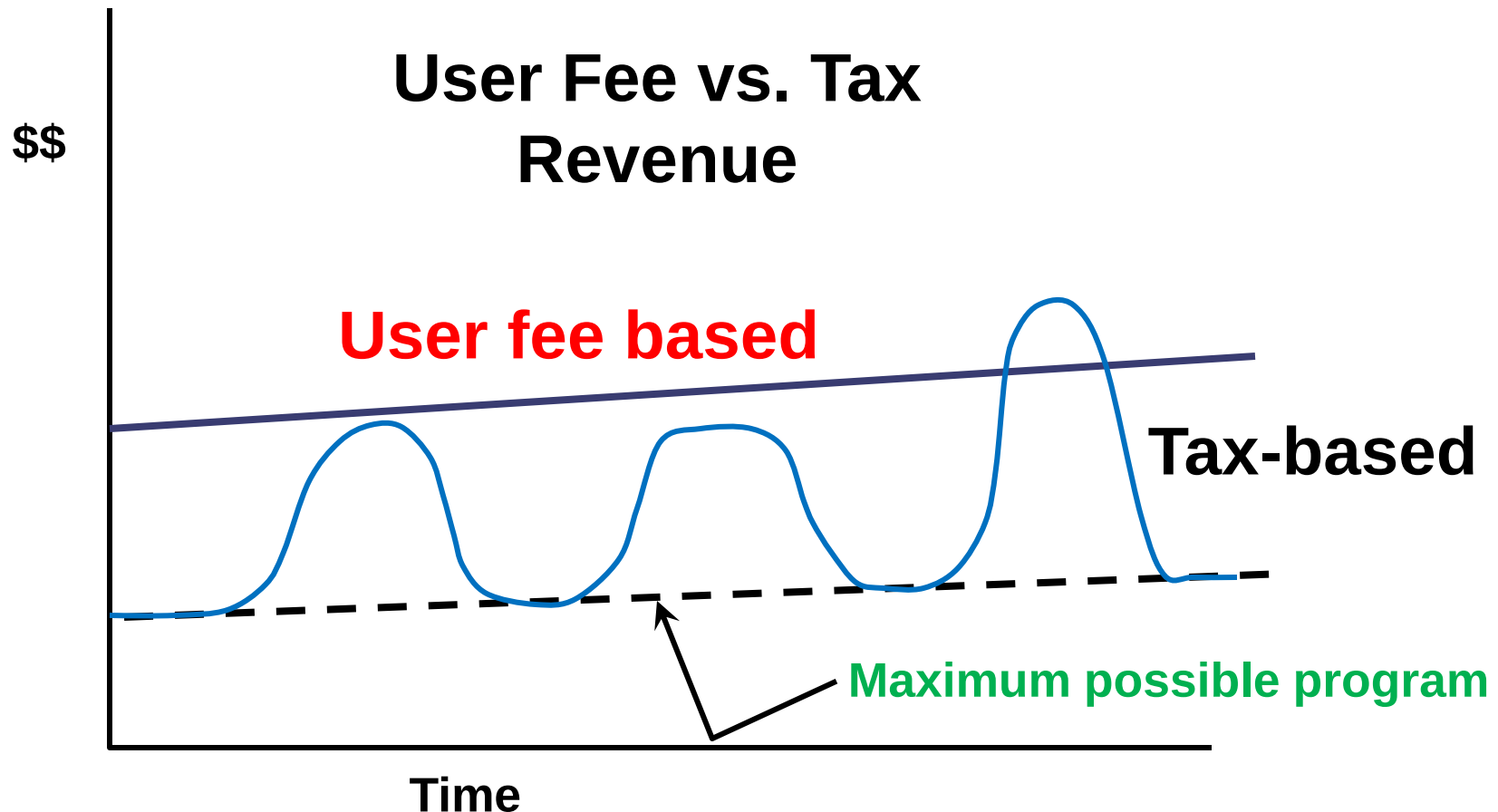
Flexible – in how fees are established and the program is managed

Equitable – costs are related to services received

Defensible when supported with adequate data



Sustainable, Dedicated Funding



Equity Issue

- Fees based on contribution to the stormwater system
- Like water and wastewater, everyone pays (including tax-exempt properties)
- Residences typically pay less: they have less impervious cover compared to large commercial lots



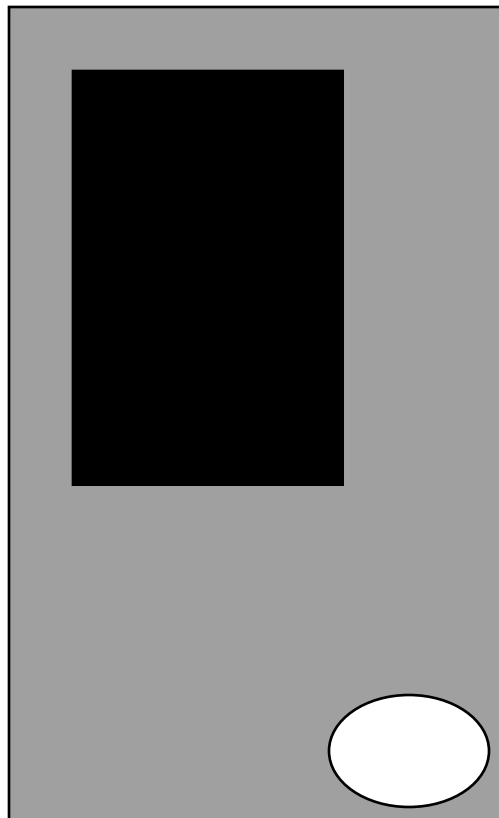
How a Fee is Typically Calculated

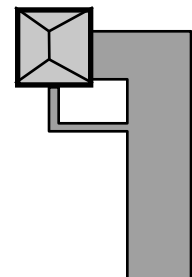
Stormwater Billing Unit (SBU) = Measure of Impervious Area



How a Fee is Typically Calculated

$$\$/\text{SBU} = \frac{\text{Total \$}}{\text{SBUs}}$$





$$= 1 \text{ SBU}$$

= 40 SBUs less credit

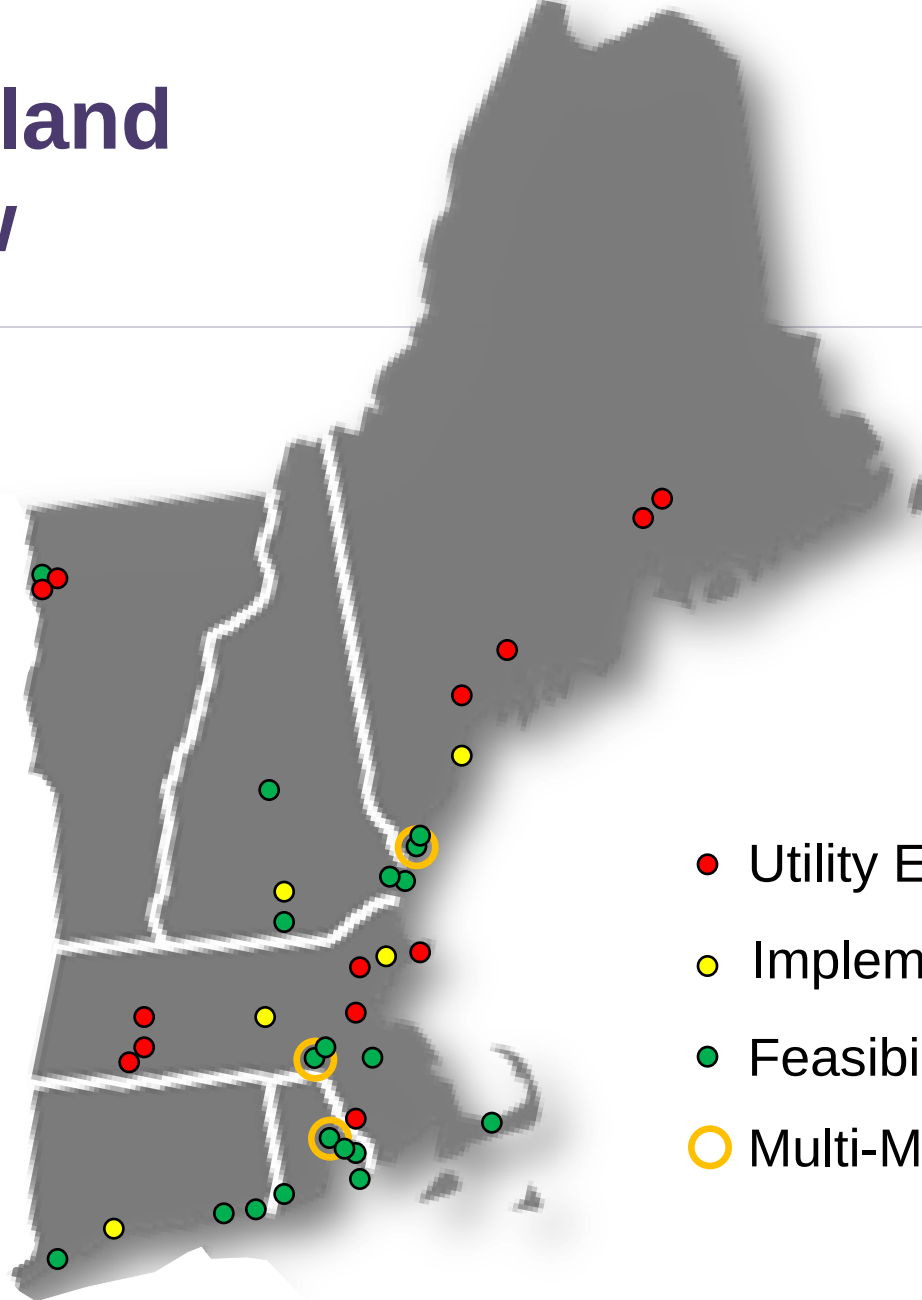
Rate structures can reflect a number of different things...not just impervious area

Pros and Cons: Fee versus Tax

- **Fee:** Dedicated fund to support the program revenue needs
- **Pros:**
 - Anyone who contributes to demand on the system pays
 - Allows for credits on property-specific stormwater management facilities
 - Not based on the taxable value of the property
 - Alleviates burden on the general fund
- **Cons:**
 - New funding mechanism
 - Lack of education and understanding – spotlight on stormwater
 - There are winners and losers (as with any funding source) – the same is true with tax based funding



New England Overview

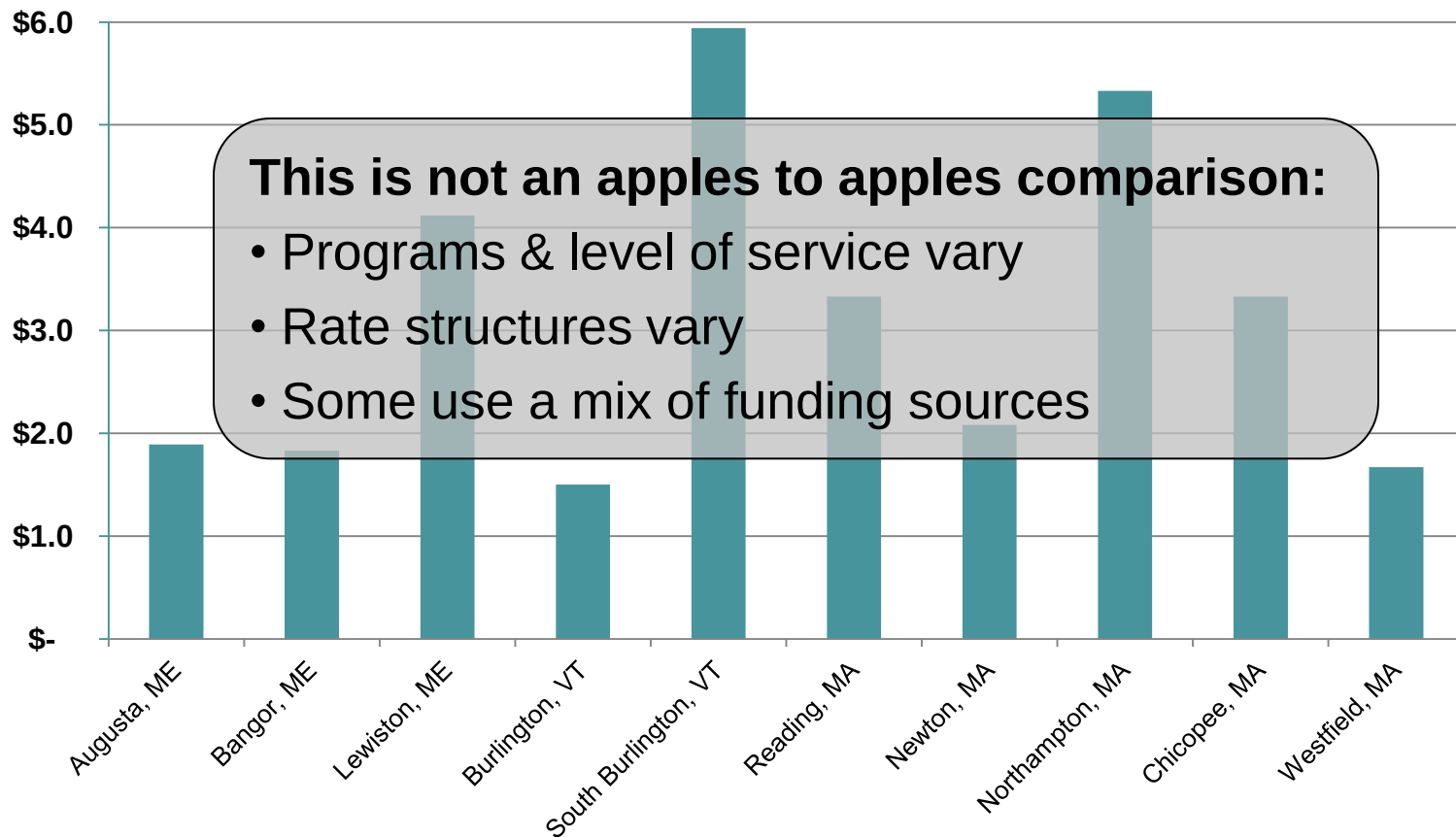


- Utility Established
- Implementation Underway
- Feasibility Study
- Multi-Municipal



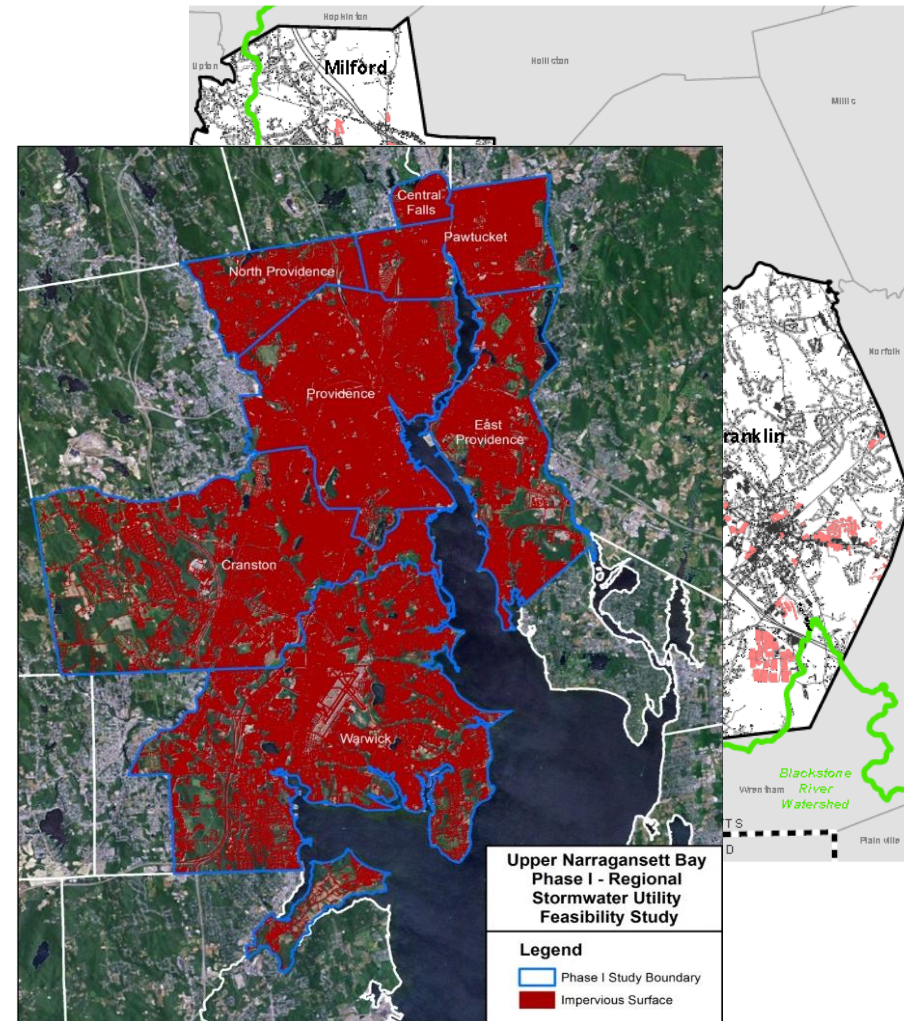
New England Stormwater Utilities

Minimum Monthly Fee (per single-family household)



NE Regional Efforts & Funding Considerations

- PVPC – CT River Stormwater Committee (13 communities)
- MVPC – 15 Community Stormwater Collaborative



Defining What Appears to be “Failure”

■ What failure is not:

- Not going forward with the utility
- Not achieving a mature program in the first few years – but knowing the program path
- Not having 100% approval or a unanimous vote

■ What failure is:

- Having an uncontrolled and unplanned crash
- Not being able to meet the expectations you created (not a program driven rate)
- Having a generally ignorant or unsupportive public and stakeholders



Failure Mode #1: not getting off the ground...badly



Failure Mode #2: flying...badly



Hey we're
off and its
smooth
flying- isn't
it grand?

You bet
Cap'n -
what's so
hard about
this
anyway?

Top 10 Reasons for “Failure” . . .

1. We did it the convenient and inexpensive way.
2. We didn't make a true compelling case.
3. We didn't understand the process.
4. It was not legal.
5. We didn't involve the public early enough or in the right ways.
6. Couldn't explain our program and funding strategy or rates.
7. Didn't prepare our elected officials for vocal complaints.
8. Our revenue and rate structure limited our ability to do our program.
9. Our database was messed up without ability to easily fix.
10. Our program or performance did not meet community expectations.



10. Our program or performance did *amec* not meet community expectations

The revenue comes pretty fast when you're used to a trickle!!



9. Our database was messed up without ability to easily fix

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\$1.2 M recovery

Robert Carmack and hundreds of other property owners have seen a tidal wave of erroneous storm water bills. -- Frank Espich / staff photo

Retroactive, inaccurate billing with little recourse for help.

Botched bills plague city

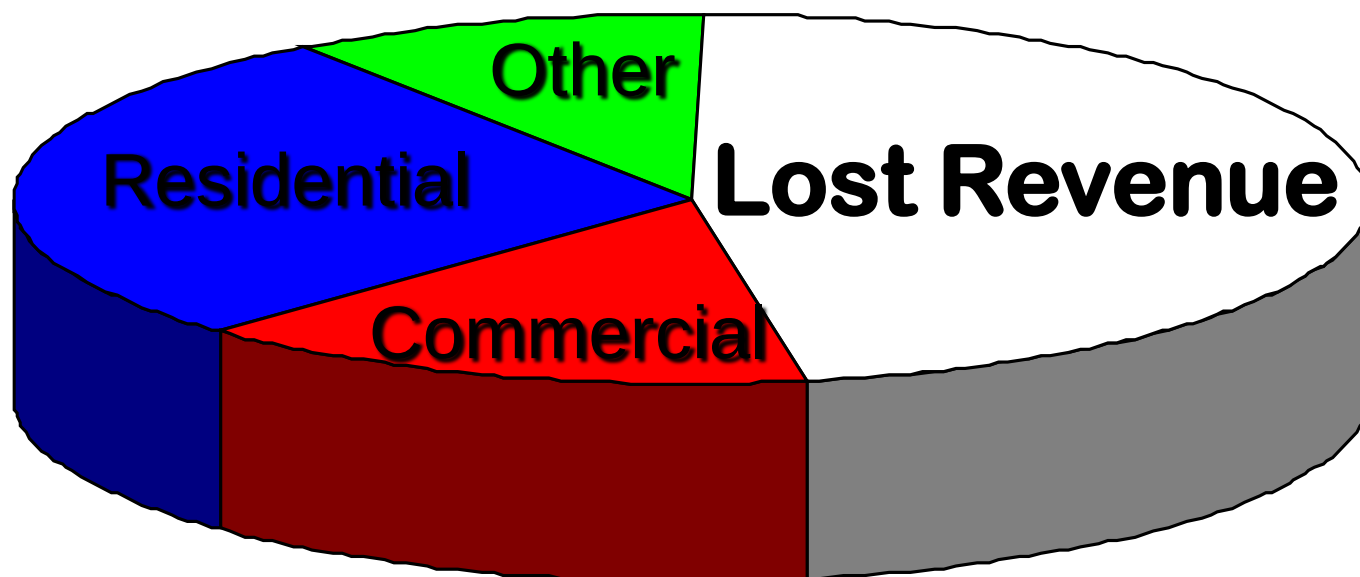
Officials trying to fix problems in storm water assessments

By Anna Marie Kukec

anna.marie.kukec@indystar.com

8. Our revenue and rate structure limited our ability to do our program

Indiana city lost 48% of its revenue through capping commercial – thus its program lost public confidence and support after four years.



7. Didn't prepare our elected officials for vocal complaints

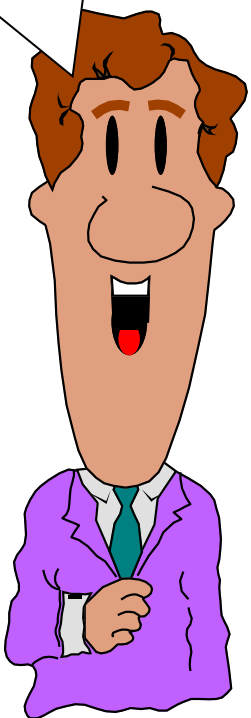
Political Leaders:

- Do not want to “fall on the knife” for stormwater
- Need to be given good answers and accurate information
- If not...they might eject and leave you to crash.



6. Couldn't explain our program and funding strategy or rates

It was so complex even the consultant could not explain it publicly



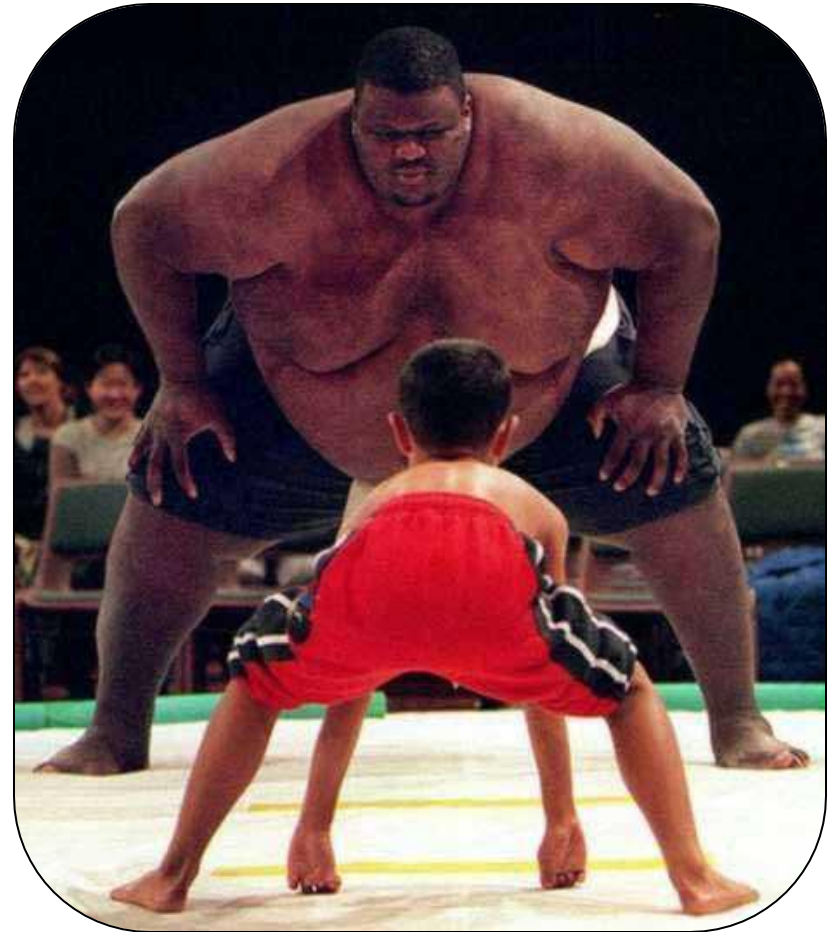
The “Rube Goldberg” rate structure:
four pollutants + multiple credits + three surcharges + little actual data = one big failure



5. We didn't involve the public early enough or in the right ways

The Two Basic Rules of Stormwater Survival:

- Bring me in early, I'm your partner.
Bring me in late, I'm your judge.
- Insert a group of citizens between yourself and every hard decision you must make.



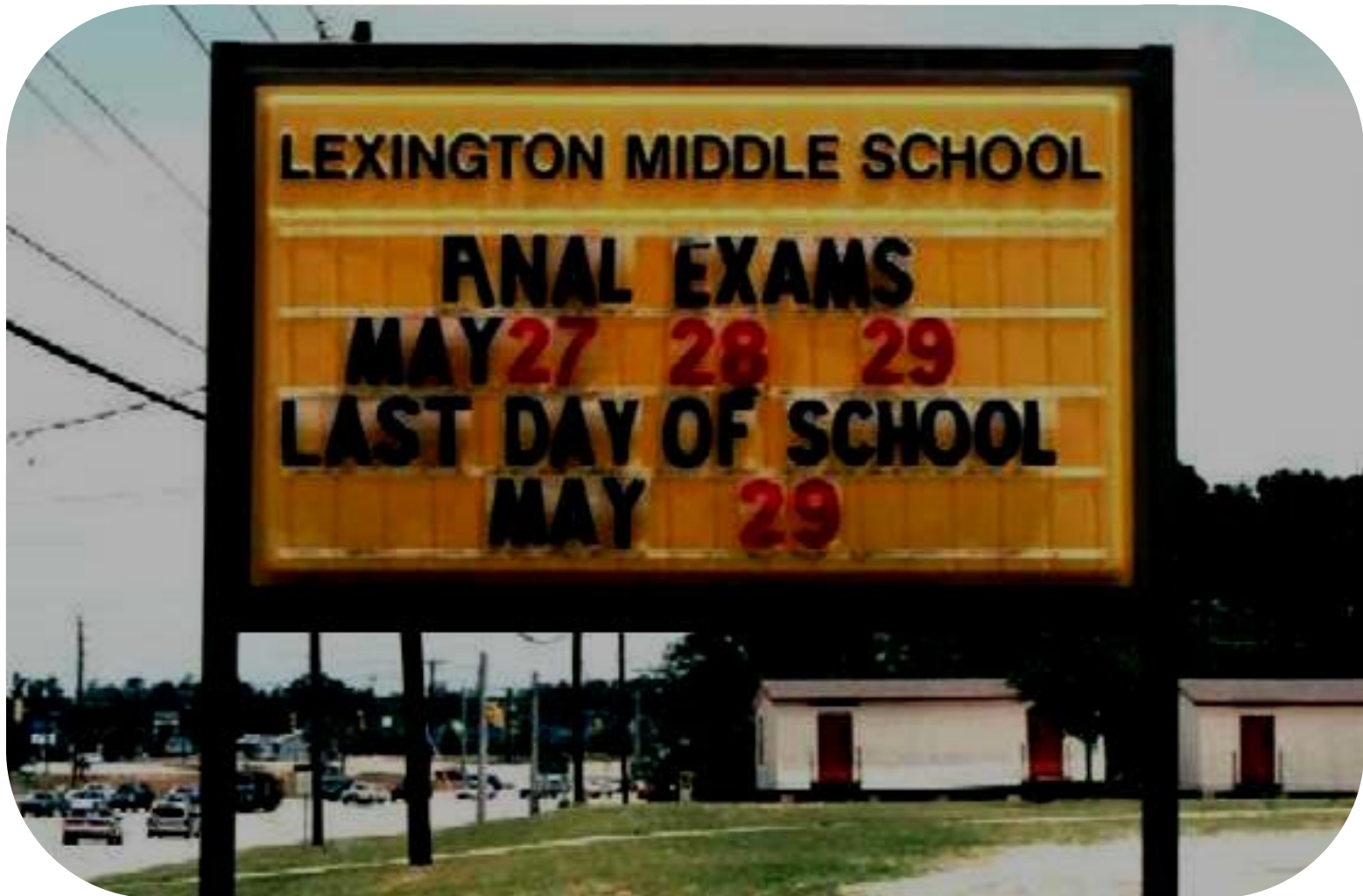
Never underestimate the ability of **amec** political leaders to get it wrong or . . .



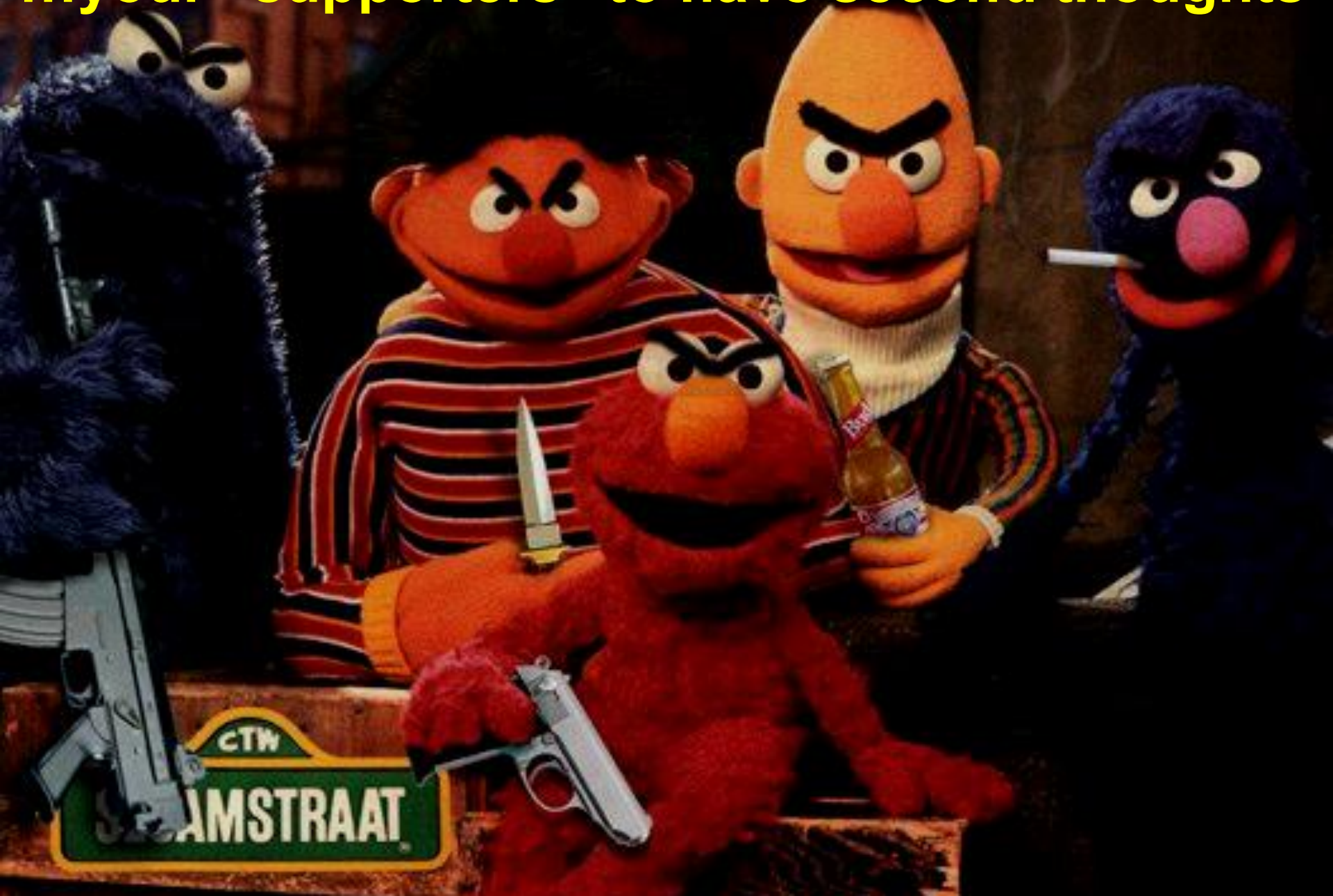
...the media to send a wrong
message to the public ...or



...unforeseen circumstances to
alter your message...or



...your “supporters” to have second thoughts



No surprises !!



Public Information Plan

- Who is the public?
- What is the message?
- When is the message?
- How is the message sent?
- Emergency response

4. It was not legal

STATE OF MAINE

SUPERIOR COURT

judgment. A hearing on these motions was held on April 27, 2011. The question before this court is whether a stormwater utility charge is a fee or a tax. For the reasons stated below, the court concludes the assessment is a fee and not a tax. Accordingly, the court

ROBERT R. GLADU

Defendant / Counterdefendant

Defendant is ORDERED to pay \$7,619.70 in delinquent stormwater utility fees. In addition, he shall pay interest on the amount of \$1,197.85, which is the amount due as of the date of hearing, April 27, 2011, in accordance with the annual interest rates imposed on delinquent stormwater fees.¹⁴ Post-judgment interest at the rate of 11.25% shall accrue from the date of this order.

**Expect to be challenged
and prepare**

Defendant is ORDERED to pay a penalty of \$825 for failing to pay his stormwater fees.

COURT GRANTS the City's motion and DENIES Mr. Gladu's cross-motion.



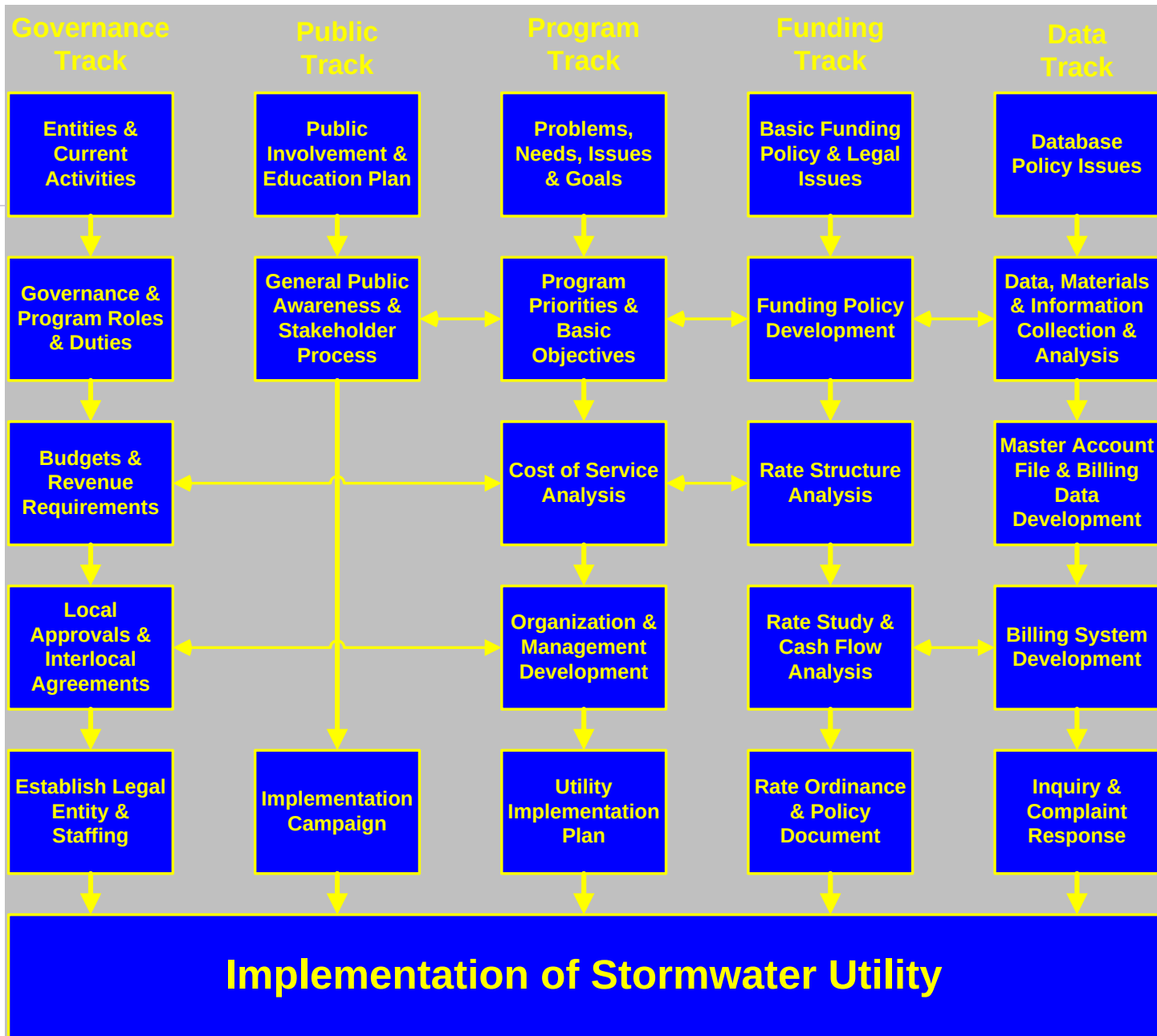
3. We didn't understand the process

Five key areas:

1. Governance and inter-municipal consensus
2. Public and political education and support
3. Program concept and the compelling case
4. Funding policies and documents
5. Database development & accuracy and customer service

A matter of
“due diligence”
and
knowing that
stormwater is
not
wastewater





2. We didn't make a true compelling case

There are lots of
drivers for action
... but are they
truly
compelling?

May 23, 2014 Flooding in Holyoke



Photo Credit: WWLP.com



1. We did it the convenient and inexpensive way

Even a beginner skier...

- makes it down the black diamond slope sometimes...
- but the risks are great...
- the odds are poor...
- and the result of a fall is very bad.



Is it right for you?

Do a self-assessment:

- ✓ Why change funding policy? Do you have a **compelling case**?
- ✓ Do you have a committed **leader** to work through the process?
- ✓ Have you set a realistic schedule to allow time to **build support**?



Lessons Learned

- ◆ Follow an **effective, proven process.**
- ◆ Build your **business plan** - the cost and resultant impacts need to be clearly communicated
- ◆ Involve the community **early** and in the right ways – Build Public Support.
- ◆ Make your program and user fee **easy to understand.**
- ◆ Prepare **your elected officials** for potential negative feedback – give them solutions.
- ◆ Think of the long-term benefits and recognize **the effort will be worth the gain.**



Keys to Success

- Build off existing knowledge to refine the program of services through establishment of goals, priorities, and desired levels of service
- Establish data-supported policies on equitable rate methodologies and structure
- Develop credit or incentive programs
- Look at the funding needs over a 5-10 year period
- Determine appropriate mix of funding methods using rate and cash-flow models
- Develop community support - Work in partnership with **“internal”** and **“external”** stakeholders



AMEC Environment & Infrastructure North America Office Locations



Questions?

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