

Modernizing Stormwater Fee Credit Methods

Public Input Meeting

October 29, 2015

Agenda:

1. Welcome
2. Presentation
3. Questions and Panel Discussion

Why Look at Fee Credits?

- Year-long look at fee and program
- Fall 2014 *Raftellis Financial Consultants* report stated that the City credit program was “out of step”
- SESWA: Average earnable among 78 utilities is 52%
- Spring 2015 City Council directed staff to reexamine
- The City and County share a single policy and implementation manual

Table 16 Maximum Available Storm Water Fee Credit

Charlotte, NC	100%
Baltimore, MD	85%
Fort Worth, TX	40%
Greensboro, NC	55%
Jacksonville, FL	75%
Raleigh, NC	85%
Portland, OR	35%
Philadelphia, PA	80%
Wilmington, NC	40%

What are Fee Credits and who gets a credit?

- Paved surfaces cause flooding & water quality impacts
- Fees are proportionate to the amount of paved surfaces
- Properties that install stormwater control devices to reduce impacts are eligible for a reduction in fee (a credit)

- About 350 non-residential properties have stormwater control device credits ~ 1.4%

How stormwater control devices mitigate runoff problems

- Mimic predevelopment runoff, filter pollutants
- Can be designed to meet multiple objectives
- How well they succeed determines the credit

**Wet Pond /
Detention
Basin**



Examples of Stormwater Control Devices



Constructed Wetlands



Bioretention Cells



Sand filters



Porous Pavement

How funding is allocated

- City/County Program consists of expenditures for:
 - Flood control/stream stability
 - Storm drain maintenance / replacement
 - Federal Clean Water Act (NPDES)
 - National Flood Insurance Program(NFIP)
- The cumulative expenditure on these programs results in the fee that is charged
- Fee credits are based on the degree that these program needs are reduced by fee payer actions

Why is a change needed?

Some *universal* program expenses are not closely associated with actions of the fee payer:

- Maintenance / replacement
- National Flood Insurance Program
- Federal Clean Water Act regulations - public education, pollution prevention programs



Weaknesses of Current Methodology

- Does not allow cost recovery
 - Allows for 100% credit which is not representative of program costs /expenditures
- Compounds a growing budget problem
- Creates an equity issue
- Assigns credits only to water *quantity* (peak /volume)
 - Does not allow credit everywhere it could

Categorizing the Costs of Service

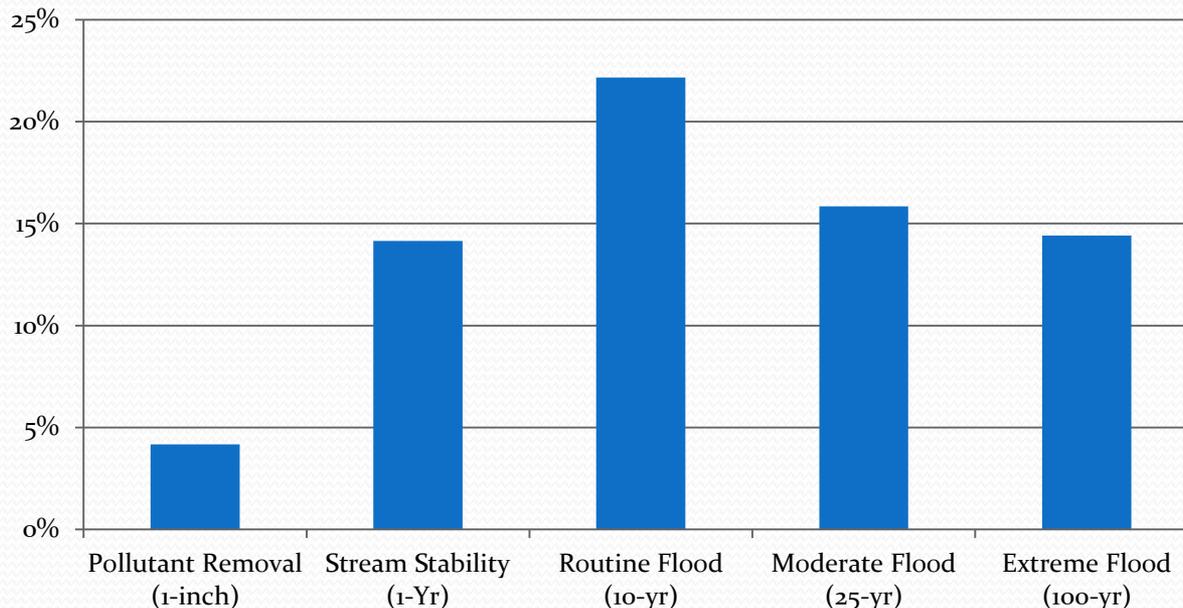
- Analyzed spending/projections 2012-2016
- Divided expenditures into 5 categories that ARE INFLUENCED by on-site stormwater control devices
 - 1 category related to pollutants in runoff (1-inch)
 - 1 category related to stream stability (volume)
 - 3 categories related to floods (peak)
- The remaining *universal* expenditures **ARE NOT INFLUENCED** by on-site stormwater control devices
 - Maintenance /replacement
 - Federal Clean Water Act (NPDES)
 - National Flood Insurance Program(NFIP)

These program expenses *are not eligible for a fee credit*

The Summed Result Represents the New Maximum Credit Value

- Portion that IS influenced by stormwater control devices – 71%
- Portion that IS NOT influenced by stormwater control devices – 29% (Maintenance, National Flood Insurance Program, and Federal Clean Water)

How the 71% stacks up: The graph shows how the utility spends the fee revenue, allocated to 5 expense categories. This is how your device is credited.



Proposal for Newly Credited Accounts

- Stormwater control facilities that reduce pollution and stream bank erosion:
 - Pollutant removal (1-inch) – 4%
 - Stream stability (1-year) – 14%
- Stormwater control facilities that reduce flooding:
 - Routine (10-year) – 22%
 - Moderate (25-year) – 16%
 - Extreme (100-year) – 15%

Possible 71 % maximum

Conversion for Credited Sites

- Current accounts contain 2 categories, new contains 5
- Most ordinance-required basins provide a control level that addresses stream bank erosion and routine floods
- They also provide a reduced benefit for the other storms

Control Level	Total Credit Available	Conversion Factor	Percent of Total Credit (dry basins)
Stream bank erosion	14%	100%	14%
Routine flood (10yr)	22%	100%	22%
Moderate flood (25yr)	16%	40%	6.4%
Extreme flood (100yr)	15%	10%	1.5%
Remove pollutants (1")	4%	35%	1.4%
	71%		45%

Credits will be converted using this approach; may resubmit

Trends for Non-Single Family Accounts

- Most credits drop significantly
 - Current average fee credit is 59.6%
 - Once converted the average is 34.6%,
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- Post Construction Stormwater Ordinance compliant sites typically eligible for a 63.5% credit (71% max)

County & City Approval Processes

- Storm Water Advisory Committee November 19
 - Receive public input (contact clerk)
- Online feedback; <http://stormwater.charmeck.org>
- City Council referral to committee (January 2016)
- Public Hearings (Spring 2016)
- Effective dates to be determined

Questions and Panel Discussion

- Do you understand the methodology?
- Do you follow the legal limitations of issuing credits?
- Does our analysis account for everything?
- Other questions?