

City of Essex Junction

Introduction to Stormwater Utilities

August 28, 2024



Agenda

- 1. What is stormwater?**
- 2. How is stormwater management currently funded?**
- 3. What is a Stormwater Utility?**
- 4. How are stormwater user fees calculated?**
- 5. DRAFT Essex Junction stormwater rates**

What is stormwater? Why is it important?

- **Stormwater** is the water created by rain and/or snowmelt
- When **stormwater** hits impervious surfaces like pavement and roofs, it turns into **stormwater runoff**, which picks up pollutants and can cause flooding
- **Stormwater management** is the process of managing this runoff to prevent pollution and ensure public safety
- **State mandated permit requiring the City to manage and reduce the amount of stormwater runoff entering our local waterways and Lake Champlain**

How is stormwater management currently funded?

- Currently funded through the General Fund, based on ad-valorem property taxes
- Disadvantages:
 - Stormwater competing for funding
 - Tax-exempt properties do not contribute to funding stormwater management

What is a Stormwater Utility?

- Stormwater utilities provide **fair, equitable, and stable sources of funding** for stormwater management
- Stormwater utilities are funded by stormwater user fees
 - › Similar to water and sewer fees, stormwater user fees are based on each property's demand on the City's stormwater system.
 - › Stormwater runoff isn't metered like water. Instead, the burden that each property places on the system is based on property characteristics and most importantly, its total **impervious area**.

Communities that have SW utility (All have state mandated permits-MS4)

- Burlington est. 2009
- South Burlington est. 2005
- Williston est. 2015
- Shelburne est. 2021
- Colchester est. 2017
- St. Albans Town est. 2020
- St. Albans City est. 2018



Impervious Area (IA)

- Impervious area is defined as developed areas of land that prevent or significantly impede the infiltration of stormwater into the soil.
- Examples include roofs, sidewalks, walkways, patios, swimming pools, private driveways, parking lots, access extensions, alleys and other paved, engineered, compacted or gravel surfaces.



Advantages of IA-based Fees

1

Industry Standard

The industry standard is to charge customers stormwater fees based on their amount of impervious area.

2

More Equitable

More equitable because it is proportional to the burden each property places on the system .

3

Stable Funding

Allows for dedicated and stable source of funding.

How to Bill Based on IA?

- The standard unit of charge is the **Equivalent Residential Unit (ERU)**.
- The ERU is defined as the typical amount of impervious area on a single family residential detached property based on a statistically significant sample.
- The ERU is then calculated for all non-single family residential parcels based on the amount of measured impervious area.



Calculating Units of Service



Single Family Residential



Multi-Family Residential



Non-Residential



Other

Many cities charge single family homes 1 ERU each and bill all other properties based on their measured IA using the ERU as the billing unit.

How are stormwater fees calculated?

The utility's **revenue requirements** and **units of service** are used to calculate the stormwater billing rate.

1 Revenue Requirements:

- Expenses
- Regulatory requirements
- Staffing
- Fiscal policies
- Cost escalations
- Level of service
- Known and unknown capital needs
- Etc.

2 Units of Service

- Definition of ERU
- Number of ERUs
- Data maintenance
- Exemptions
- Credit programs
- Etc.

Draft Stormwater Billing Rate for Essex Junction

- Annual Rate: \$75-80 / ERU
- Billed 3x per year

Example Properties

Single Family Residential Property:



2,967 sq ft IA

1 ERU

\$75-80 annual fee

Commercial Property:



57,785 sq ft IA

19 ERUs

\$1,425-1,520 annual fee

Tax Exempt Property:



44,857 sq ft IA

14 ERUs

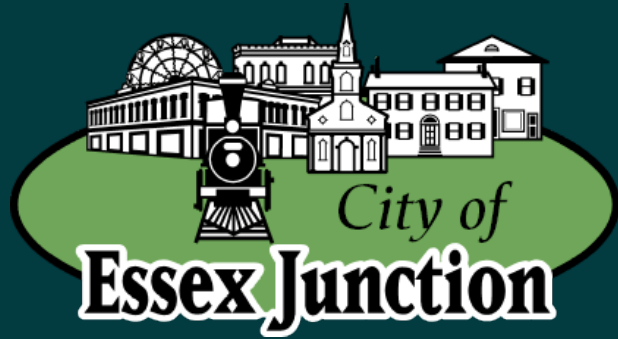
\$1,050-1,120 annual fee

Exempt Properties

- GlobalFoundries
 - › State of Vermont Permitting Rule (2019)
 - › Stormwater discharge permitted under 10VSA1263 (22-105 (a)(3))
 - › Stormwater goes directly to Winooski without contacting City infrastructure or right-of-way
- Parcels subject to develop Required Agriculture Practices (RAPs) by the State of Vermont
 - › Act 43 of 2023-clarified municipalities cannot assess stormwater fees on properties subject to RAPs
 - › 3 parcels in the City

Credit Manual

- **Credit** towards the stormwater fee assessed for a property will be available through an application process.
- Credit cannot exceed 50% of the stormwater fee assessed for a property
- Drafted credit categories focus on stormwater treatment practices, stormwater education, and stormwater permit compliance
- 2% reduction in revenue assumed from credits issued when setting the ERU rate



Thank you!

City's stormwater utility page

<https://www.essexjunction.org/departments/stormwater/stormwater-utility>

Contact: Chelsea Mandigo, Water Quality Superintendent – Chelsea@essexjunction.org
Mary Tchamkina - mtchamkina@raftelis.com