Stormwater Utilities in New England – Past, Present, and Future

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Overview . . .

- Evolution of Stormwater Programs
- How are Stormwater Programs funded?
- National - New England Perspective
- Lessons Learned
- What’s Next?
Managing Stormwater: The History

Historic Paradigm Shift…

- Collect and discharge (get it off your site as fast as you can)
- Separate stormwater systems
- Don’t flood (control quantity/reduce peak flow)
- Don’t pollute (control quality with better BMPs)
- Be accountable (NPDES compliance)
- Green Management (innovation and reuse)
For most communities……

- Aging infrastructure with Combined Sewer Systems
- Focused on maintenance and compliance
- CIP (e.g. upgrades) handled on case-by-case basis
- No dedicated funding for stormwater – most funding comes from general fund
- Dispersed responsibilities amongst DPW & other departments
Managing Stormwater: Common Methods for Funding

Funding Options

- General Funds
- Bonds
- User-Fee (Utility)
- Grants
- Impact Fees
- Inspection Fees
- Cost Sharing
- Public/Private Partnerships
- Loans
- Volunteers

Managing Stormwater: Common Methods for Funding
Existing Stormwater Utilities

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

Source: Stormwater Utility Survey 2010, Figure 7, Warren Campbell, Western Kentucky University
What Led to Utility Popularity Nationally?

- Changing stormwater programs – more complicated & expensive
  - Major flooding events
  - Regulatory drivers
- Expansion of urban city’s roles
- Desire to reduce competition with other prevailing priorities - fight for limited resources with police, schools, roads, etc.
- Proliferation of other enterprise funds - solid waste, wastewater
- Failure of other methods
- Informed constituencies
- Political awareness
New England Overview

- Utility Established
- Implementation Underway
- Feasibility Study
So why aren’t there many SWUs in New England?

- Combined Sewer Systems
- Recently established legal authority to establish SWUs
- Other prevailing priorities - police, schools, or rain garden?
- Missteps from other enterprise funds (e.g. fee creep)
- Political concerns
- Conflicts with other local initiatives or programs
- Delayed re-issuance of MS4 permits
What Current Drivers are increasing interest in Stormwater Utilities in New England?

- Asset management & integrated planning
- Aging infrastructure
  - $1 in deferred maintenance ~ $4 to $5 in a long-term capital liability
- Regulatory mandates – Phase II, TMDLs, Consent Orders
- Economic value – e.g. clean beaches, commercial/recreational fishing
- Flooding – development pressures, storm intensity
- Erosion of channels and streams
- Sustainability
- Water quality
Stormwater Utilities vs. Other Funding Methods

- **Stable** – Dependable source of revenue.
- **Adequate** – Meet the identified current needs and future demands of the community.
- **Flexible** – Adaptable to changing program and funding needs over time.
- **Equitable** – Cost are related to services received (transparency).

![Graph showing stormwater utilities vs. other funding methods](image_url)
Existing SWUs - User Fees

- Most user fees based on measurable impervious cover
- Most use Equivalent Residential Unit (ERU)
- Fee per ERU per month

in New England
- Range: $2.08 - $11.67
- Median: $3.39
- Average: $4.72

Nationally
- Median: $3.75
- Average: $4.57
Examples – Existing Stormwater Utilities

**Chicopee, MA** (*pop. 54,653*); 1998
- $8.33/Month
- $1M annual revenue

**Reading** (*pop. 21,145*); 2006
- $3.32/Month
- $400,000 annual revenue

**Newton** (*pop. 83,829*); 2006
- $2.08/Month
- $575,000 annual revenue

**Fall River** (*pop. 91,938*); 2008
- $11.67/Month
- $4.6M annual revenue

**Lewiston, ME** (*pop. 35,690*); 2006
- $4.12/Month & up to 2,900 SF impervious area (IA); plus $0.0540/SF thereafter
- CSO & stormwater program $1.9M annually

**Long Creek Watershed Management District, ME**; 2010
- $250/year Private property >1 acre impervious area (IA)
- $3,000/IA/Year, $1.5M budget

**Bangor, ME**; 2012
- $22/year up to 3,000 SF IA; plus $11 for each 1,000 SF thereafter
- $2M annual revenue
25% of utilities are challenged in the courts

Example: City of Lewiston, ME vs. Gladu, Docket No. CV-10-045, 5-17-11

Challenged the following:
- Stormwater utility a “tax” or a “fee”
- Basis of City’s fee assessment & credit system
- Basis of program cost to provide service

“The court finds that the Lewiston Stormwater Utility Fee as enacted and assessed is valid.”

Source: Stormwater Utility Survey 2013, Figure 7, Warren Campbell, Western Kentucky University
Lessons Learned

- Due Diligence – understand your community & its needs
- Stakeholder, public, & media involvement
- Understand & appreciate local politics
- Good data - transparent technical analysis of cost & fees
- Be responsive & accountable
- Credit systems – required & enhance sense of fairness
- Billing challenges – especially the first couples cycles

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**Portland Press Herald**

September 25, 2013

**Our View: Stormwater fee is fairest way to spread the costs**

Your fee would be in proportion to how much runoff your property produces in downpours.

A functioning city needs functioning infrastructure, and a key part of Portland’s infrastructure — its stormwater and sewer system — isn’t doing its job. The system often overflows during rainstorms, sending untreated sewage and rainwater tainted with oil, gas, antifreeze, litter and salt into Casco Bay.
Moving forward….

- Increased fairness & distribution of cost
  - Recognize different uses - rural vs. urban, multi-family vs. single family, new vs. older development
  - Affordability
- Improvements in GIS
  - Better data management at a cheaper cost
  - More fees based on actual impervious measurement, instead of ERU
- More accountability
  - Incentives/credits
- Watershed/regional approaches
Questions and Comments?

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