Managing and Funding Local Government Stormwater Utilities

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The City of Raleigh's Stormwater Utility Experiences

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History of Raleigh's Stormwater Program

- Floodplain/ Soil Erosion Programs Formed in 1973
- Began Stormwater Program in 1985 (first formal discussion of forming a Stormwater Utility)/ First watershed planning studies undertaken
- Development of a Stormwater Comprehensive Plan in 1989 (second formal discussion of forming a Stormwater Utility)
- Stormwater Division formed in 1989 – (Began work on Raleigh's Phase 1 MS4 NPDES Permit)

History of Raleigh's Stormwater Program

- Submitted NPDES Part 1 Phase 1 MS4 Permit to NCDENR in January 1992
- Submitted NPDES Part 2 Phase 1 MS4 Permit to NCDENR in May 1993
- City Lake Preservation Policy for Water Quality Approved in 1994
- City's NPDES Phase 1 MS4 Permit approved by NCDENR in January 1995

History of Raleigh's Stormwater Program

- Third formal discussion of forming a Stormwater Utility in 1995
- Severe Flooding in Northeast Raleigh in August 1995
- Hurricane Fran hits Raleigh September, 1996
- Fourth formal discussion of forming a Stormwater Utility in January 1998
- Detention and Water Quality Requirements Implemented as a result of the Neuse Stormwater Rules in May 2001

History of Raleigh's Stormwater Program

- Public Education Program/ Staff Workgroup for a Stormwater Utility Began in mid 2001
- Fifth formal discussion of forming a Stormwater Utility in February 2002/ Council Direction to Ramp Up Education Program
- Stakeholder group comprised of 30 members to discuss stormwater financing and program options formed in October 2002
- Stakeholder group work completed in March 2003

History of Raleigh's Stormwater Program

- Stakeholder group recommends to City Council a stormwater utility be approved with a threefold increase in funding and significantly increased service levels in April 2003
- Council approves implementation of a Stormwater Utility for March 2004 as part of the budget in June 2003.

History of Raleigh's Stormwater Program

- Stormwater Utility Ordinance and Rate Resolution Approved in November 2003
- Stormwater Utility billing began on March 1, 2004.

Stormwater Utility Components

- Stormwater Management Advisory Commission
- Program Development Issues
- Utility Rates
- Stormwater Utility Staffing

Stormwater Management Advisory Commission

- 10 Person Commission Appointed by City Council
- Members represent a broad range of interests including neighborhoods, business, environmental, homebuilders, engineering, and State agencies.

Role of the Stormwater Advisory Commission

- Review and recommend stormwater policies to Council
- Review and comment on the annual Stormwater Capital Improvement Program
- Respond to and provide advice to Council and Staff on stormwater matters
- Present an annual report to Council

Program Development Issues

- Provide Credits to Promote Positive Behavior
- Proactive Approach to Development Regulations and System Maintenance
- Focus on Capital Improvements (10-Year CIP of $86,976,000)
- Private Drainage System Maintenance and Repairs
- Watershed Studies

Utility Rates

Single Family and Townhome Rates

- **Under 1,000 square feet of impervious surface - $1.60/ month**
- **Between 1,000 and 3,870 square feet of impervious surface - $4.00/ month**
- **Above 3,870 square feet of impervious surface - $6.80/ month**

For Commercial and Other Properties the Rate Will Be $4.00 Per 2,260 Square Feet of Impervious Surface

Stormwater Utility Staffing

- The original utility implementation plan recommended an increase in staffing as follows:
- Stormwater Division – 12 employees
- Water Billing Division – 2 employees

Lessons Learned

- Program and Utility Recommendations Came From the Stakeholder Group and Not City Staff or Council which led to Community Support
- Facilitation by Consultant Kept the Stakeholders on Task
- Public Education Is a Continual Process and You Can Never Do Too Much Public Education When Implementing a Stormwater Utility
- Coordination Between Key City Departments is Crucial to Implementation – Stormwater Services/ Billing/ GIS/ Budget Office

Lessons Learned

- Look for the Unknowns in Billing Systems and With the Impervious Data
  - Address Conflicts in Databases
  - Homeowners Associations/ Common Open Space Areas
  - Billing of HOA's versus Individual Unit Owners
  - Billing of Tenants versus Owners
  - Semi-Impervious Surfaces

Lessons Learned

- Customer Service
  - Provide it Efficiently and Promptly
  - Clearly Define Roles of Different Departments
  - Count on a Ten Fold Increase in Calls During the First Six Months of the Utility and Staff Accordingly
  - Err on the Side of the Customer - Quote from Scott McClelland, CDM

Keys to Success

- Loads of Public Education
- Focus on Resolving Customer Service Inquiries
- Citizens expect increased levels of service with new fees, so make sure you are able to explain what the money is being used for.
- When infrastructure needs have been identified, make sure capital expenditures are budgeted early in the program.

Keys to Success

- Consider all program areas when developing a funding plan for the utility (program management, capital projects, and maintenance).
- Building a successful team is a key to success. You must have the best people to provide high service levels.
- Citizen Involvement (Stakeholder/ Advisory Commission Involvement)

War Stories

- The timeframe it took Raleigh to implement a stormwater utility.
- Skepticism from many members of the Stakeholder Group initially.
- Public meeting disaster turned into public support.
- Political/ Press Support
- Interdepartmental Struggles

Questions?