

SWIG Meeting  
January 18, 2006  
Notes by Kim Tungate, UNC Environmental Finance Center

Status of stormwater rules (DWQ)

Mike Randall

- Rules Review Commission approved permanent rules, rules back to legislators
- at this point, legislators are trying to reconcile permanent rules and session law (which is different from permanent rules) and agreement should be reached before April
- Impact on counties should be minimal
- the universal stormwater permit is still in approval process
  - this type of permit will replace others and allow for one permit for all stormwater rules/programs
  - voluntary based

## **II. Presentation on Stormwater financing options by Jeff Hughes**

A. Tools on how to pay

1. Framework of options
  - a. Capital Infrastructure (i.e. culverts, levees, etc)
  - b. Ongoing (i.e. education, street sweeping, etc)
  - c. Regulatory costs (i.e. post construction, plan reviews, etc)

B. Stormwater utility programs

1. Programs establishment
  - a. Charge taxes or fees?
  - b. Types of fees?
2. How to start?
  - a. Legal authority
    - local government has authority to finance services through charging of fees/rate (G.S. A. 160-313,314).
3. Stormwater public enterprises
  - a. Who can be charged?
    - eligible for imposed charges include: structural and natural stormwater and drainage systems of all types.
    - fees or tax on impervious surface are fine
    - most non-structural stormwater revenue needs can NOT be included in fees.
  - b. New and improved rules
    - stormwater management programs designed to protect water quality by controlling level of pollutants in and quantity of flow of stormwater and structural and drainage systems of all types
  - c. Legal authority for establishment
    - Definition of public enterprise--G.S.A. 160A-311

- Financing for stormwater public enterprise defined (i.e. right to levy taxes, authority to set rates and fees)-- G.S.A. 160A-313
- County rules—G.S.A. 153A-276,77,84
- City rules—G.S.A. 160A-313,14,17
- Establishing and authority (i.e. Orange Co Water and Sewer Authority)—G.S.A 162-49A.

4. Justification for variation in stormwater program rates and fees

a. Legal aspect –G.S.A. 160A-314 (a1)(2)

dependent on:

- property type, use, and size.
- impervious surface area
- run-off characteristics
- watershed classification
- municipal boundary (G.S.A. 160-314 (a))

5. Public hearing requirements for regulatory fees

- a. necessary for newly proposed and/or revised rates/charges
- b. must be advertised at least 7 days before
- c. can be concurrent with proposed budget

6. Rate/charge criteria

- a. must not exceed cost of providing services
- b. customer can't be charge by two jurisdictions (but two jurisdictions can share revenue)
- c. cannot be arbitrary

7. Exemptions, waivers, credits

- a. credits linked to cost of providing service (confirm with rate variation guidance)
- b. exemptions for factors not related to stormwater costs not mentioned.

8. Rate structures

a. Tiered

- equivalent residential unit
- based on impervious surface
- Wilmington

b. accounting vs. functional

- organizational charts
- utility costs and revenue spread out among multiple divisions
- utility costs and revenues primarily within one unit
- utility costs and revenue exclusively within one unit

c. acquiring funds for capital infrastructure

- options
- save and spend later
- spend and pay as you go
- spend borrowed funds and pay later

---find a grant and get someone else to pay

**State and regulatory updates (cont'd)**

**presented by Mike Randall and Bill**

---there have been 92 permits issued for NPDES II compliance

---he is working on a web-based annual report

**Plans for future meetings, issue resolution**

\*\*new schedule with changes

2/15 Annual reporting

3/22 illicit discharges/ retrofits

4/26 public education

address—what are the requirements for compliance?

5/24 Integrating stormwater into other development approvals...add Cary

6/28 Understanding BMP manual