

Treasurer's Report on Clean Water – Stormwater Utilities
February 1, 2017
Jenna Calvi, Stormwater Program Manager, City of Burlington

Summary of Testimony

Overview:

- The City of Burlington's stormwater user fee was adopted in 2009. The collection of user fees was authorized through the adoption of an updated Chapter 26 Ordinance by the City Council. Prior to the adoption of Chapter 26, the City's Stormwater regulations were not comprehensive and while the City managed to meet its basic Municipal Separate Storm Sewer (MS4) permit, several concerned citizens and the Mayor at the time recognized the need for a dedicated program to ensure protection and enhancement of water quality. It was also needed to provide targeted funding for combined sewer mitigation projects.
- The Burlington Stormwater Program has two full-time technical staff; one Program Manager and one Stormwater/GIS Technician. It also funds 1 full time and 1 part time Stormwater maintenance positions for the non-winter months to focus on cleaning of catch basins and storm lines, approximately 0.5 FTE of a water resource engineer and cost allocations for support from the Water Resources (water/sewer/ stormwater) billing and customer service team and oversight from the Water Resources Director.
- **Burlington's Stormwater Program has a FY17 budget of \$1.5 million – approximately 63% of which is dedicated to administrative, operational and maintenance costs and 37% to Capital.**
 - Of that capital, 70% is targeted towards reinvestment in existing aging infrastructure with approximately 30% targeting stormwater management retrofits.
 - Significant additional revenue will be needed to fund the capital investment needed to meet the Lake Champlain TMDL.

Fee Structure:

- Stormwater fees are collected with the municipal monthly water and sewer service bills, and assessed as a fee based on Impervious Surface Units (ISUs); **1 ISU = 1,000 ft² of impervious surface**. The impervious surface associated with commercial properties is "directly assessed" or measured by using a combination of LIDAR based impervious surface recognition and visual confirmation with aerial photos. In order to reduce the administrative burden single-family homes, duplexes, and triplexes are charged a flat fee which is based on the average amount of impervious associated with those property types.
 - **\$2.47 / ISU**
 - **Single Family = \$6.60/mo.; Duplex = \$6.56/mo.; Triplex = \$7.56/mo.**
- Non-residential properties which have employed measures to treat stormwater or manage stormwater volume are eligible to receive up to 50% credit on their stormwater fee. Fees may also be reduced through the replacement of excess impervious surfaces with landscaped green space. Fee credits are not currently available to properties in the flat fee category, largely because of the anticipated burden in administering such a program. However, Burlington is currently undertaking a pilot program to evaluate the feasibility of offering such credits in the future to residential properties.

Lessons from the Launch of Burlington's Stormwater Utility Fee Collection:

- Even though Burlington already had a computerized billing system that served all properties in Burlington for water and sewer bills, creating and associating the billing records for the stormwater user fee required significant staff time before the launch.
- While the use of impervious surface classification algorithms on LIDAR data served to create the initial database of impervious surface measurements, staff quickly determined that manual delineations (using aerial photos) were necessary to clean up the measurements on the directly assessed properties.
- Adequate billing/customer service staffing is key, particularly in the implementation period, to explain the basis of the charges and to respond to billing appeals (usually in the form of producing map proof of the impervious assessment).

Burlington Stormwater Program – Regulatory Programmatic Function:

Burlington’s utility does not solely focus on the maintenance of and capital investment in public stormwater infrastructure. The Chapter 26 ordinance re-write also established stricter local stormwater regulations including Erosion Prevention and Sediment Control (EPSC) Plan requirements for projects that disturb 400 square feet or more and additionally, Stormwater Management Plan requirements for projects redeveloping or adding impervious surface. These plans are reviewed and approved by the Stormwater Program Manager. This function represents approximately 40% of the Stormwater Program Manager’s time – but is a cost effective manner of ensuring that private projects are constructed in a way to minimize, or in the case of redevelopment, reduce the impact of stormwater runoff across the City.

Recommendations regarding creation of a Statewide water quality utility:

- Of the revenue proposals examined in the Treasurer’s report, Burlington Water Resources strongly believes that the **creation of a statewide parcel and impervious based user fee has the most direct nexus to water quality**. For a number of reasons, we believe that a statewide (or at least regional with some Statewide umbrella) collection as well as an administration approach will be necessary – even if additional local stormwater utilities are formed. A few thoughts:
 - A unified statewide approach is needed to ensure consistency and cost-effectiveness in collection and administration policies.
 - A statewide approach would provide the best opportunity for the creation of trading frameworks which may be the key to directing funds to the most cost-effective implementation opportunities.
 - There is likely a role for regional staff or hubs – but their work needs to be unified under a statewide umbrella.
 - In our professional opinion, the “utility” should not just collect and distribute implementation funds – but should be part of a larger “full service” organism that assists with project identification, development and implementation AND ensures and facilitates the proper maintenance and operation of these newly implemented water quality practices. Otherwise, our collective water quality investments will not be protected.
 - Even if most municipalities were to establish their own utility, the State would have to develop an administrative monitoring system regarding collection of fees – therefore it is worthwhile for the State to invest in managing this.
 - “State” does not necessarily mean State government – but rather something more in the vein of VEIC.
- **Property owners & municipalities who are paying existing Stormwater fees should not have to pay twice.** Any statewide fee levied for the purpose of water quality should not reduce funding of municipal Stormwater programs / utilities. A statewide fee must provide credits if a property owner is already paying into a municipal Stormwater program or for an existing State Stormwater permit.
- While additional analysis may be warranted regarding the cost effectiveness of the four funding administration options listed in the Treasurer’s report, because of the reasons enumerated previously regarding the need for a “full service” approach – Burlington Water Resources is supportive of the “water quality district” model proposal.
- We are conceptually supportive of a phased user fee approach with the establishment of a flat or tier parcel based fee initially with an impervious based fee to follow when data is available.
- **We strongly urge the Legislature to take action in authorizing and funding the planning and framework development necessary for implementation of the fee collection method.** While it is not impossible to create a “utility” for the ~330,000 parcels in Vermont (large Cities have parcel based stormwater utility fees with more parcels), we agree that it will take a number of years and dedicated effort (likely with the use of experienced consultants) to implement the collection system smoothly.