

**Testimony Date:** February 14, 2019

**To:** Vermont House Committee on Natural Resources, Fish, and Wildlife

**From:** Chip Sawyer, Director of Planning & Development, City of St. Albans

**Re:** Stormwater Funding

Chairwoman Sheldon and members of the Committee on Natural Resources, Fish, and Wildlife; thank you for your time and this opportunity to comment on the efforts of the City of St. Albans to fund our stormwater treatment obligations.

### **Some Context on the City of St. Albans**

- A municipality of 2 square miles in size and 7,000 residents. Exhibits the land use patterns of an economic center from the 1800s.
- There are two stream watersheds that run through the City for Stevens Brook and Rugg Brook. Both eventually flow into St. Albans Bay. Portions of these watersheds have been deemed impaired by VTDEC for reasons of stormwater sediment.
- On October 1, 2013, VT DEC issued the City of St. Albans an MS4 permit, which includes various new requirements and obligations associated with the MS4 NPDES general permit that the State administers on behalf of the US EPA. The City has begun the process of complying with the vast planning and stormwater treatment obligations that come with an MS4 permit.
- With our MS4 permit and Lake Champlain phosphorus TMDL, the City is now looking at obligations to reduce our storm flows by 24.4% to Stevens Brook and 16.0% to Rugg Brook and to reduce our stormwater phosphorous run-off by up to 22%.
- In order to meet all of our water quality obligations as they currently stand, much of our historic community would have to be “retro-fitted.”

### **A New Stormwater Utility**

The City of St. Albans has developed flow restoration plans (FRPs) for the two streams in our community. The stormwater treatment facilities envisioned in our FRPs are initially estimated to cost more than \$5 million to construct. Those costs will inevitably increase substantially as we proceed into final design, site control, construction bidding and municipal bonding for each project. For each treatment facility, there will be ongoing operations and maintenance costs. Under the Lake Champlain Phosphorus TMDL, the City will also have to construct treatment facilities and implement additional operations and maintenance procedures in order to reduce the

amount of phosphorus on our stormwater run-off. The costs for these activities have yet to be estimated. In the past the City has been able to count on the State of Vermont to assist with grant funding and other support for water quality efforts, but our rapidly mounting stormwater requirements have necessitated a new local revenue source. Thus the St. Albans City Council passed an ordinance to implement a stormwater utility, effective on July 1, 2018.

It is the intent of the St. Albans City stormwater utility to provide local funding for water quality efforts in concert with ongoing state and federal support. For instance, the City assumes that it will have to match grants for design and construction of stormwater treatment facilities by 50%. There are also the substantial operations and maintenance costs that will grow with our water quality efforts.

The City stormwater utility charges all property owners based on the amount of impervious surface. In 2018, the average impervious surface of a single-family home or duplex was calculated at 3,000 sq.ft. That number became our “equivalent residential unit (ERU).” Every property in the City is assigned a rounded number of ERUs based on the impervious surface on the lot divided by 3,000 sq.ft.

For our initial budget of planning activities and regular operations, the City’s fiscal year 2019 stormwater utility budget is \$156,000. Based on that budget, the utility charges \$2.50 per ERU per month. Thus, a typical single-family home in the City of St. Albans pays \$30 per year. However, that charge will increase as our stormwater utility begins taking on debt for capital water quality treatment projects and as we increase operations for phosphorus removal.

Our stormwater utility fees are raised using the billing system already in place for our water and wastewater utilities. Now the City utility bills charge for three utilities, instead of two.

I will reiterate that our stormwater utility will continue to depend on state financial assistance raised from a broader base than just our community’s rate-payers, even if that were to materialize as an additional statewide parcel fee for our property owners.

### **The Challenges Facing Stormwater Efforts in Historic Communities**

Our conversation about stormwater funding cannot end with how the revenues are raised. An equally important discussion is how and where the funding is spent in order to best meet our state’s water quality obligations. Putting a focus on retrofitting a historic community like ours for the purposes of using our City as a permitted entity would ultimately prove to be an inefficient and irresponsible use of local and state ratepayer funds. In our northern Lake Champlain drainage area, for instance, there are many more places where phosphorus can be reduced more effectively than amongst the limited spaces that we have available within the political boundaries of our City, many of which are available because they are wetlands or brownfields.

For instance, our preliminary flow reduction plan for the Stevens Brook watershed shows that 96% of the treatable impervious acres would require land that the City doesn't currently own for a stormwater retrofit. More than 26% of those treatable impervious acres would have to be treated by land entirely outside of the City. I do not believe that we are the only community in Vermont that shares these challenges.

I propose that the City of St. Albans can be a more effective part of the State's water quality solution by acting as a regional partner, rather than as permitted entity that is limited to throwing public dollars at increasingly costly retrofits. When we have exhausted the limits of financial feasibility within our own borders, municipalities like ours should be allowed to fund other regulatory and nonregulatory water quality improvements in our lake drainage areas.

Let us use our administrative abilities, financial tools, and project management experience to lead regional efforts and utilize local and state funds toward the most effective and timely water quality improvements in our watersheds.

If municipalities like ours must concede to being the primary regulated entities for the state's water quality obligations, then I request that we be given the flexibility and resources necessary to take an entrepreneurial and collaborative approach to meeting our water quality obligations.

I look forward to the discussion. Thank you.