

Regional Stormwater Utilities

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Lets assume for a moment
this is technically and
financially feasible

I know, that question
is still out there

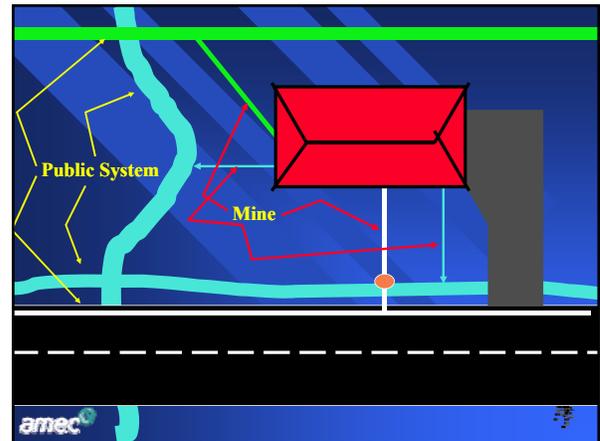


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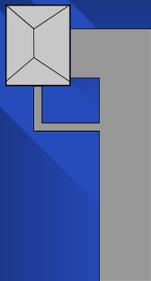
Utility Quick Refresher



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How a Fee is Calculated



Equals 1.0
ERU

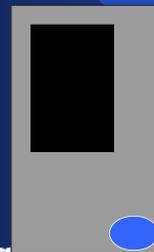
Say it is
2500 sq ft



How a Fee is Calculated



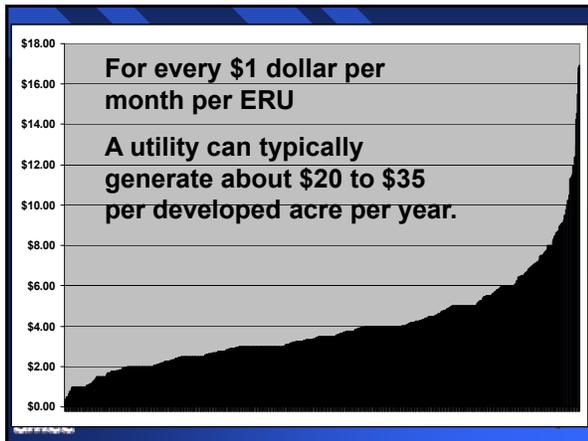
= 1 ERU



= 40 ERUs less credit

Rate structures can reflect a
number of different things...
not just impervious area





Random Example

7,200 sq feet = 3 ERU bucket

Fee = 3 * \$4.00 = \$12.00/mo less any credit

Assume ERU = 2,700 sf
Fee = \$4.00/ERU/mo

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Every \$1/mo per ERU generates

- \$700,000 to \$1,000,000 in annual revenue
- A \$4/mo fee generates \$2.8 - \$4.0M annually

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Advantages

- Match cost causation to revenue generation
- Primary source for the whole program – not just regulatory
- Credits to encourage good performance
- Can be geographically based
- Can have a number of bases – i.e. phorous load

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Disadvantages

- Has a billing cost and an initial set up cost
- Is “visible”
- May be perceived negatively – “rain tax”
- Must meet legal requirements not fully tested

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MA Law

- Clear provisions in MGL 83 Sec. 1A and 16
 - Construct drains or sewers to reduce nutrient impacts
 - Charge for the use of sewers and main drains
- Not fully tested in final
 - What are “drains” and “sewers”
 - What is the definition of “use” of these systems
 - Is a “due diligence” process required to establish the fee (do not cut corners!)
- User Fees must:
 - Be able to be identified separately from other services (not general funds)
 - Be “voluntary” in that there is a way to reduce or avoid the fee (through credits)
 - Be related to the level of “use” of the system (rational nexus)
- Regulatory Fees
 - Needed to regulate activities for the public good
 - Not related to the cost of providing the service
 - Typically a secondary funding method for one-time things

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Regional Approach

“Can we gain economies, efficiencies, and effectiveness without sacrificing...?”



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Advantages of a Regional Approach

- Some things we do have no geographic boundaries (e.g. education)
- Some things we do benefit from more opportunities to do them (e.g. potential phosphorous reduction sites)
- Some things we do are administrative fixed costs which could be spread across a bigger base



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Compelling Case for a Regional Entity

We are going to develop a regional stormwater utility because:

This is an unfunded mandate

- Economies of scale
- Better able to gain outside funding
- Watershed consistency – cross jurisdictional
- (more) Free of politics
- Better access to talent
- Local governments not as individually able
- Deal with larger streams and larger problems
- Match regulatory programs' geography



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Common concerns about regional approaches:

1. One area “bailing out” another one – “paying for another’s past sins”
2. Losing local control of zoning, land use, etc. – “big brother decides for me”
3. Building a bureaucracy - “fee creep”
4. Consistency in treatment, fairness – “getting my share”
5. Responsiveness – “who controls priorities”



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Some Potential Options



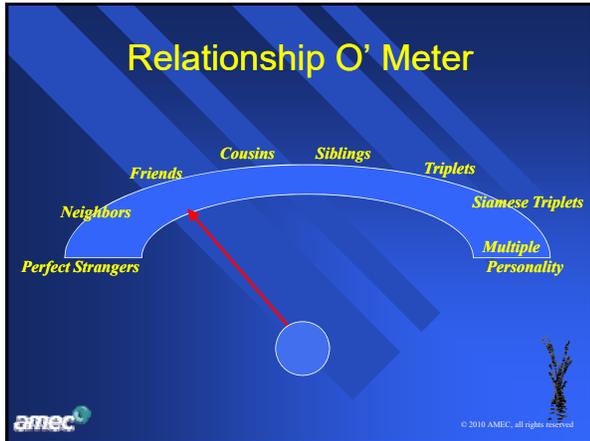
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What does “regional” mean?

- Regional program
 - ✓ “we share some common elements”
- Regional funding
 - ✓ “our funding approach looks the same and saves cost”
- Regional organization
 - ✓ “our administration is cooperative”



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	Independent Funding	Each Has Similar Fee	One Umbrella User Fee
Independent Programs	Move ahead independently	Gain economies in fee development only	Create an organization to collect and disburse funds only
Cooperative Overlapping Program Parts	Each decides how to pay for partially cooperative program	Cooperate on similar fee and shared program where it makes sense	One "look" to citizens with cooperation in parts of program
One Umbrella Program	Each decides how to pay share of one program	Avoid financial entanglement but gain economy	Each gives program and authority to separate agency

MGL Ch. 40 Sec. 4A

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Typical Roadmap to a Regional Approach

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A question of "due diligence"

Establishing a successful stormwater user fee requires that you pay attention to five key areas of due diligence:

- Governance and inter-municipal consensus
- Program concept and the compelling case
- Public and political education and support
- Financial policies and documents
- Database development & accuracy and customer service

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Six Key Questions in Regional Feasibility

- Why might this be an attractive idea?
- What would the regional agency do?
- What authority would it have?
- How would its activities be paid for?
- How would it be governed and managed?
- What is the process for setting it up?

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Public Engagement

- Fill the vacuum for information with real, simple, clear and timely information
- Understand who the “publics” are and
- Decide the level of involvement versus education



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No surprises !!



Public Information Plan

- who is the public ?
- what is the message ?
- when is the message ?
- how is the message sent ?
- emergency response



Example Headlines

- “Towns work together to protect our most precious asset”
- “Towns seek sustainable funding for a sustainable environment.”
- “Pollution knows no boundaries – so we don’t either”
- “Efficient and effective says a joint clean water task force”
- “First step in comprehensive water treatment explored jointly by towns.”



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Questions ?



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