

Town of Oro Valley



STORM WATER UTILITY COMMISSION

Storm Water Utility

Service Fee Proposal January 3, 2008



STORM WATER UTILITY COMMISSION



- Five person volunteer Commission of public citizens appointed by the Council
- SWUC provides a forum to hear and recommend issues surrounding bonds, expenses, and service fees charged to assure, planning , design, construction, operation, and maintenance of stormwater facilities that safely drain and control the **quantity and quality** of storm run-off.
- SWU is an enterprise of the Town which may issue bonds and prescribe service charges to support this utility



Quantity issues: are related to the amount of water to be managed during and after the rainfall event and to minimize any damage or disruptions caused by the rainfall runoff





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Quality issues: are related to the pollutants that are picked up by the water and subsequent contamination of recharge waters, soils or vegetation. Typical pollutants are oils, chemicals, silt, pathogens or bacteria.





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STORMWATER MANAGEMENT PROGRAM GOALS



- Meets Legal Requirements
 - Quality
 - EPA through the CWA and NPDES Mandates that all Towns under 100,000 citizen located in an urban area have a stormwater plan
 - Quantity
 - FEMA flood control rules and regulations must be met
- Accomplish Good Public Stewardship
 - Protect Life and Health
 - Protect drinking water supplies
 - Protect Property
- Supports Good Business Practices
 - Reduces cleanup, maintenance, and repair costs from damages
 - Reduces major disruptions to business and residents impacting local economy

CHALLENGES



- Program under funded
- No dedicated Stream of Funds
- Reactive not Proactive
 - Maintenance
 - Erosion Enhancements
 - Cleanup
 - Guidance
- Not as competitive within Flood Control District Projects

FEE INITIATIVE



- SWUC began study on fee in 2003 and was tabled by the Council in 2004.
- Revised Fee Proposal Presented to TOV Council at Work Study Session in Sept 2006.
 - Additional Questions from Council remained.
- 2nd Council Study Session on June 14th, 2006.
 - Additional questions Answered.
- Notice of Intent approved by TOV Council on Oct 3, 2007
- **Mayor and Council approved Stormwater Utility Fee Nov 7, 2007**

FEE STRUCTURE



- Stormwater service charge/fee is related to service provided
- Funds raised are used strictly for stormwater program (quantity and quality) activities
- Fee is proportional to property's contribution to stormwater runoff, quality and quantity,
 - development with high percentage of impervious area, that drains directly to storm drains contribute most runoff and contaminants
- The fee will be based on the number of Equivalent Residential Units (ERU) for the parcel.
- Standard ERU will be for an impervious surface area of 5,000 square feet.
 - 5,000 SF is the average impervious area for OV residences

RESIDENTIAL FEE STRUCTURE



- Flat Fee
 - Utilized by a majority of the Stormwater Utilities in the country
 - Easy to develop and apply
 - Hydrologically sound from contamination viewpoint, i.e., smaller houses on smaller, totally landscaped lots have a more direct connection to storm drain system than larger residences on larger lots; thus, contaminants can more easily reach storm drain system
- Residential homes charged a flat fee of one ERU per month.
One ERU = \$2.90

NON-PROFITS/ COMMERCIAL FEE STRUCTURE



- Non-Profit/Commercial
 - Multiple of ERU calculated by dividing the total impervious area by 5000
 - Total ERU's nearest whole ERU using standard rounding practice
 - Non-Profits/Commercial – 25% max credit available for Stormwater education or first flush technology

FEE STRUCTURE CREDITS



- Parcels with a non-profit function and ownership will receive a 25 percent credit providing that its owner participates in an annual or ongoing storm water education program.
- Parcels with “First Flush” technology will also receive a 25 percent credit providing that the storm water drain system is maintained as designed and approved by the Town of Oro Valley.
- An annual application, one time application fee, annual inspection and report of compliance is required to obtain the reduced rate.
- 25% is the maximum credit that one parcel may receive

BILLING PROCEDURE



- Billing
 - Monthly for Oro Valley Water Customers
 - Quarterly for Customers of other water systems
 - All bills managed through the TOV Water Dept System
- Problems
 - Customer Queries handled through the Public Works Stormwater Management Staff
- Customer Changes identified through changes to water bills

OTHER STORM WATER FUNDING MODELS



- Mesa, AZ
 - Federal Environmental Compliance Fee started in Jan 2007
 - Partially funds city's costs to comply with Federal Stormwater and air requirements
 - Flat Fee of \$1.50 per month per customer
 - Purpose to relieve stress on General Fund
- Flagstaff, AZ
 - Stormwater Fee started in July 2006
 - Tiered Fee \$3.07 per 5000 SF of Impervious Surface
 - Fee funds mandated Stormwater activities, drainage maintenance and improvements, floodplain inspections, and staff
 - Fee is increase \$0.10 per year for 5 years.
- National Models
 - Over 800 towns and cities with Stormwater fees across country with the majority having a flat fee
 - **Average fee is \$3.90 per ERU (SWUC recommendation \$2.90 per ERU)**



BUDGET OVERVIEW

Revenue: \$482,000

Fee: \$1.90/ERU/Month

Deliverables:

- ADEQ Regulatory Compliance
- Inspection of detention and flow controlling structures
- Inspection and cleanup of storm runoff into town washes
- Interaction to ensure PCRFCF and FEMA funds, when applicable, to Town
- FEMA Floodplain compliance
- Up-to-date Engineering guidelines

Not Included:

- Lower Level of Professional Service Funding
- No extra funds to complete minor CIP projects
- Improved road maintenance following storms
- Vegetation management in Town washes
- Minor damage repairs

BUDGET OVERVIEW



Revenue: \$608,000

Fee: \$2.40/ERU

Deliverables:

- Everything in the \$1.90 Level Plus
- Higher level of Professional services
 - Funds for a preliminary design
- Storm road maintenance and minor damage repairs
 - Funds for 1 FTE during monsoon season
- Some minor CIP support
 - Funds for one project

Not Included:

- Funding for significant road maintenance and repairs after storms
- Funding for vegetation control in Town washes



BUDGET OVERVIEW

Revenue: \$735,000

Fee: \$2.90/ERU

Deliverables:

- Everything in the \$2.40 Level Plus
- Higher Levels of Professional Services
 - Funds for one full design
- Significant road maintenance and damage repairs following storms
 - Funds for 2 additional FTEs during monsoon season
- Vegetation management and erosion control in Town washes
 - Funds for 1 FTE for half the year
- Additional minor CIP repairs

Not Included:

- Funds to complete major CIP projects

STORM WATER STAFF



- Division Manager (20%) (existing)
- Stormwater Manager (new)
- Stormwater Technician (existing)
- Temporary Agency Employees (as needed)
- Consultants (as needed)

IMPLEMENTATION TIMELINE



- Sep 20, 07: Purchase Billing Software Development
- Sep 20, 07: Begin ERU calculations
- Nov 1, 07: Begin inputting Customer Accounts
- Dec 1, 07: Begin Hiring Process for SW Manager
- Feb 1, 08: First Bills Are Sent out to collect for January
- Apr 1, 08: First Quarterly Bills sent out to collect for Jan-Mar