

Stormwater Utility Defined

--

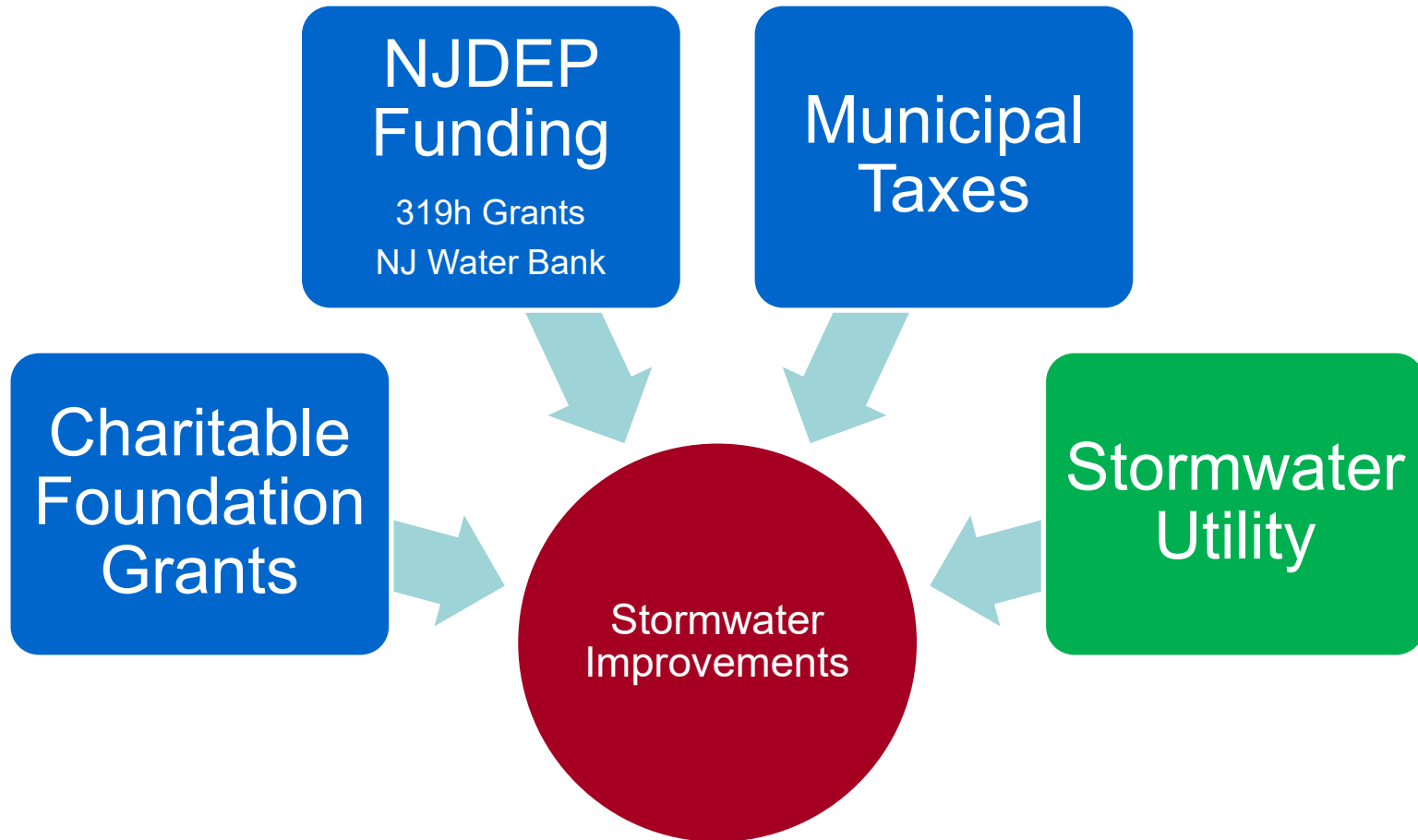
Green Infrastructure and NJ Stormwater Management Webinar

October 23, 2020

James F. Cosgrove, Jr., P.E.
Vice President/Principal



Options to Fund Stormwater Improvements



Clean Stormwater and Flood Reduction Act (Established in NJ in March 2019)

- ✓ Authorizes municipalities, counties, and certain authorities to establish stormwater utilities



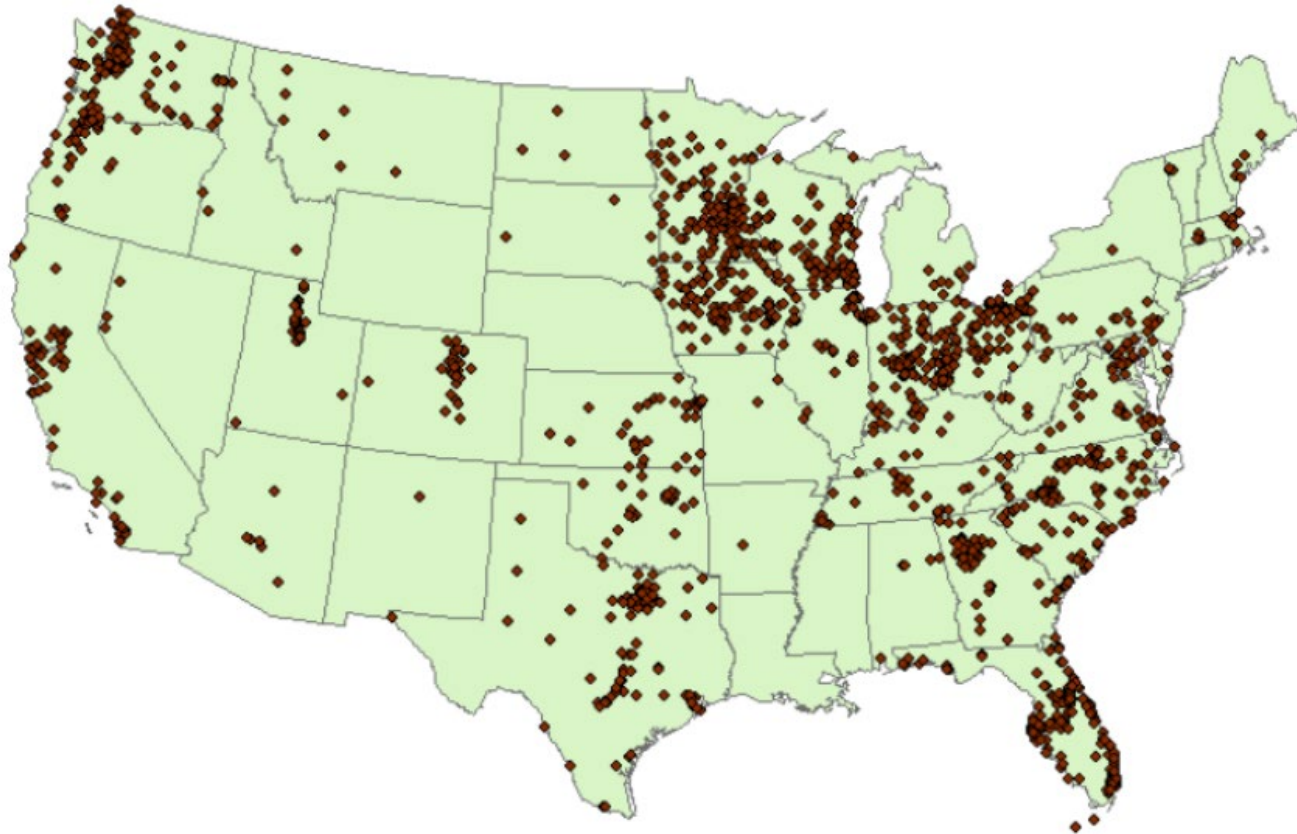
- ✓ Recognizes problems affecting residents due to inadequate stormwater infrastructure/management:
 - Health and safety
 - Economic well-being
 - Quality of life

Clean Stormwater and Flood Reduction Act (Cont'd)

- ✓ Recognizes that stormwater infrastructure in NJ lacks a dedicated source of funding for upgrades and maintenance
- ✓ Allows for fee assessment based on a fair and equitable approximation of proportionate contribution of stormwater runoff from real property



Stormwater Utilities in U.S.



- Nearly 1,700 stormwater utilities in U.S.
- Typical annual residential user fee ~ \$50

Source: Western Kentucky University Survey, 2018

Financial Benefits of a Stormwater Utility

Benefit #1: Provides a steady dedicated revenue stream

- Funds directed solely to stormwater management
- Need for capital improvements and revenue requirements increase as infrastructure ages
- More predictable and steady stream



Financial Benefits of a Stormwater Utility

Benefit #2: Funding via stormwater fees is more equitable than a tax



- Fairly apportions costs to the burden each property contributes to the system

In roughly 40 municipalities surveyed, an average residential property owner saved between 50% - 70% by paying a fee vs. through taxes.

- Fees can be collected from tax exempt users
- Credits provided based on level of service received
- Provides an incentive for property owners to reduce impervious surface

The Current Approach: Is This Fair?

This homeowner pays for stormwater . . .



. . . but this school pays nothing!

How Does a Stormwater Utility Work?

Utility Formed

Does not need to be a new group

Could use existing utility or municipality/county

Fees Assessed

Credits provided for impact reduction

Promotes green stormwater BMPs

Funds Reinvested

Studies, design, engineering, consulting costs

Maintaining, repairing, and constructing stormwater infrastructure

Water Doesn't Follow Municipal Boundaries



Collaboration Provides a Regional Solution

Advantages of a Regional Approach

- Supports watershed planning and management = Real solutions
- Provides more cost-effective approach
- Eliminates duplication of efforts
- Gains economics of scale
- Maximizes opportunities for grants/loans
- Streamlines regulatory requirements
- More equitable and cost effective for property owners.



How Do Implement a Regional Approach?

Leadership

- A watershed champion who can assemble stakeholders

Investment

- Willingness to spend money to get things started

Planning

- Develop a plan to demonstrate real improvements at reduced cost

Stormwater Utility Resources for Municipalities

1. NJDEP:

<https://www.nj.gov/dep/dwq/stormwaterutility.html>

2. NJ Future:

<https://www.njfuture.org/issues/environment-and-agriculture/water-sewer/stormwater-utilities/>

3. Rutgers University

<https://njaes.rutgers.edu/fs1307/>

4. USEPA

<https://www.epa.gov/green-infrastructure/paying-stormwater-benefits-utility>

Questions and Discussion



Jim Cosgrove, P.E.
Vice President / Principal
Kleinfelder, Inc.
609-454-4550
JCosgrove@Kleinfelder.com