



TOWN OF CARRBORO

NORTH CAROLINA

TRANSMITTAL PUBLIC WORKS DEPARTMENT

To: Marie Parker, Interim Town Manager
Town Council

From: Randy Dodd, Stormwater Utility Manager

Cc: Kevin Belanger, Public Works Director
Heather Holley, Stormwater Specialist
Debbie Shoffner, Stormwater Administrator

Date: February 21, 2024

Subject: Proposed Modifications to the Stormwater Rate Structure

Summary

The purpose of this memo is to provide information to supplement the January 9th, 2024 Town Council agenda item regarding a new residential assistance program and the recommended amendments to the stormwater rate structure to fund the new program.

Information

Background

The Stormwater Enterprise Fund and its [rate structure](#) were set up to fund both operational and capital project needs and Stormwater related responsibilities ranging from regulatory (regulated and regulator) to community-based (outreach, education, public participation, technical support) to field and operations work (monitoring, stream determinations, infrastructure, facility, and Stormwater Control Measure inspections, illicit discharge detection and elimination, pollution prevention) to planning support (development review, reviewing town regulations, SCM program coordination), stormwater related project development and implementation, and administration (implementing rate structure, staffing Stormwater Advisory Commission, contracting, grant administration, overseeing 30 miles of infrastructure). Providing assistance to residents regarding concerns on private residential property is one of many program components for stormwater staff.

The recommended next phase of the program will be offering cost share assistance as outlined in the program design document, assuming it and the necessary funding and staffing for the program are approved.

Implementation Steps and Notes

The recommended rate structure, including the number of properties in each tier and amount of the increase for each tier, is provided below (Table 1).

Assuming the rate structure amendment is approved as presented, the plans for moving forward with launching the new program are to:

1. incorporate the program in the draft FY24/25 operating budget submittal (immediate).
 - a. prepare a job description and include the salary for a new Stormwater Assistance Coordinator.
 - b. create budget line items to track program funds (revenue and expenses).
2. update the billing data submitted to the Orange County Property Tax office (spring 2024) to reflect the new rate structure.
3. advertise and fill the Stormwater Assistance Coordinator position (spring/summer)
4. advertise and begin accepting applications to participate in the program (summer)
5. review applications (fall 2024)
6. sign contracts and move forward with the first round of practice installation (late fall/winter 2024-25)

At the January 9th meeting, the Council mentioned an interest in developing more residential tiers. Staff have subsequently discussed this internally and with peer staff in Chapel Hill and Orange County and have added this to our internal workplan for further investigation. For multiple reasons such as spatial accuracy of geodata, additional administrative time and time horizon for FY24/25 budget and property tax billing preparation, desire to focus this rate structure amendment on this one program change and pursue future amendments as a part of larger and longer-term Stormwater program planning, it is recommended that no action on considering more residential tiers be pursued at this time.

Note that additional information is available at the following Carrboro Stormwater webpages:

<https://www.townofcarrboro.org/DocumentCenter/View/7487/RainReady-Final-Report>

<https://www.carrboronc.gov/DocumentCenter/View/12997/RAPP-Report-Carrboro>

<https://www.carrboronc.gov/1138/Stormwater-Utility-Rate-Structure>

Recommendation

It is recommended that the rate structure be modified through an \$10 increase in the Equivalent Residential Unit fee. This rate structure will allow the Town to in general accelerate and expand stormwater residential assistance service delivery and to specifically create a staff position to administer the program and provide cost share funding for the program.

Table 1: Recommended Residential Rate Structure

| <u>Tier/ ERUs</u> | <u>Minimum Impervious Surface (square feet)</u> | <u>Maximum Impervious Surface (square feet)</u> | <u>Annual Fee/ (Increase)</u> | <u># of Parcels</u> |
|------------------------------|--|--|--|----------------------------|
| 1 | 500 | 5,999 | \$100/ (\$10) | 4382 |
| 2 | 6,000 | - | \$200/ (\$20) | 222 |

Draft Non-residential Rate Structure*

| <u>Tier</u> | <u>Minimum Impervious Surface (square feet)</u> | <u>Maximum Impervious Surface (square feet)</u> | <u>ERUs**</u> | <u>Annual Fee/ (Increase)</u> | <u># of Parcels</u> |
|--------------------|--|--|----------------------|--|--------------------------------|
| 1 | 500 | 5,999 | 1 | \$100/ (\$10) | 1046 |
| 2 | 6,000 | 23,999 | 5 | \$500/ (\$50) | 246 |
| 3 | 24,000 | 41,999 | 11 | \$1,100/ (\$110) | 38 |
| 4 | 42,000 | 59,999 | 17 | \$1,700/ (\$170) | 14 |
| 5 | 60,000 | 89,999 | 25 | \$2,500/ (\$250) | 10 |
| 6 | 90,000 | 119,999 | 35 | \$3,500/ (\$350) | 7 |
| 7 | 120,000 | 149,999 | 45 | \$4,500/ (\$450) | 6 |
| 8 | 150,000 | 179,999 | 55 | \$5,500/ (\$550) | 3 |
| 9 | 180,000 | 209,999 | 65 | \$6,500/ (\$650) | 5 |
| 10 | 210,000 | 239,999 | 75 | \$7,500/ (\$750) | 5 |
| 11 | 240,000 | 269,999 | 85 | \$8,500/ (\$850) | 2 |
| 12 | 270,000 | 299,999 | 95 | \$9,500/ (\$950) | 1 |
| 13 | 300,000 | 329,999 | 105 | \$10,500/ (\$1,050) | 4 |
| 14 | 330,000 | 359,999 | 115 | \$11,500/ (\$1,150) | 1 |
| 15 | 360,000 | 389,999 | 125 | \$12,500/ (\$1,250) | 1 |
| 16 | 390,000 | 419,999 | 135 | \$13,500/ (\$1,350) | 2 |
| 17 | 420,000 | 449,999 | 145 | \$14,500/ (\$1,450) | 1 |
| 18 | 450,000 | 479,999 | 155 | \$15,500/ (\$1,550) | 1 |
| 19 | 480,000 | 509,999 | 165 | \$16,500/ (\$1,650) | 1 |
| 20 | 510,000 | 539,999 | 175 | \$17,500/ (\$1,750) | 0 |
| 21 | 540,000 | 569,999 | 185 | \$18,500/ (\$1,850) | 0 |
| 22 | 570,000 | 599,999 | 195 | \$19,500/ (\$1,950) | 1 |

* Includes condominiums

** Equivalent Residential Unit (3000 sf impervious area; see [Town Code](#))