



TOWN OF CARRBORO

NORTH CAROLINA

TRANSMITTAL

PLANNING DEPARTMENT

DELIVERED VIA: ☒ HAND ☐ MAIL ☐ FAX ☐ EMAIL

To: David Andrews, Town Manager
Mayor and Board of Aldermen

From: James Freeman, Public Works Director

Cc: Randy Dodd, Environmental Planner
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Date: February 27, 2017

Subject: Creation of Stormwater Utility in Carrboro

Background and Summary

This memorandum provides an analysis of the proposed agenda to create a stormwater utility in Carrboro. Selected links to additional/supplemental details are provided at the end of the memo.

Information

The Town of Carrboro is identifying the process for developing a Town-managed stormwater utility due to the reasons listed below:

- Stormwater is a problem that all property owners contribute to.
- Efficient and successful stormwater management is critical to the community.
- Existing funding and management are not remedying these issues.

In developing the stormwater utility, the Town proposes funding and hiring a stormwater manager at the start of FY17-18. This stormwater manager's primary duty is to work with various Town and State personnel to develop and prepare for implantation of the stormwater utility. In doing so, the stormwater manager will generally follow the steps outlined below:

1. Define Needs

- What is the status of the municipality's water quality/quantity, and what are the existing threats?
- Are there additional reasons why the municipality would want to pursue this funding mechanism?

- What comprises the municipality's current stormwater management plan/practices?
- What are the short- and long-term current and projected expenditures (i.e., what would this fund)?
- What are the major challenges to developing a fee system and/or utility?

2. Determine Funding – Fee Structure

Currently, the Town is proposing the use of a utility to create an enterprise fund for stormwater services. An enterprise fund is established for stormwater management, and a user fee is established by ordinance to fund the enterprise. The establishment of the enterprise guarantees by ordinance that the funds collected for stormwater management cannot be redirected for unrelated uses. The funding level, and therefore the fee charged to properties, is based on the program elements that will be paid for by the charges. The program scope, or level of service, can range from everything stormwater to only specific programs, such as capital, compliance, operations and maintenance, etc. The fee is calculated by determining the costs of providing the desired level of service and then distributing the costs based on the demand that each property places on local government for service. Stormwater user fees are typically based on the level of imperviousness (commonly referred to as impervious area), which more reasonably correlates to the demand a property places on the stormwater system.

An important incentive for proper stormwater management on properties is the inclusion of a credit system that rewards property owners for on-site and environmentally sustainable management of stormwater. Credits are linked to a reduction in the drainage fee, which serves as an incentive to their installation.

Credits can also be provided for specific populations or organizations in a municipality. Some towns have considered offering credits, and even exemptions, for senior, low-income and disabled households. Additionally, similar credit systems have been considered for non-profits and municipal property. However, impervious areas on properties owned by these populations or organizations still contribute runoff that places a burden on the stormwater system.

3. Deliver Education and Outreach Program

A strong public education program is critical throughout the stormwater utility development process. Many people are unaware of the increasing cost of stormwater management and the options to fund it. A well-funded stormwater program can help reduce flooding, improve drought conditions, create better fishing and recreation, and improve water quality. An organized public information and education effort is essential to the success of a stormwater utility.

In addition, a stormwater task force is proposed to coordinate the establishment of a drainage fee and to become the primary educators regarding the importance of establishing this long-term funding source. A stormwater management task force can make great strides on an issue since all perspectives are brought together where collective decisions can be made. Establishing a committee that is composed of local government officials as well as community and watershed-based stakeholders is important to ensure that diverse perspectives and knowledge are brought to the process. Influential organizations and individuals will need to be brought into the process

early, as they generally have established relationships with critical businesses and property owners that need to be in support of stormwater financing.

After the fee has been implemented successfully (typically after the first billing cycle) and/or the utility is up and running, there is still a need for ongoing education and transparent reporting on the program's activities. The Stormwater Management Task Force can be kept in place to continue with education or to assist with setting up a successful ongoing education program. Ongoing education is needed to maintain support for the utility, and there will always be a need to remind people about the connections between their yards and streets and their lakes, rivers, and ocean. It is helpful and encouraging to update residents on the success and impact the new utility has had and is having throughout the year as well. Reminders on best practices for pet waste disposal, impervious surfaces, car washing, and the proper disposal of litter and hazardous waste will be needed over the long term.

There are many outreach techniques ranging from formal public hearings or workshops to television ads and articles in community newspapers. The Town will utilize outreach methods recently identified in a survey as the avenues to provide information to citizens of the Town.

4. Develop Administrative Program

The stormwater manager and the utility will fall within the management and direction of the Town's Public Works department but will work closely with the Planning and Finance departments. The method for billing and collection of funds is not yet fully determined but will be further investigated to present options and recommendations to the Board of Alderman. The preferred method is to piggyback on a system which is already in place to reduce or eliminate upfront capital expenditures and additional staff.

Recommendation

Staff recommend that the Board of Aldermen receive this memo and provide feedback to guide future stormwater related efforts.

Appendices

Links to additional information

Carrboro Stormwater homepage:

<http://www.townofcarrboro.org/287/Stormwater>

Stormwater Financing/Utility Starter Kit - Metropolitan Area Planning:

www.mapc.org/sites/default/.../SW_financing-utility_kit_mod2_finance_structure.pdf

Stormwater Utility Fee Study – Glenview, Illinois:

<http://glenview.il.us/Documents/Stormwater%20Utility%20Study.pdf>

Essential Resources for the Stormwater Program:

https://www3.epa.gov/npdes/outreach_files/webcast/jul2308/114376_od/resource_list.pdf

Southeast Stormwater Utility Survey:

www.seswa.org