Framing your Stormwater Utility for a Perfect Strike

Indiana County Surveyor’s Association

Continuing Education Seminar & Bowling Event

July 13, 2016
Overview

1. Stormwater Issues & Funding Challenges
2. Overcoming Common Barriers
3. How to Bowl a Perfect Strike (and set up a Stormwater Utility)
Stormwater Issues & Funding Challenges
Stormwater Issues

- Drainage and flooding problems
- Infrastructure maintenance and replacement
- Regulatory requirements
Stormwater Funding Challenges

• Typically funded through general fund, EDIT and/or drainage assessments
• Stormwater is a public service
• Need for revenue source that is Stable, Adequate, Flexible, and Equitable
Indiana Enabling Legislation

- Counties subject to stormwater regulations under 327 IAC 15-13 (Rule 13) or MS4
  - Drainage Code (IC 36-9-27-114)
  - Municipal Utilities Code (IC 8-1.5-5)
Insert map of 23 MS4 counties and 7 with SWUs.
Overcoming Common Barriers
1. Regulated Drain Funds

The county regulated drain assessment generates enough revenue.

AGREE or DISAGREE
Stormwater Utility

- Admin/Operations
- Training
- Vehicles/Equipment
- Stormwater Programs
  - IDDE
  - GHP2
  - SWPPP
- SWMP, O&TS and CIP
- For all stormwater conveyances

Drainage Assessment

- Ditch Construction
- Ditch Reconstruction
  - Rebuild
  - Restore profile
- Ditch Maintenance
  - Clearing
  - Dredging
  - Spraying
- For designated regulated drains
Illicit Discharge Detection & Elimination

Good Housekeeping Practices

Public Outreach & Participation

Illicit Discharge Detection & Elimination

Construction Practices

Post-Construction Practices
2. Agricultural Land

My county is mostly agriculture and not regulated by Rule 13.

AGREE or DISAGREE
Monroe County’s Stormwater Fee Information

Who is exempted? In a nutshell, no one. All property owners are responsible for paying the stormwater fee, including owners of tax exempt properties, because this fee is not a tax under Indiana law.

1. Why should I have to pay? I live in a rural area and have no drainage problems. You may not have a problem but the runoff from your property may contribute to downstream flooding and other water quality issues. A responsible approach recognizes that everyone contributes to runoff and everyone shares in the results of improvements, such as better road drainage, cleaner water, and reduced flooding. On average four drainage pipes cross under every mile of county roadway. These need to be periodically cleaned and sometimes replaced due to deterioration.
3. Political Opposition

My County Commissioners / Drainage Board will never support a stormwater utility.

AGREE or DISAGREE
Benefits for Elected Official:

- Dedicated funding source
- Supplemental funding source
- Sustainable revenues
- Bondable revenue stream
Benefits for Daily Operations Staff:

- Programmatic stability
- Long-term view
- Facilitation of NPDES compliance
4. Public Opposition

A stormwater utility will never fly with the landowners in my county.

AGREE or DISAGREE
Benefits for the Public:
• Improvements to drainage system
• Improved water quality for recreation
• Improved livability and quality of life
Drainage & Storm Sewer
Sleepy Hollow & North Street

High Water
Gray Road

High Water
Carey Road
5. More Responsibility

I will end up managing the stormwater utility and I don’t need any more responsibility.

AGREE or DISAGREE
6. Cost for Study

It’s too expensive to develop the stormwater utility rate study.

AGREE or DISAGREE
<table>
<thead>
<tr>
<th>PROGRAM BUGET ITEM</th>
<th>YEAR 1</th>
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<tbody>
<tr>
<td>Administration &amp; Operations</td>
<td>$810,000</td>
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<tr>
<td>Equipment</td>
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<tr>
<td>Shared Rule 13 Compliance Costs (multi juris.)</td>
<td>$ 12,500</td>
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<tr>
<td>Individual Rule 13 Compliance Costs</td>
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<td>Training</td>
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<td>General Operating Supplies</td>
<td>$45,000</td>
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<td>Capital Improvement Projects</td>
<td>$970,000</td>
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<tr>
<td>Outsourced Professional Services</td>
<td>$295,000</td>
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<tr>
<td>Billing Costs</td>
<td>$30,000</td>
</tr>
<tr>
<td>TOTAL YEAR 1</td>
<td>$2,811,000</td>
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<tr>
<td>AVERAGE ANNUAL BUDGET (5-yr projected)</td>
<td>$2,900,000</td>
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</table>
## APPENDIX 2 - VARIABLE RATE STRUCTURE (ERU)

Updated: 3/27/2014

### Only Change Values Colored in Yellow

<table>
<thead>
<tr>
<th>Property Class</th>
<th>No. of Parcels</th>
<th>Percentage of Parcels</th>
<th>Square Footage (acres)</th>
<th>Acres (parcels)</th>
<th>Percentage of Acres (acres)</th>
<th>No. of ERUs</th>
<th>Minimum ERU</th>
<th>Average ERU</th>
<th>Median ERU</th>
<th>Annual Revenue</th>
<th>Monthly Revenue</th>
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<tr>
<td>Agricultural</td>
<td>15</td>
<td>0.23%</td>
<td>15,280,623</td>
<td>351</td>
<td>4.65%</td>
<td>15</td>
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<td>1.00</td>
<td>1.00</td>
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<td>627</td>
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<td>$7,850.00</td>
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<td>Residential (Single-Family)</td>
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<td>54.28%</td>
<td>55,796,067</td>
<td>1,281</td>
<td>18.07%</td>
<td>3,672</td>
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<td>1.00</td>
<td>1.00</td>
<td>$13,612.12</td>
<td>$1,134.35</td>
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<tr>
<td>Residential - Unimproved</td>
<td>692</td>
<td>10.24%</td>
<td>14,787,623</td>
<td>329</td>
<td>4.79%</td>
<td>0</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>$3,120.00</td>
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<td>Residential (Apartment)</td>
<td>105</td>
<td>1.51%</td>
<td>9,979,618</td>
<td>229</td>
<td>3.42%</td>
<td>4,991</td>
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<td>1.00</td>
<td>1.00</td>
<td>$45,330.69</td>
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<td>Residential (Duplex)</td>
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<td>32</td>
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<td>187</td>
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<td>1.00</td>
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<td>$2,119.74</td>
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<td>Residential (Triplex)</td>
<td>90</td>
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<td>895,899</td>
<td>29</td>
<td>0.29%</td>
<td>60</td>
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<td>1.00</td>
<td>1.00</td>
<td>$1,766.81</td>
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<tr>
<td>Residential (Condominium)</td>
<td>203</td>
<td>3.02%</td>
<td>468,954</td>
<td>83</td>
<td>1.08%</td>
<td>83</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>$1,221.75</td>
<td>$101.81</td>
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<tr>
<td>Commercial</td>
<td>706</td>
<td>10.44%</td>
<td>43,195,656</td>
<td>991</td>
<td>15.99%</td>
<td>6,044</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>$117,642.64</td>
<td>$9,803.55</td>
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<tr>
<td>Commercial - Unimproved</td>
<td>175</td>
<td>2.60%</td>
<td>15,765,597</td>
<td>361</td>
<td>5.11%</td>
<td>13,599</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>$317,966.56</td>
<td>$26,497.22</td>
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<tr>
<td>Industrial</td>
<td>196</td>
<td>2.90%</td>
<td>26,429,950</td>
<td>607</td>
<td>3.23%</td>
<td>3,233</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>$70,632.17</td>
<td>$5,894.31</td>
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<tr>
<td>Industrial - Unimproved</td>
<td>66</td>
<td>0.93%</td>
<td>6,407,095</td>
<td>147</td>
<td>2.00%</td>
<td>0</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>$13,612.12</td>
<td>$1,134.35</td>
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<td>Tax Exempt (government)</td>
<td>94</td>
<td>1.39%</td>
<td>28,877,861</td>
<td>661</td>
<td>9.83%</td>
<td>1,824</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>$30,785.78</td>
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<td>Tax Exempt - Unimproved</td>
<td>320</td>
<td>4.78%</td>
<td>28,865,247</td>
<td>663</td>
<td>11.06%</td>
<td>663</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>$50,992.48</td>
<td>$4,249.37</td>
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<tr>
<td>Utilities</td>
<td>28</td>
<td>0.45%</td>
<td>5,294,456</td>
<td>76</td>
<td>1.07%</td>
<td>308</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>$7,012.90</td>
<td>$584.41</td>
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<td>Utilities - Unimproved</td>
<td>20</td>
<td>0.30%</td>
<td>2,166,735</td>
<td>51</td>
<td>0.72%</td>
<td>51</td>
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<td>0.00</td>
<td>0.00</td>
<td>$5,988.23</td>
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<tr>
<td>Totals</td>
<td>6,765</td>
<td>100.00%</td>
<td>308,772,670</td>
<td>7,086</td>
<td>100.00%</td>
<td>19,832</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>$440,000.00</td>
<td>$36,666.67</td>
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</tbody>
</table>

### Summary Reports and Graphs

- Revenue Estimation by Land Use
- What-if Scenarios
7. Billing Method

My county doesn’t have an existing sewer or trash bill to attach a stormwater utility to.

AGREE or DISAGREE
Billing Methods:

- Add to existing utility or service bill
- Add to property tax bill
- Create new billing method
8. Impervious Area

There is not a lot of impervious area in my county.

AGREE or DISAGREE
Flat Fee
- Flat fee per parcel

Variable Fee
- Acreage based
- Assessed Value
- Land use
- Impervious area
# Lake County Phase II MS4 User Fees

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Property Code</th>
<th>Monthly Rate</th>
<th>Land Use Category</th>
<th>Property Code</th>
<th>Monthly Rate</th>
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<tbody>
<tr>
<td>Vacant Agricultural</td>
<td>100</td>
<td>$1.85</td>
<td>Commercial Mini-Warehouses</td>
<td>481</td>
<td>$8.50</td>
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<tr>
<td>AG - Cash Grain/General Farm</td>
<td>101</td>
<td>$2.95</td>
<td>Commercial Truck Terminals</td>
<td>482</td>
<td>$7.85</td>
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<tr>
<td>AG Livestock</td>
<td>102</td>
<td>$4.25</td>
<td>Corn Mariculture Facilities</td>
<td>490</td>
<td>$7.20</td>
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<td>AG Dairy Farms</td>
<td>103</td>
<td>$4.40</td>
<td>Other Commercial Structures</td>
<td>499</td>
<td>$7.55</td>
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<tr>
<td>AG Fruit &amp; Nut Farms</td>
<td>104</td>
<td>$4.20</td>
<td>Res - Vacant Lot</td>
<td>500</td>
<td>$1.85</td>
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<tr>
<td>AG Vegetable Farms</td>
<td>105</td>
<td>$4.30</td>
<td>Res Vac 0 - 9.99 Unplanted</td>
<td>501</td>
<td>$1.85</td>
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<tr>
<td>AG Timber</td>
<td>108</td>
<td>$2.45</td>
<td>Res Vac 30 - 39.99 Unplanted</td>
<td>504</td>
<td>$1.85</td>
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<tr>
<td>AG Other Agriculture Use</td>
<td>109</td>
<td>$4.35</td>
<td>Res Vac 40 + Unplanted</td>
<td>505</td>
<td>$1.85</td>
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<tr>
<td>IND Vacant Land</td>
<td>300</td>
<td>$2.95</td>
<td>Res Vac Support Another Parcel</td>
<td>506</td>
<td>$1.85</td>
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<tr>
<td>IND Foundry &amp; Heavy Mfg.</td>
<td>320</td>
<td>$8.65</td>
<td>Res - One Plum Pk Lot</td>
<td>510</td>
<td>$3.75</td>
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<td>IND Light Mfg. &amp; Assembly</td>
<td>340</td>
<td>$7.80</td>
<td>Res One Dwg Unplated 0-9.99 AC</td>
<td>511</td>
<td>$3.75</td>
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<tr>
<td>IND Small Shops</td>
<td>370</td>
<td>$6.35</td>
<td>Res One Dwg Unpl 20-29.99 AC</td>
<td>513</td>
<td>$3.75</td>
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<tr>
<td>IND Landfill</td>
<td>385</td>
<td>$42.10</td>
<td>Res One Dwg Unpl 40+ AC</td>
<td>515</td>
<td>$3.75</td>
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<td>IND Grain Elevators</td>
<td>390</td>
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<td>Res Two Family Dwelling</td>
<td>520</td>
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<td>Other Industrial Structures</td>
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<td>Res Two Dwg Unpl 0-9.99 AC</td>
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<td>Com Vacant Land</td>
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<td>Res Three - Family Dwelling</td>
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<td>Com-Apt. 4 - 19 Units</td>
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<td>Com-Apt 20 - 39 Units</td>
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<td>Res House Trailer (Real)</td>
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<tr>
<td>Com Monet or Tourist Cabins</td>
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<td>$5.20</td>
<td>MH 0-9.99 Unplanted</td>
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<td>$3.80</td>
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<td>Com Mobile Home Parks</td>
<td>415</td>
<td>$4.20</td>
<td>MH 10-19.99 Unplanted</td>
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<td>Other Com Housing</td>
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<td>Res Condo Unit</td>
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<td>Com Small Dec. Retail (-10000)</td>
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<td>$5.75</td>
<td>Res Condo 0-9.99</td>
<td>551</td>
<td>$3.95</td>
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<td>Com Supermarkets</td>
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<td>$6.00</td>
<td>Other Residential Structures</td>
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<td>$3.80</td>
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<td>Com Neighborhood Shop Center</td>
<td>425</td>
<td>$6.30</td>
<td>Exempt-US Government</td>
<td>600</td>
<td>$2.00</td>
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<td>$6.70</td>
<td>Exempt State Of IN</td>
<td>610</td>
<td>$2.00</td>
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<td>Com Convenience Market</td>
<td>428</td>
<td>$6.00</td>
<td>Exempt-County Owned</td>
<td>620</td>
<td>$2.00</td>
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<td>Com Or Retail Structures</td>
<td>429</td>
<td>$6.75</td>
<td>Exempt- Township</td>
<td>630</td>
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<td>Com Rest, Cafe And/Or Bar</td>
<td>430</td>
<td>$6.90</td>
<td>Exempt- Municipality</td>
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<td>Com Franchise Restaurant</td>
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<td>Exempt- Board Of Education</td>
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<td>439</td>
<td>$6.60</td>
<td>Exempt - Park Districts</td>
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<td>Com Funeral Home</td>
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<td>Exempt - Public Library</td>
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<td>Com Medical Clinic or Offices</td>
<td>442</td>
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<td>Exempt - Private Academy/College</td>
<td>670</td>
<td>$2.00</td>
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<td>Com Full Service Banks</td>
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<td>Exempt - Charitable/Grant Ex</td>
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<td>Com Savings &amp; Loans</td>
<td>445</td>
<td>$6.99</td>
<td>Exempt - Religious Org</td>
<td>685</td>
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<tr>
<td>Com Office of O/H-7 - Elevator</td>
<td>447</td>
<td>$6.85</td>
<td>Exempt - Church/Religious/Temples</td>
<td>686</td>
<td>$2.00</td>
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<tr>
<td>Com Convenience Market/Gas</td>
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<td>$7.10</td>
<td>Exempt - Cemetery</td>
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<td>Com Auto Service Station</td>
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<td>$7.10</td>
<td>Other Exempt</td>
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<td>Com Auto Sales &amp; Service</td>
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<td>U Local Assess Light/Hea/Per</td>
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<td>Commercial Garages</td>
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<td>Com Parking Lot or Structure</td>
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<td>U Local Assess Pipeline</td>
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<td>Com Theaters</td>
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<td>$7.20</td>
<td>U State Assess Railroad</td>
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<tr>
<td>Com Golf Courses</td>
<td>463</td>
<td>$6.95</td>
<td>U Local Assess Sewage</td>
<td>850</td>
<td>$2.00</td>
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<tr>
<td>Com Lodge Halls or Amuse Parks</td>
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<td>$6.90</td>
<td>U Local Assess Phone</td>
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<td>$2.00</td>
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<tr>
<td>Commercial Warehouses</td>
<td>480</td>
<td>$8.70</td>
<td>U Local Assess Water</td>
<td>870</td>
<td>$2.00</td>
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</table>

The legal documents to support this unfunded mandate are:
- U.S. Environmental Protection Agency-Phase II of the National Pollution Discharge Elimination System program (PR Doc. 99-29181) authorized by the 1972 amendments to the Clean Water Act
- Indiana Department of Environmental Management
  - Rule 13 (327 IAC 15-13)

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# Lake County MS4 Clean Water Act Fee

**Federally Mandated**

**Lake County MS4 Clean Water Act Fee**

Administered through the Indiana Department of Environmental Management by

The Office of the County Surveyor for the Lake County Drainage Board

Lake County Government Center • 2293 North Main Street • Crown Point, IN 46307
Phone (219)735-3745 • Fax (219)735-3750
**Base Rate:** Property Class Base Rate

- Agricultural: $20.00
- Commercial: $40.00
- Industrial: $60.00
- Residential: $30.00
- Exempt: $40.00
- Utility: $20.00
- Unclassified: $30.00

**Acreage Rate:** $0.11 (annual/acre)

**Stormwater Boundary Charge**
- Within MS4 area: Add $2.00
- Outside MS4 area: Add $1.00

**Fee calculation:**
Base Rate + Acreage Rate + (Within MS4 or Outside MS4) = Amount Paid Per Year

**Example:**
A Residential home on two acres in Howard County outside the MS4 area: $30 + ($0.11 \times 2) + $1 = $31.22 (per year)
9. Service Expectations

County residents don’t expect stormwater services like urban areas do.

AGREE or DISAGREE
10. Annexation

I’ll just wait until the developed area gets annexed to solve stormwater problems.

AGREE or DISAGREE
Proposed annexation

The town of Brownsburg wants to annex nearly 1,200 unincorporated parcels.

- **Brownsburg**
- **proposed annexation area**

Source: Brownsburg North Group Against Annexation
How to Bowl a Perfect Strike
(and set up a Stormwater Utility)
How to Bowl a Perfect Strike

1. Make your approach
2. Keep your arm straight
3. Step of power
4. Release the ball
5. Follow through

Steps to Establish a Stormwater Utility

1. **Develop a feasibility and rate study**
2. **Create a billing system, policy and procedures**
3. **Public information and stakeholder engagement**
4. **Adopt ordinances**
5. **Implementation and public outreach**
B1. Make your Approach

U1. Develop a Feasibility and Rate Study

• Justify the need for the utility, legal authority and enabling legislation
• Revenue requirements
• Organization and staffing
• Develop a rate study database
• Identify the billing method and responsible party for billing
B2. Keep your Arm Straight

U2. Create a Billing System, Policy and Procedures

• Conversion of rate study database
• Set up billing method
• Complete billing in-house or out-sourced
• Establish procedures for:
  ➤ Caps, credits or exemptions
  ➤ Updating and maintaining database
  ➤ Administration of utility
B3. Step of Power

U3. Public Information and Stakeholder Engagement

• Raise awareness of cost to manage stormwater and regulatory requirements
• Illustrate benefits
• Meet with large rate payers, key groups, and media
• Establish Advisory Committee
B4. Release the Ball

U4. Adopt Ordinances

• Drainage Code (IC 36-9-27-114)
  ➢ Establish user fees

• Municipal Utilities Code (IC 8-1.5-5)
  ➢ Establish a stormwater utility and stormwater board
  ➢ Establish district to collect fees
  ➢ Establish rate structure and user fees
B5. Follow Through

**U5. Implementation and Public Outreach**

- Create a telephone hotline, email service, and website
- Prepare FAQ materials
- Distribute mock bill
Questions?

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