



City of Lynchburg

Stormwater Management

City Council Presentation

February 8, 2011

CDM



Guiding Principles



- Provide services that promote the health, safety and prosperity of the city
- Manage the city's stormwater needs and infrastructure effectively and efficiently
- Comply with environmental regulations
- Engage State and Federal regulators to keep the city well-positioned on future issues
- Fairly and equitably charge for services provided
- Educate and engage the public

Benefits of a Stormwater Utility



- This is the most effective way to manage stormwater, regardless of TMDLs
- More accountability (annual rate study and budget)
- Manage stormwater system infrastructure similar to water and sewer systems
- Efficiencies gained through better coordination and management

Council “Roadmap”- SWAC Recommendations



Level of Service	2.5	3	<u>3.5</u>	4	5
	<u>Option A</u>			Option B	
Funding Mechanism	Fee or any combination of <u>Fee/VDOT/General Fund</u>			General Fund-Increase Real Estate Tax or keep equal to current rate	
Basis of Charge	<u>Impervious Area</u>			Property Value	
Tax Exempt Properties Included?	<u>Yes</u>			No	
Enterprise Fund Required?	<u>Yes</u>			No	
Who To Bill?	<u>Property Owner</u> or Tenant			Property Owner	
How To Bill?	Water/Sewer Bill Real Estate Bill Separate Bill			Real Estate Bill	
Financial Policy Required?	<u>Yes</u>			No	
Ordinance Required?	<u>Yes</u>			No	
Credits Allowed?	<u>Yes</u>			No	

Council "Roadmap"- Staff Recommendations



Level of Service	2.5	3	<u>3.5</u>	4	5
	<u>Option A</u>			Option B	
Funding Mechanism	Fee or any combination of <u>Fee/VDOT</u> /General Fund			General Fund-Increase Real Estate Tax or keep equal to current rate	
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Credits Allowed?	<u>Yes</u>			No	

Staff Recommendations: Fair and Equitable



- **A fee is more equitable than a tax – all properties pay based on impervious area**
- **Credits incentivize good stormwater practices on private property**
- **Property owners can modify their impervious area, tenants cannot**
- **Water/Sewer bill allows 12 equal payments**
- **Reduces burden on General Fund**

Staff Recommendations: Efficiency



- Finance-Billings and Collections-Utility Billing recommends changing from owner, occupant or tenant billing to all sewer/water/storm billing to owners as recorded on the City's Real Estate Records

Advantages:

- Utility Billing maintains and manages all billing records for water, sewer and stormwater utility funds
- Administrative Cost Savings can be realized over two year period (see attached spreadsheet for details)

Justification of a Higher Level of Service



• 3.5 FTEs for PM and O&M	\$200,000
• Current MS4 permit requirements	\$100,000
– Buffer Program	
– GIS Analysis	
– Private BMP Program	
– Restore street sweeping effort	
• Stormwater Utility startup	\$200,000
• Master Plan work	\$150,000
• Infrastructure repair/replace	<u>\$250,000</u>
	\$900,000

Benefits of a Higher Level of Service



- Ensure continued compliance with existing regulations
- Keep City well-positioned on future regulations
- Address existing infrastructure and stormwater needs more efficiently and effectively
- Position City to qualify for grants or loans
- Improved customer service
- Better water quality

Staff Recommendations



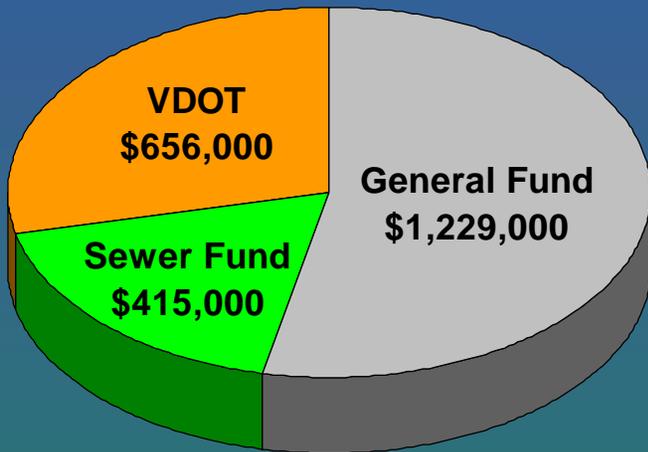
	Actual FY 2011	Projected FY 2012*	Projected FY 2013
Revenues:			
General fund	\$ 1,229,000	\$ 822,000	\$ -
Sewer Fund	\$ 415,000	\$ -	\$ -
Stormwater fees	\$ -	\$ 1,272,000	\$ 2,544,000
VDOT reimbursements	\$ 656,000	\$ 656,000	\$ 656,000
TOTAL:	\$ 2,300,000	\$ 2,750,000	\$ 3,200,000

*Fee effective for 6 months of FY 2012. Assumes a Utility is created. Thus, funding is from General Fund and VDOT only- no sewer fund money.

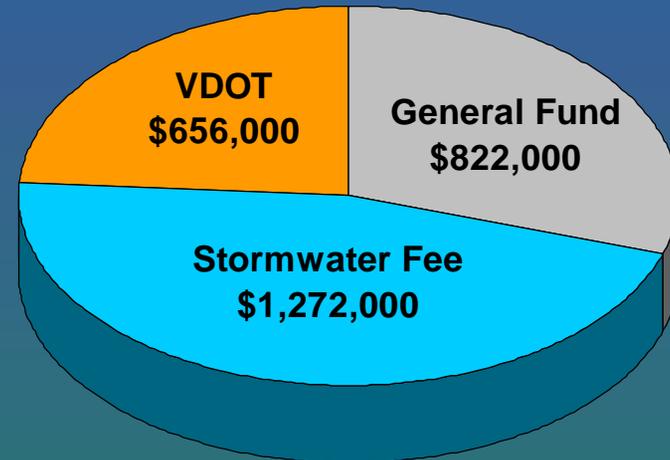
Staff Recommended Funding Mechanisms



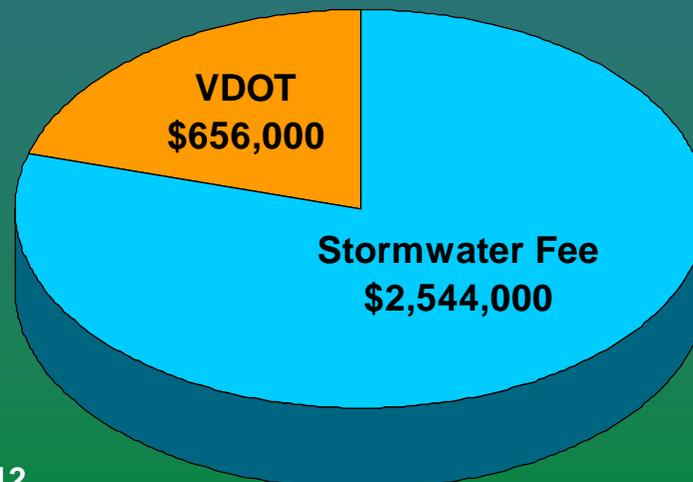
2011 Actual- \$2.3M



Proposed 2012- \$2.75M*



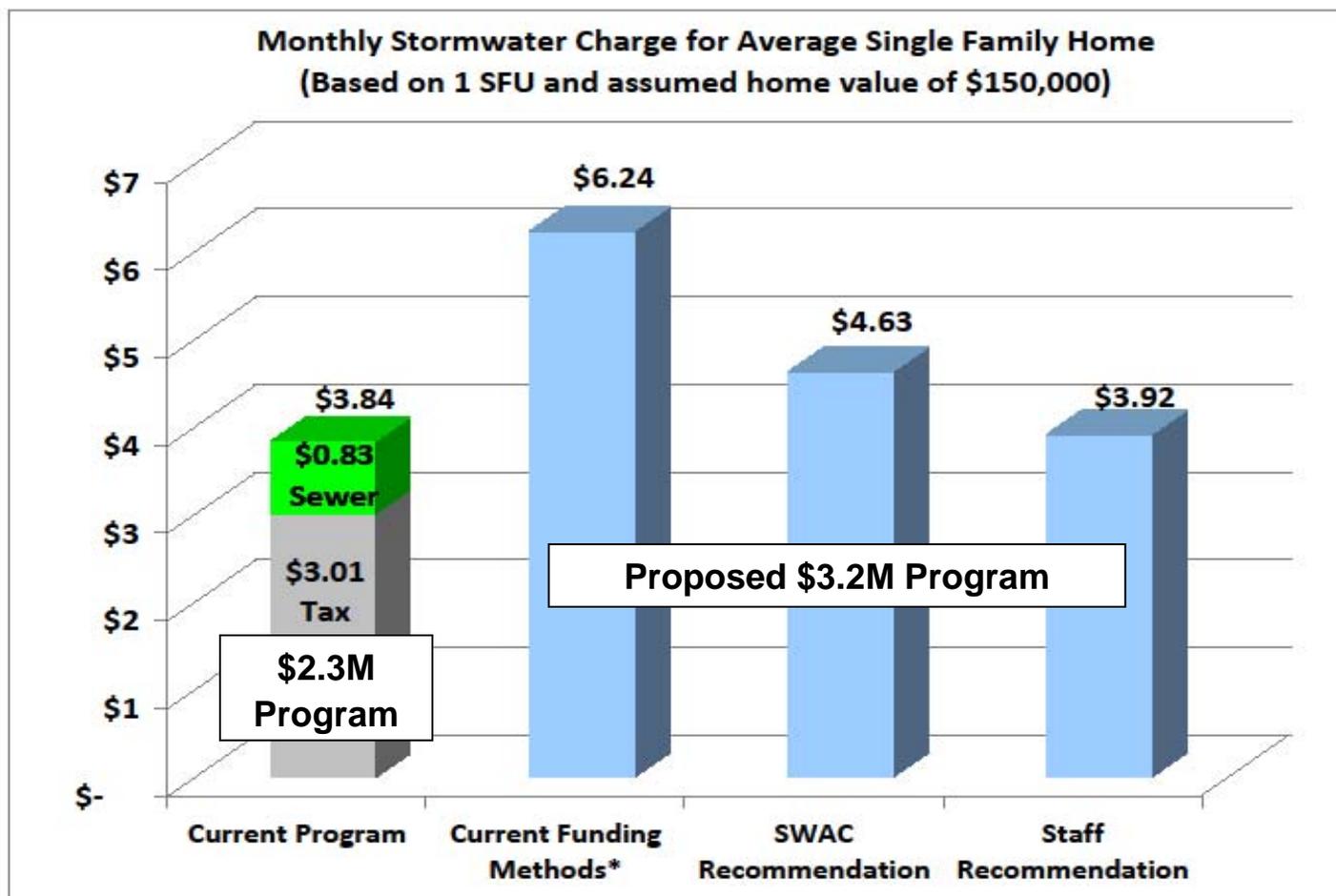
Proposed 2013- \$3.2M



*Fee effective for 6 months of FY 2012

Assumes a Utility is created. Thus, funding is from General Fund and VDOT only- no sewer fund money.

Cost to Average Single Family Home



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A Tiered Rate Structure is Recommended for Single-Family Residential Customers

Tier 1



< 1,293 Sq. Ft. = 0.5 SFU

Tier 2



1,294 to 4,256 Sq. Ft. = 1.0 SFU

Tier 3



> 4,257 Sq. Ft. = 1.6 SFU

The Average Single-Family Residential Unit (SFU) in Lynchburg is 2,672 sq. ft.

Comparison of Funding Mechanisms



	Current Funding Methods*	SWAC Recommendation	Staff Recommendation
Revenues:			
General fund	\$ 2,544,000	\$ 784,000	\$ -
Sewer Fund	\$ -	\$ -	\$ -
Stormwater fees	\$ -	\$ 1,760,000	\$ 2,544,000
VDOT reimbursements	\$ 656,000	\$ 656,000	\$ 656,000
TOTAL:		\$3,200,000	

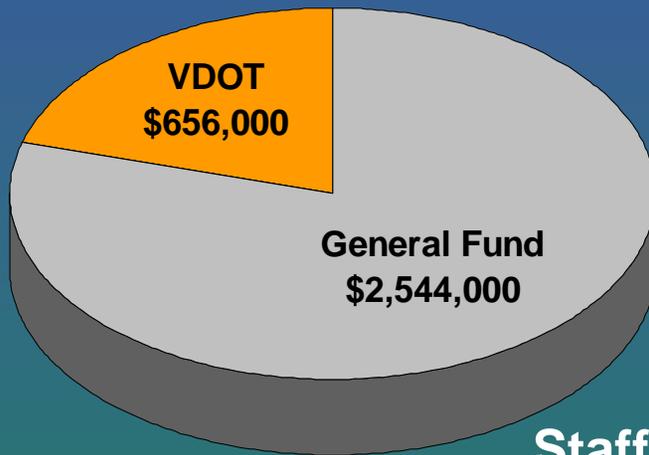
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Comparison of Funding Mechanisms

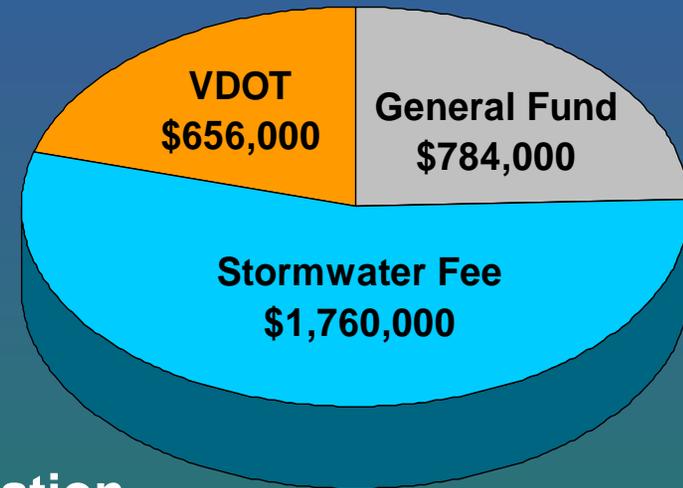
\$3.2M Program



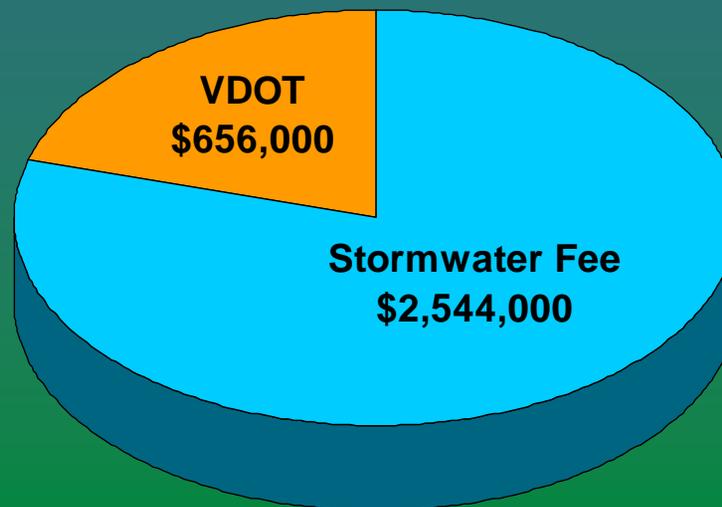
Current Funding Methods*



SWAC Recommendation



Staff Recommendation



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Proposed Schedule



- **February 8 Work Session**
- **February 22 Work Session (optional)/Public Hearing**
- **March 8 Work Session (optional)/Public Hearing (alternate)**
- **March 22 Work Session and Council Meeting for adoption**
- **Stormwater Utility (enterprise fund) effective July 1, 2011**
- **Develop credit policy by January 1, 2012**
- **First bill January 1, 2012**