City of Lynchburg

Stormwater Management

Stormwater Advisory Committee

December 16, 2010

Meeting #7

THE CITY OF LYNCHBURG

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Tonight's Agenda

- Review of Last Meeting
- Review Preliminary Recommendations
- Path Forward and Next Steps

Types of Fee Credits Used in Virginia

- **Structural Stormwater Controls**
  - Onsite Water Quantity Controls
    - Ponds, wetlands, etc.
  - Onsite Water Quality Controls
    - Low Impact Development (LID), vegetation, infiltration, etc.
- **Non-Structural Controls**
  - VPDES Permit Holders
  - Education
  - Lawn Care Management
  - Stream Clean-up
  - Parking Lot Clean-up

Options for Funding

	LOS 3.5 Keep GF & VDOT	LOS 3.5 Fee & VDOT	LOS 3.5 Fee Only
Stormwater User Fees	$ 1,750,000	$ 2,550,000	$ 3,206,000
General Fund (property taxes)	$ 800,000	$ 0	$ 0
VDOT & Misc.	$ 656,000*	$ 656,000*	$ 0
Total	$ 3,206,000	$ 3,206,000	$ 3,206,000
Approximate Monthly User Fee:	$3.00 per SFU	$4.00 per SFU	$5.00 per SFU

Note*: VDOT reimbursement amount may vary annually based on available funding

- **Advantages**
  - Reduced stormwater fee
- **Disadvantages**
  - Administrative complexity
  - All funding not based on service provided
  - All funds not dedicated

Update on Chesapeake Bay TMDL

- **Virginia submitted revised WIP to EPA on November 29th**
- **The Virginia WIP includes:**
  - Heavy reliance on non-retrofit management actions (i.e. fertilizer time of year restrictions)
  - Additional BMP implementation necessary to meet targets, but at lower levels than previously
  - A phased implementation approach (5-yr cycles)
  - Additional study of the James River
- **Urban stormwater cost estimated at $120M**

Parking Lot Items from Last Meeting

- **Is it possible for the City to offer a form of tax abatement for property owners that implement a BMP on-site (for the cost of the BMP)?**
  - According to City Assessor and City Attorney:
    - Property value based on land, pavement and structure.
    - Currently ponds, gardens, green roofs, etc. do not add value to a property.
    - State Code does not allow tax abatement or tax exemptions for stormwater improvements.

SWAC Process and Schedule

- Stormwater Management Overview: May 20 – 6:00 p.m.
- Program Components & Expenditures: June 24 - 6:00 p.m.
- Level of Service Analysis & Alternatives: July 15 – 6:00 p.m.
- Future Cost and Stormwater Funding Options: September 16 - 6:00 p.m.
- Revenue Scenarios: October 21 - 6:00 p.m.
- Review Recommendations: November 18 - 6:00 p.m.
- Evaluate/Modify Recommendations for Council: December 16 - 6:00 p.m.
- Finalize Recommendations for Council: January TBD, 2011 (if necessary)
- Presentation to City Council: January 25, 2011 – 5:00 p.m.

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Findings and SWAC Recommendations – DRAFT Presentation to City Council

- Level of Service
- Funding Source
- Stormwater Fee Options

City of Lynchburg

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DRAFT Presentation
to City Council

January 25, 2011

THE CITY OF LYNCHBURG

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Purpose of the SWAC

- **To represent a wide cross-section of interest groups.**
- **To engage public participation.**
- **To make recommendations on the following:**
  - Stormwater management priorities;
  - Appropriate and affordable level of service;
  - Level of interest in public participation in stormwater management program activities;
  - Recommendations of various stormwater management needs assessments, regulations and policies, financial requirements, and funding mechanisms.

Key Project Findings

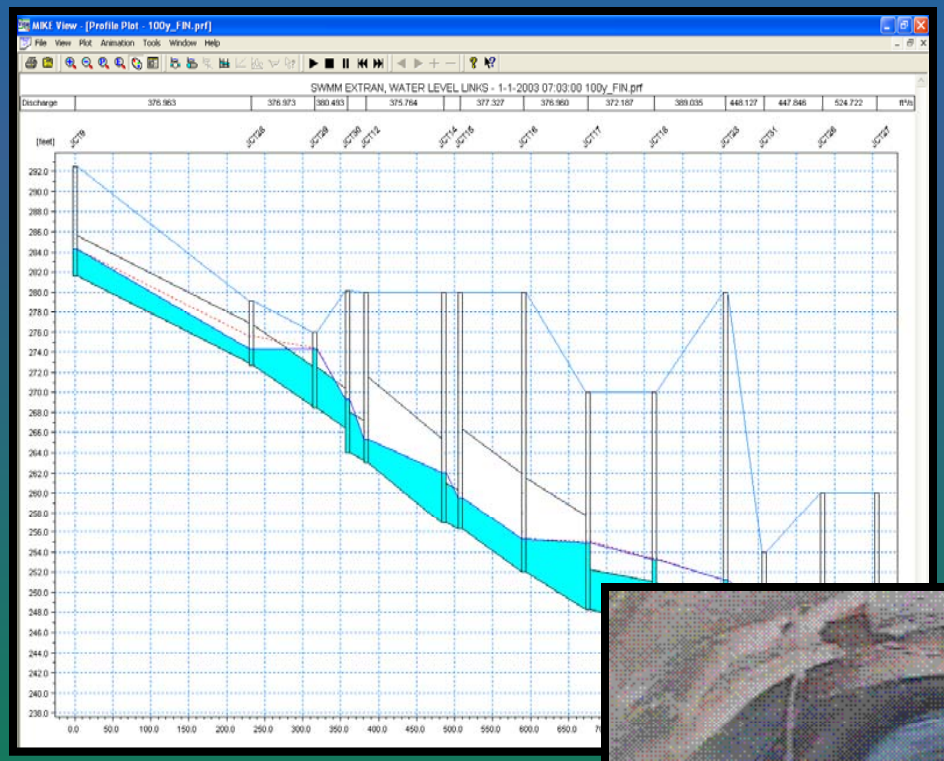
1. The current program provides the bare minimum for existing regulatory and permit compliance.
2. The SWAC recognized the need for a higher level of service.
3. Current resources are not sufficient to meet pending regulatory requirements.
4. A user fee is more equitable than a tax to fund stormwater management.

The City's Stormwater Level of Service Should Be Increased to a LOS 3.5

Level of Service	*Program Management*	*Regulatory Compliance*	*Operation and Maintenance*	*Capital Improvement Projects*	*Total Program Cost*
5	$1,137,000	$828,000	$1,712,000	$854,000	$4,531,000
	Comprehensive Planning & Full Implementation Capabilities	Exemplary Permit Compliance	Fully Preventative/ 100% Routine	Prioritized / Fully-Funded	
4	$790,000	$530,000	$1,487,000	$754,000	$3,561,000
	Pro-Active Planning & Systematic CIP Implementation Capabilities	Pro-Active Permit Compliance	Mixture of Routine and Inspection Based	Phased Implementation / Allocated Budgets	
3.5	*Preferred LOS per SWAC Recommendation **				*$3,206,000*
3	$551,000	$384,000	$1,262,000	$654,000	$2,851,000
	Priority Planning & Partial CIP Implementation Capabilities	Full Permit Compliance	Mixture of Inspection and Responsive Based	Complaint, Inspection-Based / Moderate Budget	
Existing LOS (2.5)	$342,000	$290,000	$1,146,000	$554,000	$2,332,000
	Well-Trained, In-House Staff Minimal Long Range Planning	Minimum Permit Compliance Resources At Capacity	Limited Routine Activities Lack of Dedicated Resources	Critical Needs Only / Minimum Budget	

Note*: The SWAC ranked Program Management and O&M as the highest priority program elements for the early phases of the improved stormwater program.

Master Planning and Condition Assessment Should Be Prioritized Early in the Program



A Stormwater User Fee is Recommended to Fund a Portion of the Stormwater Program

Tax Based Systems

- **Advantages**
  - Billing System Already In Place
  - Easier to Collect and Administer
  - Can Be Sufficient for All Services
- **Disadvantages**
  - Not Equitable
  - Typically Not Dedicated*
  - Requires Increase in Real Property Tax

User Fee Based Systems

- **Advantages**
  - **Equitable (i.e., Fee Related to Service Provided)**
  - Stable & Dedicated Funding for All Program Services
  - Incentivizes Good Practices On-Site
- **Disadvantages**
  - Potential Startup Costs
  - New Funding Mechanism and Associated Fee

*** It is not typical for taxes to be dedicated for stormwater only, although there are three examples in Virginia where this is the case.**

A Funding Program that Leverages Multiple Sources is Desirable

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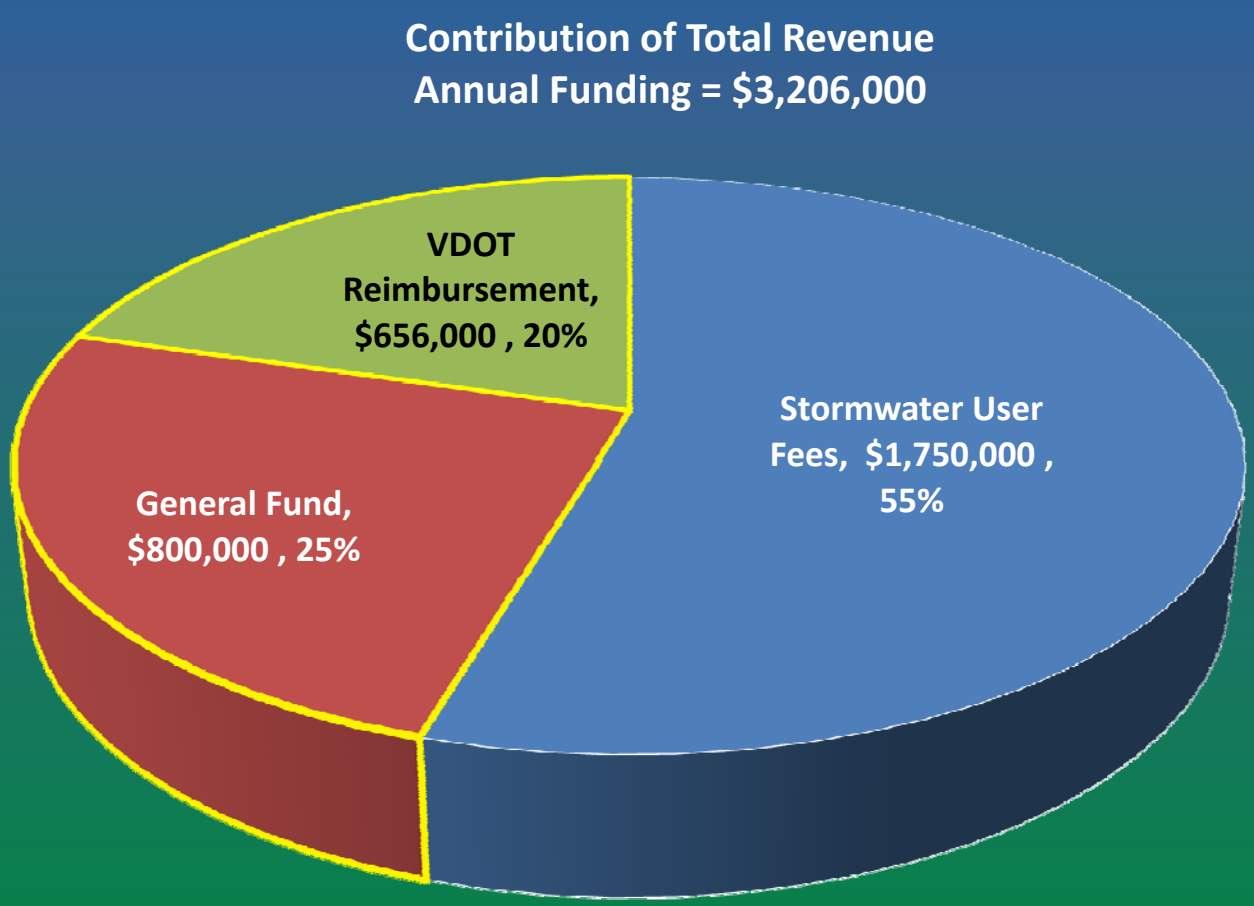
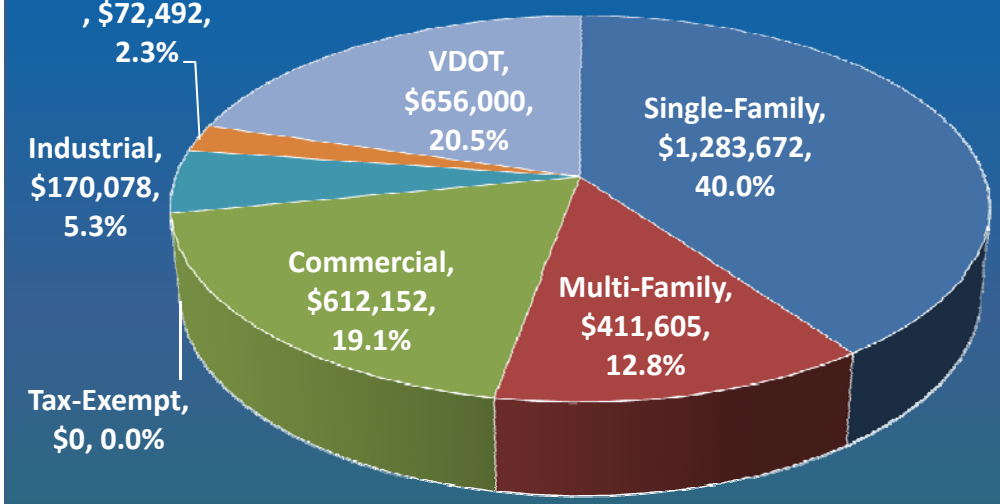
SWAC Selected a Combined Funding Approach at Meeting #6

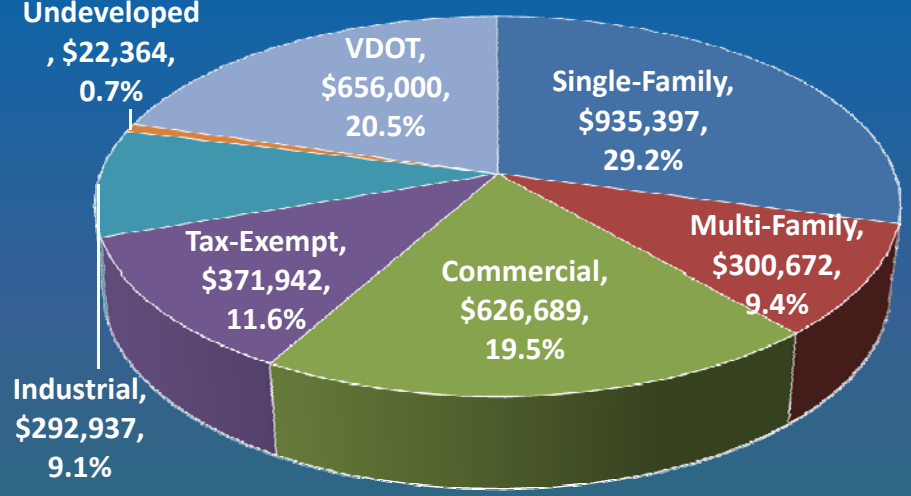


Fund Contribution by Property Class
Total Funding: $3,206,000

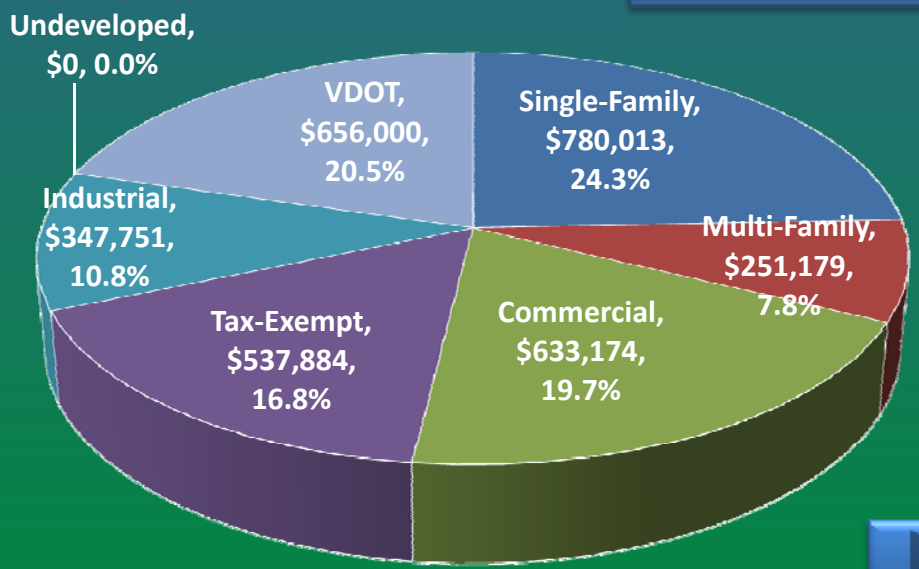
Scenario 1
General Fund + VDOT



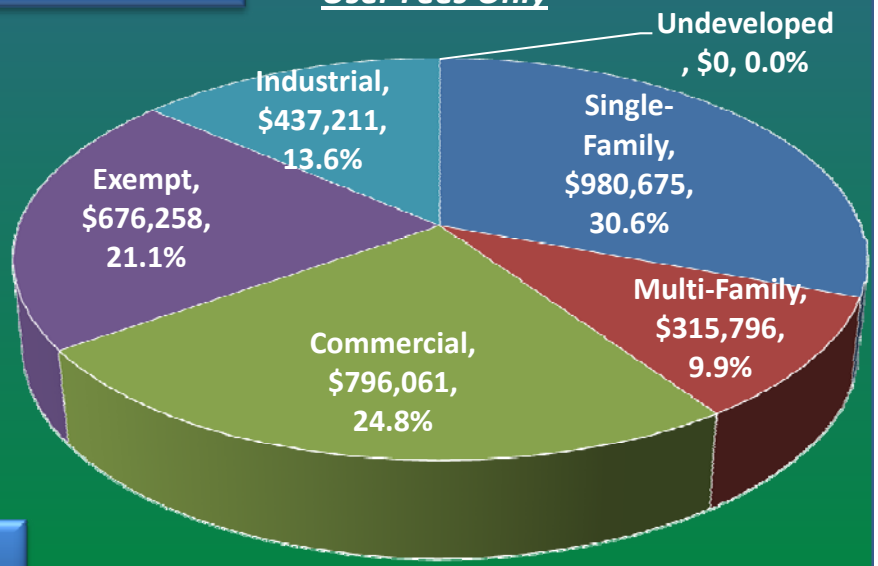
Scenario 2
General Fund + VDOT + User Fees

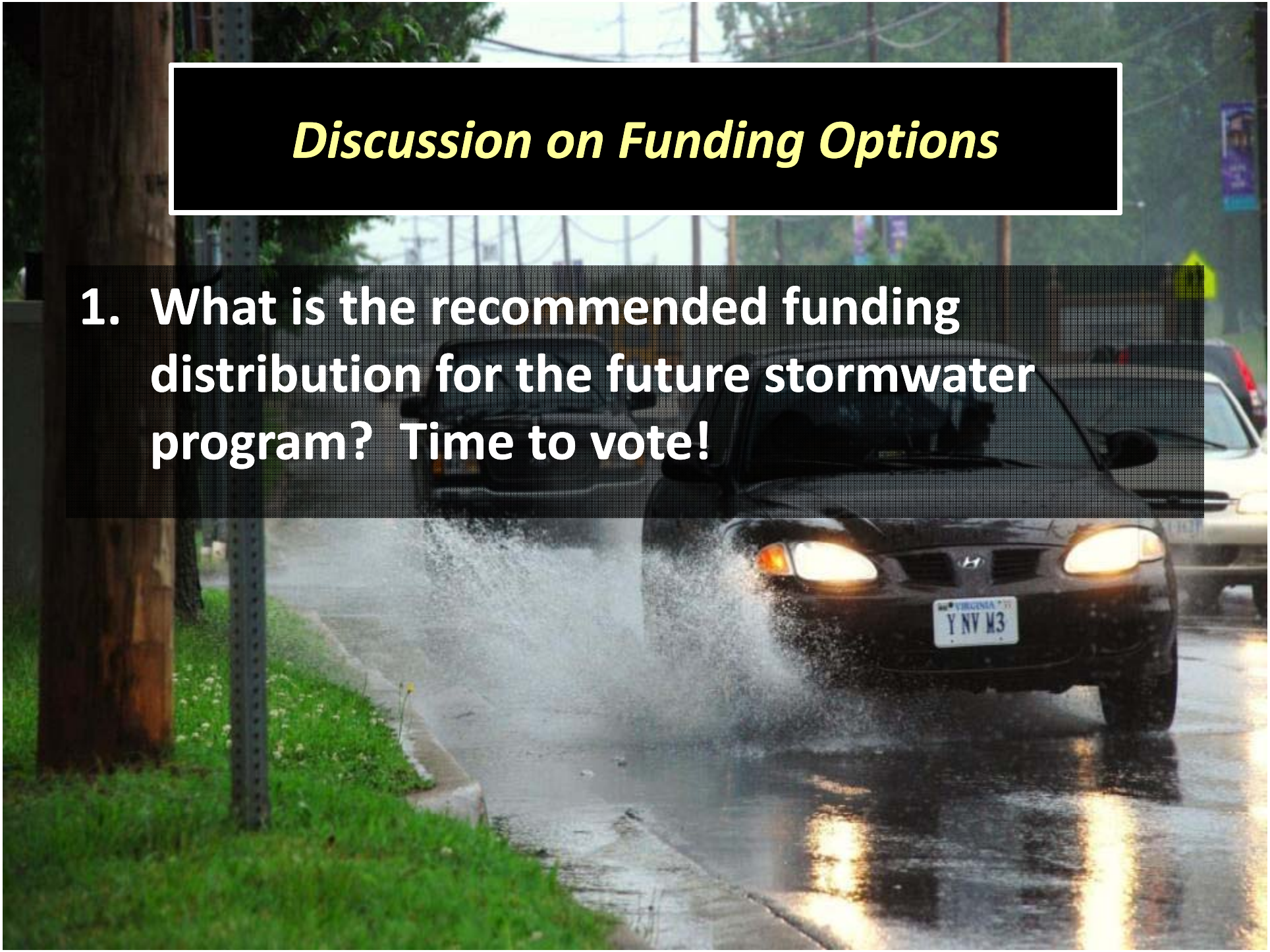


Scenario 3
User Fees + VDOT



Scenario 4
User Fees Only





Discussion on Funding Options

1. **What is the recommended funding distribution for the future stormwater program? Time to vote!**

Fee Credits Shall Be Offered for On-Site Reductions in Runoff and Pollution

- **Structural Stormwater Controls for Quantity and/or Quality**
  - Stormwater ponds, wetlands, low impact development (LID) practices
- **Non-Structural Stormwater Controls**
  - Permit holders, education, lawn care management, and maintenance programs

Note: Fee Credits are required by Virginia State Law (§ 15.2-2114) for Stormwater Utility Programs

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.

Non-Residential Customers Should Pay a Fee in Proportion to Absolute Impervious Area

$$SFU = \frac{\textit{Non-Residential Impervious Area}}{\textit{SFU (2,672 sq. ft.)}}$$

The City Should Implement Unique Rates for Multifamily Property Classes

- Non Single-Family Properties Were Sampled Separately
- Average Impervious Area Per Dwelling Unit Was Determined

Type	SFU Assignment
Apartments	0.3
Town Homes	0.4
Condominiums	0.4
Duplex	0.5
Mobile Homes	0.7

Based on Lynchburg Sample Measurements

Summary of SWAC Recommendations

- **Provide a higher level of stormwater service ($3.2M)**
- **Report on voting results regarding funding mechanism**
- **Provide an equitable rate structure:**
  - 3 rate tiers for single-family residents
  - Unique rates for multi-family property classes
  - Rates for non-residential customers based on actual, measured impervious area
- **Develop a fee credit program to provide incentives for on-site best management practices**

Discussion

1. Is the Summary of SWAC Recommendations ready for presentation to Council?
2. If a fee is implemented, who should receive the bill? The property owner or tenant?
3. Are there any nominees or volunteers to participate in the presentation of these recommendations to City Council?
4. Are there any additional thoughts that the SWAC would like to convey in the message to Council?

Tonight's Agenda

- Review of Last Meeting
- Review Preliminary Recommendations
- Path Forward and Next Steps

Path Forward and Next Steps

- **Presentation of recommendations to Council**
  - January 25, 2010 Work Session (5pm)
  - Materials due to City Manager by January 17th
  - SWAC meeting prior to 17th?
- **Level of interest in future SWAC involvement?**

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QUESTIONS?

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