

# Stormwater Utility

Residents Meeting

January 23, 2012



# Stormwater Utility Consideration

- Village Owns & Operates a Stormwater Management System
- Policy Question: How to Pay For the System
- Village Uses to Property Tax Revenue to Fund the Stormwater System
- Considering Creation of Stormwater Utility
- Village Council Decision in March 2012



# Public Engagement

- Informed Public
- Informed Village Council
- Public Meetings
  - Residents – January 23, 2012
  - Businesses – January 24, 2012
  - Churches/NFP's – January 25, 2012
- Stakeholder Meetings
- Final Report with Recommendations & Comments – March 2012



# Presentation Summary

- Stormwater System
- Current Funding Approach
- Stormwater Utility Approach
- Financial Impacts of Shifting to Utility



# Stormwater System



# Stormwater System

- Where Does the Water Go When It Rains?
- How Does It Get There?
- Who is Responsible for Getting It There?



# Village Stormwater System

- Three major watersheds
  - 11 miles of streams
- 2/3 of the Village is drained by storm sewers
  - 130 miles of storm sewers
  - 7,000 drainage structures
- 1/3 of the Village is drained by ditches
  - 140 miles of ditches
  - 47,000 feet of culverts



# Stormwater System

- Village Maintains an Extensive Stormwater System
- Minimizes Flooding by Delivering Runoff to Creeks
- All Properties Benefit from the System



# Current Funding



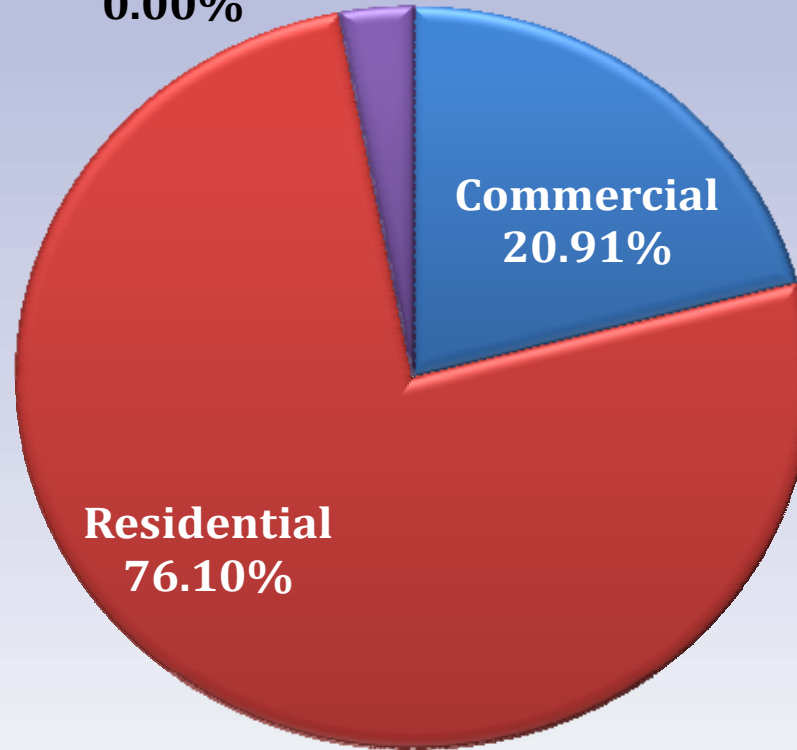
# Current Funding

- Revenue Generated from Property Tax
- Payment Based on Taxable Value of Property
- Property Worth \$300,000
  - Pays About \$586 in Property Taxes to Village
  - Approximately \$115 Used for Stormwater
- Generates \$2.5 Million in Annual Funding



# Current Funding – Property Tax

Industrial  
Tax Exempt 2.99%  
0.00%



# Current Funding

- Current System Funded by Property Taxes
- Majority of Taxes Paid by Residential
- Not All Properties Pay
- Payment Based on Taxable Value, Not Impact to Stormwater System



# Utility Approach



# Utility Approach

- Utility Explanation
- Calculation of Fees
- Application of Credits that Reduce Fees



# Utility Approach

- What is a Utility?
  - Delivery of a Service
  - Management of Assets
  - Revenues Generated Through User Fees
- Examples
  - Electrical Utility
  - Natural Gas Utility



# Utility Approach

- Stormwater As a Utility
  - Service = Delivering Stormwater to the Creeks
  - Assets = Creeks, Pipes, Ditches & Structures

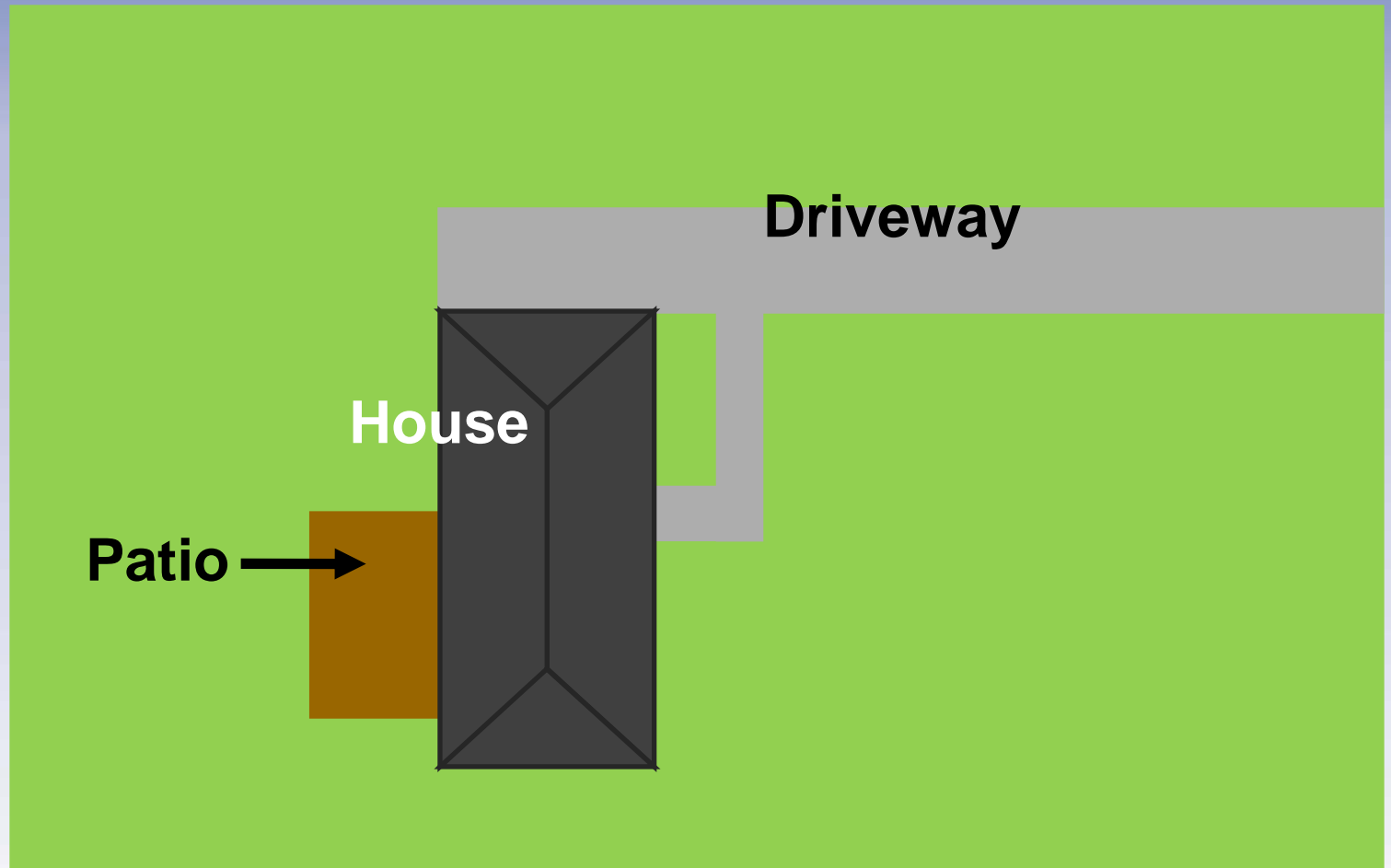


# Utility Approach

- Benefits of Stormwater Utility
  - All Properties Benefit; All Properties Pay
  - Likely Result in Property Tax Reduction
  - Encourage On-Site Stormwater Management
  - Predictable, Dedicated Funding Source

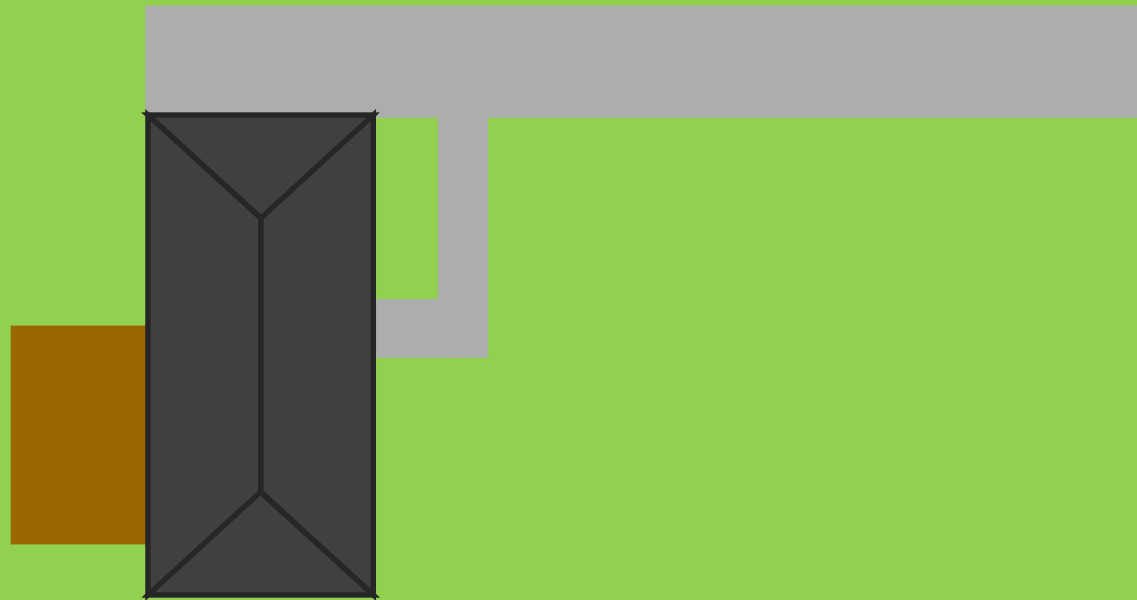


# Fee Based on Impervious Area



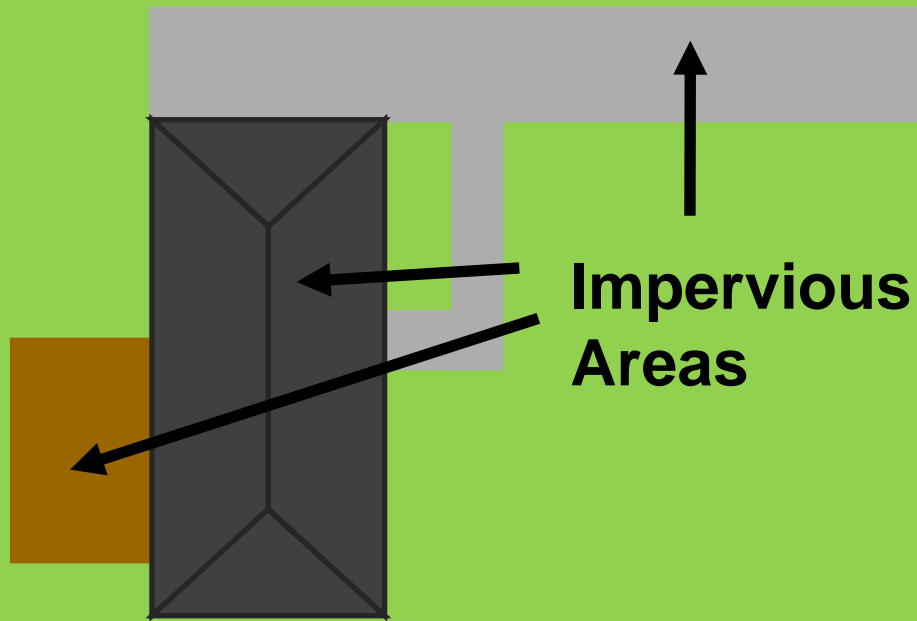
# Fee Based on Impervious Area

Pervious Areas in Green



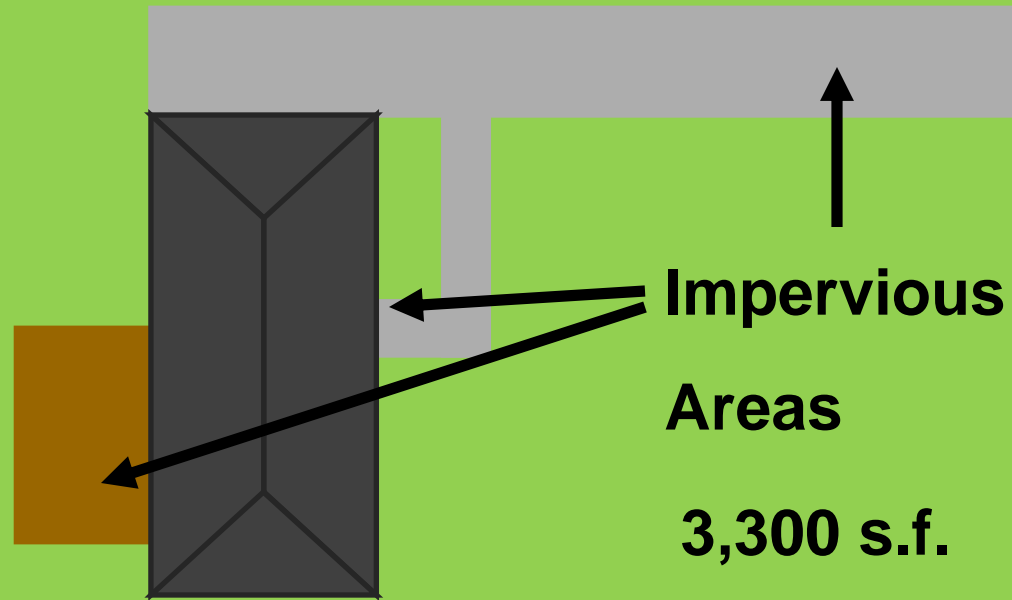
# Fee Based on Impervious Area

Pervious Areas in Green



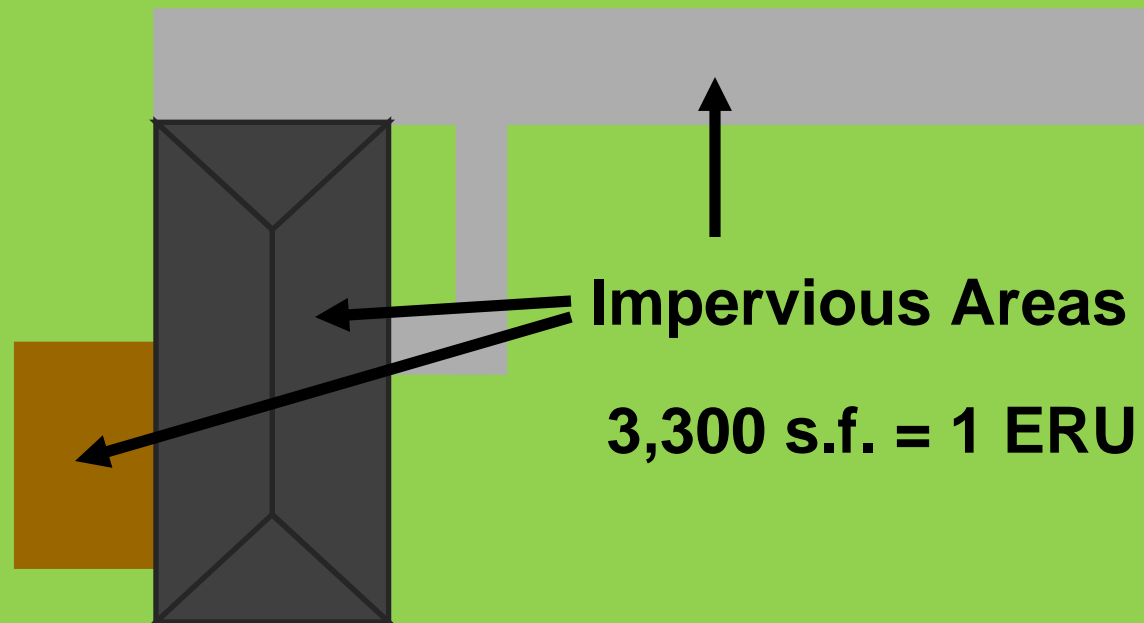
# Fee Based on Impervious Area

Pervious Areas in Green



# Fee Based on Impervious Area

Pervious Areas in Green



# Utility Approach – Fee Calculation

<b>Single Family Residential</b>	<b>Est. Monthly Fee in 2013</b>
Tier 1: (1 – 2,500 sq. ft.) = .75 ERU	\$4.20
Tier 2: (2,501 – 4,000 sq. ft.) = 1 ERU	\$5.60
Tier 3: (4,001 – 7,000 sq. ft.) = 1.5 ERU	\$8.40

<b>Non-Single Family Residential</b>	<b>Est. Monthly Fee in 2013</b>
Per ERU (3,300 sq. ft.)	\$5.60



- Stormwater fee credit is a reduction in the fee charged to a property in return for on-site stormwater management.
- Credit is recognition that on-site stormwater management may reduce the Village's stormwater expenses.
- Credits encourage property owners to proactively manage their stormwater impact.



# Utility Approach – Fee Calculation

Fee Based on ERU's – Credit =  
Total Monthly Fee



# Utility Approach

- Stormwater System Could be a Utility
- All Properties Benefit; All Properties Pay
- Likely Result in Property Tax Reduction
- Encourage On-Site Stormwater Management
- Predictable, Dedicated Funding Source
- Fees Based on Impervious Area
- Credits Could Reduce Fees
- Typical Residential Property Pays \$5.60/month

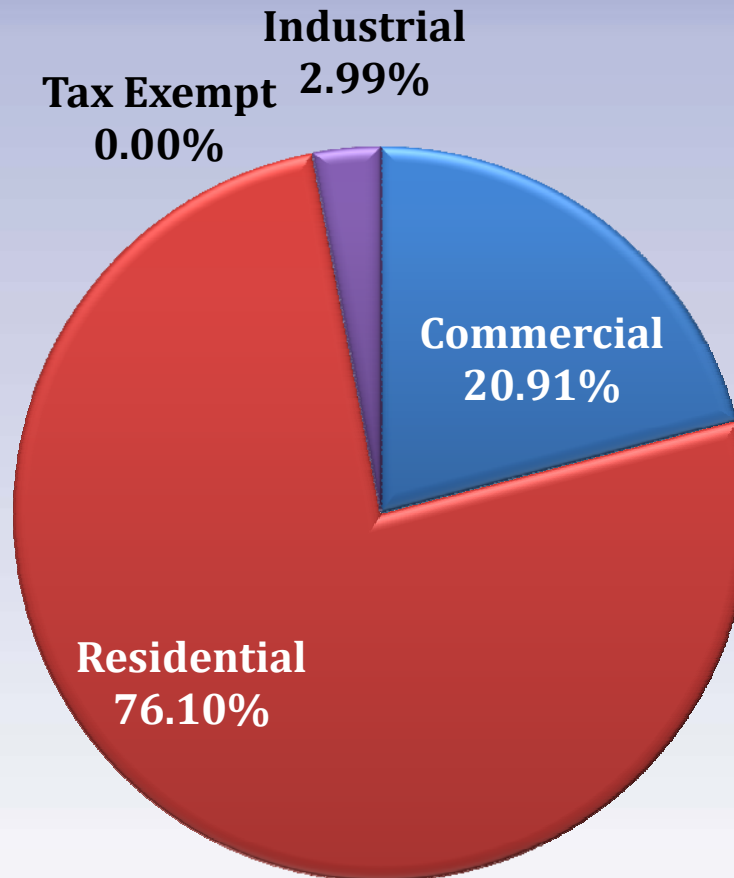


# Financial Impacts of Shifting to a Utility



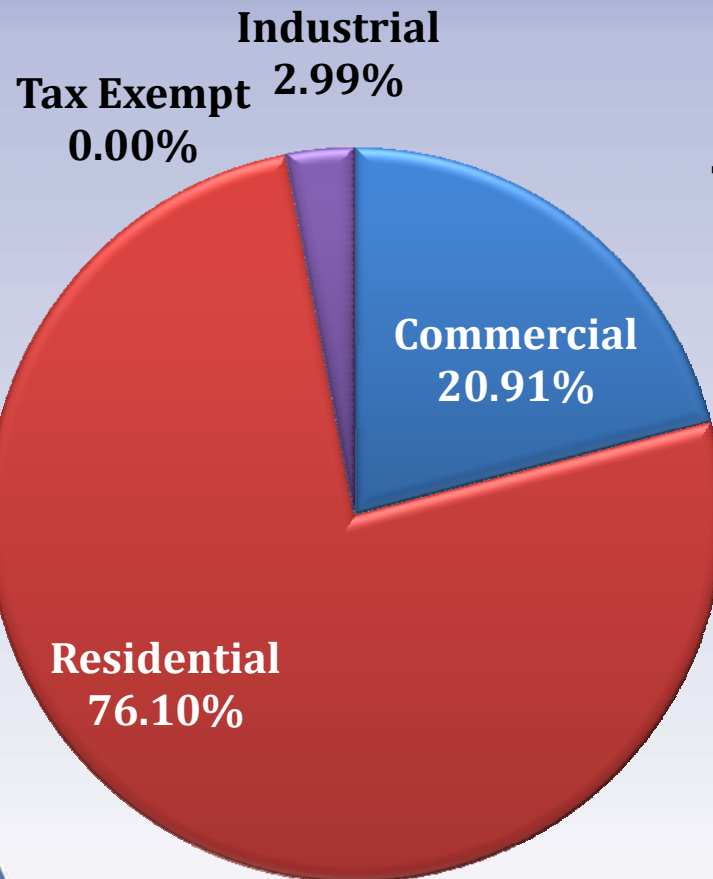
# Current Revenues vs. Impervious Area

## Tax Revenue Allocation

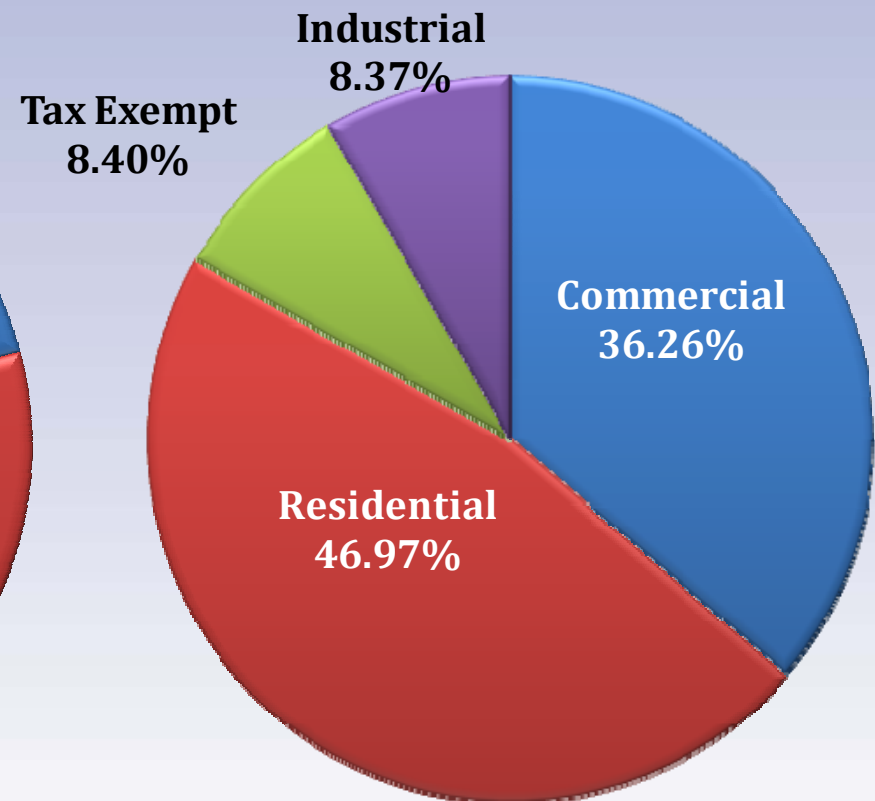


# Current Revenues vs. Impervious Area

Tax Revenue Allocation



Impervious Area by Class

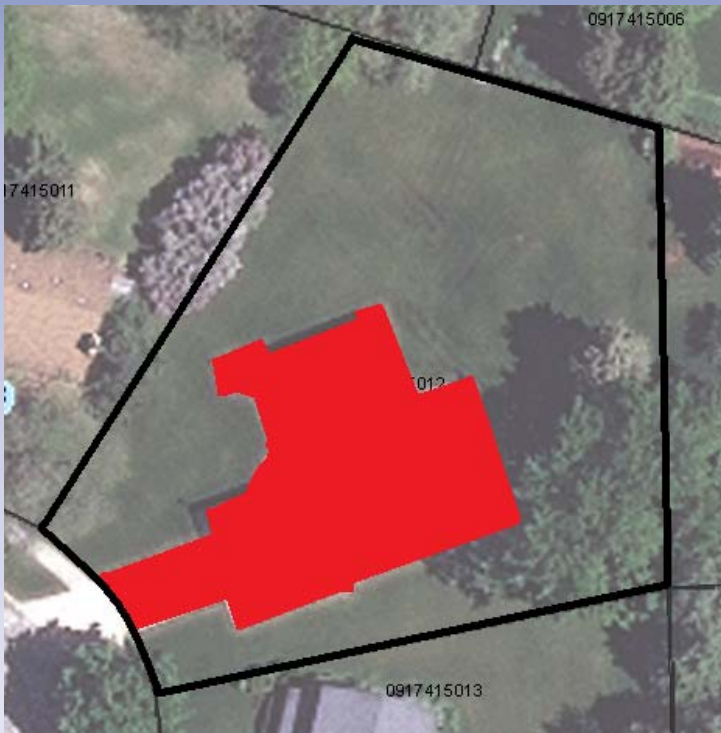


# Shift from Property Tax to Utility

- Monthly Fees Paid
- Stormwater Fees Generate Revenue
- Eliminate Property Taxes Collected for Stormwater Management Activities
- Village Property Taxes Reduced by 10%
- Amount Paid Related to Impact on System



# Residential Example



Total Impervious Area: 3,240 Sq. Ft.

3,240 sq. ft. → 1.00 ERUs

Monthly Stormwater Fee - \$5.60

Annual Stormwater Fee - \$67.20

Village Property Tax Reduction -\$75



# Shift from Property Tax to Utility

- Village Would Charge Stormwater Fees
- Village Property Taxes Reduced by 10%
- Amount Paid by Each Property Based on Impervious Area, Not Taxable Value
- Amount Paid Related to Impact on System
- Substantial Shift in Funding



# Public Engagement

How Would My Property Be Affected?

E-mail Your Property Address to  
[swutility@downers.us](mailto:swutility@downers.us)

Village Will Send Response with  
Stormwater Fee and  
Property Tax Impact



# Stormwater Utility

Residents Meeting

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