

# PROPOSED STORMWATER UTILITY FACT SHEET



## What is stormwater?

Stormwater is the rain or melted snow that cannot be absorbed into the ground to become groundwater. This water flows off of roofs, across fields, forests, streets, parking lots, driveways, and lawns before it flows into streams, rivers, lakes, and estuaries. In Tarboro, stormwater runoff is carried to the Tar River through a system of open ditches, piped drainage systems, and creeks.

## What is a stormwater utility?

A stormwater utility establishes a dedicated and sustainable funding source that provides for long-term management of stormwater within a municipality or county. The Tarboro stormwater utility will design, construct, maintain, and manage the stormwater structures and water courses in Town to reduce flooding risks and protect surface water quality. As with existing Tarboro utilities like electric and water & sewer, the stormwater utility will be self-sufficient. User fees based on impact on the system will provide a dedicated funding source that is consistent and equitable. Primary duties of the stormwater utility will be:

- Regulatory compliance with NPDES and Tar-Pamlico stormwater rules
- Street sweeping
- Curbside leaf collection
- Cleaning of stormwater catch basins, manholes, pipes, and ditches
- Repair and replacement of existing stormwater facilities
- Flood mitigation projects
- Public information and outreach

## Are stormwater utilities common?

Stormwater utilities are very common and becoming more prevalent as stormwater infrastructure continues to age and environmental regulations increase. There are currently more than 1,400 stormwater utilities in the United States. In North Carolina alone there are more than 70

stormwater utilities according to the UNC School of Government. Many of North Carolina's utilities originated in the early 2000s when National Pollution Discharge Elimination System (NPDES) standards and individual basin regulations such as the Neuse and Tar-Pamlico Stormwater Rules were adopted. These regulations mandated pollution and nutrient control standards, but provided no funding for implementation.

## Why is it necessary?

Current funding of repair and maintenance of stormwater infrastructure and management activities is accomplished through property tax revenues. Due to the age of existing infrastructure, growth in impervious surfaces, increase in intensity and frequency of major rain events, and increased cost of regulatory compliance, it has become unsustainable to continue to fund stormwater management through property taxes. Reasons to move to a utility-based funding mechanism include the following:

**Equity:** funding will be based on impervious surfaces. This results in large and small developments paying their proportionate share for stormwater management and flood control. Also, due to property tax exemptions, some of the biggest contributors to runoff currently pay little to no property taxes.

**Consistency:** Fee-based revenue provides a stable source of funding for long-term investments and annual maintenance needs. This reduces costs and ensures problems are addressed in a timely manner.

**Reducing Impervious Cover:** A stormwater utility incentivizes reducing impervious cover by attaching a fee to the amount developed. This encourages owners to reduce the amount of impervious cover and over time reduces pollution, flooding, and Town costs.

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## What is the proposed rate and how is it calculated?

Stormwater utility rates are typically based on a unit of measurement called an ERU or Equivalent Residential Unit. One (1) ERU is calculated as the average impervious area on a single-family residential lot. In Tarboro one (1) ERU is estimated to be approximately 2,000 square feet. The cost of an ERU is determined based on the revenue necessary to maintain and improve the Town's stormwater infrastructure. The fee for one (1) ERU in Tarboro is calculated to be \$3.00.

All residential parcels will be charged the minimum of one (1) ERU (\$3.00 per month or \$36.00 per year). Non-residential parcels will be charged based on square footage of impervious area.

*For example, a stormwater fee for a commercial or industrial property with 50,000 ft<sup>2</sup> of impervious surfaces would be calculated as follows:*

$$\frac{50,000 \text{ ft}^2 \text{ (total impervious area)}}{2,000 \text{ ft}^2 \text{ (one ERU)}} = 25 \text{ ERUs}$$

$$25 \text{ ERUs} \times \$3.00 = \$75 \text{ per month}$$

## How much revenue will be generated and what will it be used for?

The proposed stormwater fee is estimated to generate **\$512,388** in annual revenue. This revenue is calculated based on Edgecombe County tax records of impervious square footage, reconciled within an ArcGIS database to verify accuracy.

The stormwater utility will require personnel and equipment to maintain and improve the storm drainage system. Initially, operations will include loose leaf pickup and street sweeping operations. The town will reallocate the personnel and equipment from the existing street sweeping operations, and will upgrade the leaf vacuum equipment to reduce the number of personnel needed to operate the equipment. This will allow year

round loose leaf pickup and free up Buildings & Grounds and Street Division personnel from loose leaf duties. A stormwater maintenance crew, that will include two workers and a crew leader, will be hired to accomplish daily tasks of maintaining ditches, drains, and the piped storm drainage system. Funds will be allocated annually to accomplish identified stormwater management projects to mitigate known flooding issues and improve the overall operation of the storm drainage system. In that the stormwater utility is a new utility, it will be necessary to phase in operations as revenue is obtained. The timeline for funding/operations is estimated as follows:

### Year 1:

- Capital Outlay/Equip. \$250,000
- Personnel \$ 90,000
- Maintenance/Operations \$ 20,000
- Stormwater Project \$100,000
- Public Education \$ 5,000
- Contribution to Reserves \$ 47,388

### Year 2:

- Capital Outlay/Equip. \$ 55,000
- Personnel \$250,000
- Maintenance/Operations \$ 50,000
- Stormwater Project \$100,000
- Public Education \$ 5,000
- Contribution to Reserves \$ 52,388

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