



Rate Increase – Stormwater Utility Fee

Effective January 1, 2016



The Stormwater Utility Fee Rates increased for 2016-2020. Springsted Incorporated was retained to assist the City of Rochester with updating the 2014 Stormwater Financing Alternatives Study. Public Works staff presented the findings and recommendations from a 2016-2020 Stormwater Utility Rate Study prepared by Springsted Incorporated to the City Council on October 12, 2015. The increased rates were approved by Rochester City Council on November 16, 2015.

The documents listed below are available online at <http://www.rochestermn.gov/departments/public-works/stormwater-management/permits-plans-fees-ordinances/ordinances>

- Stormwater Utility Ordinance
- 2015 Stormwater Utility Resolution
- 2015 Stormwater Utility Rate Study

Why a Stormwater Utility Fee?

Since 2003, the City of Rochester (along with most cities with a population of 10,000 or more) has been *responsible for an unfunded federal and state mandate to manage stormwater in ways that will also protect and improve water quality*. Before the adoption of Rochester's Stormwater Utility Fee in 2003, ***stormwater management activities were primarily paid for with General Fund Revenues, including property taxes, but this funding source was inadequate to fund newly mandated permit requirements***. The Fee adopted in 2003 was ***created to provide an equitable and stable funding source for all stormwater management activities***.

Activities funded by the Stormwater Utility include:

- Construction of regional water quality and quantity control structures
- Inspection of construction sites for erosion and sediment control
- Pollution prevention activities for municipal operations
- Detection and elimination of illegal discharges to the storm sewer system
- Response to citizen inquiries, violations reports, and complaints
- Routine pond and outfall inspections and maintenance
- Stormwater management planning
- Street sweeping
- Stabilization of creeks and other drainage-ways
- Storm sewer system mapping
- Grading and drainage plan reviews
- Public education and public involvement activities
- Inspection, maintenance, and replacement of storm sewer lines and catch basins
- Record keeping and report preparation

The Rates were defined as follows:

2016 Rates: SWU Rate = \$15.00/acre; Customer Charge = \$3.30/parcel
2017 Rates: SWU Rate = \$16.61/acre; Customer Charge = \$3.65/parcel
2018 Rates: SWU Rate = \$18.39/acre; Customer Charge = \$4.05/parcel
2019 Rates: SWU Rate = \$20.37/acre; Customer Charge = \$4.50/parcel
2020 Rates: SWU Rate = \$22.56/acre; Customer Charge = \$5.00/parcel

Why is there a separate Customer Charge?

Many stormwater utility and program expenses must be implemented and applied to all parcels, regardless of the amount of impervious area, land use, or parcel size. Therefore, program costs for these activities are more equitably allocated through a Customer Charge applied to each developed parcel. These expenditures include, but are not limited to, those associated with billing services, administrative services provided by other City departments, permit administration, implementation of public education and public participation activities, regulatory compliance, stormwater management planning, data management, and system mapping.

Questions About Your Bill?

Each utility customer bill is determined based on the following factors:

Are you a Residential Customer or Non-Residential Customer?

Residential:

2016 Rates: Stormwater Utility Fee = \$3.53; Customer Charge = \$3.30; Total = \$6.83

2017 Rates: Stormwater Utility Fee = \$3.90; Customer Charge = \$3.65; Total = \$7.55

2018 Rates: Stormwater Utility Fee = \$4.32; Customer Charge = \$4.05; Total = \$8.37

2019 Rates: Stormwater Utility Fee = \$4.79; Customer Charge = \$4.50; Total = \$9.29

2020 Rates: Stormwater Utility Fee = \$5.30; Customer Charge = \$5.00; Total = \$10.30

**First bills of 2016 may have prorated amounts so each bill may differ, but will be based on these rates.*

Non-Residential:

Stormwater Utility Fee is determined by parcel specifics (see below), plus the customer charge

Do you have more than one Parcel tied to your utility account?

Residential: each parcel tied to the account.

Non-Residential: Calculated individually with only the total displayed on bill.

How is the fee calculated?

As ordinance states, the Non-Residential Storm Water Utility Fee is determined by the following formula (per parcel):

Total Monthly SWU Fee = ([LUF] x [Total Acres] x [SWURate] x [CreditFactor])

Total Monthly SWU Customer Charge = [SWCustomerCharge]

Where:

[LUF] = Land Use Factor (derived from percentage impervious of parcel)

[Total Acres] = Total Parcel Area in Acres(0.001)

[SWURate] = Current Storm Water Utility Unit Rate (per acre)

[CreditFactor] = Discount factor if customer applies and qualifies for credit

[SWCustomerCharge] = Current Storm Water Utility Customer Charge amount (per parcel)

Other Notes:

It is important to remember that **everyone benefits from the City's stormwater management activities, whether or not each of us has a storm sewer connected directly to our property.** As an **example, everyone benefits from the storm sewer system constructed to serve the road network that we all use daily.** The City's vast stormwater management system consists of both natural and constructed features located throughout the City; many of these features are not obvious. **The City is required under its stormwater permit to manage the entire stormwater system to provide water quality protection for the benefit of the entire community, in addition to the traditional conveyance needs of individual property owners.**

Finally:

Please be aware, as defined in City Ordinance (RCO 77A.10 Assessment of Unpaid Fees) unpaid charges will be subject to assessment against the property and collection with your property taxes.