

# Wrightsville Borough Stormwater Financing Feasibility Study: Final Recommendations

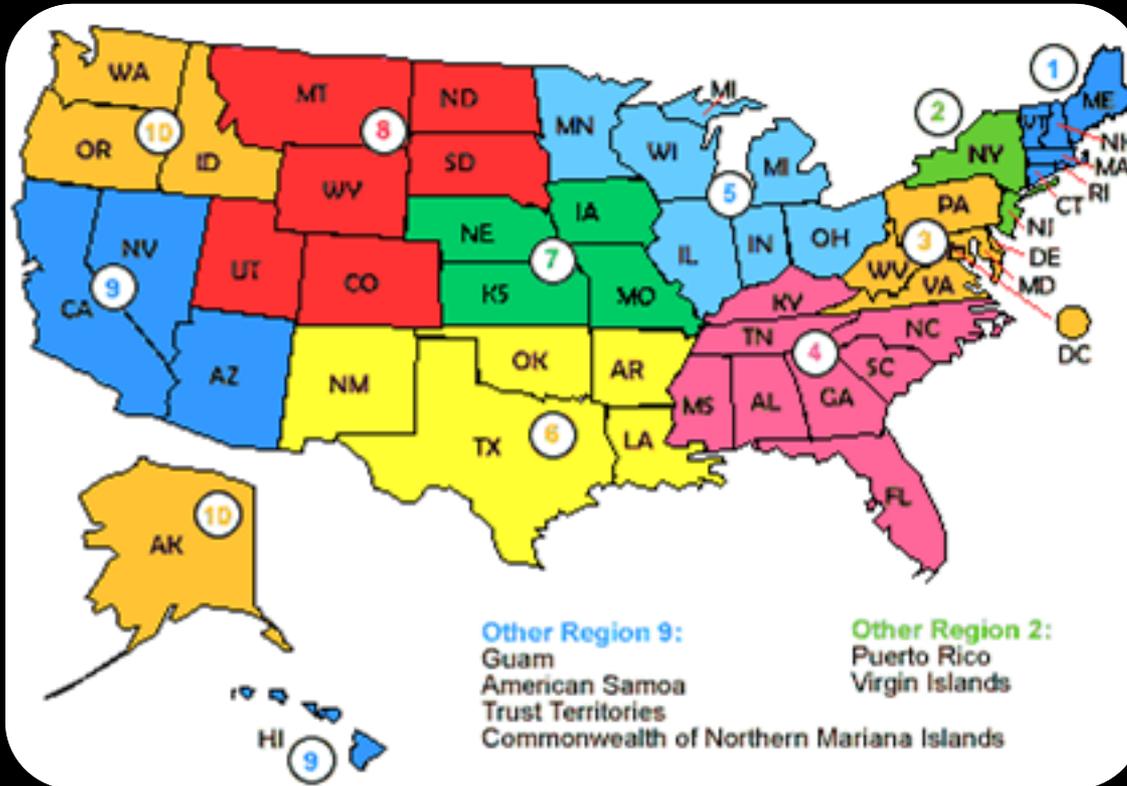
The Environmental Finance Center at the University of Maryland



**Presentation to the Wrightsville Borough Council  
& Municipal Authority Board**

June 15<sup>th</sup>, 2015

# The EFC: Who are we?



Address the issue of “how to pay” by working across sectors

Help local and state organizations meet environmental mandates in fiscally-sound manner

# What to expect today...

- Project Overview, Background, and Approach
- Recommendations and Findings
- Next Steps
- Feedback and Discussion



# Project Goals

- Conduct **detailed analysis** of the Borough's stormwater program
- Identify **costs** associated with providing a necessary **level of service**
- Recommend stormwater program's **organizational structure** within Borough context
- Recommend **funding mechanism** that is accountable, realistic, and transparent



*Project support comes from the US EPA's Chesapeake Bay Program Office to expand the EFC's Stormwater Finance and Outreach Unit to communities across the Chesapeake Bay*

# Stormwater Regulatory Background

- MS4 Permit Phase II General Permit
- Chesapeake Bay Pollutant Reduction Plan
- Stormwater & the Municipal Authorities Act

# MS4 Permit Requirements: Minimum Control Measures

**MCM 1:** Public Education & Outreach

**MCM 2:** Public Involvement & Participation

**MCM 3:** Illicit Discharge, Detection & Elimination

**MCM 4:** Controlling Runoff from Construction Sites

**MCM 5:** Controlling Runoff from Development

**MCM 6:** Pollution Prevention & Good Housekeeping

# EFC's Project Approach

1. Assess existing stormwater program
2. Conduct a gap analysis to identify improvements
3. Evaluate stormwater program costs
4. Develop estimated stormwater program budget
5. Develop strategy to support program costs



# STORMWATER PROGRAM FINDINGS & RECOMMENDATIONS

# Stormwater Program Findings

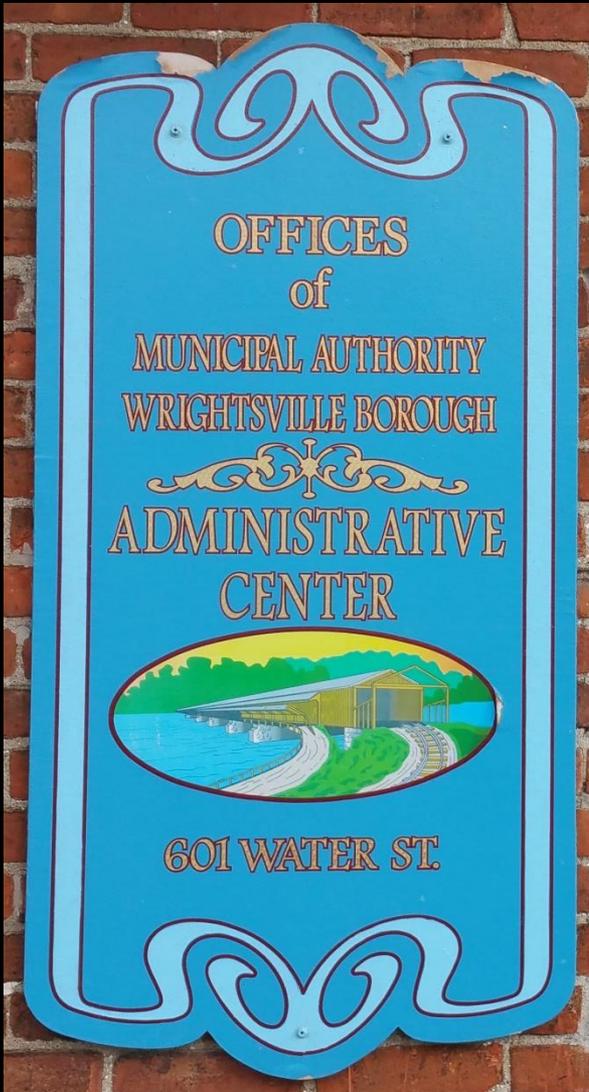
- Dedicated staff, consultants and leadership
- Reactive to infrastructure needs and is general fund-supported
- Park project critical piece to highlight Borough's assets
- Continual need to ramp up program as requirements become more stringent
  - Will need additional capacity to remain in compliance
  - Shift certain responsibilities to be more effective and efficient
  - Opportunity to implement asset management across all water infrastructure

# Stormwater Program Funding Needs

## *Relevant Findings*

- Increases in staffing, operating, maintenance and capital budgets needed to meet requirements of MS4 Permit
- Pending completion of engineering studies, estimated **\$213,000 per year** needed to support stormwater program
- Estimated annual costs about **\$77 per year** per residential property
- Municipal Authority has internal capacity for billing and stormwater infrastructure operations and maintenance

# Stormwater Program Operating Scenarios



1. MOU between Authority & Borough
2. Borough set up stormwater non-operating authority for billing & collection
3. Borough transfers MS4 permit to Authority
4. No fee; support program through general fund taxes

# Stormwater Program Budget Recommendations

## Staffing

Administrative, Foremen, Financial Management

## Operations, Maintenance and Engineering

Completion of Stormwater Inventory Mapping and

Stormwater Infrastructure Condition Assessment

Impervious Area Mapping & Comprehensive Drainage Study

## Capital

Stormwater Capital Improvements

Asset Management Program

\$2.25 Million over 40 Year Life

# MS4/Stormwater Program Budget Recommendations

## Average Annual Budget (Years 1-5)

Staff	\$119,000
O&M and Engineering	\$48,000
Capital Improvements	\$46,000
<b>Total</b>	<b>\$213,000</b>

# Consideration of Funding Mechanisms

Source	Cost Coverage		Features
	Capital	O&M	
Grants	Yes	No	Not guaranteed, highly competitive, not sustainable in the long-term
PENNVEST Loan Program	Yes	No	Not guaranteed, highly competitive, must repay often with interest
Bond Financing	Yes	No	Dependent on fiscal capacity, can utilize for large, long-term expenditures, must repay with interest
General Fund	Yes	Yes	Not equitable, competes with other community priorities, changes from year-to-year
Permit & Inspection Fees	Yes	No	Not significant revenue, may deter development
Stormwater Utility Fee	Yes	Yes	Generates ample revenue, sustainable, dependable, equitable, requires significant public dialogue

# Revenue Recommendations

- Need to generate revenue from a stormwater fee in order to cover capital and operating costs
- Stormwater Fee Estimate
  - 1 ERU\* = 3,500 ft<sup>2</sup> impervious surface based on actual parcel size in Borough and applying national estimates of % impervious surface by parcel type
  - **Residential** revenue:
    - Flat Fee – 1 ERU per parcel
  - **Non-residential** revenue:
    - Fee Based on property size impervious area

\*ERU = *equivalent residential unit*

# Estimated \$77 annual stormwater fee per ERU needed to fund program

Property Type	Number	Annual Stormwater Fee
Residential	836	\$77
Non-Residential	138	\$77 - \$12,902

# Cost Saving Opportunities

## *Internal*

- Asset Management across multiple infrastructure
- Staff capacity and integrating roles
  - Operational efficiencies with MOU between Borough and Authority
- Green infrastructure

## *External*

- Partnerships
- Regionalization

# Benefits of Asset Management

*The ability to do more with less*

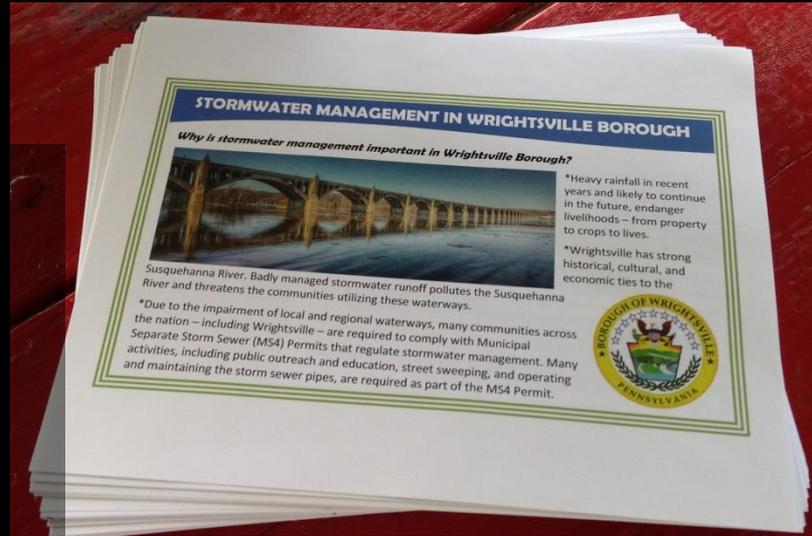
Understand and visualize assets  
*Asses condition of assets*

Prioritize asset investments for  
maintenance and replacement  
*Communicate asset needs to  
decision makers*

# Importance of Community Outreach

## Community Revitalization Day a great first step!

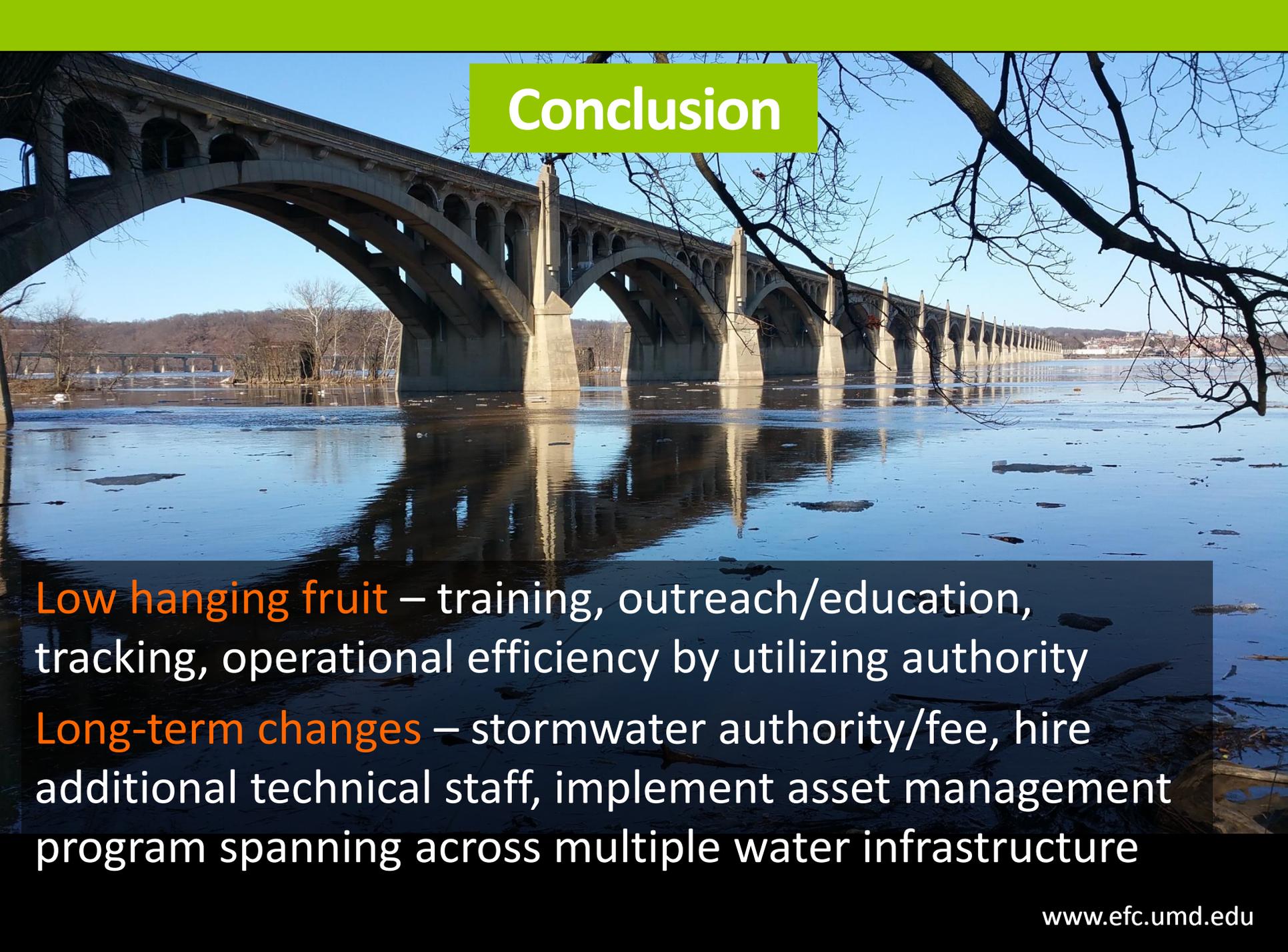
- Partners – watershed groups, recreational groups, neighboring communities
- Elected leaders and municipal staff
- Volunteers
- Youth and Families





Getting things accomplished as a community while teaching the next generation how to act as good stewards



A large concrete arch bridge spans a wide river. The water is dark and reflects the bridge's arches. There are patches of ice floating in the water. Bare tree branches are visible in the foreground and background. The sky is clear and blue.

# Conclusion

**Low hanging fruit** – training, outreach/education, tracking, operational efficiency by utilizing authority

**Long-term changes** – stormwater authority/fee, hire additional technical staff, implement asset management program spanning across multiple water infrastructure

# Project Team

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*Special thanks to Danielle Algazi, Senior Project Officer/Budget Officer,  
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