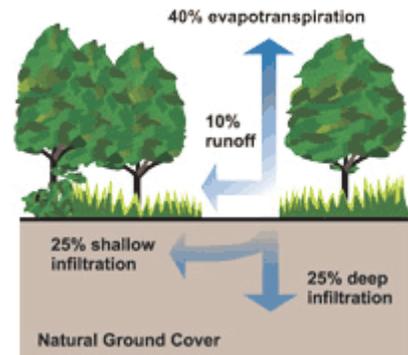


## Stormwater Enterprise Fund Program

A stormwater enterprise fund is seen as an umbrella under which individual communities address their specific needs in a manner consistent with local problems, priorities and practices. A stormwater enterprise fund program generally reflects three key elements:

- A distinct Town team effort for effectively managing stormwater on a day-to-day basis;
- A focused DPW program responsible for administering, planning, rehabilitating, repairing, monitoring, and reporting on the stormwater program and its adequacy, and
- A mechanism for generating revenue for stormwater services provided.

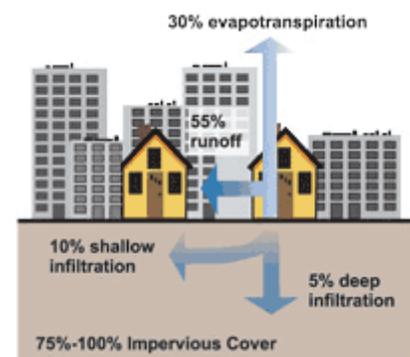
It is important when establishing a stormwater enterprise fund to include all three key elements. If the only reason for the establishing a stormwater program is to generate revenue and to free up additional tax revenues, the effort is wasted and unlikely to succeed. Citizens who thought they were getting poor service and now see a line item on a bill for stormwater with no change in service or improvement in addressing key problems and concerns will feel deceived. Therefore, it is important to provide a better level of service if any headway is to be made.



### A Stormwater Program Provides a Vehicle for:

- Consolidating or coordinating responsibilities that were previously dispersed among several departments and divisions;
- Generating funding that is stable, adequate, equitable and dedicated solely to the stormwater function; and
- Developing programs that are comprehensive, cohesive, and consistent year-to-year.

Similar to a wastewater or water supply system, a stormwater program is based on the premise that the stormwater drainage system is a public system. When a user places a demand on either of these two other systems, the user pays a service fee that is reasonably aligned with the demand. In the case of stormwater, when a natural area is paved, it contributes a greater volume of runoff to the drainage system, thus imposing a demand on the system. The greater the demand (i.e., the more the parcel of land is hardened), the greater the contribution to the flooding or pollution problem.



### Key Advantages of a Stormwater Program are:

- **It is Stable** because it is not as dependent on the vagaries of the annual budgetary process as taxes are.
- **It is Adequate** because, typically, the stormwater fee is based on a well thought out stormwater program to meet the needs of the community, as well as other program drivers (e.g., water quality, flood abatement, etc.).
- **It is Flexible** because fees can be structured in multiple ways, and the program can be managed to fund activities based on changing priorities and needs.

- **It is Equitable** because the cost is borne by the user on the basis of demand placed on the drainage system.

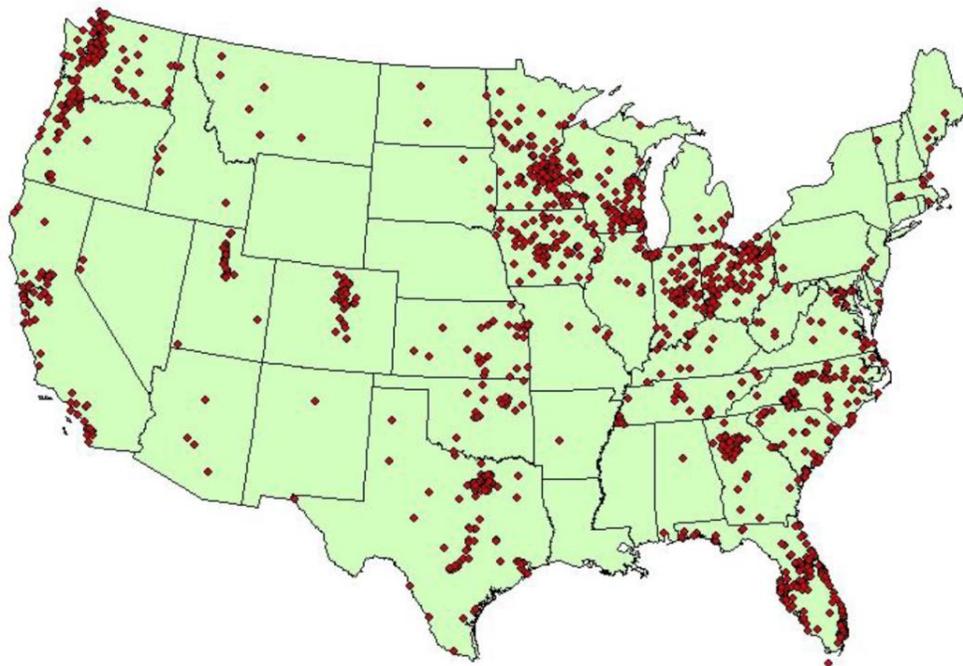
Since stormwater management efforts are often not visible or infrequently apparent (e.g. only when it rains) they cannot compete effectively for general fund tax dollars. Local governments find that only legally dedicated revenue will stand the test of time and succeed in addressing the many problems associated with aging infrastructure and tainted runoff.

**A stormwater enterprise fund is a funding mechanism for a stormwater program. Much like water and sewer utilities, an equitable fee is collected for stormwater services provided in proportion to amount of stormwater runoff produced.**

So, what communities have instituted stormwater management enterprise funds and what does an effective stormwater program cost? According to the Western Kentucky University 2013 Stormwater Utility Survey:

- There are over 1,400 stormwater utilities in 39 states across the country<sup>1</sup> and in these communities, the average population is 73,900 and the median is 19,200.
- The average fee for a single family residence is \$4.57/mo and the median fee is \$3.75/mo.

**Figure 1.1 Existing Stormwater Utilities (source: Campbell, C. Warren, 2013)**



Based on the number of programs now operating around the continental U.S., approximately 8% of communities have stormwater enterprise fund type programs to manage stormwater. In New England, less than 1% have such programs.

<sup>1</sup> The Western Kentucky University survey captures data for known stormwater utilities nationwide based on information that is readily available and various other sources. As noted in the 2013 study and based on AMEC's experience, there are likely closer to 2,000 stormwater utilities in the U.S.