



Stormwater Utility Community Advisory Group Meeting Two: Costs



Agenda

- Welcome, Reminders, Introductions
- Stormwater System Costs
 - O&M
 - Capital
- How Costs are Recovered Today
- Stormwater Utility Drivers and Goals
- Impervious Area vs Sanitary District Tax
- SUCAG Q&A
- Public Comment
- Adjourn

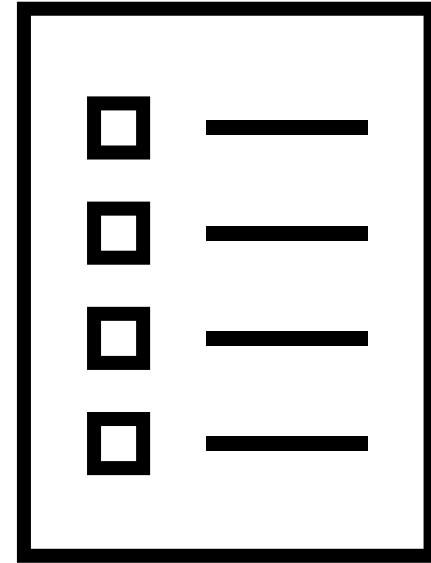
How to Participate

- Please participate actively and respectfully
- Please mute when not speaking
- Click "raise hand" icon to enter the discussion queue; click again to lower your hand after speaking
- You can also share comments and questions using webinar chat
- There will be public comment session at the end of the meeting for members of the public.

This webinar will be recorded for future reference and be posted to the Project Webpage

Team Introductions

Stormwater System Costs



Financial Overview

- Stormwater Management Fund:
 - › Financial policies
 - › Self-supporting
 - › Funds all operating and capital needs
 - Debt Service on bonds
 - MS4 permit compliance
 - Land Disturbance Activity (LDA) program
 - Operating & Maintenance expenses
 - Capital Improvement Plan (CIP) execution



Stormwater Program Elements



System assessment and upgrades

- Modeling, assessment, plan reviews
- Capacity projects
- Local drainage projects



System maintenance

- System repairs
- Channel maintenance
- Routine maintenance



Floodplains and Resource Protection Areas (RPAs)

- Plan reviews
- Map updates and modeling
- Outreach and education

Stormwater Program Elements



Development regulations

- Plan review and construction site inspections
- Training and outreach



Water quality

- Stream Resilience, pond projects, green streets
- MS4 permit (regulatory TMDLs), pollution prevention, training and outreach, monitoring



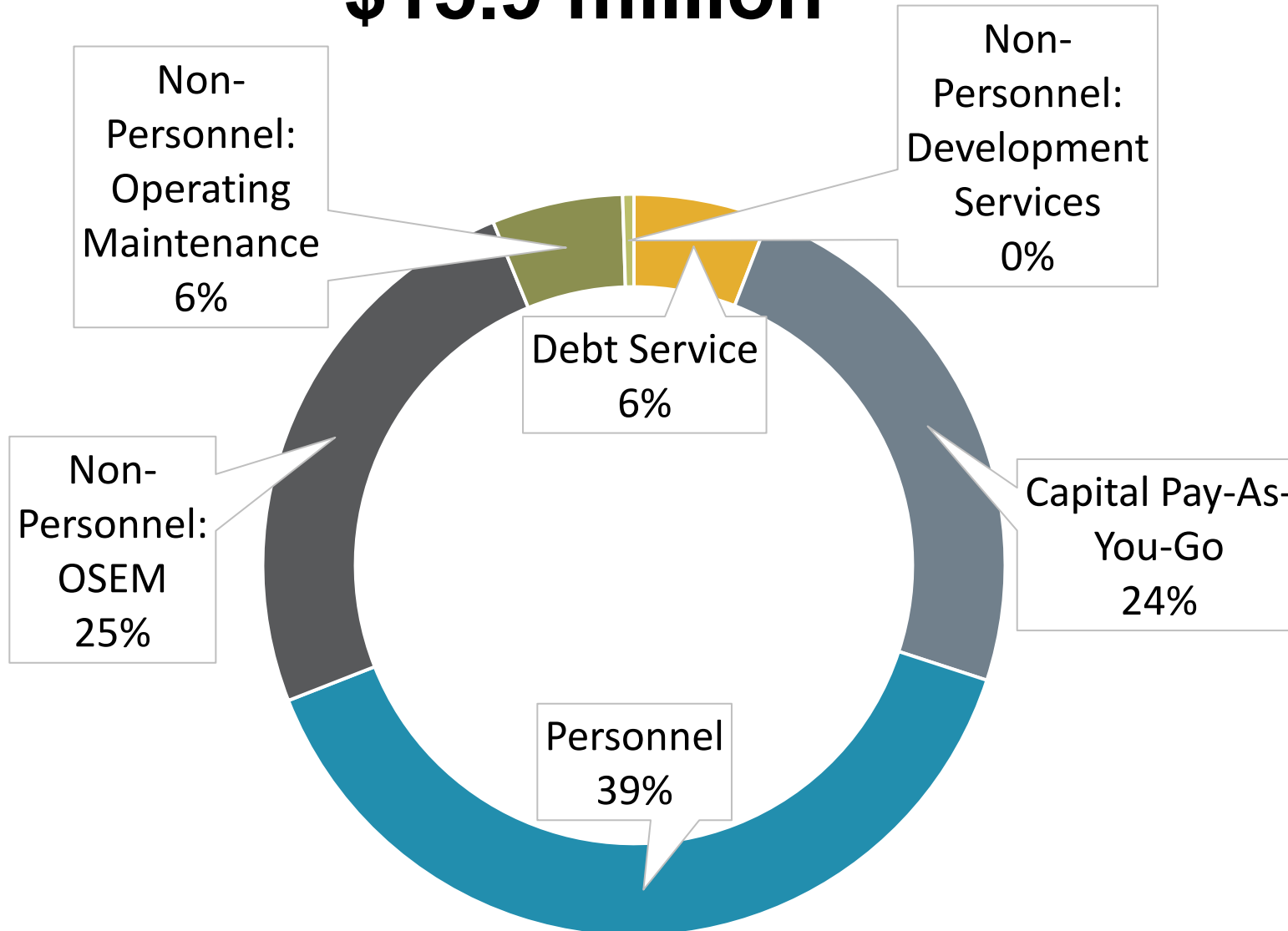
Policy

- Legislative
- Regulatory

FY 2023 Budget Summary (\$000s)

	FY 2022 Adopted	FY 2023 Adopted	Change	% Change
Revenue				
Sanitary District Tax	13,747	14,557	810	6%
Fees	1,319	1,372	53	4%
Total Revenue	15,066	15,929	863	6%
Expenses				
Debt Service	662	936	274	41%
Operating & Maintenance	10,254	11,158	904	9%
Capital PAYG	4,149	3,835	(314)	(8%)
Total Expense	15,066	15,929	863	6%
Staff	47 FTEs	50.5 FTEs	3.5 FTEs	7%
Tax Rate	\$0.017/\$100	\$0.017/\$100	--	--%

FY 2023 Adopted Budget \$15.9 million



Personnel: 39%

- Funds salaries and benefits for 50.5 positions

Non-personnel: 31%

- Indirect & Overhead costs
- MS4 permit compliance
- Stormwater facility maintenance

PAY-AS-YOU-GO: 24%

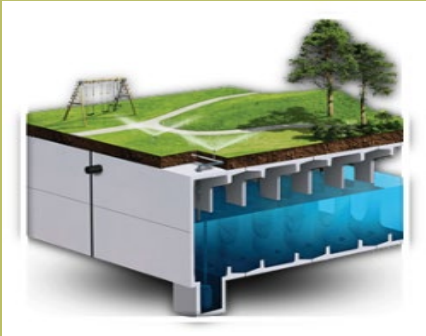
- Stormwater Maintenance Capital

DEBT SERVICE: 6%

Capital Improvement Plan Categories

Capacity Improvements

Watershed-scale projects and local capacity improvements and expansions to mitigate high risk flood areas. Federal Compliance



Streams & Water Quality

Projects to repair damaged streams and infrastructure

Reduce pollution Comply with MS4 permit requirements



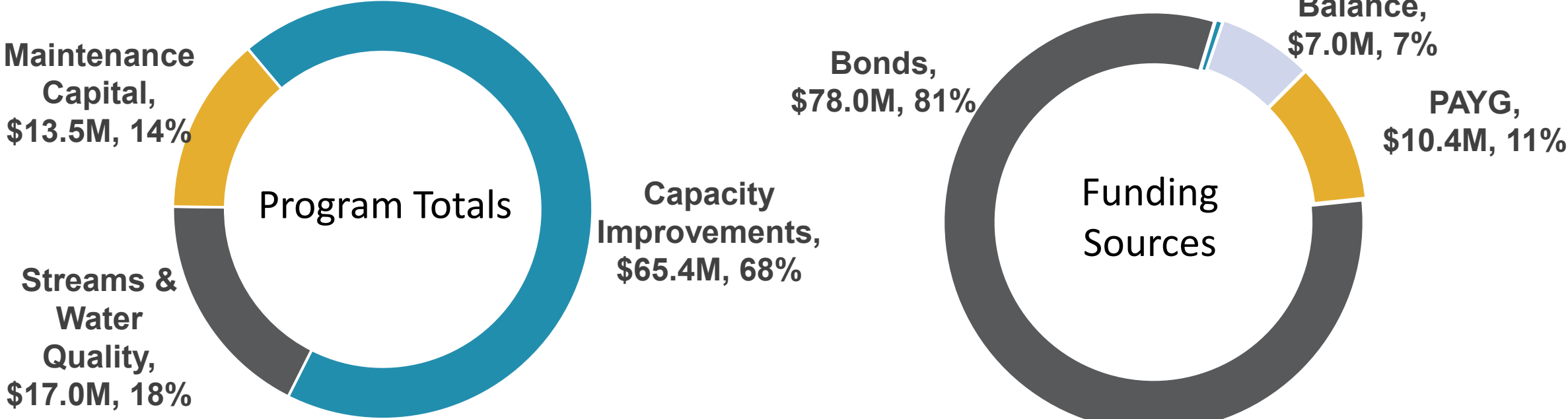
Maintenance Capital

Supports state of good repair to replace and maintain system assets



Adopted FY 2022 – FY 2024 Stormwater CIP Programs & Funding Sources

\$95.5M over 3 years



Stormwater Adopted CIP (\$000s)

Capital Program	FY 2022	FY 2023	FY 2024	3-Year Total
Capacity Improvements	\$24,450	\$14,585	\$26,355	\$65,390
Water Quality	6,380	4,550	6,025	16,955
Maintenance Capital	6,680	5,800	1,025	13,505
Total	\$37,510	\$24,935	\$33,405	\$95,850

Funding Source	FY 2022	FY 2023	FY 2024	3-Year Total
Existing Fund Balance	\$6,990	-	-	\$6,990
PAYG Funding	4,260	3,125	3,000	10,385
Bond Issuance	25,760	21,810	30,405	77,975
Grant Funding	500	-	-	500
Total Planned Spending	\$37,510	\$24,935	\$33,405	\$95,850
<i>Debt Service</i>	--	\$1,649	\$3,045	\$4,694



Cardinal School Stormwater Vault

- First major capacity project planned as part of Flood Resilient Arlington
- Phase 1 completed in 2021 (top photo)
- Phase 2 construction started in December and will last approximately 1 year (bottom photo example of Stormtrap vault)
- Will reduce flood risk in the Torreyson Run watershed and the Westover shopping area





Four Mile Run Dredging

Will begin in Fall, 2022 and take 4-6 months

Ballston Pond Project

- Will convert dry pond built when I-66 constructed to a wetland
- Started construction December 2021
- Construction 12-18 months



Donaldson Run – Tributary B

- Completed stream restoration on Tributary A in 2007; neighborhood applied for NC funding for work on Tributary B
- Helps meet regulatory pollution reduction goals; protects water main serving 20,000 residents and walk/bike trail
- Construction is finishing in May

Before

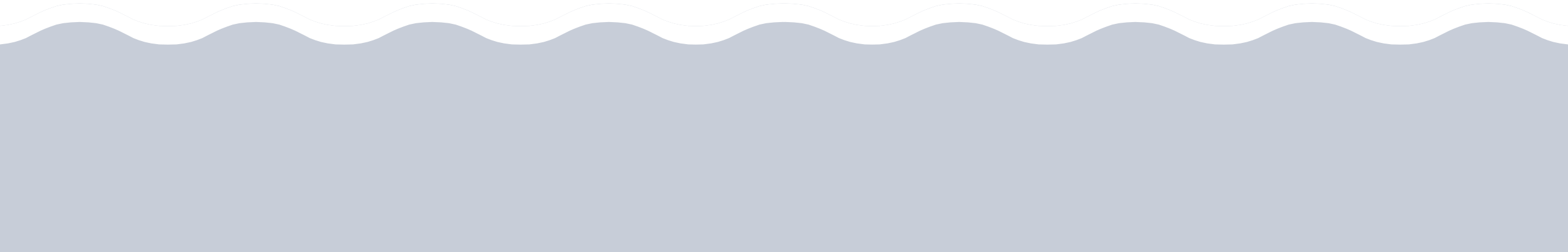


During Construction



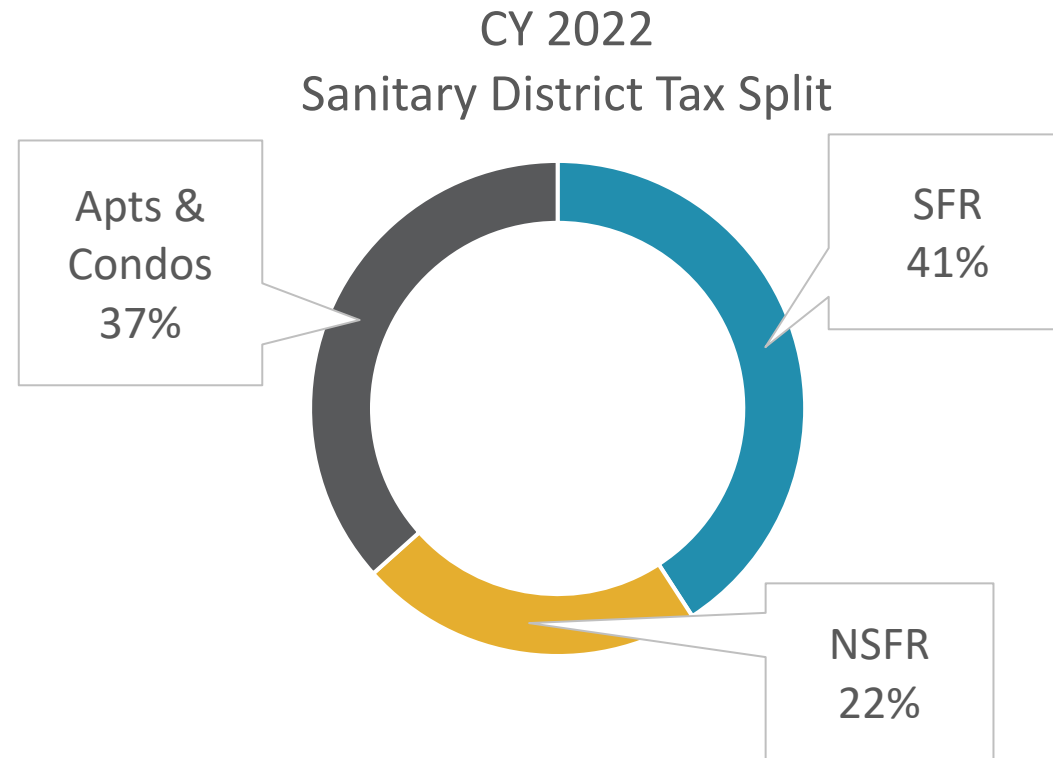
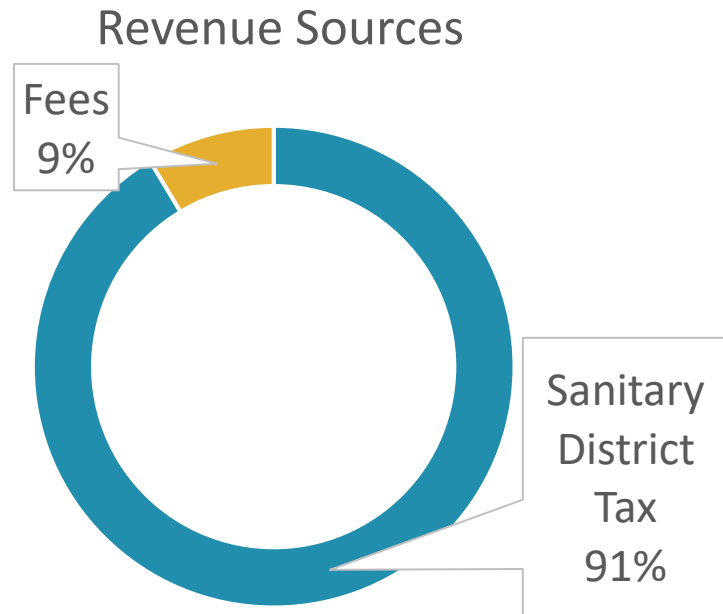
Green Streets

How Costs are Recovered Today

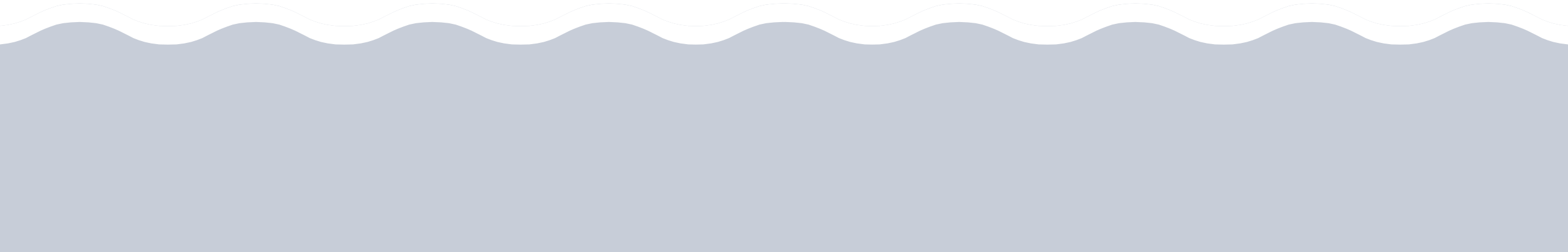


Current Program Funding

- Sanitary District tax add-on real estate tax
 - \$0.017 per \$100 assessed value
- Development Services Fees



Stormwater Utility Drivers and Goals



Why Implement A Stormwater Utility?

- ✓ **Aligns with industry** trend of funding stormwater management programs with a user fee.
- ✓ **Demand-Based Fees** are based on property's "usage" or "contribution" to the stormwater system.
- ✓ **Fairer basis for funding** the stormwater management program -- Real estate assessed value does not correlate with stormwater demand/amount of impervious area (IA).
- ✓ **Includes currently tax-exempt properties** which contribute runoff, but don't currently contribute to stormwater management funding.
- ✓ **A Utility** (fee for service) can be easier to increase periodically as its not competing for real estate tax revenue.

Rate structure is not designed to be an incentive program, but as a cost recovery mechanism based on runoff contributed by each parcel. This results in an equitable way to distribute costs of stormwater management.

Arlington's Stormwater Utility Goals

Predictable & reliable
funding streams

Fairer basis for cost
recovery


Minimize
administrative
overhead

Simple to understand
and maintain

Align with industry best
practices

Legally defensible

Impervious Area
versus
Sanitary District Tax

A decorative wavy line in a light blue color, resembling a water surface or a stylized horizon, spans the width of the page below the text.

How Would This Utility Work?

- Impervious area is measured through GIS imagery is used to calculate the impervious square footage.
- Properties would be charged based on a unit of measurement called an ERU or **Equivalent Residential Unit**– the median amount of impervious square footage specific to Arlington County.

1 ERU = 2,400 sq. ft Impervious Area (IA)



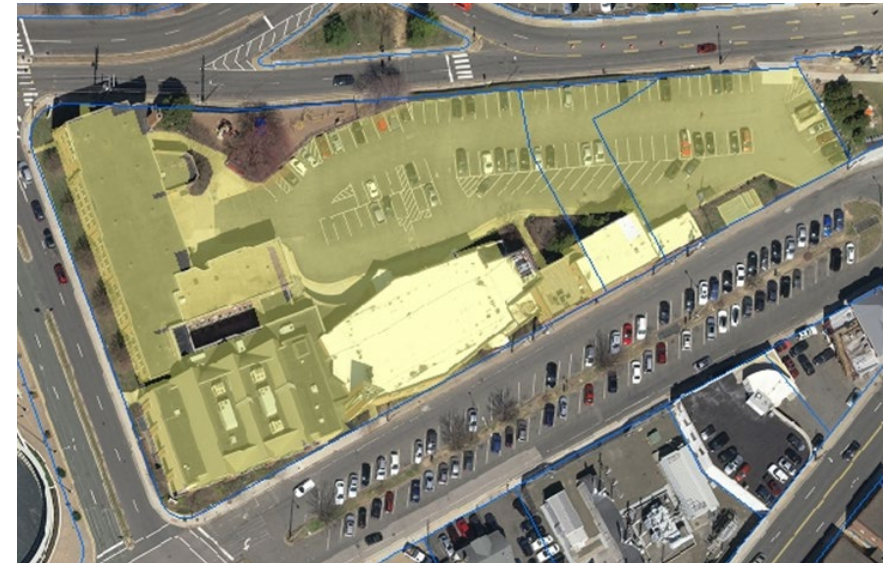
3,997 sq. ft.



1,465 sq. ft.



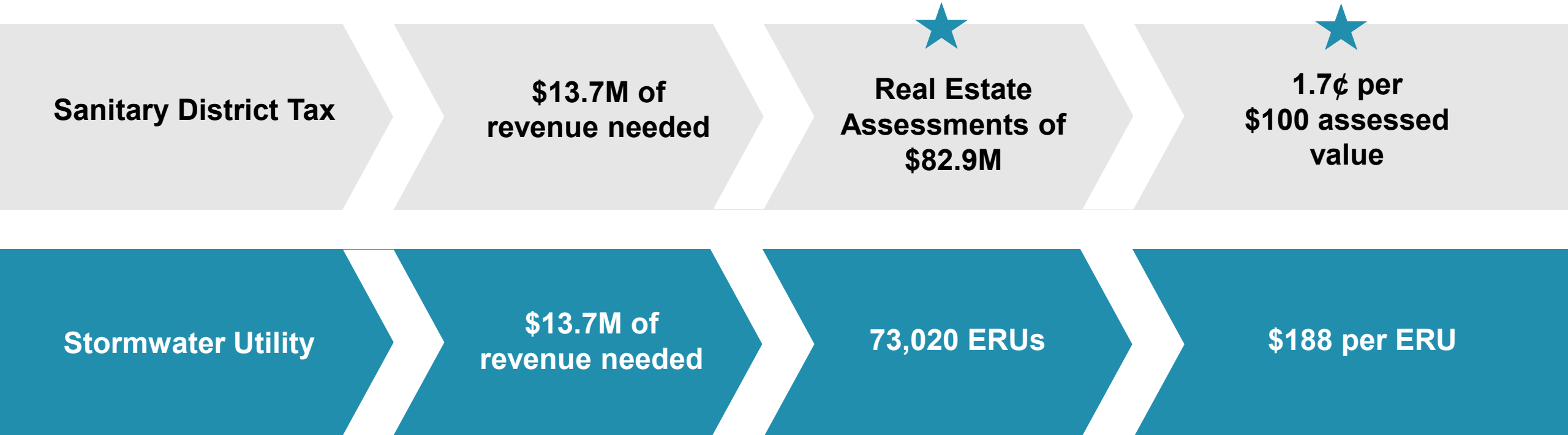
3,419 sq. ft.



88,198 sq. ft.

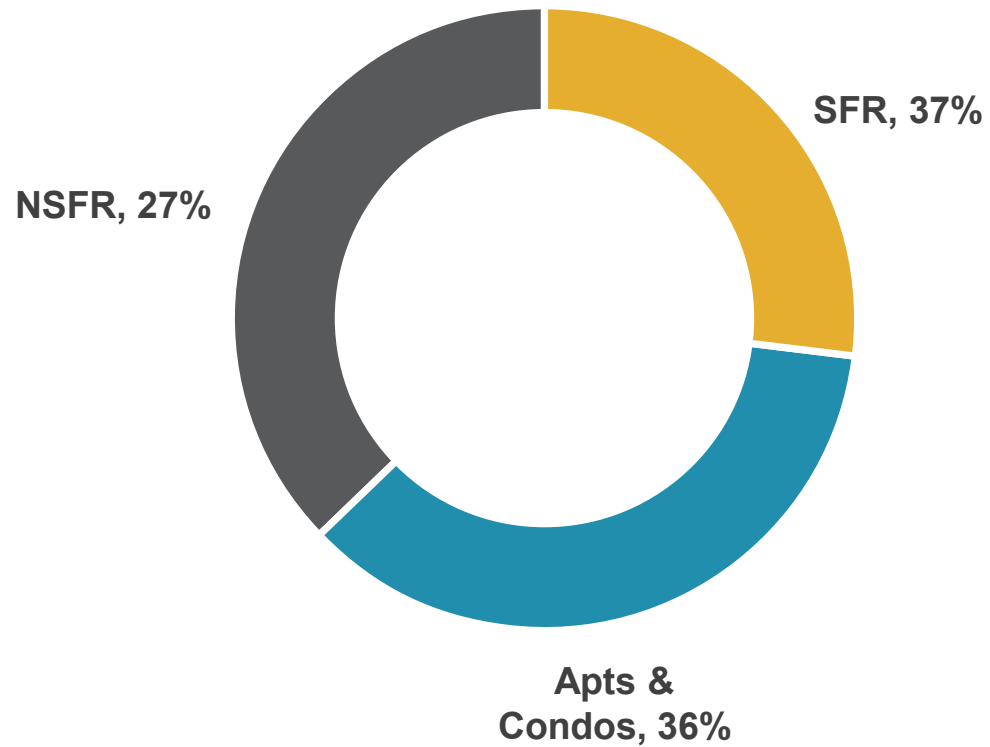
Funding Comparison Sanitary Tax vs Stormwater Utility

FY 2022 Budget = \$13.7 million

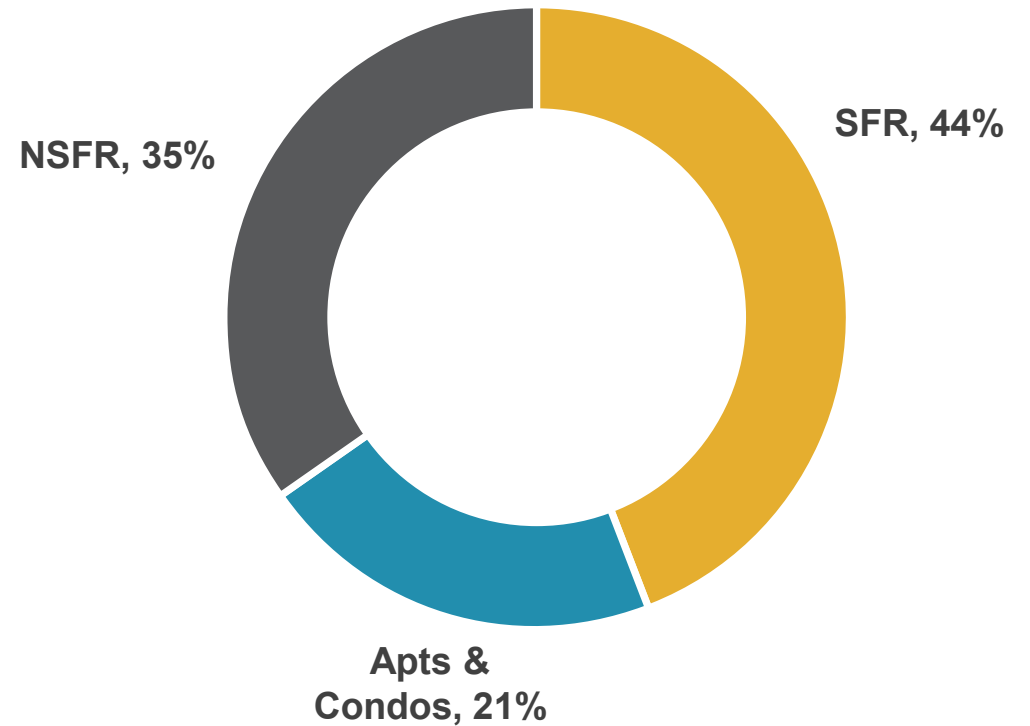


Fairer Distribution of Cost

**Sanitary Tax –
Allocation based on
Assessed Values**



**Utility Fee –
Allocation based on
ERUs**



What Will The Stormwater Utility fund?

The same stormwater programs funded by the Sanitary District now:

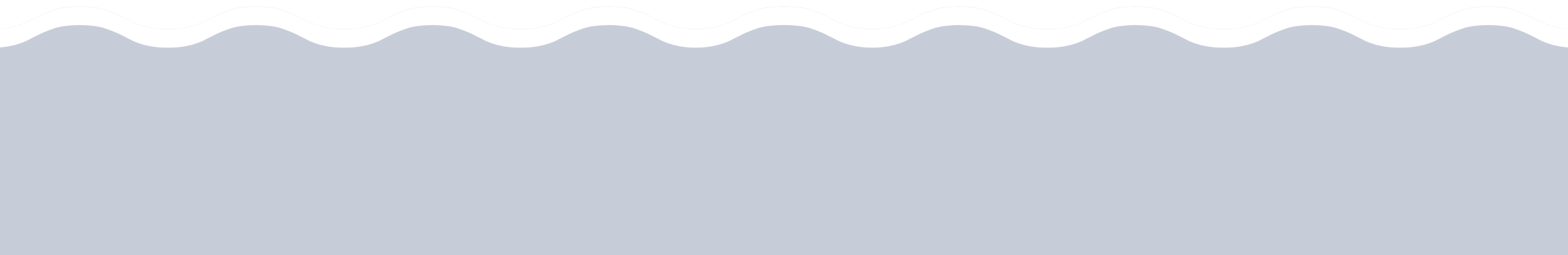
- Management and maintenance of the infrastructure
- Water quality and regulatory programs
- Capacity improvements
- Green infrastructure and restoration projects
- Flood plain management
- Education and training
- Stream Monitoring

In addition:

- Increased operating costs, estimated at \$320k / year and 2.5 FTEs
- A Credit Program, required under State Code



Wrap-Up



Wrap Up and Next Steps

Meeting	Topics	Approximate Date
Rate Structure	<ul style="list-style-type: none">• Rate Structure Feasibility Study• Rate structure options: MFR option, Base charge option• Comparisons to VA neighbors• Review options and pros/cons	July
Bill Impacts	<ul style="list-style-type: none">• Review of bill impacts to customer types• Share changes based on earlier input• Credit program review• Review of other jurisdiction credit programs	September
Review (If needed)	<ul style="list-style-type: none">• Review recommendations• Answer questions	October



Questions

www.arlingtonva.us/Government/Programs/Sustainability-and-Environment/Stormwater/Stormwater-Utility-Feasibility-Study

Public Comment