STORMWATER UTILITY FEASIBILITY STUDY

MUNICIPALITY OF PRINCETON

COUNCIL WORKSHOP
PHASE II

OCTOBER 14, 2024

PRINCETON HYDRO

WSP

PRINCETON NEW JERSEY

MUNICIPALITY OF PRINCETON

AGENDA

I. **Utility Study Background**

II. **Establishing Level of Service (LOS)**

- Policy Considerations and Examples

III. **Public Engagement**

- First Public Meeting, October 30th, 6 PM
- Meetings with Key Stakeholders

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STORMWATER UTILITY FEASIBILITY STUDY PROJECT TEAM

WHAT IS A STORMWATER UTILITY?

User Fee for a Specific Service

- ➔ Fees are collected proportional to "use" to address the costs associated with a service.
- ➔ User "fee-paying" public receives benefits of service.
- ➔ Users have the opportunity to reduce their "use" and receive a commensurate reduction in their fee.

Dedicated and Transparent Fee for Service

SCIENCE
ENGINEERING
DESIGN

WHAT IS A STORMWATER UTILITY IN NJ?

NJ Clean Stormwater and Flood Reduction Act:

- ➔ Authorizes, but does not require, the establishment of stormwater utilities
- ➔ Provides authority for a dedicated funding source to be used only for stormwater management.
- ➔ Grants rights to all types of local government structures to set up a utility including multijurisdictional agencies

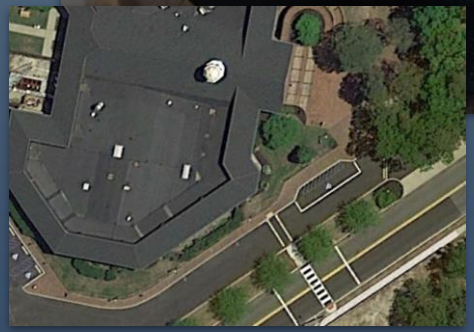
Benefits of a Stormwater Utility

- ➔ Provides dedicated and stable revenue for stormwater management purposes.
- ➔ Proactive financial planning for routine maintenance and large capital improvement projects.
- ➔ Allows Municipality to plan ahead.
- ➔ Mechanism to improve water quality, address flooding and improve public safety.

HOW DOES A STORMWATER UTILITY WORK?

Impervious Cover is the primary measure of cost distribution

- ➔ Readily measurable with desktop GIS analysis
- ➔ Equitable and easy to understand
- ➔ Required revenue (LOS) and total demand for service (impervious cover) are used to set the rate.



Helix Water District

$$\text{Rate (\$/SF)} = \frac{\text{Required Revenue (\$)}}{\text{Imp. Coverage (SF)}}$$

SCIENCE
ENGINEERING
DESIGN

WHAT CAN FUNDS BE USED FOR?

- **Capital expenditures**: planning, design, engineering, acquisition, construction, and improvement of a stormwater management system
- Stormwater management **system operation and maintenance expenditures**; asset management program
- Stormwater Management Plan & control **ordinances**
- **Long-term control plan** to mitigate CSOs
- **Monitoring, inspection, & enforcement activities** for stormwater utility ***(...as well as the utility program development!!!)***
- **Public education and outreach** related to stormwater management
- Leverage of having dedicated "matching funds" for **grant/low interest loans applications**

STORMWATER UTILITY FEASIBILITY STUDY

WHAT, WHY, WHO, HOW

- ➔ A fact-finding mission- *what do we have and what do we need?*
- ➔ Primary purpose is to inform the decision-making process at each phase with facts and analysis
- ➔ Key stakeholders are providing feedback in each phase
- ➔ Identifies existing capital funding mechanisms and desired Level of Service
- ➔ Provides a general framework for how a fee structure will look

Findings from Phase I

- ✓ **Revenue capacity must increase** to address system needs.
- ✓ A **stormwater utility is a more equitable** way for property owners to pay for stormwater use.
- ✓ **Stakeholders engaged** and interested in concept.
- ✓ Phase I is complete.

Phase II : Where we are now

- Detailed cost of service + **10-year forecast of future investments** in capital and operations.
- Stormwater Utility **Rate Options** with a draft rate model and impact analysis.
- **Robust stakeholder engagement.**

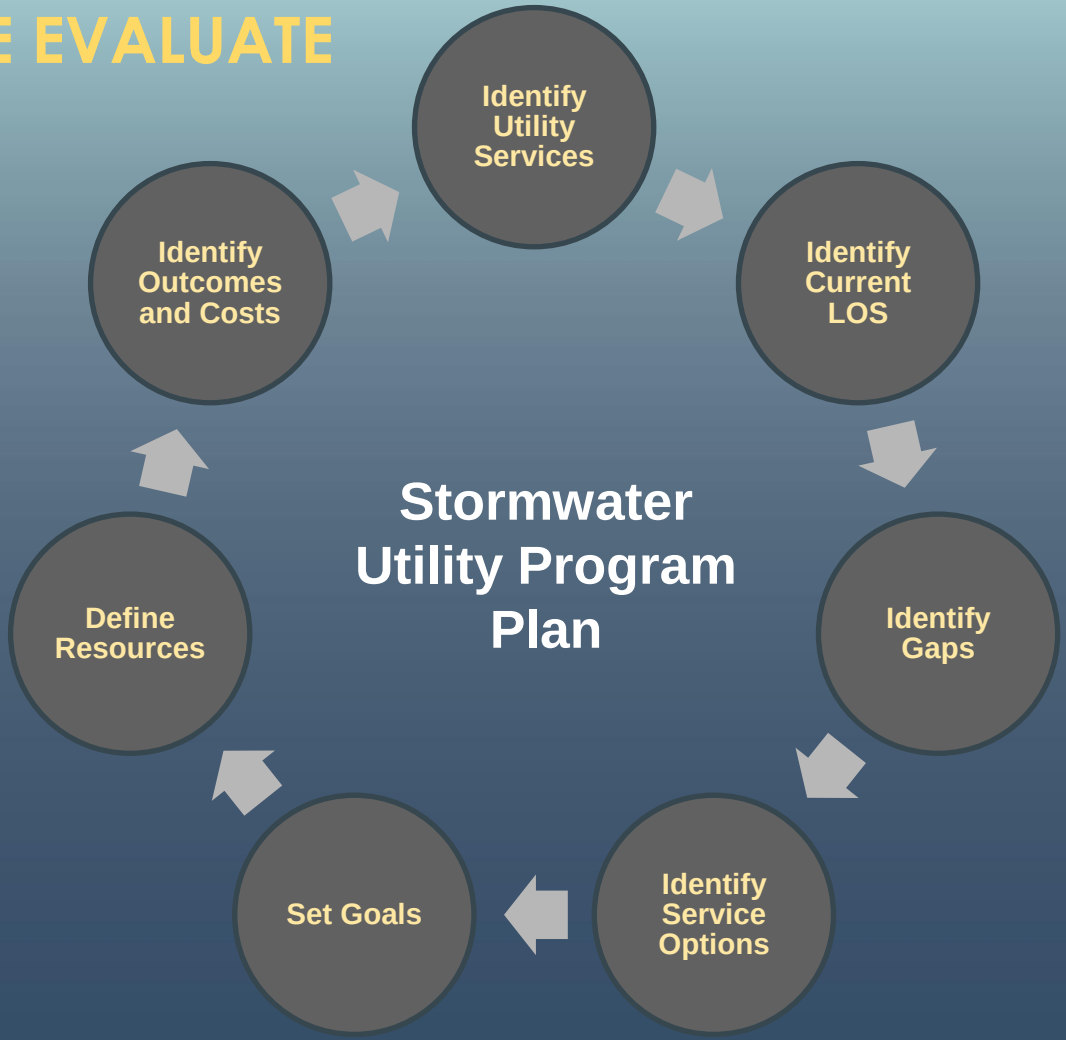
POLICY CONSIDERATIONS FOR THE FUTURE PROGRAM

POLICIES WE ARE WORKING ON NOW

- Benefit of funding the stormwater program through a utility as opposed to operations supported by the general fund.
- Level of Service (LOS) goals and resources that are needed to meet expectations.
- Initial utility rates and how to meet LOS expectations.
- Options in the LOS to meet user fee expectations and what it can pay for.

LEVELS OF SERVICES (LOS): BUILDING THE FUTURE PROGRAM

LOS – HOW WE EVALUATE



SCIENCE ENGINEERING DESIGN

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CAPTURING THE UTILITY LOS PLAN: Example

Activity/Category	Year 1	Year 2	Year 3	Year 4	Year 5
Administration	Improved	Improved	Improved	Fully Developed	Fully Developed
Engineering / Planning / Inspections	Improved	Improved	Fully Developed	Fully Developed	Fully Developed
Operations and Maintenance	Improved	Improved	Improved	Fully Developed	Fully Developed
Capital Improvements	Improved	Improved	Improved	Improved	Improved

UTILITY OPERATIONS – LEVEL OF SERVICE EVALUATION
Example #1 – Utility Administration Program Options

Administration Goals	Administration Resources Options	Options Outcomes
Implement Utility Operating Policies	Dedicated Full Time Stormwater Program Administrator (Year 1) Public Education and Outreach Specialist (Year 2) Engineering Technician (Year 2) Contracted Services: Employee Training Modules (MS4 Mandate)	Centralization of accountability reporting to the Infrastructure and Operations leadership. Consistent and measurable MS4 compliance. Effective execution of work plan in coordination with other service leaders. Delivery of services efficiently.
Track Revenue/Expenditures – Financial Accountability		
Coordinate Municipality SW Efforts Across Multiple Operations		
Maintain MS4 Accountability		
Enforce Local Ordinances		

UTILITY OPERATIONS – LEVEL OF SERVICE EVALUATION

Example #2 – Operations and Maintenance Program Options

Operations & Maintenance Goals	Operation and Maintenance Options	Option Outcomes
Maintain Capacity of the Drainage System	Maintenance and Replacement of PW Equipment (Sweeper, CCTV Equipment, Dump Trucks, Pickup Trucks) Dedicated Crew for Drainage System Maintenance • (Truck Driver/Maintenance Worker II (2) (Year 1) • Equipment Operators (2) (Year 1) • Supervisor (Year 1) • Senior Maintenance Staff for CCTV Inspection Program (Year 2) Contracted Services: SOP Documentation	Performance metrics provide direct accountability demonstrating effective use of resources. Improved drainage system performance measured through routine system inspection and incident reporting using data input to GIS. Long-term outcome in reduction of nuisance neighborhood flooding and improved water quality protection.
Maintain MS4 Program Elements Related to the System (i.e., street sweeping, inlet inspections and maintenance, stream scour ID and response)		
Support to Engineering for Inspections Program		

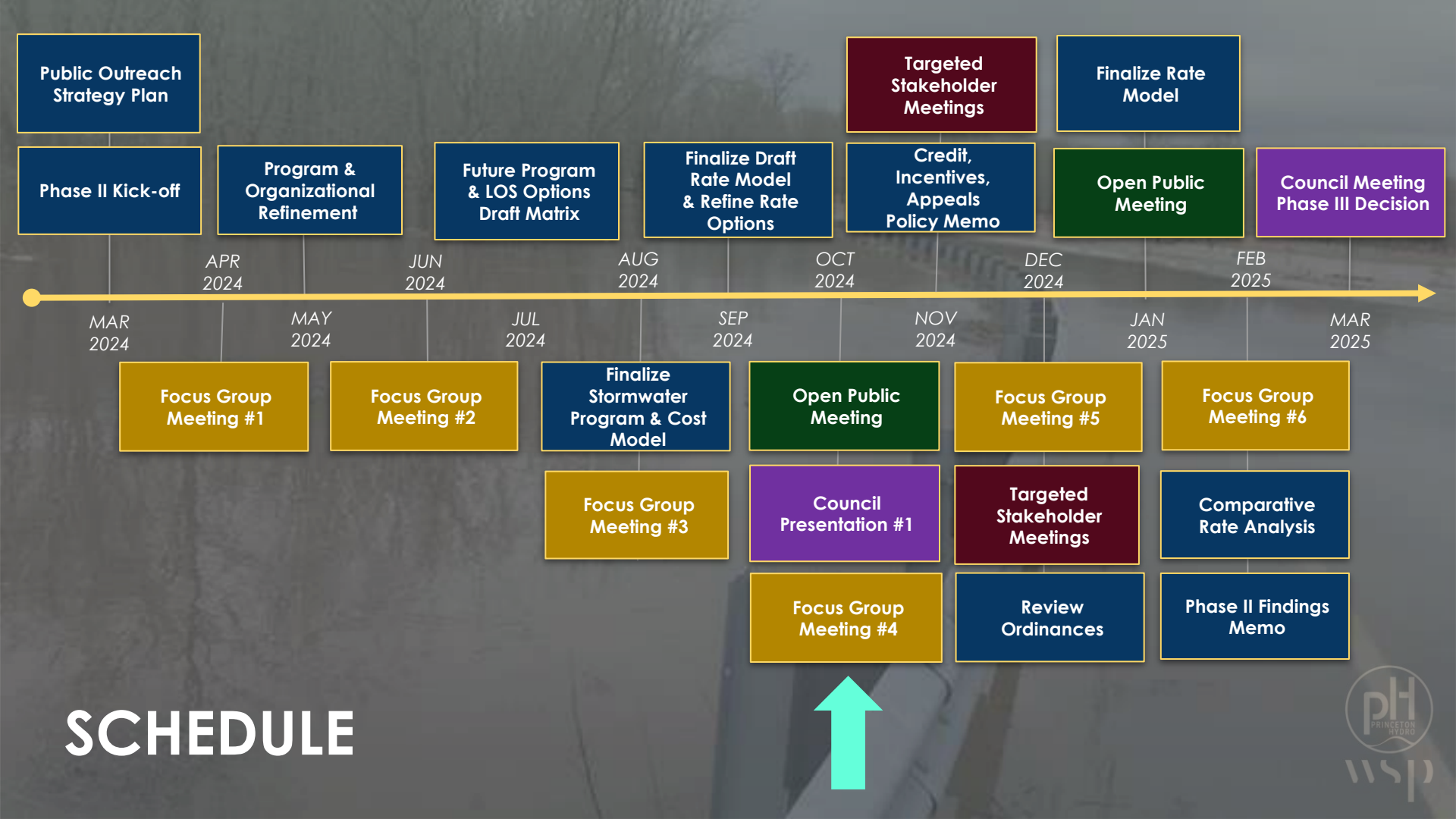
PUBLIC OUTREACH

STAKEHOLDER ENGAGEMENT & PUBLIC OUTREACH

- First Public Meeting: October 30th, 6PM, Main Meeting Room
- Targeted Stakeholder meetings late fall 2024

NEXT STEPS

SCHEDULE


Public Outreach Strategy Plan
Phase II Kick-off
Program & Organizational Refinement
Future Program & LOS Options Draft Matrix
Finalize Draft Rate Model & Refine Rate Options
Targeted Stakeholder Meetings
Credit, Incentives, Appeals Policy Memo
Finalize Rate Model
Open Public Meeting
Council Meeting Phase III Decision
MAR 2024
APR 2024
MAY 2024
JUN 2024
JUL 2024
AUG 2024
SEP 2024
OCT 2024
NOV 2024
DEC 2024
JAN 2025
FEB 2025
MAR 2025
Focus Group Meeting #1
Focus Group Meeting #2
Finalize Stormwater Program & Cost Model
Focus Group Meeting #3
Open Public Meeting
Council Presentation #1
Focus Group Meeting #4
Focus Group Meeting #5
Targeted Stakeholder Meetings
Review Ordinances
Focus Group Meeting #6
Comparative Rate Analysis
Phase II Findings Memo

QUESTIONS & FEEDBACK