



Stormwater and Flood Resiliency Utility

Pathways to Collaboration

September 12, 2023

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Stormwater

Community Services | Dover, NH



Photo: Rich Beauschesne

Increasing Flood Risk



New & Increased Regulatory Requirements



Competing Funding Needs

Dover residents urge school budget restraint



▲ HIDE CAPTION

at the School Board Tuesday night to help keep the city budget under the tax cap, questioning the need in the new budget. [Image from video via city of Dover]

\$15.2M proposed for Dover capital projects



BUY PHOTO

▲ HIDE CAPTION

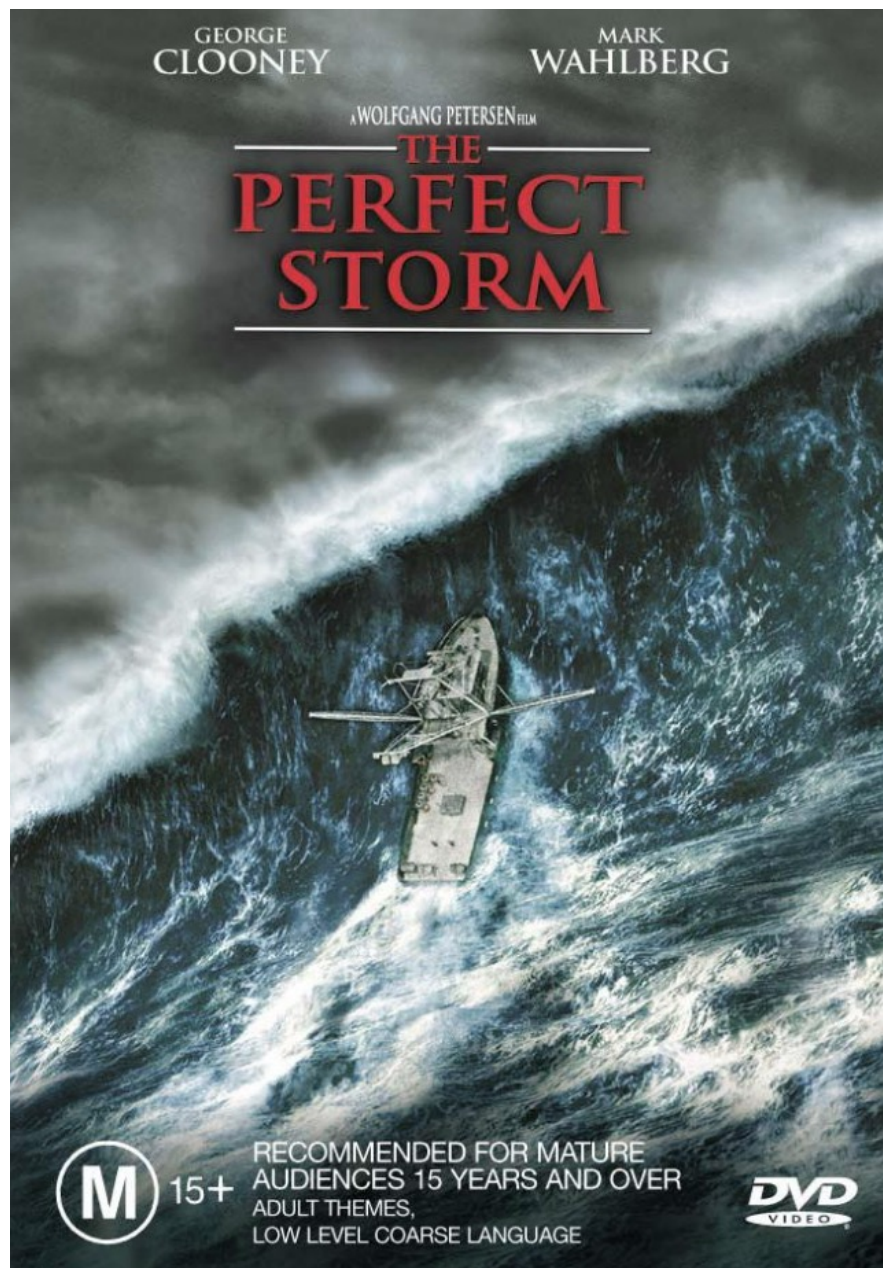
Members of the Dover City Council and Planning Board meeting for a workshop Wednesday for the unveiling of the fiscal year 2020 Capital Improvement Program, which kicks off the 2020 budget season. [Brian Early/Posters.com]

GEORGE
CLOONEY

MARK
WAHLBERG

A WOLFGANG PETERSEN FILM

THE
**PERFECT
STORM**

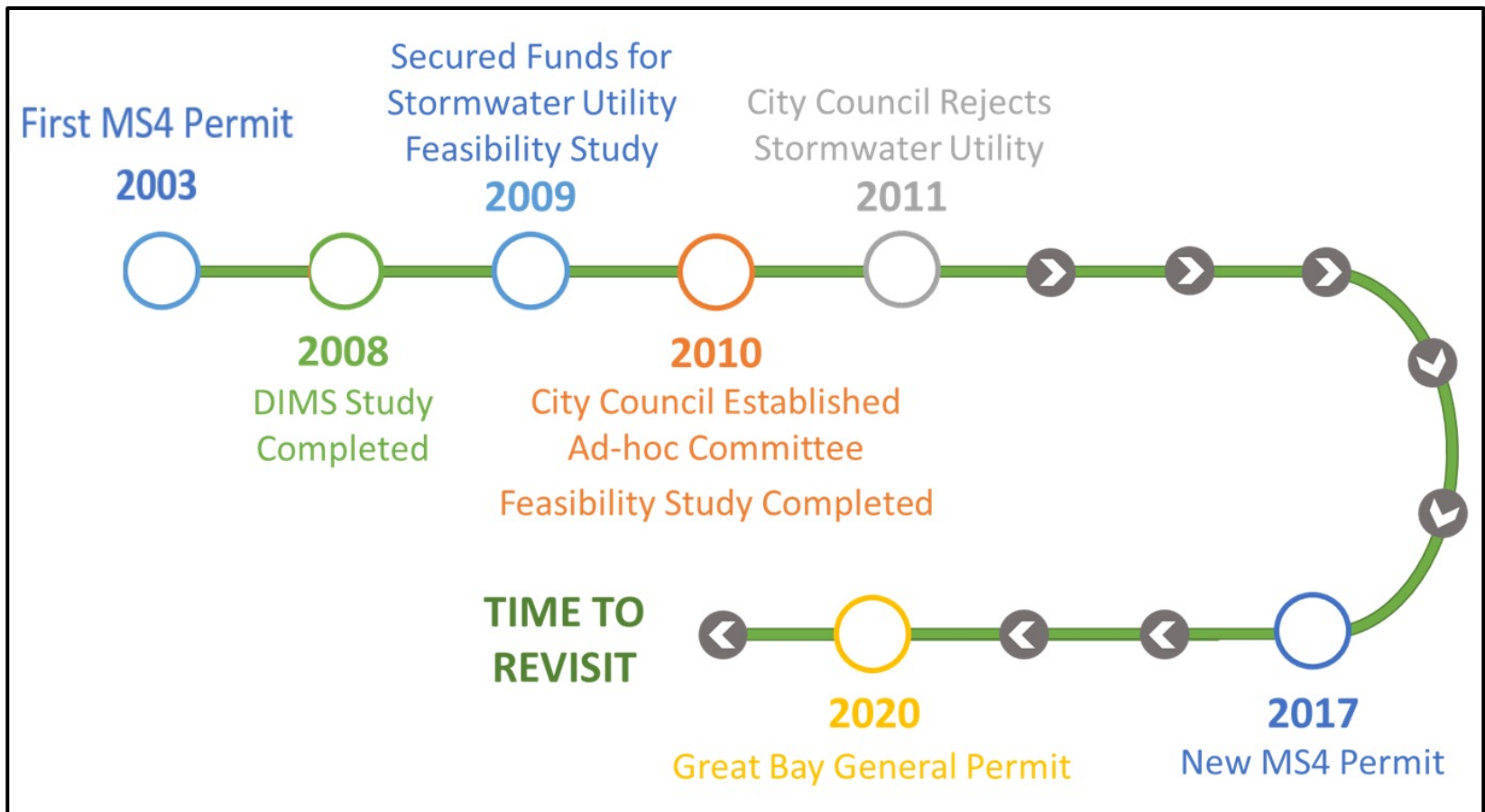


M 15+

RECOMMENDED FOR MATURE
AUDIENCES 15 YEARS AND OVER
ADULT THEMES,
LOW LEVEL COARSE LANGUAGE

DVD
VIDEO

Building on Previous Efforts



5-Step Process

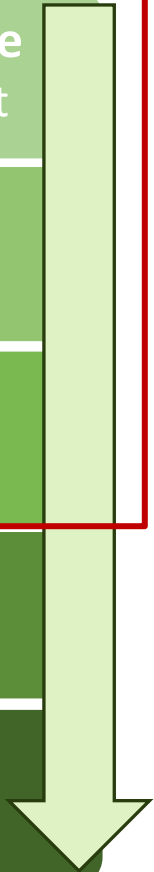
1 Assess Funding Needs Related to Stormwater and Flood Resilience
Know your current assets, future needs, and capital and operating budget

2 Create a Stormwater and Flood Resilience Funding Task Force
Generate community and political support for funding solutions

3 Consider Funding Strategies
Evaluate funding options and establish criteria to choose the best option

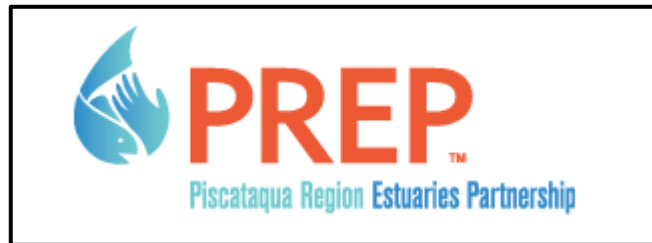
4 Launch Stormwater and Flood Resilience Funding Program
Establish a dedicated source of funding to support future needs

5 Post-Implementation Sustainability Measures
Ensure ongoing transparency to the community



Dover Partnerships

NOVEMBER 2020: City Council establishes Dover's Ad Hoc Committee to Study Stormwater & Flood Resilience Funding



Stormwater & Flood Resilience Funding Ad Hoc Committee

An **EXPLORATORY, STAKEHOLDER-DRIVEN** process



The Right People at the Table

Diverse committee with 17 members representing various interests:

- Business representatives
- Developers
- Residential property owners
- Commercial property owners
- Tax-exempt property owners
- Environmental groups
- City Councilors
- City staff



Committee Workplan

1. Overview of stormwater program and funding needs
2. Review funding options
3. Narrow down the list and select the preferred funding option
 - Use shared values & homework assignments to come to consensus
4. Address technical, administrative, and logistical details of the preferred funding option

Funding Options Considered

AN EXPLORATORY PROCESS WITH NO PREDETERMINED OUTCOME

Funding Options

- General Fund
- Fee-based
- System Development Charges
- Stormwater Utility
- Sewer User Fees
- Village Districts
- Public-Private Partnerships
- Grants, Loans, and Bonds

Committee Homework

Evaluation Criteria

- Primary vs. supplemental
- SAFE criteria
- Advantages and disadvantages
- Concerns/Questions



Committee "Homework"

OPTION	PART 1		PART 2				PART 3			
	PRIMARY	SUPPLEMENTAL	ADVANTAGES	DISADVANTAGES	S	A	F	E	CONCERNS	QUESTIONS
General Fund	✓		Easier sell to TAXPAYERS - WILL CAPTURE MORE REVENUE - ADJUSTABLE WORK/BUDGET	Needs annual budget allocation approval RELATIONSHIP	M	H	M	M	Possible, but unlikely, more funding commitment from City budget.	EQUITABLE VALUE UNCERTAIN WITHOUT "BONUS POINTS" ESTABLISHED
Stormwater Utility	✓		COMMITTED FUNDS	- MORE OVERHEAD - DIFFICULT "NEW TAX" to sell - Will be consuming Time consuming Bonus/inspector	H	M	H	M	PANDBORA BOX	EQUITABLE VALUE UNCERTAIN WITHOUT RATIONAL NEXUS ESTABLISHED
Fee-based (permit/planning fees, impact fees, investment fees, etc.)	✓		Nice Supplement, essentially "Found money"	Unreliable, insufficient by itself	H	L	H	H		
Public-Private Partnership	✓		Probably more efficient process than public work	Local scale does not apply. every deal different	L	?	H	H		
Grants, Loans, and Bonds	✓		Nice Supplement. Found money	Unreliable, insufficient by itself	H	L	H	H		

Compiled Responses

STORMWATER UTILITY

Funding Source Type	Votes
Primary	9
Supplemental	1

Advantages	Disadvantages
<ul style="list-style-type: none"> Everyone pays Provides reliable, consistent, dedicated funding that allows for long-term planning Predictable expenses for ratepayers Designed to meet funding needs Improves fairness because fees correlate to impact; the more stormwater you contribute, the more you pay Incentivizes residents and businesses to implement stormwater BMPs Isolating costs of stormwater management in a utility provides transparency to ratepayers Decreases pressure on the General Fund Dedicated funding makes Dover more competitive for additional grant funding Ability for property owners to reduce their fee by implementing BMPs 	<ul style="list-style-type: none"> Set up and administration costs could be high Requires a tremendous amount of public outreach to build consensus Taxpayers would perceive a utility as an additional tax Could be confusing Time consuming credit and inspection process Determination of impervious surfaces on each property could be contentious

	Secure	Adequate	Flexible	Equitable
High	8	7	7	5
Medium	0	1	0	3
Low	0	0	1	0

Concerns
<p>Public Education & Outreach:</p> <ul style="list-style-type: none"> Unless a utility will improve lives of individual taxpayers, introduction of a utility to the taxpayers will fail. Only if individual taxpayers are convinced that a new utility will save money in the long run will the concept of a utility prevail. Implementation requires persuasion, which will only be successful if it answers the question "how will life be better and cost-effective with the adoption of a utility?" Merely issuing a report will not be persuasive. Public and businesses are unaware of stormwater costs, consequences of underfunding, benefits of adequate funding for stormwater, and unfair distribution of costs <p>Equity:</p> <ul style="list-style-type: none"> Some inequities do arise. Do we live with them or make a model so complex that it's difficult to understand? In the quest to be equitable, do we make it more confusing and drive up administration costs?

Questions
<ul style="list-style-type: none"> How would eligibility and criteria for credits be determined? How do stormwater utilities monitor the performance of stormwater management systems that qualify for credits?

COMPILED RESPONSES TO HOMEWORK ASSIGNED DURING MAY 24, 2021 COMMITTEE MEETING

GENERAL FUND

Funding Source Type	Votes
Primary	3
Supplemental	6

Advantages	Disadvantages
<ul style="list-style-type: none"> Already exists Everyone is familiar with this form of funding Easiest sell to taxpayers All taxpayers contribute Budget goes through public hearing process 	<ul style="list-style-type: none"> Budget allocation is unreliable Tax cap limits available funding Current funding level is inadequate Tax exempt properties do not pay Stormwater will always have to compete for funding with more immediate needs

	Secure	Adequate	Flexible	Equitable
High	2	1	2	0
Medium	2	3	2	3
Low	4	4	4	5

Concerns
<ul style="list-style-type: none"> Relying on the General Fund could put permit compliance in jeopardy Does not provide secure revenue stream Takes away funding that is needed for other community services Infrastructure improvements will continue to be underfunded through General Fund Unfair distribution of costs to taxpayers for stormwater management Project costs and needs may increase faster than tax revenues, placing more strain on the budget

Questions
<ul style="list-style-type: none"> How can we clarify shared costs for programs and projects where multiple funding sources are used? For example, during a road reconstruction project that involves drainage work, how can we be more transparent about the amount of funds being used from the General Fund, fees, and/or grants?

Meeting #10

Deeper Dive into Utility

Potential Fee Scenarios

Desired revenue must be determined to identify an estimated stormwater utility fee per ERU. The table below summarizes the range of charges and estimated revenue needed for various levels of service.

Potential Funding Level Examples	Annual Revenue	Fee per ERU per month*	Fee per ERU per year*
Current Operating Budget	\$1.0M	\$4.56	\$54.75
Operating Budget + Small Capital Budget (\$1M)	\$2.0M	\$9.04	\$108.46
Operating Budget + Small Capital Budget (\$1M) + Set-aside for Flood Resilience Projects (\$500k)	\$2.5M	\$11.28	\$135.32
Operating Budget + Moderate Capital Budget (\$2M)	\$3.0M	\$13.51	\$162.17
Operating Budget + Large Capital Budget (\$3M)	\$4.0M	\$17.99	\$215.88

**It's important to recognize these fee estimates are only a handful of many fee scenarios and the annual cost would need to be further evaluated as part of developing a utility.*

Committee Recommendations

UNANIMOUS SUPPORT for the recommendation of a stormwater and flood resilience utility



That's unanimous then

City Council Approval

FEBRUARY 2, 2022: City Council voted 6-3 in favor of accepting the Committee's recommendations

- Staff have been directed to begin outreach, finalize impervious area analysis, and develop the credit system

No commitment has been made to adopt a utility yet

- The Ordinance Committee must review and approve first
- City Council will hold another vote to adopt the utility once public outreach has been completed



THANK YOU!

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Photo: Rich Beauschesne