GAINING PUBLIC SUPPORT WITH YOUR STORMWATER UTILITY: THE CITY OF DOVER

October 5, 2022

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City of Dover, NH
G.Young@dover.nh.gov

Photo: Rich Beauschesne
City of Dover, NH

Approx. 33,000 people and quickly growing

29 square miles

Served by a single WWTF

Bordered to the south by the Great Bay and brackish rivers

Freshwater rivers, streams, brooks and wetlands throughout
City of Dover, NH
Dover’s Stormwater System

- 65 miles of drainage pipe
- 101 miles of open drainage
- 450 outfalls/discharge locations
- 140 culverts
- 100 manholes
- 3200 catch basins
- 100 Best Management Practices
Unavoidable Increases in Cost

**Increasing Development**
- Dover is one of NH’s fastest growing cities
- New buildings and parking lots prevent infiltration of stormwater
- Can cause increases in flooding and water pollution

**Aging Infrastructure**
- 25% of drain pipes in downtown have a moderate to high likelihood of failure
- Older pipes are not sized to handle stormwater volumes from current or future storms
Increasing Flood Risk

**Past Flood Events**
- 2006 Mother’s Day Flood
- 2007 Patriot’s Day Flood

**Future Impacts**
- New Hampshire Coastal Flood Risk Summary, Part II: Guidance (2020) recommends planning for at least a 15% increase in extreme precipitation and 2.9-6.2 ft. of sea-level rise by 2100
- Funding is needed to retrofit infrastructure to handle changing conditions

Two 100-year flood events within 11 months
Climate Risk in the Seacoast (C-RiSe) Vulnerability Assessment

Sea-Level Rise Scenarios: 1.7, 4.0, and 6.3 ft.

Sea-Level Rise + Storm Surge: 1.7, 4.0, and 6.3 ft. + 100-yr storm
New Regulatory Requirements

**EPA Great Bay Total Nitrogen General Permit**

- City must reduce nitrogen loading into Great Bay
- City must increase investment in stormwater treatment
- Compliance may require nitrogen reductions from private property
Competing Funding Needs
S.A.F.E.
STORMWATER & FLOOD RESILIENCE FUNDING

Secure. Adequate. Flexible. Equitable
Building on Previous Efforts

- **First MS4 Permit**: 2003
- **2008**: DIMS Study Completed
- **2009**: Secured Funds for Stormwater Utility Feasibility Study
- **2010**: City Council Established Ad-hoc Committee Feasibility Study Completed
- **2011**: City Council Rejects Stormwater Utility
- **2017**: New MS4 Permit
- **2020**: Great Bay General Permit
- **TIME TO REVISIT**
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
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

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**Cartoon Caption:** After incorporating everyone’s feedback, our special tonight will be a dish of plain hot water. Hot may be polarizing, better make it lukewarm.

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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
   o Use shared values & homework assignments to come to consensus

4. Address technical, administrative, and logistical details of the preferred funding option
Expenses for Stormwater & Flood Resilience

Operating Budget + Capital Projects + Other Expenses = Stormwater Costs (All from General Fund)
Recent Operating Budget Trend

[Bar chart showing recent budget trends for different categories: Purchased Services, Capital Outlay, Supplies, and Personal Services for the years 2016 to 2020.]

Annual budget amounts from FY 2017-2021 can be found here: https://dovernh.yb2.visgov.com/expenses/
<table>
<thead>
<tr>
<th>Stormwater Activity</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Budget</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Services</td>
<td>$471,394</td>
<td>$475,981</td>
<td>$476,311</td>
<td>$487,662</td>
<td>$496,216</td>
</tr>
<tr>
<td>Supplies</td>
<td>$184,505</td>
<td>$189,302</td>
<td>$209,714</td>
<td>$219,876</td>
<td>$232,115</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>$151,250</td>
<td>$150,000</td>
<td>$150,000</td>
<td>$150,000</td>
<td>$152,500</td>
</tr>
<tr>
<td>Purchased Services</td>
<td>$4,863</td>
<td>$71,063</td>
<td>$71,273</td>
<td>$70,322</td>
<td>$104,913</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>$1,000</td>
<td>$1,000</td>
<td>$1,500</td>
<td>$1,500</td>
<td>$1,500</td>
</tr>
<tr>
<td><strong>Subtotal - Operating Budget</strong></td>
<td><strong>$873,012</strong></td>
<td><strong>$887,346</strong></td>
<td><strong>$908,798</strong></td>
<td><strong>$929,360</strong></td>
<td><strong>$987,244</strong></td>
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<tr>
<td>Capital Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nelson</td>
<td>$138,447</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Keating/Birchwood</td>
<td>$-</td>
<td>$842,030</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Richardson</td>
<td>$-</td>
<td>$577,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mast Road</td>
<td>$-</td>
<td>-</td>
<td>$182,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Hanson Street</td>
<td>$-</td>
<td>-</td>
<td>$120,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Roberts</td>
<td>$-</td>
<td>-</td>
<td>$575,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Broadway</td>
<td>$103,000</td>
<td>-</td>
<td>-</td>
<td>$4,087,500</td>
<td>$4,255,500</td>
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<tr>
<td>Mt. Vernon</td>
<td>$-</td>
<td>-</td>
<td>-</td>
<td>$12,500</td>
<td>$-</td>
</tr>
<tr>
<td>Chestnut Street</td>
<td>$-</td>
<td>-</td>
<td>-</td>
<td>$160,000</td>
<td>-</td>
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<tr>
<td>Spur Road</td>
<td>$-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$1,147,000</td>
</tr>
<tr>
<td>Elm Belk</td>
<td>$-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$726,000</td>
</tr>
<tr>
<td>Community Trail</td>
<td>$-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$80,000</td>
</tr>
<tr>
<td><strong>Subtotal - Capital Expenditures</strong></td>
<td><strong>$241,447</strong></td>
<td><strong>$1,419,030</strong></td>
<td><strong>$877,000</strong></td>
<td><strong>$4,260,000</strong></td>
<td><strong>$6,208,500</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,114,459</strong></td>
<td><strong>$2,306,376</strong></td>
<td><strong>$1,785,798</strong></td>
<td><strong>$5,189,360</strong></td>
<td><strong>$7,195,744</strong></td>
</tr>
</tbody>
</table>

Annual Average Historic Operating Budget (FY16-20): $917,152
Annual Average Historic Capital Expenditures (FY16-20): $2,601,195
Annual Average Historic Total Stormwater Expenditures (FY16-20): $3,518,347
**Over $5M in Deferred Projects**

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Piscataqua and Rabbit Road Reconstruction</strong></td>
<td>Piscataqua Rd is a thoroughfare to Rte. 4 and in need of repair. Rabbit Rd is a small road off Piscataqua that needs improvements.</td>
<td>$1,000,000</td>
</tr>
<tr>
<td><strong>Atlantic Avenue Reconstruction</strong></td>
<td>This road is a main artery in and out of the City. Reconstruction is to replace the major drainage component of the road.</td>
<td>$1,500,000</td>
</tr>
<tr>
<td><strong>Old Colony Drainage</strong></td>
<td>Several homes have major flooding during heavy rain events. New drainage would resolve this problem.</td>
<td>$75,000</td>
</tr>
<tr>
<td><strong>Outer Sixth Street Replace Bridge &amp; Culvert</strong></td>
<td>Major overflows during heavy rain events. Replace bridge and raise the road.</td>
<td>$1,000,000</td>
</tr>
<tr>
<td><strong>St. Thomas Street Drainage</strong></td>
<td>Flooding occurs in this area due to the age of the infrastructure. Needs new design and reconstruction.</td>
<td>$1,800,000</td>
</tr>
<tr>
<td><strong>Install River Gauges</strong></td>
<td>Gauges would be installed on bridges crossing major rivers to assist emergency personnel during flooding events.</td>
<td>$15,000 (per gauge)</td>
</tr>
</tbody>
</table>

**TOTAL Cost of Deferred Drainage and Flood Resilience Projects** $5,390,000

*Not an exhaustive list of deferred projects*
Funding Options Considered

AN EXPLORATORY PROCESS WITH NO PREDETERMINED OUTCOME
General Fund/Property Tax

- Existing funding mechanism for stormwater management in Dover
- Financing solution

Advantages
- Existing mechanism
- Simple to explain and administer

Disadvantages
- Competition for funds
- Potentially less equitable than other options
# Fees

Fees may be obtained from charging for various services, including:

- permit reviews, plan reviews, new development impact fees, BMP inspection fees, etc.

- One-time source of funding

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding is linked directly to the services provided</td>
<td>Funding not available for larger projects</td>
</tr>
<tr>
<td></td>
<td>May become unreliable when development slows</td>
</tr>
</tbody>
</table>
System Development Charges

- New customers buy into existing stormwater conveyance/treatment infrastructure or contribute to infrastructure expansion costs if needed
- One-time source of funding

**Advantages**
- Recovers fair share of prior public investment
- Special services are paid for by recipients

**Disadvantages**
- Unpredictable
- Difficult to price accurately
- Challenging to administer
Stormwater Utility

- User fee based upon property owner usage of the stormwater system (i.e. volume of stormwater a property generates)
  - Typically calculated based on impervious cover

- Financing solution

**Advantages**
- Dedicated revenue
- Predictable
- Property owners can reduce fees
- All properties served contribute

**Disadvantages**
- Public acceptance can be difficult to achieve
- Can be challenging to administer
Sewer User Fees

• Fund stormwater management costs using revenue generated from sewer user fees
• Financing solution

Advantages
• Existing mechanism
• Predictable
• Ease of implementation

Disadvantages
• Not equitable
• Sewer use is not related to stormwater expenditures
Public-Private Partnership (P3)

- Allows private sector participation in financing, planning, design, construction, and maintenance of stormwater system
- Financing solution

**Advantages**
- Leverages public resources
- Shared risk

**Disadvantages**
- Local revenue source needed to fund partnership
- Initial costs may be high
- Public acceptance can be difficult to achieve
Grants, Loans, and Bonds

- Provides additional funding generally used for capital projects
- City already takes advantage of grants and low-interest loans when available
- One-time sources of funding

**Advantages**
- Allows City to complete projects sooner than revenue becomes available

**Disadvantages**
- Typically project-specific
- Typically do not pay for O&M costs
## Committee “Homework”

<table>
<thead>
<tr>
<th>OPTION</th>
<th>PRIMARY SUPPLEMENTAL</th>
<th>ADVANTAGES</th>
<th>DISADVANTAGES</th>
<th>S</th>
<th>A</th>
<th>F</th>
<th>E</th>
<th>CONCERNS</th>
<th>QUESTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td></td>
<td><strong>EASIER SELL TO TAXPAYERS</strong></td>
<td>Needs annual budget allocation approval</td>
<td>M</td>
<td>H</td>
<td>M</td>
<td>M</td>
<td>REVENUE, BUT unlikely funding commitment from City budget</td>
<td>EQUITABLE VALUE uncertain without bond plants, established</td>
</tr>
<tr>
<td>Stormwater Utility</td>
<td></td>
<td>COMMITTED FUNDS</td>
<td><strong>MORE OVERHEAD, DIFFICULT NEW TAX TO SELL</strong> will be carrying time conserving bond issuance process</td>
<td>H</td>
<td>M</td>
<td>H</td>
<td>M</td>
<td>PANDORA’S BOX</td>
<td>EQUITABLE VALUE uncertain without rational nexus, established</td>
</tr>
<tr>
<td>Fee-based (permit/underwriting, fees, impact fees, investment fees, etc.)</td>
<td></td>
<td>Nice Supplement essentially “Found money”</td>
<td>Unreliable, insufficient by itself</td>
<td>H</td>
<td>L</td>
<td>H</td>
<td>H</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public-Private Partnership</td>
<td></td>
<td>Probably more efficient process than public work</td>
<td>Local scale does not apply every deal different</td>
<td>L</td>
<td>H</td>
<td>H</td>
<td>H</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants, Loans, and Bonds</td>
<td></td>
<td>Nice Supplement. Found money</td>
<td>Unreliable, insufficient by itself</td>
<td>H</td>
<td>L</td>
<td>H</td>
<td>H</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Committee “Homework”

Stormwater and Flood Resilience Funding Options

Please use the following table to lay out your thoughts on the options listed. As a reminder, more information on these options is available within the stormwater funding options matrix. I propose that we use the “S.A.F.E.” criteria (see definitions below) and also indicate if any of the options should be discarded.

For each option, rate the attribute as LOW, MEDIUM, or HIGH. We will combine your thoughts to develop a consensus on which options we will investigate further. If you see that one option is unworkable, note that in the “DISCARD?” column. Add any other options for consideration in the last row. Please email your completed worksheet to Benjamin.Sweeney@cs.nh.gov by February 15, 2021.

Defining “S.A.F.E.”
- Secure – Dependable over the long-term, predictable to the extent the City is able to plan and budget for the future effectively and dedicated solely to stormwater management and flood resilience.
- Adequate – Funding generated will meet current costs and allows the City to maintain the level of service that residents expect.
- Flexible – Funding that can be adjusted (in terms of both amount and application) as needs fluctuate over time (e.g., funding used for today’s traditional stormwater management activities, but also available for addressing urban, riverine, and coastal flood risk that might be needed in the future).
- Equitable – Funding is generated fairly.

<table>
<thead>
<tr>
<th>OPTION</th>
<th>SECURE</th>
<th>ADEQUATE</th>
<th>FLEXIBLE</th>
<th>EQUITABLE</th>
<th>DISCARD?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. General fund (funds raised by property taxes)</td>
<td>Example: I rate the General Fund’s “security” as _______ because _______. Secure as long as the tax base is secure.</td>
<td>Example: I rate the General Fund’s “adequacy” as _______ because _______.</td>
<td>Example: I rate the General Fund’s “flexibility” as _______ because _______.</td>
<td>Yes, as it is controlled by City Council on advice of staff</td>
<td>Examples: I rate the General Fund’s “equitability” as _______ because _______. Not entirely as some taxpayers may not make any contribution to the need for storm water control</td>
</tr>
</tbody>
</table>
Committee “Homework”

Considerations for Developing a Stormwater and Flood Resilience Utility

**Instructions**: Please review the primary considerations and related options for setting up a utility (Table 1) and establishing a credit system (Table 2). In each table, indicate your preferred option(s) for each consideration in the fourth column. Please add comments in the fifth column to justify your selection, or use this column to suggest other options not listed in the table. Details on each consideration can be found by following the links provided within the “More Information” column. We will compile your responses to develop a consensus on the preferred option(s) for each consideration. Once you’ve completed the worksheet, please submit your feedback to Benjamin.r.sweeney@dev.nh.gov (please note my new email address has a “r” at the end; I no longer receive emails sent to my old email address) by Monday, November 8, 2021.

| Table 1: Utility Set Up |  |
|-------------------------|  |

<table>
<thead>
<tr>
<th>Considerations</th>
<th>Options</th>
<th>More Information</th>
<th>Preferred Option(s)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Residential (SFR) Fee Structure</td>
<td>A. Flat fee</td>
<td>Definitions of fee structure options and hypothetical examples of utility rates are presented in the draft report under sections 4.2 and 4.6 respectively</td>
<td><strong>FLAT FEE</strong></td>
<td>Fair for all. Easy to administer.</td>
</tr>
<tr>
<td></td>
<td>B. Tiered fee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>C. Proportional fee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Single Family Residential (NSFR) Fee Structure</td>
<td>A. Flat fee</td>
<td>Definitions of fee structure options and hypothetical examples of utility rates are presented in the draft report under sections 4.2 and 4.6 respectively</td>
<td><strong>TIERED FEE</strong></td>
<td>Large Commercial Properties already pay enormous property taxes, it is argued that this added tax is tiered.</td>
</tr>
<tr>
<td></td>
<td>B. Tiered fee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>C. Proportional fee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exemptions</td>
<td>A. No exemptions</td>
<td>Exemptions are discussed in section 4.4 of the draft report.</td>
<td><strong>A - NO EXEMPTIONS</strong></td>
<td>Simplifies administration, which will reduce costs.</td>
</tr>
<tr>
<td></td>
<td>B. State-owned roads</td>
<td></td>
<td></td>
<td>Cost savings goes towards fixing problem.</td>
</tr>
<tr>
<td></td>
<td>C. City-owned roads</td>
<td></td>
<td></td>
<td>Easy to defend as fair for all.</td>
</tr>
<tr>
<td></td>
<td>D. City-owned properties</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>E. Low-Income</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>F. Senior citizens</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>G. Educational institutions</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>H. Faith based organizations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I. Health care institutions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>J. Nonprofits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>K. Other (please specify)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discounts</td>
<td>A. No exemptions</td>
<td>Discounts are discussed in section 4.5 of the draft report.</td>
<td><strong>A - NO EXEMPTIONS</strong></td>
<td>Simplifies administration, which will reduce costs.</td>
</tr>
<tr>
<td></td>
<td>B. State-owned roads</td>
<td></td>
<td></td>
<td>Cost savings goes towards fixing problem.</td>
</tr>
<tr>
<td></td>
<td>C. City-owned roads</td>
<td></td>
<td></td>
<td>Easy to defend as fair for all.</td>
</tr>
<tr>
<td></td>
<td>D. City-owned properties</td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td>E. Low-Income</td>
<td></td>
<td></td>
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<td></td>
<td>J. Nonprofits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>K. Other (please specify)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Compiled Responses

### Stormwater Utility

<table>
<thead>
<tr>
<th>Funding Source Type</th>
<th>Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>9</td>
</tr>
<tr>
<td>Supplemental</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Everyone pays</td>
<td>• Set up and administration costs could be high</td>
</tr>
<tr>
<td>• Provides reliable, consistent, dedicated funding that allows for long-term planning</td>
<td>• Requires a tremendous amount of public outreach to build consensus</td>
</tr>
<tr>
<td>• Predictable expenses for ratepayers</td>
<td>• Taxpayers would perceive a utility as an additional tax</td>
</tr>
<tr>
<td>• Designed to meet funding needs</td>
<td>• Could be confusing</td>
</tr>
<tr>
<td>• Improves fairness because fees correlate to impact; the more stormwater you contribute, the more you pay</td>
<td>• Time consuming credit and inspection process</td>
</tr>
<tr>
<td>• Incentivizes residents and businesses to implement stormwater BMPs</td>
<td>• Determination of impervious surfaces on each property could be contentious</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Security</th>
<th>Adequate</th>
<th>Flexible</th>
<th>Equitable</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>8</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Medium</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Low</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

### General Fund

<table>
<thead>
<tr>
<th>Funding Source Type</th>
<th>Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>3</td>
</tr>
<tr>
<td>Supplemental</td>
<td>6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Already exists</td>
<td>• Budget allocation is unreliable</td>
</tr>
<tr>
<td>• Everyone is familiar with this form of funding</td>
<td>• Tax cap limits available funding</td>
</tr>
<tr>
<td>• Easiest sell to taxpayers</td>
<td>• Current funding level is inadequate</td>
</tr>
<tr>
<td>• All taxpayers contribute</td>
<td>• Tax exempt properties: do not pay</td>
</tr>
<tr>
<td>• Budget goes through public hearing process</td>
<td>• Stormwater will always have to compete for funding with more immediate needs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Security</th>
<th>Adequate</th>
<th>Flexible</th>
<th>Equitable</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Medium</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Low</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

### Concerns
- Public Education & Outreach:
  - 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

### Faulty
- 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
- How would eligibility and criteria for credits be determined?
- How do stormwater utilities monitor the performance of stormwater management systems that qualify for credits?
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.

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

*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.
Evaluating Example Properties: Single Family Residential

- Estimated total impervious area: 2,337 sq. ft.
- Total ERUs = 2,337 sq. ft./3,430 sq. ft. = 0.68, rounded to the nearest integer = 1 ERU
- Estimated annual utility fee to fund $3.5 million Stormwater Program: $113
- Estimated taxable value: $308,500
- Estimated annual portion of property taxes to fund $3.5 million Stormwater Program: $216
Evaluating Example Properties: Car Dealership

- Estimated total impervious area: 143,889 sq. ft.
- Total ERUs = 143,889 sq. ft./3,430 sq. ft. = 41.95, rounded to the nearest integer = 42 ERUs
- Estimated annual utility fee to fund $3.5 million Stormwater Program: $4,733
- Estimated taxable value: $4,601,800
- Estimated annual portion of property taxes to fund $3.5 million Stormwater Program: $3,242
Evaluating Example Properties: Downtown Commercial

- Estimated total impervious area: 9,510 sq. ft.
- Total ERUs = 9,510 sq. ft./3,430 sq. ft. = 2.77, rounded to the nearest integer = 3 ERUs
- Estimated annual utility fee to fund $3.5 million Stormwater Program: $338
- Estimated taxable value: $2,915,200
- Estimated annual portion of property taxes to fund $3.5 million Stormwater Program: $2,054
More Equitable Distribution of Costs
- Property owners currently pay based on tax valuation instead of how much stormwater runoff they generate
- Tax-exempt properties would help to fund the Stormwater Program
- Utility based funding for the Stormwater Program will make more General Fund revenue available for other needs
Committee Recommendations

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

That’s unanimous then
Ad-Hoc Committee’s vision for a Stormwater & Flood Resilience Utility

- Similar to water and sewer utilities
- User fees charged to property owners based on total square feet of impervious area (rooftops, driveways, sidewalks, roads, etc.)
- Revenue generated goes into an enterprise fund, separate from the General Fund
- Revenue can ONLY be used for stormwater and flood resilience activities
Ad-Hoc Committee’s vision for a Credit System

Credits must be offered to allow reductions of a property owner’s rate

The Committee recommends considering the following types of credits:

- **Performance-based**: on-site reductions of stormwater runoff volume and/or pollutants
  - Drywells
  - Infiltration chambers
  - Permeable pavers
  - Rain gardens
  - Other types of green infrastructure improvements

- **Social equity**: based on existing property tax relief programs
  - Low-income and affordable housing
  - Elderly/Senior citizens
  - Veterans
  - Disability
  - Blind/Deaf
  - Tax-exempt/Nonprofit
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
Next Steps

Convene Project Team and Key Stakeholders

Secure Funding Through NHDES Grant/Loan Programs

Public Outreach and Education
- Develop and implement public outreach plan (9-12 month process)
- Allow the public to shape the structure of the utility
- Learn from similar (successful or not) outreach efforts

Technical Elements
- Develop the credit system
- Finalize impervious area analysis and calculate individual fees

Administrative & Logistical Elements
- Determine billing process
- Identify customer service and other staffing needs
More Hurdles

Dover Says “It's Not a Rain Tax” But Your “Taxes” Will go up Because of the Rain

BY STEVE MACDONALD / 6 JUNE 2022

DOVER EXPECTS PROPERTY TAX INCREASE AS CITY BORROWS $17 MILLION

Richard Morr | Published December 4, 2020
Ken Vedler/Seacoast Current
AD HOC COMMITTEE TO STUDY STORMWATER AND FLOOD RESILIENCE FUNDING

Typical Meeting Time: TBD
Typical Meeting Location: TBD
Board’s Liaison

E-Mail Committee to Study Stormwater and Flood Resilience Funding

Email privacy statement: Email sent to the Committee to Study Stormwater and Flood Resilience Funding is considered a public record and subject to New Hampshire’s Right-to-Know law, RSA 9:29, with limited exceptions as outlined in the law. All correspondence sent to the Committee to Study Stormwater and Flood Resilience Funding via e-mail may be subject to disclosure as a matter of public record. Correspondence that is not intended for public review, is confidential, or intended to be confidential should not be sent to the email address above.

View Public Meeting Records

COMMITTEE PURPOSE
The purpose and authority of this Committee is to investigate, study, and identify and make recommendations to the City Council concerning various funding opportunities that may exist with respect to existing needs and future stormwater and flood resilience management planning.

The Committee’s authority and existence is established until the submission of its final written report and may be extended by further act of the City Council, barring which the Committee to Study Stormwater and Flood Resilience Funding shall automatically lapse and cease to exist.

• Operating Rules for the Committee to Study Stormwater and Flood Resilience Funding

CURRENT MEMBERS
Your search found 36 members
THANK YOU!

Gretchen Young, PE
City of Dover, NH
G.Young@dover.nh.gov