

FINAL REPORT

STORM WATER FACILITIES MAINTENANCE COMMITTEE TO COMMON COUNCIL RECOMMENDATIONS ON STORM WATER FACILITIES MAINTENANCE AND FUNDING

February 20, 2012

The Storm Water Facilities Maintenance Committee (SWFMC) was formed by Resolution 2011-07, adopted by the Common Council on February 15, 2011, to address maintenance requirements for natural and man-made surface water bodies within the City. The Committee's mission was to formulate "a set of goals for the general maintenance of these bodies of water and the compliance with Federal, State, and County regulations regarding water quality and storm water management and the identification of appropriate funding source(s)."

To this end, the SWFMC recommends to the Common Council the following steps be undertaken in acknowledgement of the importance of adequate storm water runoff controls, and their timely maintenance, to the health, safety and welfare of the residents of the City of Middleton, and to addressing compliance with existing and pending storm water regulations:

1. Complete the development of a database containing an inventory of all major storm water management facilities including bodies of water and major structures for control and conveyance of storm water.
2. Develop for these facilities a schedule for periodic inspection and assessment for potential enhancement.
3. Conduct inspections according to this schedule and produce a list of maintenance tasks, ranked by priority, with estimates of cost and recommendations for scheduling of the work to be done.
4. Review and coordinate the recommended maintenance schedule among the four overseeing committees: Water Resources Management Commission, Conservancy Lands Committee, Parks Recreation and Forestry Commission and Public Works Committee.
5. Develop a Capital Improvement Plan (CIP) based on the outcome of discussions with these committees and as part of the annual budget process make reports to the Common Council on the status of projects and expenditures identified in the CIP. These periodic reports are intended to improve the awareness of Common Council on the status of facilities whose condition often is invisible to casual observation (ie, under water or in pipes).

The SWFMC also looked at a variety of potential sources of funding for these activities, and identified advantages and disadvantages of each. These are summarized in the attached chart on Exhibit A.

Following an evaluation of these funding sources, the SWFMC hereby makes the following recommendation to the Common Council:

1. In order to provide a consistent source of revenue dedicated and restricted to only storm water issues in the City, create a Storm Water Utility with a small equivalent residential unit cost (\$8 to \$10 per household per year) to fund major storm water management facilities maintenance projects (e.g. dredging of detention ponds, stream bank stabilization, or outfall or conveyance structure repair exceeding \$50,000).
2. Restrict and dedicate Fund 418 with its annual fee from ATC for exclusive use for storm water facilities maintenance to augment the revenue from the storm water utility.
3. Continue to fund routine and minor maintenance and repairs (e.g. street sweeping, inlet cleaning, ditch repair) from the Operating Budget.

EXHIBIT A

STORM WATER FACILITIES MAINTENANCE – EVALUATION OF FUNDING ALTERNATIVES

FUNDING SOURCE	PROS	CONS	RECOMMENDATION
Fees In Lieu of Detention	Funds are available	Monies were collected to fund new projects, as opposed to maintenance projects; Source for such fees is diminishing, not a long-term solution.	Use exclusively for new facilities (studies, design, construction). Do not use for maintenance.
TIF	None.	Generally can't be used for maintenance of existing facilities; Even if it were allowed, TIF has fixed length life and does not provide a perpetual funding source.	Do not consider as a funding source for maintenance.
Special Assessments	Cost is paid by users of facilities to be maintained.	Additional overhead of staff time; May be difficult to define assessment district; Unpopular; Hits some property owners with relatively large bill.	Consider using in special circumstances only (e.g. where damage can clearly be traced to a source property or neighborhood, especially if damage was result of negligence).
Storm Water Utility	Provides dedicated funding source; Equitably distributes cost to the generators of runoff; Small annual cost for typical household; Many communities in the area and nationwide have a storm water utility, making it more widely accepted as a cost of doing business.	Can be seen as a non-tax tax; As a fee, it is not deductible from income tax; Will affect some properties with a significant annual cost.	Create a storm water utility in 2012 to be implemented no later than 2013, with a low Equivalent Residential Unit (ERU) cost (say, \$8 to \$10 per household), and a simplified method for assignment of ERU to non-residential so as to minimize administrative costs.
Fund 418 (ATC)	Potential steady source of revenue	Does not have a sustainable long-term source of funding; Available funds could be appropriated for other uses.	Use funds, if/when available.
General Fund	Funds derived from general taxing source; Since there are no restrictions on use, could be additional funding source in any given year.	Competes annually with other budget items; Not a reliable source; In dry years, easy to forget importance of storm water facility maintenance.	Consider using as needed to augment other funding sources.
Capital Borrowing	Annual capital borrowing program could be expanded to include funds dedicated to storm water projects.	Competes annually with other budget items; Not a reliable source; In dry years, easy to forget importance of storm water facility maintenance; Interest cost adds to the burden of the Operating Budget.	Consider using as needed to augment other funding sources.

FUNDING SOURCE	PROS	CONS	RECOMMENDATION
Developer (One-Time) Fees for Perpetual Maintenance	Future maintenance cost is paid by development that will generate the need for storm water control.	Difficult to predict future costs; Will not address needs of existing developments and controls; Will need special accounting procedures to track; Will pass cost up front to ultimate land owners.	Do not consider as a funding source for maintenance.
Grants	Augments City budget which allows projects to proceed that otherwise might be dropped, or allows scope to be expanded.	Requires staff time to seek out and apply for grants and provide periodic reporting; Requires City to synchronize its budget schedule with that of the grant cycle and to budget the entire amount up front; Grants not always available; Funding subject to approval of other agencies' budgets.	Pursue available grants as applicable.
Privatize Storm Water Control Facilities	City does not need to find funding source; City does not need to expend staff and other resources; City will not need to increase its staff as soon if fewer facilities are added to its maintenance schedule.	Residents take on burden of maintenance, typically without the expertise to do so; Expenses are infrequent but large, rather than spread evenly over large population and time; Unpopular; City will still have to monitor facilities for compliance and take enforcement action if owners do not comply; More difficult for City to monitor on private lands; In cases of non-compliance, City will still have to budget for maintenance, then bill owner.	Continue to approve mix of public and private storm water controls; Do not pursue privatizing existing public facilities unless special circumstances arise to make it feasible in particular instance.