

Stormwater Utility Enterprise Fund – Frequently Asked Questions

Revised February 24, 2020 Public Hearing

Stormwater management costs have been escalating for Massachusetts municipalities due to new regulations and aging drainage systems. The Earth Removal and Stormwater Advisory Committee has compared stormwater funding alternatives across the state and is now exploring the details of creating an Enterprise Fund with a stormwater fee, with input from town departments, town committees, and the public. At the 2020 Spring Town Meeting, residents will be asked to vote on the creation of a Stormwater Utility Enterprise Fund – an accounting mechanism to ensure revenue is dedicated solely to cover stormwater management costs.

What is stormwater?

Stormwater is the water that runs off the land surface when it rains or snow melts. It enters the Town's drainage system and flows directly to surface waters such as ponds, lakes, rivers, streams, and wetlands. The runoff is usually not treated and can become polluted. Stormwater runoff is also the greatest contributor to localized flooding.

What is polluted stormwater runoff?

Developed areas such as parking lots, buildings, roadways and other hardened “impervious surfaces” exist throughout Town. When it rains, water runs off these impervious surfaces and picks up pet waste, oil, sand, fertilizers, trash, and other pollutants. The water then flows into gutters and storm drains which discharge into our waterways or cause flooding.

When these pollutants enter water bodies, they can contaminate drinking water supplies, hinder recreation activities, and harm aquatic and other wildlife habitats. In addition to washing pollutants into our surface waters, improperly managed stormwater runoff can result in soil erosion and flooding. The Nashua River and James Brook in particular are impaired due to bacteria and excess phosphorus, largely because of stormwater runoff.

What is stormwater infrastructure?

Stormwater runoff is collected through streets and curbing, and typically captured by catch basins, manholes, drainage pipes, and eventually to outfalls or discharge points. These systems discharge into local waterways, which are themselves a critical part of Groton's stormwater system.

Why do we need to establish a Stormwater Enterprise Fund?

The United States Environmental Protection Agency (EPA) requires the Town to develop a stormwater management program that reduces the discharge of pollutants to our stormwater drainage system and waterways. The Town is required to be in full compliance with the program specified in our National Pollutant Discharge Elimination System (NPDES) Phase II permit. The permit's goal is to reduce the pollutants to the maximum extent practical to protect water quality, and reduce flooding.

Stormwater Utility Enterprise Fund – Frequently Asked Questions

Revised February 24, 2020 Public Hearing

A Stormwater Utility Enterprise Fund will provide a dedicated and adequate source of funding for the costs of managing our stormwater (drainage) system as required by the EPA. The current level of funding is not sufficient to meet the minimum permit requirements and to keep up with needed capital programs.

How has Groton been Funding Stormwater Management?

The Department of Public Works manages the Town's stormwater program. Tax revenue collected for the General Fund pays for the department's budget, including staff time, maintenance, repairs, and large projects. Funding for stormwater competes with other local priorities such as education and public safety. The more stringent requirements of the Phase II permit are beyond normal DPW functions.

What are the benefits of an enterprise fund?

An enterprise fund allows the Town to collect and apply revenue specifically to stormwater management costs. Funds can accumulate for future capital projects and cannot be used for any other purpose. An enterprise fund improves transparency by tracking revenues and expenditures. Enterprise funds are growing in popularity and the state recommends them as an accounting mechanism for stormwater management.

For what purposes will the Stormwater Utility Enterprise Fund revenue be used?

By state law, all Enterprise Fund revenue may be appropriated only for expenditures relating to the Enterprise Fund, and cannot be transferred to the General Fund. To maintain its permit coverage, the Town must undertake additional responsibilities to control pollution in stormwater. Some of these responsibilities include:

- Creation of a detailed drainage system map showing the area draining to each outfall
- Increased street sweeping and cleaning of catch basins
- Detection and removal of illicit discharges of pollutants to the drainage system
- Planning, construction, and maintenance of stormwater management structures
- Sampling and testing of stormwater
- Purchase and maintenance of specialty equipment
- Development of good housekeeping practices and pollution prevention plans for Town properties and infrastructure
- Permit administration and reporting including annual reports to the EPA

What does the Town Meeting article do and what happens if it is adopted?

Approval at Town Meeting is required to adopt the Stormwater Utility Enterprise Fund. If voters approve the Article, the Select Board will create the enterprise fund. The funding mechanism for the enterprise fund will be developed as part of the Utility's rules and regulations, supported by a detailed accounting of stormwater management costs and revenue projections with public input.

Stormwater Utility Enterprise Fund – Frequently Asked Questions

Revised February 24, 2020 Public Hearing

What are the benefits?

- ✓ The Town will meet all the requirements of the EPA's revised permit
- ✓ The program will protect the quality of our waterways
- ✓ We will develop long-range planning
- ✓ The Town will enhance its regular drainage maintenance to instill a proactive approach, rather than a reactive approach
- ✓ Long range planning of drainage projects will be more cost-effective by prioritizing

Funding FAQs

Which method is being considered to support the Stormwater Utility Enterprise Fund?

The funding mechanism is proposed to be a simple fee on developed privately owned properties. This would include residential and commercial properties, as well as private educational, nonprofit, utility, and other tax-exempt properties. Developed property indicate that users of the property also use municipal properties, which include streets, sidewalks, and parking lots.

Municipal and state/federal properties are exempt because the fee will be distributed to all property owners to manage stormwater on these properties, which include streets, sidewalks, and parking lots.

Undeveloped property and conservation land (without impervious surfaces), as listed in the land use codes, are the only categories of privately owned properties that will not be assessed a stormwater fee.

Are taxes already paying the Department of Public Works to do these tasks?

Much of the permit compliance will involve work normally outsourced, such as water quality testing and sampling. The DPW performs system maintenance including sweeping streets, cleaning catch basins, and rebuilding drainage infrastructure, but the new permit increases the frequency of much of this routine work. The DPW has proposed means and methods to continue with these tasks and keep up with the new requirements without needing additional staff.

How will the Enterprise Fund budget be determined?

Initial estimates of the cost to comply with the new stormwater management regulations for the first 5 years is approximately \$250,000 to \$300,000 per year. This does not include all of the day-to-day activities already performed by the Town to maintain our stormwater systems.

To minimize the additional costs to Groton property owners, the Town is evaluating the feasibility of self-performing many of the required tasks with existing staff and equipment, and

Stormwater Utility Enterprise Fund – Frequently Asked Questions

Revised February 24, 2020 Public Hearing

funding the work under the DPW's annual budget. Minimizing outsourcing of the permit compliance tasks may reduce the annual burden to approximately \$100,000 to \$150,000 per year.

What is the cost to residents and business owners?

The approximate cost per property could be from \$5 to \$10 per quarter, pending a detailed assessment of costs to comply with the new permit and a count of properties.

Will property owners be assessed a fee if their developed property is located on a private way, is mostly forested or wetlands, has a stormwater treatment system, or is on a town-accepted street that does not have catch basins or storm drains?

Yes, the property owners will be assessed a storm water fee because impervious surfaces still produce runoff, and developed property owners use municipal properties, which include streets, sidewalks, and parking lots.

Is this a tax?

No, this is a utility fee for services provided, not unlike the water and sewer utilities. Certain parcels also have the opportunity to opt out of the fee by fulfilling the following criteria:

1. The parcel is a 501(c)(3) designated property for the purpose of protecting open space for conservation, or
2. The parcel is returned to an undeveloped state.

Do I have to pay this fee?

Yes, failure to pay the Stormwater fee may result in a lien on your property.

Why is a tax increase not being considered?

Not all parcels in town are taxed. Some parcels/properties, such as private schools and churches, are tax exempt yet significantly affect stormwater. Additionally, a tax-based method would put mandatory stormwater tasks in competition with other General Fund needs (police, fire, schools) that could jeopardize permit compliance.

How are other Towns complying with this mandate?

Many Massachusetts communities have instituted or authorized a utility including Reading, Newton, Gloucester, Fall River, Yarmouth, Westfield, Chicopee, Northampton, Milton, and Pepperell. Additional details regarding the MS4 Permit can be found at this location:

<https://www.epa.gov/npdes-permits/massachusetts-small-ms4-general-permit>