



City of Harrisonburg, Virginia

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STREET MAINTENANCE
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CENTRAL STORES

TO: Kurt Hodgen, City Manager
FROM: Thomas Hartman, PE, Assistant Director of Public Works
DATE: August 9, 2016
RE: Stormwater Utility Program Update and Fee review

Summary: As requested by City Council at the May 28th City Council meeting, this memo outlines a Stormwater Utility Program Update and a review of the current billing unit rate by the Department of Public Works (DPW).

Background: DPW reviewed current MS4 permit guidance as it relates to allowable Best Management Practices (BMPs), pollutant removal efficiencies, and reporting timeframes. Also, DPW reviewed current and proposed Chesapeake Bay Program (CBP) guidance as it relates to BMPs and pollutant removal efficiencies.

Below is a brief explanation of that review, program adjustment recommendations, and fee evaluation.

DEQ issues a revised MS4 permit every five years. The most recent update was in 2013 and we are currently halfway through this permit cycle (2013-2018). With the 2013 permit revision, DEQ implemented a "Special Conditions for the Chesapeake Bay TMDL" section that addresses water quality of the Chesapeake Bay watershed. These outlined regulations are now required in addition to the existing six (6) minimum control measures that have been included in previous permit cycles. Along with the special condition permit language, DEQ also released its Total Maximum Daily Load (TMDL) Action Plan guidance, which is a document that includes approved BMPs and outlines the steps that each locality must take in order to meet the Chesapeake Bay TMDL Special Condition requirements. This document lists two (2) sources that can be used to review approved pollutant removal BMPs and programs and to determine pollutant removal efficiencies. The first source is the DEQ BMP Clearinghouse which is a DEQ-maintained clearinghouse that lists BMPs, their respective pollutant removal efficiencies, maintenance requirements, etc. The second source is the Chesapeake Bay Program (CBP), which outlines BMPs, their pollutant removal efficiencies, as well as programs such as street sweeping.

Based on the aforementioned sources and documented conversations with DEQ, in July 2015 DPW identified street sweeping as a program that allowed the City to achieve the TMDL reductions required during the first permit cycle (2013-2018), as shown in attached Table 1. In addition to the street sweeping program, the City is currently developing the following projects / planning documents to assist the City in achieving the overall TMDL reduction requirements as part of the 2013-2018 permit cycle. These are also shown in the attached Table 1.

- East Market Street RSC - Stormwater channel that has received a grant from DEQ for 50% of the design/construction costs. This project is currently fully funded.

- Northend Greenway Stream Restoration – A stream restoration project that will restore a portion of Blacks Run in the northwest area of the City. This project is funded in the FY17 budget.
- Stormwater Improvement Plan – A planning document that will provide both programs and projects that are cost effective and achievable to assist in meeting the overall TMDL pollutant reduction requirements. This project is funded in the FY17 budget.

Fee Review

The current Stormwater Utility fee is \$10.50 per year per Billing Unit (BU=500 SF of impervious area). The following is a review of the approved FY17 stormwater budgets. The budget and billing unit rate review is based on the city’s approved pollutant removal in the TMDL Action Plan realized by the street sweeping program.

452041 – FY17 \$578,018 – No reduction recommended. This is the operational budget for Stormwater and this budget includes the cost of the Stormwater Improvement Plan.

472041 – FY17 \$465,000 - \$215,000 – Reduction may be considered. The remaining \$250,000 will be used for the purchase of a new street sweeper.

910541 – FY17 \$1,676,000 - \$851,000 – Reduction may be considered. This reduction will spread the funding of the Northend Greenway Stream Restoration project across FY17 and FY18 budget years, as well as remove the additional funding requested for the Ralph Sampson Park stormwater project.

The reductions may reduce the Fund from the FY17 approved amount of \$2,719,018 to \$1,653,018.

Due to this potential expenditure reduction, the Stormwater Utility fee billing rate may be reduced to \$6.00/year/BU. With this reduction the FY17 budget will need to utilize \$343,405 of Stormwater Utility Fund balance in order to balance the budget.

Expenditure

Budget Code	Description	FY17 Approved	FY17 Adjusted
452041	Stormwater Management	\$578,018	\$578,018
472041	Capital Outlay	\$465,000	\$250,000
910541	Capital Projects	\$1,676,000	\$825,000
	Totals	\$2,719,018	\$1,653,018

Revenue

Budget Code	Description	FY17 Approved	FY17 Adjusted
31010	Amount from Fund Balance	\$742,696	\$343,405
31600	Charges for Services	\$1,976,322	\$1,309,613
	Totals	\$2,719,018	\$1,653,018

It is anticipated that this fee reduction can be sustained for both FY17 and FY18; **however, FY19 may require an adjustment in the fee due to the 2018-2023 permit cycle and new MS4 permit guidance.** It must be noted that the CBP recently (in the last 2 months) released revised street sweeping guidance. A change in the calculation method results in a drastic reduction in pollutants removed by street sweeping, as shown in the attached Table 2. However, with this drastic reduction in street sweeping credits, the CBP has now also included storm drain cleaning as an allowable program to generate pollutant removal. Pollutant removal estimates for the storm drain cleaning program are also shown in the attached Table 2.

DEQ has stated that they will honor the city's approved 2013-2018 TMDL Action Plan, which utilizes a previously approved calculation method for street sweeping, until 2018. They have not, however, made any decision on the 2018-2023 permit, including if the CBP methodology will be required. We do know that the CBP is the document that DEQ must follow when submitting Virginia state pollutant removals to the Environmental Protection Agency, and we think it is unlikely that DEQ would allow localities to utilize a pollution reduction method that they cannot themselves report in their Chesapeake Bay Report for the state. Therefore, we believe that the 2018-2023 permit will include the revised CBP street sweeping methodology as well as additional changes to the city's overall reduction requirements due to a new Chesapeake Bay Watershed Model. Due to these potential changes, the FY19 budget may include a fee increase in order to meet the changing permit language and guidance; however, we will need to wait until 2017 to see the proposed permit language.

Key Issues: None.

Environmental Impact: None.

Fiscal Impact: Stormwater Utility fee reduction from the current \$10.50/yr/BU rate to \$6.00/yr/BU.

Prior Actions: None.

Alternatives: Leave Stormwater Utility fee rate unchanged.

Community Engagement: None.

Recommendation: None.

Attachments: Table 1 – Current Pollution Reduction, Table 2 – Revised Pollution Reduction

Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.