Revised

Topic: Stormwater Options
Date: April 18, 2017

INTRODUCTION

Given the Boards interest in examining various proposals, staff has identified 5 options using the 4 elements outlined below. There are several important points that have been articulated in the past but bear repeating:

- There is no right or wrong option. In the end, each option varies in how much of the cost of improvements, routine maintenance and risk for future major repairs and/or upgrades is borne by rate payers versus individual neighborhoods;
- Staff will support whichever option the Selectboard chooses; and
- There are potentially many more options that can be identified by creating various combinations of the 4 identified elements. In fact, there could be as many as 54 different combinations or more.
- Options 2, 4, and 5 will require a re-negotiation of the existing Stormwater Agreements between the Town and affected neighborhoods and/or the establishment of new agreements.

Once the list of options is agreed upon, staff can evaluate each option as to cost to the Stormwater fund, cost to neighborhoods, advantages, disadvantages and other considerations.

OPTION ELEMENTS

1. **Improvement Costs:** Defined as the cost of bringing a neighborhood stormwater system up to state standards. The cost for each neighborhood with an expired permit is based on estimate as provided as part of the Engineering Feasibility Analysis. The portion to be charged, where applicable, to the Stormwater fund is calculated based on impervious surface represented by the road surfaces.
2. **Neighborhoods Covered:** Some neighborhoods have state stormwater permits that expired. Others are valid. There are currently 18 neighborhoods with expired permits and about 25 with currently valid permits for a total of 43 residential stormwater permits.
3. **Routine Maintenance:** Responsibility for the cost of this work, depending on the approach taken, can be borne exclusively by the neighborhood or funded through the Town Stormwater Fund or a combination of both. Routine maintenance may be defined as the on-going needs of the treatment system to maintain permit requirements. Anticipated routine maintenance activities include: annual inspections; fore bay and main pond dredging; intermittent brush hogging/brush clearing; inlet/outlet cleaning and removal of obstructions and debris.

4. **Upgrades and Major Repairs:** Periodically each neighborhood stormwater system is likely to require major repairs either caused by an unforeseen natural event or because of the passage of time. In addition, changes in state law or requirements might require major modifications to each system. Responsibility for the cost of this work, depending on the approach taken, can be borne exclusively by the neighborhood or funded through the Town Stormwater Fund or a combination of both. Potential upgrades or major repairs may include: re-establishment of significant bank failure, replacement of an undermined inlet/outlet pipe, washouts of spillways or banks, and upgrades according to a changing permitting landscape such as channel protection, phosphorus or chloride mitigation needs.

OPTIONS

Option 1: "Stay the Current Path"

- Improvement Costs
  - ✓ Neighborhood's Share: 100% of improvement costs
  - ✓ Stormwater Fund Share: None
- Routine Maintenance
  - ✓ Neighborhoods with Expired Permits: 100% of costs paid by Stormwater fund
  - ✓ Neighborhoods with Valid Permits: 100% of costs paid by neighborhoods
- Major Repairs and Upgrades:
  - ✓ Neighborhoods with Expired Permits: 100% of costs paid by Stormwater fund
  - ✓ Neighborhoods with Valid Permits: 100% of costs paid by neighborhoods

Option 2: "Modified Current Path"

- Improvement Costs
  - ✓ Neighborhood's Share: About 60% of cost
  - ✓ Stormwater Fund Share: About 40% of cost
- Routine Maintenance
  - ✓ Neighborhoods with Expired Permits: 100% of costs paid by Stormwater fund
  - ✓ Neighborhoods with Valid Permits: 100% of costs paid by neighborhoods
- Major Repairs and Upgrades:
  - ✓ Neighborhoods with Expired Permits: 100% of costs paid by neighborhoods
  - ✓ Neighborhoods with Valid Permits: 100% of costs paid by neighborhoods

Option 3: "All in"

- Improvement Costs
  - ✓ Neighborhood's Share: About 60% of cost
  - ✓ Stormwater Fund Share: About 40% of cost
- Routine Maintenance
  - ✓ Neighborhoods with Expired Permits: 100% of costs paid by Stormwater fund
  - ✓ Neighborhoods with Valid Permits: 100% of costs paid by Stormwater fund
- Major Repairs and Upgrades:
  - ✓ Neighborhoods with Expired Permits: 100% of costs paid by Stormwater fund
  - ✓ Neighborhoods with Valid Permits: 100% of costs paid by Stormwater fund

Option 4: "Compromise Option"

- Improvement Costs
  - ✓ Neighborhood's Share: About 60% of cost
  - ✓ Stormwater Fund Share: About 40% of cost, but capped at average cost (or some other number)
- Routine Maintenance
  - ✓ Neighborhoods with Expired Permits: 100% of costs paid by Stormwater fund
  - ✓ Neighborhoods with Valid Permits: 100% of costs paid by Stormwater fund
- Major Repairs and Upgrades:
  - ✓ Neighborhoods with Expired Permits: Costs Shared
  - ✓ Neighborhoods with Valid Permits: Costs Shared

Option 5: "South Burlington Option"

- Improvement Costs
  - ✓ Neighborhood's Share: About 60% of cost
  - ✓ Stormwater Fund Share: About 40% of cost
- Routine Maintenance
  - ✓ Neighborhoods with Expired Permits: 100% of costs paid by Stormwater fund
  - ✓ Neighborhoods with Valid Permits: 100% of costs paid by Stormwater fund
- Major Repairs and Upgrades:
  - ✓ Neighborhoods with Expired Permits: 100% of costs of upgrades paid by Stormwater fund for 20 years; For major repairs, 100% of costs paid by neighborhoods.
  - ✓ Neighborhoods with Valid Permits: 100% of costs of upgrades paid by Stormwater fund for 20 years; For major repairs, 100% of costs paid by neighborhoods.

DEFINITIONS

1. **Shared:** The term "shared cost" is used to describe a process of paying for the cost of improving, building or completing major upgrades or repairs to a neighborhood stormwater system. A portion of the cost attributable to the Stormwater fund can be calculated based on the amount of impervious surface represented by the public road surfaces in the neighborhood expressed as a percentage of the total amount of impervious surface in the neighborhood including driveways, roof tops, patios, and public road surfaces. For example, a neighborhood with a total estimated cost of $75,000 and road surfaces representing 38% of the total would have a shared cost calculated to be about $28,500. Since the public road surfaces represent a different percentage for each neighborhood, the percentage share paid by the Stormwater Fund would vary using this formula.

2. **Cap:** If the Town agrees to share in the costs of repairing or building a neighborhood system based on impervious surface, the cost to Stormwater fund rate payers over time is about $600,000. As a possible compromise position, it is possible to cap the portion to be paid by rate payers based on an average cost for repairs. This will result in a few

neighborhoods paying more than if the rate payers covered 100% of the share based on impervious surface. On the other hand, placing a cap partially addresses one equity concern about rate payers paying for improvements of neighborhood systems that were not properly maintained or in one case never built.

Depending on how the average is calculated the cap could range from $30,000 up to $50,000. For neighborhoods with the Stormwater fund share calculated below the cap would receive 100% of the share. Those neighborhoods with the Stormwater fund share above the cap would receive the amount of set by the cap. For example, a neighborhood with the Stormwater fund share calculated at $14,000 would receive $14,000 towards their system improvements. Another neighborhood with a share calculated at $55,000 would receive the value set by the cap.

The cap can be calculated by a straight average based on the estimates. Using this approach, the average is $45,668 and if rounded up is $50,000. The cost to Stormwater fund rate payers is about $350,000. Another approach is to calculate an average by eliminating the lowest and highest system costs. This calculation results in a cap of $30,000. The cost of using this cap is about $280,000.

3. **Neighborhood:** The term neighborhood refers to the homes within the defined boundaries of the development. In most cases, homeowner's associations have been established and are responsible for maintenance of common facilities on private property including pools, septic systems, tennis courts, stormwater systems etc.

4. **Stormwater Fund:** This term refers to the money paid by properties in Williston with impervious surface into the Stormwater Fund based on a rate set by the Selectboard each year.