



Trends in Managing Stormwater Utilities

Faced with rising costs and requirements to manage urban stormwater, many communities are exploring the concept of the “stormwater utility.” In this method of stormwater financing, property owners are charged a modest fee for “using” the storm drain network, which is usually based on the amount of impervious area located on their property. In most cases, the fees are piggybacked on local water utility bills. The fees collected are used to finance capital and operating expenses needed for local stormwater management. Stormwater utilities are particularly attractive to communities subject to Phase 1 or Phase 2 of EPA’s NPDES municipal stormwater permitting program.

Stormwater utilities can provide a new and reliable source of dedicated funds in an era of local budget austerity. The American Public Works Association considers stormwater utilities the “most dependable and equitable approach available to local government to finance stormwater management.” Relatively unknown a decade ago, stormwater utilities are now an important funding mechanism for several hundred cities and counties across the country.

Black & Veatch, a national environmental engineering firm, has recently completed its 1995-1996 comprehensive survey of stormwater utilities throughout the nation. The survey included 97 different utilities from 20 states. The populations served by the utilities ranged

**Table 1: The Index of Stormwater Utilities —
A Profile of Trends Among 97 U.S. Stormwater Utilities
(Black & Veatch, 1996)**

Feel public information/education is essential to success of a stormwater utility	61 %
Consider it unnecessary	1
Devote more than 2% of operating budget to public education	57
Use impervious cover as basis for user fees	55
Charge between \$2 and \$4 per month	57
Bill on a monthly basis	74
User fees included in water or other utility bill	35
Revised user fees in the last year	35
Revised them (fees) upward	89
Credits given if private detention/retention practices exist	57
User fees were legally challenged	16
User fees were sustained after legal challenge	60
Stormwater utility is less than 5 years old	55
Stormwater utility covers both capital and O&M costs	81
Utility revenue meets most needs or at least most urgent needs	82
Utility revenues adequate for all needs	11
Property owner responsible for user fee payment	65
Water shut off and/or property lein for nonpayment	54
Unusually heavy rain and/or floods created major troubles	11