



Roanoke County Stormwater Advisory Committee

Meeting #6 Revenue Strategies

Date: January 9, 2014, 6:00 p.m. to 8:00 p.m.

Location: South County Library

Attendance:

See sign in sheets at end of these minutes.

Welcome and Introduction

Mr. Tarek Moneir welcomed Roanoke County Stormwater Advisory Committee (RCSWAC) members to the meeting. He reminded the general public present at the meeting that they may submit comments in writing to County staff.

Meeting #5 Recap and Revised Draft Program

Mr. Moneir introduced Mr. David Bulova of AMEC Environment and Infrastructure. Mr. Bulova provided an overview of the agenda and a brief recap of the last meeting. The results of the second prioritization exercise were presented. The second prioritization focused on program gaps where a non-basic level of service was selected in the first prioritization exercise. Mr. Bulova presented the revised draft five-year stormwater program based on the confirmed levels of service and an alternative for the BMP Inspections, Maintenance and Enforcement. The revised draft program had costs similar to the medium option in the previous draft program. Additional stormwater program costs varied from approximately \$1 million in Year One to \$1.9 million in Year Five for the revised draft five-year program.

Revenue Strategies

Mr. Bulova described the different options for financing the proposed stormwater program and the key considerations for each:

- General Fund – distributes cost primarily based on property value and funds are not legally segregated from other uses
- Storm Sewer Service District fee – distributes cost based on property value and funds are legally segregated from other uses
- Stormwater Utility fee – distributes cost based on impervious cover, tax exempt properties would pay and funds are legally segregated from other uses
- Secondary sources of funding – includes development fees and grants that typically do not fund the entire program

Options for a stormwater utility rate structure were also presented:

- Flat rate for single family detached (based on Equivalent Residential Unit, ERU) – bill in increments of ERU for all other properties
- Tiered rate for residential – flat rate for single family detached, % flat rate for single family attached and condominiums, bill in increments of ERU for all other properties
- Straight impervious cover – bill all properties based on increments of impervious cover (for example, 500 square feet)

Question: What is the difference between a stormwater utility fee and straight impervious cover? **Answer:** Straight impervious cover is one available option for distributing stormwater costs under a stormwater facility funding approach. The straight impervious cover structure



uses increments of square footage of impervious cover (example: 500 square feet) as a way to distribute costs to properties.

Lynne Mowery from AMEC presented information on the impervious data used to develop a stormwater utility rate structure. The ERU is a method to establish a billing unit and is determined by calculating the median amount of impervious area on a detached single family residential property. The ERU was determined based on the impervious area on a sample of 750 single family residential parcels. The 750 random parcels were selected to mirror the distribution of lot sizes throughout the County. AMEC digitized the impervious area for these 750 parcels from the most recent aerial photography provided by the County to determine the median impervious area for a residential property in the County or ERU, which was estimated to be 3,225 square feet. Ms. Mowery noted that single family attached properties such as townhouses and condominiums may also be responsible for stormwater fees for common areas if impervious area for common areas is located on a separate parcel and charged back to them by a Homeowner's Association or a property manager.

Ms. Mowery showed examples of comparisons between Roanoke County's current impervious cover data and the impervious area determined from the digitized properties. Because the Roanoke County impervious cover data is based on remote sensing of aerial data, in some cases this data has significant inaccuracies. Therefore, in order to use impervious cover as a basis for structuring a stormwater utility fee, the accuracy of this data would need to be improved.

Question: How much does it cost to digitize the impervious cover data? **Answer:** In the case of an ERU approach, only non-single family residential properties would need to be digitized. Based on estimates of costs per parcel, the approximate cost to the County would be \$40,000-\$50,000 to digitize the non-single family parcels. To use the straight impervious cover approach, all parcels in the County would need to be digitized at an approximate cost of \$100,000-\$120,000.

Question: What is defined as impervious when the areas are digitized? **Answer –** The definition of impervious cover would need to be clearly established if a stormwater utility was used to fund the stormwater program. For the sample of 750 parcels digitized to determine an ERU, the following criteria were used:

Impervious surfaces/features that have an area of at least 200 square feet including:

- Rooflines of walled, fixed structures and mobile homes
- Parking lots, driveways, and private streets (paved, asphalt, concrete, maintained gravel used by vehicles)
- Private walkways / sidewalks \geq 3 feet wide (paved, asphalt, concrete)
- Patios

Question: What if a property owner disagrees with the amount of impervious area digitized on their parcel? **Answer:** The ordinance creating the stormwater utility would contain a clear appeals process for property owners to follow.

Comment: Mr. Richard Caywood, Assistant County Manager, noted that the County has looked into options for obtaining better impervious cover data. The best method at this time is to manually digitize the impervious from the aerial photographs. The other technologies available at this time do not provide the accuracy needed.



Jean Haggerty of AMEC provided background on the rate model used to evaluate an estimated rates based on the draft stormwater program and the impervious data available at this time. She outlined the assumptions that need to be considered in the rate model such as including operating reserves for the fund and estimated credit program costs. She presented estimated rates for the different funding options calculated using the best currently available data. She also reviewed trends in the distribution of costs per property type based on the funding mechanism selected.

Question: The rate for all program costs includes current spending and additional spending. If all program costs were covered by a stormwater utility, could this reduce the tax rate for the general fund? **Answer:** Potentially, but this is a decision that would need to be made by the Board of Supervisors.

Comment: David Henderson, the County Engineer, noted that the rural properties would pay a higher percentage of the cost of the stormwater program if straight impervious cover were used as a basis for a fee, as their impervious area per parcel is generally higher than more urban properties likely because of longer driveways and outbuildings. The committee had expressed concern previously about the different stormwater levels of service provided by the County for rural versus urban properties. Urban properties typically have more local stormwater infrastructure and may require more stormwater services.

He also noted that the County has a low percentage of tax-exempt (non-profit) impervious area (approximately 3%) that would not pay into a stormwater fund if the real estate tax was used as a funding mechanism.

Comment: It should also be taken into consideration that the urban areas tend to subsidize other County services in the rural areas such as fire, busing and trash collection.

Question: It doesn't look like roads have been accounted for in the analysis? They represent a significant impervious area. **Answer:** VDOT owns many of the roads in the County and, since they have their own MS4 permit, they are exempted from stormwater fees by Virginia law.

Question: How does the ERU structure differ from the 500 square foot impervious area structure? **Answer:** These two rate structures differ based on the data needed and the ultimate distribution of costs. In the ERU structure there are two main rate categories: single family and non-single family. Every single family detached parcel pays the same amount (1 ERU); therefore detailed impervious area is only needed to be calculated for non-single family residential parcels. All non-single family residential pay based on the number of ERU (billing units) for their property. For the straight impervious structure, every parcel pays based on an established increment of impervious area (e.g. 500 square foot) and impervious data is needed for every parcel. Under the straight impervious approach, a single family residence with 2000 square feet of impervious area would pay twice as much as a single family residence with 1000 square feet of impervious area.

Question: When are credits required? **Answer:** The Virginia stormwater utility code requires that a credit/waiver program be established for any person who installs, operates, and maintains a stormwater management facility that achieves a permanent reduction in stormwater flow and/or pollutant loadings. Credits are more difficult to institute with a service district since the distribution of costs is based on property value and not stormwater runoff. Incentives such as rebates or grants are more common for these types of districts.



Mr. Bulova asked the committee to discuss their preferences for funding the stormwater program based on what they've learned so far. The comments from the Advisory Board members are summarized below:

- Supports creating a dedicated utility fee and moving the funding of stormwater out of the general fund. Leaving it in the general fund could lead to decades of arguments and funds could be diverted to other non-stormwater uses. It's also important to have a relationship between impervious cover and the fee. Implementing a program like this would help educate people about stormwater.
- Supports service fees and paying for what you use. 500 square foot as a measure would do this but an ERU may also be appropriate
- Some type of fee is appropriate to support stormwater services – the ERU approach looks better. Important to get it out of the general fund.
- A stormwater utility is better than using the real estate tax – non profits should have to pay their share
- Doesn't like the real estate tax option – likes a credit program.
- Likes the utility option with ERU or straight impervious cover structure to fund the total program. In a fee was used to cover the whole program then a tax break on the general fund would be needed. Supports credits for accountability and provides a way for people to cut their fees.
- Supports a service district or utility fee instead of funding through the general fund. The County residents will bear the burden of the fee no matter how it is distributed: churches are funded by the residents and businesses would increase costs to residents to cover the fee. Supports the easiest option – a service district with credits if possible.
- Supports a utility fee based on straight impervious cover instead of the property tax. Non profits should have to pay. There needs to be a process for appeals and credits. It may be more complex initially to do it this way but thinks it's worthwhile.
- Does not support a change to the current funding method – has not seen the evidence to warrant any change. The change to state regulations may be delayed so we should stick with basic compliance
- Supports a utility fee because it's more equitable and includes non profits. Supports using straight impervious cover but if that's too expensive also supports using an ERU. The mapping of impervious cover can be used for other purposes so it would be worth it to digitize the areas.
- Supports a dedicated fund – move it from the general fund although it will have a financial impact to large commercial areas with significant impervious area.

Mr. Bulova noted that there seemed to be general consensus on continuing to explore a stormwater utility and on the following points:

- **The County should fund stormwater through a dedicated fund and move it out of the general fund.**
- **The County should fund stormwater through a utility structure because of equity.**
- **Non profits should not be excluded from paying for stormwater.**
- **The County should establish a credit program to encourage stormwater management measures by property owners.**
- **The general fund tax rate should be decreased if the entire stormwater program is funded through a dedicated fund.**

The next steps will be to get public feedback on the proposed program and funding options and brief elected officials on the process. The committee was asked if they would like another



meeting to discuss the issues further before the consensus items are presented at the public meetings – the committee did not think another meeting was needed before the final February meeting.

Mr. Bulova asked if there were any additional comments:

Comment: The mapping of impervious area needs to be done to support a stormwater utility

The next meeting is scheduled for February 6, 2014 at the Glenvar Library.

Pending Questions List:

Question: Roanoke County is unique in that it has a combination of rural land and urban areas. These areas have different stormwater issues. How will fairness be addressed in dealing with these unique areas? **Answer:** During this meeting, the impacts of different fee structure impacts on rural versus urban properties was presented. The question of different levels of service within the County will be discussed further at the next meeting.

ROANOKE COUNTY STORMWATER ADVISORY COMMITTEE- SIGN IN SHEET
MEETING 6 - JANUARY 9, 2014

Member	District	Organization	Alternate (if Member cannot Attend)	Present
Mr. Michael "Mike" Keen	Catawa	Selected By Board		
Mr. Leonard F. Firebaugh	Cave Spring	Selected By Board		X
Mr. Steve Rossi	Hollins	Selected By Board		
Mr. James R. Nelson	Vinton	Selected By Board		X
Mr. Eldon L. Karr	Windsor Hills	Selected By Board		X
Mr. Stephen Peak	Windsor Hills	TMEIC		
Mr. Todd Creasy	Vinton	Vinton Chamber of Commerce		
Mr. Kit Hale	Cave Spring (valley-wide)	MKB Realtors		X
Ms. Wendy Akers	Cave Spring	Tanglewood		X
Mr. Peter Fields	Valley-wide	Roa Regional Homebuilders Association		X
Mr. Ross Smith	(valley-wide)	Smith/Packett		
Mr. Terry St. Clair	Valley-wide	Terry St. Clair		
Mr. Bill Tanger	Valley-wide	Upper Roanoke River Round Table		X
Mr. Steve Edwards	Hollins	Greenridge Baptist Church		X
Mr. Tom Dale	Cave Spring	Lumsden and Associates		X
Mr. Steve Musselwhite	Valley-wide	Roanoke County Economic Development Authority		
Mr. Martin Misicko	Valley-wide	Roanoke County Public Schools		
Ms. Kerry J. Edmunds	Hollins	Hollins College		X
Ms. Mava Wingate	Valley-wide	Salem - Roanoke County Chamber of Commerce		X
Mr. Tori Williams	Valley-wide	Roanoke Regional Chamber of Commerce		
Mr. Todd Ross	Valley-wide	Valley Bank	Tyler Keefer	X

**ROANOKE COUNTY STORMWATER ADVISORY COMMITTEE- SIGN IN SHEET
MEETING 6 - JANUARY 9, 2014**

Roanoke County	Position
Richard Caywood	Assistant County Administrator
Arnold Covey	Directory, Community Development
Tarek Moneir	Deputy Director, Development Services
Cindy Linkenhoker	Stormwater Program Manager
David Henderson	County Engineer
Town of Vinton	Position
Ryan Spitzer	Assistant to the Town Manager
Gary Woodson	Public Works Director
Anita McMillan	Planning and Zoning Director
Consultant Staff	Position
David Bulova	Senior Water Resources Planner, AMEC
Jean Haggerty	Senior Water Resources Program Manager
Lynne Mowery	Project Manager, AMEC