



APRIL 2008 Stormwater Management Program News

Funding the Stormwater Management Program

In the last issue I broached the question “Why must we have a Stormwater Management Program”. In this issue I’ll shed some light on the Why and How of funding the federally mandated stormwater management program.

- **Why Must I Pay for the Stormwater Program?**
- **How was the Stormwater Fee Determined?**

First, a little history.

Beginning in 1998, preceding the 1999 State and Federal mandates requiring a stormwater management program, a Citizen’s Stormwater Advisory Committee comprised of City residents was formed to examine the causes and impacts of flooding in our community. Though we haven’t experienced large rain storms recently, at the time this committee was formed there were unacceptably high numbers of reports about properties being damaged by flood waters during heavy rains in and around the Cañon City area.

There were several tasks that the committee considered: 1) First, identify the conditions that existed that created wide-spread flooding during heavy rain storms; 2) Then, determine the variety of methods available in which these conditions could be addressed or improved to reduce flooding; and 3) Finally, determine how to pay for those changes and/or improvements to the existing conditions. During this time the imposition of the State and Federal Clean Water Quality mandates became a significant influence on the committee’s decisions.

The Committee, with the assistance of appropriate City Staff and various consultants identified problem areas and likely causes, and then examined how other communities have addressed similar issues. The Committee ultimately made the recommendation that City Council create a stormwater utility to generate funding for stormwater facility maintenance, and construction. The outcome was the formation of the Stormwater Utility and establishment of fees through Ordinance No. 22, Series of 2004¹. The Stormwater Utility is similar to water or wastewater utilities where a fee is charged for a service. The service of the Stormwater Utility is to manage the customers’ (in this case the City) stormwater runoff.

It is a fact that there is a direct correlation between amount of impervious surface in an area and the quantity/quality of runoff contributed from that area. Subsequently, after reviewing a funding report by a consultant in 2005, City Council determined that the most equitable method to charge a fee was based upon impervious surface. The fee rate is determined by City Council each year based on the total funding divided by the total amount of impervious surface within the City. At this time, rather than impose a high rate that would generate the millions of dollars required for capital improvement, City Council only imposes a minimum fee. Funds generated by that fee cover maintenance of existing facilities (48%), administrative program support (22%), contractual services (13%), personnel (11%), and miscellaneous costs (6%).

¹ http://www.canoncity.org/pdf_documents/StormWater/Ord22_2004_stormwater%20utility%20creation.pdf

A stormwater utility is essentially a special assessment district set up to generate funding specifically for stormwater management. Users within the district pay a stormwater fee, and the revenue thus generated directly supports maintenance and upgrade of existing storm drain systems; development of drainage plans, flood control measures, and water-quality programs; administrative costs; and sometimes construction of major capital improvements. Unlike a stormwater program that draws on the general tax fund or uses property taxes for revenue, the people who benefit are the only ones who pay. A Utility spreads the cost equitably based upon the primary cause of increased runoff which is impervious surface. The first few stormwater utilities were started in the early 1970s. It is estimated that the country will soon have 2,500 stormwater utilities within the next 5 years.

HOW CAÑON CITY STACKS UP!

To evaluate how Cañon City fiscally compares to other Cities throughout the country also using a Stormwater Utility Enterprise to fund their stormwater management program, I researched the 2007 Stormwater Utility Survey produced by Black & Veatch². The survey was based on information obtained from seventy Stormwater Utilities representing a broad range of cities.

- **IN 2007, THE HIGHEST AVERAGE RESIDENTIAL FEE CHARGED IN THE NATION WAS \$16.82/MO.**
- **IN 2007, THE HIGHEST AVERAGE RESIDENTIAL FEE CHARGED IN COLORADO WAS \$14.62/MO.**
- **IN 2007, THE AVERAGE RESIDENTIAL MONTHLY FEE IN CAÑON CITY WAS \$4.08/MO.**

Of the entities participating in the Study, the population of Cañon City placed it near the 15th percentile when compared to the populations of the other cities in the survey. Then when the total estimated funding generated per capita was calculated, Cañon City remained in the 15th percentile range. Therefore, statistically speaking, the fee charged in Cañon City is right in line with its population when compared to the other Cities in the nation.

Please keep in mind that the ultimate goal is to make sure the water ways of the City and State are clean for all of us to enjoy. Considering how important our water resources like the Arkansas River are to us, the fee we pay is a bargain.

In keeping with the intent of the program's Public Participation component, please feel free to direct any further questions to Rik Gay, City of Cañon City Stormwater Program at either rlgay@canoncity.org or 276-5265.

² http://www.bv.com/Downloads/Resources/ems_brochures/rsrcc_2007StormwaterUtilitySurvey.pdf