



# **Stormwater Fund Administrative Review and Report**

Presentation to St. Francis City Council

By

City Administrator

# PRESENTATION OUTLINE

- 1) Program/Requirements
- 2) Infrastructure Identification
- 3) Billing and Funding

# Findings are based on...

- 1) City Capital Plans
- 2) Preliminary inventory
- 3) Finance documentation
- 4) MPCA website materials

# Program Requirements

- MS4 Permit
- First Round of MS4 Applications Made In March 2003
- MS4 is a Nationally Required Permit Under the Federal Clean Water Act
- 260 Cities/Agencies in Minnesota
- St. Francis is Mandated by Law to Apply:
  - Population from the US Census Website: 7,218
  - Rum River is classified as an outstanding resource value water (Scenic and/or Recreational Water)

# Why should the City Apply?

- MN Statute 7090.1010 requires the City to apply within 18 months of being classified as a MS4 by the MPCA.
- MPCA Enforcement Tools:
  - Administrative Penalty Orders (up to \$20,000)
  - Stipulation Agreements (for penalties over \$20,000)

# But do they really Use Monetary Penalties for Cities?

- 10/02/2013 STIP Perham wastewater treatment plant Perham Water Quality \$70,000.00 [News Release](#) Justin Barrick, 218-316-3858
- 12/30/2014 STIP City of Hastings and Max Steininger, Inc. Hastings Water Quality-stormwater \$40,000.00 [News release](#) Paul Erdmann, 651-757-2883

# What exactly is the MS4 Permit and what does it entail?

- A municipal separate storm sewer system is a conveyance or system of conveyances (roads with drainage systems, municipal streets, catch basins, curbs, gutters, ditches, man-made channels, storm drains, etc.)
- The MS4 General Permit is designed to reduce the amount of sediment and pollution that enters surface and ground water from storm sewer systems to the maximum extent practicable. Stormwater discharges associated with MS4s are subject to regulation under the National Pollutant Discharge Elimination System/State Disposal System (NPDES/SDS). Through the MS4 General Permit, the system owner or operator is required to develop a stormwater pollution prevention program (SWPPP) that incorporates best management practices (BMPs) applicable to their MS4.

# How does the City achieve reducing pollution and sediment as outlined in the previous slide?

- Adopt Regulations for illicit discharges
- Control Stormwater runoff from construction sites
- Develop Enforcement procedures
- Inventory Storm Sewers and Map (storm sewers, ponds, wetlands, stormwater infrastructure).
- Prevention – implement program, facilities inventory, procedures, training, and documentation.

# St. Francis has sandy soil and there isn't much runoff. What Infrastructure?

- Part of the MS4 Permit requires taking inventory of stormwater systems. With that, the City has the following preliminary estimates:
  - Storm Manholes: 43 - 150
  - Catch Basins: 472 - 589
  - Storm Ponds: 983
  - Storm Sewer conduit: 15.7 miles
  - Storm Culverts: 528
  - Box Culverts, ditches, creeks, natural, other

# How do we not know the exact numbers and locations of this infrastructure?

- Some of these are naturally occurring (wetlands, creeks)
- Most of this infrastructure has been added over the last 50-75 years incrementally through development
- When a new development goes in, stormwater infrastructure is added to accommodate drainage and management

# What does it cost to replace this infrastructure?

- A very preliminary review of the City's stormwater infrastructure has provide the following estimate:
  - \$252,000 over the next five years

# How much did the City take in for Revenue in 2016?

\$170,160 (unaudited)

\$55,383 was spent on operational costs (annual expenses that include engineering, street sweeping, storm sewer maintenance and management).

\$118,688 was the left over fund balance

# **\$118,688 annually is way more than \$252,000 over the next five years, why?**

- This was just a PRELIMINARY inventory of infrastructure, the exact cost is unknown but will be put together as the MS4 Permit is completed over the next couple of years.
- As the program is developed and implemented, operating costs to administer the program will increase (develop, implement and enforcement of illicit discharge, monitoring pollutants, construction management, infrastructure inspections, etc.).

# Still, even if there is a 50% increase in operational costs, there is still a surplus- why?

- If operational 50%, where does the rest of the money go?
- For illustration:  $\$170,160 - \$83,075 = \$87,085$  annually
- Road Improvements and Retrofit analysis projects

# Road/Stormwater association:

- Stormwater improvements are included in road reconstruction on a case by case basis.
- This includes catch basins, inlet castings, manholes, storm sewer pipe, and potentially regrading, curb and gutter, ponds, other methods of storm water management.
- These improvements are assessed at 40% to resident and 60% to the City of the total improvement costs.

# How much are Road Improvements and what percentage is stormwater of that total cost?

- Stormwater is reviewed on a case by case basis
- The City has three potential road reconstruction projects in the next five years totaling \$900,000 ; \$1.2 million and \$1,105,000
- Estimating that storm sewer will be 5% of these total costs  
( $\$3,205,000 \times 5\% = \$160,250$ )
- 60% = \$96,150

# Alright, what is a summary of all that math?

- Assuming a fund balance of \$118,688 for the first two years  
( $\$118,688 \times 2 = \$237,376$ )
- Assuming a 50% increase in operations for three years after  
( $\$170,160 - \$83,075 = \$87,085 \times \text{three years} = \$261,255$ )
- This equals a fund balance (minus operation costs) of \$498,631 over five years
- City Cost estimates over five years are  $\$252,000 + \$96,150 = \$348,150$
- $\$498,631 - \$348,150 = \underline{\$150,481}$  (less than 1 year revenue)

# Project estimates do not include Legacy Fund eligible projects identified by Anoka County:

- Anoka County commissioned a study to identify potential stormwater projects that would reduce pollutants to the Rum River
- These projects are optional (for now)
- There are 17 projects identified ranging from \$15,488 and \$170,840

# Why is the City sending out these individual stormwater bills? Why not on property taxes or utility bills?

- If the City added this to the levy, it would equate a 6% increase in taxes if the same amount of revenue were to be generated
- The whole city is not on the Utility Billing and in order to do that, utility customers would pay \$5 monthly and subject to applicable late fees in conjunction with their utility bill. They also would have the charge spread out over 12 months, this would not be afforded to non-utility customers.
- Property taxes would exempt non tax paying entities.

# Questions or Comments?