



The City of Rochester's Storm Water Utility

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Frequently Asked Questions

July 24, 2008

Answers to the most frequently asked questions about the Storm Water Utility have been arranged by topic, as follows:

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GENERAL

Q1: Who is in charge of the Storm Water Utility and how can I contact them?

A1: The Rochester Public Works Department is in charge of implementing the storm water management program that uses the Storm Water Utility revenues. Rochester Public Utilities (RPU) is responsible for billings and collections. Contact information can be found at the end of the FAQs.

Q2: Where can I get current information about the Storm Water Utility and storm water management?

A2: The storm water web site (www.rochesterstormwater.com) is the most reliable source of current information. These FAQs and general storm water management information are already posted, along with copies of the Storm Water Utility Ordinance, the Fee Credit Manual, and the Fee Correction Request Form. Check the web site often for ongoing information!

Billing information can be obtained from RPU customer service representatives, who can be contacted at 507/280-1500 or via e-mail at webrequests@rpu.org.

Q3: Why do we have to pay a Storm Water Utility Fee for storm water management?

A3: Rochester, like other cities, has traditionally managed storm water by collecting it and moving it to our creeks and rivers as quickly as possible. Since 2003, Rochester has been responsible for an unfunded federal and state mandate to manage storm water in ways that will also protect and improve water quality.

Before the adoption of Rochester's Storm Water Utility Fee (Fee) in 2003, storm water management activities were primarily paid for with General Fund Revenues, including property taxes, but this funding source was inadequate to fund our newly mandated permit requirements. The Fee adopted in 2003 was created to provide an equitable and stable funding source for all storm water management activities..

- Q4: Is Rochester the only City that has to face these new storm water management requirements?**
A4: No, this Federal requirement affects “small” municipalities (those with a population under 100,000) nationwide. In Minnesota, there are currently 235 mandatory and designated “small” permittees. The lists can be found with this web link: <http://www.pca.state.mn.us/water/stormwater/stormwater-ms4.html>. More cities may be added in the future.

Many cities have had Storm Water Utilities in place for many years. More cities are turning to Utilities to provide stable and equitable funding to implement storm water management activities, whether or not they are affected by the unfunded Federal mandate.

- Q5: What would happen if the City refused to comply with this new permit?**
A5: The Federal government requires this permit under the authority of the Clean Water Act. There are substantial monetary penalties for non-compliance. Additionally, the Act provides the opportunity for third party lawsuits against the City if it fails to comply with the permit requirements.

- Q6: I have been complaining to the City about drainage issues on or near my property for a long time and nothing gets done. Will you fix the problem now?**
A6: Many drainage complaints that the City receives are for problems on private property that the City has no authority to address. The existence of a Storm Water Utility will not change that.

There are, however, historical problems located on public property or on private property with public drainage easements. When this type of complaint is received, it is evaluated to determine whether the City has “in-house” capabilities to correct the problem. If so, then a work order is issued to the Public Works Maintenance Division to complete the work. Larger problems are added to the Public Works Department’s list of potential capital improvement projects. Every summer, when the storm water capital improvement project (CIP) budget is being prepared, the project list is prioritized. The CIP budget is presented to the City Council for review and approval in the last quarter of each year.

- Q7: Paying for storm water management with Fees instead of Property Taxes means I won’t be able to deduct it. I’d rather these costs were funded by Property Taxes.**
A7: Property Taxes are not an equitable means of collecting funding from everyone who uses and benefits from the storm water system. Even though this Fee is not tax deductible, businesses can deduct it as a business expense. Additionally, the amount of money collected through property taxes is insufficient to fund this program.

- Q8: Haven’t we already addressed storm water management with the Flood Control Project?**
A8: Storm water management goes beyond mitigating the effects of acute, catastrophic storm events across an entire watershed (the types of storms the Flood Control Project was designed to handle). In fact, most storm water management activities are related to the chronic urban drainage and water quality issues associated with smaller storm events.

- Q9: I oppose this Fee.**
A9: The City Council created the City’s Storm Water Utility in October 2003. Extensive public outreach was conducted to receive input about the proposed utility. That input was taken into consideration to create the final version of the Ordinance and its associated plans and policies. Furthermore, public input about the City’s storm water management program is solicited each year when City staff present a report of storm water permit progress to the City Council.

FEE

Q1: I don't have storm sewers serving my property. Why am I being charged this Fee?

A1: Everyone benefits from the City's storm water management activities, whether or not each of us has a storm sewer connected directly to our property. As an example, everyone benefits from the storm sewer system constructed to serve the road network that gets us to and from work. The City's vast storm water management system consists of both natural and constructed features located throughout the City; many of these features are not obvious. The City is required under its storm water permit to manage the entire storm water management system to provide water quality protection for the benefit of the entire community, in addition to the traditional conveyance needs of individual property owners. In addition, the City has several permit requirements that apply to all residents that are not directly linked to the presence of absence of infrastructure on a particular parcel, including public education activities, public involvement activities, complaint response, and investigation of reports of pollution.

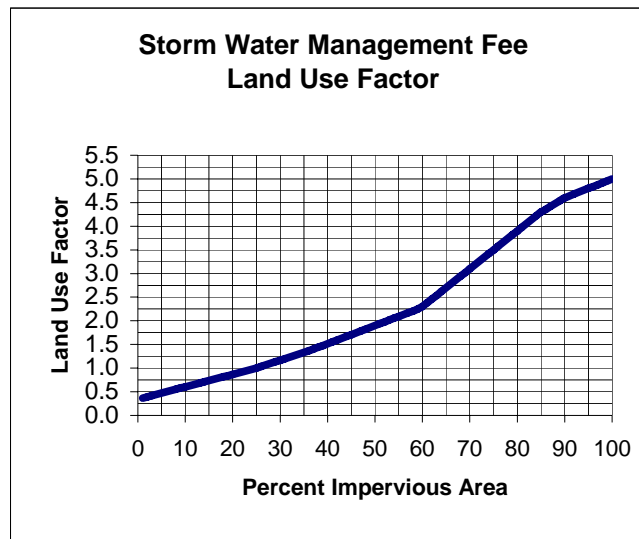
Q2: How was my Fee calculated?

A2: There are two components to the monthly bill: the Storm Water Utility Fee and the Customer Charge, together called the Fee.

Storm Water Utility Fee

Lot size, the amount of impervious surface (hard surfaces like roads, buildings, driveways and parking lots), and land use type were the factors taken into consideration to determine an equitable Fee. As we build more impervious surfaces, the amount of storm water that runs off the land without soaking into the ground increases. As the percentage of impervious area on property increases, our surface waters slowly become more polluted, aquatic habitats deteriorate, and flooding risks increase. The percent impervious area on a parcel can be measured on aerial photographs or calculated by a licensed professional from Site and General Development Plans.

Additionally, we know that as the percent of impervious area increases, other factors, like the type of land use and development density, also impact our storm sewer system and surface waters by increasing run-off rates, run-off volumes, and pollutant loads. All of these impacts are taken together and expressed as a Land Use Factor (LUF). The LUF is published in the City's Storm Water Management Plan and shown below.



NOTE: %IA <1 receives a LUF = 0.

The Fee is determined by measuring impervious area on a parcel of property and then identifying its associated LUF. The LUF is then multiplied by the parcel size and the storm water unit rate to determine the Fee for each parcel.

$$\text{Fee} = (\text{Land Use Factor}) \times (\text{Parcel Size, in Acres}) \times (\text{Storm Water Unit Rate})$$

The storm water unit rate schedule for 2008 through 2011 is as follows:

.....2008: \$12.77/acre/month
.....2009: \$12.77/acre/month
.....2010: \$13.15/acre/month
.....2011: \$13.54/acre/month

This same formula was used for both customer classes:

Residential:	single family homes, duplexes, and townhouses (a duplex receives only one Fee)
Non-Residential:	businesses, government agencies, non-profit organizations, churches, and schools

Customer Charge

Many storm water utility and program expenses must be implemented and applied to all parcels, regardless of the amount of impervious area, land use, or parcel size. Therefore, program costs for these activities are more equitably allocated through a Customer Charge applied to each developed parcel. These expenditures include, but are not limited to, those associated with billing services, administrative services provided by other City departments, permit administration, implementation of public education and public participation activities, regulatory compliance, storm water management planning, data management, and system mapping.

The schedule of Customer Charges for 2008 through 2011 is as follows:

.....2008: \$1.00/developed parcel/month
.....2009: \$2.00/developed parcel/month
.....2010: \$2.50/developed parcel/month
.....2011: \$3.00/developed parcel/month

Example Fee Calculations

Residential Fee

The City has found that, irrespective of the size of a residential parcel, the amount of storm water runoff and pollutant loading from residential development is similar and that it would be excessively and unnecessarily expensive to determine precisely the percent impervious area for each of the residential parcels (>27,000) in the City. Therefore, each residential parcel in the City will be charged a uniform Residential Fee, regardless of the size of each parcel or the amount of impervious area on each parcel. For the purpose of calculating the Fee, all residential parcels shall be considered to be 0.235 acres with 25% impervious area (yielding a LUF = 1). The 2008 Storm Water Utility Fee would therefore equal:

$$(1.0) \times (0.235 \text{ acres}) \times (\$12.77/\text{acre}/\text{month}) + \text{Customer Charge of } \$1.00/\text{parcel} = \$4.00/\text{month}$$

Non-Residential Fee

The same equation will be used to calculate the Fee for non-residential parcels. However, since the variability in the percent impervious area on non-residential parcels is significantly greater, the percent of impervious area was measured using aerial photography so that a LUF for each individual parcel could be derived to calculate site-specific Fees.

Example #1 - Joe's BBQ: 52% IA with LUF = 1.9 and 0.6 acre parcel

2008 Storm Water Utility Fee =

$(1.9) \times (0.6 \text{ acres}) \times (\$12.77/\text{acre}/\text{month}) + \text{Customer Charge of } \$1.00/\text{parcel} = \$15.56/\text{month}$

Example #2 - Daisy's RV Park: 95% IA with LUF = 4.9 and 5.3 acre parcel

2008 Storm Water Utility Fee =

$(4.9) \times (5.3 \text{ acres}) \times (\$12.77/\text{acre}/\text{month}) + \text{Customer Charge of } \$1.00/\text{parcel} = \$332.64/\text{month}$

Q3: How were the schedules for the 2008 – 2011 Storm Water Unit Rate and Customer Charges listed above determined?

A3: The City commenced a storm water utility rate study in 2007 that resulted in the adoption of the reference schedules based on projected operational and capital improvement budget needs for those years. The revenues generated must be sufficient to provide the services required by the permit and allocated in each budget.

Q4: I live on a small residential lot. Why am I paying as much as homeowners on larger lots?

A4: Low-density residential development has an average impervious area of 25% and average parcel size of 0.235 acres. A representative sampling of residential properties of all lot sizes in Rochester was analyzed. The percentage of impervious area in residential parcels larger and smaller than the mean lot size was found to be insignificant by comparison, so only one Residential Fee will be used.

Q5: Will individual residents of condominiums, apartments, and mobile home parks pay the Residential Fee?

A5: The Residential Fee, as defined by the Storm Water Utility Ordinance, applies to single-family residential, duplex, and town house properties (as defined by the 2000 International Residential Code). Other housing complexes are classified as non-residential customers. The formula that is used to calculate the Fee for the residential customers is the same as that used for the non-residential customers. Each housing complex will need to determine how to apportion their Fee back to their residents.

Q6: Many residents jointly own outlots or common areas in their developments. Who pays the Fee for those parcels?

A6: The cost to manage storm water from commonly owned residential parcels is covered by the Residential Fee. Outlots and common areas will not be charged a Fee.

Q7: What will I get for my money?

A7: Storm water management systems protect people and property. The range of storm water management activities funded by the storm water utility is large and diverse:

- Public education and public involvement activities
- Response to citizen inquiries, violations reports, and complaints
- Storm sewer system mapping
- Detection and elimination of illegal discharges to the storm sewer system
- Inspection of construction sites for erosion and sediment control
- Storm water management planning
- Grading and drainage plan reviews
- Construction of regional water quality and quantity control structures
- Pollution prevention activities for municipal operations
- Street sweeping
- Routine pond and outfall inspections and maintenance,
- Inspection, maintenance, and replacement of storm sewer lines and catch basins
- Stabilization of creeks and other drainage-ways
- Record keeping and report preparation

- Q8: Can the Fee be used to fund other programs, like the Police and Fire Departments?**
A8: No. The Storm Water Utility provides dedicated funding only for storm water management program activities specified by the Storm Water Utility Ordinance. Accounting systems are used to track the amount of money generated through the Utility and how the money is spent.
- Q9: I am retired/disabled and living on a fixed income. Am I eligible for a discount?**
A9: The City does not provide Utility Fee reductions for elderly, disabled, or low-income customers.
- Q10: Are any properties exempt from paying this Fee?**
A10: a) Undeveloped properties that are vegetated will not pay a Fee since they have no impervious surface and their Land Use Factor equals zero.
b) Areas commonly owned by customers paying the Residential Fee will not be charged a Fee. The Residential Fee covers the storm water management costs associated with those parcels.
c) Parcels with impervious area from the public transportation network (roads, sidewalks, etc.) do not receive a Fee. The storm water management costs associated with impacts from public transportation networks are apportioned to all customers as part of the Storm Water Utility Fee due to the universal benefit that customers derive from them.
- Q11: We are a property tax-exempt institution. Why are we being required to pay a Storm Water Utility Fee?**
A11: Everyone in Rochester receives the benefit and use of its storm water management system, regardless of tax status, therefore, all owners of developed property are asked to pay their fair share to support it. Tax-exempt entities will need to pay for storm water, just like they have to pay for drinking water, wastewater, and electrical utility services.
- Q12: What if I refuse to pay this Fee?**
A12: These Fees are not optional. Delinquent Fees, plus interest, will be assessed as a lien against the property and will be collected in the same manner as other special assessments.
- Q13: Can the Fee be waived?**
A13: No.
- Q14: How long will I have to pay this Fee?**
A14: As long as the Storm Water Utility Ordinance is in place.
- Q15: Will the Fee go up?**
A15: The Fee may increase if storm water management costs increase or if new storm water permit requirements are added. In addition to the 2008 – 2011 schedules for the storm water unit rate and customer charges noted above, the Council may adjust the Storm Water Unit Rate on November 1st of each year based on the change in the Construction Cost Index as measured in the Minneapolis/St. Paul area during the preceding twelve-month period and as published in Engineering News Record.
- Q16: I'm thinking about buying a property and want to know what the annual Fee will be. How can I find that out?**
A16: Rochester Public Utilities (RPU) customer service representatives can research this information and provide a response to prospective property buyers.

BILLING

Q1: How and when will I be billed?

A1: The Storm Water Utility Fee appears as a line item on the monthly RPU utility bills for properties with impervious area on them.

Q2: Does sales tax apply to the Storm Water Utility Fee?

A2: No.

Q3: I own several properties. Can my bills be combined into one?

A3: If you are a non-residential customer, RPU can assign several parcel Fees to a single customer number at your direction. Residential Fees are billed separately.

Owners of multiple non-residential parcels may see that the Fees for each contiguous parcel have been added together and presented as one monthly total. If you have questions about the Fee calculations for each of your parcels, you may contact RPU for that specific information.

If customers wish to have one total percent impervious area calculated for all their contiguous non-residential parcels, they will need to legally assemble their adjacent parcels into a single parcel and record it with the Olmsted County Property, Records and Licensing Office. Contact Olmsted County to learn the cost associated with property records changes.

Q4: I live in an Orderly Annexation Area. Will I be getting a bill?

A4: Not until the area has been officially annexed into the City (unlike water and sewer charges, which start as soon as connections are made).

Q5: I go south each winter and disconnect my utilities. Will I still have to pay the storm water Fee?

A5: Yes. Unoccupied parcels will still be billed. The availability of the storm water management system cannot be discontinued based on occupancy. Additionally, the system costs are annualized for an "even pay" monthly charge regardless of occupancy.

Q6: I rent my home. Will I get a bill for the Storm Water Utility Fee?

A6: Residents of single-family homes, duplexes, and townhouses who already receive the utility bill for wastewater, drinking water, and electricity will also receive the bill for storm water, regardless of whether they are a tenant or an owner. If a residential parcel is a rental property with no other utility charges, the bill will go to the property owner.

Q7: I rent an apartment. Will I receive a bill?

A7: In multi-family residential complexes, the utility bill usually goes to a house account, based on who is receiving the wastewater bill.

Q8: I live in a condominium. Will I receive a bill?

A8: Whether a condominium is owner-occupied or rented, the utility bill usually goes to a house account, based on who is receiving the wastewater bill

Q9: I rent space for my business. Will I receive a bill?

A9: The bill will generally be directed to whoever is receiving the wastewater, drinking water, or electric utility bill. In some cases this is the renter; in others it is the property owner. Ultimately, it is the responsibility of the property owner to insure that the Fee is paid and to determine how their tenants will reimburse them for these expenses.

- Q10: Our building is shared by multiple property owners. How will they be billed?**
A10: The bill will generally be directed to whoever is receiving the wastewater, drinking water, or electric utility bill. Due to the variability in ownership combinations, it will be up to the joint property owners to determine a billing approach that is acceptable to them and RPU.
- Q11: As a landlord, my contract with my renters specifies that they pay utilities, can you send the bill to them?**
A11: The bill will generally be directed to whoever is receiving the wastewater, drinking water, or electric utility bill. If a tenant vacates a building, the bill becomes the responsibility of the property owner.
- Q12: I share the parking lot on my property with my neighboring business. Can you split the bill?**
A12: The bill will be delivered to the property owner or renter, as described above. Ultimately, it is the responsibility of the property owner to insure that the Fee is paid and to determine how tenants or other property users are equitably charged for shared facilities.
- Q13: I own property that is currently undeveloped. At what point after I start development will the billing begin?**
A13: When the Building Safety Department forwards the request for Permanent Electrical Service Hook-Up to RPU, the Storm Water Utility Fee will also be activated. For building additions or new construction not served by other utilities, notification that the storm water bill will be activated with the next billing cycle will be sent 60 days after approval of the Site Development Plan.
- Q14: What do I need to do about my storm water bill when I sell my property?**
A14: Owners should notify RPU of the date their property transaction will be complete so they can “final” their RPU account and transfer account responsibility to the new owner. The storm water Fee is not pro-rated; whoever owned the property at the time of the billing cycle is responsible for the bill.

FEE CORRECTIONS

Q1: What if I find a storm water Fee error on my monthly Utility bill?

A1: There are several types of errors that can occur with the storm water Fee:

- Your property is incorrectly classified as a non-residential customer or as a residential customer.
- The percent impervious area identified for your non-residential parcel is incorrect.
- Your Fee contains an apparent multiplication error.
- You are receiving a bill for parcels that you do not own.
- You are not being billed for parcels that you do own.
- Your mailing address is incorrect.

If you think the stated parcel size is incorrect, you will need to contact the Olmsted County Property, Records and Licensing Department for assistance. If a parcel size error does exist, please confirm the corrected value with the City of Rochester GIS Specialist, who will then forward the correction to RPU for adjustment of your Utility bill.

For other types of errors, you will be asked to complete a Fee Correction Request Form that provides Rochester Public Works with your customer information and with the information that will explain the error so we can correct it. The form can be downloaded from www.rochesterstormwater.com (click on the Utility Fee link on the Funding/Projects tab), or obtained from the Public Works Department. Correction requests will be handled on a first come first served basis.

Q2: Are Fee Corrections retroactive?

A2: Yes, for up to six months from the time a Fee Correction Request is submitted, assuming incorrect billing occurred during that same timeframe.

Q3: What can I do if I disagree with my Fee?

A3: If the impervious area is incorrect, the non-residential customer will need to submit a correction that has been certified by a registered professional engineer, land surveyor, architect, or landscape architect, along with supporting documentation. The request will be evaluated within 30 days and notification of the Fee Correction decision will be mailed to the customer.

There will be no Fee Corrections for residential customers that result in a Fee reduction. The City has found that the amount of storm water runoff and pollutant loading from residential development is similar. Furthermore, the Residential Fee represents the minimum, equitable payment for a single property that is needed to support the storm water program.

Q4: Is there an appeals process?

A4: Yes. If the non-residential customer disagrees with the Public Works Director's Fee Correction decision, an appeal may be made to the City Council.

FEE CREDITS

Q1: Who is eligible to receive Credits?

A1: Non-residential customers with qualified storm water management services that benefit the City's storm water management program.

Q2: What qualifies for Storm Water Utility Fee Credits?

A2: Structural best management practices (BMPs) like detention, filtration, and infiltration facilities (such as ponds, constructed wetlands, swales, and infiltration trenches) would typically qualify for Fee Credit. Non-structural BMPs like education, public participation activities, and good housekeeping/ pollution prevention programs are also eligible. The amount of Fee Credit is generally proportional to the added benefit to the City's storm water management program. Only non-residential customers who implement and maintain BMPs that reduce the City's storm water management burden will be eligible to receive Fee Credit. A [Storm Water Utility Fee Credit Manual](#) is available that outlines eligibility criteria, identifies maximum Fee Credit values, describes application procedures, and explains how the Credit will be applied to the Fee calculation. No parcel is eligible to receive Credit that lowers the Fee to less than the Residential Fee. The Credit Manual is posted on the City's storm water web site: www.rochesterstormwater.com (click on the Utility Fee link on the Funding/Projects tab). The Public Works Director will review of each individual Fee Credit application and award the Fee Credit. This decision can be appealed to the City Council.

Q3: Why don't residents qualify for Credit?

A3: The Residential Fee equates to the base Fee every parcel of property must pay to support the community wide requirements of the storm water permit and benefits of storm water management. Therefore, the Storm Water Utility Ordinance does not allow a reduction below the amount of the Residential Fee for any parcel. However, the City Council may adopt an incentive program in the future for residential customers who implement best management practices that help the City's meet its storm water management objectives.

Q4: I am part of a homeowners association that manages its own storm sewer system. Can we get Credit for the costs of constructing or maintaining our system?

A4: New development is expected to pay the one-time, up-front cost of its new public infrastructure and is therefore ineligible for ongoing Credit applied to the Storm Water Utility Fee. Maintenance of public systems becomes the responsibility of the City. Even when private sewers are constructed and privately maintained, their storm water run-off eventually enters the City's natural and constructed storm water management system. Your Residential Fee helps pay for the public system that serves your private system. You are also supporting the costs of the storm sewer system components that serve the public transportation system throughout the City of Rochester and the cost to comply with the new storm water permit requirements that benefit all residents.

Q5: My business has already paid into a City fund to construct a regional storm water management pond or has built a pond to serve our own site. Can I get Credit for that?

A5: Since 1997, developers of new development projects have either had to build a storm water management pond or pay the City a Storm Water Management Plan (SWMP) Charge. With the adoption of a Storm Water Utility, payment of a SWMP Charge will become mandatory for all new development and redevelopment projects, unless site-specific conditions warrant direct construction of a pond in lieu of the Charge. This Charge is a one-time, up-front payment that represents the developer's obligation for infrastructure development. It is therefore ineligible for ongoing Credit applied to the Storm Water Utility Fee that is needed to support the many other storm water management activities beyond infrastructure expansion in newly constructed areas, including ongoing maintenance. Non-residential customers who own and properly maintain private ponds are eligible for a Credit to reduce their Fee.

CONTACT INFORMATION

General Information

Customer Service Representatives
Rochester Public Utilities
4000 East River Road NE
Rochester, MN 55906
Phone: 507/280-1500
webrequests@rpu.org

Fee Corrections

Dan Flatgard, GIS Specialist
Rochester Public Works Department
201 4th Street SE, Room 108
Rochester, MN 55904
Phone: 507/328-2432
E-mail: dflatgard@rochestermn.gov

Credit Applications

(Submittals by mail, only for
Non-residential customers)

Richard Freese, P.E.
Rochester Public Works Department
201 4th Street SE, Room 108
Rochester, MN 55904

Storm Water Management Program Information

Barb Huberty
Rochester Public Works Department
201 4th Street SE, Room 108
Rochester, MN 55904
Phone: 507/328-2425
E-mail: bhuberty@rochestermn.gov

WEB SITES

Storm Water Web Site
RPU Billing

www.rochestermnstormwater.com (go to projects/funding and click on utility)
www.rpu.org