



Greenfield

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Storm Water Utility Plan

City of Greenfield, MN

Adopted October 20, 2015

Amended April 4, 2017

Executive Summary

This report presents the rationale and methods that guided the creation of the Greenfield Storm Water Utility (SWU). The benefits of this utility are also discussed. Implementing a storm water utility creates a dedicated funding source for storm drainage improvements, maintenance, and water quality projects. The City of Greenfield realizes the following potential benefits from a well-funded improvement and maintenance program:

- Flood control and drainage
- Enhanced water quality in area rivers, lakes and waterways
- Improved maintenance of existing infrastructure
- Erosion and sediment control
- An enhanced storm water conveyance system

This report includes a methods discussion for defining the “Residential Equivalency Factor” (REF), which is the basic unit for the fee structure. One REF represents the runoff volume generated by a typical single family residence. The utility assigns REFs to other properties based on their size and percentage of impervious surface.

The storm water utility bases all individual charges on the number of REFs assigned to a particular parcel. This report includes a summary of the SWU charges and storm water improvements and maintenance items the SWU charges intend to fund. These budget items are intended to encompass the City’s storm water improvements and maintenance items. In addition, the SWU includes reference to the storm water utility budget that will be considered and adopted annually. This budget is for the implementation of programs and projects to address the water quality issues within the City of Greenfield.

1. Introduction

1.1 CURRENT AVAILABLE FUNDING SOURCES

Most commonly, cities draw from the general fund to finance municipal storm water improvements projects. A storm water utility is generally considered a more equitable mechanism for funding storm water improvement projects because the charge is based upon the amount of runoff generated from a property. Storm water utility charges are also applied to tax exempt properties like churches and schools – all of whom are part the municipal storm water system.

1.2 PURPOSE OF STORM WATER UTILITY

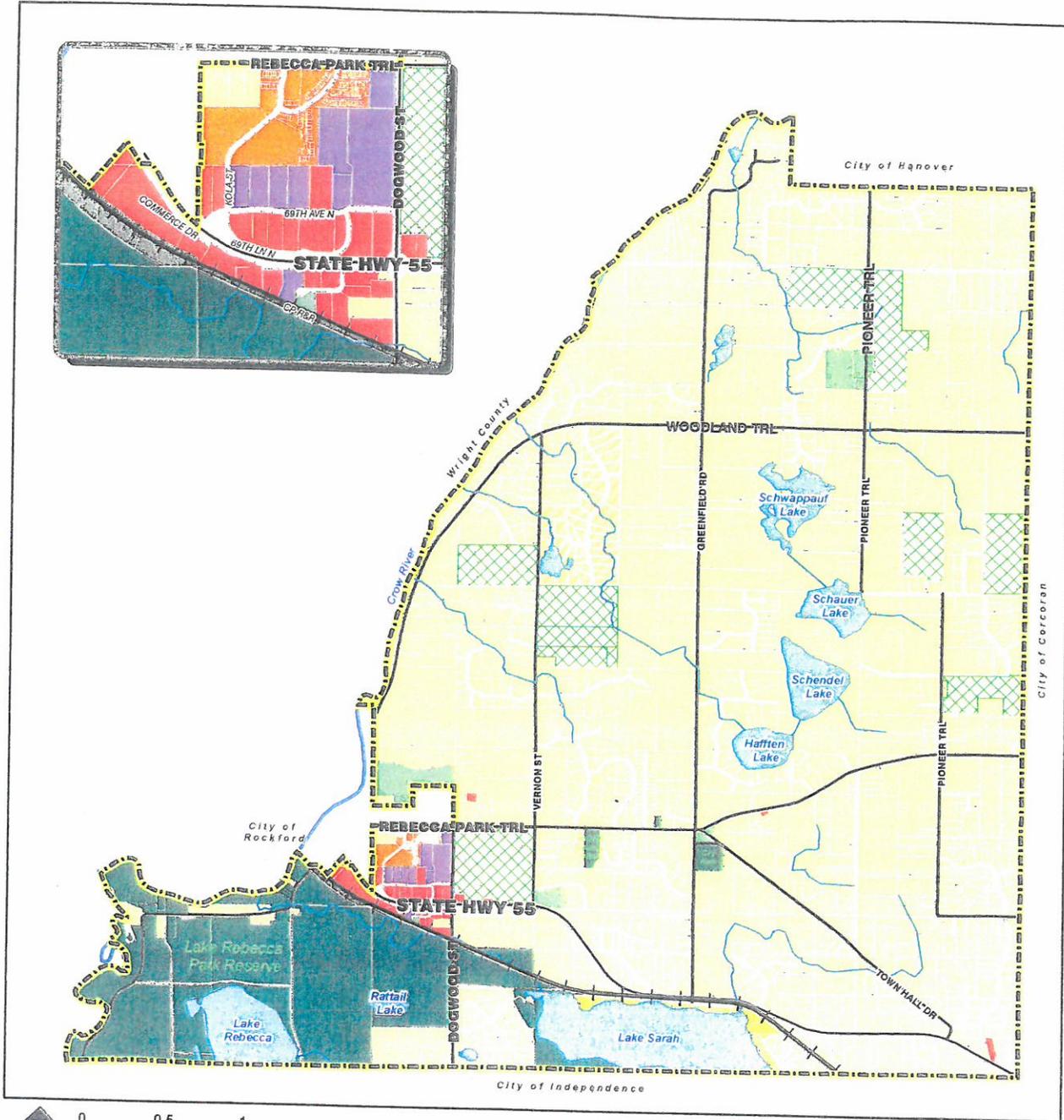
Municipalities create storm water utilities so that dedicated funds are available to operate, maintain, manage, construct or reconstruct their municipal storm water drainage systems. A storm water utility is a dedicated revenue source intended to alleviate the burden on general funds. Essentially, the storm water utility is identical to a water or sanitary sewer utility, in which the utility's users finance the utility's infrastructure costs. The storm water utility charge is not associated in any way with property value, property taxes, or the owner's income.

Greenfield's storm water utility defines a "user" as any property that contributes storm water runoff to the storm drainage system. The users include all existing land use categories, with exception of the following:

- Public parks and recreation parcels
- Public open space parcels
- Public right-of-way parcels
- Rural Residential NWI (National Wetland Inventory) designated wetlands.

Typically, the City charges a storm water utility fee to all "users" within the City based on the amount of runoff that each property generates and contributes to the storm water system. As a rule, the runoff generated relates directly to the amount of hard surface, or impervious area, found on the property. Hard surfaces such as rooftops, driveways, and parking lots prevent rainfall from infiltrating into the ground, thus increasing the amount of runoff that a property generates. Consequently, a property with more impervious area uses the system to a greater extent than a property with less hard surface. The existing land use and current parcel coverage within the City of Greenfield used for the generation of this SWU can be found on Figure 1. (Existing Land Use Map)

Figure 1.



March 26, 2015

Source: Hennepin County Assessor and City of Greenfield

Legend

- Agriculture Preserve
- General Business
- Rural Residential
- Industrial
- Sewered Residential
- Institutional
- Private Sewered Residential (Whisper Creek)
- Park
- Residential Townhomes
- City Boundary
- Railroad
- Lake
- River and Streams
- Railroad



Existing Land Use (2014)

2. Storm Water Utility Activities and Benefits

2.1 STORM WATER UTILITY BENEFITS

Because of the increasing competition for funding among the City's various needs, certain storm water system activities are left unfunded or underfunded. The purpose of creating and implementing a storm water utility is to provide an equitable, dedicated funding source for additional or improved storm water management services. Some benefits that can be realized by these services and potential activities that can be realized by these services and potential activities that can help the City realize these benefits are:

- Water quality
 - Comprehensive water quality management plan
 - Monitoring
 - Wetland restoration
 - Water quality system improvements
 - Projects such as addressing TMDL pollutant load allocations
- Erosion and sediment control
 - Street sweeping
 - Storm sewer pipe, catch basin, and pond inspection, maintenance, and improvements
- Enhanced storm water conveyance
 - Rehabilitation and replacement
 - Facility improvements
 - Operation and maintenance
- Flood control
 - Comprehensive storm water management plan
 - Storm sewer system improvements

The total amount to be funded by this storm water utility will be based on the adopted annual budget.

These budgeted costs, as well as the items identified as being funded by this SWU, will be reviewed and adjusted as necessary on an annual basis by the City Council.

3. Proposed Storm Water Utility Fees

3.1 PROPOSED FEES

Storm water utility fees are based on the user's share of the costs to be funded by the utility. This is the most equitable and practical means of financing these ongoing operations. Conceptually, users pay a storm water utility fee in proportion to the amount of storm water runoff generated by their property.

The average lot size for Rural Residential land use is 3.5 acres and defines the SWU fee structure's base unit, the "Residential Equivalency Factor" (REF). This typical residential lot is not representative of any particular residential lot and is used only as a means to calculate REFs for properties with certain existing land use designations. The REF values are based on comparative amount of runoff generated by certain existing land use designations to the amount generated by a typical single family residential lot. All Rural Residential parcels under 5 acres receive 1 REF. The 5-acre categories from 5 acres and above receive REFs increasing by .5 REF per category, up to parcels 90 acres or larger receiving the maximum of 10 REFs (i.e., 5 up to, but not including 10 acres = 1.5 REF, 10 up to, but not including 15 acres = 2 REFs, 15 up to, but not including 20 acres = 2.5 REFs, etc.). Public Sewered Residential and Residential Townhome parcels under 1 acre receive .5 REF each. Agriculture Preserve is incorporated with the Rural Residential.

Industrial parcels are calculated individually based on an average lot size with assumed impervious lot coverage of 60%, which results in 8 REFs/acre.

General Business parcels are calculated individually based on an average lot size with assumed impervious lot coverage of 75%, which results in 5 REFs/acre.

Institutional parcels are calculated based on their individual lot size with assumed impervious lot coverage of 20%.

3.2 REQUIREMENTS TO IMPLEMENT

To implement the Greenfield storm water utility, the City Council will need to adopt an ordinance outlining the specifics of the storm water utility. A storm water utility ordinance establishes the user fee system as the principal funding mechanism for the City's storm water management program. A separate storm water utility fund will be created to capture the income and expenditures.

4. RECOMMENDATION

The actions taken to proceed with the implementation and integration of the storm water utility fee are were as follows:

1. Mail the newsletter explaining the storm water utility to all property owners in Greenfield.
2. Hold a public hearing to present the storm water utility
3. Adoption of an ordinance establishing the user fee system
4. Establish procedures to bill and collect the user fee revenues
5. Integration of the new storm water funding mechanism into the existing city systems

The recommended actions necessary to maintain the storm water utility are:

1. Add new parcels to the system as development projects are closed out
2. Review and update these existing land use designations as necessary as development proceeds
3. Annual review of charge rate
4. Annual update of storm water Capital Improvement Plan and annual cost to be funded by the SWU
5. Periodically review the billing list