



PSITRC Recommendation – Stormwater Funding



# Why We're Here:

- As **directed by City Council** Item 2015-0163
- No dedicated funding
- “**Bolt**” ruling compliance
  - Regulatory purpose vs. revenue generating
  - Fees proportionate to use
  - Voluntary (able to be mitigated) by user

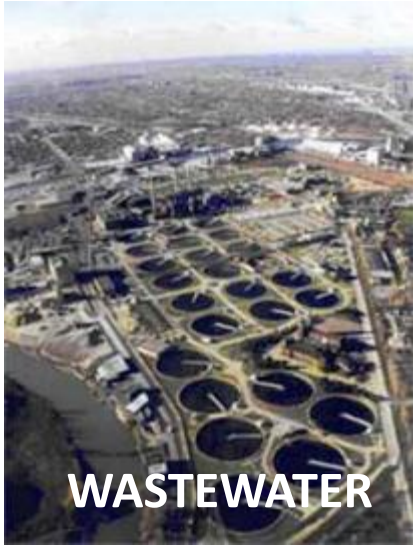


## Progress So Far:

- \$773K SAW Grant with \$149.2K matching funds from City for study
- Detailed review by OHM Advisors/HRC Consulting Engineers
- Resulting in four key deliverables:
  - Mapping of City & private assets
  - Current condition of all assets
  - Recommended amending City scope
  - Recommended funding level
- Impact of **funding** sources: **Utility** vs. **Millage**
- Subcommittee formed to focus – work-scope/funding developed



# Current Budgets for Critical City Infrastructure – Stormwater is Significantly Underfunded:



330 miles of sewer  
8,800 manholes  
6 pump stations

**Budget: \$7.0M/year\***

**Revenue Source: User Fee**



441 miles of water main  
Over 5,350 hydrants

**Budget: \$8.1M/year\***

**Revenue Source: User Fee**



**Current City Jurisdiction (24%) HOA\Other\No Jurisdiction (76%)**

110 miles of storm sewer	323 miles of storm sewer
120 miles open channel	37 miles open channel
1,900 manholes	5,600 manholes
6,500 catch basins	7,800 catch basins
Public Road culverts/crossings	

**Budget: \$632K/year**

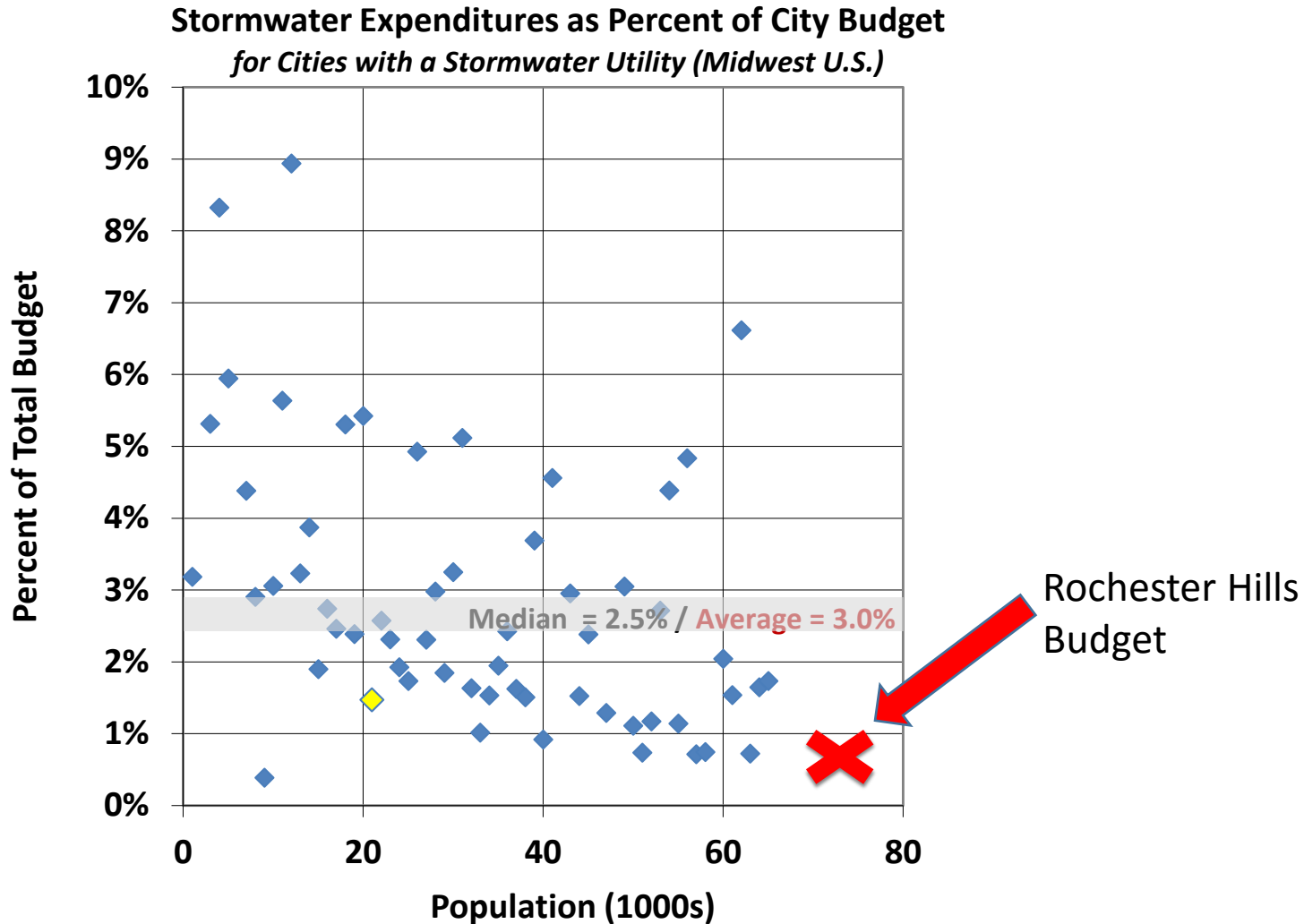
**Revenue Source: Gen. Fund**

**Budget: \$0.00/year**

**Revenue Source: None**

\* Excludes GLWA transport/treatment costs passed through and OCWRC

# Current % of Budget for Stormwater Benchmarks



**Midwest  
Benchmark 2 – 3%  
of City Budget for  
Stormwater.**

Rochester Hills  
Spending = **~0.52%**  
**of \$120M Budget.**

Stormwater is  
Significantly  
Underfunded



Infrastructure within easement transition after HOA is built:

Dedicated Funding:

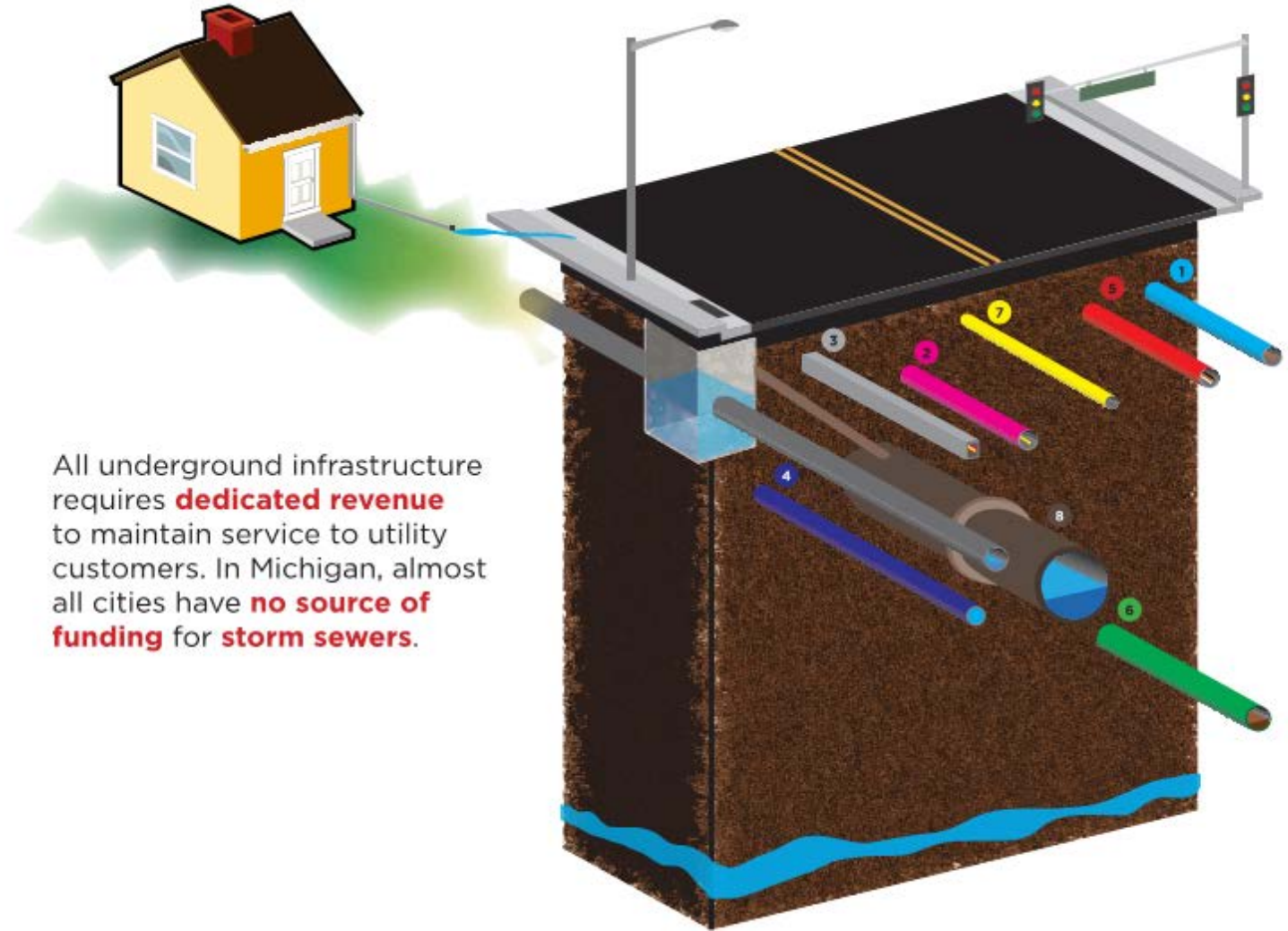
- Electricity
- Gas
- Water
- Sewage
- Roads

No Dedicated Funding:

- Stormwater

# FUNDING

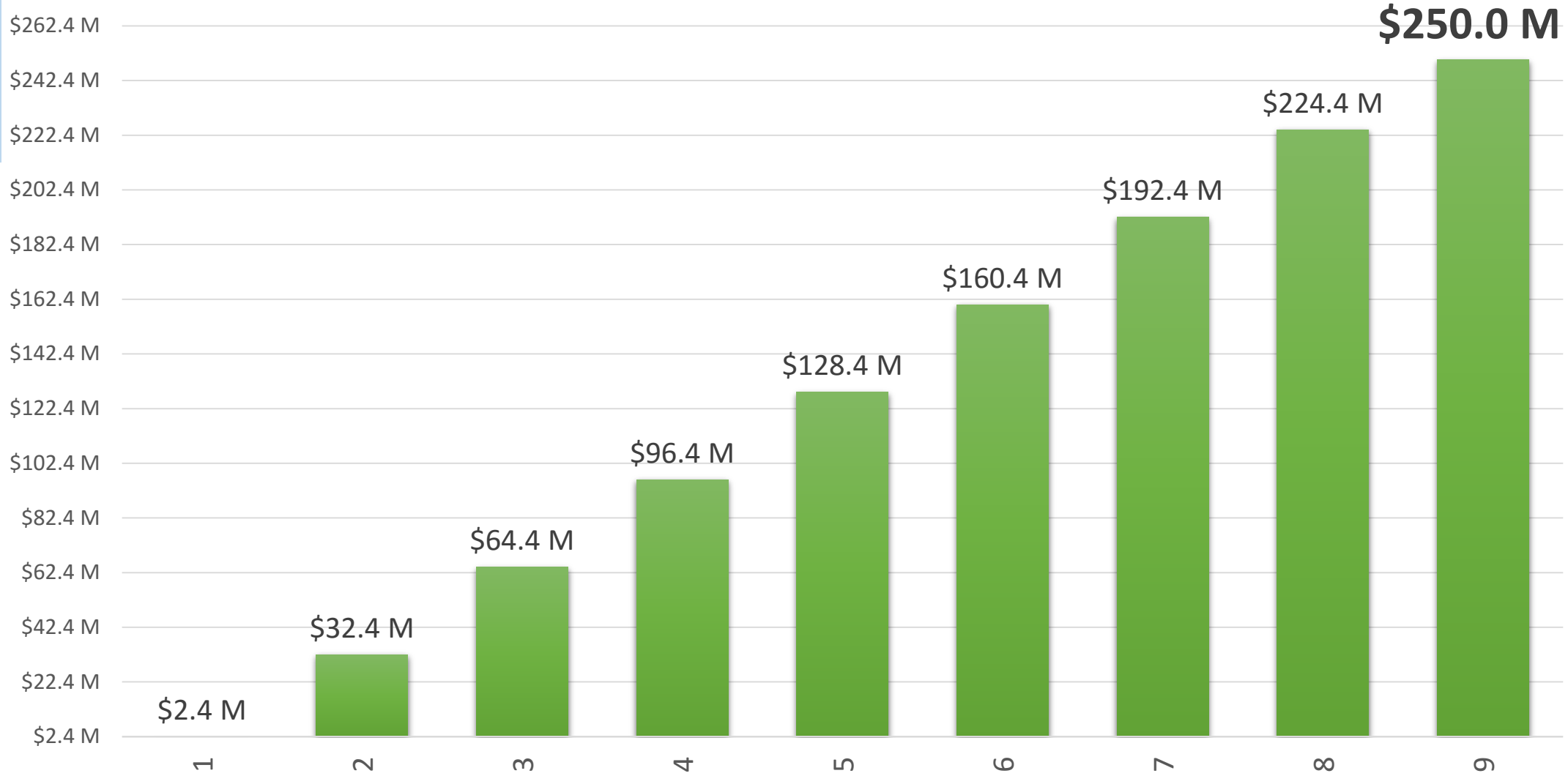
## STORMWATER INFRASTRUCTURE



All underground infrastructure requires **dedicated revenue** to maintain service to utility customers. In Michigan, almost all cities have **no source of funding** for **storm sewers**.

# Necessary Spending over the next 40 Years:

**Need**



**Cumulative Investment Needed**

# PSITRC Recommendation

## Current Scope:

- City is responsible for **24%** of complete stormwater system
  - Only inside curb to curb for direct road drainage
- **Exclusions:** Most HOA assets (ROW, rear yard, side yards, and detention ponds) and all private roads

## Expanded Scope Recommendation:

- City responsible for **80%** of complete stormwater system
- All stormwater assets within ROW on all roads and easements
- **Includes:** All City major/local roads and private road ROW
- Matches most SE Michigan Municipality Management Systems
- **Excludes:** HOA retention/detention ponds (15%)
- **Excludes:** Small diameter backyard systems (5%)





# PSITRC Recommendation

## **Expanded Scope Recommendation (Continued):**

### **HOA Retained Ownership (15%) – Retention / Detention Basins:**

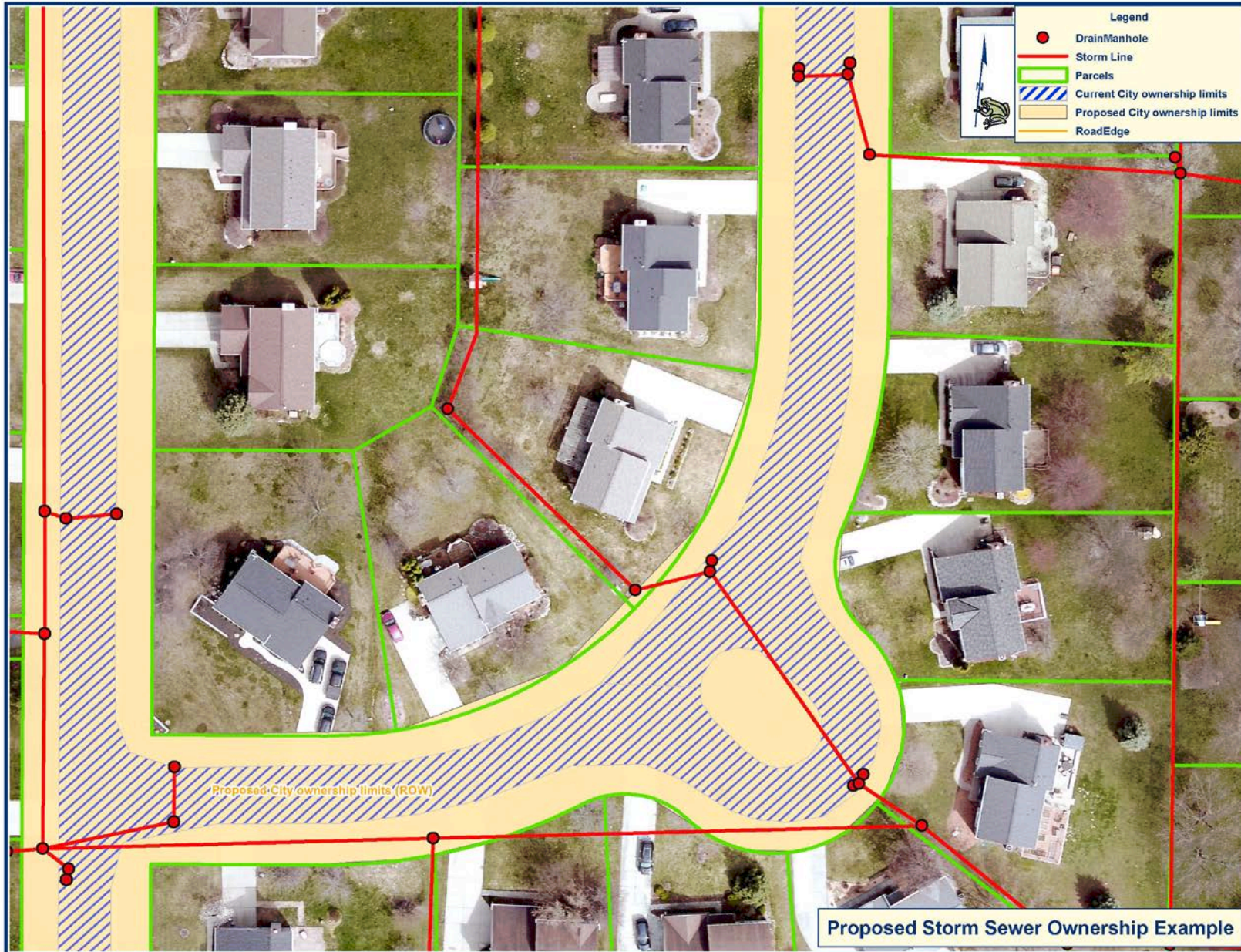
- City management of inspection every 5 – 7 Yrs.
- HOA's regular awareness via water bills / website
- Included in 50% grant match program

### **HOA Retained Ownership (5%) – Small Diameter Backyard Systems:**

- City management of inspection upon HOA request
- HOA's regular awareness via water bills / website
- Included in 50% grant match program







# Illustrated:

Stormwater  
(Red Lines)

Current (Blue)

Proposed (Blue  
& Yellow)



# PSITRC – Recommended Funding

- Funding Amount: **\$6.4M**
- Funding Source: **Stormwater Utility**
  - **User fee** for all properties
- Grant Program: \$400K of \$6.4M, 50% Match with HOAs
- Implementation Timing:
  - July 2021 Go Date (with water/sewage update)
  - Year 1 (July 2021): \$2.4M (w/grant)
  - Year 2 (July 2022): +\$2M (\$4.4M Total)
  - Year 3 (July 2023): +\$2M (\$6.4M Total)





# Critical Outcomes:

- Preservation of **Green Space**
- **Clean** Creeks & Rivers
- *Erosion* Control
- Prolonged Service Life of System
- System Failure **Prevention** & Expense Avoidance
- **Minimized Cost** to Each Resident / Business Owner
- Strong Resident Awareness of **HOA** Responsibilities
- Encourages **HOA** Management & Budgeting of Their Own Systems





## Other Advantages:

- **\$632K** General Fund Freed Up
- **\$750 - 900K** Road funding freed up (8 – 10% of road budget diverted to storm water – most recent is \$9M) changes each year
- Residential User Fee about **\$7.32/month** vs. Tax Millage (1.87 Mill) of **\$23.00/month**
- **User Fee is Lowest Cost** for Residents
- **Fair** Distribution of Costs (includes exempt properties)
- Incentivizes Residents & Business to Reduce System Use
- Incentivizes Developers to Reduce System Use
- Provides Cost Sharing Mechanism with Developers



## Open Action / Decisions:

- City Council / Mayor / Staff Feedback
- Meets “Bolt” Michigan Supreme Court Ruling
- Support House and Senate Legislative Efforts
- City Legislative Approach: Ordinance
- **\$25K** Requested for Additional Consulting Support
- If adopted by City, eventual Bid & Source of Implementation Consulting Contract





# Questions/ Comments?

