

# STORMWATER UTILITIES



*Pequot Pond restoration project, Southampton*

## **What is a stormwater utility?**

Stormwater utilities are proven effective mechanisms for generating revenue to manage stormwater. Just like electric or water utilities, stormwater utilities collect fees from residents to pay for a 'product'. Stormwater utilities are different from the other more established utilities as the 'product' being paid for is not something concrete and measurable like water or electricity. The product being paid for is stormwater management, and design to control or eliminate water pollution, erosion and flooding.

## **Why do we need stormwater utilities?**

For hundreds of communities in Massachusetts, the National Pollutant Discharge Elimination System (NPDES) Phase II program prompted a shift in the way many cities and towns view stormwater programs. Stormwater utilities offer a proven successful way for municipalities to generate fees needed to finance stormwater management programs and upgrade of existing stormwater facilities.

## **How do stormwater utilities work?**

As a rule, municipal stormwater utilities are established by ordinance (or bylaw in the case of a town). The vast majority of these ordinances/bylaws are enacted by local government. Public referendum is also an option. For more information on stormwater utilities and a thorough overview of legal issues, sample ordinances, and other technical information, please refer to the PVPC document "[How to Create a Stormwater Utility](#)" toolkit.

## **DID YOU KNOW...**

that there are more than 360 stormwater utilities established across the country in 31 states?

## EXAMPLES FROM THE PIONEER VALLEY

### **City of Chicopee Stormwater Pilot Program**

In 1998, the City of Chicopee implemented a pilot storm water utility or fee-based management program. Although the City of Chicopee did not establish a storm water utility per se, the city opted to incorporate storm water management into the existing Wastewater Department to save on administrative costs and take advantage of the expertise of the Wastewater Department's staff. Chicopee also passed an ordinance to collect fees from residents specifically for the purpose of managing storm water. The city conducted extensive research before instituting the storm water ordinance. Residents said that they would be willing to pay a new fee for storm water management if they were sure that the money would be used to address the problems directly affecting them, such as sewer back-ups during wet weather. The ordinance was therefore designed to address such concerns.

Instituting a specific storm water fee rather than increasing sewer fees to cover the costs of storm water management had two advantages. First, it meant that Chicopee could assess fees based on the amount of storm water generated by each property tied into the sewer system. Second, the city expects that over time, large storm water generators will begin to invest in best management practices and remediation measures to treat their storm water in order to reduce their storm water management fee, thus reducing the amount of storm water pollution being generated.

Chicopee's storm water management fee has been in place since December 1998. In the first year, the city raised some \$400,000 for storm water management; by the third year, revenues had increased to \$550,000. To date, the money has been used for activities such as stepping up cleaning of catch basins, purchasing a catch basin cleaning truck, grouting joints in the sewer system to stop leakage and inflow, stenciling storm drains, and cleaning sewer lines. Chicopee has also used the funds to leverage additional state loan funding for a \$5 million sewer separation project.