

Paying for Stormwater - The Benefits of a Utility

Webcast Transcript

Thursday, August 13th, 2015

Speakers:

- **Andrew Reese**, AMEC Foster Wheeler
- **Robert Chandler**, City of Salem, OR
- **Sheila Dormody**, City of Providence, RI

Transcript:

Slide: Paying for Stormwater – The Benefits of a Utility

Emily Halter:

Hey, everyone. We're just getting set up over here. Sorry for the delay. We'll get started in just a minute. Hey, everyone. We're going to go ahead and get started. Again, sorry for the delay. I had some technical difficulties here. So good afternoon, and welcome to today's webcast titled "Paying for Stormwater: The Benefits of a Utility." This webcast is sponsored by EPA's Office of Wastewater Management. My name is Emily Halter, and I'm an ORISE fellow with EPA's Green Infrastructure program, and I'll be moderating today's webcast. Thanks for joining us.

Slide: Logistics

So before we get to our presentations, I'd like to go over a few housekeeping items, as usual. First we'll have a question and answer session at the end of today's presentations. To ask a question, simply type your question in the "Questions" box on your control panel and click the "Send" button. If your control panel is not showing, click on the small orange box with the white arrow to expand it. You don't need to wait till the question and answer period to submit your questions. We'll try to answer as many questions as possible at the end of the webcast. However, there are usually a high number of participants and questions, so not all questions will be answered. Please feel free to contact our speakers after the webcast. Speaker contact information will be available at the end of the presentation. If you have technical issues such as audio problems, please call the GoToWebinar support number listed here on the screen and give the assistant our conference ID number, which is also listed here on the screen. Slides from today's presentation will be posted on EPA's Green Infrastructure website, right there on your slide, within two to three weeks. And you're going to want to go to the same page you went to register for this webcast. That's our Green Infrastructure training page. Lastly, we'd like to remind you that the views and materials presented by our speakers today are their own and do not necessarily reflect those of the EPA.

Slide: Webcast Agenda

So today we're going to be talking about paying for stormwater, and this is something that many communities are struggling with around the country. A stormwater utility is one way to create a dedicated source of funding to pay for stormwater programs and infrastructure. We have some really excellent practitioners lined up today who are going to share their expertise

and experience on this topic. First we'll hear from Andrew Reese of AMEC Foster Wheeler, who will talk about some key concepts of setting up a stormwater authority. Then we'll hear from Dr. Robert Chandler, who will discuss the creation of a utility in Salem, Oregon. And then, finally, we'll hear from Sheila Dormody to hear about the efforts of six Rhode Island municipalities to create a stormwater management district. So with that, I have the pleasure to introduce our first speaker, Andy Reese. And before I introduce him, I'm just going to change the screen over to him to he can bring up his presentation.

Slide: Five Steps (and some Rules) for Establishing a Regional Stormwater Utility

So Andy Reese is a vice president at AMEC Foster Wheeler. He has worked in all 50 states in a wide variety of areas, with a current focus on green infrastructure and stormwater management. He also helped teach another EPA webinar on stormwater utility financing. He is a Registered Professional Engineer and LEAD certified, with degrees from Cornell University, Boston University, and Colorado State. He is a noted writer and speaker, having given the first StormCon and the first Web Tech Stormwater Congress keynotes and is the co-author of the bestselling textbook, Municipal Stormwater Management. He is a grandfather and the father of four children who are all grown, or think they are – that's what he says. He and his wife reside in Tennessee, where he still hopes to be discovered by the Grand Old Opry. That's amazing. Andy, are you on the line?

Andrew Reese:

I am here.

Emily Halter:

All right. That was a great biography. So the floor is all yours. Go ahead and take it away.

Andrew Reese:

Thank you, and welcome, everybody. I'm going to talk a little bit about steps and rules for regional stormwater utility or an authority. I struggled with the title. One of my kids said I should title it "They thought they were setting up a stormwater utility. What happened next will shock you," or "One crazy little secret for losing your job." But this is it, so let's dive right in.

Slide: Setting up a Utility is like Helping a Dysfunction Friend

I've been involved in about a dozen regional stormwater utilities or authorities set up, and I've kind of defined that setting up utilities is a little like helping a dysfunctional friend. But setting up a regional utility is kind of like negotiating a peace treaty with terrorists sometimes. The benefits can be huge, and that's why we try to do it, because it can be such a beneficial thing.

Slide: Just when you think...

But what often happens is just when you think it's smooth sailing, you find out that it's not smooth sailing. So I'm going to speak mostly from experience, and let's talk about that.

Slide: What is a Stormwater Utility?

First of all, just to get you up to speed, some of you probably know way more than you ever wanted to know about utilities, and some don't. So what is a utility? Well, first of all, it's just a way to get money. It is a different funding approach. It is a user fee, like a water fee or a wastewater fee. Secondly, it's a stormwater program. That is, if you're charging somebody

money to get something they thought they were getting with their taxes, then you'd better offer them something better than what they got with their taxes. And finally, it can be, but doesn't have to be, an organizational entity. It can simply be a different and probably greater amount of money going to Public Works or going to whoever did your other programs. So it doesn't mean a bureaucracy or an independent entity. However, when you set up an authority, it typically does mean something like that or at least a shift of who does what to who. Typically, communities, particularly if they're exploring, start with some sort of a low-cost feasibility study primarily designed for staff and political leaders to understand what they're getting into and say, yeah, I'm good going forward. I'm not saying I'm good going forward, but I am good taking this step.

Slide: Four Key User Fee Benefits

Because this is titled benefits, I wanted to give you my big four benefits for a user fee. These sell in a lot of places, these four ideas. Number one is it's stable. The big problem with stormwater is you get money one year and not the next year, so you're always running your program at the sort of lowest common denominator of money. But the revenue is stable. Secondly, it's adequate. You can generate sufficient revenue with the user fee, run a pretty good program, and still stay within most people's scream level. Now, some people will scream at zero, and they'll call it a rain tax. But for sane people, depending of what part of the country you're in, \$3, \$4, \$5 a month, if they know it's going for something they believe in, it's not terrible. And that's a great thing about a stormwater utility. With that level you can run a moderate program. It's flexible. You can fit a stormwater utility into any size community with any set of goals. I've done them for communities of 6,000 and communities of several million, and they fit either way. Finally, most people, no matter their education level or background, when you describe the more you pay the more you pay -- the more you put into the public stormwater system or the more you are protected by it, the more you should pay. We don't pay for our wastewater bill based on property value. Why should we pay for stormwater based on the property value? And most people get it, and they smile, and they go, okay, among the ideas.

Slide: Monthly Stormwater Fee per Typical ERU Graph

This -- there you go. This is a range of monthly fees for typical sized single family residence. So you can see that it ranges from 50 cents, which makes you wonder what they are actually doing besides paying for postage, all the way up above \$20 now per month per typical household. You can see the average there, the median. It's probably slipped up a bit since then. And if you just pick large communities, your average would be in the five-plus dollar range now. So that kind of gives you a background.

Slide: Info on Individual Utilities from USEPA

Emily did mention, and here is the single utility program that we did, you could actually watch this or listen to it online. And if you just Google "financing municipal stormwater" and my name, or EPA, but it's on their webcast series. And that's a two-hour audio, and you should do that.

Slide: Rule #1 – Get the Process Right

Let's talk about rules. Number one and the most important rule is to get the process right. That is, the process, particularly of bringing various communities or entities together, is almost as important as the final product. And I'm going to talk about some of these steps as we go through the rest of this talk, but getting the process right is going to be really key.

Slide: Steps in Regional Feasibility

So let's talk about the first one. The first question you have to ask yourself -- and you have to be convinced of this -- is, why is this an attractive idea? Why is this better than some other approach?

Slide: Rule #2 – Have Compelling Reasons to do this

So rule number two is have compelling reasons to do this. And when I say compelling, I mean compelling to the people around you. If that bomb technician runs, his running is compelling to everybody. And sometimes staff say, well, we need more money. That is not compelling. Everybody in the community says, well, I need more money, too, so you should give me some money. So the idea is to have compelling reasons.

Slide: Compelling Case for a Utility

If you'll look at the top ten or 15 reasons that people over the years have found compelling -- and probably within 72 different utilities at this point -- this is kind of the top list. And I'm sure you can get this if you download the presentation later. But these are the things that people go, oh, yeah, that's important. That's important. Oh, yeah, our infrastructure is failing. When you look at that list and ask yourself which of these would be compelling to this kind of person in my community or this kind, and so on, you tend to end up with four or five. And often, in a citizen group meeting, you ask them what the significant issues are that they're facing, and these things will pop up again and again in all different words. But when you ask, what is the compelling case for doing a regional stormwater utility, you get a completely different set of reasons.

Slide: Compelling Case for a Regional Entity

Often it's economies of scale. We can do this cheaper together than we can individually. Or we can get outside funding. EPA will support us. We can get grants. The state will underwrite this because it's new; it's needed. The other thing is that we can begin to address things on a watershed basis, and that's important to us. We can, in some way, be more free of politics and jurisdictional boundaries. We can have a bigger budget, which means we can get more people who focus on this rather than on a public works director, say, who's got 17 other jobs, and stormwater is sort of other duties as assigned. Local governments tend to not be focused or able. Stormwater is pretty low, I would guess, in most of your communities today. Your stormwater system is functioning flawlessly because it's not raining. The other issue is that streams go in and out of entities, and streams tend to be very attractive to people, and very dangerous, as well. And if we can cross entity boundaries to deal with streams more holistically, then that's a great thing. You can run greenways, for example, across seven or eight entities and put in bike trails, and it starts to become a great sort of regional thing. The other thing is that regulatory programs tend to have geography that's watershed based, or can

be. And it matches, then, our ability to respond in a coordinated and probably cheaper but more effective fashion on a regional basis.

Slide: Why Might this be an Unattractive Idea?

Why might that be an unattractive idea? Well, there's a similar set of reasons, and you hear all of these. You don't hear these publicly very often unless someone is overly brave. But when you do what I call shuttle diplomacy, and you talk to the individual entities talking about it, they kind of look both ways, close the door, and they just say, look, we've invested in stormwater all these years, and XYZ city has not invested. And now we're going to bail them out? I don't think so. Or, am I going to lose control of my zoning or of my land use? Is someone else going to decide for me, who doesn't live here? Or, are you building this bureaucracy, and it will just get bigger and bigger and we'll be out of control? Or, who's going to ensure I get my share? If we put in this money, how do I make sure I get mine back? Or, when the mayor calls me, today, I can respond. But if we set this up, I can't respond, but they have to call this entity. Is that going to be better or worse for us? And so all of those things tend to come into play.

Slide: Steps in Feasibility

So why might it be an attractive idea? There's a process of asking, why are we doing this, what will we get out of it, and how will we overcome the objectives? The second step is almost what in the world are we going to do -- and not do, really, is just as important.

Slide: Rule #3 – Meet Felt Needs Effectively Day One

So rule number three, meet felt needs effectively from day one. Let me give an example.

Slide: Great Staff and a Good Program

This is Birmingham. Jefferson County formed the Stormwater Management Authority, and it was a great idea. The idea was to help people get stormwater quality permits. They have good staff, good program. The problem is that no one ever called any community there and said, my stormwater quality is just great today or is not great today. They always called about infrastructure and flooding. And because this agency wasn't set up to deal with infrastructure and flooding, people just got madder and madder as they said, no, we don't do that, we don't do that. So finally they said, okay, let's raise the fee so we can do that. And they got caught in that horrible catch 22, which is, I didn't charge enough to begin with to have a great program. To have a great program, I have to double or triple my fee, but who's going to want me to do that, because I don't have a great program now. And so they ended up disbanding the program. So make sure you scratch where people itch who have a say-so and are citizens. Even though you know you have to do things they don't care about, make sure you do things they do care about, and those things are visible, and they happen day one.

Slide: Which of the 68 Stormwater Functions will we Handle?

The question then is, which of the – and I put 68 stormwater functions. It depends on how you slice and dice stormwater. But the question is, what are we going to do? Are we going to do big streams and small streams? Are we going to do quantity and quality? Are we going to do operations and maintenance and capital? Are we going to do ecology and greenways? Are we going to do floodplain management? There's a lot of things. And so the process takes us

through these six questions: What type of questions will we provide? Where will we provide these services, either geographic areas or program areas? What is our extent of service? And the other one is, how good will we do it, or how much will we do? So that third one is a level. Type, extent, and level of service are like three legs on your stormwater program tripod, and you really need to balance them so they support each other and they meet the needs of the community. Fourthly, how will we know if we've done it? How will we measure the service? This is important for you, but it's especially important year in and year out as you report to the public or as your website reports to the public. And that's number five. How will other people know what we're doing? Communication of our service and what we're trying to do is really, really vital. And then, finally, who sets priorities, and on what basis? We can do all these things, but if we end up squabbling, and the various communities are sort of upset with each other, we need to have a process that is both professionally set but politically sensitive. And balancing those two is sometimes hard for technical people, just like choosing technical priorities is sometimes hard for political people.

Slide: Steps in Feasibility

Once we get that done, then we go on to the third question, and that is, how will we pay for it? Notice that the "How will we pay for it?" isn't the first question. It's not we need money, we need money. But we always start with, what are we going to do and how will it be set up? Because when people get a vision for solving problems and working together, the pay for it tends to be a lot easier sell. If we start out by selling a stormwater utility, it tends to be a no-go because people don't have a vision for what it will actually do. But when they get a thirst, then paying for it is good.

Slide: Rule #4 – There are about 256 Stormwater Funding Methods

Rule number four, there are – and there's a big of a lag here. There we go. There are about 256 ways that you can get money or resources or revenue for stormwater programs. But at the end of the day, you need a paycheck for stormwater. Grants will not fund an operations and maintenance program. Volunteers will not clean out pipes. Revenue is key for you, and there are very, very few methods that are actual revenue. There's sales tax revenue, if it can go on forever. There's general fund revenue. Sometimes states passed special acts or bills that generate revenue, but all of those typically have a sunset. And then there's stormwater user fees. And honestly, if other things worked really well, user fees never would have come about. But those things have not worked well, and they've been around. And so you end up with primary funding methods -- and we're talking about user fees here -- and then secondary funding methods and then rate modifiers. So revenue is what we need. So when people say, "Well, let's just get some grants -- let's do this, let's do that," that's too naive, especially for a regional utility. Grants can help you set it up, they can help you do some projects, but at the end of the day, you need a paycheck day in and day out.

Slide: Steps in Feasibility

Let's go on to number four, then. And number four is, how will it be governed, or how will it be managed? That's the next question. We know why we're doing it. We know what we're going to do. We understand how we intend to pay for it. Now we need to understand how we're going to relate to each other.

Slide: Relationships

There are, if you think about human relationships, there's lots of relationships. Perfect strangers is not a relationship. A dissociative identity disorder of individuals is probably not a healthy relationship. But somewhere between those two, there are various types of relationships.

Slide: Rule #5 – Define your Relationships in Writing

And rule number five is that we need to understand our relationships. And Robert Frost was right -- good fences make good neighbors. We all look cuddly and soft when we're out there being who we are. But when we get into a room, sometimes that cuddly softness has a tendency to go the other way. So we need to define in writing what our organizational options for our relationships will be.

Slide: Organizational Options

And sometimes we use an Org-o-meter. And Sheila, you might recognize this one, I think. But as you start from the left and go right, you tend to go more and more toward one entity versus several entities. So if you start on the left, that's just we all know each other. Two is we voluntarily cooperate on various aspects of our programs. So we will get together and do public education, or we'll do a sweeping contract, a street sweeping contract together, blah, blah, and we tend to see that we like to work with each other. We see the benefits. And then we say, you know, maybe if one of the entities, maybe the county or the big one or a regional entity, takes on some of the duties -- and particularly if we now start up with a stormwater user fee, we don't everybody to collect the money and duplicate that. Let's have one entity set up and collect that, disburse the funds. There will be some things that we'll each do and some things that we do cooperatively. We set up a couple in South Carolina where there was a base fee all the things they did cooperatively, and then each entity got to collect whatever fee on top of that they wanted to do for their own local program that wasn't covered by the joint entity. And so you basically, in number three, still have independent programs, and then you all, through inter-local agreements, throw in your lot for some program. Number four is we're really starting to give up more and more and more of our stormwater program because we find that one entity can really do a lot of maintenance. Denver Urban Drainage and Flood Control District might be a good example of this, where they do tons of great work, everybody loves them, and so they're a great agency, great example of that. And finally, number five, we create either a separate -- or we literally give our stormwater service nearly 100 percent over to another agency. And that comes with all kinds of, what do we do about zoning? What about streets? Who does catch basin cleaning? What about leaves and leaf pick-up? So there's a zillion issues about that that all need to get sorted out. But you can see that as the organizational complexity gets simpler and simpler, the programmatic complexity can get a little more involved as we sort out all of those details.

Slide: Steps in Feasibility

Finally, what is the process for setting it up? We always say that it's a question of due diligence. And that's kind of a legal term, but it says that we do a good job.

Slide: A Question of Due Diligence

And we like to do a good job in five key areas. One is governance. Secondly, the program concept and the compelling case for the program. How do we do that really, really well? Many utilities don't fail legally, but they do fail in the court of public opinion and political will. So number three is really, really key to get right. Four is, when you get sued, they'll go after number four. And when people call and the database is wrong and customer service is poor, you start a domino effect of angry people. So that due diligence is real important.

Slide: Comprehensive Work Plan: UNBRSM Initiative

I threw this up here. It looks a little bit like the – there we go – it looks a little bit like the Rube Goldberg setup, and Sheila might recognize this. We finally sat down with Providence and the cities all participating and said, okay, let's go through all of the steps of phase one, phase two, phase three of setting this up. And I don't expect you to look at this in any other way other than to say, okay, they've got it organized by those areas of due diligence, one, and they have a process that shows the interconnectedness of the various decisions. And all of these flow together in a parallel process but also, in some ways, independently.

Slide: Rule #6 Communicate: No Surprises!!

And finally, getting here to the end – I see I have got about four and a half minutes left – it's very, very important to communicate. Rule number six might be the most important rule. No surprises. We don't want to get pretty far down the road and have somebody come out of left field, if we can help it, and torpedo the whole thing, or, I was never for this to begin with. So it's very important to understand and to do a very detailed public information and integration and involving plan. And when I say, who is the public, I don't really mean who is the public. I mean, who are the publics? There are many publics that we need to address, a number of messages that we need to put out in certain ways. People get their information a lot of different ways, and when you have multiple entities, there are multiple ways they get information. It could be neighborhood groups. It could be local press, local telephone, local news programs, and so on. Then finally, what happens when inevitably the emergency comes up? How do we respond to that? Who should respond? We don't want to get into a he said, she said, into an arguing. We want to call people back to the basic compelling reasons why we're doing things, and we want to make friends with people.

Slide: Deal Proactively with the Media

And the people we particularly want to understand this is the media. I love this quote from William T. Sherman, although, in his march to the sea across the South, he probably made some enemies. But he said, "If we shot all the reporters in the afternoon, we'd have news from hell by breakfast." And I think, for some of us, that is true. But there are ways to be proactive with the media. The editorial boards, they have a tough job to do, and they will get it wrong if given a chance. But if we give them white papers and fact sheets and, as soon as they call, we drop everything and sit with them, if we make them partners, often, when they get it, they can be a real proponent for us. And so here's my snappy close.

Slide: Andy's Snappy Closing

As detailed above, there are many benefits of creating a regional stormwater utility. However, from various perspectives there are also many potential pitfalls. It is important for all

stakeholders to fully understand the roles, responsibilities, and authority of such an entity and to take enough time to fully scope that out, do appropriate public education, and even “dry run” some of the activities to see how they might play out. That is not cheap nor easy. But, if too many shortcuts are taken and the utility fails in the end due to them then it is a false economy. You will have to wait several years and start from scratch again. That is more costly yet!

Slide: Create a Utility in the Midst of Recession?

Robert Chandler:

If enough people sign a qualified petition on an ordinance that was passed for a tax or a fee, then the city council has a choice of either accepting the petition, in which case they would rescind the ordinance, or the petition then goes for a public vote at the next primary election which, in 1988, had Governor Dukakis against Vice President George Bush for president. And so, given the face of the opposition, the Public Works and the city manager suggested to council that, you know, it just hasn't worked out this way. We suggest that you rescind it. And so in March of 1988, city council repealed the utility.

Slide: A Short History Lesson

Then, about 20 years later, Public Works said, hey, how about a stormwater utility? In the interim, just so you know that our stormwater programs were paid for out of our wastewater rates. A certain portion of whatever money came in by wastewater was then directed to stormwater programs.

Slide: The Reason Why

So why have a stormwater utility now? There are several reasons there. In 2009 and 2010, over the past ten years, we completed a major set of capital projects for water and wastewater. It was time to turn our focus on to stormwater, the third of the major wet utilities. We were expecting our third municipal stormwater permit, which would add costs. Significantly, stormwater is becoming a bigger and bigger slice of the wastewater rate pie, which meant it was becoming increasingly unfair to our wastewater rate payers. And lastly, a stormwater utility is no longer such a novel idea. When we first proposed it in 1983, and again in '86 and '87, we would have been the fifth jurisdiction in the state of Oregon to have a utility, joining Portland, Corvallis, Medford, and Eugene. At the time we proposed a utility in 2010, my count, we had no fewer than 40 jurisdictions with some form of stormwater utility.

Slide: The Reason Why Not

So those are the reasons why. There are also quite a few reasons why not, which were brought to our attention during the outreach, as well. Unemployment over ten percent. There was a housing backlog of over a year, which meant if no more houses came on to the market, it would take us over a year to sell what was there. And not doing so well on job growth. In the national rankings, we were kind of near the bottom.

Slide: Home Sales in Salem, OR Graph

For those of you who are graphically oriented like I am, what you'll see is that, at the peak of the happy times, that's kind of where we were. Left-hand shows the number of homes sold per quarter. The right-hand is the average or the median price for those homes. That is when

council held the public hearings and voted on whether or not we should have a stormwater utility. So 23 percent decline in median home prices. Sales had dropped by 50 percent. A lot of good reasons not to embark on this in the midst of the great recession. Nevertheless, we said let's go for it. So we did.

Slide: The Starting Block

So how do you create a stormwater utility? Actually Stormwater Utility 101 is pretty straightforward and easy, which is why, of course, we hired a consultant. The first step is you determine an equivalent dwelling unit, which, in our case, was 3,000 square feet. Figure out how many equivalent dwelling units there are in your jurisdiction, and then do the math. About a \$10 million program at 2010, 100,000 EDUs, you end up with a rate of about \$8.30 per EDU per month. So that's what we started with, a flat dollar cost per equivalent dwelling unit. Next step is do what I call the Goldilocks principle. You don't want to be too high. You don't want to be too low. You want to be just right. So this is a table that shows the range of dollar costs per equivalent dwelling unit here in the Oregon area and up in Vancouver, Washington. And it looks like we're about right. Eugene, Springfield, Gresham, not too bad. So that's where you head off.

Slide: The Run

And the next step is start engaging the community. This is really a lot more than just community education or communications. It was true engagement. And we were pretty fearless going out. We went out and talked to a lot of organizations and committees and agencies. But more importantly, that bottom bullet, the multiple interested individuals and businesses, that was where we focused our efforts for about a year of outreach.

Slide: The Run – Community Engagement - Examples

And for good reasons, too. We had a spreadsheet, a very long spreadsheet, of our anticipated stormwater customers and their impervious surface area. We sorted it by area, total impervious surface area. We kind of started at the top, with the ones most impacted, and started working our way down. And this was the message we were giving to a variety of people who were soon to be, we hoped, stormwater customers. Salem-Keizer School District, \$21,000 a month is about a quarter of a million dollars a year unexpected increase coming up in a year, which is more or less two and a half teachers. Several others in here, this is examples of some of the things, and we were pretty fearless in going out and talking to our customers and saying, this is what we're doing, this is why we're doing it, this is how it's going to impact you. It's nothing like going to a Salem Car Dealers Association luncheon and saying, "Thank you very much for the food. We're going to increase your rate by three-fold, City of Salem at your service." And big hit to the large church organizations. Again, remember that our stormwater programs are being paid for by wastewater rate payers, and so, if you've got a very low wastewater bill, which a church would, but a whole large swath of impervious surface, you're going to see a big change in your utility bill. So when we went out it wasn't necessarily to say this is what we're going to do, why we're going to do it, and we're going to do it no matter what you say. It was more of, you know, this is why and how, and what ideas do you have? The typical reactions, particularly among this group of engaged folks, was kind of like, are you kidding me? Or words to that effect, some less polite. But generally, it was, you know, if you have to do this, is there anything you can do to make it less of a huge hit on us?

Slide: The Run – Make the Feedback Count

So during the course of this year, we made some changes to the utility. Remember, we went out first with, here is our rate, here's how it's going to impact you, and we're going to do it as soon as we can. So the first thing that changed during that course of the year is that we want to do it right away. Council votes in the end of 2010, and we want to start in 2011. In the end, there was a two-year delay in implementing the stormwater utility. And I was very frustrated with this personally and professionally initially, and I am so glad – and I'll talk about this a little bit more in the future -- why we did this. It was a great idea, actually. Secondly was phase it. I don't like the analogy, because it brings up unpleasant mental images, but there was the idea of rip off the Band-Aid and start it right away. What we decided to do, working with council and others, was that we were going to phase it in over four rate adjustments. Every January, part of that wastewater rate goes away and is incorporated into the stormwater rate, a little separation, a decoupling, if you will, of stormwater and wastewater. As I speak to you now, we are three into the four rate adjustments, and the final full separation of stormwater and wastewater will take place in January of 2016. And lastly – and this is working closely with the Chamber of Commerce and a few others – how about you add a base fee to this impervious surface rate? And the idea, there's a base fee for water and for wastewater. How about you put a base fee into stormwater for things that don't really have an impact on – are not related to the amount of flow coming out of your property? So we said, sure. We'll start with some of the easy ones.

Slide: The Run – Stormwater Base Charge

Street sweeping has nothing to do with the flow coming off your property and so on, some of these things. Not enough. The idea is if you have a good sized base fee spread out among 42,000 accounts, that means your EDU rate goes down, and the hit on the large commercial entities is lower. So we started here, and then we added a factor for required parking, and we also added a factor for public street impervious area so that everybody pays a little bit toward the impervious surface area contributed to [inaudible] runoff. And this is where, you know, a pure Stormwater Utility 101, the stormwater professionals, start cringing and frowning their forehead and wrinkling their faces. And you go from reasonably good hamburger to sticky sausage.

Slide: The Run – Table with EDU Rates

Nevertheless, we did that. So now, where we started, as you recall from the slide with the flat EDU rate of \$8 to \$10 and a ten-fold increase in some people's utility bills, now that dollar cost for EDU, because we had this base fee, is now down to \$5 or \$6, which is a 30 to 50 percent reduction in what they were going to see in this overall increase because of impervious surface. However, if you're a single family residential account, then you end up paying both this base fee and that one EDU unit. So whereas before you were going to pay a bill of \$8 to \$10 -- which is kind of just about right with us in Eugene -- now suddenly we're starting to look a lot closer to Portland, which those of us who are not from Portland really appreciate Portland being around, in part because they help anchor the right-hand side of most rate scales. So that was where we ended up with.

Slide: The Finish Line

And in quick summary, we ended up with – we began the recommendation in 2009. Two work sessions, a public hearing that was continued three months later from October to December. On December 6, 2010, council voted on whether or not to have a public – a stormwater utility. And it was passed six to two, and one person abstained. And then we took effect – first bills went out – took effect January, and bills first went out in February. So there's one thing to prepare for a race, run the race, and cross the finish line.

Slide: The Finish Line – Newspaper Article

But we discovered a whole new thing – sorry. Before I get there, this was the editorial that ran the week after council's vote. And I know many of us in the utilities are thrilled to see something like this. Creating stormwater utility was the right move. And the opinion editors gave credit to Salem council, saying, thank you very much. You acted responsibly by making this a gradual cost and making it more equitable. And they gave credit to the city staff, primarily because of the process we followed in that the final product in December was different than the initial product in January because we heard what was going on and got feedback and made changes.

So as I was saying, preparing for a race, running the race, and getting across the finish line is all good and well, but you still have to get to the awards platform.

Slide: Getting to the Award Platform

So this is what we did during that two-year period that I was very frustrated with initially. When the council first approved a utility in 1987, we were billing within three months. And now we had to wait two years, and I'm so glad we did. First of all, we did a lot of good staff work, databases, got out more information, developed processes and protocols. The other thing we did is we did a whole new cost-to-service analysis which modified and adjusted our wastewater and our water rates between base and consumption charges. We got a six percent rate increase, and we totally changed our billing format that included more information for our rate payers. After a while, it started feeling like a cell phone company with our billing.

The other thing that we did is we reengaged our key customers and elected officials. One of the warning things, when there's a long period of time between approval and implementation, is that people forget, or they forget why, or they're more easily swayed to change their minds.

Slide: Getting to the Award Platform – Flyer

And here's an example. This flyer came out to city councilors during the year prior to implementation. It's from a group called the Americans for Prosperity here in Marion and Polk County. If you can't see the graphics on the upper left-hand corner, that is money falling from heaven. And the middle right, that's a church. And this flyer said things like a stormwater bombshell tax heading your way unless you stop it. They tied the water conservation to the need for a stormwater utility. I sure wish I had a bloated budget. I do not. The only thing they had on this flyer that was actually accurate was that it does, indeed, place a burden on nonprofit organizations. True enough. But unless we addressed these issues and reminded our councilors and key stakeholders why we were doing this, there could be a problem.

Slide: Getting to the Award Platform – Letter

So among the things we did is, during the quarter prior to the first bills going out, we sent a letter to every single non-single family residential customer. And in this letter, we talked about what we were doing, why we were doing it. We talked about how we were going to do it. It's going to be delayed, phased in over time, and we're going to give you a new bill. And we said, this is what you're probably paying in 2012, and this is what we estimate you to be paying in 2013. The objective of this is to make sure people were aware of what was going on and knew why and had a general idea of how it was going to impact them. Part of our objective was to reduce the number of surprises.

Slide: Getting to the Award Platform – Map

And each letter also had a map showing how we determined the impervious surface area. We mailed them out in October 2012, a little over 3500 letters. And after 30 days, think in your mind, how many responses do you suppose we got? Based on my readings, on some jurisdictions, you could expect, from 3500 letters, about 7,000 angry e-mails back. After 30 days, we had 107 contacts. And of that 107, the breakdown looks like this. There was really a lot of people requesting additional information, map changes, requests for Spanish. Of that 107 contacts, there were really only 16 that were really bona fide complaints, and I have an asterisk after that because one of the complaints was a customer, a wastewater customer, who refused to hang up the phone because he was not convinced that his rates were actually going to go down as we separated wastewater from stormwater.

Slide: Getting to the Award Platform – Stormwater-only Accounts

The other thing that we did during this two years -- and this is something that is a lesson learned of a mistake. We had been focusing for two years, actually three years from the time we began preparing for this utility, on our current account holders, water account, wastewater account. We're going to add a line called stormwater, and we worked with them, and we sent out 40,000 flyers, all this communication. And then, like a month before implementation, somebody said, you know, we've got about 4400 properties that are on well water, that are on septic, and they have no idea what's going to happen. And we felt professionally kind of bad about that. So what we did is we sent out letters, told them what was going on. We delayed implementation by six months. But I will tell you it is still an issue with customer service. Just last week somebody was here complaining. I have no service. I don't use your stormwater systems. I don't really have an issue with this thing here. I want to opt out of your program. It's not fair. It's still an issue. You see here about 80 percent – 20 percent accounts typically are delinquent. Typically, on our other accounts, it's fewer than one percent.

Slide: Lessons Learned – Part 1

So, some lessons learned. First of all, if you're ever going to create a utility or enact a fee or a tax, give yourself some time to prepare for the implementation. No matter how good an idea is, if you botch the implementation, it will certainly call into question whether or not this idea is any good. And we needed those two years, it turns out. Secondly, as time for implementation approaches, you want to remind your officials and decision makers what they did, why they did it, and kind of keep them from changing their mind. Even after the first and the second years of implementation, we at Public Works still were concerned that we were at risk of enough people coming up with their torches and pitchforks at council, and council would change their mind. So

we continued the engagement and the public outreach up until – even continuing now, but primarily toward the initial implementation of this thing here.

Slide: Lessons Learned – Part 2

Lessons learned part two, focus on the key target audience. You know, I mentioned we've got 42,000 accounts, but we did not need 42,000 account holders to say, well done, true and faithful city servant. Good job. We didn't even need to have tax from that number. What we needed to do was focus on the key people who influence our key decision makers. And I mentioned we talked at our most impacted customers. I would go out to Salem Car Dealers, Salem-Keizer School District, a lot of other ones who were going to have significant impacts. And I would say why we're doing it, how we're doing it. And my objective, I told them, is that you agree what a great job, well done. But that failing, which it usually did, the idea is they would have informed dissent. They would understand, and when they come to talk to council about why it's a problem, they would be eloquent and understand. I'll talk a little bit about that in just a minute. Chamber of Commerce, absolutely essential for us, and make sure that they were supportive, at best, or, if not supportive, at least silent during these council deliberations. And lastly, city council, of course. I would have loved to have a nine to zero unanimous vote, but, you know, we only needed five votes, and we got four.

Slide: Lessons Learned – Part 3

Lastly, on part three, the lessons learned part three, communications are essential. We all know that. And really, it's more than communications. It is engagement. And you know, part of this is making sure that people who are listening, who are engaged, it's not like we're telling them what we're going to do to them. It is like this is our plan. What do you think? What are your thoughts? And we got a lot of credit on the road and in the end, both by the public and in the press, that, in the end, our final product was different than what the product was at the beginning, and it was actually, I think, far superior because of the impact of the communication and engagement of the public. You know, honest and straightforward, we were pretty blunt, going around telling people what it was going to do to them. If passed, this is what it does. And informed dissent is always better than spun hyperbole. My view is that somebody coming up for their three minutes in front of city council, decrying the moral impropriety of our staff by taxing God's gift to stormwater, rainfall from heaven, that's three minutes of therapy, but it really shouldn't have an impact on the decision by city council. But when somebody from a nonprofit organization comes up and says, this is really going to hurt us, that is a policy issue that council needs to be aware of. And lastly, it is relationships that matter. Much to our consternation, really, creating a stormwater utility is not an engineering, economic, rational exercise. It really isn't. It is a social, political, ideological, psychological, cross-cultural, and, in some cases, theological endeavor where the process is often a whole lot more important than the actual final product.

And so I leave you with the thought that before the idea that you need to analyze impervious surface areas, develop budgets, and fill databases, do a quick reality check on the relationships that you have to build and sustain before, during, and after this, and make sure those are solid among key participants so that you can engage in respectful discussions and not lose the relationships. Because that's what really matters, and that was how we got through within a year to have our stormwater utility really approved, implemented, and we are well on our way. Because it really is a cross-cultural experience, and you have to have those

relationships. And with that, I'm coming up on my last slide. Here we are. I am finished. Again, I appreciate the time, the patience as we ran over a little bit, and I yield the floor the EPA.

Emily Halter:

Thank you, Robert. And I wanted to also thank Andy for his presentation. Both of you had very informative presentations. And I want to thank everyone, all of our participants, for logging back in. Again, I apologize for the technical difficulties. We are running a bit behind, and so I've decided to continue with the presentations, but we won't have the Q&A at the end, just to save time. So I am going to pass it to our final speaker in just a moment. But at this time, I'm going to send out a poll to the audience just to see how many people are viewing the webcast. So I'm going to send that out right now.

Slide: Poll – How Many People are Viewing this Webinar?

If you can just take a second to fill that out, and then we'll get on to our final speaker. All right, everyone. Thanks for filling out the poll. So our final speaker today is Sheila Dormody. So I went ahead and shared the screen with her, and I'm going to go ahead and introduce her while she gets her presentation up. Excuse me.

Slide: Upper Narragansett Bay Regional Stormwater Management District Feasibility Study

So Sheila Dormody is the director of policy for Providence Mayor Jorge Elorza. She previously served as the first director of sustainability for the City of Providence from 2011 to 2014, where her work included coordinating six municipalities to develop sustainable funding for a regional approach to stormwater management, identifying opportunities to reduce energy costs, and working with community groups to establish the city's first comprehensive sustainability plan. Sheila chairs the Rhode Island Executive Climate Change Coordinating Council Advisory Board and serves on the boards of the Providence Plan, the Distributed Generation Board, and the New England Grassroots Environmental Fund. She previously was New England co-director for the environmental advocacy group, Clean Water Action. She won a US Environmental Protection Agency Merit Award in 2008 for her work to prevent mercury pollution. So Sheila, are you on the line?

Sheila Dormody:

I am.

Emily Halter:

Okay. Great. Well, that's all I have. So if you're ready, you can go ahead and take it away.

Sheila Dormody:

Great. Thanks so much, Emily. And I appreciate the opportunity to be here. Andy is one of the experts who helped us in our process here in Rhode Island for looking at creating a stormwater utility for the Upper Narragansett Bay region, and it's nice to hear Robert's vision of success to give us motivation to keep going with the project that we're working on right now. So I'm going to tell you a little bit about this process that we are working on with five neighboring municipalities here in Rhode Island. We're calling it the Upper Narragansett Bay Regional Stormwater Management District's Feasibility Study, and we'll let a marketing team handle that later on when we get farther into the process of coming up with something more catchy than that. And I've changed job titles with the City since we started this initiative, but this is one of

the first projects that we picked up here in Providence when I started with the creation of the Office of Sustainability in late 2011.

So my presentation will start a little bit with how Providence got interested in this approach. I'll talk about how and why we engaged our neighboring municipalities to do this more effectively, the grassroots community partners who are helping to build momentum, both through this effort and, in particular, to make sure that green infrastructure will be part of the solution when we start implementing the program, and where we are in the process right now. And I know we're a bit over time, and I don't want to, you know, spoil the ending for anybody here. But I'm going to start with the conclusions that we drew from our phase one study, once I figure out how to advance it. There we go.

Slide: Phase One Conclusions

So these are the things that we figured out. We have finished our phase one. We have just launched our phase two. But these are the things that we have learned together so far. And this is something that AMEC and Andy and his team helped us to resolve in phase one. So we know that we've got real problems here and that we have similar problems across all of the municipalities that are working together here. We know that this is not rocket science, these are problems that we know how to solve, and that we will see real results, benefits in our communities, when we do those things. And we also know that it's expensive, and we're not spending enough now to be able to solve those problems. Working together, we realize, is going to get the job done both more effectively and more cheaply than if we did it separately from each other. And we've come to the conclusion together that this idea that we've been talking about today, the stormwater user fee, is going to be the fairest way to get these improvements done.

Slide: Map of Rhode Island

But first you probably want to know where Narragansett Bay is. So we are the ocean state, here in Rhode Island. We have 400 miles of coastline, and that's mostly due to this beautiful estuary that we have right in the middle of the state. Tourism is a centerpiece of our economy, so the bay is very important to our self-identity of the state of Rhode Island. And the six municipalities that are participating in this study are the contiguous ones here at the top of the bay, so going from Warwick to Cranston to Providence to Pawtucket -- you can't see Central Falls -- and East Providence, here at the top of the map. We are also an old city, as US cities go.

Slide: Map of Narragansett Bay Watershed Impervious Surface and Impaired Waters

Providence was founded in 1636 by Roger Williams, and Rhode Island is the birthplace of the industrial revolution. So we've had a long history here at the top of the bay. And you can tell that humans have been here for quite a while. This map shows -- the yellow indicates the impervious cover throughout the Narragansett Bay watershed, which you see extends up into Massachusetts beyond the Rhode Island borders here. And the red marks the impaired waterways. So this big blob of red in the middle is the Upper Narragansett Bay region, and these are the municipalities that I was pointing out earlier who are part of this study. So it's not too big of a surprise that when I took the job as the City's first director of sustainability that water quality quickly rose to the top of the issues that we knew needed to be addressed. But as we were forming the office, lots of people had lots of ideas, of course, about what

Providence's sustainability initiative should be, but there was very much a strong confluence of events in this direction, that we should be working on these issues.

Slide: Photo of a Metal Recycling Facility

So a local environmental advocacy organization was very concerned about some metal recycling facilities that are in the Port of Providence that were violating their stormwater permits and caused polluted runoff into the bay. Our acting director of Public Works at the time had written a memo a few months earlier about the need for a designated funding source for stormwater management and the physical impossibility of annually cleaning and inspecting the 16,000 catch basins that we have in the city with just his one truck and crew, who could do about ten per day. The math just was not adding up for him. So he was inspired to write that memo after attending a workshop by the State Department of Environmental Management.

Slide: RIPDES Storm Water Program Graphic

And DEM itself had also asked for a meeting with the mayor of Providence to talk about the city's lack of compliance with our stormwater permits and that the compliance violation was largely because of our inability to inspect and maintain our infrastructure. And fortunately, we had a good relationship with the DEM director. And rather than hit the city with fines that would not actually address the issue, DEM agreed to work with the city to develop a more lasting and comprehensive solution to improve water quality.

Slide: Photo of a Wall Street Journal Article

The money really wasn't going to work – you can't see that one, but that one tells you that Providence was on the brink of bankruptcy, according to the Wall Street Journal, at this exact period of time. So fining us was not going to get the necessary outcome, and we were also not going to be able to dedicate revenue from the existing resources that we had.

Slide: Photo of a Car Stuck on a Flooded Street

The Sustainability Office was also starting a series of meetings with our Emergency Management Agency, and that highlighted their concerns about regular flooding of streets, homes, and businesses as one of our top vulnerabilities as a city. In fact, in this picture here, this was from some significant floods that we had in March of 2010. The software design company that is exactly the type of company that we want to attract to Providence was in that building here on the right, but they have since moved out of that building. Shortly after this flood, they decided that was the last time they wanted their expensive equipment to be flooded. So it was hurting us, all the economic reasons that we really couldn't afford to be turning away those kinds of high quality jobs.

Slide: Image of Hurricane Sandy Hitting the East Coast

And as we look at the impacts of climate change here in New England, we know we're going to see more intense and more frequent storms as well as more high heat days. And we only see these problems getting worse over time. The other piece that was appealing about framing this in the context of stormwater management is that the solution, including green infrastructure, creating more green spaces, would have the benefit of helping to address both the precipitation events and the high heat days.

Slide: Map of Urban Tree Canopy

All of that impervious cover both creates the stormwater runoff problem, and it exacerbates the heat island effect that we experience here in the city. So if we do this right, addressing these problems is probably the most effective lever that we have as a city to both mitigate and to adapt to climate change impacts. You can see our urban tree canopy is not spread evenly across the city, so that's one of the things that we're hoping to address there.

Slide: Sustainability Goals

So this became a core component of the Sustainable Providence Plan as we were developing what our strategies were.

Slide: Water

And as we started looking around and figuring out how we were going to actually approach this, it was clear pretty quickly that Providence was not in a unique situation. All of our neighboring communities were all facing each of these issues to one degree or another. It also became clear that even if Providence really got the solution right, we weren't going to be able to fix the situation on our own.

Slide: Map of Narragansett Bay Watershed Impervious Surface and Impaired Waters

Water has a pesky way of not respecting political boundaries, as it were, and both our surface waters and our infrastructure across the region wind their ways in and out of municipalities without regard for who the mayor is, who governs it. And you can see the interconnectedness on the watershed map here.

Slide: After the Storm – Taking Action to Prevent Flooding and Clean Up Our Waterways

So to get the conversations started, we hosted two gatherings to see who would be interested if we went forward with exploring a stormwater management district to address these issues. So first we went to our friends, the original organization, environmental organization, that had come to us to worry about the polluted runoff into the bay from the recycling facilities. And we asked them to host a group of other environmental and neighborhood organizations who also had concerns about water quality and about flooding. So we explained this idea of a stormwater management district, and we gauged their support. We knew this whole project was going to be a substantial political lift, like Robert explained to us, and so we knew we were going to need some allies, some grassroots action, to help make it happen. And not surprisingly, the group that was convened there had lots of concerns about how this would work, how we would make sure the fee was equitable, that green infrastructure would be incorporated into the solutions, and that the district would support the creation of local jobs to maintain the new green infrastructure. But overall, the group was very enthusiastic about pushing forward with the project. And in fact, that gathering spawned a green infrastructure coalition to build political support, and they've been an ongoing partner in this initiative ever since.

Slide: Developing Regional Solutions to Regional Problems

So we knew we had that minimum amount of political support secured, so the Providence mayor invited the mayors and staff of ten neighboring municipalities to the next convening to

talk about this idea of a regional approach to stormwater management. And this, in fact, is where I first got to know Andy. He brought in his team and some other consultants, and we talked through the logistics of what it would mean to consider launching this work together, not unlike the presentation that had he did for us today, to just talk through, what does this all look like? So Andy led us through some of these conversations about our possible funding approaches that we could use to address these needs.

Slide: Funding Options or Designated Stormwater Fee

Andy covered a lot of this here already. You know, property taxes and the general fund was how we were mostly doing this already. Occasionally we were borrowing money to do this, but that's a pretty expensive approach and doesn't really work over the long-term. And grants are incredibly fickle. They come and go, and they're not something you can sustain in your budget over time. So that's how we came to the conclusion that we should continue to look at this idea of a stormwater user fee. And this had the potential to actually address the challenges that we were facing.

Slide: Stormwater Fee

And of all of these pieces of the acronym that Andy laid out for us about the benefits of using a stormwater fee versus those other funding sources, it was the equitability that was the most compelling for our group of people. We have a lot of nonprofit institutions and universities and hospitals that don't pay property taxes, even though they are very significant property owners throughout the region. And to be able to move this to a user fee that was going to be based on how much you're contributing to the use of the system made a lot of sense for a lot of people, especially as we have a pretty high burden on our property tax payers already.

Slide: Phased Approach

So as a result of that meeting, six of the ten municipalities -- the ones that are the closest to Narragansett Bay, not the more rural communities -- ended up participating in this process. So working with Andy and our consultant team, we decided to approach this in a phased process.

So I described those preliminary meetings already. We were very fortunate to have funding support from DEM, the Department of Environmental Management, and the Rhode Island Bays, Rivers, and Watersheds Coordination Team to allow us to hire the experts that we needed to manage the process. And Providence served as a fiscal agent for that piece of the process. We knew that phase one needed to just explore more in depth, what does this approach mean for us? Does it make sense for each individual municipality to continue participating and for the group as a region to move forward with this idea? And we just needed to get on the same page, really, for understanding what our objectives were, what were we trying to accomplish with this. Phase two, that's just recently gotten started, is about getting more deeply into the logistics of, how is this whole thing going to work? And that will go through 2016. And the third phase will be implementation. Included in that, we'll need city council approval in each of the participating municipalities that go forward at that point.

Slide: Participants and Partners

So we've got some great partners who have been working with us on this. The steering committee is comprised of a representative from each municipality. It tends to be someone

from the Department of Public Works or the Planning Department for each municipality. Most are sending one or two people. The State Department of Environmental Management has provided technical assistance throughout this process. The Department of Transportation has its own stormwater assets that wind their way through all of our communities, too, so they're part of the conversation. And I didn't mention earlier that we have a separate sanitary sewer commission, the Narragansett Bay Commission, that also has some combined sewers in three of these communities. So they are part of our steering committee, as well, and have been very helpful.

For each of these two phases, the steering committee has been leading the process, and we've had stakeholders groups for each of them. So that's intended to include people who are going to be impacted by a new fee. This was a key piece of advice that we got from EPA Region 1. Local governments that have been successful in forming stormwater management districts have engaged stakeholders early on in the process, and we wanted to make sure we were following that best practice and that we were ground-truthing each of the decisions that we were making as we were going through the process. So our stakeholders have been a necessary piece of that feedback so far. So those are the two official groups that are parts of the study. But for practical purposes, we're also working closely with our state agencies and EPA Region 1. In addition to that kind of useful advice about successful processes in the past, EPA worked with DEM to get us a Technical Assistance Grant for a green infrastructure demonstration project to do here in Providence. And the intention of that was explicitly to do some more public education to help build momentum for the kinds of solutions that we could implement with a regular funding stream going forward. We are also fortunate to have a great group of folks who are working on the grassroots campaign that came to that initial meeting, and it's been a mutually supportive relationship in that we greatly appreciate their work in helping to build the political will that we need for our work, and, also, it's helped them to achieve their environmental goals, and it also gains credibility with funders when it's clearly aligned with the goals of the local municipal leaders.

Slide: Phase One Goal: Does a Stormwater Management District Make Sense for Us?

So these are the questions that we set out to ask in the first phase of the study. The first one was probably the easiest one, to be able to define the compelling reasons to create a stormwater district.

Slide: Aging Infrastructure, Flooding, and Property Damage

So the same reasons that Providence was interested applied throughout the region. We've got all of the same challenges here, the aging infrastructure, the flooding, and the property damage.

Slide: Polluted Waters

We've got water quality challenges in each of our municipalities.

Slide: Quality of Life and Aesthetics

We have impairments of recreational access to our waterways and a direct correlation between rainfall and beach closures that also translates to our other inland water bodies, and not to mention the increasing trend towards more intense and more frequent storms.

Slide: Climate Change

This is another picture from that same March 2010 storm, when we had 11 inches of rain in one day, and that's the Warwick sewer treatment plant that's underwater. So that was pretty easy.

Slide: Compliance and Cash

And we also have the same compliance challenges throughout the region and inadequate funding. Even though each of the four municipalities are in slightly different positions there, they were all common concerns.

Slide: Current Stormwater Budgets for Participating Communities

So the next one is we wanted to describe what's currently being done and its cost. So we found that across the region we're spending just under \$4 million a year. For many of the municipalities, it was the time we had really teased out our stormwater costs from the other expenses of our operations. So this was one more benefit to participating in this process, that we could have a more clear grasp on our budgets and on our needs.

Slide: Range of Future Cost Estimates

And then the next piece is to figure out, what is this going to cost if we're actually doing it right, if we're addressing flood control and infrastructure renewal and water quality? And we found those costs would range between eight and \$11 million a year, so a pretty big jump from the less than \$4 million we're spending collectively right now.

Slide: Preliminary Revenue Analysis

And then, you know, just taking those numbers and dividing them out based on the impervious cover and what would that mean for the average residential user, and that's where we got to the \$2.68 a month. So just as caveats here, this is a back of the envelope computation here. This is not officially what we think this is going to be in the end or an accurate estimate of what it's really going to cost. But this is the kind of rough numbers that we needed in the first phase of the study in order to make a decision about going forward or not going forward.

Slide: Infrastructure Upgrades, Operations, and Maintenance

And the kinds of things that we were looking forward to spending the money on are, of course, those same things, the infrastructure upgrades and the operations and maintenance that are not happening.

Slide: Typical Residential Properties = \$2.75/month

But even more exciting than that for a lot of our partners is to be looking at a green credit system, a way that we could be reducing the bills for some of our rate payers if and when they are capturing their rainwater on site. And additionally, we can be flexible in how we implement this. It doesn't have to be a flat rate for all residential property owners. We could do different tiers. So those were some of the ideas that we took a look at in that first phase of the study.

Slide: Green Credits

And these ideas for green infrastructure are a big motivating piece of it for our grassroots partners and part of why they would want to help us with that political lift that we're going to need.

Slide: Green Infrastructure Pictures

These pictures were developed as model projects by one of our partners, Groundwork Providence, for residential property owners in a neighborhood that has been working to actively address the pollution from runoff in their local pond, to help create the image of what it would look like when we do this.

Slide: Benefits of a Regional Approach

So here's a little bit of the summary of what we came up with for what the benefits would be of a regional approach. We know that we're going to be able to be more able to effectively address the causes of flooding problems and have more consistent flood mitigation across the region because we are doing it together, that we wouldn't be able to address it separately, the same with our water quality challenges. Rhode Island is the smallest state in the union, and it doesn't really make sense to have individualized special resources in each municipality. To have one team of experts that can be deployed across the region just makes a lot of sense, and I think that resonates politically very well here, too. And just the physical limitations, the infrastructure itself really does across political boundaries. So in order to be able to address challenges, we need to be able to work from one city to the next.

Slide: Concerns to Address

And of course, both the stakeholders group and the steering committee came up with plenty of concerns that we need to address in phase two and beyond. It's difficult to give up municipal control. You know, when somebody calls the mayor's office and says, I want my thing done, the mayor's office can just tell DPW right now, go take care of the thing. And also, we have an opportunity to think strategically about what those opportunities are, and so we would need to address how we do that in the future regional approach to this.

It is a new fee, and that is a challenge. And when you have a new fee, there is a potential for that fee to go higher over time. And that's something that people will perceive to be a problem. We also need to establish ourselves as a credible organization that's spending money effectively. And of course, who knows what else we should be worried about, but we know there's other things we should be worried about. So while we came up with some substantial concerns, none of those ended up being show stoppers. We decided -- all six municipalities decided to go forward and continue to phase two of the study.

Slide: Phase One Conclusions

I told you before what the conclusions were, so here we are again. This was the starting point for phase two. We know this is the right approach for us, and now we need to figure out those 128 squares in the flow chart that Andy showed us at the beginning of the webinar for, really, what are we talking about here?

Slide: Phase Two Tasks

So for phase two, we've broken it down into these five tasks. So this is going to be all of the logistics of, what do we mean by a regional approach to stormwater management and a regional fee? There are a lot of logistics that are here, and in order to do this effectively, we have both continued and we've expanded our stakeholder group with a lot of feedback from the phase one stakeholders.

Slide: Websites and Contact Information

So that's our story in a nutshell, here in the Upper Narragansett Bay region. That's our website for this feasibility study, and I also gave you the website for that grassroots coalition. They've been putting together lots of useful resources with a green infrastructure focus here, as well. And if you have questions, please feel free to e-mail me. Thanks, Emily.

Emily Halter:

Well, thank you, Sheila. A great presentation. And as I mentioned before, we are behind time, so I'm going to skip the question and answer. But I am going to unmute the rest of our panelists. Robert and Andy and Sheila, if you have any final closing comments or questions for each other, please feel free to take this time. I'm going to switch to my screen so I can bring up your contact information.

Slide: Speaker Contacts

Robert Chandler:

I think we're all waiting for somebody else to say something, so I will just add that, as you might imagine, there's always more to the story and a whole lot more behind each of our slides than you could possibly imagine or fit into a 25-minute presentation. So don't hesitate to contact – I'm going to speak for all of us – but any of us with questions or comments, and we'll get back to you.

Andrew Reese:

Yeah, I think I'd like to say, as well, I appreciate everybody hanging in there. It's always tough to have technical stuff, and I appreciate EPA reacting quick to that and getting us back up. I think there's probably 2500 stormwater utilities out there now, and there's probably 11,000 cities out there whose size and makeup would probably be attractive for a utility. And I bet you in 20 years there will be 10,000 stormwater utilities. And the reason is that it is just such a common sense approach to the third leg on the water resources stool. And, you know, 200 years ago or 100 years ago, 150 years ago, we started water that way, and between 100 and 50 years ago we did wastewater that way. And your grandchildren will be saying, yeah, 50 years ago, most people started having stormwater user fees. So I think that it is the way that we will pay for our stormwater infrastructure in the future. There just is no other way that works as well except in very rare cases.

Emily Halter:

All right, everyone. Thank you very much. And again, since we didn't have the question and answer, please feel free to contact the panelists directly. And I will also send out the questions that you did ask to the speakers so they have those questions available. So I think that about wraps it up for today. Again, thanks for hanging on through our technical difficulties. I want to thank Andy, Robert, and Sheila for joining us and all the participants for listening in. And just a reminder, the slides from today's presentation will be posted on EPA's Green Infrastructure

website within two to three weeks. Please join us for our next webcast on October 6th on winter weather O&M for green infrastructure, a very popular topic, featuring speakers Tom Ballestero from UNH Stormwater Center and Brooke Asleson of the Minnesota Pollution Control Agency. Registration for that webcast will open in late September on the same page there listed on your screen. So this ends our webcast for today. I hope everyone has a great afternoon, and thanks for joining us.

Sheila Dormody:

Thanks, Emily.

Robert Chandler:

Thanks Emily, Andy, Sheila.

Andrew Reese:

Cheers.