

Stormwater Resiliency

Funding and Allocating of Resources

SESWA Spring Seminar 2019



State of South Carolina

Executive Department



FILED

OCT 15 2018

Mark Hammond
SECRETARY OF STATE

Office of the Governor

EXECUTIVE ORDER NO.

2018-50

Authorizing of the South Carolina Floodwater Commission

WHEREAS, South Carolina has experienced numerous episodes of flooding along the coast, rivers, and low-lying interior areas as results of rains, storms, hurricanes and tides that highlight the need for a state-wide plan to accommodate and mitigate flooding impacts in the state; and

Funding and Allocating of Resources

- Regulations that guide funding options
- Resources for funding
- Building resiliency in funding programs

Regulations guiding funding -in SC

- State Enabling Legislation
- Water Quality Regulations
- FEMA Programs

72-310. Criteria for Implementation of a Stormwater Utility.

A. The financing of a stormwater utility with a user charge system must be reasonable and equitable so that each user of the stormwater system pays to the extent to which the user contributes to the need for the stormwater system, and that the charges bear a substantial relationship to the cost of the service.

The use of county and municipal taxpayer rolls and accounting systems are allowed for the assessment and collection of fees.

Resources for funding

Taxes

Fees

Grants

Partnerships

Innovative Funding Programs

Resources for funding -Taxes

- General Funds
 - Competitive with other community needs
- Tax Increment Financing (TIF)
 - Ties improvements to municipal improvement projects
- Municipal Improvement District (MID)
 - Local beneficiaries pay for improvements

Resources for funding -Taxes

- Other Taxes (Accommodations – SC)
- Special assessments/ bonds
- Competitive with other programs
- May require public referendum

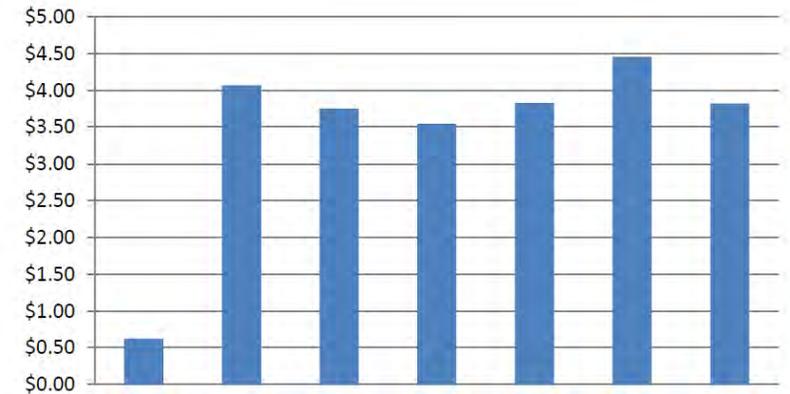
Resources for funding

- Fees

■ Stormwater Fees

- Impervious Area Rate
- Coefficient/ Hybrid Rates
- Credit systems
- Grants

Average Monthly Utility Rate Comparison by State

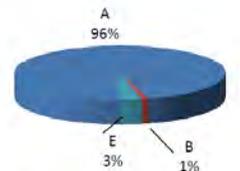


State:	AL	FL	GA	KY	NC	SC	TN
Rate:	\$0.63	\$4.07	\$3.75	\$3.54	\$3.83	\$4.46	\$3.82
ERU:	N/A	3,707	2,734	2,640	2,475	5,392	4,549

Utility Fees and Rates

2-1. What is the basic methodology used for your revenue generation?

- A. User Fee (88)
- B. Non-ad valorem or special assessment (1)
- C. Ad valorem tax (0)
- D. Sales Tax (0)
- E. Other (3)



Resources for funding - Fees/ Loans

- Impact Fees
 - For new infrastructure not existing – has time restrictions
- State Revolving Fund Loans
 - Requires funds to pay off loans
 - Water Quality focused

2.10% Green Rate

Applies to costs meeting EPA Green criteria up to 25% of total project costs, with balance at Standard Rate. Eligibility limited to borrowers without a credit rating on utility system.

2.10% Nonpoint Source Rate

Available for up to \$4 million of eligible project when at least 50% of the costs are used on best management practices.



Resources for Funding

-Grants

Government

- 319
- Urban Small Waters
- HUD - CDBG
- Hazard Mitigation
- Pre-Disaster Grant Funds
- Fish and Wildlife
- NOAA

Private

Cornell Douglas Foundation Grants	\$10,000	Areas of Interest: Environmental Health & Justice; Land Conservation; Sustainability of Resources; Mountaintop Mining Removal; Visionary Design; Watershed Protection. Its environmental focus includes Animals/Wildlife, Biodiversity, Conservation, Environmental Health, Environmental Justice, Habitats/Ecosystems, Plants, Pollution, Stormwater, Sustainability, Trees/Forests, Water, Watershed.	website
Wells Fargo Clean Technology and Innovation Grants Program	\$50,000-\$200,000	Sustainable Agriculture and also, Water Quality and Resources, which includes support for "environmental improvements taking place in urban areas such as waterway restoration, storm water management...cleaning up waterways and beach fronts, educational programs that help us understand where our water comes from...Engaging the public and communities about the health of their environment."	Only one-time grants to non-profits. website or email
Surdna Foundation	\$50,000-\$1M	Supports innovative stormwater run-off practices that capture and slowly release water into existing drains, pipes and sewers, or reuse rain water where it falls... instead of building expensive pipes and sewer tunnels.	website
James E Dutton Foundation	Up to \$25,000	Including support for wetland restoration, rain gardens, invasive species removal, various environmental education projects.	website
Graham-Martin Foundation		Rain gardens and native plants.	Matching grants. 608.226.2553 or website
Green Infrastructure Champions	Proposals due annually mid summer Up to \$20,000	Grants of up to \$20,000 USD will support green infrastructure (GI) implementation in U.S. or Canadian municipalities with fewer than 500,000 people. . Eligible projects include GI pilot installations, removing institutional or policy barriers, educational programming, developing partnerships with other agencies, or community GI planning efforts.	website

Resources for Funding - Partnerships

Other Asset Owners

- State
- County
- City
- Water/ Sewer Agencies

Outside Resources

- Utilize outside resources to provide special services
 - Colleges
 - Special Interest Groups
 - SeaGrant Consortium
 - SCDNR
 - Demonstration projects

Resources for funding -Innovations

- Capital Repair and Maintenance Fund
 - Directs unspent General Funds to a reserve fund for infrastructure
- Emergency Funds
 - Directs unspent General Funds to an fund to support disaster operations

Planning & Funding for Resiliency

Planning Considerations

Life Cycle Planning

Considering Options

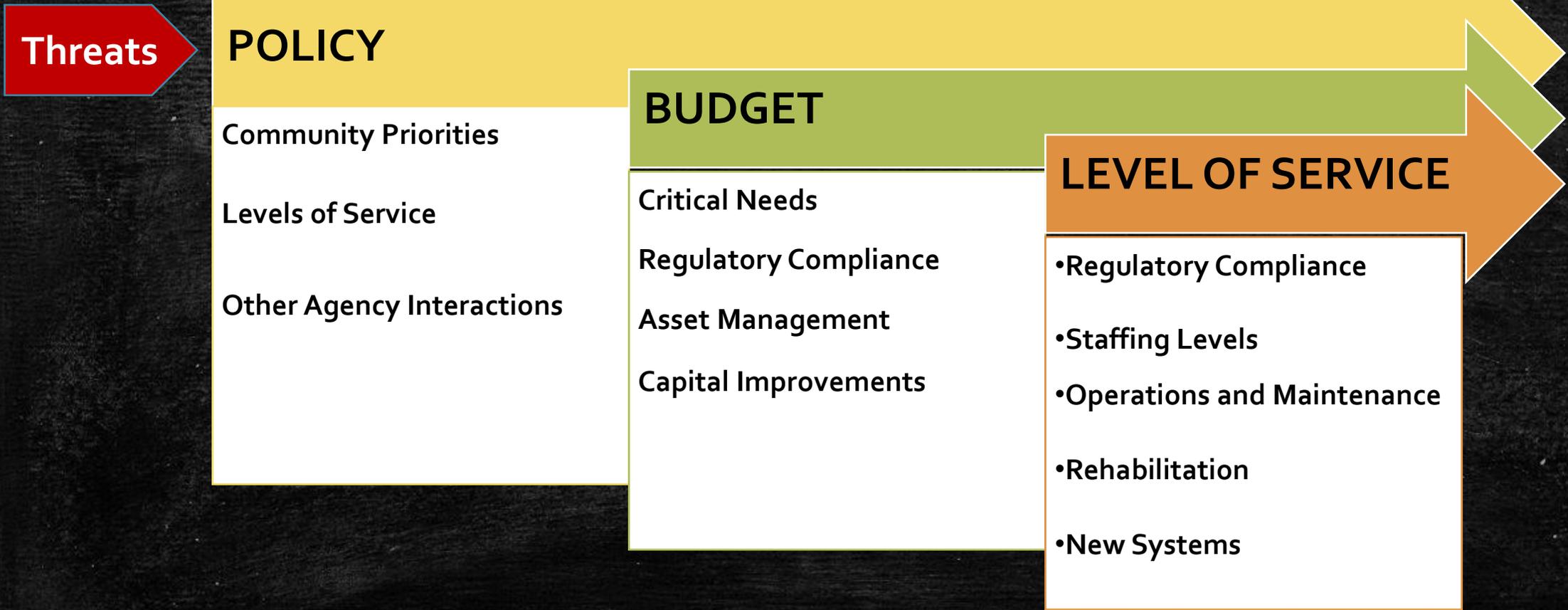
Fees

Innovating

- Infrastructure Fund

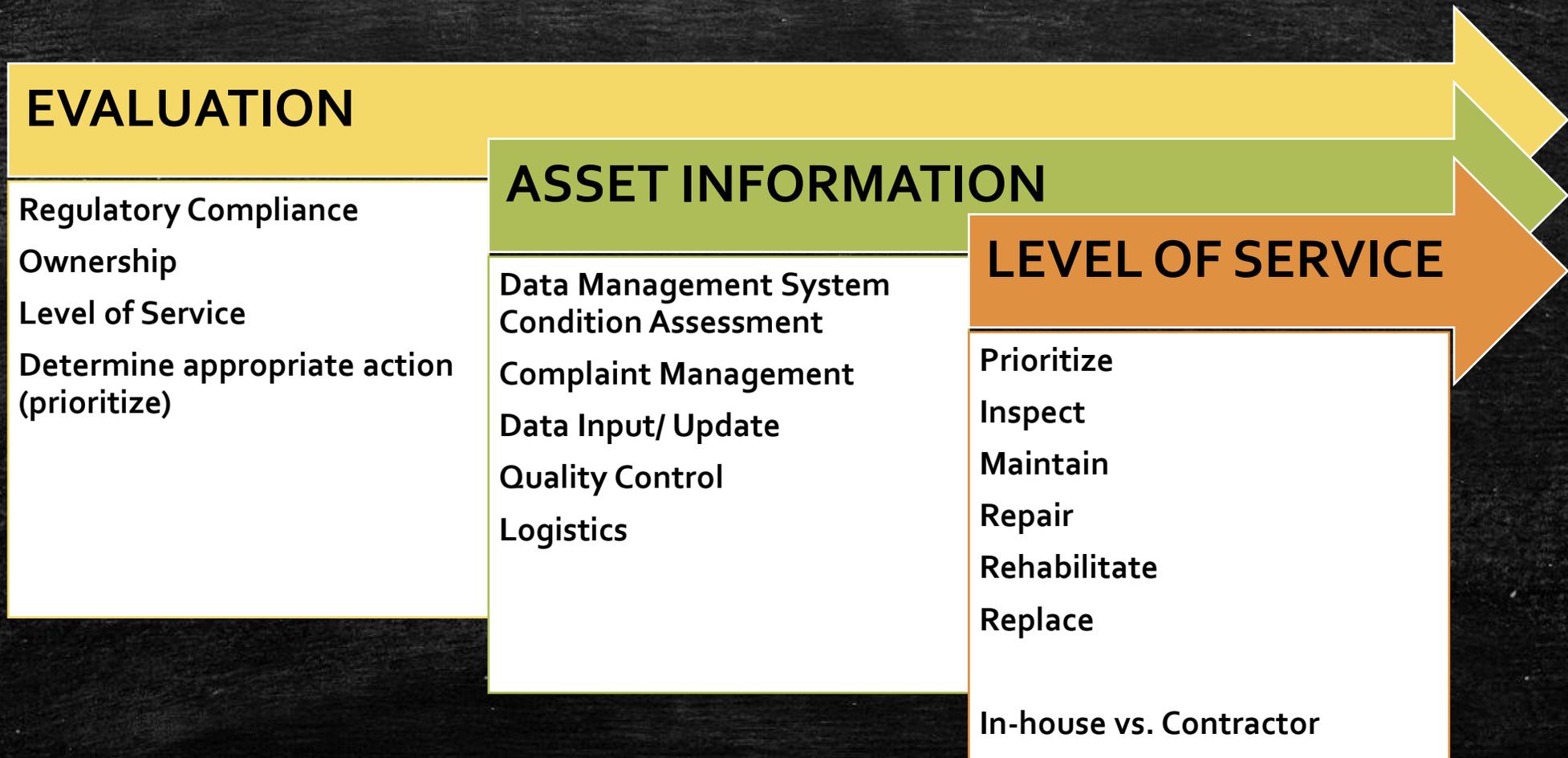
Challenges

Planning for Resiliency Management Considerations



Planning for Resiliency

Program Considerations



Planning Resiliency

-Life Cycles

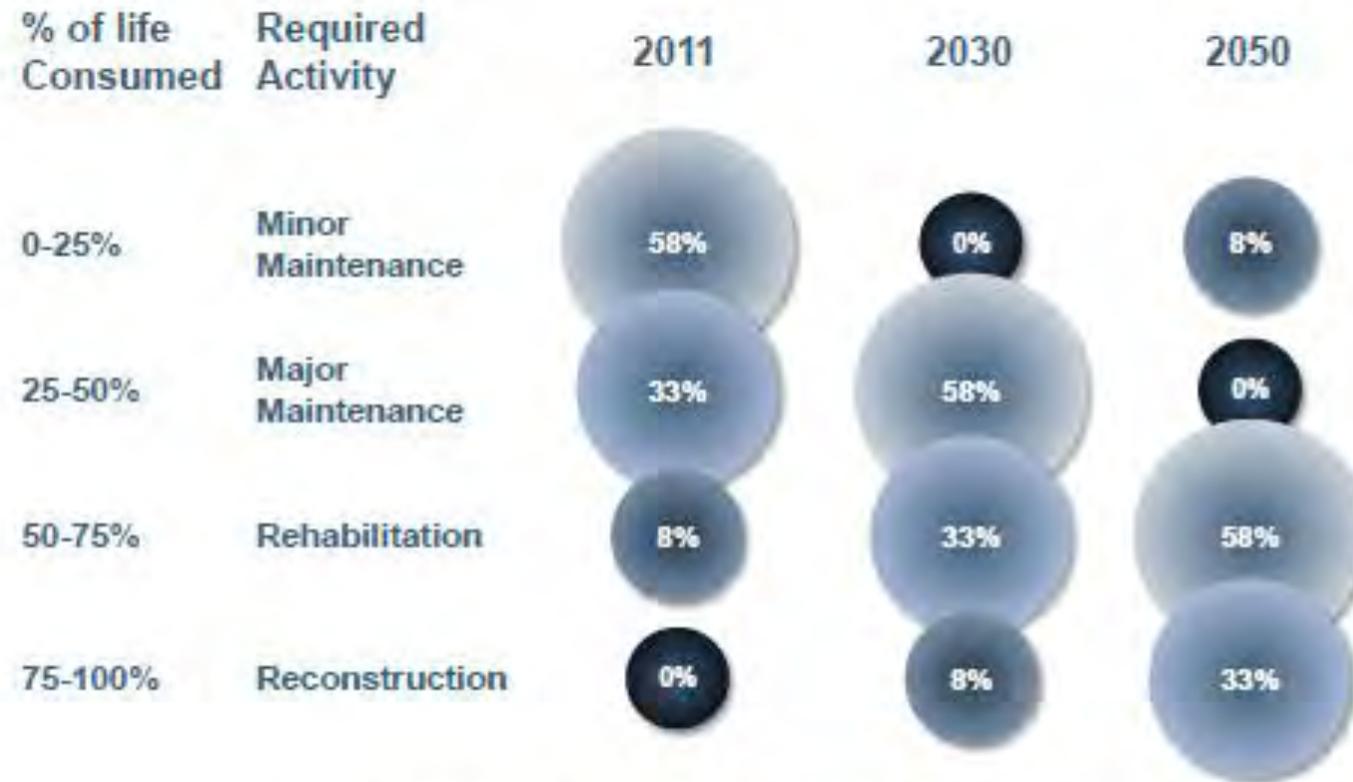


Figure 2.1: Stormwater Pipes Life Cycle

Funding Resiliency – Consider Options

Is need for a project or programming?

Where may funding be available?

Is the funding source sustainable?

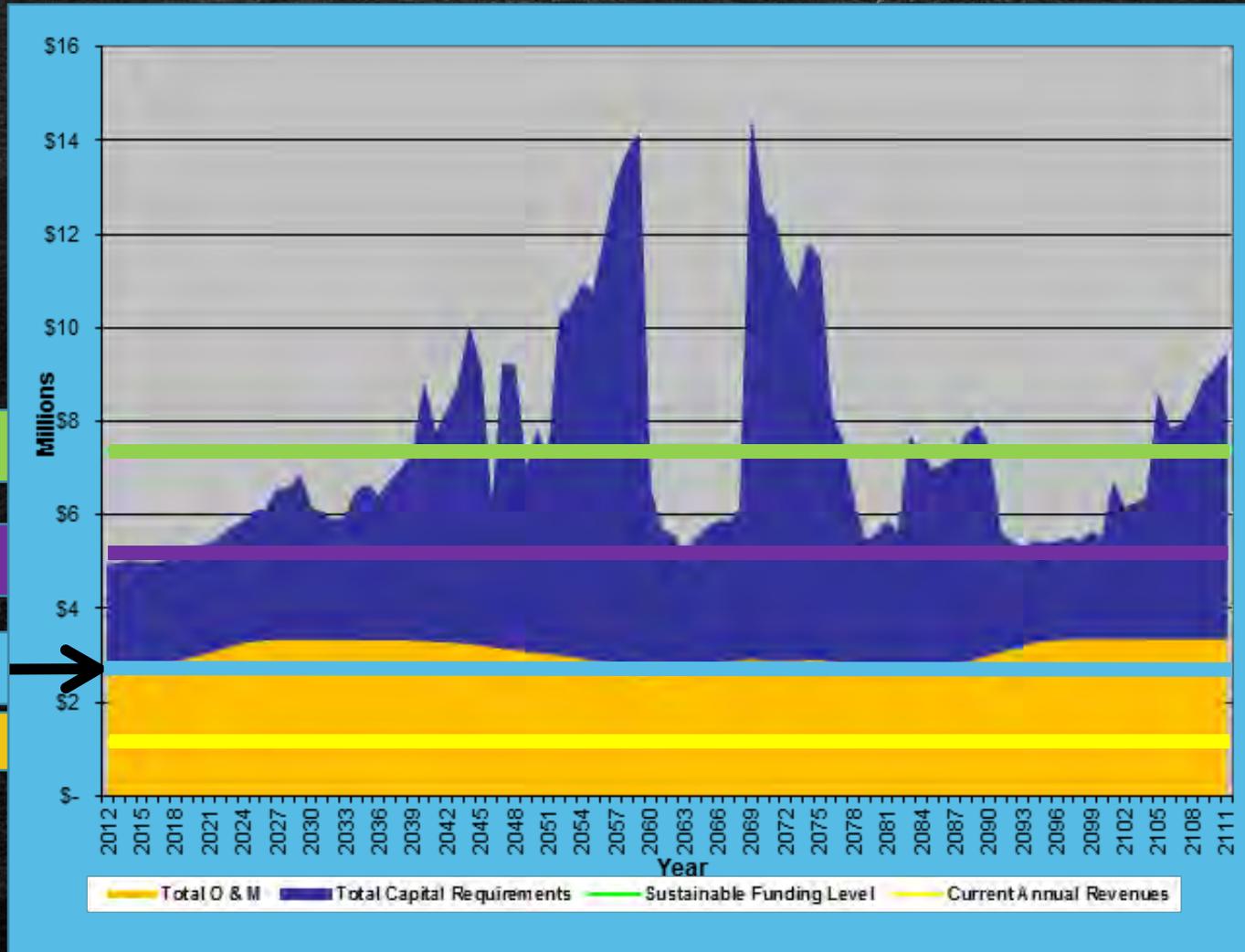


SUMMARY OF OPTIONS

Options	Estimated Revenue
Operating Millage Increase (up to 3.7 with earmark)	\$1,677,584
Debt Millage Increase (up to 4.8 for 2013 bond issue)	\$2,176,325
Road Maintenance Fee (New \$30/vehicle/year)	\$1,530,000
Storm Water (increase fee by \$30)	\$1,109,775
Sanitation Fee (New \$100/unit/year)	\$3,046,400
Business License Fee (5% increase)	\$300,000
MPW Franchise Fee (4% increase)	\$880,000
Special Permit Fund (dedicate all revenue)	\$200,000
Municipal Improvement Districts (MIDS)	Cover Costs
Grants Funding (\$364K estimated annual)	Variable
Half of GF fund balance over 25% of GF operating expenditures (depends on revenues received and expenditures incurred year to year. Five year average is \$480K- past years may not be an indication of future) Has the effect of directing growth and operating savings, if any, to asset maintenance and capital projects.	Variable

Funding Resiliency - Stormwater Fees

Goal
Tomorrow?
Today
Yesterday



Funding Resiliency

-Innovating

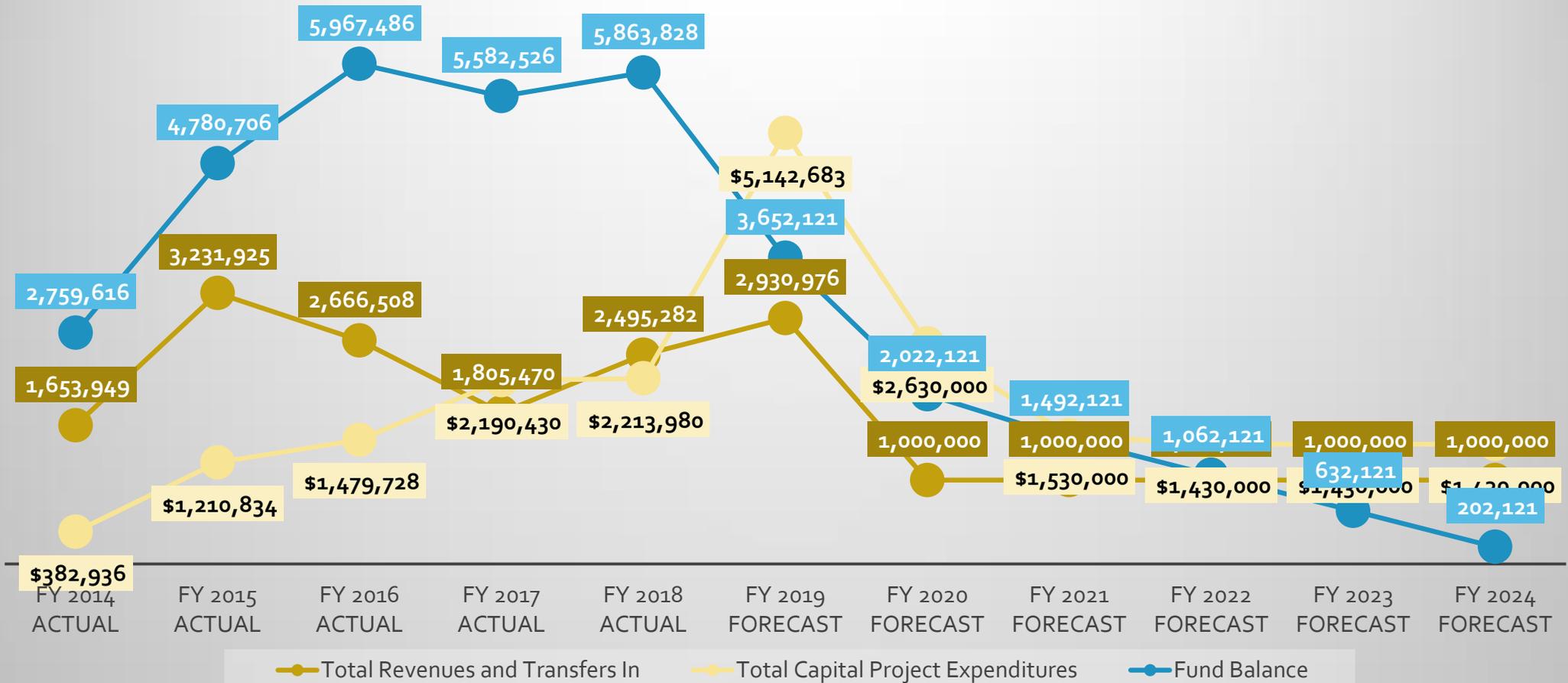
Infrastructure Maintenance Fund

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Total Revenues and Transfers In	1,653,949	3,231,925	2,666,508	1,805,470	2,495,282	2,930,976	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

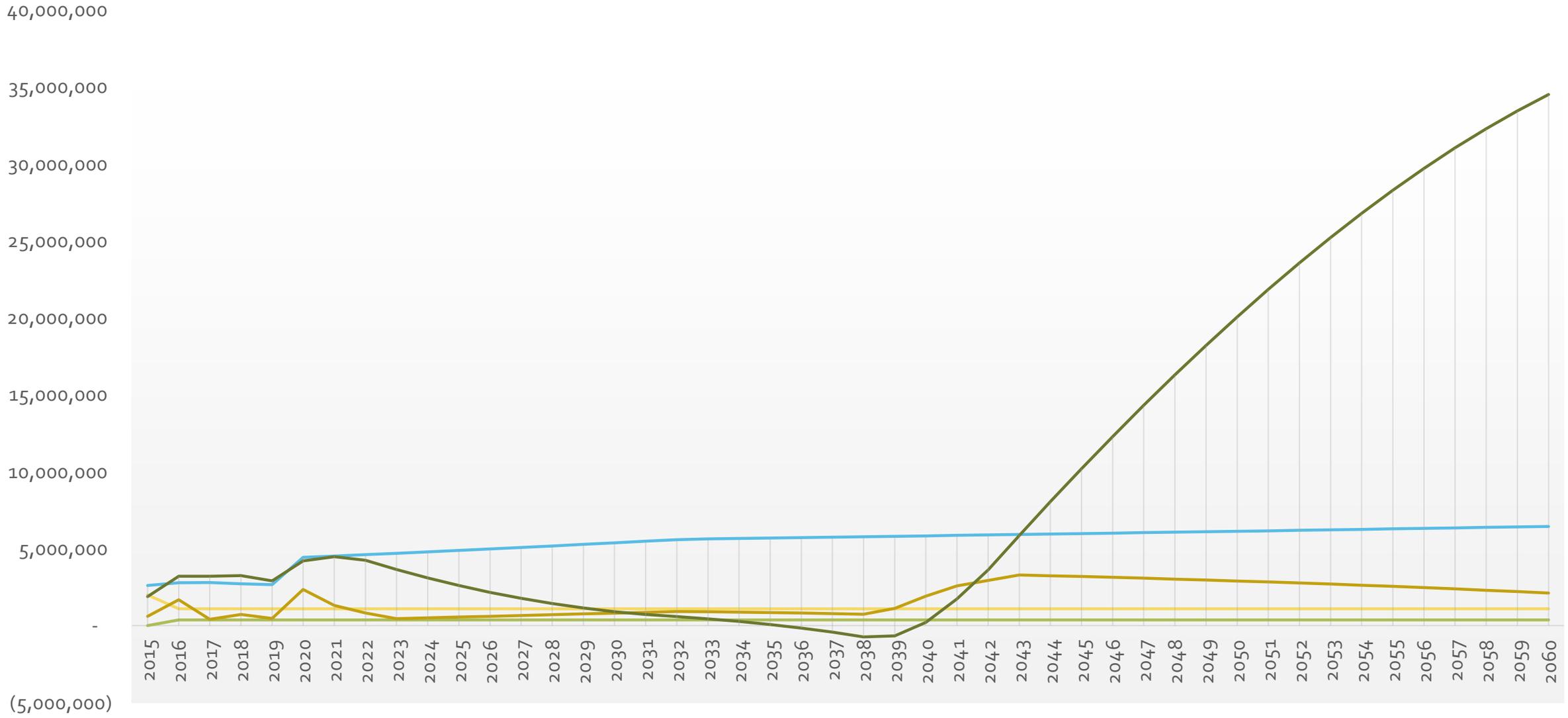
Each year, 25% of the unspent fund balance from general fund is transferred to stormwater and transportation infrastructure. This transfer was established in FY 2013 as part of a financing strategy for the CIP Plan.

Funding Resiliency - Infrastructure Fund

Infrastructure Maintenance Fund



40 Year Look Ahead



— Total revenues
 — O&M Expenditures
 — Total Capital Project Expenditures
 — Available for Capital Projects
 — Fund Balance

Funding Takeaways

CHALLENGES

-
- Stormwater programs are underfunded
 - Alternative funding is focused on water quality
 - Need to understand needs infrastructure management
 - Need to understand impact and timing of change
 - Need to understand life cycles to adequately plan for needs

Funding Takeaways

YOUR MISSION

-
- Be an advocate
 - Find partnerships and champions
 - Other departments
 - Other community resources
 - Use water quality funding to tackle asset/ capacity issues



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