

STORMWATER FINANCE IN MILLBURY

The Town of Millbury is developing a strategy to fund the Town's stormwater management needs.

After reviewing available funding mechanisms and examples of other municipalities in Massachusetts, the Town decided to explore the feasibility of implementing a stormwater enterprise fund. In May of 2020, the Town passed enabling legislation allowing the Town to establish a stormwater enterprise fund.

A stormwater enterprise fund collects fees to support the operation, maintenance, upgrades, and expansion of the existing stormwater system.

Join us for a presentation and community meeting on

Future Stormwater Funding

April 30th
6:00 pm
Public Library

May 1st
10:00 am
Senior Center

Learn more <https://www.millburyma.gov/public-works/pages/ms4-stormwater>

The Millbury community will need to invest more in stormwater infrastructure to ensure system function and address aging infrastructure. By establishing a stormwater enterprise fund and collecting stormwater fees, the Town can invest in the future without burdening other departments financed through the General Fund, like schools and highway.

The Town must comply with the extensive requirements of the 2016 Municipal Separate Storm Sewer Systems (MS4) Permit, which became effective on July 1, 2018. The Town will incur significant costs in order to meet the mandates within the permit and future iterations of the permit. A reliable funding source will be necessary for the foreseeable future.

Urban stormwater runoff is directly correlated to the amount of impervious area. Impervious area keeps stormwater from seeping into the soil and recharging groundwater. In heavy downpours, the current storm drainage system can become overwhelmed. Funds generated through a stormwater enterprise fund can be used to upgrade systems and to construct green infrastructure. Green infrastructure, like bioswales and rain gardens, uses natural properties to filter pollutants and allow water to soak into the soil rather than flood our streets.

Stormwater flowing from impervious surfaces, like roadways and parking lots, carries pollutants into rivers, streams, and groundwater. Water contamination is harmful to drinking water sources, wildlife and recreation. Water pollution results in both indirect and direct costs.

STORMWATER MANAGEMENT GOALS



MEET REGULATORY REQUIREMENTS



CONTROL WATER POLLUTION



REDUCE STORMWATER FLOODING



INVEST IN THE FUTURE

STORMWATER BUDGETARY NEEDS

- MS4 PERMIT COMPLIANCE
- CATCH BASIN CLEANING
- STREET SWEEPING
- DRAINAGE SYSTEM MAINTENANCE
- DRAINAGE IMPROVEMENTS

STORMWATER ENTERPRISE FUND FEASIBILITY

A stormwater enterprise fee offers a reliable and equitable funding mechanism to meet the Town's stormwater management needs compared to the other funding sources available in the table below. At present, there are more than 25 communities in Massachusetts with stormwater fee systems in place and many more across the nation. There are several other communities actively working to develop stormwater funding mechanisms or that have passed enabling legislation.

FUNDING	PROS	CONS
General Fund	Protocol is already in place.	New cost burdens from the MS4 Permit would increase the amount of funding going towards stormwater from the general fund, which could limit funding for other departments. Not all properties are taxed.
Grants	Brings funding from outside of the Town.	Grants are only for specific types of projects and are not guaranteed.
Stormwater Fund	Guaranteed source of funding. A more equitable fee based on impact to stormwater system.	Initial time and effort involved in implementation and oversight going forward.

HOW WOULD A STORMWATER ENTERPRISE FUND WORK IN MILLBURY?

One of the fairest ways to create a stormwater enterprise fund is to calculate the fee based on a parcel's impact upon the drainage system. Parcels with greater impervious area, and without stormwater controls onsite, discharge greater amounts of stormwater into the municipal storm drain system. Some towns use an Equivalent Residential Unit (ERU) to compare impact to the stormwater system across different land use types and it is typically based on the average impervious area of the dominant land use type. In Millbury, the ERU would equal the average impervious surface on a single-family residential parcel.

After reviewing several fee structures, a flat fee for residential parcels with four units or less and a declining block rate based on ERU for all other properties was chosen as the fee structure in Millbury to assign stormwater fees to developed parcels. Fees would be administered through the existing sewer billing system. For those properties not on sewer, a separate bill will be sent with the stormwater fee. Abatements or corrections to the stormwater bill would be offered and a simple credit or incentive program system is being explored. Read more at <https://www.millburyma.gov/home/news/attention-millbury-property-owners-important-information-millbury-stormwater-financing>.

\$105 per year
per small residential parcel

Declining Block Rate
for all other parcels

\$757,000
approximate annual revenue

SMALL RESIDENTIAL PARCELS	
Parcel Type	Fee
One- to Four- Family, Multiple Houses on a Single Property, Residential Accessory Land	\$105.00

ALL OTHER PARCELS			
Block	ERU Range	Block Coefficient	ERU Rate
1	≤ 10 ERUs	1	\$105.00
2	10 < ERUs ≤ 50	0.9	\$94.50
3	50 < ERUs ≤ 100	0.8	\$84.00
4	100 < ERUs ≤ 500	0.7	\$73.50
5	> 500 ERUs	0.6	\$63.00

Parcels classified as "small residential" will be subject to an annual fee of \$105.00. All other parcels, which includes large residential properties, and non-residential properties, including commercial properties and tax-exempt properties, can calculate their unique stormwater fee as follows:

$$\text{Annual Fee} = (\$105) \times (\text{Number of ERUs}) \times (\text{Block Coefficient})$$