

**City of Hopewell Stormwater Utility Fee
May 2019**

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1. Overview

On Tuesday, the 9th day of June, 2015, the Council of the City of Hopewell, Virginia, approved a Stormwater Utility Fee ordinance to be added to Chapter 14 of the Code of the City of Hopewell: Chapter 14 Article III. Stormwater Utility.

Purpose Statement: Council adopted the new ordinance with the following purpose statement:

The City Council finds that an adequate, sustainable source of revenue for stormwater management activities is necessary to protect the general health, safety, and welfare of residents of the City, and to meet requirements of the City's Virginia Pollution Discharge Elimination System (VPDES) Municipal separate storm sewer system (MS4) permit and federal and state regulations to address identified water quality and quantity needs. The City Council finds that property with higher amounts of impervious area contributes greater amounts of stormwater and pollutants to the storm sewer system and water of the Commonwealth and should carry a proportionate burden of the cost of such activities. Therefore, the City Council determines it is in the best interest of the public to enact a Stormwater Utility Fee that shall allocate program costs to all property owners based on the amount of impervious surface.

Authority: The city is authorized by Code of Virginia § 15.2-2114 to establish a system of service charges to support a local stormwater management program consistent with Article 2.3 (Code of Virginia § 62.1-44.15:24 et seq.) of Chapter 3.1 of Title 62.1 or any other state or federal regulation governing stormwater management.

Enterprise Fund: The stormwater utility fee revenue as well as any other deposits that may be made from time to time by the city council or others is a dedicated enterprise fund. The fund is explicitly dedicated to pay for or recover costs as outlined in Section 14-39 of the City Code, and outlined below.

2. Basis of the Stormwater Utility Fee Rate

City Council was provided with several rate options based on **Levels of Service (LOS) 1 through 5**, with 1 being the lowest LOS, and 5 the highest, with corresponding monthly fee structure. City Council elected to adopt LOS 1 funded by a fee set at **\$4 per month per Equivalent Residential Unit (ERU)**, with an estimated annual revenue of approximately \$860,000.

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The stormwater utility fee is charged to the property owner or tenant based on the name on the water meter as defined by the 'Premise ID' which is a unique identifier for each tenant or occupant of a dwelling or business.

This level of service and corresponding rate structure was identified as being adequate for minimum office staffing necessary to effectively meet the administrative and implementation requirements of

- the City's designation as a Virginia Stormwater Management Program (VSMP) Authority; and
- the City's Municipal Separate Storm Sewer System (MS4) Permit program.

3. Utility Fee for Individual Properties

What is an Equivalent Residential Unit (ERU)?

An ERU is defined as 2,100 square feet of impervious cover and is considered to be the amount of impervious cover on a typical single-family detached residential property.

A survey of single-family detached residential properties across the city was conducted to determine the average area of impervious surfaces on each recorded parcel. From that survey 2,100 square feet was determined to be the average and was therefore established as the ERU. Non single-family detached residential properties, i.e., commercial, industrial, multi-family residential, etc., are charged by measuring the total area of impervious cover on the property and dividing by 2,100 and rounded to the nearest whole number to yield the number of ERUs.

The survey was performed using the City's Geographic Information System (GIS) which utilizes the Virginia Geographic Information Network (VGIN) imagery. The imagery has a 6 inch spatial resolution and provides very accurate accounting of impervious cover. Also, the imagery is updated periodically (approximately every 4 years) allowing for periodic review and updating of the City's Stormwater Utility Fee Database.

How are ERU's applied?

- Each detached single family residential unit is charged 1 ERU regardless of the measured area of impervious cover on the property. This eliminates the cumbersome process of calculating and potentially debating the exact square footage of rooftop, driveway, sidewalk, sheds, etc. on each property.
- Duplexes are defined as 2 ERUs regardless of the measured area of impervious cover on the property; each unit is charged 1 ERU.
- Apartment complexes that have an individual water meter in each unit, e.g., Mansion Hill Apartments; each unit is charged 1 ERU.
- Apartment Complexes that utilize a single water meter for the entire building or complex, e.g., Hopewell Heights Apartments; are charged for the number of ERUs based on the total measured area of impervious cover on the property divided by 2,100.

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- Commercial Properties with a single tenant and single water meter are charged for the number of ERUs based on the measured area of impervious cover on the property divided by 2,100.
- Commercial Properties with multiple tenants each with individual water meters are charged for the number of ERUs based on the measured area of impervious cover divided by 2,100, which are then either:
 - divided among the individual tenants or businesses if the overall property usage is considered to be equal; or
 - billed in total to the property owner to then be divided among the individual tenants based on property usage as deemed appropriate by the owner, e.g., Cavalier Square.

Do ERU's and the corresponding fee apply to the large industrial facilities?

The industrial facilities are charged for the number of ERUs based on the total measured area of impervious cover on the property divided by 2,100. However, the Virginia Department of Environmental Quality (VDEQ) regulates many of the industrial facilities in Hopewell through the Individual or General Virginia Pollutant Discharge Elimination System (VPDES) Permit for Discharges of Storm Water Associated with Industrial Activity. Both the General and Individual Permit already regulate stormwater discharges from these facilities, therefore the City provides for a fee credit conditioned on receiving a copy of the facilities' Stormwater Pollution Prevention Plan (SWPPPs).

4. Calculation Method

The number of ERU's on any property is rounded to the nearest whole number. One ERU is billed \$4/month, for a total annual fee equaling \$48/year.

The method to determine the fee for a given property is based on the following calculation:

Example

The calculation for the a property with 7,946 square feet of impervious surface would have the following calculation done.

1. Determine the Equivalent Residential Unit (ERU):

Divide the impervious sqft of the property by 2,100, and round to the nearest whole number.

$$7,946 \text{ sqft} / 2,100 = 3.78$$

3.78 is rounded up to 4, so the property has 4 ERU

2. Each ERU is billed 4 dollars a month.

The number of ERU's is multiplied by \$4 for the monthly bill.

$$4 \text{ ERU} \times \$4/\text{month} = \$16/\text{month}$$

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All detached single-family homes are billed one (1) ERU, regardless of the measured impervious cover and number of ERUs.

To not receive a Stormwater Utility Fee, the square footage of a property has to be below 500 Square feet.

5. Updating Fees

1. The Virginia Geographic Information Network (VGIN) releases new Imagery every four years, at which time every parcel in the city is rechecked for changes that occurred during the four years.
2. Every month, the billing service contractor provides the city with a list of all new Meters, and all meters that have changed ownership. Each meter on the monthly list is checked and updated as needed.
3. New and re-development projects are added or updated upon completion of the project. Information from the development plans submitted to the city is used to determine the impervious cover of the property until such time that the updated imagery becomes available.

6. For What is the Utility Fee Used?

The City Code of Ordinances Chapter 14 Article III, Sec. 14-39: Stormwater Enterprise Fund outlines the allowable uses for the fee revenue as follows:

The stormwater fund is hereby established as a dedicated enterprise fund. The fund shall consist of revenue generated by the stormwater utility fee as well as any other deposits that may be made from time to time by the city council.

The stormwater fund shall be dedicated special revenue used only to pay for or recover costs for the following:

- (1) The acquisition, as permitted in Code of Virginia § 15.2-1800, of real and personal property, and interest therein, necessary to construct, operate, and maintain stormwater control facilities;
- (2) The cost of administration of the stormwater program;
- (3) Planning, design, engineering, construction, and debt retirement for new facilities and enlargement or improvement of existing facilities, whether publicly or privately owned, that serve to control stormwater;
- (4) Facility operation and maintenance;
- (5) Monitoring of stormwater control devices and ambient water quality; and
- (6) Other activities consistent with the state or federal regulations or permits governing stormwater management, including, but not limited to, public education, watershed planning, inspection and enforcement activities, and pollution prevention planning and implementation.