

# **City of Memphis Storm Water Enterprise Fund**

## **Frequently Asked Questions**

### ***1. What is the City's responsibility for storm water?***

The City is responsible for managing all aspects of storm water within its jurisdiction. The City operates and maintains drainage facilities that are located within the public right-of-way or public easements. The City does not maintain facilities that are located on private property or that fall under the jurisdiction of other governmental jurisdictions such as Shelby County.

### ***2. Why is storm water such a problem?***

As precipitation falls on agricultural and undeveloped areas, it is primarily absorbed into the ground or slowly runs off into streams, rivers or other water bodies. However, development resulting in rooftops and paved areas prevent water from being absorbed and create a faster rate of runoff. This development often causes localized flooding or other water quantity or quality issues.

### ***3. How does the City currently pay for its storm water services?***

Storm water services are currently funded from revenue derived from property taxes collected by the City. Storm water must compete for these funds with other City services such as parks, roads, libraries, social services, etc.

### ***4. What Is the City currently doing about these problems?***

Currently, the city funds their storm water efforts, including collection system maintenance, repair, and replacement, from the city's General Fund. Due to the high demand on the General Fund over the past several years, the city has not been able to set aside enough funds to adequately address all the City's storm water needs. Although the city has done a good job managing the existing program on a limited budget, the backlog of storm water projects has grown.

By establishing a storm water utility, the city will be able to take a more aggressive approach to storm water management. The additional funds raised through the storm water fee will allow the City to provide an increased level of system maintenance and repair, as well as enable the city to construct additional capital improvement projects.

### ***5. Why do we need to spend more for storm water?***

Historically, the allocation of funds has not been sufficient to address all of the City's storm water service needs. Although the city has done a good job providing storm water services on a limited budget, the backlog of storm water projects has grown and some maintenance activities have not been performed. Local, state, and federal laws also require that municipalities address the environmental impacts of storm water pollution, but do not provide funds to do it. Consequently, the City must investigate alternative means for raising revenue.

### ***6. Why not raise property tax?***

Property taxes are based only on the assessed market value of a property, without consideration of the contribution of storm water runoff from the property. Charges derived from property value are therefore not fairly and equitably allocated to storm water services.

***7. What Is a Storm Water Enterprise Fund?***

The Storm Water Enterprise Fund will be similar to the City's existing Sewer Enterprise Fund, but will be a separate entity responsible for providing service to Memphis's existing and expanding storm water drainage system. This enterprise fund allows fees to be collected and used to address flooding problems as well as improve water quality by reducing storm water pollution. Like Memphis, many cities locally and nationwide, including Franklin, TN, LaVergne, TN, Cincinnati, OH, Charlotte, NC, and others have established storm water management utilities.

***8. How is a storm water user fee charged?***

A storm water user fee is charged based upon the contribution of storm water runoff to the City's storm water management system. This is a more fair and equitable approach than charges based on property value.

***9. Why should I pay for rain falling on my property?***

With a storm water rate, users are charged a fee for runoff discharged from their property to the City's storm water management system, not by the amount of rain falling on their property. Property owners control the level of development on their properties, which directly impacts the runoff characteristics of the parcel.

***10. How are differences between parcels determined?***

By utilizing residential dwelling units as the basis for a storm water user fee, charges among other parcel types can be compared to this Single Family Unit (SFU).

***11. What is a single family unit (SFU)?***

A single family unit is determined by the amount of impervious area on the average single family home within the City of Memphis. In the City of Memphis, the average single family unit (SFU) is 3,147 square feet.

***12. What is impervious area?***

Impervious area includes pavement and building areas such as driveways, parking areas, rooftops, patios, garages and out-structures. The amount of impervious area on a property directly correlates to its contribution of runoff volume and pollutant loading to the City's storm water management system.

***13. Why should I pay if there is no storm water inlet in front of my property?***

All properties generate storm water runoff that must be conveyed, transported, stored, treated, and discharged by the City. Even though the storm water inlets, pipes and ponds may be remote from your property, your parcel still contributes runoff which ultimately discharges to the City storm water management system and facilities.

***14. My property retains water, why should I pay?***

As part of the storm water user fee, the City has established a credit policy that reduces charges to nonresidential properties that have facilities which reduce the amount of runoff or pollutant loads discharged to the City's storm water management system. Copies are available online at the City's website or from the Storm Water Program office.

***15. Why do we not charge properties upstream (that discharge to City)?***

Pursuant to state legislation, the City can only charge for services within its corporate boundary unless an interlocal agreement has been adopted.

**16. Are there any possible credits available?**

All nonresidential, developed properties have the opportunity to install, maintain, and operate facilities and do other associated non-structural BMPs (best management practices) that benefit the local community, those parcels will then have the option to support a reduction in fee predicated upon the benefit to the local community.

**17. Why enact a storm water utility fee instead of raising property taxes?**

Communities throughout the northern hemisphere have begun to address deficiencies in their utility systems through segregating the services provided for "general public needs" and those specifically necessary for "storm water management system functions".

**18. Why Is This Issue Being Addressed at This Time?**

On November 16, 1990, the US EPA issued new storm water regulations that require communities with populations over 100,000 to control water pollution caused by storm water runoff. Known as the EPA Phase I storm water rule, these regulations require communities to implement municipal storm water programs that will reduce storm water pollutant discharges to the "maximum extent practicable."

In addition to meeting the city's current storm water needs, Memphis's new Storm Water Enterprise Fund will provide the city with the tools necessary to meet the federal and state regulatory requirements.

**19. When Will the Utility Be Started?**

The City Council has adopted the ordinance for a Storm Water Enterprise Fund. Customers should see this fee beginning on their MLG&W accounts as of May 31, 2006.

**20. How will the average residence pay?**

All single family homes are divided into one of three classifications, small, average, and large. The rates are based on the total impervious area associated with the residential parcel (see associated chart). Multifamily residents are divided among four divisions, and are charged accordingly based on the average impervious area on each parcel for that type of residence (see associated chart).

<b>Single Family</b>	<b>Monthly Rate</b>
Impervious Area of the Property	(May 2006 - June 2007)
<1,841 sq-ft	58% (\$ 1.26)
1,842-4,794sq-ft	100% (\$ 2.18)
>4,795 sq-ft	152% (\$ 3.31)

<b>Non-single Family Residential Property Classification</b>	<b>Monthly Rate (May 2006 - June 2007)</b>
Multifamily (excluding high rise multifamily, condominiums, and mobile homes)	41% (\$ 0.89)
Town Home / Condominium	57% (\$ 1.24)
Mobile Home	77% (\$ 1.68)
High Rising Multi-family Apartment	13% (\$ 0.28)

***21. What will nonresidential parcels pay?***

Commercial customers are defined by the utility as all developed commercial, industrial, governmental, institutional, and agricultural properties. Their storm water fee is based on the amount of area that is covered with concrete, asphalt, compacted gravel, or buildings. Commercial rates will be based on the number of Single Family Units (SFUs) calculated by dividing the customer's total impervious area by 3,147 square feet. This value represents one (1) SFU and has been statistically determined to represent the average impervious area for all residential customers in the City. The monthly rate would then be the number of SFUs x \$2.18 (the base rate for 1 SFU).

***22. My Storm water Bill Is Incorrect, How Do I Get It Changed?***

The City's goal is to make the process as fair and equitable as possible and recognizes that mistakes sometimes happen. If you feel your MLG&W bill is incorrect, you can fill out an adjustment request and the City will review your adjustment application and provide you with a credit for any overcharges that your account has incurred.

If your problem can not be dealt with via the adjustment application, the City will review your case by collecting the following information:

MLG&W Account No:

MLG&W Account Customer Name:

MLG&W Account Address:

Follow-Up Contact Name:

Follow-Up Contact Number:

Problem/Issue:

The City will research your account and contact you ASAP to provide you with an update or solution.

***23. Where Can I Go For More Information?***

If you would like additional information on the Storm Water Enterprise Fund or have specific concerns about storm water issues, please contact the City of Memphis Storm Water Program at 901-576-4349.