



Understanding Stormwater Utility Fees

Why is a Stormwater Utility Fee needed?

As land becomes developed, there are fewer places for stormwater to seep naturally into the ground. Rooftops, driveways, parking lots and streets all contribute to increased stormwater runoff which makes its way through storm sewers into lakes, wetlands and rivers. This results in a high rate of discharge and decreased water quality. As runoff increases, so does the cost to manage the water quantity and quality.

New federal water quality regulations mandate the City of Red Wing to implement strict stormwater management practices to protect our water resources. Both federal and state governments have implemented a permit system regulating quality and quantity of stormwater discharges. These permits require construction of additional stormwater treatment and infiltration basins, a higher level of operation and maintenance of existing facilities, and the implementation of pollution prevention and education programs.

What has been done in Red Wing to improve stormwater runoff quality?

Red Wing's existing stormwater management facilities are valued at \$7.8 million with a replacement cost of more than \$50 million. The annual cost to construct, operate and maintain the facilities and to implement the required pollution prevention and public education programs approaches \$600,000.

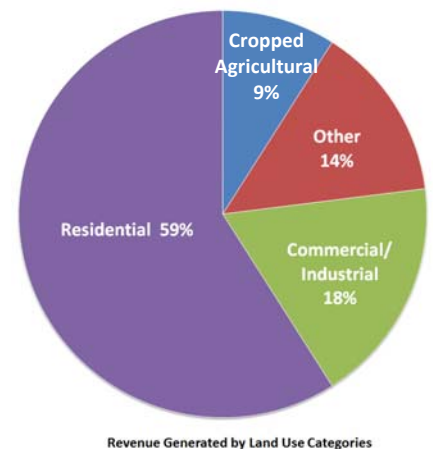
Historically, the construction of stormwater facilities has either been financed through taxes or by developers. Routine maintenance was funded through property taxes. This approach enabled new facilities to be constructed and maintained at a minimum level; however, not to the extent necessary to achieve compliance with new stormwater discharge permits.

How are stormwater programs funded?

The City Council adopted a Stormwater Utility Fee in 2008 to help provide a continuous, dedicated revenue source for managing, maintaining and improving our stormwater management systems. The fee is paid for by all property owners within Red Wing city limits. Beginning in July 2009, this fee has been added to City of Red Wing utility bills.

A stormwater utility fee offers advantages over other sources of revenue, including:

- All properties are charged the Stormwater Utility Fee. This includes properties exempt from paying property taxes such as churches, schools, government buildings, etc.
- The fees are calculated based on the fact that different land use categories generate different amounts of stormwater runoff.
- The revenue will be maintained in a dedicated fund. All the revenue collected will be used to finance stormwater related activities and will not be used for other purposes.



Even with the implementation of the fee, the method used for funding the installation of stormwater collection and treatment facilities in new developments has not changed. The City of Red Wing will continue to be responsible for the maintenance of those stormwater facilities constructed on public property in accordance with any conditions in developers' agreements. Property owners will, generally, be responsible for maintaining stormwater facilities constructed on private property.

More than 100 cities in Minnesota are using stormwater fees to generate the revenue necessary to fund stormwater management programs.

How are fee levels determined?

The fees charged to individual properties are, generally, based on the amount of stormwater generated. Non-residential property fees are based on area and land-use type. Land uses with larger proportions of paved or impervious surfaces are assessed a higher fee than those with more turf or other pervious surfaces. Residential properties are assessed the same fee regardless of size or type. All land-use types within city limits including agricultural, industrial and commercial, single and multi-family residential and institutional (churches, government and schools) are charged the fee either monthly (on a City of Red Wing utility bill) or quarterly (on a bill sent to rural landowners).

STORMWATER UTILITY FEE SCHEDULE	
Land Use Type:	Billing Formula
Agricultural Non-cropped Land	\$0.00
Agricultural cropped land and Golf Courses	\$Fee/acre/month
Residential (rural and mobile homes)	Flat Fee/month
Residential (low, medium and high density*)	Flat Fee/month
Commercial (community)	\$Fee/acre/month
Commercial (downtown)	\$Fee/acre/month
Commercial (mixed use)	\$Fee/acre/month
Commercial (regional)	\$Fee/acre/month
Institutional	\$Fee/acre/month
Industrial & Utility	\$Fee/acre/month

Actual Billing Rates are available on the City of Red Wing's website

**Fee is per unit for residential properties with a maximum fee equivalent to eight units per dwelling*

What will the stormwater funds be used for?

The fees are allocated to fund the construction, improvement and maintenance of water facilities such as:

- Stormwater inlets
- Sewers or drainage ditches
- Outfalls to a water body
- Stormwater detention and infiltration ponds

It will also fund activities such as:

- Inspecting, maintaining and repairing tunnels and storm sewers
- Cleaning manholes, catch basins and sewers
- Sweeping streets
- Mapping and locating stormwater systems
- Monitoring and permitting construction site runoff
- Meeting public education and regulatory reporting requirements

According to City Council President, "A stormwater utility fee is the most equitable option for generating the revenue necessary to meet mandates. The fees are based on average volumes of stormwater runoff created by each type of property."

Additional information is available

For more information about Red Wing's Stormwater Utility Fee such as the ordinance passed by the City Council, fee details, land-use designations or the Stormwater Pollution Prevention Plan (SWPPP), please visit www.red-wing.org and look in "Services" for "Utility Billing", OR call the Public Works Department at 651-385-3674.

