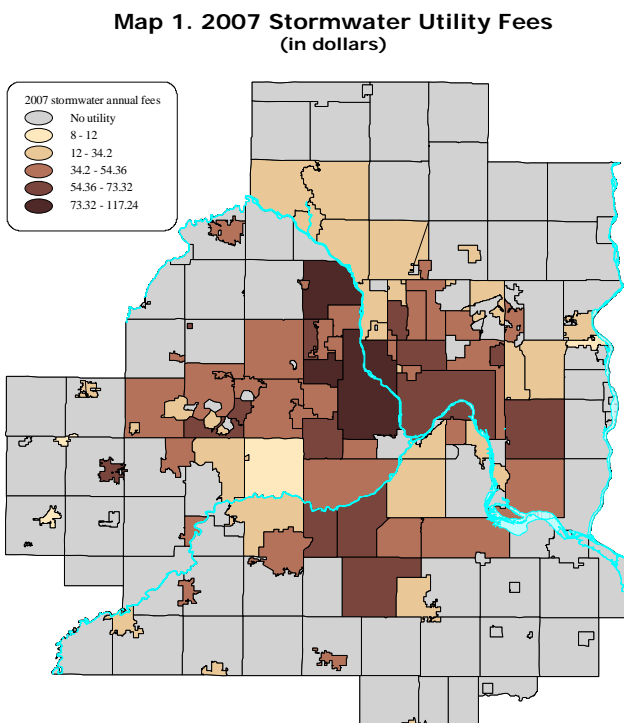


Financing Water Quality Management & Stormwater Utilities

Financing stormwater facilities became a little easier and a great deal more predictable in 1983 when the Minnesota Legislature authorized local governments to create “stormwater utilities” (Minnesota Statutes section 444.075). This legislation authorizes communities and counties to levy user charges for the use and the availability of stormwater facilities and for connections to them. One metropolitan area watershed district also has used this provision of the law to create a stormwater utility. Funds obtained through a stormwater utility fee must be dedicated to the purpose for which they were obtained. This allows a community to look ahead several years, plan for facilities and programs necessary to meet local needs and federal and state requirements for stormwater management, and build a fund with the fees that will allow it to meet the needs in an orderly fashion.

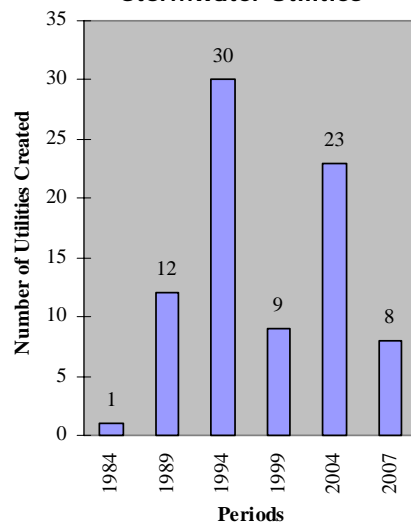
As requirements for stormwater management have grown over the last 20 years, so has the number of communities that have created a stormwater utility. A 2007 survey by the Metropolitan Council shows that 83 communities now have a utility (see **Map 1**). This is a significant increase since the 1997 survey that reported 45 utilities.



Note: the stormwater utilities for Blaine and St. Paul Park, while shown on this map, will not be in effect until Jan. 1, 2008.

Figure 1, which depicts the formation of utilities since 1983, shows two periods with a large increase in the formation of stormwater utilities. The first increase, in 1990 to 1994, is related to the Minnesota Board of Water and Soil Resources’ adoption of rules for watershed plans and local stormwater management plans. For the first time the preparation of local stormwater management plans was mandated by statutes and state rules; communities reacted by creating a dedicated source of revenue that would allow them to meet the mandate.

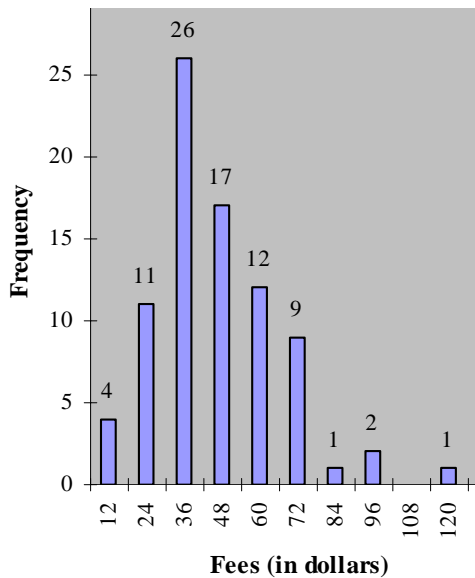
Fig. 1. Formation of Stormwater Utilities



The second sharp increase in utilities came during the 2000-2004 period. This period saw the U.S. Environmental Protection Agency impose new rules for municipal stormwater management for every urban area with 10,000 or more inhabitants or a population density of 1,000 or more persons per square mile. These new rules implemented best management practices, monitored runoff discharges and met various other requirements spelled out in a permit issued to a community under the National Pollutant Discharge Elimination System (NPDES) permit program. In the metropolitan area, 120 out of 185 communities must have an NPDES permit for stormwater management (see **Table 1**).

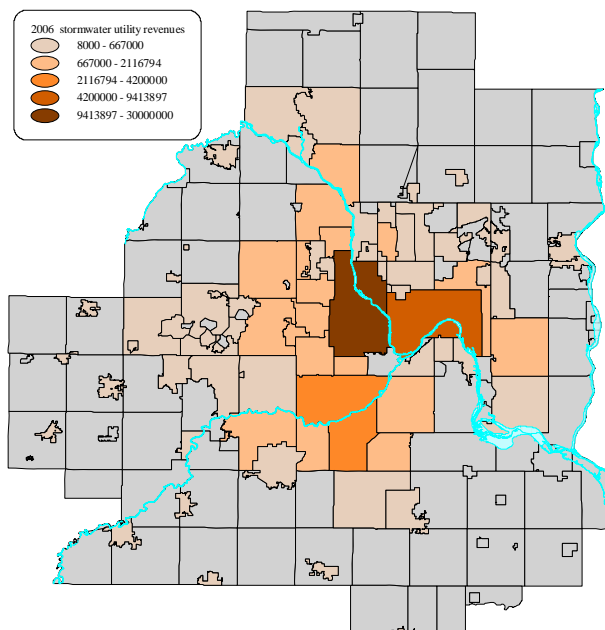
Figure 2 depicts the range in utility fees for 2007. The mean annual fee charged by communities is nearly \$41 with a low of \$8 and a high of about \$117.

Fig. 2. Distribution of Stormwater Utility Fees



As reported by 78 utilities, in 2006, this fee-based revenue ranged from \$30 million in Minneapolis to \$8,000 in Watertown (**Table 1** and **Map 2**). Total revenues for 2006 reported by these 78 utilities exceeded \$81 million, while expenses for stormwater were \$79 million.

Map 2. 2006 Stormwater Utility Revenues (in dollars)



Some communities had a surplus, which they banked for the future when more expensive projects may be implemented. This practice allows communities to steadily maintain the utility charge.

The stormwater utility charge is generally used for operation and maintenance of stormwater facilities, construction and improvements, as well as costs associated with activities required of communities under the federal NPDES permit process. Seventy-two percent of the communities use the fees for permit activities or water quality management. Eighty-nine percent of them provide exemptions from the fee for such land use as public streets and highways, public parks and undeveloped land. Fifty percent of the communities with a stormwater utility provided credits for stormwater facilities constructed and maintained by property owners.

The 1983 law that enables communities to create stormwater utilities is an invaluable tool for meeting increasing stormwater management requirements. The required dedication of the revenues provides transparency in the finances of the stormwater utility—a plus with local residents.

For more information about the Metropolitan Council's Stormwater Utility Survey, please contact:
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Table 1. Twin Cities Metropolitan Area – Stormwater Utility Fees

Communities beginning A-R (continued on back)

Community	Utility	Created	2007 Fee	MS4	NONDEG	Community	Utility	Created	2007 Fee	MS4	NONDEG
Andover	Yes	2003	24.76	Yes	Yes	Jackson Twp.	No			Yes	
Anoka	Yes	2003	21.12	Yes		Jordan	Yes	1995	37.08		
Apple Valley	Yes	1988	47.76	Yes	Yes	Lake Elmo	Yes	2003	30.00	Yes	
Arden Hills	Yes	1993	34.60	Yes		Laketown Twp.	No			Yes	
Belle Plaine	Yes	1999	33.00			Lakeville	Yes	1994	63.00	Yes	Yes
Birchwood Village	No			Yes		Landfall	No			Yes	
Blaine	Yes	2007	21.00	Yes	Yes	Lauderdale	Yes	1994	30.00	Yes	
Bloomington	Yes	1988	54.36	Yes	Yes	Lexington	No			Yes	
Brooklyn Center	Yes	1991	51.44	Yes		Lilydale	No			Yes	
Brooklyn Park	Yes	2002	96.00	Yes	Yes	Lino Lakes	No			Yes	
Burns Twp.	No			Yes		Little Canada	No			Yes	
Burnsville	Yes	1992	70.80	Yes	Yes	Long Lake	Yes	1999	43.20	Yes	
Carver	Yes	2004	39.96	Yes		Loretto	Yes	2003	66.00	Yes	
Centerville	Yes	1997	20.00	Yes		Louisville Twp.	No			Yes	
Champlin	No			Yes		Mahtomedi	Yes	2001	42.08	Yes	
Chanassen	Yes	1994	31.20	Yes	Yes	Maple Grove	No			Yes	Yes
Chaska	No			Yes	Yes	Maple Plain	Yes	2005	35.64	Yes	
Circle Pines	Yes	2005	36.00	Yes		Maplewood	Yes	2003	49.44	Yes	Yes
Columbia Heights	Yes	1999	29.52	Yes		Mayer	Yes	2005	8.00		
Coon Rapids	Yes	2002	34.20	Yes	Yes	Medicine Lake	No			Yes	
Corcoran	No			Yes		Medina	No			Yes	
Cottage Grove	Yes	2001	42.00	Yes	Yes	Mendota	No			Yes	
Credit River Twp.	No			Yes		Mendota Heights	Yes	1993	20.00	Yes	
Crystal	Yes	1991	37.20	Yes		Minneapolis	Yes	2005	117.24	Yes	
Dayton	No			Yes		Minnetonka	Yes	2003	48.60	Yes	Yes
Deephaven	Yes	1994	60.00	Yes		Minnetonka Beach	No			Yes	
Dellwood	No			Yes		Minnetrista	Yes	1992	36.00	Yes	
Eagan	Yes	1990	30.56	Yes	Yes	Mound	Yes	2001	25.92	Yes	
East Bethel	No			Yes		Mounds View	Yes	1993	30.00	Yes	
Eden Prairie	Yes	1994	12.00	Yes	Yes	New Brighton	Yes	1994	58.60	Yes	
Edina	Yes	1985	57.56	Yes	Yes	New Hope	Yes	1991	73.32	Yes	
Elko New Market	Yes	2000	54.00			New Prague	Yes	1992	31.68		
Empire Twp.	No			Yes		Newport	No			Yes	
Excelsior	Yes	1999	31.92	Yes		North Oaks	No			Yes	
Falcon Heights	Yes	1986	39.00	Yes		North St. Paul	Yes	1990	64.20	Yes	
Farmington	Yes	1989	34.00	Yes	Yes	Northfield	Yes	1986	25.27	Yes	
Forest Lake	No			Yes		Norwood Young America	Yes	2003	12.00		
Fridley	Yes	1985	13.20	Yes		Oak Grove	No			Yes	
Gem Lake	No			Yes		Oak Park Heights	Yes	1999	12.00		
Golden Valley	Yes	1992	88.00	Yes		Oakdale	Yes	2002	20.00	Yes	
Grant	No			Yes		Orono	Yes	2001	39.16	Yes	
Greenwood	No			Yes		Osseo	Yes	2007	36.00	Yes	
Ham Lake	No			Yes		Pine Springs	No			Yes	
Hastings	No			Yes		Plymouth	Yes	2001	51.96	Yes	Yes
Hilltop	No			Yes		Prior Lake	Yes	1993	36.00	Yes	Yes
Hopkins	Yes	1989	54.00	Yes		Ramsey	Yes	2000	31.16	Yes	
Hugo	No			Yes		Richfield	Yes	1985	39.60	Yes	
Independence	No			Yes		Robbinsdale	Yes	1985	47.40	Yes	
Inver Grove Heights	No			Yes	Yes	Rogers	Yes	2002	36.00		

*

Table 1. Twin Cities Metropolitan Area – Stormwater Utility Fees

Communities beginning R-Z (continued)

Community	Utility	Created	2007 Fee	MS4	NONDEG	Community	Utility	Created	2007 Fee	MS4	NONDEG	*
Rosemount	Yes	1992	42.88	Yes	Yes	Stillwater	Yes	1996	18.00	Yes		
Roseville	Yes	1984	60.60	Yes		Sunfish Lake	No			Yes		
Savage	Yes	1994	70.56	Yes	Yes	Tonka Bay	Yes	1993	13.60	Yes		
Shakopee	Yes	1985	33.73	Yes	Yes	Vadnais Heights	Yes	1992	36.00	Yes		
Shoreview	Yes	1991	43.60	Yes		Victoria	Yes	1997	40.00	Yes		
Shorewood	Yes	1993	60.48	Yes		Waconia	Yes	1992	60.24	Yes		
South St. Paul	Yes	2003	30.00	Yes		Watertown	Yes	2003	18.00			
Spring Lake Park	No			Yes		Wayzata	Yes	1991	39.96	Yes		
Spring Lake Twp.	No			Yes		West Lakeland Twp.	No			Yes		
Spring Park	No			Yes		West St. Paul	Yes	2006	37.00	Yes		
St. Anthony	Yes	1992	52.00	Yes		White Bear Lake	No			Yes		
St. Bonifacius	Yes	2004	20.00	Yes		White Bear Twp.	Yes	1992	24.00	Yes		
St. Louis Park	Yes	2000	46.00	Yes	Yes	Willernie	No			Yes		
St. Paul	Yes	1986	57.80	Yes		Woodbury	Yes	1992	66.00	Yes	Yes	
St. Paul Park	Yes	2007	32.00	Yes		Woodland	No			Yes		

- * Utility | An ordinance that authorizes the community to charge a fee on each property for stormwater management.
- 2007 Fee | The yearly dollar amount charged an average residential property for stormwater management.
- MS4 | A community with a separate storm sewer system which is required to meet federal requirements for stormwater management.
- NONDEG | A community that is not allowed to increase its stormwater pollutant loads to streams or lakes above that of year 1988 level.



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TO: