



Stormwater Management Task Force

Recommendations

7/15/2013 FINAL

Task Force Charge

The 30-member Stormwater Management Task Force, appointed by City Council and Greene County Commission in September 2012, was charged with studying the long-term needs for the City and County stormwater programs. The City and County have ongoing costs to administer the stormwater program, which include addressing flooding issues, infrastructure needs and clean water mandates. Those costs will increase in the future primarily due to stricter environmental regulations and decaying infrastructure. The questions posed to the Task Force for consideration were:

- How should we prioritize investments made in stormwater management?
- What principles should guide the community stormwater management programs?
- What investments should be made in stormwater management?
 - Should water quality programs be developed to comply with or exceed regulations?
 - Should a permanent, dedicated source of funding be implemented for required programs and maintenance/repair/replacement of the decaying system?
 - What amount of capital investment should be made over what time period?
 - Should the capital funding source have a sunset provision and specific projects identified?
 - What type of infrastructure maintenance/system repair & replacement program should be implemented?
- What level of funding is desired?
- What source(s) of funding are desired?
- How should we explain the issues and Task Force recommendations to the community?

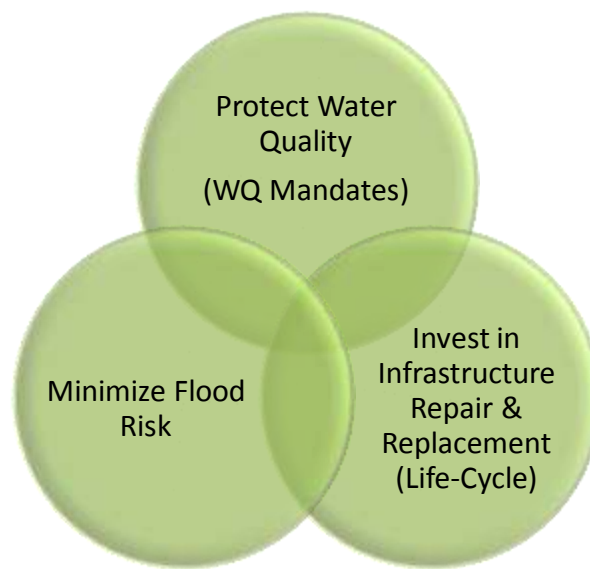
Recommendation Summary

The Task Force has developed the following recommendations:

1. Greene County and the City of Springfield should fund water quality programs, flood risk reduction projects and infrastructure lifecycle repair/replacement programs.
2. Greene County should enact a county-wide 1/10th of one percent sales tax as a permanent, dedicated funding source to cover the ongoing operating expenses and water quality mandates, and invest in infrastructure repair/replacement of the stormwater system.
3. Greene County should enact a 1/8-cent sales tax to be utilized for capital projects for system replacement and/or flooding, but also to meet water quality objectives including those established in current or future unfunded environmental mandates from MDNR and/or EPA, such as Total Maximum Daily Load (TMDLs). It is recommended the 1/8th-cent sales tax have a sunset and be presented to the voters for renewal every seven years.
4. Revenues from both taxes would be shared by Greene County and the cities within Greene County as mutually agreed to by the parties.

Background

The Task Force discussions focused on three major components of stormwater – water quality/unfunded mandates, minimizing flood risk, and replacing aging infrastructure. A major stormwater funding source for both the City and the County for the last 5 years has been the 1/8-cent Parks/Stormwater Tax, which expired in June, 2012. Since that time, neither the City nor the County has a dedicated funding source to address stormwater expenses in any of these three. City funding of stormwater management operating costs for regulatory compliance will end in June 2014 and County funding will end in 2014.



Program Goals & Priorities – Recommendations

The Stormwater Task Force discussed what outcomes are important for the City and the County's stormwater management programs. They also discussed the program priorities that should be used to prioritize investments in the program, including capital projects. The priorities recommended by the Task Force, in order, are listed below:

1. Reduce the risk of injury/death caused by flooding events.
2. Protect water quality and help our community comply with federal and state regulations.
3. Create multiple benefits with stormwater investments.
4. Reduce property damage caused by flooding events.
5. Make sure the system we have in place to manage stormwater is in good repair by investing in proactive infrastructure repair & replacement (lifecycle).

Guiding Principles

The Stormwater Task Force also recommends the following Guiding Principles be considered by the City Council and County Commission and staff for the community's stormwater programs.

Conservation:

- The efficient use of resources should be encouraged.

Economic Development:

- We attract businesses and citizens to our community because of the value gained through investments made in environmental stewardship.
- We safeguard our water resources while keeping tax rates and fees competitive with other jurisdictions to attract and retain businesses and citizens.

Effectiveness:

- Stormwater management programs should utilize best practices & sound science to ensure investments are effective.
- Springfield/Greene County can't meet all the financial needs that have been identified via existing revenue sources. Additional investments must be made that have the most impact for the dollar spent.

Environmental Stewardship:

- Springfield/Greene County should meet achievable regulatory requirements based in sound science with the goal of protecting water resources.
- It is important to protect & improve drinking water sources and quality of water in streams in Southwest Missouri. Good stormwater management is in everyone's best interest.

Equity/Fairness:

- Everyone in the community should pay for stormwater management.
- The costs to administer & review permits should be fully recovered from the applicant and not subsidized by other customers.

Financial Burden:

- Springfield/Greene County should invest in stormwater management programs that are affordable.

Innovation/Planning:

- The long-term stormwater management program should be flexible to adapt to new technologies and innovations.
- It is important to develop good plans before implementing projects so funds are spent wisely.
- Master plans of capital improvements should be developed collaboratively on a watershed basis rather than by political jurisdiction.

Public Acceptance:

- Stormwater management programs should be balanced; decision-making should be open and influenced by public input.
- It is important to continue to prioritize, plan & build projects showing progress to the public.

Public Benefit:

- The public should benefit from the investments made in stormwater management.

Understandability/Public Education:

- Citizens should be made aware of how they can protect water quality through their actions, and why it is important. Citizens should understand how improvements can help protect water quality and how improvement programs are funded.

Funding Level – Recommendations

Springfield/Greene County cannot meet all the financial needs that have been identified with current sources of revenue and funding levels. The total combined program needs for the City and County are projected to be: \$7.75 million annually currently increasing to approximately \$11 million annually in 2020 in three major areas: ongoing operating expenses including water quality mandates, infrastructure repair/replacement, and flood risk reduction.

No dollars for unknown future costs were included in these funding level recommendations, such as the capital costs to comply with unknown environmental regulations for water quality (Total Maximum Daily Loads – TMDLs). Only the costs to plan for TMDL compliance are included in the ongoing operating

expenses recommendation. The capital projects list for flood risk reduction and infrastructure repair/replacement will need to be flexible to allow focus on water quality compliance objectives when future TMDL capital costs are known. Even with this flexibility, other funding sources, levels and options may have to be considered at a later time as these expenses are unknown now and cannot be estimated with much certainty.

The Task Force recommends the following levels of funding:

Ongoing Operating Expenses, including Water Quality Mandates: The Task Force recommends that the City and County fund ongoing operating costs to meet federal and state regulations and manage the stormwater program (approximately \$1.5 million this year and steadily increasing to at least \$2.8 million per year by 2020.)

- The majority of ongoing operating costs are to meet federal and state regulations.
- It is recommended that the City and County fund the required costs to meet regulations.

Infrastructure Repair/Replacement: The Task Force recommends that total annual reinvestment should be approximately \$2.5 million annually.

- The City and County have built infrastructure to manage stormwater over the past 100 years, but resources have not been available to repair and replace the infrastructure.
- This recommendation is for a 200-year replacement cycle for the \$500 million in existing infrastructure. This amount is more than what is being spent currently, but only half as much as the industry best practice of a 100-year system replacement cycle.

Flood Risk Reduction: The Task Force recommends approximately \$6 million per year be invested in capital projects to allow the City and County to mitigate flooding.

- The City and County should maintain the capital investment levels made annually in the past on flood risk reduction. This funding level supports a good program that makes steady progress toward eliminating the most severe flooding problems. It does not meet all of the community's flooding needs. There is a backlog of nearly \$200 million in high-priority stormwater needs and the recommended \$6 million per year is an investment that is considered affordable to tax payers.
- It is important to develop good plans before implementing projects so that funds are spent wisely. Master plans of capital improvements should be developed collaboratively on a watershed basis rather than by political jurisdiction.
- These investments should address flood risk reduction, but also protect water quality as desired by the community and required by the state/federal regulators.

The list of projects will need to be flexible and may need to focus more on water quality compliance objectives once future TMDL capital costs are known.

Funding Sources – Recommendations

The Task Force considered the pros and cons of a property tax, user fee and sales tax for funding stormwater management. All three options would require a vote of the people to enact.

Recommendation: The Task Force recommends a sales tax as the source to fund stormwater management.

Sales Tax: The Task Force recommends sales tax as the source to fund stormwater management. Since stormwater management has been funded in the past through sales tax, it is anticipated that the community would be most supportive of this source. Sales tax is paid by Greene County citizens and those who visit and work in the County. The sales tax investments made would benefit all citizens of Greene County, as well as those who visit. In terms of funding sources, the Task Force recommends the following:

1. **1/10th of one percent sales tax:** Greene County should enact a county-wide 1/10th of one percent sales tax as a permanent, dedicated funding source to cover the ongoing operating expenses and water quality mandates, and invest in infrastructure repair/replacement of the stormwater system. This sales tax would generate approximately \$4 million annually. State statute dictates these funds shall be distributed to the County and cities within the County based upon population.
2. **1/8th of one percent sales tax:** Greene County should enact a county-wide 1/8th of one percent sales tax with a 7-year sunset for capital projects. This would be a reinstatement of the Greene County 1/8th of one percent sales tax for Parks/Stormwater that expired in 2012. This sales tax would generate approximately \$5.1 million annually. These capital project investments should address all three needs when feasible – flood reduction, water quality, and infrastructure repair/replacement. The 1/8th-cent sales tax, either in the initial seven years or in subsequent renewals, should be utilized for capital projects for system replacement and/or flood control, but also to meet water quality objectives, including those established in current or future TMDLs. Water quality mandates could exceed our community's ability to pay. Additional revenue may be needed in the future depending upon the length of time allowed for regulatory compliance and Greene County/Springfield's community goals.
3. **Plan Major Projects:** A list of major projects should be developed and shared with voters to demonstrate a commitment to community priorities. The list of projects for the entire seven-year timeframe would be developed through a master planning process, but would be flexible enough to meet the changing water quality regulations and needs. The list of projects will need to be flexible and may have to focus more on water quality compliance objectives when future TMDL capital costs are known, as well as other emerging needs. A citizen oversight committee could be considered to also assure voters of commitment to good stewardship of financial resources.
4. **Revenue Sharing:** Revenues from both taxes would be shared by Greene County and the cities within Greene County, as mutually agreed to by the parties.

The Task Force recommends that City and County officials act upon these recommendations in the near future as resources to address these critical community needs and meet regulatory requirements will soon be depleted. The most urgent need is to fund operating costs, including water quality protection services

required by federal and state regulations, maintenance of waterways, and planning funds to develop a common sense approach to future water quality compliance. Citizens will also greatly benefit from infrastructure investment.

Other sources of funding considered include: property tax and user fee. There wasn't any support within the Task Force for a property tax revenue source. There was some support for the user fee, but it was not recommended by a majority of the Task Force. The following summarizes the pros and cons of each source that was discussed by the Task Force.

Stormwater User Fee: The stormwater user fee was not recommended for a variety of reasons. It is not currently a source of revenue and it may not be easily understood by voters. Because it is a fee and not a tax, entities that are tax exempt pay for stormwater management. In other words, government entities, schools, and nonprofit institutions pay the user fee. A stormwater user fee would be new to the City and County, and would cause an added cost to establish and administer the billing system that does not currently exist. Springfield voters did not approve a stormwater user fee on the ballot in 1994. A user fee, if enacted, may need to be increased in the future, which could be controversial in the community. Task Force members also identified several positives about the stormwater user fee. Because it charges property owners proportionally for the amount of runoff they generate, it can provide incentives to reduce a property's amount of runoff or improve their runoff quality can be built into the program. A user fee is typically based on the amount of hard surface on each property since stormwater runs off hard surfaces, such as roofs, driveways, and sidewalks carrying pollution, causing erosion, and creating downstream flooding. Those who generate more stormwater runoff pay more for the associated infrastructure costs. It is a stable source of revenue and does not fluctuate with the economy.

Property Tax: The property tax option was eliminated first from further consideration by the Task Force because voters are typically not supportive of increases to property taxes in Greene County. By State statute, an increase to property tax cannot be dedicated to stormwater management and, therefore, would compete with other needs which rely heavily upon property taxes for funding. Greene County is a first class unchartered county. State Statute 137.035 lists specific dedicated purposes that can be collected as a property tax; stormwater is not one of those purposes. County property tax could be increased and collected as a general tax and then be budgeted by the County Commission along with everything else that's funded by General Revenue. The Task Force didn't want stormwater to compete with other important needs that rely heavily on property tax. The Task Force also declined consideration of a property tax increase because it is generally considered regressive in that it doesn't consider a person's ability to pay.

Community Outreach

The Task Force recognizes the importance of building community understanding of the current and future stormwater management needs. An extensive community outreach program is recommended to build that understanding. Education and outreach is a regulatory requirement of both the City and County. Both Greene County and the City of Springfield have extensive public education and outreach efforts delivered by staff and in partnership with non-profit organizations. Greene County/Springfield area is fortunate to have strong local water quality organizations in the James River Basin Partnership and the Watershed Committee of the Ozarks. They currently work with the City and County to help fulfill the educational requirements associated with water quality. Ongoing support of these two groups, as well as funding for City and County education and outreach programs is critical to community success as water quality needs and obligations increase.