FAQ Regarding the New Stormwater Program Rate Structure and Fees

New Rate Structure and Fees

<table>
<thead>
<tr>
<th>Property Type: Impervious Area (Square Feet)</th>
<th>Proposed/month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 400</td>
<td>-</td>
</tr>
<tr>
<td>Tier 1 – Residential: 400 – 2,000</td>
<td>1.50</td>
</tr>
<tr>
<td>Tier 2 – Residential: 2,001 – 6,000</td>
<td>6.00</td>
</tr>
<tr>
<td>Tier 3 – Residential: more than 6,000</td>
<td>11.00</td>
</tr>
<tr>
<td>Residential Condo (per unit)</td>
<td>3.00</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Property Type: Non-Residential:</th>
<th>Proposed/month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 400</td>
<td>-</td>
</tr>
<tr>
<td>Tier 1 – Non-Residential: 400-6,000</td>
<td>10.00</td>
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<tr>
<td>Tier 2 – Non-Residential: 6,001 – 12,800</td>
<td>30.00</td>
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<td>Tier 3 – Non-Residential: 12,801 – 25,600</td>
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<td>Tier 4 – Non-Residential: 25,601 – 51,200</td>
<td>150.00</td>
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<td>Tier 5 – Non-Residential: 51,201 – 300,000</td>
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<td>Tier 6 – Non-Residential: 300,001 – 1,000,000</td>
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<td>Tier 7 – Non-Residential: more than 1,000,000</td>
<td>1,300.00</td>
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<tr>
<td>Non-Residential Condo (per unit)</td>
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Why is an increase necessary?
There is a large and growing funding gap between the evidence based assessment of Metro’s needs and actual investment in the stormwater program and infrastructure. Additional funding is needed to meet the needs of stormwater customers in the area of capital renewal, repair and improvements. With the current funding gap, the current stormwater program is projected to exhaust the Net Accumulated Fund Balance during FY19 and will effectively be out of cash reserves.

How will the additional revenues be used?
- Generated funds will increase from $14.4M to $34.6M annually
- Class “C” projects will be raised from $1M to $3M annually
- $400K will be added to street sweeping annually
- Our bond capacity will be extended by approximately $100M for stormwater capital projects
- Staffing in the SW Maintenance Section will be increased from 55 to 70 personnel (this will add 2 – 3 crews); in the Development Review Section from 17 to 20 personnel and in the NPDES Section from 18 to 22 personnel
- More projects will be completed to reduce flooding.

Why are the increases not equal across tiers?
The proposed fee schedule takes a more equitable approach that shifts the burden of cost to those larger entities which place greater strain on the stormwater system.

When will the new fees go into effect?
The new structure and fees will be effective July 1, 2017.
General Stormwater Program FAQ

What is stormwater?
Stormwater, also referred to as runoff, surface water, or wet weather flow, is rain or snow that falls on streets, parking areas, rooftops and other hard surfaces. It then either flows directly into nearby streams or travels there through drainage systems, such as curbs and gutters, inlets, ditches, pipes, storm sewers, and detention ponds. The flows are then discharged directly into drainage ways such as Mill Creek, Browns Creek, Richland Creek, the Cumberland River and tributaries to these waterways. As the stormwater runs across the surfaces, it picks up pollutants or contaminants such as litter, debris, oils and antifreeze from cars, soil, pet waste, fertilizers, etc. As it picks up these contaminants, it becomes polluted. Unlike our wastewater collection and treatment system, stormwater receives no treatment before it is released into the environment.

How is stormwater managed in Nashville?
Under significant rainfall conditions, stormwater is the cause of flooding, water pollution, and erosion. For the safety of the public and for the protection of public and private property, stormwater must be properly managed. Stormwater management, provided by the Stormwater Division of Metro Water Services, is one of the most important responsibilities of Metro government.
The Stormwater Division works diligently to:
- **control flooding** by installing, cleaning, and maintaining stormwater infrastructure such as curbs and gutters, street inlets, pipes, ditches, culverts, etc.;
- **regulate development** by setting design standards, providing technical guidance, reviewing plans for development and redevelopment, inspecting construction sites, and enforcing regulations; and
- **prevent pollution** by educating the public, implementing clean water programs, inspecting and monitoring runoff, complying with federal and state regulations, and enforcing water quality standards set by the Clean Water Act.

What is a stormwater user fee?
A stormwater user fee is a financial charge for stormwater services. Like water or wastewater user fees, stormwater fees are based on the property’s use of, or demand on, the public drainage system and stormwater management services. A stormwater user fee establishes a direct link between the demand for stormwater services (based on the size of your house and driveway or your business and parking area) and the cost of providing those services.

What does the fee pay for?
All revenues will continue to be used to support the stormwater program, which includes compliance with the National Pollutant Discharge Elimination System (NPDES) regulations for water quality. Program priorities include maintenance of the drainage system, such as pipes and ditches; protecting properties from flooding; protecting our streams and wetlands from erosion and pollution; and major capital investments for the drainage system.

Who has to pay user fees?
Most of the property owners in the Metro Nashville and Davidson County service area participate in the Stormwater User Fee. Since stormwater runs off every property in Davidson County, it contributes to the polluted runoff problems in the area, and magnifies the need to properly operate and maintain the storm sewer system. Hard surfaces, such as driveways,
parking areas and rooftops create runoff and contribute to the amount of water that must be managed. It is fair to have all developed properties pay a fee that is proportional to the amount of stormwater runoff from that property. Some properties are located in areas that do not receive stormwater services from the MWS Stormwater Division (e.g., satellite cities). Those residents and businesses do not pay a Metro Nashville stormwater user fee.

**Who is exempt?**
The following properties are exempt from payment of the stormwater user fee:

- Properties from which no stormwater is discharged into or through the Public System.
- Properties having no Impervious Area.
- Properties wholly within the corporate boundaries of Belle Meade, Berry Hill, Forest Hills, Goodlettsville, Lakewood and Oak Hill. Provided, however, that each such city may, upon approval of its legislative body, enter into the contract such that all property within its boundaries will participate in the Metropolitan Government’s stormwater user fee and system of stormwater user fees in the same manner as the remainder of the area within Davidson County.

**What about tax-exempt properties?**
Since all developed properties contribute to the problems and costs associated with stormwater management, all properties are assessed a fee. Some non-profit organizations and public educational institutions might pay a lower rate if they meet the requirements for a credit as defined in the Credit Manual.

**Isn't this essentially a tax on rain water?**
The Stormwater fee is a user fee because it charges property owners for a service. That service is managing the stormwater runoff coming from their property.

**What types of property are considered single-family residential?**
The residential billing structure applies to homes that are typically zoned, designed and built as a residence for one or two families. Duplexes are considered residential.

Non-Residential Stormwater rates apply to:

- triplexes, apartments, or other multi-family homes
- any structure for which a business license is on file for that address
- businesses or commercial enterprises

**How is the stormwater fee billed?**
The stormwater fee is a separate line item on your monthly water and sewer bill. If you do not receive a monthly water and/or sewer bill, you will be billed quarterly for stormwater alone.

**What happens if I do not pay the Stormwater User Fee?**
Customers who don't pay their Stormwater User Fee risk having their water service turned off. If you do not have MWS water or sewer service (such as customers with wells or private septic systems) and choose not to pay your storm water fee, your unpaid stormwater account will be turned over to a collection agency.

**What if I disagree with the impervious area measurement used to determine my stormwater fee or feel I qualify for an exemption?**
If you feel your Stormwater User fee has been calculated incorrectly or that you qualify for an exemption, please complete the online form to Request a Stormwater Fee Review. The request will be reviewed by MWS stormwater staff and you will be contacted regarding appropriate actions.

**How does Nashville’s Stormwater user fee compare to other cities?**
Even though Metro is the 4th largest MS4 in the nation, it ranks fifth from the bottom in a survey of eighty larger cities in terms of the relative level of funding available to support the Stormwater Program - as measured by the stormwater user fee. It has the least funding support among regional “sister cities” (Charlotte, Louisville, Chattanooga, Memphis) who have stormwater user fee funded programs.

**How is the revised fee calculated?**
The fee is still based on the amount of impervious area on your property.

**What is impervious surface?**
Impervious surfaces are those disturbed or hardened surface areas that either prevent or limit the natural entry of water into the soil. Roof tops, buildings, streets, parking lots, sidewalks, asphalt, concrete, other paving, driveways, compacted gravel, patios, and artificial turf are all examples of impervious surfaces. This type of hard-surface improvement reduces natural infiltration and increases the amount of stormwater that flows off your property and into the drainage systems, creeks and rivers of our County.

**How do you determine how much impervious surface each parcel has?**
The impervious area on residential properties is estimated based on best available information. Impervious area on non-single family residential properties is measured from aerial photographs. Aerial photos are taken during the winter and early spring when leaves have fallen off the trees. The photos show roof tops, parking areas, and other impervious surfaces.

**Why is impervious area being used to calculate the fee?**
Impervious areas (hard surfaces) increase the amount of water entering the stormwater system and our streams and rivers. This increases the chance of flooding, stream bank erosion, and channel deposition (or sedimentation). As residential lots and commercial facilities have larger amounts of impervious area, it increases the appropriate size for infrastructure; and the rate at which infrastructure needs repair and replacement. Larger lots, homes, and driveways simply have greater needs for stormwater control.

Runoff from impervious surfaces also carries pollutants such as sediment, sand, salt, fuel from spills and leaks of vehicles, herbicides and pesticides, detergents, metals, floatable debris, and bacteria from pet waste. Stormwater runoff is not treated at a treatment plant before it reaches our streams, rivers, and lakes.

Because the amount of impervious area is directly related to the demand on the stormwater system and the stormwater program, relating the amount a user pays to the amount of impervious area on their property is a fair and equitable way to fund Metro’s stormwater program.

**Will there still be credits?**
Credits, or reductions in fees, will still be available to non-residential properties that reduce Metro’s stormwater management costs or lessen the impact to the stormwater system. Non-residential properties receive credit for mitigating stormwater runoff impacts through education,
or source controls for water quantity or quality. Ordinance BL2009-407 establishes the maximum credit at 50% of the stormwater user fee. The available credits are:

- Detention Credit up to 20%
- Quality Credit up to 20%
- Education Credit up to 20%

See the Stormwater User Fee Credit Manual for complete instructions on Credits.

Who pays the fees for public buildings?
Properties including public buildings owned by Metro Government, the State of Tennessee and the federal government will be required to pay the fees as well. These costs would be incorporated into their operating expenses.

My neighborhood has drainage problems that are affecting my property. Who do I call to get some action on these problems?
Service requests, reports of illegal dumping into the storm drainage system and other questions about the Stormwater User Fee may be directed to our Customer Services Center at (615) 862-4600. Metro Water Services staff will collect the necessary information and investigate the problem. If it is determined that the problem is within MWS’s area of responsibility, we will advise you of the action to be taken. If it is determined that the problem is outside MWS’s area of responsibility (such as drainage problems on private property), you will be notified of such.

Why do I have to pay when I do not have any drainage problems?
Everyone in Metro benefits from the Stormwater Management Program. Because stormwater runs off all property, Metro must have a program and funding to manage the increase in runoff and pollutants. The benefits to all Metro residents include complying with Federal and State mandates, protecting your property from upstream runoff, protecting property downstream from your runoff, providing safe roadways, educating our children about pollution and improving water quality.