

City of Cloquet

Storm Water Utility - Common Questions and Answers - Residential

The City of Cloquet is proposing the creation of a stormwater utility. To help customers better understand the purpose of a stormwater utility and its rate structure, presented below are answers to a number of commonly asked questions.

Q - I am a rural residential customer. It costs less for the City to provide storm water facilities for my property. Why should I pay the same as the urban residential customers?

A - The City is mandated to comply with mandated stormwater permitting, education, administrative and operating programs for the City as a whole. Rural residents are charged a base stormwater fee similar to urban residents even though they both may discharge little or no stormwater. This base fee is in essence a minimum monthly charge that goes to support overall mandated storm water programs throughout the community regardless of runoff.

All developed properties regardless of discharge to a city storm sewer system will be required to participate in some amount. Over the past months, the City has investigated many alternative rate structures in an effort to identify a system that is most fair. While many of the most common rates actually penalize rural properties with a billing weighted on total land area, the City selected a rate structure which eliminates additional fees for undeveloped properties.

Q - I live on a County Road or State Highway and do not discharge to a city storm sewer. Why am I not exempt?

A - As stated above, the utility is intended to fund state mandated programs, clean water initiatives, and the maintenance of publicly owned drainage facilities which benefit the entire community. In the case of many county roads and state highways the City shares common stormwater facilities.

Q - There is no curb or sewer pipes on my road, how does this apply to me?

A - The stormwater system consists of more than just curbed roads with underground pipes. Ditches, culverts, roads, rivers, creeks, and wetlands all play an integral role in the stormwater system.

Q - If the City provides credits to commercial properties will this raise the \$4 rate for residential customers?

A - No, it shouldn't. Estimated commercial credits have already been factored into the rate calculation. This calculation is based on NET credits (total REFs less credits).

Q - Why aren't credits available for residential customers?

A - Runoff and pollution concerns related to residential properties are minimal in comparison to commercial and industrial properties, which include large areas of impervious surfaces and a greater potential for significant environmental impacts. The City's credit policy is geared towards providing incentives and/or rewards for implementing stormwater facilities and programs which significantly reduce the impacts of stormwater runoff from individual sites.

Q - Why aren't the residential properties measured?

A - It would not be feasible to measure each residential property in the City. The rate is set based on an average impervious surface for residential customers. This is a usual and customary way to establish a base stormwater utility fee.

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Q – Why would I be billed for rainwater during the winter or during a dry year?

A – The proposed rates are not structured to reflect how much precipitation actually falls in a given month or year. Rather, the costs are spread out over the course of the year in equal installments. Regardless of actual rain or snowmelt amounts, state permit requirements must still be met, and the system must continue to be maintained as the snowmelt and rains will inevitably come.

Q – What is the process for raising rates, and how long will it be before this happens?

A – Similar to water and sewer billings, any rate adjustments will need to be considered by the City Council as part of their annual budget process. Any increases in rates, will require a formal resolution of the Council.

The two major factors influencing stormwater utility costs are capital improvements and state permit requirements. The proposed rate of \$4 per residential equivalent is based on an analysis of a detailed 5-year capital improvement program, and a new five year state permit scheduled to go into effect in June of 2011. With these major contributors already accounted for in the proposed rates, the City is hopeful that the current proposed rates will be sustainable for the near future.

Q – If the City creates a new utility fee will my taxes go down?

A – Unfortunately the answer to this question is no. One of the major reasons the City is exploring the implementation of this new utility fee is to provide relief to the increasingly burdened general fund. As state and federal mandates regarding stormwater management have become more stringent over recent years, the level of Local Government Aid and other programs providing property tax relief have been reduced significantly. The implementation of a utility will provide a dedicated source of funds for stormwater management while at the same time providing some relief to the general tax levy for other important services such as road maintenance, police protection, parks, libraries and other city services.

Q – Why not increase property taxes instead of creating the Storm Water Utility?

A – There are several differences between property taxes and utility fees.

- Certain properties in the community are tax exempt. Utility fees are charged to all properties regardless of tax exempt status.
- Property taxes are used to pay for several different services such as: street maintenance and construction, libraries, police protection, and parks. Stormwater utility fees can only be used to fund stormwater program expenses.
- Property taxes are based on property values. Stormwater utility charges are based on the potential impacts of stormwater runoff related to a specific site, regardless of property value.

Stormwater utility fees are charged to all properties in the community and provide a dedicated funding source to pay for stormwater management and capital improvements city wide.