CHAPTER 7
STORM WATER UTILITY FUNDING

INTRODUCTION

To finance the costs associated with the Town's MS4 Permit, along with the costs to address the numerous drainage and flooding related issues that are a constant nuisance within the Town, the Board approved the creation of a Storm Water Utility in November of 2008. This Storm Water Utility will charge a fee to each property based on their amount of "usage" or, in this case, the amount of storm water they generate. This Storm Water Utility applies to all properties in the Town – including the Town-owned properties, State-owned properties, County-owned properties, undeveloped properties and other non-taxable properties such as churches and schools. The full Storm Water Utility Creation Report and Ordinance is available on the Town's webpage.

STORM WATER UTILITY CREATION METHOD

The Town's Storm Water Utility is based off of the Equivalent Residential Unit (ERU) Method. An ERU is the statistical average amount of horizontal impervious area per single family property within the municipality. Examples of impervious surfaces include, but are not limited to, driveways, rooftops, sidewalks, patios, porches, parking lots, loading docks and compacted gravel. With this method all of the residential and undeveloped properties are charged the designated base fee of 1 ERU, and all non-residential properties are charged the appropriate amount of ERU's based on the actual amount of impervious surface on the property. 1 ERU was calculated to be equivalent to 6,352 square feet of impervious area per residential parcel. This base ERU size was calculated by averaging the actual amount of impervious area at 446 randomly selected residential parcels (10% of the total 4,462 residential parcels) within the Town. Figure 7-1 shows the locations of the randomly selected parcels used to calculate the base ERU size.

Many variations in the Town's Storm Water Utility rate structure were discussed by the Town Board, but the following rate structure was determined to be the fairest and most practical method. With this method, all parcels will be required to pay a minimum of 1 ERU and would pay at most 5 ERU's per parcel. Seven types of customer classes were identified to determine how the fee for each parcel would be charged as shown in Table 7-1. Figure 7-2 depicts the 4 main customer classes determined for each parcel within the Town.

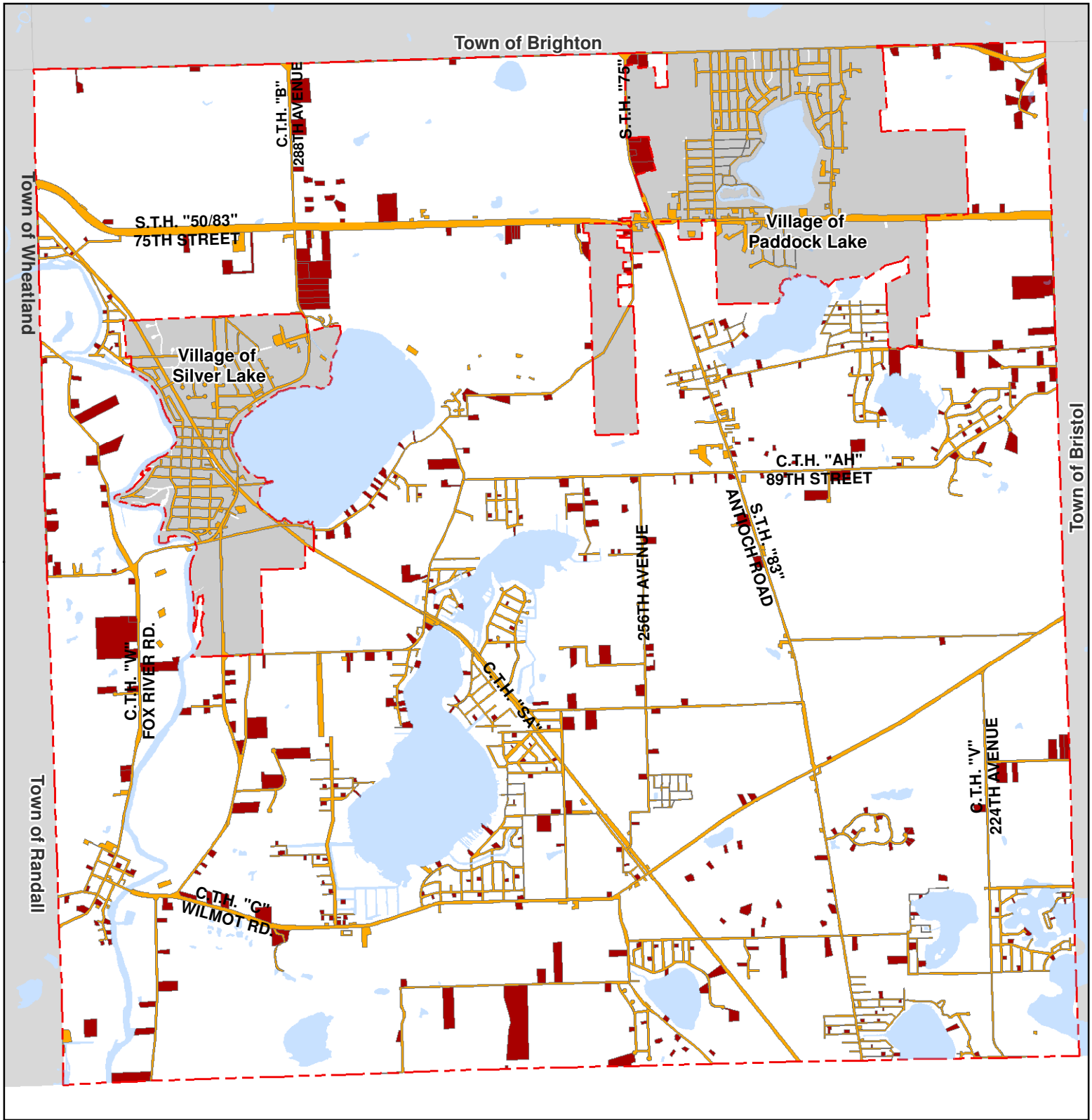

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FIGURE 7-1
TOWN OF SALEM
LOCATION MAP OF RESIDENTIAL PARCELS

Legend

- Town Boundary
- Randomly Selected Residential Parcels for Average ERU Determination

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Table 7-1
ERU Rate Structure

CUSTOMER CLASS	ERU RATE STRUCTURE
Single Family Residential	1 ERU
Undeveloped Lands	1 ERU
Non-Residential with 0 – 12,703 s.f. Impervious Area	1 ERU
Non-Residential with 12,704 – 19,055 s.f. Impervious Area	2 ERU's
Non-Residential with 19,056 – 25,407 s.f. Impervious Area	3 ERU's
Non-Residential with 25,408 – 31,759 s.f. Impervious Area	4 ERU's
Non-Residential with more than 31,759 s.f. Impervious Area	5 ERU's

The tabulation of total number of parcels and calculated ERU's is shown in Table 7-2 below. Figure 7-3 depicts the visual breakout of the number of ERU's by parcel. The percentage breakdown of ERU's for each customer class is also shown in Figure 7-4. The majority of the Town parcels are residential and undeveloped parcels paying the base fee of 1 ERU, but the non-residential parcels will be paying a slightly higher fee to compensate for the increased amounts of impervious surfaces that have been constructed.

Table 7-2
ERU Breakdown by Parcels

LAND USE	NUMBER OF PARCELS	NUMBER OF ERUs
Single Family Residential	4462	4462.00
Undeveloped Lands	2089	2089.00
Multi-Family Residential	195	219.00
Non-Residential (1 ERU)	179	179.00
Non-Residential (2 ERUs)	72	144.00
Non-Residential (3 ERUs)	50	150.00
Non-Residential (4 ERUs)	16	64.00
Non-Residential (5 ERUs)	100	500.00
TOTAL	**7163**	**7807.00**

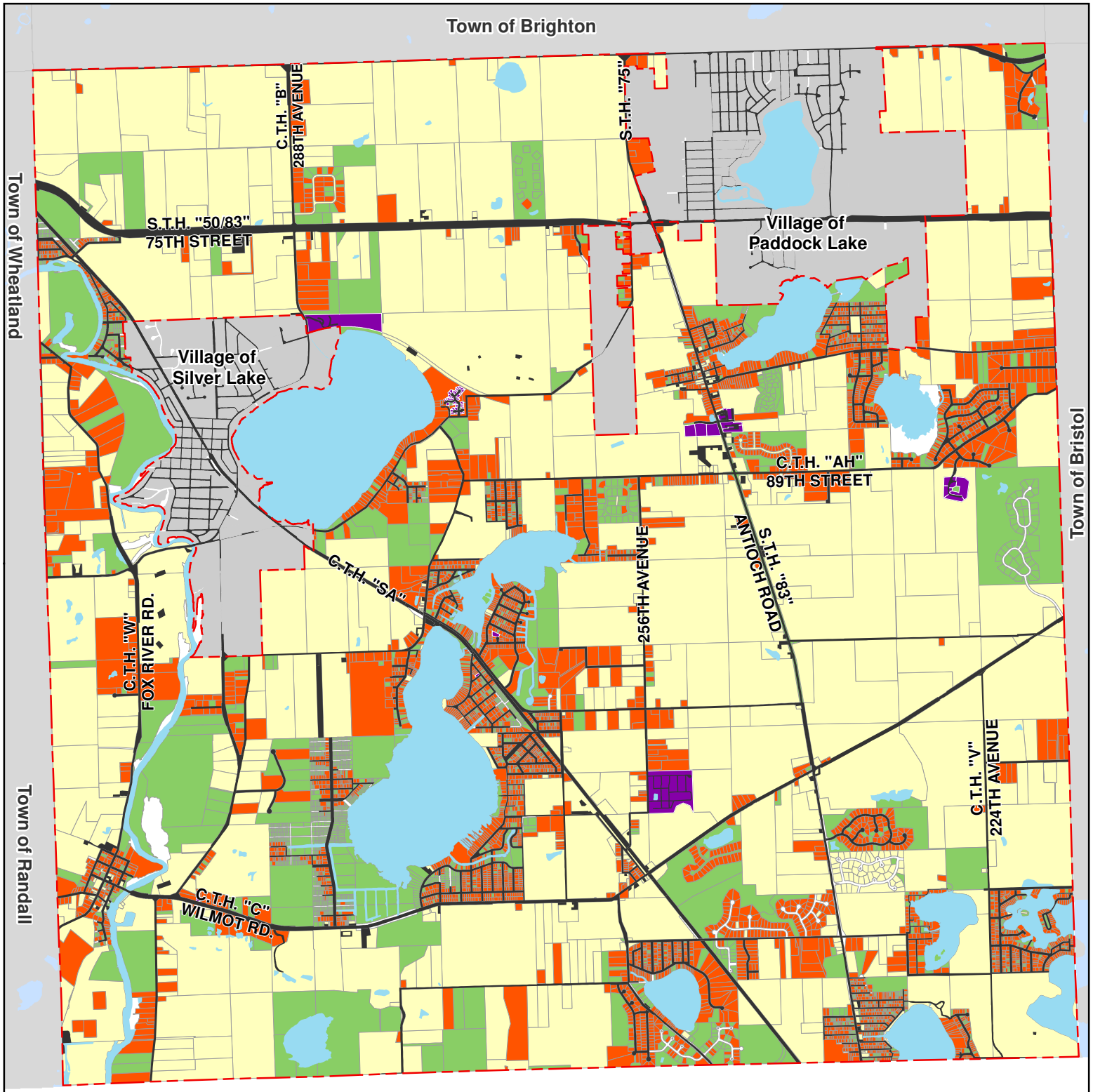

FIGURE 7-2
TOWN OF SALEM.
CUSTOMER CLASS DISTRIBUTION

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Legend

- Residential Customer Class
- Non-Residential Customer Class
- Open Land Customer Class
- Multi-Family Residential Customer Class

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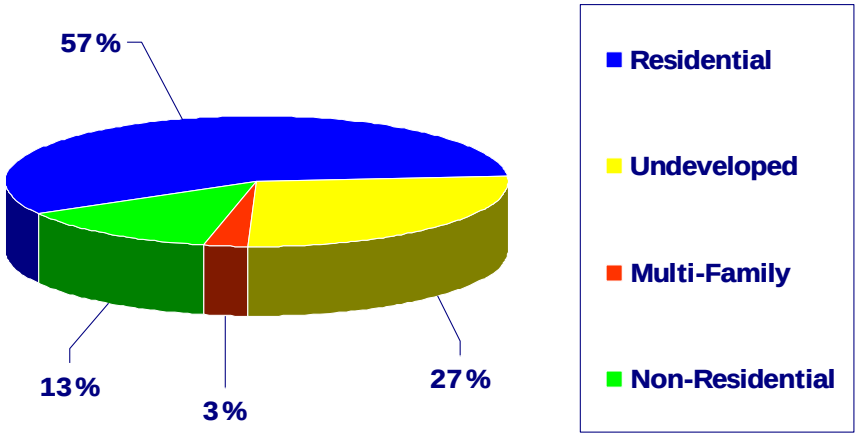
Figure 7-4
ERU Breakdown by Customer Class



STORMWATER UTILITY EXPENDITURES AND REVENUES

The storm water utility budget is separated into two categories. The Annual Operation and Education costs will be incurred every year and will be completed primarily by town staff and highway department employees. The Capital Improvement costs will vary from year to year depending if capital improvement projects are planned for, designed, or constructed in any particular year. In some years, funds may be budgeted for future capital project that have yet to be specifically identified. The approved Year 2009 Storm Water Utility Budget is shown in Table 7-3.

A proposed storm water utility budget for 2010 through 2020 is discussed in Chapter 8, with the Recommended Plan and Implementation Strategy.

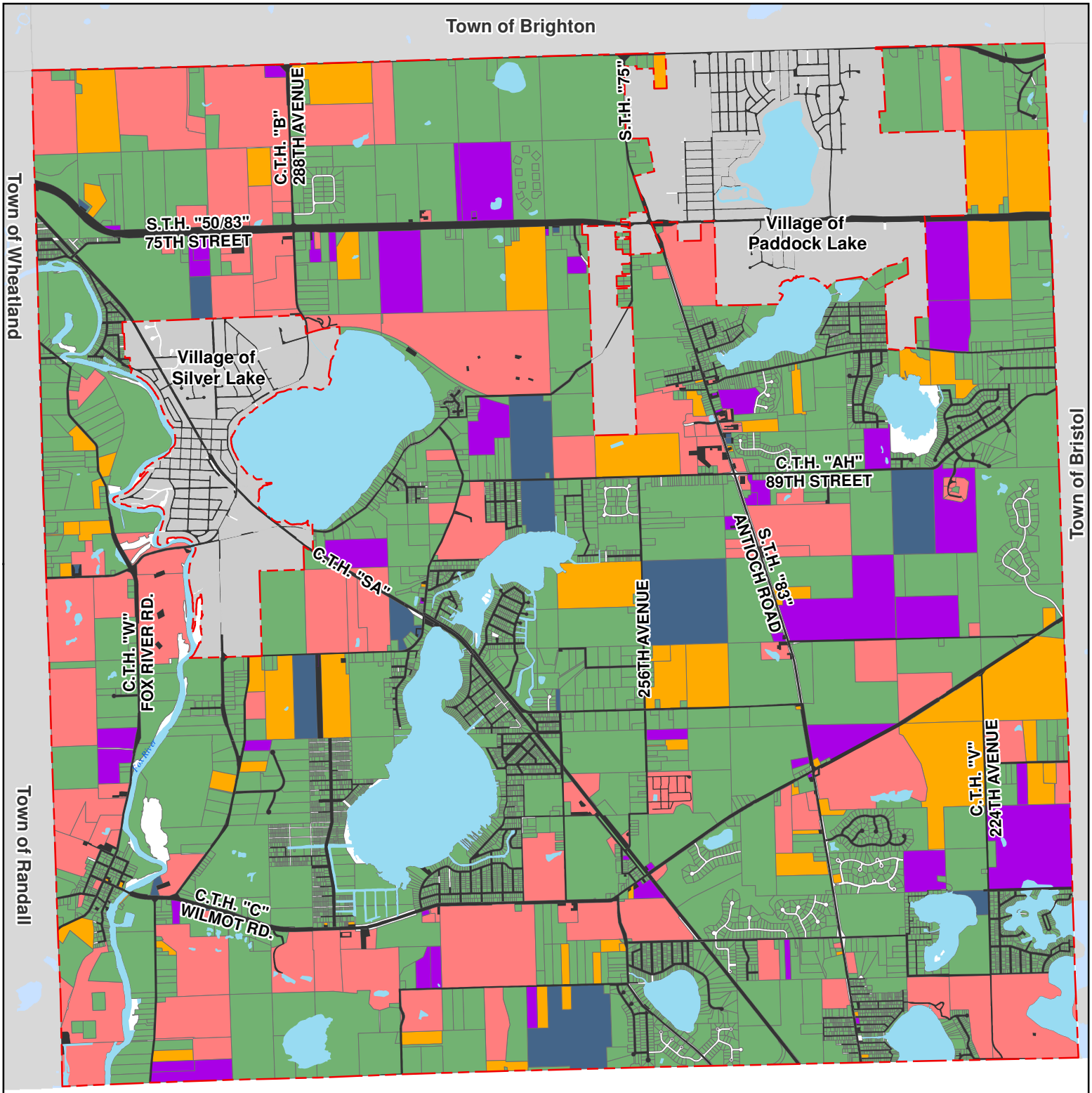


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FIGURE 7-3
TOWN OF SALEM
ERU DISTRIBUTION

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- 1 ERU
- 2 ERU
- 3 ERU
- 4 ERU
- 5 ERU

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Table 7-3
Town of Salem Storm Water Utility Year 2009 Budget

EXPENDITURE - ANNUAL OPERATION & MAINTENANCE COSTS	
MS4 Permit Annual Fee	$500
Root Pike WIN Annual Fee	$2,205
Storm Water Management Plan WinSLAMM Pollutant Loading Analysis Pollution Prevention Plan Storm Sewer System Map	$44,000
Illicit Discharge Annual Inspections	$5,000
MS4 Permit Annual Report	$1,500
Re-apply for Permit Coverage	$1,500
Administrative Services Related to MS4 Permit & Storm Water Utility Clerks Department = 104 hours @ $35/hour = $3,640 Utility District / Development Coordinator = 104 hours @ $50/hour = $5,200	$8,840
Highway Department Services Relating to Roadway and Drainage System Maintenance Highway Administrator = 104 hours @ $45/hour = $4,680 One Staff Laborer = 2080 hours @ $35/hour = $72,800 Culvert & Drainage Materials = $10,000 Ditching & Restoration = $10,000	$97,480
Legal / Engineering / Contracted Services Related to MS4 Permit & Storm Water Utility Legal Fees = $12,000 Engineering Fees = $35,000 Utility Data Base / Billing Fees = $2,000	$49,000
Storm Water Utility Creation and MS4 Permit Reimbursement Costs	$100,000
SUBTOTAL	**$310,025**
EXPENDITURE - CAPITOL IMPROVEMENTS COSTS	
Drainage Equipment	$32,000
Drainage Projects	$126,395
SUBTOTAL	**$158,395**
EXPENDITURE TOTAL	**$468,420**