



CITY OF DOVER

STORMWATER AND FLOOD RESILIENCE FUNDING COMMITTEE - MINUTES

Meeting Type: **Regular Meeting**
Meeting Location: **City Hall, Council Conference Room**
Meeting Date: **Monday, June 28, 2021**
Meeting Time: **5:30 PM**

Members Present: Ray Bardwell, David Degenais, Marcia Gasses, Paul Geraci, Chad Kageleiry, Ken Mavrogeorge, Cynthia Walter, Bill Baber, Jan Nedelka, Otis Perry, Steve Haight, Vincent Hayes, Dennis Shanahan (City Council, ex officio), Gretchen Young (Community Services, ex officio)

Members Not Present (excused): none

Members Not Present (un-excused): Allan Krans, Peter Driscoll, Eric George

Also Present: Ben Sweeney (NHDES/PREP Project Partner), Nathalie DiGeronimo (NHDES Project Partner), Abigail Lyon (PREP Project Partner), Tom Swenson (NHDES Project Partner), James Houle (UNH Stormwater Center Project Partner)

1. CALL TO ORDER

Councilor Shanahan called the meeting to order at 5:31 PM.

2. ATTENDANCE (members present and participating virtually)

Councilor Shanahan called attendance (see members present listed above).

3. REVIEW AND APPROVAL OF MAY 24, 2021 MINUTES

Motion: Nedelka moved to approve the minutes; Bardwell second.

Amendment(s): None

Roll Call Vote: Yes – 13 No – 0; Abstain – 0

Motion Carries.

4. OLD BUSINESS

A. Review of stormwater management and flood resilience costs

Sweeney provided an overview of the city's operating budget and capital expenses for stormwater management projects looking at historic and projected costs. The values presented were shared at a previous Stormwater and Flood Resilience Funding Committee meeting.

Baber asked whether historic costs were normalized to 2020 dollars. Sweeney responded that values were not normalized and were pulled directly from approved budgets.

Sweeney continued with an overview of potential lost value and project costs for flood mitigation projects pulling data from the 2018 Hazard Mitigation Plan update. The assessed costs included a list of projects recommended as part of the 2013 Hazard Mitigation Plan that as of 2018 the update are still deferred projects. Estimated value of deferred projects around \$5.5 million.

Councilor Shanahan asked about anticipated costs the City may incur as part of EPA Great Bay Total Nitrogen General Permit (\$600k bond). Young and Sweeney shared those costs were estimated for permit compliance at \$850,000 (50% of costs supported with stormwater funding; remaining 50% supported with wastewater funding).



CITY OF DOVER

STORMWATER AND FLOOD RESILIENCE FUNDING COMMITTEE - MINUTES

Meeting Type: **Regular Meeting**
Meeting Location: **City Hall, Council Conference Room**
Meeting Date: **Monday, June 28, 2021**
Meeting Time: **5:30 PM**

Bardwell asked whether an increase in the CIP will be standard. Young responded saying the CIP will include a myriad of projects and won't be a standard increase. Projects will include design, engineering, construction of best management practices, outreach and education, data collection, and analysis so costs are not predetermined. Bardwell asked if mitigation of stormwater and wetlands would be included. Young responded that yes it could but there are not identified projects at this time. Court street is one potential – in design currently – that will include nutrient removal as part of the project.

B. Updated Stormwater Utility Rate Estimates

Sweeney walked through a handout provided to the committee illustrating potential stormwater utility scenarios and rates that had been discussed at previous committee meetings. Impervious cover data needed to develop scenarios was provided by the UNH Stormwater Center and was combined with 2020 parcel data from the city. Parcels were categorized as single family residential or non-single family residential (includes multi-family, commercial, and industrial properties). Impervious cover for the State and City roads were not included, and the analysis assumes these would be exempt. State and City roads make up around 35% of the impervious cover compared to 25% from single family residential. ERU calculated to 3,430 square feet (around 6,000 properties in the City).

Bardwell asked whether churches were included in the ERU calculation. Sweeney clarified that all tax-exempt properties – including churches – were included in the analysis, but that this would ultimately be a decision for the committee to discuss.

Kageleiry inquired about the 151 single family residential properties with no impervious cover and whether those were vacant lots. Sweeney shared that more analysis would be needed to answer that question as he has not looked at each individual property.

Degenais asked what the ERU calculation would be if tax-exempt properties were removed. Sweeney responded saying more analysis would be needed and the committee would need to make that determination.

Kageleiry asked about a focus on green space as a reciprocal to impervious cover. Sweeney shared that that is another way to structure a utility where the rate is not based solely on impervious cover but how much impervious cover compared to open space. Would require additional analysis and follow up with the UNH Stormwater Center to determine feasibility.

Sweeney shared more detail on the overview of utility scenarios related to common fee types including flat fees, tiered fees, and proportional fees. The analysis presented would implement a flat fee – each property charged 1 ERU – and a proportional fee for non-single family residential. Sweeney closed by reminding the committee that fees increase depending on the potential funding level (i.e., current operating budget, operating budget + small capital budget, etc.) and that the committee will need to weigh in on that decision.



CITY OF DOVER

STORMWATER AND FLOOD RESILIENCE FUNDING COMMITTEE - MINUTES

Meeting Type: **Regular Meeting**
Meeting Location: **City Hall, Council Conference Room**
Meeting Date: **Monday, June 28, 2021**
Meeting Time: **5:30 PM**

Gasses asked about the administrative costs associated with these fee scenarios. Young responded saying the city is estimating 2.5 FTE which could include a part-time inspector, part-time for administration at public works fielding calls, and part-time for water and sewer billing – some of these positions have been filled. Young does not anticipate a large increase in administrative costs.

Bardwell asked about who and how is the impervious cover area identified and the costs associated with that data collection and analysis. Kageleiry responded saying it is dependent on the ERU established and less on the specific impervious cover for each parcel. Nedelka added the number is a solid average instead of needing to assess every value, but that multi-family homes are more complicated. Decisions will include who pays (i.e., condo associations). Kageleiry add detail stating multi-tenant 5 story building would have more tenants, but less impervious cover as compared to many tenants in a 2-story building (larger impervious cover footprint). Nedelka responded that having the condo association handle payment and billing among tenants keeps the calculation simple for the city.

Kageleiry asked about credit for large green space. Young shared that the city is having the same discussion with EPA about credit for conservation on stormwater permits.

Baber asked about the percentage of known state-owned roads, and potential for the state to contribute to the stormwater utility. Sweeney shared the breakdown of city vs. state roads is not available at this time and would require additional analysis.

Walter shared that she has seen other examples from towns that use tiered fees to nonprofits and churches pay a different ERU rate to offer credits or reduction in rates. She also asked about examples of credits for having pervious surfaces and collection or infiltration systems. Walter made a request for additional resources.

Gasses stated that she things the single-family residential fee will be hard to sell and suggested starting with commercial properties. Kageleiry and Nedelka raised an inequitable distribution concern.

Bardwell inquired about who determines the rates annually. Nedelka responded that the rates would be determined the same way as water and sewer – before the City Council. Bardwell added that residents likely do not realize how those rates are calculated until a bill arrives.

Gasses reminded the committee of the importance of the overall picture. Kageleiry added that the perception could be that a utility is a way for the City to collect additional funds given and work around the tax cap. Krans stated that would be the same path the previous committee went down ten years ago. Kageleiry raised a point that perhaps a utility is less palatable than a 1% increase in the tax bill. Walter reminded the committee of the equity considerations and that we may be asking citizens who already pay taxes to pay an additional fee, but the City would also be asking tax-exempt properties to contribute to solving the problems we all bear the burden of. Kageleiry asked if the same point would be observed if people said they were already paying that expense through roads. Perry asked if the city



CITY OF DOVER

STORMWATER AND FLOOD RESILIENCE FUNDING COMMITTEE - MINUTES

Meeting Type: **Regular Meeting**
Meeting Location: **City Hall, Council Conference Room**
Meeting Date: **Monday, June 28, 2021**
Meeting Time: **5:30 PM**

would pay into the utility. Kageleiry asked if the 35% of impervious cover included municipal buildings. Young responded saying use of the ERU and the general fund you would be charged a reduction outside of the general fund. Nedelka agreed that there is hardship, and that schools and community buildings have a lot of impervious cover. Those expenses would come out of the tax property dollars. Some rate payers may see no – or little – difference between tax bill and utility bill but large commercial property owners and large nonprofits would see an increase because they represent a larger share of the impact. Kageleiry asked about how new development would be charged when stormwater impact does not increase on a site.

Walter added that EPA and Tetra Tech are beginning to estimate infiltration to groundwater supplies – EPA is putting numbers to those benefits. Not revenue but something the city would benefit from potentially on permits and for drinking water recharge. Kageleiry asked for the study.

Degenais asked about large commercial properties that have already developed strategies to mitigate stormwater and potential credit mechanisms.

5. NEW BUSINESS

A. Review funding option evaluation homework responses

Sweeney shared an overview of homework from the previous committee meeting with a focus on funding sources identified as primary – stormwater utility and general fund.

Baber commented that a utility could be a more equitable option for funding stormwater management projects if thoughtfully and carefully done.

Bardwell inquired about the Massachusetts examples provided and whether they are models the city could use moving forward. Sweeney said yes but reminded the committee that each community is unique and may not have the same number of parcels as Dover or have an urban downtown core both of which would impact a fee structure.

Geraci raised the topic of equity again stating that we not only want to have things equitable for how things are today, but to also affect positive change by improving flood resilience and water quality and hopefully improving the quantity of drinking water. Geraci suggested reaching out to the Conservation Commission to see what other programs could support conservation.

Councilor Shanahan summarized the homework responses and discussion and suggested the committee eliminate fee based, grants, loans, bonds, and public private partnerships from consideration for primary sources of funding. The remaining options are general fund and stormwater utility. Councilor Shanahan suggested that the committee explore stormwater utilities in greater detail. Kageleiry clarified that the committee would have a stormwater draft plan in hand for the July meeting and whether the committee would be voting to move forward with pursuing a utility. Nedelka suggested the outline could be used to test whether



CITY OF DOVER

STORMWATER AND FLOOD RESILIENCE FUNDING COMMITTEE - MINUTES

Meeting Type: **Regular Meeting**
Meeting Location: **City Hall, Council Conference Room**
Meeting Date: **Monday, June 28, 2021**
Meeting Time: **5:30 PM**

the committee thinks a stormwater utility could be something to pursue and then leave time to refine the details. Sweeney and the project team agreed to draft an outline. Shanahan and Gasses asked about outreach and Sweeney responded that Lyon and DiGeronimo offered to draft an outreach outline to share with the committee by August.

Walter asked about if and how supplemental sources (fees, grants, and loans) could downsize the goal for the funding needed to be covered by a potential stormwater utility. Walter added that she was surprised by the cost estimates for vulnerability and \$6 million in deferred costs; recommending that people should be alerted to these vulnerabilities. Councilor Shanahan echoed some of Walter's comments stating that funding will likely come from a few pots.

Baber made a statement about available data and the potential to be extremely equitable when determining rates paying particular attention to not overburden the homeowner with a modest home and small lot compared with a homeowner with a larger home and larger lot. Kageleiry asked about a coverage ration standard asking specifically about how a small house on a large lot would be assessed. Baber raised concern about jumping to a simple fee structure too early and suggested starting with something inherently equitable to begin with for a stronger ground.

Mavrogeorge asked about the draft stormwater utility plan and whether it would include some of these other components – accounting for inspections.

Gasses raised the concern that this will be an additional cost for a homeowner. Geraci asked about whether a utility would reduce part of a homeowner's tax bill. Kageleiry stated that not likely as the taxes will always go to the cap. Overall a homeowner would be charged more money and that the General Fund will be spent inclusive of stormwater or not and the question really becomes is the additional cost worth it. Perry shared his experience with the bag-and-tag program Dover implemented for trash collection. Previously trash collection was paid for out of the General Fund before being transferred to a fee-based structure where you pay for what you use (e.g., a resident said he put out 14 bags of clippings which ultimately helped sell the program because it illustrated that some residents were receiving a greater service for trash collection than others but paying the same rate). The program also parallels the water and sewer utility where fees are assessed based on water use and estimated sewage. The program is equitable because residents on septic do not have to pay that fee. Perry suggested there may be parallels on using a stormwater utility and trying to figure out a way to give credit where credit is due.

Nedelka suggested a path forward which could include a base fee that would include roads making the argument that they are common goods. Then use ERU calculation and credits for additional fee (credits would not be applied to the base fee). Mavrogeorge echoed an interest in the inspections and credit piece and asked about whether there could be a credit for property shifted to current use (i.e., put into conservation and not just left as open space).



CITY OF DOVER

STORMWATER AND FLOOD RESILIENCE FUNDING COMMITTEE - MINUTES

Meeting Type: **Regular Meeting**
Meeting Location: **City Hall, Council Conference Room**
Meeting Date: **Monday, June 28, 2021**
Meeting Time: **5:30 PM**

Walter suggested the committee revisit the idea of voting up or down for a utility and instead approach a middle ground. A draft could include baseline absolute needs and then use three models with different kinds of solutions to Baber's point about achieving equity and simplicity at the same time. Use equity, simplicity, and salability to evaluate the different solutions. Walter pointed out that it might be too early for the committee to determine whether to continue pursuing a stormwater utility. Councilor Shanahan reminded the committee that there are two more meetings to deliberate on the selection of options for the recommendations report and doesn't see a hard up or down decision for a few more months.

Geraci asked about other municipal examples and if Sweeney could compile some resources for the committee to review. Sweeney and Young agreed to pull together a list of resources for the committee.

6. CONFIRM NEXT MEETING DATE, TOPIC, AND HOMEWORK ASSIGNMENTS

Next meeting is July 26, 2021, and Councilor Shanahan asked the committee to review the resources Sweeney and Young pull together in reference to Geraci's comment above.

7. CITIZEN'S FORUM

None present.

8. ADJOURN AT 7:06 PM.

Councilor Shanahan adjourned meeting.