



CITY OF DOVER

STORMWATER AND FLOOD RESILIENCE FUNDING COMMITTEE - MINUTES

Meeting Type: **Regular Meeting**
Meeting Location: **City Hall, Council Conference Room**
Meeting Date: **Monday, July 26, 2021**
Meeting Time: **5:30 PM**

Members Present: Ray Bardwell, David Degenais, 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), Peter Driscoll (Dover School District, ex officio), Eric George

Members Not Present (excused): Marcia Gasses, Allan Krans

Members Not Present (un-excused): None

Also Present: Ben Sweeney (NHDES/PREP Project Partner), Nathalie DiGeronimo (NHDES 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; seconded by Bardwell.

Amendment(s): None

Roll Call Vote: Yes – 12; No – 0; Abstain – 0

Motion Carries.

4. NEW BUSINESS

A. Presentation of stormwater utility options and considerations

Sweeney provided an overview of various considerations and decision points involved in the establishment of a stormwater utility, including fee basis, rate structures for different property types, desired funding level for the stormwater program, exemptions, and discounts. Sweeney also shared four possible stormwater utility scenarios that show how rates would change based on different fee structures for single family residential (SFR) and non-single family residential (NSFR) properties.

Perry asked for clarification about the “operating budget funding level” and whether revenue from a stormwater utility would go into an enterprise account. Sweeney clarified that the operating budget funding level describes the roughly \$1M operating budget from the stormwater program in FY21, and explained that the utility scenarios show what rates would need to be to generate that \$1M amount, which would be kept in an enterprise fund.

Young reminded everyone how the City estimated stormwater funding costs of \$3.5M that were presented during the second Committee meeting on December 21, 2020.



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Kageleiry asked how common extremely expensive projects are, and whether the Broadway culvert reconstruction project costs are inflating cost estimates. Young answered that project was factored into cost estimates because those projects do happen, and it is helpful to have a buffer built into those estimates because there are other expenses that were not accounted for.

Baber acknowledged the need for the Committee to identify their high-level goals, giving examples of the level of equity achieved and the costs that should be included in a potential utility, because there are many additional details and decisions surrounding a utility that would require additional analysis after the Committee process. Degenais pointed out that a goal should be identify the amount of funding that needs to be generated. Nedelka added that City Council will ultimately decide whether to fund the current operating budget amount, capital projects, and/or resilience projects. Bardwell suggested the goal should be limiting nitrogen in the Great Bay Estuary. Walter added that a primary goal should be better water management that maximizes stormwater infiltration into groundwater aquifers to address drought.

Kageleiry asked how a utility would capture revenue from properties that manage their stormwater and prevent negative impacts. Mavrogeorge suggested that those properties would still pay something because those property owners would still see a benefit from stormwater and flood resilience actions taken elsewhere in the City.

Bardwell mentioned the dam on the Bellamy River acted as a big detention pond, but expressed frustration that it was torn down.

Shanahan summarized the discussion and reminded everyone that the important issues Committee members have raised will be included in the Committee's recommendations report.

Sweeney reiterated that the stormwater utility scenarios presented are only hypothetical examples used to help the Committee conceptualize what a utility could look like. Sweeney provided more detail on each of the four scenarios (1: Flat fee for SFR and proportional fee for NSFR; 2: Flat fee for SFR and tiered fee for NSFR; 3: Tiered fee for SFR and proportional fee for NSFR; 4: Proportional fee for SFR and proportional fee for NSFR) and assumptions made for each scenario (fee would be based only on impervious cover, public roads would be exempt, and no discounts would be offered).

Mavrogeorge pointed out that each scenario has a different level of equity based on the fee structure applied to SFR and NSFR properties, where a flat fee is less equitable than a proportional fee.

Shanahan asked if each property's impervious cover would need to be assessed for tiered and proportional fee structures. Sweeney answered yes, which means each scenario has different start-up costs.

Walter asked about the amount of impervious cover within City owned parcels. Sweeney answered that approximately 6% of all impervious cover in the City is within City owned parcels.



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Baber suggested that if the Committee recommends a utility, it would need to hold up in court, and therefore it needs to be as equitable as possible.

Walter asked about the difficulty level of identifying the impervious cover for each individual property. Sweeney said that it could be done within a certain level of accuracy. Young added that the City could calculate the total number of ERUs for each property to calculate utility rates.

Geraci asked how the amount of impervious cover on each property is identified. Sweeney answered that characteristics of land cover can be identified by Light Detection and Ranging (Lidar), which is a method that involves aircrafts using a variety of pulsed lasers to collect information about a specified area.

B. Presentation of stormwater utility credit policy examples

Sweeney presented an overview of stormwater utility credit systems, including the legal requirement that credits are offered if a utility is established, the types of stormwater controls that could be eligible for credits, steps to implementing a credit system, and maximum fee reduction considerations.

Bardwell asked who determines the credits. Sweeney answered that the City has the final say and would determine credit amounts based on the quantity of runoff reduced and/or the level of water quality improvements achieved by qualifying stormwater controls installed by the property owner.

Perry asked about rates increasing for other property owners when a certain number of property owners receive credits. Baber mentioned that rates would likely not increase once credits are applied because those property owners receiving credits are taking some of the stormwater management burden off of the City.

C. Determine if a consensus exists on general recommendations with a potential vote by the Committee

Kageleiry expressed interest in having more discussion on merits or downfalls of sticking with the General Fund because most of the Committee's energy seems to have been spent on a utility.

Walter mentioned the importance of equity in the Committee's decision and shared an example of a local church that does not pay for stormwater management, but could implement a rain garden to reduce their utility rate while also providing needed flood storage for their parking lot. Haight suggested the challenge is maintaining those stormwater controls; the church could implement rain gardens and get credits for first year or so, but it would need to be maintained in order for the church to continue receiving credits, and maintenance has a cost.

Degenais stated that nonprofits give back to society and the community in other ways, so we should not say that they are not paying their fair share. Dave also mentioned that the Committee has been too focused on how a utility would impact SFR properties when they would actually be impacted the least.



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Driscoll mentioned that the focus seems to be on SFR properties because this is a very political issue and SFR property owners will be the ones contacting their City Councilors.

Kageleiry reminded everyone that a utility is a difficult sell and mentioned the uncertainty of the City being receptive to another tax.

Haight shared discussions he had with six other residents that all say they do not want to pay another tax and how he has struggled to explain that a utility is not actually a tax, especially when taxes would not be reduced as a result of implementing a utility.

Shanahan reminded the Committee that a vote will have to take place sometime in the next several months, but that won't happen tonight. Shanahan then asked the members what they would like to explore in future meetings.

Degenais said he would like to stop talking about stormwater utilities and instead have a discussion around why the General Fund would not work.

Kageleiry suggested having more discussion about why there is a need for additional funding and the reality that the City may not have additional funding for stormwater in any given year, which is sometimes just business.

Baber mentioned the City is under pressure to meet regulatory requirements, and a utility could be an equitable way to generate the amount of additional funding that is needed.

Walter said she is in favor of spending time to explore what the property tax increase would need to be to meet stormwater and flood resilience needs. Walter added that a utility may not cause as much of a cost increase.

Perry suggested the Committee should discuss both the General Fund and a utility. Perry added that the City has other utilities that work well, but the Committee hasn't discussed the details of a stormwater utility enough to decide whether or not it would be better than the General Fund.

Mavrogeorge said he is inclined to dive deeper into the details of a utility because it has the potential for incentivizing good behavior on private property through the credit system. Mavrogeorge added that he fears the City would not be able to incentivize good behavior if they stick with the General Fund.

Bardwell suggested the Committee give equal time to further discuss the General Fund and a stormwater utility. Bardwell also asked about the cost to discharge potable water at the City's wastewater treatment facility because then the City may no longer need a discharge permit.

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

The next meeting is on August 23, 2021.



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6. CITIZEN'S FORUM

None present.

7. ADJOURN AT 7:25 PM.

Councilor Shanahan declared the meeting adjourned.