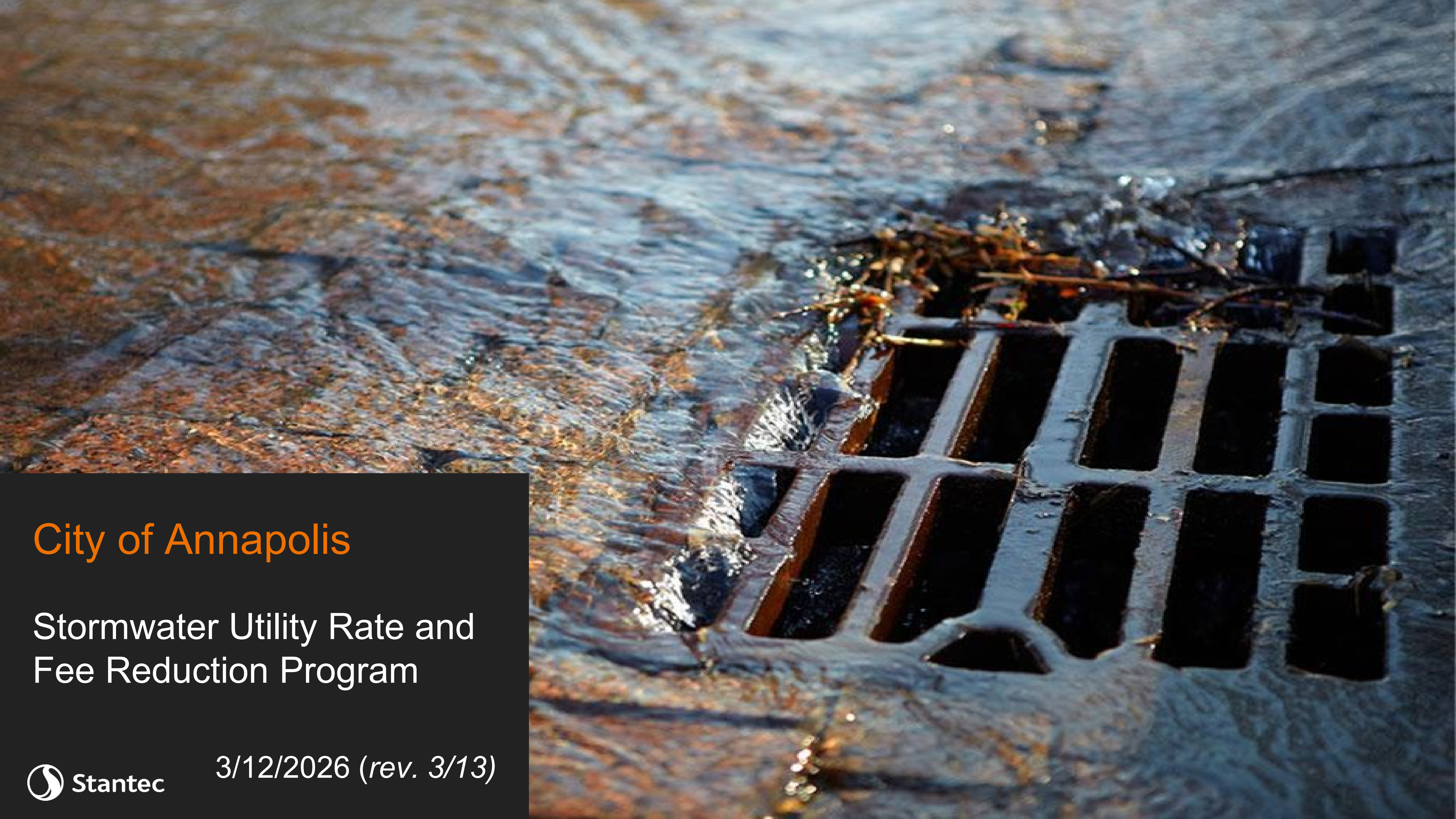


City of Annapolis

Stormwater Utility Rate and Fee Reduction Program

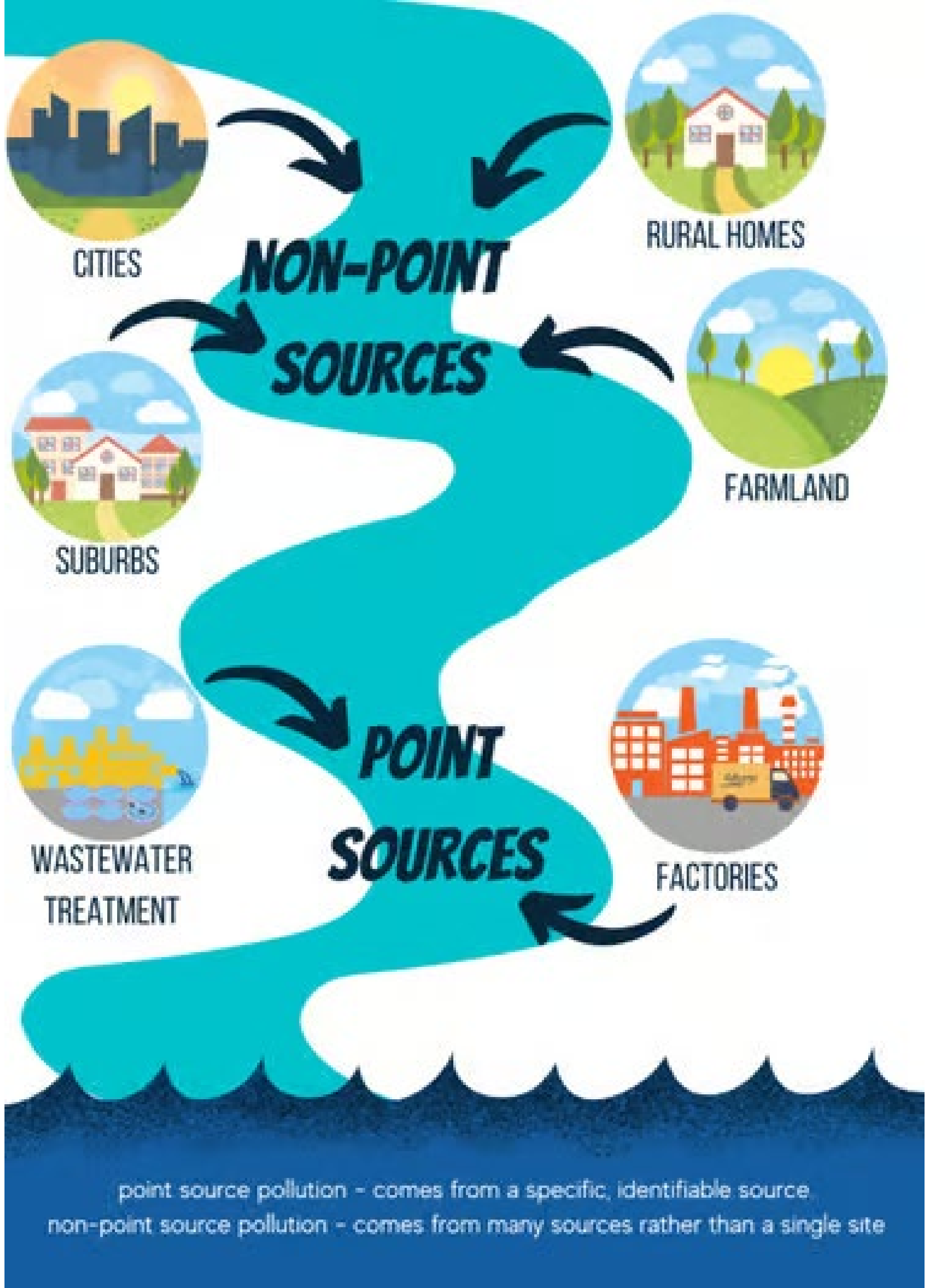
3/12/2026 (*rev. 3/13*)

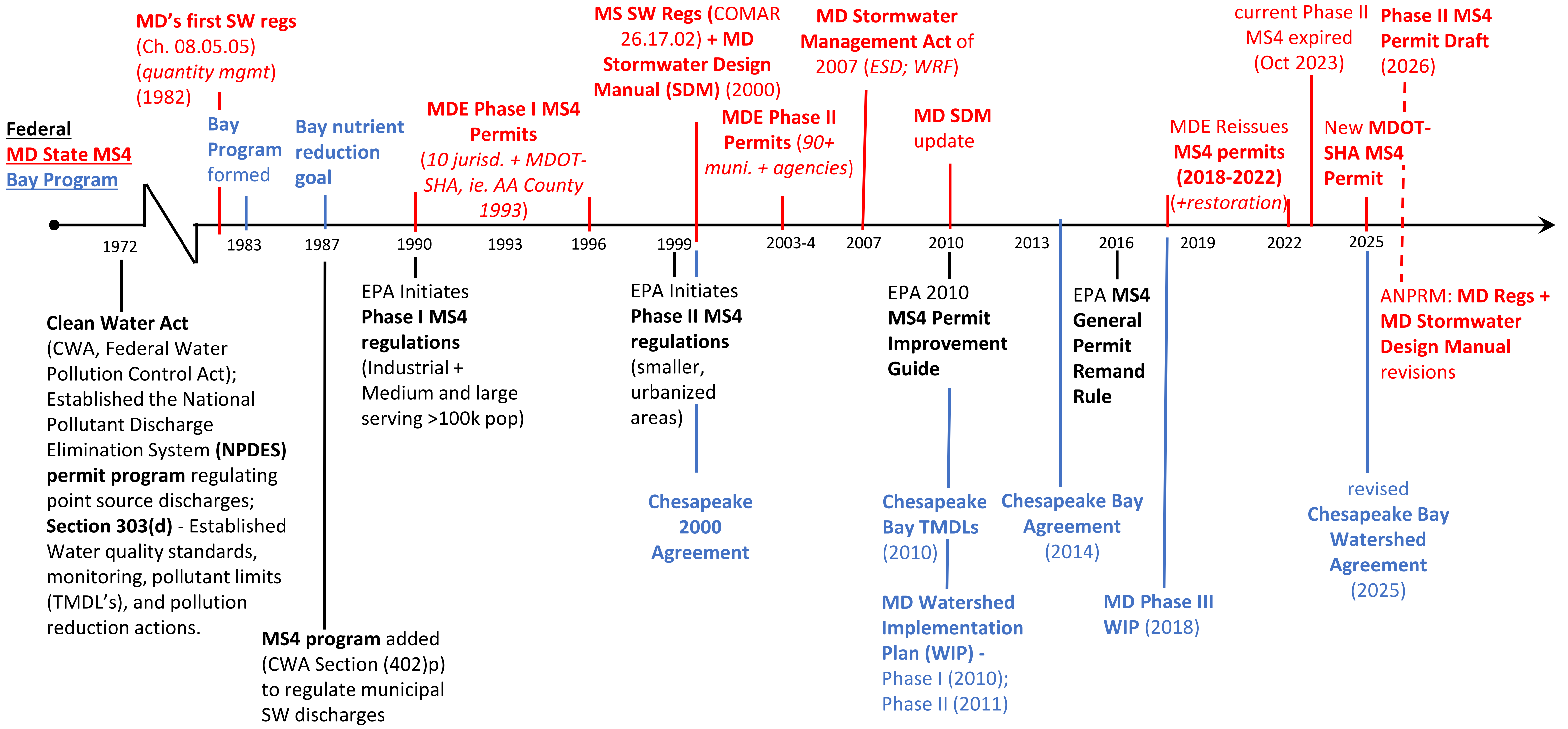
Stantec

Agenda

1. Water Quality / Stormwater (SW) background
    - Pollutants: Point and Non-Point Sources
    - Key Statutes and Regulations
2. Municipal Separate Storm Sewer System (MS4) Program Overview
    - What's included (and what's not)
    - The Watershed Restoration Fund and the DPW Stormwater Program
3. City of Annapolis Stormwater Utility Fee
    - SW Utility Fees based on Impervious Area
    - Regional benchmarks
4. **Non-Residential SW Utility Fee Structure**
5. **Non-Residential SW Utility Fee Reduction Program**
    - **Stormwater Management (SWM) practice-based fee reductions**
    - **Non-Residential Alternative Compliance path**
6. **Residential SW Utility Fee Structure**
7. **Conclusions and Next Steps**

Water Pollution Sources





Federal permit standard: "**require controls to reduce the discharge of pollutants to the maximum extent practicable**, including management practices, control techniques and system, design and engineering methods, and such other provisions as the Administrator or the State determines appropriate for the control of such pollutants"
(CWA Section 402(p)(3)(B)(iii))

MS4 (Municipal Separate Storm Sewer System) Permits for Stormwater Discharges

Restoration Target

- 20% reduction from 2018 baseline (current permit)

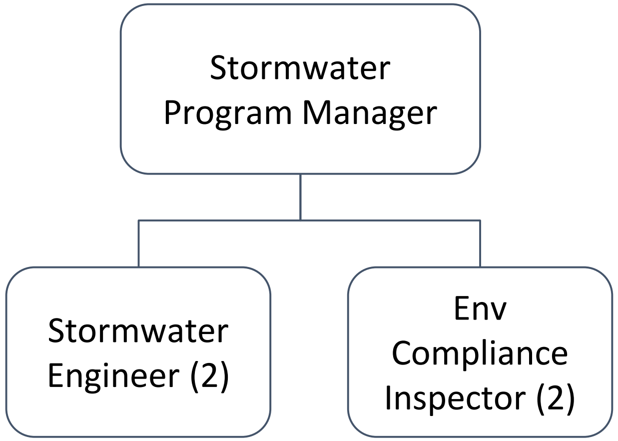
Minimum Control Measures (MCMs):

1. public education and outreach
2. public involvement and participation
3. illicit discharge detection and elimination
4. construction site stormwater runoff control
5. post construction stormwater management
6. pollution prevention and good housekeeping

NOT Regulated via MS4 Permit:

- Industrial NPDES Permits
- Sanitary Sewer Systems
- Combined Sewer Systems
- widespread, general non-point sources, ie. agricultural runoff or atmospheric deposition
- Drinking Water/Septic Systems
- Discharges from Non-Regulated Areas (ie. small construction sites)
- Flood / Volume Control
- Toxins (SDWA, TASCA)
- Hazardous Water Disposal (RCRA)
- Superfund cleanup (CERCLA)

City of Annapolis SW Program and the Watershed Restoration Fund



Watershed Restoration Fund:

Supports the operations and capital projects related to:

- public stormwater management systems
- watershed implementation plans
- stream and wetland restoration activities
- NPDES/MS4 and TMDL requirements and goals

Watershed Planning - Truxtun Cove

Outreach - AACO River Days

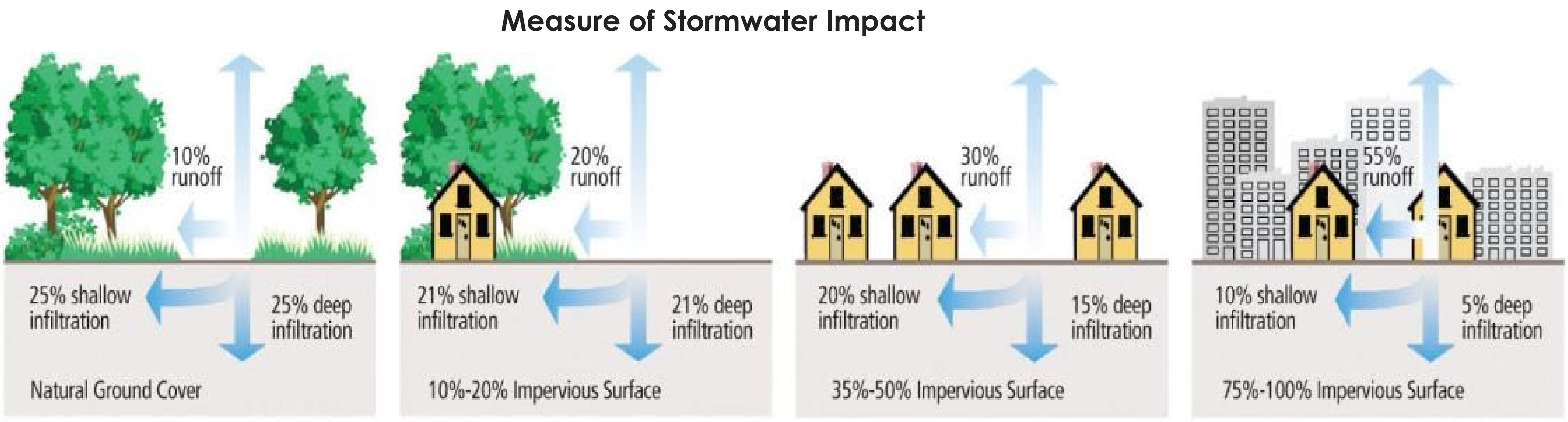
CBT Maintenance Grant

Stormwater Practices - Cedar Ridge

Wetland Restoration - College Creek

City Facilities - Green Roof Maintenance

Stormwater Utility Fee Based on Impervious Area

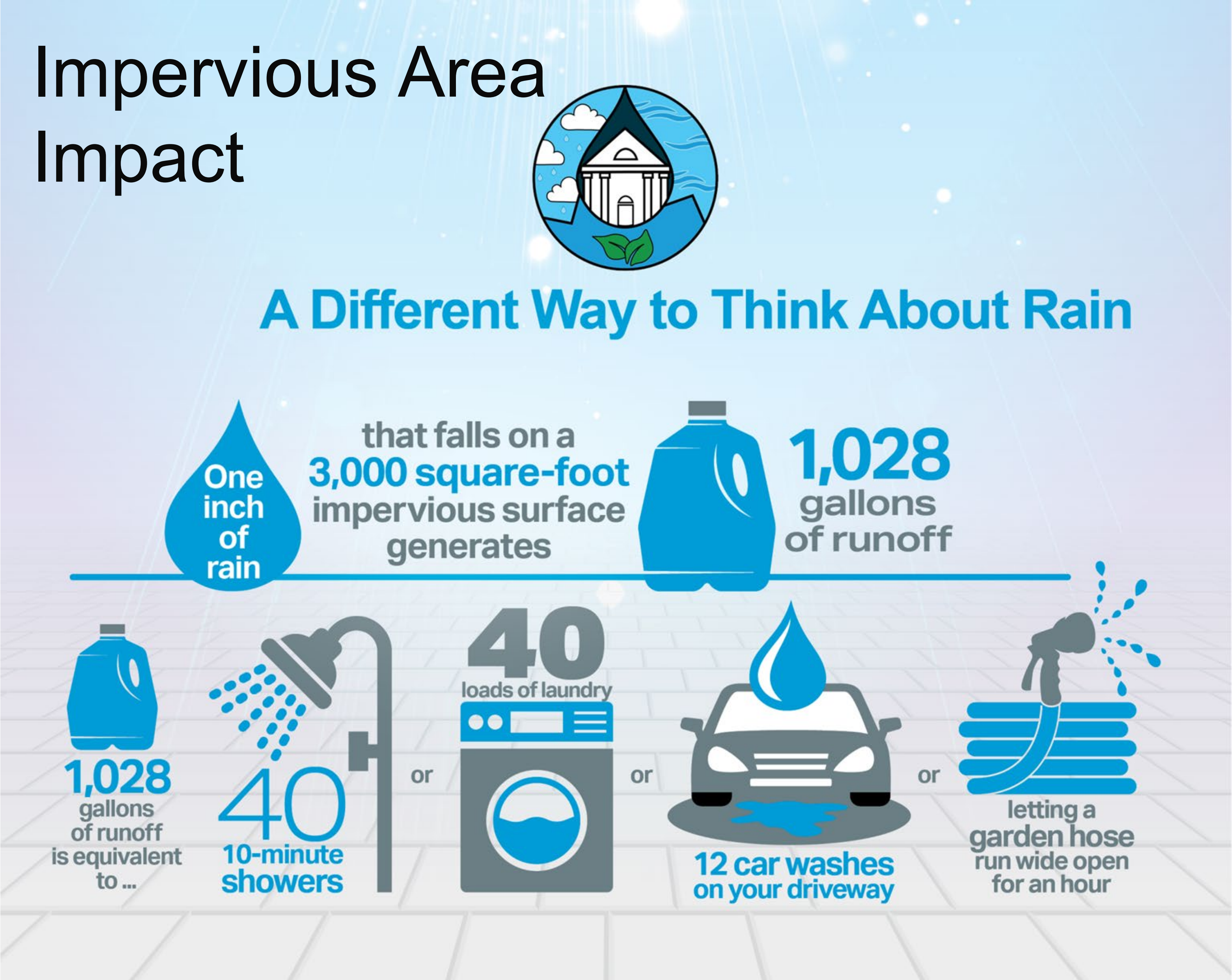


Source: Lowimpactdevelopment

Increasing Impervious Area (IA) = Increasing Runoff Generated

Stormwater fees based on Impervious Area (IA) reflect potential use of and contribution to the system

Impervious Area Impact



Source: https://www.fairfaxva.gov/Services/Water/Stormwater/Stormwater-Utility

Stormwater Utility Fees (Current Structure)

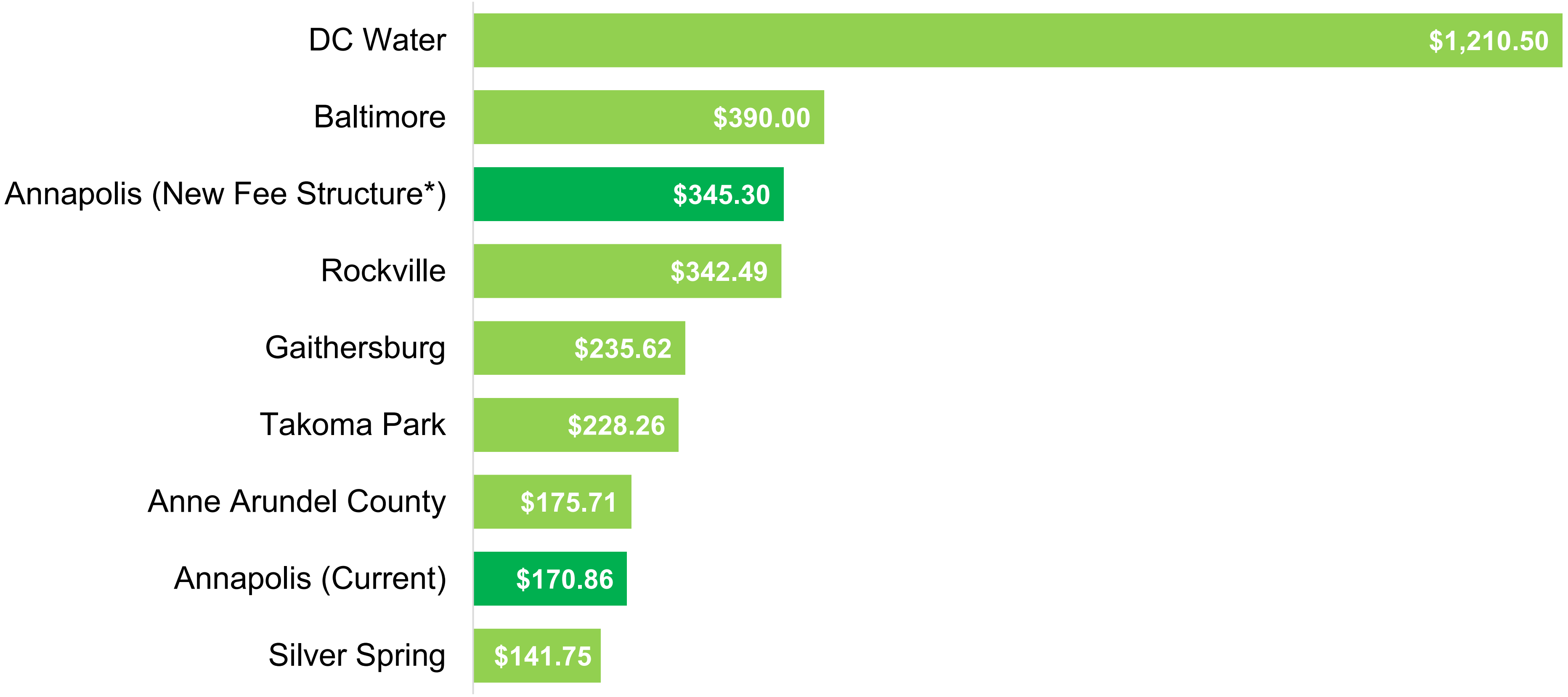
Quarterly Stormwater Fees

Non-Residential (Tiered Impervious Area):		**Rate (FY26)**
Tier 1: 0 - 5,000 sq. ft.		$34.53
Tier 2: 5,001 - 25,000 sq. ft.		$170.86
Tier 3: 25,001 - 80,000 sq. ft.		$721.60
Tier 4: Over 80,000 sq. ft		$2,232.07

Residential (Flat Fee):		
Residential Single Family		$34.53
Multi-Family (per unit)		$17.26

Non-Residential Stormwater Fee Comparison

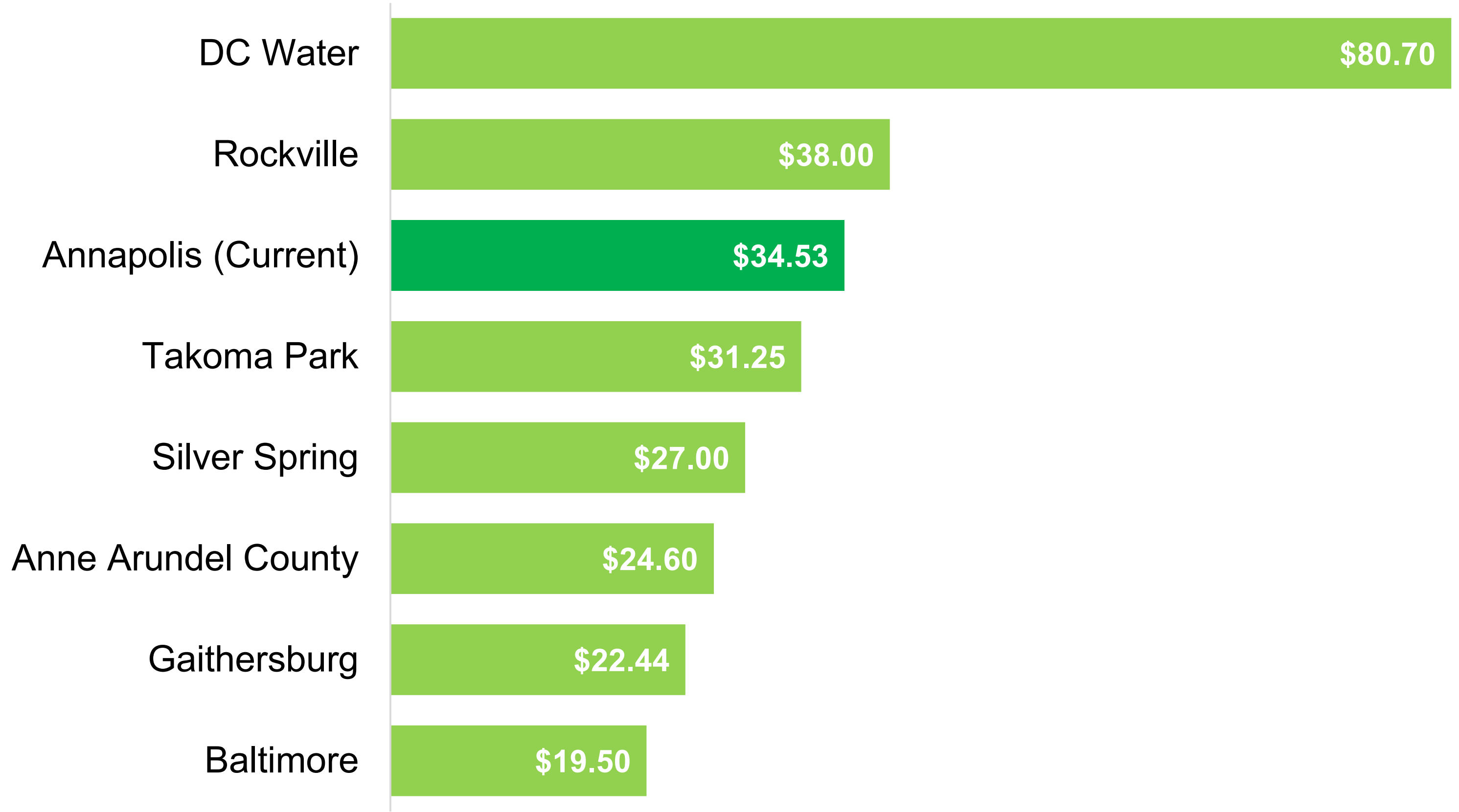
FY26 Quarterly Stormwater Bill Comparison - Non-Residential (21,000 sq. ft. Impervious)



**Does not include any stormwater fee credits*

Residential Stormwater Fee Comparison

FY26 Quarterly Stormwater Bill Comparison - Single Family Residential



Potential Fee Structure Revisions

Transition Non-Residential fee to an **ERU basis** using measured impervious area.

Non-Residential:	**ERU**	**Rate**
ERU-Basis (Measured Impervious Area)	1.0 = 2,100 sq. ft.	$34.53 per ERU

Evaluate transition for Residential properties from flat fee to **ERU-based OR Tiered structure.**

Residential:	**ERU**	**Rate**
Option A. ERU-Basis	1.0 = 2,100 sq. ft.	$34.53 per ERU

Option B. Tiered	**ERU**	**Rate**
Tier 1: 0 - 1,400 sq. ft.	2/3	$23.02 / ERU
Tier 2: 1,401 - 2,800 sq. ft.	1	$34.53 / ERU
Tier 3: 2,801 - 3,200 sq. ft.	1 2/3	$51.80 / ERU
Tier 4: Over 3,200 sq. ft.	3+	$103.59 / ERU

An **Equivalent Residential Unit** (ERU) = a typical SW fee Billing Unit reflecting the median impervious area of a single-family detached property. The City of Annapolis ERU is **2,100 sq.ft.**

Non-Residential Stormwater Utility Fee

PROPOSAL:

1. Change SW fee structure for non-residential ratepayers from tiered to an **Equivalent Residential Unit (ERU) basis** using measured impervious area with the goals of:

- more accurately reflect existing impervious conditions and SW practices
- more uniform billing approach*
- raise awareness and incentivize SW management for large properties**

Fee **impact on individual rate payers will vary, with some increasing and some decreasing.*

***Fees for large properties with IA > 64,641 sf will **exceed the current Tier 4 cap**.*

Non-Residential Stormwater Utility Fee

PROPOSAL:

1. Change SW fee structure for non-residential ratepayers from tiered to an **Equivalent Residential Unit (ERU) basis** using measured impervious area with the goals of:

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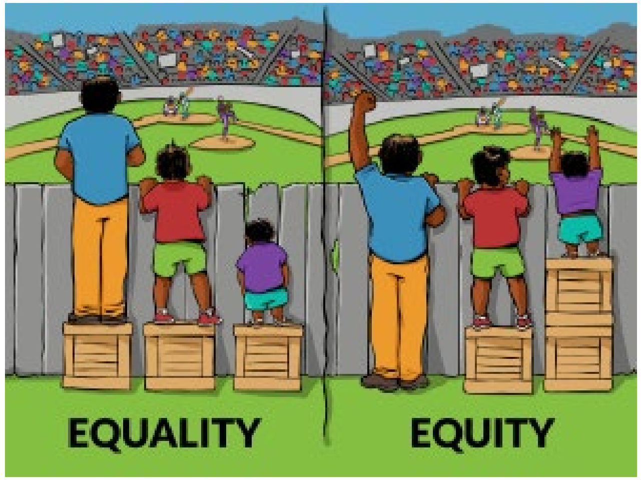
- more ~~equitable~~ uniform billing approach*
- raise awareness and incentivize SW management for large properties**



*Fee **impact on individual rate payers will vary**, with some increasing and some decreasing.*

***Fees for large properties with IA > 64,641 sf will **exceed the current Tier 4 cap**.*

Non-Residential Fee Structure

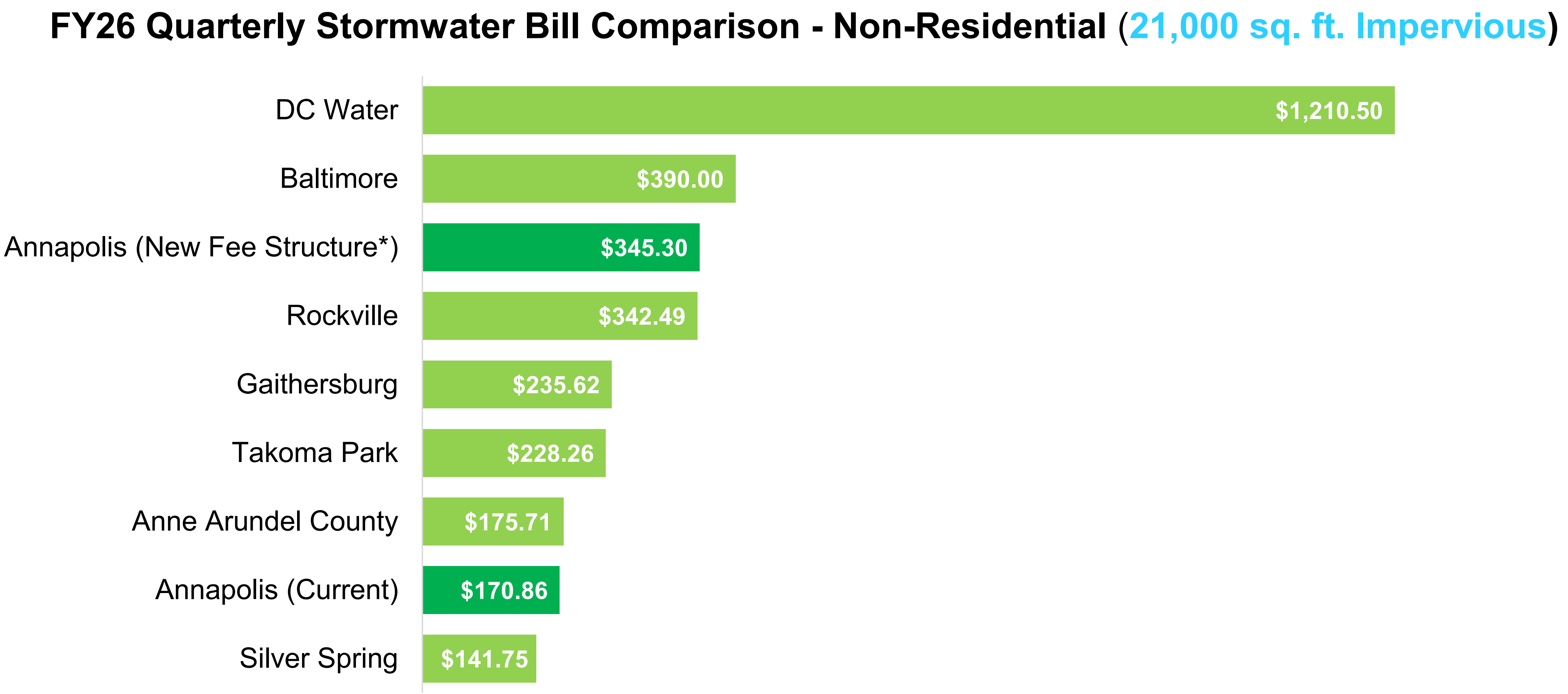
Existing (Tiered Impervious Area):		**Rate (FY26)**
Tier 1: 0 - 5,000 sq. ft.		$34.53
Tier 2: 5,001 - 25,000 sq. ft.		$170.86
Tier 3: 25,001 - 80,000 sq. ft.		$721.60
Tier 4: Over 80,000 sq. ft		$2,232.07

Transition Non-Residential fee to an **ERU basis** using measured impervious area.

Proposed:	**ERU**	**Rate**
ERU-Basis (Measured Impervious Area)	1.0 = 2,100 sq. ft.	$34.53 per ERU

An **Equivalent Residential Unit** (ERU) = a typical SW fee Billing Unit reflecting the median impervious area of a single-family detached property. The City of Annapolis ERU is **2,100 sq.ft.**

Non-Residential Stormwater Fee Comparison



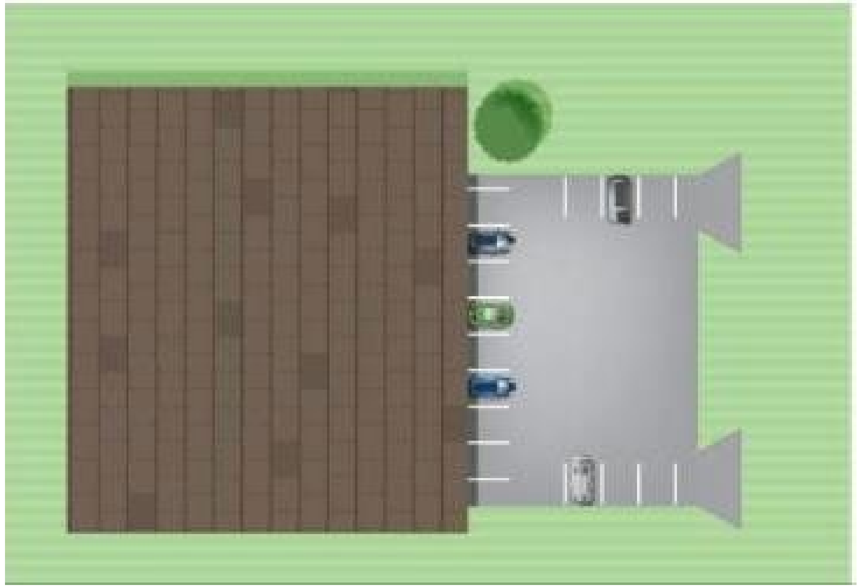
**Does not include any stormwater fee credits*

Example Non-Residential Property (Current Tiered Structure)

- Property owners pay the same rate within a given tier.

Tier 1: 0 - 5,000 sq. ft.	$34.53
Tier 2: 5,001 - 25,000 sq. ft.	**$170.86**
Tier 3: 25,001 - 80,000 sq. ft.	$721.60
Tier 4: Over 80,000 sq. ft	$2,232.07

- Properties towards the top of tier range (like this one) **currently pay less than their use/ contribution to the system**



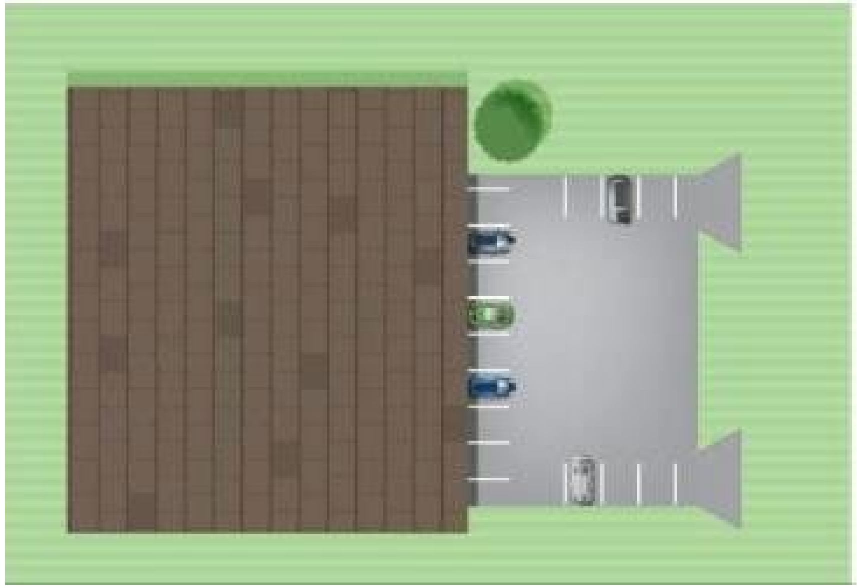
Impervious Area

Roof:	15,000 sq. ft.
Parking Lot:	6,000 sq. ft.
Total:	**21,000 sq. ft.**
	Tier 2 (5,001-25,000 sq. ft.)

Fee = FY 26 Impervious Area Tier 2 Rate = $170.86 QTR

Example Non-Residential Property (Proposed ERU-based structure)

- Fee **based on measured impervious area** as multiples of Equivalent Residential Units (ERUs)
- Property owners with more impervious cover would pay more to fund the stormwater system (**not limited by tiers and cap**)



Impervious Area

Roof:	15,000 sq. ft.
Parking Lot:	6,000 sq. ft.
Total:	**21,000 sq. ft. = 10 ERUs**

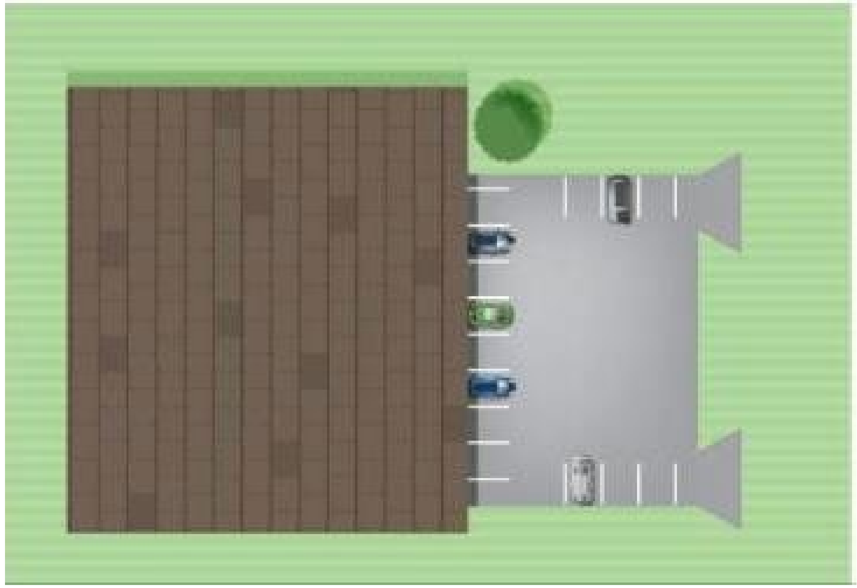
Fee = # of ERUs Impervious Area X FY26 QTR Base Rate = (10 x $34.53) = $345.30 QTR

An **Equivalent Residential Unit** (ERU) = a typical SW fee Billing Unit reflecting the median impervious area of a single-family detached property. The City of Annapolis ERU is **2,100 sq.ft.**

Example Non-Residential Property (Proposed ERU-based structure)

- **Large property owners** will see the highest increases in overall fees and are most likely to be **incentivized to implement/expand** SW management practices.

- Many **nonprofits and religious institutions** have **limited capital** to support fee increases or to finance installation costs of new SW management practices.



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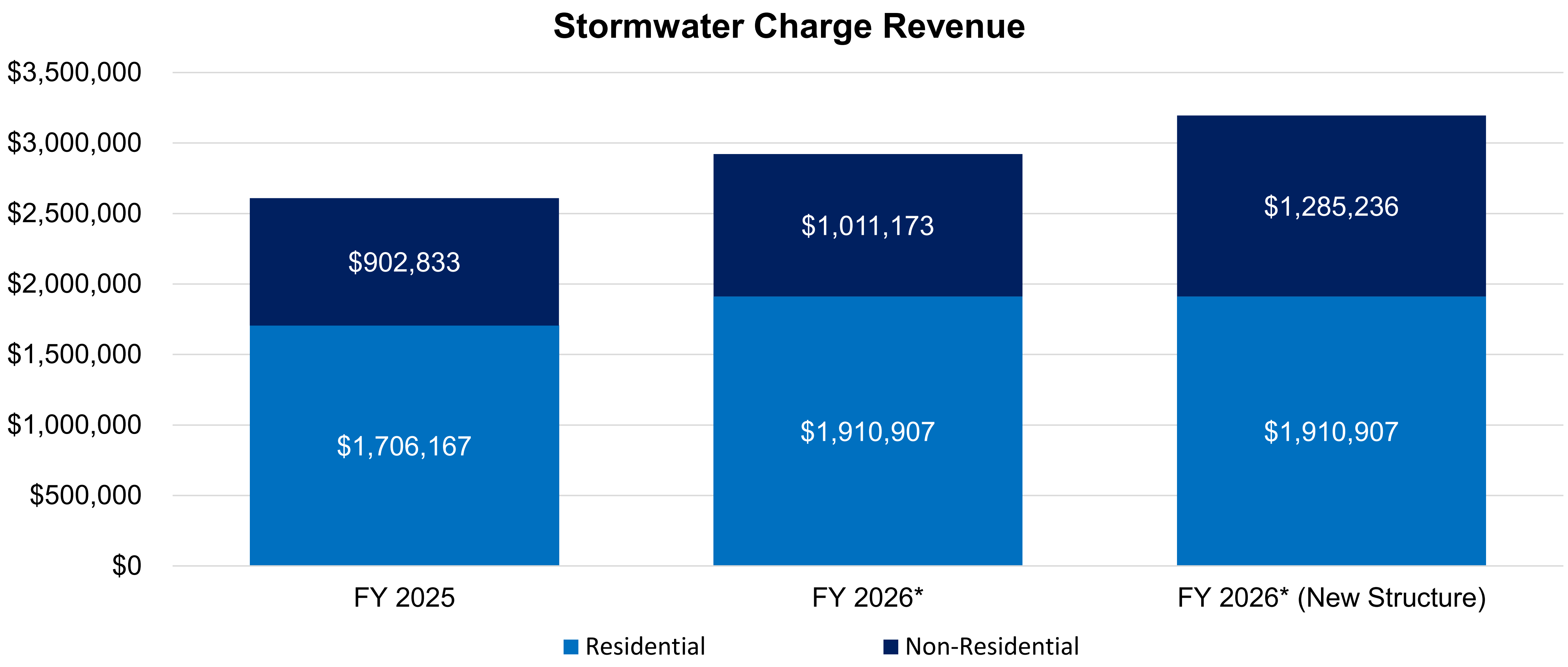
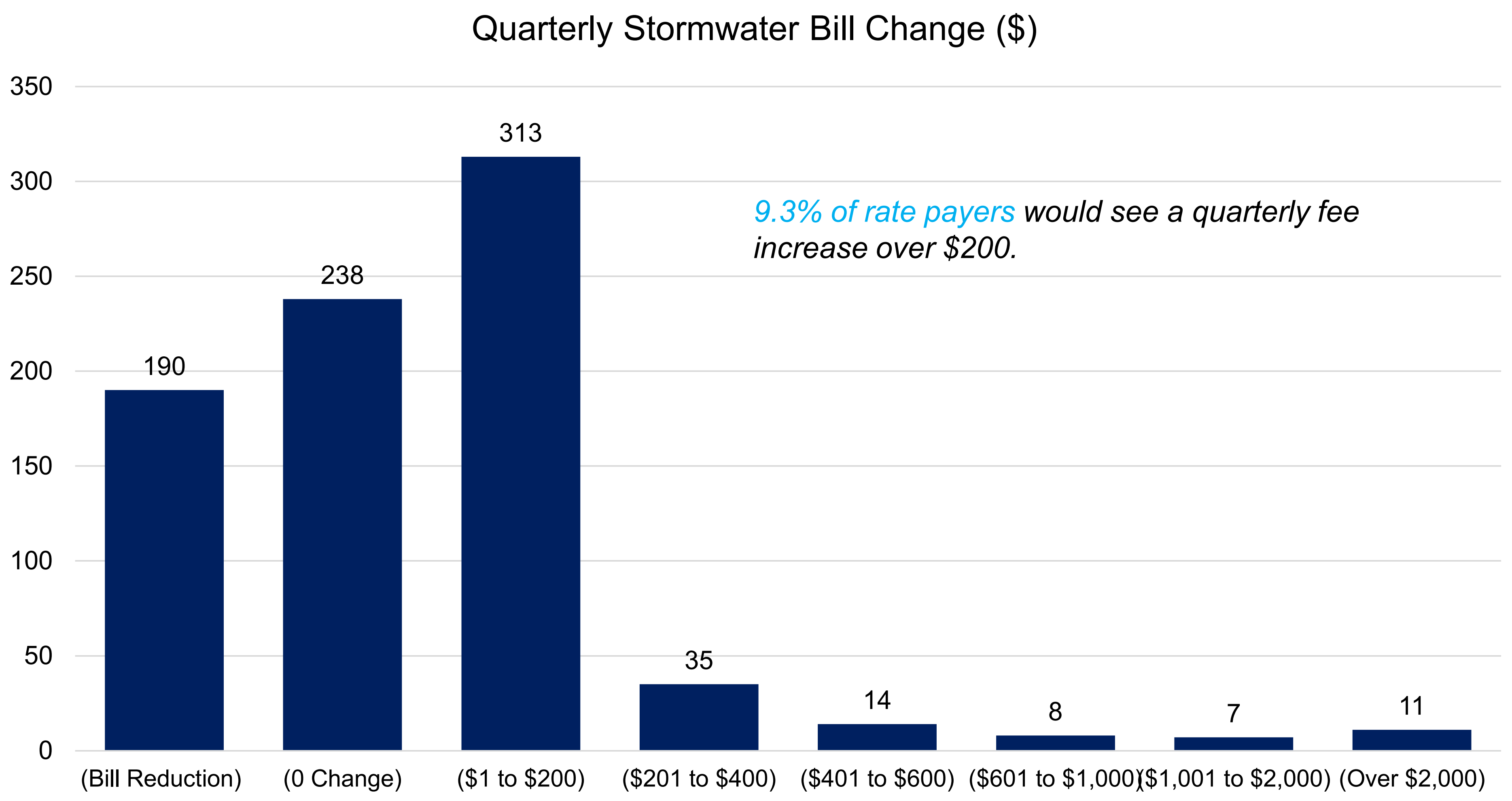
An **Equivalent Residential Unit** (ERU) = a typical SW fee Billing Unit reflecting the median impervious area of a single-family detached property. The City of Annapolis ERU is **2,100 sq.ft.**

Annual Stormwater Fee Revenues by Property Type



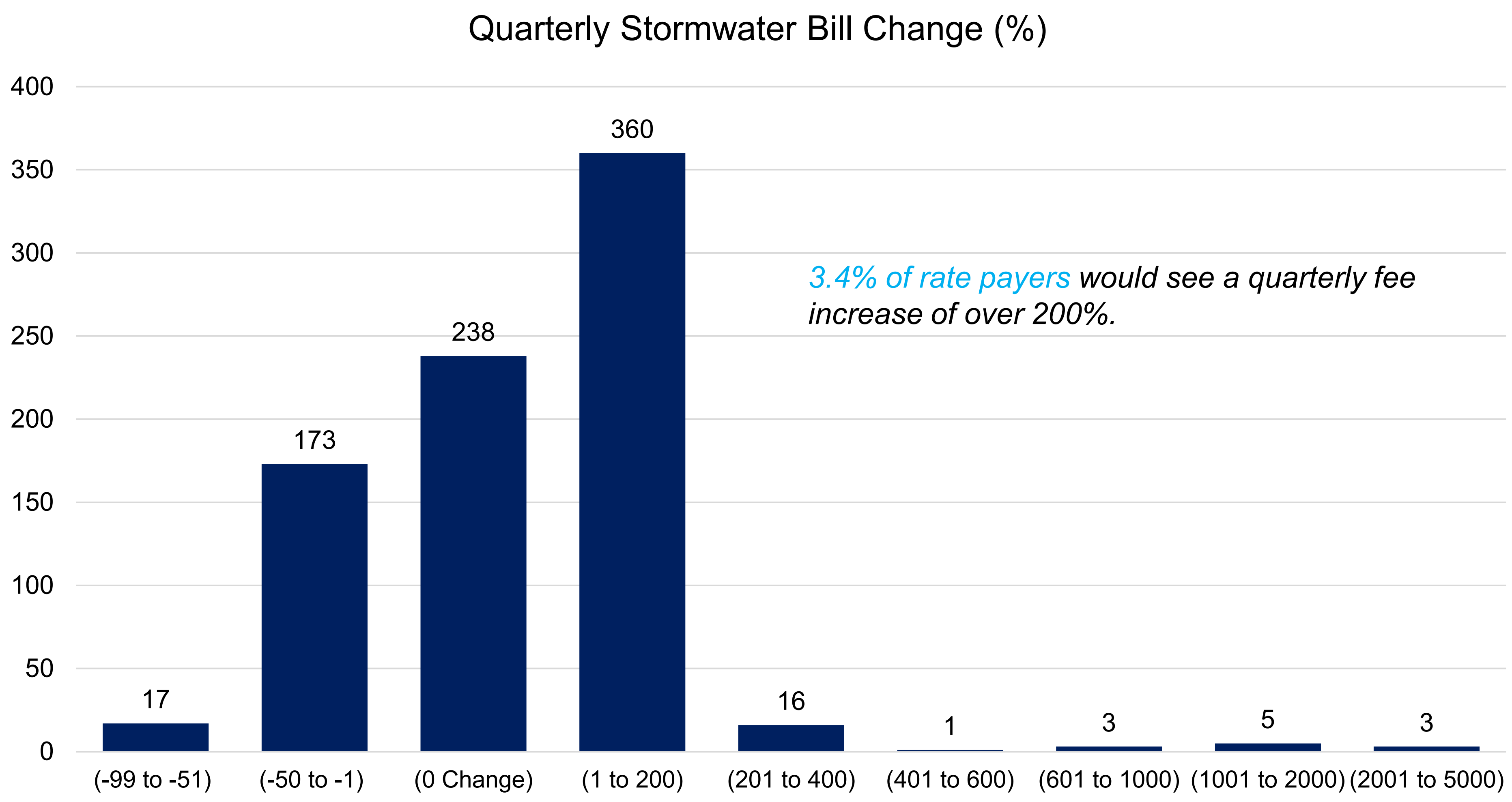
Based on adopted FY 2026 stormwater fee

Distribution of Impacts on Non-Residential Ratepayers



Note: Represents change from current tiered fee structure.

Distribution of Impacts on Non-Residential Ratepayers



3.4% of rate payers would see a quarterly fee increase of over 200%.

Note: Represents change from current tiered fee structure.

Distribution of Impacts by Property Use

Use Type	FY 26 Current (Quarterly Total)	FY 26 New Structure (Quarterly Total)	FY 26 Net Change (Quarterly)
GOVT-S/F/O	$10,884	$18,163	$7,279
OFFICES	$38,565	$46,512	$7,947
SCHL-NOTPB	$5,011	$7,528	$2,516
CHURCH	**$12,742**	**$12,051**	**($691)**
OTHER BUSI	**$85,121**	**$120,717**	**$35,596**
HOTEL/MOTEL	$5,934	$5,214	($720)
RETAIL	$52,883	$53,970	$1,088
OTHR NONB	$925	$1,001	$76
MIXED USE	$1,159	$1,830	$671
RESTAURANT	$9,957	$11,084	$1,127
GOVT-CITY	$513	$552	$40
GAS STA	$4,766	$5,387	$621
GOVT-COUNT	$6,663	$5,732	($931)
SCHL-COUNT	**$11,986**	**$25,000**	**$13,014**

Non-Residential Fee Reduction Program

PROPOSAL:

2. Roll-out concurrent **expanded Non-Residential fee reduction program** with the goals to:

- **provide incentive/opportunity** to maintain existing practices and create new SWM practices
- limit new financial hardship for non-commercial, non-residential ratepayers (ie. religious, non-profit) for a **more equitable billing approach**
- leverage community partners' activities-based education/outreach efforts to **advance COA MS4 Program's stormwater public education and outreach** (MCM 1) and public involvement and participation (MCM 2) initiatives.

Non-Residential Stormwater Fee Reduction Program

Stormwater Practices (up to 50% max. allowable)

Application and supporting documentation required

Bioretention facility
SOURCE: CITY OF ALEXANDRIA

Wet swale
SOURCE: CHESAPEAKESTORMWATER.NET

Permeable pavement
SOURCE: CITY OF ALEXANDRIA

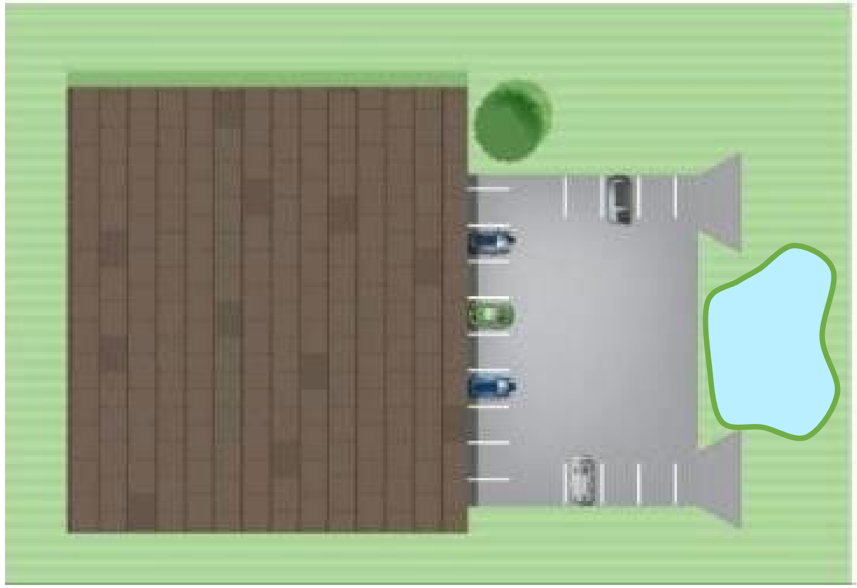
Vegetated green roof
SOURCE: CITY OF ALEXANDRIA

Submittal Requirements:

- Submit **completed application form**. For each Stormwater Management Facility constructed and installed according to Maryland State requirements for stormwater management, indicate the Drainage Area to Structure, Impervious Area Treated (in acres), and the Target Rainfall, P_E (in inches).
- **Site Plan** showing property lines and location of stormwater management device(s).
- A copy of the **Stormwater Management Facility Maintenance Agreement** and supporting documentation detailing the maintenance, repair, and improvement history. If you do not have a maintenance agreement or can not find one, contact Annapolis Office of Law at (410) 263-7954. For multiple owners who share responsibility of a stormwater management facility, provide a copy of any legal documents describing legal agreements for ownership and maintenance of the facility.
- Schedule a **site visit** which will be performed to verify your application. A City staff member will contact you when we are in receipt of your application.

Note: This credit **expires after ~~two~~ (three) years and can be renewed** upon submission of updated documentation.

Non-Residential Fee Reduction Calculation: SW Practices



Step 1. Calculate % Fee Reduction (SW Practices)

The pond is designed to treat 1” of precipitation, therefore the Treatment Value Is 1. The maximum allowable credit is 50% for a wet pond, and 60% of the total impervious area is directed to the wet pond.

% Credit = Max. Credit X % of Impervious Area Treated X Treatment Value = (50% x 60% x 1) = 30%

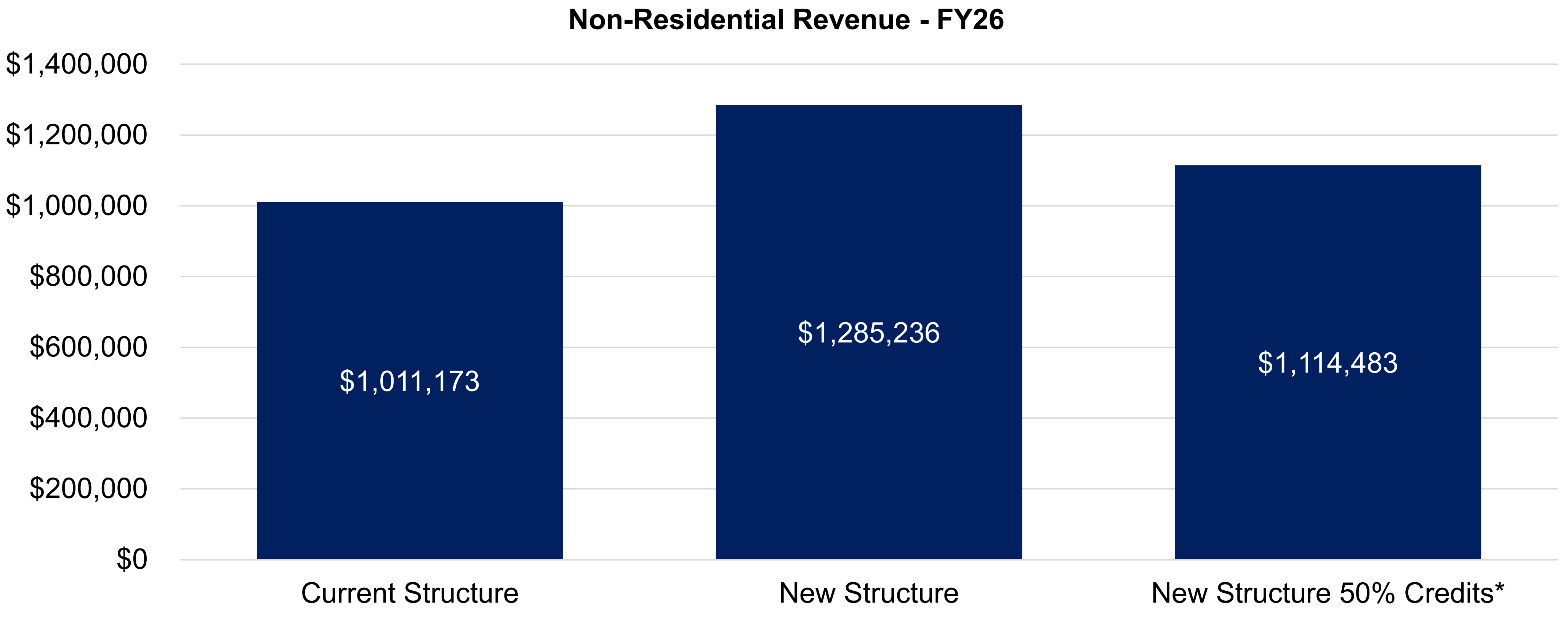
Treatment Value equals 100% if at least 1” of rainfall is treated by the eligible practices. If less than 1”, use the % of 1” treated.

Step 2: Calculate Fee with Reduction

The commercial property pays $345.30 per quarter based on a calculated fee for 10 ERUs (21,000 sq. ft. of impervious area). Based on the percentage fee reduction, the quarterly fee for the property owner is:

Fee with Credit = FY26 QTR Rate X (1 -% Credit) = ($345.30 x (1-30%)) = $241.71 QTR

Non-Residential Stormwater Utility Fee Reduction Program Potential Impact on Revenue (SW Practices Only)



Non-Residential Revenue - FY26

Current Structure	$1,011,173
New Structure	$1,285,236
New Structure 50% Credits*	$1,114,483

Assumes **ALL PROPERTIES with existing approved SW Management practices apply and receive a 50% credit.*

SW Fee Reduction Program Considerations

ELIGIBILITY

- Who is eligible to receive reductions? (Property Type and Use)
- Consider Hardship Waiver eligibility or other exemptions

QUALIFYING ACTIVITIES

- Which SWM stormwater management practices qualify? On-site and offsite? Activities-based?
- Threshold for qualification

LEVEL

- Define level of reduction and period associated with each activity
- Determine maximum available credit per activity

Credit programs typically EVOLVE over time

Model SW Incentive Programs Highlights

- Anne Arundel County, MD – **watershed restoration grant program**, property use exemptions, tax credits, DNR Clean Marina
- Baltimore City, MD - use carve outs, ie. NPDES permit holders, harbor discharge, **religious, K-12**, small green and limited dev. spaces
- Prince George's County, MD - **Alternative Compliance**, rebate program
- Portland, ME - credit for water quality (85%) and quantity (15%)
- Philadelphia, PA - incentives including SW Grant Program, (non PWD) long term financing tool, PWD purchase of SW Practices, and zoning allowances
- Alexandria, VA - **SW Facilities** (up to 20%), **Landscaping Practices** (20% annual, 30% one-time Tree Planting), Dry Floodproofing Practices (20%)

SW Fee Reduction Program Recommendations

ELIGIBILITY

- Type: All (SW practices); Non-Residential (Alternative Compliance)
- Use: Tax-exempt Religious or other 501(c) non-profit for Alternative Compliance and Hardship Waiver

QUALIFYING ACTIVITIES

- State approved, on-site SW Practices with City maintenance agreement
- Threshold: New/Redev. or retrofit = Meet/exceed guidelines; Existing = Passing inspection
- Activities-based: Alternative Compliance (ie. PG County) - Outreach & Education, Green Care & Good Housekeeping
- Future considerations: Green Marina; City easement/purchase; zoning allowances

LEVEL

- 50% max credit for existing, new, or retrofit SW Practices (~~2~~ **3** year, renewable)
- AND/OR 50% max credit for Alternative Compliance (1 year, renewable)
- 100% Hardship Waiver (1 year, renewable)

START SIMPLE. Credit programs typically EVOLVE over time

Non-Residential SW Fee Reduction Program

Option A. Stormwater Practices (up to 50% max. allowable)

All Non-Residential Properties - Application and supporting documentation required (3 year renewable)

NEW - Option B. Alternative Compliance (up to 50% max. allowable)

Religious and other 501(c) Organizations - Application and annual reporting required (1 year renewable)

- *B.1. Outreach & Education (25%)* - campaign participation AND host one annual event (onsite trash cleanup, recycling, waste management, SWM maintenance education event, tree planting)
- *B.2. Green Care & Good Housekeeping (25%)* – certified lawn management company and 3 Good Housekeeping practices (nutrient management, conservation landscaping, mature tree preservation, pollution prevention)

NEW - Option C. Hardship Waiver (100%)

Religious and Other 501(c) Organizations - Application required (1 year renewable)

Non-Residential Credit Example
***NEW* -** Alternative Compliance

Option B1. Outreach & Education - (25% Fee Reduction)

The Property owner agrees to take part in the City's education and outreach campaign to encourage other property owners as well as members of their organization to participate in and to contribute toward the restoration and protection of City and County watersheds.

AND

Property owner agrees to host City's representative to organize and/or conduct annually **one (1) of the following activities**:

- On-site trash pick-up event
- On-site recycling and better waste management
- Host a City Stormwater BMP maintenance education event
- Plant at least five (5) trees on site (based on approved tree list coordinated with the City Arborist and provided through City's Replant Annapolis program)

Non-Residential Credit Example
NEW **-** Alternative Compliance

Option B2. Green Care & Good Housekeeping - (25% Fee Reduction)

Property owner agrees to use landscape management companies* that are certified in the proper use and application of fertilizers in connection with their landscaping and lawns.

**Companies must be listed in the Maryland Department of Agriculture's searchable pesticide database under the appropriate license category.*

AND

Property owner agrees to good housekeeping practices for ensuring clean lots and pledges **at least three (3) of the following activities**:

- URBAN NUTRIENT MANAGEMENT PLAN
- CONSERVATION LANDSCAPING
- MATURE TREE PRESERVATION
- Keep their site clean by regularly sweeping up trash and debris. Practice proper pollution prevention measures.
- Other (Specify)

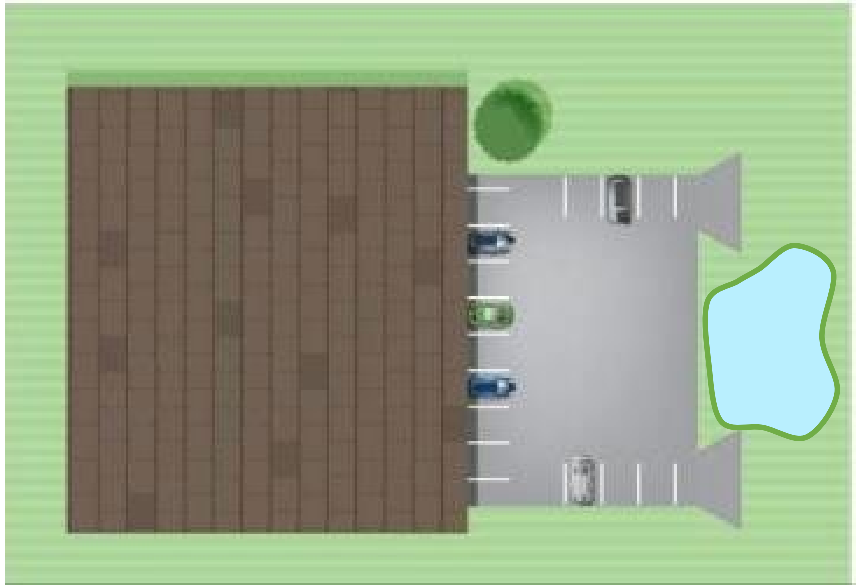
Non-Residential Credit Example
Alternative Compliance

Option B2. Green Care & Good Housekeeping - (25% Fee Reduction)

Property owner agrees to good housekeeping practices for ensuring clean lots and pledges **at least three (3) of the following activities**:

- URBAN NUTRIENT MANAGEMENT PLAN - Create a written plan to reduce or eliminate fertilizer and pesticide use and application.
- CONSERVATION LANDSCAPING - Conservation Landscaping is the conversion of lawn and hard surfaces into mulched beds planted with native perennial plants, shrubs and/or small trees. This practice benefits stormwater quality and quantity by retaining rainfall and absorbing runoff from adjacent lawns or impervious surfaces. A minimum 50 sq. ft. is required to receive credit.
- MATURE TREE PRESERVATION - Preserving the existing tree canopy is critical to stormwater management because mature trees provide water quality and quantity benefits by intercepting part of the rainfall that would otherwise run off impervious surfaces and be transported to the stormwater drainage system and our local waterways. Mature trees that are eligible for this credit must be established, have a trunk that is at least 12 inches in diameter at breast height, which is 4½ feet from the ground.
- Keep their site clean by regularly sweeping up trash and debris. Responsibly manage common chemicals used and stored on their property, and properly dispose of hazardous products or materials.
- Practice proper pollution prevention measures.
- Other (Specify)

Non-Residential Fee Reduction Calculation: SW Practices + Alternate Compliance Path



Step 1. Calculate Total Fee Reduction (Option A+B)

The property owner has an approved application for Stormwater management practices (Option A) that manage 30% of the site's impervious area and participation in Alternate-Compliance options (B1 and B2).

% Credit = % Reduction SW Practices + % Reduction Option B1 + % Reduction Option B2 = (30+25 +25) = 80%

Step 2: Calculate Fee with Credit (Proposed Impervious Area Structure)

The property pays $354.50 per quarter based on a calculated fee for 10 ERUs (21,000 sq. ft. of impervious cover). Based on the percentage fee reduction, the quarterly fee for the property owner is:

Fee with Credit = FY26 QTR Rate X (1 -% Reduce) = ($345.30 x (1-80%)) = $69.06 QTR

Residential Stormwater Utility Fee Structure

EVALUATE:

3. Change SW fee structure for residential ratepayers from a Flat fee (single-family or multi-family) to an **Equivalent Residential Unit (ERU) basis** using measured impervious area or a **Tiered basis** with the goals of:

- more accurately reflecting existing impervious conditions and SWM practices
- more equitable billing approach
- raise awareness and incentivize SW management by large property owners

An **Equivalent Residential Unit** (ERU) = a typical SW fee Billing Unit reflecting the median impervious area of a single-family detached property. The City of Annapolis ERU is **2,100 sq.ft.**

Residential Stormwater Utility Fee Structure

Quarterly Stormwater Fees

Flat Fee:	**ERU**	**Rate**
Residential Single Family	1.0	$34.53
Multi-Family (per unit)	0.5	$17.26

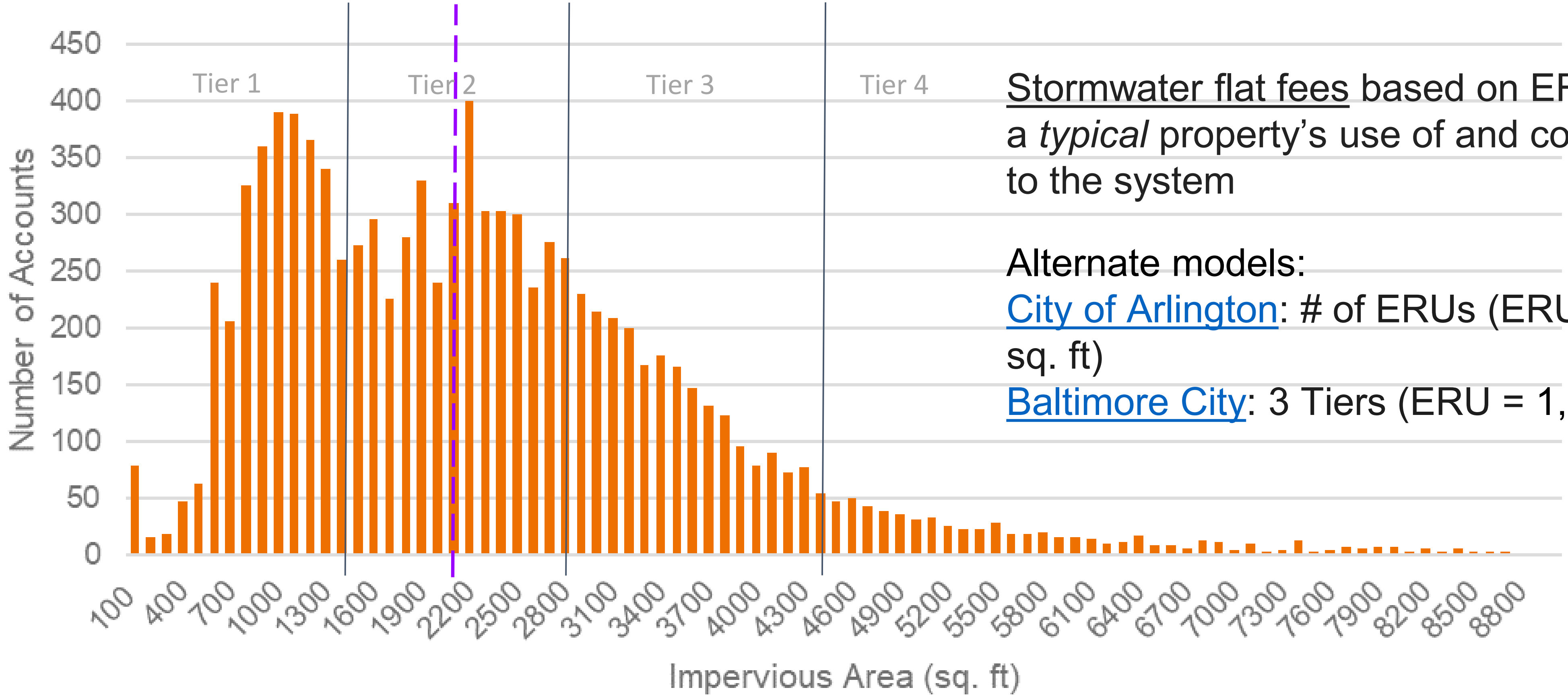
Opt. A. ERU-Basis (Measured Impervious Area)	1.0 = 2,100 sq. ft.	$34.53 per ERU

Opt. B. Tiered:		
Tier 1: 0 - 1,400 sq. ft.	2/3	$23.02
Tier 2: 1,401 - 2,800 sq. ft.	1	$34.53
Tier 3: 2,801 - 4,400 sq. ft.	1-2/3	$57.55
Tier 4: Over 4,400 sq. ft.	3	$103.59

An **Equivalent Residential Unit** (ERU) = a typical SW fee Billing Unit reflecting the median impervious area of a single-family detached property. The City of Annapolis ERU is **2,100 sq.ft.**

Stormwater Utility Fee Based on Equivalent Residential Unit (ERU)

Single Family Residential Impervious Area Distribution



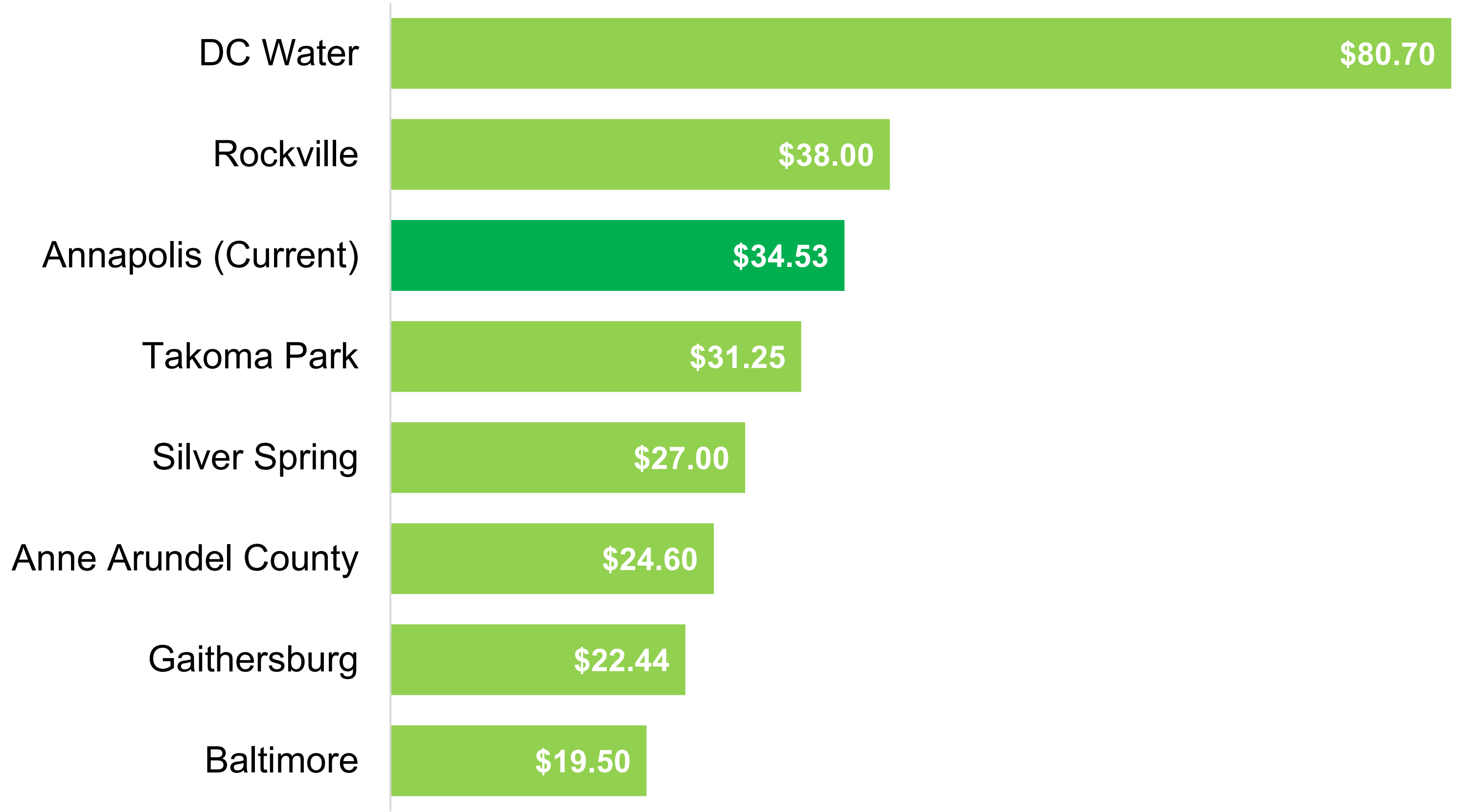
Stormwater flat fees based on ERU's reflect a *typical* property's use of and contribution to the system

Alternate models:
City of Arlington: # of ERUs (ERU = 2,400 sq. ft)
Baltimore City: 3 Tiers (ERU = 1,050 sq.ft.)

An **Equivalent Residential Unit** (ERU) = a typical SW fee Billing Unit reflecting the median impervious area of a single-family detached property. The City of Annapolis ERU is **2,100 sq.ft.**

Residential Stormwater Fee Comparison

FY26 Quarterly Stormwater Bill Comparison - Single Family Residential



Example Residential Property - Small (Revised Structure)

- Current Flat Fee: $34.53
- ERU-Basis: $34.53 (No change)
  **ERU rounded to account for data resolution issues*
- Tiered: $23.02 (reduced by 1/3)

Tier 1: 0 - 1,400 sq. ft.	**$23.02**
Tier 2: 1,401 - 2,800 sq. ft.	$34.53
Tier 3: 2,801 - 4,400 sq. ft.	$57.55
Tier 4: Over 4,400 sq. ft	$103.59

Impervious Area

Roof:	950 sq. ft.
Parking Lot:	60 sq. ft.
Total:	**1,010 sq. ft. = 1.0 ERU*, OR Tier 1**

Opt A. Fee = # of ERUs Impervious Area X FY26 QTR Base Rate = (1 x $34.53) = $34.53 QTR

Opt B. Fee = FY 26 Impervious Area Residential Tier 1 Rate = (2/3 x $34.53) = $23.02 QTR

Example Residential Property - Large (Revised Structure)

- Current Flat Fee: $34.53 ($138.12 annual)

- ERU-Basis: fee doubled (+$138.12 / annual)

  **ERU rounded to account for data resolution issues*

- Tiered: fee tripled (+$276.24 / annual)

Tier 1: 0 - 1,400 sq. ft.	$23.02
Tier 2: 1,401 - 2,800 sq. ft.	$34.53
Tier 3: 2,801 - 4,400 sq. ft.	$57.55
Tier 4: Over 4,400 sq. ft	**$103.59**

Impervious Area

Roof:	5,000 sq. ft.
Parking Lot:	300 sq. ft.
Total:	**5,300 sq. ft. = 2.0 ERUs*, OR Tier 4**

Opt A. Fee = # of ERUs Impervious Area X FY26 QTR Base Rate = (2 x $34.53) = $69.06 QTR

Opt B. Fee = FY 26 Impervious Area Residential Tier 4 Rate = $103.59 QTR

Residential Fee Structure Revision

ADMINISTRATION

- Code Updates
  - 17.10.180 - Watershed restoration fund
  - 21.30 - Appeals
- Website
  - Intro, Manual, FAQs, Forms
  - Links to Utilities, City SW, and Watershed Restoration grant pages
- Outreach
  - Mailer / Flyer to Current Ratepayers
  - Social Media
- Billing Process:
  - **Data Validation and Analysis** for Preliminary Rate Setting
  - **Ongoing Data Maintenance** and Transfer to Billing
- Appeals Process
  - SOP, Application, and Staff support
  - **Online Fee lookup** (ie. PG County) or **GIS Viewer** (ie. Arlington)

Residential Stormwater Utility Fee Structure

Potential Barriers/challenges:

- **Administrative requirement** for data validation, appeals, tracking, and maintenance (**estimate 1.5 FTE to** manage, **more at startup**). Supporting these additional costs could **offset the savings** some smaller properties would see (ie. est. **10% rate increase**).
- **Multi-unit properties** (ie. HOAs) could be especially sticky to assess and bill equitably.

Potential benefits:

- A measured structure for single family may result in a few dollar savings for smaller properties and a few dollars more for larger parcels. This results in a **limited equity impact** and may not incentivize individuals to manage their impervious area. **Installation costs** for typical SWM practices would not be covered by potential savings within a reasonable return period (ie. $10k / $275 annual = 36+ years)

Can we shift to a tiered system more easily?

- **Recording and tracking** the measured impervious area of each lot is required for both tiered and ERU-based structures, therefore the **administrative burden is equivalent**.
- Billing with a tiered system may potentially **reduce the number of appeals**?

Recommended Next Steps

1. **Maintain current fee structure for Residential** properties as residential impervious area is relatively homogeneous and limited equity/incentive Impacts are limited do not justify heavy administrative Lift.

Residential	**ERU**	**Rate**
Single Family	1.0	$34.53
Multi-Family (per unit)	0.5	$17.26

Recommended Next Steps

1. **Maintain current fee structure for Residential** properties as residential impervious area is relatively homogeneous and limited equity/incentive Impacts are limited do not justify heavy administrative Lift.

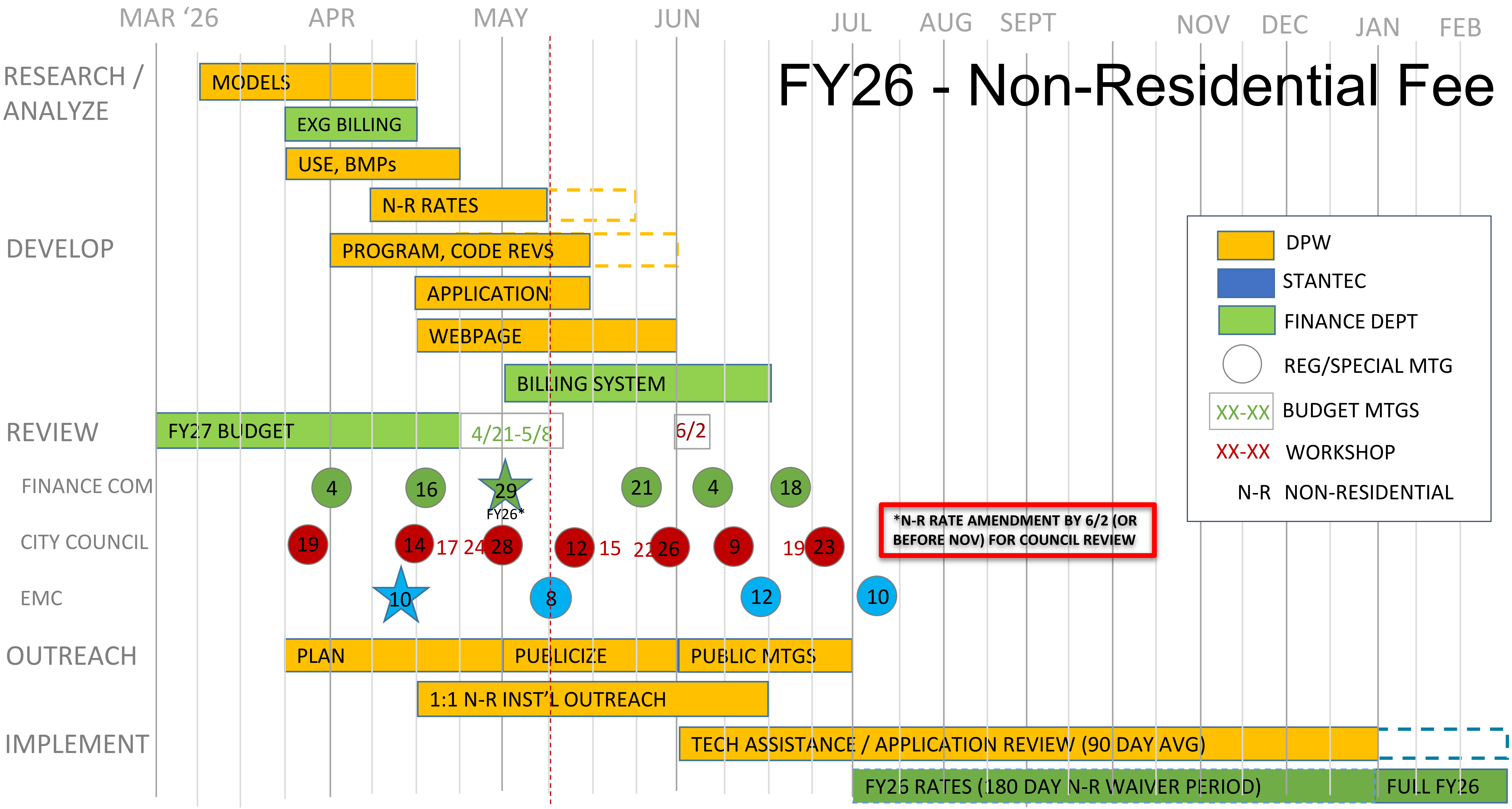
Residential	ERU	Rate
Single Family	1.0	$34.53
Multi-Family (per unit)	0.5	$17.26

2. **Draft amendment to revise Non-Residential fee structure from** a tiered to an **ERU basis** using measured impervious area.

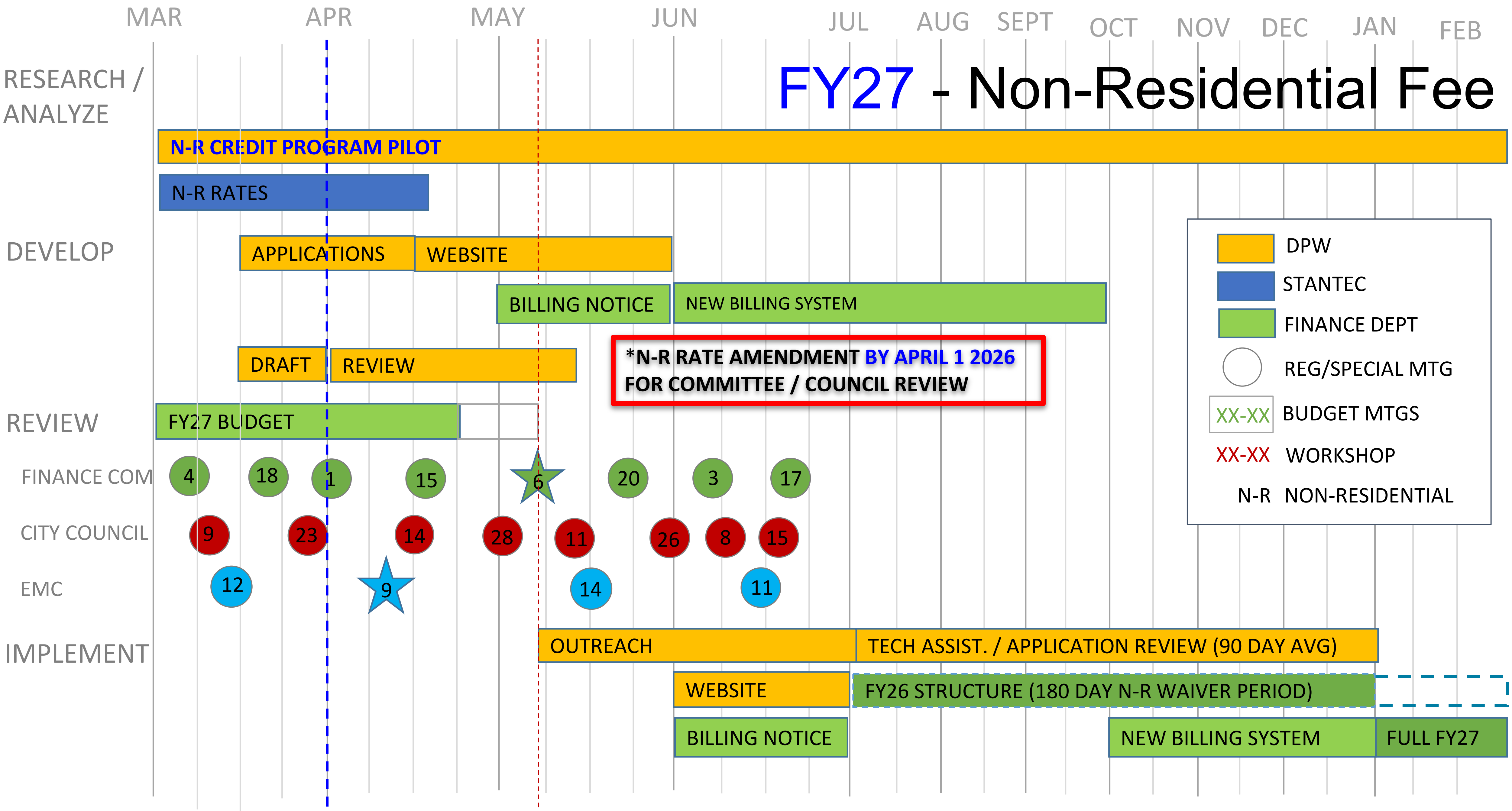
Non-Residential	ERU	Rate
ERU-basis (Measured Impervious Area)	1.0 = 2,100 sf	$34.53 per ERU

3. **Concurrently implement an updated Non-Residential fee reduction program** to include (A) Stormwater Practices, **(B) Non-Residential Alternative Compliance Path, and (C) Hardship Waiver.**

FY26 - Non-Residential Fee



FY27 - Non-Residential Fee



Recommended Next Steps

1. **Maintain current fee structure for Residential** properties as residential impervious area is relatively homogeneous and limited equity/incentive Impacts are limited do not justify heavy administrative Lift.

Residential	**ERU**	**Rate**
Single Family	1.0	$34.53
Multi-Family (per unit)	0.5	$17.26

2. **Draft amendment to revise Non-Residential fee structure from** a tiered to an **ERU basis** using measured impervious area.

Non-Residential	**ERU**	**Rate**
ERU-basis (Measured Impervious Area)	1.0 = 2,100 sf	$34.53 per ERU

3. **Concurrently implement an updated Non-Residential fee reduction program** to include (A) Stormwater Practices, **(B) Non-Residential Alternative Compliance Path, and (C) Hardship Waiver.**
4. **Develop Non-Residential Online Fee Lookup tool** to support revised fee structure and as a test pilot for potential future Residential fee structure revision.
5. **Continue to evaluate incentive options**, including enhancements to existing Residential SW Fee Reduction program.

Questions / Discussion