



Credit Manual for Stormwater Fees

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TABLE OF CONTENTS

1	INTRODUCTION.....	1
1.1	OVERVIEW	1
1.2	DEFINITIONS	2
2	CREDIT POLICIES & INSTRUCTIONS.....	4
2.1	GENERAL POLICIES	4
2.2	THE STORMWATER TREATMENT PRACTICE (STP) CREDIT	6
2.3	THE MS4 CREDIT	11
2.4	THE EDUCATION CREDIT	13
	APPLICATION FORMS AND INSTRUCTIONS.....	14

1 INTRODUCTION

1.1 Overview

In March 2005, the City Council of the City of South Burlington Vermont established the South Burlington Stormwater Utility. The basic purpose of the Utility is to administer the City's stormwater management program, including stormwater infrastructure maintenance and repair, permitting, and capital improvements. The Utility is a division of the City's Department of Public Works.

The Utility provides a stable and adequate source of revenue for the City's stormwater management program that allocates the costs of stormwater services across every stormwater "user" in the City through a stormwater utility fee (or user fee). Impervious surface area on individual properties is the basis for the fee charged to property owners in the City. The stormwater fee that a property owner pays is directly proportional to the impervious area found on the property.

The South Burlington Stormwater Utility offers credits against the stormwater fee for stormwater service customers who undertake specific, approved actions that reduce the impact of stormwater runoff on the public stormwater system, or provide an ongoing public benefit related to stormwater management. A credit is an ongoing reduction in the fee. This manual details the policies and procedures for Stormwater Utility credits.

Three different stormwater fee credits are offered by the Stormwater Utility to non-single family residential properties. Individual single-family residential properties are not eligible to receive credits. To qualify for any of the user fee credits, the Stormwater Utility customer must fill out a credit application form and submit it to the Stormwater Utility Superintendent. The application will be evaluated to determine the amount of credit that an individual parcel will be given. Eligibility for user fee credits is independent of the State stormwater permitting process. Property both with and without valid State stormwater permits are equally eligible for user fee credits. These credits are discussed in the following pages.

1.2 Definitions

Credit: A credit is an ongoing reduction in a property's normally calculated stormwater fee given for certain qualifying activities that reduce the impact of increased stormwater runoff resulting from development, or provide an ongoing public benefit related to stormwater management.

Customer: (also “stormwater customer”) The customer is the person responsible for payment of the stormwater fee for a property. Typically this is the property owner, but can also be a tenant or leaseholder.

Equivalent Residential Unit (ERU): An equivalent residential unit is the base billing unit that is established for the purpose of standardizing stormwater fees and allocating costs, based on impervious area, to different property types. One ERU is equal to the amount of impervious area (e.g., rooftops and paved areas) that can be found on a typical single-family residential property and was determined to be 2,700 square feet in South Burlington.

ERU Rate: The ERU rate is the stormwater fee applied to each base billing unit, or 2,700 square feet of impervious area.

Impervious Surface: Those manmade surfaces, including, but not limited to, paved and unpaved roads, parking areas, roofs, driveways, and walkways, from which precipitation runs off rather than infiltrates. For the purpose of this Credit Manual, impervious surface shall also include, but is not limited to, compacted gravel or soil surfaces, storage areas, awnings (and other fabric or plastic coverings).

Non-single-family residential property: Non-single family residential properties are individual developed properties that have impervious surfaces and are not used as a single-family residential property (as defined herein). This can include, but is not limited to, multiple dwelling unit residential properties (e.g., apartments, condominiums, townhomes) that have greater than three units per building, commercial and office buildings, public buildings and structures, industrial and manufacturing buildings, storage buildings and storage areas covered with impervious surfaces, parking lots, parks, recreation properties, public and private schools and universities, research stations, hospitals and convalescent centers, airports, agricultural uses covered by impervious surfaces, and water and wastewater treatment plants. For non-residential properties, the impervious area on the property is measured and converted into a whole number of ERUs. The number of ERUs is used to determine the stormwater fee for that particular property.

Stormwater Treatment Practice (STP): A stormwater treatment practice is a specific device or technique designed to provide stormwater quality treatment and/or quantity control.

Single-family residential property: Single-family residential properties are developed land containing one structure which is not attached to another dwelling and which is designed for occupancy in one, two, or three residences. These may include houses, duplexes, and triplexes, manufactured homes, and mobile homes located on one or more individual lots or parcels of land. For purposes of the stormwater utility, properties that are designed as a single-family residence but are used for commercial purposes are considered single-family residential so long as the property does not have additional impervious areas, such as parking spaces, impervious surfaced playgrounds, structures or additions to the building that are associated with the commercial use of the property. Each single-family residential property is assigned a flat rate bill of one ERU.

Stormwater: Stormwater is rainfall runoff, snowmelt runoff, surface runoff and general drainage related to a precipitation event.

2 CREDIT POLICIES & INSTRUCTIONS

2.1 General Policies

- Credit is given to eligible properties only, as described in the credit policies presented in this manual and/or in the credit application(s).
- Multiple credits can be given to eligible properties. The total credit given to any property cannot exceed 50% of the stormwater fee for that property.
- It is the responsibility of the stormwater customer to apply for stormwater credits, and to provide the necessary substantiating information with the credit application, as described herein.
- Credit applications are available from the Department of Public Works. Questions relating to credits and credit applications should be directed to the Stormwater Superintendent. Utility staff are not responsible for initiating, performing engineering calculations, or otherwise assisting with the preparation of credit applications.
- Credit applications will only be reviewed if they are filled-out completely. The review will be performed within four (4) weeks after the application is submitted.
- If a credit application is approved at least two weeks before an applicant's next regularly scheduled bill, the credit will be applied to that upcoming bill. The credit will be applied to all three months assessed on the next regularly scheduled utility bill. If the credit application is not approved, the credit applicant will be notified by U.S. mail.
- Prior to September 31, 2006, any approved credit application received within one (1) year from when the applicant received their initial stormwater user fee bill will apply retroactively to:
 1. the effective date of the establishment of the Stormwater Utility; or,
 2. the date of initiation of billing for new construction, the date of construction of creditable structures, or initiation of a creditable non-structural program whichever is later.
- Any approved credit applications received after September 31, 2006 OR prior to September 31, 2006 but after one (1) year from when the applicant received their initial stormwater user fee bill will not apply retroactively and the Stormwater Utility will not refund any portion of the stormwater fees paid prior to the approval of the applicant's credit application.

- The credit will remain effective as long as the property is eligible to receive the credit, as per the credit policies defined herein.

2.2 The Stormwater Treatment Practice (STP) Credit

The City of South Burlington Stormwater Utility offers a credit to non-single family residential properties that design, construct and maintain Stormwater Treatment Practices (STPs) as defined in the *Vermont Stormwater Management Manual*. This credit is offered under the premise that properties that properly utilize STPs can reduce impacts on downstream water quality, channel erosion, and flooding. However, when constructed improperly or when left un-maintained, these facilities can become ineffective in such impact reduction, and can even aggravate problems caused by stormwater drainage.

Conditions and policies relating to the applicability of the STP credit are listed below:

1. A **STP credit** will be available to non-single family residential properties (NSFR) properties that design, construct and maintain Stormwater Treatment Practices that meet the treatment standards, sizing criteria, and/or non-structural criteria and restrictions that are set forth in the *Vermont Stormwater Management Manual*, as amended, or Article 12 of the City of South Burlington's *Land Development Regulations*, as amended. In the event that the above provisions conflict, the more conservative shall apply.
2. The STP credit is a graduated credit that is based on the treatment standards that are implemented on a NSFR property. A property can implement one or more of the treatment standards, adding credit percentages up to 50% of the total stormwater fee for that property. The total credit given to any property cannot exceed 50% of the stormwater fee for that property.
3. **Credits for Control of Stormwater from Off-Site Properties:** Property owners that construct and maintain STPs that control stormwater from other private properties (i.e., "off-site" from the property on which the STP is located) are eligible to receive STP credits for the control of stormwater from the off-site private properties, up to a maximum of 50% of the total stormwater fees for those properties. The credits for off-site properties will ONLY be applied to the stormwater fee assessed for the property on which the STP is located. The maximum credit that a property owner can receive for the control of stormwater from off-site properties shall never exceed 100% of the stormwater fee assessed for the property on which the STP is located. That is, the stormwater utility will never under any circumstance provide a fee refund for unused STP credits for off-site properties. Additional credit will not be given for the control of stormwater runoff from off-site properties that are publicly owned.

4. Table 1 presents the available credit allocation for each treatment standard.

Table 1. STP Credit Percentages

Treatment Standard or Criteria	Credit Amount
Water Quality (WQ_v)	15%
Groundwater Recharge (Re_v)	15%
Channel Protection (CP_v)	15%
Overbank Flood (Q_{p10}) or Extreme Storm (Q_{p100})	10%
Non-structural practices	10%

5. STP credits will only be applied to that portion of property or properties served by a stormwater treatment practice.
6. STP Waivers: Properties that qualify for waivers of the Groundwater Recharge, the Overbank Flood, or the Extreme Flood treatment standards are not eligible for the STP credit for the treatment standard that has been waived.
7. Overbank Flood (Q_{p10}) and Extreme Storm (Q_{p100}): A property cannot get an additional credit for providing both Overbank Flood and Extreme Storm STPs. Properties that implement controls for both the Q_{p10} and Q_{p100} treatment standards will receive a maximum 10% credit for flood control STPs.
8. Non-Structural Practices: The *Vermont Stormwater Management Manual (VSMM)* includes strong incentives to reduce impervious cover at a site through the specification of six non-structural practices. As stated in the manual, “*the key benefit of non-structural practices is that they can reduce the generation of stormwater from the site, and can provide partial removal of many pollutants and contribute to groundwater recharge*”. The VSMM provides “stormwater credits” for the use of non-structural practices so that when they are employed on a site the required treatment volumes for water quality (WQ_v) and recharge (Re_v) are reduced. Similarly, the South Burlington Stormwater Utility recognizes the benefit that the City’s stormwater management system may receive from non-structural practices and will provide a credit against the stormwater fee for their use on a property. In general, all policies regarding the STP credit apply to the non-structural practices. Additional specific policies are listed below:

- a. Non-single family residential properties that implement one (or more) of the following non-structural STPs are eligible for a maximum 10% credit.
 - Natural Area Conservation;
 - Disconnection of Rooftop Runoff;
 - Disconnection of Non-Rooftop Runoff;
 - Stream Buffers;
 - Grass Channels; and,
 - Environmentally Sensitive Rural Development.
 - b. Credits for non-structural practices will only be applied to that portion of property or properties served by the non-structural practice.
 - c. The credit for the Environmentally Sensitive Rural Development (ESRD) non-structural practice will be applied to any common area(s) located within the ESRD that is charged a stormwater utility fee. Credits will not be applied to single-family residential fees that are assessed to homeowners/renters that reside within the ESRD.
9. Sufficient information must be supplied to the City Stormwater Superintendent to verify that STPs and non-structural practices, as designed and constructed, meet the treatment standards and criteria and/or restrictions as specified within the *Vermont Stormwater Management Manual*, as amended.
10. STPs and non-structural practices must be operated and maintained in proper condition at all times to control stormwater runoff to the treatment standards and criteria and/or restrictions, as specified within the *Vermont Stormwater Management Manual*, as amended. If the applicant does not operate and maintain the STPs and/or the non-structural practices as required, the credit will be discontinued. Thirty (30) days notice of a non-complying condition and intent to revoke a stormwater service charge credit shall be provided to the stormwater customer receiving a credit before the credit is revoked thereby allowing the customer the opportunity to attain compliance. The Stormwater Superintendent or the City Manager may extend this notice period if deemed appropriate.
11. A group of single family residential properties that are represented by an incorporated homeowner's association may receive a credit for eligible STPs that are operated and maintained by the homeowner's association. Credits issued to incorporated homeowner's associations for adequate STPs will be applied only to that portion of property or properties served by the STP. The credit can be applied to any common area within the neighborhood that receives a stormwater utility bill, or such credit can be proportionately allocated among all properties represented by the incorporated homeowner's association.

12. STPs owned by incorporated homeowner's association that are operated and maintained by the South Burlington Stormwater Utility are not eligible for credits.
13. The South Burlington Stormwater Services Division will not maintain, repair, permit or do any work on any private stormwater system infrastructure except for residential stormwater systems that have been formally acquired by the City.
14. In the event that a STP for a given property is not located on the property, the applicant must provide a copy of a record agreement between the applicant and the owner of the off-site STP stating that the applicant is responsible for maintaining all or a portion of the facility. In addition, the owner of the off-site parcel must provide a letter to the Department of Public Works indicating that they are in agreement with the information contained in the application for credit.

CREDIT APPLICATION AND APPROVAL PROCESS:

15. Credit applications must include hydrologic calculations and associated verbiage demonstrating the stormwater treatment practice meets the technical criteria, design requirements and/or applicable restrictions set forth as specified within the *Vermont Stormwater Management Manual*, as amended.
16. Credit applications for non-structural practices must include site plans or other engineering documents that demonstrate that the non-structural practice(s) complies with the "Minimum Criteria for Credit" set forth in the *Vermont Stormwater Management Manual*, as amended.
17. All engineering calculations and drawings shall be prepared, sealed and stamped by a professional engineer registered in the State of Vermont.
18. Credit applications for new construction may be submitted to the City Stormwater Superintendent at any time during the construction process. However, the credit will not be approved based on site plans alone. The credit application requires that the STP must be constructed and working in proper operating condition. Credit applications for new developments can occur as part of the normal development plan review procedures. The completed credit application should accompany the final plat for the site.
19. A Right-of-Entry or easement, as applicable, must be granted to the City in order for the City to review and approve the credit application, and to perform occasional inspections. Right-of-entry is granted via the applicant's or property owner's signature on the credit application.

20. If all requirements and conditions of this section are met, the credit will be granted upon successful completion of the credit application process and favorable on-site City inspection.

2.3 The MS4 Credit

The City of South Burlington Stormwater Utility offers a credit to municipal separate storm sewer systems (MS4s) that are required by the State of Vermont to comply with General Permit 3-9014, as amended (also called the MS4 Permit). The MS4 Permit requires permittees to develop, implement, and enforce a stormwater management program that is designed to reduce the discharge of pollutants from the MS4 and satisfy applicable water quality requirements of the Federal Clean Water Act. In March 2003, each MS4 was required to present the Vermont Department of Environmental Conservation (VT DEC) with a list of best management practices (BMPs) that would be performed to comply with permit requirements. The MS4 credit is offered in recognition of the permit compliance activities performed by the MS4 that may reduce impacts on non-point source stormwater runoff and/or provide an on-going public benefit related to stormwater management. In addition, NSFR properties that due to federal requirements perform best management practices (BMPs) specifically intended to reduce impacts on non-point source stormwater runoff and/or provide an on-going public benefit related to stormwater management, herein called “non-MS4 supporting entities”, are also eligible to receive this credit. Policies for the credit are listed below:

1. The **MS4 credit** will be available to non-single family residential (NSFR) properties that are identified by the State of Vermont as an MS4 required to comply with General Permit 3-9014, as amended, and are in compliance with their MS4 permit requirements. In addition, NSFR properties (non-MS4 supporting entities) that due to federal requirements perform BMPs specifically intended to reduce impacts on non-point source stormwater runoff and/or provide an on-going public benefit related to stormwater management are also eligible to receive this credit.
2. Properties owned by the City of South Burlington and/or operated/maintained by the South Burlington Stormwater Utility are not eligible for the MS4 credit so long as the best management practices that are performed by the City or the Stormwater Utility to comply with General Permit 3-9014 are funded using revenue generated by the Utility.
3. Eligible MS4 and non-MS4 supporting entities can receive a 10% reduction in the total stormwater fee assessed to their property. If the MS4 or non-MS4 supporting entity owns multiple properties located within the South Burlington Stormwater Utility service area and therefore receives multiple bills, the 10% credit will be applied to every fee assessed to the MS4 or non-MS4 supporting entity. The total credit given to any property cannot exceed 50% of the stormwater fee for that property.
4. MS4 Credits are assessed during the year after applicable permit or regulation compliance has been achieved. For example, proof of compliance in Year 1 (e.g., the MS4 Permit Annual Report for Year 1) must be submitted and approved by the

Stormwater Superintendent in order for the MS4 or non-MS4 supporting entity to receive a 10% credit in Year 2.

5. MS4 and non-MS4 supporting entities that are interested in obtaining the MS4 credit must submit a completed application form to the Stormwater Superintendent in the Department of Public Works.
6. MS4 credit applicants must provide the documents listed below at the time that the credit application is submitted, and annually thereafter:
 - a. The MS4's most recent Notice of Intent (NOI) for coverage under General Permit 3-9014. The NOI must be valid for the current permit period at the time the credit application is submitted.
 - b. A copy of the MS4's most recent Annual Report.
 - c. Non-MS4 supporting entities are required to provide a copy of the applicable federal regulation or permit that requires the entity to perform the BMP(s).
 - d. In addition to the above, non-MS4 supporting entities must provide a detailed description of the BMPs that were performed by the eligible entity, including the date(s) of BMP activities, person(s) involved, and BMP cost(s).

2.4 The Education Credit

The education credit is available to public and private schools that educate and inform their students about the importance of local surface and groundwater resources and how they can be protected. The rationale behind this credit is that the information provided by the school will translate into appreciation and stewardship of local water resources and thereby reduce negative impacts (such as pollutant impacts) on local streams, ponds and lakes that can result from uninformed citizens.

Policies specific to the Water Education Credit are as follows:

1. The Water Education Credit is available to elementary, middle and high schools (both public and private) located in the City of South Burlington.
2. To be eligible for the credit, the school must teach coursework based on the *Urban Stream Awareness in the Lake Champlain Basin* curriculum guide (targeted for high school students), or an equivalent, age-appropriate, water resources-based curriculum approved by the Stormwater Superintendent.
3. The Stormwater Superintendent will base their approval on the sufficiency of the educational program to meet requirements stated in the NPDES Phase II MS4 permit (Permit 3-9014), section 4.2.1.1, as follows:

“develop elementary, middle school, or high school education curricula regarding local stormwater concerns based on new or existing material; conduct teacher training... and in each subsequent year maintain program information and hold at least one refresher teacher training course.”

4. Approval of the credit application will result in a 10% credit to the assessed stormwater fee. The credit will be applied only to the school property(s) where the curriculum is taught. The total credit given to any property cannot exceed 50% of the stormwater fee for that property.
5. Schools that are interested in obtaining the Education Credit must submit a completed application form to the Stormwater Superintendent in the Department of Public Works. The form will require a description of the educational program, list of educational tools used, estimated number of students that will/have receive the education, the length of the educational program and the schedule for providing refresher teacher training courses.

APPLICATION FORMS AND INSTRUCTIONS