

# Credit Manual for Stormwater Fees



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**Table of Contents**

1. Introduction..... 3

2. Definitions ..... 3

3. Credit Policies and Instructions ..... 4

4. Credit Application and Approval Process ..... 9

5. NPDES Permit Credit..... 9

6. The Education Credit ..... 11

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The Council of the City of South Burlington hereby ordains:

## 1. Introduction

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 surface 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 completely fill out a credit application form and submit it to the Stormwater 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.

## 2. Definitions

The following words, terms and phrases, when used in this Manual, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

**Credit** 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 or Stormwater Customer** 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)** The base billing unit that is established for the purpose of standardizing stormwater fees and allocating costs, based on impervious surface, to different property types. One ERU is equal to the amount of impervious surface 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 stormwater fee applied to each equivalent residential unit, or 2,700 square feet of impervious surface.

**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 (NSFR)** 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 surface 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 specific device or technique, including a non-structural practice, designed to provide stormwater quality treatment and/or quantity control as defined in the *Vermont Stormwater Management Manual*.

**Single-family residential property (SFR)** Developed land containing one dwelling structure which is not attached to another dwelling structure and 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 surfaces, 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** Rainfall runoff, snowmelt runoff, surface runoff and general drainage related to a precipitation event.

### 3. Credit Policies and Instructions

#### (A) General Policies

- (1) Credit is given to eligible properties only, as described in the credit policies presented in this manual.
- (2) 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.
- (3) 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.
- (4) Credit applications are available from the Department of Public Works. Questions relating to credits and credit applications should be directed to the Stormwater Superintendent.

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Utility staff are not responsible for initiating, performing engineering calculations, or otherwise assisting with the preparation of credit applications.

(5) Credit applications will only be reviewed if they are filled-out completely. The review will be performed within four (4) weeks after the complete application is submitted.

(6) 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.

(7) Credits will not be applied 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.

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

(B) 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 not 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) An STP credit will be available to 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 Land Development Regulations, as amended. In the event that the ~~above~~ applicable provisions of the Vermont Stormwater Management Manual and Article 12 of the City of South Burlington Land Development Regulations conflict, the more restrictive 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.

(C) Credits for Control of Stormwater from Off-Site Properties. NSFR property owners that construct and maintain STPs that control stormwater from other NSFR and SFR 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 NSFR and SFR 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 NSFR 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. 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.

- (1) A NSFR property can apply for credit for treating the stormwater from off-site SFR property(s) or off-site NSFR property(s). However, per section 3(B), SFR properties are not eligible for STP credit.
- (2) STP credit for off-site property will be immediately discontinued if stormwater from off-site property is no longer treated by the STP that had previously been granted credit for treating this stormwater. Off-site properties are under no obligation to continue discharging stormwater in the same manner that they were at the time credit was awarded. If stormwater is later treated by the STP after a credit has been discontinued, a new credit application must be submitted for review and approval.
- (3) If off-site conditions change and additional stormwater is treated by a credited STP, the property owner must provide a new credit application to receive credit for treatment of this additional stormwater. Additional credits must be requested and applied for and will not automatically be applied to the original STP credit.
- (4) Multiple STP credits will not be awarded for the control and treatment of stormwater for the same impervious surface.
- i. Credit for treating off-site stormwater will not be awarded if that stormwater is already part of an approved STP credit application.
  - ii. If STP credit is granted for treatment of stormwater from off-site property and the off-site property is later granted STP credit for providing treatment of this stormwater, the credit will be removed from the total that was awarded to the downstream property owner.
  - iii. Credit for treating stormwater from off-site property is awarded on a “first come, first served” basis. If two property owners have STPs that provide treatment for the same stormwater from off-site property, the property that first applies for and receives credit is awarded the credit. There will be no splitting or sharing of credit for off-site properties. The property owner is always given priority for awarding STP credit for treatment on their own property.

(D) Table 1 presents the available credit allocation for each treatment standard.

**Table 1. STP Credit Percentages**

<b>Treatment Standard or Criteria</b>	<b>Credit Amount</b>
Water Quality (WQ <sub>v</sub> )	15%
Groundwater Recharge (Re <sub>v</sub> )	15%
Channel Protection (CP <sub>v</sub> )	15%
Overbank Flood (Q <sub>p10</sub> ) or Extreme Storm (Q <sub>p100</sub> )	10%
Non-structural practices	10%

(E) STP credits will only be applied to that portion of property or properties served by a stormwater treatment practice.

(F) STP Waivers. Properties that qualify for waivers of the Groundwater Recharge, the Channel Protection, the Overbank Flood, or the Extreme Flood treatment standards are not eligible for the STP credit for the treatment standard that has been waived.

(G) Overbank Flood (Qp10) and Extreme Storm (Qp100). A property cannot get an additional credit for providing both Overbank Flood and Extreme Storm STPs. Properties that implement controls for both the Qp10 and Qp100 treatment standards will receive a maximum 10% credit for flood control STPs.

(H) 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 (WQV) and recharge (ReV) 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:

(1) Non-single family residential properties that implement one (or more) of the following non-structural STPs are eligible for a maximum 10% credit. Non-structural STPs are not eligible for additional STP credits:

- i. Natural Area Conservation;
- ii. Disconnection of Rooftop Runoff;
- iii. Disconnection of Non-Rooftop Runoff;
- iv. Stream Buffers;
- v. Grass Channels; and,
- vi. Environmentally Sensitive Rural Development.

(2) Credits for non-structural practices will only be applied to that portion of property or properties served by the non-structural practice.

(3) 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.

(I) 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.

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- (J) An STP submitted for credit must treat the stormwater to the full extent of the treatment standard as specified in the *Vermont Stormwater Management Manual*, as amended.
- (K) In order for an STP to receive credit it does not have to treat all the stormwater on a property. Credit can be prorated for STPs that treat a portion of the impervious area stormwater on a property as long as the STP meets the requirements of the *Vermont Stormwater Management Manual*. For example, if a property contains 4 acres of impervious surface and installs an STP that treats stormwater from 2 acres of impervious surface to the full extent of the Water Quality Volume standard as specified in the *Vermont Stormwater Management Manual*, then that site is eligible for 50% of the WQv credit. The site would receive a 7.5% reduction (i.e. the WQv credit is worth a 15% credit,  $50\% \times 15\% = 7.5\%$ ) to its stormwater fee.
- (L) STPs utilized at State permitted redevelopment sites that are designed to treat 20% of the Water Quality volume (WQv) are only eligible to receive 20% of the WQv credit amount ( $20\% \times 15\% = 3\%$ ).
- (M) A STP is only eligible to receive credit for the treatment standards for which it meets in the *Vermont Stormwater Management Manual*. If a pond is designed to meet all CPv criteria, but does not meet all WQv criteria, only the CPv credit will be applied to the stormwater treated.
- (N) 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. STPs that receive permit coverage through the City's MS4 permit are eligible to receive credit as long as the applicant operates and maintains the STPs. Inspection and reporting conducted by City staff does not preclude these STPs from receiving credit.
- (O) 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 STPs will be applied only to that portion of property or properties served by the STP.
- (P) An STP owned by an incorporated homeowner's association, but operated and maintained by the South Burlington Stormwater Services Division is not eligible for credit.
- (Q) 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.
- (R) In the event that an STP for a given property is not located on the property, the applicant must provide a copy of an agreement between the applicant and the owner of the off-site STP establishing that the applicant has authority to and 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 South Burlington Stormwater Services Division indicating that they are in agreement with the information contained in the application for credit.

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#### **4. Credit Application and Approval Process**

- (A) Credit applications must include hydrologic calculations and an associated narrative 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.
- (B) 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.
- (C) All engineering calculations and drawings shall be prepared, sealed and stamped by a professional engineer registered in the State of Vermont.
- (D) 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.
- (E) 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.
- (F) 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.

#### **5. NPDES Permit Credit**

(A) The City of South Burlington Stormwater Utility offers a credit to NSFR properties that, due to under federal requirements law, perform best management practices (BMPs) specifically intended to reduce the impacts of non-point source stormwater runoff and/or provide an on-going public benefit related to stormwater management. In order to be eligible for this credit, a NSFR property owner must have a valid National Pollution Discharge Elimination System (NPDES) permit. There are different types of NPDES permits that may be eligible for credit. More information on specific permits is provided below.

- (1) Municipal Separate Storm Sewer Systems (MS4) Permits. Credit will be available to NSFR properties 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. At the time of MS4 permit issuance or renewal regulated entities are required to present the Vermont Department of Environmental Conservation (VT DEC) with a list of best management practices (BMPs) that will be performed to comply with permit requirements. The MS4 credit is offered in recognition of the permit compliance activities performed by the MS4 permittee that may reduce impacts on non-point source stormwater runoff and/or provide an on-going public benefit related to stormwater management.

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(2) MS4 credit applicants must provide the following documents at the time that the credit application is submitted, and annually thereafter:

- i. The MS4 permittee's most recent Notice of Intent (NOI) for coverage under Vermont General Permit 3-9014. The NOI must be valid for the current permit period at the time the credit application is submitted.
- ii. A copy of the MS4's most recent Annual Report.

(B) Multi-Sector General Permit (MSGP) - Credit will be available to property owners who must comply with State of Vermont General Permit 3-9003 (also called the MSGP). The MSGP requires industrial facilities to identify potential sources of stormwater pollution, implement measures to reduce the risk of stormwater contamination, and test stormwater discharges for sources of pollution. Compliance can be achieved by obtaining a No Exposure Conditional Exclusion or creating and implementing a Stormwater Pollution Prevention Plan (SWPPP).

(1) MSGP credit applicants must provide the documents listed below at the time that the credit application is submitted, and annually thereafter:

- i. The facility's most recent Notice of Intent (NOI) or Notice of No Exposure Certification (NOX) for coverage under Vermont General Permit 3-9003. The NOI must be valid for the current permit period at the time the credit application is submitted.
- ii. A copy of the MSGP facility's most recent Annual Report including the results of any monitoring conducted in that year or a copy of the No Exposure certification letter they received from Vermont DEC.
- iii. All facilities will be required to pass an inspection conducted by the Stormwater Superintendent. The purpose of the inspection is to ensure compliance with the terms of Vermont General Permit 3-9003 and ensure that all appropriate steps are being taken to prevent stormwater pollution.

(C) Other NPDES Permits. NSFR properties that due to federal requirements have a valid NPDES permit and 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 may also be eligible to receive this credit. A final determination regarding whether or not the terms of a particular NPDES permit makes a NSFR property eligible for NPDES permit credit will be made by the Stormwater Superintendent.

(1) NPDES credit applicants must provide the documents listed below at the time that the credit application is submitted, and annually thereafter:

- i. A copy of the applicable federal regulation or permit that requires the entity to perform stormwater related BMPs.
- ii. A detailed description of the BMPs that are performed by the eligible entity, including the date(s) of BMP activities, person(s) involved, and BMP cost(s).
- iii. A copy of the most recent Notice of Intent (NOI) for coverage under NPDES permit. The NOI must be valid for the current permit period at the time the credit application is submitted.
- iv. A copy of the most recent Annual Report for the NPDES permit.

- v. Additional materials required as part of the application will be determined by the Stormwater Superintendent.
- vi. Facilities may be required to pass an inspection conducted by the Stormwater Superintendent to ensure compliance with the terms of the NPDES permit and ensure all appropriate steps are being taken to prevent stormwater pollution.

(D) Conditions and Policies Related to the NPDES Permit Credit are provided below:

- (1) In addition to the submission components specified above, applicants must complete the Stormwater Utility's NPDES Permit Credit Application form when first applying for NPDES permit credit.
- (2) Those applying for credit must be in compliance with their NPDES permit requirements.
- (3) Properties owned by the City of South Burlington and/or operated/maintained by the South Burlington Stormwater Utility are not eligible for the NPDES credit if the best management practices that are performed by the City or the Stormwater Utility to comply with the NPDES Permit are funded using revenue generated by the Utility.
- (4) Property owners or organizations can receive a 10% reduction in the total stormwater fee assessed to their property under the NPDES permit credit. If the 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 all properties that are subject to the NPDES permit qualifying them for this credit. The total NPDES permit credit for any given property cannot exceed 10% even if it is subject to multiple NPDES permits. The total credit given to any property cannot exceed 50% of the stormwater fee for that property.
- (5) NPDES credits are assessed during the year after applicable permit or regulation compliance has been achieved. Many NPDES permits are issued on a multi-year (typically 5 year) cycle. Therefore, 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 entity to receive a 10% credit in Year 2.
- (6) Failure to provide copies of Annual Reports and current NOIs will result in loss of credit. If reports are not received each year the applicant will be notified in writing. The applicant will be given fifteen (15) day deadline in which to submit information. The credit will be revoked if information is not received before the deadline. If a credit is revoked, the property owner will have to re-apply to receive credit.

## 6. The Education Credit

(A) 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 water resources and thereby reduce negative impacts (such as pollutant impacts) on local streams, ponds and lakes that can result from uninformed citizens.

(B) 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.

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- (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) For a curriculum to be eligible for credit it must be self-sustaining and not require the continued involvement of the Stormwater Superintendent.
- (4) 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.”
- (5) 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.
- (6) 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.

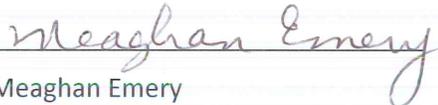
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Adopted at South Burlington, Vermont this 5 day of OCTOBER, 2015, and to be effective upon adoption.

SOUTH BURLINGTON CITY COUNCIL



Pat Nowak, Chair



Meaghan Emery



Chris Shaw, Vice Chair



Thomas Chittenden

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Helen Riehle, Clerk

Received and recorded this 6 day of Oct., 2015.



Donna Kinville, City Clerk