

CITY OF MIDDLETOWN

STORM WATER UTILITY

ADJUSTMENT AND CREDIT POLICY

JANUARY 2006

SECTION 1 - INTRODUCTION

The City of Middletown established a Storm Water Utility on September 6th, 2005, with the passage of Ordinance No. 2005-73. The utility provides the City with the authorization to establish and collect just and equitable rates, fees, and charges for the services and facilities provided by the utility system. The City is further authorized by the Ohio Constitution (Sections 4 and 6 of Article XVIII) to construct, reconstruct, improve, and extend the storm water systems.

The City's Storm Water Utility establishes a mechanism for billing the costs of operating and maintaining the City's storm water management system, and financing the necessary repairs, replacements, improvements, and extensions as well as funding mandates set forth in the National Pollutant Discharge Elimination System (NPDES) program as required by the Environmental Protection Agency (EPA). The City's ordinance provides the mechanisms for billing and payment, accounting for capital contributions, and establishing the Storm Water Management Special Revenue Fund. This Adjustment and Credit Policy outlines the guidelines under which the City will grant adjustments and credits to storm water user fees.

1.1 Definitions

The following definitions shall apply in the use of this Adjustment and Credit Policy. Words used in the singular shall include the plural, and the plural, the singular; words used in the present tense shall include the future tense. The word "shall" is mandatory and not discretionary. The word "may" is permissive. Words not defined herein shall be construed to have the meaning given by common and ordinary use as defined in the latest edition of Webster's Dictionary.

- “Best Management Practice” means storm water management facilities (e.g., storm water detention ponds) that have been determined to be the most effective, practical means of preventing or reducing pollution from non-point sources.
- “Developed Property” means real property other than Undisturbed Property and Vacant Improved Property.
- “Dwelling Unit” means a singular unit or apartment providing complete, independent living facilities for one or more persons including permanent provisions for living, sleeping, eating, cooking and sanitation.
- “Equivalent Residential Unit” or “ERU” means the average Impervious Area of all Residential Developed Property per Dwelling Unit located within the City.
- “ERU Rate” means a Storm Water User Fee charged on each ERU as established by City Council.
- “Exempt Property” means public rights of way, public streets, public alleys and public sidewalks.

- “Impervious Area” means the number of square feet of hard surfaced areas which either prevent or retard the entry of water into soil mantle, as it entered under natural conditions as Undisturbed Property, and/or causes water to run off the surface in greater quantities or at an increased rate of flow from that present under natural conditions as Undisturbed Property, including, but not limited to, roofs, roof extensions, patios, porches, driveway, sidewalks, pavement and athletic courts.
- “Nonresidential Developed Property” means developed property that is not utilized for dwelling units within the City.
- “Storm Water Management System” or “System” means the existing storm water management of the City and all improvements thereto which by this chapter are constituted as the property and responsibility of the City, to be operated as a Special Revenue Fund to, among other things, conserve water, control discharges necessitated by rainfall events, incorporate methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, over-drainage, environmental degradation and water pollution or otherwise affect the quality and quantity of discharge from such system.
- “Storm Water User Fee” means a fee authorized by ordinance(s) established to pay Operations and Maintenance Expenses, Extension and Replacement Costs, and Debt Service.
- “Storm Water Management System Special Revenue Fund” means the Special Revenue Fund created by this chapter to operate, maintain and improve the System and for such other purposes as stated in this chapter.
- “Undisturbed Property” means real property which has not been altered from its natural state by dredging, filling, removal of trees and vegetation or other activities which have disturbed or altered the topography or soils on the property.
- “User Fee District” means the area or property within the corporate limits of the City of Middletown.
- “Vacant Improved Property” means vacant property which is, or could reasonably be, served by any subdivision improvements that allow egress.

SECTION 2 – USER FEE ADJUSTMENT AND CREDITS

The following procedure addresses both adjustments and credits of Storm Water User Fees. The City grants User Fee adjustments when customers identify incorrect information contained in the City’s billing database. Adjustments typically occur when the City has incorrectly delineated the impervious area within a nonresidential property, or when residential customers are assigned more than one storm water ERU.

User Fee Credits are associated with the construction, operation, and maintenance of privately owned storm water facilities that provide beneficial use to the City. Both

residential and nonresidential customers can qualify for user fee adjustments; whereas only nonresidential customers qualify for user fee credits. **Appendix A** contains Storm Water Utility Forms that are used as part of the adjustment and credit policy.

The Department of Engineering & Environmental Services will review adjustment and credit requests made during the first calendar year that the Storm Water User Fee is enacted and when customers implement a change to their existing storm water facility. These requests will be reviewed within a 30-day period from the date of filing of the request. Storm water fee changes resulting from such requests shall be retroactive for the utility's initial year and will not exceed one year; subsequent evaluations will allow fees to be reduced from the date of the application and will not exceed 6 months.

2.1 User Fee Adjustments

Requests for adjustment of the Storm Water User Fee shall be submitted to the Department of Engineering & Environmental Services, for review based on the criteria established herein. All requests shall be judged on the basis of the amount of impervious area on the site.

The following procedures shall apply to all adjustment requests of the Storm Water User Fee:

- Any nonresidential owner who has paid their storm water user fees, and who believes the Equivalent Residential Unit (ERU) component of their Storm Water User Fee to be incorrect, may submit an adjustment request on a form supplied by the Department of Engineering & Environmental Services. Storm Water Utility Form No. 1 is for residential ERU adjustments and Storm Water Utility Form No. 2 is for nonresidential ERU adjustments.
- The first step in the adjustment process will be a review of the City's calculation of the impervious area. If resolution is not achieved, the City may request the customer to provide supplemental information to the Department of Engineering & Environmental Services including, but not limited to, survey data prepared by an Ohio registered Professional Land Surveyor (P.L.S.) that presents the amount of impervious area and compacted gravel area on a parcel and/or engineering reports prepared by an Ohio registered Professional Engineer (P.E.). Failure to provide such information may result in the denial of the adjustment request.
- The Department of Engineering & Environmental Services shall respond in writing to all adjustment requests. The response shall provide an explanation of adjustment approval or denial as well as requests for additional information.

In cases where the Department of Engineering & Environmental Services documents that conditions warrant an adjustment per the policy, the above requirements may be waived or changed.

2.1.1 Additional Storm Water Adjustments

In addition to the requirements presented above, adjustments may also be given when an owner meets any of the following requirements:

- Owner demonstrates that rainfall that occurs on an impervious area does not generate runoff (has no outlet), is completely watertight, and has at least 18 inches of freeboard. This adjustment is for unusual structures, such as swimming pools, hazardous material storage areas, industrial wastewater treatment tanks, etc. For these specific cases, customer's ERUs will be adjusted by removing from the ERU calculation the amount of impervious area that does not generate runoff.
- Owner demonstrates that on-site gravel is not compacted, not used for vehicular traffic, and not impervious. The City may grant adjustments for non-compacted gravel areas used for landscaping or other purposes. The City considers all compacted gravel areas (drives, storage areas, etc.) as impervious areas, and as such, no adjustment will be granted. The Department of Engineering & Environmental Services will make the decision regarding the intended purpose of gravel areas.

2.2 User Fee Credits

Nonresidential customers may qualify for User Fee credits when they can demonstrate that their existing or proposed storm water facilities provide the City with a cost savings that the City otherwise would incur as part of storm water management efforts. The amount of reduction will be determined by the City on a case-by-case basis.

Credit requests must be submitted in writing to the Department of Engineering & Environmental Services by the property owner using Storm Water Utility Form No. 3. To receive the credit, the property owner must supply to the City the following:

1. Site plan and as-built construction drawings (signed and sealed by a licensed surveyor or engineer) at an appropriate scale, showing the site, topographic details, overland flow paths, all storm water facilities, and surrounding area;
2. If water quality credits are requested, design calculations must be submitted for the existing or proposed storm water facilities. The calculations shall document the design criteria for the facilities and indicate the facilities' efficiency or ability to remove both suspended solids and dissolved pollutants.
3. If water quantity credits are requested, design calculations must be submitted for the existing or proposed storm water facilities. Design calculations shall be based upon hydrologic and hydraulic methodologies approved by the City that accurately describes the runoff and conveyance through the site;
4. Topographic map outlining the size of the drainage area upstream of the developed property;
5. Detailed floodplain and floodway information of the site, if it exists;
6. A detailed report that clearly describes how the storm water facility functions for design storm events for the 1-, 2-, 5-, 10-, 25-, 50-, and 100-year events;

7. A proposed maintenance schedule submitted by the property owner that describes in detail the maintenance activities for the storm water facility.

In cases where the Department of Engineering & Environmental Services documents that conditions warrant a credit per the policy, the above requirements may be waived or changed.

2.2.1 User Fee Credit Components

Credits will be awarded for only those activities that the City incurs costs as part of the current storm water management program. Nonresidential customers that perform these activities provide the City with a cost savings and will therefore be eligible for credits. The amount of credit will be proportional to the costs that the City typically incurs for these activities. Utility customers will not be eligible for credits associated with activities that cannot be performed by the City's customer base. These activities typically include the administration of the utility, storm water planning and management, and regulatory permitting. In addition to these activities, the City's program includes a number of operation and maintenance and capital improvement related items that only the City can implement and are thus ineligible for credits. After excluding these ineligible activities and capital projects, the maximum user fee credit is limited to a total of 66 percent. The City will grant credits to nonresidential customers that construct, operate, and maintain storm water facilities that address water quantity and/or water quality.

User Fee credits will be proportional to the savings provided to the City by the customer's storm water facility. The savings provided by each privately owned facility will depend upon the upstream drainage area of each storm water facility. Storm water facilities are subdivided into two classifications, local and system-wide facilities. Privately owned storm water facilities that assist the City in managing system-wide storm flows will qualify for a greater credit than facilities that only manage local flows. Local storm water facilities are defined as facilities that manage storm flow from upstream drainage areas larger than the nonresidential property, but less than or equal to 0.5 square mile. System-wide facilities manage storm flow from upstream drainage areas larger than the nonresidential property and greater than 0.5 square mile in area.

2.2.1.1 Water Quality Credits

Nonresidential customers may receive credits for structural best management practices (BMPs) that provide storm water quality enhancement. The City currently incurs operation and maintenance and capital costs associated with water quality components of the City's storm water system. Nonresidential customers provide the City with cost savings by constructing new or retrofitting existing storm water facilities to improve the quality of the City's receiving streams. Customers that apply for credits must provide supporting documentation that their existing or proposed facilities are properly designed to provide pollution reduction. Structural BMPs that are eligible for credits include, but are not limited to the following:

- Vegetated Swales and Filter Strips,
- Infiltration and Percolation Basins,

- Percolation Trenches,
- Buffer Strips and Swales,
- Porous Pavement,
- Extended (Dry) Detention Basins,
- Retention (Wet) Ponds,
- Constructed Wetlands, and
- Media Filtration.

Customers requesting a water quality credit must submit documentation that their facilities meet the design requirements outlined in Chapter 5 of the Urban Runoff Quality Management – WEF Manual of Practice No. 23.

2.2.1.2 Water Quantity Credits

The City's design standards require that storm water facilities manage the runoff generated from the property's developed area. To qualify for water quantity credits, nonresidential customers must demonstrate that their existing/proposed facilities manage storm water generated from their immediate property and from additional upstream drainage areas. This criterion exceeds the City's current design requirements and provides the City with reduced storm water management costs associated with lower capital costs. Customers that apply for water quantity credits must provide documentation that their facilities meet the City's current design standards and manages and conveys flow from additional upstream drainage areas. Structural best management practices (BMPs) that are eligible for credits include, but are not limited to the following:

- Storm Water Detention Basins
- Storm Water Retention Basins
- Storm Sewers
- Storm Culverts
- Storm Water Channels

2.2.1.3 Storm Water Discharge Outside City Limits

Utility customers with property that drains directly to waters located outside of the City or to waters that are managed by other governmental agencies shall be eligible for an additional credit. Utility customers that meet this requirement and have water quality and/or quantity storm water facilities shall be eligible for, in addition to the credits outlined in Table 1, one-half the system component credits. The total combined credits shall be limited to 66%, the combined maximum of water quality and quantity credits.

2.2.1.4 Credit Table

The City has developed credit classifications for various nonresidential storm water facilities. The classifications are listed in **Table 1** and are divided into water quality and quantity credits for both local and system wide facilities. Nonresidential customers can apply for a combination of credits.

Table 1
Nonresidential Credit Classifications

	Water Quality Credit	Water Quantity Credit
A. Operation & Maintenance		
1. Local Component \leq 0.5 square mile	9.5	14.6
2. System Component $>$ 0.5 square mile	1.1	4.5
B. Capital Improvements		
1. Local Component \leq 0.5 square mile	0.2	0.5
2. System Component $>$ 0.5 square mile	8.3	27.3
TOTAL MAXIMUM CREDIT	19.1	46.9

As an example, a commercial property designed as a water quantity facility that is fed by an upstream area of 0.75 square miles and discharges to a stream within the City limits may be eligible for the following credits, providing that the facility meets the City's design and maintenance requirements:

Credit Item	Percent
Water Quantity	
Operation & Maintenance (Local & System-wide)	19.1%
Capital (Local & System-wide)	27.8%
Total	46.9%

2.2.2 Applicability

2.2.2.1 Storm Water Facility Operation & Maintenance

Nonresidential customers that receive credit for performing operation/maintenance activities on an existing storm water facility must also demonstrate to the City that the facility is properly maintained. Customers shall maintain the facilities to the standards established by the City, shall document all operation/maintenance activities, and shall provide the City with an operation and maintenance report on an annual basis. This information must be submitted to the Department of Engineering & Environmental Services each year.

APPENDIX A

CITY OF MIDDLETOWN, OHIO
STORM WATER MANAGEMENT UTILITY FORM NO. 1
RESIDENTIAL ERU ADJUSTMENT

DATE:

BILLING ACCOUNT NUMBER:

BUTLER OR WARREN COUNTY PARCEL NUMBER:

TYPE OF RESIDENTIAL UNIT (CHECK APPROPRIATE BOX):

<input type="checkbox"/> Singe Family	<input type="checkbox"/> Duplex	<input type="checkbox"/> Condominium
<input type="checkbox"/> Apartment	<input type="checkbox"/> Multi-family	<input type="checkbox"/> Other _____

REASON FOR ERU ADJUSTEMENT:

- Single family home, condominium, or single apartment is being billed more than 1 ERU.
- Duplex unit being billed more than 2 ERUs.
- Apartment of multi-family complex is being billed more ERUs than the number of units in complex.

Number of ERUs being billed: _____
Number of Units in complex: _____

- Other, explain

APPLICANT'S SIGNATURE:

APPLICATION REVIEWED BY:

APPLICATION APPROVED: Yes No

COMMENTS:

CITY OF MIDDLETOWN, OHIO
STORM WATER MANAGEMENT UTILITY FORM NO. 2
NON-RESIDENTIAL ERU ADJUSTMENT

DATE:	
BILLING ACCOUNT NUMBER:	
PROPERTY ADDRESS:	
BUTLER OR WARREN COUNTY PARCEL NUMBER:	
TYPE OF DEVELOPMENT:	
PARCEL AREA (square feet):	
Billed Number of ERUs:	
REASON FOR ERU ADJUSTMENT:	
<input type="checkbox"/> CONDITION 1 Incorrect amount of impervious area	
<input type="checkbox"/> CONDITION 2 Gravel areas not used for regular vehicular traffic (ingress/egress or parking) calculated as impervious area on utility bill	
<input type="checkbox"/> Other, explain: <hr/> <hr/>	
If Condition 1 is checked, complete the following:	If Condition 2 is checked, complete the following:
Property Impervious Area _____ (sq ft)	Non-vehicular Gravel Area _____ (sq ft)
Revised Number of ERUS ⁽¹⁾ _____	Revised Number of ERUS ⁽²⁾ _____
APPLICANT'S SIGNATURE:	
APPLICATION REVIEWED BY:	DATE:
APPLICATION APPROVED:	<input type="checkbox"/> Yes <input type="checkbox"/> No
CONDITIONS OF APPROVAL OR REASON FOR DENIAL AND COMMENTS: <hr/> <hr/>	

⁽¹⁾ Revised number of ERUs = Property's impervious area divided by 2,814 SQ FT.

⁽²⁾ Revised number of ERUs = Billed number of ERUs – [(Non-vehicular gravel area divided by 2,814)]

CITY OF MIDDLETOWN, OHIO
STORM WATER MANAGEMENT UTILITY FORM NO. 3
NONRESIDENTIAL CREDIT

GENERAL INFORMATION

CONTACT NAME:

TELEPHONE:

PROPERTY ADDRESS:

MAILING ADDRESS:

BILLING ACCOUNT NUMBER:

TYPE OF DEVELOPMENT:

BUTLER / WARREN COUNTY PARCEL NUMBER:

PARCEL AREA (square feet):

INCLUDE THE FOLLOWING ATTACHMENTS AS NECESSARY:

- Location Map
- Site Photographs
- Site development plan
- Plans/Drawings of existing Management Facility
- Drainage Area Maps
- Description of Storm Water Management Structure
- Inspection and Maintenance records for existing Storm Water Facility

SUMMARIZE BELOW BASIS FOR APPLICATION FOR STORMWATER MANAGEMENT
UTILITY FEE CREDIT:

APPLICANT'S SIGNATURE:

APPLICATION REVIEWED BY:

DATE:

APPLICATION APPROVED: Yes No Fee Reduction (%) _____

CONDITIONS OF APPROVAL OR REASON FOR DENIAL AND COMMENTS: