

Stormwater Utility Fee Advisory Committee

Meeting Minutes, November 18, 2025

1. Recap previous meeting:

- a. What is a SWM Enterprise Fund
- b. Level of Services
- c. Utility Fee Implementation (fee structure)

2. Since the last meeting:

- a. Met with City of Salem Finance Department
- b. Met with other localities in the area (Blacksburg/Christiansburg)
 - i. Similar sized localities with regard to population, SWM staff
 - ii. Meeting was to discuss the program, not model our program after them
 - iii. Both cities indicated that they will be reanalyzing the utility fees being charged
 - iv. Both have current SWM Funds of ~1.25 million/year
 - v. Both said they should have built in a means to increase fees to keep up with inflation and rising costs because now, 10 years in, they will basically restart implementation process to raise costs.
 - vi. Both localities recommended billing through water/sewer bill and making the SWM Utility Fee the first fee deducted so that if it's not paid, eventually results in a delinquent account that impacts water cutoff.
 - vii. They can aggregate parcels by landowner to account for properties with just a parking lot but no water service
 - viii. They recognized that while a "flat fee" may not be as equitable as a "unit cost" for residential properties, it helps keep the program implementation costs down, which in turn keeps the fee lower for both a lot with a small amount of residential imperviousness and one with a larger amount of it.
 - ix. Cburg has done a lot of Stream Restoration through Grants
 - x. Bburg has not done many stream restoration projects, but have focused on flooding so far
 - xi. Both localities mentioned the ability to finance projects and pay monthly/annual installments from SWM Fund rather than waiting to save up entire cost.
 - xii. Cburg indicated that they consider small farms to be residential properties
- c. City has begun to gather GIS Data to determine Equivalent Residential Unit
 - i. Working with the State to obtain aerial imagery and planimetrics. Most recent data is from 2023. Scheduled for another flight in 2026 but will be available too late to use this data.

- ii. State will provide the data and analysis from the 2023 imagery between March and May 2026.
- 3. Committee member has concerns about Residential Properties not being eligible for BMP Credit:
 - a. Want to try to incentivize them to be proactive with SWM on their lot - if you can't get a SWM Fee credit, why would they do it?
 - b. Discussed that it may not be necessary to make residential properties ineligible but would need to determine a minimum cost to track the credits. Don't want to put the City in a situation where it costs more to adjust the fee than they are taking in from the fee. Conversely, if the residential fees are kept low, the residential owner may incur costs from annual inspection and maintenance than they will save on the utility fee credit.
- 4. Levels of Service & Fee Collection Methods
 - a. Asked B-burg & C-burg for cost of running their program but haven't gotten response. B-burg did indicate budget is typically \$1.25 million/yr from the fund & still need to get \$ from General Funds each year
 - b. In the public outreach, Salem will need to indicate that current funding levels of funding in adjacent localities are not sufficient, and they will be raising prices soon.
 - c. Don't recommend putting SWM Utility Fee on a tax bill because there's a desire to avoid the implication that this fee is a tax
 - d. Member asked if there is a way to bill property owner rather than tenants?
 - 1. They will bill property owner if unit is vacant
 - 2. Even if you bill the property owner, cost will typically be passed down to tenants
 - e. Streets Dept. is doing ~200k worth of maintenance work on SWM System
 - f. Budget worksheet is set up to create "line item" that accrues money to go towards projects as funds are available. These funds can be used to address a couple types of projects:
 - 1. Pipes/inlets reaching end of service life & need replacement
 - 2. Projects that are necessary to meet State Requirements (TMDLs)
 - g. Stream Restoration
 - 1. Amount of Sediment Removed per Dollar - \$250k/ton for permeable pavement, etc vs. \$10/15k per ton for stream restoration. Individual projects are expensive, but they get you a lot of credit
 - 2. Will look for projects that NEED to be done and can also get credits
 - 3. Will leverage grant funding to the maximum extent practicable - revenue sharing 50/50 with state or low interest loans

5. Fee Structure

- a. Based on what we heard from Cburg/Bburg - recommendation from WSSI & City Staff is **Flat Fee for Residential and Tiered System for Commercial**. This would reduce cost of implementing the program and reduce cost for everyone, e.g. don't need to hire additional staff, don't need to reanalyze properties as frequently.
- b. **Committee Members agreed that flat fee for residential properties makes sense to keep costs down, and commercial properties should be based on a tiered system.**
- c. Committee members also agree with intent to keep it low, but build in rate increases, maybe every two years.
- d. However, staff also brought up the point of it takes 1-2 years for the public to accept the fee, so don't want to "start over" with significant cost increase 2 years from now.
- e. Human nature - don't really notice fees until they cross double-digits
- f. Also want to make sure that the fees are in-line with surrounding localities, even if we know that they will be raising their fees soon.

6. Discussion about what is considered impervious cover

- a. City of Roanoke had this argument with Railroads & determination was that soil underneath the gravel is compacted, therefore, the gravel yards used for storage or parking are considered impervious

NEXT MEETING: December 16

- i. City won't have Impervious Cover Data by next meeting
 - ii. City will have overall program costs
 - iii. City will try to break out overall Residential Cost & Tiers based on adjacent localities, but won't be final numbers b/c City won't have GIS data
 - iv. Discuss some of the outliers (multi-unit, vacant lots, etc.)
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- 1. Won't rely on the committee for all decisions but want to discuss what is being billed and how it will be billed.