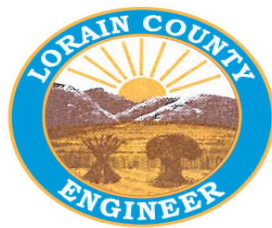

Lorain County Storm Water District Program

Lorain County, Ohio

Strategic Business Plan



Prepared by:

KEM / ERC



October 2010

Introduction

This strategic business plan document forms the basis for the Storm Water District Program Plan. County staff should utilize this document as a management tool to assist them in moving the current/existing piecemeal storm water program to a future desired or "required minimum" level of storm water service stand alone storm water District. This business plan development process includes developing specific goal statements that are used as specific level of service action statements that will form the definition for the storm water activities and responsibilities required by the County to meet the water quality and water quantity program requirements. Reviewing, discussing, understanding and reaching consensus on the statements and content of this document will establish a clearly stated "definition" for the "required minimum" level of service. Developing this information and taking the time to understand what will be funded by the storm water District and what will not be funded by the District will provide staff and the Commissioners with the necessary "talking points" that will be required when the general public asked direct questions such as **"what is this new storm water fee paying for?"**

The "required minimum" definition will be used for the cost of service analysis, cash flow analysis and rate study recommendations for the four year time period of 2012 through 2015. The first year 2011 rate per residential per month, will be \$1.50 per ERU on a monthly basis and \$9.00 for each residential parcel on a semi- annual basis and will appear on the property tax bill every six months. The non-residential will be based on the amount of impervious area and the number of ERU's per parcel times the \$9.00 per ERU per tax bill and will appear on the property tax bill.

This document was prepared based on the project team's previous experience establishing storm water utility/District program for other communities and the Storm Water Management Report and Plan dated January 2010. The major steps in revising and/or developing the Storm Water District Business Plan are as follows:

- Develop a series of goal statements. Goals are the prime targets that you wish to accomplish within a specified time frame.
- Use the action statements to form the definition of the required minimum level of service.
- Compute costs for the action statements to form the required minimum cost of service analysis.
- Take measures to ensure that the County administration accept the goal statements developed for the program.
- Take measures to ensure that the general public accept the goal statements of the program.
- Implement a proactive public education program that disseminates information regarding the program to the general public.
- Implement a proactive public outreach program that allows the general public with an opportunity to provide input into the process and overall program.
- Periodically evaluate the plan and the goals and make any necessary adjustments based upon your progress.

The Program Mission Statement

Lorain County needs a foundation from which they can develop an approach to address the responsibilities and activities (the management) of storm water issues throughout the County. This foundation will be accomplished by developing a sound and meaningful mission statement. A mission statement provides a clear and complete summation of the comprehensive view of what needs to be accomplished. A good useful Mission Statement will provide the following:

- **Purpose** - Why the organization exists, and what it seeks to accomplish.
- **Business** - The main method or activity through which the organization tries to fulfill this purpose.
- **Values** - The principals or beliefs that guide the organizations and its members as they pursue the organization's purpose.

The Program Mission Statement

“The storm water program strives to enhance the quality of life in Lorain County by reducing drainage, flooding and infrastructure problems, and by improving water quality through construction and maintenance of the storm water system, and through the promotion and implementation of effective storm water management practices.”

Goal Statements

Water Quality NPDES Phase II Permit

- Begin BMP Maintenance program for years 2 through 5 throughout the County based upon the defined level of service activities and responsibilities. (ERC/KEM needs all of the BMP labor hours, expenditures, materials and supplies and equipment associated with the BMP's throughout the County)
- Review and, where necessary, update the Lorain County subdivision regulations and design manuals to meet the requirements of the EPA NPDES Phase II program for years 2 through 5.
- Work with townships to ensure that planning and zoning regulations are consistent with requirements of the EPA NPDES Phase II program for years 2 through 5.
- The Board of County Commissioners will lead the effort and responsibility of green infrastructure management practices such as Stream Restoration Improvement etc throughout the County for years 2 through 5
- Integrate storm water management into the County GIS program for years 2 through 5.
- Implement all of the provisions of the MS4 NPDES permit for years 2 through 5. (ERC/KEM needs all the membership fees, labor hours, expenditures, materials and supplies associated with meeting the NPDES Phase II permit regulations)
- Begin enforcing the existing illicit discharge ordinance and regulations for years 2 through 5.

- The ERC/KEM Team will develop the NPDES plan submitted to OEPA for years 3 through 5

Water Quantity Drainage/Flooding

- Establish countywide development design standards for storm water management for years 3 through 5.
- Prepare a Storm Water Master Plan and GIS system inventory to identify needs of the community for years 2 through 5 (because a master list currently does not exist)
- Develop a maintenance management system that is integrated in the County GIS for years 3 through 5.
- Assume responsibility for detention/retention facilities that are regional in nature and meet the needs of the defined level of service for the overall program for years 2 through 5.
- The District will **not** be responsible for the detention/retention facilities that are **not** owned by the District and not documented by an ownership deed (legal document) and therefore owned by a private individual or group of individuals.
- Develop a level of service plan to identify and prioritize water quantity (drainage/flooding) problems to be solved throughout the District with funds from the new service charge for years 3 through 5.
- Conduct capital improvement projects to minimize or eliminate drainage and/or flooding problems for years 3 through 5.
- Develop a master list for Ditch Maintenance and develop a priority list for years 3 through 5.
- The District will **not** assume responsibility of the ditch petition program from the District Engineer's Office, which typically includes mowing maintenance, inspection of the outlet works and the dam. A uniform minimum standard of maintenance level of service should be determined by the District and communicated to the citizens that are influenced by the ditch petition facilities. This means that the Ditch petition will continue to exist and the fee will continue to be assessed to these properties.
- The District will **not** assume or will not be responsible for any County or Township roadside right-of-way drainage that is currently being performed.
- The storm water District program will **not** assume responsibility for components of the storm sewer system that are outside the road right-of-way, but will conduct maintenance and capital improvement projects to minimize or eliminate drainage and/or flooding problems.
- The County had inventoried about 1,000 miles of open ditch throughout the County
- The County currently has 41 ditches (about 38 miles of ditches)
- The County currently has 31 detention basins under a maintenance agreement
- The County needs to implement an Inspection program for the stormwater infrastructure
- The District should institute a storm water management infrastructure inspection, repair, design, and replacement program for years 3 through 5. The program should have an asset management and design component. Identified problem locations should be incorporated into the Storm Water Master Plan and identified replacement projects included in the prioritized project listing.
- Develop a Storm Water Credits program that is based on the ODNR "Rainwater and Land Development" Manual that considers the following BMP's for years 3 through 5.

- a. Rain Gardens: Encourage rain garden installation on homeowner property. Support the program financially as budgeting allows. At a minimum, provide technical support in the form of an annual workshop, standard designs, and signage the property owner can install that identifies them as a “partner for water quality.”
 - b. Rain Barrels
 - c. Dry Wells
 - d. Pervious pavements
 - e. Ponds/wetlands
 - f. Green Roofs / LEADS program
 - g. Retention/Detention
- ◆ Identify the cost for the I & I program. (this is the amount to be repaid to the funds that participated in the federal stimulus grant (50%) and 50% loan).

Organizational

- ◆ Under the rules and regulations of Ohio Revised Code 6117, the Board of County Commissioners will establish the responsibilities for storm water management activities.
- ◆ Identify the most appropriate organizational system, including any required additional staffing, to manage the Regional Storm Water District in the most efficient and effective manner.
- ◆ Begin developing a County staff training and awareness program (good housekeeping) that meets the requirements of the NPDES Phase II regulations.
- ◆ Begin reviewing, revising and updating all of the measurable goals included in the MS4 NPDES Phase II permit

Public Education

- ◆ Identify the costs associated with meeting the public education / outreach program requirements of the NPDES Phase II Program. (First Minimum Control Measure). Create a list of activities currently being performed by the Soil and Water Conservation District for this activity.
- ◆ Identify the costs associated with meeting the public education / outreach program that includes stakeholders, and takes a watershed approach to help citizens preserve and protect the environment. Create a list of activities currently being performed by the Soil and Water Conservation District for this activity.

Financial

- ◆ Establish a financial strategy that is both fair and equitable, based on the costs necessary to operate the program.
- ◆ Select a rate structure that is fair and equitable and the most appropriate for the Lorain County 6117 Regional Storm Water District program.
- ◆ Establish a financial business plan based on a required minimum storm water level of service for years 3 through 5.
- ◆ Utilize the County Auditor’s Tax Billing System as the Billing and Collection System for the 6117 Storm water District.

- ◆ Develop a customer service management system that is integrated with the County Engineer's office or the County GIS or the Auditor's Office that supports the selected billing mechanism.
- ◆ Reduce the burden on the County general fund by establishing a Regional Storm Water District dedicated enterprise fund.
- ◆ The current financing plan assumes that billings will be sent out on the Auditors Property Tax bill with the January 1, 2011 billings.
- ◆ The District will set aside capital dollars for regional facilities that fail in an emergency situation for years 3 through 5.
- ◆ Establish a capital financial plan that implements a "pay as you go" approach in the short term and then converts to a debt financing plan in the future.
- ◆ Initiate a lease/purchase program for equipment to meet the demands of the program for years 3 through 5.
- ◆ Develop and define the Regional Storm Water District equipment replacement program for years 3 through 5.
- ◆ Consider special assessment districts for projects that are not regional (individual properties and/or localized drainage problems not regional) in nature or are not high on the priority list so property owners can accelerate project solutions using their own funding sources and/or match District financing.
- ◆ Accept and Implement the Billing System Policy Papers developed through the process.

Legal

- ◆ Adopt a funding strategy that is legally defensible under the Ohio Revised Code laws of the State of Ohio. (ORC 6117 status)
- ◆ Develop a storm water program resolution(s) that enforces the Regional Storm Water District Program.
- ◆ Develop a storm water rate resolution that establishes rates and charges for the Regional Storm Water District Program.

County Responsibility

- ◆ Establish a separate enterprise fund that will allow all storm water fee collections to be deposited in this fund. (This will assure the general public that this fee is a service charge and not a tax and 100% of the funds collected will be used solely for storm water activities.

Business Plan Cash Flow Analysis

Assumptions \$1.50 per ERU per month (\$9.00 per tax bill & \$18.00 per year)

- ◆ The permissible categories with approximate percentage of funding for Year 1 for the Storm Water District include:
 - a. 24% - I & I Project Loan Reimbursement
 - b. 10% - EPA, Legal, & Admin. Reimbursement
 - c. 33% - year 1 only - Implementation Cost
 - d. 21% - Ohio EPA Phase II Compliance (Unfunded Mandate)
 - e. 11% - Storm Water Management Infrastructure Maintenance
 - f. 1% - Street Sweeping

- ◆ Year 2 Business Plan and Cash Flow Analysis Storm Water District assumptions includes:

- ◆ The permissible categories with approximate percentage of funding for Year 2 for the Storm Water District include:
 - a. 24% - I & I Project Loan Reimbursement
 - b. 10% - EPA, Legal, & Admin. Reimbursement
 - c. 34% - Ohio EPA Phase II Compliance (Unfunded Mandate)
 - d. 20% - annually for Floodplain Management Design / Construction
 - e. 11% - Storm Water Management Infrastructure Maintenance
 - f. 1% - Street Sweeping

- ◆ The percentages for the categories listed are approximate and subject to change based on actual needs each year.
- ◆ Rate model includes 3% inflation

- ◆ ERU (revenue) breakdown
 - a. 34,912 total monthly ERU's - unadjusted
 - b. 418,944 total annual ERU's - unadjusted
 - c. 20,772 monthly residential ERU's - unadjusted
 - d. 14,140 monthly non residential ERU's - unadjusted
 - e. 249,264 annual residential ERU's - unadjusted
 - f. 169,680 annual non residential ERU's - unadjusted

ACTION:

Approved: _____ Date: _____