

Stormwater Utility Fee Background

Question – What is a stormwater sewer system?

Answer – The Village of Libertyville operates three utility systems: water, sanitary sewer, and storm sewer. The water utility system includes pipes, valves, wells, storage facilities, and pumps. The sanitary sewer system includes pipes, interceptors, and lift stations. The maintenance and improvement of these two utility systems are directly funded by utility rates charged to Village customers.

The Village's stormwater sewer system is designed to move stormwater and consists of curbs and gutters, inlets, catch basins, trunk lines, junction chambers, manholes, and detention/retention basins. The basic maintenance of this system is funded on a limited basis with general Village revenues. There is no dedicated funding source for additional maintenance or the construction/improvement of the existing system.

Question – What is a Stormwater Utility Fee?

Answer – A stormwater utility fee is an impervious surface assessment made on a property parcel-by-parcel basis. The fee is used to support the Village's stormwater management and conveyance infrastructure, including capital improvements and operations and maintenance of existing assets.

Question – Why is a Stormwater Utility Fee being considered?

Answer – The Village owns, and is responsible for, operating and maintaining three (3) major utility systems: water, sanitary, and stormwater. Unlike the water and sanitary systems that have established fees that are collected from customers and are reallocated for operations and improvements to the existing systems, the stormwater system does not currently have a designated funding source. The drainage history of the Village has been well documented and is predominantly a result of insufficient infrastructure in numerous areas. Furthermore, maintenance efforts on the existing system are often significantly limited, as operations are currently being allocated from funds that are utilized for multiple other Village operations. The stormwater utility fee would provide a dedicated funding source for consistent improvements, maintenance, and operations of the stormwater system throughout the entire Village.

Question – Why is a stormwater utility fee an appropriate funding mechanism?

Answer – A stormwater utility fee is:

Fair – All properties that contribute runoff to the stormwater system will pay to fund the system, including tax-exempt and properties inhabited by not-for-profits.

Equitable – The amount a property owner pays is based on how much their property type contributes to stormwater runoff.

Transparent – The fees collected are used solely for stormwater activities and accounted for separately.

Dependable – Provides a dependable revenue stream to provide sufficient revenues for stormwater improvements and allow for proactive management of the system resulting in the lowest cost over time.

Question – Who is required to pay the stormwater utility fee?

Answer – All Village property owners are required to pay the stormwater utility fee. These revenues are segregated from normal Village revenues and used only for the purposes of maintaining and improving the Village's stormwater sewer infrastructure.

Question – Why isn't the stormwater management program funded by property tax revenues?

Answer – Property tax revenues are not a reliable source of funding for stormwater management. Property taxes are used to fund many Village programs and only cover the cost of 25% of traditional Village services such as police, fire, and public works. By allocating existing property tax revenue for stormwater, it would require cuts to other programs. Property taxes are based on assessed property value. A stormwater utility fee based on impervious surface area more accurately reflects each property's contribution to stormwater runoff. Additionally, through a stormwater utility fee, tax exempt properties that have impervious surfaces will contribute a fair and equitable share towards the overall cost of the stormwater management program.

Question – How is a stormwater utility fee different from a property tax?

Answer – A stormwater fee is a user charge, similar to water and sanitary sewer services, in that it charges each customer a varied fee based on a unit of consumption (i.e. gallons, amount of impervious surface). A stormwater utility fee bears no relation to the taxable value of a property used in the calculation of property taxes.

Question – Do properties that are typically exempt from property taxes such as churches pay the fee?

Answer – All properties in the Village will be subject to the stormwater utility fee as it is a user charge, rather than a property tax.

Question – Do other communities in the State of Illinois have stormwater utility fees?

Answer – The Village is aware of several dozen communities in the state that have stormwater utility fees, including Mundelein, Northbrook, Villa Park, Richton Park, Urbana, and Buffalo Grove. A 2018 survey conducted by Western Kentucky University indicated that nearly 1,700 units of local government within the United States utilize a stormwater utility fee.

Question – Why do I have to pay the stormwater utility fee when my subdivision has a stormwater detention facility or my new construction was required to provide stormwater mitigation as part of my building permit?

Answer – The stormwater detention facility serving your home, or the mitigation measures that you undertook when you constructed your home only detain the stormwater runoff. This runoff needs to be conveyed in the Village's storm sewer and drainage system until it can discharge into a water course (Des Plaines River, Bull Creek or Seavey Ditch). The stormwater utility fee helps to offset the costs of improving and maintaining such conveyances.

Question – There are no storm sewers on or near my property OR I do not experience any flooding issues. Why should I pay a fee?

Answer – All properties with impervious surface produce stormwater runoff that must be managed by the Village. Even if your property has never flooded or there are no nearby storm sewers, the stormwater that flows off your property must be managed by the Village so that it does not contribute to pollution and flooding downstream.

Question – Do local government agencies pay the stormwater utility fee?

Answer – Yes, local government agencies that own property with impervious surface will be responsible for paying the stormwater utility fee. Public right-of-way areas are exempt from the fee based on their design as part of the stormwater conveyance network.

Question – Can the Village borrow from the Stormwater Sewer Fund for general capital or operations?

Answer – No. The Village has structured the Stormwater Sewer Fund as a proprietary fund with that uses an entirely different basis of accounting than the General Fund. Stormwater sewer revenues will be utilized only for the improvement and maintenance of the stormwater sewer system.

Question – Has the Village considered grants to help fund the program?

Answer – Yes, the Village is currently pursuing two grants associated with the first two projects in the Master Stormwater Management Plan (Rockland Road and the Highlands subdivision). The Village intends to pursue available grants for future projects as well.

Stormwater General Questions**Question – What is stormwater runoff?**

Answer – According to the EPA, stormwater runoff is generated from rain and snowmelt that flows over land or impervious surfaces, such as paved streets, parking lots, and building rooftops, and does not soak into the ground. Runoff can pick up and deposit harmful pollutants like trash, chemicals, and dirt/sediment into streams, lakes, and groundwater. Construction sites, lawns, improperly stored hazardous wastes, and illegal dumping are all potential sources of stormwater pollutants.

Question – What problems does stormwater cause?

Answer – Excessive stormwater runoff causes flooding, drainage system malfunction, stream bank erosion, adverse impacts to wetland systems and water quality problems. Heavy rains flood streets, yards and in some cases structures which can result in significant damage to property. Stormwater runoff also picks up pollutants and debris from streets, parking lots, yards, gravel parking areas, and other surfaces and carries them into local waterways.

Question – How is stormwater affected by increased runoff?

Answer – With increased amounts of impervious surface, more runoff is produced and it travels at higher speeds. This runoff picks up and carries pollutants to the stormwater collection system and eventually to receiving waters (lakes, ponds, rivers and streams). Large volumes of quickly flowing runoff will also erode soil, damage plants, and cause waters to become clouded and murky with sediments.

Stormwater Utility Fee and the Master Stormwater Management Plan**Question – How is the Stormwater Utility Fee related to the Village's Stormwater Management Master Plan?**

Answer - The Village of Libertyville Master Stormwater Management Plan was adopted in February 2019 and is available on the Village website

(<https://www.libertyville.com/DocumentCenter/View/19812/Master-Plan-Report-May-2019-compiled>).

The Plan began by reviewing the drainage conditions of the Village as a whole, but then focused in on specific project areas for locations where homes or buildings were subject to frequent flooding. Ten (10) separate project locations were identified, along with conceptual improvements and corresponding cost estimates for each project to demonstrate how risk of flooding impacts could be reduced in each area.

The estimated total construction cost for all projects combined was estimated to be in excess of \$45 million based on current prices.

The Plan also provided alternatives for funding sources that could be considered to fund these projects, one of which was a stormwater utility fee. It was determined that the stormwater utility fee is a source that many other communities have utilized in similar situations, and it was ultimately the direction of the Village Board that this was the most appropriate direction for the Village given the presented alternatives.

Question – Why should I have to pay the Stormwater Utility Fee if I don't own property within one of the Master Plan's project areas?

Answer – The stormwater utility fee is not being established solely for the purpose of funding the construction projects identified within the Master Plan. The funding of ongoing maintenance of the existing system is also a major consideration of the fee and is something that has been challenging due to the lack of a designated funding source.

While considering how the fee would need to be constructed and what level of revenue would need to be generated, the Village did include the required funding of the Master Plan projects with the same intent of focusing on reducing risks of structure flooding. However, the structure of the fee also accounts for much needed additional funding for daily maintenance and operations of the Village-wide stormwater system. All property owners within the Village are ultimately tributary to or benefiting from the overall stormwater system in some manner, and therefore the fee is intended to be collected from all property owners.

Question – I live in an area that also experiences flooding, but my neighborhood was not included as a project within the Master Plan. Why not?

Answer – The Village is aware that there are additional locations throughout the Village where flooding is observed beyond those identified in the Master Plan. Many of these include areas where roadways or rear yards are susceptible to flooding during rainfall events, as well as areas where sewer backups may occur. The projects identified within the Master Plan were focused on areas where multiple homes or buildings have been subject to frequent flooding in the past. The total for those projects was estimated in excess of \$45 million, which was ultimately a cost that was incorporated into the structure of the stormwater utility fee. If the Village was to target all areas where road or yard flooding has been observed, this cost would need to be increased substantially which in turn would result in increased utility fee rates for property owners. The Village's current direction is to focus future capital improvement projects on those areas where homes or buildings are experiencing flooding. But ultimately the establishment of a fee is the first and necessary step towards providing a means for the Village to approach these projects, as well as any other future projects to discuss additional flooding concerns. If an area is not identified within the Master Plan, that does not mean that it will not be considered for future improvements.

Question – What will the work entail on the streets involved?

Answer – In most cases, construction of Master Stormwater Management Plan projects will require access to the area underneath the streets. The estimated project costs identified in the Plan include restoration of street pavement once the upgraded conveyances have been installed.

Question – How much of the work is making pipes bigger vs. additional pumping capacity, etc.?

Answer – Other than the recently completed Charles Brown Reservoir restoration, the Village does not current have any plans to utilize additional pumps in its stormwater conveyance system. Most Master Stormwater Management Plan projects involve enlarging existing infrastructure.

Stormwater Utility Fee Calculation Mechanics

Question – How do you calculate a stormwater utility fee for an individual parcel?

Answer – A stormwater utility fee is billable based on the physical characteristics of an individual parcel, using the amount of impervious surface to determine how much water run-off said parcel contributes to the Village’s stormwater infrastructure. The Village considered several strategies for calculating fees based on impervious surface and found the ERU/IDF (Equivalent Residential Unit/Intensity of Development Factor) method the most equitable. Bills are calculated under the ERU/IDF model as follows:

Fee Component 1 (ERU) – The average Village residential parcel has an impervious surface area of 3,800 square feet, which is equal to one (1) ERU. The Village has impervious surface data for every parcel within its corporate boundaries and each parcel has been assigned an ERU value, rounded to the nearest tenth. The number of ERUs assigned to a parcel is multiplied by the stormwater utility fee bi-monthly rate.

Fee Component 2 (IDF) – The Intensity of Development Factor measures the ratio of pervious (permeable) surface to impervious surface on each Village parcel. The IDF component recognizes that a parcel with a higher percentage of permeable surface contributes less runoff since stormwater is able to more readily be absorbed into the earth. The percentage of pervious versus impervious surface is converted into a billable IDF factor of 0.2, 0.5, 1.0, 1.5, or 2.0. The IDF factor for a parcel is then multiplied by the stormwater utility fee bi-monthly rate.

IDF Classification	% Impervious	IDF
Vacant	0%	0.2
Light Development	1% - 20%	0.5
Medium Development	21% - 40%	1.0
Heavy Development	41% - 70%	1.5
Very Heavy Development	>70%	2.0
Totals		

The overall result is a two-part formula for calculating a stormwater utility fee for a given parcel. This formula can be illustrated as follows:

$$\text{Parcel Bi-Monthly Fee} = (\text{ERU} \times \text{Current Rate } \$) + (\text{IDF} \times \text{Current Rate } \$)$$

For utility billing accounts associated with multiple parcel numbers (PINs), this formula is repeated for each PIN to come up with a total fee amount for the account.

Question – What is the difference between an impervious surface area and a pervious surface area?

Answer – Impervious surface areas are those areas that prevent or impede the infiltration of stormwater into the soil. Common impervious areas include, but are not limited to rooftops, sidewalks, walkways, patio areas, driveways, parking lots, storage areas, compacted stone, and permanent awnings. Pervious surface areas include undeveloped lands, lawns, gardens, and other forms of vegetative cover. The Village’s stormwater utility fee website has a list of impervious surfaces that were used to calculate each parcel’s fee liability.

Question – How was my property’s impervious surface calculated?

Answer – The Village contracted with the mapping firm of Ayers Associates to obtain impervious surface flyover data that was then matched to parcel data by the Village’s GIS firm of MGP, Inc.

Question – How often will the Village update its impervious surface database?

Answer – All properties will have their impervious surface recalculated using flyover technology every five (5) years. However, impervious surface values will be updated on a more frequent basis for properties that add impervious features through the building permit process. Conversely, properties that remove impervious features can file an appeal requesting that their stormwater utility fee be recalculated.

Question – Will the stormwater utility fee be reduced once capital projects are completed?

Answer – The Village intends to reduce the stormwater utility fee after the first set of 20-year bonds are paid off in 2042-2043, continuing to scale it back as additional debt service matures. Once all capital project bonds are paid off, the fee will revert to a baseline level to cover ongoing operations and maintenance as well as maintain a reserve for future pay-as-you-go capital projects.

Question – Will there be a unique GIS layer that shows a parcel’s detailed impervious and pervious layout specifically used for the Libertyville Stormwater Utility Fee?

Answer – The Village is working on creating a public-facing portal where residents can review this data. A Spring 2021 launch is currently anticipated.

Stormwater Utility Fee Billing**Question – When will customers begin to see the fee on their utility bills?**

Answer – The stormwater utility fee will appear customer’s existing utility bill statements beginning with all bills issued on or after September 1, 2021. The implementation of the fee was delayed by the Village Board to allow for recovery from the economic effects of the COVID-19 pandemic.

Question – What will the initial stormwater utility fee rate be? Will this amount rise over time?

Answer – The Village anticipates setting a bi-monthly rate of \$13.00 per ERU and \$13.00 per IDF through the end of the Village’s 2023 fiscal year (September 1, 2021 – April 30, 2023). As reminder, stormwater utility fees will be calculated using an impervious surface factor (ERU) and an intensity of development (IDF) factor. An average resident’s stormwater utility fee is calculated as follows:

$$\text{Parcel Bi-Monthly Fee} = (\text{ERU} \times \text{Current Rate } \$) + (\text{IDF} \times \text{Current Rate } \$)$$

After the first three years of the program, the fee will be indexed up slightly each year to account for debt service payments associated with the bond issues required to pay for the capital portion of the program. As these debt service payments fall off in the future, the fee will be adjusted and lowered to a level required to fund ongoing operations and maintenance of the system.

Question – How much will the average residential property owner pay?

Answer – An average residential customer that owns a single parcel will be charged for one (1) ERU and one (1) IDF. The FY 2021-2022 stormwater utility fee rate will be \$13.00 bi-monthly per ERU and \$13.00 bi-monthly per IDF. Thus, the average residential customer will pay \$26.00 on each bi-monthly Village utility bill or \$13.00 if calculated on a monthly basis.

Question – How are multi-family or commercial buildings with multiple tenants billed?

Answer – The party that currently receives the existing Village water and sewer bill for any multi-family or commercial buildings with multiple tenants will be billed for the stormwater utility fee for all parcels associated with the existing utility account. In many cases, this party will be a property management company, homeowner's association, or landlord. In cases where individual units within a multi-unit development are not direct customers of the Village (i.e. do not receive a utility bill directly from the Village), it will be up to the individual associations or landlords to determine how the stormwater utility fee will be allocated amongst the parcels that it represents.

Question – What happens when a property becomes vacant and other utility services are cut off?

Answer – The stormwater utility fee will continue to be assessed and billed to the property owner whether the property is occupied or not.

Question – I own a parcel with no structures. Will I be billed for the stormwater utility fee?

Answer – A property must have an ERU component greater than or equal to 0.1 ERUs (370 square feet of impervious surface) *and* an IDF component in order to be billed for a stormwater utility fee.

Question – What if I do not pay my stormwater utility fee?

Answer – Upon approval of the stormwater utility fee ordinance, the Village Code was amended to reflect a payment application priority of 1) Stormwater utility fee, 2) Sanitary sewer fees, and 3) Water consumption fees. Payments remitted that are less than the billed amount will be applied to water service last, which will subject the customer to water disconnection if the bill remains unpaid. The Village Code also allows the filing of a lien against any property with unpaid utility bills.

Question – Is there a mechanism to reduce my property's stormwater utility fee?

Answer – Yes, the Village provides opportunities for credits to a parcel's stormwater utility fee if it meets either of two requirements: 1) the stormwater from the parcel discharges outside of the Village's corporate boundaries or 2) the stormwater from the parcel does not discharge into the Village's sampling waters. Property owners that may be eligible for a credit are encouraged to review the Credit Manual and Credit Application located on the Village's stormwater utility fee website.

Question – I believe my stormwater utility fee was calculated incorrectly. How do I request a review?

Answer – Answer – The Village has appeal procedures in place for property owners that believe their bill was calculated incorrectly on the basis of: 1) a billing error, 2) an impervious surface calculation error, or 3) Unique circumstances not generally applicable or present to other properties in the Village. Property owners with concerns about their fee on either basis listed above may contact Village staff at stormwaterhelp@libertyville.com to discuss their concerns or lodge an appeal using the appropriate form located on the Village's stormwater utility fee website.

Question – When will the Village begin to process appeal and credit requests?

Answer – The Village plans to begin processing appeal and credit requests shortly after the Stormwater Utility Fee ordinance is adopted.

Question – Will the commercial properties along the river potentially be eligible for a 50% reduction if they can show their drains and parking lots all drain to the river?

Answer – Possibly. Credit applications will be reviewed and evaluated on a parcel-by-parcel basis and must provide engineering evidence as outlined on the credit application form.

Question – Why are appeals contesting the types of surface areas designated by the Village as impervious not considered? Why is this stipulated as not contestable?

Answer – Stormwater best management practices and the technological abilities of aerial imaging dictate what surfaces are considered impervious. An individual resident may only lodge an appeal on parcels that they own. If appeals contesting types of impervious surfaces designated by the Village were accepted, an individual resident's appeal would cause the application of the fee throughout the Village to be inconsistent.

Getting in Touch**Question – How can I ask questions or provide a comment about the stormwater utility fee?**

Answer – The Village hosted virtual town halls in January and February of 2021 about the proposed fee. Property owners who were unable to attend were able submit questions to the Village in advance that were read at the town halls. The presentations and recordings for the town hall sessions have been uploaded to the Village's stormwater utility fee website. Please send any additional questions, comments, or concerns to the Village's dedicated stormwater utility fee email address, stormwaterhelp@libertyville.com.