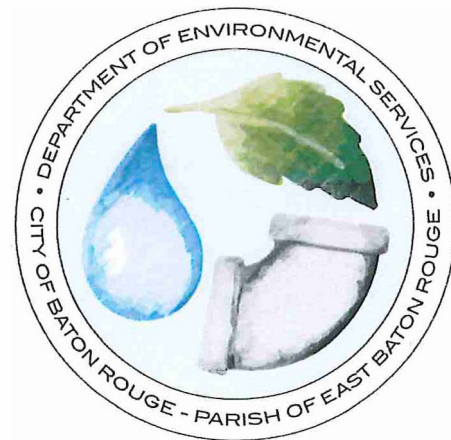
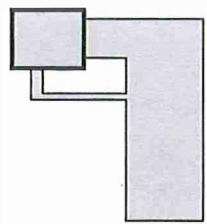




# **BATON ROUGE STORMWATER UTILITY FEASIBILITY STUDY**



# Stormwater Utility – The Balancing Act



EQUITY



AFFORDABILITY



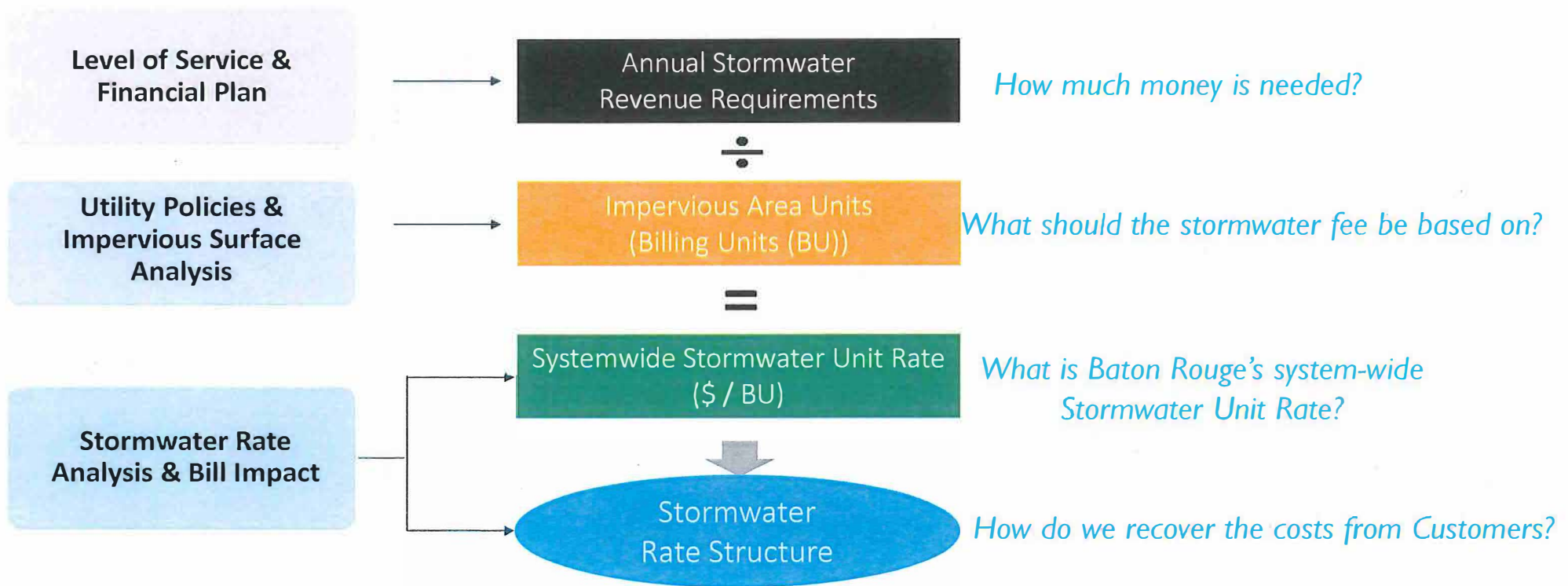
REVENUE CAPACITY  
& RESILIENCE



SUSTAINABLE  
PRIVATE PRACTICES

*Through a combination of pragmatic stormwater financial planning and defensible stormwater utility policies  
Baton Rouge can help balance diverse needs*

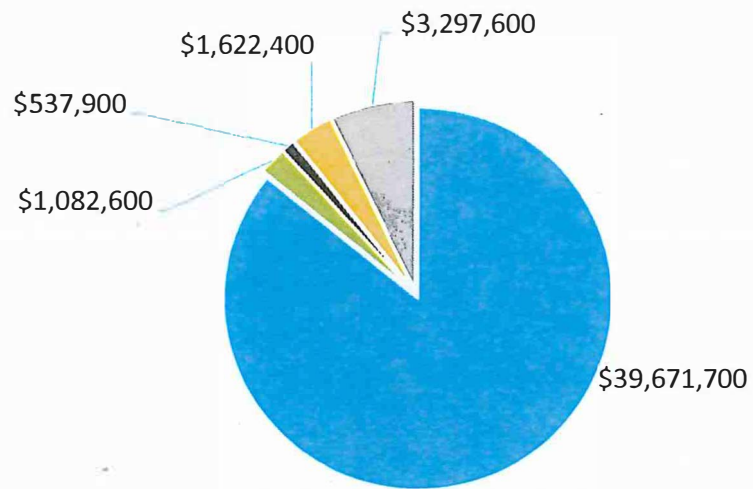
# Building Blocks of Fee Development



*One Billing Unit (BU) = 500 square feet of impervious area*

# Stormwater User Fee Funding (2024)

2024 Stormwater Requirements Forecast



- Operation and Maintenance Expense
- Billing and Remittance Fee
- Bad Debt
- Cash Financed Capital
- O&M Reserve (30 Days)

## Revenue Recovery from All Property Owners in the City & Unincorporated Areas of the Parish

- Residential / Non-Residential
- Parking Lots & Vacant Land
- Undeveloped Land / Other

2024 Stormwater Revenue Requirement = \$ 46.2 Million  
 (Less) Anticipated Ending Balance from 2023 = \$ 0.0 Million  
 (Less) Retain Transfer from General Fund = \$ 9.7 Million

2024 Revenues Needed from SW Charge = \$36.5 Million

# Baton Rouge O&M Cost Centers (2024 Estimate)

Drainage System  
Maintenance  
(\$30 Million)



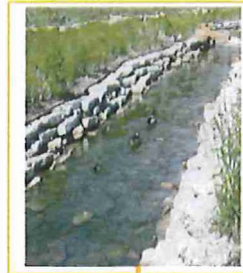
Water Quality /  
Compliance  
(\$4.9 Million)



Engineering & Planning  
(\$3.5 Million)



Stormwater Utility  
Billing/Remittance\*  
(\$1.1 Million)



Stormwater Program  
Administration  
(\$1.1 Million)



Stormwater Utility  
Administration  
(\$0.14 Million)

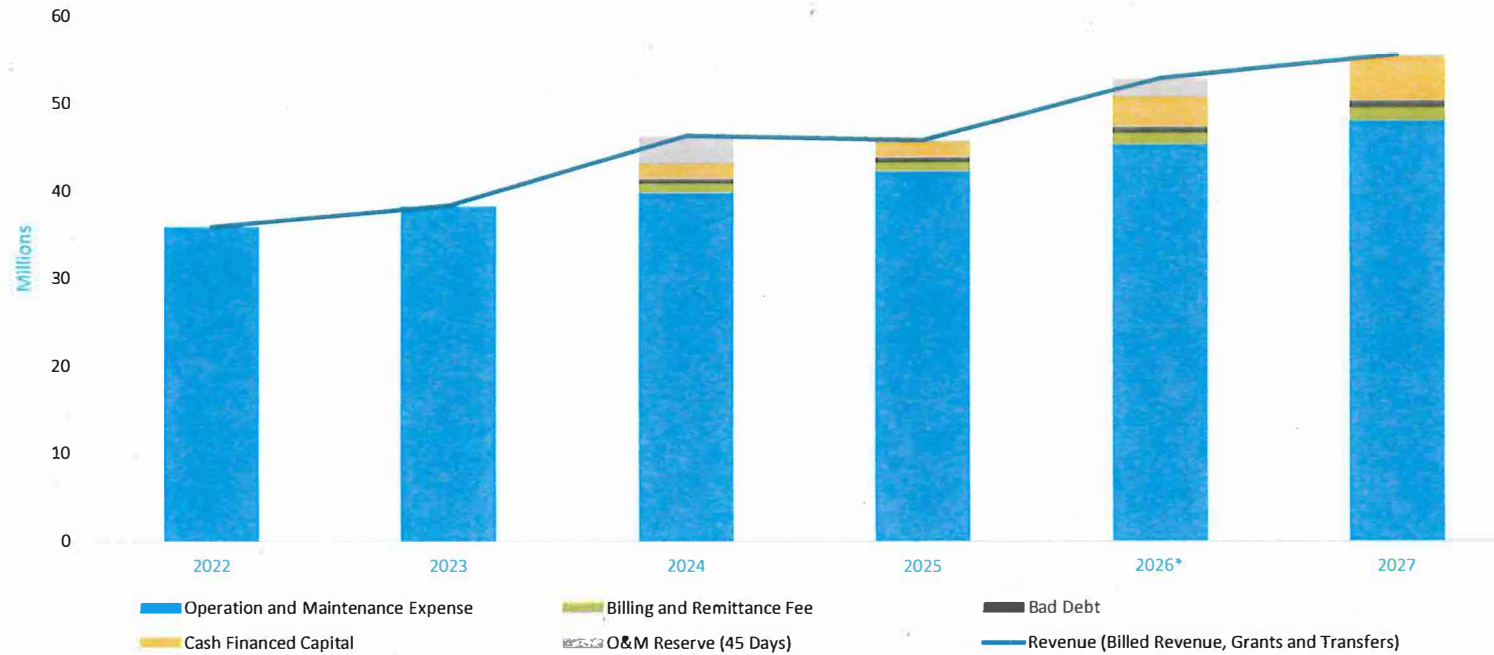


**Baton Rouge's O&M Cost Centers (\$40.8 Million)**

\* Stormwater Impervious Area Data Mgmt and Annual Billing and Remittance Fees.

# Financial Plan Results

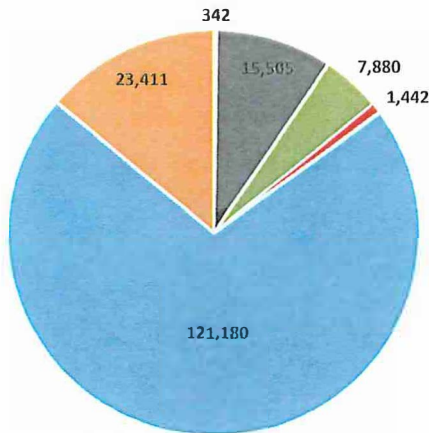
Projected Revenue Requirements and Revenues



\* Update rate study to re-evaluate costs versus revenue

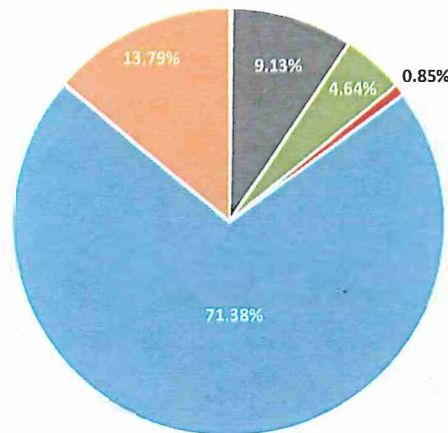
# Parcel Count and Impervious Area Profile

Parcel Count



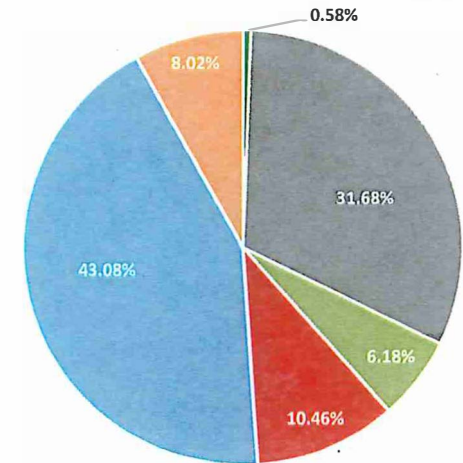
- Agricultural
- Commercial
- Multi-family Residential
- Industrial
- Single Family Residential
- Undeveloped/Open Space/Park/Vacant

Parcel Count Distribution (%)



- Agricultural
- Commercial
- Multi-family Residential
- Industrial
- Single Family Residential
- Undeveloped/Open Space/Park/Vacant

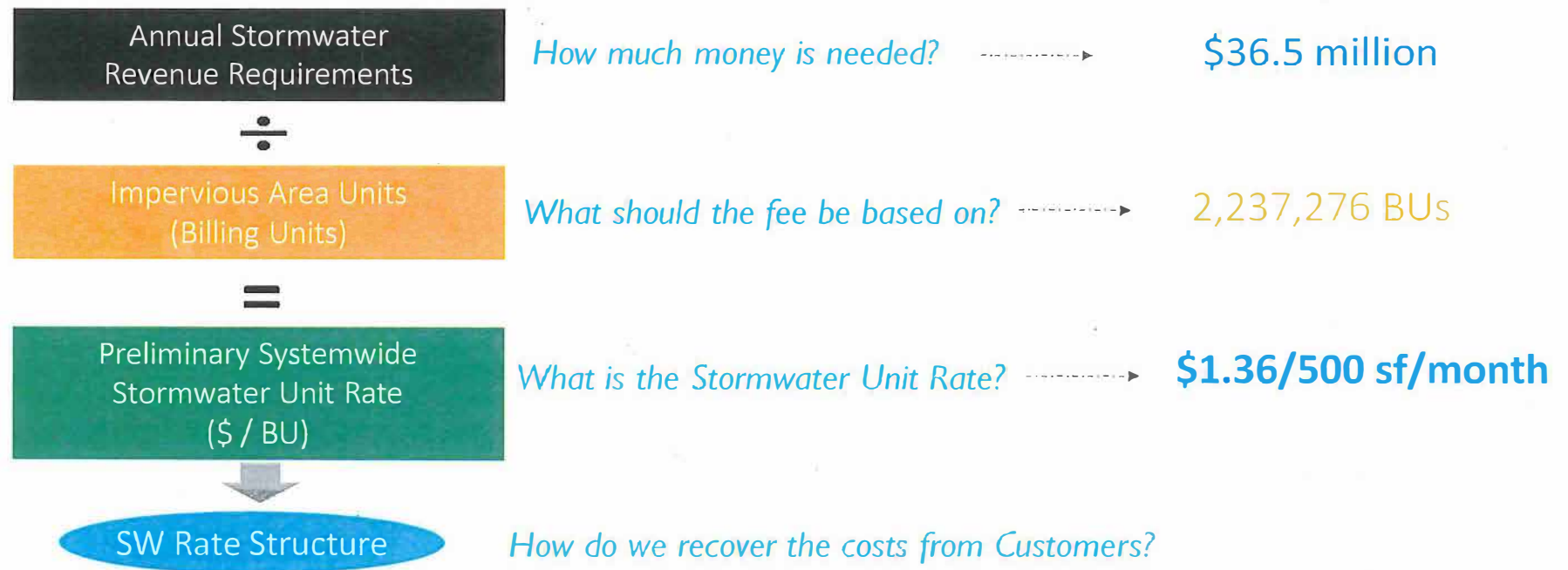
Impervious Area Distribution (%)



- Agricultural
- Commercial
- Multi-family Residential
- Industrial
- Single Family Residential
- Undeveloped/Open Space/Park/Vacant

Data source(s) used: City GIS Land Use; Impervious Raster Imagery; Parcel Polygon Layer

# Determination of Preliminary Unit Rate



NOTE: The unit rate shown above is for 2024. The final rate is subject to change based on any changes to the financial plan & any policies.



# Stormwater Bill Calculation (Examples)

## Residential Property with IA : Individually Calculated for Each Parcel (Example)

- Residential Property IA = 4,400 sf IA
- Total Billing Units:  $4,400 \text{ sf} / 500 \text{ sf} = 8.8 \text{ BUs}$
- Monthly Charge:  $8.8 \text{ BUs} * \$1.36/\text{BU} = \$11.96/\text{month}$  (**\$143.62 per year**)

## Non-Residential Property with IA : Individually Calculated for Each Parcel (Example)

- Non-residential Property IA = 10,000 sf IA
- Total Billing Units:  $10,000 \text{ sf} / 500 \text{ sf} = 20 \text{ BUs}$
- Monthly Charge:  $20 \text{ BUs} * \$1.36/\text{BU} = \$27.20/\text{month}$  (**\$326.40 per year**)

## Undeveloped Property: Individually Calculated for Each Parcel (Example)

- Undeveloped Property Lot Size = 150,000 sf (3.44 Acres)
- Effective Impervious Area:  $2 \text{ Acres} * 43,560 \text{ sf} * 10\% = 8,712 \text{ sf}$
- Total Billing Units:  $8,712 \text{ sf} / 500 \text{ sf} = 17.4 \text{ BUs}$
- Monthly Charge:  $17.4 \text{ BUs} * \$1.36/\text{BU} = \$23.66/\text{month}$  (**\$283.92 per year**)

NOTE: BU rate and actual charge are subject to change, subject to final rates that are approved

(1 Acre = 43,560 sf)

# What Factors Influence a Customer's Total Stormwater Charge?

IA = 800 sf



**Annual Charge = \$26.11**  
(Single Family Residential)

IA = 2,000 sf



**Annual Charge = \$65.28**  
(Single Family Residential)

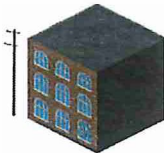
IA = 3,700 sf



**Annual Charge = \$120.77**  
(Single Family Residential)

**System Wide Rate: \$1.36**

IA = 5,000 sf



**Annual Charge = \$163.20**  
(Commercial)

IA = 25,000 sf



**Annual Charge = \$816.00**  
(Industrial)

## Stormwater User Fee Billing Method and Effective Date

- The existing City/Parish's tax assessment billing system will be used to bill the stormwater user fee
- The stormwater user fee will be added as a "line item" in the tax bill
- Parcels that are tax exempt, will receive a tax bill for the stormwater user fee
- The stormwater user fee for 2024 will be included on the [December 2023](#) tax bill

# Stormwater User Fee Questions and Answers

## 1. Why do we need a stormwater utility?

The City-Parish is currently facing operational services, capital investments and funding adequacy challenges with regards to sustainable stormwater management. The funding mechanism that is currently supporting the stormwater services provided is inadequate, not sustainable and does not provide for equitable cost recovery. The solution is a dedicated stormwater user fee funded utility.

## 2. What are the key drivers for stormwater management?

There are four (4) key stormwater management needs that need to be addressed in the City-Parish communities:

- There is a need for increasing the drainage conveyance capacity to manage and mitigate flooding and associated water quality issues;
- There are regulatory compliance requirements related to water quality, that must be met;
- There is a need to improve the service provided to the community to ensure that operations and maintenance of the system is provided in a timely manner as to maintain the integrity of the stormwater infrastructure; and
- There is a need for increased organizational capacity in terms of resources and funding to support the three drivers mentioned.

# Stormwater User Fee Questions and Answers

## 3. What are the benefits of stormwater utility based funding?

There are four (4) benefits of a user charge funded utility:

- Dedicated funding and resources will help manage flooding and water quality to address public health and safety concerns, contribute to improving neighborhood vitality, and support economic resilience in the community as a whole;
- Stormwater utility helps establish transparency and clear accountability in terms of the (i) operational level of service that the City-Parish delivers, (ii) the compliance requirements that must be met, (iii) the capital investments needed for managing the drainage system infrastructure, and (iv) community initiatives and green solutions that the City-Parish should engage in;
- Stormwater utility requires a clear delineation of defensible policies in terms of the costs that are going to be included and recovered through the stormwater utility, the basis of cost recovery, opportunities for fee reduction, accounting practices, and how billing and collection of the stormwater fee will be managed; and
- Overall, a stormwater utility provides the much needed dedicated funding source that also supports stability of revenue and equitable cost recovery. In addition, it enables a stronger and fair correlation between the stormwater runoff a property contributes and the charges that the property pays.

# Stormwater User Fee Questions and Answers

## 4. What would be the basis for the determination of the stormwater user charge?

The basis for assessing the stormwater charges, to each property, is impervious area.

The City-Parish defines impervious area as a hard surface area which causes water to run off the surface in greater quantities or at an increased rate of flow from the flow present under natural conditions prior to development. Common impervious surfaces include, but are not limited to, roof tops, walkways, patios, driveways, parking lots or storage areas, concrete or asphalt paving, gravel roads, packed earthen materials, and oiled, macadam or other surfaces which similarly impede the natural infiltration of stormwater.

## 5. How is my impervious area calculated?

The City-Parish GIS (Geographic Information System) department provided imagery of the impervious area cover and the property boundary (parcel polygon) data for the entire City-Parish service area. Using these two datasets, the City-Parish was able to programmatically delineate and calculate the impervious area square footage for each property.

The actual impervious area that is determined for each property typically consists of the roofline of the buildings, square footage of other attached and/or detached structures and hardscaped areas, per the City-Parish's definition of impervious area surfaces.

# Stormwater User Fee Questions and Answers

## 6. How much funding is needed to manage the stormwater system?

The total program revenue requirement needs in 2024 is \$46.2M, which consists of the following components:

- \$40.0M in operations and maintenance expense,
- \$3.3M for an operating reserve,
- \$1.6M for cash financed capital investment,
- \$1.1M for billing and remittance fees, and
- \$0.5M for potential bad debt write-off.

## 7. How will the revenue requirements be funded in 2024?

The 2024 revenue requirements will be funded from two sources:

- \$9.7M in assistance from the General Fund, and
- \$36.5M from the stormwater user charges.

# Stormwater User Fee Questions and Answers

## 8. How will my annual stormwater charge be calculated?

The annual stormwater user charge will be calculated based on your property's impervious area square footage and the monthly stormwater rate per Stormwater Billing Unit (BU). One BU is equal to 500 square feet of impervious area. In 2024, the monthly stormwater rate per BU is expected to be \$1.36. Therefore, for example, if your property has 1,000 square feet of impervious area, your annual stormwater charge will be calculated as follows:

- 1,000 square feet of Impervious Area ÷ 500 sf (BU) = 2.0 BUs
- 2.0 BUs × \$1.36 × 12 = \$32.64

## 9. When will I pay the annual stormwater charge?

Your annual stormwater user charge will be billed through the East Baton Rouge Parish Assessor's office and will be a line item on the annual tax bill that you receive each year in December.



# Stormwater User Fee Questions and Answers

## **10. Is it possible to get a stormwater charge reduction?**

Yes, non-residential properties that manage stormwater onsite may be eligible for a charge reduction in the form of stormwater credit towards their annual charge, provided the property meets all the eligibility and technical criteria that the City-Parish established for the stormwater credits program.

## **11. When will the annual stormwater user charge go into effect?**

The first annual stormwater user charge will appear on the 2023 tax bill that will be billed in or around the last week of November 2023, and then each year around the same time, thereafter.

## **12. Will the City-Parish properties be subject to the annual stormwater user charges?**

Yes, all Federal, State and City-Parish properties will be assessed the annual stormwater user charges.