

## CSFRA Overview

A CSFRA stormwater utility created by an MS4 holding local unit may:

- Take on ownership of a privately-owned stormwater management system.
- Contract with others (including authorities) to construct, improve, maintain and/or operate a stormwater management system.
- Purchase a stormwater management system from a private property owner at a purchase price that does not exceed costs attributable to owning, operating, and maintaining the system.
- Allow private property owners to retain ownership and responsibility over their systems.
- Borrow funds to purchase or operate and maintain systems.
- Enact (through the applicable governing body) and enforce resolutions, ordinances, and regulations relating to stormwater management system. These actions must be consistent with federal and state law and regulations.
- Conduct competitive contracting
- Enter into contracts

The stormwater utility may only use the funds collected through the utility for the following:

- Establishing a SU

- Performing capital projects, including buying, repairing or improving a stormwater management system
- Operating and maintaining a stormwater management system
- Doing asset management
- Developing and implementing a stormwater management control plan and stormwater control ordinance
- Complying with any NJDEP permit
- Carrying out a long-term control plan for combined sewer overflows
- Monitoring, inspecting, and enforcing activities related to stormwater management
- Doing public education and outreach
- Doing anything related to stormwater management as may be authorized by the NJDEP, the Division of Local Government Services in the Department of Community Affairs, or the Local Finance Board pursuant to rules, regulations, or permits.

Stormwater utilities may charge fees for their service. Each year, five percent of that revenue, up to \$50,000, must be paid to the State Treasury to be deposited into the “Clean Stormwater and Flood Reduction Fund.”

The county, municipality, sewerage authority, municipal and county utility authority, or county improvement authority establishing a stormwater utility may charge fees to owners of properties that generate runoff proportionate to the property’s contribution to stormwater runoff. Properties that may be tax-exempt are not exempt from stormwater fees or charges. The SU can create a system of credits for properties that maintain and operate their own

stormwater management systems provided they are compliant with relevant laws and regulations and that they control stormwater onsite. Attributes such as green infrastructure may qualify for credits too. Agricultural or horticultural land is exempt from stormwater fees and other charges.

The CSFRA does not lay out a particular methodology for assessing fees. The NJDEP is charged with creating a guidance document which addresses fee calculation.

The law requires the NJDEP to:

- Provide technical assistance for establishing a stormwater utility
- Establish fees and credits
- Develop an asset management program for stormwater management systems
- Develop guidance about stormwater management to educate the public and do outreach.

Local governments creating stormwater utilities are required submit documentation of compliance with the CSFRA to the NJDEP and the Department of Community Affairs. Each stormwater utility is required to submit an annual report to the Division of Local Government Services in the DCA and post it on a stormwater utility services website. Up to five percent (5%) of “surplus” revenue from a stormwater utility may be transferred to the local budget. The NJDEP has a page devoted to the law. For updated information on the implementation of guidance and public education requirements, visit

[https://www.nj.gov/dep/dwq/SWU\\_stormwaterutility.html](https://www.nj.gov/dep/dwq/SWU_stormwaterutility.html).