

## How Does an Authority Participate in a Stormwater Utility?

Before the passage of CSFRA, AEA worked to ensure that authorities' options were protected. No authority board may, under CSFRA, create a stormwater utility, and if a municipality or county asks an authority to participate in a stormwater utility, the authority board may decide whether or not to do so. Having this prerogative matters because each authority operates in different circumstances. Size, permit requirements, financial condition of the authority, and ability of the customer base to pay are among the variations. Boards must carefully consider many factors in deciding to become involved in a stormwater utility.

Under certain conditions, an authority may consider participating in a stormwater utility. Authorities, like other local governments, are often urged to increase shared services as a way holding down costs, and by extension, taxes. The authority and its prospective municipal partner may wish to implement a shared service. An authority might participate in a stormwater utility because it is interested in preserving a constructive working relationship with other authorities, municipalities or counties. Participating might be a sign of good faith. The authority may see participating as a way of demonstrate its value to the community, and this could mitigate the risk of dissolution or privatization.

Participating in a stormwater utility may be a cost-effective way for an authority to meet a NJPDES permit, to remediate infiltration and inflow, or to solve other problems that affect sewer plant performance. Dischargers address TMDLs through both point-source and stormwater improvements. Likewise, MS4 permits require stormwater management plans and require compliance with relevant TMDLs. The stormwater utility can fund both sets of compliance objectives. An added advantage for municipal MS4 permit holders is that SWU costs are outside of the two-percent municipal budget cap.

The following are instances of authorities addressing stormwater for compliance reasons. One authority estimated it would cost \$10 million to add phosphorous treatment to its plant to reduce algae

and comply with a phosphorous TMDL. But an alternative -- retrofitting 10 large stormwater basins and planting trees along a tree corridor-- eliminated the algae problem in the stream at far less -- \$2 million.

Another authority, Ewing-Lawrence SA, worked with Ewing Township to improve drainage and stormwater management on residential properties located uphill along Jacob's Creek. The authority addressed its own discharge permit deficiencies by helping the township address stormwater.

Eliminating I&I might free up capacity in a sewer collection system or treatment facility or h eliminate the need for pump station upgrades. One North Jersey authority is considering making \$5,000 grants available to property owners to cover the cost of drainage and stormwater management solutions. The premise for this assistance is that adjustments made on residential and business properties would reduce flows into the sewer system and mitigate the need for more expensive gray infrastructure solutions.

The values of participating in a SWA might also be found on the drinking water side. An authority might save treatment costs if it can limit the pollution of its surface water source.