

## Stormwater Utility Community Advisory Group Meeting #2 – 5/3/22

### *Question and Answer Summary*

**On slide 9, it seems there is an increase in debt service from FY22 to FY23. Is that from the stormwater bond?** Yes. The County only issues bonds to cover the actual expenses each year. The County typically issues bonds at the end of the fiscal year when the funds are spent. This allows the County to issue bonds for the specific amount needed, and not more than is needed at the time.

We have issued \$13M of the \$51M bond at this time. This helps to manage the debt service payments.

The first stormwater bond was intended to pay for improvements in Spout Run and other watershed improvements. The County is planning to propose another bond this fall to the voters. The Capital Improvement Plan book will be available on May 17<sup>th</sup> when the County Manger proposes the CIP, and it will have more detail.

**Is there a year assigned to the money or not?** Once approved, the bond funding is available for eight years and can be extended an additional four years.

**It would be interesting to show what either the maximum or steady state of debt service might be?**

The amount of debt service annually will fluctuate as we issue more debt each year for projects. The CIP will be proposed on May 17<sup>th</sup>, and in the plan, we have sketched out the program need and resulting debt service and an estimated customer cost.

**Does bond issuance affect the County's AAA bond rating?** Because the stormwater program has a dedicated revenue source, the stormwater bonds do not affect the County's bonding capacity. We are able to leverage the County's Triple-Aaa rating when issuing the bonds to get a lower interest rate. The general fund has a 10% debt limit, but that does not include the stormwater bonds.

**Where will Four Mile Run dredging material go?** The County has not specified a disposal location for the dredge materials from Four Mile Run. That is considered "means and methods" for the contractor to decide. Arlington County and the City of Alexandria have tested some samples of the dredge materials for hazardous substances, and the material was found to be non-hazardous.

**How would pervious surfaces be addressed in the stormwater utility?** Virginia requires any locality creating a stormwater utility to develop a credit program. Properties with pervious surfaces would either apply for a reduction in the total impervious area for the property, or a credit. The credit program is still under development.

**At the first SUCAG meeting, there was a question about National Airport's stormwater permit?**

National Airport does have a stormwater permit from EPA Region 3. By Virginia law, any properties that have their own MS4 stormwater permit are excluded from a stormwater utility charge because of the expense associated with complying with their own permit. We are waiting on the County Attorney's review of the airport's permit since it is not an MS4 permit.

**How many ERUs would the airport include?** We can follow up with an estimate of that number.

**The “non-single family residential” (NSFR) category is confusing. What types of properties are NSFR? Perhaps this category should be called “non-residential” properties?** The non-single family residential category includes commercial, institutional, hospitals, industrial, religious and other non-residential properties. The single-family category includes one-, two-, three-, or four-family homes. Apartments and condos are being considered in another category.

Some of these terms were used because they are a standard in the industry. Many stormwater utilities have two categories, which are single family homes, and everything else. In Arlington, we are considering more than just two categories.

**Would CIP projects be funded by the stormwater utility?** Yes, the stormwater capital projects are funded by the stormwater fund (whether it be tax or utility fee funded)

**I want to echo the concern about impact of this change to residents of affordable housing. It’s not a good idea to shift the burden to lower income residents.** Thank you for the feedback.

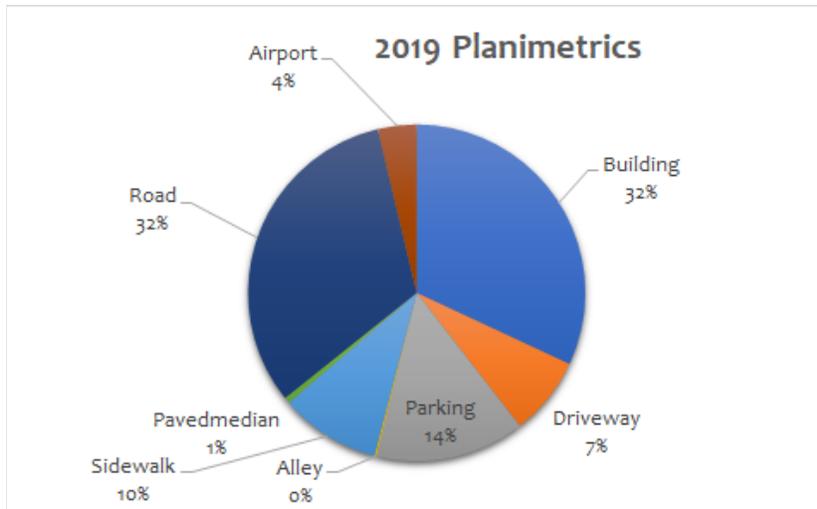
**Although one of the goals of the utility is simplicity, it does not seem simple. You may want to consider how to explain this to the community.** It is a complex topic. It’s not simpler than the tax – it is more complicated to explain. Within the bounds of a stormwater utility, we are striving to make it as simple as possible. We are considering how to minimize the administrative burden.

**There is some public indifference to the flood risk if you are not personally affected. Need to communicate it simply.** When we proposed the bond referenda (with community support), it was noted that rates (either tax rate or utility fee) will have to increase to fund the programs to reduce flood risks and deal with water quality.

**The credit issue could be of great importance to the non-profits and churches. Perhaps have other types of credits available such as volunteer activities.** Thank you for the feedback.

**The [cost burden] shift seems to be from high-rise commercial properties to garden style properties. Can we consider a low-level base rate that everyone would pay to fund the base of the program? Then the stormwater utility could rise based on ERUs. We all use the streets and sidewalks, and they contribute some runoff.** Thank you for the suggestion. We will talk more about possible rate structures at the next meeting.

**What is the percentage of impervious cover for the streets?** The County updates the aerial imagery every two years. The most current information (from 2019) is below. The current percentage of impervious area in the County is approximately 45%. Of that impervious area, the breakdown is shown in the graph below:



**What about the Pentagon? Do they connect to our system?** It is likely that the Pentagon storm sewer pipes do connect in some locations to the County's system, although some pipes may flow directly to streams as well. We do not have the system map available right now, but can share that in a future meeting. The Pentagon does have their own MS4 permit and are mandated to meet the requirements as set out in their permit.

Link shared in chat by attendee: Pentagon stormwater facility information

[https://www.ncpc.gov/docs/actions/2020December/8215\\_Pentagon\\_Reservation\\_Stormwater\\_Management\\_Design\\_and\\_Security\\_Upgrades\\_Staff\\_Report\\_Dec2020.pdf](https://www.ncpc.gov/docs/actions/2020December/8215_Pentagon_Reservation_Stormwater_Management_Design_and_Security_Upgrades_Staff_Report_Dec2020.pdf)