



Proposed Stormwater Utility Program Introduction

The City of Savannah (the City) continues to utilize funding mechanisms to ensure drainage issues are addressed in the most comprehensive, proficient, and equitable manner for the citizens and businesses within the City. This includes applying for Federal Grants, utilization of SPLOST Funds, General Fund Appropriations (i.e. property and sales taxes). To more effectively address historic drainage issues including increased maintenance requirements for the City's aging and expanding drainage system, and future impacts related to climate change, the City staff has been evaluating a potential Stormwater Management Program (SWMP) funding option whereby the revenue generated would be dedicated solely to stormwater management service delivery. Specifically, the City staff has been evaluating the potential implementation of a Stormwater Utility (SW Utility) program.

Historically, most local governments fund their SWMP services via General Fund appropriations, but within the last 10 to 20 years there has been a shift in the service delivery and funding model regarding SWMP services. A SW Utility is an operational and financial program that formalizes municipal stormwater management service delivery and funding under a defined "user fee for service" model. The first SW Utility was set up in Griffin, Georgia in 1998 and today there are approximately 75 active SW Utility programs in the State of Georgia. It should be noted that several coastal Georgia cities have implemented a SW Utility over the last 15 years including Garden City, Richmond Hill, Statesboro, Brunswick, and Hinesville.

A SW Utility operates like other municipal utility user fees such as water, sewer, and sanitation. Under a SW Utility program, service delivery and the associated cost for services are more equitably paid based on the customer's impact or demand for services imposed on the City's SWMP. In general, the SW Utility concept operates such that the quantity and quality of stormwater runoff generated by the customer's site correlates to the SWMP services provided by the City such that customer sites with greater quantities of runoff pay a proportionally higher fee for the associated SWMP services provided. If the SW Utility is implemented in the future, the City staff will take the position where it would serve as a dedicated funding mechanism for SWMP service delivery and cost recovery as well as reducing the annual General Fund appropriations related to the Stormwater Department.

The SW Utility Set-Up and Implementation Request for Proposal (RFP) procurement encompassed the tasks and steps necessary for future SW Utility implementation, if the City Council decides that the SW Utility concept is appropriate for the City's utility customers and the Stormwater Department's future service delivery plan. The RFP requires that the selected consultant evaluate the City's SWMP level of service, cost of

service, and extent of service as it exists currently and as it would be enacted under a future SW Utility program. The RFP also requires that the selected consultant develop a project prioritization process to assist the City staff in deploying resources to drainage projects based on an established process and criteria. Lastly, the RFP requires the consultant to engage the community via a robust Public Education & Outreach (PE&O) Plan regarding the City SWMP services and expenses as well as the potential to operate and fund the City's future SWMP via the SW Utility concept. It should be noted that the requested action of City Council at this time is to consider award of this RFP only, and that the request of City Council to authorize implementation of the SW Utility and user fee program would come later after the consultant completed the project work tasks.

Throughout the project execution, the consultant and City staff will periodically update the City Council and the City Manager's office as the project progresses over the next 18 to 24 months. Based on the operational and financial analysis of the City's SWMP as well as feedback from the City Council and the community, the City staff will utilize the consultant's information to put forth a future recommendation for City Council action to authorize implementation of the SW Utility program concept in the City of Savannah. It is important to emphasize that authorization to implement the SW Utility and user fee program would be undertaken via a separate, formal action by the City Council that would involve public hearings related to adoption of a SW Utility Ordinance.