

Stormwater Utility Fee Advisory Committee

Meeting Minutes, October 14, 2025

Attendees:

- Will Simpson, City of Salem, Assistant Director/City Engineer
- Sam Driscoll, City of Salem, Stormwater Manager
- Callie Sturgill, City of Salem, Construction Inspector
- Sean Horne, Westwood PC (Balzer & Associates)
- Dominic Marletta, local Restauranteur (Mama Maria's, Chip & Jo's)
- Catherine Potter, Roanoke College, General Counsel
- Ben Grisso, Wabtec Graham White, Facilities Manager
- Adrian Dowell, Shiloh Baptist Church, Pastor
- Nathan Staley, WSSI, Engineering Manager (SW VA)
- Chris Schrinel, WSSI, Engineering Manager (Richmond)*
- Jay Lemmerman, WSSI, Project Engineer (Richmond)*

*: participated remotely via web conference

- Meeting started with introductions from the committee members including city staff, representatives of the community, and the city's stormwater consultants, Wetland Studies and Solutions, Inc. (WSSI).
- WSSI presented a PowerPoint presentation¹ that discussed the concept of a Stormwater Utility Fee and Stormwater Enterprise Fund & the committee utilized this presentation as the basis for an open discussion on the topic. Some of the items that were discussed include:
 - SWM Enterprise Fund and SWM Utility Fee are somewhat interchangeable terms – the SWM Utility Fee is used to collect money for a SWM Enterprise Fund, which can only be used for SWM purposes. The fund becomes a self-sustaining account that is not competing for tax revenue with other city needs.
 - The SWM Utility Fee is not required by law, but it is allowed by law, and City Council passed Resolution #1505 in July 2025 that established this Advisory Committee.
 - The City is subject to a Municipal Separate Storm Sewer (MS4) Permit, three Total Maximum Daily Load (TMDL) documents, and required to run a Virginia Erosion and Stormwater Management Program (VESMP). These requirements are unfunded mandates passed down from the Federal and State level.
 - The city's Stormwater Management (SWM) program is currently funded by money allocated out of the General Fund by the City Council either directly for SWM purposes or for departments that share some responsibility for SWM items.
 - The current level of funding is insufficient and one component that led to the city receiving a letter from the Virginia Department of Environmental Quality (DEQ) indicating issues in meeting MS4 local Sediment TMDL requirements.
- WSSI explained what the MS4 Permit, VESMP, and TMDLs. Discussion included:
 - The MS4 Permit is mandated and overseen by the EPA and DEQ.
 - Virginia's MS4 Permits for small cities became effective in the early 2000's and are updated every 5 years, often increasing the requirements put on the City.

- MS4 permits are applicable to all public entities in urban areas that own or operate a storm sewer system. Salem falls into this category.
- VESMP is a program to oversee development within a locality and manage the potential for erosion, sedimentation, and stormwater impacts from the development.
- Any locality that is subject to the MS4 permit is required to run a VESMP.
- Salem doesn't have enough dedicated staff to run the stormwater program, so current staff cover the SWM requirements in addition to their other obligations.
- TMDL is a pollution diet. There is too much pollutant going into the waterway, therefore the city has to reduce the amount going into it.
- TMDLs are based on an assessment of water quality in stream segments (Impaired Waters). There are three local TMDLs - e. Coli, PCBs, & Sediment. The first two have been handled well, the Sediment TMDL is the one that is so costly. Roanoke River is the primary impaired water, but also Mason's Creek.
- Salem was handling the local Sediment TMDL via Street Sweeping, but crediting for that practice was reduced recently based on new research. Salem does not currently have the funds allocated to accomplish large outfall stabilization/stream restoration projects necessary to meet pollutant removal targets.
- A committee member asked about the possibility of collaborating with adjacent localities, and the answer was that Salem already does some via the Clean Valley Council.
 - Adjacent localities are further ahead in addressing sediment TMDL & other SWM requirements. Largely due to having funding sources such as implemented a SWM Utility Fee already.
- A committee member asked about sampling for PCB & e. Coli due to their health risks.
 - Salem staff indicated that it could be something the SWM Fund is used to pay for even though the TMDLs for those pollutants don't require testing. These TMDLs are not effluent based but rather require the city to take steps to reduce discharge of these pollutants to the maximum extent practicable (MEP).
- WSSI introduced the idea of basing the SWM Utility Fee on a desired Level of Service
 - City Staff along with this Advisory Committee will create an estimated budget for three levels of service – 1) meeting the bare minimums required, 2) an intermediate level of service, 3) a high-end level of service with projects that enhance quality of life or establish stormwater resilience such as flood control, infrastructure upgrades, green space, etc.
 - WSSI developed a worksheet to be filled out with various items the SWM Fund can be used for. The worksheet also includes a column for the City to estimate their current expenditures on SWM, though some items are easier to track than others due to how many different groups spend some of their budget on SWM items. City will fill out the worksheet prior to the next committee meeting.
- A committee member asked about prioritizing the most cost-effective measures for addressing SWM requirements passed down by the state. This could be in implementing the most cost-effective projects, but also the decision-making on how the fee and billing are set up to minimize the long-term costs of program administration.

- Salem is looking at hiring staff or allocating existing staff differently and utilizing the SWM Fund rather than the General Fund for SWM requirement. This could free up the General Fund to go towards other projects that improve the City.
- WSSI explained that Stream Restoration and/or Outfall Stabilization Projects offer a very effective sediment reduction but require funding that has not been available in the City.
- WSSI & City Staff discussed that there are grants available through state or federal programs to provide additional funding to localities, but these require studies or plans to be developed to apply for them. This would be one way the City would look to provide a high return on investment from the SWM Fund.
- A stormwater masterplan is a preliminary step in determining which projects will be the most efficient and WSSI recommends it be included in the budget used to set the fee amount.
- WSSI also recommends identifying projects that could serve a dual purpose such as stream restoration adjacent to a utility line that is at risk from erosion.
- Additionally, these SWM funds can be utilized to address future needs such as flood control as the frequency of large storms increases.
- City staff indicated that they currently get calls about flooding or erosion on streams that are not maintained by the City, and there could be opportunities to improve those streams with this SWM Fund if the project could count towards TMDL reductions.
- WSSI also discussed that the fee does not have to be a static amount. The amount of the fee can be reassessed on a periodic basis as SWM needs change. There are cases where the amount would be higher at the beginning of the fee as TMDL requirements are addressed and then decreases over time as the large projects have already been completed.
- WSSI led a discussion about the three ways the SWM Utility Fee can be set up
 - *Flat Fee:* A single fee is charged to all residential properties based on the average amount of impervious cover (equivalent residential unit, ERU) on a typical residential lot. This type of fee may not be as equitable as others, but it is less difficult and therefore less costly to implement so it can help reduce the administrative cost of the Utility Fee and these savings can be passed down to the residents. A flat fee is similar to trash collection, a family of 1 and a family of 10 pay same fee – same for a large or small amount of impervious cover on a residential lot.
 - *Unit Cost:* This method picks a cost per a set amount of impervious cover (standard building unit, SBU). It is the most equitable method, but it also is potentially the most difficult & costly to implement because it requires determining the actual amount of impervious cover on each lot and setting the Fee for each property separately. Also, property owners with large amounts of impervious can have very high fees.
 - *Tiered Cost:* This method is similar to the Unit Cost method, but rather than setting a single cost per a certain amount of impervious cover, it allows for a non-linear fee that factors in the economy of scale. Fees are set for certain ranges of impervious cover and can increase or decrease at variable rates per tier.

- All properties within the city with impervious cover will be charged a utility fee unless they run their own MS4 Program. For example, the VA Hospital runs their own MS4 and will be exempt, but the City owned properties such as the Civic Center could be assessed a fee.
- State Law requires there to be a means for crediting the installation of BMPs.
 - This crediting method will be discussed at future meetings.
 - BMP Credits can also be capped at a certain reduction, which is common in other jurisdictions (for example, the fee cannot be reduced below 50%).
 - BMP Credits can also require annual inspection and reporting on the condition of the BMP to ensure that the BMPs are maintained and functioning properly.
- The committee discussed creating a webpage to make information from meetings publicly available.
 - One item to make clear about the SWM Utility Fees is that the funds will still be utilized to address public drainage issues. The city will not be using the funds to address drainage issues on private property just because the property owner pays a SWM Utility Fee.
- NEXT STEPS:
 - At the next meeting, we would like to choose which method will be used to determine the fee (Flat, Unit Cost, or Tiered).
 - At the next meeting, we will have a better idea of the overall SWM program cost that will be used to set the fee amount. The city will fill out the worksheet WSSI developed that discusses SWM Components and Levels of Service.
 - Set up the website for public outreach
 - It will likely take at least 4 months to develop the recommendation to the City Council

NOTES:

1. *This PowerPoint presentation is available for public viewing on the City website.*