SFPUC Stormwater Charge:
Stormwater Credit Program

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Presentation Outline

• Overview of Stormwater Charge Rate Structure
• Recommended Stormwater Credit Program
• SFPUC Resources Available
• Next Steps
Stormwater Rate Structure
Stormwater Charge Components

• The Stormwater Charge reallocates the stormwater portion of the bill from drinking water \textit{volume} to \textit{area}
• Each customer pays their fair share for the combined sewer system
• Customers will fall into one of two categories for the stormwater charge:

\begin{itemize}
  \item Simplified Residential Rate
    \begin{enumerate}
      \item Tier 1 flat rate
      \item Tier 2 flat rate
      \item Tier 3 flat rate
    \end{enumerate}
  \item “Standard” Rate
    \begin{enumerate}
      \item Cost per area
    \end{enumerate}
\end{itemize}
Recommended Stormwater Credit Program
Stormwater Credit Program Goals – All Customers

**Goal #1:** Provide a viable way for customers to reduce stormwater runoff charges

**Goal #2:** Ensure complexity and level of effort for credit process is appropriate to the scale of green infrastructure projects and the customer type

**Goal #3:** Align rate structure to cost of service (together with appeals process)

**Goal #4:** Incentivize stormwater management through performance-based green infrastructure that maximizes impervious area managed

**Goal #5:** Provide “meaningful credit for meaningful performance” for green infrastructure features based on an internally consistent approach to modeling and valuing performance
Green Infrastructure is a set of engineered, sustainable stormwater management tools that slow down, clean, and route stormwater to keep it from overwhelming the City's sewer system.
Example Standard Credit Project Types

- Rain Garden / Bioretention
- Rainwater Harvesting
- Permeable Pavement
- Vegetated Roof
Stormwater Charge Components

**Stormwater Runoff Charge**

- **Simplified Residential Rate**
  - *Most residential parcels*
  - Tier 1 flat rate
  - Tier 2 flat rate
  - Tier 3 flat rate

- **“Standard” Rate**
  - *All other parcels*
  - Cost per area

**Stormwater Runoff Credits**

- **Simplified Residential Credit**
  - *Most residential parcels*
  - Tier 1 flat credit menu
  - Tier 2 flat credit menu
  - Tier 3 flat credit menu

- **“Standard” Credit**
  - *All other parcels*
  - Credit per area
Stormwater Charge Components

Stormwater Runoff Charge

Simplified Residential Rate
Most residential parcels
- Tier 1 flat rate
- Tier 2 flat rate
- Tier 3 flat rate

“Standard” Rate
All other parcels
- Cost per area

Stormwater Runoff Credits

Simplified Residential Credit
Most residential parcels
- Tier 1 flat credit menu
- Tier 2 flat credit menu
- Tier 3 flat credit menu

“Standard” Credit
All other parcels
- Credit per area
Recommended Standard Credit Structure

- **Green Infrastructure** collects stormwater runoff from an impervious surface, or *Drainage Management Area*

- Standard Credits will be **based on the total area** draining to the green infrastructure in relation to the total parcel area

- Maximum credit of 90%
Example Standard Bill with Stormwater Credit

Credit Assumptions: 25,300 sq ft DMA, 60% off Stormwater Charge
Example Standard Bill with Stormwater Credit

Credit Assumptions: 25,300 sq ft DMA, 60% off Stormwater Charge
Who is Eligible for Stormwater Credits?

All customers subject to the Stormwater Charge that capture stormwater on their property using green infrastructure.

Examples include:

- New and redevelopment projects that have complied with the Stormwater Management Ordinance
- Properties that have completed green infrastructure projects through the SFPUC Green Infrastructure Grant Program
- Other properties that have built green infrastructure that is designed to capture and slow down stormwater
Stormwater Management Ordinance

Projects that have complied with the Stormwater Management Ordinance are eligible to receive bill credits.
Green Infrastructure Grant Program

Before

After

RL Stevenson Elementary Stormwater Schoolyard
Stormwater Charge Components

Stormwater Runoff Charge

Simplified Residential Rate
Most residential parcels
- Tier 1 flat rate
- Tier 2 flat rate
- Tier 3 flat rate

“Standard” Rate
All other parcels
- Cost per area

Stormwater Runoff Credits

Simplified Residential Credit
Most residential parcels
- Tier 1 flat credit menu
- Tier 2 flat credit menu
- Tier 3 flat credit menu

“Standard” Credit
All other parcels
- Credit per area
Example Residential Credit Project Types

- Rain Barrel
  - Seattle RainWise

- Rain Garden
  - Philadelphia Rain Check

- Cistern
  - Seattle RainWise

- Rain Garden
  - Philadelphia Rain Check

- Permeable Pavers
  - Philadelphia Rain Check

- Disconnected Downspout to Rain Garden
  - Portland Private Property Retrofit Program
Recommended Residential Credit Structure

- Residential Credits will be based on a flat rate menu of green infrastructure options that are based on average parcel characteristics.

- Project drainage areas include:
  - Roof area
  - Ground-level surfaces (patio or driveway)

- Projects eligible for credits include:
  - Rain gardens
  - Rainwater harvesting cisterns
  - Permeable pavement
## Recommended Residential Stormwater Credit Menu

<table>
<thead>
<tr>
<th>Drainage Management Area</th>
<th>Simplified Residential Stormwater Rate Tiers</th>
<th>Monthly Credit (% of Stormwater Charge)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tier 1</td>
<td>Tier 2</td>
</tr>
<tr>
<td></td>
<td>0 - 1,700 sq ft</td>
<td>1,700 – 3,300 sq ft</td>
</tr>
<tr>
<td></td>
<td>Impermeable DMA (sq ft)</td>
<td></td>
</tr>
<tr>
<td>Ground Level</td>
<td>100-200</td>
<td>200-400</td>
</tr>
<tr>
<td></td>
<td>&gt;200</td>
<td>&gt;400</td>
</tr>
<tr>
<td>Roof</td>
<td>400-600</td>
<td>600-900</td>
</tr>
<tr>
<td></td>
<td>&gt;600</td>
<td>&gt;900</td>
</tr>
</tbody>
</table>

- Thresholds vary between residential tiers to account for differences in property size and characteristics
- Credits based on average parcel within each tier
- Maximum credit of 85% (combining two credit options)
## Recommended Tier 2 Customer-Facing Credit Menu

### Source of Stormwater

<table>
<thead>
<tr>
<th>Ground Level</th>
<th>Roof</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impermeable DMA (sq ft)</td>
<td>Monthly Credit (% of SRC)</td>
</tr>
<tr>
<td>200-400</td>
<td>15%</td>
</tr>
<tr>
<td>&gt;400</td>
<td>25%</td>
</tr>
<tr>
<td>600-900</td>
<td>40%</td>
</tr>
<tr>
<td>&gt;900</td>
<td>60%</td>
</tr>
</tbody>
</table>

**Total Credit = 85% off Stormwater Charge**
Example Tier 2 Residential Bill with Stormwater Credit

Credit Assumptions: 700 sq ft DMA, 40% off Stormwater Charge
Example Tier 2 Residential Bill with Stormwater Credit

Credit Assumptions: 700 sq ft DMA, 40% off Stormwater Charge
Application Process

• Applicants may apply online or using paper applications.
• Required Documentation
  • Site photos
  • Project plans
  • Credit allocation agreement – if seeking different allocation than an even split between multiple accounts
• After approval the credit will show up on the next customer’s next bill
Verification and Credit Removal Process

Verification and Inspections:
• Self-certification required annually on October 15th, starting October 2024
  • Following existing program timelines/processes
  • Customers subject to inspection at any time

Expiration and Removal of Credits:
• Credits expire if:
  • No annual self-certification after October 15th, 2024
  • During inspection GI found to be not functioning, corrective actions not taken
  • Customers subject to inspection at any time
  • Credit can be reinstated at any time a customer comes into compliance
Summary of Recommendations

• Standard Credits:
  - Based on Drainage Management Area

• Simplified Residential Credits:
  - Flat credit aligned with residential tiers

• Maximum credit at the parcel level for all customers
SFPUC Resources
Large-Property Green Infrastructure Grant Program

• Funds the design and construction of green infrastructure facilities
• 17 projects awarded a total of $17.8M since program launch in 2019
• Targeted towards large, highly impervious parcels
• Property owner is responsible for ongoing maintenance

Before

After

Bessie Carmichael Middle School, SF
Pilot Residential Green Infrastructure Grant Program

- Limited, pilot-scale grant program for San Francisco homeowners and renters
- Grant funds will cover full cost green infrastructure for 8-10 projects on homes in SF
- Participating homeowners will be eligible for Stormwater Credits
- City-wide, full-scale program to be evaluated following pilot program
Next Steps
Next Steps

• Seek Commission approval of Stormwater Credits on May 9th
• Launch Residential Grant Program pilot
• Continue targeted outreach for Green Infrastructure Grant Program
Thank You!