



## **Detroit Water & Sewerage Department (DWSD) Policy No. 2016-308**

### **DRAINAGE CHARGE POLICY**

**Policy:** The Detroit Water and Sewerage Department will impose a Drainage Charge on all City of Detroit property owners (Customers) whose property drains to the DWSD system. To equitably distribute cost responsibilities across property owners, the Drainage Charge is calculated by multiplying a single rate per acre of impervious area by the impervious surface area (acres) located on the Customer's parcels. Drainage Charges pursuant to this policy supersede prior drainage charges. DWSD's Drainage Charge will be implemented pursuant to the procedures set forth in this Policy.

**Definitions:** The following terms are defined for purposes of this Policy as follows:

*Drainage Charge – A fee charged by DWSD to its customers for the recovery of costs associated with the storage, collection and treatment of storm water and snow melt in the City of Detroit.*

*Green Infrastructure ("GI")– Natural or engineered systems designed to manage urban storm water and reduce impacts to the combined sewer system.*

*Impervious Surface Area – Surface area that is compacted or covered with material that is resistant to or impedes permeation by water. These typically include but are not limited to surfaces such as roof tops, crushed stone, gravel, asphalt, or concrete paving, driveways, parking lots, walkways, patio areas, storage areas, or other surfaces that similarly affect the natural infiltration or runoff patterns existing prior to development.*

*Parcel – A plot of land identified by the City of Detroit Assessor with a unique identification number or "parcel number."*

*Parcel Viewer – An online application consisting of GIS data that will allow customers to view the characteristics of their parcel, including its impervious surface area.*

*Meter Size Drainage Rate – A Drainage Charge based on the size of the property owner's water meter.*

*Storm Water Control Measure ("SCM") – Any structure or Green Infrastructure that is designed to convey, store, or otherwise control storm water runoff rate or quantity.*



## **Background:**

DWSD conducted an in-depth review of the manner and method that it has historically calculated drainage fees for its customers, and of options for enhancement given improvements to available data on Detroit parcels and DWSD billing capabilities. This review, coupled with a legal review of the laws of the State of Michigan regarding drainage charges, resulted in a determination that it is in the best interest of DWSD and the public it serves that a drainage rate based on impervious area be assessed to all parcels located within the City of Detroit.

## **Policy:**

1. A common drainage rate, imposing a drainage charge per impervious acre, is to be applied to all parcels within the City of Detroit that contain impervious surface area and drain to the DWSD sewer system.
2. Impervious area based charges are a refinement and simplification of historical class/tiered drainage rates that will equitably distribute cost responsibilities through alignment of charges with determinants of property flow contributions.
3. DWSD will initiate billing accounts for parcels with impervious area that drain to the combined sewer system and who do not have water and sewer accounts or who are otherwise not being billed for drainage from their parcels.
4. DWSD will place online a parcel viewer that allows customers to view and verify their property boundaries and drainage characteristics.
5. Customers may earn credits against their Drainage Charge by implementing Storm Water Control Measures to the extent such implementation is verified to retain and/or detain storm water volumes that flow into the City's drainage system
6. Credits will be applied to existing non-residential accounts that currently have meter size based billing to facilitate transitioning to the impervious area based drainage rate; credits will be applied for residential parcels billed the impervious area rate (beginning in FY 2018) to recognize flow characteristics from residential parcels.

## **Implementation Procedure**

1. Drainage Charge refinements enabled through technology advances will be implemented in phases based on the customer classifications and data structure of accounts in DWSD's billing system. Full implementation of the uniform impervious area based Drainage Charge will be phased over a 3-year period as delineated below.



- a. New Parcels subject to Drainage Charges – October 1, 2016. DWSD will bill parcels that have not been previously billed for drainage services. DWSD will create accounts for property owners who do not have a water / sewer account but do have impervious surface area on their parcels that drain to the DWSD system. Customers with “water off” status who have an account number but are not receiving a bill will not have drainage charges added to their balances.
  - b. Detroit exempt parcels – October 1, 2016 – all City of Detroit owned parcels will be subject to impervious area based Drainage Charges.
  - c. Industrial parcels by billing zone (series 200) – January 1, 2017. All industrial parcels will be subject to impervious area based Drainage Charges.
  - d. Commercial parcels, by billing zone (series 300) - April 1, 2017. All commercial parcels will be subject to impervious area based Drainage Charges.
  - e. Other exempt, non-religious coded, parcels (series 700) – June 2017. All other exempt, non-religious coded, properties will be subject to impervious area based Drainage Charges.
  - f. Residential (series 400) –October 1, 2017. All residential parcels will be subject to impervious area based Drainage Charges. Residential coded parcels charged based on impervious areas will have an automatic applied to their charges to reflect the flow characteristics of residential parcels.
  - g. Religious coded parcels – January 1, 2018. Parcels coded as “religious” by the City Assessor’s office will be subject to impervious area based Drainage Charges. Religious parcels will be phased in over a period of three years.
  - h. To facilitate transitioning to impervious area based charges, non-residential customers previously billed based on the size of the water meter serving their properties will have a 66% credit applied to their impervious area based drainage charges in FY 2017 and a 33% credit applied to their impervious area based drainage charges in FY 2018.
2. As DWSD is planning to implement substantial changes in its Drainage Charge methodology, DWSD will send customers written notifications containing the parcel information it has on record for that customer at least two months prior to implementing Drainage Charge revisions for that customer.
  3. DWSD will not back-bill or back-credit any Customer whose overall Drainage Charges either increase or decrease as a result of the Drainage Charge methodology revision.



4. DWSD will develop and maintain Drainage Charge Rules to be followed by staff in implementing DWSD's Drainage Charges. DWSD will make available and a customer-friendly version of the Rules called the Drainage Charge Manual.
5. DWSD will have a Green Infrastructure Credit Program that will allow Customers to reduce Drainage Charges by implementing SCM on their property.
6. The Drainage Charge Manual will contain chapters outlining the Green Infrastructure Credits available, to assist customers in determining appropriate SCM for their property, and guide them through the process necessary to receive Green Infrastructure Credits.
  - a. The GI Credit Program and Manual will be made available on the DWSD website, including explanatory videos.

Issued by the Director

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Gary A. Brown

Adopted by the Board of Water Commissioners on: 9/7/16