



# NPDES MS4 Basics

*Massachusetts*

## Funding Options: How Will You Pay For MS4 Compliance?

The 2016 Massachusetts Small MS4 General Permit was signed April 4, 2016 and will become effective on July 1, 2017.

The following is a summary of funding options available:

- 1. Municipal Budget** – Property taxes are paid into general funds and then allocated to various town departments to cover capital and operational expenditures. Multiple community expenses compete for funds and funds might be reallocated to other services.
- 2. State Revolving Fund (SRF)** – This is a federal low or no interest loan administered by the state that can be used for planning and construction projects, including stormwater projects. Funds can be used to develop and implement stormwater management programs that comply with the MS4 permit requirements, including development of written plans, mapping stormwater infrastructure, outfall and infrastructure inspections and sampling, development of public education materials or regulations, ... essentially any of the requirements under the MS4 permit. It can also be used to fund evaluation and development of a stormwater utility.
- 3. Stormwater Utility (Service Fee)** – This typically comprises of a fee charged to each property owner, including tax exempt properties, based on their stormwater contribution to the MS4. It is usually based on their impervious area. Collected fees are then used strictly for stormwater management.

The benefits and challenges associated with each of the funding options above are summarized in the table on the next page.



*Massachusetts*

**What Will It Cost?**

Funding Source	Benefits	Challenges
<b>Municipal Budget</b>	<ul style="list-style-type: none"> <li>• Uses existing funding system</li> <li>• Can be leveraged to payback bonds or loans</li> <li>• Tax deductible</li> </ul>	<ul style="list-style-type: none"> <li>• Competing municipal needs and priorities may limit funding for stormwater program</li> <li>• Tax exempt properties do not contribute</li> <li>• Based on value of property rather than stormwater contribution from property</li> <li>• May need to raise taxes to fund MS4 program</li> </ul>
<b>State Revolving Fund (SRF)</b>	<ul style="list-style-type: none"> <li>• Low interest loan can be used to fund full implementation of stormwater program</li> <li>• Payback typically over 20 years</li> </ul>	<ul style="list-style-type: none"> <li>• One-time source</li> <li>• May be a competitive process</li> <li>• Time-constrained</li> <li>• Application and reporting requirements</li> </ul>
<b>Stormwater Utility (Service Fee)</b>	<ul style="list-style-type: none"> <li>• More consistent and fair since based on stormwater contribution</li> <li>• Dedicated, stable funding source</li> <li>• Can be leveraged to meet grant and bond requirements</li> <li>• Tax exempt properties pay their share</li> <li>• Can incorporate abatements for good stormwater management practices</li> </ul>	<ul style="list-style-type: none"> <li>• Typically a setup fee to establish requirements and enact regulation</li> <li>• Approval by vote of the legislative body subject to the local charter</li> <li>• Public and political opposition – perceived as a new “rain tax”</li> </ul>

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Ask about our new M\$4CASTER™ tool developed by CEI for pricing total, consultant, and municipal costs for the new MA MS4 Phase II Permit. CEI provides tailored, custom solutions designed for you.



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