



MEMORANDUM

To: Mayor and Council
From: Deanna Stockton, *Deputy Administrator*
Subject: Resolution of the Mayor and Council of Princeton Authorizing the Award of a Professional Services Agreement to Princeton Hydro, LLC for Phase III of a Stormwater Utility Feasibility Study for an Amount Not to Exceed \$256,100.00
Date: January 22, 2026

Council's consideration of the attached resolution to authorize a professional services agreement with Princeton Hydro, LLC to conduct the third phase of a four-phase stormwater utility feasibility study at its January 26, 2026 meeting is appreciated.

In 2019, the New Jersey Clean Stormwater and Flood Reduction Act authorized local and county governments to create stormwater utilities. A stormwater utility is a public utility that assesses user fees based on impervious surface coverage and uses the revenue from these fees to operate, maintain, repair, and improve stormwater infrastructure. As noted by New Jersey Future, the key benefit of a stormwater utility is the creation of a stable, dedicated, and equitable revenue source to fund stormwater infrastructure investments which increase community flood protection, water quality, and climate resiliency.

To assess the feasibility of implementing a stormwater utility in Princeton, the Stormwater Utility Feasibility Study was initiated in 2022. The scope of work for the study is split into four distinct phases. The four phases of the Stormwater Utility Feasibility Study are:

- Phase I: Programmatic Review and Equity - *completed*
- Phase II: Public Education and Rate Structure - *completed*
- Phase III: Implementation Plan
- Phase IV: Implementation Support

Each phase is designed to produce useful work products even if the decision is made not to proceed to subsequent phases. A decision to continue or discontinue the study is made at the conclusion of each of the first three phases. Princeton Hydro, a firm that has been working with Princeton for over 20 years on stormwater, water resource, and environmental projects, teamed with WSP USA (formerly Wood PLC), a global consulting firm with national experience in stormwater utility studies, to complete the Stormwater Utility Feasibility Study.

Phase III of the study focuses on finalizing the framework for implementing a stormwater utility program. This phase is built upon prior analyses and stakeholder engagement to evaluate program options, refine and finalize programs, as well as deliver actionable policies, rate structures, and public outreach strategies. The work will ensure compliance with municipal and State requirements, provide financial modeling, and prepare the Council for decision-making. The following tasks are included in this scope of work:

- Task 1: Focus Group and Client Coordination Meetings - *The ad hoc Council Committee on Stormwater Utility will be encouraged to join the twelve Steering Committee meetings included in this task as well as a meeting with Princeton's financial advisor to provide valuable guidance on policy items.*
- Task 2: Rate Structure Finalization and Model Options

- Task 3: Master Account File Draft
- Task 4: Ordinance Draft
- Task 5: New Jersey Stormwater Utility Comparison
- Task 6: Update Public Education and Public Engagement - *Sustainable Princeton will provide staff augmentation for the Department of Infrastructure & Operations on this task to identify, schedule and promote the public education and engagement activities.*
- Task 7: Finalize Policy Recommendations for Council Action
- Task 8: Credit and Incentives Policy Finalization
- Task 9: Council Meetings

At the end of this twelve-month study, Princeton Mayor and Council will be in a position to decide whether to introduce an ordinance to establish the Stormwater Utility, as modeled in the deliverables produced in Phase III. In consideration of the above, it is recommended that Princeton enter into a professional services agreement with Princeton Hydro, LLC in the not to exceed amount of \$256,100.00 for the Phase III services specified.

If you have any questions or require additional information, please contact me.