

STORMWATER UTILITY FEASIBILITY STUDY

MUNICIPALITY OF PRINCETON



Phase 2 Final Report and Phase 3 Preview



November 24, 2025 Council Meeting



**MUNICIPALITY OF
PRINCETON**

STORMWATER UTILITY FEASIBILITY STUDY

4 Distinct Phases:

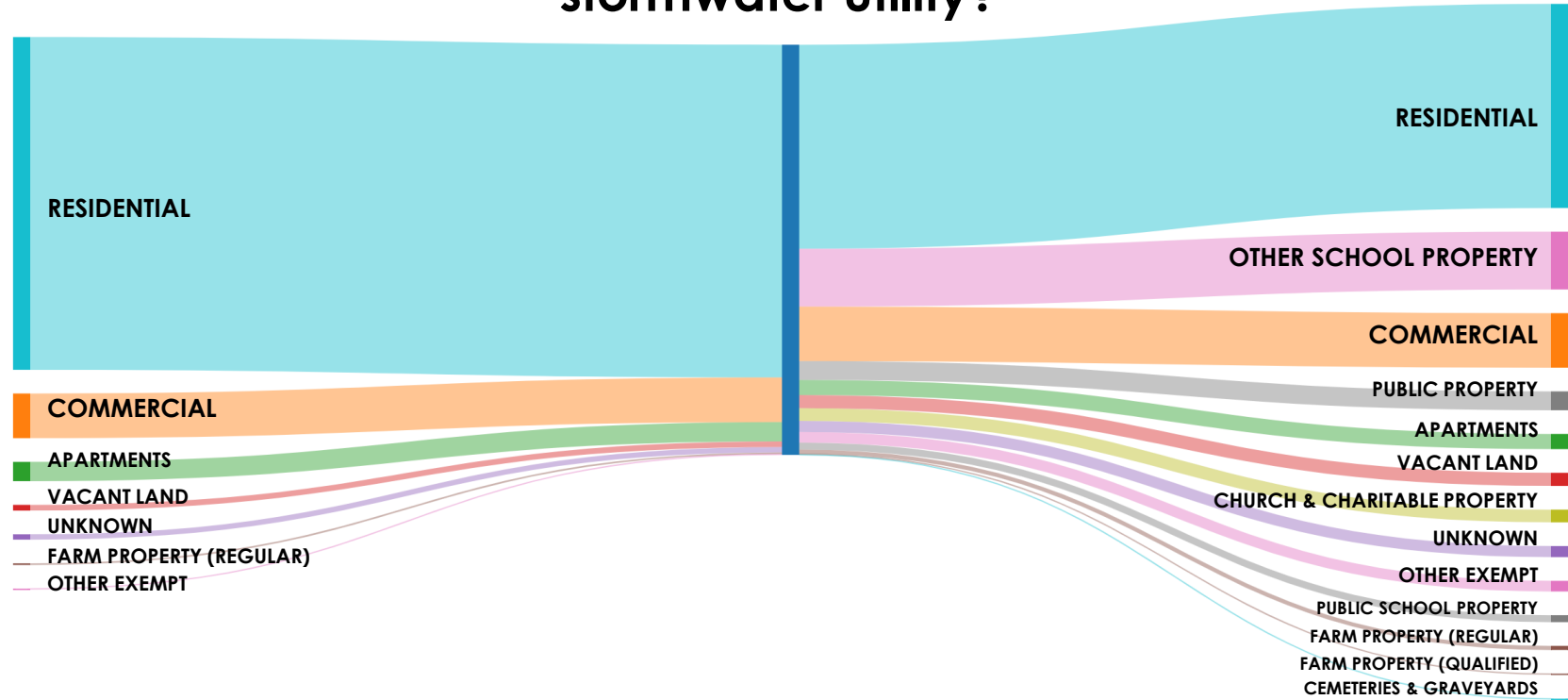
1. Phase 1 – System Inventory - *what do we do and what is missing?*
2. Phase 2 – Public outreach and analysis of potential utility program plan, costs, and rates
3. Phase 3 – Public outreach, plan documentation, and utility creation and implementation
4. Phase 4 – Public education / outreach and implementation support post-utility creation

Current Status of Stormwater Program

- ✓ Staff are overextended in maintaining MS4 permit compliance – Audit Spring 2025
 - ✓ Other infrastructure work is lagging
 - ✓ Proactive maintenance work and documentation is needed
- ✓ Major investments are needed in stormwater maintenance and construction projects
- ✓ Need to shift from reactive to proactive system planning for flood reduction and mitigation
- ✓ Resiliency planning is critical



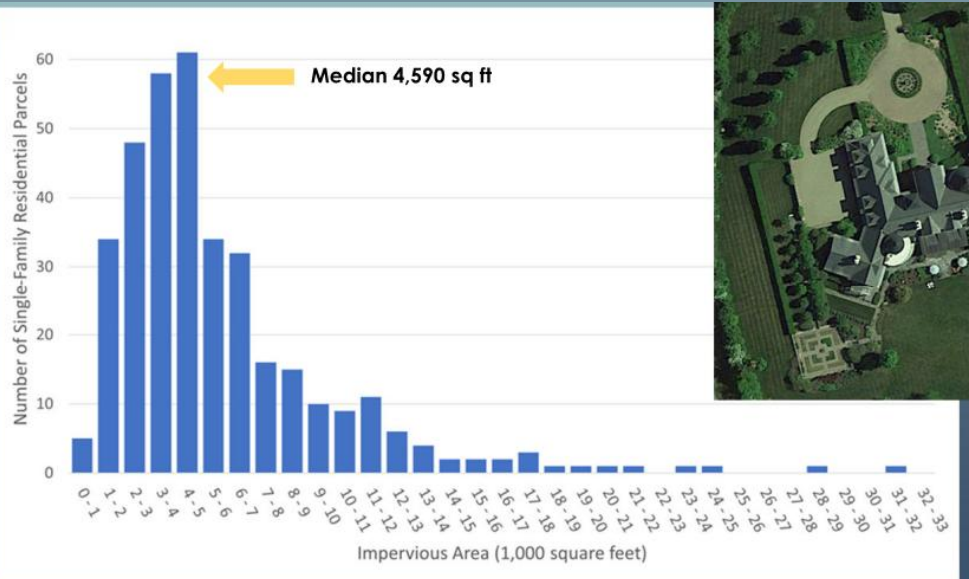
Who currently pays for stormwater and how could it change with a stormwater utility?



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Phase 1 Deliverables



HISTOGRAM OF 360 SINGLE-FAMILY RESIDENTIAL PARCELS

- ✓ Defined Existing Conditions and Services
- ✓ Identified Staffing and Organization Roles
- ✓ Identified Key Policies including cost allocation methodology and rate structure for various land use categories
- ✓ Completed an Initial Land Cover Analysis
- ✓ Reviewed Equity in Current Revenue Structure

Phase 2

Deliverables



- ✓ Prepared multiple cost of service program options with 10-year capital and operations budget forecasts
- ✓ Engaged with focus group and stakeholders for feedback and input on program and fee
 - ✓ 8 stakeholder meetings
 - ✓ 6 focus group meetings
- ✓ Held 2 public meetings
- ✓ Refined program, policies, and rate options to formulate a draft rate model and impact analysis
- ✓ Summarized potential stormwater ordinance updates

Level of Service Plan Considerations

- ✓ **Priority mission is to maintain MS4 stormwater permit compliance**
- ✓ **The Plan addresses Administration, Engineering/Planning/ Inspections, Operations & Maintenance, and Capital Improvements LOS**
- ✓ **The advisory focus group supports this prioritization for the LOS:**
 - ✓ **Planning**
 - ✓ **Transitioning to a proactive approach and using added-value practices on existing projects**
 - ✓ **Cooperating regionally**
 - ✓ **Being accountable and transparent**

Cost Model Considerations

- ✓ **10-year cost projection meeting the level of services plan**
 - **Driven by multiple LOS scenarios for revenue and phased implementation**
- ✓ **Keep existing expenditures in the general fund or move to the utility**
- ✓ **Forecast additional personnel resources (in-house / contract / combination) to create a centralized organization unit with full accountability**
- ✓ **Credit policy criteria and maximum revenue impact**

Credit Considerations

- ✓ **NJ stormwater utility legislation requires the inclusion of credits**
- ✓ **Provides an incentive for rate payers to make quality and quantity improvements**
- ✓ **Designed to be able to adjust with the program as it changes over time**
- ✓ **Total credit valuation should be limited to ensure steady service fee revenue**
- ✓ **The focus group discussed:**
 - ✓ **3 increasing levels of partial fee reduction**
 - ✓ **Qualifying criteria for the credit system in Princeton**

Phase 3 Look Ahead

- ✓ Robust stakeholder and focus group input and public outreach
- ✓ Program Level of Service – what program priorities must be addressed and what services are developed over time?
- ✓ Policies – how to distribute costs to property owners
 - Rate – what is the best rate structure based on need, cost distribution?
 - Credits, Appeals, Exemptions – what meets legal mandate?
 - Internal management of the utility – what processes to be used/role clarification?
- ✓ Draft Stormwater Utility Ordinance – what must be covered by ordinance?
- ✓ Draft Master Account File Developed – how much will each individual parcel be charged?

***Before a decision can be made to create a Stormwater Utility,
Council must approve all policies, program, and fees developed in
Phase 3***

***The mechanism to create a Stormwater Utility is an Ordinance
adopted by Mayor and Council after a public hearing***



Thank you