



TOWNSHIP OF FERGUSON

Ferguson Township – Stormwater Advisory Committee (SAC) Phase II Meeting #5 August 7, 2019 (@ 12pm)

Attendees

Ferguson Township: Ron Seybert, David Pribulka, Kevin Bloom, Eric Enderson

Wood / Gannett Fleming Team: Elizabeth Treadway, P. Eric Mains, Virginia Thornton

Stormwater Advisory Committee: Todd Giddings, Mark Redomski for Ken Jenkins, Jim Carpenter, Wes Glebe, Craig Bowser, Jennifer Myers, Rob Cooper, Todd Irvin, Tom Songer, Brian Hoffheins

The following minutes/notes are intended to be an overview of the presentation and discussion that occurred at the above referenced meeting. There are provided to document the general content of those discussions such that they can be used as a tool with future meetings and stormwater program discussions. They are not intended to be a transcript of the meeting. However, any noted differences, exclusions, or variations from personal notes of the meeting should be brought to the attention of the Township so that they can be considered for the final record.

The following minutes were captured;

Welcome and Introductions

Continued Policy Discussion regarding Level of Service

Variability of Level of Service

- Costs can be assigned based on the two service areas given the historical expenses for each.
- Information regarding potential distribution of cost options can be provided prior to the September meeting once the updated Cost of Service Model is reviewed with the Township.
- It is recognized that not all properties receive an equal level of service and the rate structure can take that into consideration. We have been able to analyze this based on the complexity of the systems that are used throughout the township.
- Two element rate structure for each Service Area is proposed based on infrastructure complexity after reviewing various ways to identify the two Service Areas.
 - Based on this draft approach, there is approximately the same amount of gross impervious cover in Service Area 1 and Service Area 2 (approximately 24 million square feet).
 - Ron discussed how the map was developed; the map provided is not of the entire Township; areas that are cut off from the map fall under Service Area 2.
 - The gray (fill) and red (outline) areas indicate Service Area 1 and the white indicates Service Area 2

Cost Alignment of Service Areas

- Elizabeth discussed one version of this alignment.
- While the rate basis is the same for both Service Areas, the Township cost per Service Area will be different. That is, Service Area 1 could pay \$X per 1,000 square feet of impervious cover while Service Area 2 could pay \$Y per 1,000 square feet of impervious cover.

Discussion

- There are some neighborhoods in the West End that do fit the currently proposed criteria for Service Area 1. They are identified on the map.

- Base Cost:
 - Discussion focused on the types of services and costs, as well as supporting reasons for administrative/overhead costs to be shared on an equal basis to both Service Areas.
 - Support was heard not to segment these costs but include them in the overall Cost of Service which results in administrative costs not shared equally per property across both Service Areas.
 - Example of fixed overhead activities that are independent from Service Area or types of Infrastructure at your property: the cost of getting the bill out to all properties is the same regardless of property location or assignment to Service Area.
 - Impervious area per property is the rate basis under evaluation and it will determine the fee for an individual property based on level of service.
 - An example was discussed given a property that might not have any impervious cover; is it equitable for them to not to pay anything? Under this approach, they would not receive a bill, not even for the base overhead portion. (I.E. a vacant lot in either Service Areas). This was discussed during Phase I of the study and consensus was to charge only developed property.
 - Should everyone in the Township pay for the MS4 permit - this covers public education and involvement, plan review, PRP construction, good housekeeping practices for maintenance of Township Owned properties such as public works operations, etc.
 - A question was asked about the cost of other services that are provided to the Township - how do those costs compare to stormwater? It's significantly more than stormwater when compared to *all* services for the Township. The current stormwater program is around 10% of the public works budget, but the proposed program to better meet system and permit needs is an elevated level of service.
 - How is a fee different from the equitability of taxes being distributed to everyone? A generalized tax increase would not be appropriate (tax exempt entities from either real estate or income do not contribute to the cost of Township-provided services). This also doesn't cover impact or contribution to the problem; stormwater management can be likened to a utility like potable water or sewer.
 - A concern was raised that participating in the base fee, if one is adopted, that would include paying for the Townships MS4 PRP will conflict with other MS4 owned lands that have been parsed out of the PRP (i.e., the University-owned land as well as PennDOT properties). This will be further discussed in the Credit Section.
 - It was pointed out that there is a correlation between density and type of infrastructure, but they do no overlap perfectly.
 - A point was raised that to establish a fixed overhead fee per property is inconsistent with the Service Area approach and will be conflicting. Staff pointed out that administrative time does not align with the concept to use complexity of infrastructure to define service areas. Direct services and capital projects can be tracked by the infrastructure, but administrative costs are not correlated to the infrastructure served.
 - Issues on private property are not currently addressed in the program; this would not be distributed to the base fee nor distributed to either Service Area.
 - Are the admin costs fixed or aligned with infrastructure? They are fairly fixed.
 - Comments were made in support of a fixed cost per property account and these costs should be shared across the Township.

- It is difficult to distribute the admin costs to either service areas directly, various surrogates can be provided to look at how this proportion should be established. People are benefiting from the program regardless of what Service Area you live in.
- The revenue generation from the fees for Service 1 will be different than Service Area 2.
- Using a fixed base cost has been done in other communities. This is only 4-5% of the total program costs.
- A brief discussion occurred regarding exclusion of roadway impervious area. Roads are present because land was developed; removing Township roads from this program is appropriate to share the cost with the users benefiting from the Township drainage systems, which includes those systems integrated with the roadways. Private roads are often included because the Township is not providing maintenance services and often there is an issue of the inability to clearly determine who owns those roads. The revenue is generated from the same population base for general funds of the Township and the user fee. The inclusion of roadway impervious area paid by the Township General Fund shifts the financial burden away from the concept of revenue generated from benefited properties; it places greater burden on taxable transactions, including earned income.
 - No consensus was reached regarding the use of a base-rate and the distribution of the administrative/overhead costs.
- An additional policy element was presented regarding what properties should bear the expense for construction of new facilities/drainage systems. Typically, this is covered as a cost of business for the program and not charged to the benefiting properties only. One reason to not have it charged directly to benefiting properties only is the overhead and administrative effort to determine this can be difficult. Discussion continued regarding the benefiting watershed in lieu of incorporating it into the service area cost allocations. There was a suggestion that this could be managed like public/private maintenance with a cost sharing. There is consensus that new system construction will be an allocated cost across the Service Area.
 - One question was raised regarding the accounting of revenues and allocation of cost/expenditures. Are expenditures going to be budgeted by service area – limiting the use of funds to the service area generating the revenue? Staff clarified that the budget for stormwater will be developed based on priorities and routine operations, regardless of how revenues are generated. Needs and priorities will determine expenditures from year to year.

Credit Policy – Discussion of Options

- A survey will follow this meeting to solicit feedback and gauge priorities regarding various options and ideas on credit programs. It was noted that the survey is to start the discussion on credit programs and what the SAC would like to see included in the context of a potential credit program for Ferguson.
- The SAC will focus on policies for credits and more in-depth discussions at the September 4 meeting.
- There are various ways credits can be applied. One question that should always be considered is whether the value of the 'impact to the system' worth the additional administrative/overhead burdens (i.e. Rain Barrels).
- Updates to IA cover can be facilitated with fly over photography as well as permit applications for land development activities.

- Credits will reduce revenue from those properties receiving credits but the total program from year to year requires sufficient funding to cover services to be delivered. A credit granted to one property owner shifts the revenue burden to all other properties. There needs to be an incentive for both the landowner and Township for a credit program to be viable.
- City of Allentown Example - three options for a credit regarding water quality, one regarding water volume. The credit is driven by the degree to which sediment is captured; other types of BMPs have a less eligible credit.
- Chesapeake VA Example - simple program, if you have quality controls you can receive a 20% credit; quantity controls can be granted a 20% credit, or if one property has both a 40% can be granted.
- City of Philadelphia Example - complicated and rooted in a CSO consent order.
- Charlottesville, VA Example - very complicated system rooted in the Chesapeake Bay TMDL
- Credit Programs are beneficial for the public perception of the fee program.
- Discussion was also focused on the importance of groundwater recharge for the health of the public water supply wells and spring, as well as the private wells. A credit program can help encourage recharge in the system, supporting the source water ordinance, as well as other beneficial stormwater practices. Stormwater best practices include rain gardens, infiltration trenches, bioswales, and engineering detention basins.
- Things to consider - what and who should be eligible for a credit; what procedures should be included in credit policy; should they be renewed; who should certify the structure/facility performance. Most communities require an application process and a periodic inspection/certification.
- Credits can provide the Township with a leverage to have maintenance agreements in place between the Township and the property owner, setting up the terms of the credit and defining the responsibilities of each party.
- There is a background paper on Credit Policies – Ron suggested reading this prior to filling out the survey.
- Credit programs can be basic at first and developed around feedback and program needs.

Future Meeting Logistics

- September 4th 12pm
- October 23rd 10am