



TOWNSHIP OF FERGUSON

Ferguson Township – Stormwater Advisory Committee (SAC) Phase II Meeting #8 June 17, 2020 (@ 12pm)

Attendees

Ferguson Township: Dave Pribulka, Dave Modricker, Ron Seybert, Kevin Bloom, Eric Endresen

Wood / Gannett Fleming Team: Elizabeth Treadway, Virginia Thornton

Stormwater Advisory Committee: Jim Carpenter, Wes Glebe, Craig Bowser, Todd Irvin, Albert Jarrett, Rob Cooper, Brian Hoffheins, Ken Jenkins, Tom Songer, Scott ?, Steve Balkey

The following minutes/notes are intended to be an overview of the presentation and discussion that occurred at the above referenced meeting. They are provided to document the general content of those discussions so 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 Project Update

This is the second to last meeting and will summarize the program updates that occurred over the last few months.

We reviewed of the study goals; a series of questions presented by PowerPoint were a part of the original program and focused the development of a program to meet today's needs and the needs of the future for the Township.

Final Program Recommendation – 10 Year Plan

Discussion of Program Priorities - It was noted that various versions of the cost model have been evaluated. The program plan to address priorities were adjusted over time to address operational challenges and financial impacts.

Initial Assessment - originally programmed to be completed in two years. Once the cost model was developed, 2 years considered was aggressive in relation to the financial commitment. The Township revisited the process (contracted services) and adjusted the schedule to a seven (7) year timeframe. This timeline was established in review of the staffing and contracting capabilities. This is still a top priority of the Township – developing a full up to date inventory of the system.

Ongoing Inspection & Maintenance - it was important to establish procedures for the long term. A portion of these tasks includes developing effective documentation for the initial assessment and establishment of best management practices for continuing infrastructure assessment as part of an overall asset management strategy.

Staffing - the timing and effectiveness of the addition of a dedicated stormwater crew was evaluated based on the revised assessment program schedule. Stormwater Workers are added in year three (3) the

program to complement and enhance the assessment and maintenance activities occurring in the short term. Once the full inventory and assessment is finalized, a dedicated crew with a Foreman and Equipment Operator is established with stormwater as their principle focus.

Equipment – new equipment includes a Vactor, a vehicle for the foreman, a CCTV truck and camera setup. The current cost model provides for a sinking fund (cash reserve) to avoid long term financing and in addition, this equipment is not programmed for purchase in FY27 with anticipated delivery of in the same year. Cash will be accounted for every year so that by 2027 there is enough capital in place in order to be able to cash buy required equipment. This equipment life span varies and a contribution to an on-going equipment reserve continues in ensure repair and replacement at the end of useful life. This creates a continuing funding source for equipment replacement. The equipment fund contribution extends through FY2042 for the Vactor, for example.

Long Term Planning - ongoing inspection program becomes an inhouse program for annually targeted high priority inspections as well as routine follow-up based on the identified condition rankings from the initial assessment. A community wide system master plan looks at potential future break points and comprehensive management. There will be Green Stormwater Infrastructure (GSI) areas identified as a part of this evaluation; a GSI program strategy with recommended best practices and engineering standards is a product of the Master Plan.

Capital Investment Program – the capital investment strategy focuses on lining and/or replacement of corrugated metal pipe, emergency replacement and long-term investments to maintain drainage network. Included is compliance with the Pollution Reduction Plan through construction of water quality treatment projects. Inlet repair or rebuild is projected to address three to five projects annually. CIP dollars also include the Partnership Fund for instances when public runoff impacts private systems.

Cost of Services

Cost Model for Program Plan

This initial assessment drives the long-term reinvestment in the system and as well as some short-term activities such as completion of the infrastructure inventory for systems built prior to 2003.

- The cost model evaluated various resources such as use of grants and loans as well as potential impacts on the general revenue options that support stormwater operations today
- The updated stormwater program in 2021 is about \$1.3 million. That was previously closer to \$2 million before changes were made to the various program strategies, like extending the investment for the system-wide assessment. The growth over the timeline is very moderate partially driven capital, partially from new staff. Note that in FY 22 - there is a significant change in cost due to the Park Hills project (this will be a bond / debt serviced over time) - the financial impact will be balanced out. All other Capital Projects are cash funded.
- The breakdown of costs in FY21 were reviewed by Personnel (office and field), Materials & Supplies (general operation expenses, stone, pipe, fuel, insurance, uniforms, sinking fund), Capital Projects (e.g. pipe lining or drainage way improvement project based on what is currently targeted in the budget).
- The Equipment Sinking Fund accumulates cash of \$740,000 by FY27 for all equipment purchases. A continuing contribution of \$80k per year after FY27 is established for equipment replacement in 2035-2042.

- Discussed the concern from SAC to purchase equipment that will be underutilized. The Township staff emphasized that there has been considerable review of the equipment both from a cost as well as work-demand perspective. The major cost is the Vactor which is used for more than pipe preparation for inspection but is focused on programs such as inlet cleaning that is designed to optimize system carrying capacity by removing constrictions. Staff indicated that as FY 27 approaches, the system assessment process will provide key information on the needs for the continuing CCTV inspection process and whether purchase of equipment is critical to support the assessment program. The Vactor is to replace an aging sweeper that has limited capacity to support the cleaning of inlets, for example, and staff will evaluate the need prior to purchase. SAC members indicated that an evaluation is important before any commitment is made to purchase equipment.
 - SAC members asked if after seven years of assessment and improvements, isn't it likely that the need for the equipment will decrease after 7 years? Discussed access to equipment in an emergency.
 - System Assessment will be completed by a contracted service starting in 2021.. The Township knows CMP pipes need lining and want to begin addressing those now. Video assessment and lining for the CMP will occur over 7 years; afterwards there is an evaluation to determine if it makes sense to buy equipment or continue a contracted service.
 - The SAC wanted to know if the option of purchasing in year 1 and completing the assessment in house was evaluated. Yes - it was evaluated but there was feedback from the SAC to not purchase the equipment early on in the process. An option to contract the assessment in the first three years was evaluated as well.
 - There were discussions with neighboring municipalities in regard to their assessment programs and equipment, it didn't seem that it would provide a cost savings or allow for the Township to create a comprehensive project with scheduling conflicts.
 - Discussion continued addressing how to build in a mechanism to evaluate the cost of outsourcing vs. purchasing. All equipment purchases from the Township go before the elected officials. The Township would complete a thorough cost savings evaluation of this purchase and an lease/buy evaluation. Some of these decisions are on a philosophical level - maintain equipment and available during emergencies.
- SAC members asked why the video assessment will no longer be completed in 3 years, which does reduce the mobilization/demobilization/start up efforts. The SAC understood that the original plan was to purchase the equipment and then complete the assessment in-house over three years; while this was the original plan, the assessment schedule was lengthened due to impacts to overall program cost.
- The SAC provided feedback that the contracted-out assessment is a priority whether it occurs in 3 or 7 years.
- What % of this 16 mi of CMP will be addressed in those first 7 years? Lining at 1 mile a year. At the 7-year mark, approximately 7 miles are rehabilitated. It would be 15 years of lining/rehab for 15 miles of pipe; noting that after the initial inspection system, it would restart again, returning to system components that were graded as acceptable but warranted review If the Township is always assessing the system, it always identify the needs, providing a proactive approach to repair rather than replace at point of failure. There may be a decrease in effort to line CMP

facilities, but there could be a surge again down the road. Hopefully that change will be after the CMP pipe is upgraded. Once CMP improvements are done, the HDPE will be 30-35 years old. HDPE's issues are related to boring, crushing, leaking joints (external failures). There are 42 miles of piping the system (public, private - carrying public water); 16 mi CMP is a part of the 35 mi of public system, 7+ miles were cross pipes/running across public property.

- Expecting lifespan of lined pipes to be 50 years. The Township has been doing this work over the last few years in Chestnut Ridge, Martin St. and West End large culverts. Note that pipes installed in 80s and 90s are at end of life. The existing pipe relining/replacement program is in coordination (as a part of) with paving/roadway improvement projects. Galvanized CMP would have a longer life span but it's the soil environment that impacts its degradation. Township specs require HDPE or concrete today. A new challenge will be the connections between HDPE and CMP.
- Lining will have full structural integrity - if the CMP degrades completely the lining can stand alone. The pipe capacity often increases because the manning's roughness is improved despite some loss of area. Historically, the township budgets for CMP linings account for the street paving pipes. Some neighborhood pipe lining is beginning in the existing township program.
- What is private property in these conversations - is HOA owned property private? Yes. All property not owned by FT is private property.

Rate Strategies and Estimated Rate Impacts

- Based on feedback from the SAC and staff, there will be a baseline service paid for by everyone. This includes administration, planning, MS4 permit compliance and the capital project for Park Hills.
- The remaining costs are distributed by LOS; the Township growth area boundary was identified as the best method for distribution of maintenance and capital investment in infrastructure management program costs.
 - The growth area is denser, more populated, and has more IA.
 - Is this the same as the center region growth area? Yes. It is not contiguous with the sewer service area.
 - This growth area distribution is similar but not the same as the Service Areas from before. The applicability of the criteria that considered the presence of pipe and curb/gutter didn't make sense upon evaluation. Like properties, side by side, would have different charges but receive the same benefits.
 - Did the % area of the split change with this new evaluation? No, not significantly.
 - Discussed Private Roads without inlets; no township provided services here. How is this type of property in a growth area if there is no infrastructure that the Township is maintaining? There will always be properties that individually receive different specific benefits. This methodology of cost allocation is focused on general fairness and equity and is a way to distinguish the density of the development. All properties benefit whether there is a pipe or gutter line along their property line. The use of the Growth Area boundary recognizes a different level of service, but all properties benefit from cleaner stormwater runoff; improved system performance to minimize flooding and erosion; partnership with the community to address public runoff on private properties, and a well planned and maintain infrastructure.

- This approach was discussed at length by the Staff and Consultants. This is the first time the SAC is seeing this cost allocation impact. Service Area definition based on infrastructure was difficult to maintain and more complex to present for public understanding.
- The Billing Unit determines how the costs will be allocated (equivalent residential unit or fixed-unit of 1000 sf). Both approaches have been evaluated. Discussed the pros/cons of each billing unit
 - Both are used all over the US, the decision is based on a preference of the Township.
 - Estimated Annual Charges per billing unit were presented and discussed. Note that the 1000SF All Properties Fee is approximately 1/3 of the ERU BU fee and is also approximately 1/3 of the IA. This is expected since the ERU billing unit is equal to 3500sf.
- The SAC requested the bell curve for the IA distribution on SFR properties
 - Should the tiers be broken down even smaller or in various portions (500-2500) based on natural breaks (to help with administration efforts)? The distribution will inform how to approach this and whether it is an appropriate policy.
 - There is a shift in who pays that are determined by this breakdown. The burden is significantly shifted to properties with higher IA.
 - Noted that the example of 26,000 SF is not the most IA on a single property in Ferguson.
 - Farming Example: 3.73 acres of impervious surface = 162k SF over 430 acres total of land (<1%).
 - This example would be about \$1,591 / year with the ERU and \$2,106 / year with 1000 SF in 2021 based on this cost model.
 - What part of that is for the business operations and what part is the house? There are three homes on this specific property, but the largest % is for farming surfaces?
 - The Township is still evaluating how Farms are impacted recognizing both residential and ag business uses. Detailed evaluation of those properties classified by the County as “agricultural use” shows that many are residential only and not engaged in agricultural business. The Township is reviewing all properties classified as agricultural and determining those that are only residential and well as classifying the residential portion of those that do have agricultural operations onsite.
 - There are specific credit opportunities that can be utilized for agricultural activities.
 - Ag Business Units - average ag property is \$440/year for ERU and \$500 for 1000 SF with the current rate structure and initial analysis of agricultural properties. This will change with the review of the impervious layer in the GIS system.
 - Discussed the LID credit be extended to the Farming Credits.
- These are draft numbers, not finalized, and as a reminder, are not finalized until the Board accepts. The SAC feedback provided here is integral for the decisions made here and ultimately the recommendations made to the Board.
 - Note the credit option for the farming community could create an administrative burden. It was noted in the credit discussion that the credit process focuses on activities that are on-going by property owners as well as incentives to act to address property impacts. The approach to administration suggested by the Township relies on efforts ongoing such as the inspection program that is mandated by the NPDES MS4 permit.

- The SAC discussed other large impervious coverage areas, like the Weis Market. Some largely IA properties have previously been required to pay a lot of money for stormwater requirements and will face a large fee.
 - The Fee is tied back the program costs and the rate methodology uses impervious area as a “meter”. It is development that triggers the need for a publicly owned and operated stormwater system, to reduce risks to people and property and to reduce impacts to water quality of the natural systems.
 - Credits are intended to recognize those private investments.
- Question: How were the fixed-billing unit rates determined? There was IA analysis of every property. As this is determined, the only management moving on it is changes in IA coverage on properties, typically handled by permit. Permits are managed by center region codes - the data can be reconciled in the future to capture changes in impervious area coverage.
- More data will be provided to help in determining which billing unit to be used.
- Question: What if someone doesn’t pay? The program will be enforced; if a fee is not paid it will be a lien on the property.

Credits

- Should we give credit to the things that are mandated or not? Currently, the collective opinion is yes.
 - Some SAC members indicated there shouldn't be credits for requirements.
- The following credit program components were discussed:
 - Credit Renewal Cycles
 - Engineering Requirements
 - Inspections
 - The impact on the Cost Model and Budget for Credits
 - The Township Manager indicated that he does not want the stormwater budget to include the cost of the credit program but covered by the General Fund, which eliminates the revenue reduction of credits to be borne by other property owners who may not be able to qualify.
- It was noted that these programs are not overwhelmingly utilized in other communities.
- Credit Administration Costs have been included in the overall administration of the program. The Township general approach is to use ongoing activities such as inspection as a method of spot-checking whether a facility is operating and maintained as well as requiring maintenance plans as part of the credit agreement.
- Question: How will people know about it or Appeal for a credit or zoning hearing board? How is the decision going to be balanced? Generally, the process of appeal is included in the ordinance and posted on the website. The Township can provide the process for an appeal to anyone inquiring. The appeal review generally starts with Engineering to determine if the property is classified properly, that the impervious area is measured properly, and the right owner is billed. Once this review is done, the appeal typically goes to a higher level of the Township for review of the claim. If there is a legitimate basis to change a bill, it can be addressed at the Engineering level and should not require a formal hearing. If the owner is not satisfied, then it can be appealed to the Township Manager or the Board.

- Similarly, how we've identified priorities for the program and the funding, we have had discussions with the SAC and staff about the credit structure and the SAC feedback helps to inform the decisions made on recommendations to the Board.

Review of Public Engagement Activities

An overview of the social media campaign and notice of the Public Outreach Event on June 24 was discussed. The SAC voiced concern that the virtual meeting won't reach all the stakeholders. 8000 postcards were sent by the Township to alert individuals of the Town Hall meeting; it is a first step. The website is updated with the questions and the answers provided, based on the Town Hall. Approximately 50 questions were posted.

Next Steps

1. There are additional steps that need to be accounted for prior to policy refinement. The SAC input on recommendations has been documented in each meeting.
2. The SAC would like to see what the tax increases would be required to meet the same funding requirements, as well as a comparison to other communities (understanding that other rates are for *other programs*). The Consultant Team can provide a summary table of user fee rates within PA and other communities in the Chesapeake Bay watershed.
3. While today was generally a recap, it was crucial to confirm the findings from the various meetings held with the SAC over the Phase 2 study. Input today is important in prioritization of the program and for refinement of financial factors.
4. There is a parallel effort to understand stakeholders - groups, such as chamber of commerce, commercial properties, HOA residents, Agriculture, general public, etc. The staff will coordinate with Township leadership on when to engage specific stakeholders.

Future Meeting Logistics

- Originally scheduled for July 15th – rescheduled to July 29. This will be a virtual meeting; details provided by the Township.