



## TOWNSHIP OF FERGUSON

### **Ferguson Township – Stormwater Advisory Committee (SAC) Phase II Meeting #6 September 4, 2019 (@ 12pm)**

#### **Attendees**

**Ferguson Township:** Dave Modricker, Kevin Bloom

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

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

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 Credit Policy Discussion**

- Last meeting's credit discussion was a 'kick off' to the topic, a survey followed to help provide preliminary feedback regarding the credit program.
- This discussion will provide additional information for credit programs as well as some of the survey results to establish the goals of the Credit Program from the SAC.
- Credit programs can help develop a community's program in a variety of ways.
  - Ratepayers building water quality controls
  - Ratepayers providing education workshops
  - Ratepayers certifying inspection of BMPs
  - Ratepayers reducing impacts on public drainage system
- Credits reduce the overall cost for a property owner, which differ from incentives that provide a benefit but have a cost associated with them.
- Discussed the requirements and responsibilities of a credit program on the Municipality.
- Discussed survey results regarding the logistics of a credit program (i.e. who can apply, how often evaluate, etc.)
- Typically, there are three types of credits: Engagement, Operational, and Structural
  - Engagement: Inlet stenciling, stream clean ups
  - Operational: Annual inspection by owner; execution of maintenance agreement
  - Structural: Install facilities or structural projects that reduce volume of runoff or promote infiltration, Disconnection - can reduce runoff and promote infiltration by providing a pervious 'break' instead of the traditional design practice of runoff to a box to a pipe as quickly as possible.
- An example of a credit-based fee reduction was discussed. Details shown in PowerPoint presentation.

- Clarified that both Residential and Commercial style multi-user sites can be accounted for in the existing billing system (i.e. Condos and HOAs).
  - Some communities will meet with Condos & HOAs to discuss how the fees are distributed between the various owners.
- There are various ways a credit application can be developed, based on the goals of the Credit Program.
- The SAC requested that credits are reviewed every 3-5 years.
- The goal is to minimize the administrative burden but maintain the oversight to ensure the credits are being responsibly distributed and of value to the community.

### SAC Vision for the Credit Program

- How much effort or financial burden will be added to the overall program?
  - Verification on structural credits could be added to the existing inspection program.
  - There are potentially things that could be added to the program that would provide less value than administrative efforts to track and certify. For example, rain barrels may not provide a significant structural benefit; however, it can provide a large benefit for engagement and public education.
- Is it reasonable to prepare a credit program that everyone is eligible to participate in? How can every type of property owner participate?
  - If everyone is eligible and does participate, then won't the rates have to go up because of the reduction in revenue?
  - Participation is typically a value proposition for the owner. A return on investment analysis may show that the credit-eligible activity is not a good financial option. Others will participate because of different motivation.
- Discussion on the Rain Barrels as an example of a possible credit-eligible feature:
  - They often do not provide a significant positive impact on a system; one that could be measured.
  - They can make an impact if they are operated and maintained (emptied before the next rain) and the water is used as a replacement for the use of drinking water (lawn care, for example).
  - Allentown is reviewing Rain Barrels as an incentive program; the barrel will be provided once the property owner participates in a training program. Not a credit but a partnership with the City.
- It was suggested that the Township consider withholding credits to homeowners for a few years of the program. This would allow the program to get up and running (working through initial logistic issues). NOTE: this is common when user fees are first adopted.
- What are the highest offenders impacting water quantity and quality in this community? Are these the types of things that homeowners can take action and participate to reduce pollution?
  - Concentrated areas of commerce with higher traffic are targets to reduce pollutants and reduce flow/velocity.
  - Densification of development is another area that creates opportunity to reduce impacts.
- If the Township is already promoting an education program with the MS4 (minimum obligations), should the Stormwater Program include this duplicate task?
  - Sometimes, a credit or incentive program will help to bring attendance of these education events.
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- Some credit programs acknowledge changes in design standards - different credits are available depending on the standard of design provided by different structures (including retrofits). For

example, a facility built in the 1950's may have had different design criteria than one installed in the 2000's and could receive a lower credit or not be eligible at all.

- Can trees be incorporated into the credit program? Planting trees could be a cost-effective management practice for a homeowner, with the impact increasing as the trees mature. Canopy coverage of impervious can provide additional benefit.
  - The verification of this could be extremely burdensome but might offer opportunities from an educational standpoint.
- How does the group feel about self-certified credit applications?
  - The Township should be responsible for certifying an application to contain all necessary documentation that allows for Township review.
  - Annual reports from the property owner (when a structural credit is involved) is ok, as long as the Township periodically inspects the structure.
- The initial focus should be on the program first and the development of a credit program should be done once the Township has their stormwater services program up and running with the data collection completed.
  - The Township should know what the various things are worth before offering credit.
  - Credit concepts are aligned to the program cost in the Cost Model, indicating specific services will receive a reduction in funding.
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- It was noted that a member of the SAC had expressed specific concerns that the credit program needs to be custom tailored to Ferguson Township and should promote infiltration, to take advantage of the areas of the region where soils will facilitate this process.
  - It was discussed and agreed that the credit program can be crafted to promote this specific goal if desired.
  - The consulting team reiterated that their role is only to offer examples and ideas for credits, but the actual credits and program itself must be developed through consultation with the SAC and agreed upon by staff.
- It was stated as a priority for the SAC that, for a structural control, the design and impact to the system needs to exceed the minimum requirements. The following table captures the concepts discussed.

	Voluntary Installation	Mandated Installation
Meets Min. Requirements	Good	
Exceeds Min. Requirements	Best	Good

As further discussion, these concepts were identified in the discussion:

- Development example: A developer voluntarily managing runoff from an adjacent property they didn't own. Clearly exceeds minimum requirements.
- If water can be managed on site and not runoff to other properties or the street, that may be an example that exceeds minimum requirements.
- Discussion of green infrastructure – mimicking nature to promote natural stormwater management processes.

- Discussion of relationship between karst and sinkholes.
  - It is very complicated to ensure these are designed effectively and situated in an area that will drain without creating sinkholes.
- It was noted that credits should not be a 'handout' – the goal is to avoid additional costs for the Township program with the implementation of effective stormwater management practices.
- % Credit Received?
  - One community that Elizabeth is aware of has a 100% credit but there have not been any properties eligible – they need to manage all of the stormwater and receive no benefit from the municipal program.
  - The SAC discussed that credit should be allowed up to 100% of the portion of the bill that is not the administrative portion.
  - It was pointed out that the services provided by the Township are a benefit to every property owner such as controls in the roadway network and improvements in water quality.
  - Zero runoff under all stormwater situations should be considered.
  - Controls have to be the recipient of their neighbor's runoff (an option but extremely unlikely) for a credit.
  - Other MS4 entities – the costs associated with each MS4 remains separate, but the costs associated with providing mandated program for compliance with the MS4 can be identified and a credit granted to MS4's within Township boundaries.
- One approach that is not a financial credit through the user fee, is implementation of facilities and practices managed under ordinance by discharge requirements and total impervious. Today that could be designed for an increase in max. impervious cover, allowing for higher density with appropriate controls. Greater motivation to a developer than the property owner receiving a credit in the future.
- Design focus to encourage roadway swales with stone underdrains and check dams instead of a curbing design - reducing infrastructure and promoting infiltration
- Focus on moving forward as well as this retroactive credit

### **Penn State's Position on Ferguson Township's Credit Program**

- MS4s operated by various jurisdictions are encouraged to work together – such as through MS4 partnerships.
- There is a significant amount of impervious non-PSU generated runoff being managed on PSU properties (5:1) within the Township. It was noted that there are many properties in the Township that receive stormwater from adjacent lands – neighbor to neighbor.
- PSU 's position is that the fee does not apply to them given this management of receipt of runoff and the stance PennDOT has taken regarding their obligations to pay stormwater fees.
- Discussion
  - This is a similar situation to regionally designed or private facilities managing stormwater public runoff. Additionally, other parcels would have to be evaluated to create fairness and equity across all property owners where runoff is managed from offsite.
  - The question at hand is how large of a credit should PSU be eligible to apply for.
    - The PSU properties must maintain their own MS4 and introduced the concept for an MS4 Exemption.
    - This seems to be a clear option for a credit for that portion of the Township program that covers MS4 compliance.
  - PennDOT choosing not to pay is currently in litigation - there will be a decision from the courts on this matter of state agencies paying their share of a local stormwater fee.

- Utility policy indicates you cannot create a special exception for PSU unless all like-conditions are also eligible. The Township would have to evaluate this for every property to establish a credit to the University for managing runoff from adjacent properties.
- No conclusions were reached by the SAC on the issues raised by Rob on behalf of PSU. It is anticipated that the Township and the University may continue to discuss.

#### **Continued Level of Service Discussion regarding Service Area**

- Need to confirm that whatever curbing decisions are made for a property could affect its service area assignment and therefore, the cost to the property owners for user-fee charges.
- The consultants provided a review of the allocation of various program areas and how the cost would be attributed to the two Service Areas. The chart was provided in the PowerPoint presentation.
  - Discussed the program costs and distributed them across the two service areas (the allocation reviewed does not pull out an administrative base cost but does account for a comprehensive program of services discussed over the past 20 months).
- It was noted that both service areas have approximately the same amount of impervious, but there are twice as many parcels in Service Area 1 as Service Area 2.
- Discussion
  - The SAC would like to see a cost model that distributes the base cost across all users.
  - There can be benefits associated to the property owners, regardless of the service area and consideration should be given to a proportional shared cost.
  - Current costs would be removed from the General Fund, but the concept of revenue neutrality will need to be discussed with the Manager & Board.
  - Some percent of this new program have been and can continue to be funded by the General Fund which would be a policy decision of the BOS as advised by staff.
    - Some capital improvement related to roadway projects are still funded by the Transportation Improvement Fund (TIF) and will continue to be funded by the TIF (not included in this summary).
  - These values of program distribution will go into a Financial Model to establish a rate. The basis of the rate would remain the same between the two Areas (1000 sf of impervious area is the billing unit).
    - Additional factors go into the rate model such as the cost of money (debt) and interest earnings.
    - The rate model will be completed over the next six weeks and a summary of all policy and program elements along with the rate analysis will be presented at the October 23<sup>rd</sup> meeting of the SAC.

REMINDER – October 23 meeting starts at 10 am.