Ferguson Township
Stormwater Advisory Committee

Meeting No. 6
Credit Policy Discussion

Phase II
Stormwater User Fee Feasibility Study

September 4, 2019

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Agenda

- Introductions and Agenda Review

- Credit Discussions

    – Recharge (e.g. infiltration BMPs) overview

    – Overview of policy options

- Presentation by Rob on Penn State MS4 Credit

- Service Area Discussion – cost distribution draft

- Wrap-up

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Credit Options and Credit Policy Discussion

Typical Goals of Municipal Credit Programs

- To engage the public in the community's stormwater program.

- To acknowledge ratepayers' actions that reduce the long-term cost of the municipality's stormwater program.

- To encourage stormwater management on private property that help pursue municipal goals.

Credits vs. Incentives

- Credits, over time, help a community reduce the cost of the municipal stormwater program
  - Ratepayers building water quality controls
  - Ratepayers providing education workshops
  - Ratepayers certifying inspection of BMPs
  - Ratepayers reducing impacts on public drainage system
- Incentives cost the community resources to implement
  - Municipality assists in the removal of impervious surface
  - Municipality assists installing infiltration practices such as rain gardens and porous pavers
  - Municipality assists by subsidizing the cost of rain barrels

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A credit program has the potential to:

Contribute to MS4 permit compliance:

- Stormwater Management Education
- Nutrient/sediment reduction

Confirm ongoing function of BMPs on private property

Establish new maintenance plans for BMPs on private property

Improve control of stormwater flowing from existing developed areas and agricultural lands

Enable partnerships with other water quality permittees

Engage the public to work towards shared stormwater goals

Increase participation in stormwater education sessions
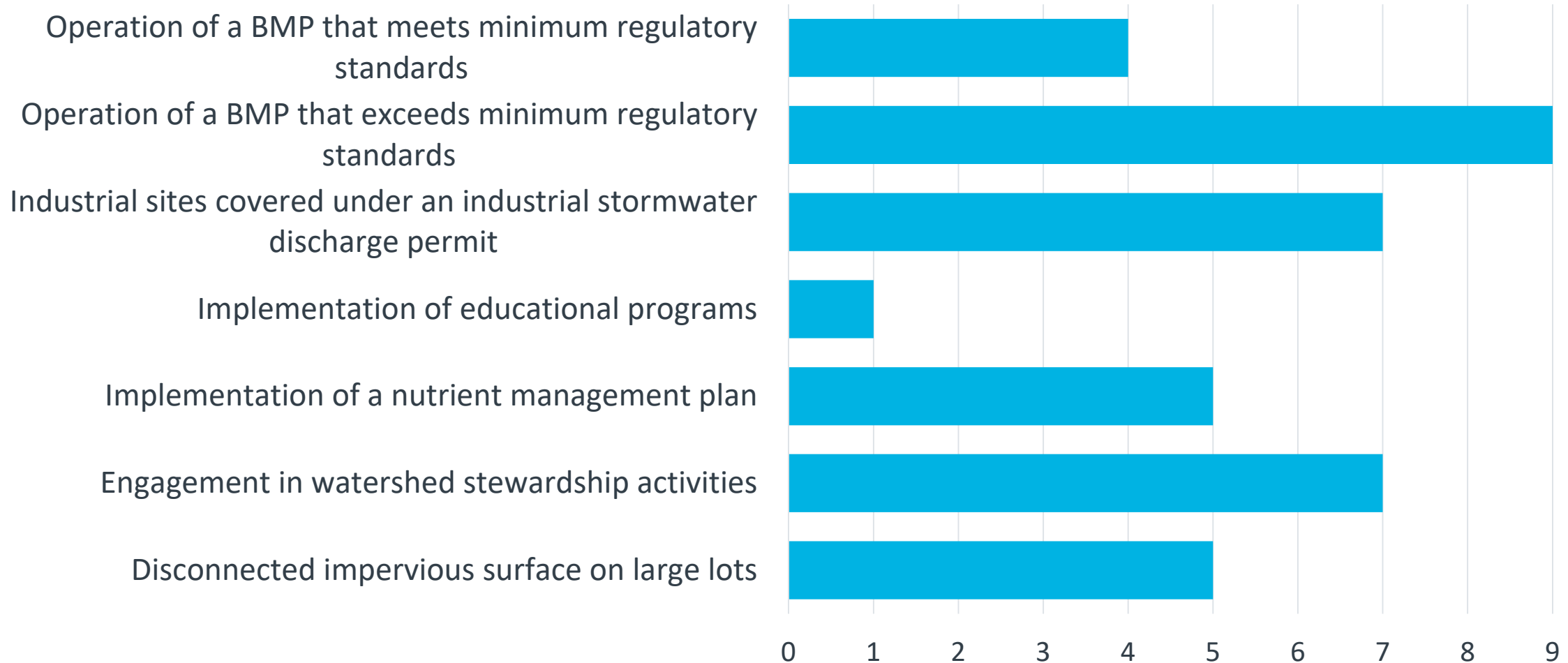
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Preliminary feedback on credit options

Municipal credit program responsibilities

- Establish the credit program

- Review credit applications

- Manage billing data

- Confirm implementation by ratepayers

- Track and renew credits

- Anticipate demand on cash flow from awarded credits

- Perform periodic review of credit program

Preliminary survey of Township administration responsibilities

SAC members feedback indicates that the Township should:

- Offer credit options to all ratepayers in the Township

- Renew credits every 3 to 5 years

- Visit some (or all) properties applying for credit

- Require ratepayers to periodically provide documentation confirming credit activities

- Regularly review the credit program

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Credit Program - Setting Values

- How should the Township quantify the value of each creditable activity?

- All properties will always rely on the continuing Township's program stormwater program:

  - Transportation network

  - Flood protection

  - Permit compliance

  - Storm sewer inspection

  - Emergency response

  - Resident complaints

- Credit programs reduce the number of billing units – but the cost of the entire stormwater program does not significantly go down in short-term.

  - Credits reallocate the cost of the stormwater program to other ratepayers

What do you think Ferguson's credit program should look like?

Types of Credits to Offer Ratepayers

Engagement

Operational

Structural

Engagement Credits to Offer Ratepayers

Deliver stormwater education opportunities to target audiences

Organize water quality opportunities for public engagement

Operational Credits to Offer Ratepayers

Commit to a maintenance agreement with the Township for an existing BMP

Annually provide the Township a BMP inspection report certifying it functions as designed

Provide the Township with documentation of your property's compliance with another water quality stormwater discharge permit

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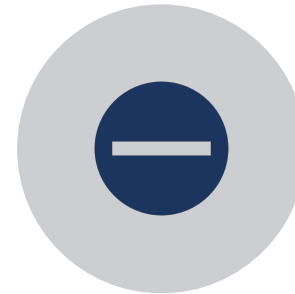
Structural Credits to Offer Ratepayers

Enhance an existing BMP to promote water quality, infiltration and/or rate control

Construct a new BMP that exceeds the Township's minimum standard for water quality, infiltration or rate control

Stabilize and maintain streambanks consistent with PADEP restoration standards

Disconnect existing impervious cover to promote infiltration

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Credit calculation example

- Existing property adds a bioswale to an existing fully-paved parking lot to infiltrate runoff.

- 20 original billing units (1 per 1,000 SF of IA)

- Bioswale treats 15,000 SF of IA

- Municipality offers 40% credit for treating IA at a standard that exceeds minimum

(15 billing units x 60%) + (5 billing units x 100%) = 14 billing units
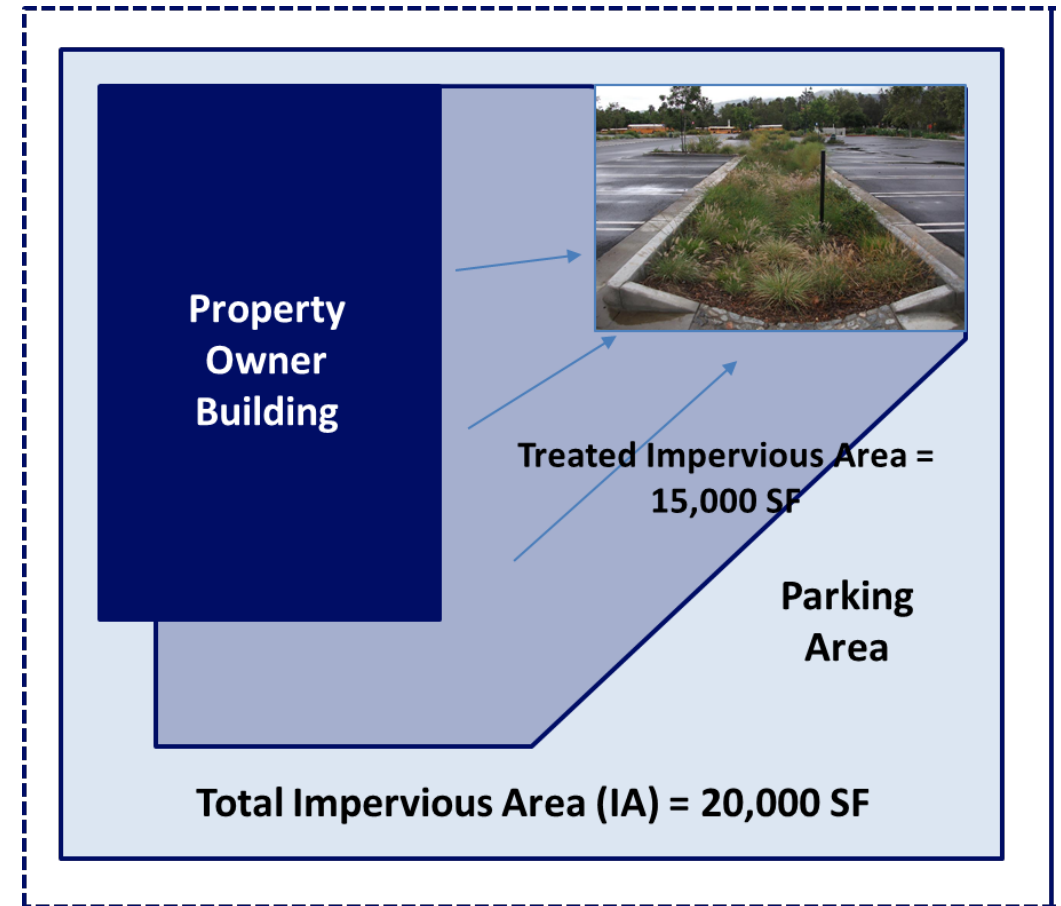
How do we handle condos and HOAs?

- Condos and HOAs often manage a structure that treats impervious area from common areas and/or individual properties.

- Implementation options:

  - Condo/HOA applies for the credit and counts all of the impervious area draining to the structure.

    - The condo/HOA then decides how to apply that to member properties.

    - The condo/HOA addresses through their fee structure.

  - Township calculates the credit and distributes to all condo/HOA property owners before sending bills.

A presentation by Wood.

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What is included in an application process?

- Not automatic – need some verification process.
- Simple application form.
- Additional documents may be required if the structure is not already in the Township's inventory/GIS system.
  - Certification that the structure is operating as designed
  - Drainage area map
  - Structure design plan/as-built drawing
  - Maintenance agreement
- Renewal is automatic if the structure continues to be maintained in accordance with Township credit policies.
- Renewal process defined in the credit policy (timing, documentation)

A presentation by Wood.

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Conclusions

- Summary of recommendations:

Service Area Cost Allocation

Categories of Costs

- System-wide assessment of current conditions (key focus for new costs in Year 1-2)

  SA1 – 80%   SA2 – 20%

- Maintenance of infrastructure throughout the Township – expanded (new crew and new equipment; increased materials/supplies)

  SA1 – 90%   SA2 – 10%

- MS4 permit compliance (six primary permit mandates)

  SA1 – 80%   SA2 – 20%

- CIP Implementation (current planned projects, on-going CMP lining, MS4 Pollutant Reduction Plan)

  SA1 – 80%   SA2 – 20%

- On-going primary services (administration, engineering, data management, customer service, on-going maintenance response)

  SA1 = 80%   SA2 - 20%

Ferguson Township - Allocation of Five Year Costs by Service Area

Service Area One	FY21	FY22	FY23	FY24	FY25
Infrastructure Assessment	$ 656,137	$ 561,560	$ 89,940	$ 92,638	$ 95,417
Maintenance - New	$ 540,743	$ 286,425	$ 281,574	$ 536,846	$ 297,351
MS4 Permit	$ 106,945	$ 109,682	$ 100,190	$ 102,642	$ 105,165
CIP	$ 413,000	$ 1,131,800	$ 953,600	$ 1,101,400	$ 1,185,600
Current Operational Costs	$ 207,028	$ 216,225	$ 262,016	$ 269,194	$ 276,567
Subtotal	**$ 1,923,852**	**$ 2,305,692**	**$ 1,687,320**	**$ 2,102,720**	**$ 1,960,101**
Service Area Two	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Infrastructure Assessment	$ 164,034	$ 140,390	$ 22,485	$ 23,159	$ 23,854
Maintenance - New	$ 60,083	$ 31,825	$ 31,286	$ 59,650	$ 33,039
MS4 Permit	$ 26,736	$ 27,420	$ 25,048	$ 25,661	$ 26,291
CIP	$ 25,000	$ 26,200	$ 37,400	$ 38,600	$ 171,400
Current Operational Costs	$ 51,757	$ 54,056	$ 65,504	$ 67,298	$ 69,142
Subtotal	**$ 327,610**	**$ 279,891**	**$ 181,723**	**$ 214,368**	**$ 323,727**
Total Program Costs	**$ 2,251,462**	**$ 2,585,583**	**$ 1,869,042**	**$ 2,317,088**	**$ 2,283,827**
Effective Proportion - SA1	**85%**	**89%**	**90%**	**91%**	**86%**
Effective Proportion - SA2	**15%**	**11%**	**10%**	**9%**	**14%**

What do you think?