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## TOWNSHIP OF FERGUSON

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**Board of Supervisors  
Stormwater Utility Fee Special Meeting  
Meeting Agenda  
Wednesday, September 23, 2020, 4:00 p.m.  
Join Zoom Meeting: <https://us02web.zoom.us/j/83070507548>**

**I. CALL TO ORDER**

**II. CITIZEN'S INPUT**

**III. CONTINUED DISCUSSION OF THE PROPOSED STORMWATER MANAGEMENT UTILITY FEE**

**Narrative**

At the Regular Meeting on Tuesday, September 8<sup>th</sup>, the Board discussed the proposed Stormwater Management Utility Fee draft ordinance. That discussion concluded with the scheduling of a special meeting this evening to further discuss the remaining outstanding issues that must be resolved prior to having a public hearing on the proposed ordinance. They are summarized as follows:

- What is the preferred fee methodology? Should the fee be based on an Equivalent Residential Unit (ERU) or a "per thousand square foot of impervious" model?
- Should equipment be purchased in this fund or related services be contracted out? This may be a case-by-case basis, but the Stormwater Advisory Committee was split on this issue. Staff's recommendation is that a sinking fund be established with the intent of purchasing equipment in the seventh year of the program.
- Should stormwater pipe lining continue to be funded through the Transportation Improvement Fund or should it transition to the Stormwater Management Utility Fund? Staff is recommending a transition over time, with the TIF being used to subsidize the project until the fund becomes more stable.
- Should there be a credit policy manual to accompany the program to off-set property owners' obligations under the fee that meet specific site conditions or program activities? If so, what should the maximum eligible credit allowance be capped at? Staff is recommending that a credit policy manual be established and that the maximum credit allowance be limited to forty percent (40%) of the total fee per property.

All Township residents have received a postcard in the mail inviting them to attend the meeting this evening as well as the public hearing on October 5<sup>th</sup>. Provided with the agenda is a copy of the presentation that was received on August 17<sup>th</sup>.

**IV. OPEN DISCUSSION**

**V. ADJOURNMENT**

# Ferguson Township Stormwater Program

Phase II – Implementation of User Fees  
August 17, 2020



# Agenda

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- Introductions
- Project Summary from Phase I – Feasibility Study
  - Review of Needs
  - Priorities & Strategies
- Phase II – User Fee Implementation
  - Funding Strategies
  - Key Policies
  - Rate Models
  - Options Analysis
  - Policy Discussion



## What is Driving a Change in Funding Strategy Across the Industry?

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### **Historic Paradigm Shift in Managing Runoff**

- Collect and discharge (any pipe will do)
- Don't send it to the wastewater plant (separate)
- Don't flood (larger pipes)
- Don't pollute either (on-site BMPs)
- Be accountable (regulatory mandates)
- Promote “Green” Infrastructure



**Public Perception Issues** - Water-related services are “free” and Stormwater and Wastewater are one and the same.

## Stormwater Advisory Committee Phase 2

Name	Representative	Name	Representative
Albert Jarrett	Agricultural Engineering	Scott Pflumm	Tree Commission
Steve Balkey	Contractor / Resident	Todd Giddings	Resident / Hydrogeologist
Jason Little	SCASD	Rob Cooper	PSU
Todd Irvin	Farmer	Ken Jenkins	Resident/HOA
Craig Bowser	Resident	Brian Hoffheins	Resident/HOA
Jim Carpenter	CRPR	Tom Songer	CBICC/Developer/Engineer
Jennifer Myers	CBICC	Wes Glebe	Resident



## Why is Ferguson Evaluating a User-Fee?

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- Regulatory requirements will continue to drive much of the future “non-optional” program requirements.
- What, who and how long it takes to “do stormwater” are each growing complex.
- Systems are aging and under-served.
- Costs are typically greater when “reacting” to problems.
- Collaboration can result in greater efficiencies BUT also much more difficult to put together.

# Differences in Funding Methods

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- Who pays
- Basis of payment
- Stability of revenue
- Flexibility of policies
- Purpose of revenue



# Top Priorities

- Assessment of all components of the drainage system
- Investment in system repair/rehab based on assessment – transition from current CIP to future CIP focused on assessment
- Compliance with the MS4 permit mandates
- Drive changes in Level of Service (LOS) by feedback from assessment
- Increase LOS for cross pipes and ditches outside of the urban area
- Critical repairs identified in assessment and regular inspection should drive maintenance program





## Phase I - General Conclusions

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- Shifting to User Fees is feasible – operationally and financially.
  - Meet long term goals; dedicate revenues; address needs; sustain infrastructure.
- Policies can be flexible to address:
  - Service level variability
  - Credit for private investment
  - Incentives for expanding Green Infrastructure
  - Distribution of costs efficiently and with increased equity
  - Infrastructure investments shift from reactive to proactive
  - Revenue neutrality, achieved at a macro-level



## Pennsylvania Annual Rate Comparisons

Locality	Residential Tiers				Non-Residential
Meadville	\$90 per Single Family Detached				\$90 per 2,660 SF
Allentown	\$20 per 500 SF				\$20 per 500 SF
Mount Lebanon	\$96 per Single Family Detached				\$96 per 2,400 SF
White Township	\$24 per Single Family Detached				\$24 per 3,700 SF
Radnor Township	Tier 1= \$29 (Lot SF <7,000)	Tier 2= \$58 (Lot 7,000-20,000 SF)	Tier 3= \$87 (Lot 20,000 – 43,560 SF)	Tier 4= \$116 (Lot >43,560 SF)	\$29 per 1,500 SF
Easton PA	\$81.00 a year (\$6.75/mo.)				\$81 per 1,797 SF



# Phase II – Primary Funding Source for Stormwater Services



## Phase 2 – Policy Focus for Advisory Committee

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- Private Infrastructure Serving a Public Purpose
  - Collection system components (pipe, open channel)
  - Water Quality treatment facilities (BMPs)
  - Stormwater Basins (water quantity controls)
- Level of Service Variability – Rate Impacts
  - Service area by type of infrastructure
  - Service area by population density
- Credits for investment in drainage management

# Private Systems Serving a Public Purpose Stormwater Drainage System Responsibility



# Policies on Partnerships Reviewed with Advisory Committee

Stormwater originates within a privately owned parcel and conveyed to or through private systems.

*Public oversight – no infrastructure responsibility.*

Public stormwater (from streets) conveyed through private stormwater systems.

*Shared responsibility based on flow impacts.*

Stormwater originates within a development, conveyed with public runoff and discharged to a facility without HOA or Township ownership.

*Shared responsibility for burden on single property owner.*

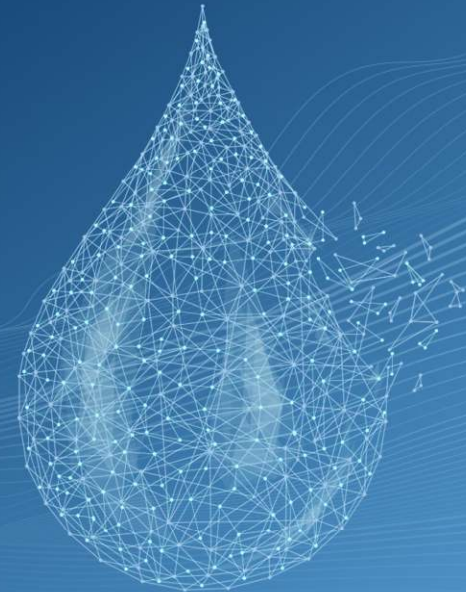
Stormwater originates outside a development, is combined with public and private generated runoff, flows to private facility and back into a public facility.

*Shared responsibility based on flow requirements.*

Stormwater originates in development, is conveyed with public runoff, discharges to HOA-owned BMP.

*Consider a shared responsibility – routine maintenance by HOA – major repair by Town.*

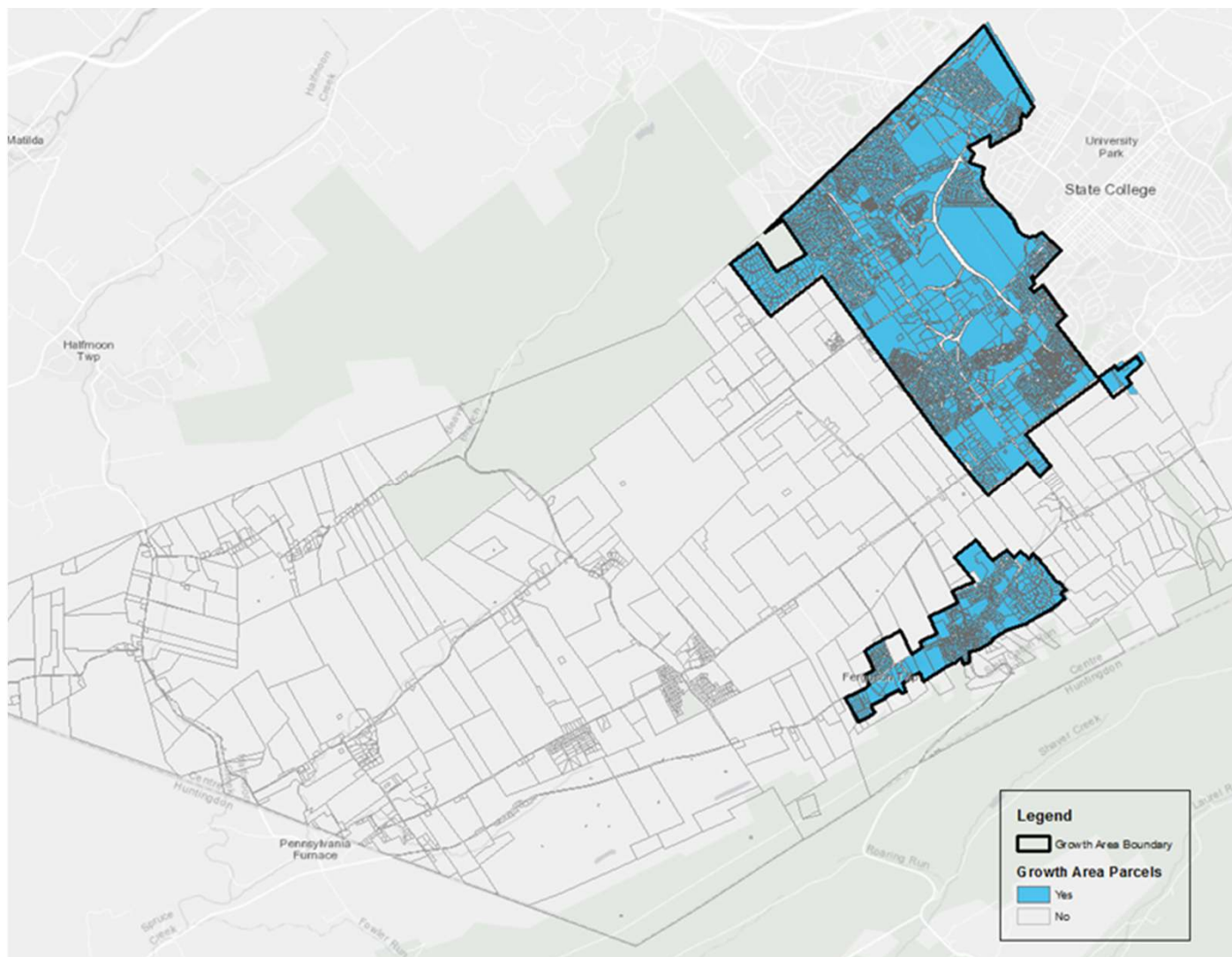
# Rate Strategies & Impervious Area Refinements



## Two Element Rate Structure

- Baseline Services: Serves all properties in Township
  - Base cost to address administration, MS4 Compliance, and other services
- Infrastructure Management Costs: Operation, Maintenance, & Capital Costs
  - Growth Area Boundary selected as method to identify varying levels of service
  - Allocation of costs to each (Growth Area and Non-Growth Area) determined by staff review of services







## Cost Allocated to All Properties

- Costs Allocated to All Properties
  - Personnel Administration
  - Personnel – MS4 Compliance
  - Direct Costs (allocated based on personnel FTE in both categories)
  - Capital Costs – MS4
  - Capital Costs – Partnerships
  - Capital Costs – Park Hills Project

# Costs Allocated By Growth Area/Non- Growth Area

## Service Area 1 – Growth Area

- Personnel (92%)
- Direct Costs (allocated by Personnel FTE)
- Pipe Assessment (92%)
- Equipment Purchases (92%)
- CMP Rehabilitation (92%)
- Inlet Repair (93%)

## Service Area 2 – Non-Growth Area

- Personnel (8%)
- Direct Costs (allocated by personnel FTE)
- Pipe Assessment (8%)
- Equipment Purchases (8%)
- CMP Rehabilitation (8%)
- Inlet Repair (7%)

## How Are Fees for Stormwater Calculated?

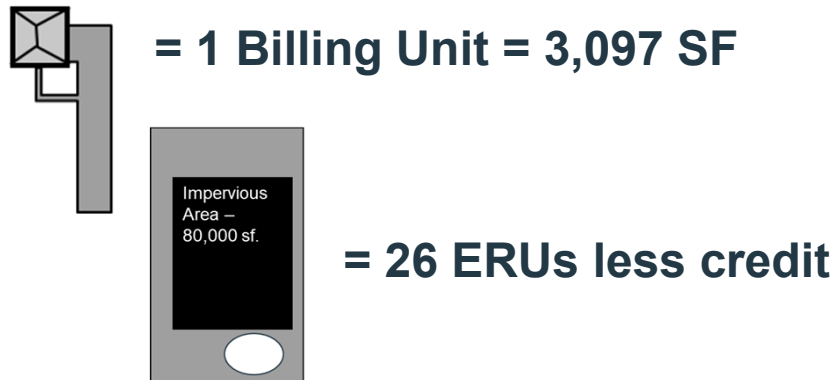
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- Impervious area is the primary link between the parcel and amount of the fee. It is the meter for user fees.
- Two Rate Methods Evaluated:
  - “ERU” (Equivalent Residential Unit) approach—equates all land use to single family residential footprints.
  - Fixed billing unit of 1000 sf based on analysis of the impervious area per parcel.
- Impervious area is the “meter” for stormwater cost allocation to property owners.

# Billing Units Analysis - Ferguson

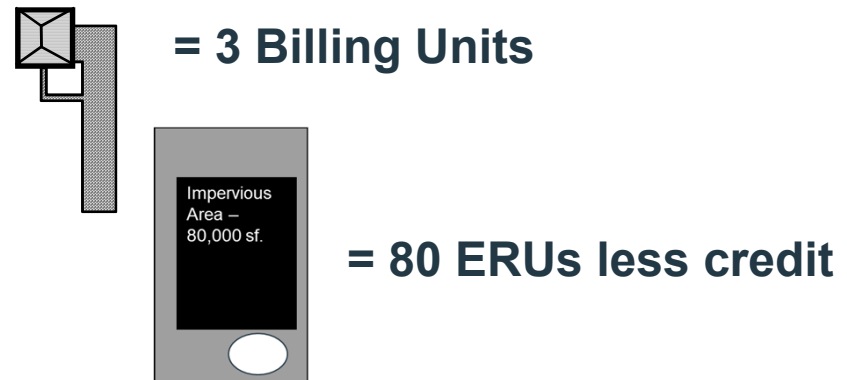
## ERU – Equivalent Residential Unit

- Evaluation of impervious cover from Single-Family Detached residential (SFDR) parcels
- Same fee for all SFDR Parcels (1 ERU)
- All other parcels have a detailed impervious evaluation



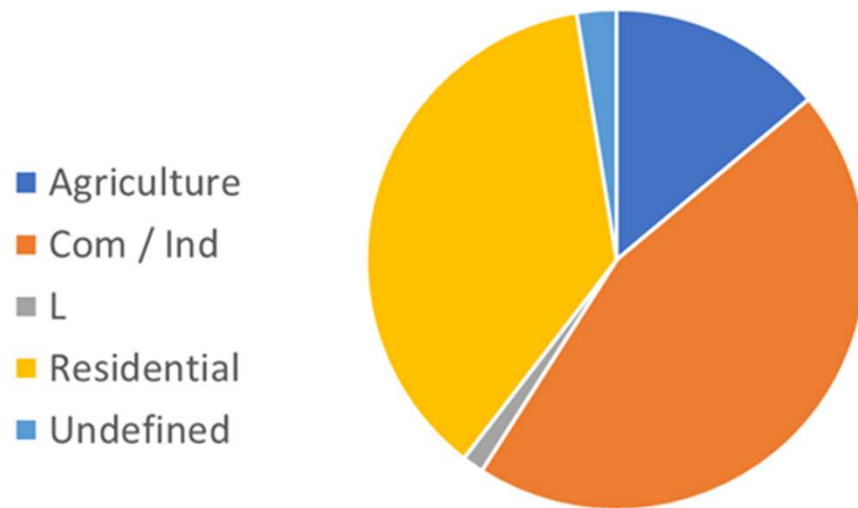
## Fixed Billing Unit / Tiered Approach

- Fee associated for a set SF or range of impervious cover, i.e. 1,000 SF
- 1,000 SF

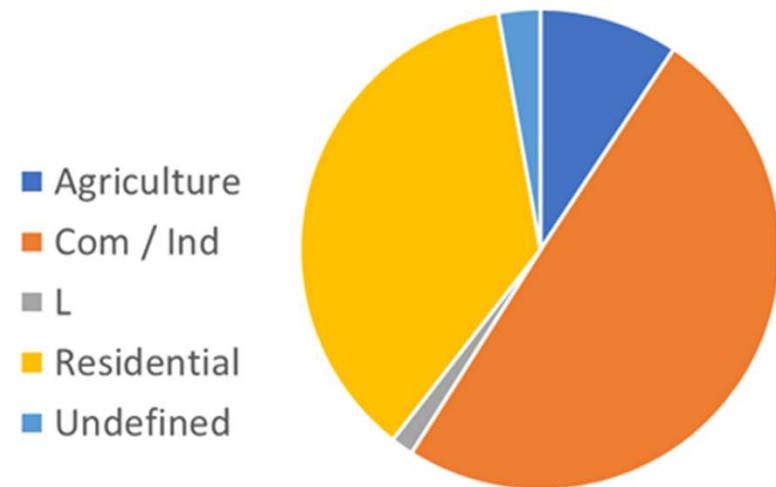


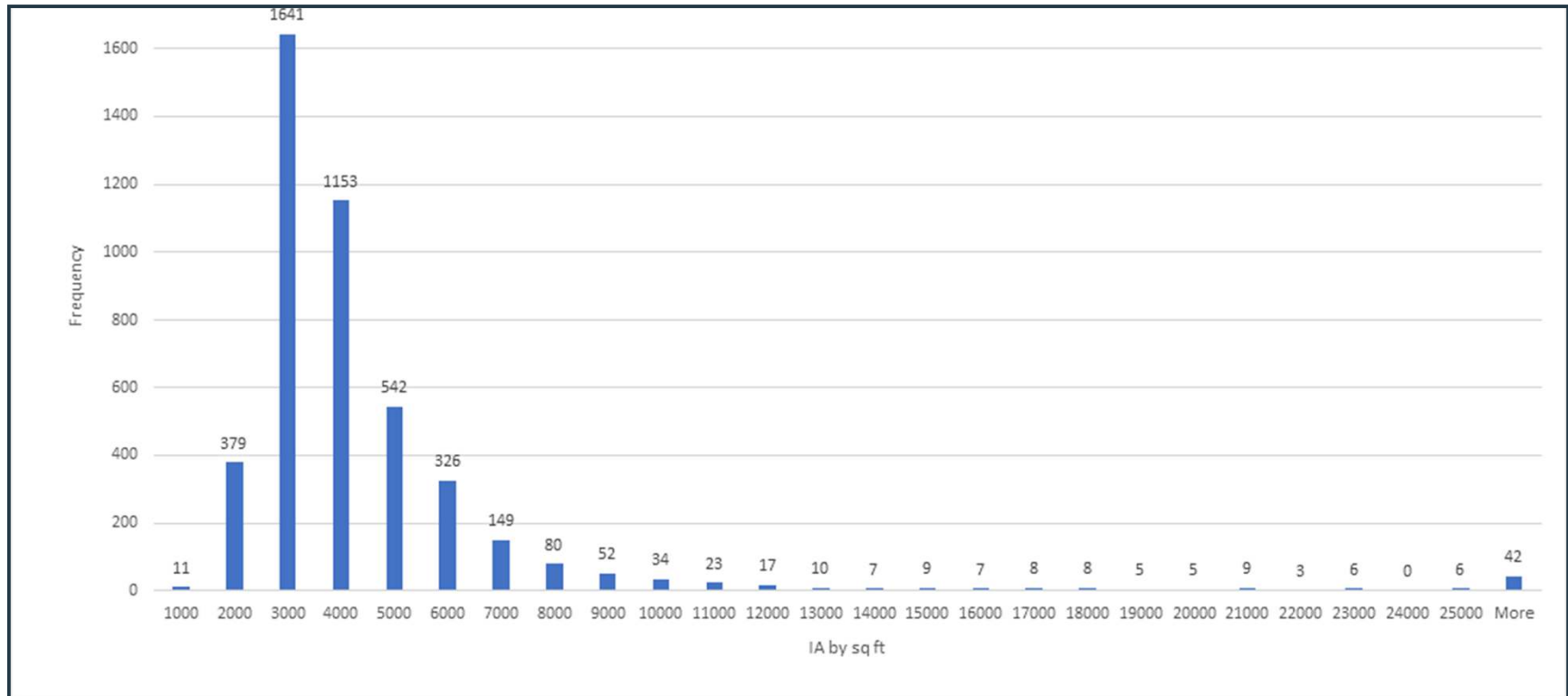
# Distribution of Billing Units County Land Use Codes

Billing Units by Land Use - Fixed Unit of 1000 sf



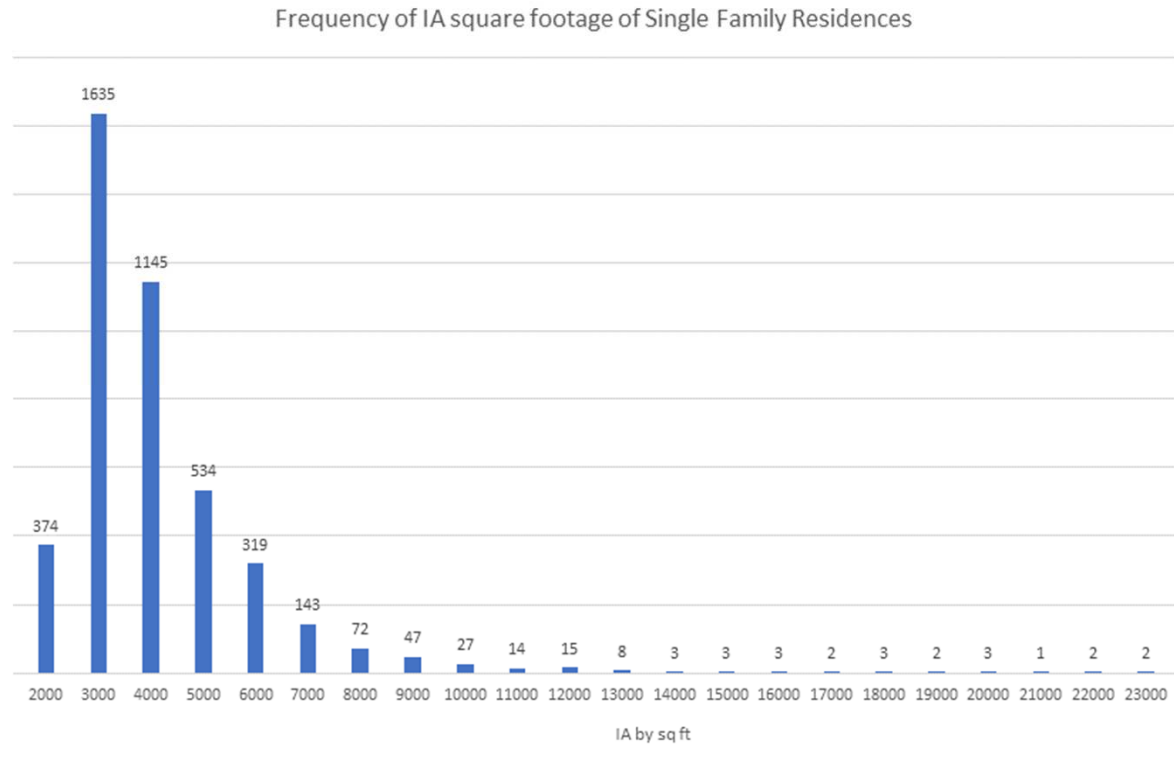
Billing Units by Land Use - ERU of 3097sf





Histogram – Distribution of Residential Impervious Area  
By # of Parcels - All Land Use Classes

# Histogram of Residential Parcels without Agriculture Land Use Code

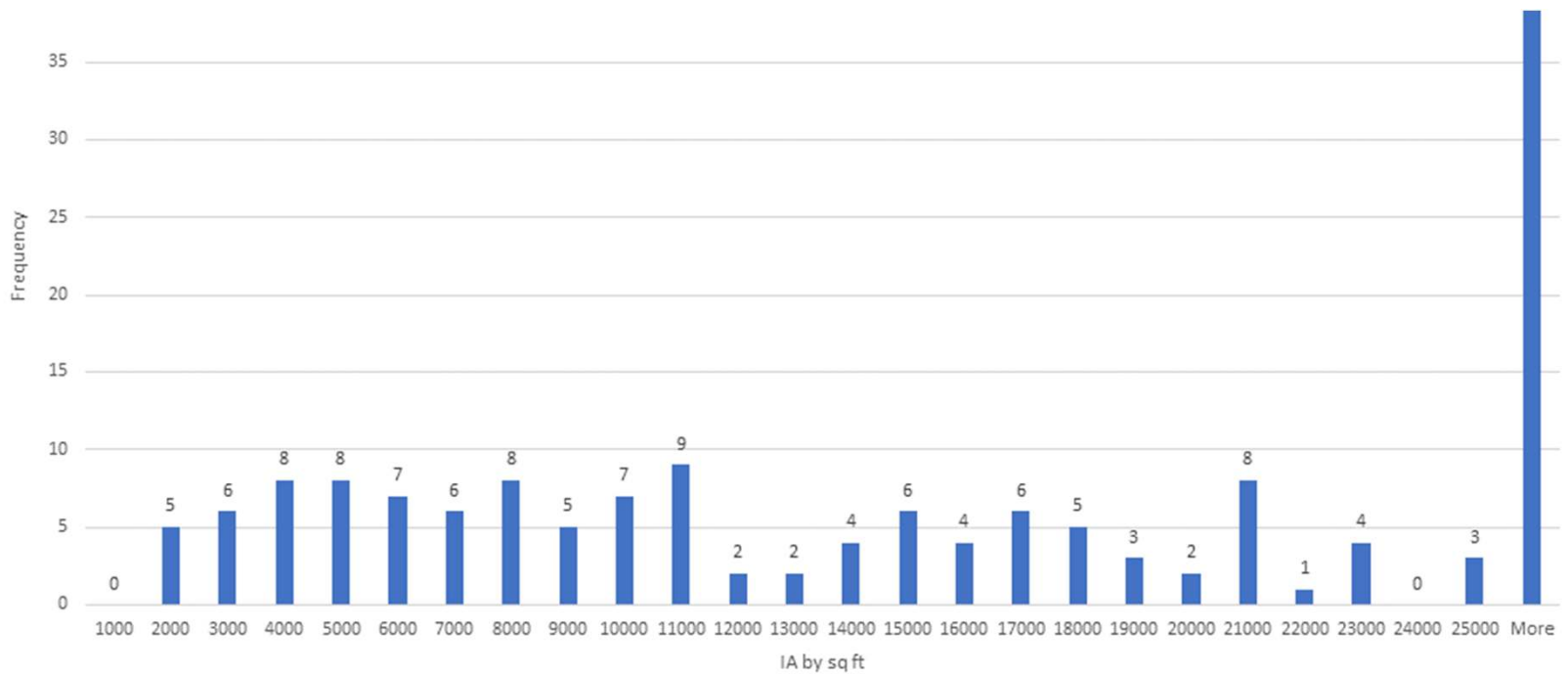




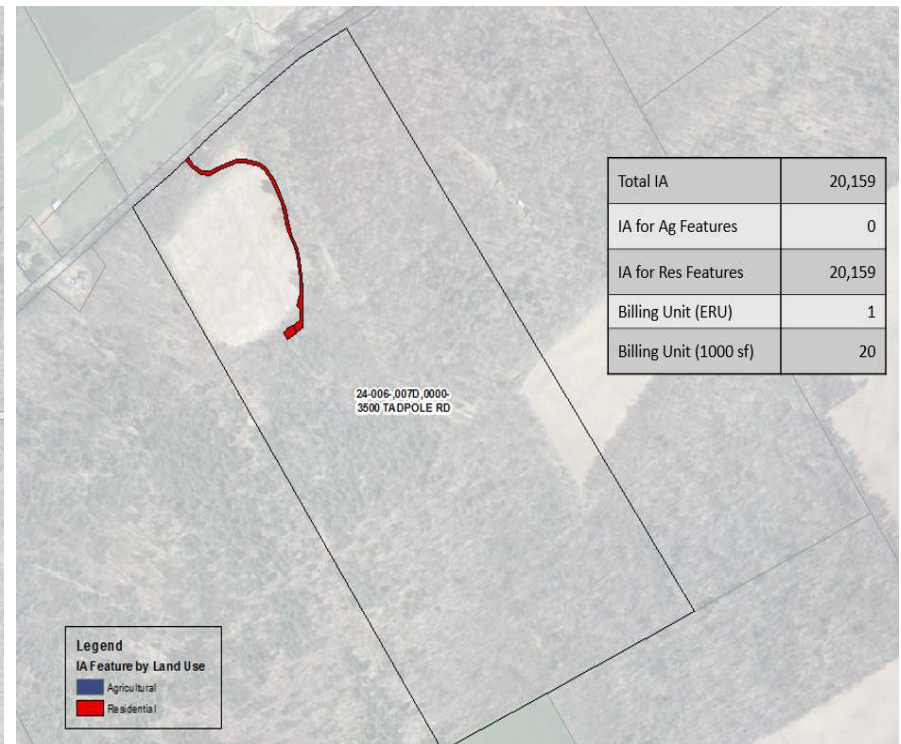
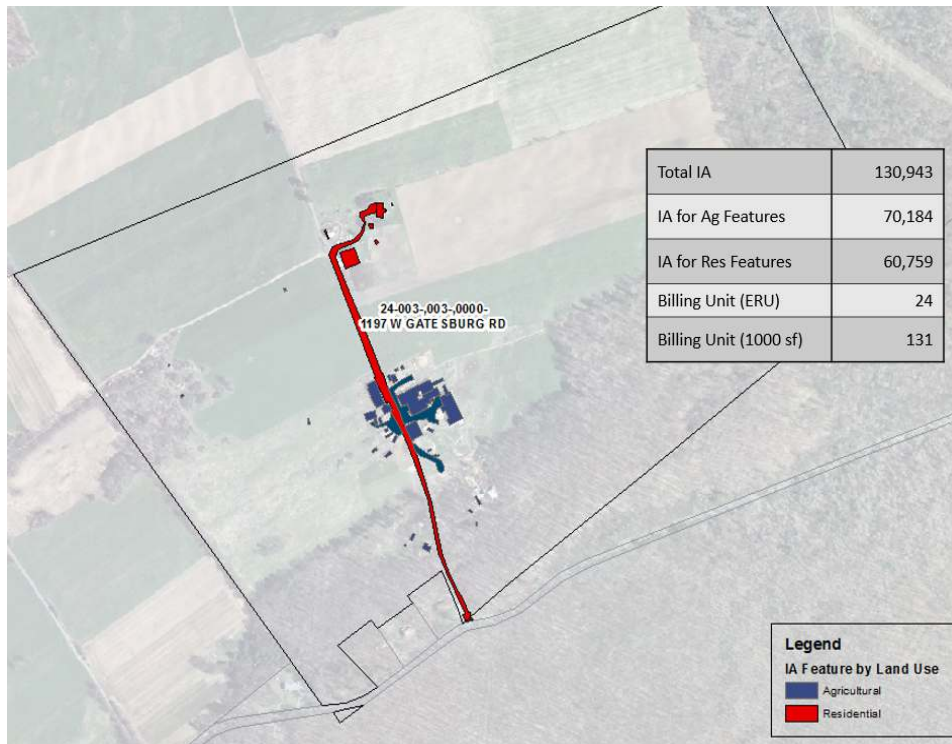
## Treatment of Agriculture – Residential Property

- Many of the parcels with land use classification defined by the County as Agricultural were, in fact, residential properties with no agricultural business-related impervious area.
- Residential-use-only. properties were reclassified in the billing file to residential.
- For consistency, homes located on agriculture-business-use properties were also identified and, in the ERU analysis, considered as “one billing unit.”
- The impervious area for agricultural business use were separately identified and measured.

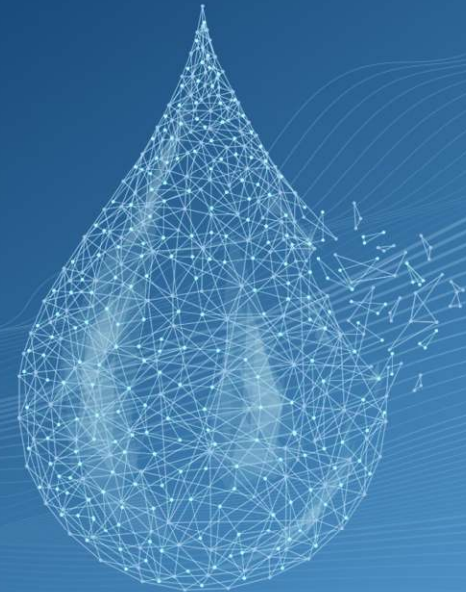
# Histogram of Agriculture-Class Residential Parcels



# Examples of Agricultural Classified Parcels



# Credit Program Feedback



# General Takeaway Discussion Points re: Credits

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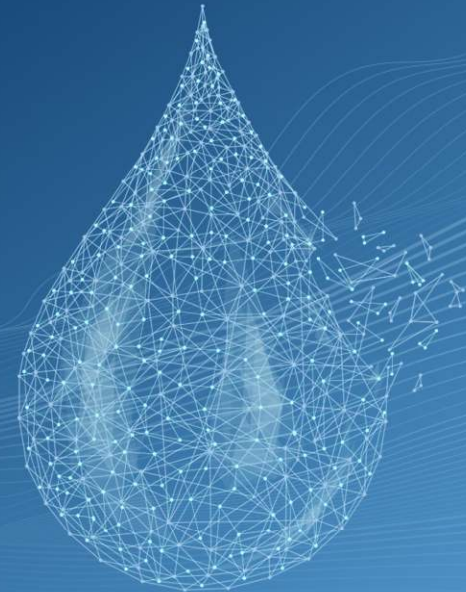
SAC agrees with concept of the Township having a credit program if a user fee is assessed.

Credit programs can provide many different benefits, but each has to be weighed against the value it adds, versus the revenue impacts.

Credits can be offered in general categories such as structural, engagement or operational.

Recognized that some credits could provide “social” value but offer very little in way of actual improvements to flooding or water quality.

# Rate Models Evaluated



# Rate Model Analyzed

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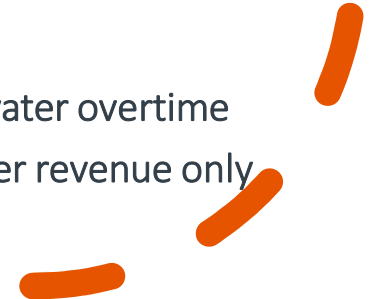
- ERU Billing Unit
  - With TIF support of CMP Lining and with Equipment Fund
  - With TIF support of CMP Lining and without Equipment Fund
  - Without TIF support and with Equipment Fund
  - Without TIF support of CMP Lining and no Equipment Fund
  - Transition TIF support to Stormwater and with Equipment Fund
- 1000 sf Billing Unit
  - With TIF support of CMP Lining and with Equipment Fund
  - With TIF support of CMP Lining and without Equipment Fund
  - Without TIF support and with Equipment Fund
  - Without TIF support of CMP Lining and no Equipment Fund
  - Transition TIF support to Stormwater and with Equipment Fund

# Cost Models Evaluated

With and  
without  
Equipment

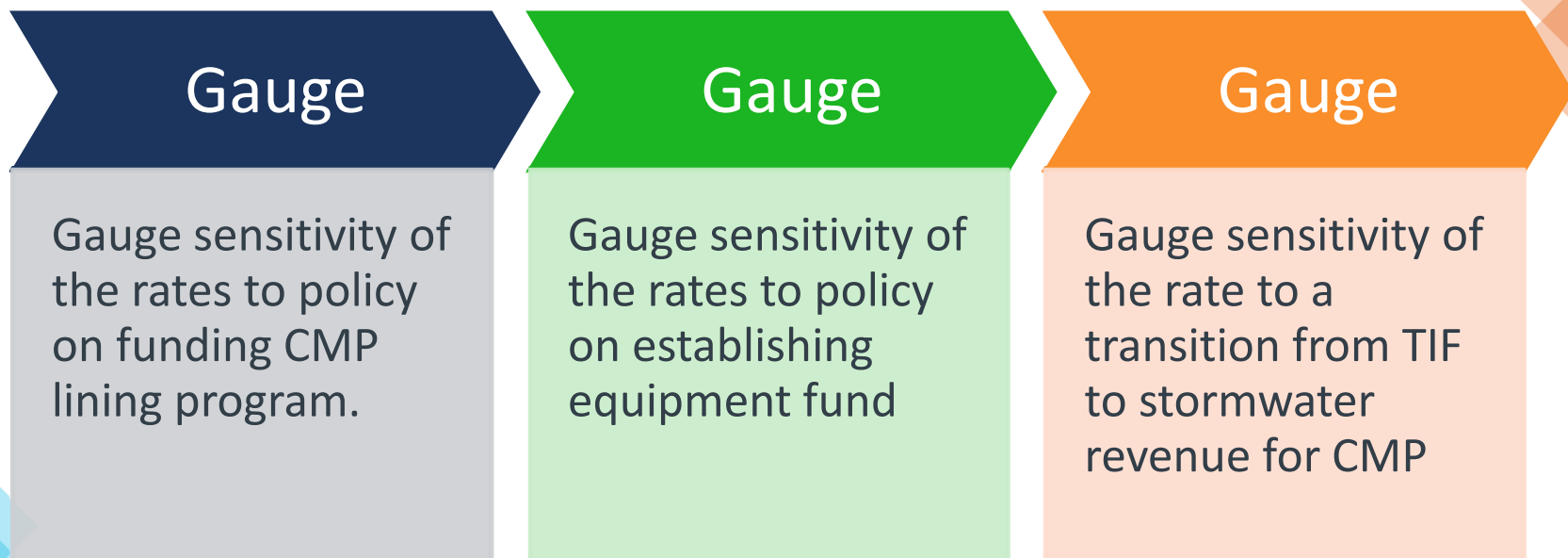
With and  
without TIF for  
CMP Lining

- Two Key Policies Considered
  - On-going system inspection and assessment after completion of first round (FY27)
    - Bring in-house through purchase of necessary equipment
      - Cash purchase by setting aside an equipment fund
      - Lease purchase equipment
      - Use other Township resources
    - Continued contracted assessment
  - Funding Corrugated Metal Pipe Lining
    - Maintain funding in TIF
    - Shift funding from TIF to Stormwater overtime
    - CMP Lining funded by Stormwater revenue only





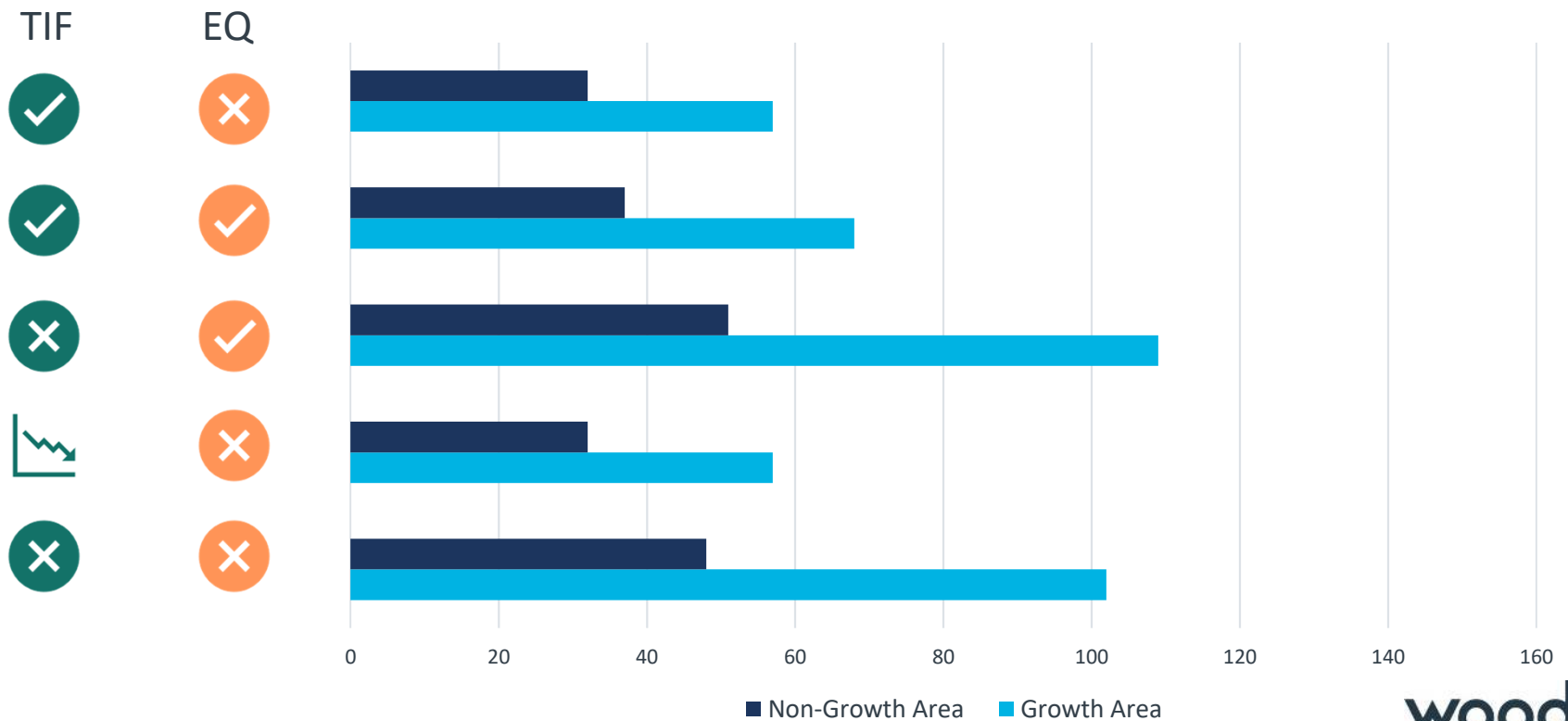
## Purpose of Multiple Rate Projections



# Options on Funding CIP and Equipment

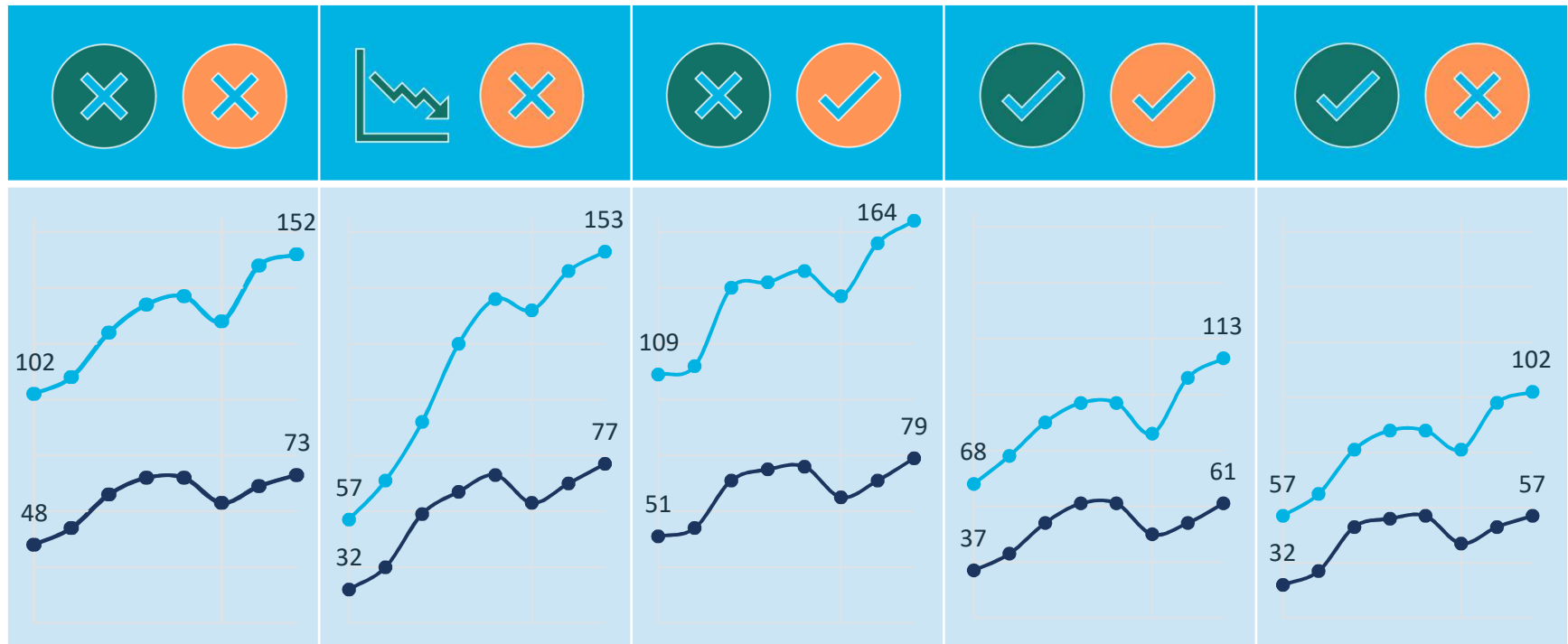
			
CMP Lining - TIF	Maintain Funding in TIF	Funded by the Stormwater Fee	Funding Transition over time
Inspections - Equipment			
	Equipment Purchase	Continue to Contract Out	

## Rates – ERU - With Options on Funding CIP and Equipment



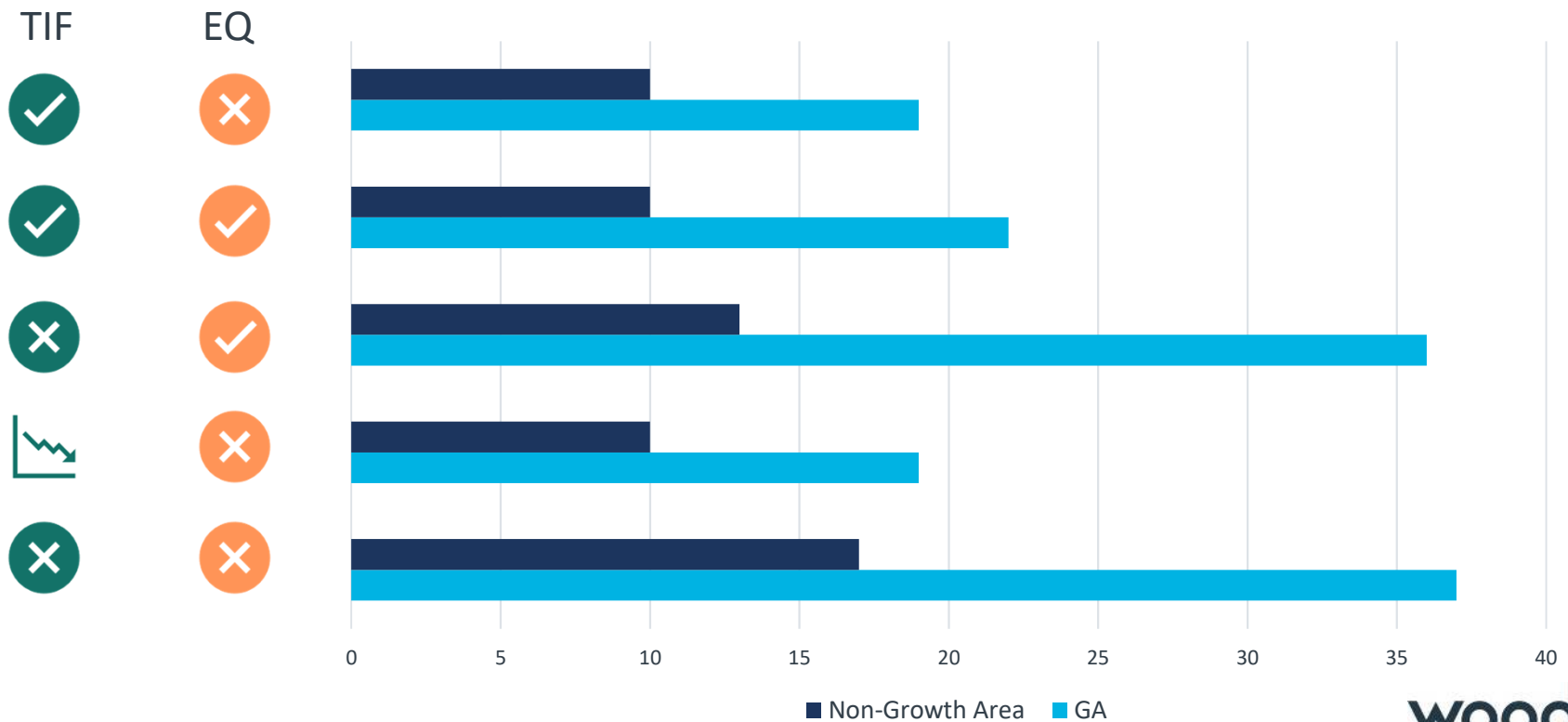
FY 2021

# Rates – ERU - With Options on Funding CIP and Equipment FY 21 – FY 28



■ Non-Growth Area    ■ Growth Area

## Rates – 1000SF - With Options on Funding CIP and Equipment



FY 2021

# Rates – 1000SF - With Options on Funding CIP and Equipment FY 21 – FY 28



■ Non-Growth Area    ■ Growth Area

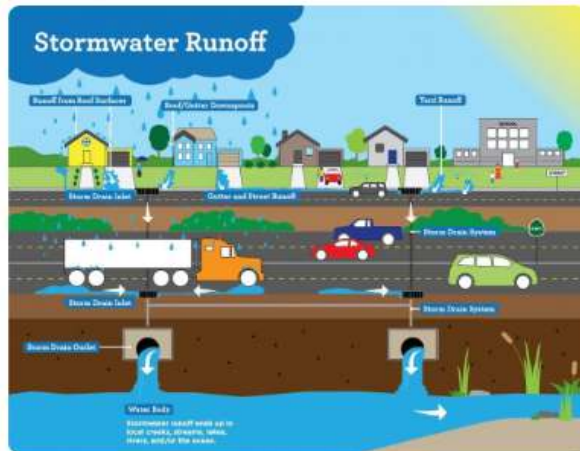
# Public Outreach Town Hall Meeting



# Social Media Campaign – June 1 to June 24



**Ferguson Township PA** @FergusonTwpPA · Just now  
Stormwater is generally defined as water from rain or snow/ice melt that flows across the ground and paved surfaces. This stormwater may soak into the ground, or eventually make its way to local streams or sinkholes, affecting the quality of water. #FergusonStormwaterFee



**Ferguson Township PA** @FergusonTwpPA · Just now  
Township owns almost 2,000 drainage inlets and Township owns approx. 33.5 miles of drainage pipe. Routine inspection & maintenance is currently not conducted. Actual Photo from one of our Pipes. #FergusonStormwaterFee





# Proposed Stormwater Fee Open House

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## **You're Invited to attend the Upcoming Proposed Stormwater Fee Public Meeting**

Join Ferguson Township for an online public meeting to learn about the **Proposed Stormwater Fee** presented by Ferguson Township Staff and Consultants ending with a **Q&A**.



**Wednesday, June 24**

<https://us02web.zoom.us/j/87051196246>

Meeting ID: 870 5119 6246

**Presentation begins at 6:00 p.m.**

Visit the Events Calendar on [twp.ferguson.pa.us](http://twp.ferguson.pa.us) for instruction on how to join the meeting with video conferencing or by phone

### **Have a question about Stormwater?**

Submit your question before June 19 here: <http://ow.ly/WoAT5ozY3qq>

Event Details: <https://www.twp.ferguson.pa.us/home/events/12293>



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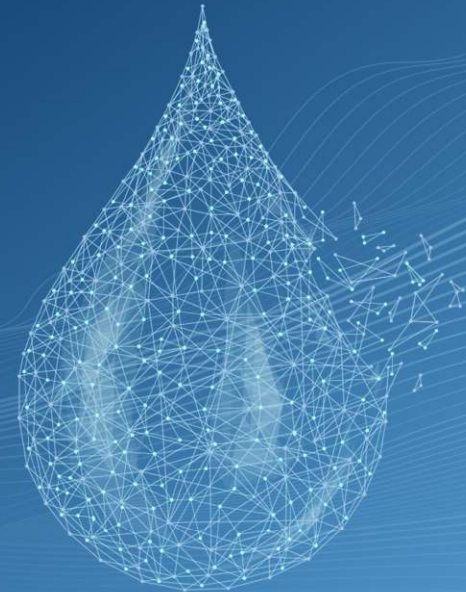
Fax: 814-238-3454

E-mail: [cmartin@twp.ferguson.pa.us](mailto:cmartin@twp.ferguson.pa.us)



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# Discussion of Key Policy Issues



## **Policy Issues for Board Consideration**

- \* Fee Methodology – ERU or 1000sf fixed unit
- \* Evaluation of continuing system inspection and assessment after FY26:
  - Internal operation with cash purchase of equipment
  - Internal operation with financing of equipment
  - Continued contracting for services for underground pipe network
- \* Utilization of the TIF for CMP rehabilitation program (lining pipes)