



TOWNSHIP OF FERGUSON

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**Board of Supervisors
Stormwater Utility Fee Special Meeting
Meeting Agenda
Wednesday, September 23, 2020, 6:00 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 8th, 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 5th. Provided with the agenda is a copy of the presentation that was received on August 17th.

IV. OPEN DISCUSSION

V. ADJOURNMENT

Ferguson Township
Stormwater Program
Phase II – Implementation of User Fees
August 17, 2020



Agenda

- 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?

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?



- 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

- 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

- 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

- 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.

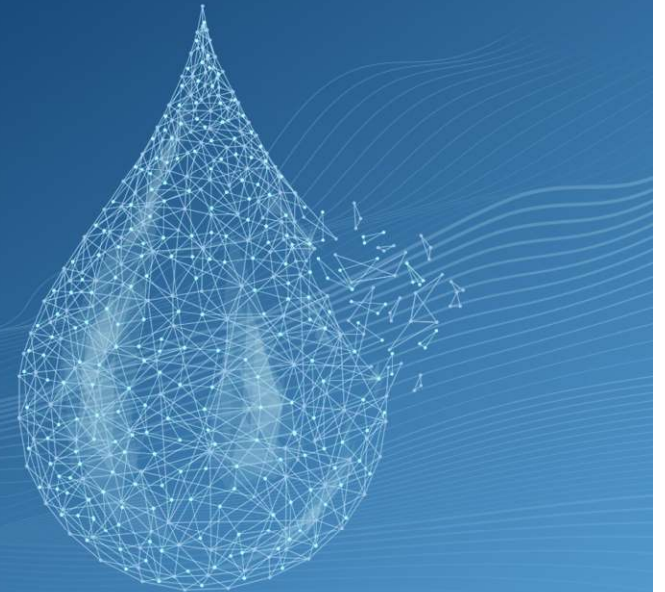
Stormwater originates outside a development, is combined with public and private generated runoff, flows to private facility and back into a public facility.

Shared responsibility based on flow requirements.

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

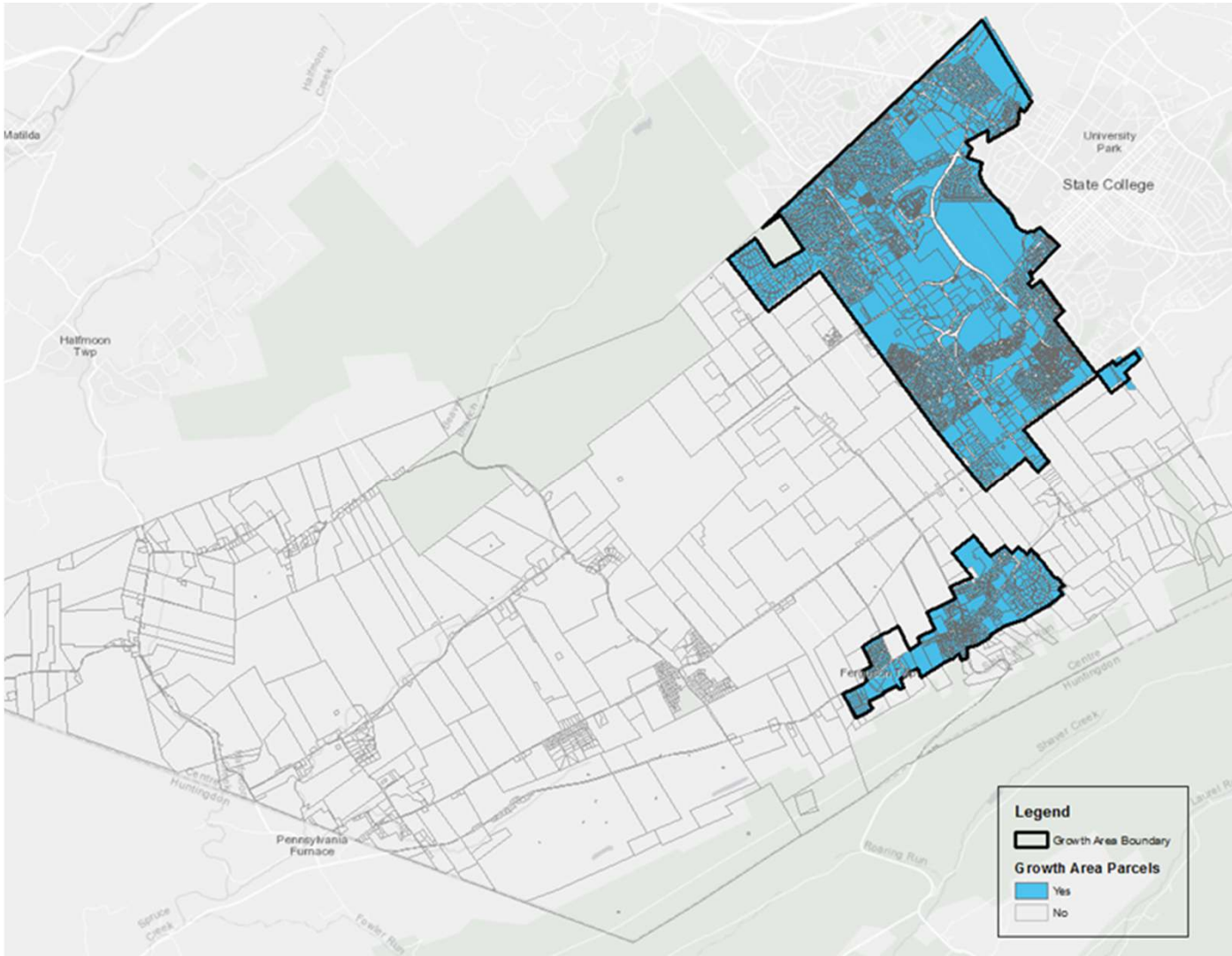
Consider a shared responsibility – routine maintenance by HOA – major repair by Town.

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%)

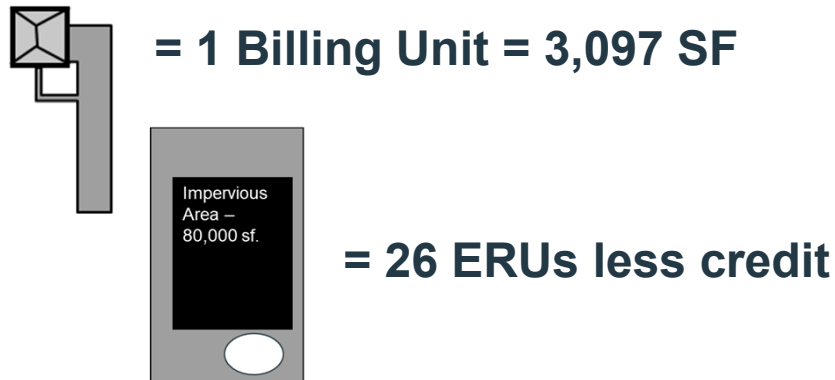
How Are Fees for Stormwater Calculated?

- 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

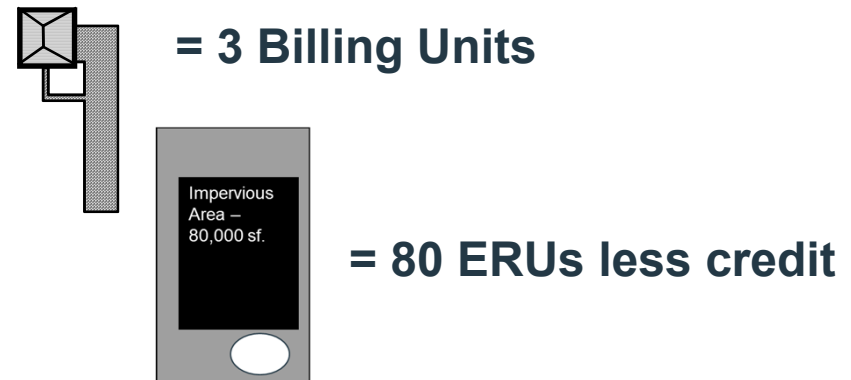
ERU – Equivalent Residential Unit

- 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



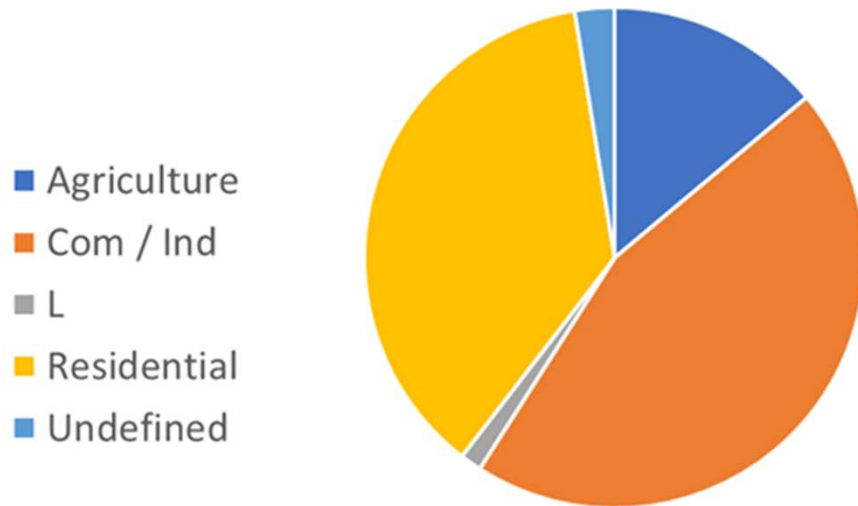
Fixed Billing Unit / Tiered Approach

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

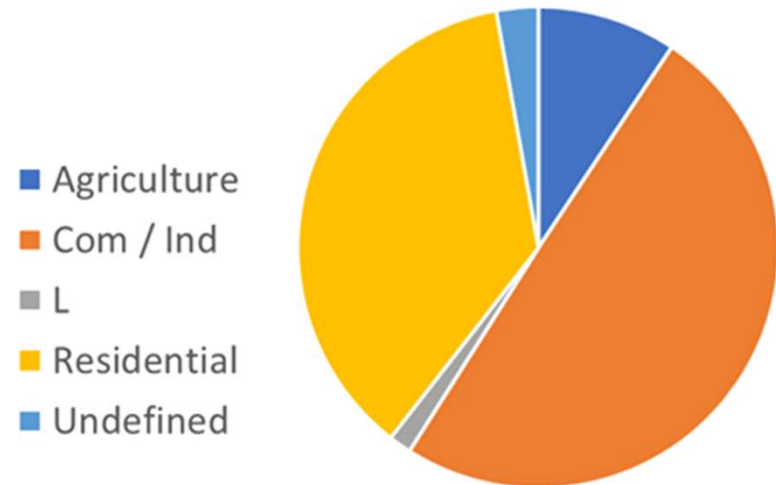


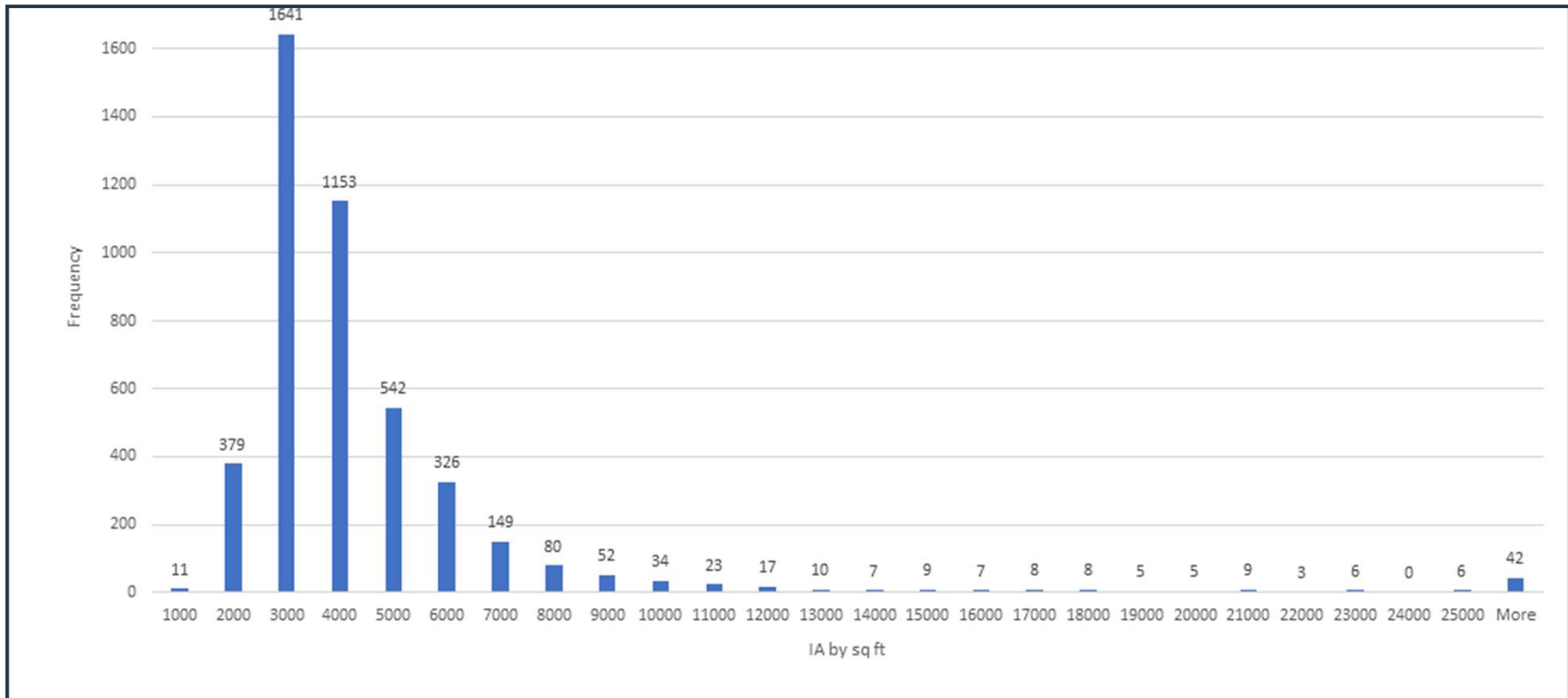
Distribution of Billing Units County Land Use Codes

Billing Units by Land Use - Fixed Unit of 1000 sf



Billing Units by Land Use - ERU of 3097sf

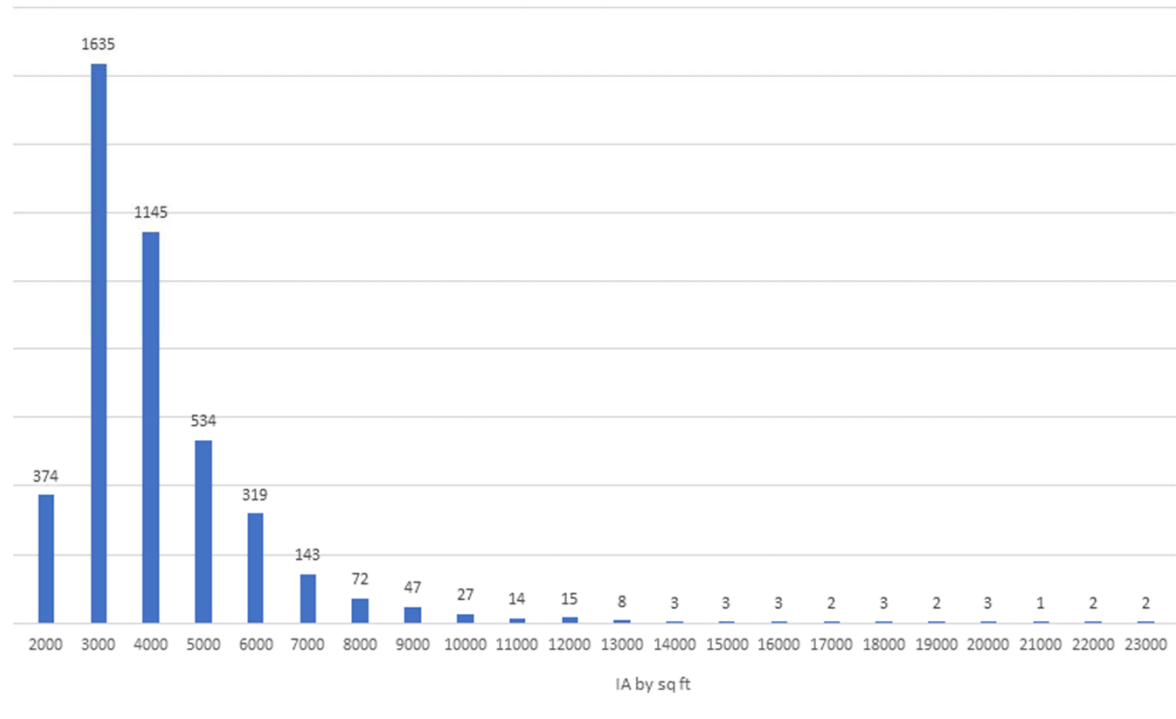




Histogram – Distribution of Residential Impervious Area
By # of Parcels - All Land Use Classes

Histogram of Residential Parcels without Agriculture Land Use Code

Frequency of IA square footage of Single Family Residences

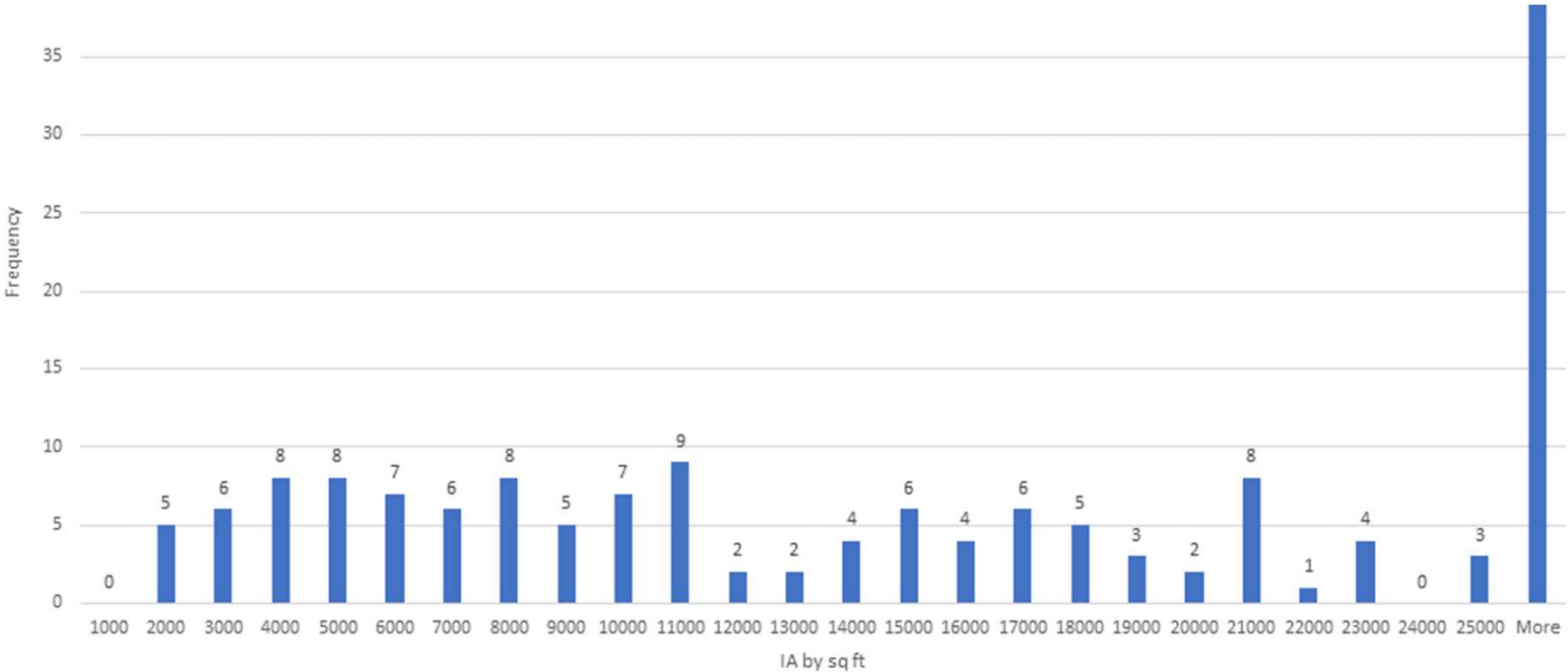


Treatment of Agriculture – Residential Property

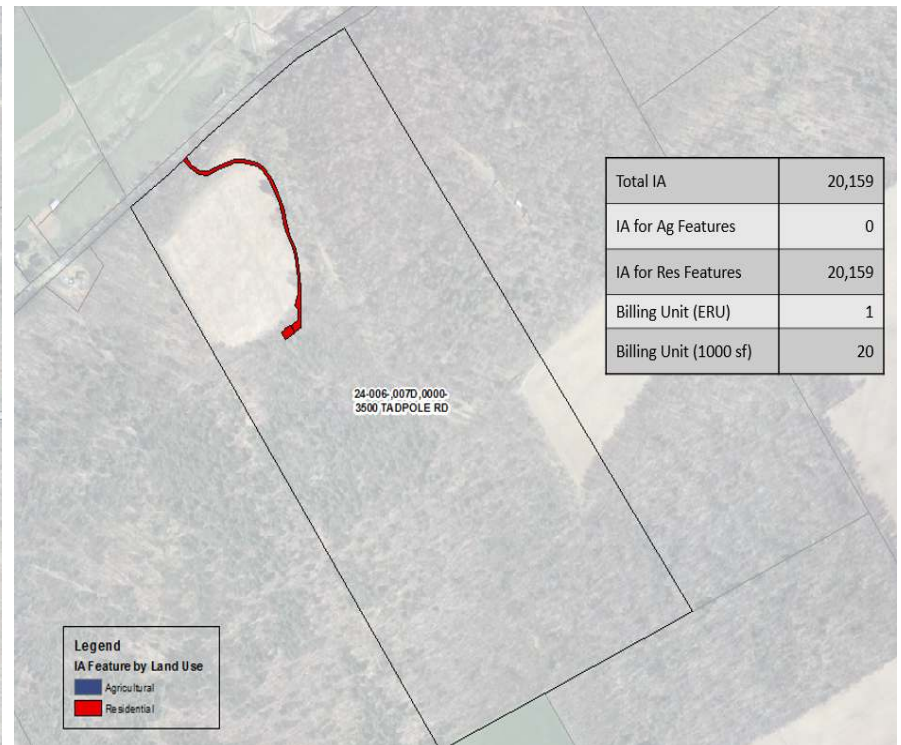
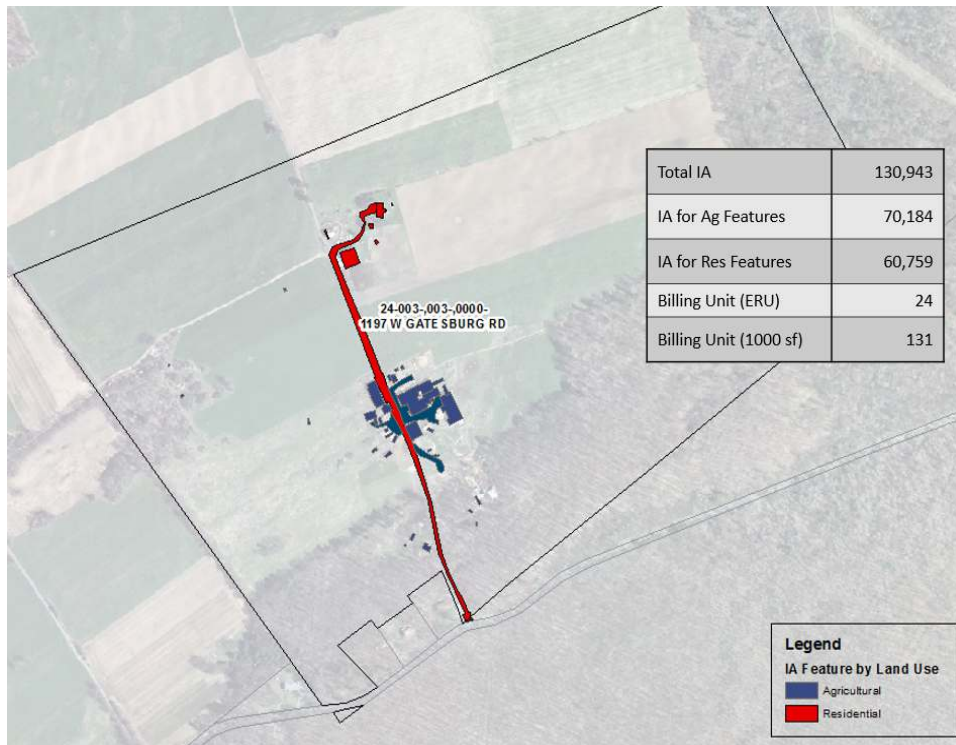
- Many of the parcels with land use classification defined by the County as Agricultural were, in fact, residential properties with no agricultural business-related impervious area.
- Residential-use-only. properties were reclassified in the billing file to residential.
- For consistency, homes located 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

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

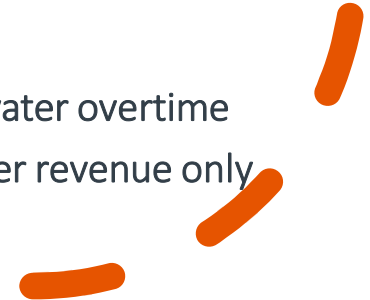
- ERU Billing Unit
 - With TIF support of CMP Lining and with Equipment Fund
 - With TIF support of CMP Lining and without Equipment Fund
 - Without TIF support and with Equipment Fund
 - Without TIF support of CMP Lining and no Equipment Fund
 - Transition TIF support to Stormwater and with Equipment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

Gauge

Gauge sensitivity of the rates to policy on funding CMP lining program.

Gauge

Gauge sensitivity of the rates to policy on establishing equipment fund

Gauge

Gauge sensitivity of the rate to a transition from TIF to stormwater revenue for CMP

Options on Funding CIP and Equipment

CMP Lining - TIF

Inspections - Equipment



Maintain Funding in TIF



Funded by the Stormwater Fee



Funding Transition over time



Equipment Purchase

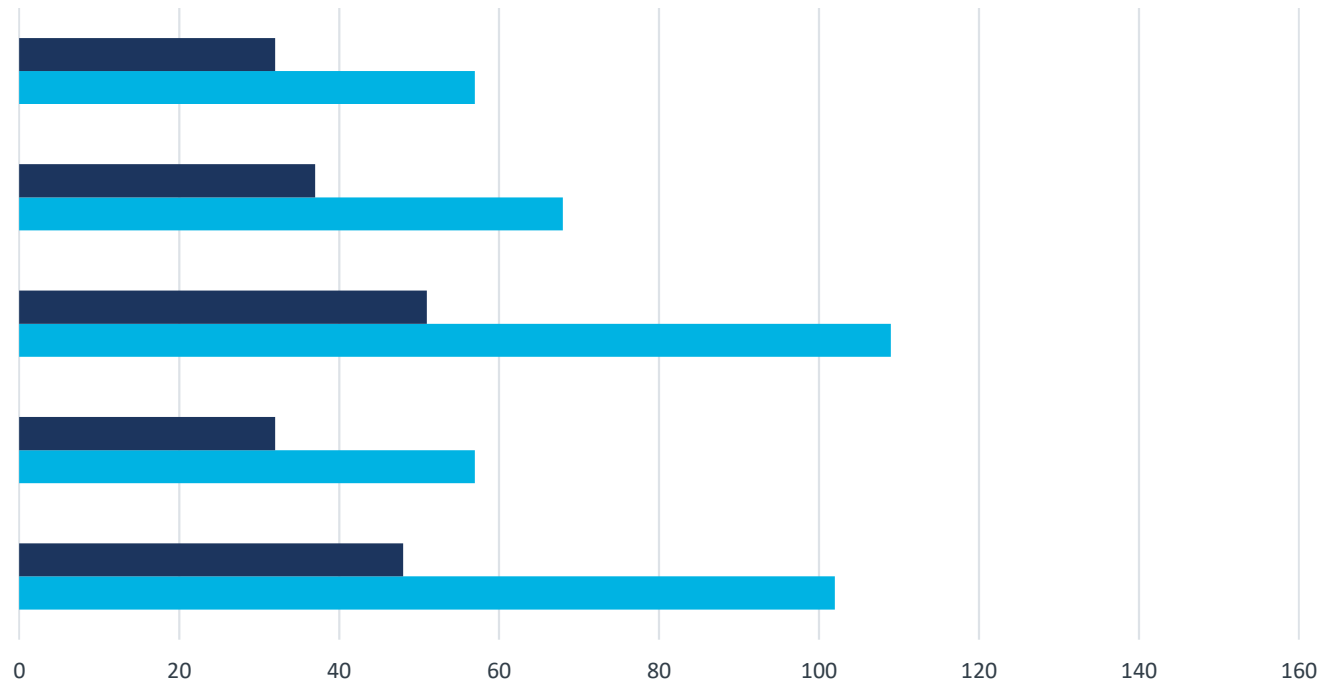


Continue to Contract Out

Rates – ERU - With Options on Funding CIP and Equipment

TIF

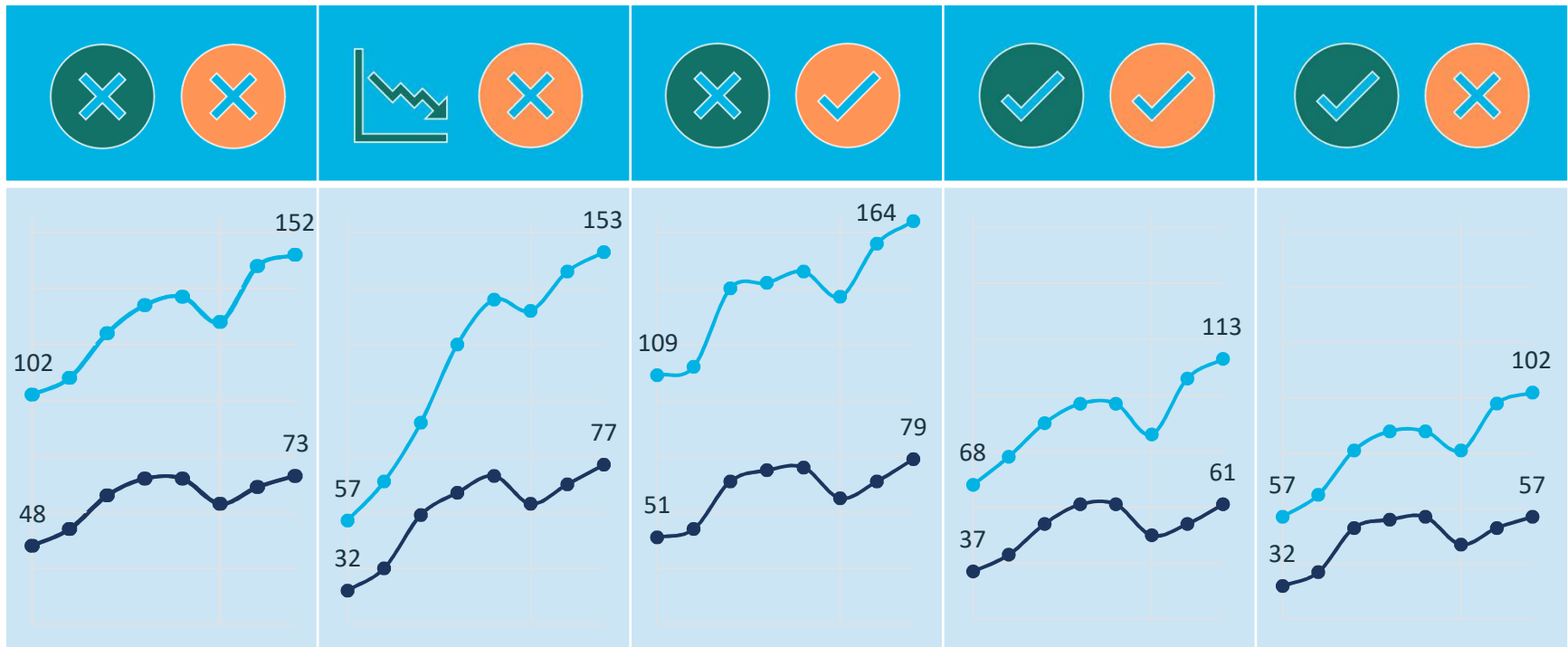
EQ



■ Non-Growth Area ■ Growth Area

FY 2021

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

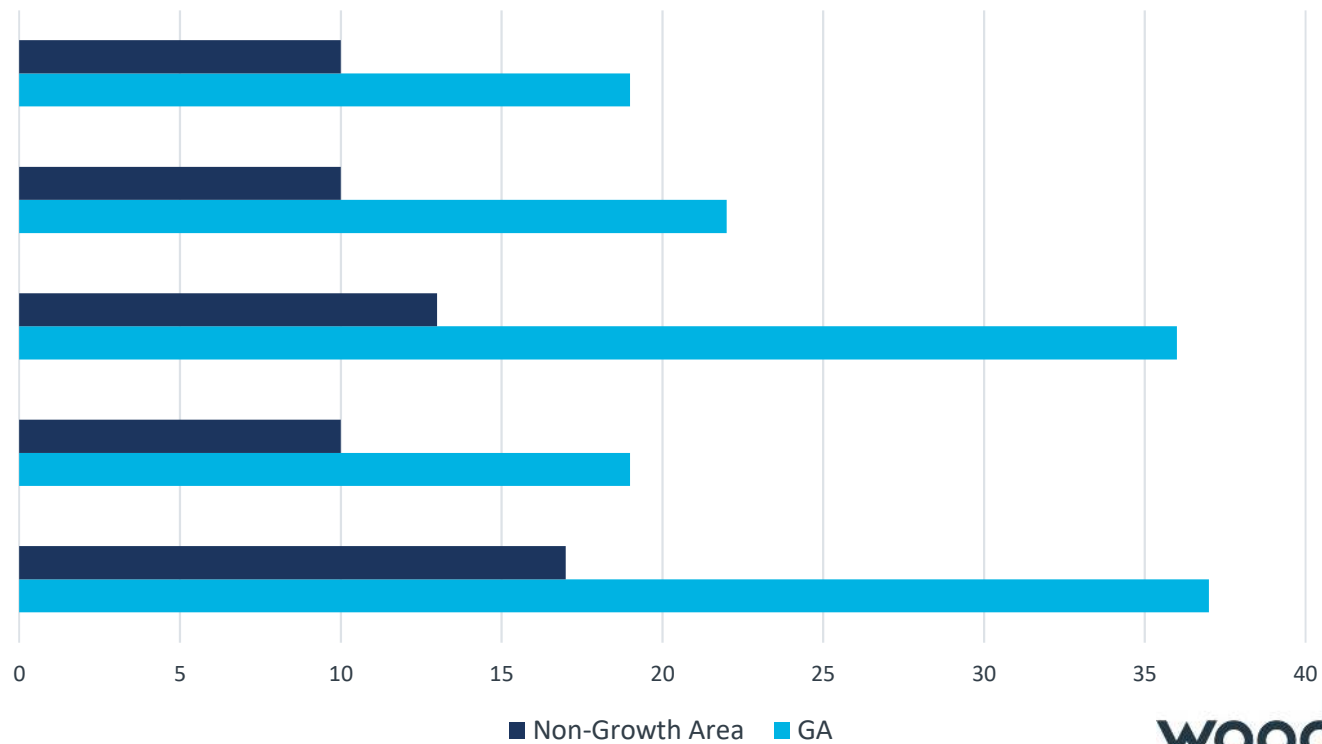


■ Non-Growth Area ■ Growth Area

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

TIF

EQ



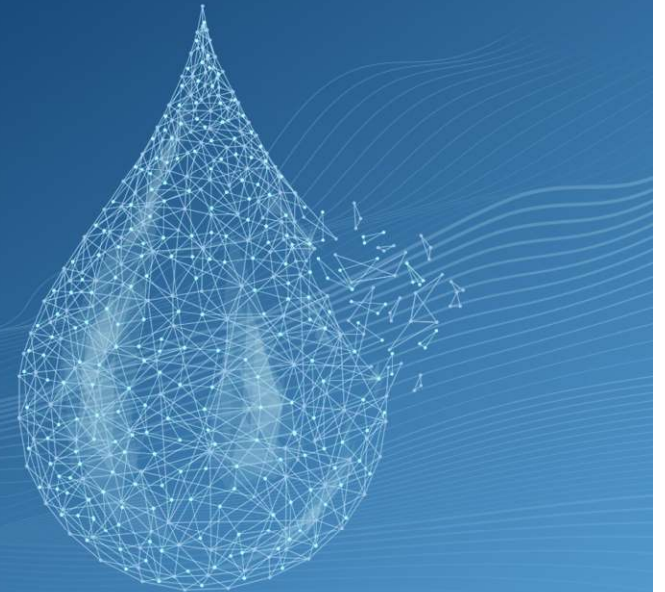
FY 2021

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



■ Non-Growth Area ■ Growth Area

Public Outreach Town Hall Meeting



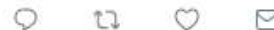
Social Media Campaign – June 1 to June 24



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

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 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>



Township of

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Excellence Delivered As Promised

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)