



# Stormwater Program Update



October 7, 2020



# Agenda

- 1) Stormwater Problems affecting West Goshen Township
- 2) MS4 Requirements Overview
- 3) Benefits of a Stormwater Fee
- 4) Process for Implementing a Fee
- 5) What's Been Done to Date
- 6) Why Did We Pause & What's Changed
- 6) Next Steps



# Stormwater Problems affecting West Goshen Township

- **Challenge #1: Polluted streams**

Plum Run		Water/Flow Variability (4c)
Goose Creek TMDL	TMDL Plan-Nutrients (4a)	Cause Unknown (4a)
Taylor Run		Cause Unknown (4a), Other Habitat Alterations (4c)
East Branch Chester Creek	Appendix E-Siltation (5)	Cause Unknown (5), Other Habitat Alterations, Water/Flow Variability (4c)
East Branch Brandywine Creek		Cause Unknown (4a), Water/Flow Variability (4c)
Christina River Basin Sediment	TMDL Plan-Siltation, Suspended Solids (4a)	
Chester Creek	Appendix B-Pathogens (5), Appendix E-Siltation (5)	Cause Unknown (5), Flow Alterations, Water/Flow Variability (4c)
Broad Run		Water/Flow Variability (4c)
John Smedley Run		Water/Flow Variability (4c)



# Township Stormwater Challenges

- **Challenge #2: Tightening regulations**

- MS4 Permit requires implementation of a Pollutant Reduction Plan by September 30, 2023.
- 2018 MS4 Permit requires Township to have **funding and staffing necessary to fully comply with increased regulations**, including BMP installation.
- Growing number of communities fined for non-compliance.

- **Challenge #3: Aging infrastructure**

- Over 300,000 LF of pipe of varying types, 62,000 LF estimated to be CMP to replace/repair
- Need to CCTV CMP to determine if repairs/slip lining can be performed
- Significant portion of pipe and facilities anticipated to reach its useful life in next 10-20 years.

- **Challenge #4: Increased development = more stormwater, flooding**

- **Challenge #5: Level funding**

- Historically, the Township has funded stormwater costs through tax revenues, which have remained relatively stable despite growing costs





# Common Stormwater Problem: Failed Infrastructure





# Common Stormwater Problem: Stream Bank Stability





# Common Stormwater Problem: Debris/Pollution





# Common Stormwater Problem: Flooding





# Common Stormwater Problem: Utility Conflicts and Road Reconstruction





# MS4 Minimum Control Measures (MCMs)

- Public education (MCM 1)
  - Raise awareness about Best Management Practices (BMPs) via advertising, municipalities and website
  - Passive education
- Public outreach (MCM 2)
  - Promotional events and advertising materials
  - Active education
- Illicit discharge (MCM 3)
  - Mapping
  - Outfall inspections (wet/dry)
  - Illicit discharge reporting
- Construction (MCM 4)
  - Stormwater management /constructed properties
  - E & S concerns, etc.
- Post-construction (MCM 5)
  - BMP maintenance and inspection
- Good housekeeping (MCM 6)
  - Document completion and retention
  - In-house issues





# MS4 Permit Requirements

## Stormwater Management Programs (SWMP)

- 6 Minimum Control Measures (MCMs)
- **Complete full system mapping**

## Pollutant Reduction Plans (PRPs)

- Develop PRP
- ~~Show Incremental Progress~~
- **Plan, design and implement BMPs to reduce pollutants:**
  - 10% Sediment
  - 5% Phosphorus
  - 3% Nitrogen

## Pollutant Control Measure (PCMs)

- **Mapping, testing, analysis related to:**
  - AMD
  - Priority organic compounds
  - PCBs
- Funding and staffing to fully comply

(Bolded text are new requirements of the 2018 Permit)



# Stormwater Fees ...

## ... A Growing Trend

- Over 1,800 stormwater fees in the U.S.
- First fees implemented in 1974
- Continued growth over past 5 decades due to:
  - Increased regulation
  - Significant precipitation events
- Enabling legislation in PA passed in 2013
- 2<sup>nd</sup> Class Township legislation passed in 2016
- Currently there are over 150 municipalities in PA who are at some level of stormwater utility formation or regional collaboration.





# Financial Benefits of a Stormwater Fee

## Benefit #1: Stormwater fees are more equitable than a tax



- Fairly apportions costs to the burden each property contributes to the system

**In roughly 40 municipalities surveyed, an avg residential property owner saves between 50% - 70% by paying a fee vs. through taxes.**

- Fees can be collected from tax exempt users
- Credits provided based on level of service received
- Provides an incentive for businesses to reduce impervious surface



# Financial Benefits of a SWU

## Benefit #2: Provides a steady dedicated revenue stream

- Dedicated source of funds
- Funds directed solely to stormwater management
- Need for capital improvements and revenue requirements increase as infrastructure ages
- More predicable and steady stream
- Tax revenue often static as cost of improvements/regulatory requirements increase





# Financial Benefits of a Stormwater Fee?

## **Benefit #3: Provides financial relief to municipalities**

- Allows funds previously directed towards stormwater and pavement facilities to be redirected to other municipal needs
  - Municipal tax revenue anticipated to be reduced by 10%-15% on average in 2020 and not fully recover until the end of 2021
  - Funding through SW Fees shifts money from general fund to sw budget thereby helping to balance municipal budget
  - Helps municipalities with revenue need while avoiding sale of utility assets.
- For SWU's, new debt associated with the stormwater system not recognized as direct municipal debt
- Fees may allow the Township to incur more debt



# Funding SW through Tax vs. Fee

## TAX

- Tax exempt users do not help fund SW
- Property's assessed value not linked to SW runoff
- Residential property owners pay more
- Property Owner can not control magnitude of their charge
- Counts towards muni borrowing limits



## Fee

- All property owners pay
- Impervious Area is best link to runoff generation
- Saves residents money
- Incentivizes property owners to partner with muni to meet SW needs of community
- Can self liquidate debt



# Credits

- Account for varying levels of on-site stormwater management
- Account for properties that:
  - Reduce rate or volume of stormwater leaving property
  - Improve quality of stormwater leaving property
  - Are separate MS4 Permit holders
- Typically capped [25%-50%] of fee



- Requirements
  - Criteria
  - Documentation
  - O&M Agreement

# Tax Vs. Fee Comparison for Ex. PA Township

	Resident	Commercial - Retail	Commercial- Convenience	Commercial- Restaurant
Assessed Property Value	\$ 218,000	\$ 319,200	\$ 1,441,400	\$ 368,800
Annual Tax Payment related to SW	\$ 162	\$ 237	\$ 1,072	\$ 274
Annual Fee related to SW	\$ 66	\$ 386	\$ 605	\$ 683
Annual Fee with Max Credit of 40%	\$ 40	\$ 232	\$ 363	\$ 410

	Non Profit - Church	Large Commercial	Large Developer
Assessed Property Value	\$ 2,033,100	\$ 38,802,000	\$ 287,521,900
Annual Tax Payment related to SW	\$ -	\$ 28,853	\$ 213,796
Annual Fee related to SW	\$ 1,608	\$ 26,596	\$ 279,523
Annual Fee with Max Credit of 40%	\$ 965	\$ 15,958	\$ 167,714





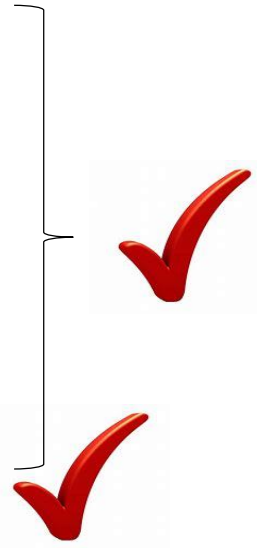
# Technical Process for Implementing a Stormwater Fee

- Stormwater Management Program Review
  - Stormwater Infrastructure Review
  - Stormwater Problem Identification
  - Regulatory Requirement Determination
  - Review of Desired Levels of Service
  - Cost of Service Review
  - Impervious Area Analysis
- Billing and Database Options Review
- Public Outreach and Education
- Evaluation of Rate Structures/Fee Development
- Evaluation and Recommendation for an Appeals Process / Credit Policy Development
- Stormwater Fee Ordinance Adoption



# What's Been Completed to Date

- Stormwater Management Program Review
  - Stormwater Infrastructure Review
  - Stormwater Problem Identification
  - Regulatory Requirement Determination
  - Review of Desired Levels of Service
  - Cost of Service Review - Needs Updated
  - Impervious Area Analysis - Needs Updated
- Billing and Database Options Review
- Public Outreach and Education - Started
  - SAC Meetings Held ✓
  - Initial Web Content Developed – Needs Updated
  - Need to relaunch education campaign
- Evaluation of Rate Structures/Fee Development – Not yet begun
- Evaluation and Recommendation for an Appeals Process / Credit Policy Development – Not yet begun
- Stormwater Fee Ordinance Adoption – Not yet begun





# Why Did We Pause?

1. Strategic decision made to wait for legislation empowering Townships of the 2<sup>nd</sup> Class to enact stormwater fees.
  1. Passed as Act 62 of 2016.
2. Township paused to receive approvals from DEP on the TMDL Plan and Pollution Reduction, helping verify cost.

# What's Changed?

1. Once the leader, West Goshen now trails behind other municipalities in implementing stable funding for stormwater programs.
2. Residents of the Township are witnessing the benefits of holistic utility programs such as the capital program and public outreach associated with wastewater.
3. Act 62 of 2016 requires for a credit policy to be implemented with the fee.

# Township-based Fee

- West Goshen, as a second class township, has the authority to enact a fee **with restrictions** as specified in Act 62 of 2016:
- “For the purposes of funding the construction, maintenance and operating of stormwater management facilities, systems and management plans authorized under the act, a township may assess (1) reasonable and uniform fees.... (2) the fees assessed may not exceed the amount necessary to meet the minimum requirements of ...federal and state laws...the township shall consider and (3) provide appropriate exemptions or credits for properties which have installed and are maintaining stormwater facilities that meet BMPs and are approved and inspected by the township.





# Next Steps

