

MINUTES – STORM SEWER UTILITY ADVISORY COMMITTEE MEETING

Tuesday, May 21, 2019

1. GENERAL . . . The Storm Sewer Utility Advisory Committee meeting was held Tuesday, May 21, 2019 at 3:00 p.m. in Council Chambers on the first floor of the new Utility Departments Addition to Borough Hall, 100 South Second Street, Chambersburg, Pennsylvania. Present: Members Carla Christian, Alice Elia, Tanya Nitterhouse, Ken Adams, Tim Murray, Phil Tarquino and Jason Warrenfeltz. Advisors Phil Wolgemuth, Assistant to the Borough Manager, Andrew Stottlemeyer, Storm Sewer System Manager, Zach Rice, Salzmann-Hughes Borough Solicitor, Bill Kick, HRG Assistant Vice President and Bruce Hulshizer, HRG Financial Services Project Manager. Absent: Members Herb Dolaway, Mike Kalathas, Edward Peters, and Bernie Washabaugh, Jr.
2. VISITORS . . . (See attached)
3. RECAP, NEWS & UPDATES

Mr. Hulshizer presented edits to the April 16, 2019 meeting minutes. He asked that “plus” be added to the paragraph under Recap, News & Updates in front of channels, that “Current Level of” be added to the first paragraph under Storm Sewer Program Budget before Service Budget and then after that paragraph add “The Proposed Level of Service budget agreed to by the Committee includes adding a full-time employee, cleaning and televising over a two-year period for approximately \$1.3 million, and implementing a \$12.5 million five-year capital improvements plan funded largely by borrowing”. At the end of the fourth paragraph under the same heading add “The project cost per linear foot was about \$450 for the storm pipe”. Also, on page 2, ninth paragraph at the end add “The Committee agreed with using an annual budget of \$2.2 million to set the fee. This is based on the average of the projected budgets from 2020-2022. Leaf collection and street sweeping costs would continue to be covered by a different Borough department as currently” as a new paragraph.

Mr. Hulshizer presented the Committee with a Power Point presentation that recapped the current storm sewer system, example of capital improvement needs, draft of capital improvement plan, and budget and capital improvement plan recommendations that have been discussed at previous meetings.
4. REVIEW OF IMPERVIOUS AREA

Mr. Hulshizer reviewed the impervious area (IA) with a pie chart that indicated that there is 5% vacant, 12% industrial, 30% residential, and 53% commercial impervious area in the Borough of Chambersburg. “Vacant” landuse includes parking lot parcels, hence the IA for these parcels.
5. FEE STRUCTURE

Mr. Hulshizer explained that 14% of impervious area is on tax-exempt parcels and advised that property value does not cause stormwater runoff; roof tops, driveways and sidewalks do contribute to stormwater runoff, so it does not make sense to base the fee on property taxes. He said that basing the fee on impervious areas would be a good starting point and this is how other municipalities charge a fee. He showed the Committee a chart that indicated the impervious area distribution of SFR (single family residential) properties and told them for Chambersburg, the bell curve for all properties works out the same as for SFR where 1 equivalent residential unit (ERU) ends up as 2,200 square feet of impervious area (IA). An example parcel was used to illustrate the ERU Rate Calculation: a parcel with 28,846 square feet of impervious area equals 13 ERUs. The Borough has a total of 28,846 ERUs from its impervious coverage. Assuming 9% for credits and appeals, 26,250 ERUs would actually be paying. Thus, for a 2.22 M annual budget, the Monthly Fee per ERU would equal \$7.00. He presented the Committee with example properties and the monthly fees for residential, Borough Admin Building and non-residential properties to give an idea of the total ERUs for each.

Mr. Wolgemuth asked if the exhibits included public streets and was advised that the calculations do not include public streets or sidewalks that are located within the street right-of-way.

Ms. Nitterhouse asked if there would be any consideration if you would change an asphalt parking lot into just a stone parking lot or if you would dig up and plant a bunch of trees. She said that there is a lot of black top at the Kmart Shopping Center and if they would plant some naturalized, controlled vegetation, could that be taken into consideration. Mr. Hulshizer said that removing impervious material would be the best solution and would be taken into consideration and the fee may motivate people to reduce their impervious areas. He said that rate payers would have the ability to apply for an appeal to reduce the impervious area amount used for the fee calculation. He also advised that gravel parking is still impervious area per the State DEP.

Mr. Wolgemuth said that he liked Ms. Nitterhouse's idea; he said that if modifications are made to a property then the records would have to reflect an accurate impervious coverage.

Mr. Kick said that the credit policy is for someone who wants to get their ERUs lowered.

Ms. Nitterhouse asked where they got the \$2.22 million that was figured into the calculations. Mr. Hulshizer told her that \$2.22 million was the proposed budgeted amount that was discussed at last month's meeting.

Mr. Warrenfeltz asked how new construction fits in and Mr. Wolgemuth explained that new construction goes through a review process for Land Development. Plans for new development and re-development are reviewed for consistency with the Borough's stormwater management code. The revised IA would be used in an updated fee for the affected parcels.

Mr. Stottlemeyer said that even since Spring of 2018 when the updated aerial photography was obtained, new development has resulted in changes to the impervious areas.

Mr. Hulshizer said that the mechanism for changes to impervious areas is the appeal process.

Mr. Warrenfeltz asked if there was a cut off to the lower end of the fee and Mr. Hulshizer said that 500 sf of IA would be his recommendation for the low end of the fee.

Mr. Maun said he didn't think it was fair that the land developer pays for stormwater best management practices when the project is being built. Now the Borough is proposing for them to pay for ERUs on top of that. He feels that it will cripple development in the area; no one will want to propose any more new development.

Mr. Wolgemuth said that he understands Mr. Maun's concern and that this gives the Committee something to think about.

Mr. Hulshizer asked whether or not the Borough plans to pay the storm sewer utility fee. Mr. Stottlemeyer replied that the Borough will pay the fee.

6. INTRO TO CREDITS

Mr. Hulshizer said that credits should account for varying levels of on-site stormwater management which would equal varying levels of service, account for properties that reduce volume and rate of discharge, and account for reduced program costs. We would need to establish implementation criteria, documentation, signed operation and maintenance agreements, and that the credits would typically be capped (perhaps 30%) and not all credits would be relevant for all parcels.

Mr. Wolgemuth reminded the Committee that the property owner would need to continually maintain whatever BMP was installed in order to obtain the credit. Stormwater BMPs are sometimes not given a second-thought after the land development project concludes, however perpetual maintenance must be conducted.

The next meeting will be held on June 18, 2019 and July 16, 2019.

The meeting was adjourned at 4:20 p.m.

Respectfully submitted,



Cindy Harr
Secretary II

May 21, 2019 Stakeholder Advisory Committee

*Committee

Name

Signature

Zach Rice

Zach M R

Cindy Harr

Cindy Harr

Chris Werner

Chris Werner

Andy Stottlemeyer

Andrew M. Stottlemeyer

Tim Murray

Tim Murray

Ron Tarquinio

Ron Tarquinio

Ken Adams

Ken Adams

Jason Warrenfeltz

Jason Warrenfeltz

Carla Christian

Carla R. Christian



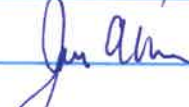
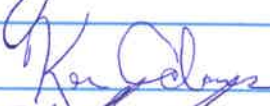



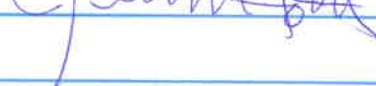

Tanya Nitterhouse

Tanya Nitterhouse

Alice Elia

Alice Elia

May 21, 2019 Stakeholder Advisory Committee

Name	Signature	* Public
TIM MURRAY		
Nick & Karen Bitner	Nick & Karen Bitner	
Phil Tarquinio		
JIM MAUN		WADAI.COM
Janice Cook		
KEN ADAMS		KINGS ST CHURCH
Dodie Moats		
Walt Breitsch		Mayor
BRANNON SPOLKIN		
Jessica Hoff		TB Woods

Storm Sewer Utility Rate Structure and Credit Program Advisory Committee Meeting 4



Chambersburg Borough
and
Herbert, Rowland & Grubic, Inc.

May 21, 2019

Agenda

1. Recap, News & Updates
2. Review of Impervious Area
3. Fee Structure
4. Intro to Credits
5. Closing Questions and Discussion



1. Recap, News & Updates
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Storm Sewer System

- 1) Storm sewer pipes, inlets and related infrastructure located in public rights-of-way:
 - **380,000 feet** of pipe (158,000 in public ROW), 32 miles of open channels, 11 miles alley conveyance, 2758 inlets, 83 detention basins, 39 rain gardens, 103 subsurface detention
- 2) 132 Discharges/Outfalls
- 3) Much constructed by developers
- 4) Condition needs to be assessed
- 5) Much reached end of serviceable life years ago



Goal for Level of Service?

Level of Service	O&M	Planning & Compliance	Capital Improvements
Exceptional	Fully Preventative/ 100% Routine	Comp planning, NPDES compliance	Prioritized/Fully Funded
Comprehensive	Mix of routine & inspection based	Priority Planning	Phased/allocated budgets
Expanded	Inspection based	Reactionary Planning	Inspection- based/moderate budget
Average	Responsive only	Emergency	Critical needs only/minimal budget
Minimal	Non-Responsive	No Planning	No planning/No budget

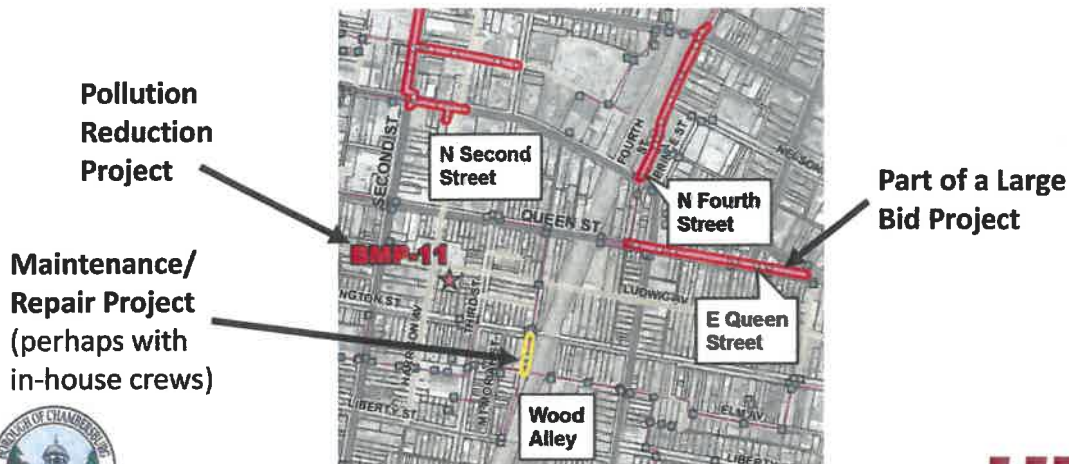
↑ more proactive



Example capital improvement needs



Draft Capital Improvement Plan



**Pollution
Reduction
Project**

**Maintenance/
Repair Project
(perhaps with
in-house crews)**

**Part of a Large
Bid Project**



Budget and Capital Improvement Plan Recommendations

1. Assess system (TV/clean) all pipe in public right-of-way in 2 years
2. Total CIP Costs = \$12.5 M
 - Assume borrow for two large projects
 - Pay-go for smaller Maintenance/Repair Projects (\$0.3 M annually)
3. Subsidize Leaf Collection and Street Sweeping (other dept. as current)
4. Add storm sewer employee in 2020
5. Set fee based on average of 2020-2024 = **\$2.2 M annual**
6. Aim for program to become more robust over coming years



Proposed level of service budget

Function	Current LOS	Goal LOS
Operation & Maintenance including MS4 Compliance	\$90,000	1,013,000
Capital Improvements/Debt Service	\$266,000	806,000
Administrative/General	\$227,000	396,000
Total Annual Budget	\$583,000	\$2,215,000

↑ Add televising, pipe flushing, inlet cleaning

↑ Add PRP projects, Capital Improvements

↑ Add staff

For reference: Sanitary Sewer Annual Budget = \$6.4 M

Added to Goal LOS:

- PRP projects implementation
- Regular pipe flushing, inlet cleaning
- System assessment (televiser)
- Significant capital improvements
- One additional staff member



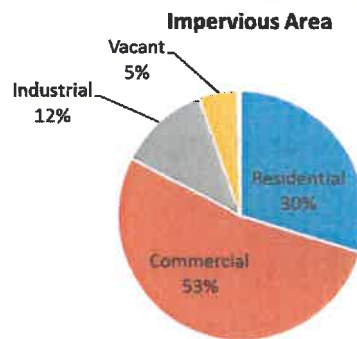
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Are all properties equal in runoff produced?



Impervious Area



Non-Residential Properties

- > Runoff contribution
- > Fees per parcel

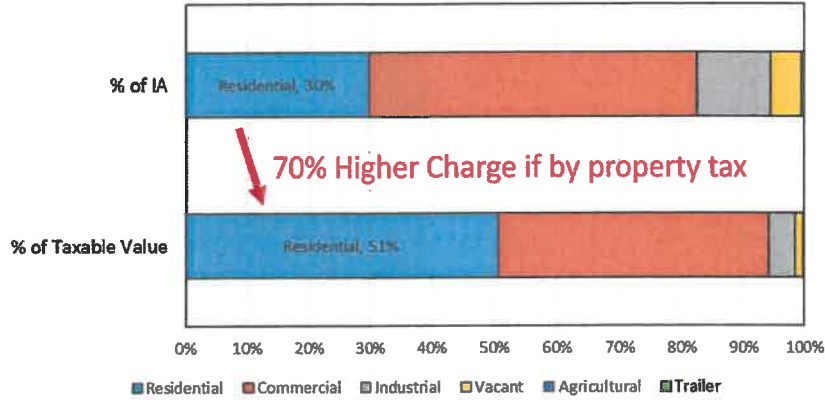


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Equitability of Fee vs Tax

- 14% of Impervious Area is on Tax-Exempt Parcels
- Property Value does not cause stormwater runoff



Fee Calculation

What is the basis for stormwater user fees?



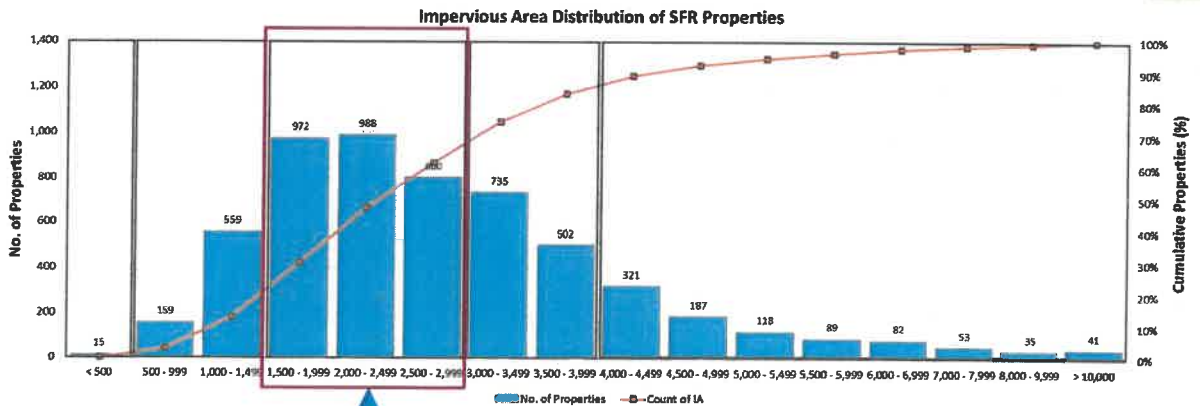
Source: Black & Veatch Management Consulting, 2018 Stormwater Utility Survey



Rate Type - Equivalent Runoff Unit [ERU]

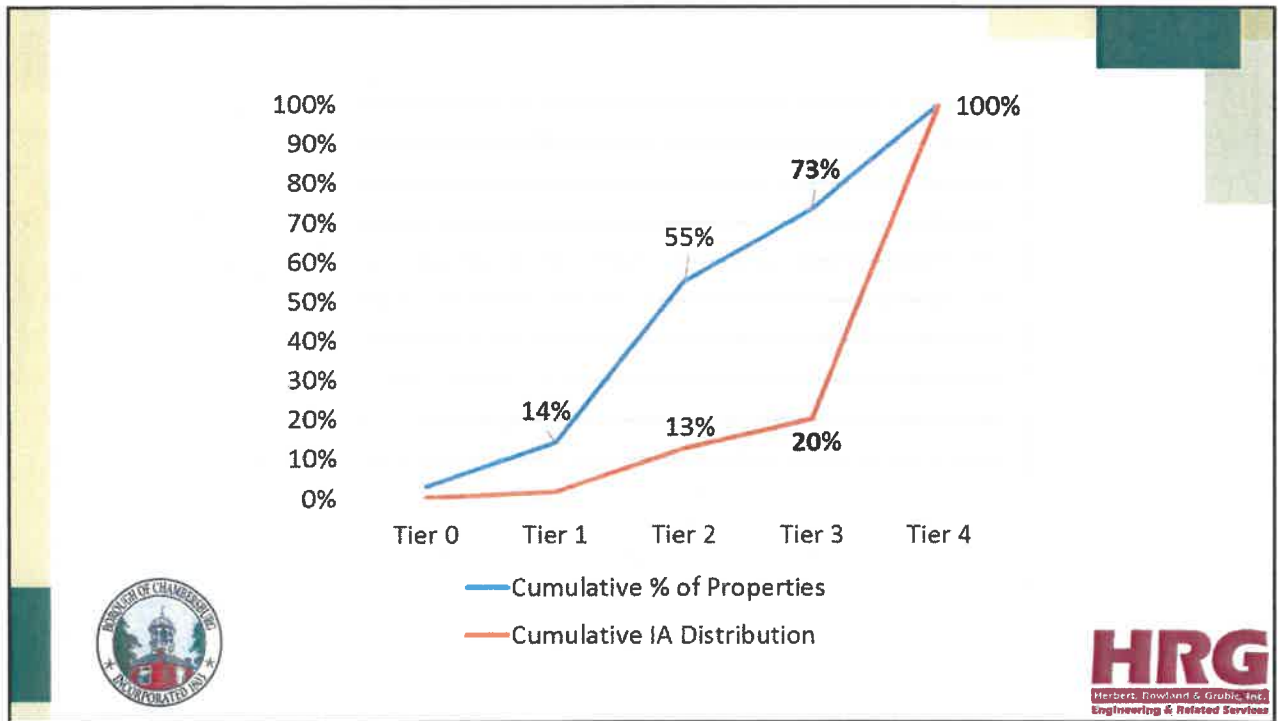
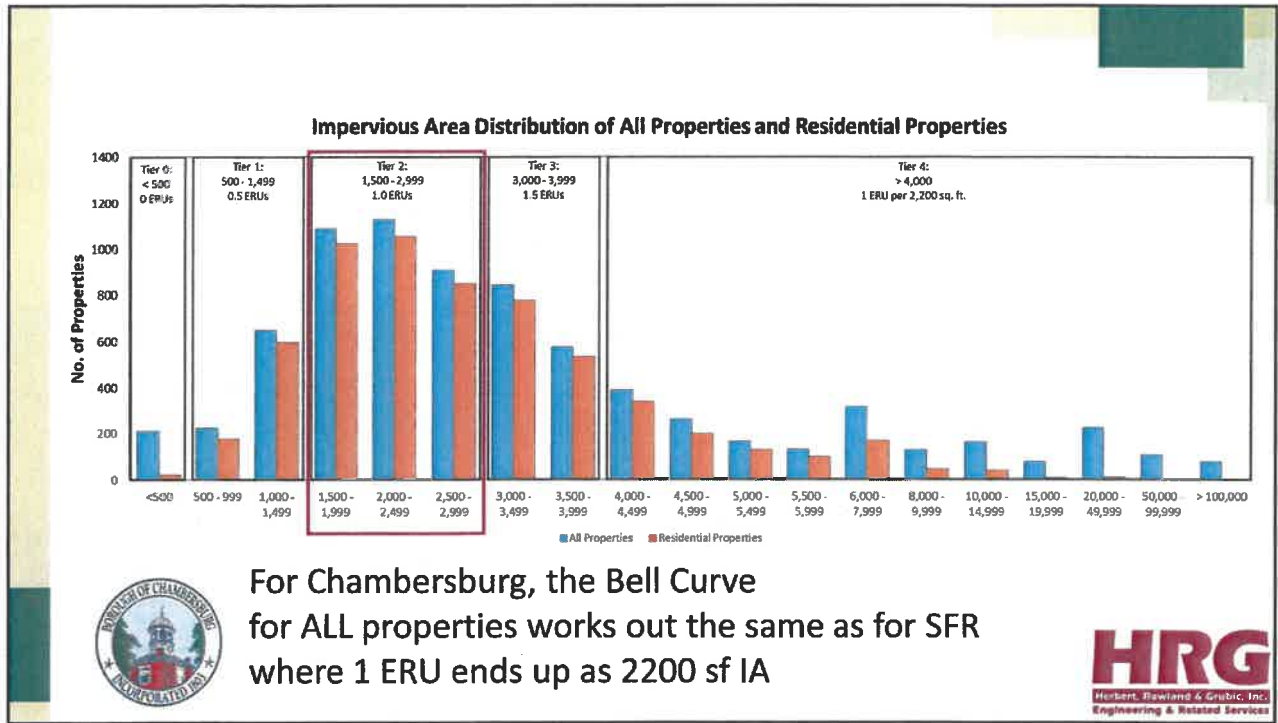
- Statistical Analysis of representative sampling of parcel IA
- Impervious Area for parcels in center of bell curve
- Example IA: Rooftop + Driveway + Sidewalk

All properties billed for impervious area (multiples of the ERU)

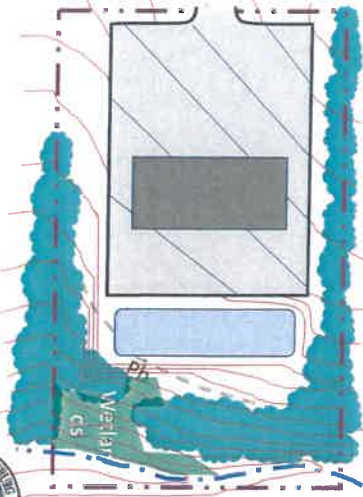


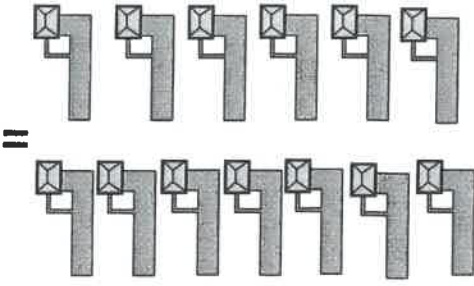
Use Average in center of curve as 1 ERU = 2200 sf IA







ERU Rate Calculation for Example Parcel





Building =	7,500 sf
Parking Lot =	21,100 sf
Total Impervious Area =	28,600 sf
	ERU = 2,200 sf
TOTAL ERU's =	13 ERUs



Distribute required budget between ERUs

Total ERUs = 28,846

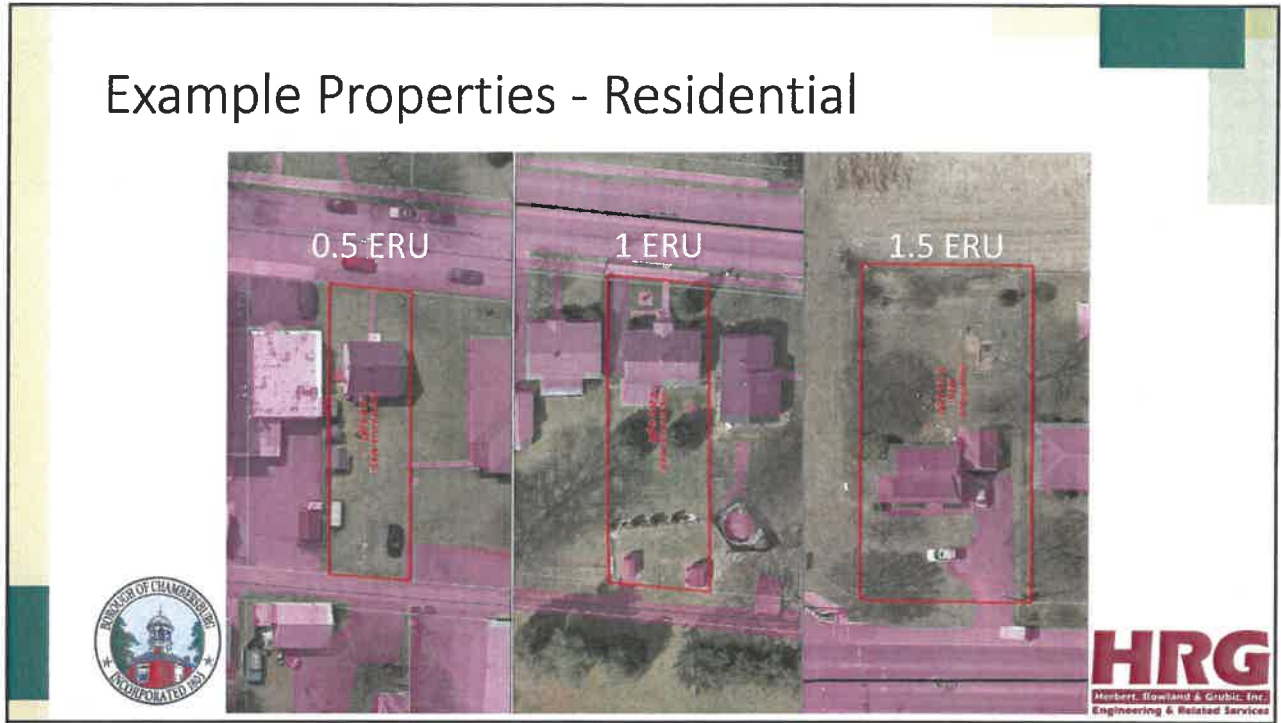
Assume 9% credits/appeals, so actual paying ERUs = 26,250

\$2.22 M Revenue Requirement

Thus, Monthly Fee per ERU = \$7.00

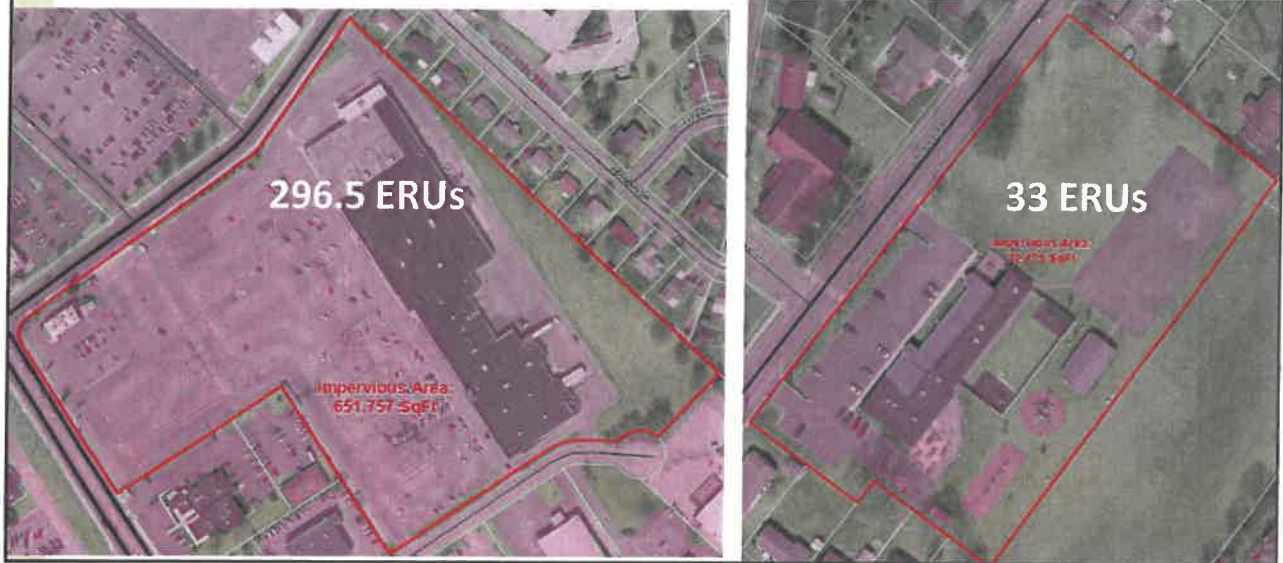
Example Properties - Residential



Example Properties – Borough Admin Building



Example Properties – Non-Residential



Example Properties

Property	Sum of IA (sq. ft.)	No. of Properties	Total ERUs
Borough	838,955	63	379.5
Business 1	226,694	26	102.5
Business 2	651,757	1	296.5
Business 3	121,048	1	55.0
Church 1	19,251	3	8.5
Church 2	71,113	10	33.0
Church 3	172,194	4	78.5
College	772,147	6	351.0
Convenience/Gas Store 1	43,552	1	20.0
Convenience/Gas Store 2	16,279	1	7.5
County	344,446	19	155.5
Healthcare	529,725	2	241.0
Large Industry	1,002,317	2	455.5
Library	25,052	1	11.5
Organization	153,411	2	70.0
School	2,286,882	19	1,039.5



Example Tax Exempt Parcels in purple



Example Properties

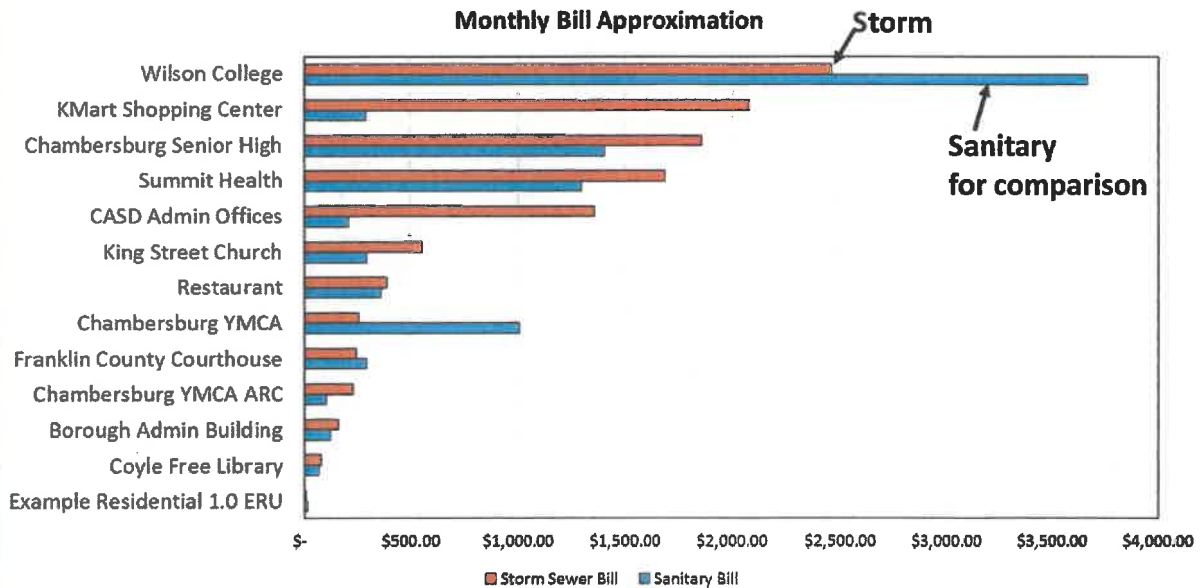
Property	Sum of IA (sq. ft.)	No. of Properties	Total ERUs	Sum of Monthly Fee
Borough	838,955	63	379.5	\$2,657
Business 1	226,694	26	102.5	\$718
Business 2	651,757	1	296.5	\$2,076
Business 3	121,048	1	55.0	\$385
Church 1	19,251	3	8.5	\$60
Church 2	71,113	10	33.0	\$231
Church 3	172,194	4	78.5	\$550
College	772,147	6	351.0	\$2,457
Convenience/Gas Store 1	43,552	1	20.0	\$140
Convenience/Gas Store 2	16,279	1	7.5	\$53
County	344,446	19	155.5	\$1,089
Healthcare	529,725	2	241.0	\$1,687
Large Industry	1,002,317	2	455.5	\$3,189
Library	25,052	1	11.5	\$81
Organization	153,411	2	70.0	\$490
School	2,286,882	19	1,039.5	\$7,277



Example Tax Exempt Parcels in purple



Example Monthly Fees for Properties



Rate Structure Recommendations

- Borough pay fee for its parcels?
- Distinguish residential in fee structure?
- Should properties be billed less than 1 ERU?
- No bill for properties under 500 sf IA?



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2. Review of Impervious Area
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- 4. Intro to Credits**
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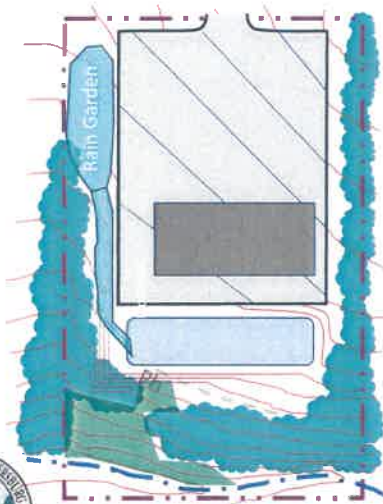
Intro to Credits



- Account for varying levels of on-site stormwater management = varying level of service
- Account for properties that reduce volume and rate of discharge
- Account for **reduced program costs**
- Need Criteria, Documentation, Operation & Maintenance Agreement
- Typically capped (perhaps 30%)
- Not all credits for all parcels



How are Credits Applied?



Building =	8,000 sf
Parking Lot =	14,000 sf
Total Impervious Area =	22,000 sf
ERU =	2,200 sf
TOTAL ERU's =	10 ERUs
20% BMP Credit	- 2 ERUs
Resultant Billed ERUs =	8 ERUs



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Current Process for Developing Updated Program & Reviewing Funding Methods

1. Form an Advisory Committee
2. Review Existing Storm Sewer Program
3. Ongoing Public Education
4. Define Responsibilities and Budget Needs
5. Review Operations & Management Structure
 - Billing, Staffing, Department
6. Develop and Analyze Rate Structure
 - Analysis of Impervious area on individual parcels
7. Adopt Necessary Ordinances
8. **Establish Credit Policy**



Future Advisory Committee Meetings

Meeting # 5: June 2019

- Appeal Process / Credit Options
- Community Benefits
- Implementation Schedule

