Township of O’Hara
Stormwater Management Fee
Council Informational Meeting

March 10, 2020
STORMWATER UTILITY USER FEE

- **Background – Why consider a fee?**
  - Funds for managing the storm water system General Fund based on tax revenue
  - Tax funding no longer financially feasible given the severity of storm water issues and the need to comply with unfunded state and federal permitting mandates
  - All properties with impervious property benefit from the Township’s stormwater infrastructure with properties that have the most impervious area having the largest impact
  - The Township is required to maintain stormwater infrastructure which includes compliance with state/federal regulations
What initiated the need for this user fee?

- The Township is the Permittee (MS4) of the Township Stormwater System, the 2018 MS4 permit includes provisions which has increased annual expenses including but not limited to:
  - Provisions requiring that the Township reduces the amount of pollutants during storm events and this includes construction of stormwater management facilities during this 5 year cycle (2018-2023) with new requirements anticipated in the next 5 year permit.
  - Significant anticipated capital costs for PRP implementation required by 2023
  - Future permits are anticipated to continue pollutant reduction requirements
Fee vs Tax

- Establish a Dedicated Stormwater Fund instead of a General Fund

- A fee is directly relatable to the demands placed on the system. A stormwater fee, like other utility fees such as water and sanitary sewer, is based on the impact a user places upon the system.

- All property owners who generate stormwater runoff from impervious surfaces pay a fee. This includes tax exempt properties.

- Fee creates equitable assessment for residential and non-residential uses.
TYPES OF PROPERTIES

● **Single Family Residential**
  ○ Parcels with a single individual dwelling unit
  ○ Less than one acre in lot area

● **Large Single Family Residential**
  ○ Parcels with a single individual dwelling
  ○ One acre or greater in size

● **Non-Single Family Residential**
  ○ All developed properties that do not fit Single Family Residential criteria
  ○ Commercial, multifamily, industrial, institutional properties

● **Vacant Land**
  ○ Properties with 400 square feet or less of impervious area
**DETERMINATION OF ERU VALUE**

- **ERU – Equivalent Residential Unit**
  - Measure of impervious ground cover for a typical Single Family Residential Property within the Township
  - Used as fee basis for assessing Non-Single Family Residential Properties
  - Determined based on measurements of a 100 lot random sample of single family residential lots throughout the Township
  - Based on analysis of O’Hara Township Parcels – 3,200 sf ERU is recommended
SUMMARY OF TOWNSHIP PROPERTIES

● Basis of Fee Assessment
  o Single Family Residential Properties – 1 ERU
  o Large Single Family Residential Properties – Based on actual impervious area, rounded to the nearest 0.5 ERU
  o Non-Single Family Residential Properties – Based on actual impervious area, rounded to the nearest 0.5 ERU

<table>
<thead>
<tr>
<th>Parcel Type</th>
<th>Number of Properties</th>
<th>Number of ERUs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Single Family</td>
<td>265</td>
<td>5,884.5</td>
</tr>
<tr>
<td>Single Family Residential</td>
<td>3,023</td>
<td>3,023</td>
</tr>
<tr>
<td>Large Single Family Residential</td>
<td>294</td>
<td>665</td>
</tr>
<tr>
<td>TOTALS</td>
<td>3,582</td>
<td>9,572.5</td>
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EVALUATION OF TOWNSHIP STORMWATER EXPENSES

● Township expenses were categorized for evaluation, though significant overlap exists between categories. Each category addresses different aspects of overall MS4 Permit Compliance:
  o Administration
  o Annual O&M
  o Capital Improvements
  o MS4 Permit Compliance

● Administration
  o Generally includes administrative salary and overhead costs associated with stormwater management.
EVALUATION OF TOWNSHIP STORMWATER EXPENSES

● Annual Operation and Maintenance
  ○ Generally includes anticipated costs to improve/replace existing Township infrastructure over its anticipated lifecycle

● Capital Improvements
  ○ Generally includes anticipated costs associated with capital projects to improve collection, conveyance, detention and/or treatment of stormwater runoff
  ○ Funding for projects to address areas which experience flooding during rainfall events

● MS4 Permit Compliance
  ○ Generally includes additional required permit compliance tasks not included in previous expense categories:
    ● SWMP Implementation
    ● PRP Plan Implementation
Township expenses were categorized for evaluation, though significant overlap exists between categories. Each category addresses different aspects of overall MS4 Permit Compliance:

- Administration
- Annual O&M
- Capital Improvements
- MS4 Permit Compliance

Summary of Anticipated Expenses

<table>
<thead>
<tr>
<th>Expense Category</th>
<th>Anticipated Annual Expenses</th>
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<tbody>
<tr>
<td>Administration</td>
<td>$164,554</td>
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<tr>
<td>Annual O&amp;M</td>
<td>$254,263</td>
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<tr>
<td>Capital Improvements</td>
<td>$320,000</td>
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<tr>
<td>MS4 Permit Compliance</td>
<td>$125,000</td>
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<tr>
<td>TOTAL</td>
<td><strong>$862,817</strong></td>
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</tbody>
</table>
**Fee Credits**

- Properties with functioning PCSM BMPs should receive a credit for reduction of required fees:
  - BMPs must have been designed to address on site impervious area. Credit should be prorated based on the portion of the site addressed by the BMP.
  - BMPs must be properly maintained such that they continue to operate in accordance with their original design.
  - Sites with functioning, eligible BMPs may receive up to 50% credit.
Determination of ERU Fee Amount

- Intent of study is to equitably distribute stormwater utility costs among users.

- Anticipated annual expenditures were calculated based on the presence of existing PCSM BMPs and as such determination of the per ERU fee should account for anticipated credits.

- Calculations account for properties with known PCSM BMPs that will be eligible for credit.

- Accounting for eligible credits the fee should be based on 8,987 ERUs.

- \( \frac{862,817}{8,987} \) ERUs = \$96.01/ERU / 12 months = \$8.00/ERU/month

- For Implementation: \$8.00/ERU/month