

MEMORANDUM

**TO:** Camp Hill Borough, Cumberland County

**FROM:** Bruce Hulshizer, P.E.

**DATE:** March 19, 2019

**RE:** Stormwater Management Program Review

---

Herbert, Rowland & Grubic (HRG) has been working directly with the Borough and its Staff to gain an understanding of the existing stormwater facilities and regulatory requirements. The Borough established a **stormwater stakeholder advisory committee** (SAC) to assist in implementation of a stormwater utility. Six committee meetings have been held. The committee has reviewed the mandated improvements imposed on the Borough by the State, and also considered the overall stormwater management program with its needs and costs. Initial recommendations from the SAC were discussed with the Borough in December in order to provide and receive feedback on program elements discussed to date.

The committee has reviewed program **budgets and capital improvements**. Through collaborative efforts, 9.5 million dollars of capital improvements have been identified for implementation in the next five years. These improvements are required to meet permit requirements as well as address needs of an aging system. For planning purposes, the budget assumes these capital costs will be financed through PENNVEST or similar borrowing. PENNVEST anticipates an Authority will be in place when a community is applying for funding that will be repaid by a stormwater fee.

The SAC sees the value of enacting a fee to cover the costs of the program. It is the committee's understanding that a stormwater authority will be established to facilitate the utility. Current legislation only allows enacting a fee by implementing an Authority. The Authority could be formed to address only stormwater if desired by the Borough (rather than also including sanitary sewer).

**Rate analysis** has evaluated fees covering \$650,000 of the revenue need based on the average of the first four years. This involves a \$120,000 subsidy from Borough taxes during this period. Currently all of the stormwater efforts are being covered from the general fund, so demand on taxes would still be reduced with this subsidy. We understand the Borough intends that tax money currently used for stormwater will be reinvested in the Borough.

Basic rates have been discussed, though the committee has expressed interest to meet again in April to discuss the rate structure in detail given the variety of structures that are possible. A credit policy will also be discussed by the committee.

The above budget results in a general rate of \$3.05 per thousand square foot. Often residential properties are grouped into tiers or ERUs. At this rate using a basic rate structure, a residential property with the average impervious area would pay \$10.70 per month before consideration of any credits. If the Borough chose to initially subsidize an additional \$100,000, this reference monthly fee would reduce to \$9.10.

The SAC encouraged **public outreach** including a public meeting. Initial public education was provided in the Borough newsletter and with the sanitary sewer bill in early 2019. For the townhall meeting, the committee emphasized providing the rate currently envisioned for the average residential impervious area (\$10.70), while noting that typical residential fees are anticipated to be in the range of \$6 to 18 per month. The detailed public meeting slides were reviewed by the committee (see slides in the February 27 board packet).

Residential properties benefit from stormwater program costs being covered by a fee rather than via property taxes. Residential properties account for 53% of the impervious area but 74% of the taxable assessed value in the Borough. At the average residential impervious area, the annual charge from a fee is \$128 compared with a 40% higher charge from tax (\$179).

The committee recommended that the public meeting emphasize that this work needs to happen. If the work is not implemented, the Borough will be fined for non-compliance with its permit, resulting in paying a fine and still having to do the work. Also, deferring projects to address system needs will cost the property owners 4 to 5 times more in the long term.

**Steps forward** for enacting a stormwater fee are:

1. Conduct townhall meeting to receive feedback from the public
2. Borough establish Stormwater Authority.
3. Stakeholder Advisory Committee review feedback from public meeting in considering rate structure and credit policy. Provide recommendation to Borough and Authority. (April / May)
4. Authority hold initial meeting.
5. Borough and Authority adopt lease agreement and management agreement.
6. Borough formally provide budget to Authority, including specifics of intended subsidy.
7. Authority pass fee resolution and credit policy.
8. Borough provide billing service for fee.