
Meeting #7 – Program Update & Credit Policy

MEETING SUMMARY

The following topics were discussed via the Power Point presentation. (Refer to presentation for more detailed content):

1) Update on Fee and ERU

- a. Summary of DTMA Board Meeting – Stormwater Resolution
- b. Review of ERU and Fee Calculations

2) Implementation Steps and Schedule

- a. Review of DTMA Goals for 2016
- b. Updated timeline for development and implementation

3) Individual Meetings

- a. Update on progress
- b. Reminder for those who still want to meet

4) Religious Institutions

- a. Summary of Religious Institution Concerns
- b. In-depth look at Church Fees
- c. Items Religious Institution representatives want DTMA/SAC to consider

5) Credit Policy

- a. Review of previous objectives
- b. Discussion on changes to objectives
- c. Summary of major credit categories
- d. Why credits benefit DTMA
- e. Needs of the Credit Policy

Key discussion questions/statements and responses included the following:

Question: What if a property owner refuses or doesn't pay the fee?

Answer: We currently intend for it to be handled the same way as a sewer bill. We have a monetary level of delinquent payments that the customer reaches and then DTMA takes additional action to receive the delinquent amount plus associated fees. Collection is completed in-house, sending three

notifications at 50 days, 60 days, and 70 days. The last letter notifies the property owner of water shutoff. If still not paid, a lien is filed against the property at the district justice office. The delinquent invoice would be paid when the property is sold.

Comment: There is a 2% delinquency for sanitary sewer, which is pretty low compared to other public utilities; this is the basis for estimating the possible level of delinquent payments for the stormwater fee.

Question: If DTMA did not provide credits, how much additional revenue would be collected on an annual basis?

Answer: Without the credits, roughly 20% more in annual revenue would be received. However, without property owners assisting in BMP installation to meet 2018 MS4 permit requirements, DTMA's expenditures would likely increase more than 20% since it is likely more cost effective for BMP's to be installed by private property owners, due to better siting of projects, reduced construction costs relative to private homeowner installation, etc.

Statement: Billing based upon impervious coverage places a large burden on property owners with lots of impervious area; the establishment of fee pay negatively impact operating budgets of companies resulting in reduced wages, services, etc. Developing a listing of fees to be charged to these large property owners may help put the relatively small fee to be paid by residential properties, especially those in HOAs into perspective.

Statement: I love your suggestion on a breakdown if that's possible because it's helpful for the general public to see how much companies, hospitals and schools are paying comparable to what they are paying as individuals or as a church and that helps to keep it in perspective. It would be helpful overall.

Statement: There are churches in Derry Township who are concerned that this new fee will take away from the services they are able to offer the community. Some churches are taking a strong stance against the fee for these reason and their considerations of legal action are sincere; not all churches and their representatives have this mindset. It's important to develop a credit policy which provides relief to churches with creditable activities and to consider working into the credit policy actions which may be easy for churches to implement, such as volunteer efforts or public education and outreach which can help reduce DTMA's costs to implement the stormwater program.

Question: Is anyone exempt from paying the fee?

Answer: No one is exempt. Even the Township and DTMA will be paying a stormwater fee.

Statement: None of us sitting around the table are unsympathetic to the concerns raised and we know that most people do view the stormwater fee as a new tax and it's difficult to see the direct return, but at the end of the day, this is a shared burden for a greater cause. None of us are doing cartwheels about having to ante up for this new fee but looking at the long term betterment of the township, even though it disproportionately impacts a lot of the large commercial properties, there is a reluctant acceptance to the fact that it does serve a greater good and it's a fee you can pay now or you can pay the aftereffects of not addressing the issues at a later date. Looking at the greater and long term good is what weighs out in the end.

Question: Just curious about some of the stakeholder meetings regarding residential homeowners, are you hearing any types of these sentiments from individual property owners?

Answer: The biggest response we've heard is from the HOAs. They feel that they could potentially be double paying because they are already paying their HOA fee. They are not necessary realizing that they are double paying now through their tax bill. Also, we've determined that funding this

service through a fee in place of a tax will save the average residential property owner in Derry Township roughly 60%.

That said, we continue to evaluate the credit policy and fee structure. HOAs may have infrastructure in place, such as traditional pipes, inlets and basins. The design and function of these facilities has changed dramatically over the last couple of decades. I think a lot of HOAs feel they have their own infrastructure, like basins, but most basins do not meet current standards, requirements and the like. They are generally designed to handle peak flow, not improve water quality. There will need to be a lot of data gathering and also an education outreach effort on our part to bring people up to speed. It's a difficult thing to wrap your head around.

Comment: In my experience the leadership on HOA boards changes on an annual basis and as far as using the argument that they are paying twice, I think somehow those folks need to be gently reminded that they haven't used those funds to take care of what they should have been taking care of instead of using them for pretty flowers and subdivision signs.

Comment: The HOAs run a gamut of very well run to very poorly run, just like anything, so it's hard to have a discussion about HOAs and touch on all these things when people are coming from different perspectives and their structures are in varying degrees of condition.

Question: Just out curiosity, how many HOAs are there in the Township?

Answer: I don't know off hand, Oakmont alone has 7.

Question raised: What staff will be available to process credit applications? How many applications do you reasonably expect and how soon will you be able to give answers to people?

Answer: None of that has been set in stone, but the main person to review them is me, Mike Callahan. We also have the ability to use consultants and some other staff, potentially. I don't know how quickly credit applications will come in. It will take some of these larger institutions some time to pull it together, so that's part of the reason that we're individually meeting now with large property owners to get them thinking about possible creditable activities. This will give them time to start getting their information packaged together for a submission.

From the residential side, we want the application to be relatively simple, minimal documentation, possibly a one-page document that includes the receipt or a picture of the BMP and the location and then a signature signoff granting DTMA access for inspection of the BMP. We want the turnaround time to be as quick as possible, somewhere around a 30-60 day turnaround. If it gets out of hand, we will have to address that.

Question: I'm assuming that you'll get about 20% credit off what you will bill the first time, is that correct? I assume that if you don't get that amount of applications then next year you will look at a reduction in the current fee of \$6.50/ERU.

Answer: If we do not get private property owners to implement BMPs resulting in credits which reduce revenue received by 20%, DTMA will likely need to implement more projects on their own to meet the MS4 permit requirements. This may result in higher expenses incurred by DTMA than the 20% increase in revenue which would be received.

Question raised: Will there be any opportunity for a free or low cost consultation on projects to reduce stormwater runoff?

Answer: As time permits, DTMA (Mike Callahan) will certainly be available to answer any questions. If it gets into the type of projects that are larger scale property owner is interested in implementing an engineer will be needed which is past the advice we can provide.

Question raised: Once the credit has been approved, is it there forever in terms of the billing or is it a yearly cycle process once you receive the credit?

Answer: We anticipate that it will be a renewable cycle, but it hasn't yet been determined what that cycle will be. I think a range of 3 years will make a lot of sense. Property owner change will be something that will trigger the credit to go away unless the new owner reapplies.

Question: Are you planning to tie credit approvals to completing inspections of private infrastructure that will be required in your MS4?

Answer: There are certain parts of the stormwater system overall that we don't legally have access to because the infrastructure is on private property. The facilities were put in place prior to access agreements being required as part of the land development approval process. I think that will be a way to trigger the ability to get access to that infrastructure for inspection to make sure its properly functioning as required.

Question: Is there possibilities for credits associated with activities for improvements for volunteer groups?

Answer: Yes, people who volunteer for spring and fall cleanup would be helping this effort. We could have a sign-up sheet for this and credits could be given for service. This is also a great opportunity for churches to come together a volunteer time for these types of projects in return for a credit.

Question: How do we treat people that have systems in place that are broken and need repaired? Maybe it can be a one time, half of your repair cost credit or some stipend towards the repair of the existing facility.

Answer: That might be a consideration also. There are all different ways to incentivize this program and if they show us they did it, then we'll give credit. There may be some situations where it makes sense for us to put money into the project because it gives us the result that we want, and there's all different kinds of ways to do that. All things are potentially on the table for DTMA at this time, until we say that they're off the table.

Question: Have you had a talk with any of the suppliers for the landscapers to see how they could support our facilities, maybe alternatives to fertilization or something like that?

Answer: DTMA has not but that is something on our list. As far as the fertilization issue and planting issue, we could make a lot of headway with some of these basins if we just change what is planted in them. A lot of the newer basins provide a more robust plant mix that provides some other benefits. Also educating private property owners on our preferred designs would be helpful. If we give them some resources and they do things a little differently, it helps us all out.

Question: Regarding fertilizer management, would you look at not only the type of fertilizer that's necessary based on the soil testing that's done but also the composition of the fertilizer that used so, for instance, organic fertilizer versus more chemical fertilizers. Would that be something that would rise to the credit discussion?

Answer: It could, from a chemistry perspective the phosphorus in your bagged fertilizer is no different than the phosphorus in the organic matter but as far as stormwater quality, the organic matter is much more beneficial so there is potential for that, but if you over apply organic fertilizer you'll still have the same issue as with the other stuff.