

# Fee Rate Schedules & Impervious Coverage Analysis

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# Purpose of a Fee

- Not a tax resource from general funds
- Specific to MS4 Program and Permit
- Treats stormwater systems as a utility
- Finance flood control and greywater systems
- Easier to track and budget
- Equitable cost sharing



# Fee Considerations

- Finance or Cash Flow projects?
- Flat (1 ERU) or Tiered Fee for Single Family Residential(SFR) parcels?
- How are Tax Exempt Parcels treated?
- How to Structure Credit Program?
- How does Equitable Rate compare to other utility billings?



# Model Fees use ERUs

ERU = Equivalent Runoff Unit

- AVERAGE impervious area of
  - Structure Rooflines and decks
  - Gravel and paved drives
  - Parking areas
- Accounts for variations of square footages on residential properties
- Does not include public or state-owned streets

# A Picture of ERUs

**Single Family Residential  
(SFR)**



**Non-Single Family  
Residential (NSFR)**



Example: If 1 ERU = 5,000 Sq Ft, then a NSFR parcel with 15,000 Sq Ft of impervious area would have fee = 3x ERU

# SFR Categories

- Flat Rate: SFR = 1ERU
  - Average of all SFR parcels
  - Easier to administer
  - Similar to flat rates for sewer and trash
- Tiered SFR
  - Tier 1: 500-2,499 sf
  - Tier 2: 2,500-4,999 sf
  - Tier 3: 5,000 – 7,499 sf
  - Tier 4: 7,500 sf or greater



# NSFR Calculations

- Multiples of 1 ERU
- Applies to
  - Commercial
  - Tax Exempt
  - Municipal
  
- Credit Program helps reduce ERU bill



# Budget Defines Fee Basis

Budget Item	Description
Operations	Maintenance (street sweeping / storm sewer repairs, etc) and Engineering
Administration	Billing, Delinquent Accounts
Credit Program and Delinquent Accounts	Properties that reduce impervious runoff receive % fee credit Delinquent Accounts increase costs
Capital Projects/Debt Service	<ul style="list-style-type: none"><li>MS4 PRP Projects (BMPs)</li><li>Legacy Flood Control and Stormwater Projects</li></ul>
Annual Reporting	Ongoing MS4 Permit Reporting Requirements



# Borrow or Cash Flow?

Stormwater Expense Budget with Loan Payments					
Expense	2020	2021	2022	2023	2024
Operations	\$ 272,490	\$ 278,640	\$ 284,020	\$ 289,530	\$ 295,180
Administration	\$ 44,640	\$ 39,740	\$ 40,740	\$ 41,850	\$ 42,960
Capital Projects/Debt	\$ 0	\$ 0	\$ 173,000	\$ 173,000	\$ 173,000
Contingency, 5%	\$ 15,900	\$ 15,900	\$ 24,900	\$ 25,200	\$ 25,600
Delinquent Accounts	\$ 11,700	\$ 11,700	\$ 18,300	\$ 18,500	\$ 18,800
<b>Total Expenses</b>	<b>\$ 344,730</b>	<b>\$ 345,980</b>	<b>\$ 540,960</b>	<b>\$ 548,080</b>	<b>\$ 555,540</b>

Debt Service for 10 years at market rate

Stormwater Expense Budget with Cash Flow Funding					
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Operations	\$ 272,490	\$ 278,640	\$ 284,020	\$ 289,530	\$ 295,180
Administration	\$ 44,640	\$ 39,740	\$ 40,740	\$ 41,850	\$ 42,960
Capital Projects/Debt	\$ 284,000	\$ 284,000	\$ 284,000	\$ 284,000	\$ 284,000
Contingency, 5%	\$ 30,100	\$ 30,100	\$ 30,400	\$ 30,800	\$ 31,100
Delinquent Accounts	\$ 22,100	\$ 22,100	\$ 22,400	\$ 22,600	\$ 22,900
<b>Total Expenses</b>	<b>\$ 653,330</b>	<b>\$ 654,580</b>	<b>\$ 661,560</b>	<b>\$ 668,780</b>	<b>\$ 676,140</b>

Self-funding cash flow – no borrowing

A key consideration is the permit cycle!

# Examples

Municipality	Impervious Area ERU, sq ft
Swatara Township	2,670
Upper Allen Township	4,206
North Middleton Township	3,200
N. Lebanon Twp.	3,755
Lower Paxton Township	3,400
Derry Township	3,800
Hampden Township	3,534
Carlisle (Tiered)	0-1,800
	1,800-3,600
	3,600+
Camp Hill Borough	3,500
Monroe Township	5,931

Residential Quarterly Stormwater Utility Charges for Municipalities in PA*		
Municipality	Residential Fee (ERU)	Notes
Chambersburg Borough	\$ 12.00	Revisiting in 2019
Hampden Township	\$ 13.25	
Highspire Borough	\$ 22.00	
Jonestown	\$ 15.00	
Lower Allen Township	\$ 19.00	
Lower Paxton Township	\$ 32.00	
North Lebanon Township	\$ 10.00	
Swatara Township	\$ 15.00	
Upper Allen Township	\$ 16.50	Based on actual impervious area
Lemoyne Borough	\$ 23.00	Up to \$139 tiered based on total area
Borough of Hanover	\$ 12.46	Up to \$20.76 tiered based on total area
Lancaster	\$ 36.88	for 2,001 - 3,000 sf, proportionate IA for > 3,000 sf
Derry Township	\$ 19.50	For 3,000 - 4,999 sf. Properties 500-2,999 sf is \$9.75

\*Source: Arcadis presentation at 2019 PMAA Conference, September 10, 2019

# Fee Summary

- Establish equitable charge unit (ERU)
- Compare Budget, Project Timelines, and Payments. Review Annually!
- What is community rate tolerance?
- Public Participation is key!

