

MINUTES – STORM SEWER UTILITY ADVISORY COMMITTEE MEETING

Tuesday, April 16, 2019

1. GENERAL . . . The Storm Sewer Utility Advisory Committee meeting was held Tuesday, April 16, 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, Phil Tarquino, Ken Adams, Edward Peters, and Tanya Nitterhouse. 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, Jason Warrenfeltz, Tim Murray, and Bernie Washabaugh, Jr.
2. VISITORS . . . (See attached)
3. RECAP, NEWS & UPDATES

Mr. Hulshizer presented the Committee with a Power Point presentation that recapped the current Storm Sewer System that consists of 380,000 feet of storm sewer pipes, plus channels, inlets and related infrastructure located in public right-of-ways. He reviewed the examples of capital improvements that Mr. Stottlemeyer had provided that need to be addressed and reminded them that there are unknown areas of concern that need to be assessed to see what additional improvements may be required.
4. STORM SEWER PROGRAM BUDGET

Mr. Hulshizer presented the Committee with the proposed level of service budget that was being compared with the Sanitary Sewer annual budget at \$6.4 million. The Current Level of Service Budget included operation and maintenance including MS4 compliance, capital improvements and reserve, administrative and general but did not include PRP projects implementation, regular pipe flushing and inlet cleaning, system assessment (televise over 5 year period), significant capital improvements and street sweeping and leaf collection (since they are currently under a separate budget).

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.

Mr. Stottlemeyer provided clarification regarding the Pollutant Reduction BMPs. The budget will likely include costs for a worst case scenario, however, the Borough will continue searching for grant funds that may be available (ie Rhodes Drive project).

Mr. Wolgemuth gave an example where Mr. Brandon Stouffer had purchased property on South Main Street. The Borough confirmed that they were responsible for maintaining the swale that was on his property but for years the Borough failed to keep it maintained.

Mr. Kick spoke about a project that occurred in Susquehanna Township that involved approximately 18,000 linear feet of pipe replacement (sanitary and storm). He said that it created a lot of interest but the disruption was not well received. The project cost per linear foot was about \$450 for the storm pipe.

Mr. Brandon Stouffer asked if they knew how many Borough Utility accounts there are. Mr. Wolgemuth advised Mr. Stouffer that there are around 11,300 customers but the fee would be charged based on the impervious area on properties and that there are around 7,700 properties in the Borough.

Mr. Ken Adams asked if the Borough has quantities of impervious coverage for properties. Mr. Stottlemeyer responded that this information is available. The updated aerial mapping that the Borough recently completed involved the digitization of all impervious surfaces. These areas can now be seen and quantified on a GIS map.

Ms. Tanya Nitterhouse voiced concerns about spending money on infrastructure related improvements. She said that people may not favor improvements that they cannot see. Mr. Kick responded by stating that sometimes these types of utility improvements are a hard sell. They may be received easier if flooding is resolved.

Mr. Everly said he understands that the Borough may have a credit program for commercial properties but asked if they were going to offer any incentives for residential properties.

Mr. Hulshizer said that the program has to be managed and someone would have to keep track of any incentive that is offered. He said that it would have to be something for the Committee to decide. He said that property owners would have an impervious fee and they will have an option to appeal any decisions that are made.

Ms. Nitterhouse asked if there was any consideration for water washing down on her property from areas where the Borough did fix issues. She also asked for the Borough to look at Kmart and Southgate Mall to think about the possibility of adding rain gardens or other BMPs to reduce the run off those properties have.

Mr. Stottlemeyer advised the Committee that the Borough has the responsibility to maintain all stormwater infrastructure in the public right-of-way and to require private property owners to maintain their stormwater practices. The Borough also has until 2023 to implement the Chesapeake Bay Pollutant Reduction Plan which will reduce nitrogen, phosphorous, and sediment that discharges to the Bay.

Mr. Wolgemuth made a correlation between the storm sewer utility and the sanitary sewer utility. Property owners are charged a fee to convey and treat sanitary sewage. Essentially, the storm sewer utility is now responsible for treating stormwater runoff before it reaches the Conococheague Creek or Falling Spring Creek. The treatment of stormwater is different than the treatment of sewage, however, the goal is the same. He said that it is necessary to understand problems before you determine how to maintain it and what to set the fee at. He said it is possible that, in the future, you may have to raise the fee again to justify any maintenance that may arise. He said education is a big part of this process.

Mr. Stouffer said that this is an easy sell for homeowners but the businesses are the ones that are going to feel the hit. He said that the Borough requires a certain amount of impervious areas for parking and that this is a hard pill to swallow.

Mr. Wolgemuth said that Mr. Stouffer had a good point. He said that before 2004, stormwater wasn't regulated. Since a Stormwater Ordinance was adopted, new developments have rules for off-street parking. He said the Committee would have decisions to make regarding these issues and whether to allow credits.

Mr. Hulshizer advised the Committee to think through the fee schedule and consider a few hypothetical questions; how should rates for commercial/industrial versus residential properties be? Is it cost effective to have a one-time credit for residential properties (ie rain barrels)?

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 2020-2023. Leaf collection and street sweeping costs would continue to be covered by a different Borough department as currently.

Mr. Tarquino said that it is common practice for residential properties to run spouting out to the street to allow stormwater to convey along the street gutter and require businesses to have parking spaces.

Mr. Wolgemuth said that most developers vastly exceed parking requirements. He said that the school district reserved a grass area and did not pave it. He asked the Committee whether we should offer incentives and allow residents to disconnect their down spouts and not run to curb. He said you would need to implement practices that works for the Borough.

Mr. Tarquino said you would need to come up with ways to educate people on a broader scale because this is a problem that is not going to go away. He recommended a utility flyer to be sent with an upcoming utility bill.

Mrs. Elia liked the idea of the flyer and suggested that they hold public meetings and that maybe Mr. Stottlemeyer could go to places like the Farmers Market so that citizens and business owners would have the opportunity to hear about the entire program and not just the road problems.

Mr. Stottlemeyer said that he has been to local schools, has done presentations for the Girl Scouts, and has an upcoming presentation for the local Kiwanis Club.

Mr. Hulshizer advised the Committee and members of the public that next month they will focus on a storm sewer fee, fee impacts and implementation of the fee.

The next meetings will be held May 21, 2019 and June 18, 2019.

The meeting was adjourned at 4:30 p.m.

Respectfully submitted,



Cindy Harr
Secretary II

BOROUGH OF CHAMBERSBURG

Sign-In Sheet: Storm Sewer Utility Rate Structure and Credit Program Advisory Committee

GENERAL PUBLIC

	<u>Name</u>	<u>Street Address</u>	<u>Email Address</u>
1.	Dodie Mastis	119 S. Main	Dodie@Comcast.net
2.	Barbara Foster	1161 Murray Ave & Park	barbara@comcast.net
3.	Bill Gubb	910 Lehigh Dr	bill.gubb@chambersburgpa.gov
4.	Aileen Johnson	112 West Victoria Ave.	aaofmah@chambersburgpa.gov
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BOROUGH OF CHAMBERSBURG

Sign-In Sheet: Storm Sewer Utility Rate Structure and Credit Program Advisory Committee

ADVISORY COMMITTEE MEMBERS AND BOROUGH REPRESENTATIVES

	<u>Name</u>	<u>Organization</u>	<u>Revised Contact Info if Applicable</u>
1.	Alice Elia	Borough of Chambersburg	
2.	Ed Peters Jr	CPA	
3.	Paul Iacovino	Fraternities Co	
4.	Ken Adams	King Street Church	
5.	Carla Christman	Chambersburg YMCA	
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Storm Sewer Utility Rate Structure and Credit Program Advisory Committee Meeting 3

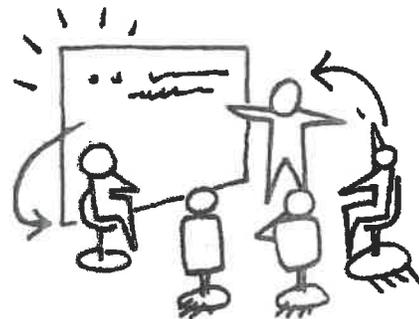


Chambersburg Borough
and
Herbert, Rowland & Gruble, Inc.

April 16, 2019

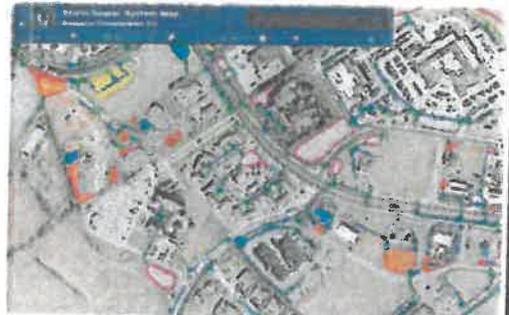
Agenda

1. Recap, News & Updates
2. Storm Sewer Program Budget
3. Needed Improvements to Program
 - Capital Improvements Projects
 - Funding of Projects
4. Public Education & Outreach
5. Closing Questions and Discussion



Storm Sewer System

- 1) Storm sewer pipes, inlets and related infrastructure located in public rights-of-way:
 - 380,000 feet of pipe, 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	State/Regional Priority	Inspection-based/limited 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



Needed Improvements to Program

Sewer system itself

- Implement PRP projects
- Address known areas of concern
- Determine unknown areas of concern? → need to assess system

↑
more proactive



Needed Improvements to Program

Sewer system itself

- Implement PRP projects
- Address known areas of concern
- Determine unknown areas of concern? → need to assess system

Overall program

- Pipe flushing & inlet cleaning
- Staffing: Currently 1 storm sewer employee

↑ more proactive



Proposed level of service budget

Function	Current LOS	Goal LOS
Operation & Maintenance including MS4 Compliance	\$90,000	
Capital Improvements/Reserve	\$266,000	
Administrative/General	\$227,000	
Total Annual Budget	\$583,000	

↑ Add televising, pipe flushing, inlet cleaning

↑ Add PRP projects, Capital Improvements

↑ Add staff

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

Not currently included:

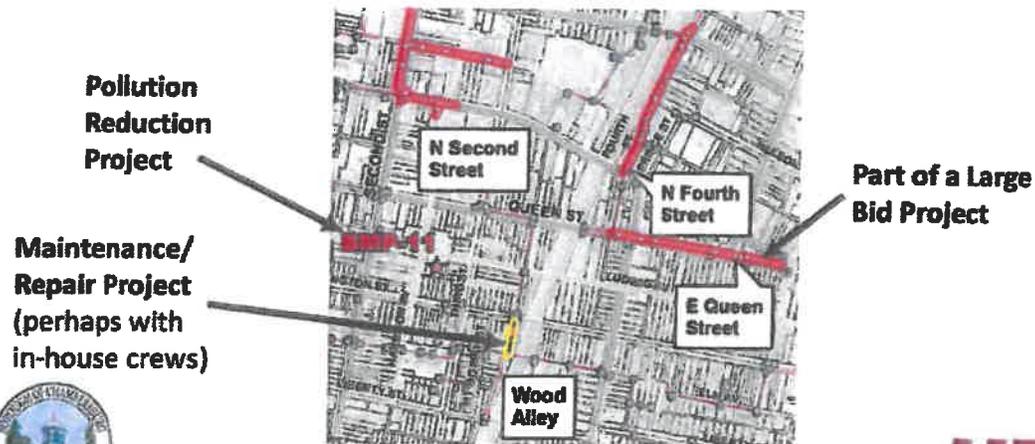
- PRP projects implementation
- Regular pipe flushing, inlet cleaning
- System assessment (televising)
- Significant capital improvements
- Street sweeping & leaf collection (under separate budget currently)

→ Assess over 5 year period ok?

→ Assume replace all over __ years?



Draft Capital Improvement Plan



Draft Budget and Capital Improvement Plan Discussion Topics

1. Added employee in 2020? Future Field Crew?
2. Assessing system – TV/clean all in public right-of-way in 2 years?
3. Total CIP Costs = \$12.5 M
 - Large projects vs. Maintenance/Repair Projects
 - How pay for large projects – borrow?
4. Leaf Collection and Street Sweeping – subsidize?
5. Set fee based on average of 2020-2024?



Equitability of Fee vs Tax

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



Public Education and Outreach

- Recommended Means/Methods?



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 # 4: May 2019

- Storm Sewer Fee
- Fee Impacts
- Implementation of Fee

Meeting # 5: June 2019

- Appeal Process / Credit Options
- Community Benefits
- Implementation Schedule
- Public Education & Outreach



**Storm Sewer Program Budget
Chambersburg Borough**

Existing Level of Service 2019
Proposed Level of Service 2020

Draft April 15, 2019

	2018	2019	2020	2021	2022	2023	Notes
Operating Expenses							
Salaries	72,000	72,000	151,200	158,760	166,698	175,033	add one full-time in 2020
Paid Leave	400	1,900	3,914	4,031	4,152	4,277	
Public Education	2,000	-	2,000	2,060	2,122	2,185	
Engineering	5,000	5,000	5,150	5,305	5,464	5,628	
Vehicle	10,600	10,500	21,630	22,279	22,947	23,636	double in 2020 for added employee
Materials and Supplies			6,000	6,180	6,365	6,556	
PA One Call Expense			3,000	3,090	3,183	3,278	
Contracted Services			60,000	61,800	63,654	65,564	
Inlet cleaning and Pipe flushing			70,000	72,100	74,263	76,491	through public works/sanitary dept
Televsioning			663,600	683,508	657,829	677,564	158000 ft in 2 yrs; tv all each 5 yrs @ 7/ft+20%
Leaf Collection			170,000	175,100	180,353	185,764	shown as subsidize by Borough at end
Street Sweeping			194,000	199,820	205,815	211,989	shown as subsidize by Borough at end
Operating Subtotal	\$ 90,000	\$ 89,400	\$ 1,350,494	\$ 1,394,033	\$ 1,392,845	\$ 1,437,964	
Administration							
Admin Salaries	-	25,000	26,250	27,563	28,941	30,388	
Admin Service Dept Expense	23,000	32,000	32,960	33,949	34,967	36,016	
Communication	1,000	1,300	1,339	1,379	1,421	1,463	
General Office Supplies and Expenses	2,500	-	2,575	2,652	2,732	2,814	
Engineering Department	50,000	70,000	72,100	74,263	76,491	78,786	
Purchase/Repair General Tools/Equipmt	1,000	-	7,200	7,416	7,638	7,868	
Unrealized losses	5,000	5,000	5,150	5,305	5,464	5,628	
Property Insurance	550	-	550	567	583	601	
Cyber Security Insurance	75	100	103	106	109	113	
Comprehensive Crime Insurance	30	-	30	31	32	33	
Special Services	12,500	15,000	15,450	15,914	16,391	16,883	
Miscellaneous Expenses	1,000	-	1,000	1,030	1,061	1,093	
Safety	500	50	515	530	546	563	
Legal	27,500	15,000	28,325	29,175	30,050	30,951	
Life Insurance and LTD Premiums	230	250	252	251	251	251	added employee 2020
Employer Social Security Contributions	7,000	8,000	16,800	17,640	18,522	19,448	added employee 2020
Pension	4,300	9,200	19,320	20,286	21,300	22,365	added employee 2020
Conference and Vocational Training	5,000	4,700	9,682	9,972	10,272	10,580	added employee 2020
Health Insurance	27,500	24,500	51,450	54,023	56,724	59,560	added employee 2020
Worker's Compensation Transfer	50	100	210	221	232	243	added employee 2020
Other Health Costs	250	50	105	110	116	122	added employee 2020
General and Administrative Subtotal	\$ 168,985	\$ 210,250	\$ 291,639	\$ 302,681	\$ 314,170	\$ 326,123	
Operating and Administrative Subtotal	\$ 258,985	\$ 299,650	\$ 1,642,133	\$ 1,696,714	\$ 1,707,014	\$ 1,764,087	
Capital Improvement Expenses							
Maintenance/Repairs	60,000	75,000	300,000	309,000	318,270	327,818	see CIP for example projects
Capital Reserve Transfer	84,640	136,350	140,441	144,654	148,993	153,463	
Legal for Maint/Repair Projects	10,000	25,000	25,750	26,523	27,318	28,138	
Engineering for Maint/Repair Projects	15,000	30,000	30,900	31,827	32,782	33,765	
Legal for Capital Projects			50,000	41,000	42,230	43,497	from CIP; reimbursed from borrowing below
Engineering for Capital Projects			450,000	369,000	380,070	391,472	from CIP; reimbursed from borrowing below
Funding Costs			40,000	40,000	41,200	42,436	from CIP; reimbursed from borrowing below
Capital Improvements Expenses Subtotal	\$ 169,640	\$ 266,350	\$ 997,091	\$ 922,003	\$ 949,663	\$ 978,153	
Debt Service Costs							
Storm Sewer Project 1		-	-	-	346,389	346,389	see CIP
Storm Sewer Project 2		-	-	-	-	289,241	see CIP
Debt Service Subtotal	\$ -	\$ -	\$ -	\$ -	\$ 346,389	\$ 635,630	
TOTAL STORM SEWER EXPENSE	\$ 428,625	\$ 566,000	\$ 2,639,224	\$ 2,618,717	\$ 3,003,067	\$ 3,377,870	
Less Repayment of Engr/Legal via Borrowing			(500,000)	(410,000)	(422,300)	(434,969)	for capital projects; need interim financing
Adjust for Delinquencies (assume 3%)	12,859	16,980	79,177	78,562	90,092	101,336	
Less Borough Subsidy			(364,000)	(374,920)	(386,168)	(397,753)	subsidize leaf collection, street sweeping
TOTAL REVENUE NEEDED FROM FEE	\$ 441,484	\$ 582,980	\$ 1,854,400	\$ 1,912,359	\$ 2,284,691	\$ 2,646,484	

Assumed annual inflation rate of 5% for Labor and Fringe Benefits, and 3% for all others

Adjustment for delinquencies estimated at: 3%

Assume finance at 1.512% for 20 years; debt service after project complete

**Stormwater Capital Improvements Plan Details
Chambersburg Borough**

Draft April 15, 2019

Stormwater Improvements Project 1

Estimated Construction Cost	\$4,900,000
Related Costs Reimbursed via Borrowing (20%)	\$1,000,000
Funding Costs	\$40,000
Total Estimated Project Costs:	\$5,940,000

Improvements include:	Feet	Preliminary Cost Est*	Note
PRP Projects		1,500,000	
North Second Street	1000	400,000	
North Fourth Street	900	360,000	concrete box
East Queen Street	1000	400,000	concrete box
Burkhart Avenue	210	84,000	concrete box
West King Street	655	262,000	concrete box
Industrial Drive	2030	812,000	
Vine Street and Wolf Avenue	775	310,000	concrete box
South Fourth Street / Wayne Avenue	800	320,000	
South Main & Derbyshire	500	200,000	
Grant Street	600	240,000	
Total Feet:	8470		

* From concept level estimating of \$400 / ft; related costs are added above at 20%

Stormwater Improvements Project 2

Estimated Construction Cost	\$4,100,000
Related Costs Reimbursed via Borrowing (20%)	\$820,000
Funding Costs	\$40,000
Total Estimated Project Costs:	\$4,960,000

Improvements include:	Feet	Preliminary Cost Est*
PRP Projects		500,000
Other Currently-Unknown Needs: Assume 6000 ft	6000	3,600,000

Example Maintenance/Repair Projects anticipated in coming years**

Wood Alley	200	80,000
Broad by Laundromat	400	160,000
Smaller PRP Project		75,000

** Budget provides \$300,000 each year for these type projects