

## Summary:

Capital Region Water (CRW) collected public feedback on the [Stormwater Fee Proposal and Implementation Plan](#) from June 27 through October 22, 2019. While feedback requested was limited to the Fee Proposal, CRW received broad feedback on the larger City Beautiful H<sub>2</sub>O Program Plan, associated regulatory obligations, outreach and communications strategies, and various related topics. A total of 91 written comments were received. In addition to the written comments, Capital Region Water also attempted to respond to informal comments received at community events, public meetings, and via social media. Comments received regarding individual property concerns (e.g., customers outside the City of Harrisburg or inquiries regarding individual assessments) are prioritized for customized response. During this time, Capital Region Water participated in over 50 meetings and discussions regarding the proposed stormwater fee. This included meetings with the 15 largest impervious surface owners, the Mayor of Harrisburg, Harrisburg City Council, and Harrisburg Regional Chamber and CREDC.

Capital Region Water's Board of Directors has committed to reviewing and considering all comments received prior to adopting budgets and rates for 2020. The proposed 2020 budget is being shared publicly on Wednesday, November 13, 2019, and adoption of the final 2020 budget is scheduled for Wednesday, November 20, 2019. For more information, including agendas and documentation regarding Board Meetings, please visit <https://capitalregionwater.com/meetings-reports/>.

## Comments/Response:

The topics listed below are reflected in the public comments received; Capital Region Water's response follows.

### ***Adopt-A-Raingarden Initiative:***

CRW is planning to rollout Adopt-A-Raingarden programming in 2020. Multiple community groups have volunteered to partner with CRW in piloting how volunteers can enhance green stormwater infrastructure installations by performing minor maintenance and upkeep outside of CRW's operation and maintenance schedule.

### ***Affordability/Equity:***

The practice of funding stormwater expenses based on water consumption is not equitable. Without a stormwater fee, residential customers would be responsible for a greater proportion of programmatic costs through wastewater rates compared to implementation of a stormwater fee.

A financial capability and affordability analysis was completed in accordance with the U.S. Environmental Protection Agency (US-EPA) requirements to assess the financial capability of CRW and its customers within the City of Harrisburg to pay for stormwater program costs. The results of the analysis revealed that there is significant financial stress and economic hardship for customers located within the City of Harrisburg.

A high financial burden level, according to Federal affordability guidelines, is expected to occur in Harrisburg when approximately \$225 million (escalated with inflation over 20 years), or \$185 million (in 2017 dollars), of additional capital costs are incurred by CRW over the next 10 years. This would require more than doubling of CRW's residential wastewater bills to generate sufficient revenue, from approximately \$336 per year to \$787 per year over the next 10 years. However, some customers in Harrisburg are already experiencing economic hardship and affordability issues, and these conditions may worsen as capital spending continues and rates increase in the future.

CRW determined that approximately \$113 million (escalated), or \$102 million (in 2017 dollars) is required to fund high-priority projects to rehabilitate the Advanced Wastewater Treatment Facility and the conveyance system. This leaves only approximately \$112 million (escalated), or \$83 million (in 2017 dollars) of additional capital funding capacity over the next 10 years before the level of high financial burden is reached according to Federal guidelines. This is why CRW is pursuing the maximum amount of schedule relief possible from the US-EPA for program plan implementation and why an implementation plan of longer than 20 years is justified.

A 20-year financial analysis concluded that a total of approximately \$315 million in capital projects (\$253 million in 2017 dollars) could be funded by Capital Region Water over a 20-year period (\$225 million in the first 10 years and \$90 million in the next 10 years) while keeping the affordability threshold at or just below the high financial burden threshold. A portion of this total 20-year investment will be needed to continue to address decades of deferred maintenance and to preserve system reliability (\$214 million), whereas the remaining portion of this capital funding capacity (\$101 million) will be available for local, neighborhood, green stormwater infrastructure (GSI) projects.

***Annual Reporting:***

Annual budgets and rates, audited financial statements, consulting engineer's annual reports, and rate studies are all publicly available. Please see <https://capitalregionwater.com/financialreports/>. Regulatory reports, including semi-annual reports on Consent Decree Implementation and MS4 Program reports, are available at <https://capitalregionwater.com/full-plan/>. CRW has also committed to annual reporting to Harrisburg City Council.

***Appeals and Exemptions:***

CRW will prepare and adopt a formal appeals and exemptions policy document per CRW's Wastewater-Stormwater Rules and Regulations, which will outline the appeals process. There are several reasons why a customer's appeal for a change to their stormwater assessment may be warranted. An appeal is likely to be limited to the impervious area calculation, a customer's tier assignment, and calculation of a stormwater credit. The basis for an appeal may include incorrect parcel information, inaccurate property classification, inaccurate impervious area, inaccurate tier assignment, mathematical error, or reallocation of stormwater charge among multiple water accounts on a single parcel.

***Billing/Application of Payment:***

The stormwater fee will be billed monthly and will appear on the CRW bill as a separate service charge apart from water and wastewater charges. Customer payments will be applied proportionally to the CRW services

charged. For example, if a CRW customer who receives water, wastewater, and stormwater services renders a partial payment, that payment will be applied proportionally to the services provided, but no one service will have been paid in full.

***Credit Program:***

The credit program will be revised with additional opportunity for stormwater credits, including structural best management practice (BMP) credits, non-structural credits, and institutional credits for all customers. A maximum credit that can be obtained will be capped at 50% of the total. CRW will require property owners to employ stormwater BMPs that are identified in the Pennsylvania Stormwater BMP Manual to be eligible to receive stormwater credits. CRW will prepare and adopt a formal stormwater credit policy document.

***Combined Sewer System vs. MS4 Area Obligations:***

CRW has regulatory clean water commitments throughout the City of Harrisburg regardless of whether a specific property lies within the combined or separate portion of the wastewater-stormwater system. CRW is creating a separate and dedicated stormwater fund to devote revenue derived from the stormwater fee to improve the stormwater system.

***Coordination with the City of Harrisburg:***

CRW has a vested interest in coordinating with the City of Harrisburg, specifically to ensure stormwater management is considered in (re)development planning. Coordination of related roles, responsibilities, and enforcement authority will be codified as CRW adopts revised Wastewater-Stormwater Rules and Regulations. CRW remains committed to collaboration to ensure the City Code is amended to reflect best practices for wet weather management. CRW has compiled a comprehensive list of nearly 30 recommendations to amend the City Code.

***Delayed Implementation/Fiscal Year Billing:***

CRW is proposing a three-year phased-in approach to the stormwater fee --- 40% in the first year, 70% in the second year, and 100% in the final year. Ensuring all customers are appropriately charged this service charge or user fee ensures compliance with the Municipality Authorities Act (MAA), specifically the MAA provision to charge "reasonable and uniform rates."

***Enforcement:***

CRW is adopting revised Wastewater-Stormwater Rules and Regulations, which will include enforcement provisions. CRW does have authority to enforce wastewater-stormwater compliance issues through an Intergovernmental Cooperation Agreement between the City of Harrisburg and CRW.

***Grass/Lawns:***

The stormwater fee is based on the impervious area of a property because it is that impervious area that generates the stormwater CRW is managing. Rain may be absorbed by residential lawns during a light rain event, but generally, properties will discharge stormwater off the property during heavier events. A typical lawn or planting area will not be able to manage stormwater runoff from impervious area like your roof or driveway. If a lawn or planting area is designed specifically to function as a stormwater BMP that promotes

infiltration to stabilize water flows, such as filter strips or rain gardens, this may be eligible for a stormwater credit.

***Mapping:***

CRW contracted with T3 Global Strategies, a multi-disciplined photogrammetric/geomatics/engineering firm, for the development of its impervious area mapping for Harrisburg based on both high-resolution aerial photography and photometric datasets that can determine the classification of impervious surfaces, such as buildings, concrete, driveways, etc. Impervious area was measured for each property using technology that meets National Accuracy Standards for a 1-inch-to-50-foot scale mapping ratio. While relying on the best available data, errors may still have occurred. Customers will be encouraged to utilize the appeals process for review of an assessment. Mapping revisions will also be incorporated as CRW reviews development plans and/or as CRW revises the dataset. Comprehensive update of City-wide aerial imaging and mapping will occur no less than every five years.

***Rate Increases/Rate Stability:***

The proposed stormwater fee is fixed at the 2020 rate for three years. However, CRW has proposed a three-year phased-in approach to the stormwater fee --- 40% in the first year, 70% in the second year, and 100% in the final year.

***Service Area Fee Clarification/Communities Impacted:***

The stormwater fee is proposed only for properties within the City of Harrisburg due to CRW's ownership of the sewer collection and stormwater system. Surrounding municipalities have adopted their own stormwater fee structures to fund projects to reduce stormwater runoff.

***Sidewalks and Roads:***

Sidewalks and roads are not assigned to customer assessments. The impervious area mapping will be revised if sidewalks and roads have been inadvertently included within a parcel boundary. Customers should notify Capital Region Water if sidewalks and/or roads are included in their stormwater assessment. The associated impervious area is the responsibility of CRW under its permit obligations.

***Stormwater Budget/Project Funding:***

Revenue raised from the stormwater fee will go into a dedicated account to fund stormwater program costs. Program needs include both operational and maintenance costs as well as capital projects designed to reduce stormwater runoff. Capital projects budgeted and scheduled for 2020 include green stormwater infrastructure in the South Allison Hill and Camp Curtin neighborhoods of Harrisburg as well as city park improvements at Fourth and Dauphin streets. A portion of 2020 street sweeping costs will also be covered by stormwater fee revenues.

***Stormwater Fee Authorization:***

The Municipality Authorities Act ("MAA") was amended to expressly authorize municipal authorities to perform stormwater planning, management, and implementation. 53 Pa.C.S.A. § 5607(a)(18). The MAA was also amended to further authorize municipal authorities to charge "reasonable and uniform rates . . . based in whole or in part on property characteristics." 53 Pa.C.S.A. § 5607(d)(34). The fee is based upon the

amount of impervious area on individual properties. The stormwater fee is not a tax. The fee is a service charge designed to reimburse CRW for costs incurred in providing stormwater management services. Furthermore, the fee is reasonably proportional to the cost of services rendered because it is based upon the demand the user places on the system. Finally, the revenue collected from the stormwater fee will be deposited into a segregated fund and used only for that purpose of operating and maintaining the stormwater management system.