

Impervious Surface Fee Stakeholder Working Group

KICKOFF WORKSHOP

Meeting Minutes

September 23, 2020 | 1:30pm – 3:30pm | Zoom

Overview: The goal of this meeting was to convene the Impervious Surface Fee (ISF) Stakeholder Working Group and introduce stakeholders to the Impervious Surface Fee initiative. Participants learned about drivers and goals of the ISF initiative, current state of storm water management in Hamilton County, and the process for the Stakeholder Working Group moving forward.

Meeting Item	Meeting Notes
Welcome & Introductions	<ol style="list-style-type: none"> 1. Karen Ball, Hamilton County, opened the meeting by welcoming stakeholders and thanking them for the time they are dedicating to this effort. Karen briefly explained the context of the 2019 Impervious Surface Fee Resolution passed by the Board of County Commissioners, the charge for developing an impervious surface fee plan, and how the stakeholders will be important to the process. 2. Karen asked the Hamilton County team to introduce themselves: <ol style="list-style-type: none"> a. Joe Graf, Plante Moran Cresa – Hamilton County Monitor b. Keith Readling, Raftelis c. Henrietta Locklear, Raftelis d. Samantha Brown, Raftelis 3. Samantha Brown then opened introductions for the Stakeholder Working Group, asking each to share their name and the organization they represent. <ol style="list-style-type: none"> a. John Bernloehr, Consolidated Metal Products – Large Business Rep. b. Janet Smith - League of Women Voters c. Jim Obert – Ohio Valley Development Council d. Joanne Reinhold, GE – Large Business Rep. e. Mark Fisher – Cincinnati Zoo * Botanical Garden f. Alison Auciello – Communities United for Action (CUFA) g. Melanie Chavez, Chavez Properties - Hamilton County Resident h. Michael Holliday, City of Forest Park – Hamilton County Resident i. Chris Manning, Human Nature – Landscape Architect Rep. j. Chris Ziegelmeyer, Neyer Properties – Large Business Rep. k. Marie Kocoshis – League of Women Voters l. Jeanne Nightingale – Sierra Club m. Bob Park – Sierra Club n. Brendon Cull – Cincinnati USA Regional Chamber o. Larry Thompson – Laborers’ Local Building Trades Rep. p. Wanda Ball – CUFA 4. Samantha noted those stakeholders who were unable to make today’s presentation: <ol style="list-style-type: none"> a. Tim Meyers, GE – Large Business Rep. b. Craig Abercrombie, Abercrombie & Associates – Small Business Rep. c. Mark Quarry, Cincinnati Area Board of Realtors – Hamilton County Resident d. Mark Tepe, Tepe Landscaping – Landscape Architect e. Chris Dobrozi, Neyer Properties – Large Business Rep. 5. Finally, Samantha acknowledged the Agency Task Force participants and recognized the time and dedication they have provided for this effort so far.

	<ol style="list-style-type: none"> a. MaryLynn Lodor, MSDGC b. Diana Christy, MSDGC c. Todd Long, Hamilton County Storm Water District d. John Nelson, Hamilton County Soil & Water Conservation District e. Eric Saylor, Cincinnati SMU f. Patrick Ross, City of Reading g. Charles Anness, Hamilton County Prosecutor’s Office h. Mohammad Islam, Hamilton County Planning & Development i. Brian Wamsley, Hamilton County Planning & Development j. Gerald Checco, Mill Creek Valley Conservancy District k. Nancy Elwood, CDM Smith
Zoom Meeting Logistics	<ol style="list-style-type: none"> 1. Samantha provided a brief overview of how to engage during the workshop using Zoom. This included a brief review of meeting “norms” and how participants should make the most of the meeting on a virtual platform. 2. Samantha then explained how stakeholders could interact during the presentation using the Zoom chat box and the Zoom “raise hand” feature. 3. After introductions and a brief overview of the Zoom platform, Samantha introduced Keith Readling for beginning the presentation.
Storm Water Fundamentals	<ol style="list-style-type: none"> 1. Keith explained to stakeholders that to fully understand how an impervious surface fee plan will be developed, background information was needed to provide introduction of the essentials of storm water, storm water runoff, and impacts of runoff. <ol style="list-style-type: none"> a. Keith explained how storm water runoff is generated, primarily by impervious surfaces. b. He then provided an overview of the impacts of storm water runoff – flooding, erosion, poor water quality, and overflows. c. Keith further explained the difference between sanitary sewer and combined sewer systems, and how this was important as wet weather has a significant impact on combined sewers. Keith then explained causes combined sewer overflows and sanitary sewer overflows and environmental concerns of each. d. Keith provided education on the multiple ways that basement backups and flooding occur, and how most basement backups are caused by wet weather and overland flow. Jim Obert asked the question if Keith had indicated that floor drains may be allowed to be connected to the storm sewer system, and if so, it should be clarified that floor drains are connected to the sanitary system, not the storm system, regardless if in the combined or separate sewer areas. Henrietta Locklear provided a response indicating that Keith was giving the example of how his basement in his childhood home was connected to the storm sewer which would be considered an illegal connection. e. Keith provided stats on MSD’s Sewer Backup Response Program and how only a fraction of reported backups are caused by the MSD system. Rather most are caused by overland flow, but MSD is still required to respond; MSD has spent significant resources on this program over the past five years.
Storm Water Management in Hamilton County	<ol style="list-style-type: none"> 1. With the introduction of storm water, Keith progressed to provide an overview of current storm water management in Hamilton County. 2. Keith explained that many agencies across the County are required to comply with federal mandates to reduce the impacts of storm water runoff previously discussed. Keith explained that MSDGC is the service provider responsible for Consent Decree Compliance, and the Hamilton County Storm Water District, its co-permittees, and other designated small municipal separate storm sewer (MS4) communities are responsible for MS4 regulations and water quality.

	<ol style="list-style-type: none"> 3. Keith provided an overview of the types of storm water operational services provided by many service providers across the County – MSDGC, Hamilton County Storm Water District, Hamilton County Planning & Development, Hamilton County Soil & Water Conservation District, Hamilton County Engineer’s Office, Mill Creek Valley Conservancy District, and many individual municipalities in the County. Keith also provided an overview of MS4 permit compliance programs, and storm water management programs that each of these agencies administers.
<p>Funding</p>	<ol style="list-style-type: none"> 1. After current services were explained, Keith explained how many providers are funding storm water related operations and programs. This included an overview of the agencies who currently collect fees for storm water related services, where they collect fees, and what fees are based upon. 2. Keith provided a detailed overview of MSD’s current rate structure, and how MSD’s billing practice is consistent with general wastewater industry standards – wastewater is based upon water consumption. The bill is calculated using a minimum base charge plus a commodity or volume charge Current storm water related fees. 3. Keith proceeded to explain the current concern with the MSD rate structure, and how the current rate structure does not adequately account for the fact that significant MSD costs are not related to water consumption. 35% of treated flows are generated by water usage/wastewater, but 65% of treated flows are generated by rain derived inflow & infiltration. This means that this 65% of flow is not being billed based upon water usage – storm water is not metered, and water usage doesn’t indicate how much runoff a property produces and contributed to I/I of MSD’s system. 4. Keith provided examples of how sewer bills may be calculated for various properties – residential, small commercial lot, and large commercial lot. Keith demonstrated how a small commercial lot property could actually have higher water consumption than a large lot property. So even though the large lot has more impervious area and generates more runoff, the small lot pays a higher contribution toward I/I under MSD’s current rate structure. This is because the I/I portion of MSD rates are not currently based upon impervious area, they are based upon water consumption. 5. It was then discussed that impervious area based fees are becoming more common as a way to effectively charge for the demands placed upon infrastructure based upon the amount of impervious area on a property, and the amount of runoff it generates. 6. Keith concluded this section by defining principles of impervious surface fees, and how an impervious surface fee creates a more fair and equitable rate structure for all users. An impervious surface fee may consider moving portion of allocated I/I costs from the minimum charges and volume charges to an impervious surface fee. This would improve equity by recovering costs from parcels who contribute runoff flows to MSD systems but have low (or no) billed wastewater volume. Through this effort, the intent is not to create a new fee but rather evaluate how a more thoughtful approach to the current fee collection might look.
<p>Past Efforts</p>	<ol style="list-style-type: none"> 1. Karen again acknowledged the agency group members were participating as audience members. Karen provided background information regarding how this effort came to be. Karen restated Keith’s previous comments regarding the intent of this effort is to evaluate how a more thoughtful approach to the current fee collection might look. 2. Karen discussed the Rate Affordability Task Force Report which was created after evaluating the current rate structure of MSD with the goal to improve rate affordability and equity. Several recommendations of this Task Force have already been implemented. The remaining outstanding recommendation was to fund I/I costs in a more fair and equitable manner. The Task Force found the current rate structure and method for fee collection places majority of burden of costs on single-family residents, and other large impervious surface areas aren't billed because they are not metered connections, so a more fair recovery of these costs is needed.

	<ol style="list-style-type: none"> 3. Karen then explained details regarding the 2019 Board of County Commissioners Resolution. The resolution acknowledges that not all parcels contributing rain derived inflow are appropriately contributing to the current rate structure; conversely, other customers are contributing more than their fair share. The resolution establishes the Agency Task Force and the Stakeholder Working Group with the goal to develop recommendations for a suitable impervious surface fee plan. 4. Karen concluded by explaining the legal framework. The Board of County Commissioners may establish fees in a fair and equitable manner, MSD operates under Ohio Revised Code Chapter 6117 and the Board is the legal entity with authority to establish a rate structure such as ISF for MSD's service area.
Progress to Date	<ol style="list-style-type: none"> 1. Keith paused at this point in the presentation to acknowledge the substantial amount of information covered, and the complexities of storm water management in Hamilton County. He summarized the information that had been discussed so far: implication of storm water runoff, current services provided and service providers, how services are funded, MSD's current rate structure, current cost recovery for I/I issues, and overview of impervious surface fees. 2. As this is a complex topic, Keith explained that the Agency Task Force has met several times to discuss key considerations as the process moves forward. Many of these considerations will be discussed with the stakeholders in upcoming meetings.
Where do we go next?	<ol style="list-style-type: none"> 1. Keith concluded discussions by explaining that this is only the first of several meetings with the stakeholders. Upcoming meeting will review potential service delivery options discussed by the Task Force, and key considerations deliberated for each and fee structure options. 2. The remaining 30 minutes of the meeting was used for stakeholder feedback and discussion. A summary of key questions and stakeholder comments is included for review.

KEY QUESTIONS AND STAKEHOLDER DISCUSSION

The following provides a summary of the questions and discussion by stakeholders during the kickoff workshop.

1. **Do we count on rate increases to cover the cost of these storm water infrastructure improvements?**
Storm infrastructure improvements will need to be planned for and paid for by some means. Depending on the agency that is responsible for improvements, these could be paid for out of fees through increases to current rates, tax revenue, or even, assessments (as may be proposed for the Barrier Dam and Millcreek channel operation and maintenance and capital). Plans for improvements vary by agency across the county.
2. **What does MS4 stand for?** Municipal separate storm sewer system
3. **Does Hamilton County have a whole-county storm water management plan? With patchwork of responsibilities, it's hard to tell who is actually responsible for managing watershed and permitting standards that would prevent watershed issues.** Currently, no one countywide watershed master plan exists. We will ask the individual agencies to provide information regarding watershed and storm water management planning that they do for the stakeholders to review. As discussion progresses, it is possible that one observation or recommendation for future exploration is the development of watershed plans for the various jurisdictions/agencies.
4. **Are only residential properties assessed HCSD fees on tax bill?** No, HCSD fees are assessed for non-residential properties as well.
5. **Are Cincinnati SMU fees based on parcel size, not actual impervious service?** Cincinnati SMU calculates their fee as follows: **Area Range Number x Intensity of Development Factor x \$/ERU.**

- a. The Area Range Number is a number assigned by the utility division for the purpose of calculating storm drainage service charges, based on the total square footage of lots or parcels.
- b. The Intensity Development Factor (IDF) is an indication of the runoff coefficient or percentage of impervious coverage on or in a lot or parcel of real property.
- c. The Equivalent Runoff Unit is a value based on the parameters used in the stormwater management utility rate structure which represents one unit of stormwater runoff. SMU has determined this figure to be \$8.28 per month.
- d. Class A residential properties pay a flat rate of \$8.28/month and Class B residential properties pay a flat rate of \$11.59/month.
- e. <https://www.cincinnati-oh.gov/stormwater/2020-rate-updates-and-service-charges/>

6. **How will decision-making happen about what to recommend?** We will discuss the decision-making process at the next stakeholder meeting. This will be added as an agenda item.

7. **In terms of basement back-ups, has there ever been an independent audit on the decisions regarding MSD responsibility? There are lots of judgements that can be influenced by MSD preferences.** The court has appointed an Ombudsman to oversee the SBU program. The ombudsman is tasked with submitting an annual report to the Court. The report is shared with interested parties.

8. **Bob Park:**

- a. Discussions are ignoring surface water saturation. Of course, there are different cost structures at the micro level, that's always true. Storm water infrastructure costs will vary widely at the individual property level.
- b. Most pervious surfaces become more impervious over time. A storm water fee should also consider total property size and not only the amount of impervious area.
- c. Consideration should be given to how much of consent decree related costs are funded through storm water related fees. It is Sierra Club's opinion that at least 80% of costs should be funded with storm water fees.
- d. Credits for green infrastructure practices are an important element of any storm water fee or rate structure modification.

9. **Wanda Ball:**

- a. Many agencies are charging a storm water related fee already. We should explore if there is a way this can be streamlined.
- b. Are other rates outside of MSD's service area comparable to MSD rates?
 - i. Glendale Rates:

https://www.glendaleohio.org/departments/utility_department/understanding_my_bill.php

	Effective Date	Minimum (up to 10ccf)	Rate (usage over 10ccf)
WATER	1/1/20	\$67.91	\$6.30
	1/1/21	\$67.91	\$8.30
	1/1/22	\$70.63	\$8.63
SEWER			
	1/1/20	\$119.23	\$7.45
	1/1/21	\$124.00	\$7.75
	1/1/22	\$128.96	\$8.06

10. **Jim Obert:**

- a. Shouldn't newer infrastructure areas pay a lesser rate than older parts of the system as the I&I rate is significantly less due to better materials and installation methods?

- b. Urban lots may have greater runoff and impacts on the MSD system that more suburban/rural lots with larger amounts of pervious area.

11. Larry Thompson:

- a. Will responsible bidder be part of this discussion or process?
 - i. Karen Ball: Contracting requirements are not currently scoped as part of this effort or the charge of this group specifically. Project- and contract-related discussions would be part of a separate effort.
 - ii. Bob Park: Actually labor contract requirements should be an issue in these MSD conversations, but are not.

12. Marie Kocoshis:

- a. Reiterate that it is important to have guidelines for decision-making as we progress. Will a minority report be prepared as it was for the Rate Affordability Task Force?
 - i. Karen Ball: We can prepare a minority report as part of this effort.

13. Jeanne Nightingale:

- a. Agencies should account for climate change projections in their watershed plans. Fees should also anticipate future needs of the system as a result of the changing environment (increased rainfall, increased development, need for additional or larger infrastructure, etc.).

14. Alison Auciello:

- a. As discussions proceed, it's important to understand the types of services that will be rendered with any new fees or rate structure modifications.
- b. Reiterate the need to define consensus as discussions continue. CUFA has concern about its name being associated with the term consensus if they are not in full agreement with the recommendations of group. This was a concern during the Rate Affordability Task Force efforts.
 - i. John Bernloehr: The Rate Affordability Task Force was a good effort and the group did reach consensus.

15. John Bernloehr:

- a. All stakeholders should come into this process with an open mind. There are many different opinions about what the group should consider. The Consent Decree is an unfunded Federal mandate, so to pay for the costs will require all to have an open mind on how to generate the funds.