

Impervious Surface Fee Stakeholder Working Group

Meeting Summary

December 10, 2020 | 9:00am – 11:00am | Zoom

Overview: During this meeting, the Stakeholder Working Group worked through the process of determining how consensus will be defined and applied to input provided by Stakeholders regarding this initiative. Further, Stakeholders will be given the opportunity to provide feedback regarding the document, “Pathways for Consideration: Wet Weather Fees and Collaborative Storm Water Management.” Feedback and questions gathered regarding this document will provide the areas of focus for the next Stakeholder meeting.

Meeting Item	Meeting Notes
Welcome & Introductions	<ol style="list-style-type: none">1. Karen Ball, Hamilton County, opened the meeting by welcoming stakeholders and the Agency Task Force attendees and thanking them for the time they are dedicating to this effort. Karen noted that questions from the last meeting would be answered in the materials presented today. She also noted that the Task Force is continuing to work in a timely manner to keep this effort progressing.2. Samantha Brown, Raftelis, started a roll call to identify who was present at the meeting.3. Members present representing the Hamilton County team included:<ol style="list-style-type: none">a. Karen Ball, Hamilton Countyb. Joe Graf, Plante Moran Cresa – Hamilton County Monitorc. Keith Readling, Raftelisd. Henrietta Locklear, Raftelise. Katie Cromwell, Raftelisf. Amanda Lane, Raftelisg. Samantha Brown, Raftelis4. Samantha Brown then conducted roll call for the Stakeholder Working Group. Present at the meeting were:<ol style="list-style-type: none">a. John Bernloehr, Consolidated Metal Products – Large Business Rep.b. Janet Smith - League of Women Votersc. Marylin Wall – Sierra Clubd. Jim Obert – Ohio Valley Development Councile. Joanne Reinhold, GE – Large Business Rep.f. Mark Quarry, Cincinnati Area Board of Realtors – Hamilton County Residentg. Alison Auciello – Communities United for Action (CUFA)h. Melanie Chavez, Chavez Properties - Hamilton County Residenti. Michael Holliday, City of Forest Park – Hamilton County Residentj. Chris Manning, Human Nature – Landscape Architect Rep.k. Marie Kocoshis – League of Women Votersl. Jeanne Nightingale – Sierra Clubm. Bob Park – Sierra Clubn. Larry Thompson – Laborers’ Local Building Trades Rep.o. Wanda Ball – CUFA

	<ol style="list-style-type: none"> 5. Stakeholders who were unable to make today’s presentation include: <ol style="list-style-type: none"> a. Craig Abercrombie, Abercrombie & Associates – Small Business Rep. (resigned) b. Mark Fisher – Cincinnati Zoo * Botanical Garden c. Mark Tepe, Tepe Landscaping – Landscape Architect d. Chris Dobrozi, Neyer Properties – Large Business Rep. e. Chris Ziegelmeyer, Neyer Properties – Large Business Rep. f. Brendon Cull – Cincinnati USA Regional Chamber 6. Finally, Samantha asked for roll call from participating Agency Task Force members. Those present included: <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. Charles Anness, Hamilton County Prosecutor’s Office g. Nancy Elwood, CDM Smith 7. Additional attendees were: <ol style="list-style-type: none"> a. John Mangan, Hamilton County Soil & Water Conservation District
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 Henrietta Locklear to provide a recap of the ISF Initiative and remind participants of the initiative’s objectives.
Review of the ISF Initiative	<ol style="list-style-type: none"> 1. Henrietta Locklear, Raftelis, explained that it has been several weeks since the stakeholders convened, so reviewing the goals of the ISF initiative would set the stage for today’s meeting. 2. Henrietta reminded the group that the 2016 Rate Affordability Task Force recognized that MSD accepts and treats storm-generated flows from large runoff contributors. <ol style="list-style-type: none"> a. Under MSD’s current rate structure, some large impervious surfaces are not billed for the wet weather flow they contribute to MSD’s system because they don’t have a metered connection. This places an overburden of costs on residential ratepayers. b. This Task Force recommended that these I/I or wet weather-related costs be funded through some form of an impervious surface fee surcharge that would be based upon a property’s amount of impervious surface area. 3. Henrietta reminded participants that several other recommendations from the Rate Affordability Task Force have already been implemented. Now, the Board of County of Commissioners (Board) passed a resolution to create an Agency Task Force and Stakeholder Working Group to examine this Impervious Surface Fee issue. <ol style="list-style-type: none"> a. The resolution recognized that limiting the amount of storm water entering the sewer system can reduce overflows, like we talked about during our last presentation.

	<ul style="list-style-type: none"> b. The resolution also acknowledges the finding of the 2016 Rate Affordability Task Force – that not all parcels that contribute wet weather related flows to the system are contributing under the rate structure, and some are contributing more than their fair share. c. The Board also recognized that there are multiple agencies that oversee and fund various storm water efforts. d. The Board’s resolution aims to create an enhanced fee structure for MSD – to develop an impervious surface fee, or wet weather related fee structure, for all parcels that contribute rain derived inflow into the MSD system. e. The Agency Task Force is composed of agencies who currently administer a storm water fee, are interested in doing so, or may play a role in administering the ISF, if established. And the Stakeholder Working Group members are representatives from the community and its organizations that are asked to recommend a plan that respects the needs of our community at large f. Henrietta explained the ultimate goal of the 2019 resolution and the ISF initiative is to develop recommendations for a suitable impervious surface fee plan.
<p style="text-align: center;">Defining Consensus</p>	<ol style="list-style-type: none"> 1. After Henrietta reviewed the purpose of the initiative, Samantha started a discussion to define the use of consensus. Samantha recognized that the topic of defining consensus was one discussed by the group at the last meeting, and several participants had expressed the desire to clarify the process before the initiative progressed. 2. Samantha explained that when discussing consensus in the context of stakeholder input, there are a few key items to note to make sure all participants have the same understanding: <ul style="list-style-type: none"> a. Consensus is a process for deciding what is best for the group as a whole; it is not what is best for one individual entity. This means that consensus is often compromise, and often isn’t the first choice of each individual or entity represented. b. Consensus is a process, not just a procedure. It encourages interaction and discussion among the group, and it explores a complete range of options and concerns of each participant. c. Consensus does not mean unanimity – it provides for a spectrum of agreement, not a simple yes or no response. Consensus means participants feel they were given the opportunity to share their thoughts and feel heard as future direction is considered. 3. Samantha then explained the proposed spectrum of consensus. She re-iterated that consensus doesn’t mean a participant strongly advocates for a resulting recommendation; it means it is an idea or plan that you can live with. The proposed spectrum uses six levels of agreement, ranging from strong support to strong opposition and insufficient information to provide input. The goal of the group is for all to be in the range of 1 through 4 on the spectrum – if all are here, consensus is reached. 4. Samantha explained the process that will be used to promote discussion among the group, identify alternate recommendations, and reach consensus. Should the group come to a complete impasse, Samantha explained that a simple majority vote will be used, and a minority report will be prepared. 5. Several stakeholders provided questions and comments regarding the process: <ul style="list-style-type: none"> a. Marie Kocoshis noted that a vote does not indicate consensus.

- b. Henrietta explained that a vote is a last resort. The goal is to work towards recommendations where the group can achieve consensus. If we have to use majority vote, we would be clear in the reporting out that consensus was not achieved.
- c. Alison Auciello noted she appreciates laying out the process, but we should discuss if we agree on how it is laid out.
- d. Bob Park noted he doesn't think the group will get consensus because this is all a political issue. The group won't sway the county unless we get popular support.
- e. Marylin Wall indicated that if you resort to majority vote, then the outcome is predetermined, based on who is a stakeholder.
- f. Wanda Ball asked what does "majority" mean? Would it be a majority of the people on the call?
 - i. In response to Marylin and Wanda's questions, Karen explained that as meetings are planned, the group is doing its best to make sure that as many representatives are present and there is a balance in groups represented. See attached document for clarifications on consensus. Karen noted that as points of discussion are encountered, all questions/discussion will be compiled to make sure all stakeholders' views are represented and may be considered.
- g. Jim Obert stated that consensus is a great concept but we have widely divergent agendas. Ultimately, the final outcome will be determined by the County Commissioners. It's important we try to get consensus as a group. We should communicate who is on either side of the spectrum and report on this. All perspectives need to be a part of the process. We need to respect each other and move toward that common goal.
 - i. Mark Quarry and Chris Manning noted they agree with Jim Obert's comments.
- h. Marylin Wall asked if all interests are on the task force? She noted this is a predominately white group. How are the broader interests of the community represented?
 - i. Karen responded that every organization invited was offered to send their representative to us, and these groups are diverse and represent diverse communities – as an example, CUFA is a diverse group. The County didn't choose the representatives for each group – the organization did.
 - ii. Mark Quarry echoed this sentiment. Even though he's a white male, he represents the entire realtor community and on the board in another town that is predominately black. He emphasized he makes decisions based on what is best for all rate payers. All residents are considered in recommendations and decisions.
- i. Bob Park asked how pervious area and saturation will impact proposed rate structures, as this impacts capacity of the system.
 - i. Jeanne Nightingale asked how agencies and rate structures are accounting for future rainfall conditions – pervious surfaces could play into this.
 - ii. John Bernloehr pointed out that the resolution focuses only on impervious surfaces, and this group should not make discussions political. It is important to only focus on the narrow points being

	<p>asked of the stakeholders, not bring in other groups’ or individuals’ wants.</p> <p>iii. Samantha Brown stated that this topic does not relate to the discussion at hand – it is a topic that is more appropriate for a later meeting where rate structure details are discussed. As such, the group should not dwell on this right now, and should progress to the next topic on the agenda.</p>
<p>Pathways for Consideration: Wet Weather Fees and Collaborative Storm Water Management</p>	<ol style="list-style-type: none"> 1. After the discussion on consensus, Henrietta explained that the prior week, stakeholders received a document titled Pathways for Consideration: Wet Weather Fees and Collaborative Storm Water Management. This part of the presentation provided brief context of the document. The majority of this section is dedicated to facilitated Q&A. <ol style="list-style-type: none"> a. The main intent of this document was to provide discussion regarding the necessary considerations of the Task Force and Stakeholder groups to address the Board of County Commissioners’ 2019 resolution. This document is the result of many discussions and meetings among the Task Force, and ultimately identifies multiple pathways and focus areas for consideration. b. It recognizes the recommendations of the 2016 Affordability Task Force, and an immediate means to address enhancing MSD’s rate structure to allow for an impervious surface-based fee to address wet weather issues and cost recovery. However, the resolution also recognizes there are multiple storm water service providers in the County, so the pathways document begins to discuss complexities of storm water management in Hamilton County. As such, it begins to envision additional storm water service enhancements beyond MSD’s rate structure modifications, but tries to do so a simplified manner. 2. Henrietta explained that to more simply define how to address the Board resolution, the Pathways document identifies two short-term focus areas, and one longer-term area of focus. <ol style="list-style-type: none"> a. The first focus area concentrates explicitly on enhancing MSD’s rate structure to allow for a wet weather fee to more equitably recover costs for wet-weather related issues. b. The second focus area is more expansive in that it reaches beyond MSD and focuses on other agencies or municipalities within Hamilton County who charge a storm water fee. Focus area #2 highlights aligning rate structures of all agencies who charge a storm water fee, and the benefits of doing so. c. Generally, Focus Areas #1 and 2 may be performed in parallel with one another. d. Finally, the examination of existing fees among various entities inherently leads to discussion regarding offered services and service delivery. This long-term focus area evaluates and potentially strengthens collaborative service delivery among storm water service providers. 3. MaryLynn Lodor, MSD, then provided greater detail regarding Focus Area #1 – MSD Rate Structure Transition Framework. MaryLynn explained that there were several drivers for an enhanced rate structure and a wet weather fee including affordability, equity of cost recovery, financial transparency and effective cost recovery, overflow mitigation and incentives, and the Board of County Commissioners resolution. MaryLynn proceeded to explain that stakeholder engagement would be a key component of this process, and it is likely that the Task Force and Stakeholder Working Group would be involved in MSD’s efforts. While initiation is scheduled to begin in early 2021, there are many steps needed prior to full implementation such as financial analyses and billing systems updates and

	<p>testing. Many unknowns still exist to the timeline is subject to change; it is anticipated that the full timeframe for implementation may be 24 months or more. Additional details will be available to stakeholders soon, and MSD’s framework for this will be added as an appendix to the Pathways document.</p> <p>4. Henrietta then continued by providing greater detail regarding Focus Area #2 - Rate Structure Consistency & Countywide Collaborative Service Delivery. She explained drivers for Focus Area #2 include that multiple agencies and municipalities across the County provide storm water services for a number of reasons that include meeting regulatory obligations, and many charge a fee for these services, and the Board of County Commissioners’ resolution acknowledges this. To evaluate if greater consistency in rate structure and collaborative service delivery is appropriate, a number of considerations need to be discussed:</p> <ul style="list-style-type: none"> a. Storm water management that explores addressing all facets of storm water including regulatory compliance, permitting, water quality, and infrastructure operation and maintenance and capital projects delivery. b. Implementation of storm water best management practices through policy and a fee structure that incentivizes private investment in storm water management. c. Services and solutions may be provided in incremental implementations that build upon one another. Not all services need to be implemented immediately allowing for evaluation and course-correction along the way. d. It is important to protect and promote an individual agency or municipality’s ability to choose level of participation in any collaboration. e. It is important that any chosen pathway provides for customer understandability. Customers should be able to understand the basis of any fee, how fees are calculated, why a fee is needed, and what services the fee funds. f. The review of a potential comprehensive storm water management strategy will take time and, if adopted, requires completion of a number of steps to implement. An incremental approach to implementation that provides flexibility for ever changing conditions will be key to success. <p>5. Henrietta explained that the next portion of the presentation was going to focus on facilitated Q&A with stakeholders regarding information contained in the Pathways document. The Agency Task Force members helped to field questions and provide information about their programs. If there are questions that can’t be addressed or require a very detailed response, information will be provided as follow-up to the meeting. It was also explained that questions will be used to inform future meeting topics and areas that require additional discussion.</p>
<p style="text-align: center;">Facilitated Q&A: Pathways for Consideration - Wet Weather Fees and Collaborative Storm Water Management</p>	<p>1. Jim Obert: How is the aging of infrastructure and integrity of the system being considered? This all revolves around I/I which is a limited issue with sewer systems installed in the last 30 years, with the greatest issues attributable to the older portions of the system. MSD has been on a program to line / replace the worst of the older portions of the system which all ratepayers are paying on their monthly bills.</p> <ul style="list-style-type: none"> a. MaryLynn: Some of our older sewers are not the worst contributors of I/I. Age is not the primary attribute that determines if something needs to be fixed. The consequence of a sewer failing determines the rank or priority of repair. All sewers have I/I. You cannot construct a sewer that has no I/I. There are many factors that impact how sewers function. MSD has assessed half of its sewers to date. b. Marilyn Wall (Commented): All sewers leak, it is industry standard as MaryLynn implied.

2. Marilyn Wall: Incentives or even code changes to retain/detain stormwater on one's property is also a potential effective approach and should be recognized in a rate structure. Also, significant water enters MSD's collection system from creeks and rivers which have been piped. This also needs to be considered in establishing equitable rates.
 - a. Karen – Development of a companion incentive program is part of the administration's directive from the Board.

3. Allison Auciello: Are there another two working groups before MSD changes anything?
 - a. MaryLynn: MSD is talking about a need to be developed and there will be a lot of work before we present recommendations to meet this need. We may have additional stakeholders who want to provide input, and there are several stakeholder groups that MSD meets with on a regular basis.
 - b. Karen: We will try to keep this effort moving along, and we hope this group and this effort will be collaborating with MSD. This isn't a separate effort. We will try to make sure this group is utilized and able to provide input, but there are groups that regularly engage with MSD.

4. Jeanne Nightingale: A 24-month timeline is indicated for MSD's enhanced rate transition. Is there a plan to address the increased intensity of stormwater overflows that are expected in this region and which will continue to affect maintaining equitable rates?
 - a. MaryLynn: MSD tries to do climate friendly projects. We have different strategies in place to address large storms in our planning and infrastructure. Large storms do result in many challenges.

5. Alison Auciello: Will MSD be evaluating how many residents are routinely overcharged as a result of minimum base rates as part of the testing process? And by how much?
 - a. MaryLynn: We should clarify that people aren't being overcharged from minimum base rates. The base rate includes a minimum amount of usage. We are discussing an enhanced rate structure for MSD.
 - b. Bob: The rate structure has an overcharge built into it as is
 - c. Karen: This is why we are here - to evaluate the rate structure - that's why we are here.

6. Mike Holliday: What consideration is being given to areas with existing Impervious Surface Fees?
 - a. MaryLynn: We don't know yet. This will be part of the evaluation.
 - b. Karen: It should be emphasized this is a fee structure change – we are reallocating funds from existing fees that are being collected. We aren't introducing a new fee. Some customers, however, who have not contributed in the past, like parking lots without metered service, will begin to contribute under a new rate structure. This will be an issue we continue to talk about as the initiative progresses.
 - c. Henrietta: This is what is contemplated by Focus Area #2 - Focus Area #2. As MSD progresses on Focus area #1, Focus Area #2 can contemplate what that means for other agencies already charging a fee.

7. Jeanne Nightingale: To maintain customer “understandability” and continued adaptability to evolving condition, we will need a program of public education. Do you have plan for that?
 - a. Henrietta: In discussions on the pathways document, we recognized the need for continued outreach. Community input is integral to that process. All changes require public outreach and campaign. This group can make recommendations on this.
 - b. MaryLynn: Public engagement and informing people of change is critical and a part of our project plan. Once we have a recommendation, we will do public outreach.

8. Jeanne Nightingale: How often do you collect new data for determining fees?
 - a. Todd Long: We annually evaluate rates and data. We get new flight data every four years for impervious area.
 - b. Eric Saylor: Our update is continuous. As new data comes and development occurs, ongoing thing, a part of our daily business.
 - c. MaryLynn: For MSD Rate Study, every year. For MSD Cost of Service, every 3-4 years we reassess cost drivers.

9. Alison Auciello: What is the anticipated timeline for Focus Area #2?
 - a. Henrietta: We don’t have a concrete timeline. It involves further discussion with the Agency Task Force for recommendations; it isn’t as defined of a path or as firm a timeline as Focus Area #1. We should also point out that the discussion of multiple fees by various agencies does not mean automatically imply an overlap in services exists.

10. Bob Park: Is this a time to discuss pervious surfaces are a part of the fee structure?
 - a. Karen: That is part of the rate structure discussion; we should talk about the document at this point.

11. Alison Auciello: It seems like the process for MSD to do the enhanced rate structure is a separate process? Is it MSD’s goal to make rates proportional to cost of service?
 - a. MaryLynn: 65% of inflow into MSD’s system is rain and ground water. We will never be able to stop I/I. I want to manage expectations and say it’s impossible for 0% of I/I. We are trying to align rate structure and providing modifications and recommendations for allocating wet weather costs and different ways to collect those costs.
 - b. Karen: Ultimately, it’s up to the Board of County Commissioners to alter rate structure. MSD’s rate structure change is something this group will weigh in on.

12. Bob Park: Cincinnati’s storm water fees are based on TOTAL area. Please comment on this.
 - a. Eric: We have three classes of customer – Class A – single family residential and duplex properties up to 10,000 sq. ft. Class B – one or two family residential greater than 10,000 sq. ft. Class C - Commercial, industrial, and others that use a formula to calculate rates. Bills are charged monthly. About 75% of revenue comes from Class C customers.

	<p>b. Bob: That is still based on property total area, not impervious area only. This is a regressive fee</p> <p>13. Bob Park: The minimum charge for sewer rates is hardly "industry standard" - MSD is at the highest minimum base charge in the country</p> <p>a. MaryLynn: We have fair and affordable rates. There are so many different assumptions built into our rate structure. – A follow up meeting could go over assumptions of current rate structure.</p> <p>14. Marie Kocoshis - How are we going to define impervious surfaces and who will maintain this data? Drones for determining impervious area is already available. Do we have the technology to determine this data or do we to have acquire this data?</p> <p>a. Karen: Technology is ever-changing. It takes funding and investment to get imagery and technology updated.</p> <p>c. MaryLynn: We've done a leaf-on and leaf-off flyover.</p> <p>d. Bob Park: This technology is being used and flyovers are being done across the country.</p> <p>15. Mike Holliday: What is meant by the level of service section. Do you foresee MSD becoming part of the overall maintenance of the system or to what degree would MSD play in the collaboration? The City of Forest Park has our own utility and fee. One concern is how that will be considered or implemented with MSD's fees to make sure we don't overcharge residents.</p> <p>a. MaryLynn – We don't know the answer to that yet. There is a lot more to be explored and discussed to figure this out.</p> <p>b. Karen - This is exactly what we are looking into with this effort. We don't have preconceived notions about where we will end up. We are in the stages of education with this and taking comment from the Task Force and stakeholders.</p> <p>c. MaryLynn: It should also be noted there are limitations on what services MSD can and can't do within the confines of state law.</p> <p>16. Janet Smith: Clarification on Marie's question- MaryLynn talked about flyovers. What technology is used? Are drones used?</p> <p>a. Keith Reading: Drones are typically not used. Aircraft and satellite is mostly used. Typically, a utility that charges based on impervious provides the imagery.</p> <p>17. Marilyn Wall: What is meant by level of service?</p> <p>a. Keith: Level of service means, variously, the types of services, frequency of service, or design standard for service that will be provided to a specific area. Extent of services, on the other hand is the geography of the services provided.</p> <p>18. Jeanne Nightingale: Question about public education and outreach. To incentivize water conservation, it would be good to have an educational program for schools, churches, and businesses to learn about using green technologies that can help retain water during heavy rainwater events, such as installing bioswales, rain gardens, pervious pavement parking lots, rain barrels, rain gardens, etc. on their properties. These measures can build community engagement and awareness of</p>
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	<p>the challenges we face with overburdened sewers and increasing rates. Such an education program could further be encouraged by building in incentives in the rate structure of course.</p> <ul style="list-style-type: none"> a. Keith: Green technologies that you reference are exactly the type of incentives recognized to acknowledge and promote private investment as a factor contemplated by the pathways document for Focus Area #2.
<p>Where do we go next?</p>	<ol style="list-style-type: none"> 1. Due to time, Henrietta provided a closing and directed any additional comments or questions to be provided to her or Karen via email. 2. Content for the next meetings will be based upon discussions today and the types of questions/information stakeholders are most interested in. 3. The Agency Task Force will be reconvening in the coming weeks to review feedback from today and plan for the next stakeholder meeting. 4. A Doodle poll will be circulated for stakeholders to schedule the next meeting, in addition to meeting notes and the presentation slides.