

Stormwater Management Funding:

A Municipal Government Perspective



Testimony before the Pennsylvania Senate

Environmental Resources and Energy Committee

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Background

Stormwater management has become (though not by choice in many municipalities) a critical public utility in an overwhelming portion of Pennsylvania. It is the number one source of complaints from residents, a source of frequent property damage or notable inconvenience to residents and businesses, and one of the most time-consuming challenges confronting our public works staff.

Just as potable water distribution, sanitary sewers, and waste and recycling collection became recognized as crucial services over the last half century, we realize now stormwater management must also be included and required as a local government service. Like the other services, it has become an important health and safety issue and a crucial component in enhancing our quality of life in the Commonwealth.

Also like these other traditional municipal or regional authority services, stormwater management has a cost. Even with optimistic grant funding projections, the MS4 (Municipal Separate Storm Sewer System) requirements and costs for the next five years for affected Blair County communities are substantial. For many decades, municipalities have absorbed the costs associated with stormwater management of all kinds, including the costs connected with correcting the unintended consequences of flooding and runoff due to poor... planning. Some of these difficulties have arisen from mistakes or oversights made long ago. When businesses, farms or houses were much more dispersed, this was much less of an issue,

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but Antis Township (like many other municipalities) is much different in that regard in 2019.

Though we may at times be frustrated by the additional requirements to properly deal with separated stormwater, municipalities have the responsibility to proactively address the issue. Because we don't have to treat it as much as we do sanitary sewage, we have long thought storm sewage treatment was simply about getting the stuff to the nearest creek or river as quickly and cheaply as we could. But there are three points we have often forgotten.

- **Stormwater does not belong in sanitary sewage systems.** This, after all, was the initial impetus behind MS4 efforts. Sewage plants all throughout the Northeastern United States became hydraulically overloaded every time it rained hard, allowing raw sewage into nearby waterways.
- **Stormwater can be polluted with "urban runoff"** from roads, parking lots, building roofs and other impervious surfaces. And it can happen in places that may not seem "urban" at all.
- **The volume of water** that rushes into surface waterways (rather than being absorbed slowly into soil and rock) is the primary reason so much more flooding (both rural and urban) occurs today than we can recall in past decades.

How do we pay for it?

So, it is not unreasonable that the public pay for stormwater management in the same way they pay for sanitary sewage collection and treatment. But this transition to stormwater as a public utility is admittedly a difficult one. We are asking people to pay for something that they didn't realize had a cost.

To make matters worse, the public thinks it should be something that is already included in the services they pay for through their property taxes.

Some have called these costs “unfunded mandates” and a case can be made for that argument. Yet many also recognize that we have an individual and collective responsibility to properly collect and treat this runoff. We might instead view it as a deferred cost, one we postponed because we did not see the urgency of dealing with it in the second half of the 20th century.

We realized long ago that we needed to put a well-constructed roof on our house to make sure we weren't inundated when it rained, but thought the runoff from our property would somehow be magically taken care of. Stormwater management, just like a roof, should be part of what we do in responsible construction and development.

Like those other systems, someone has to pay, not just for the construction, but the planning, oversight and maintenance of the stormwater collection and treatment systems. The Pennsylvania General Assembly recognized this and amended the Second-Class Township Code in July 2016 to allow townships to levy and collect a fee for their stormwater systems. Specifically, the code added Article XXVII and Section 2705 explicitly authorizes and describes fees which may be levied by municipalities. Paying for stormwater management remains a political challenge, however. But this authorization does provide another funding option beyond General Fund expenditures and should prove helpful to municipal governments.

Cooperative Ventures Essential

The statutory authorization to levy fees is only one part of the funding and administrative puzzle. Like sanitary sewage systems; water distribution systems; programs to handle waste, recycling or yard trimmings; or energy distribution infrastructure, it makes sense for this to be coordinated by one entity rather than everyone trying to fend for themselves. Intermunicipal efforts and agencies make sense, then, and for several reasons.

- **Drainage does not pay attention to man-made boundary lines.** For that reason alone, a regional approach makes sense simply because water must be managed by drainage boundaries, rather than municipal ones.
- **It allows for a unified message.** A consistent and coordinated message is both cheaper and more effective.
- **It is administratively efficient.** It allows both larger and smaller municipalities to have qualified and dedicated staff they might be hesitant to hire themselves.
- **It is cost effective.** Each community pays only a share of a consolidated costs based on population, miles of waterways or amount of developed land.

Final Thoughts

Allow me to leave the committee with these final thoughts.

- **The Scope of the Challenge**
 - Stormwater Management is complex, making it a great challenge to all municipalities, but especially to smaller ones that lack expertise and staff resources to deal with it.
 - It seems to have attained the stature of a public utility due to this complexity, its widespread nature, and its regional scope.

- It is a challenge (which has often been underestimated) in many subdivisions and neighborhoods in in many municipalities.
- The issue will become more challenging over time as more development occurs.
- Beyond our own community-based needs and responsibilities, the Federal and State governments are forcing us to address bigger picture MS4 issues, placing us in a difficult spot.
- **The Cost**
 - Managing stormwater is costly to municipalities and to private property owners.
 - MS4 mandates and our financial commitment to address them will likely increase. It is noteworthy that the council of governments (COG) my township belongs to is meeting the bare minimum of MS4 required projects.
 - Our COG has been fortunate to receive grants that cover close to 50% of our recent and current project costs. We believe our projects are bringing us the best return on investment possible, but remain concerned that it will be difficult to continue this as grant funds fade. What will the cost be when we run out of less expensive projects and the grant money decreases?
 - In addition, we have to get a new permit in the year 2023 and that permit is likely to have far more requirements, increasing costs.
 - Our annual township budget is roughly \$1.3 million. Over the next five years, we will need \$500,000 to meet our obligation (or at least \$100,000 per year), a 7.6% increase in annual expenditures. (And that does not include special projects!)
 - It is possible that by 2023 our annual commitment could increase from \$100,000 to \$250,000 or higher depending on our special project needs, grant availability, regulatory change and how other tax-exempt entities will factor into the equation.
 - Particularly given the overall costs of both our MS4 and storm sewer system maintenance, paying for all these obligations remains a very difficult political decision as well. The political pushback to fund both will be significant.

We unquestionably have great challenges before us and we are grateful for the interest of the committee in helping us to address them.

Thank you again for the opportunity to testify to the committee. I'm happy to answer questions, both today or as additional issues come to mind in the future.

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