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September 11, 2019

Senator Gene Yaw, Chair
Pennsylvania State Senate
Environmental Resources & Energy Committee

This correspondence is prepared as written testimony from Hamilton Township, Franklin County, regarding the impact that MS4 regulations are having on our municipality currently and the expected impact over the next four years.

Background

Hamilton Township, Franklin County, is primarily a rural area with scattered residential developments. Having a population of 10,788 per the 2010 Census, and covering approximately 34 square miles of area, our municipality is classified as a Second Class Township.

As a result of having been identified as having Urbanized Areas according to the 2010 Census conducted by the U.S. Census Bureau, the Department of Environmental Protection notified our municipality in August 2015 that we were designated as a small MS4 community. We were subsequently notified that we must apply for NPDES permit coverage by September 16, 2017. We immediately began working with our Engineering firm to develop a Pollution Reduction Plan (PRP) and NPDES Permit Notice of Intent for submission to the Department of Environmental Protection. This was accomplished by the set deadline, and Hamilton Township was issued an MS4 Permit on April 30, 2018.

The urbanized areas within Hamilton Township discharge stormwater to portions of Back Creek, Rocky Spring Branch and Conococheague Creek. These surface waters are tributary to the Chesapeake Bay Watershed. Back Creek and Rocky Spring Branch are both identified as impaired surface waters for siltation, while Unnamed Tributaries to the Conococheague Creek and the Chesapeake Bay are impaired for nutrients (i.e. phosphorus and nitrogen) and siltation. Because these surface waters within our municipality drain to the Chesapeake Bay, we are tasked to develop a Pollutant Reduction Plan (PRP) that will reduce sediment by a minimum of 10%, Total Phosphorus by 5%, and Total Nitrogen by 3% within five years (2023).

Engineering and Implementation Expense

Engineering work required in preparing our Pollution Reduction Plan included mapping, which identified land uses, storm sewershed boundaries, regulated outfalls, and proposed Best Management Practices (BMPs). By the time we received our MS4 Permit, we had expended approximately \$67,000.00 for engineering expense related to the MS4 Program. As part of our PRP, our engineering firm prepared a Planning Level Cost Estimate outlining proposed BMPs to achieve the required reductions in sediment and pollutants by 2023. Not including any legal fees or land acquisition costs, it is estimated that we will expend \$1.1 million for these BMPs. It is our understanding that because the MS4 Program is relatively new and results have not yet been measured, it is only “in theory” that some of these proposed projects will be effective. How can any elected official with even a shred of integrity spend in excess of \$1 million on something that may not be worth the paper it was written on?

Program Administration Expense

Like most small municipalities, the level of expertise necessary to administer the MS4 Program is not found within our current employee base. Outsourcing the administration was found to be more desirable than hiring a staff person for this position. Fortunately, we were able to enter into an Intergovernmental Cooperation Agreement with a neighboring municipality already experienced in enforcement of an MS4 Permit that was first issued in 2004, and a Storm Sewer Utility that began in 2015. We will be reimbursing that municipality for employee time, materials and equipment used in administering our MS4 Permit. Our first Annual Report has recently been completed and submitted to the Department of Environmental Protection. Reimbursement for administration services has totaled \$3,500.00 during our fledgling year. As we begin the second year of our permit period and embark on implementing BMPs, we expect administration expenses to at least double.

Funding the MS4 Program

For the past 19 years, Hamilton Township has successfully operated with four-tenths of a mill real estate tax. Under the Second Class Township Code, real estate taxes may only be increased by five additional mills annually. Hypothetically, if we levied a 5 mill increase, an additional \$447,401.00 would be generated each year. To put that in perspective, the average property owner that currently pays approximately \$12.00 in Township Real Estate Tax would suddenly be burdened with a Township Real Estate Tax bill of approximately \$152.00. Such a preposterous tax increase would adversely affect residents on fixed incomes, perhaps even financially forcing them out of the homes that many of them have lived in most of their adult lives. Even young families with two incomes would be impacted by such an increase. In practicality, imposing a tax to fund the MS4 program is not a fair and equitable method of generating revenue. Tax exempt properties, such as schools and churches, contribute stormwater to the system, but do not contribute to tax revenue funds.

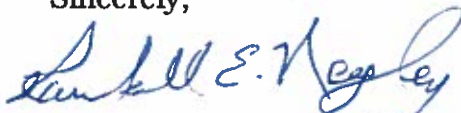
Another way of generating revenue would be to impose a stormwater fee on land owners. There are different methods for setting stormwater fees, such as a tiered fee schedule in which different fee rates apply to different categories of properties, or fees based upon the amount of impervious area on each property. Calculating the impervious surface on every property in our township will be extremely time consuming and labor intensive, as well as costly to accomplish. Much like a tax increase, requiring our residents to pay a stormwater fee, in sufficient amount to fund this program, may prove to be financially detrimental.

The Bottom Line

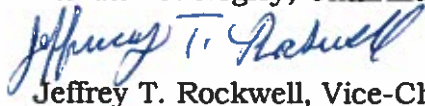
As locally elected officials in Hamilton Township, we certainly care about the environment and preserving our precious natural resources for future generations. More importantly, we care about our local community and our constituents who are our neighbors. Elected Township Supervisors have to interact with those who elected them to office, often on a daily basis, because they serve the community in which they live. In many cases, rural municipalities are home to generations of families. We are proud of our municipality, and we want Hamilton Township to continue to thrive and be a place where people want to live. Unfortunately, if the cost of residing in our township becomes more than people can afford, they will move elsewhere. Declining population will only have a negative financial impact on municipalities that are already struggling financially by the MS4 Program.

We respectfully urge the Pennsylvania State Senate Environmental Resources and Energy Committee to listen intently to the testimony offered by local officials who have been broadsided by yet another unfunded mandate.

Sincerely,



Randall E. Negley, Chairman



Jeffrey T. Rockwell, Vice-Chairman



Richard K. Troup, Supervisor