

Frequently Asked Questions

Stormwater Management Service (SWMS) Charge Non-Residential

1. What is stormwater runoff?

Stormwater runoff is water that flows over our yards, streets, buildings, parking lots, swimming pools and other surfaces when it rains.

2. What are the impacts of stormwater runoff?

Stormwater adversely impacts the *quality* of our surface waters, as it carries with it various pollutants, sediments, and other debris from the surfaces over which it runs off. Stormwater also creates *quantity* problems which results in flooding, stream bank erosion, combined sewer overflows (CSO), basement flooding, and sewer backups.

3. How is stormwater runoff managed?

Stormwater runoff either flows directly into the nearest water bodies such as our local streams, ponds, rivers, and oceans, or is captured and is conveyed through the City's sewer pipes to the City's wastewater treatment facilities. Examples of stormwater management services include maintaining stormwater pipes and inlets, combined sewer pipe rehabilitation to abate flooding conditions, stream restoration, CSO management to reduce combined sewer overflows, and reducing pollution loading to the City's streams and waterways.

4. What activities does my stormwater bill fund?

PWD uses revenue generated from stormwater billing to fund a variety of activities including maintaining the City's system of stormwater pipes and inlets and implementing stormwater management and stream restoration projects to reduce combined sewer overflows and reduce pollution loading to the City's streams and waterways.

5. What constitutes a non-residential property?

For SWMS charge assessment, any real estate which cannot be classified as either Residential or Condominium is deemed a non-residential property. Residential properties are defined as properties with four or fewer dwelling units.

6. What is a Stormwater Management Service (SWMS) charge?

A SWMS charge is assessed to recover the costs the City incurs in providing stormwater management services to create a healthy living environment and to comply with State and Federal regulations. The City's annual stormwater management costs exceed \$100 Million.



7. Is the SWMS charge a "Tax?"

No, the SWMS charge is NOT a tax. The SWMS charge is a utility user fee similar to the water utility charge.

8. What is the basis of my SWMS charge? Is my SWMS charge based on my water consumption?

The SWMS charge is <u>NOT</u> based on your monthly water consumption. The SWMS charge is based on two parameters: the *Gross Area* square footage and *Impervious Area* square footage determined for your property.

9. What is a Gross Area (GA)?

Gross Area refers to all of the property area contained within the legally described boundaries of a property and does not include portions of sidewalk that are in the public Right-of-Way. In other words, GA refers to the total lot size of a property.

10. What is Impervious Area (IA)?

Impervious Area means the total square feet of any plane hard surface area, including buildings, any attached or detached structures, paved or hard-scaped areas, and compacted dirt and gravel that either prevents or restricts the absorption of water into the soil and thereby causes water to runoff the surface.

11. Is the parcel based SWMS charge a new user charge that is assessed to increase utility revenues?

No, the SWMS charge is NOT a new user charge, and it does not increase utility revenues. The City's sewer customers have always paid the SWMS charge as part of their monthly sewer charges. The SWMS charge was previously included in the 'Service Charge' portion of your bill. However, beginning July 1, 2010, the method of SWMS charge assessment is being changed from a meter size based charge to a parcel area based charge. Additionally, the SWMS charge assessment will be presented as a separate line item in your Water / Sewer Bill.

12. Why is PWD changing the method of SWMS charge assessment?

Historically, PWD assessed SWMS charges based on the size of the water meter(s) located in a property. However, such an approach creates inequity as (i) the size of the water meter bears limited relationship to the volume of stormwater runoff from a property; and (ii) properties such as vacant lots or parking lots without any water meter did not contribute to stormwater cost recovery.

The parcel area based charge provides a more equitable mechanism for assessing the SWMS charge, which is based on the square footage of Gross Area and Impervious Area. Properties



with larger lot size and larger impervious areas will generate more stormwater than properties with smaller lot size and smaller impervious areas. Therefore, the parcel area based SWMS charge approach establishes a reasonable relationship between the stormwater burden imposed by a property and the SWMS charge assessed from that property.

13. How is the SWMS charge determined for my property?

The SWMS charge includes two components: a Gross Area charge (GA charge) and an Impervious Area charge (IA charge). The sum of the two charges is your property's SWMS charge. The City has established a stormwater rate schedule with a GA Rate per 500 square feet and an IA Rate per 500 square feet. *Please see Appendix A for additional details with examples on SWMS charge calculations*.

14. How is the Impervious Area determined for my property?

If your property lot size is 5,000 square feet or greater, the impervious area is determined through the use of the City's Geographic Information System (GIS) tool and ortho images of your property. If your property is less than 5,000 square feet and undeveloped, then the impervious area is estimated as 25% of the total area of your property. If your property is less than 5,000 square feet and developed, then the impervious area is estimated as 85% of the total area of your property.

15. Why is PWD rounding up when calculating the units of impervious area and gross area?

As per PWD Regulations, Section 304.3, the GA Factor and IA Factor are determined by dividing the GA and IA of a property by 500, and then rounding up to the next whole unit. *Please see Appendix A for examples on SWMS charge calculations.* Since it is not feasible to estimate impervious area to exact precision using ortho images, the rounding up approach neutralizes any minor measurement variances among parcels.

16. How is the SWMS charge billed for my property?

If your property has water and/or sewer accounts, then the SWMS charge will be assessed as a separate line item in your water/sewer monthly bill. However, if your property does not have a water and/or sewer account, then you will receive a utility bill with just the SWMS charge.

17. How is the SWMS charge assessed if I have multiple water accounts on my property?

The monthly SWMS charge will be first computed for your property. If the computed monthly SWMS charge is less than the Minimum Charge, then a Minimum Charge will be applied to your property. This monthly SWMS charge will then be <u>equally apportioned</u> among all the water accounts that exist on your property. For example, if your property has four water/sewer accounts, then **each** water/sewer account will be assigned 25% of the total monthly SWMS charge.



18. If there are multiple water accounts on my property, can I request a specific apportioning of SWMS charges among the water accounts?

Yes. If you do not want the default approach of equal apportioning of the SWMS charge among the accounts located on your property, you can request a specific distribution of SWMS charge among the accounts by filing FORM A-1 "Revised Charge Allocation" Application. However, the sum of the SWMS charge apportioned to the various accounts within a property should equal the total SWMS charge determined for that property. Please refer to the *SWMS Charge Credits and Adjustment Appeals Manual* for details. The manual is located on the PWD website at www.phila.gov/water/stormwater billing.html.

19. Is there any minimum charge for a non-residential property?

Yes, the minimum charge for a non-residential property equals the monthly residential charge.

20. When does the transition to parcel area based SWMS charge occur?

The SWMS charge will be effective July 1, 2010. However, the transition from meter size based SWMS charge to parcel area based SWMS charge is to occur over four years. The phase-in of the parcel area based charge will occur as follows:

Duration	Meter Size Based SWMS Charge (Old Method)	Parcel Area Based SWMS Charge (New Method)	Total Monthly SWMS Charge
July 1, 2010 through June 30, 2011 (FY 2011)	75%	25%	100%
July 1, 2011 through June 30, 2012 (FY 2012)	50%	50%	100%
July 1, 2012 through June 30, 2013 (FY 2013)	25%	75%	100%
July 1, 2013 through June 30, 2014 (FY 2014)	0%	100%	100%

21. Stormwater from my property drains directly to a stream or river. Will I still be assessed a parcel based charge?

Yes. Maintenance of streams and rivers within the City limits is also the responsibility of PWD. Unmanaged stormwater from impervious surfaces causes stream bank and stream channel erosion and degrades water quality by introducing pollutants into streams. Since the City obtains its drinking water from the Delaware and Schuylkill Rivers, upgrading stormwater systems is a key aspect of protecting the City's drinking water supply. Federal mandates also require PWD to improve stream quality to comply with the Clean Water Act. Addressing these issues requires a large financial investment to fund stream and watershed studies, stream restoration projects, and stormwater management projects. PWD has already implemented a number of these projects and will be accelerating these programs in future years.



22. My property is tax exempt. Do I still have to pay the SWMS charge?

Yes. The SWMS charge is a "User Fee" and not a tax. Therefore, all tax exempt properties that are within the City limits have to pay the SWMS charge.

23. How will the water, sewer, and stormwater charges be accounted if I only pay a portion of my bill and not the entire bill amount?

When you make a payment (whether a partial amount or a full amount), your payment will be posted to the appropriate service in the following order of hierarchy:

- 1. Penalties and Interest (if any)
- 2. SWMS charge
- 3. Sewer charge
- 4. Water charge

24. What is my recourse if I am assessed SWMS charge for a property I do not own?

If you are a <u>tenant</u> who is responsible for water and sewer charges, then you are also responsible for SWMS charges. However, if you are not a tenant, and do not own the property, then you can submit a stormwater appeal using FORM A – "Stormwater Management Service Charge Adjustment Appeal Application" to get the issue resolved. Please refer to the *SWMS Charge Credits and Adjustment Appeals Manual* for details. The manual is located on the PWD website at <u>www.phila.gov/water/stormwater_billing.html.</u>

25. What are the conditions under which I can dispute the SWMS charge?

As per PWD's stormwater billing appeals policies, property owners can submit a stormwater appeal using FORM A – "Stormwater Management Service Charge Adjustment Appeal Application" for any one of the following reasons:

- Incorrect Parcel
- Inaccurate Property Classification
- Inaccurate Impervious Area
- Residential Sideyard
- ♦ Section 19-1601

Please refer to the *SWMS Charge Credits and Adjustment Appeals Manual* for details. The manual is located on the PWD website at www.phila.gov/water/stormwater_billing.html.

26. Is there anything I can do to reduce my stormwater bill?

Yes. PWD has established a stormwater credits program for Non-Residential and Condominium properties. Through the stormwater credits program property owners may be able to reduce their monthly SWMS charge by constructing stormwater management



practices (SMPs) on their properties or by making their properties less impervious (e.g., converting parking lots to meadows, etc.). SMPs include practices such as infiltration basins, green roofs, porous paving, and rain gardens.

Please refer to the *SWMS Charge Credits and Adjustment Appeals Manual* for details on PWD's stormwater credits program. The manual is located on the PWD website at www.phila.gov/water/stormwater_billing.html.

27. I am a residential property owner and I received a bill for my garage lot. Is this a mistake?

This is not a mistake. If your garage is on a separate BRT parcel/property not adjacent to your existing residential dwelling, then you will receive a separate stormwater fee for this parcel. As noted in the recent letter to you, the stormwater fee is a parcel based charge. This means that every parcel in the city will be receiving a stormwater user fee, which will be phased in over the next four years. Because your garage is on a separate deed/tax parcel, it has a stormwater fee attached to the parcel.

PWD has three classes of customers under its stormwater parcel fee -- residential, commercial and condominium customers. Your garage parcel falls under the general "commercial use" category as it is not a residential parcel.

You can find more information about this program (including a Frequently Asked Questions (FAQ) summary) on the URL noted in our letter: http://www.phila.gov/water/Stormwater_why.html

28. The information you have on my parcel is not correct. How can this be fixed?

As we are working with 79,000 non-residential customers/parcels designated as non-residential, we need our customers to fill out an Appeals Form using FORM A – "Adjustment Appeal Application" to let us know how our information about their parcel is inaccurate. This is very easy to do and will only take a few minutes! Follow these steps below:

- 1. Got to PWD's Stormwater website the one noted in our letter http://www.phila.gov/water/stormwater_billing.html
- 2. Click where it says, "Where Can I Find More Information"
- 3. Download FORM A Stormwater Management Service Charge Adjustment Appeals Application
- 4. Fill this form out, attach supporting information as suggested, and mail the form in.
- **5.** PWD will be back in touch to let you know if we need more information and whether or not we were able to make the updates requested.



Background

The Philadelphia Water Department (PWD) is transitioning the monthly Stormwater Management Service (SWMS) charge from a meter size based charge to a parcel area based charge, for all the properties within the City limits. The transition to a parcel area based SWMS charge, which is based on a property's Gross Area (GA) and Impervious Area (IA) square footage, is to begin on July 1, 2010. This paper describes the calculation methodology that can be used for calculating the monthly SWMS charge for the City's residential and non-residential properties.

Rate Structure

For all the *non-residential* properties, the monthly GA charge and IA charge are calculated *individually* for each property. The monthly GA charge and IA charge are calculated by multiplying a non-residential property's estimated GA and IA square footage by the corresponding GA and IA rates.

PWD has established a GA rate and an IA rate per 500 square feet for Fiscal Year (FY) 2011 and FY 2012 through the recently completed Rate Case process. Table 1 presents the GA and IA rates for the period FY 2011 through FY 2014. The GA and IA rates presented for FY 2013 and FY 2014 are subject to change.

Table 1 – GA Rate and IA Rate for FY 2011 to FY 2014

	FY 2 July 1, June 30	2010 –	FY 2 July 1, June 30	2011 –	FY 2 July 1, June 30	2012 –	FY 20 July 1, June 30	2013 –
Description	GA	IA	GA	IA	GA	IA	GA	IA
System Unit Rate (per 500 sf)	\$0.526	\$4.145	\$0.528	\$4.169	\$0.528	\$4.169	\$0.528	\$4.169

Note:

a. The SWMS GA and IA rates defined for FY 2013 and beyond are subject to change. sf = square feet



Monthly SWMS Charge Calculation

This section presents a sample monthly SWMS charge calculation for a non-residential property.

A. Non-Residential Properties

The monthly SWMS charge for a <u>non-residential</u> property is the **sum** of the <u>monthly GA charge</u> and the monthly IA charge.

Note: The following calculations are shown as examples only. A non-residential property's actual monthly GA and monthly IA charge depends on that <u>individual</u> property's GA and IA square footage.

Monthly GA charge: Use the following steps to calculate the non-residential GA charge:

Step 1: Assume the following:

Property's **GA** square footage = 9,480 Square Feet

Monthly GA Rate = \$0.526

Step 2: Compute **GA Units** as follows:

Divide 9,480 Square Feet by 500, and then <u>round up</u> the result to the next whole unit.

GA Units = $9,480 \div 500 = 19.00$

Step 3: Compute **Monthly GA charge** as follows:

Multiply the GA Units (from Step 2) by the GA Rate (Step 1), and then round the result to two decimal places.

Monthly GA charge = $19.00 \times \$0.526 = \9.99

Monthly IA charge: Use the following steps to calculate the non-residential IA charge:

Step 4: Assume the following:

Property's **IA** square footage = 3,480 Square Feet

Monthly IA Rate = \$4.145

Step 5: Compute **IA Units** as follows:

Divide 3,480 Square Feet by 500, and then <u>round up</u> the result to the next whole unit.

IA Units = $3.480 \div 500 = 7.00$



Step 6: Compute **monthly IA charge** as follows:

Multiply the IA Units (from Step 2) by the GA Rate (Step 1), and then round the result to two decimal places.

Monthly IA charge = 7.00 X \$4.145 = \$29.02

Monthly SWMS charge: Use the following steps to calculate the monthly non-residential SWMS Charge:

Step 7: Compute **monthly SWMS charge** as follows:

Add the GA Charge (from Step 3) and the IA Charge (from Step 6).

Monthly SWMS charge = \$9.99 + \$29.02 = \$39.01

PWD is to transition to a parcel area based SWMS charges for <u>non-residential customers</u> over a four year period beginning July 1, 2010 (FY 2011).

During this four year transition period, the monthly SWMS charge is to be computed based on a combination of the old meter based charge and the new parcel area based charge. Table 3 presents the four year phase-in of the parcel area based SWMS charge

Table 3 – Monthly SWMS Charge Phase-In for Non-Residential Customers (Non-Residential Properties Only)

	FY 2011		FY 2012		FY 2013		FY 2014	
Description	Meter Based Charge	Parcel Based Charge	Meter Based Charge	Parcel Based Charge	Meter Based Charge	Parcel Based Charge	Meter Based Charge	Parcel Based Charge
Transition of Charges	75%	25%	50%	50%	25%	75%	0%	100%

Table 4 through Table 7 present a sample of monthly SWMS charge calculation for FY 2011 through FY 2014 respectively, for non-residential parcels. The GA and IA square footage used for the non-residential parcels are <u>assumed values</u>.

Note: The monthly SWMS charge calculations presented in Table 4 through Table 7 exclude the monthly Billing & Collection Charge.



Table 4 – GA/IA Charge Calculation Examples (FY 2011 – July 1, 2010 – June 30, 2011)

(Non-Residential)

					FY 2011
Description	GA	IA	Parcel Based Charge	Meter Based Charge	Total Monthly SWMS Charge
Monthly System Unit Rate	\$0.526	\$4.145			
Unit of Measure (sf)	500	500			
5/8" Meter Size SWMS Charge				\$10.99	
3/4" Meter Size SWMS Charge				\$70.30	
1" Meter Size SWMS Charge				\$117.18	
3" Meter Size SWMS Charge				\$703.02	

(75% Meter Based)

FY 2011 Charge Distribution

(25% Parcel Based)

Sample Non-Residential Monthly SWMS Charge Calculation									
Non-Residential Parcels			(GA + IA)						
Individual Parcel GA & IA (sf)	1,100	935		5/8" Meter					
Individual Monthly SW Charge (\$)	\$1.58	\$8.29	\$10.99 ⁽¹⁾	\$10.99	\$10.99				
Individual Parcel GA & IA (sf)	12,800	9,500		3/4" Meter					
Individual Monthly SW Charge (\$)	\$13.68	\$78.76	\$92.44	\$70.30	\$75.84				
Individual Parcel GA & IA (sf)	2,090	1,777		1" Meter					
Individual Monthly SW Charge (\$)	\$2.63	\$16.58	\$19.21	\$117.18	\$92.69				
Individual Parcel GA & IA (sf)	9,480	3,480		3" Meter					
Individual Monthly SW Charge (\$)	\$9.99	\$29.02	\$39.01	\$703.02	\$537.02				

Note:

⁽¹⁾ A minimum charge equal to the uniform residential monthly SWMS charge is applied since the actual GA + IA charge of \$9.87 is lower than the uniform residential monthly SWMS charge of \$10.99.

Table 5 – GA/IA Charge Calculation Examples (FY 2012 - July 1, 2011 – June 30, 2012) (Non-Residential)

					FY 2012
Description	GA	IA	Parcel Based Charge	Meter Based Charge	Total Monthly SWMS Charge
Monthly System Unit Rate	\$0.528	\$4.169			
Unit of Measure (sf)	500	500			
5/8" Meter Size SWMS Charge				\$11.06	
3/4" Meter Size SWMS Charge				\$72.12	
1" Meter Size SWMS Charge				\$120.20	
3" Meter Size SWMS Charge				\$721.15	
				-	(50% Meter Based)

FY 2012 Charge Distribution

+ (50% Parcel Based)

Sample Non-	Resident	ial Monthl	y SWMS Cha	arge Calculation	<u> </u>
Individual Parcel GA & IA (sf)	1,100	935		5/8" Meter	
Individual Monthly SW Charge (\$)	\$1.58	\$8.34	\$11.06 ⁽¹⁾	\$11.06	\$11.06
Individual Parcel GA & IA (sf)	12,800	9,500		3/4" Meter	
Individual Monthly SW Charge (\$)	\$13.73	\$79.21	\$92.94	\$72.12	\$82.53
Individual Parcel GA & IA (sf)	2,090	1,777		1" Meter	
Individual Monthly SW Charge (\$)	\$2.64	\$16.68	\$19.32	\$120.20	\$69.76
Individual Parcel GA & IA (sf)	9,480	3,480		3" Meter	
Individual Monthly SW Charge (\$)	\$10.03	\$29.18	\$39.21	\$721.15	\$380.19

Note:

 $^{^{(1)}}$ A minimum charge equal to the uniform residential monthly SWMS charge is applied since the actual GA + IA charge of \$9.92 is lower than the uniform residential monthly SWMS charge of \$11.06.



Table 6 – GA/IA Charge Calculation Examples (FY 2013 - July 1, 2012 – June 30, 2013)

(Non-Residential)

					FY 2013 ⁽²⁾
Description	GA	IA	Parcel Based Charge	Meter Based Charge	Total Monthly SWMS Charge
Monthly System Unit Rate	\$0.528	\$4.169			
Unit of Measure (sf)	500	500			
5/8" Meter Size SWMS Charge				\$11.06	
3/4" Meter Size SWMS Charge				\$72.12	
1" Meter Size SWMS Charge				\$120.20	
3" Meter Size SWMS Charge				\$721.15	
					(25% Meter Based)

FY 2013 Charge Distribution

(75% Parcel Based)

Sample Non-	Resident	al Monthly	y SWMS Cha	arge Calculation	
Individual Parcel GA & IA (sf)	1,100	935		5/8" Meter	
Individual Monthly SW Charge (\$)	\$1.58	\$8.34	\$11.06 ⁽¹⁾	\$11.06	\$11.06
Individual Parcel GA & IA (sf)	12,800	9,500		3/4" Meter	
Individual Monthly SW Charge (\$)	\$13.73	\$79.21	\$92.94	\$72.12	\$87.74
Individual Parcel GA & IA (sf)	2,090	1,777		1" Meter	
Individual Monthly SW Charge (\$)	\$2.64	\$16.68	\$19.32	\$120.20	\$44.54
Individual Parcel GA & IA (sf)	9,480	3,480		3" Meter	
Individual Monthly SW Charge (\$)	\$10.03	\$29.18	\$39.21	\$721.15	\$209.70

Note:

⁽¹⁾ A minimum charge equal to the uniform residential monthly SWMS charge is applied since the actual GA + IA charge of \$9.92 is lower than the uniform residential monthly SWMS charge of \$11.06.

 $^{^{(2)}}$ FY 2013 SWMS charge is subject to change.



Table 7 – GA/IA Charge Calculation Examples (FY 2014 - July 1, 2013 – June 30, 2014)

(Non-Residential)

					FY 2014 ⁽²⁾
Description	GA	IA	Parcel Based Charge	Meter Based Charge	Total Monthly SWMS Charge
Monthly System Unit Rate	\$0.528	\$4.169			
Unit of Measure (sf)	500	500			
5/8" Meter Size SWMS Charge				\$11.06	
3/4" Meter Size SWMS Charge				\$72.12	
1" Meter Size SWMS Charge				\$120.20	
3" Meter Size SWMS Charge				\$721.15	
					(0% Meter Based)

FY 2014 Charge Distribution

(100% Parcel Based)

Sample Non-Residential Monthly SWMS Charge Calculation									
Individual Parcel GA & IA (sf)	1.100	935		5/8" Meter					
Individual Monthly SW Charge (\$)	\$1.58	\$8.34	\$11.06 ⁽¹⁾	\$11.06	\$11.06				
Individual Parcel GA & IA (sf)	12,800	9,500		3/4" Meter					
Individual Monthly SW Charge (\$)	\$13.73	\$79.21	\$92.94	\$72.12	\$92.94				
Individual Parcel GA & IA (sf)	2,090	1,777		1" Meter					
Individual Monthly SW Charge (\$)	\$2.64	\$16.68	\$19.32	\$120.20	\$19.32				
Individual Parcel GA & IA (sf)	9,480	3,480		3" Meter					
Individual Monthly SW Charge (\$)	\$10.03	\$29.18	\$39.21	\$721.15	\$39.21				

Note

⁽¹⁾ A minimum charge equal to the uniform residential monthly SWMS charge is applied since the actual GA + IA charge of \$9.92 is lower than the uniform residential monthly SWMS charge of \$11.06.

⁽²⁾ FY 2014 SWMS charge is subject to change.