



Draft Position Paper for Sierra Club Miami Group: MSD Impervious Surface Fee

The Sierra Club Miami Group (SCMG) supports the adoption of an Impervious Surface Fee for the Metropolitan Sewer District (MSD). MSD currently calculates sewer bills based on how much potable water a customer uses. For most buildings, this is a reasonable estimate of how much water goes down the drain. It does not, however, account for storm water, and it's estimated that half of MSD's infrastructure costs are driven by storm water. An impervious surface fee is designed to charge land owners for the total amount of water that leaves their property during a storm, driven to a great extent by large roofs and paved parking lots. These fees would help cover the costs of addressing existing sewage overflow problems, encourage greenspace development and improved storm water management, plus be more equitable by significantly reducing the sewer bills of most residential customers.

I. The Sierra Club Miami Group (SCMG) supports the adoption and implementation of an Impervious Surface Fee for the Metropolitan Sewer District (MSD).

Justification: 1) An Impervious Surface Fee will provide financial motivation for land owners to adopt stormwater best management practices. In some cases, infiltrating or holding stormwater where it falls is the most efficient way to deal with stormwater problems, reducing the need for a lot of expensive infrastructure downstream. 2) An Impervious Surface Fee would, in general, reduce sewer bills for residents, including low-income residents, who are currently being forced to "subsidize" the owners of property with large roofs and large parking lots.

Discussion: MSD's wastewater collection and treatment system receives flow from two main sources: wastewater and stormwater. During dry weather, almost all of the flow comes from buildings – residential, commercial, and industrial. Wastewater treatment plants are designed to handle this type of waste, and to return these wastewaters to our rivers and streams clean enough to meet legal requirements. On a rainy day, MSD receives many times more flow in their system than they receive on a dry day. This means that all their pipes, pumps, and treatment plants need to be larger to accommodate the wet weather flow. During wet weather events, untreated sewage overflows directly into rivers, streams and basements at multiple locations in the MSD system. MSD has been working under a federal consent decree for many years to reduce these overflows, and the work will continue for many more years. The job is massive, and very, very expensive. The job is even harder because climate driven changes are increasing the frequency and intensity of extreme storms in our area, increasing the amount of water that MSD's system must accommodate.

MSD has calculated that approximately half of their annual budget is spent collecting and treating the flow that comes into their system on a dry day. The other half of their budget is spent addressing wet weather flows. However, 100% of MSD's revenue is based on dry weather flows, and 0% is based on wet weather. This means that those who generate dry weather flow are subsidizing those who generate wet weather flow. Currently, in general, MSD calculates their sewer bills based on how much potable water a customer uses. For most buildings, this is a reasonable estimate of how much water goes down the drain, but it doesn't account for stormwater at all.

An impervious surface fee is designed to charge land owners for the amount of water that leaves their property during a storm. When rain falls on an impervious surface, such as a roof or a parking lot, almost 100% of that water leaves the property very quickly (unless retained by a retention basin, bioswale, or other stormwater control). Rain that falls on pervious surfaces, such as vegetated areas, can soak in or run off more slowly, reducing storm flows and reducing the peak flows. An impervious surface fee measures the amount of impervious surface that each parcel of land contains, and assesses a fee based on that area (minus an adjustment for stormwater controls on the property). A proposal currently being considered by MSD and Hamilton County would use an ISF to generate the revenue needed for MSD's wet weather activities and would reduce the charges based on potable water use to the amount needed to fund dry weather activities. MSD has calculated the impact of this change on different classes of customers. It would significantly reduce the sewer bills paid by most residential customers.

II. At this time, the SCMG opposes the inclusion in the Impervious Surface Fee of a provision assessing a Pervious Surface Fee on large parcels of land that contain no impervious areas.

Justification: 1) While the Impervious Surface Fee has been studied and discussed for several years, the Pervious Surface Fee was just proposed in a recent meeting and has not received sufficient consideration to be included at this time. 2) The proposal offered by MSD suggested that pervious surfaces be assessed at 10% of the rate used for impervious surfaces. There is no data supporting the selection of 10% as the appropriate rate. 3) Many large undeveloped parcels are being held by public and semi-public entities for the public good. These include stream buffers, nature preserves, and parks. There has been no evaluation of the effect that a Pervious Surface Fee would have on these lands, or the entities that hold them.

Discussion: The literature suggests that some undeveloped land generates almost no runoff (woodlands, land with deep-rooting prairie plants, land with sandy soils) while other undeveloped land generates a great deal of runoff (turf grass, bare ground, packed and clayey soils). Some undeveloped land serves the public interest (parks, stream buffers, flood plain) and some does not (abandoned industrial sites, large lawns). A proposal that imposes a 10% fee on all undeveloped properties is probably overcharging some and undercharging others. If a pervious surface charge is to be considered, there should be an appropriate level of research and discussion to craft a fee structure that serves the public interest.

III. The SCMG supports the inclusion of appropriate credits or exemptions in the Impervious Surface Fee Structure so that properties which control runoff are only charged for the water that actually contributes to the wet weather flow.

Justification: Many landowners have invested in stormwater best management practices, and many more would make such investments if there was a financial incentive to do so. An appropriately structured system of credits or exemptions would reward property owners for these past investments, and motivate additional investments in stormwater controls.

Discussion: MSD has developed a detailed plan for how the impervious surface for each parcel will be measured, and how the ISF will be calculated based on those measurements. They have described a general intention to adjust the impervious surface fee of parcels that successfully manage their own stormwater, but they have also indicated an intention to leave the details of those adjustments to a subsequent phase of the project. The adjustment process is an essential element of the program that will require significant discussion and public input. The time for that discussion and input is now.

IV. The SCMG supports the creation of a timeline with enforceable milestones for implementation of an Impervious Surface Fee.

Justification: While MSD and Hamilton County are working on development of an Impervious Surface Fee, the progress has been unacceptably slow. The Impervious Surface Fee was recommended by the Rate Affordability Task Force in 2016. After 8 years of “progress”, the Fee is still years away, perhaps decades away. An enforceable timeline is an appropriate way to bring the process to a timely conclusion.

Discussion: In 2019, the County created the Impervious Surface Fee Advisory Group with a charge “to provide input and guidance from a diverse range of sources that will result in a recommended plan” for implementation of an Impervious Surface Fee. While some valuable work has been completed since then, 5 years have gone by, and MSD is just now proposing to get started on the requested Implementation Plan. There is important work that needs to happen to implement an impervious surface fee and do it well. That work will take time. The timeline should not be allowed to drag on longer than necessary. MSD should be tasked with completing the remaining studies and drafting the implementation plan within 6 months. They should gather and incorporate stakeholder input within an additional 6 months. The 2026 MSD budget, adopted in late 2025, should derive an appropriate percentage of MSD’s revenue from the Impervious Surface Fee. MSD is likely to object that such a timeline does not give them enough time. The timeline should be driven by the adage that justice delayed is justice denied. If disadvantaged Cincinnatians are to continue subsidizing large land owners, the burden should be on MSD to show that every day is necessary.

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