7. CREDITS

Credits for qualifying stormwater Best Management Practices (BMPs) are a vital component of every stormwater fee structure. Granting credits for the installation and maintenance of BMPs gives all property owners the incentive to install such BMPs on their own or permit the Authority to install BMPs on the property. These BMPs reduce pollutants and improve the health of local waterways. The construction of many new privately-owned BMPs will be necessary in order to meet the stringent requirements for Pollutant Reduction Plans. Therefore, it is in the Authority's best interest to incentivize the construction of privately-owned BMPs by granting credits on the Stormwater Management Fee.

Programs for crediting stormwater BMPs in fee structures range in complexity. Often, the simpler fee structures are the ones that entice the most public participation, so efforts were made to keep the proposed credit program as simple as possible while still providing a scientifically valid background for the credits. The full credit program is described in the Credit Manual presented in Appendix D.

Because credits reduce the overall number of paying Stormwater Management Fee ERUs and because the Cleona Borough Authority has the financial burden to collect sufficient revenues to meet its expenses, it's recommended that a cap be placed on the number of credits issued each year. For purposes of this study, a maximum credit equal to 20% of total system ERUs is recommended or 360 ERUs (1802 total ERUs x 0.20). Credits will be distributed on a first-come, first-served basis until the credit cap is reached. The Authority may consider expanding the credit cap in future years if the demand for credits warrants an expansion and if financially feasible.

In addition, delinquent payers and reductions resulting from anticipated ERU appeals need to be taken into account. For purposes of this study, the projected number of paying ERUs after adjusting for Credits, property appeals, and delinquent payers was reduced to 1400 ERUs.