

AGENDA
Sustainable Storm Water Funding Task Force
March 20, 2012
City Hall, Room 209, 12:00 PM – 1:30 PM

1. Introductions of Task Force members and meeting attendees.
2. Review and approval of the SSWFTF minutes from December 13, 2011.
3. Report and discussion of Task Force public outreach.
4. Review draft Task Force recommendations.
5. Recommendations of the Task Force to the City Council.
6. Adjourn.

MINUTES
Sustainable Storm Water Funding Task Force
December 13, 2011
City Hall, Room 209, 12:00 PM – 1:30 PM

1. Introductions of Task Force members and meeting attendees.

All members were in attendance except for David E. Robinson, John Cannell, and Michele Brooks. Cathy Ramsdell came in place of Task Force member Joe Payne. Also in attendance was Jami Fitch, Ralph Carmona, Conrad Welzel, Zach Henderson, and Andy Reese. Staff in attendance included Danielle West-Chuhta, Doug Roncarati, Mike Bobinsky, Katherine Early, and Ian Houseal.

2. Review and approval of the SSWFTF minutes from November 15, 2011.

Martin motion, Veroneau seconded the motion. Approved by all in attendance.

3. Continued discussion of allocating combined sewer costs to the stormwater use charge versus the sewer use charge (20% - 50%).

Task Force members continued the discussion on how much of the combined sewer costs to allocate to the stormwater use charge. Houseal presented a number of figures showing the impact of the fees on property classifications.

Bennet made the point that if 25% of the combined sewer cost is allocated to the stormwater use charge then 75% of the costs remain with the sewer charge.

Connolly stated that 50% or more of the problem (cost) was caused by stormwater.

Ramsdell stated that 50% should be the minimum.

Reese stated that some of the reasons for keeping the costs with the sewer use charge are headroom. What Portland is doing is cutting edge. Reese stated that the City might want to consider one bill with four items on the bill: water charge, sewer charge, runoff charge, and combined sewer charge.

Veroneau stated that the information shows that residential property is minimally impacted, but the question is which commercial industry would be impacted to what degree.

Suslovic asked the Task Force to take a straw poll of where they stood on a spectrum of allocating combined sewer to stormwater. Veroneau and Dominski felt that the allocation should be between 25% and 37.5%. Gellerson felt that the allocation should be between 37.5% and 50%. All other members present felt that the allocation should be greater than that amount. Suslovic asked if there was a

limitation on the shift between the two fees, graduating increases over time, could the Task Force stand behind 50%?

Miller stated that the revenue would have to be absorbed on the other side of the equation; the sewer fee and stormwater fee would have to make up the difference if there was a limit in the rise of the fee per year.

Suslovic stated that he wanted the cap to be phased on over time.

There was a general consensus with allocating 50% of the combined sewer costs to the stormwater use charge if there was an annual increase cap with a reasonable ramp-up period.

4. Presentation of draft Public Outreach Plan.

Henderson presented the draft Public Outreach Plan to the Task Force.

5. Review draft Task Force Report.

This item was not reviewed.

6. Confirm date for next meeting: The next meeting is scheduled for March 20, 2012.

7. Adjourn



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DRAFT RECOMMENDATIONS

To: Mayor and City Council

From: Sustainable Stormwater Funding Task Force

Date: March 20, 2012

Draft Recommendations of the Sustainable Stormwater Funding Task Force to the City Council on Funding the City's Wastewater Program Obligations

The Task Force understands that:

1. Portland's wastewater assets maintained by the City including the separated sewer system (62 miles of line), combined sewer system (133 miles of line), and storm drain system (133 miles of line) comprised of the sewer or storm drain lines themselves, catch basins, manholes, detention ponds, underground waste water storage facilities, and sewer pump stations.
2. The City is responsible for maintaining the stormwater and combined sewer system.
3. The City maintains the stormwater system to convey stormwater runoff away from private property and public right-of-ways to prevent flooding and control erosion.
4. The City maintains the combined sewer system and the sewer system convey sewerage to the waste water treatment facility.
5. The City's stormwater conveyance system may also include any roads with drainage systems, municipal streets, catch basins, curbs, gutters, ditches, human-made channels or storm drains owned or operated by the City of Portland.
6. The City is legally obligated to eliminate combined sewer overflows and administer a storm water program aimed at preventing polluted stormwater runoff from entering streams, rivers, wetlands, and coastal waters and restoring water quality in urban impaired streams located in Portland.
7. Sewer use charges are currently used to defray the current expenses of operating and maintaining the wastewater system, including any assessment made by the Portland Water District; to pay the interest and repay the principal on any outstanding or future indebtedness of the city for construction of sewers heretofore or hereafter constructed within the city; and to reimburse the city for the cost of computation, billing and enforcement of such charges.

8. Sewer use charge rates are increasing and will continue to increase as a result of decreasing sewer use volumes caused by water conservation activities by rate payers and increasing costs related to maintaining the wastewater systems and meeting the City's legal obligations.
9. Funding Portland's wastewater assets require an ongoing flow of funds raised either through taxes or service charges.
10. Portland's current wastewater costs are related to the operation, capital renewal and reinvestment, and construction of the Combine Sewer Overflow Abatement Plan.
11. Portland's future stormwater conveyance capital and program cost requirements for meeting undetermined State or Federal regulations is unknown.

The Task Force recommends:

12. Continuing to fund Portland's wastewater assets through service charges as opposed to taxes.
13. Continuing to fund Portland sewer costs through the current sewer use charge which is by-nature derived from water usage billed to rate payers.
14. Funding Portland's stormwater costs through a stormwater use charge based impervious area (i.e. an area of a property comprised of rooftops, driveways, and parking lots.) of a property which is a surrogate for stormwater runoff.
15. Funding 50% of Portland's combined sewer costs through a stormwater use charge and 50% of Portland's combined sewer costs through the sewer use charge.

The Task Force's believes that a stormwater use charge:

16. Will contribute to Portland's regional and national competitive advantage because it will lower Portland's sewer rate as compared to other municipalities in the country.
17. Will diversify the funding streams available to meet the City's wastewater costs, reducing the total cost burden to most sewer rate payers.
18. Will reduce the relative cost burden to Portland industry, specifically industries located in Portland that are high water users and other entities that are relative high water users compared to properties that have extensive parking lot area.
19. Will be a more fair method of disturbing cost with respect to the impact urban runoff has on the drainage system of the City.
20. Will offer opportunities to rate payers to reduce the overall impact to the system by making site improvements that reduce site runoff and improve the water quality of stormwater runoff.

The Task Force recommends developing a stormwater use charge according to the following criteria:

21. The Task Force examined multiple rate methodologies including a flat rate for all properties, a rate based on impervious area only, a rate based on impervious area and gross area, and a rate based on intensity of development. The Task Force believes that Portland should charge on the basis of impervious area only because impervious only rate is most directly related to stormwater impact on the system.
22. The Task Force examined multiple rate structures for single family residential properties including a single tier, two tiers, multiple tiers, and a fully variable rate. The Task Force believes that Portland should use a simplified rate for residential properties consisting of two to three tiers. The tiers for commercial properties should approximate increments comparable to the residential tiers.
23. The Task Force considered whether roads should be exempt since roads are part of the conveyance system. The Task Force believes that Portland should exempt roads (i.e. public, private, and the airport runway) and should allocate wastewater costs on the grounds that the funding pool would shift from rate payers to property tax payers if not the case. Furthermore, the airport runway should be exempt on the grounds that it is a road.
24. The Task Force considered whether City property should be exempt and determined that City property should not be exempt on the grounds that if City property was exempt then other public property in the city might be arguable exempt as well and public property has an impact on the system.
25. The Task Force considered a credit system for properties to reduce their total stormwater use charge in addition to properties being able to reduce their charge by reducing their impervious area. The Task Force believes that credits should be tied to existing City development standards. Credits should be capped at 50% on the grounds that the majority of stormwater costs are unavoidable and due to maintenance and individual properties private action would not reduce the impact on the system above that level.
26. The Task Force briefly considered incentives and believes that offering one-time incentives to residential and commercial property is a valuable activity to support the City's stormwater program objectives.
27. The Task force believes that credits should be offered for education if it makes sense from the perspective of the current stormwater education program.
28. The Task force believes that to reduce the impact on those rate payers that are most impacted by the stormwater use charge, the annual rate change should be limited.