MINUTES
Sustainable Storm Water Funding Task Force
August 16, 2011
City Hall, Room 209, 12:00 PM – 1:30 PM

1. Introductions of Task Force members and meeting attendees.

All members were present except for Todd Dominski, David E. Robinson, Dennis Martin, Curtis Bohlen, and John Cannell. Also in attendance was Randy Talbot, Matt Arco, Katherine Early, Doug Roncarati, Zach Henderson, Sadie Lloyd, and Dan Bisson.

2. Review and approval of the SSWFTF minutes from July 19, 2011.

Veroneau said that he was not at the last meeting and the minutes should reflect that. Gellerson made a motion to accept the minutes with the amendment that Veroneau was not in attendance. Brooks seconded that motion. The minutes were unanimously accepted.

3. Presentation on roadmap, rate structure, and exemptions.

After review of the last meeting outcomes, the Task Force reviewed the "Roadmap." Andy Reese stated that this roadmap was structured to enable the group to get to the finish line: being able to recommend a coherent and fairly complete framework to City Council by December. With such a framework the Council can, if they wish, authorize the City to begin the process of establishing a stormwater user fee.

Reese then reminded the Task Force of the general rate levels for both the sewer rate and the stormwater rate, and that it was a "zero sum game" in that if one rate decreased the other would go up. He mentioned that near the end of the process the potential allocation of CSO costs to a stormwater fee would be revisited.

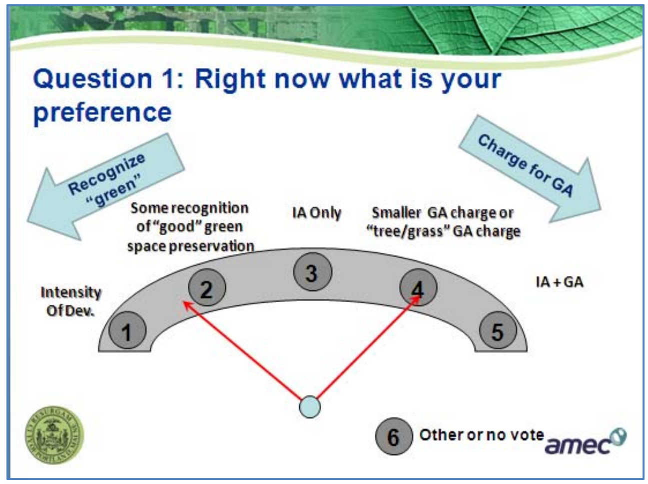
4. Discussion of storm water rate structure and discussion of exemptions.

The three components of a rate structure were reviewed and a standard set of evaluation criteria noted. Reese also explained the difference between using an overall rate methodology (sort of a shotgun approach) for the rate structure versus using credits as sort of a rifle shot approach. You use the basic rate methodology to get things about right and then credits and exemptions to adjust from there for those who may outliers to the basic rate methodology.

The concept of a basic rate methodology was discussed and the differences between impervious area (IA) and the use of gross area (GA) discussed. Three basic rate methods were outlined and then variations on those suggested: IA only, GA+IA, and GA times an intensity factor. Pros and cons were discussed. It was explained that gross area approaches may better reflect the total runoff from a property while IA approaches reflected best the changes a property owner has done and benefits from.

The potential impact of the various methodology decisions on the “Dow Jones” properties was illustrated and reference was made to the table in the handout. The basic difference is how GA is handled – whether it is seen as a benefit or a liability in the basic rate methodology.

Significant discussion was had about the various options and each member was given a chance to express their concerns and preferences and what Portland was trying to encourage in terms of development.



Members were given a chance to vote along a continuum of choices from GA being seen as good to GA being penalized. There was a feeling that Portland was generally a fairly densely developed city and that recognition of open space in the rate methodology was not warranted. The weight of the voting centered on the use of a simple IA approach to the rate methodology but with there being an ability to recognize, probably through crediting, green space that had superior rainfall infiltration or treatment capabilities. This might include: urban forests versus simple turf cover, and the use disconnection of impervious areas versus directly connected impervious areas.

The above figure was used to tally votes and to frame the discussion. The following voting was tallied:

Option 1 – 0 votes	Option 4 – 2 votes
Option 2 – 4 votes	Option 5 – 0 votes
Option 3 – 5 votes	Option 6 – 0 votes

Preliminary Policy Recommendation #1: Portland should use an impervious area rate methodology as the basis for its charge.

Preliminary Policy Recommendation #2: Private efforts and investments to reduce the impacts of development on parcels such as the planned and engineered use of tree cover or disconnection of impervious area should be recognized and rewarded.

Single family residential (SFR) charges were discussed and various options commonly used elsewhere were detailed. The key options discussed began with a simple flat rate for all SFRs on one end of the continuum to individually measured SFRs on the other.

- Flat Rate – simple, low cost, few errors
- Two Tiers – more equity, slightly more cost, few errors
- Multiple tiers – more equity, smaller jump to next tier, more costly, more errors
- Multiple tiers + treat very large as commercial
- Individual measurements – most equitable, most costly, depending on unit size may be many errors

The median housing IA (rounded) is often used as the unit of measure for billing purposes (the Equivalent Residential Unit or ERU) and that number in Portland is about 2500 square feet. Such an approach is common and helps residents understand their property when compared to the "norm". The group felt that such an approach was fine though it was discussed the billing "per 500 square feet" or any other unit was appropriate. The smaller the billing unit the more chances your estimate for a given property will be incorrect. The smaller the number of tiers the greater is the jump to the next tier – this is more important as the fee grows in size.

After thorough discussion the group agreed that the use of at least 2 tiers (six votes) was warranted and would support three tiers (or more) (five votes) if the housing stock or other good reason warranted its use.

Preliminary Policy Recommendation #3: Portland should use a simplified charge for single family residential charges consisting of two or three tiers of charges if the housing stock analysis warrants more than two tiers.

The group discussed how public roads would be treated. Reese presented detailed information on the rate implications of billing for roads, impacts on state and federal roads, the sources of funds to pay for roads (general fund), current funding sources (sewer fund), and how others have done it.

Most stormwater user fee programs do not charge for roads, for a variety of reasons. However, it is legal and can be done. Roads are a shared significant part of the total impervious area of the city (33%) and the impacts of roads could logically be allocated across the rate base on the basis of impervious area if the decision is made not to charge for roads explicitly.

One argument made was that, if charges for roads were levied (and paid through the general fund) that tax exempt properties would then not participate in those charges forcing that 33% of the fee onto property taxpayers. This was seen as inequitable by most. In addition in Maine there is no ability to levy sales or other taxes so the thought was to conserve taxes and not spend them on stormwater where another funding source was available.

The ability to charge for roads but at a reduced rate was mentioned and had some interest. In the end the group felt that either no charge for roads (5 votes) or a greatly reduced charge (4 votes) was warranted.

Preliminary Policy Recommendation #4: Portland should not charge itself for its roads or, if further study warrants it, charge a greatly reduced fee for roadway surfaces.

The group ran out of time and deferred the discussion of exempting public buildings until the next meeting.

5. Discussion of public outreach plan.

The group ran out of time and deferred this discussion until the next meeting.

6. Confirm Date for Next Meeting: The next meeting is currently scheduled for September 20, 2011

7. Adjourn