MINUTES
Sustainable Storm Water Funding Task Force
November 15, 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 David E. Robinson, Curtis Bohlen, and John Cannell. Staff present included: Doug Roncarati, Katherine Earley. Also in attendance were Conrad Welzel, Rich Niles, and Andy Reese.

2. Review and approval of the SSWFTF minutes from October 18, 2011.

Gellerson motion, Brooks seconded, all in favor for accepting minutes.

3. Continued discussion of allocating combined sewer costs to the stormwater use charge and sewer use charge.

Reese presented updated cost information for the allocation of combined sewer costs to stormwater and illustrated the impacts to residential rate payers and other property types. Impacts to sewer and stormwater fees were presented based on % CSO allocations of 0%, 25%, 50%, 75% and 100%.

The Task Force was asked to think about the allocation of CSO costs based on the numbers presented, as well as their subjective "gut" reaction when they think about what is reasonable and fair. Reese reminded the group that the allocation of CSO costs to a stormwater fee is not always an exact science and arguments can be made either way. The following comments and key points were discussed:

- Those most financially affected should receive some kind of rate relief. Capping the rate increase is one method.
- The analysis of impacted properties does not include all properties; only those with a water bill. Therefore, all of the greatest impacted properties may not be captured. Ian Houseal noted that the analysis was for approximately 15,000 parcels that matched water billing addresses to parcel data. Therefore, the analysis does not include properties that do not receive a water bill or those addresses that didn't match between the two databases. For example, parcels may have multiple billing addresses for water billing purposes and may have different nomenclature for addresses.
- Reese noted that approximately 1/3 of the total impervious area was accounted for in the analysis used to develop the analysis of properties. Members questioned whether the analysis was representative of the total properties and whether additional data work should be performed to capture all impacted properties.
- Properties in the Long Creek watershed were used by Veroneau as a sample impact to the business community. Although comparing this program to the City's is like comparing "apples to oranges," it is helpful to consider the financial impact to commercial properties. Properties in the Long Creek watershed are charged \$3,000/IA/year, which is roughly equivalent to \$14.25/2500 SF IA/month. This seemed to be manageable for most properties in the Long Creek

watershed. Based on a CSO allocation of 50% or greater, many properties will have an annual bill greater than $7,300, which is almost $35/2500 SF IA/month. This cost is not sustainable for most businesses and the CSO allocation should be closer to 25%.

- Suslovic noted that some part of the CSO cost is stormwater; therefore, some part of the program should be billed as stormwater.
- Brooks noted that the residential sewer bill does not change significantly under the 0-25% CSO cost allocation scenario and this may be appealing to residents. Reese noted that under a 0-25% scenario, sewer bills for most rate payers go up only slightly and the residential stormwater fee is about $8-9 per month. From a psychological standpoint, the residential monthly cost is still in the single digits and may seem "ok" to most people who are already used to slight increases in utility fees.

A straw poll was taken to gauge what people were thinking for % CSO allocation. The question was asked "How many people think the CSO allocation should be greater than 35%?" 3 members responded in support and the following key points were made by various members:

- From the perspective of residents, you could argue for an allocation of 40-50% since the cost goes down for residential properties as % allocation increases.
- 50% of the rate payers have carried most of the current share of CSO costs, so the CSO allocation should stay closer to 50%. This seems more equitable.
- One resident commented that the CSO allocation should be less than 25% to help businesses. In the end, the impact to businesses is felt by residents since it increases the costs of local goods and services.
- It is difficult to isolate the cost allocations since you can provide the rationale for various allocations. The Task Force seems to feel that the CSO cost allocation to stormwater is somewhere between 20% and 50%.
- Several members felt that more detailed analysis was needed for individual property impacts to better determine the most appropriate CSO allocation. Members requested a revised "Dow Jones" analysis using real properties and fewer numbers/types to focus on the most impacted properties.

Preliminary Policy Recommendation #10: Portland should allocate somewhere between 20% and 50% of the combined sewer overflow costs to the stormwater fee.

4. Continued discussion of capping credits

This item was tabled until the next meeting.

5. Review draft Task Force Recommendations

The Task Force reviewed the draft recommendations memo (dated 11/15/2011) during the meeting to solicit comments and discuss any recommendations that required further review and consideration. In general, the members of the Task Force agreed with the understanding and background information provided in the memo. Additionally, the majority of the recommendations appeared to be consistent with the information and recommendations discussed at previous meetings. However, the following items were identified as requiring further review:

Item 14. 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.

- Based on the results of the discussion for the allocation of combined sewer costs to a stormwater fee, it appears that further review of the recommended allocation is needed and it is in the range of 20% to 50%.
- The group wants to review example properties and their impacts under various allocation scenarios to consider the most appropriate and fair allocation of costs.

Item 21. The Task Force examined multiple rate structures for single family residential properties including a single tier for residential properties, two tiers, multiple tiers and a fully variable rate. The Task Force believes that Portland should use a simplified charge for single family residential properties consisting of two to three tiers. Commercial properties should be roughly approximate to the residential tiers set at 2500 square feet of impervious area.

- Up to 4 units should be considered a residential property and residential properties that have greater than 10,000 square feet of impervious area should be treated (billed) as commercial properties.
- This recommendation should be revised to: "Portland should use 2-3 tiers for residential properties".

Item 24. 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.

- The cap of credits at 50% requires further review based on the information discussed previously. Some suggested that the cap be revisited during the next meeting based on the results of individual property impacts from the pending CSO cost allocation scenarios and the ability of affected property owners to seek a credit.

Item 27. The Task Force believes that to reduce the impact on those properties that are most impacted, the total rate increase should be limited to some amount per year.

- The limit on the amount of the rate increase should be more clearly defined based on the pending CSO cost allocation scenarios and the most impacted properties.

6. Confirm date for next meeting: The next meeting is scheduled for December 13, 2011.

7. Adjourn