AGENDA
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.

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

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

4. Presentation of draft Public Outreach Plan.

5. Review draft Task Force Report.

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

7. Adjourn

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 Wensel, 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

PORTLAND MAINE

Strengthening a Remarkable City, Building a Community for Life • www.portlandmaine.gov

MEMORANDUM

To: Sustainable Storm Water Funding Task Force

From: Ian Houseal, Sustainability Coordinator

Date: December 13, 2011

Combined Sewer Allocation Impact Analysis

The following memorandum is provided to the Sustainable Storm Water Funding Task Force to aid the Task Force in determining their recommendation for allocation of combined sewer costs.

Data Summary

The following analysis was created using annual sewer use data by address provided by the Portland Water District (PWD) matched to impervious area by parcel provided by the City of Portland. Approximately 2,000,000 Hundred Cubic Feet (HCF) of sewer usage was matched to approximately 21,000 parcels representing all the parcels in the City of Portland. Of total sewer usage approximately 13% of total sewer usage did not match to a parcel record due to differences in naming conventions between the City of Portland and the Portland Water District.

Assumptions

- Figure 1: projected wastewater expenses from Fiscal Year (FY) 2013 to FY 2040.
- Table 1: projected five year average for FY 2013 – FY 2017.
- Table 2: assume sewer use charge rate and the stormwater use charge rates per year.

Impact of Allocating Combine Sewer Costs

Of the approximate 21,000 total parcels, approximately 14,000 parcels have sewer usage and approximately 18,000 parcels have impervious area. Approximately 3,500 parcels have impervious area, but no sewer usage represents approximately 15,565 equivalent residential units (ERUs) and therefore $2,800,000 under the 25% CSO allocation scenario or $4,300,000 under the 50% CSO allocation scenario according to the assumptions outlined above.

- Figure 2: relative cost burden by property classification under a sewer fee only scenario.
- Figure 3: percent change in relative cost burden based for the 25% and 50% CSO allocation scenarios by property classification.
- Figure 4: relative impervious area by property classification.

- Figure 5: Distribution of total cost increase or decrease for all properties resulting from allocating combined sewer costs under 25% and 50% scenarios.
- Figure 6: Distribution of total cost increase or decrease for all properties that have sewer usage resulting from allocating combined sewer costs under 25% and 50% scenarios.
- Figure 7: Average cost increase or decrease for by property classification resulting from allocating combined sewer costs under 25% and 50% scenarios.

Figure 1: Projected Wastewater Costs

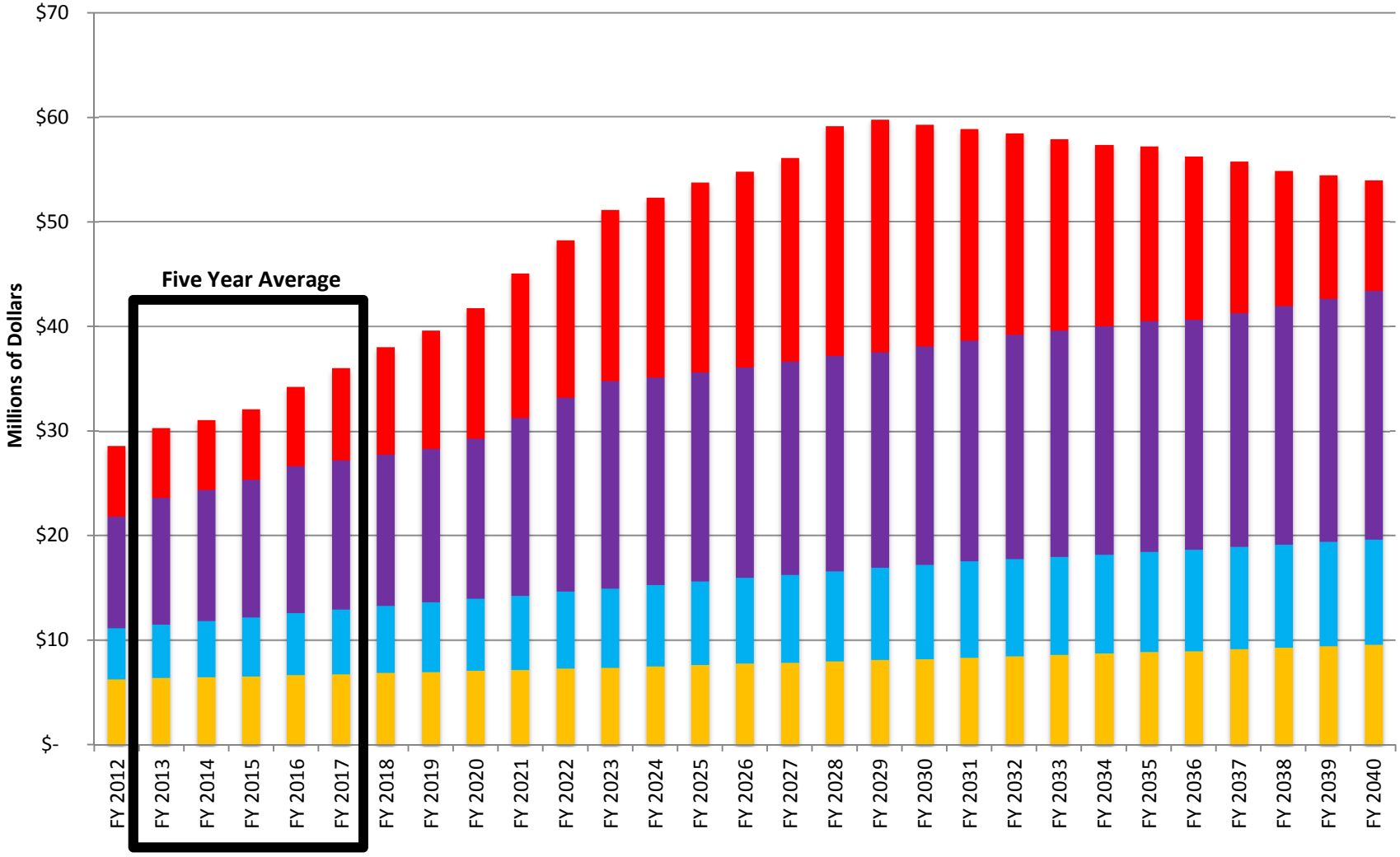


Table 1: Five Year Average Annualized Costs (FY 2013 - FY2017)

	Operations	Capital Renewal	Backlog	PWD Assessment	Construction Debt		Total
Combined Sewer	$ 3,212,855	$ 1,568,865	$ 395,200	$ 8,910,398	$ 5,625,240	CSO	$ 19,712,559
Sewer	$ 1,546,036	$ 1,249,863	$ 65,157	$ 4,287,711	$ 1,988,748	Existing Debt	$ 9,137,514
Storm Water	$ 1,835,572	$ 2,063,581	$ 117,476				$ 4,016,629
Total	**$ 6,594,463**	**$ 4,882,309**	**$ 577,833**	**$ 13,198,109**	**$ 7,613,988**		**$ 32,866,702**

Notes:

- Operations - 68% of sewer and combined sewer operating costs allocated to combined sewer based on total miles of sewer and combined sewer pipe.
- Operations - 1.5% inflation rate applied
- Capital Renewal - 1.5% inflation rate applied
- Backlog - 30 year construction schedule @ 5.5% interest rate over 20 yr terms
- PWD Assessment - 68% of Portland Water District costs allocated to combined sewer based on total miles of sewer and combined sewer pipe.

Table 2: Sewer and Stormwater Rate Based on Five Year Average Annualized Costs

	Units	Sewer Only	Combined Sewer Allocation to Storm Water Rate				
			0%	25%	50%	75%	100%
Sewer Rate	$/HCF/yr	$ 16.39	$ 14.39	$ 11.93	$ 9.47	$ 7.02	$ 4.56
Stormwater Rate	$/ERU/yr		$ 80.26	$ 178.73	$ 277.21	$ 375.68	$ 474.16

Notes:

- units below in square feet unless otherwise noted.
- Roadways not included in impervious area calculations.
- Parcels of property less then 400 square feet no included in impervious area calculations.
- Equivalent Residential Unit (ERU) equals 2,500 square feet.

104,601,621	Impervious Area (Parcels)	2,005,314	total sewer volume (HCF)
50,045	ERUs	$ 8.11	current sewer rate

Figure 2:
Relative Cost Burden by Property Classification (Sewer Charge Only)

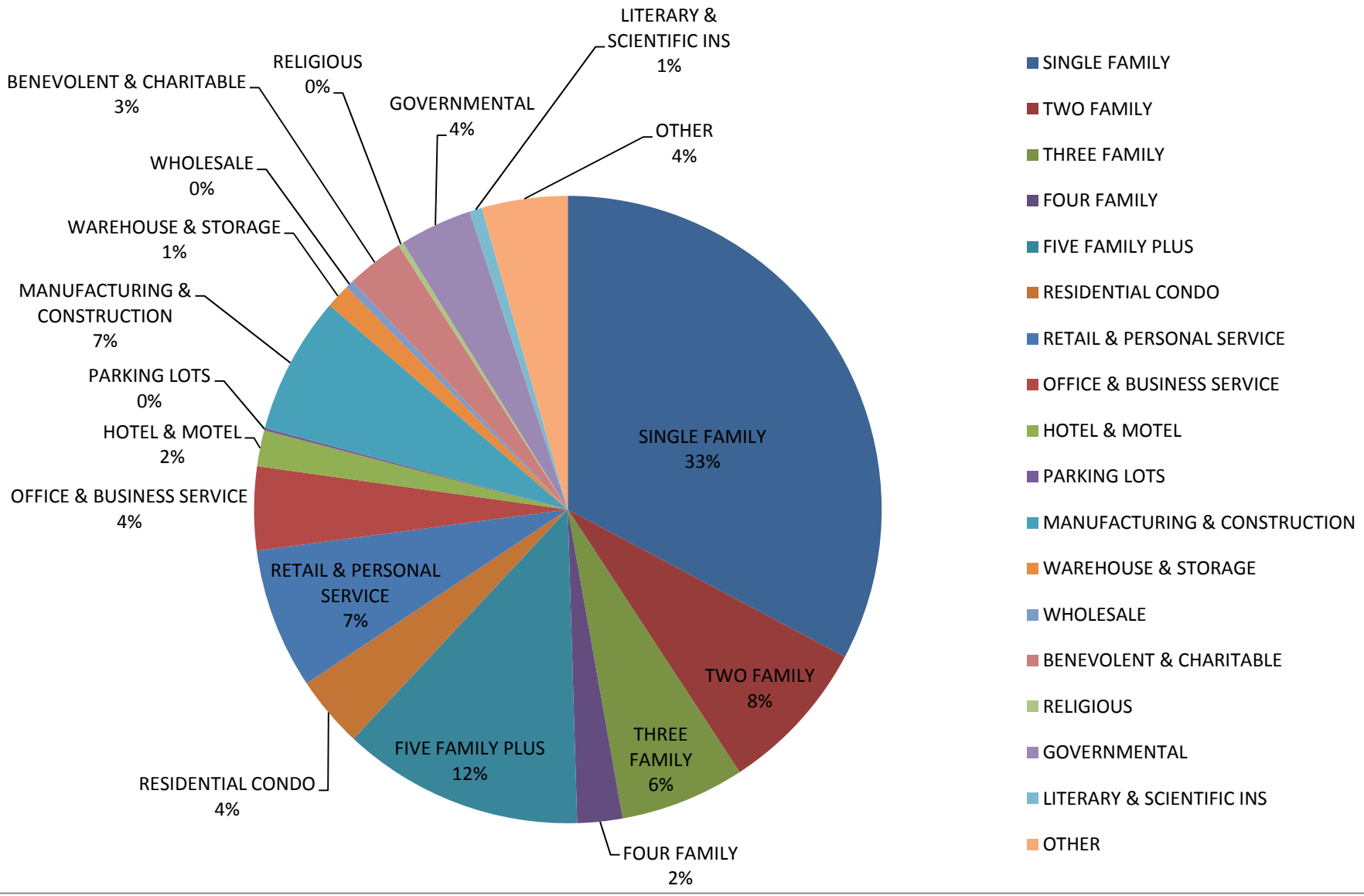


Figure 3:
Relative Percentage Change in Total Cost Burden by Property Classification

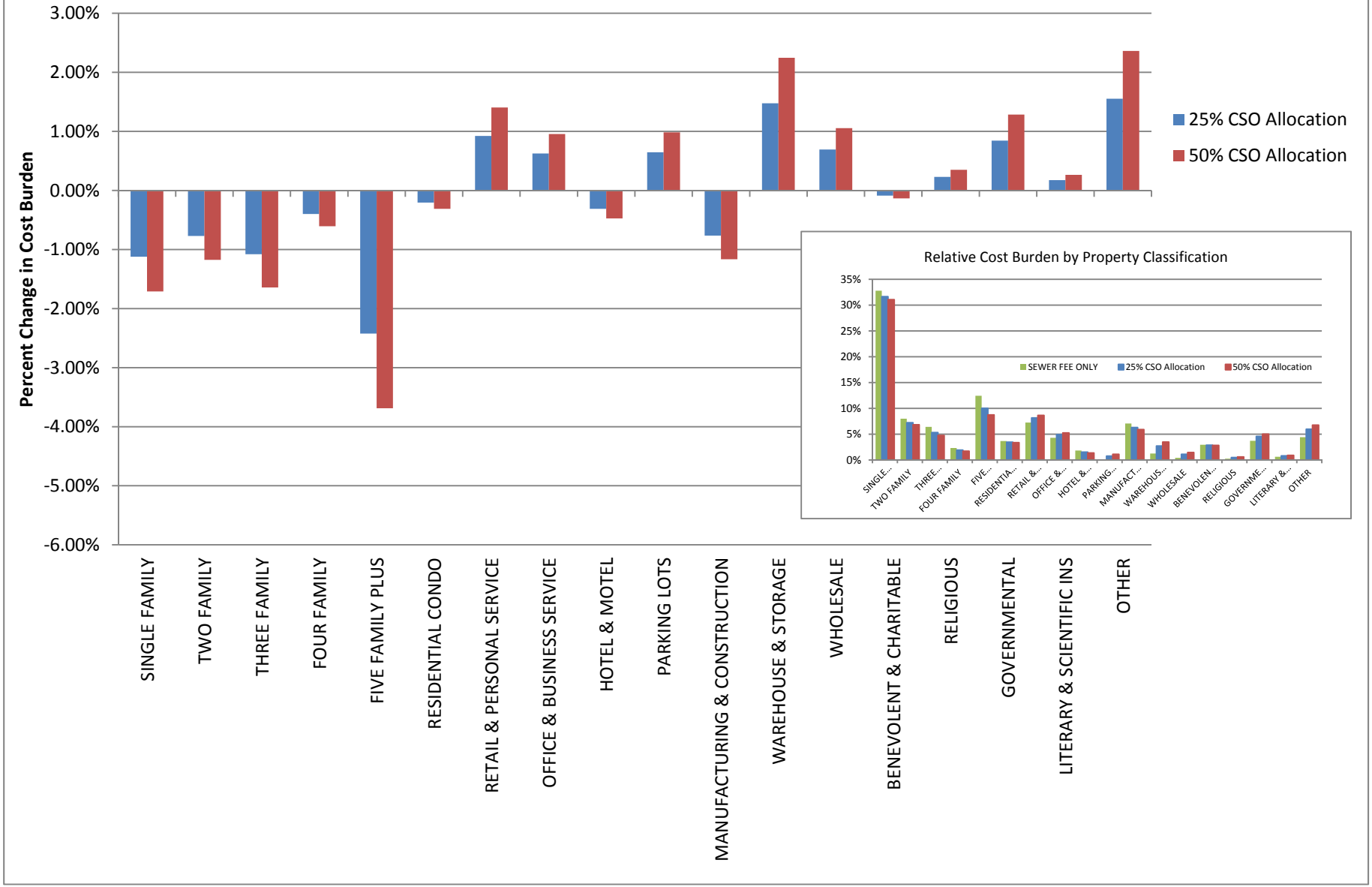


Figure 4:
Relative Impervious Area by Property Classification

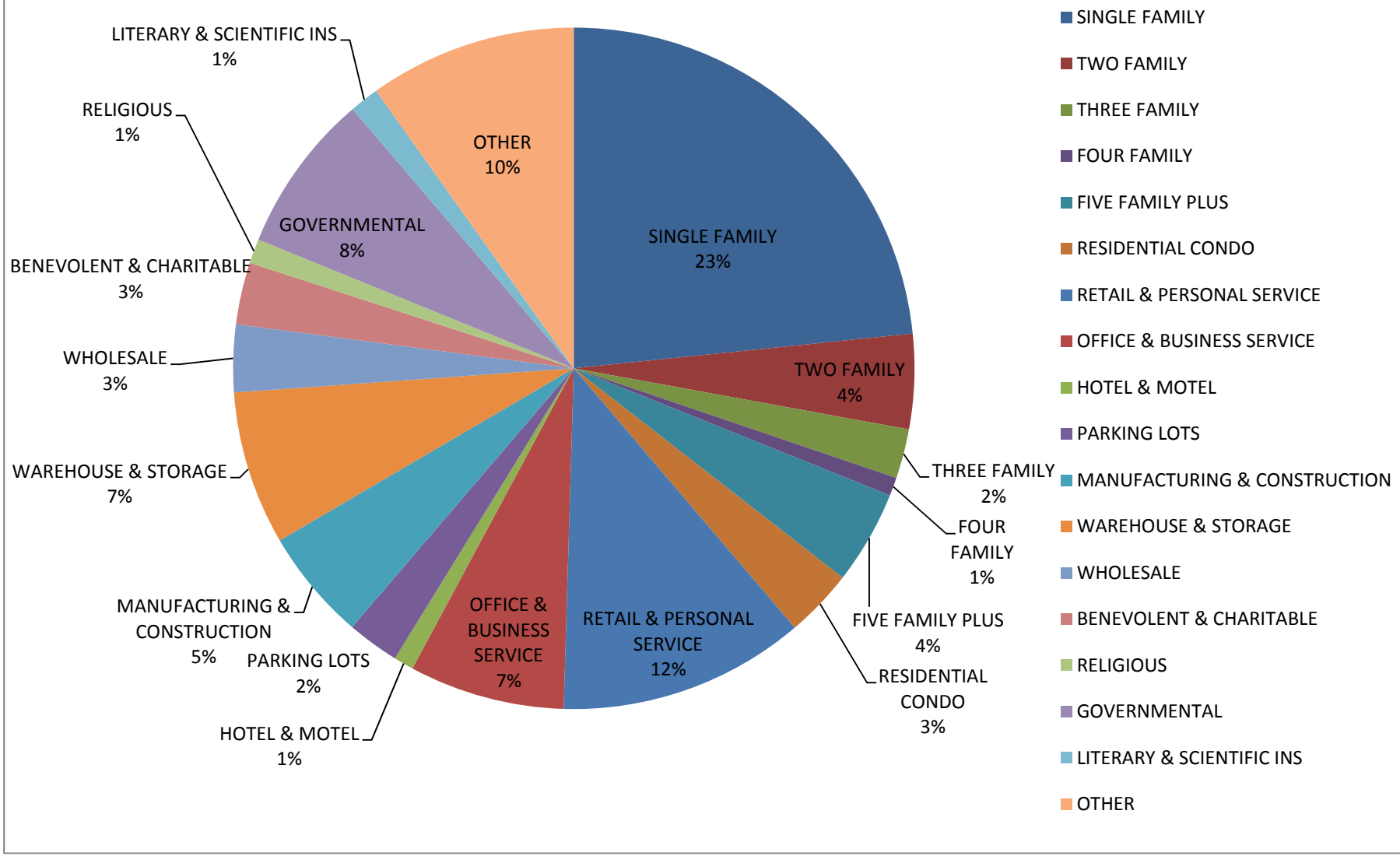


Figure 5:
Change in Total Annual Fees: Impact of CSO Allocation on All Properties (Sewer and Non-Sewer)

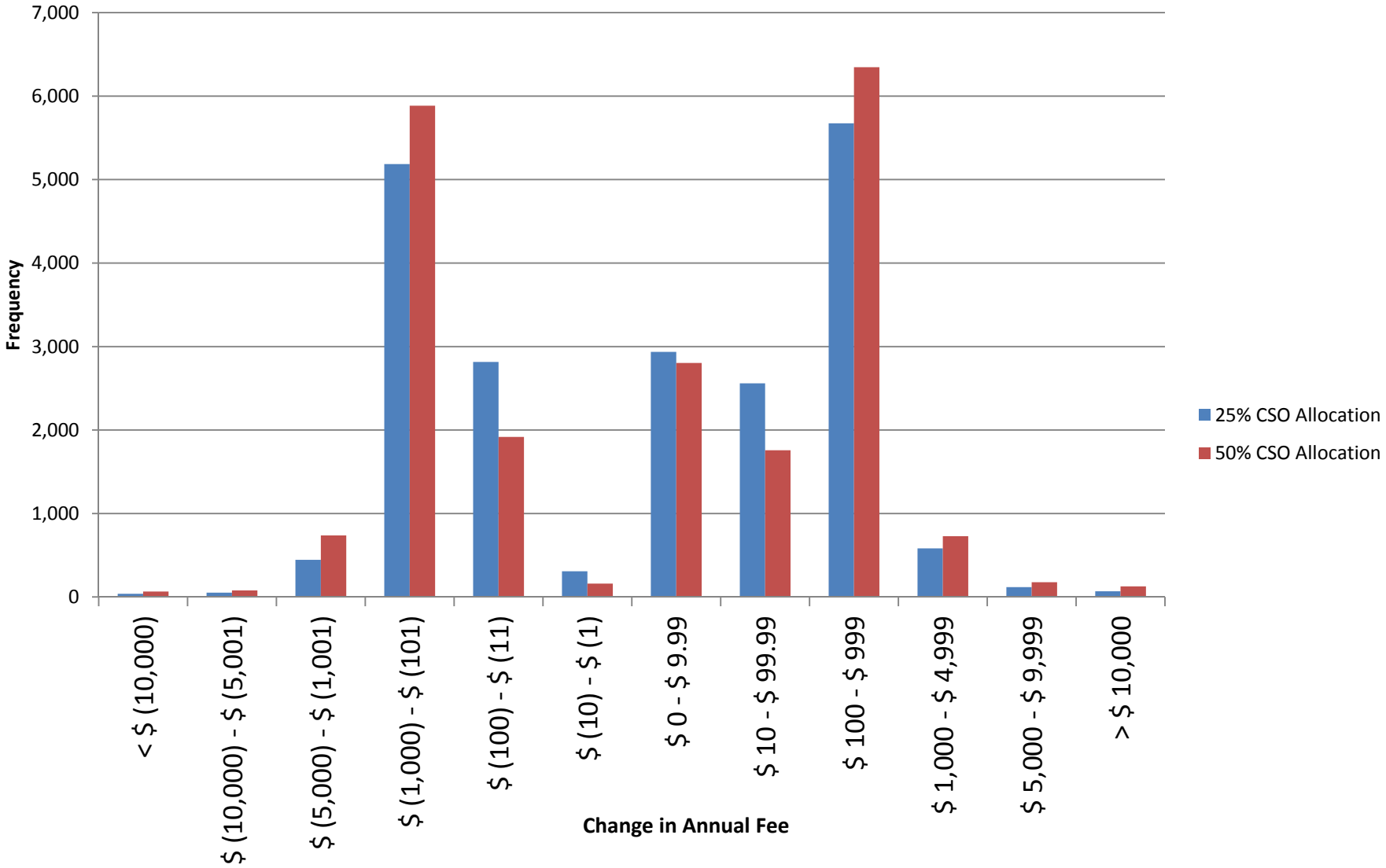


Figure 6:
Change in Total Annual Fees: Imapact CSO Allocation on Properties with Sewer Usage

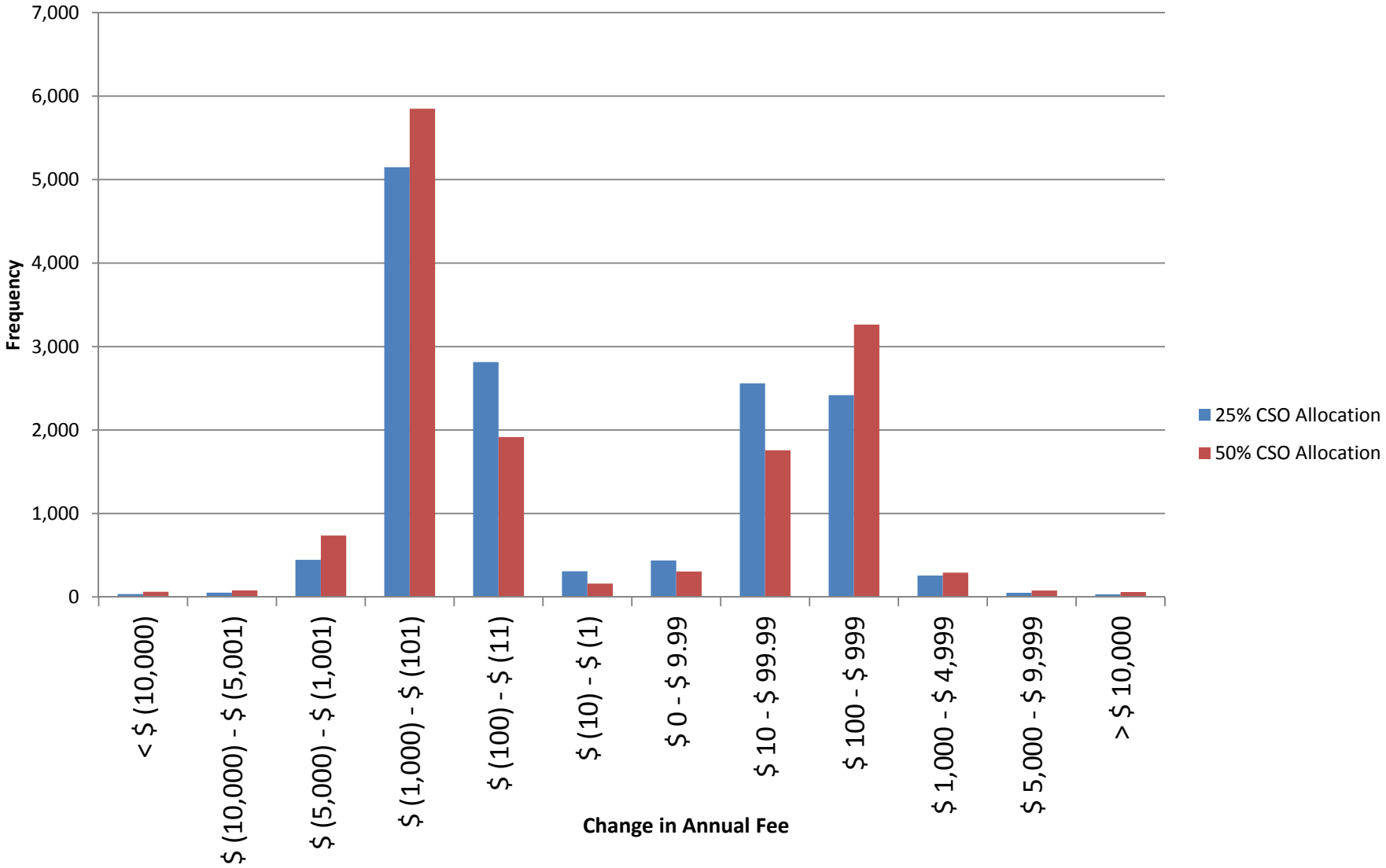


Figure 7:
Average Change in Annual Cost Impact by Property Classification

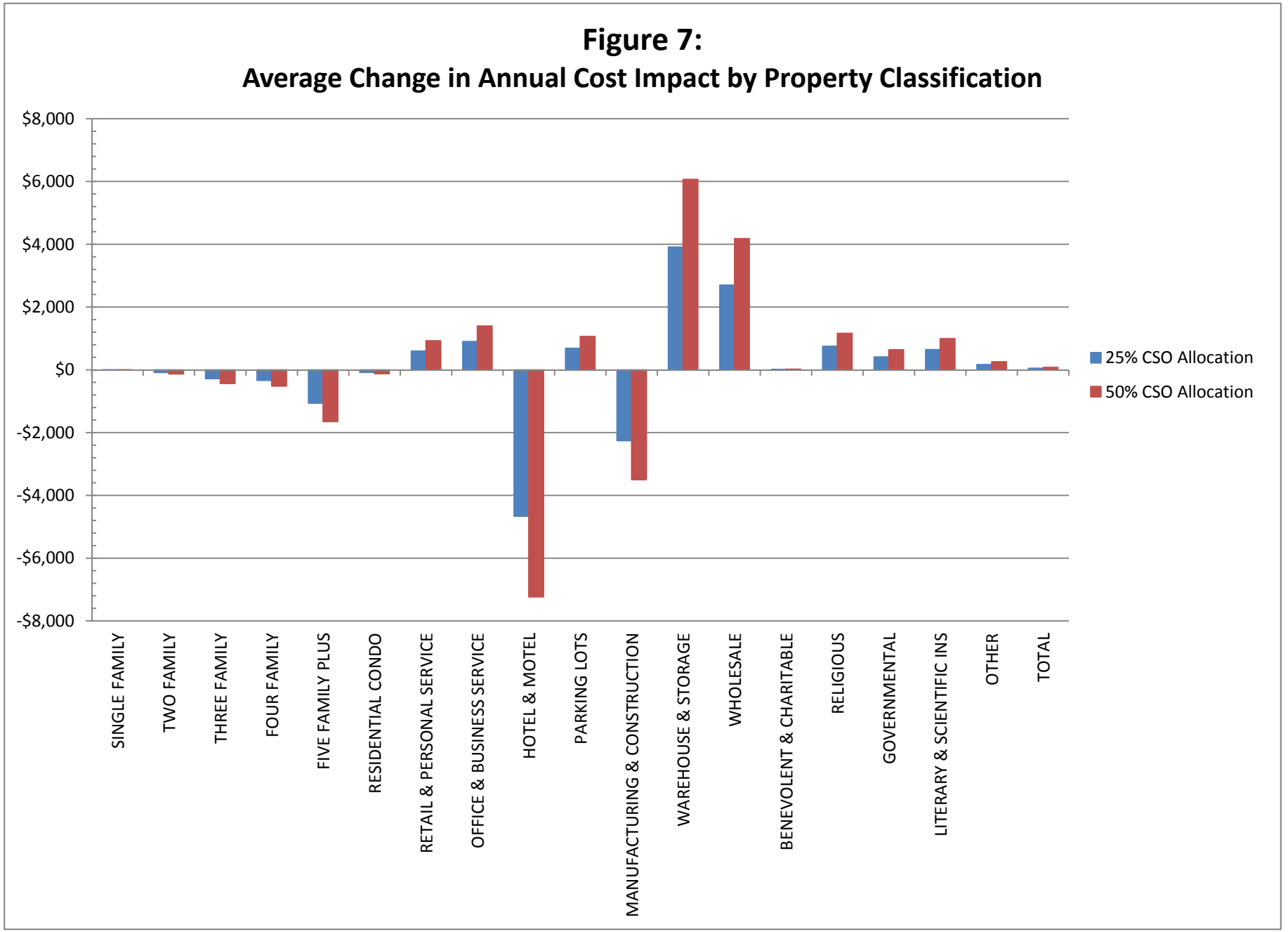
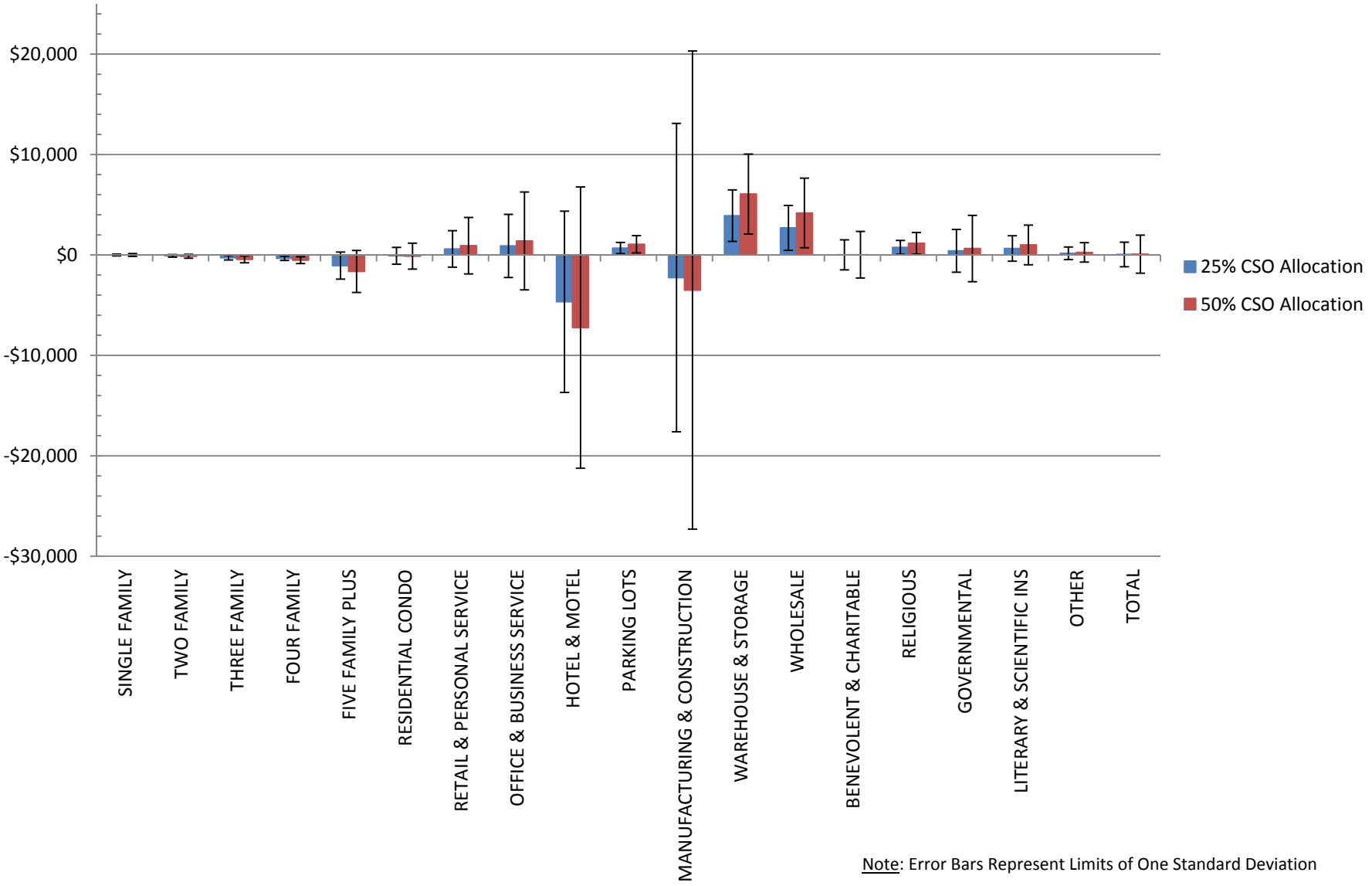


Figure 7A:
Average Change in Annual Cost by Property Classification



Note: Error Bars Represent Limits of One Standard Deviation

DOW PROPERTIES LIST

PROPERTY DESCRIPTION		ERU	HCF	CURRENT SEWER	FUTURE SEWER ONLY	25% CSO ALLOCATION			50% CSO ALLOCATION			BILL INCREASE/DECREASE	
						STORM	SEWER	TOTAL	STORM	SEWER	TOTAL	25% CSO	50% CSO
SINGLE FAMILY													
	Low	1	34	275	555	177	404	581	274	321	595	26	40
	Average	1	52	422	853	232	621	852	360	493	852	(0)	(0)
	High	2	70	569	1,150	287	837	1,124	445	665	1,109	(26)	(41)
TWO FAMILY													
	Low	1	52	424	857	219	624	843	340	495	835	(14)	(22)
	Average	2	80	649	1,311	272	954	1,227	422	758	1,180	(84)	(131)
	High	2	108	873	1,765	326	1,285	1,610	505	1,020	1,525	(155)	(240)
THREE FAMILY													
	Low	1	75	606	1,226	209	892	1,101	324	708	1,033	(124)	(193)
	Average	2	123	1,000	2,021	270	1,471	1,741	418	1,168	1,586	(280)	(435)
	High	2	172	1,394	2,817	330	2,050	2,380	512	1,628	2,140	(436)	(677)

DOW PROPERTIES LIST

PROPERTY DESCRIPTION		ERU	HCF	CURRENT SEWER	FUTURE SEWER ONLY	25% CSO ALLOCATION			50% CSO ALLOCATION			BILL INCREASE/DECREASE	
						STORM	SEWER	TOTAL	STORM	SEWER	TOTAL	25% CSO	50% CSO
FOUR FAMILY													
	Low	1	96	782	1,580	239	1,150	1,388	370	913	1,283	(191)	(297)
	Average	2	144	1,167	2,358	307	1,716	2,023	476	1,362	1,839	(335)	(519)
	High	2	191	1,551	3,135	376	2,282	2,658	582	1,812	2,394	(478)	(741)
FIVE TO TEN FAMILY													
	Low	2	153	1,237	2,500	270	1,820	2,090	419	1,445	1,864	(410)	(637)
	Average	2	234	1,895	3,829	357	2,787	3,144	553	2,213	2,766	(686)	(1,063)
	High	2	315	2,552	5,158	443	3,754	4,197	687	2,981	3,668	(961)	(1,490)
ELEVEN TO TWENTY FAMILY													
	Low	2	305	2,471	4,993	360	3,634	3,994	558	2,886	3,444	(999)	(1,549)
	Average	3	493	4,002	8,088	517	5,887	6,404	802	4,674	5,476	(1,684)	(2,612)
	High	4	682	5,533	11,183	675	8,139	8,814	1,046	6,463	7,509	(2,369)	(3,674)

DOW PROPERTIES LIST

PROPERTY DESCRIPTION		ERU	HCF	CURRENT SEWER	FUTURE SEWER ONLY	25% CSO ALLOCATION STORM	25% CSO ALLOCATION SEWER	25% CSO ALLOCATION TOTAL	50% CSO ALLOCATION STORM	50% CSO ALLOCATION SEWER	50% CSO ALLOCATION TOTAL	BILL INCREASE/DECREASE 25% CSO	BILL INCREASE/DECREASE 50% CSO
TWENTY-ONE PLUS FAMILY													
	Low	7	338	2,737	5,532	1,179	4,027	5,205	1,828	3,197	5,025	(327)	(507)
	Average	16	1,253	10,166	20,544	2,928	14,953	17,882	4,542	11,873	16,415	(2,663)	(4,130)
	High	26	2,169	17,594	35,557	4,678	25,880	30,558	7,255	20,548	27,804	(4,999)	(7,753)
RESIDENTIAL CONDO													
	Low	0	29	238	481	82	350	432	128	278	405	(49)	(75)
	Average	5	220	1,788	3,613	885	2,630	3,514	1,372	2,088	3,460	(98)	(153)
	High	9	412	3,337	6,745	1,687	4,909	6,597	2,617	3,898	6,515	(148)	(230)
GOVERNMENTAL													
	Low	-	-	-	-	-	-	-	-	-	-	-	-
	Average	5	94	759	1,535	827	1,117	1,944	1,283	887	2,170	410	635
	High	14	418	3,393	6,857	2,517	4,991	7,508	3,904	3,963	7,867	651	1,010

DOW PROPERTIES LIST

PROPERTY DESCRIPTION		ERU	HCF	CURRENT SEWER	FUTURE SEWER ONLY	25% CSO ALLOCATION STORM	25% CSO ALLOCATION SEWER	25% CSO ALLOCATION TOTAL	50% CSO ALLOCATION STORM	50% CSO ALLOCATION SEWER	50% CSO ALLOCATION TOTAL	BILL INCREASE/DECREASE 25% CSO	BILL INCREASE/DECREASE 50% CSO
HOTEL & MOTEL													
	Low	14	187	1,520	3,072	2,582	2,236	4,818	4,004	1,775	5,780	1,746	2,707
	Average	25	2,055	16,665	33,679	4,502	24,513	29,015	6,982	19,463	26,445	(4,664)	(7,234)
	High	36	3,922	31,810	64,286	6,422	46,790	53,212	9,960	37,151	47,111	(11,074)	(17,175)
LITERARY & SCIENTIFIC INS													
	Low	-	-	-	-	-	-	-	-	-	-	-	-
	Average	7	125	1,013	2,047	1,199	1,490	2,688	1,859	1,183	3,042	642	995
	High	15	333	2,703	5,464	2,620	3,977	6,596	4,063	3,157	7,220	1,133	1,757
MANUFACTURING & CONSTRUCTION													
	Low	9	-	-	-	1,647	-	1,647	2,555	-	2,555	1,647	2,555
	Average	32	1,797	14,570	29,445	5,758	21,431	27,189	8,930	17,016	25,946	(2,256)	(3,498)
	High	55	5,213	42,275	85,436	9,868	62,184	72,052	15,305	49,374	64,679	(13,383)	(20,757)

DOW PROPERTIES LIST

PROPERTY DESCRIPTION		ERU	HCF	CURRENT SEWER	FUTURE SEWER ONLY	25% CSO ALLOCATION STORM	25% CSO ALLOCATION SEWER	25% CSO ALLOCATION TOTAL	50% CSO ALLOCATION STORM	50% CSO ALLOCATION SEWER	50% CSO ALLOCATION TOTAL	BILL INCREASE/DECREASE 25% CSO	BILL INCREASE/DECREASE 50% CSO
OFFICE & BUSINESS SERVICE													
	Low	-	-	-	-	-	-	-	-	-	-	-	-
	Average	12	299	2,421	4,893	2,216	3,562	5,777	3,437	2,828	6,265	884	1,371
	High	29	890	7,220	14,590	5,134	10,620	15,754	7,963	8,432	16,395	1,164	1,805
PARKING LOTS													
	Low	1	-	-	-	145	-	145	224	-	224	145	224
	Average	4	9	69	140	723	102	825	1,121	81	1,202	685	1,062
	High	7	41	332	670	1,302	488	1,789	2,019	387	2,406	1,119	1,736
BENEVOLENT & CHARITABLE													
	Low	-	-	-	-	-	-	-	-	-	-	-	-
	Average	4	167	1,358	2,744	759	1,998	2,757	1,177	1,586	2,763	12	19
	High	10	486	3,938	7,958	1,848	5,792	7,640	2,865	4,599	7,465	(318)	(494)

DOW PROPERTIES LIST

PROPERTY DESCRIPTION		ERU	HCF	CURRENT SEWER	FUTURE SEWER ONLY	25% CSO ALLOCATION STORM	25% CSO ALLOCATION SEWER	25% CSO ALLOCATION TOTAL	50% CSO ALLOCATION STORM	50% CSO ALLOCATION SEWER	50% CSO ALLOCATION TOTAL	BILL INCREASE/DECREASE 25% CSO	BILL INCREASE/DECREASE 50% CSO
RELIGIOUS													
	Low	1	-	-	-	248	-	248	384	-	384	248	384
	Average	5	49	397	801	968	583	1,551	1,502	463	1,965	750	1,163
	High	9	101	817	1,651	1,689	1,201	2,890	2,619	954	3,573	1,239	1,922
RETAIL & PERSONAL SERVICE													
	Low	-	-	-	-	-	-	-	-	-	-	-	-
	Average	9	219	1,773	3,582	1,567	2,607	4,175	2,431	2,070	4,501	593	919
	High	19	467	3,789	7,656	3,319	5,573	8,891	5,147	4,425	9,572	1,235	1,915
WAREHOUSE & STORAGE													
	Low	12	-	-	-	2,177	-	2,177	3,376	-	3,376	2,177	3,376
	Average	27	191	1,548	3,128	4,762	2,276	7,038	7,385	1,807	9,193	3,910	6,065
	High	41	485	3,937	7,957	7,347	5,792	13,138	11,394	4,598	15,993	5,181	8,036