A close-up, high-speed photograph of water splashing, creating numerous droplets and ripples. The water is a deep blue color, and the lighting highlights the texture and movement of the liquid. A semi-transparent grey rectangular box is overlaid on the upper portion of the image, containing white text.

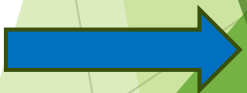
Stormwater Utility Analysis

August 8, 2023

**Two Studies
Underway**



**Stormwater
Utility Analysis**



**Wastewater
Master Plan**

City Council Goals and Values

- ▶ Environmental Stewardship (Mac-Town 2032)
 - ▶ Responsible caretakers of our shared public assets and resources
 - ▶ Create and implement an environmentally sustainable and/or Climate Action Plan (Council Goals)
- ▶ **Limitations Relative to Stormwater to meet these Goals:**
 - ▶ Lack of sufficient and sustainable resources to meet:
 - ▶ Ongoing operation of the stormwater system
 - ▶ Capital Improvement Plan for rehabilitation and replacement of the stormwater infrastructure
 - ▶ Compliance with expanding regulatory requirements

Regulatory Requirements

- ▶ **Mercury Total Maximum Daily Load (TMDL):**
 - ▶ TMDL Plan approved by DEQ in 2022
 - ▶ 5-years to implement
 - ▶ Public Outreach
 - ▶ New Ordinances
 - ▶ Staff Training
 - ▶ Additional inspections and tracking
 - ▶ Guidance Document
 - ▶ Local Erosion Control Permitting Program and Enforcement

Regulatory Requirements

- ▶ **Municipal Separate Storm Sewer System (MS4) Permit:**
 - ▶ Authorized by the Federal Clean Water Act as part of the National Pollutant Discharge Elimination System (NPDES)
 - ▶ Required for Cities over 100k population, or at the discretion of DEQ
 - ▶ Expected in the next 5 years
 - ▶ Requirements similar to TMDL, and:
 - ▶ Stormwater Management Plan (detention/water quality)
 - ▶ Spill prevention and response program
 - ▶ Ongoing water quality monitoring
 - ▶ Development of construction standards and enforcement

Stormwater Utility Analysis

▶ **What is a Stormwater Utility?**

- ▶ An enterprise fund dedicated to meet stormwater operating and capital needs
- ▶ Functions as a utility similar to wastewater
 - ▶ Establishes rates based on use of the stormwater system
 - ▶ Provides an equitable distribution of costs
 - ▶ Reduces demands on Wastewater and Street Funds
 - ▶ Provides a stable resource
 - ▶ Improves community safety and reduces risks during flooding
 - ▶ Protects rivers and creeks from pollutants and sediment

Wastewater Master Plan Update

▶ **Technical Analysis**

- ▶ Flow monitoring completed
- ▶ Projected flows and loads in progress
- ▶ Determine regulatory compliance in progress
- ▶ Develop recommended capital improvements

▶ **Policy Decisions**

- ▶ Update rate structure
- ▶ Update Sewer Systems Development Charges

Public Engagement/Outreach

▶ Engagement Plan

- ▶ Form a Stormwater/Wastewater Project Advisory Committee
- ▶ 9 members
 - ▶ Residential (5)
 - ▶ Industrial (1)
 - ▶ Commercial (1)
 - ▶ Institutional (1)
 - ▶ Development (1)
- ▶ Consider appointing a City Council member as a liaison with the Committee

Public Engagement/Outreach

▶ Outreach recommendations

- ▶ Post on City web sites
- ▶ Include in City newsletter
- ▶ Newspaper article
- ▶ Public meetings to share results
- ▶ Contact community groups (i.e. Affordable Housing)
- ▶ City Council Work Session for the Stormwater Utility
- ▶ City Council Work Session for the Wastewater Master Plan

Stormwater Utility Analysis Framework

Legal

- Local code changes

Financial Planning

- Identify revenue requirements and funding level

Rate Setting

- Select rate structure & calculate rates

Administration

- Develop support systems (billing, accounting, customer service)



Legal Framework

- Dozens of Oregon cities have implemented stormwater fees

General Authority

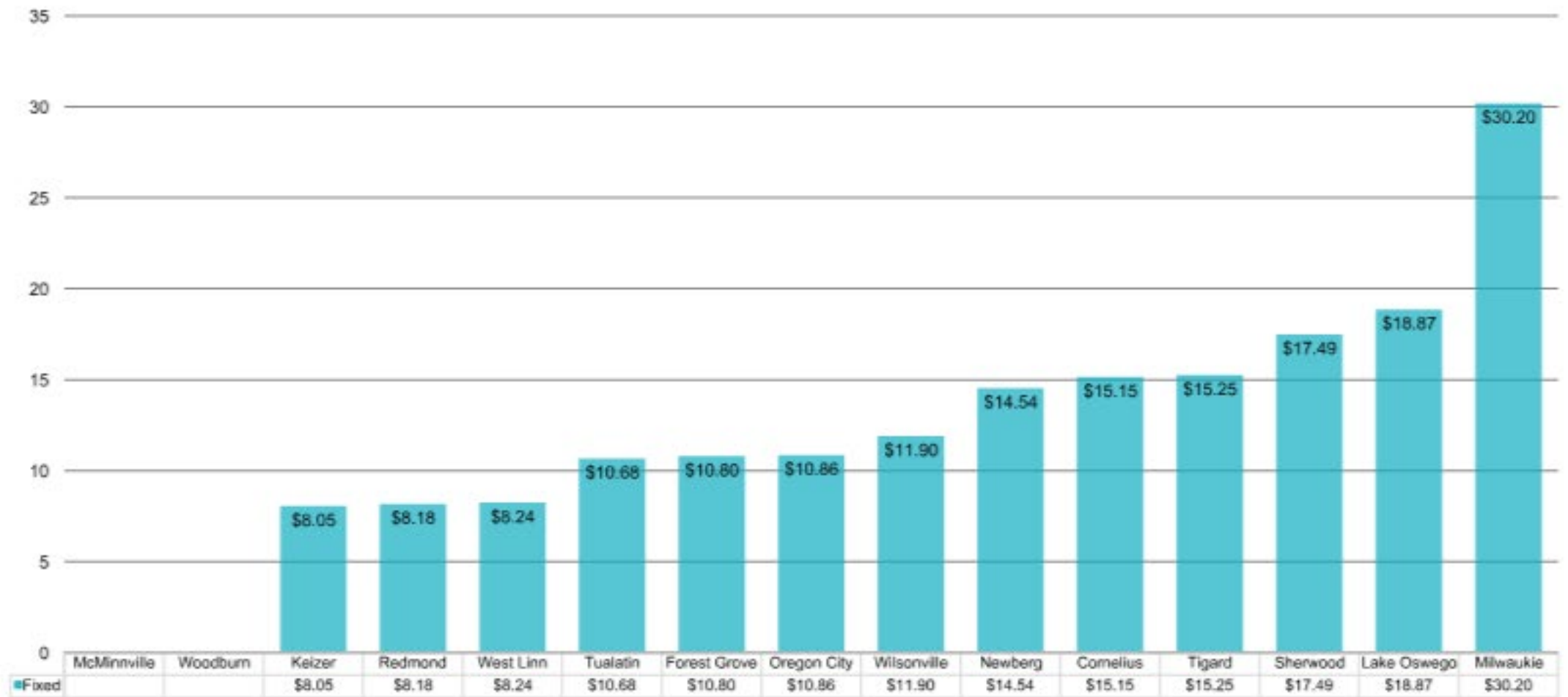
- Municipal powers provision
- Case law

Local Authority

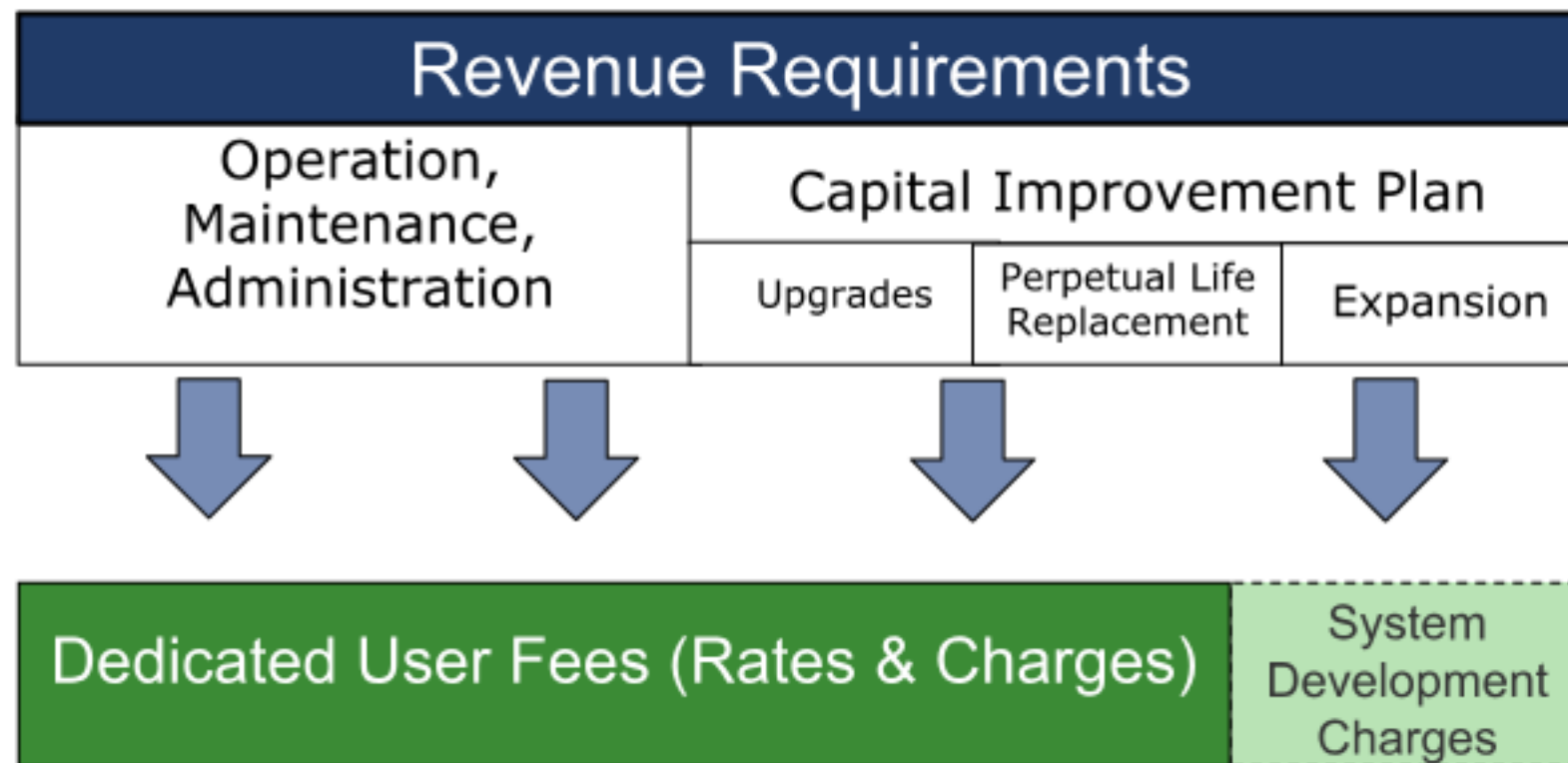
- Municipal Code
- Fee resolution

1993 Roseburg Decision: Stormwater rates was a fee, not a tax because it was controllable and avoidable AND was not imposed upon the owner of real property as a direct consequence of ownership.

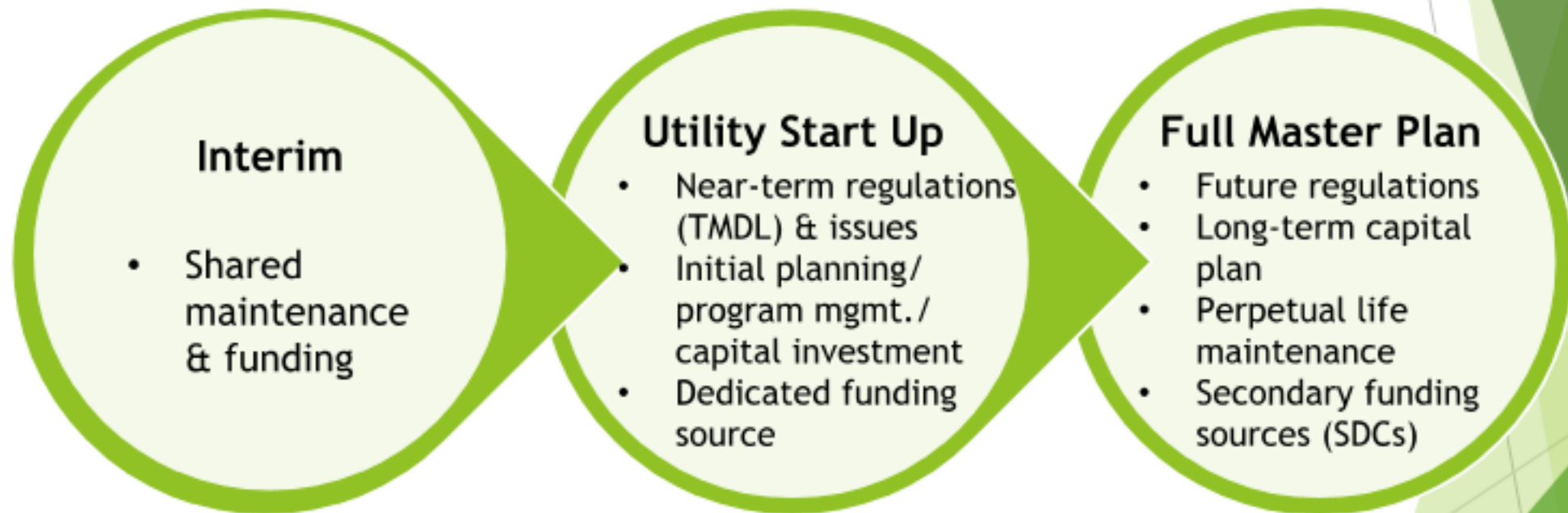
General Range of Stormwater Fees



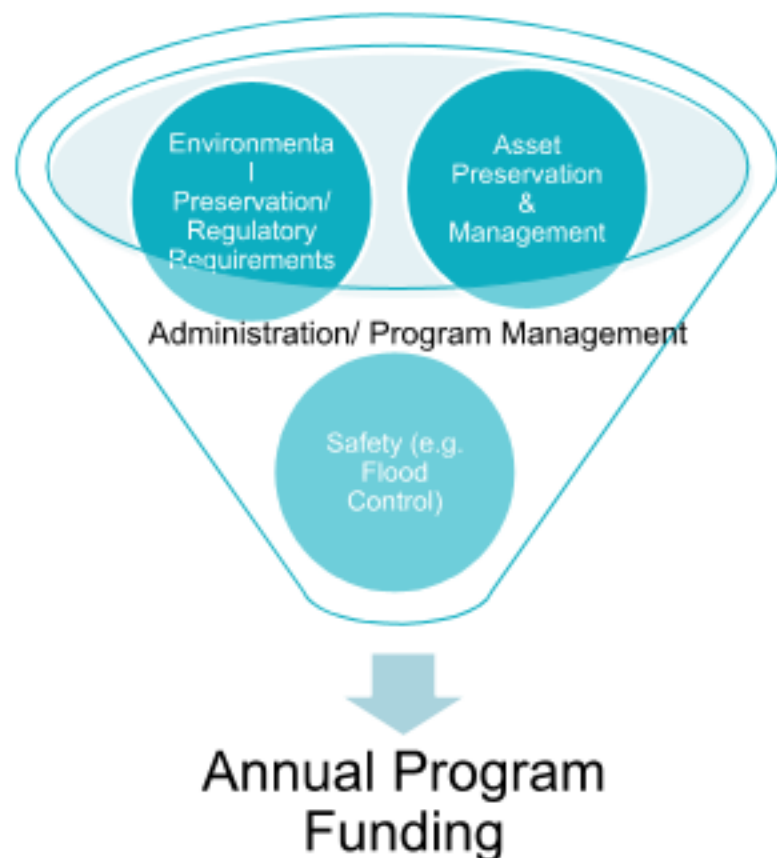
§ Utility enterprises have dedicated funding sources



Typical Funding Progression



Determining Revenue Requirements



Typical Activities/Best Management Practices (BMPs)

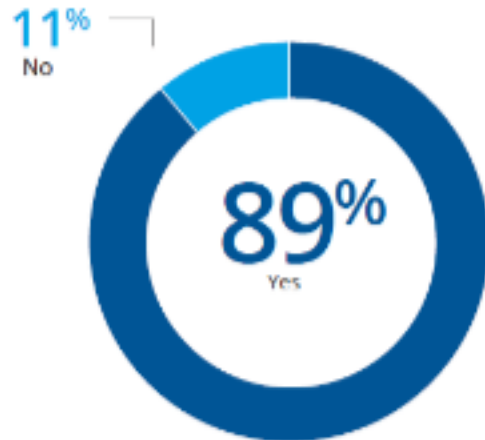
Description	Stormwater Utility Budget
1. Stream/habitat rehabilitation	91%
2. Water quality monitoring	85%
3. Public education	92%
4. Street sweeping	66%
5. Inlets/outfalls maintenance	83%
6. Combined sewer conveyance maintenance	66%
7. Separate storm sewer conveyance maintenance	90%
8. BMP inspections/maintenance (publicly owned BMPs)	92%
9. BMP Inspections/maintenance (In privately owned BMPs)	90%
10. Illicit discharge detection and elimination (IDDE) programs	96%
11. Erosion and sediment control	91%
12. Construction and/or post-construction monitoring	83%
13. Planning and engineering	83%
14. Rehabilitation and replacement	82%
15. Other	50%

- § Balance equity/fairness with simplicity to keep program administration costs low

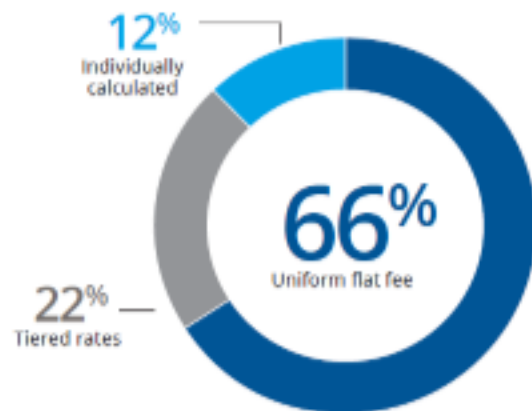
Rate Theory	Practice
Charge proportionate to use	Individual property use is not 'metered'
System use = Stormwater runoff generated from private properties & public rights-of-way	Estimate use based on Impervious area* Account-based charges used for administration costs

* Hard surfaces that don't allow infiltration of stormwater into the ground.

Is your stormwater user fee based on some form of parcel area such as gross and/or impervious area?



What type of rate structure does your utility have for the family residential parcels? (Select all that apply)



Source: 2021 Black & Veatch Stormwater Survey

§ **Equitable** – relationship between services provided and charges

§ **Defensible** – meet legal/industry standards

§ **Understandable** – simple, clear criteria, explainable

§ **Implementable** – data requirements & cost, systems support

§ **Revenue adequacy** – meets revenue target

§ **Supportable** – balance local policy objectives

§ **Affordability** – balance funding needs with fee levels, particularly for vulnerable populations

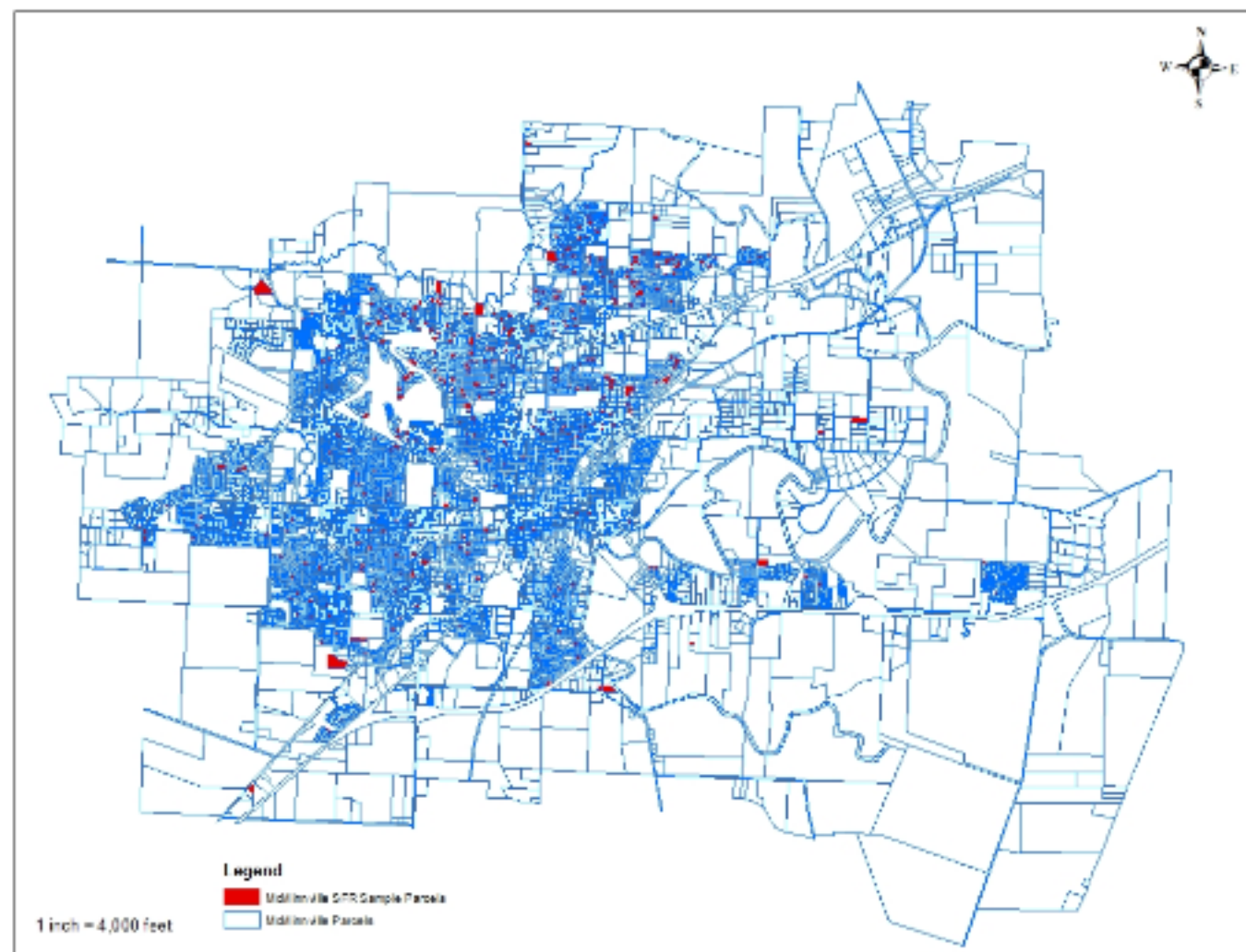
§ Examples

- § Rooftops
- § Driveways
- § Patios
- § Private sidewalks
- § Compacted gravel

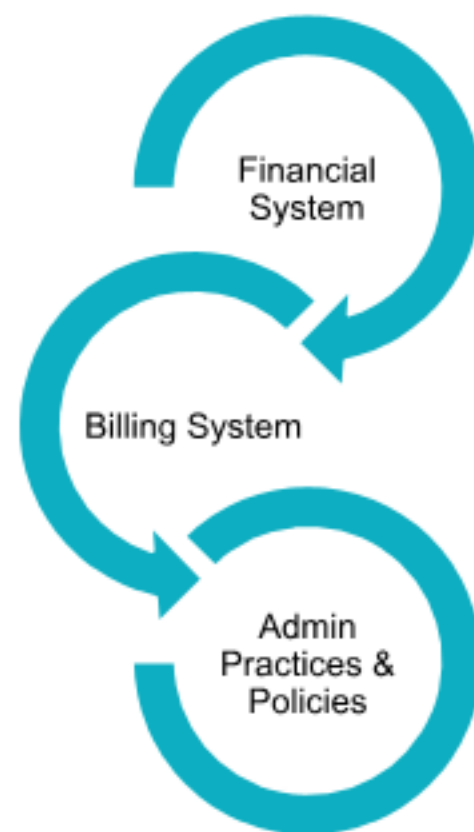


Rate Structure Development

- § Estimate average residential impervious area
 - § Random sample
 - § Range of geographies, ages, types
- § Measure non-single-family parcels



- § Administrative framework
 - § Financial system (enterprise fund)
 - § Billing system
 - § Customer service
- § Public education
- § Rate policies
 - § Exemptions/discounts
 - § Rate modifiers (credits)
- § Appeals procedures



Next steps

- ▶ **Advertise for Project Advisory Committee (PAC) members**
- ▶ **Select PAC members**
- ▶ **Hold orientation meeting in September 2023**
- ▶ **Present to the Affordable Housing & DEI Committees**
- ▶ **Return to City Council with recommendations for Stormwater Utility**
- ▶ **Prepare Ordinance to establish the Stormwater Utility**
- ▶ **Conduct Wastewater Master Plan Rate/SDC review**
- ▶ **Present recommendations to City Council for Wastewater Rates**