

IMPACT STATEMENT

Legislation title: *Temporarily exclude overwater structures from stormwater management charges and provide for refunds (Ordinance)

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Purpose of proposed legislation and background information:

The Bureau of Environmental Services (BES) manages Portland's wastewater and stormwater infrastructure to protect public health and the environment. Since 1977, BES has calculated the stormwater fees assessed against its ratepayers by estimating or measuring the area of a ratepayer's property that is covered by impervious surfaces such as driveways, parking lots, and roofs. This approach is consistent with the majority of stormwater management utilities nationwide.

Actual stormwater costs to ratepayers are allocated by multiplying the square footage of a property's impervious area multiplied by a dollar figure as established in the BES Sewer and Drainage Rates and Charges ordinance, which is adopted annually by the City Council.

The BES stormwater fee has two components: an on-site component, which reimburses the City for the management of stormwater discharging from or off private property, and an off-site component, which pays for the management of stormwater discharging to the public stormwater system from the right-of-way and publicly-owned property. The on-site component equals 35% of the total stormwater fee and the off-site component comprises the remaining 65%.

This ordinance will temporarily exclude impervious area that exists over water bodies (i.e. rivers) from the calculation of stormwater charges. Additionally, the ordinance directs that ratepayers who have previously paid stormwater charges for overwater impervious area shall be reimbursed for charges actually incurred, for a period of up to 5 years. This refund will occur in the form of a future credit to an account holder's sewer/stormwater utility bill.

BES has begun the process to undertake a comprehensive rate study that will include review of stormwater cost allocation and its application to all customer classes. Pending future City Council approval, permanent, comprehensive rate methodology adjustments – and any associated changes to City Code – are likely to be implemented beginning no earlier than July 1, 2021.

Financial and budgetary impacts:

Exclusion of overwater impervious area from the calculation of stormwater charges Citywide is estimated to result in a reduction to revenue of approximately \$260,000 annually, for as long as the exclusion remains in effect. Refunding eligible customers for previously billed charges is estimated to result in a combined total refund of approximately \$580,000. BES will accommodate this reduction in revenue by utilizing other resources (i.e. fund balance and/or future system rates).

There are no changes in staffing or increases in budgeted appropriations associated with this action.

Community impacts and community involvement:

This legislation will impact ratepayers and property owners within the service area that have overwater impervious area. City billing records indicate this will include 23 multi-family residential account holders (representing an estimated 600 individual residences and 25 commercial customers).

The proposed Council action was developed based upon feedback from the Portland floating home community, including three community meetings, direct engagement with homeowners and stakeholders, and information provided in association with multiple pending Administrative Review Committee requests.

100% Renewable Goal:

Not applicable

Budgetary Impact Worksheet

Does this action change appropriations?

☐ **YES:** Please complete the information below.

☒ **NO:** Skip this section

| Fund | Fund Center | Commitment Item | Functional Area | Funded Program | Grant | Sponsored Program | Amount |
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