## ENB-4.16 - Clean River Rewards Stormwater Discount Program Administrative Rules

## CLEAN RIVER REWARDS STORMWATER DISCOUNT PROGRAM ADMINISTRATIVE RULES

Administrative Rule Adopted by Bureau of Environmental Services Pursuant to Rule-Making Authority ARB-ENB-4.16

<u>Link to Full Text of Administrative Rules</u> (PDF Document 6.8 MB). What follows is an excerpt from the introduction to the administrative rules:

## **Introduction and Program History**

Clean River Rewards is created in recognition of the rising costs of stormwater management. The City expects program costs and utility charges to rise steadily for the foreseeable future in response to three unavoidable forces: (1) evolving regulatory demands; (2) evolving science about the impacts of urban landscapes on our water resource; and (3) evolving engineering solutions to the meet the challenges raised by regulation and scientific inquiry.

By promoting private participation now, the City intends to begin a transformation of our urban landscape that will return value many times greater than the costs of Clean River Rewards. Our rewards will include high quality drinking water reserves, cleaner air, a reduced heat-island effect, lower carbon emissions, improved habitat for wildlife, increased recreational opportunities, a healthier lifestyle, and a place where future generations will have direct access to clean rivers and streams.

Clean River Rewards fulfills a commitment made by Council with the adoption of stormwater rate reforms in April 2000. The Council established three fundamental goals for Clean River Rewards:

Provide itemized stormwater bills so that ratepayers are better informed about the uses of stormwater management charges.

Provide an opportunity for ratepayers to control the size of their stormwater bill by taking actions to manage stormwater runoff on-site.

Reform the way the City pays for street drainage services by relying on charges based on the use of public streets rather than the impervious area of developed property.

Clean River Rewards addresses the first two of these original goals, directly, through changes in the City's ratemaking and billing systems. Clean River Rewards advances the third goal by taking full advantage of an unprecedented opportunity to increase public understanding of Portland 's stormwater challenges and the continuing need for stormwater rate reform. The Bureau of Environmental Services plans to use the resulting public discourse to develop new strategies for financing street drainage services.

Clean River Rewards is the product of more than seven years of open, public and exhaustive deliberations by at least three distinct City Councils, dozens of interested stakeholders groups, neighborhood coalition offices and neighborhood associations, and thousands of stormwater ratepayers.

On May 19, 1999, Council initiated a yearlong effort to reform water, sanitary sewer, stormwater management and utility account service charges in response to growing ratepayer complaints about fairness and affordability. The framework for the Council rate reform initiative is set forth in Resolution No. 35796.

On April 6, 2000, Council adopted Resolution No. 35876, identifying a set of utility rate reforms that included discounted stormwater management charges for private on-site stormwater management.

On September 27, 2000, Council adopted Resolution No. 35927, limiting stormwater discounts to 35% of basic stormwater management charges. The limitation reflected Council's goal of differentiating the costs of managing runoff from private properties from the costs of managing runoff from public streets and rights-of-way.

On December 13, 2000, Council adopted Ordinance No. 175160, establishing the basic elements of a stormwater discount program. Council reached its final decisions following 13 months of deliberations including 35 presentations to neighborhood and business associations, reviews by three independent citizen advisory committees, and five public hearings. City Council postponed final implementation of the program pending the installation of a stable utility billing system that was capable of supporting the stormwater discount program.

On December 13, 2001, Council adopted Resolution No. 36047, recognizing the need for a stable utility billing system to support a successful stormwater discount program.

On June 4, 2003, Council expanded the stormwater discount program to include limited retroactive credits for ratepayers who installed stormwater management facilities prior to the start of the program. Resolution No. 36142 authorized retroactive credits on the same basis as stormwater discounts and placed a limit equal to 12 months of stormwater

discounts. These decisions were preceded by three months of deliberations with major stormwater ratepayer groups, a public meeting and a public hearing.

From July through October 2005, Commissioner Sam Adams conducted three community forums and numerous meetings with neighborhood and business association representatives before offering a comprehensive set of program principles for Council consideration. Council agreed to the Commissioner's refinements by adopting Resolution No. 36361 on November 30, 2005.

Environmental Services developed and adopted an initial set of administrative rules in 2001 pursuant to the rule-making process set forth in Section 17.36.012 of the Code of the City of Portland. In addition to the requirements of City Code, Environmental Services subjected the rules to an internal review by staff professionals; an analysis of stormwater facilities sizing requirements by independent engineering consultants; evaluations by the Stormwater Advisory Committee, Portland Utilities Review Board and Utility Review Team of the Office of Management and Finance; review by City Council staff and executive directors of neighborhood coalitions; public access and review via the Internet and presentations at three formal public information meetings and hearings.

On November 30, 2006, the Director of Environmental Services found that interim administrative rules were necessary to effect the orderly and timely implementation of Clean River Rewards. Any further delay would increase program development and implementation costs, and increase ratepayer confusion and dissatisfaction. The Director further found that these interim administrative rules benefit from more than five years of public review and refinement, beginning with a thorough public rule-making process in the spring of 2001 and ending with the public review process conducted by Commissioner Adams in the fall of 2005. The rules were further refined through the development of business practices, systems design and development, focus group analysis, community workshops and staff training conducted by the City from January through October 2006. Therefore, the Director adopts these interim administrative rules, consistent with the guiding principles set forth in Resolution No. 36361, and pursuant to the requirements of Section 17.36.012 of the Code of the City of Portland . The Director will promulgate final administrative rules by the end of April 2007.

Link to Full Text of Administrative Rules (PDF Document 6.8 MB)

## **HISTORY**

Adopted by the Director of the Bureau of Environmental Services October 30, 2006. Filed for inclusion in PPD October 30, 2006.