

# **Clean River Rewards Stormwater Discount Program**

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## **Interim Administrative Rules**

October 30, 2006



**ENVIRONMENTAL SERVICES  
CITY OF PORTLAND**

**working for clean rivers**



## **Clean River Rewards Interim Administrative Rules**

City of Portland, Oregon – Bureau of Environmental Services – October 30, 2006

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## **1. 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.

## **2. Policy Goals**

Clean River Rewards is created to achieve the following policy goals:

- 2.1.** Increase the equity, fairness and controllability of stormwater management charges;
- 2.2.** Advance City environmental policies and commitments set forth in the Clean River Plan, City Response to the Endangered Species Act, Sustainable Development Policies, Stormwater Management Manual and Stormwater NPDES municipal permit; and

- 2.3. Protect and enhance the long-term financial stability of the stormwater utility by promoting private stormwater management and reducing the operating and maintenance demands of public facilities.

### **3. Guiding Principles**

Environmental Services shall implement Clean River Rewards consistent with the following guiding principles:

- 3.1. Provide Access, Information and Technical Assistance
  - 3.1.1. Incentives and discounts are available to all eligible City ratepayers regardless of property class, use or location.
  - 3.1.2. The City will take aggressive steps to inform every ratepayer about the stormwater discount program, requirements to qualify, methods for managing stormwater runoff on-site, and the process for registering property. Outreach activities will include direct mailings, bill stuffers, newspaper articles and ads, the use of other media, cooperative efforts with community partners, the Internet and door-to-door canvassing if required in targeted areas.
  - 3.1.3. Outreach strategies will be developed to address the unique obstacles to the discount program caused by language, culture, infirmity, age or economic distress.
  - 3.1.4. Program information, brochures, registration forms and other program materials will use language and art that are clear and understandable to ratepayers who are unfamiliar with City stormwater policies and programs, and stormwater management techniques.
  - 3.1.5. The City will develop and implement technical assistance strategies for ratepayers with challenging and complicated site conditions, including schools and religious institutions,
  - 3.1.6. City outreach and technical assistance efforts will include information about the importance of stormwater to the quality of life in Portland, City efforts to protect water resources, and ways that citizens can advance environmental and public health goals.
- 3.2. Determine Ratepayer Eligibility for Stormwater Discounts and Credits
  - 3.2.1. A stormwater discount is a grant awarded by the City to an eligible ratepayer, based on objective criteria relating to the ratepayer, and the extent and effectiveness of on-site stormwater management. The grant takes the form of a discount on the City's utility bill out of administrative convenience. City Council reserves the right to alter eligibility requirements to meet changing regulatory requirements and legal commitments, and to protect the long-term financial stability of the stormwater utility.
  - 3.2.2. In order to be eligible for stormwater discounts, the registrant must be the current ratepayer. The person should have a current City utility account, or be honoring special arrangements to eliminate any billing delinquencies. The person should

have the authority to grant the City access to the property to conduct a limited inspection of stormwater facilities. If the ratepayer does not have such authority, the registration form should be co-signed by the person so empowered.

- 3.2.3. The stormwater discount is awarded to the ratepayer for stormwater management facilities that serve the property described on the registration form. The ratepayer cannot transfer discount eligibility from one property to another. Similarly, the discount eligibility of a given property does not transfer from one ratepayer to another without the filing of a signed discount registration form. The City will provide a simple and efficient process for such transactions.
- 3.2.4. Additional conditions for ratepayer eligibility include:
  - 3.2.4.1. The ratepayer's registration accurately describes existing private stormwater management facilities.
  - 3.2.4.2. Private stormwater management facilities are properly located, sized, maintained and operating, based on City, state or federal specifications. Private stormwater facilities comply with all applicable City building, plumbing and stormwater requirements.
  - 3.2.4.3. For the purposes of this program, the City is granted limited access to private property to inspect private stormwater facilities, as prescribed by City administrative rules. The inspection shall be limited to stormwater management facilities and other elements described in the registration.

### 3.3. Calculate Stormwater Discounts and Retroactive Credits

- 3.3.1. Stormwater discounts are limited to the on-site component of the basic stormwater management charge. The on-site component is set at 35% of the basic stormwater management charge. The City shall make stormwater discounts available through June 30, 2017. Further continuation of the program is subject to City Council approval.
- 3.3.2. The stormwater discount is calculated based on the extent to which a ratepayer safely controls, retains and disposes of stormwater runoff on private property. For single-family residents (detached houses, row houses and duplexes), the discount is calculated based on the amount of runoff from roof surfaces that is managed safely. For all other ratepayers (including condominium developments), the discount calculation is based on the amount of impervious roof and paved areas that are served by private stormwater facilities, and the extent and effectiveness of the facilities to control volume, speed and water quality of stormwater runoff. Except as provided in the discount registration process, the City shall not grant discount awards when stormwater is discharged off of the subject property or to a public-owned and maintained stormwater facility.
- 3.3.3. The discount calculation will be consistent with City stormwater policies as set forth in City Code and the Stormwater Management Manual. City Council reserves the right to review and adjust the discount calculation as required by changing regional, state and federal environmental regulations, legal commitments, and extraordinary financial or economic circumstances.

- 3.3.4. The City will consider the amount of tree canopy on private property when calculating a stormwater discount and retroactive credit. The calculation will be based on the number of trees taller than 15 feet located on the property. The calculation will exclude trees located in the public right-of-way.
- 3.3.5. The City will grant retroactive credits on the same basis as stormwater discounts. The credit will be based on the number of days the facilities were in operation and the ratepayer was responsible for the utility account, up to a limit of 12 months. The 12-month period will begin from the date the discount takes effect for the subject property and utility account. In order to qualify for the retroactive credit, the ratepayer must file a completed and signed registration form by June 30, 2007. The retroactive credit is processed as a one-time adjustment to an active ratepayer utility account.

#### 3.4. Ensure Performance, Protect Privacy and Provide Due Process

- 3.4.1. A signed registration form will give the City authority to perform limited, announced inspections of property to determine the eligibility of the on-site stormwater management facilities, and the accuracy of the stormwater discount calculation. The City shall schedule the inspections at a date and time that is mutually acceptable to both parties. The City will offer the ratepayer at least one opportunity to reschedule to a mutually agreeable date and time. See Section 10.3 for additional information.
- 3.4.2. Within 30 days following a site inspection, the City will provide the ratepayer with a report of the Bureau's findings and recommendations, and the procedures to be used by the ratepayer to request an administrative review.
- 3.4.3. The City will provide the ratepayer an opportunity to present a written appeal of the Bureau's findings and recommendations prior to any action affecting the amount of the discount, imposition of any fees, charges or penalties, or other enforcement actions. The Environmental Services Director will make the final determination on all appeals.
- 3.4.4. Unless otherwise obligated by public records laws, the City shall limit the use of registration documents to activities required to administer Clean River Rewards.

#### 4. Definitions

The following definitions apply to terms and concepts used by the Clean River Rewards that are not specifically defined in the Stormwater Management Manual or the Code of the City of Portland:

- 4.1. **Active Utility Account.** The account maintained by the City to bill charges for stormwater management services, and in full effect on the date the City processes a registration for Clean River Rewards.
- 4.2. **Building Footprint.** The square footage of buildings as measured at the perimeter of the building foundation. For buildings that are elevated or mobile, the footprint is the determined by the furthest perimeter of walls that define the structure.

- 4.3. **Clean River Rewards.** Discounts applied to the on-site component of stormwater management charges and calculated based on the extent and effectiveness of on-site stormwater management as set forth in these Rules. Rewards include discounts on current, active and eligible utility accounts, as well as one-time retroactive credits based on the discount rate
- 4.4. **Commercial Property.** Property used in whole or part for commercial enterprises involving the sale or exchange of goods and services.
- 4.5. **Customer Information System (CIS).** The computerized billing system used by the City to account for stormwater management charges.
- 4.6. **Developed Area.** The area of real property which does not allow stormwater to percolate into the ground, such as permanent, temporary and mobile structures, parking areas, private drives, sidewalks and pathways and other paved surfaces. Paved surfaces include areas covered by pervious paving materials and systems.
- 4.7. **Discount Award.** The product derived by multiplying the discounted area times the on-site component of the stormwater management rate times the discount rate.
- 4.8. **Discount Percentage.** The percentage used to calculate the value of the Clean River Rewards discount. The percentage represents the portion of developed area served by private on-site stormwater management techniques, and the effectiveness of the stormwater management. For single family and duplex residential ratepayers the calculation is limited to the safe disposal of stormwater discharges from roof areas. For all other ratepayers, the calculation is based on the extent of pollution reduction, flow rate control and safe disposal of stormwater discharges from all developed areas.
- 4.9. **Discounted Area.** That portion of developed area served by private on-site stormwater management systems that meet the eligibility requirements for Clean River Rewards.
- 4.10. **Industrial Property.** Property used in whole or part for the production or manufacture of goods for sale or exchange.
- 4.11. **Institutional Property.** Property used for the provision of goods and services by governmental and non-profit organizations.
- 4.12. **Multi-Family Residential Property.** Property occupied by three or more dwelling units as defined by the Code of the City of Portland, including condominium developments and other developed properties served by a shared system of private stormwater management.
- 4.13. **Off-Site Component (Stormwater Management Rate).** The stormwater management rate for that portion of stormwater utility costs allocated to runoff from public streets and rights of way, as well as the costs of watershed management and other environmental services, as determined by annual cost-of-service rate-making study of the stormwater utility. The off-site component shall be 65% of the stormwater management rate based on the basic revenue requirements of the stormwater utility.
- 4.14. **On-Site Component (Stormwater Management Rate).** The stormwater management rate for that portion of stormwater utility costs allocated to runoff from private property, as determined by annual cost-of-service rate-making study of the stormwater utility. The on-site



component shall be 35% of the stormwater management rate based on the basic revenue requirements of the stormwater utility.

- 4.15. Paved Areas.** The portion of land covered by materials such as asphalt, concrete, cement, or other materials that prevent stormwater runoff from infiltrating into the ground, as well as pervious paving materials and systems. Paved areas include driveways, patios, walkways (other than public sidewalks), and storage and parking areas.
- 4.16. Public Right-of-Way.** Property owned or controlled by means of easements by the City of Portland for public uses including streets, sidewalks, sanitary or stormwater systems or other public facilities or services.
- 4.17. Ratepayer.** The person(s) or organization named on an active City utility account as the party receiving City utility services, and therefore, responsible for paying City utility charges.
- 4.18. Retroactive Credits.** A single one-time adjustment to a current, active and eligible utility account based on the discount award and calculated based on a retroactive period not to exceed 12 months.
- 4.19. Riparian Property.** Property that discharges stormwater directly into the Willamette River, Columbia River or Columbia Slough, without use of publicly owned and/or operated facilities. This definition does not include properties that discharge to any other surface water body, stream, creek or drainage way.
- 4.20. Roof Areas.** The coverings of buildings and other elevated structures on property, composed of impervious materials, including eco-roofs or roof gardens.
- 4.21. Single Family Residence.** Residential property consisting of no more than two (2) living units as defined for land use planning purposes by the Code of the City of Portland. This category includes detached single family homes and duplexes.

## **5. Eligibility Requirements**

A ratepayer must comply with the following eligibility requirements to receive and retain Clean River Rewards:

- 5.1.** The ratepayer shall complete a discount registration form. The form may be printed or electronic, and may be filed by mail, over the Internet or by way of an automated telephone registration system. See Appendices A and B for sample documents.
- 5.2.** The ratepayer's utility account shall be active and current. For accounts with delinquencies, the ratepayer must be maintaining a formal payment arrangement with the City to eliminate such delinquencies.
- 5.3.** The ratepayer shall not have any delinquent industrial permit, seepage fees or other regulatory charges due and payable to the City or other public agency.
- 5.4.** Once granted, the discount award applies to the active utility account identified on the discount registration form. The discount shall be discontinued when the active utility account is closed. Subsequent ratepayers shall register to receive Clean River Rewards. The previous discounts shall not transfer automatically to subsequent ratepayers.

- 5.5. The ratepayer's registration shall accurately describe private stormwater management facilities, as they exist on the date the discount registration was filed with the City.
- 5.6. The ratepayer shall provide, upon request, records of maintenance performed on private stormwater facilities. The City shall rely on these records to confirm on-going and regular maintenance and operation of private stormwater facilities.
- 5.7. Private stormwater management facilities shall be properly located, sized, and maintained in an operating condition.
- 5.8. Private stormwater management facilities shall comply with all applicable City building, plumbing and stormwater requirements, stormwater discharge permits, benchmark standards of stormwater permits and facility registration requirements. The City may waive this requirement for stormwater management facilities that were installed prior to November 1, 2006, if such facilities are operating effectively and do not threaten or harm the subject property, neighboring property, City facilities or the environment.
- 5.9. The ratepayer, property owner or personal representative shall notify Environmental Services of any changes to property improvements, stormwater facilities or tree canopy that would alter the ratepayer's discount registration.
- 5.10. The City shall be granted limited access to private property to inspect private stormwater facilities as set forth in Section 10.

## **6. Calculating Discount Awards**

Environmental Services shall calculate discount awards based on the extent and effectiveness of private stormwater management efforts. Two distinct calculation methods are set forth, one for each class of ratepayer. Environmental Services established the different methods in order to balance the competing objectives of equity, environmental effectiveness, understandability, ease of application, administrative efficiency, and consistency with existing stormwater policies.

- 6.1. **Single Family Residences.** Environmental Services shall calculate discount awards based solely on the private on-site management of stormwater discharged from roof areas and calculated as follows:
  - 6.1.1. The City shall grant a full discount award when all roof drainage is fully retained on property. The City shall value eco-roofs in the same manner as retention facilities.
  - 6.1.2. The City shall grant a partial discount valued at 67% of the full award when private on-site stormwater management detains or partially retains stormwater discharges from roof areas.
  - 6.1.3. The City shall grant a supplemental discount award valued at 25% of the full award when the total developed area is less than 1,000 square feet.
  - 6.1.4. The City shall grant a supplemental discount award valued at 8% of the full award when there are 4 or more trees on private property taller than 15 feet. This

supplemental discount award does not include street trees such as trees planted in an adjacent public right-of-way.

- 6.1.5.** The total value of full, partial and supplemental discount awards shall not exceed 100% of the on-site component of the stormwater management charge.

- 6.2. Commercial, Industrial, Institutional and Multi-Family Properties.** The shall calculate discount awards based on the extent and effectiveness of private on-site systems to control the pollution, flow rate and disposal of stormwater runoff from all developed areas. Discount calculations shall take into consideration the effectiveness of these three components of stormwater management. Equal weight shall be given to each of these three components. The effectiveness of each stormwater facility shall be based on separate sizing standards for pollution reduction, flow rate and disposal control as determined by the Bureau. Ratepayers shall be required to provide the size or capacity of the on-site stormwater management facilities and the amount of developed areas served by each facility type. Appendix B contains a sample discount registration form. Appendix C contains a detailed description of the method used for calculating discount awards.

## **7. Calculating Retroactive Credits**

Environmental Services shall award retroactive credits to ratepayers who register and qualify for discount awards prior to June 30, 2007. The credits shall be calculated as follows (see examples in Appendix D):

- 7.1.** The retroactive credit shall be granted once for each qualifying property based on the initial discount registration filed by an active ratepayer and processed by the City. The City shall grant retroactive credits only to the active ratepayer at the time of the initial discount registration. Neither a previous nor subsequent ratepayer shall be eligible for retroactive credits.
- 7.2.** The City shall grant the retroactive credit based on the initial discount award that is calculated for and posted to the active utility account for the subject property.
- 7.3.** The retroactive period shall begin on the billing end date immediately preceding the billing period when the initial discount award is posted.
- 7.4.** The City shall establish the retroactive period by comparing the retroactive start date for the eligible utility account to each of three possible retroactive end dates. The City shall use the end date that produces the minimum retroactive period. The three possible dates are:
- 7.4.1.** October 23, 2005.
- 7.4.2.** The date the eligible utility account became active.
- 7.4.3.** A date that is 12 months prior to the retroactive start date for the eligible utility account.
- 7.5.** The City shall calculate the retroactive credit by converting the initial discount award into a per diem value and multiplying that value times the number of days in the retroactive period.
- 7.6.** The retroactive credit shall appear as a single one-time adjustment (credit) on the same billing statement as the initial discount award for the subject property.

## **8. Adjustments to Customer Billing Accounts**

Environmental Services shall adhere to the following procedures to adjust stormwater management charges for ratepayers who receive Clean River Rewards:

- 8.1.** The ratepayer must comply with all eligibility requirements before Environmental Services grants discount awards and retroactive credits.
- 8.2.** Environmental Services shall grant discount awards based on a discount percentage that reflects the extent and effectiveness of private on-site stormwater management. The discount percentage is derived from information provided in the discount registration using methods described in Section 6.
  - 8.2.1.** For eligible single family and duplex residential ratepayers, the discount percentage is multiplied times the on-site component of the stormwater management charge and expressed as a credit adjustment to the active utility account.
  - 8.2.2.** For all other ratepayers, the discount award is the product of multiplying the discount percentage, developed area used for calculating stormwater managements charges, the on-site component of the stormwater management rate (expressed as a per diem) and the number of days in the account's billing period.
- 8.3.** The discount award shall begin with the billing cycle in effect when a complete discount registration is received and processed by the City.
- 8.4.** Environmental Services shall determine the effective date for discontinuing a discount award pursuant to procedures set forth in Sections 5, 10 and 11.
- 8.5.** Environmental Services shall adjust customer accounts to recover discount awards and retroactive credits as set forth in Section 10. Adjustments shall appear as a lump sum amount added to customer billing accounts.
- 8.6.** The Director of Environmental Services grants limited authority to customer service representatives of the City to make minor adjustments to utility accounts in response to demands raised by ratepayers regarding Clean River Rewards. These adjustments shall not exceed \$10 or 10% of a discount award or retroactive credit. The customer service representative shall fully document the amount and date of the adjustments, and the nature of the ratepayer's demand. When ratepayer demands exceed the limitations of this authority, customer service representatives shall refer ratepayers to the administrative review process provided in Section 11.

## **9. Notice of Adjustments to Customer Billing Accounts**

Environmental Services shall provide written notice to participating ratepayers of actions taken to initiate, discontinue or recover Clean River Rewards.

- 9.1.** Notice shall be given by regular first-class mail, addressed to the ratepayer of record as described on the applicable customer billing account. Notice shall be considered given when mailed by Environmental Services or a Bureau designee.

- 9.2. Notice shall include the type of action, the effective date of the action, the customer billing account, the financial impact to the ratepayer, the basis of the action, the procedure for requesting administrative review of the action, and the deadline for requesting administrative review.
- 9.3. Environmental Services shall mail notices of discount awards to active ratepayers within 10 working days of posting a discount registration.
- 9.4. Environmental Services shall mail notices of actions to discontinue or recover Clean River Rewards at least 20 days prior to taking the proposed action.
- 9.5. Environmental Services shall retain an electronic and/or paper record of all notices. The electronic record shall include the ratepayer name, mailing address, type of action, effective date of action and date of mailing.

## 10. Compliance

Environmental Services may perform site inspections of ratepayer properties to confirm the accuracy of program applications and compliance with eligibility requirements set forth in Section 5.

- 10.1. **Selection.** Environmental Services shall select properties for site inspections based on factors that address threats to public health and safety, advance Clean River Rewards goals and objectives, strengthen other City inspection functions, respond to nuisance complaints, or increase overall program efficiencies.
- 10.2. **Notice of Inspection.** Environmental Services shall mail written notice at least 20 days prior to a site inspection.
  - 10.2.1. The notice shall be given by regular first-class mail, addressed to the ratepayer of record as described on the applicable customer billing account. Additional notice shall be given to the owner of the property, if different than the ratepayer. Notice shall also be sent to the Occupant at the property address.
  - 10.2.2. Notice shall include the date and approximate time of the inspection, the name of the inspector, the purpose for the inspection, and a summary of the rules governing compliance and site inspections (Sections 5 and 9).
- 10.3. **Inspection.** Environmental Services shall conduct site inspections in a manner that minimizes disruption of the uses of property, and avoids compromising the privacy of ratepayers, owners and tenants.
  - 10.3.1. Prior to conducting an inspection, Environmental Services shall review and collect any public document that facilitates the inspection. These documents may be maintained on file to support further actions taken by the Bureau.
  - 10.3.2. At the time of the site inspection, the ratepayer, property owner or personal representative shall provide records of all maintenance performed on private stormwater facilities, and any other records requested by the inspector to ascertain the location, design, construction, operation, maintenance and performance of on-site stormwater management facilities.

- 10.3.3. The inspection shall be limited to the stormwater management facilities located in, on or adjacent to buildings, in paved areas and in landscaped areas. An inspector shall enter a building only if required to complete an inspection of stormwater facilities, and under observation of the ratepayer, property owner or personal representative as appropriate.
- 10.3.4. The inspection shall be conducted on the date and at the time identified in the notice to the ratepayer, owner and occupant, unless changed by mutual agreement of the parties.
- 10.3.5. If the inspector is unable to gain access to the property on the date of the initial notices, or the inspection date has been changed by mutual agreement as provided in subsection 9.3.4, Environmental Services shall set a second inspection date and give notice as set forth in subsection 9.2. The notice requirement may be waived if the inspector and ratepayer, property owner or personal representative arrange an inspection date by telephone or direct personal contact. In such cases, the inspector shall document the arrangement by making a note in the file.
- 10.3.6. Environmental Services may substitute one inspector for another, without prior notice, due to workload, vacations, sick leaves and other circumstances.
- 10.3.7. Environmental Services shall make two attempts to conduct a site inspection. Failure to gain access to property to conduct a limited inspection, or to complete an inspection of all stormwater facilities, if caused by the ratepayer or property owner, shall constitute a violation of the eligibility requirements of the program, resulting in enforcement actions set forth in Section 10.
- 10.3.8. During site inspections, city staff may provide the ratepayer (and property owner, if not ratepayer) a copy of the Clean River Reward registration form, and oral notification of compliance and if necessary, recommendations or requirements to bring site into compliance depending on nature of violation.
- 10.3.9. The inspector shall prepare a written report of the inspection, including findings and recommendations for enforcement actions, if appropriate. Recommendations shall be based on objective criteria concerning the accuracy of the discount registration, and the safe and effective functioning and maintenance of on-site stormwater management facilities. The inspection report shall be placed in the file along with other documents described in Subsection 9.3.

**10.3.9.1. Accuracy of the discount registration.**

- 10.3.9.1.1. Site conditions should match impervious area measurements of the site plus or minus 10%, and
- 10.3.9.1.2. Trees are on private property, not in ROW or City easements?, and are at least the 15 foot trigger height, and
- 10.3.9.1.3. Facility types should be consistent with definitions found in the *Stormwater Solutions Handbook*, and
- 10.3.9.1.4. Date of construction should be plus or minus 2 years from listed permit date in *TRACS* permit listings (if listed)

**10.3.9.1.5.** Activity area definitions are consistent with the descriptions found in the *Stormwater Management Manual*.

**10.3.9.2.** Safe and effective functioning of the facility

**10.3.9.2.1.** Facility does not actively pond water beyond 36 hours.

**10.3.9.2.2.** Runoff either completely infiltrates or flows to an approved disposal points such as a stream, pipe or drainage ditch.

**10.3.9.2.3.** Facility is sufficiently set back from property lines and building foundations.

**10.3.9.3.** Maintenance of on-site stormwater management facilities.

**10.3.9.3.1.** Facility is operated in according with filed O & M plan as required by building permits after 1999;

**10.3.9.3.2.** Facility is maintained for all the issues listed in the facility O & M templates found in the *Stormwater Management Manual*.

**10.4. Violations and Remedies.** The inspector shall use best professional judgment when assessing site conditions for the purpose of classifying minor and major violations of these administrative rules and related provisions of City Code. The City shall grant the registrant 90 days to correct violations. In cases of potential damage to adjacent properties or City systems and cases of eminent danger to life, health or the environment, the City retains the right to require more speedy resolution of an issue. Examples can include but are not limited to bare soils eroding into neighboring property; significant flow volumes impounded in unsupported structures; or roadway undermining from high rate flows.

**10.4.1. Minor Violation** – Minor violations have a *de minimus* impact to the environment and the stormwater utility, are easily preventable and can be corrected with minimal effort. Staff shall attempt to resolve minor violations with oral notification and technical assistance. Minor violations include:

**10.4.1.1.** Minor errors in registration, including mistakes in stormwater management facility type or number, or percentage of impervious area treated. The City shall correct such errors requiring the ratepayer to re-register and adjusting discount awards based on the corrected registration.

**10.4.1.2.** Stormwater management facility is not being properly maintained, but still operates effectively. Staff shall provide copies of recorded operations and maintenance plan (if appropriate) and provide recommendations on proper operations and management techniques. Examples of recommendations include cleaning gutters to improve drainage, increasing vegetation density for landscaped stormwater facilities, removing sediment or trash, and improving soil drainage.

- 10.4.2. Major violation** – Major violations relate to fraudulent registrations, property damage or safety concerns, lack of required permits for stormwater facility construction or inspection refusal. Major violations are documented through oral notification, written notice of violation and potential remediation. Such violations include:
- 10.4.2.1.** Major errors in registration, such as fraudulent registration where no stormwater management facilities are found. The City shall suspend discount awards and recover all awarded discounts and retroactive credits. In addition, the City shall assess a civil penalty of \$250 per major violation. Any new registration by the ratepayer or property owner shall require a site inspection prior to its processing to determine if stormwater has been managed appropriately.
  - 10.4.2.2.** Stormwater management facility failure due to lack of maintenance or improper site use. The City shall suspend discount awards until the City conducts a site inspection and determines that the stormwater facility is in compliance. The City may recover any retroactive credits if it is determined that the facility has not been brought into compliance within 90 days of the initial inspection.
  - 10.4.2.3.** If property owner delays or obstructs inspection access following at least two telephone and two written requests for setting an appointment for inspection, discount shall be suspended until inspection is allowed. In addition, the City may recover any retroactive credits.
  - 10.4.2.4.** Stormwater management facilities were constructed and registered without required permits or review, including such circumstances as revisions to required landscaping, and changes to an approved site plan, such as a change in number of parking lot spaces under an approved conditional use. The City shall suspend discount awards, reverse all awarded discounts and retroactive credits, and a site inspection shall be conducted before any new discount registration is processed. The City may waive required permits based on the date of construction, location, and site characteristics.
  - 10.4.2.5.** Stormwater management technique or discharge does not meet stormwater management policies and standards, including such circumstances as: setbacks from building structures or property lines; appropriate stormwater management techniques in landslide or high slope areas or properties with zoning overlays, such as environmental zones, design zones, or greenway zones; and appropriate stormwater disposal, either through adequately sized and appropriately sited infiltration area or by overflow to public storm system. The City shall require the ratepayer to bring stormwater facility into compliance within 90 days of the initial inspection. The City shall discontinue discount awards until the stormwater facility is brought into compliance. The City may recover all awarded discounts and retroactive credits if the stormwater facility is not brought into compliance within the 90-day period. The ratepayer shall be responsible for all damages caused by the violations of City stormwater policies and regulations. The City shall



conduct a site inspection before any new discount registration is processed.

**10.4.2.6.** Stormwater management facility, technique or discharge is causing property or building damage, or potential safety or environmental hazards, including such circumstances as: erosion or landslides; damage to property and structures; excessive ponding or retention; and blocking egress routes, interfering with loading zones or other access routes. The City shall require the ratepayer to bring the stormwater facility into compliance or correct the problem. The City shall require the ratepayer to bring the stormwater facility into compliance within 90 days of the initial inspection. The City shall discontinue discount awards until the stormwater facility is brought into compliance. The City may recover all awarded discounts and retroactive credits if the stormwater facility is not brought into compliance within the 90-day period. The ratepayer shall be responsible for all damages caused by the violations of City stormwater policies and regulations. The City shall conduct a site inspection before any new discount registration is processed. In cases of imminent threat to public health and safety, the City may take corrective action to reduce risks to public and environmental safety. Corrective action to come into compliance with the City code shall be the sole responsibility of the violator and shall be enforced through major code violation corrective actions. Staff will follow enforcement penalty and cost recovery as directed by the Stormwater Discharge Enforcement Administrative Rules.

**10.5. Notice of Findings and Recommended Actions.** Environmental Services shall give notice of the findings and recommendations of a site inspection within 20 working days of the date of the inspection.

**10.5.1.** The notice shall be given in the same manner as provided under Subsection 10.2.

**10.5.2.** The notice shall contain the date and time of the inspection, the name of the inspector, specific findings, recommendations and remedies, inspection and re-inspection dates, a description of the process for requesting administrative review of the findings, recommendations and remedies, and the deadline for filing a request for administrative review.

## **11. Administrative Review and Determination**

Environmental Services shall provide an opportunity for ratepayers to request an administrative review before actions are taken to deny a discount registration, adjust or discontinue an existing award, or recover previously granted awards.

**11.1. Written Request for Administrative Review.** The ratepayer must request an administrative review in writing. The Director may develop specific reporting forms for this purpose.

**11.1.1.** The request must be received by Environmental Services within 20 days of the date of the notice of the action to be reviewed. If no request is received, the recommended action shall take effect without further delay.

- 11.1.2. The request must state the proposed action by Environmental Services to be reviewed, the specific objections to the action, information to support a claim that the proposed action violates City Code or administrative rules, and specific remedies sought to correct the proposed action.
- 11.2. **Staff Review and Recommendations.** Program staff shall review the request for administrative review and prepare a report and recommendations for the Director of Environmental Services.
  - 11.2.1. The report shall include a copy or summary of the discount registration, the inspection report, the ratepayer's request and any attachments, specific responses to each objection or claim, and recommended actions.
  - 11.2.2. Program staff shall present the report to the Director within 30 working days of the date the request was received by Environmental Services.
  - 11.2.3. Program staff may prepare a single report in response to multiple requests for administrative review when such requests are based on similar objections or claims, and staff findings and recommendations are similar.
- 11.3. **Director's Review and Determination.** The Director shall review the staff report and make a final determination regarding the disposition of ratepayer objections and claims.
  - 11.3.1. The Director may delegate responsibilities for administrative review to a manager or a committee comprised of at least three persons. If a committee is organized, the Director shall have sole authority to determine its composition.
  - 11.3.2. The determination of the Director or his/her designee shall be final and not subject to future review by the City Council.
  - 11.3.3. The final determination shall state the specific objections of the ratepayer, findings in support of the final determination, specific reference to the pertinent administrative rule(s), the specific interpretation of the rule, and specific remedies as provided in Subsection 10.4.
  - 11.3.4. Environmental Services shall maintain a complete record of all determinations and rule interpretations for reference and use in reviewing ratepayer objections.

## **Appendix A**

### **Application Form for Single Family Residences**



Register online at [www.CleanRiverRewards.com](http://www.CleanRiverRewards.com)



ENVIRONMENTAL SERVICES  
CITY OF PORTLAND  
working for clean rivers



## Single Family Residential Ratepayers (includes houses and duplexes)

### Utility Account Information

Utility Account Number: (at top right corner of your bill)

□□□□ - □□□□ - □□□□ - □

Ratepayer Name: \_\_\_\_\_

Site Address: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Email Address: \_\_\_\_\_ Telephone Numbers: \_\_\_\_\_

### Registration Information

Check ☒ all that apply

- ① Check ☒ all the locations where stormwater flows when it drains from your roof areas.
- ☐ a. Off of my property... to street, drainage ditch, sewer, stream or other location
  - ☐ b. To drywells or French drains on my property
  - ☐ c. To a swale, lawn, garden or landscaped area to allow infiltration into the ground
  - ☐ d. To cisterns or rain barrels for later use on my property
  - ☐ e. To a pond, holding facility or planter that slowly releases stormwater off of my property
- ② Check ☒ all of the following conditions that apply to your property.
- ☐ a. I have installed an ecoroof on a portion or all of my buildings
  - ☐ b. The roof and paved areas on my property cover less than 1,000 square feet
  - ☐ c. There are 4 or more trees on my property that are taller than 15 feet  
(Do not include trees planted in the parking strip or public right-of-way)
- ③ Check ☒ each of the following conditions that apply to you or your property.
- ☐ a. I am the property owner as well as the utility ratepayer
  - ☐ b. A portion or all of my driveway and parking areas drain to drywells on my property
  - ☐ c. I would like to receive information about financial assistance and earned income tax credits  
(See the back of this form for more information.)

### Certifications

By signing this registration form, you certify that (1) you have read and understand the program requirements and regulations that accompany this form; (2) the information you have provided on the registration form is complete and accurate; and (3) you grant the city permission to conduct site inspections of stormwater facilities at times that are mutually acceptable to you and the city.

Print Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

See reverse side for the program rules and requirements, and information about financial assistance.  
Mail registration form to: Clean River Rewards, PO Box 4470, Portland, OR, 97208-4470

## **Appendix B**

### **Application Form for Commercial, Industrial, Institutional, and Multi-Family Residential Ratepayers**



Register online at [www.CleanRiverRewards.com](http://www.CleanRiverRewards.com)



ENVIRONMENTAL SERVICES  
CITY OF PORTLAND  
working for clean rivers



## Commercial, Industrial, Institutional and Multi-Family Residential Ratepayers

### Utility Account Information

Utility Account Number: (at top right corner of your bill)

-     -

Ratepayer Name: \_\_\_\_\_

Site Address: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Email Address: \_\_\_\_\_ Telephone Number: \_\_\_\_\_

### Developed Areas - buildings, parking, storage, drives and walkways

1. Building Footprints: \_\_\_\_\_ square feet

2. Paved Areas\*: \_\_\_\_\_ square feet

Total Developed Areas: \_\_\_\_\_ square feet

\*Include pervious pavement.  
Exclude compacted soil and gravel.

### Private On-Site Stormwater Management Facilities

Stormwater Facility	Developed Area Served	Facility Size or Count
3. Release to street, stream, city facility or neighboring property		
4. Release to river or slough (square feet)		
5. Permitted release to City sewer system (square feet)		
6. Ecoroof (square feet)		
7. Contained Planter (square feet)		
8. Pervious Pavement (square feet)		
9. Downspout Disconnection to Infiltrating Area (square feet)		
10. Vegetated Swale or Infiltration Basin (square feet)		
11. Grassy Swale (square feet)		
12. Vegetated Filter (square feet)		
13. Infiltration or Flow-Through Planter (square feet)		
14. Sand Filter (square feet)		
15. Eastside Soakage Trench (square feet)		
16. Westside Soakage Trench (square feet)		
17. Pond and Wetland		
18. Detention Tank or Vault		
19. Manufactured Pollution Reduction Facility		
20. Oil-Water Separator		
21. Drywell		
22. Approved Source Controls		
23. Approved Rainwater Re-Use System		

### Tree Canopy

24. \_\_\_\_\_ Number of trees taller than 15 feet on your property  
(Do not include trees planted in the parking strip or public right-of-way)

### Additional Property Information

25. Do you have a stormwater management operations and maintenance plan on file with the city? ☐ Yes ☐ No
26. Do you have a permit from the Oregon Department of Environmental Quality to discharge stormwater? ☐ Yes ☐ No
- 26a. (if yes) DEQ File Number: \_\_\_\_\_

27. Check ☒ each of the items below that are located on or are characteristic of the property identified in this registration. This information helps the city protect the public health and improve stormwater services. The City will use this information to develop public education and outreach about best practices to manage stormwater pollutants.

- a. \_\_\_\_\_ Fuel-dispensing facilities
- b. \_\_\_\_\_ Exterior stationary liquid storage tanks
- c. \_\_\_\_\_ Exterior storage of bulk materials
- d. \_\_\_\_\_ Material transfer area or loading dock
- e. \_\_\_\_\_ Vehicle storage areas and/or covered parking areas
- f. \_\_\_\_\_ Vehicle and/or equipment washing facilities

### Certifications

By signing this registration form, you certify that (1) you have read and understand the program requirements and regulations that accompany this form; (2) the information you have provided on the registration form is complete and accurate; and (3) you grant the city permission to conduct site inspections of stormwater facilities at times that are mutually acceptable to you and the city.

Print Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Email: \_\_\_\_\_ Phone: \_\_\_\_\_

### Need more information?

- Online: [www.CleanRiverRewards.com](http://www.CleanRiverRewards.com) for information and to register for stormwater discounts
- Call: Clean River Rewards at 503-823-1371
- Email: [Cleanrivers@bes.ci.portland.or.us](mailto:Cleanrivers@bes.ci.portland.or.us)
- Mail: Clean River Rewards, PO Box 4470, Portland, Oregon, 97208-4470

To help ensure equal access to City programs, services and activities, the City of Portland will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities. Call 503-823-7740 with such requests.

BS 0606-C revised Oct 16, 2006





## **Appendix C**

### **Discount Calculation Methodology and Stormwater Facilities Sizing Standards for Commercial, Industrial, Institutional and Multi-Family Residential Properties**

## Methodology for Calculating Stormwater Discounts for Commercial, Industrial, Institutional and Multi-Family Residential Properties

The following facilities qualify for all or a portion of the stormwater discount based on the extent to which they control the water quality (pollution prevention), speed (flow rate) and volume (disposal) of stormwater runoff. The City assumes that the size or number of facilities used is sufficient to earn the discount. No sizing information is required to register. The discount is based solely on the amount of developed area served. The discount amount is calculated by multiplying the developed area served times the property or on-site component of the stormwater billing rate times the percentage of discount award shown in the following table:

<b>Stormwater Facility</b>	<b>% of Discount Award</b>
Direct release to a river or slough	100%
Permitted release to City sanitary sewer system	100%
Ecoroof	100%
Contained Planter	100%
Pervious Pavement	100%
Pond and Wetland	67%
Detention Tank or Vault	33%
Manufactured Pollution Reduction Facility	33%
Oil-Water Separator	33%
Drywell	67%
Approved Source Controls	33%
Approved Rainwater Re-Use System	67%

The following facilities qualify for all or a portion of the stormwater discount based on the extent to which they control the water quality (pollution prevention), speed (flow rate) and volume (disposal) of stormwater runoff. Performance is based on the size of the facility in relationship to the developed area served. The amount of the discount awarded is based on the extent to which the facility meets the sizing standard.

For example, if one of these stormwater facilities meets the sizing standard, then the developed area served receives a full discount of \$2.45 per 1000 square feet based on current rates. However, if the stormwater facility is 75% of the required size, the discount is limited to 75% of the full discount, or \$1.84 per 1000 square feet of developed area served based on current rates.

The following table reports the sizing standards that must be achieved in order to earn the full discount for the developed area served:

<b>Stormwater Facility</b>	<b>Sizing Standard % of Area Served</b>
Downspout Disconnection to Infiltrating Area	10%
Vegetated Swale or Infiltration Basin	9%
Grassy Swale	12%
Vegetated Filter	20%
Infiltration or Flow-Through Planter	6%
Sand Filter	7%
Eastside Soakage Trench	6%
Westside Soakage Trench	11%

## **Appendix D**

### **Examples of Retroactive Credit Calculations**

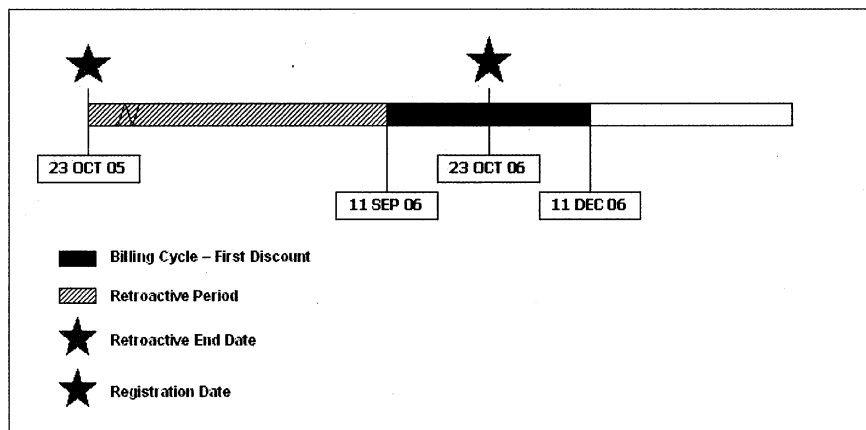
## Examples of Retroactive Credit Calculations

Ratepayers who qualify for stormwater discounts may also receive a one-time retroactive credit for as much as 12 months worth of stormwater discounts. The credit is calculated by multiplying the per diem value of the stormwater discount times the number of days of eligibility. A ratepayer is eligible from the date the current account was created in the billing system. The following examples illustrate various ways of determining retroactive periods.

### Example No. 1

#### Ratepayer registers on the start date for Clean River Rewards

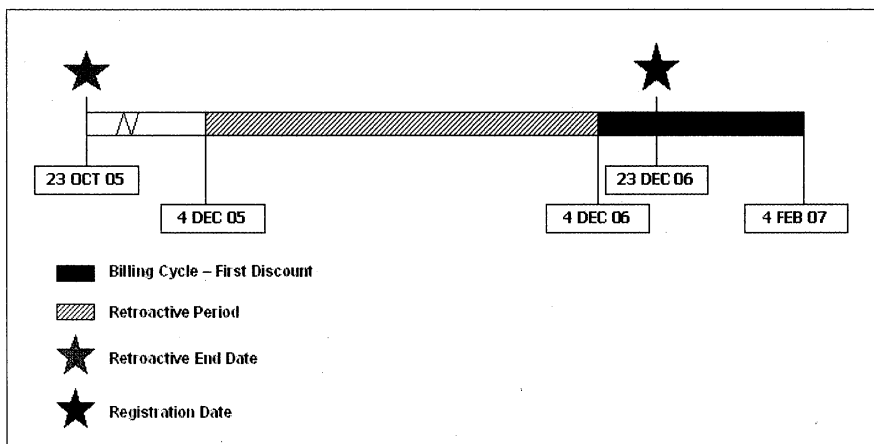
The ratepayer is eligible for the full 12-month retroactive credit. The retroactive period runs from October 23, 2005 to October 23, 2006. The ratepayer's billing cycle runs from September 11 to December 11, 2006. Taken together, the ratepayer earns a stormwater discount and credit from October 23, 2006 through December 11, 2006. The City billing system assigns the full amount to the current billing cycle and any balance to the retroactive credit.



### Example No. 2

#### Ratepayer registers several weeks after the start date for Clean River Rewards

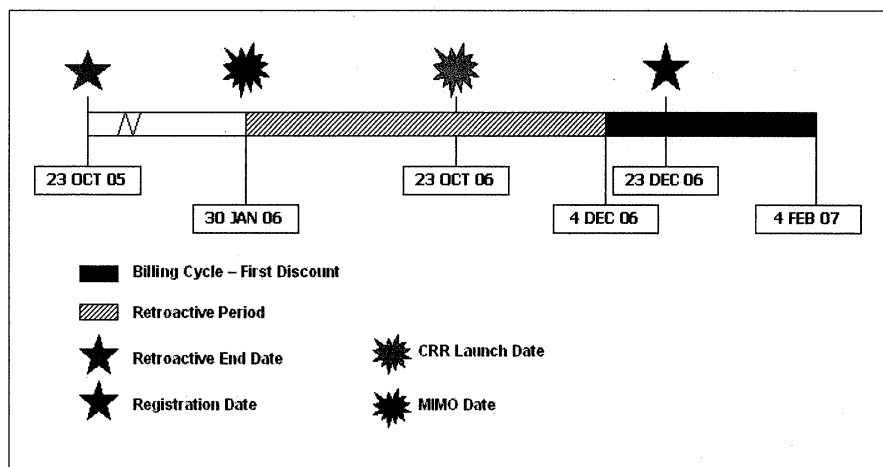
The ratepayer is eligible for the full 12-month retroactive credit, running from December 4, 2005 to December 4, 2006. The first discount is calculated for the current billing period – December 4, 2006 to February 4, 2007.



### Example No. 3

#### Ratepayer registers less than 12 months after activating the utility account

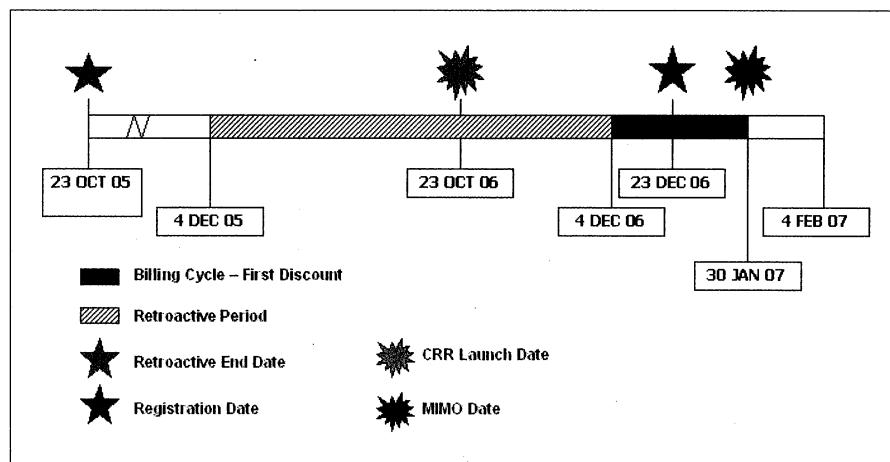
The ratepayer moved in and activated the utility account on January 30, 2006 and registered for Clean River Rewards on December 23, 2006. The retroactive period extends from that “move-in” date to the last read date prior to the date the discount registration is processed. The first discount is calculated for the billing period that runs from December 4, 2006 to February 4, 2007. The previous ratepayer is not eligible for retroactive credits from October 23, 2005 to January 30, 2006.



### Example No. 4

#### Ratepayer moves out soon after registering for Clean River Rewards

The ratepayer registered for Clean River Rewards on December 23, 2006, and then moved out and closed the utility account on January 30, 2007. The retroactive period extends 12 months back from the last read date prior to the date the discount registration is processed – December 4, 2005 to December 4, 2006. The stormwater discount is calculated for the portion of the billing period that applies to the registrant - December 4, 2006 to January 30, 2007.

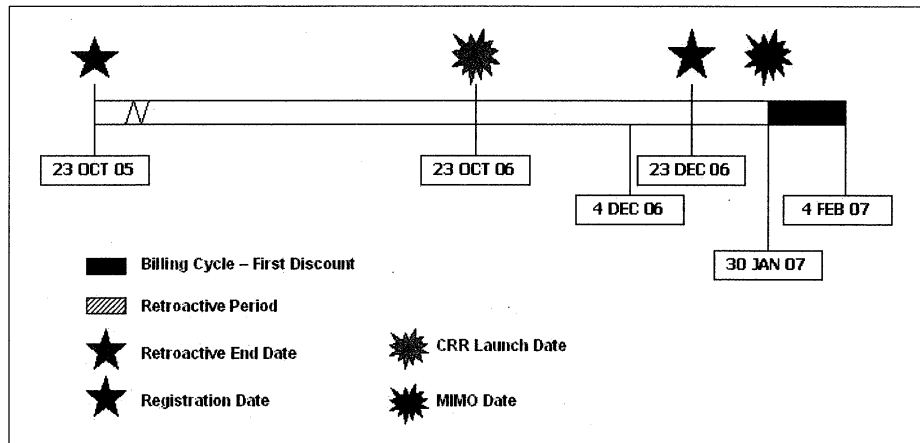


### Example No. 5

#### Landlord, alone, registers for Clean River Rewards

The landlord registers for Clean River Rewards on December 23, 2006. The tenant fails to register and then moves out on January 30, 2007. The billing period runs from December 4, 2006 to February 4, 2007. The landlord

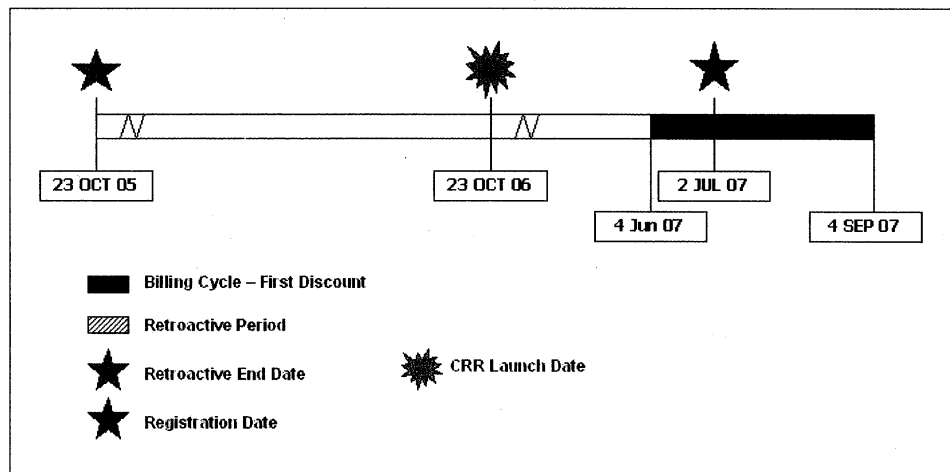
receives a discount from the portion of the billing cycle from January 30, 2007 to February 4, 2007. The tenant does not receive a discount on his/her final bill. Neither the landlord nor the tenant receives a retroactive credit.



### Example No. 6

#### Ratepayer registers for Clean River Rewards on July 2, 2007

The ratepayer registers for Clean River Rewards on July 2, 2007. The registration period for retroactive credits closed on June 30, 2007. The ratepayer receives a discount for the billing cycle that runs from June 4, 2007 to September 4, 2007. No retroactive credit is awarded.



## **Appendix E**

### **Resolution No. 35796, adopted May 19, 1999**

## **Resolution No. 35796**

Develop recommendations for reforming water and sewer rates, and direct the Bureau of Environmental Services and the Water Bureau to perform necessary work. (Resolution)

WHEREAS, the water and sewer infrastructure of the City of Portland is aging and in need, of improvements;

WHEREAS, the City of Portland has agreed to reduce the amount of combined sewer overflow to the Willamette River and the Columbia Slough;

WHEREAS, the City of Portland is planning for the future of the water supply for the residents of the City and its customers;

WHEREAS, the costs for improvements to the water and sewer systems are in excess of \$1 billion and currently must be paid by the systems' ratepayers;

WHEREAS, Portland residents and businesses have voiced concerns about the fairness and affordability of current water and sewer rates;

WHEREAS, the City has an interest in promoting water conservation;

WHEREAS, customers should have a greater ability to control the size of their water and sewer bills through the conservation of water;

WHEREAS, opportunities exist to improve the rate structure for water and sewer services, and that an improved rate structure can promote better customer awareness, understanding, and support; and

WHEREAS, revenues from stormwater fees fund drainage services related both to private property and the transportation system, and therefore any changes to the stormwater rate structures should continue to generate sufficient resources to comprehensively operate, manage and maintain the drainage system;

NOW THEREFORE BE IT RESOLVED that the commissioners in charge of the Bureau of Environmental Services and the Water Bureau will make specific recommendations to the City Council for reforming water and sewer bills by October 15th, 1999; and be it.

FURTHER RESOLVED that the Bureau of Environmental Services will have, by September 15th, 1999, recommendations for reforming the system of rates for stormwater management, including the development of estimated rate impacts to different classes of customers; and be it

FURTHER RESOLVED that the Water Bureau and the Bureau of Environmental Services will perform, by September 15th, 1999, analyses of different alternatives for promoting water conservation and affordability including, but not limited to, reducing or eliminating service charges; and the estimated impacts on of these rate alternatives on different classes of customers; and be it

FURTHER RESOLVED that, by September 15th, 1999, as part of the analysis of water conservation efforts, the Water Bureau will have reviewed its current conservation program in order to recommend both price and non-price related opportunities for customer conservation and cost reductions; and be it



FURTHER RESOLVED that the Water Bureau and the Bureau of Environmental Services will report back to Council within 30 days of the adoption of this resolution on the development of a public information and involvement plan; and be it

FURTHER RESOLVED that the Water Bureau shall develop, by September 15th, 1999, a report on its technical ability to implement within its billing system the rate reform recommendations of the Commissioners in charge of the Bureau of Environmental Services and the Water Bureau; and be it

FURTHER RESOLVED that the Portland Office of Transportation will work with the Water Bureau and the Bureau of Environmental Services in both the review of stormwater fee structures and in the development of recommendations for public and City Council consideration; and be it

FURTHER RESOLVED that the Water Bureau shall format the new system for water and sewer bills so that all account service charges will be displayed as one charge, shown independently of water use or sewer use charges; and be it

FURTHER RESOLVED that the Bureau of Environmental Services, the Water Bureau, and the Utility Review Team of the Office of Finance and Administration will work in concert with the Portland Utilities Review Board in the development of rate reform alternatives; and be it

FURTHER RESOLVED that the Portland Utilities Review Board is asked to be prepared to provide input and recommendations on these options to the City Council by September 15th, 1999.

Adopted by the Council: May 19, 1999

GARY BLACKMER  
Auditor of the City of Portland

By Britta Olson



## **Appendix F**

**Resolution No. 35876, adopted April 6, 2000**

## **RESOLUTION NO. 35876 As Amended (REISSUED)**

Direct the Bureau of Environmental Services and the Water Bureau to develop water, sewer and stormwater rates for FY 2000-01 that reflect City Council goals to improve the fairness and affordability of these rates (Resolution)

WHEREAS, the City Council shares citizen concerns regarding the fairness and affordability of water, sewer, and stormwater charges; and

WHEREAS, the long-term financial stability of the water, sewer and stormwater utilities is of utmost concern to the entire City of Portland; and

WHEREAS, improved acceptance and understanding of the nature of water, sewer and stormwater charges will help ensure support for the important work underway in the Bureau of Environmental Services and the Water Bureau; and

WHEREAS, the Bureau of Environmental Services and the Water Bureau have completed a thorough analysis of rate reform proposals presented to the City Council on March 2, 1999; and

WHEREAS, the Offices of Commissioner Saltzman and Sten and the Office of Neighborhood Involvement have conducted a series of over 18 neighborhood and business meetings on the results of the analysis conducted by the Bureau of Environmental Services and the Water Bureau; and

WHEREAS, water and sewer rates should be based more directly on the volume of water and sewer services consumed by each user; and

WHEREAS, fairness calls for recognition and financial incentives for customers who take the appropriate steps to manage stormwater on their own property; and

WHEREAS, the responsibilities of protecting rivers and streams, enhancing fish habitat, and maintaining a safe, well-drained road system should be shared by all Portland residents; and

WHEREAS, the Utility Franchise Fee does not currently support activities involving the utilities, and

WHEREAS, water and sewer services are essential, and therefore should be affordable to customers with limited incomes; now, therefore

BE IT RESOLVED, that the City Council directs the Bureau of Environmental Services and the Water Bureau to develop water, sewer and stormwater rates for FY2000-01 which reflect these community values; and be it

FURTHER RESOLVED, that the Water Bureau will develop water rates, for implementation on July 1, 2000, that are based on option 2A in its report to Council, modified so that the service charges are calculated using the cost centers identified in Attachment A; and be it

FURTHER RESOLVED, that the Water Bureau will combine the current water and sewer service charges into one "Basic Service Charge" effective October 1, 2000; and be it

FURTHER RESOLVED, that, by October 1, 2000, the Bureau of Environmental Services will create and implement a stormwater discount program that provides incentives to customers who manage their stormwater on site; and be it

FURTHER RESOLVED, that, by January 1, 2001, the Water Bureau shall modify its billing system so as to accommodate the storm water discount program created by the Bureau of Environmental Services; and be it

FURTHER RESOLVED, the 'Bureau of Environmental Services will commission an independent analysis of the relative costs of managing stormwater from private property as compared to public rights-of-way, including an estimation of the cost savings to the stormwater utility that result from on-site stormwater management; and be it

FURTHER RESOLVED, that, starting July 1, 2000, the Bureau of Environmental Services will eliminate stormwater fee exemptions for riparian properties as well as those properties not connected to the sanitary sewer system; and be it

FURTHER RESOLVED, that, by July 1, 2000, the Bureau of Environmental Services will complete its Intergovernmental Agreement with the Multnomah County Drainage District in order to establish a fair allocation of City and Drainage District costs related to stormwater; and be it

FURTHER RESOLVED, that the Bureau of Environmental Services will continue to evaluate alternatives methods for recovering the costs of draining public streets; and be it

FURTHER RESOLVED, that by July 1, 2000, the Water Bureau will expand the definition of eligibility for its low-income discount program to include housing owned by non-profits or the Housing Authority of Portland, provided every housing unit on the water and sewer account is affordable to residents who meet the program's income threshold; and be it

FURTHER RESOLVED, that the Council intends to lower the existing utility license fee for the water and sewer utilities from 7.75% to 7.5%; and be it

FURTHER RESOLVED, that annual reviews to begin one year after rate reform takes effect, shall be conducted to examine low-income and senior participation in the city's rate relief programs with recommendations and implementation plans to increase low income and senior involvement; and be it,

FURTHER RESOLVED, that by December 31, 2000, the Water Bureau will complete its current work on its Conservation Program, which will include the identification of effective price and non-price strategies for improving conservation; and be it

FURTHER RESOLVED, that Portland Parks and Recreation, the Water Bureau, the Bureau of Environmental Services, and the Office of Finance and Administration shall jointly explore options to reduce the demand for irrigation waters in parks, respond to increased water costs to the General Fund and implement more effective stormwater management practices; and report back to Council within 90 days to discuss what steps can be taken to reduce water use, what impacts remain to the park system due to the new rates and financing options which may be available.

FURTHER RESOLVED, the City Council directs staff to work with industry to explore how the City can offer incentives to business and commercial users that have implemented substantial water conservation or stormwater management efforts; and be it

FURTHER RESOLVED, that the Water Bureau will discuss with the Council the advantages and implications of a move to monthly meter reading and billing.

Adopted by the Council:

APR 06 2000

Prepared by:  
Rich Rodgers/ Commissioner Sten  
Frank Hudson/ City Attorney's Ofc.  
Commissioner Saltzman

GARY BLACKMER  
Auditor of the City of Portland

By 

## Attachment A

### Components of Service Charge Under Modified 2A Option

Function	Current Costs for FY 99/00
Customer Services	\$4.3 million
Meter Reading & Inspection	\$1.9 million
Information Technologies	\$1.6 million
Total costs:	\$7.8 million
Less delinquency revenues	\$1.1 million
Total service charge revenue requirements:	\$6.7 million
	(Approx. 30% of current service charges)

## **Appendix G**

**Resolution No. 35927, adopted September 27, 2000**

## RESOLUTION No. 35927 As Amended

Authorize the Clean River Incentive and Discount Program (Resolution)

WHEREAS, the stormwater runoff has a significant detrimental impact on the health of Portland's streams, rivers, groundwater and natural habitat; and

WHEREAS, the City has established stormwater management policies and objectives through the Clean River Plan, the Stormwater Management Manual, the Amended Stipulation and Final Order of the Oregon Department of Environmental Quality, and the City's permit under the National Pollution Discharge Elimination System; and

WHEREAS, the City Council has declared in Resolution No. 35876 that all Portland residents share responsibility for protecting rivers and streams, enhancing fish habitat, and maintaining a safe, well-drained road system; and

WHEREAS, on April 6, 2000, the City Council adopted Resolution No. 35876, directing the Bureau of Environmental Services to create and implement a stormwater discount program that provides incentives to customers who manage stormwater on their properties; now, therefore

NOW, THEREFORE, BE IT RESOLVED, that the City Council directs the Director of Environmental Services to establish and implement the Clean River Incentive and Discount Program; and

BE IT FURTHER RESOLVED, that the purpose of the Clean River Incentive and Discount Program is to control, reduce and prevent the harmful impacts of stormwater runoff on Portland's streams, rivers, groundwater and natural habitats; and

BE IT FURTHER RESOLVED, that the objectives of the Clean River Incentive and Discount Program are to advance City environmental goals and policies, reduce operating and capital costs of the stormwater utility, and increase ratepayer control over stormwater management charges; and

BE IT FURTHER RESOLVED, that the City shall achieve the purpose and objectives of the Clean River Incentive and Discount Program by providing environmental education, technical assistance and economic incentives to ratepayers who control and manage stormwater runoff on their private property; and

BE IT FURTHER RESOLVED, that the stormwater discounts provided by the Clean River Incentive and Discount Program be limited to the property component of the stormwater management charge, which shall be set at 35% of stormwater utility costs as determined by internal and independent analyses; and

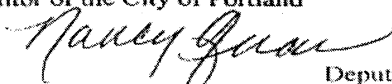
BE IT FURTHER RESOLVED, that the extent of a ratepayer's eligibility shall be determined based on the extent to which private on-site storm water management facilities control and manage storm water runoff attributed to the property; and

BE IT FURTHER RESOLVED, that no later than November 15, 2000, the Director of Environmental Services shall present to the City Council all necessary Code amendments, administrative rules and procedures and rules governing the Clean River Incentive and Discount Program; and

BE IT FURTHER RESOLVED, that City shall make the Clean River Incentive and Discount Program available to ratepayers beginning January 2, 2001. The City post storm water discounts to the City water/sewer bills of qualified ratepayers beginning March 31, 2001, and the City grant discounts retroactive to January 1, 2001 for all ratepayers who qualify for stormwater discounts on or before March 31, 2001.

Adopted by the Council, **SEP 27 2000**  
Commissioner Dan Saltzman

Dan Vizzini  
August 21, 2000

Gary Blackmer  
Auditor of the City of Portland  
By  Deputy



## **Appendix H**

**Ordinance No. 175160, adopted December 13, 2000**

## **Ordinance No. 175160 (Substitute as Amended)**

Amend Title 17 of the City Code to create the Clean River Incentive and Discount Program and correct City Code Section 17.36.010, Figure 3, Sewer User Service Charges and Rates.  
(Ordinance; amend Code Chapter 17.36)

The City of Portland ordains:

Section 1. The Council finds:

1. On April 6, 2000, the City Council adopted Resolution No. 35876, directing the Bureau of Environmental Services to create and implement a stormwater discount program that provides incentives to customers who manage stormwater on their properties.
2. On September 27, 2000, the City Council adopted Resolution No. 35927, setting forth the basic framework for the Clean River Incentive and Discount Program.
3. The Clean River Incentive and Discount Program includes a rate structure and discount program that recognizes existing efforts to manage stormwater runoff and provides incentives for ratepayers to make new investments in private stormwater facilities.
4. The Clean River Incentive and Discount Program requires a stable and reliable customer billing system to calculate and account for stormwater adjustments to ratepayer accounts.
5. On January 19, 2000, the Bureau of Water Works recommended that the new Customer Information System (CIS) operate in a stable and reliable manner for four to six months before being modified to support utility rate reform initiatives. CIS has yet to meet the operating requirements set forth by the Bureau. CIS is not sufficiently stable to support the computing needs of the Clean River Incentive and Discount Program. The Clean River Incentive and Discount Program should be implemented as soon as practical after the Bureau of Water Works and Bureau of Environmental Services verify the stability and reliability of the Customer Information System by observation over a four- to six-month interval.
6. A number of factors influence the Council's ability to offer a full or partial retroactive benefit to qualified ratepayers. The Council must determine the financial feasibility of retroactive benefits. To do so, the Council must know when the billing system will be fixed and ready to support discounts, the amount of ratepayer participation, and the impact of riparian and other new ratepayers on stormwater management charges. Environmental Services will be able to provide this information when the Bureau presents to Council new stormwater management charges to implement the Clean River Incentive and Discount Program. At that time, the Bureau will provide several alternative methods of implementing a retroactive benefit.
7. In addition to the modifications necessary to create the Clean River Incentive and Discount Program, this Ordinance corrects a mislabeled rate (Stormwater Only Account Service Charge for Out-of-City Customers) on the Figure 3 of City Code Section 17.36.010.

NOW, THEREFORE, the Council directs:

- a. City Code Chapter 17.36 is amended by adding the Section 17.36.012 as set forth in the attached Exhibit A;  
and
- b. City Code Section 17.36.010, Figure 3, Sewer User Service Charges and Rates is replaced by the attached Exhibit B.
- c. The Bureau of Environmental Services findings and recommendations are accepted as set forth in the attached Exhibit C.
- d. The Bureau of Environmental Services is directed to include in the rate ordinance required to implement the Clean River Incentive and Discount Program, estimates of stormwater management charges based on the following implementation alternatives:
  - (1) a retroactive period that begins on January 1, 2001;
  - (2) a retroactive period that begins with the start of the Program; and
  - (3) a retroactive period that is determined based on a maximum monthly stormwater management charge of \$13.50 for single family residences, and maximum monthly rates of \$5.63 for multi-family residential property and \$6.10 for non-residential property.

Passed by the Council, December 13, 2000

Commissioner Dan Saltzman  
James Hagerman  
November 20, 2000

GARY BLACKMER  
Auditor of the City of Portland  
By

Deputy

## EXHIBIT A

### 17.36.012 Clean River Incentive and Discount Program.

- A) Objectives. The objectives of the Clean River Incentive and Discount Program are to increase ratepayer control over stormwater management charges and to advance City environmental goals. The City shall achieve the objectives of the Clean River Incentive and Discount Program by providing economic incentives, technical assistance, and environmental education to ratepayers who control and manage the quality and quantity of stormwater runoff on their private property.
- B) Authority. The Director of Environmental Services shall have the authority to establish and administer the Clean River Incentive and Discount Program
- C) Administrative Rules, Procedures and Forms.
  - 1) Upon the recommendation of the Director of Environmental Services, the Bureau of Environmental Services may adopt rules, procedures, and forms pertaining to matters within the scope of this Section.
  - 2) At a minimum, the rules shall contain the following elements:
    - a) definitions for all terms and concepts that are unique to the Clean River Incentive and Discount Program, unless otherwise referenced in City Code;
    - b) criteria to be used by the City to determine eligibility for Clean River Rewards;
    - c) methods for calculating the amount of Rewards to be awarded to eligible applicants;
    - d) procedures for verifying the validity and accuracy of Rewards, and enforcing the rules of the Clean River Incentive and Discount Program; and
    - e) procedures for review and reconsideration of Bureau decisions upon request of ratepayers.
  - 3) Any rule adopted pursuant to this section shall require a public review process. Not less than thirty nor more than forty-five days before such public review process, notice shall be given by publication in a newspaper of general circulation. Such notice shall include the place, time, and purpose of the public review process and the location at which copies of the full text of the proposed rules may be obtained.
  - 4) During the public review, a designee of the Director of Environmental Services shall hear testimony or receive written comment concerning the proposed rules. The Director shall review the recommendation of his or her designee; taking into consideration the comments received during the public review process and shall either adopt the proposal, modify or reject it. If a substantial modification is made, additional public review shall be conducted, but no additional notice shall be required if such additional review is announced at the meeting at which the modification is made. Unless otherwise stated, all rules shall be effective upon adoption by the Director of Environmental Services and shall be filed in the office of the Director of Environmental Services.
  - 5) Notwithstanding paragraphs (2) and (3) of this section, an interim rule may be adopted without prior notice upon a finding that failure to act promptly will result in serious prejudice to the public interest or the interest of the affected parties, including the specific reasons for such prejudice. Any rule adopted pursuant to this paragraph shall be effective for a period of not longer than 180 days.

## EXHIBIT B

### SEWER USER SERVICE CHARGES AND RATES

FIGURE 3 - (Section 17.36.010)

	IN-CITY CUSTOMERS Effective Date January 1, 2001	OUT-OF-CITY CUSTOMERS Effective Date January 1, 2001
<b>RESIDENTIAL DWELLINGS SEWER SERVICE</b>	Rate Per 100 Cubic Feet of Water Consumption	Rate Per 100 Cubic Feet of Water Consumption
Sanitary Sewage Volume Rate	\$3.76	\$3.23
	Monthly Charge Per Account	Monthly Charge Per Account
Standard Account Service	1.75	1.51
Sewer or Stormwater Only Account Service	1.42	1.22
<b>STORMWATER MANAGEMENT</b>	Rate Per 1000 Square Feet Per month	Rate Per 1000 Square Feet Per Month
Stormwater Management Services	4.17	N/A
	Dollars Per Month Per Single Family Residence	Dollars Per Month Per Single Family Residence
Average Rate	33.87	20.50
Low Income Discount	Discount Per Month	Discount Per Month
Eligible Customers Only	9.17	N/A
<b>COMMERCIAL &amp; INDUSTRIAL</b>	Flat Charge Per Bill	Flat Charge Per Bill
Standard Account Service	5.17	4.45
Stormwater Only Account Service	4.02	N/A
	Flat Charge Per Special Meter Per Bill	Flat Charge Per Special Meter Per Bill
Special Meter Charge	9.76	8.39
	Rate Per 100 Cubic Feet of Water Consumption	Rate Per 100 Cubic Feet of Water Consumption
Sanitary Sewage Volume Rate	3.933	3.382
<b>CLEAN WATER RATES</b>		
Discharged directly or indirectly to a combined sewer	2.599	2.235
Discharged to a storm sewer not connected to a combined sewer	0.417	0.359
<b>INDUSTRIAL EXTRA-STRENGTH RATES</b>	Rate Per Pound	Rate Per Pound
Biochemical Oxygen Demand	0.388	0.334
Suspended Solids	0.467	0.402
<b>STORMWATER MANAGEMENT</b>	Rate Per 1000 Square Feet Per Month	Rate Per 1000 Square Feet Per Month
Stormwater Management Services	\$4.63	N/A

## **EXHIBIT C**

### **City of Portland, Oregon Clean River Incentive and Discount Program**

The Bureau of Environmental Services presents the following findings and recommendations regarding financial incentives for private stormwater management. The Council will consider an ordinance to implement these stormwater rate reforms at a public hearing on November 22, 2000.

#### **Action Steps**

The Bureau of Environmental Services recommends that the Council create the Clean River Incentive and Discount Program. The Bureau of Environmental Services proposes to implement the program as soon as practical, conditioned on the stability and readiness of the City's utility billing system, and the adoption of stormwater rates and charges required to pay for the proposed Rewards. The Bureau recommends the following specific actions:

- 1) Council adopts Portland City Code Section 17.36.012, creating a Clean River Incentive and Discount Program.
- 2) Environmental Services develops and adopts formal administrative rules to implement the Clean River Incentive and Discount Program. The administrative rules incorporate the following principles:
  - Rewards are available to all eligible City ratepayers regardless of property class, use or location.
  - Rewards are valued based on the extent to which ratepayers safely control, retain and dispose of stormwater runoff on private property.
  - Rewards are limited to the property component of stormwater management rates and charges as determined by annual stormwater utility rate studies.
  - Rewards recognize the dynamic nature of stormwater regulations and related financial resources. The value of Rewards are subject to Council review and may be altered as required by changing environmental regulations or extraordinary financial or economic considerations.
  - Rewards are awarded to ratepayers and may be discontinued based on conditions set forth in the administrative rules and described in the application process.
  - The Bureau shall have the authority to perform limited inspections to determine the eligibility of on-site stormwater management facilities. This authority shall be constrained by specific rules governing the timing and extent of inspections, prior notice, and the right to review inspection findings.
- 3) Environmental Services develops marketing and public education strategies that provide for the broadest possible access and participation by ratepayers. Particular attention is given to senior citizens and financially stressed ratepayers.
- 4) The Bureau of Water Works stabilizes operations of the Customer Information System (CIS) and makes modifications required to implement the Clean River Incentive and Discount Program. The modifications include itemized utility bills that display the on-site, off-site and incentive/discount components of the stormwater management charge.
- 5) The Bureau of Environmental Services assists the Bureau of Water Works. Both bureaus jointly certify the stability and readiness of CIS, and recommend a date for implementing the Clean River Incentive Program.
- 6) When deemed appropriate by the Commissioners-in-Charge of the Bureaus of Environmental Services and Water Works, Environmental Services file the necessary ordinance to amend stormwater management rates and charges, as well as a timetable for implementing the Clean River Incentive and Discount Program.

#### **A Brief History of Recent Stormwater Rate Reform Efforts**

The current round of stormwater rate reform began in 1995 and 1996 with Council's decision to eliminate a stormwater discount program. The City's short experiment with discounts (1992-1998) established an expectation among ratepayers, particularly in East Portland, that stormwater rates should be based on the extent to which private property contributes stormwater runoff to public facilities, or is directly served by public facilities. That legacy informs and directs present day efforts to reform stormwater rates.

The Council invested more than a year of public discussion and deliberation before making the decision to discontinue stormwater discounts. The original decision to offer discounts had been done hastily, in response to court opinions about the tax status of stormwater charges. Based on recommendations of the Portland Utilities Review Board (PURB) and Utility Review Team (URT), the Council decided to phase-out the program beginning in 1995. The Council concluded that the stormwater discounts were too liberal (up to 100% of charges), too easy to get (no determination of environmental benefit), and ineffective at reducing the significant fixed costs of the stormwater utility.

Many ratepayers in East Portland treated the loss of stormwater discounts as a denial of an entitlement. These ratepayers considered the discount program and exemption from stormwater charges as just compensation for bearing a portion of the financial burden of projects to eliminate combined sewer overflows in the oldest parts of Portland. In 1998, they began to organize to reform City utility rates generally, and stormwater rates in particular.

Commissioner Erik Sten, then Commissioner-in-Charge of the Bureau of Environmental Services and the Bureau of Water Works took the lead in responding to the growing complaints. In March 1999, Commissioner Erik Sten, joined by newly elected Commissioner Dan Saltzman, proposed a collection of utility rate reforms. Their proposals included reduced stormwater charges for ratepayers in East Portland and similar discounts for ratepayers from other parts of the City based on the extent of their on-site stormwater management.

In May 1999, the Council endorsed the need for utility rate reform and directed the Water Bureau and Bureau of Environmental Services to develop alternatives and recommendations. Between May and December 1999, the Bureau of Environmental Services prepared a variety of stormwater rate reform alternatives including limited stormwater discounts. The proposals were reviewed by the PURB, URT and an ad hoc committee of ratepayers. In January 2000, the Council conducted a public hearing on the proposed alternatives. Between January and March, the Office of Neighborhood Involvement hosted neighborhood and community meetings to collect public comment on the rate reform alternatives.

On April 5, 2000, the Council conducted a second public hearing. The following day, the Council adopted Resolution No. 35876, directing the Bureau of Environmental Services to create and implement a stormwater discount program that provides incentives to customers who manage stormwater on their properties. During the ensuing six months, the Bureau of Environmental Services commissioned independent studies of stormwater management costs and the sizing requirements for private stormwater facilities, and developed recommendations for a comprehensive program of Rewards.

On September 20, 2000, the Council conducted a public hearing to consider the guiding principles and general structure of a stormwater discount program. During the hearing, the Council received reports by the Bureau of Environmental Services, as well as critical testimony from the Portland Utilities Review Board, the Utility Review Team, Port of Portland, and several rate reform advocates. On September 27, 2000, the Council adopted Resolution No. 35927, setting forth the basic framework for the Clean River Incentive and Discount Program.

#### **Issues raised at the September 20, 2000 Public Hearing**

During the September 20 public hearing, the Council received public testimony that raised a number of questions and concerns about the scope and structure of the proposed reforms. The Bureau has taken many of the public comments into consideration in the proposed design of the Clean River Incentive and Discount Program. The Bureau offers the following responses to specific policy and program issues.

1) ***Simplify the program application and make it more consumer friendly.***

The Bureau has completely redesigned the application forms. The single family residential form has been reduced from 4 pages to 2 sides of a single sheet of paper. The questions are more direct and simple to answer. The legal requirements remain in effect, but the language has been softened. The commercial/industrial form has also been simplified and shortened. The data requirements for commercial/industrial customers remain in effect, but have been simplified. The Bureau will test all forms and Program materials with focus groups of ratepayers before the Program begins.

2) ***Reconsider requirements for riparian properties.***

The Bureau has simplified the requirements for riparian properties. The Bureau proposes a process whereby riparian ratepayers confirm the impervious areas to be used by the City to calculate stormwater charges, and provide information about on-site stormwater facilities and connections to City facilities. The Bureau will limit on-site stormwater charges to the impervious areas that are served by City facilities. The off-site stormwater charges will be calculated on total impervious area.

3) ***Simplify the marketing efforts by mailing applications to all ratepayers.***

The Bureau has designed a marketing strategy that relies on a variety of devices to reach ratepayers, including bill stuffers, press releases, advertisements in neighborhood newspapers, application packets at neighborhood association offices, and outreach to community service organizations. The Bureau recommends this approach to control the flow of applications to limited program staff, keep within a tight marketing budget, and increase the number of ratepayers responding to the Program. The Bureau's recommended strategies respond to the following marketing realities:

- The application packet will be too large to be included with City utility bills.
- Bill stuffers are relatively ineffective based on our experience with the 1992 discount program.
- Direct mailings are not cost effective because of low response rates and requests to re-mail materials.
- The Bureau does not have the staff resources to handle an uncontrolled release of the Program.
- The Bureau strategy increases the number of times a customer may see information about the Program.

4) ***Automatically grant discounts to participants of the Downspout Disconnect Program.***

Out of fairness to all ratepayers, the Bureau does not support any proposal to automatically grant stormwater discounts to any property class or group of ratepayers. Instead, the Bureau recommends that application packets be mailed to all participants of the Downspout Disconnect Program, as well as ratepayers who are identified on rate reform mailing lists maintained by Council members and the Bureau.

5) ***Design the application process to minimize administrative costs.***

The Bureau plans to reduce mailing and administrative costs by relying on neighborhood and business associations, community service organizations, Bureau education programs and other City agencies to help distribute Program materials. The Bureau is automating as much of the application and program administration as possible. The revised application forms should increase the efficiency of data input functions. BES and the Water Bureau are designing computer applications to link utility billing applications to the Clean River Incentive and Discount Program. And finally, the Bureau plans to offer online applications for residential ratepayers with access to the Internet.

6) ***Justify the use of different program criteria for different classes of ratepayers.***

The Bureau will use a uniform standard for determining the eligibility of all ratepayers regardless of class. The standard for eligibility is the safe retention and disposal of stormwater runoff on the ratepayer's property without involvement of public facilities. The Bureau defines public facilities to include public streets, sewer systems, stormwater facilities, streams and other surface water bodies. Based on this framework, all customer classes are subject to the same test, despite the fact that each class uses different types of on-site management facilities.



With respect to the simplified single family residential application, the Bureau is well within cost-of-service principles to offer such a simplified application on the grounds of administrative efficiency. This justification is similar to the one used to defend the City's use of a class average to establish the monthly stormwater charge for more than 140,000 residential ratepayers.

- 7) ***Revise the stormwater rate-making method to provide site-specific measurements of impervious area for all residential ratepayers, or if too costly, for residential ratepayers with impervious areas less than 1200 square feet.***

The current rate-making method imposes a uniform monthly charge for all single residential ratepayers based on a class average of 2400 square feet of impervious area. Class averaging is a rate-making device commonly used by municipalities throughout the country.

Despite public testimony to the contrary, the City does not possess the technical tools to produce site-specific measurements of impervious area. Current technology requires significant human intervention and map interpretation. Recent improvements in satellite imaging may prove useful and cost-effective, but requires a substantial capital investment to implement.

The 1992 stormwater discount program offered site-specific calculations of impervious area for ratepayers who did not qualify for a discount and who owned property with less than 2400 square feet of impervious area. The 1992 stormwater discount program required site inspections for all applicants before discounts or re-measured areas were awarded. Today, such a requirement would significantly diminish access to the Clean River Incentive and Discount Program, greatly exceed the limited capacity of Program staff and drive up administrative costs.

The Bureau agrees that rate-making methods may evolve as technological improvements become more accessible and affordable. The Bureau recommends that the proposed reforms be considered as a part of a second round of reform alternatives for stormwater management charges. However, in the near term, the Bureau recommends that staff resources be focused on implementing the new Rewards.

- 8) ***Describe the programs that are providing \$300,000 of in-kind contributions to the Clean River Incentive and Discount Program. What are the impacts to these programs?***

A variety of Bureau professional staff have contributed and will continue to contribute time and expertise to the design and implementation of the Program.

Between April and September of this year, approximately 20 staff professionals participated in the evaluation of private stormwater facilities, the design of procedures for calculating Rewards, and the drafting of Program materials. The following Bureau programs contributed staff resources to these efforts: Business Services, Planning, Engineering Services and Industrial Wastewater. In most cases, the loaned professionals were recruited because their existing work assignments are closely linked to stormwater issues or their programs are directly affected by stormwater Rewards. Over five months, the Bureau conducted approximately 15 meetings, occupying a total of 700-750 labor hours of time, at an estimated in-kind cost of \$25,000.

The Bureau has dedicated the GIS modeling staff to assist with the valuation and sizing on private stormwater facilities. The product of their efforts will serve the dual purposes of assisting with the modeling of Willamette CSO stormwater controls and advancing the design of the Clean River Incentive and Discount Program. The Bureau estimates these loaned services to cost \$7,500.

The Program has recruited Bureau public information staff to develop program materials and application forms. In addition, the public information staff have developed and implemented revisions to the Bureau's web site to include information about the Program. Much of these materials and products will be incorporated in other Bureau public education and information materials. The Bureau estimates these services to cost \$5,000.

When the program begins operations, the Bureau proposes to dedicate the stormwater staff of the Planning Group to implement the riparian and commercial/industrial components of the Program. They will be supported to a lesser extent by the Source Control staff of the Industrial Waste Group. The Bureau will try to incorporate the new Rewards into the existing budgeted commitments of these staffs. However, the Bureau acknowledges that some Planning Group goals and commitments will be adversely affected by the introduction of the Clean River Incentive and Discount Program. The Bureau estimates these loaned services will cost \$197,500.

The Bureau's Business Services Group has provided program management throughout the current fiscal year. These services will total \$65,000.

In addition to these direct services, the Bureau expects the Clean River Incentive and Discount Program to cause significant service demands for a number of existing services and programs. The Downspout Disconnection Program expects to see a major increase in requests for services once stormwater discounts are available. Similarly, the Willamette Stormwater Controls Program expects to experience a significant increase in requests for technical assistance and grants at a time when the program is initiating new pilot projects. The Bureau's environmental education programs will experience increased attendance and demands for more program materials. Source Control field staff may experience an increase in the number of permitted industries that require annual inspection and monitoring. In all of these cases, the demands for increased services will stress existing staff resources and fuel demands for additional funding.

9) ***Evaluate the readiness of the City's utility billing system to support the Clean River Incentive and Discount Program.***

The Bureaus of Environmental Services and Water Works have evaluated the stability and feasibility of the Customer Information System (CIS) to support implementation of the Clean River Incentive and Discount Program by January 1, 2001. The Bureaus find that additional time is needed to achieve a stable computing environment and make the necessary improvements to CIS. The Bureaus recommend a delay in the implementation of the Clean River Incentive and Discount Program until CIS operations are stable and all necessary improvements have been programmed, tested and implemented.

**Major Components of the Clean River Incentive and Discount Program**

The Bureau of Environmental Services has developed this Program following more than 18 months of public deliberations, at least 5 major public hearings and dozens of meetings with citizen advisory committees, and community and business organizations. The Bureau's work has been informed by its experience with the 1992 stormwater discount program, a greater understanding of the dynamic nature of Portland's stormwater management responsibilities, and the demands of ratepayers for fair and equitable stormwater charges.

The Clean River Incentive and Discount Program consists of the following core principles:

- Limit stormwater discounts to the On-Site component of the stormwater management charge. Use cost-of-service methods recommended by Black and Veatch Corporation (August 23, 2000) to determine the annual on-site and off-site components of stormwater management charges.
- Segregate ratepayers into three distinct classes: single family residential, riparian and all other ratepayers.
- Calculate stormwater discounts based on the extent to which ratepayers control, retain and dispose of stormwater runoff on their properties.
- Exempt from the on-site component of the stormwater management charge that portion of impervious riparian property that discharges directly into the Willamette River, Columbia River and Columbia Slough.
- Reserve the right of Council to adjust discounts and incentives in response to changes in environmental regulations or extraordinary financial or economic considerations identified in the annual stormwater rate study.

- Grant stormwater discounts based on the following conditions:
  - The ratepayer's utility account is current or the ratepayer has made payment arrangements with the Water Bureau to bring the account current.
  - There is no change in the owner and/or ratepayer of the property described on the application.
  - The ratepayer's application accurately describes existing private stormwater management facilities.
  - Private stormwater management facilities are properly located, sized, maintained and operating.
  - Private stormwater facilities comply with all applicable City building, plumbing and stormwater requirements.
  - The City is granted limited access to private property to inspect private stormwater facilities.
- Adopt written rules to govern the Program. Include the following specific requirements:
  - At least two weeks prior to a site inspection, mail notice to the ratepayer and include information on the inspection process, the rights of the ratepayer and the enforcement remedies that the City may follow if required by the site inspection. Provide similar notices to the property owner and/or occupants if different than the ratepayer.
  - Within 30 days of the site inspection, provide the ratepayer with a report of the Bureau's findings and recommendations, and the procedures to be used by the ratepayer to request an administrative review of the findings and recommendations.
  - Provide the ratepayer an opportunity to present a written response to the Bureau's findings and recommendations prior to any reduction or loss of benefits, the collection of previously granted benefits or other enforcement measures. Direct all written appeals to the Bureau Director for final consideration.

#### **Estimated Participation and Impact on Stormwater Rates**

The Bureau anticipates that more than 97,000 single family residential ratepayers will apply and qualify for stormwater discounts during the first year of operations. The Bureau expects to receive and approve an additional 14,000 applications from commercial, industrial, institutional and multi-family residential ratepayers. The majority of these applicants will apply during the first three months of Program operations in order to qualify for a retroactive discount calculated back to the start of the initial application period.

The Bureau expects to add three temporary positions and spend more than \$800,000 preparing for and operating the program during the first 6 months of operations. In addition to administrative costs, the Bureau estimates that the Rewards will cost more than \$5 million in reduced revenue from qualified ratepayers. To pay for these program and administrative costs, the Bureau will ask the Council to implement new stormwater rates. If the program was to go into effect on January 1, 2001, the Bureau estimates the following impacts on rates and charges:

Monthly Stormwater Management Charges/Rates	Current Rates	Revised Rates
Single Family Monthly Charge	\$10.01	[\$13.50]
On-Site Charge		\$7.00
Off-Site Charge		\$6.50
Multi-Family Residential Rate (1000 SF of Impervious Area)	\$4.17	[\$5.63]
On-Site Charge		\$2.92
Off-Site Charge		\$2.71
Non-Residential Rate (1000 SF of Impervious Area)	\$4.63	[\$6.10]
On-Site Charge		\$2.92
Off-Site Charge		\$3.18

### Incentives Targeted to Three Distinct Classes of Ratepayers

The Bureau plans to target outreach, education and incentives to three distinct classes of ratepayers. The Bureau will use distinctively different approaches based on the unique challenges posed by each property class.

**Single Family Residential Ratepayers.** Single Family Residences include detached homesteads, duplexes and townhouses. The Program offers stormwater discounts to ratepayers who safely retain and dispose of stormwater runoff on property. Ratepayers must complete a simple application describing the methods used to qualify for the discount. The application focuses on methods used to retain and dispose of stormwater runoff from roof areas, driveways and other hard surfaces. Also, the application asks for a count of the number of mature trees on the property. This information is used to calculate the amount of the stormwater discount.

The Bureau plans to use the following values to calculate stormwater discounts for single family residences. The dollar figures reflect estimated charges that would need to be in effect if the program started in January 2001.

- Roof Areas are worth 70% or a stormwater discount of about \$4.90 per month. To receive this discount, ratepayers must safely retain and dispose of all or most of the stormwater from all roof areas.
- Paved Areas are worth 30% or a stormwater discount of about \$2.10 per month. To receive this discount, ratepayers must safely retain and dispose of all or most of the stormwater from driveways, patios, private walkways, parking areas and other hard surfaces on their property. Hard surfaces include areas covered with compacted gravel or dirt.
- Mature living trees may be used to add discount credits up to the maximum amount allowed. To qualify, a mature tree must be healthy and no less than 15 feet tall. Each mature evergreen tree is worth 4% or a stormwater discount of \$0.29 per month. Each mature deciduous tree is worth 2% or a stormwater discount of \$0.15 per month.
- Ratepayers may receive the roof and paved area credits if the property is served by privately maintained stormwater facilities that also serve other properties in a sub-division or development.
- The Bureau will not grant any discounts for stormwater runoff that is released directly to streets, public sewers, public stormwater facilities, streams or other water bodies.

The Bureau estimates the following discounts for typical single family residential ratepayers:

Property Characteristics	No Discount	Example 1	Example 2	Example 3	Example 4
Lot Size	5,000 SF	8,000 SF	10,000 SF	15,000 SF	7,500 SF
Roof Areas	No Application	Qualified	Qualified	Disqualified	Disqualified
Paved Areas	No Application	Qualified	Disqualified	Qualified	Disqualified
Trees	No Application	1 Deciduous	3 Deciduous	6 Deciduous 9 Evergreens	2 Deciduous 4 Evergreens
Award (% maximum award)	0%	100%	76%	80%	21%
Value of Discount	\$0.00	\$7.00	\$5.33	\$5.60	\$1.46
Adjusted Monthly Stormwater Charge	\$13.50	\$6.50	\$8.17	\$7.90	\$12.04

**Riparian Ratepayers.** The Bureau recommends that riparian properties be exempt from the property component of the stormwater management charge for that portion of stormwater runoff that does not discharge to the City's stormwater system. During the period from January through March 2001, the Bureau proposes to ask riparian ratepayers to confirm the impervious areas to be used by the City to calculate stormwater charges, and provide information about on-site stormwater facilities and connections to City facilities. The Bureau will limit on-site stormwater charges to the impervious areas that are served by City facilities. The off-site stormwater charges will be calculated on total impervious area.

Thereafter, riparian ratepayers should be required to apply for the exemption and meet the following basic qualifications:

- Property abuts or directly discharges most or all stormwater runoff to the Columbia Slough, Columbia River or Willamette River.
- Property is not served by or located in an independent drainage district (PEN 1, PEN 2 or MDD 1).
- Ratepayer is in full compliance with all applicable City stormwater policies and regulations.
- Ratepayer, if required, has obtained and is in compliance with Oregon DEQ stormwater permits.
- The City is granted access to property to inspect stormwater facilities.
- The ratepayer does not owe past due utility charges or has entered into a payment agreement to pay delinquencies.

The application should require riparian ratepayers to identify all impervious areas and the public and private facilities that receive stormwater runoff from these areas. The Bureau should calculate the stormwater discount based on the percentage of impervious area that is not served by City's stormwater system. The ratepayer should receive a full exemption if the riparian property is fully disconnected from the City's stormwater system.

**Commercial/Industrial Ratepayers.** The Bureau proposes to offer stormwater incentives to commercial, industrial, institutional and multi-family residential ratepayers. The amount of the incentives should be based on the extent and effectiveness of on-site facilities to manage the quantity, quality and flow rate of stormwater runoff.

The application process should be similar to that used by riparian ratepayers. The Bureau proposes to review and segregate applicants into two categories: low and high impact properties. Low Impact Commercial/Industrial Properties have small to average amounts of impervious area, little or no risk of water pollution from hazardous materials, and low to moderate vehicle traffic. High Impact Commercial/Industrial Properties have large amounts of impervious area, moderate to high risks of pollution from hazardous materials, and significant vehicle traffic and parking.

The Bureau proposes to require on-site inspections of high impact ratepayers *before* approving and calculating stormwater discounts. Applications from low impact ratepayers should be processed solely based on information provided in the application. The Bureau will perform follow-up inspections of low impact properties on a random basis similar to that used for single family residential ratepayers.

The Bureau recommends a scoring system to calculate the value of on-site stormwater management facilities. The scoring system should rely on a definition of stormwater management that includes control of the quantity, quality and flow rate of stormwater runoff. All three characteristics have specific impacts on the environment and require specific on-site management efforts.

- Quantity Control relates to the retaining and disposing of stormwater on-site, particularly by means of infiltration through fine soils and vegetation into groundwater resources.
- Quality Control relates to the prevention and/or reduction of pollutants in stormwater, including bacteria, chemicals, oil and grease, solvents, suspended solids, and excessive heat.
- Flow Rate Control relates to reductions in the speed of stormwater runoff during peak storm events to levels found under pre-development conditions.

The Bureau has evaluated each type of on-site stormwater management facility based its capacity to perform all three components of stormwater management under the most restrictive and demanding storm events. Additional consideration has been given to the way each facility performs in relationship to a diversity of stormwater discharge locations and public stormwater facilities. The evaluation process produced the following set of preliminary values for commercial/industrial properties. The Bureau will adopt final values along with formal administrative rules prior to implementation of the Clean River Incentive and Discount Program.

Incentive Value	Facilities and Discharge Locations
100%	Stormwater discharged directly to Columbia or Willamette Rivers, or Columbia Slough.  Stormwater filtered through natural or landscaped facilities and discharged directly to drywells, sumps, French drains, cisterns, or surface retention systems.  Stormwater filtered through combinations of natural, landscaped and manufactured facilities before being discharged directly to drywells, sumps, French drains, cisterns, or surface retention systems.
90%	Stormwater filtered through manufactured facilities before being discharged directly to drywells, sumps, French drains or cisterns.
80%	Stormwater filtered through combinations of natural, landscaped and manufactured facilities before being discharged directly to detention facilities or local streams and water bodies.
70%	Stormwater filtered through natural or landscaped facilities and discharged directly to detention facilities.
55%	Stormwater discharged directly to drywells, sumps, French drains or cisterns.  Stormwater filtered through manufactured facilities before being discharged directly to detention facilities.
50%	Stormwater filtered through natural or landscaped facilities and discharged directly to local streams or water bodies.
33%	Stormwater filtered through manufactured facilities before being discharged directly to City facilities, local streams or water bodies.
25%	Stormwater discharged directly to detention facilities.
0%	Stormwater discharged directly to City facilities, local streams or water bodies.

### **Verifying Stormwater Applications**

The Bureau recognizes the critical contribution that private stormwater facilities make to the City's collective efforts to protect and improve the health of watersheds. Out of fairness to all ratepayers, and to insure the reliability of all stormwater facilities, the City has a special interest in confirming that on-site facilities are appropriately located, properly sized, well maintained and fully functioning.

Rather than slow down the application process by requiring confirmation of on-site facilities as a pre-condition for granting a stormwater discount, the Bureau proposes to conduct random inspections of private facilities of ratepayers after the application process is complete and discounts have been granted. In addition, the City proposes to conduct inspections in response to complaints of unsafe or harmful stormwater discharges

Inspections should not begin until after the first rush of applications are processed sometime late in calendar 2001. Once this activity gets underway, the Bureau plans to select properties for site inspections throughout the year. Selection will be at random and in response to registered complaints. The Bureau will notify ratepayers at least two weeks prior to the date of the inspection. The notice should include the rules that the Bureau must follow to conduct a limited inspection. The inspection should be limited to stormwater facilities and outdoor areas of your property. The inspector should prepare a brief written report of each site inspection.

The Bureau proposes to use inspection reports to determine the accuracy of discount applications, and the operating condition of private stormwater facilities. The City plans to notify ratepayers of the inspector's findings and the Bureau's determination. Ratepayers shall be given an opportunity to appeal any decision that results in a reduction of Program benefits, loss of Program benefits, retroactive collection of discount awards, and imposition of civil penalties. The Bureau Director shall conduct the hearing and make a final determination before any enforcement actions are undertaken.

### **Comparisons with the 1992 Stormwater Discount Program**

The proposed Clean River Incentive and Discount Program is significantly different from the discount program operated between 1992 and 1998. The following table compares the two programs.

	<b>1992 Discount Program</b>	<b>2000 Discount Program</b>
<b>Eligibility and Application Requirements</b>	<p>Access granted to all ratepayers</p> <p>Completed and signed application</p> <p>Property sketch and measurements</p> <p>No existing utility billing delinquencies</p> <p>Site inspection</p> <p>Review of building records</p>	<p>Access granted to all ratepayers</p> <p>Completed and signed application</p> <p>Consent to limited site inspection</p> <p>No existing utility billing delinquencies</p>
<b>Qualifying Standard</b>	On-site containment and disposal of stormwater runoff from all impervious surfaces	On-site containment and disposal of stormwater runoff from all impervious surfaces
<b>Award Limit</b>	100% of stormwater charges	<p>Property component of stormwater charge</p> <p>Property component determined annually during the stormwater utility rate-making process</p>
<b>Calculations</b>	<p>City measurement of all impervious areas based on site inspection</p> <p>100% credit for drainage to documented drywells</p> <p>65% credit for all areas that drain to undocumented drywells for property located in area not served by combined sewers</p> <p>50% credit for all areas that drain directly to lawns and gardens</p> <p>No credit for direct or indirect connections to City facilities, undocumented drywells located in combined sewer areas, or areas that drain directly off of the property</p>	<p>Impervious surfaces are allocated based on class averages rather than calculations of individual properties</p> <p>Roof Areas – 70%</p> <p>Surface Areas – 30%</p> <p>Each area qualifies for discount if the majority of stormwater runoff is retained and disposed of safely on-site</p> <p>Supplemental credit granted for mature, healthy tree canopy</p> <p>No credit for direct discharges to City facilities, streets, streams and other water bodies</p>
<b>Duration</b>	No Limitations	<p>Discounts are granted to ratepayers for specific properties. Discounts are discontinued if any of the following occurs:</p> <p>Change of ratepayer for the specific property.</p> <p>Application is inaccurate based on site inspection</p> <p>Facilities are not properly located and maintained</p> <p>Facilities are not operating</p> <p>Facilities do not comply with City regulations</p> <p>City is denied limited access to inspect property</p>
<b>Verification</b>	Inspections and document reviews performed prior to discount award	Random inspections performed after discounts are awarded

### Program Staffing and Budget

Commissioner Dan Saltzman has challenged the Bureau to administer the program with limited increases in budget requirements and staff positions. To meet this challenge, the Bureau has followed two basic strategies: (1) use information systems and the Internet to the greatest extent practical, and (2) incorporate the program into the existing Clean River, ESA, CSO and other initiatives of the Bureau.

The Council originally appropriated \$500,000 to pay for start-up and implementation costs for the new program. The Bureau has reduced this amount to \$404,500 due to across-the-board budget reductions made necessary by potential shortfalls in utility revenues. At this reduced funding level, the Bureau has limited new temporary positions to two clerical staff in the Bureaus Rates and Contracts Section. The Bureau will direct an additional 6 to 7 "loaned" staff professionals to adjust their current work plans to support the new program during its first 12 to 18 months of operations. These staff adjustments will cause delays and service constraints on existing rate reform and stormwater management programs, particularly with respect to the Clean River Plan and commitments under the City's National Pollution Discharge Elimination System (NPDES) permits.

The following table provides a detailed account of the FY 2000-2001 budget for the Clean River Incentive and Discount Program. These budget estimates will change shift forward in time with changes in the actual implementation date.

Program Activity	Revised Budget	Loaned Resources	Total Budget
Professional Services			
Stormwater Cost Allocation Study	\$21,000		\$21,000
Stormwater Facilities Sizing Study	9,000		9,000
Program Planning and Design (in-house)	0	\$25,000	25,000
Sub-Total	\$30,000	\$25,000	\$55,000
Information Services			
Water Bureau/STS Billing System	\$125,000		\$125,000
BES Database Management System	75,000		75,000
GIS Information Services	0		0
Public Information Staff (Loaned)	0	\$7,500	7,500
Sub-Total	\$200,000	\$7,500	\$207,500
Program Forms and Materials			
Printed Forms and Brochures	\$60,000	\$5,000	\$65,000
Internet Web Site and Systems	5,000		5,000
Direct Mailings	45,000		45,000
Sub-Total	\$110,000	\$5,000	\$115,000
Program Implementation			
Office Support Specialist (New)	\$16,750		\$16,750
Program Technician (New)	35,000		23,450~
Environmental Specialist (New)			0
Rates & Contracts Staff (Loaned)		\$45,000	45,000
Planning Group Staff (Loaned)		98,500	98,500
Source Control Staff (Loaned)		54,000	54,000
Program Management (Loaned)		65,000	65,000
Office Equipment, Expenses and Overhead	12,750		12,750
Sub-Total	\$64,500	\$262,500	\$327,000
<b>Total FY 2000-2001 Budget</b>	<b>\$404,500</b>	<b>\$300,000</b>	<b>\$704,500</b>



## **Marketing Strategies**

The Bureau is developing marketing strategies that are intended to reach the broadest possible audience in the most cost-effective way. The Bureau will use a diverse collection of media and mailings to reach ratepayers. The marketing plan goes beyond the simple bill stuffer to include press releases and events, community newsletter articles and advertisements, partnerships with neighborhood and business associations and outreach to community service organizations.

The Bureau is particularly interested in using Elders in Action, Meals on Wheels, food banks, vocational rehabilitation centers and other similar agencies to reach populations in need. In addition, the Bureau will work with the Office of Sustainable Development, Friends of Trees, the watershed councils, the Endangered Species Program and the Bureau's own environmental education efforts to make Program materials available at their meetings and classes. Finally, depending on the pace of demand for the Program, the Bureau will schedule special community work sessions to assist ratepayers with the application process.

## **Relationship of Stormwater Discounts to Downspout Disconnection and Other City Incentives**

The Bureau of Environmental Services offers several financial incentive programs intended to encourage property owners to reduce the amount of stormwater flowing into combined sewers. These programs were created by the Council to reduce combined sewer overflows and improve the environmental health of watersheds.

The ***Downspout Disconnection Program*** began as a pilot program in FY 93/94 and grew into a cornerstone of the City's efforts to reduce combined sewer overflows by FY 95/96. The program is funded through the Bureau's capital budget as a component of the CSO project. The Council adopted the program to accelerate the removal of stormwater flows from combined sewers. The Bureau estimated that the sewer utility could avoid millions of dollars of future costs to design and build large containment facilities on the eastside of the Willamette River by aggressively eliminating residential connections to the combined sewer system. In addition to future system savings and lower utility rate increases, the financial incentive made it possible to avoid the widespread use of more costly mandatory approaches to downspout disconnection.

The Downspout Disconnection Program offers eligible property owners two types of financial incentives. The property owner has the option of doing the work privately and receiving a cash reimbursement of \$53 per disconnected downspout. Alternatively, the property owner permits a City approved community partner to disconnect the downspouts at no cost to the property owner. To date, more than 10,400 homes have taken advantage of the program, and another 15,000 homes disconnected downspouts without participating in the City program.

The ***Willamette Stormwater Controls Program*** focuses on commercial, industrial, institutional and multi-family properties in the CSO project area on the eastside of the Willamette River. Like the Downspout Disconnection Program, the Willamette Stormwater Controls Program seeks to remove stormwater from combined sewers by providing financial incentives for private stormwater retention and disposal facilities. The Willamette Stormwater Controls Program is starting out with a small number of demonstration projects beginning in FY 00/01. Based on their performance, the Bureau will refine the structure and financing of the program to expand its outreach to more property owners.

## **Next Steps**

After years of study and public discussion, the Council is ready to implement a new program of stormwater discounts and incentives. On November 22, 2000, the Council will take the last major step and consider Code amendments to adopt the Clean River Incentive and Discount Program. By the end of February 2001, the Bureau of Environmental Services will adopt formal administrative rules to administer the new program. As soon as late spring 2001, the Bureau of Environmental Services and Water Works hope to certify the stability and readiness of the Customer Information System. And once this necessary computer work is completed, Environmental Services will prepare an ordinance to amend stormwater management rates and charges and establish a timetable for implementing the new program.



## **Appendix I**

### **Resolution 36047, adopted December 13, 2001**

## **RESOLUTION NO. 36047**

**Accept and approve the final report of the Customer Information System Assessment Team and direct the implementation of its recommendations and reporting schedule (Resolution)**

WHEREAS, in 1997, the Water Bureau contracted with Severn Trent Systems (STS) for their Open Vision (OV) Customer Information System (STS/OV); and

WHEREAS, after placing the system in production in February 2000, the City encountered numerous system problems, with operational and financial repercussions; and

WHEREAS, in February 2001, STS made significant staffing changes within their operations, resulting in the dedication of more resources and significant progress towards improving functionality of STS/OV; and

WHEREAS, in spite of this progress, persisting revenue shortfalls and concerns about the billing system problems led to calls for an independent assessment of the billing system; and

WHEREAS, in July 2001, the City Council unanimously directed the City's Chief Administrative Officer to conduct an independent assessment of the STS/OV system; and

WHEREAS, at the direction of the Chief Administrative Officer, the Office of Management and Finance awarded a contract to TMG Consulting to conduct a technical analysis in support of the overall assessment, and on October 1, 2001 TMG Consulting initiated their review; and

WHEREAS, the Assessment Team utilized TMG Consulting to identify specific obstacles to achieving stability in the STS/OV system, and to recommend specific actions to resolve those problems as part of the overall assessment; and

WHEREAS, the Assessment Team also utilized TMG Consulting to assess the probability that the STS/OV system will meet the requirements of the City as defined in the City's RFP; and

WHEREAS, TMG Consulting has completed its analysis and the Assessment Team its final report, and this report has been reviewed by the City Council, relevant City Bureaus, and the Portland Utility Review Board; and

WHEREAS, the Assessment Team report provides thorough analysis of the situation, along with recommendations for taking deliberate, rational next steps in order to meet the billing needs of the City's water, sewer and stormwater utilities and their customers; and

WHEREAS, the Assessment Team report contains analysis of the billing and customer service business practices of the Water Bureau and the Bureau of Environmental Services, and recommends changes to enhance the efficiency of operations; and

WHEREAS, the City Council has previously issued a budget note directing the Office of Management and Finance to "study possible implementation of a revenue bureau to coordinate the efforts now under the Bureaus of Licenses, Environmental Services, Water, and the Auditor's Office;" and

WHEREAS, the full Assessment Team report contains projections that demonstrate it is reasonable for STS to successfully deliver the remaining items to complete basic business functionality and for the City to implement these items no later than the end of January 2002; and

WHEREAS, the full Assessment Team report contains estimates for the time and cost associated with fixing the backlog of problem accounts; and

WHEREAS, the full Assessment Team report has identified system functions which it views as mandatory, but which lack the sense of urgency associated with stabilizing the system; and

WHEREAS, the full Assessment Team report contains estimates of the levels of STS commitments and investment required to keep the STS/OV system competitive in the marketplace over the next three to seven years; and

**WHEREAS, the Assessment Team advises the City to negotiate with STS to secure a maintenance agreement or rights to access the STS/OV source code; and**

WHEREAS, the TMG Consulting analysis observes that a long-term maintenance agreement with STS would remove one of the significant risks associated with the product, if the City is satisfied with the arrangement and the performance of STS; and

WHEREAS, the TMG analysis observes that the City could support the STS/OV product in-house or through a third party were STS to provide rights to the OV source code to the City; and

WHEREAS, the Assessment Team advises the City Council to carefully evaluate investments in new STS/OV functionality and to postpone adding functionality until after full stability is achieved, in order to minimize risks to the City; and

WHEREAS, TMG envisions work on cleaning up the backlog of problem accounts proceeding in parallel with work to add new functionality, though TMG does caution the City to carefully evaluate investments in new features; and

WHEREAS, after over two years of public comment and testimony, the City Council, in May 2000, promised to implement a stormwater discount program as soon as technically feasible;

NOW THEREFORE, BE IT RESOLVED, that the City Council accepts and approves the final report of the Office of Management and Finance CIS Assessment Team; and

BE IT FURTHER RESOLVED, that the City Council directs the implementation of all of the recommendations of the OMF CIS Assessment Team and assigns timelines and lead responsibility for these and other recommendations as follows:

The Chief Administrative Officer shall:

1. Monitor the revenue, expenditures and fund balances of BES and Water to ensure compliance with the recommended financial plan and credit rating strategies until the finances of the organizations return to normal.
2. Within one year, complete a needs assessment and "high-level" functionality definition for a replacement system giving consideration to key strategic issues facing the City, and also complete preparatory work necessary to commence a selection process to replace the current billing system.
3. Within one year, complete the budget note work on investigating the creation of a revenue office.
4. Consult and collaborate in these efforts with the Director of the Bureau of Environmental Services, the Administrator of the Water Bureau and other Bureau Managers as necessary.

Director of the Bureau of Environmental Services shall:

1. Ensure the financial operation of the Bureau in conformance with the financial recommendations outlined in the Assessment Team report.
2. Within 180 days, conduct a review of Business Practices and rate structures with the objective of simplifying to ease customer understanding and/or fit with the STS/OV system.
3. Consult and collaborate in these efforts with the Chief Administrative Officer and the Administrator of the Water Bureau.

Administrator of the Water Bureau shall:

1. Continue to ensure the financial operation of the Bureau in conformance with the financial management plan developed by the Water Bureau in consultation with the Office of Management and Finance.
2. Within 45 days, develop and describe alternatives for providing system components necessary to achieve basic business functionality.
3. Within 180 days, conduct a review of Business Practices and rate structures with the objective of simplifying to ease customer understanding and/or fit with the STS/OV system.
4. Within 120 days, negotiate a maintenance agreement with STS that meets the needs of the City, and/or secure rights to the STS/OV source code.
5. Implement the other recommendations of the OMF CIS Assessment Team.

6. Consult and collaborate in these efforts with the Chief Administrative Officer and the Director of the Bureau of Environmental Services.

BE IT FURTHER RESOLVED, that the Chief Administrative Officer with the collaboration and consultation of the Director of the Bureau of Environmental Services and the Administrator of the Water Bureau shall report to Council within 120 days with

1) *updates* on the following:

- A. Efforts to secure a long-term agreement with STS to maintain the system; or alternatively, access and ownership of the STS/OV source code.
- B. The status of all other recommended actions contained in the Assessment Team report.
- C. Reporting of systems stability performance measures, as recommended by the OMF CIS Assessment Team, and

2) *recommendations* on the following:

- A. Prioritized enhancements or interfaces to STS/OV to achieve new functionality, and the benefits, time, costs and risks associated with implementing these enhancements after the system reaches full stability, unless Council determines that implementation prior to full system stability will not jeopardize or significantly delay stabilization.
- B. Replacement of STS/OV with a new product or service and a date certain for beginning the selection process.

Adopted by the Council, December 19, 2001

**Gary Blackmer**  
Auditor of the City of Portland

**Commissioner Erik Sten**  
**Commissioner Dan Saltzman**  
Rich Rodgers/Edward Campbell  
December 13, 2001  
CIS121301.doc

**By**

Deputy

## **Appendix J**

**Resolution No. 36142, adopted June 4, 2003**

## **RESOLUTION No. 36142**

Provide Retroactive Credits for Stormwater Discounts authorized by the Clean River Incentive and Discount Program (Resolution)

WHEREAS, on April 6, 2000, Council adopted Resolution No. 35876, directing the reform of utility rates initiatives including the provision of stormwater discounts for ratepayers who maintain private stormwater management facilities; and

WHEREAS, on December 13, 2000, Council adopted Ordinance No. 175160, establishing the Clean River Incentive and Discount Program, delaying its implementation due to difficulties with the City's utility billing system and committing to consider retroactive stormwater credits once the discount program was implemented; and

WHEREAS, in April 2003, the Bureau of Environmental Services prepared a report to Council on retroactive stormwater credits, mailed notices to 4,700 interested ratepayers, published notices in local newspapers, posted information on City web pages, and conducted a public meeting to review alternative proposals and collect public comments; and

WHEREAS, on May 7, 2003, Council conducted a public hearing to consider offering stormwater discounts retroactively once the Clean River Incentive and Discount Program is implemented; and

WHEREAS, Council recognizes the interests of ratepayers who seek retroactive credits as compensation for the delayed implementation of the Clean River Incentive and Discount Program, and the interests of ratepayers who are concerned with rate increases required to pay for stormwater discounts and retroactive credits; and

WHEREAS, Council finds it reasonable, equitable and affordable to offer retroactive credits to eligible ratepayers for a 12-month period preceding the start of the Clean River Incentive and Discount Program, calculated in the same manner as stormwater discounts, and available to ratepayers who apply for stormwater discounts within the first 12 months following the start of the program; and

WHEREAS, Council acknowledges that administration of retroactive credits, will be determined once the City selects a vendor for a new utility billing system, and has taken adequate time and care to determine the functional capabilities of the new system to support stormwater discounts and retroactive credits;

NOW, THEREFORE, BE IT RESOLVED, that the Council directs the Bureau of Environmental Services to provide retroactive credits for a 12-month period preceding the start of the Clean River Incentive and Discount Program, calculate such credits in the same manner as stormwater discounts, and award such credits to eligible ratepayers who apply for stormwater discounts within the first 12 months following the start of the program.

Adopted by the Council: June 04, 2003

Prepared by:  
Dan Vizzini, Environmental Services  
May 21, 2003

**GARY BLACKMER**  
Auditor of the City of Portland  
By /S/ Susan Parsons

Deputy



## **Appendix K**

**Resolution No. 36361, adopted November 30, 2005**

## **RESOLUTION No. 36361**

Establish goals, guiding principles and program directives for the Clean River Incentive and Discount Program (Resolution)

WHEREAS, it is in the City's best long-term interests to encourage citizens to construct private on-site stormwater management facilities that will help the City meet its legal and regulatory responsibilities to promote environmental and public health and safety, including restoring the health of our rivers and streams, and protecting our investments in public stormwater facilities; and

WHEREAS, stormwater discounts encourage the maintenance of private stormwater investments made to date, and encourage additional stormwater investments at the time of new development, redevelopment, and property retrofits; and

WHEREAS, private on-site stormwater management will become increasingly important as the City reaches urban densities anticipated in the 2040 regional growth management plan; and

WHEREAS, on September 27, 2000, Council adopted Resolution No. 35927, directing the Bureau of Environmental Services to establish and implement the Clean River Incentive and Discount Program, and setting a discount limit of 35% of basic stormwater management charges as determined by internal and independent analyses; and

WHEREAS, on December 6, 2000, Council adopted Ordinance No. 175160, establishing the Clean River Incentive and Discount Program as generally defined by an exhibit containing a Bureau of Environmental Services report of findings and recommendations; and

WHEREAS, on June 4, 2003, Council adopted Resolution No. 36142, establishing a limited retroactive credit for ratepayers who qualify for stormwater discounts; and

WHEREAS, the Office of Management and Finance expects to start up a new utility billing system in March 2006, and allow the posting of stormwater discounts six months later in September 2006; and

WHEREAS, Commissioner Sam Adams conducted a thorough review of stormwater discount proposals, an effort that included deliberations with Council members, ratepayer advocates and stakeholders; and

**WHEREAS, on September 22 and 24, 2005, Commissioner Sam Adams conducted two community meetings about stormwater discounts that attracted more than 250 citizens; and**

WHEREAS, on October 4, 2005, Council conducted a work session to review the discount program, and give careful consideration to program refinements developed by Commissioner Sam Adams; and

WHEREAS, the City has a fiduciary responsibility to ratepayers and bondholders to maintain the financial health of the stormwater utility, and therefore has a vested interest in pursuing activities that increase the financial independence and self-sufficiency of low income stormwater ratepayers; and

WHEREAS, the proposed refinements advance the adopted purposes of the Clean River Incentive and Discount Program; increase ratepayer accessibility to the discount program, increase participation in low income assistance and earned income credit programs, and increase public education and technical assistance about stormwater management techniques; and

WHEREAS, the discount program represents a new program commitment to achieve the maximum practical level of private on-site stormwater management, adding nearly \$10 million in retroactive credit obligations and more than \$5.4 million of program development, customer service and technical assistance costs during the current and first five fiscal years of the program;

**NOW, THEREFORE, BE IT RESOLVED, that the City shall begin posting stormwater discounts to the utility accounts of eligible ratepayers no more than six months following the successful implementation of a new utility billing system, and that stormwater discounts shall be offered for no less than 10 fiscal years; and**

**BE IT FURTHER RESOLVED, that the City shall make every effort to meet the planned March 2006 start of the new utility billing system, and the September 2006 start of the Clean River Incentive and Discount Program, and**

BE IT FURTHER RESOLVED, that the City shall set January 1, 2007 as the date for calculating retroactive credits in the event that the Clean River Incentive and Discount Program is delayed beyond January 1, 2007; and

BE IT FURTHER RESOLVED, that the Bureau of Environmental Services shall implement the Clean River Incentive and Discount Program consistent with existing City Code, City stormwater policies, Ordinance No. 175160, Resolution Nos. 35927 and 36142, and the guiding principles set forth in Exhibit A of this Resolution; and

BE IT FURTHER RESOLVED, that the Bureau of Environmental Services shall work with the Office of Management and Finance, Office of Neighborhood Involvement, Bureau of Development Services, Portland Development Commission, Office of Sustainable Development, other City agencies, and Social Venture Partners and other community organizations as needed to ensure the success of the stormwater discount program; and

BE IT FURTHER RESOLVED, that the Bureau of Environmental Services shall organize joint outreach efforts with City and community partners to reach all stormwater ratepayers and strive for full participation in the Clean River Incentive and Discount Program by eligible ratepayers; and

BE IT FURTHER RESOLVED, that the Bureau of Environmental Services shall work with City and community partners to increase participation in the City's low-income utility assistance program, as well as programs that qualify low-income ratepayers for earned income tax credits; and

BE IT FURTHER RESOLVED, that the Bureau of Environmental Services shall organize a task force of ratepayers and other community partners to study the responsibilities and level of funding of the stormwater utility, the stormwater revenue structure and ratemaking methodology, the availability of federal grants and zero-interest loans, and the development of new, dedicated funding sources for street-related stormwater management and other specific elements of the stormwater utility; and present findings and recommendations to the Council by November 1, 2006; and

BE IT FURTHER RESOLVED, that the Bureau of Environmental Services shall work with the Portland Office of Transportation and community stakeholders to study the use of green streets as a means of managing stormwater runoff from public streets and adjacent private property, and present findings and recommendations to the Council by November 1, 2006; and

BE IT FURTHER RESOLVED, that the Bureau of Environmental Services shall complete its grant-financed feasibility study of a tradable stormwater credits program, and present a report to Council by November 1, 2006; and

BE IT FURTHER RESOLVED, that Council shall adjust stormwater rates to finance the costs of retroactive stormwater credits, program development, customer services and technical assistance, beginning with rates that are scheduled to go into effect on July 1, 2006; and

BE IT FURTHER RESOLVED, that Council shall conduct an annual review the performance of the Clean River Incentive and Discount Program, and that such review shall coincide with Council's annual review of stormwater rates; and

BE IT FURTHER RESOLVED, that this Resolution and Exhibit A are Binding City Policy, and shall be recorded in the repository known as Portland Public Documents ("PPD").

Adopted by the Council: November 30, 2005

Prepared by:  
Dan Vizzini, Environmental Services  
November 7, 2005

**GARY BLACKMER**

Auditor of the City of Portland  
By: /S/ Susan Parsons

Deputy

The Council of the City of Portland adopts these principles to guide the development and implementation of the Clean River Incentive and Discount Program. The Director of the Bureau of Environmental Services shall incorporate these principles into the discount program administrative rules. Furthermore, the Director shall enlist the cooperation and participation of the Office of Management and Finance, Office of Neighborhood Involvement, Bureau of Development Services, Portland Development Commission and other City agencies and community organizations as needed to ensure the success of the stormwater discount program.

1. Provide Access, Information and Technical Assistance

- a. Incentives and discounts are available to all eligible City ratepayers regardless of property class, use or location.
- b. The City will take aggressive steps to inform every ratepayer about the stormwater discount program, requirements to qualify, methods for managing stormwater runoff on-site, and the process for registering property. Outreach activities will include direct mailings, bill stuffers, newspaper articles and ads, the use of other media, cooperative efforts with community partners, the Internet and door-to-door canvassing.
- c. Outreach strategies will be developed to address the unique obstacles to the discount program caused by language, culture, infirmity, age or economic distress.
- d. Program information, brochures, registration forms and other program materials will use language and art that are clear and understandable to ratepayers who are unfamiliar with City stormwater policies and programs, and stormwater management techniques.
- e. The City will develop and implement technical assistance strategies for ratepayers with challenging and complicated site conditions, including schools and religious institutions,
- f. City outreach and technical assistance efforts will include information about the importance of stormwater to the quality of life in Portland, City efforts to protect water resources, and ways that citizens can advance environmental and public health goals.

2. Determine Ratepayer Eligibility for Stormwater Discounts and Credits

- a. A stormwater discount is a grant awarded by the City to an eligible ratepayer, based on objective criteria relating to the ratepayer, and the extent and effectiveness of on-site stormwater management. The grant takes the form of a discount on the City's utility bill out of administrative convenience. City Council reserves the right to alter eligibility requirements to meet changing regulatory requirements and legal commitments, and to protect the long-term financial stability of the stormwater utility.
- b. In order to be eligible for stormwater discounts, the registrant(s) must be the current ratepayer. The person(s) should have a current City utility account, or be honoring special arrangements to eliminate any billing delinquencies. The person(s) should have the authority to grant the City access to the property to conduct a limited inspection of stormwater facilities. If the ratepayer does not have such authority, the registration form must be co-signed by the person(s) so empowered.

- c. The stormwater discount is awarded to the ratepayer for stormwater management facilities that serve the property described on the registration form. The ratepayer cannot transfer discount eligibility from one property to another. Similarly, the discount eligibility of a given property does not transfer from one ratepayer to another without the filing of a signed discount registration form. The City will provide a simple and efficient process for such transactions.
- d. Additional conditions for ratepayer eligibility include:
  - i. The ratepayer's registration accurately describes existing private stormwater management facilities.
  - ii. Private stormwater management facilities are properly located, sized, maintained and operating, based on City, state or federal specifications. Private stormwater facilities comply with all applicable City building, plumbing and stormwater requirements.
  - iii. For the purposes of this program, the City is granted limited access to private property to inspect private stormwater facilities, as prescribed by City administrative rules. The inspection shall be limited only to stormwater management facilities.

3. Calculate Stormwater Discounts and Retroactive Credits

- a. Stormwater discounts are limited to the on-site component of the basic stormwater management charge. The on-site component is set at 35% of the basic stormwater management charge for the first ten fiscal years of the stormwater discount program. Thereafter, City Council may consider changes.
- b. The stormwater discount is calculated based on the extent to which a ratepayer safely controls, retains and disposes of stormwater runoff on private property. For single-family residents (detached houses, row houses and duplexes), the discount is calculated based on the amount of runoff from roof surfaces that is managed safely. For all other ratepayers, the discount calculation is based on the amount of impervious roof and paved areas that are served by private stormwater facilities, and the extent and effectiveness of the facilities to control both the volume and water quality of stormwater runoff.
- c. The discount calculation will be consistent with City stormwater policies as set forth in City Code and the Stormwater Management Manual. City Council reserves the right to review and adjust the discount calculation as required by changing regional, state and federal environmental regulations, legal commitments, and extraordinary financial or economic circumstances.
- d. The City will consider the amount of vegetative cover on private property when calculating a stormwater discount and retroactive credit. The calculation will be based on the number of evergreen and deciduous trees taller than 15 feet and the number of shrubs taller than 5 feet. The calculation will exclude trees or shrubs located in the public right-of-way.

- e. The City will grant retroactive credits on the same basis as stormwater discounts. The credit will be based on the number of days the facilities were in operation and the ratepayer was responsible for the utility account, up to a limit of 12 months. The 12-month period will begin from the date the discount takes effect for the subject property and utility account. In order to qualify for the retroactive credit, the ratepayer must file a completed and signed registration form within 12 months of the start of the discount program. The retroactive credit is processed as a one-time-only adjustment to a ratepayer utility account.

4. Ensure Performance, Protect Privacy and Provide Due Process

- a. A signed registration form will give the City authority to perform limited, announced audits of property to determine the eligibility of the on-site stormwater management facilities, and the accuracy of the stormwater discount calculation. The City shall schedule the audit at least two weeks ahead of time, and offer the ratepayer at least one opportunity to reschedule to a mutually agreeable date and time.
- b. Within 30 days following a site audit, the City will provide the ratepayer with a report of the Bureau's findings and recommendations, and the procedures to be used by the ratepayer to request an administrative review.
- c. The City will provide the ratepayer an opportunity to present a written appeal of the Bureau's findings and recommendations prior to any action affecting the amount of the discount, imposition of any fees, charges or penalties, or other enforcement actions. The Environmental Services Director will make the final determination on all appeals.
- d. Unless otherwise obligated by public records laws, the City shall limit the use of registration documents to activities required to administer the Clean River Incentive and Discount Program.