

ADMINISTRATIVE ORDER NO. 58-21-05-F
of the
City Manager of the City of Eugene

**SETTING STORMWATER USER FEES AND SUPERSEDING THE FEE
SCHEDULE ADOPTED BY ADMINISTRATIVE ORDER NO. 58-18-04-F.**

The City Manager of the City of Eugene finds as follows:

A. Section 6.411 of the Eugene Code, 1971 (EC), authorizes the City Manager to determine and set fees and charges to be imposed by the City for wastewater service, regional wastewater service, and stormwater service.

B. Pursuant to the above authority, on June 18, 2018, Administrative Order No. 58-18-04-F was issued making the most recent changes to the stormwater user fees and adopting an updated Stormwater User Fee Schedule.

C. On March 15, 2021, I issued Administrative Order No. 58-21-05, ordering that notice be given of the opportunity to submit written comments on my proposal to set new stormwater user fees. The Notice specified that comments on the proposed rates for stormwater service could be submitted orally at the public hearing which would be held remotely on March 31, 2021, at noon using virtual meeting technology, and that written comments could otherwise be submitted to the City's Public Works Financial Manager until 5 p.m. on March 31, 2021. One comment was submitted which is addressed in the City Manager's Findings attached as Exhibit B to this Order.

D. Based on my investigation of the revenue needs of the City in providing stormwater service using the criteria in EC 6.411(2), and after considering the comment submitted, I find that the stormwater user fees should be amended as proposed. (See Exhibit B)

E. The unamended stormwater user fees adopted by Administrative Order No. 58-18-04-F are incorporated into the Fee Schedule attached as Exhibit A to this Order.

On the basis of these findings, I order that:

1. A copy of this Order shall be promptly forwarded to the Mayor and City Councilors. Unless reviewed by the Council pursuant to EC 6.411(1)(f), this Order shall become final on the 11th day after the date it is rendered.

2. Notwithstanding the effective date of this Order as set forth above, the Stormwater User Fee Schedule attached as Exhibit A to this Order is the schedule of fees to be charged for the described services effective for all bills issued on or after July 1, 2021.

3. The Fee Schedule attached to Administrative Order No. 58-18-04-F is superseded by the Stormwater User Fee Schedule attached as Exhibit A to this Order effective for all bills issued on or after July 1, 2021.

Dated this 17th day of May, 2021.


Mitt Rodriguez (May 13, 2021 12:48 PDT)



Sarah Medary
City Manager

Unless reviewed by Council pursuant to EC 6.411(1)(f), this Order becomes final on May 28, 2021.

STORMWATER USER FEE SCHEDULE
(Effective for all bills issued on or after July 1, 2021)

Stormwater User fees are the sum of charges for impervious surface, street-related run-off and an administrative fee. The three categories of “residential” fees all refer to single-family dwellings, and are described as follows:

1. Small Residential Customer. Building footprint is equal to or less than 1,000 square feet.
2. Medium Residential Customer. Building footprint is greater than 1,000 square feet and less than 3,000 square feet.
3. Large Residential Customer. Building footprint is 3,000 square feet or greater.

All users other than single family homes and duplexes are included as Commercial/Industrial.

The fee for a duplex is calculated as follows: The administrative portion of the fee is based on a single residential account; the street-related portion of the fee is twice the amount for a single family dwelling; and the charge for impervious surface is the same as for a single-family dwelling if the duplex has a vertical configuration and twice that rate if the duplex has a horizontal configuration.

The term “per 1,000 sf” refers to square foot of impervious surface area.

	Small Residential	Medium Residential	Large Residential	Commercial/Industrial
Impervious Surface:	\$7.85	\$12.64	\$4.36 per 1,000 sf	\$4.36 per 1,000 sf
Street-Related:	\$2.17	\$2.17	\$2.17	\$1.55 per 1,000 sf
Administrative:	\$0.64	\$0.64	\$2.03	\$2.03
Total Monthly Fee:	\$10.66	\$15.45	Varies	Varies

<u>Application Fees:</u>	Fees
Reduction or Elimination of Discharge	\$150.00
Reduction of Impervious Area:	
Small or Medium Residential Customer	\$ 50.00
General Customer	\$100.00

CITY MANAGER'S FINDINGS

Investigation of Stormwater Service Revenue Needs Pursuant to EC 6.411(2) and Response to the Public Comment Regarding 2021 Stormwater User Fee Amendments

Stormwater fees support a system of City services, permits, and pollution prevention that keeps local waterways and aquifers clean now and for future generations. An investigation was conducted to determine stormwater revenue needs through FY22. The investigation included the following factors, as outlined in Eugene Code 6.411.

The City of Eugene held the user fees flat in FY21 due to the impacts of COVID-19. Staff utilized fund savings to offset an original proposed increase. There are not enough savings to hold the user fees flat for another year. The City of Eugene is proposing to increase the stormwater user fee by 3%, effective July 1, 2021. To offset losses, staff reduced expenditures by an estimated \$1.75M over the last two fiscal years. This resulted in a growing backlog of maintenance, especially amongst the green infrastructure within the City's stormwater system. Programs that saw inflationary increases temporarily reduced service levels to keep their programs balanced as the City reviewed its programs to prepare for the new DEQ permit.

There are many components to the stormwater program. When it rains, water hits your roof or lawn and picks up oil from cars, sediment, bacteria, grease, and other chemicals associated with urban life. Instead of going into the ground, Mother Nature's natural filter, those contaminants are carried through City storm pipes and go directly into the Amazon Creek or Willamette River. A large portion of the stormwater system is underground. Improved streets (those with sidewalks and curbs) have a system of pipes and culverts that direct rain from impervious surfaces to the nearest waterway. These pipes and culverts also catch leaves, sediment and litter, so they must be cleaned regularly. Street sweeping, leaf pick up and vacor cleaning (a large vacuum truck) and building and maintaining rain gardens are just a few of the stormwater operations that the city provides to maintain this system. A functioning stormwater system also reduces the risk of flooding.

Additionally, there is a growing inventory of green infrastructure such as rain gardens and swales that are required for new development. The maintenance and upkeep for these public facilities is the responsibility of the City's parks and open space staff. These additional maintenance requirements will burden an already constrained budget. Parks and Open Space staff currently maintain over 420 public vegetated stormwater facilities such as rain gardens and swales with nearly 20% rated in poor condition. With current resources, 70% of the system needs are being met. Facilities are estimated to increase another 44% over the next two years. Although the proposed fee increase will not address the growth in green infrastructure, it will stabilize City programs and keep current green infrastructure treating the polluted stormwater.

What has been charged in the past?

User Category ¹	Small Residential ²	Medium Residential ³	Large Residential ⁴	Commercial/Industrial
Impervious Surface:				
FY19:	\$7.61	\$12.27	\$4.23 per 1,000 sf	\$4.23 per 1,000 sf
FY20:	\$7.61	\$12.27	\$4.23 per 1,000 sf	\$4.23 per 1,000 sf
FY21 Current:	\$7.61	\$12.27	\$4.23 per 1,000 sf	\$4.23 per 1,000 sf
FY22 Proposed:	\$7.85	\$12.64	\$4.36 per 1,000 sf	\$4.36 per 1,000 sf
Street-Related:				
FY19:	\$2.11	\$2.11	\$2.11	\$1.50 per 1,000 sf
FY20:	\$2.11	\$2.11	\$2.11	\$1.50 per 1,000 sf
FY21 Current:	\$2.11	\$2.11	\$2.11	\$1.50 per 1,000 sf
FY22 Proposed:	\$2.17	\$2.17	\$2.17	\$1.55 per 1,000 sf
Administrative:				
FY19:	\$0.62	\$0.62	\$1.97	\$1.97
FY20:	\$0.62	\$0.62	\$1.97	\$1.97
FY21 Current:	\$0.62	\$0.62	\$1.97	\$1.97
FY22 Proposed:	\$0.64	\$0.64	\$2.03	\$2.03
Total Monthly Fee:				
FY19:	\$10.34	\$15.00	Varies	Varies
FY20:	\$10.34	\$15.00	Varies	Varies
FY21 Current:	\$10.34	\$15.00	Varies	Varies
FY22 Proposed:	\$10.66	\$15.45	Varies	Varies

¹ Duplex rates are modified, based on the building footprint and building configuration

² Building footprint is equal to or less than 1,000 square feet (sf).

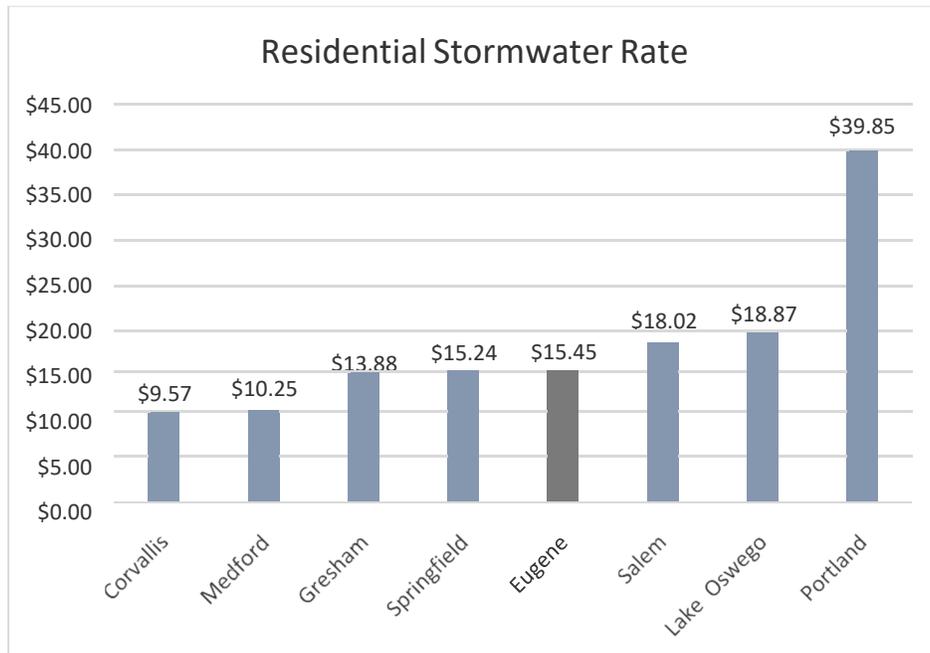
³ Building footprint is greater than 1,000 sf and less than 3,000 sf.

⁴ Building footprint is 3,000 sf or greater

What are the Federal and State regulations impacting FY22’s proposed rate increase?

The City of Eugene holds a permit under the federal Clean Water Act for the stormwater discharged from the public stormwater system into downstream waterways including Amazon Creek and the Willamette River. The permit, formally called the Phase I National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4 permit), requires that the City reduce the discharge of pollutants in stormwater runoff to the maximum extent practicable. The City also holds a permit under the federal Safe Drinking Water Act for stormwater discharged from the public stormwater system into groundwater via “underground injection controls (UICs),” or drywells. Both clean water permits, administered by the Oregon Department of Environmental Quality (DEQ), require implementation of pollution-reduction best management practices, water quality monitoring, and regular reporting. Both permits are drivers for the City’s growing inventory of green infrastructure stormwater facilities such as swales and rain gardens. Federal flood control regulations that impact the City’s stormwater program include the National Flood Insurance Program and the Flood Control Act. Federal and state regulations aimed at protecting and restoring healthy fish and wildlife habitat include the Clean Water Act wetlands protections and the Endangered Species Act. The FY22 proposed budget for the stormwater program will provide funding for the City to continue carrying out activities and services necessary to meet these federal and state regulations.

How does the City of Eugene’s proposed rate compare to other similar service providers?



What is the revenue needed to pay for service proposed in the FY22 Budget?

Sources of Funds:

Beginning Working Capital	\$7,866,396
Current Rate Revenue	\$20,049,515
Rate Increase Revenue	\$601,485
Other Revenue	<u>\$411,937</u>
Total Resources	<u><u>\$28,929,333</u></u>

Uses of Funds:*

Operations & Maintenance	\$12,346,314
Capital Projects	\$2,715,000
Administration	\$2,372,348
Planning	\$1,252,546
Utility Right of Way Fee	\$1,239,000
Utility Administration	\$698,672
Education	\$385,708
Ending Working Capital	<u>\$7,919,745</u>
Total Requirements	<u><u>\$28,929,333</u></u>

Rate Increase - Proposed 3%

**The rate increase is included in the cost of the above programs.*

What are the special surcharge rates for stormwater customers discharging stormwater at extraordinary expense to the City?

The current fee structure is set up so the more stormwater a large residential or industrial/commercial discharges from the site, the more they pay for the City to manage it once it gets to the public system.

Are there other relevant policies adopted by the City Council impacting the FY22 proposed rates?

The City Council-adopted Comprehensive Stormwater Management Plan (CSWMP, 1993) includes goals, policies and implementation actions that provide the framework for an integrated multiple-objective approach to stormwater management.

Are any IGAs impacting the FY22 proposed rates?

There are no additional new intergovernmental agreements between the City of Eugene and other entities that will impact the FY22 proposed rates. Existing relevant intergovernmental agreements (e.g. City of Eugene/Lane County Stormwater IGA, City of Eugene/Lane County Maintenance IGA) are cost neutral and are updated periodically as needed to maintain parity in level of effort and resources.

Do the rates establish an equity between different classes of rate payers?

The stormwater fee schedule is set up to charge customers whose residence or business generates more rainwater run-off a higher collection rate. There are three classes of rates for residential customers (based upon impervious surface area) and commercial customers pay per square footage of impervious

surface area.

Is the stormwater program paying an appropriate value for the use and occupancy of the City's right-of-way system?

The City of Eugene stormwater program is paying a similar charge for the use and occupancy of the City of Eugene's right-of-way system, when compared to other utilities in the area.

Percentage of Revenue for Use in the Right-of-Way

Cable	5%
EWEB	6%
Internet	7%
NW Natural Gas	5%
COE Stormwater	6%
COE Wastewater	6%

PUBLIC HEARING COMMENTS AND RESPONSES

In response to the notice of the proposed amendments, one person submitted a written comment regarding local rates at the public hearing held on March 31, 2021. No testimony was submitted at the public hearing held for regional rates by MWMC on April 9, 2021. The comment and the City's response to the comment are as follows:

Comment: Dick Beers submitted the following comment by email:

“Because on the lower income, the storm water fees should be lowered also. Apparently the bioswales are collecting the street run off, so there should not be any storm water fees. Less is better.

Dick Beers..

Ps we don't need worker raises in a stressful economy.”

Response: This comment does not contain a substantive objection to the proposed fees. No change is being made to the fee schedule as a result of the comment.