

**ADMINISTRATIVE ORDER NO. 58-22-14**  
**of the**  
**City Manager of the City of Eugene**

**REGARDING THE OPPORTUNITY TO COMMENT ON A PROPOSAL  
TO AMEND THE STORMWATER USER FEE SCHEDULE.**

**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. Pursuant to that authority, on May 17, 2021, I issued Administrative Order No. 58-21-05-F amending the Stormwater User Fee Schedule.

**B.** In accordance with EC 6.411(1), I have conducted an investigation of the revenue needs of the City in providing stormwater services and have considered the following criteria: (1) the amount charged for the services in the past; (2) applicable federal and state regulations; (3) amounts charged by the City of Springfield and other such service providers for comparable services; (4) the revenue needed to pay the City's costs and debt obligations related to stormwater facilities, the expected need for financial reserves and contingencies, and other sources of revenue; (5) special surcharge rates for stormwater customer discharging stormwater at extraordinary expense to the City; (6) other relevant adopted policies of the council; (7) the terms of any applicable intergovernmental agreement relating to stormwater; (8) obtaining equity between different classes of ratepayers; and (9) the value of the use and occupancy of the City's right-of-way by the City stormwater system. (See Exhibit B)

**C.** Based on my investigation and consideration, I propose to amend the stormwater user fees as set forth in the Notice attached as Exhibit A to this Order, to be implemented and effective for all bills issued on or after July 1, 2022.

**On the basis of these findings, I order that** a Notice substantially conforming to the Notice attached as Exhibit A shall be:

**1.** Provided to the Mayor and City Councilors, the news media, any person who has requested notice, interested governmental agencies (including the United States Environmental Protection Agency, the Department of Environmental Quality, the Metropolitan Wastewater Management Commission, and the Eugene Water & Electric Board);

**2.** Posted at two locations at City Hall; and

**3.** Published on two separate occasions in the Register Guard Newspaper.

**Dated this 14 day of March, 2022.**

  
Matt Rodrigues (Mar 14, 2022 08:53 PDT)

  
\_\_\_\_\_  
**Sarah Medary, City Manager**



**NOTICE OF OPPORTUNITY TO COMMENT ON PROPOSED CHANGES TO STORMWATER USER FEES**

To continue providing stormwater services at the same level of service through fiscal year 2023, the City of Eugene is proposing increases in Stormwater User fees to become effective on bills issued on or after July 1, 2022. Documentation supporting this proposal may be reviewed at [www.eugene-or.gov/swfees](http://www.eugene-or.gov/swfees). The current monthly fees and the proposed fees to be charged are set out below.

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   |
| <b>Proposed:</b>    | \$8.15            | \$13.14            | \$4.53 per 1,000 sf | \$4.53 per 1,000 sf   |
| Street-Related:     | \$2.17            | \$2.17             | \$2.17              | \$1.55 per 1,000 sf   |
| <b>Proposed:</b>    | \$2.26            | \$2.26             | \$2.26              | \$1.61 \$per 1,000 sf |
| Administrative:     | \$0.64            | \$0.64             | \$2.03              | \$2.03                |
| <b>Proposed:</b>    | \$0.67            | \$0.67             | \$2.11              | \$2.11                |
| Total Monthly Fee:  | \$10.66           | \$15.45            | Varies              | Varies                |
| <b>Proposed:</b>    | \$11.08           | \$16.07            | Varies              | Varies                |

| <u>Application Fees:</u>                    | Fees     | Proposed              |
|---|----------|-----------------------|
| Reduction or Elimination of Discharge ..... | \$150.00 | No change to this fee |

Exhibit A to  
Administrative Order No. 58-22-14

| <b>Application Fees:</b>                  | <b>Fees</b> | <b>Proposed</b>          |
|---|-------------|--------------------------|
| Reduction of Impervious Area:             |             |                          |
| Small or Medium Residential Customer..... | \$ 50.00    | No change<br>to this fee |
| General Customer.....                     | \$100.00    | No change<br>to this fee |

Comments on the proposed changes may be submitted orally at a public hearing which will be held using virtual meeting technology on March 30, 2022, at noon, via e-mail to [PWAdmin@ci.eugene.or.us](mailto:PWAdmin@ci.eugene.or.us), or in writing to Susan Weixelman, Public Works Financial Services Manager, 99 W. 10<sup>th</sup> Avenue, Suite 370, Eugene, Oregon, 97401. To be considered, written and email comments must be received by 5 p.m. on March 30, 2022. Information about options for participation in the virtual public hearing will be available by 5 p.m. on March 25, 2022, at <https://www.eugene-or.gov/1972/Public-Meetings-Calendar>.

To arrange for Spanish-language interpretation, materials in alternative formats, or an interpreter or assistive listening system for the deaf or hard of hearing, telephone 541-682-4900 by noon on March 28, 2022.

**Sarah Medary, City Manager**

Dates of Publication: March 20 and 21, 2022

Date of Posting: March 18, 2022

### **CITY MANAGER'S FINDINGS**

#### Investigation of Stormwater Service Revenue Needs Pursuant to EC 6.411(2)

Stormwater fees support services that protect clean water in Amazon Creek and the Willamette River, enhance fish and wildlife habitat, and reduce the risk of flooding. An investigation was conducted to determine stormwater revenue needs through FY23. The investigation included the following factors, as outlined in Eugene Code 6.411.

There are many components to the stormwater program. When it rains in Eugene, water hits roofs, lawns, sidewalks and streets, and picks up oil from cars, sediment, bacteria, grease, and other chemicals associated with urban life. Instead of soaking into the ground, nature's natural filter in non-urban areas, these contaminants are carried along streets and through underground storm pipes, culverts and roadside ditches, discharging directly into Amazon Creek or the Willamette River. Pipes and culverts catch leaves, sediment and litter and must be cleaned regularly. Green infrastructure such as vegetated swales and rain gardens have been installed to provide treatment for stormwater runoff in some areas and must also be maintained. Street sweeping, leaf pick up, piped system cleaning, and vegetation maintenance of rain gardens are just a few of the stormwater operations that the city provides to maintain this system. In addition to protecting clean water and healthy habitat, a functioning stormwater system also reduces the risk of flooding.

The City of Eugene is proposing to increase the stormwater user fee by 4%, effective July 1, 2022. This rate increase provides additional resources to maintain the City's rapidly growing inventory of green infrastructure, required to meet federally mandated stormwater treatment standards, which is forecasted to increase 44% over the next two years. Additionally, this rate increase provides investments into our urban forestry program to more effectively manage sidewalk and tree conflicts and for ongoing additional plantings to sustain our urban canopy. Small investments in critical stormwater operations buildings that have inadequate electrical systems, roofing concerns and other major system issues will also be addressed with this rate increase. This fee increase also helps pay for the additional costs this service will see with the recent adoption of the AFSCME contract, which is estimated to cost approximately \$300K per year, in addition to the general inflationary increases seen across many industries.

As a reminder, user fees were held flat through FY20 and FY21. To help keep the fund balanced through these fiscal years, the policy team implemented \$1M of underspending. The deferred maintenance from the underspending resulted in slower response on urban forestry non-emergency tree issues, longer maintenance cycles on green infrastructure facilities which increases the chances of localized flooding, and less cleaning performed on the stormwater pipe system which reduces flow and increases the chances of localized flooding.

Assuming modest annual increases around 2-4% for FY24-FY27, revenues can keep pace with expected inflation. The policy team will evaluate future rate increases with the declining condition of our infrastructure while also trying to support our community members and customers in these uncertain economic times.

**What has been charged in the past?**

| User Category <sup>1</sup> | Small Residential <sup>2</sup> | Medium Residential <sup>3</sup> | Large Residential <sup>4</sup> | Commercial/Industrial      |
|----------------------------|--------------------------------|---------------------------------|--------------------------------|----------------------------|
| <b>Impervious Surface:</b> |                                |                                 |                                |                            |
| FY20:                      | \$7.61                         | \$12.27                         | \$4.23 per 1,000 sf            | \$4.23 per 1,000 sf        |
| FY21:                      | \$7.61                         | \$12.27                         | \$4.23 per 1,000 sf            | \$4.23 per 1,000 sf        |
| FY22 Current:              | \$7.85                         | \$12.64                         | \$4.36 per 1,000 sf            | \$4.36 per 1,000 sf        |
| <b>FY23 Proposed:</b>      | <b>\$8.15</b>                  | <b>\$13.14</b>                  | <b>\$4.53 per 1,000 sf</b>     | <b>\$4.53 per 1,000 sf</b> |
| <b>Street-Related:</b>     |                                |                                 |                                |                            |
| FY20:                      | \$2.11                         | \$2.11                          | \$2.11                         | \$1.50 per 1,000 sf        |
| FY21:                      | \$2.11                         | \$2.11                          | \$2.11                         | \$1.50 per 1,000 sf        |
| FY22 Current:              | \$2.17                         | \$2.17                          | \$2.17                         | \$1.55 per 1,000 sf        |
| <b>FY23 Proposed:</b>      | <b>\$2.26</b>                  | <b>\$2.26</b>                   | <b>\$2.26</b>                  | <b>\$1.61 per 1,000 sf</b> |
| <b>Administrative:</b>     |                                |                                 |                                |                            |
| FY20:                      | \$0.62                         | \$0.62                          | \$1.97                         | \$1.97                     |
| FY21:                      | \$0.62                         | \$0.62                          | \$1.97                         | \$1.97                     |
| FY22 Current:              | \$0.64                         | \$0.64                          | \$2.03                         | \$2.03                     |
| <b>FY23 Proposed:</b>      | <b>\$0.67</b>                  | <b>\$0.67</b>                   | <b>\$2.11</b>                  | <b>\$2.11</b>              |
| <b>Total Monthly Fee:</b>  |                                |                                 |                                |                            |
| FY20:                      | \$10.34                        | \$15.00                         | Varies                         | Varies                     |
| FY21:                      | \$10.34                        | \$15.00                         | Varies                         | Varies                     |
| FY22 Current:              | \$10.66                        | \$15.45                         | Varies                         | Varies                     |
| <b>FY23 Proposed:</b>      | <b>\$11.08</b>                 | <b>\$16.07</b>                  | <b>Varies</b>                  | <b>Varies</b>              |

<sup>1</sup> Duplex rates are modified, based on the building footprint and building configuration

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

<sup>3</sup> Building footprint is greater than 1,000 sf and less than 3,000 sf.

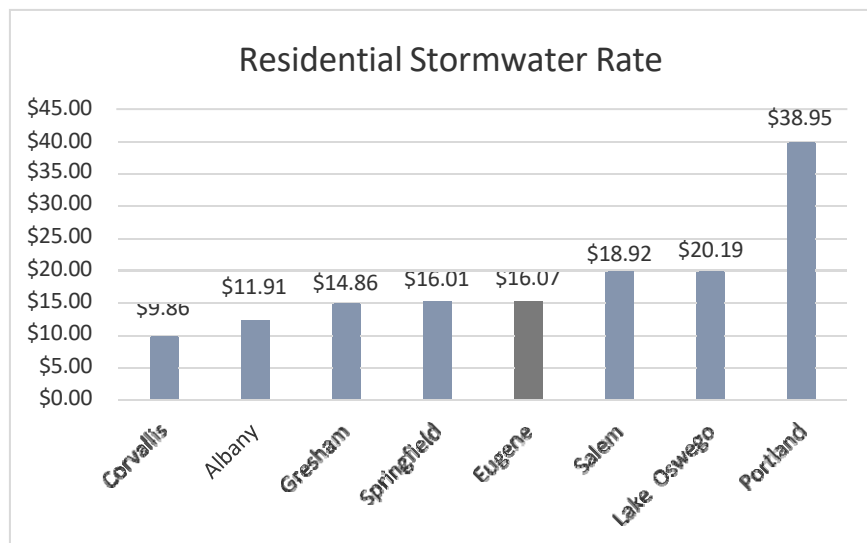
<sup>4</sup> Building footprint is 3,000 sf or greater

**What are the Federal and State regulations impacting FY23s 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 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 FY23 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?**

All the cities included in the chart below are regulated under the MS4 permit program, with an important distinction. “MS4 Phase I permittees” tend to represent larger and more densely populated areas and must meet additional obligations compared to the smaller “MS4 Phase II permittees.” The table reflects this distinction in that rates for Corvallis, Springfield, and Albany, all MS4 Phase II permittees, are on the lower end of the range. All others in the table are MS4 Phase I permittees and their stormwater programs are more comparable to Eugene’s with the exception of Portland which, in many older areas of the city, operates a combined wastewater and stormwater system, so the programs are not comparable in scope.



**What is the revenue needed to pay for service proposed in the FY23 Budget?**

**Sources of Funds:**

|                           |                            |
|---------------------------|----------------------------|
| Beginning Working Capital | \$7,816,519                |
| Current Rate Revenue      | \$20,516,000               |
| Rate Increase Revenue     | \$821,000                  |
| Other Revenue             | <u>\$836,992</u>           |
| Total Resources           | <u><u>\$29,990,511</u></u> |

**Uses of Funds:\***

|                          |                            |
|--------------------------|----------------------------|
| Operations & Maintenance | \$14,347,160               |
| Capital Projects         | \$2,665,000                |
| Administration           | \$2,325,613                |
| Planning                 | \$1,359,170                |
| Utility Right of Way Fee | \$1,295,000                |
| Utility Administration   | \$743,761                  |
| Education                | \$397,358                  |
| Ending Working Capital   | <u>\$6,857,449</u>         |
| Total Requirements       | <u><u>\$29,990,511</u></u> |

Rate Increase - Proposed 4.0%

*\*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 property discharges, 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 FY23 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 FY23 proposed rates?**

There are no additional new intergovernmental agreements between the City of Eugene and other entities that will impact the FY23 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 stormwater runoff a higher fee. There are three classes of rates for residential customers based upon impervious surface area: small, medium, and large. Small and medium residential pay a flat rate. Large residential and commercial/industrial 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 TV  | 5% |
| EWEB  | 6% |
| Telecommunications<br>(including Internet access) | 7% |
| NW Natural Gas                                    | 5% |
| COE Stormwater                                    | 6% |
| COE Wastewater                                    | 6% |



Updated Notice Of Opportunity To Comment On Proposed Changes To Stormwater User Fees  
Re: Administrative Order No. 58-22-14

The Notice attached to Administrative Order No. 58-22-14 advises that a public hearing on the proposed Stormwater User Fee amendments will be held on March 30, 2022. Notice was scheduled to be published in the Register Guard newspaper on March 20 and 21, 2022, as indicated in the Notice. Due to the Register Guard's inability to publish the Notice as scheduled, in order to comply with the Eugene Code's requirements concerning notice of Stormwater User Fee amendments, the public hearing has been rescheduled to April 6, 2022, and publication of the Notice has been rescheduled to March 27 and 28, 2022, as shown on the attached updated Notice.

**NOTICE OF OPPORTUNITY TO COMMENT ON PROPOSED CHANGES TO STORMWATER USER FEES**

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| <b>Application Fees:</b>                    | <b>Fees</b> | <b>Proposed</b>       |
|---|-------------|-----------------------|
| Reduction or Elimination of Discharge ..... | \$150.00    | No change to this fee |

Exhibit A to  
 Administrative Order No. 58-22-14

| <b>Application Fees:</b>                   | <b>Fees</b> | <b>Proposed</b>       |
|--|-------------|-----------------------|
| Reduction of Impervious Area:              |             |                       |
| Small or Medium Residential Customer ..... | \$ 50.00    | No change to this fee |
| General Customer .....                     | \$100.00    | No change to this fee |

Comments on the proposed changes may be submitted orally at a public hearing which will be held using virtual meeting technology on April 6, 2022, at noon, via e-mail to [PWAdmin@ci.eugene.or.us](mailto:PWAdmin@ci.eugene.or.us), or in writing to Susan Weixelman, Public Works Financial Services Manager, 99 W. 10<sup>th</sup> Avenue, Suite 370, Eugene, Oregon, 97401. To be considered, written and email comments must be received by 5 p.m. on April 6, 2022. Information about options for participation in the virtual public hearing will be available by 5 p.m. on April 1, 2022, at <https://www.eugene-or.gov/1972/Public-Meetings-Calendar>.

To arrange for Spanish-language interpretation, materials in alternative formats, or an interpreter or assistive listening system for the deaf or hard of hearing, telephone 541-682-4900 by noon on April 4, 2022.

**Sarah Medary, City Manager**

Dates of Publication: March 27 and 28, 2022

Date of Posting: March 25, 2022