

ADMINISTRATIVE ORDER NO. 58-23-19-F
of the
City Manager of the City of Eugene

**SETTING STORMWATER USER FEES AND SUPERSEDING THE FEE
SCHEDULE ADOPTED BY ADMINISTRATIVE ORDER NO. 58-22-14-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. Pursuant to that authority, on May 23, 2022, I issued Administrative Order No. 58-22-14-F amending the Stormwater User Fee Schedule.

B. On April 26, 2023, I issued Administrative Order No. 58-23-19, 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 May 10, 2023, at noon using virtual meeting technology, and that written comments could otherwise be submitted to the City's Public Works Financial Services Manager until 5 p.m. on May 10, 2023. There were no attendees at the public hearing, however, two written comments were submitted prior to the public hearing and those comments are addressed in the City Manager's Findings attached as Exhibit B to this Order.

C. 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 comments submitted, I find that the stormwater user fees should be amended as proposed. (See Exhibit B)

D. The unamended stormwater user fees adopted by Administrative Order No. 58-22-14-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, 2023.

3. The Fee Schedule attached to Administrative Order No. 58-22-14-F is superseded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, 2023.

Dated this 25th day of May, 2023.


Matt Rodriguez (May 25, 2023 08:36 PDT)



Sarah Medary

Unless reviewed by Council pursuant to EC 6.411(1)(f), this Order becomes final on July 1, 2023.

STORMWATER USER FEE SCHEDULE
(Effective for all bills issued on or after July 1, 2023)

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:				
FY24 fees	\$8.64	\$13.92	\$4.80	\$4.80
FY25 fees	\$8.98	\$14.47	\$4.99	\$4.99
Street-Related:				
FY24 fees:	\$2.40	\$2.40	\$2.40	\$1.71
FY25 fees:	\$2.50	\$2.50	\$2.50	\$1.78
Administrative:				
FY24 fees:	\$0.71	\$0.71	\$2.24	\$2.24
FY25 fees:	\$0.74	\$0.74	\$2.33	\$2.33
Total Monthly Fee:				
FY24 fees:	\$11.75	\$17.03	Varies	Varies
FY25 fees:	\$12.22	\$17.71	Varies	Varies

Exhibit A to
Administrative Order No. 58-23-19-F

<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 Comments Regarding the Proposed Stormwater User Fee Amendments

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 FY24/25. 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.

As a reminder, user fees were held flat in FY20 and then again in FY21, along with \$1M of underspending, in response to the community-wide economic pressures caused by the COVID-19 pandemic. Rates were increased by 3% in FY22 and 4% in FY23 which included program increases to maintain the City's rapidly growing inventory of green infrastructure, more effectively manage sidewalk and tree conflicts and small investments in critical stormwater operations buildings that have inadequate electrical systems, roofing concerns and other major system issues. The City of Eugene is proposing to increase the stormwater user fee by 6%, effective July 1, 2023 and 4% effective July 1, 2024. The 2023-2025 biennium rate increases provide the resources to invest in several solutions that address issues impacting the stormwater service. Specifically, this funding will be used to contribute 1.0 FTE to a department team that addresses the increased clean-up necessary along our waterways and rights-of-way to keep hazardous waste from impacting our water quality. Additionally, these rate increases will allow for the update of the 20-year-old customer-information system that manages the stormwater accounts for the City, and also contributes .38 FTE to the City's CDL driver trainer that became necessary after a state law changed the training requirements for CDL drivers. These fee increases will also keep pace with inflation that this service is expecting to see over the 2023-2025 biennium.

What has been charged in the past?

	Small Residential	Medium Residential	Large Residential	Commercial/Industrial
Current Impervious Surface:	\$8.15	\$13.14	\$4.53 per 1,000 sf	\$4.53 per 1,000 sf
Proposed FY24 fees:	\$8.64	\$13.92	\$4.80	\$4.80
Proposed FY25 fees:	\$8.98	\$14.47	\$4.99	\$4.99
Current Street-Related:	\$2.26	\$2.26	\$2.26	\$1.61 per 1,000 sf
Proposed FY24 fees:	\$2.40	\$2.40	\$2.40	\$1.71
Proposed FY25 fees:	\$2.50	\$2.50	\$2.50	\$1.78
Current Administrative:	\$0.67	\$0.67	\$2.11	\$2.11
Proposed FY24 fees:	\$0.71	\$0.71	\$2.24	\$2.24
Proposed FY25 fees:	\$0.74	\$0.74	\$2.33	\$2.33
Current Total Monthly Fee:	\$11.08	\$16.07	Varies	Varies
Proposed FY24 fees:	\$11.75	\$17.03	Varies	Varies
Proposed FY25 fees:	\$12.22	\$17.71	Varies	Varies

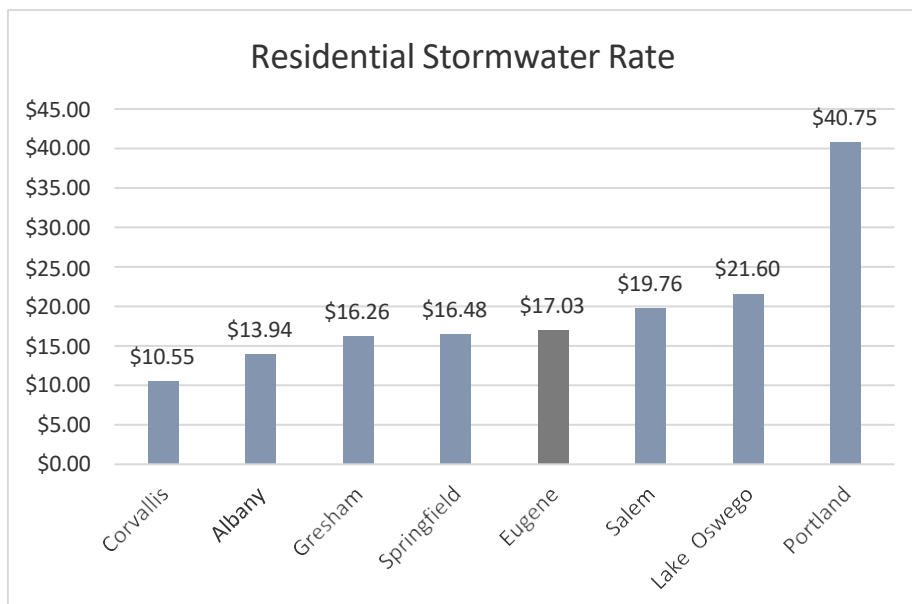
<u>Application Fees:</u>	Fees	Proposed
Reduction or Elimination of Discharge	\$150.00	No change to this fee
Reduction of Impervious Area:		
Small or Medium Residential Customer	\$ 50.00	No change to this fee
General Customer	\$100.00	No change to this fee

What are the Federal and State regulations impacting FY24/25 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 FY24/25 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 FY24/25 Budget?

Sources of Funds:	FY24	FY25
Beginning Working Capital	\$8,166,509	\$6,188,459
Current Rate Revenue	\$21,542,000	\$22,835,000
Rate Increase Revenue	\$1,293,000	\$913,000
Other Revenue	\$454,051	\$454,052
Total Resources	\$31,455,560	\$30,390,511

Uses of Funds:*		
Operations & Maintenance	\$16,148,686	\$16,535,154
Capital Projects	\$2,615,000	\$2,590,000
Administration	\$2,115,769	\$2,175,236
Planning	\$1,425,384	\$1,459,584
Utility Right of Way Fee	1,424,500	\$1,566,950
Utility Administration	\$1,065,147	\$820,714
Education	\$472,615	\$486,746
Ending Working Capital	\$6,188,459	\$4,756,127
Total Requirements	\$31,455,560	\$30,390,511

Rate Increase - Proposed	6.0%	4.0%
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**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 FY24/25 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 FY24/25 proposed rates?

There are no additional new intergovernmental agreements between the City of Eugene and other entities that will impact the FY24/25 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 (including Internet access)	7%
NW Natural Gas	5%
COE Stormwater	6%
COE Wastewater	6%

Comments and Responses

There were no participants in the public hearing held for this matter. Written comments received pertained to stormwater fees, wastewater fees, or both. The following written comments were received, each followed by the City response.

Bob Siegmund – “In your Memo dated April 27, 2023, you referenced the need to hire one .18 FTE position for a CDL driver trainer. Can you tell me why the Oregon Legislature believed this was necessary?”

COE response - The Oregon Legislature passed a law that requires anyone wishing to get a CDL to complete an entry-level driver training course from an authorized provider, effective February 7, 2022. In response to this legal change, and the lack of authorized providers ready to offer classes, the City of Eugene Public Works department implemented its own entry-level training course, to help increase the number of employees who could become eligible for a Commercial Driver’s License. The department relies on CDL drivers in numerous programs critical to maintaining the City’s stormwater and wastewater infrastructure. You can read more about the Oregon Legislature’s decision with this following link: (<https://www.oregon.gov/odot/dmv/pages/driverid/cdlget.aspx>). While we do not want to speak on behalf of the Legislature, their documents did state safety on the roadways as a primary concern that was voiced throughout the discussions of this new requirement.

Bob Siegmund – “In a paragraph titled Stormwater User Fees you indicated that it was necessary to "contribute 1.0 FTE to a department team that addresses the increased clean-up necessary along our waterways and rights-of-way to keep hazardous waste from impacting our water quality." I assume we are talking about activities related and caused by those experiencing homelessness. It's my understanding that the city of Eugene has received substantial state and federal funds to deal with the city's homeless

population. Why can't those funds be used to pay for this added work?"

COE response - The City has received one-time funding through the federal legislation passed in response to the COVID-19 pandemic. This funding was used to address the impacts of the unhoused population within Eugene, including right-of-way (ROW) clean-up efforts, starting in 2020. However, this funding was one-time and will be expended by the end of this current fiscal year (ending June 30, 2023). The need to continue the clean-up efforts is ongoing, and multiple eligible funding sources within the City will be contributing to the ongoing clean-up effort. The ROW clean-up team also addresses the increasing illegal dumping of debris, trash, etc. that is occurring across the City, presenting hazards for pedestrians, bicyclists, motorists, and harm to our waterways if this debris makes it way to storm drains and into our waterway system.

Bob Siegmund – "It's my understanding that cities and other public organizations around the country are experiencing high non-payment of water and sewer fees. Can you tell me what percentage of monthly fees are going uncollected by your organization and is the uncollected percentage eventually paid by those of us who are paying each month on time? As you know, ever increasing fees for wastewater and stormwater are beginning to be a true burden on all city residents especially seniors."

COE response - According to our records, the uncollectable accounts average \$5,000 per month, which is 1% of our total stormwater and wastewater billed revenue. This percentage is very low, meaning we collect the majority of our stormwater and wastewater fees, the amount being paid by rate payers over time is immaterial.

Jessica Headrick / Homeowner's Association (HOA) Board representing the Terraces at the Pavilion – "We support reasonable and proportionate increases in the stormwater and wastewater fees needed to maintain and improve critical infrastructure, however we are very concerned about the magnitude of these proposed fee increases noticed on April 28, 2023 and effective on July 1st, 2023. These proposed fee increases are likely to cause some hardship on our homeowners, as our annual budget did not take into account 11% and 6% fee increases on such short notice. An initial analysis indicates that these proposed fee increases will raise our stormwater and wastewater bills by at least \$600 for the remaining 6 months of this year if they go into effect.

We strongly recommend that you consider the hardship these proposed fee increases will have on all residents, and that you factor in the regressive nature of these fee increases that will affect all residents of Eugene. Please consider moderating your proposed fee increases to more reasonable and acceptable increases, in the order of no more than 3% annual increases.

Inflation continues to affect everyone, and The New York Times reported on April 7th that "Inflation has outstripped wage growth for 22 consecutive months, as calculated by economists at J.P. Morgan." We understand your costs are increasing as well, but we ask that your fee increases are reasonable and palatable to all residents working tirelessly to make ends meet in this persistent and difficult inflationary environment."

COE response- No change is being made to the fee schedule as a result of the comments.