



NOTICE OF PUBLIC MEETING
CITY OF ALBANY
CITY COUNCIL WORK SESSION
Municipal Court Room
333 Broadalbin Street SW
Monday, October 10, 2016
4:00 p.m.

AGENDA

OUR MISSION IS

"Providing quality public services
for a better Albany community."

OUR VISION IS

"A vital and diversified community
that promotes a high quality of life,
great neighborhoods, balanced
economic growth, and quality public
services."

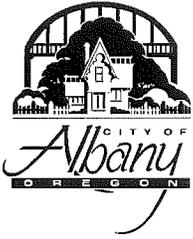
Rules of Conduct for Public Meetings

1. No person shall be disorderly, abusive, or disruptive of the orderly conduct of the meeting.
2. Persons shall not testify without first receiving recognition from the presiding officer and stating their full name and residence address.
3. No person shall present irrelevant, immaterial, or repetitious testimony or evidence.
4. There shall be no audience demonstrations such as applause, cheering, display of signs, or other conduct disruptive of the meeting.

- 4:00 p.m. CALL TO ORDER
- 4:00 p.m. ROLL CALL
- 4:05 p.m. BUSINESS FROM THE PUBLIC
- 4:10 p.m. STORMWATER UTILITY REPORT – Mark Yeager. [Pages 2-25]
➤ Report on public outreach. [Pages 2-13]
➤ Funding implementation options. [Pages 14-15]
➤ Draft stormwater rate resolution. [Pages 16-25]
Action Requested: Information, discussion, and direction.
- 5:30 p.m. BUSINESS FROM THE COUNCIL
- 5:40 p.m. CITY MANAGER REPORT
➤ First Avenue train trestle. [Verbal]
- 6:00 p.m. ADJOURNMENT

City of Albany Web site: www.cityofalbany.net

The location of the meeting/hearing is accessible to the disabled. If you have a disability that requires accommodation, advanced notice is requested by notifying the City Manager's Office at 541-917-7508, 541-704-2307, or 541-917-7519.



TO: Albany City Council

VIA: Wes Hare, City Manager
Jeff Blaine, P.E., Public Works Engineering & Community Development Director *JB*
Chris Bailey, Public Works Operations Director *CB*

FROM: Mark A. Yeager, P.E., Utility Services Manager *(Signature)*

DATE: October 5, 2016, for the October 10, 2016, City Council Work Session

SUBJECT: Stormwater Service Charges – Report on Public Outreach

- RELATES TO STRATEGIC PLAN THEME:
- Great Neighborhoods
 - A Safe City
 - An Effective Government

Action Requested:

Staff recommends that the City Council review the feedback received through the public outreach process and provide direction.

Discussion:

The City Council has been considering stormwater system needs, regulatory requirements, and funding alternatives for nearly two years. At the June 20, 2016, Council Work Session, Council directed staff to begin targeted public outreach activities to solicit feedback on the proposed stormwater service charge. The purpose of this memo is to convey that feedback to Council for consideration prior to providing final direction on stormwater program elements and service charge.

Summary of Outreach Activities

Staff conducted a robust public outreach effort. These efforts included:

Council Meetings: Since January 2015, there have been 11 City Council work sessions (including this meeting) with dedicated stormwater discussions.

Stormwater Utility Website: In early 2016, staff developed a detailed Stormwater Utility web page dedicated to the stormwater topics discussed with Council, including links to rate examples, and answers to frequently asked questions. The web page has been kept current and provides a means for the public to contact staff with questions or comments. There have been 519 page views since the web page went live on April 27, 2016.

Targeted Group Presentations: Staff provided six (6) separate presentations to various Albany service clubs and the Albany Area Chamber of Commerce. Presentations covered funding needs, the proposed rate structure, proposed rates, and example stormwater utility bills.

Open House: Staff held an Open House on September 13, 2016, at the Albany Senior Center from 5:30 to 7:00 p.m. Notice of the Open House was provided through City Bridges, news releases (various media outlets), website banner, public meeting calendar, various alert notices, discussion at Council meetings and group presentations, and noted in Hasso Hering's Blog.

Business/Industry Meetings: Staff met individually with 13 different affected businesses and industries. The intent of these meetings was to make sure that the most impacted customers were aware of the proposed utility fee discussions, understood potential impacts, and had an opportunity to voice concerns or suggestions prior to Council taking action. The net impact of a

new stormwater service charge, after considering water and sewer rate reductions, varies for individual businesses due to their use of the water and sewer system.

Utility Bill Stuffers: Two stormwater utility bill stuffers went out this year in July and August that provided direction on how to access more information through the stormwater web pages.

City Bridges: There have been three articles in City Bridges regarding our stormwater discussions. Links to the stormwater web pages and an invitation to the open house were included.

Project Business Cards: A project business card was developed with the stormwater website address (cityofalbany.net/stormwater) and a stormwater email address (stormwater@cityofalbany.net) that communicates directly to City staff on the project.

Community Comments and Suggestions

Comments and suggestions were received through most of the public outreach activities. The most input was provided through the group presentations and business/industry meetings. Community members generally understood the need to maintain and replace assets over time and that the City is faced with a growing number of regulations. However, as would be expected, people prefer not to pay more for services than they are now. Staff received a wide range of feedback. Some community members thought we should do more than what was being proposed while others expressed concern about impacts to local business. Interestingly, awareness to growing stormwater regulations and municipal stormwater service charges was fairly high with the larger businesses. Several of them have already had to make significant investments in response to site-specific stormwater requirements. For businesses working in multiple jurisdictions, Albany's proposed rates were generally received as reasonable compared to other jurisdictions.

A complete listing of comments and suggestions received through the public outreach process is provided as Attachment 1. Where suggestions have been made, staff has provided additional information to facilitate further discussion. Where known, potential impacts to the stormwater service charges are estimated with each suggestion in the text. Estimates assume costs for providing credits are shared among all customers. This is a policy decision. Council could determine that SFR customers should not have to participate in the costs of providing credits to NSFR customers. In that case, differential rates between the two customer classes would be required and the rate per equivalent residential unit (ERU) for NSFR customers would be slightly higher than the rate for SFR customers.

Staff has identified the most common suggestions made during our public outreach process. These suggestions are identified below along with staff's recommendation on how to proceed. Staff is seeking Council direction on each suggestion. Council may also have other program modifications they would like to consider based on the full list of comments and suggestions provided in Attachment 1.

1. On-site Structural Control Credit – The proposed credit program for NSFR customers allows a maximum credit of 25 percent of the impervious surface charge on the relevant stormwater bill for on-site structural stormwater quantity or quality controls. An industry suggestion was to allow for greater than 25 percent credit.

Staff Recommendation – Our consultant reports that Albany’s proposed 25 percent maximum credit is slightly lower than what they see in other communities. The maximum credit they have seen is between 50 percent and 60 percent for larger communities that have higher stormwater fees and a well established stormwater program. If Council wanted to expand credit opportunities, staff recommends establishing a 25 percent maximum credit for stormwater quality facilities and a 25 percent maximum credit for stormwater quantity facilities. The maximum cumulative credit for on-site structural control structures could not exceed 50 percent. Staff estimates that if the maximum credit were raised to 50 percent that the impervious surface charge for all customers would need to increase by \$0.08/ERU in order to recover the lost revenue.

2. Oregon Department of Environmental Quality (DEQ) 1200-Z Credit – The proposed credit program for NSFR customers allows a maximum credit of 25 percent of the impervious surface charge on the relevant stormwater bill for properties that operate in compliance with an approved 1200-Z permit from the Oregon DEQ. An industry suggestion was to allow for greater than 25 percent credit.

Staff Recommendation – Staff does not recommend increasing the maximum 1200-Z credit above 25 percent. The Oregon DEQ requirements in a 1200-Z permit are related to stormwater quality. The staff recommendation in #1 above is to set the maximum credit for stormwater quality facilities at 25 percent. According to the Oregon Department of Environmental Quality (DEQ) website, there are 14 sites in Albany with an active 1200-Z permit. If this credit were increased to 50 percent, staff estimates that the impervious surface charge for all customers would need to increase by \$0.04/ERU in order to recover the lost revenue.

3. Other Credits – Several businesses requested additional flexibility be added to the NSFR credit program to allow consideration of other facilities or programs not specifically identified.

Staff Recommendation – Language providing this flexibility has been added to the draft stormwater rate resolution. The potential loss of revenue or the impact on the \$/ERU is not quantifiable.

4. Properties that don’t drain to City system – A common comment from the general public and from businesses and industries was the suggestion that a property that doesn’t drain to the stormwater system should not have to pay a stormwater service charge.

Staff Recommendation – Due to its complexity, this issue is discussed in a separate memorandum (with draft stormwater rate resolution) in the October 10, 2016, Council work session packet.

5. Gravel – There were many questions about how gravel would be considered for billing purposes on NSFR properties. Some suggested that gravel should be considered as pervious surface.

Staff Recommendation – Staff does not recommend removing gravel from the measured impervious area. Communities address this differently. Out of the 22 communities that responded to a survey about this suggestion, ten (10) included gravel, five (5) included 40 percent of gravel areas, and seven (7) did not include gravel in the impervious area measurement for a customer. Most communities did not consider landscape gravels an impervious surface and staff has not included these areas in our calculations.

Gravel has a high runoff rate and will carry similar pollutants as runoff from asphalt or concrete. Thus, it has similar impacts to the City system as paved areas. Two primary methods for

estimating stormwater runoff are the Rational Method and the Natural Resources Conservation Service (NRCS) Technical Release No. 55 (TR-55). In both of these methods, the runoff coefficients for paved surfaces and gravel surfaces are very similar. In the Rational Method, the runoff coefficient for pavement is 0.90, and the runoff coefficient for gravel pavement is 0.85. With the TR-55 method, the runoff coefficient for pavement is 98, and the runoff coefficient for gravel pavement is as high as 91. For comparison with unimproved areas, runoff coefficients can be as low as 0.1 for the Rational Method and 30 for the TR-55 method.

Removing graveled areas from service charge calculations would reduce the amount of area used for impervious surface charges. The impervious surface charge for all customers would need to increase by \$0.14/ERU in order to recover the lost revenue.

The table below summarizes program impacts for each community suggestion and identifies whether or not staff supports each recommendation. It is important to remember that when trying to recover a specific amount of revenue, any credits provided to one customer are balanced on increased costs to other customers. Small changes in the impervious surface charge to support expanded credit opportunities may be appealing on the surface but come with the unintended negative consequence of having significant financial impacts on customers with a lot of impervious surface.

Service Charge Impacts

Community Suggestion	Staff Support (Y/N)	Single Family Residential		Non-Single Family Residential	
		Base Charge	Imp. Surface Charge (\$/ERU)	Base Charge	Imp. Surface Charge (\$/ERU)
Current Proposal*	Y	\$4.79	\$1.95	\$4.79	\$1.95
Sug. #1, General credit increase	N/A	\$0.00	\$0.08 (\$0.00**)	\$0.00	\$0.08 (\$0.12**)
Sug. #2, Increase 1200-Z credit	N	\$0.00	\$0.04 (\$0.00**)	\$0.00	\$0.04 (\$0.06**)
Sug. #3, Expand program eligibility	Y	Unquantifiable, Incorporated in draft Resolution			
Sug. #4, Unconnected properties		TBD - Discussed in Separate Memorandum			
Sug. #5, Exclude gravel areas	N	\$0.00	\$0.14	\$0.00	\$0.14

*Assumes small credit program with costs shared by all customers. Adjustments would be required if Council chooses to allocate credit costs solely to NSFR customer class.

**Values in parenthesis represent impact of suggestion if Council chooses to allocate credit costs solely to NSFR customer class.

Budget Impact:

There are no impacts to the current budget. Future revenues could be impacted to varying degrees based on Council's decision on individual suggestions.

JB:kw

Attachment

- c: Kristin Preston, Wastewater Superintendent (via email)
- Staci Belcastro, P.E., City Engineer (via email)
- Jeni Richardson, P.E., Civil Engineer III (via email)
- Jeff Babbitt, Senior Accountant (via email)

Stormwater Service Charges – Report on Public Outreach

Attachment 1 – Detailed Public Comment and Suggestions

As would be expected, a number of questions were answered through the various public outreach efforts. This summary does not include a listing of every question asked and answered. Rather, this document provides a listing of comments and suggestions that have been provided for Council consideration prior to taking final action on the stormwater service charge. A common comment was that they understood the need to fund ongoing operation and maintenance activities and regulatory compliance. This common understanding is not repeated below.

Phone Calls/Email

Staff received two (2) emails from the general public regarding the stormwater fee proposal. The emails were questions about how the stormwater bill would be structured.

Staff received one (1) phone call from the general public. The caller said they received a political phone survey from Salem in which one of the questions was: “*What do you think about the rain tax they are going to start in Albany?*” A summary of the citizen’s questions and comments are best summarized as:

- *Rain just falls from the sky so why does anyone have to pay for it?*
- *If the system is working now like it has for the last 25 years, then why all of a sudden are we being charged a fee?*
- *People in Albany already pay too much for water and sewer and can’t afford another fee.*

Targeted Group Presentations

Staff estimates that we reached nearly 150 people through the targeted group presentations to various Albany service clubs and the Albany Area Chamber of Commerce. The comments and suggestions provided below are those made by individuals that attended one of the meetings and do not necessarily represent the opinion of the whole group.

Suggestion 1 – A property that doesn’t drain to the stormwater system shouldn’t have to pay a stormwater fee. This comment was received three separate times.

Staff Input: Due to its complexity, this issue is discussed in a separate memorandum (with draft stormwater rate resolution) in the October 10, 2016, Council Work Session packet.

Suggestion 2 – If stormwater planters are proven to improve stormwater quality, the City should do more than is proposed and retrofit these facilities into existing street systems throughout town.

Staff Input: The City will continue to add these facilities to major street reconstruction projects. Doing more than this would require additional revenues and an increase to service charges over what is proposed. Staff recommends developing a fully functioning operations and maintenance program and complying with new regulations prior to expanding other programs.

Suggestion 3 – Do not include tiers for single-family residential customers. It is overly complicated and eliminating tiers would avoid confusion generated by neighboring property owners having different service charges.

Staff Input: This decision does not have an impact on projected revenues. The pros and cons of including tiers have been discussed at previous Council meetings. This is a Council policy decision.

Business/Industry Meetings

Staff met individually with 13 businesses and industries most impacted by the proposed stormwater service charge due to their high impervious surface area. The intent of these meetings was to make sure they were aware of the proposed utility fee discussions, understood potential impacts, and had an opportunity to voice concerns or suggestions prior to Council taking action. Net impacts after considering water and sewer rate reductions varied for individual businesses due to their use of the water and sewer system.

Comments or suggestions from these individual businesses are summarized below. If input was received directly from the business, those comments or suggestions are shown in quotes. If not shown in quotes, the comment or suggestion was paraphrased by staff. Also below, staff has provided input where a business had a specific suggestion, but staff did not provide a response to comments.

ATI - Albany Facilities

Comment 1 – “ATI recognizes that the City is in a hard spot in that they must comply with any new permit, and have an aging infrastructure with systems that need to be upgraded and maintained. That said, industry is also in a hard spot in that this is an additional fee (or tax) on top of already existing fees and demands placed on us by DEQ and EPA. The same question confronts us, “how do we offset an additional cost of over \$7000 given the economic challenges our industry already faces in doing business in Oregon?”

“Industrial users subject to 1200-Z permit requirements must already comply with water quality standards, and although we contribute to volume within streams, we believe our burden should be less than those not investing in abatement activities such as oil water separators, berms, containment structures, and filtration or treatment, prior to discharge to streams.”

“Because of this, ATI recommends the following:”

Suggestion 1 – “For facilities complying with NPDES 1200-Z permits, the city is considering a 25% reduction in fees. ATI believes this is inequitable considering the cost to ATI in permit fees and the implementation of operation and maintenance controls (e.g. sampling/analytical, abatement, record keeping) to ensure compliance water quality standards.”

“ATI recommends a flat fee for customers meeting the NPDES 1200-Z Permit requirements like the DEQ permit. For example if the fee were \$1,000 per site, that would minimize our “tax” to \$3,000 for all three sites, vs. \$6580 annually (with sewer and water rate reduction), or to less than half the proposed fee. Clearly with our permit we already meet water quality standards compared to those not under permit rule.”

Staff Input: According to the Oregon Department of Environmental Quality (DEQ) website, there are 14 sites in Albany with an active 1200-Z permit. Staff agrees that local sites with 1200-Z permits are indeed facing regulatory challenges that in some instances, not all, can result in significant financial investment in on-site stormwater quality improvements. However, their participation in the 1200-Z program does not relieve the City of its responsibilities once their discharges enter City systems. While a flat fee would not be appropriate for these customers as it has no relationship to their impact on the system, credits may be appropriate. The level of credit customers can achieve is a Council decision. The draft resolution allows credits for 1200-Z customers up to a maximum credit of 25 percent. If this credit were increased to 50 percent, staff estimates that the impervious surface charge for all customers would need to increase by \$0.04/ERU in order to recover the lost revenue.

Suggestion 2 – “The City is proposing a 25% reduction for surfaces converted to non-impervious surface. ATI recommends that if retention ponds, swales, or other stormwater run-off structures are installed, or land is returned to its previous state (soil/gravel) ATI recommends they be treated as exempted from the impervious surface total.”

“City is reducing sewer (6%) and water rates (2%) to offset activities covered under these programs already. This is a good start.”

Staff Input: In this suggestion, there was a misunderstanding by ATI that was clarified by City staff. There is a difference between 1) credits for going above and beyond minimum requirements, and 2) on-site stormwater retention or restoring land to its natural state. The current credit proposal assumes that installation of facilities in the first group (swales or other stormwater run-off structures) could result in a credit. The area restored to a natural state could be removed completely from the impervious surface calculation. In the current proposal, gravel is considered impervious and would not be considered a natural state.

CMH Manufacturing (Golden West)

Suggestion 1 – Would like to see a portion of new stormwater revenues set aside for technical assistance to customers with 1200-Z permits that may be having difficulty complying with their permit.

Staff Input: Staff does not recommend providing technical assistance to help customers comply with their 1200-Z permit. This assistance would be in direct competition with other private companies that provide these services and could also put the City at a liability risk for the customer's actions.

Suggestion 2 – Golden West is an ISO-14001 certified facility, a voluntary international program that sets higher standards for facilities regarding their environmental footprint. The certified facilities are inspected and their programs are audited regularly. They suggest that Council consider credits for ISO-14001 certified facilities.

Staff Input: Language adding flexibility to the credit program to allow consideration of such programs has been added to the draft Resolution. The programs will be considered on a case-by-case basis. However, there would need to be a direct connection to a reduction in City stormwater costs. The potential loss of revenue or the impact on the \$/ERU is not quantifiable.

Columbus Greens

Comment 1 – Support the stormwater service charge. We should have had this 20 years ago. If we pollute our rivers, we are shortening our lives.

Comment 2 – “I indicated in the meeting that our company has been passing on storm water runoff charges to our tenants in manufactured home parks in other cities for years. For example, at our parks in Springfield our tenants pay a separate storm water fee of \$16.04 at one, and \$23.26 at the other. In Eugene they pay \$16.78 and in Redmond, \$7.01.”

“During the meeting I expressed that Albany is merely catching up with what other cities have been doing for years. Proper maintenance of the systems for movement of storm water is critical to the environment, water quality and, long-range, human health.”

“We appreciate the thorough analysis you have done to calculate the impact on our residents. It is very helpful that you reached out to us and explained what we believe to be inevitable. With your explanation we will be able to properly advise our residents on the basis for the additional charge that will be appearing on the monthly bills we send to them.”

Greater Albany Public School District

No comments or suggestions. Staff answered several questions.

Heritage Mall

Comment 1 – Don't like how they have to pay the City a stormwater fee but then if there is something wrong with their private stormwater system, they still have to pay to fix it.

Comment 2 – Welcome as many options as possible for credits or for reducing impervious area used in the fee calculation by disconnecting from the system.

Comment 3 – Concerned about impacts on retaining and attracting tenants. This fee comes at a time when they also have to deal with increases in the minimum wage. All of which impact costs to their tenants.

Linn County

As requested, in lieu of a meeting, information was provided to the County Administrator via email so it could be forwarded to department heads and elected officials. Staff received emails with comments, questions, and suggestions.

Suggestion 1 – “I ask the City Council to consider a waiver of fees to public agencies where the property that would be subject to the fee is used for public purpose, i.e. fair/expo, city hall, county courthouse, public works facilities, etc. The basis of this request is that the fee paid by the owners/operators of these properties are funded through fees and taxes paid largely by the public. Charging fees or taxes to agencies that are funded through fees and taxes should only be done under very limited circumstances.”

“I'm sure you are aware that public property used for public purposes is exempt from property taxes. Vehicle registration fees for government/exempt vehicles are very small and only a one time charge. Imagine if the State of Oregon and other public agencies all start charging each other at every available opportunity. The Linn County Road Department doesn't normally charge permit fees to other public agencies for this very reason.”

“I understand the need to recover costs for very specific services that the city provides in discrete situations such as building permits and infrastructure improvements related to development. However, the need for storm water management is based on regulations from higher levels of government and dependent on rainfall. We can't control either of those factors. On top of all this, the idea that the city will impose the fee on itself seems like a silly idea and nothing more than a way to divert funds from one silo to another.”

“I urge you to consider this thoughtfully. How would the City like it if school districts were suddenly able to impose their property tax rate on all city owned property in order to help balance their budgets? Thanks for your consideration.”

Staff Input: Staff does not recommend exempting public agencies. Staff surveyed 40 Oregon communities with a stormwater service charge and received 23 responses. None of the 23 exempts all public property. Four of the 23 exempt City facilities. Our consultants do not recommend this exemption and note that excluding public property may put the City at risk of legal challenge. Additionally, staff has made a concerted effort to make sure that we are treating City property the same as we are treating our customers. Potential financial impacts were not evaluated since this approach is not considered legally defensible.

Comment 1 – “I want to fight this fee. The City Development Code requires all these plants and trees, and now they are having a hard time keeping up with the costs with leaf pickup, sweeping and organic material disposal.”

“Willamette Health Center will START at \$70+ per MONTH. In 10 years, we will have paid over \$8400.00 in fees just for one site. This fee is just one property, now add all the other sites. They will keep increases the fees each year.”

“More fees, I keep watching the City driving around in new trucks and very expensive equipment. I don’t see the older vehicles like the County drives due to funding limitations.”

Linn-Benton Community College

Suggestion 1 – LBCC has a LEED-certified building where stormwater is captured in underground storage tanks and used during the summer. For facilities like this that can demonstrate that stormwater is captured and reused on site, please remove these areas from the impervious surface charge calculation.

Staff Input: Due to its complexity, this issue is discussed in a separate memorandum (with draft stormwater rate resolution) in the October 10, 2016, Council work session packet.

Mennonite Home

No comments or suggestions. Staff answered several questions.

National Frozen Foods

Suggestion 1 – Consider reductions or credits for industrial facilities that are currently required to meet DEQ’s 1200-Z permit parameters.

Staff Input: The draft resolution allows credits for 1200-Z customers up to a maximum credit of 25 percent. If this credit were increased to 50 percent, staff estimates that the impervious surface charge for all customers would need to increase by \$0.04/ERU in order to recover the lost revenue.

Oregon Freeze Dry

Suggestion 1 – Would like to see credits provided for past investments in stormwater detention or treatment.

Staff Input: Staff does not suggest pursuing this request. Most existing improvements will not have been voluntary, but rather the minimum necessary to meet development and regulatory requirements. The concept of credits is tied to recognition of customers that go above and beyond the minimum requirements. Additionally, detention and treatment standards and technology have changed over time and past improvements may not provide as much benefit as once thought or now expected. Implementing this suggestion would reduce revenue projections previously shared with Council. The potential loss of revenue is not quantifiable.

Suggestion 2 – Would like to see the ability to apply for greater than 25 percent credits.

Staff Input: Our consultant reports that Albany’s proposed 25 percent maximum credit is slightly lower than what they see in other communities. The maximum credit they have seen is between 50 and 60 percent for larger communities that have higher stormwater fees and a well established stormwater program. If Council wanted to expand credit opportunities, staff recommends establishing a 25 percent maximum credit for stormwater quality facilities and a 25 percent maximum credit for stormwater quantity facilities. The maximum cumulative credit for on-site structural control structures could not exceed 50 percent. Staff estimates that if the maximum credit were raised

to 50 percent, the impervious surface charge for all customers would need to increase by \$0.08/ERU in order to recover the lost revenue.

Comment 1 – In the last year, OFD has spent \$325,000 on stormwater improvements required under the DEQ’s 1200-Z permit.

Samaritan Health Services

Comment 1 – “Although I have not looked at nor tried to find any comments from the Home Builders Association on this issue, I’d guess that my concerns would be similar in that I would not want to see the cost of new construction nor the cost remodeling/designing some of our existing sites to increase significantly as a result of these new regulations. I support the City’s efforts to minimize and/or delay the effect of these regulations to the greatest extent possible.”

Staff Input: Staff continues to work towards reasonable permit conditions with DEQ. Staff has been in communication with the Home Builders Association through that process. Staff explained to Samaritan Health that the new regulations may drive up the cost of development or redevelopment. The proposed utility service charges are not based on the cost of construction but obviously do contribute to homeowner’s monthly utility costs. In setting proposed rates, staff assumed DEQ will issue a reasonable permit. If we are not successful in our discussions with DEQ, then program costs will increase and additional revenues would be needed. However, that would be determined in future years during Council’s annual evaluation of revenues and expenditures for each utility.

Sno-Temp

Suggestion 1 – NSFR customers should be able to control their bill by reducing the amount of impervious surface that discharges off site. For example, impervious surfaces that drain to facilities constructed to capture and fully infiltrate or reuse stormwater on site should be removed from the impervious surface calculation.

Staff Input: Due to its complexity, this issue is discussed in a separate memorandum (with draft stormwater rate resolution) in the October 10, 2016, Council work session packet.

Suggestion 2 – Exclude gravel areas from the impervious surface charge calculation like the City of Eugene unless they are compacted to a degree that causes their runoff coefficient to exceed 0.8.

Staff Input: Communities address this differently. Out of the 22 communities that responded to a survey about whether or not gravel is considered in their impervious surface calculation, ten (10) included gravel, five (5) included 40 percent of gravel areas, and seven (7) did not include gravel in the impervious area measurement for a customer. (Eugene appears to be unique in utilizing a compaction threshold and was represented as including gravel in the provided statistics.) Gravel has a high runoff rate and will carry similar pollutants as runoff from asphalt or concrete. Thus, it has similar impacts to the City system as paved areas.

Two primary methods for estimating stormwater runoff are the Rational Method and the Natural Resources Conservation Service (NRCS) Technical Release No. 55 (TR-55). In both of these methods, the runoff coefficients for paved surfaces and gravel surfaces are very similar. In the Rational Method, the runoff coefficient for pavement is 0.90, and the runoff coefficient for gravel pavement is 0.85. With the TR-55 method, the runoff coefficient for pavement is 98, and the runoff coefficient for gravel pavement is as high as 91. For comparison with unimproved areas, runoff coefficients can be as low as 0.1 for the Rational Method and 30 for the TR-55 method.

Removing graveled areas from fee calculations would reduce the amount of area used for impervious surface charges. The impervious surface charge for all customers would need to increase by \$0.14/ERU in order to recover the lost revenue.

Suggestion 3 – Suggest providing credits for past investments in stormwater detention or treatment on a site.

Staff Input: Staff does not suggest pursuing this request. Most existing improvements will not have been voluntary, but rather the minimum necessary to meet development and regulatory requirements. The concept of credits is tied to recognition of customers that go above and beyond the minimum requirements. Additionally, detention and treatment standards and technology have changed over time and past improvements may not provide as much benefit as once thought or now expected. Implementing this suggestion would reduce revenue projections previously shared with Council. The potential loss of revenue is not quantifiable.

Suggestion 4 – Suggest allowing flexibility for the larger NSFR customers in town to work directly with City staff on a one-on-one basis to evaluate creative options for credits and not rely solely on the pre-defined credit options. A threshold of ERU's could be established to identify eligible properties.

Staff Input: Staff does not recommend limiting credit options for NSFR customers based on the number of ERU's. The City's consultant also believes that limiting this option to only the largest customers would weaken the program and insert vulnerability to a legal challenge. Language providing additional flexibility on a case-by-case basis has been added to the draft resolution provided the customer can demonstrate that those facilities exceed minimum regulatory requirements and they reduce the City's stormwater management costs. The potential loss of revenue or the impact on the \$/ERU is not quantifiable.

Suggestion 5 – Suggest allowing credits for sites certified by third party programs that certify excellence in stormwater management. Those that go beyond typical industry best management practices for stormwater. Something like Salmon Safe.

Staff Input: Language adding flexibility to the credit program to allow consideration of such programs has been added to the draft Resolution. The programs will be considered on a case-by-case basis. However, there would need to be a direct connection to a reduction in City stormwater costs. The potential loss of revenue or impact on the \$/ERU is not quantifiable.

Suggestion 6 – Request that Council considers impacts of new fees on business attraction/retention prior to making final decision.

Staff Input: Agreed. Staff believes the proposed approach of starting as small as possible with the proposed service charge without adding staff or major equipment in the first year is consistent with this suggestion. Additionally, annual reevaluation of revenues, expenses, and five-year projections prior to making rate decisions is also consistent with this suggestion. There are 40 other communities in Oregon with stormwater fees, and Albany's proposed service charge is in the lower half of those we surveyed (17 of 25). Of those cities we compared with, several will likely be considering increases for regulatory compliance if DEQ's NPDES MS4 Phase II permit is released as proposed.

Target Corporation

Suggestion 1 – Suggest including more ability for NSFR customers to control bill by reducing the amount of impervious surface that discharges off site. For example, impervious surfaces that drain to facilities constructed to capture and fully infiltrate or reuse stormwater on site should be removed from the impervious surface calculation.

Staff Input: Due to its complexity, this issue is discussed in a separate memorandum (with draft stormwater rate resolution) in the October 10, 2016, Council work session packet.

Suggestion 2 – Would like to see the ability to apply for greater than a 25 percent credit. They have seen credit opportunities as high as 40 percent in other communities.

Staff Input: Our consultant reports that Albany's proposed 25 percent maximum credit is slightly lower than what they see in other communities. The maximum credit they have seen is between 50 and 60 percent for larger communities that have higher stormwater fees and a well established stormwater program. If Council wanted to expand credit opportunities, staff recommends establishing a 25 percent maximum credit for stormwater quality facilities and a 25 percent maximum credit for stormwater quantity facilities. The maximum cumulative credit for on-site structural control structures could not exceed 50 percent. Staff estimates that if the maximum credit were raised to 50 percent that the impervious surface charge for all customers would need to increase by \$0.08/ERU in order to recover the lost revenue.

Comment 1 – Target Corporation said they are used to stormwater fees in other communities.



TO: Albany City Council

VIA: Wes Hare, City Manager
Jeff Blaine, P.E., Public Works Engineering & Community Development Director *JB*
Chris Bailey, Public Works Operations Director *CB*

FROM: Mark A. Yeager, P.E., Utility Services Manager *2*

DATE: October 5, 2016, for the October 10, 2016, City Council Work Session

SUBJECT: Stormwater Funding Implementation Options

- RELATES TO STRATEGIC PLAN THEME:
- Great Neighborhoods
 - Safe City
 - An Effective Government

Action Requested:

Staff is seeking direction regarding the path forward on securing additional funding for the provision of stormwater services in Albany including the possible implementation of a stormwater utility in Albany.

Background:

The City Council has been considering stormwater system needs, regulatory requirements, and funding alternatives for nearly two years. Since January 2015, there have been 11 City Council work sessions (including this meeting) with dedicated stormwater discussions.

On April 13, 2016, the Council embarked on a two-step process to create and implement a stormwater utility in Albany. The first step, making changes to Title 12, Surface Water, of the Albany Municipal Code was initiated with the adoption of Ordinance No. 5869. This Ordinance created the stormwater utility, established a stormwater fund, and provided authority in the Municipal Code to impose a stormwater service charge. On April 19, 2016, a referendum petition was filed (RP-2016-01) regarding Ordinance No. 5869. That pending referendum restricted communication about stormwater system needs and costs and required Oregon Secretary of State Office review of all documents and presentations related to the stormwater utility.

On May 25, 2016, Council adopted Ordinance No. 5871 repealing Ordinance No. 5869 in its entirety in order to allow staff to communicate with Council and the public about stormwater system needs without the Secretary of State Office review process. At the June 20, 2016, Council Work Session, Council directed staff to begin targeted public outreach activities to solicit feedback on the proposed stormwater service charge. That feedback is the subject of a separate memorandum to Council for consideration prior to providing final direction on stormwater program elements and service charge.

The purpose of this memorandum is to share a list of implementation steps and options for the Council to consider regarding funding for stormwater services including the implementation of a stormwater utility and stormwater service charges, should the Council decide to move forward.

Implementation Options:

In consultation with the City Attorney's office, staff developed three (3) basic options that will be described in further detail below. Council may want to add other options for consideration.

1. Adopt an ordinance to create the stormwater utility followed by subsequent adoption of a stormwater rate resolution.
2. Modify the sewer rate resolution to incorporate new stormwater service charges.
3. Raise sewer rates to secure additional funding for stormwater services.

Option 1 – Title 12, Surface Water, of the Albany Municipal Code does not contain language that pertains specifically to the creation, implementation, and adoption of a stormwater utility and the authority to impose a stormwater service charge. In April 2016, the Council adopted modifications to Title 12, and subsequently repealed those changes as described above. The intent of the process at that time was to adopt Municipal Code changes first, and then, if appropriate, subsequently adopt a stormwater rate resolution to implement stormwater service charges. Option 1 would restart that process by adopting appropriate Municipal Code changes and a subsequent rate resolution once the ordinance is effective.

Option 2 – since much of the stormwater program impacts water quality, and since sewer revenues are the major source of funding for current stormwater services, the Council could modify the sewer rate resolution to include a new section that details stormwater service charges based on developed property impervious surface area. The new resolution language would be very similar to the language that would be adopted in Option 1, but it would be a new section within the sewer rate resolution.

Option 3 – since sewer revenues are the major source of funding for existing stormwater services, the Council could implement an across-the-board sewer rate increase to secure additional stormwater funding. Revenues raised from the increase would be used to implement expanded stormwater services to meet regulatory requirements and Operations and Maintenance needs. The drawback to this option is that customer sewer rates are based on use of the sanitary sewer system, and using that methodology to allocate costs for use of the stormwater system may not be appropriate.

Budget Impact:

Consideration of stormwater funding options does not directly impact the current fiscal year budget.

MAY:rk

c: Jeni Richardson, P.E., Civil Engineer III
Ryan Beathe, Civil Engineer II
Kristin Preston, Wastewater Superintendent



TO: Albany City Council

VIA: Wes Hare, City Manager
Jeff Blaine, P.E., Public Works Engineering & Community Development Director
Chris Bailey, Public Works Operations Director

FROM: Mark A. Yeager, P.E., Utility Services Manager

DATE: October 5, 2016, for the October 10, 2016, City Council Work Session

SUBJECT: Draft Stormwater Rate Resolution

RELATES TO STRATEGIC PLAN THEME: ● Great Neighborhoods
● Safe City
● An Effective Government

Action Requested:

Staff is seeking Council review of the attached draft stormwater rate resolution.

Discussion:

The City Council has been considering stormwater system needs, regulatory requirements, and funding alternatives for nearly two years. Since January 2015, there have been 11 Council work sessions (including this meeting) with dedicated stormwater discussions. At the October 10, 2016, Work Session, Council will receive a separate memorandum that identifies three stormwater funding options. Two of those options rely on adoption of a resolution that incorporates stormwater service charges.

The purpose of this memorandum is to provide Council with a draft stormwater rate resolution for review, should it be needed based on the selected option. The attached draft resolution, including Exhibit A, is structured to facilitate the Stormwater Ordinance/Resolution option. Minor modifications will be needed should a different option be selected that relies on stormwater service charges.

The attached draft rate resolution and exhibit reflect the June 6, 2016, discussions with Council regarding revenue requirements, basic rate design principles, customer classes, tiered rates for single-family residential customers, and credit programs for non-single family residential customers. In addition, the resolution contains language describing a stormwater bill appeal process, the option to phase in the rollout of the rates to customers, and general utility information regarding billing and account management.

During the work session, staff will review the draft resolution by major section and will be prepared to answer Council questions. Given the suggestions received from public outreach efforts, there will be some key policy questions for the Council to consider and areas where staff is seeking input. As reviewed in the October 10, 2016, Report on Public Outreach memorandum, staff is seeking policy decisions on:

- The maximum value for implementation of credit-eligible activities.
- The scope of credit options for non-single family residential customers.

- Whether or not the costs of providing credits should be shared by all customer classes, or only by those customer classes eligible to apply for the credits.
- Whether or not compacted gravel should be considered an impervious surface for billing purposes.

Other policy questions include:

- Confirmation of the tiered rate structure for single-family residential customers;
- Option to rollout rates by customer class, billing cycle, or other appropriate method; and
- Site-specific drainage / impervious surface charge waivers (discussed below).

All of the policy questions should be viewed in the context of revenue adequacy and the balance of equity with administrative costs.

Site Specific Drainage / Impervious Surface Charge

One of the fundamental principles of rate making is the need to balance equity and simplicity. Striking that balance becomes especially hard if every single property's drainage characteristics need to be evaluated as part of the billing process. Site drainage can be complex and use of the stormwater system can vary based on the amount of rainfall that occurs. Actions taken upstream or downstream of any given property can impact that property either positively or negatively. These issues help explain why establishment of revenue requirements and rate making are done on a citywide basis, rather than site-by-site determinations of cost of service. To do so would create a complex web of differential rates based on what drainage basin a property is in, where it is located within the basin, and what services are required for that specific property.

However, a frequent comment received through public outreach efforts was that properties that do not drain to the public system should not have to pay the impervious surface charge portion of the proposed stormwater service charges. This opinion has also been voiced by individual Councilors during our various meetings. While the concept sounds simple and equitable, there are issues to be considered before making that policy choice.

Albany's Citywide Cost Recovery

For Albany's proposed program, revenue requirements were established on a citywide basis, then split for cost recovery between the base charge (public use impervious areas such as roads, sidewalks, etc., as well as account maintenance) and the impervious surface charge (private use, on-site impervious surfaces). The assumption was made that all customers benefit from the public use impervious areas and account maintenance services, and, therefore, everyone should be required to pay the same base fee.

For recovery of citywide costs allocated to private, on-site impervious surfaces, it was determined that the most equitable and legally defensible way to apportion costs to customers was to base it on the amount of impervious surface on each property. As consideration is given to whether or not to waive the impervious surface charge for a property based on where it drains, it should be recognized at the onset that the impervious surface charge a property pays is only an indication of their share of the citywide cost and the benefit of receiving services, not the exact cost to provide that individual property with a specific sub-set of services. This distinction can be complicated,

but it is important to understand when considering releasing properties of their obligation to share in costs of managing the stormwater system.

Impervious Surface Charge Waiver

Management of stormwater from impervious surfaces, public and private, benefits all properties regardless of where they drain. The City's stormwater program improves and maintains upstream and downstream stormwater facilities that protect all properties during a storm event. The City also establishes stormwater design criteria and regulates development that helps control off-site stormwater problems, and Albany's stormwater program helps reduce stormwater pollutants that degrade our urban stream water quality, thereby benefitting all citizens. The City is also required to comply with the stormwater provisions of the Clean Water Act, a cost that should be shared among all Albany stormwater customers. All of these benefits are received by each property in the City regardless of where its individual runoff contribution goes, and it is the main reason why the City's consultant does not recommend waiving the impervious surface charge for a property based on where it drains. These perspectives are shared by most other communities staff has surveyed; consequently, they don't provide for bill reductions based on where a property drains.

There is a significant amount of complexity surrounding review of drainage patterns and stormwater facilities. If a detailed waiver process for impervious surface charges were desired, standards would need to be developed, staff would need to be trained, and additional staff may be required. It is also important to remember that generous impervious surface waivers will decrease revenues. As a result, rates for all customers would need to increase in order to recover the lost revenue and to fund increased program costs. These impacts are unquantifiable in advance of implementation.

In summary:

- A waiver program would be administratively complex, reduce revenue, and increase program costs;
- Rate structures are not developed based on the exact cost to serve each individual property;
- Most other cities do not allow waivers based on where a property drains; and
- Our consultant has recommended not implementing an impervious surface charge waiver.

For these reasons, staff does not recommend Council include a broadly applicable impervious surface charge waiver program.

Limited Waiver Options

The underlying assumption for initial program implementation is that all developed properties benefit from Albany's management of the stormwater system and will be subject to the impervious surface charge. A waiver program would undermine that assumption. However, staff recognizes that, politically, Council may desire to implement a very limited impervious surface charge waiver to reflect input received from the business community and to increase public acceptance of the program.

Staff evaluated a number of possible impervious surface charge waiver requests that potentially could be received and concluded that only two options are implementable. One scenario Council may want to consider is an impervious surface charge waiver application for properties where

October 5, 2016

runoff drains entirely to the Calapooia or Willamette Rivers. Unlike other waterways in Albany, these rivers, while a component of the stormwater system, are not managed directly by City staff.

In response to public comments, the other scenario to consider is a waiver application for customers with constructed on-site retention and/or reuse facilities that don't ultimately, either directly or indirectly, enter the stormwater system during anticipatable rain events or floods. This option would only apply to non-single family residential (NSFR) properties, and is not feasible to implement for SFR customers. Conditions typical to SFR development do not support such a program, nor does the City have the capability to review, track, and enforce continued reliance on private infrastructure over time at the SFR level.

If the Council chooses to implement a very limited waiver program, staff envisions that the process would involve payment of an application fee and submission of engineering data that clearly demonstrates that the property qualifies for one of the impervious surface charge waivers.

Budget Impact:

Consideration of the draft rate resolution and related policy options does not directly impact the current fiscal year budget.

MAY:rk

Attachment

- c: Jeni Richardson, P.E., Civil Engineer III (via email)
- Ryan Beathe, Civil Engineer II (via email)
- Kristin Preston, Wastewater Superintendent (via email)

RESOLUTION NO. _____

A RESOLUTION SETTING RATES FOR STORMWATER MANAGEMENT SERVICES

WHEREAS, rain falling onto developed property collects and runs off impervious or saturated surfaces and drains into stormwater inlets, pipes, drainage ditches, and creeks, and ultimately discharges to various local waterways; and

WHEREAS, when not properly managed, stormwater can flood streets, cause property damage, erode streams, and carry pollutants into local waterways, causing harm to habitat and aquatic species; and

WHEREAS, the existing stormwater system assets of piped and open conveyances are valued at more than \$100 million and should be properly maintained; and

WHEREAS, proper operation and maintenance of stormwater systems is essential for public health and safety; and

WHEREAS, local waterways that receive stormwater are valuable community assets and are subject to federal and state water quality regulations; and

WHEREAS, the City of Albany must comply with new stormwater regulatory requirements (National Pollutant Discharge Elimination System, Municipal Separate Storm Sewer System, Phase II permit) that require significant resources; and

WHEREAS, the City Council finds that a dedicated and reliable source of funds is necessary in order to support stormwater services that meet regulatory requirements and proactively manage and maintain the City's stormwater system; and

WHEREAS, the City Council has determined that implementing a stormwater utility and service charge is the most appropriate and equitable means of providing a dedicated and reliable source of funds, and

WHEREAS, the stormwater service charge it is not a tax subject to the property tax limitation of Article XI, Section 11b of the Oregon Constitution; and

WHEREAS, all developed property in the City either uses or benefits from the City's stormwater management program and no developed property is exempt from the stormwater service charge; and

WHEREAS, the City Council has determined that undeveloped properties shall not be charged for stormwater services; and

WHEREAS, the City Council will consider future rate adjustments based on actual and anticipated revenues and expenses.

NOW, THEREFORE, BE IT RESOLVED by the Albany City Council that the rates and charges for stormwater services as specifically described in Exhibit A (attached hereto) are hereby adopted; and

BE IT FURTHER RESOLVED that the rates established by this resolution shall be effective **March 1, 2017**.

DATED THIS 7th DAY OF DECEMBER 2016.

Mayor

ATTEST:

City Clerk

EXHIBIT A

STORMWATER UTILITY

Stormwater service charges shall apply to all developed properties and are established for two rate classes: single family residential (SFR) and non-single family residential (NSFR). The stormwater service charge has two parts: a base charge and an impervious surface charge.

The base charge recovers costs attributed to customer-related services, such as billing and account maintenance, plus costs attributed to management of stormwater related to general use areas, such as streets and sidewalks in public rights-of-way. All developed property (SFR and NSFR) benefit from the City's efforts to manage stormwater by reducing flooding, keeping streets passable during storm events, and protecting water quality. All customers will pay the same base charge per account.

The impervious surface charge recovers costs attributed to increased stormwater runoff from impervious surface area outside of the public right-of-way. The average amount of total impervious surface on a typical single family residence serves as the base unit for determining a property's billable impervious surface area. In Albany, the average single family residential property has a total of 3,200 square feet of impervious area when all impervious surfaces are included. This typical single family residential amount is defined as one (1) equivalent residential unit or ERU.

The Public Works Director (Director) or his/her designee is responsible for determining the amount of billable impervious surface on a property. In making that determination, the Director may use aerial mapping, building plans, or other available tools. On-site measurement of the amount of impervious surface area on a property is not required to make this determination.

PHASED IMPLEMENTATION

The application of stormwater service charges to customer accounts may be phased in as deemed appropriate by the Director to ensure proper development of data and billing systems resulting in accurate calculation of customer bills. The phased application of the stormwater service charges by customer class, billing cycle, or other appropriate method will be implemented as quickly as possible; however, all customers will receive the first bill no later than twelve (12) months after the effective date of this resolution.

SINGLE FAMILY RESIDENTIAL RATES

Each developed single family residential (SFR) property shall be billed a base charge and an impervious surface charge for one (1) ERU. The impervious surface charge is tiered in recognition of variations in SFR building footprints throughout the City. The building footprint includes the surface area of the main building.

The monthly stormwater bill for a single family residential customer shall be computed as follows:

$$A = (\text{base charge}) + (\text{impervious surface charge} \times B)$$

where: A = monthly bill
B = 1 ERU

and where: base charge and impervious surface charges by tier are included in the rate schedule below.

SFR RATE SCHEDULE

	Tier 1	Tier 2	Tier 3
Single Family Residential Customer	1,350 ¹ or less	Between 1,351 and 3,150 ¹	3,151 ¹ or more
Base Charge	\$ 4.79	\$ 4.79	\$ 4.79
Impervious Surface Charge (\$/ERU)	\$ 1.45	\$ 1.95	\$ 2.45
Total monthly SFR stormwater bill	\$ 6.24	\$ 6.74	\$ 7.24

¹Building footprint only -- square feet

NON-SINGLE FAMILY RESIDENTIAL RATES

Non-single family residential (NSFR) properties include commercial or industrial uses, schools, government, duplexes, mobile home parks, multiple-family units or mixed commercial-residential properties, and all other non-single family residential properties.

The monthly stormwater bill for each NSFR property shall include a base charge and an impervious surface charge. The base charge is the same one used for SFR accounts.

The impervious surface charge for NSFR properties is based on the amount of measured impervious area. The Director or his/her designee is responsible for determining the billable impervious surface area on a property.

The impervious surface charge for each NSFR customer is calculated by multiplying the rate per ERU by the number of ERUs for each property or account. The number of ERUs is determined by dividing the total billable impervious area by 3,200 square feet (the area of one ERU) and rounding to the nearest tenth.

The monthly stormwater bill for a non-single family residential customer shall be computed as follows:

$$A = (\text{base charge}) + (\text{impervious surface charge} \times B)$$

where: A = monthly bill
B = the billable impervious area expressed in ERUs

and where: base charge and impervious surface charge rates are included in the rate schedule below.

RATE SCHEDULE

Non-Single Family Residential Customer

Base Charge \$ 4.79

Impervious Surface Charge (\$/ERU)¹ \$ 1.95

Monthly NSFR stormwater bill² varies by account

¹ ERU = Equivalent Residential Unit. One ERU is 3,200 square feet of impervious surface coverage

² The total monthly NSFR stormwater bill cannot be less than the Tier 2 SFR monthly bill

NON-SINGLE FAMILY RESIDENTIAL CREDITS

The NSFR stormwater credit program recognizes that on-site stormwater management improvements that exceed minimum requirements may reduce the City's stormwater management costs.

Credits for the identified programs can be cumulative as long as the aggregate impervious surface charge bill reduction does not exceed 25%. In no case shall the application of credits result in a final NSFR monthly bill that is less than the Tier 2 SFR monthly bill.

To be eligible for a credit, the customer must submit a completed credit application form with all required supporting documentation along with a credit application fee of \$50.00.

On-Site Structural Stormwater Control Credit: NSFR credits may be allowed for an approved, on-site, structural stormwater control that provides detention, reduces runoff volume, or improves stormwater quality. The intent of the credit is to recognize efforts of property owners to better manage stormwater when stormwater controls are not required as part of a proposed development or other regulatory requirement.

To be eligible for a credit, prior approval of design and construction is required. All facilities eligible for credit must also be designed, constructed, and maintained to the City's Engineering Standards and Standard Construction Specifications or as otherwise approved by the Director or his/her designee. The Director may require an engineering report, hydrologic analysis, an operation and maintenance plan, or any other documentation he/she determines necessary to confirm the reported performance of a stormwater facility.

Facilities installed to meet development or other regulatory requirements are not eligible, even if they exceed minimum performance standards. Facilities determined by the Director or his/her designee to be of no benefit to the City's stormwater systems are also not eligible. Final determination of facility eligibility is made at the discretion of the Director.

The credit will be calculated by determining the amount of impervious surface routed to the eligible facility(ies), multiplying that area by 25%, and converting it to an ERU (rounded to the nearest tenth). The dollar value of the credit will be calculated by multiplying the resultant ERU by the impervious surface charge rate. The maximum credit allowed is 25% of the impervious surface charge on the relevant stormwater bill.

At the discretion of the Director or his/her designee, the credit may be terminated if the customer fails to maintain the facility in proper working order, the property changes ownership, the drainage characteristics of the property change, the property is redeveloped, or the property boundaries change.

The City may request periodic site visits and periodic submittals of maintenance inspection reports to verify that the stormwater facilities, for which the customer is receiving a credit, are installed and maintained in good working order. Failure to allow access or to provide requested reports may be cause for termination of the credit received.

Oregon Department of Environmental Quality (DEQ) 1200Z Credit: Properties that operate in compliance with an approved 1200-Z permit from the Oregon DEQ are eligible for up to a 25% impervious surface charge credit for that portion of the property covered by the 1200Z permit. The property owner may be required to provide documentation or allow inspection by City staff in order to demonstrate, to the Director's or his/her designee's satisfaction, compliance with the 1200-Z permit. Final determination of credit eligibility is made at the discretion of the Director.

Education Credit: Albany is required to implement a public education and outreach program. An informed and knowledgeable community is crucial to the success of a stormwater management program since it helps to ensure greater support and greater compliance. Directing educational programs toward specific groups of appropriate school-age children can help to inform and educate our community.

A credit program for education services may be available for certain schools. To be eligible for this credit, the applicant school would provide access to students within the target grade level of the City's Public Education and Outreach Program for City or City-sponsored presentations. In order to be eligible for a credit, both the applicant school and the City must agree to program terms, and the Director or his/her designee shall determine credit eligibility.

The credit for this program is up to 25% of the impervious surface charge on the stormwater bill for the educational facility providing access to students.

Other Credits: The Director may consider requests for stormwater credit for other facilities or programs provided that the customer can demonstrate that those programs or facilities exceed minimum regulatory requirements and that they reduce the City's stormwater management costs.

APPEALS

Customers with questions about their stormwater bill will be provided informal opportunities to ask questions about their bill and the City will work to help the customer understand how the bill is calculated for their property. If, after the bill calculation has been explained and is understood, the customer disagrees with certain aspects of the bill, the customer may formally appeal the bill.

Initial Appeal: Any customer who disagrees that their property should be charged a stormwater bill or disagrees with the calculation of the stormwater service charges for his or her property may apply to the Director for reconsideration of the stormwater service charge. The formal appeal requires payment of a \$25.00 appeal fee, must state the grounds for reconsideration, and must be filed in writing with the Director no later than thirty (30) days after date of the billing. The Director shall review the request to determine whether an error was made in the calculation of the service charge. If an error has been made in the calculation, the Director may approve a change to the service charge. If the appeal is denied, the reason(s) for denial will be reduced to writing and provided to the customer.

Appeal to City Manager: An appeal of the Director's decision may be brought before the City Manager within thirty (30) days of the date of the Director's decision on the initial appeal. The request must state the grounds for reconsideration of the Director's decision and must be filed in writing with the City Manager. If the City Manager determines that an error has been made in the calculation, the City Manager may approve a change to the service charge. If the appeal is denied, the reason(s) for denial will be reduced to writing and provided to the customer. The decision of the City Manager shall be final.

Credit From Appeal: If an appeal of charges is successful, the revised service charge shall be applied to the account beginning with the bill that was the subject of the initial appeal, a credit will be applied to the account, and the \$25.00 appeal fee will be refunded. The revised service charge will be reflected in future billings for the property until the physical characteristics of the property change, or until the rate resolution is changed.

GENERAL UTILITY INFORMATION

Billing Accounts: In cases where multiple utility accounts exist on one parcel, e.g., commercial retail mall, multi-family apartment units, etc., the City will work with the property owner to either bill one of the accounts for stormwater services for the full parcel, or a new account may be created in the property owner's name and that account will be billed for the stormwater services for the parcel. If a non-single family residential customer has two or more parcels associated with a single business operation, e.g., a commercial building and an adjacent parking lot, those parcels may be consolidated into one bill for stormwater billing purposes.

Monthly Bills: Bills will be rendered monthly. Bills for new accounts or closed accounts, or bills that, for any other reason, cover a period of time more or less than the normal billing period, shall be prorated. Stormwater service charges are not subject to vacancy credits and will not be discontinued when properties become vacant. However, under conditions where the City discontinues billing for other utility services, it may, at its discretion, choose to also discontinue billing for stormwater services.

Commencement: The stormwater service charge shall commence upon connection to the City's water or sewer system; or upon completion, occupancy, or use of the improvements, whichever comes first. Areas that are annexed to the City or under contract to annex shall become subject to the stormwater service charge on the date of annexation or the date of the annexation contract, whichever comes first.

Adjustments, back-billing, credits, and refunds: When the utility determines that a customer has been mistakenly charged too much for stormwater services, the utility will apply a credit to the account based on the date the error first occurred, the date the current customer became responsible for the bill, or a period not to exceed six years, whichever is less. If the date cannot be reasonably determined, the utility will estimate the amount of the credit based on a period not to exceed six years.

When the utility determines that a customer has not been charged or has not been charged enough for stormwater services, the utility will back-bill the account based on the date the error first occurred, the date the current customer became responsible for the bill, or a period not to exceed one year, whichever is less. If the date cannot be reasonably determined, the utility will estimate the bill for a period not to exceed one year. Customers who receive such a delayed bill will be offered the opportunity to make arrangements for installment payments.

Unified Billing: The stormwater service charge shall be billed and collected by the City in the same manner and at the same time as water and sewer service charges. Partial payments on the account shall be applied first to the stormwater charge, second to the sewer charge, finally, to the water charge. The customer shall not be allowed to specify a different allocation of payment.

Delinquent Accounts: An account is delinquent ten (10) calendar days after the date of the bill. Delinquent accounts will receive written notice of the delinquency and may be subject to administrative service charges and service discontinuation until the entire bill balance is paid in full. An interest charge may be added to the unpaid balance, at a rate of nine percent per annum.

Collection: Any balances due on delinquent accounts may be recovered by civil action in the name of the City against the property owner, the person, or both. Change of ownership or occupancy of premises found delinquent shall not be cause for reducing or eliminating the debt due. Should the City find it necessary to collect any delinquent fees or charges for stormwater services, it shall be entitled to use any means provided by the laws of the State or permitted by the Charter and ordinances of the City. Fees and charges that are delinquent may be subject to interest charges at nine percent per annum. Any interest charge due hereunder which is not paid when due may be recovered in an action at law by the City.

DRAFT