Kent Taylor Civic Hall
200 NE Second Street
McMinnville, OR 97128

City Council Work Session Agenda
Wednesday, April 16, 2025
6:00 p.m. – Work Session

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1. CALL TO ORDER
2. STORMWATER PROJECT ADVISORY COMMITTEE (PAC) RECOMMENDATIONS
3. ADJOURNMENT

Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice: Kent Taylor Civic Hall is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made a least 48 hours before the meeting to the City Recorder (503) 435-5702 or *CityRecorderTeam@mcminnvilleoregon.gov*.

STAFF REPORT

DATE: April 16, 2025
TO: Mayor and City Councilors
FROM: James Lofton, City Engineer, and Chip Ulstad, Project Manager
CC: Jeff Towery, City Manager and Geoff Hunsaker, Public Works Director
SUBJECT: Stormwater Project Advisory Committee Final Recommendations

Report in Brief:

This report includes background information on the stormwater utility analysis and the final policy recommendations from the Stormwater/Wastewater Project Advisory Committee (PAC).

Background:

A stormwater utility analysis was initiated by the Council through budget adoption in July 2022 to explore more equitable and sustainable ways to fund operation of the City's stormwater system. The analysis began in October 2022 when the city contracted with the Galardi Rothstein Group to develop a financial needs assessment, rate alternatives, and to provide public engagement assistance (Attachment 1). The Galardi team is well known and experienced in the development of stormwater utilities in Oregon.

A stormwater utility is a self-funded enterprise fund dedicated to meeting stormwater operating and capital requirements. The stormwater utility fund concept is broadly recognized, in Oregon and nationally, as an equitable and sustainable approach for management of a community's stormwater system. Stormwater utilities provide financial adequacy and stability to meet environmental regulations and construct and maintain critical infrastructure. Stormwater rates align system costs with customer use of the system and keep general and transportation system funds available to support services those revenues are intended to provide.

Stormwater rates provide a mechanism for apportioning operating and capital expenses to users based on system demand and benefit, similar to the concept and practice used for the wastewater utility. Demands on the stormwater system are largely driven by runoff from impervious areas[1]. Consequently, over ninety percent of stormwater utilities nationwide use impervious areas as the basis for charging stormwater user fees.

[1] Impervious areas prevent rain from soaking into the ground. Examples include residential rooftops, patios, and driveways roads, commercial structures, and parking lots, impervious cover prevents rain and snow from soaking into the ground, turning it into stormwater runoff.

Project Advisory Committee:

At Council direction, a Stormwater/Wastewater Project Advisory Committee (PAC) was created in October 2023. The PAC is a twelve-member volunteer group representing residential, commercial, industrial, and institutional customers (Attachment 2). The Committee also included Councilor Geary as a liaison to the group. The purpose of the Committee is twofold.

1. Consider adoption of a stormwater utility, including recommendations to the City Council concerning financial, rate structure and administrative policies, and
2. Make recommendations to the City Council concerning proposed wastewater user fees, rate structure and sewer Systems Development Charges (SDC).

The Committee met five (5) times between October 2023 and June 2024. Each meeting spanned between two to three hours. Members also committed time to reviewing lengthy staff and consultant reports in advance of meetings, raising questions, and debating positions as policy recommendations were reached. The committee's recommendations were presented to the City Council on April 17, 2024.

The committee held a sixth meeting on February 18, 2025, to review a tiered rate structure and develop a policy recommendation for the City Council.

The final recommendations of the committee are as follows:

Recommendations:

Summary recommendation:

The Committee recommends the city council adopt a stormwater utility to fund stormwater related expenses more equitably.

Financial recommendations:

Revenue requirements:

The Committee recommends revenue requirements begin with a minimum level of service (approximately $2 million) and transition to an interim level of service (approximately $4 million) over a three-year period, consistent with the cash flow shown in Attachment 5.

Revenue sources:

The Committee recommends using stormwater user fees exclusively for stormwater utility services. The Committee further recommends resources be developed to fund the transportation system and that stormwater and transportation funding sources are coordinated.

Minimum fund reserve

The Committee recommends the stormwater utility build a minimum fund balance for emergencies equal to three months of operating expenses. The Committee recommends the reserve be built over a three-year rate phase in period.

Risk management:

The Committee recommends expenses required to meet water quality regulatory requirements be fully funded to meet community values and avoid enforcement penalties and potential third-party litigation.

Franchise fee deferral

The Committee recommends the franchise fee be deferred for a minimum of three years and then considered as a dedicated transfer to the Street Fund.

Assistance to low-income households

The Committee recommends the Stormwater Utility participate in helping low-income households, similar to assistance provided by the Wastewater Fund.

Rate recommendations:

Single family residential rate

The Committee recommends single family residential properties be billed based on the median measured impervious area of 3,500 square feet (1 Equivalent Residential Unit, ERU) (Attachment 3). The Committee also recommends that attached single family properties be charged 0.7 ERUs to reflect their smaller impervious area.

Tiered residential rate structure

The Committee recommends a tiered rate (Option 2 or 3)(Attachment 5) be used for single-family residential properties over a single rate (Option 1). The committee did not have a preference for Option 2 or 3. The three rate options are shown in **Table 1**.

Multifamily/Commercial/Industrial/Institutional rate

The Committee recommends billings for non-single family residential properties be based on measured impervious areas and expressed in ERUs (Attachment 4).

Phasing, cash flow and rate survey update

The Committee recommends stormwater utility rates be phased in over a three-year period from minimum to interim level of service rates. Anticipated

non-single-family rates for the different rate options are shown in **Tables 2, 3 and 4**.

Table 1 – Single-family residential property rates for each rate option

Rate Option	Tier 1 (small)	Tier 2 (medium)	Tier 3 (large)
Rate Option 1 (Uniform rate)			
Minimum level of service		$9.20	
Interim level of service		$15.30	
Rate Option 2 (15%/70%/15%)			
Minimum level of service	$6.40	$9.10	$14.60
Interim level of service	$10.65	$15.15	$24.25
Rate Option 3 (25%/50%/25%)			
Minimum level of service	$6.45	$9.15	$12.85
Interim level of service	$10.70	$15.25	$21.35

Table 2 – Option 1, Example monthly bills for non- single-family residential customers

Monthly cost/ERU		
Option 1 (Min)	$	9.20
Option 1 (Interim)	$	15.30

Customer class	Impervious area (SQ FT)	ERUs (Rounded)	Option 1 (Min)	Option 1 (Interim)
Multi-Unit (Apartment Complex)	94,500	27.0	$248.40	$413.10
Commercial (small)	28,000	8.0	$73.60	$122.40
Commercial (large)	395,500	113.0	$1,039.60	$1,728.90
Industrial (small)	45,000	13.0	$119.60	$198.90
Industrial (large)	961,812	275.0	$2,530.00	$4,207.50
Institutional	255,500	73.0	$671.60	$1,116.90

Table 3 – Option 2, Example monthly bills for non-single-family residential customers

Option 2, Monthly cost/ERU		
Option 2 (Min)	$	9.10
Option 2 (Interim)	$	15.15

Customer class	Impervious area (SQ FT)	ERUs (Rounded)	Option 2 (Min)	Option 2 (Interim)
Multi-Unit (Apartment Complex)	94,500	27.0	$245.70	$409.05
Commercial (small)	28,000	8.0	$72.80	$121.20
Commercial (large)	395,500	113.0	$1,028.30	$1,711.95
Industrial (small)	45,000	13.0	$118.30	$196.95
Industrial (large)	961,812	275.0	$2,502.50	$4,166.25
Institutional	255,500	73.0	$664.30	$1,105.95

Table 4 – Option 3, Example monthly bills for non-single-family residential customers

Option 3, Monthly cost/ERU		
Option 3 (Min)	$	9.15
Option 3 (Interim)	$	15.25

Customer class	Impervious area (SQ FT)	ERUs (Rounded)	Option 3 (Min)	Option 3 (Interim)
Multi-Unit (Apartment Complex)	94,500	27.0	$247.05	$411.75
Commercial (small)	28,000	8.0	$73.20	$122.00
Commercial (large)	395,500	113.0	$1,033.95	$1,723.25
Industrial (small)	45,000	13.0	$118.95	$198.25
Industrial (large)	961,812	275.0	$2,516.25	$4,193.75
Institutional	255,500	73.0	$667.95	$1,113.25

Stormwater utility rates are difficult to compare because each community has different impervious areas used per ERU, capital needs, and, in the case of tiered rates, different definitions of small, medium and large single-family residential impervious areas. **Figures 1**, **2**, and **3** compare rates for the three single-family residential rate structures in a very broad sense.

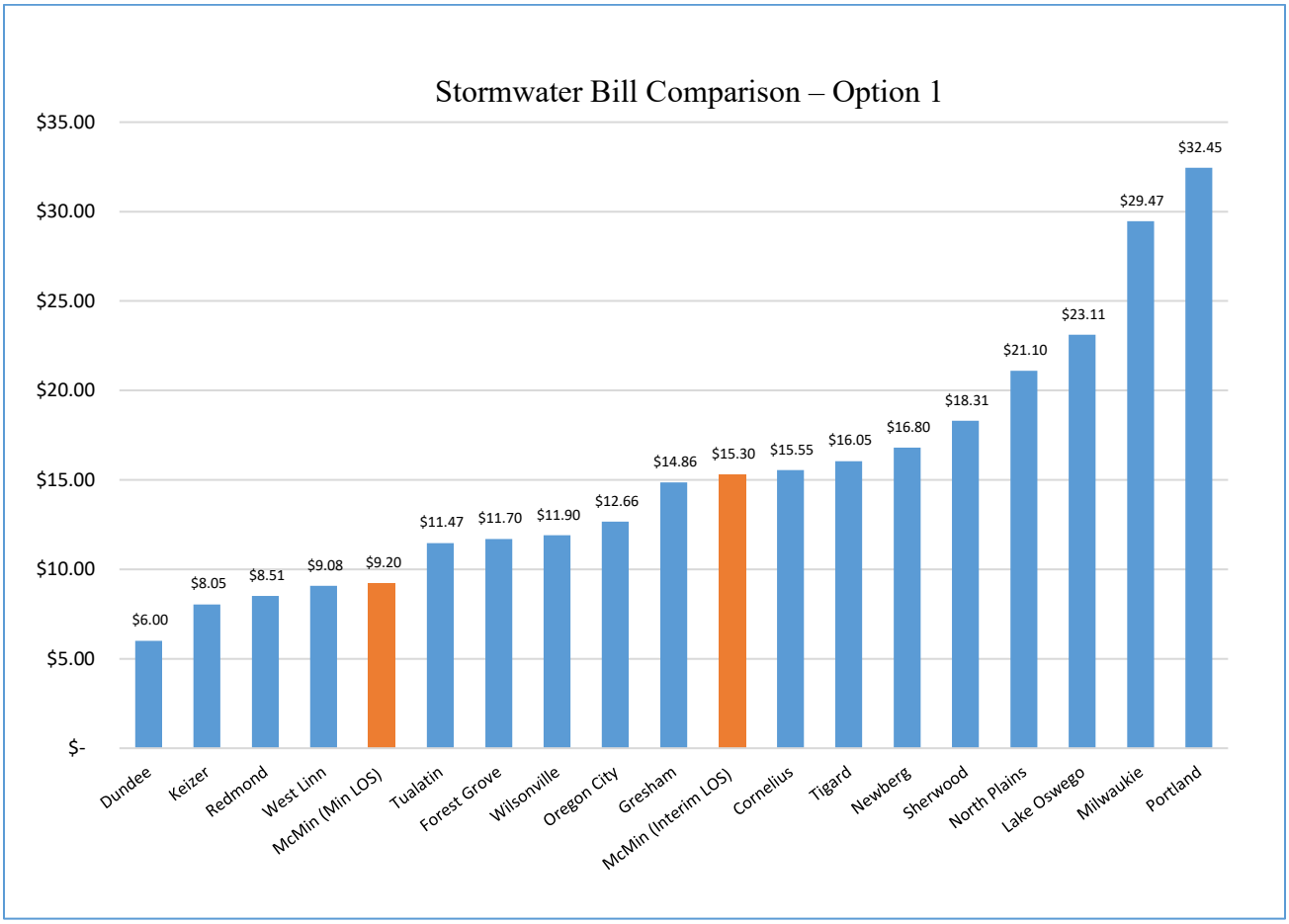


***Figure 1** - Option 1 single-family residential rate comparison*

The bill comparison for Options 2 and 3 is limited to cities that charge tiered rate structures. These include Albany, Eugene, and Salem. It is important to note that all three of these cities include a base monthly charge in their rate structures that is uniform across all tiers. Therefore, the bills across the tiers have less variation, compared to the preliminary rates for the city which are based on an ERU rate only. Also, the City of Eugene charges large (Tier 3) customers based on measured IA.

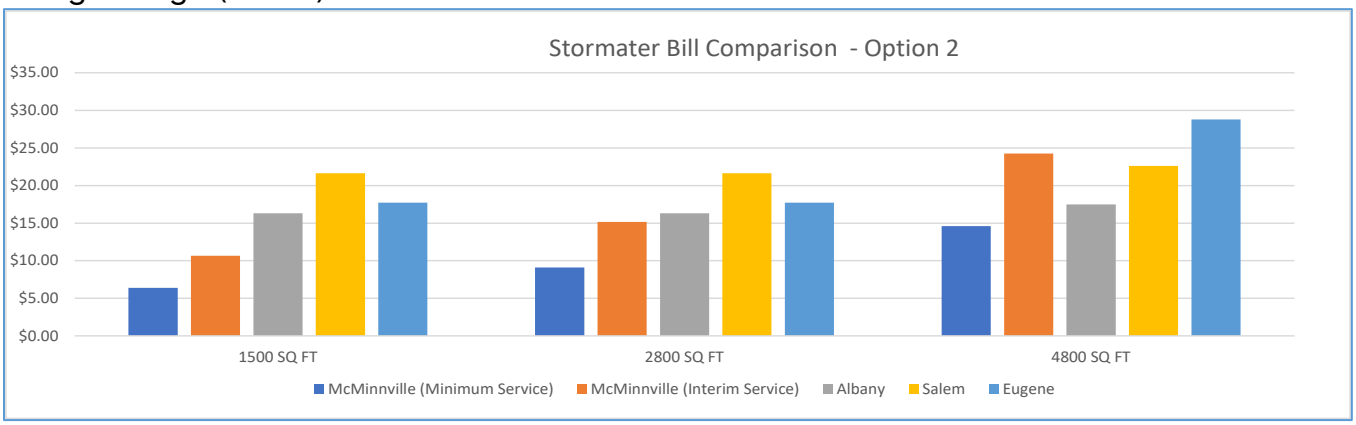


***Figure 2** - Option 2 single-family rate comparison*

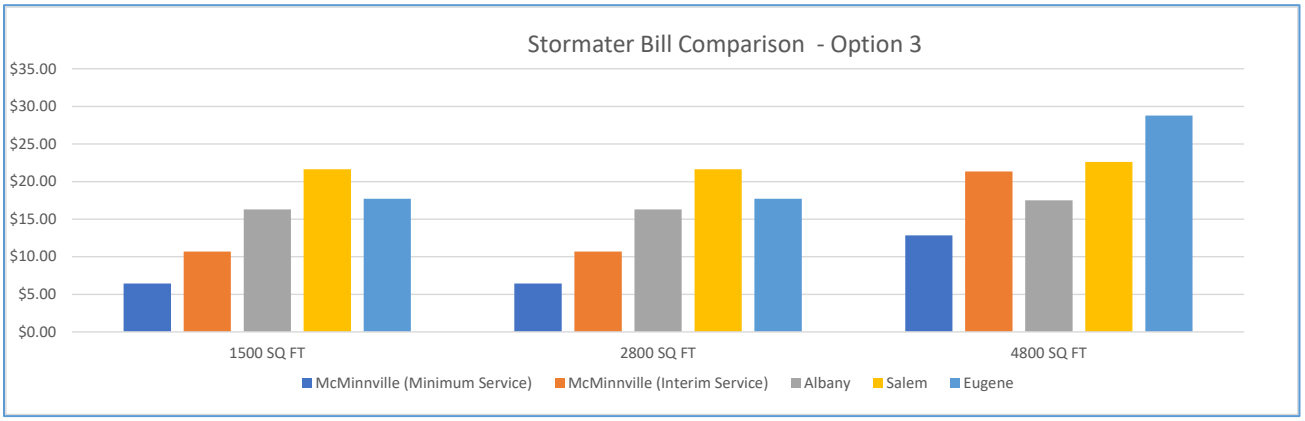


***Figure 3** - Option 3 single-family rate comparison*

Billing recommendations:

Billing for city and McMinnville Water and Light properties

The Committee recommends city and McMinnville Water and Light (MWL) properties not be billed for stormwater service, similar to billing policies used for water and wastewater services.

Coordination with McMinnville Water and Light

The Committee recommends the city work with McMinnville Water and Light to incorporate stormwater utility billing into their monthly billing statements.

Minimum impervious area for non-residential billing

The Committee recommends a minimum billable impervious area of 500 square feet be used for billing non-single family residential properties.

Rounding for non-residential customers

The Committee recommends billing for non-single family residential properties be rounded up to the nearest whole ERU.

Discounts/credits

The Committee recommends a 35% discount be given to non-single-family dwellings that are fully self-contained, discharge to streams or rivers not maintained by the city, and that are regulated by discharge permits from the State Department of Environmental Quality.

The Committee does not recommend discounts or credits for privately maintained stormwater systems be granted until further considered as part of the Stormwater Master Plan Update.

Administrative billing appeal

The Committee recommends the implementation ordinance that adopts the stormwater utility include a provision for administrative appeals to reconcile any errors or changes in measurement of impervious areas.

Planning recommendations:

Stormwater Master Plan Update

The Committee recommends updating the 2009 Stormwater Master Plan be a high priority for the stormwater utility and that it be completed within three-years of adopting the utility.

Next Steps:

The Stormwater PAC has completed their analysis and recommendations for Council. Staff are looking for directions from the Council on the next steps for potential adoption and schedule.

Attachments:

1. Galardi/Rothstein Preliminary Stormwater Utility Analysis
2. Project Advisory Committee members
3. Raftelis, single-family residential impervious area
4. Raftelis, non-single family residential impervious area measurements
5. Tiered Rates Staff Report

MEMORANDUM

Stormwater Rate Development

Attachment No. 1

PREPARED FOR: Anne Pagano, Public Works Director
PREPARED BY: Deb Galardi, Galardi Rothstein Group
SUBJECT: Stormwater Utility Study
DATE: July 13, 2023

Introduction

The City of McMinnville (City) is considering implementation of a stormwater utility and dedicated user fee to fund stormwater management. Galardi Rothstein Group was engaged by the City to assist in the development of a stormwater system funding plan and evaluation of rate structures and other program elements.

Stormwater utilities have been implemented by dozens of cities in Oregon to provide equitable and dedicated funding to meet regulatory requirements, and system operation, maintenance, and replacement needs. The chart attached illustrates a range of stormwater monthly rates charged in Oregon (based on 2021 data).

This memorandum summarizes key elements to be addressed as part of the stormwater utility development.

Stormwater Utility Development

Annual Revenue Requirements

As with the wastewater utility, annual stormwater funding requirements include capital and operation and maintenance costs, as well as policy-based set-asides for contingencies and reserves. Specific cost elements to be considered for stormwater include:

- Inspection and maintenance activities
- Regulatory compliance activities
- Public education
- Technical services

- Customer service
- Administration
- Capital improvements.

In estimating annual revenue needs, the project team is considering costs of existing activities (e.g., street sweeping, limited cleaning and inspection of stormwater lines and other assets) that are currently funded from wastewater rates or street funds, as well as additional costs needed to meet regulatory, environmental, safety, and system reliability needs. Different funding "packages" will be identified for the City Council's consideration to allow balancing of desired levels of service against customer rate impacts.

Stormwater Rate Structure

Site impervious area is the most common basis for recovering stormwater utility costs from customers, as it provides an indirect measure of stormwater discharge that has implications for stormwater management. Stormwater utility rate structures may also include per-account or dwelling unit charges for recovering costs that relate to customer services, billing, and in some cases, water quality and quantity costs associated with impervious area in the public right-of-way.

The determination of the portion of annual costs to be recovered from impervious area or other account or unit charges has direct implications on the distribution of costs to customer types (e.g., residential vs. commercial) and different sizes of customers. The project team is currently developing customer impervious area measurements for purposes of developing stormwater rate structure options. Once that process is complete, specific rate options will be developed and presented to the City Council for consideration.

Rate Modifiers

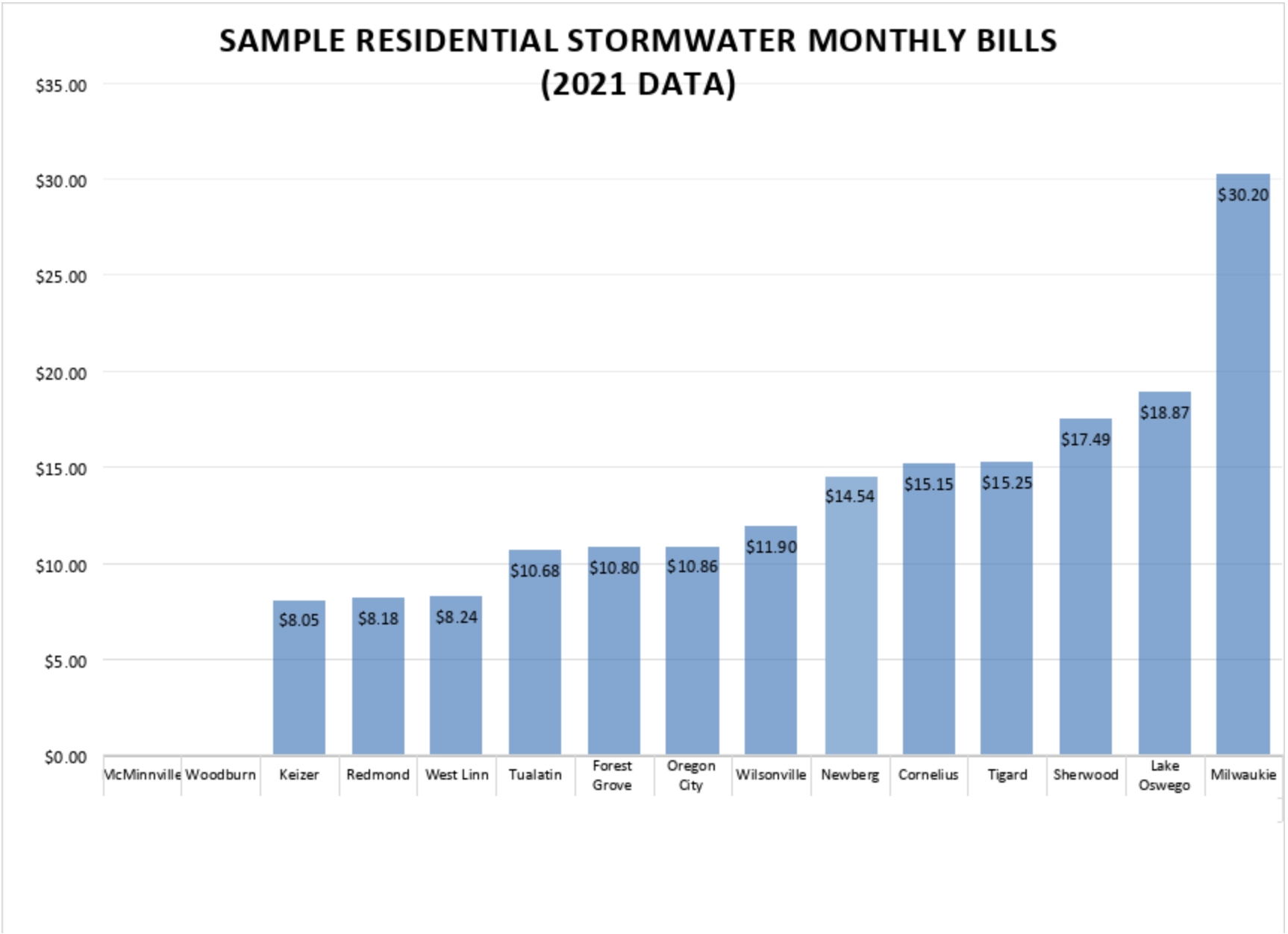
It is common practice for stormwater utilities to include credit or discount programs for private activities or investments that reduce a customer's impact on the stormwater system. Credit programs may include incentives for runoff volume or flow control, or water quality. Development of the credit program must balance customer incentives against the additional administrative costs associated with program implementation and monitoring.

Like the City's other rates, the stormwater rate structure may include policy-based discounts for customers experiencing financial hardships or other circumstances, and stormwater-specific exemptions (e.g., undeveloped parcels). Credit program options and other rate policies will be considered in the context of the rate structure and funding plan development.

Implementation Plan

Concurrent with development of the funding plan and rate structure will be the development of the implementation plan which will require coordination across multiple City departments and with McMinnville Water and Light to develop the legal, financial, and customer billing

framework to implement the utility and the associated charges. More details on implementation steps will be provided to the City Council at future meetings.


SAMPLE RESIDENTIAL STORMWATER MONTHLY BILLS
(2021 DATA)
$35.00
$30.00
$25.00
$20.00
$15.00
$10.00
$5.00
$0.00
$8.05
$8.18
$8.24
$10.68
$10.80
$10.86
$11.90
$14.54
$15.15
$15.25
$17.49
$18.87
$30.20
McMinnville
Woodburn
Keizer
Redmond
West Linn
Tualatin
Forest Grove
Oregon City
Wilsonville
Newberg
Cornelius
Tigard
Sherwood
Lake Oswego
Milwaukie

Attachment 4 – Attachment No. 2 - Stormwater/Wastewater PAC Members

City Council liaison: Councilor Zack Geary

Committee Member	Organization	Representing
Mark Davis	Residential at large	Residential customers
Kent Stevens	Residential at large	Residential customers
Kori Gormley	Residential at large	Residential customers
John Kennedy	Residential at large	Residential customers
Peter Enticknapm	Residential at large	Residential customers
Lisa Allen	Heater Allen Brewing	Commercial customers
Dean Klaus	Dean Klaus Construction	Commercial customers
Jim Spahr	Cascade Steel	Industrial customers
John Dietz	McMinnville Water and Light	Institutional customers
Brian Crain	McMinnville School District	Institutional customers
Blake Bestul	Linfield University	Institutional customers
Bruce Cook	Integrity Builders	Development community

RAFTELIS

Attachment No. 3

City of McMinnville, Oregon
Stormwater ERU Analysis
June 8, 2023

The following analysis and results are presented by Raftelis to the City of McMinnville (City) in support of Task 1 of the Stormwater Utility Implementation Data Development project. This task includes the determination of an Equivalent Residential Unit (ERU) for the City, which is a billing unit often used by stormwater utilities with impervious area-based rate structures. An ERU reflects the typical amount of impervious area on a single family residential (SFR) parcel and allows for simplified billing of the largest customer group - single family properties. Impervious surface area is the most common rate structure among those communities with stormwater fees because it is a good measure of a ratepayer's demand on the stormwater system. The more impervious area on a property, the more stormwater the property generates and the greater the demand for the utility's stormwater management services. Raftelis' determination of the City's ERU is based upon the impervious area digitization analysis described below. The information provided in this memo describes Raftelis' methodology for completing this Task and the results of our analysis.

Data

Raftelis' analysis was based on 2022 aerial imagery and Yamhill County geographic tax parcels provided by the City in January and April 2023.

Methodology

A Raftelis GIS analyst began by generating a random sample of 400 parcels falling into one of the following Yamhill County Tax property class code (PCA) categories that represent the SFR class:

PCA Category	Parcel Count in Sample
101	322
109	11
111	18
121	2
191	2
207	31
401	6
409	3
451	1
551	3

PCA 101 also includes duplex and single-family attached (SFA) property types. Often, duplex properties have impervious area measurements and overall development patterns substantially similar to single family properties and are therefore good candidates for including in the SFR customer class. Therefore, Raftelis included them in this analysis. SFA properties were not

included in this sample and their impervious area will be measured and evaluated separately under Task 2 of our Scope of Services. The results of that analysis will be provided under separate cover. PCA 207 includes mobile home and manufactured home types, some of which have one dwelling per parcel and some of which have multiple dwellings per parcel. Only those with one dwelling per parcel were included in the population for this sample. Those with multiple dwellings per parcel are considered multi-family properties and their impervious area will be measured under Task 3 of our Scope of Services.

The sample size was selected to provide 95% confidence that the ERU value is within 5% of true value (margin of error) and is representative of the population of the City's SFR properties. We also performed a visual and tabular review of the resultant sample properties to verify that they encompassed a representative range of geography, structure age, and housing type. In some cases, an original randomly selected sample property was obscured by vegetation and could not be accurately measured. In these cases, the analyst removed the obscured parcel from the review and replaced it with an additional randomly selected parcel. The final sample list is attached as Appendix A, and a map of the final, measured sample parcels throughout the City is shown below in Figure 1. The final, measured sample of SFR property types are highlighted in red, while other parcels are in blue. Please note that some parcel identification numbers (PIN) are duplicated, as parcels within the PCA 207 group have identical PIN numbers if they are within the same development and are distinguished in the tax parcel data by lot codes. Lot codes for those parcels are also provided in Appendix A.

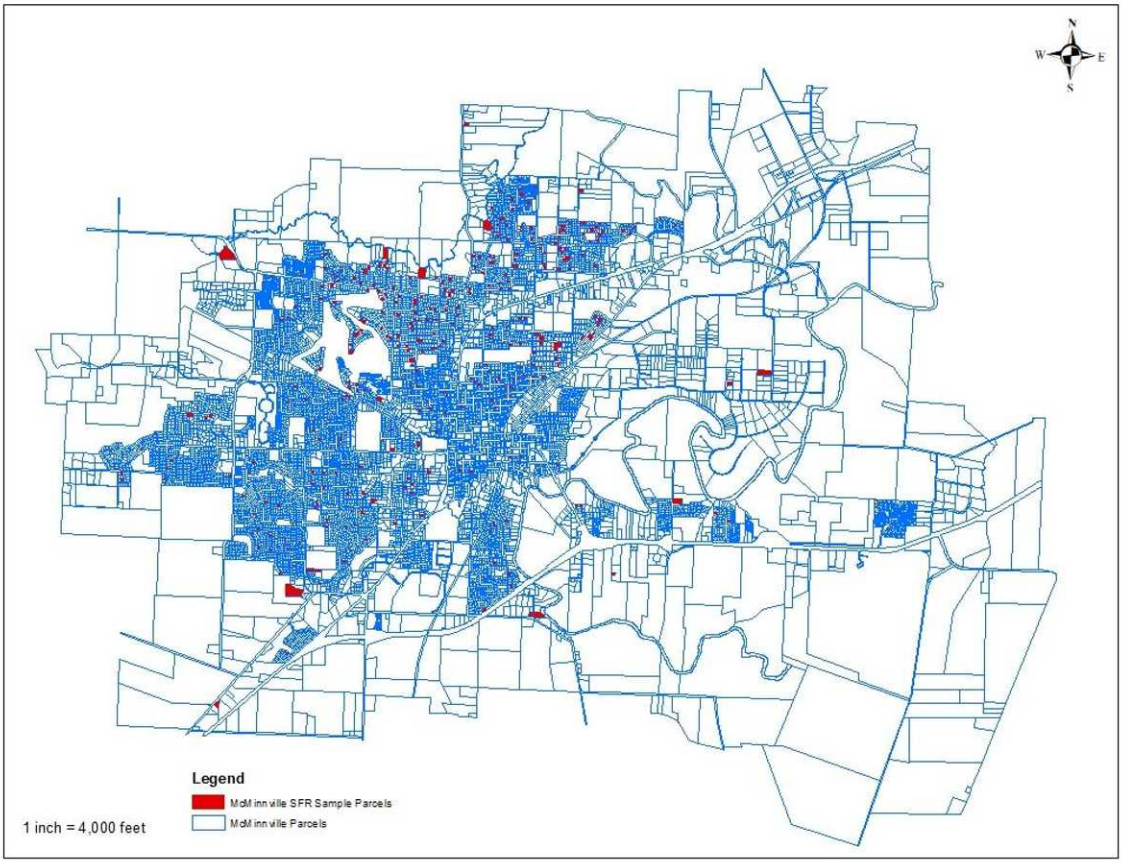


Figure 1. City of McMinnville Sample Distribution

Using ArcGIS, overlaying parcels on top of 2022 aerial imagery, the analyst created new spatial features to represent the impervious area on each property based on visual assessment of the property and met the definition of "impervious". Impervious area was defined as "hard surfaces that don't allow infiltration of stormwater into the ground." Examples of impervious surface include rooftops, driveways, patios, private sidewalks, parking lots and compacted gravel. Swimming pool water, railroad ballast, open graded aggregate and landscaping gravel are not considered impervious surfaces. The impervious area polygons were created to match the footprint on the ground of these surfaces, rather than rooflines which may be obscured by the angle of the aerial photography.

Figure 2 provides a selection of digitized SFR property types. The sample property is outlined in bright green, the impervious area features created by Raftelis are translucent yellow. Per the impervious surface definition, swimming pools and landscaped areas are excluded, and outbuildings, if any, are included.

Figure 2. Example of SFR Properties' Impervious Area Digitization (photos not at the same scale)

ERU Results

Raftelis' 400 sampled parcels had a wide range of impervious area amounts, from a minimum of 658 square feet to a maximum of 15,970 square feet. Raftelis recommends using the median value of impervious area on SFR properties to calculate the ERU. Compared with the mean (average) impervious area, the median is more statistically robust, and less sensitive to outliers, the very small or very large impervious surface amounts in the sample, and therefore a more accurate representation of typical SFR impervious area within the City. Based on the median value, the ERU value for McMinnville is 3,512 square feet of impervious area. The distribution of sampled impervious area for the sample, with the median demarcated, is shown in Figure 3 below.

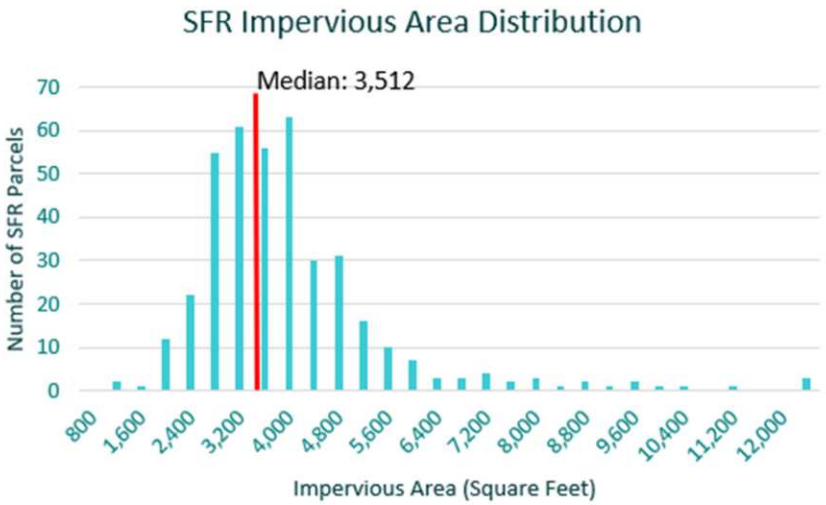


Figure 3. Impervious Area Distribution for SFR Properties in the McMinnville ERU Sample

Benchmarking

At the request of the City, Raftelis compared the McMinnville ERU to the ERU values for other similarly sized stormwater utilities in the State of Oregon. The 2021 populations of these cities range from approximately 20,000 to 60,000, except for the City of Medford (~86,000) and the City of Bend (~102,000). Those values in comparison to the City's ERU value are provided in Figure 4 below.

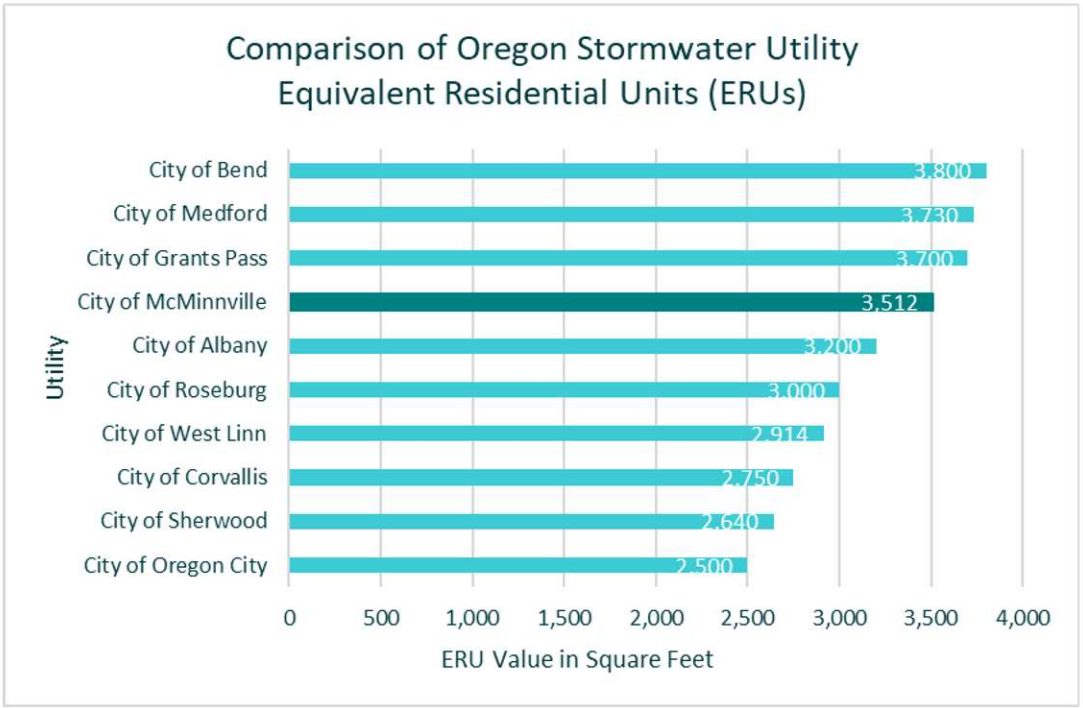


Figure 4. Comparison of ERU Values in Oregon Stormwater Utilities

Appendix A
Final SFR Sample Parcel ID Number and Lot Numbers

Parcel Identification Number	Lot Code
R4409 00700	
R4409 02000	Lot 92
R4409 02000	Lot 1
R4409 02000	Lot 39
R4409 02000	Lot 31
R4409 02000	Lot 85
R4409 02000	Lot 82
R4409 02000	Lot 77
R4409 02000	Lot 75
R4409 02000	Lot 26
R4409 02000	Lot 12
R4409 02004	
R4409CA04700	
R4409CA04800	
R4409CA05600	
R4409CA05700	
R4409CA10000	
R4409CA11500	
R4409CA12200	
R4409CA13000	
R4409CA14100	
R4409CA14800	
R4409CA15200	
R4409CA18300	
R4409CA19900	
R4409CA20500	
R4409CA21500	
R4409CB02500	
R4409CB04300	
R4409CD00204	
R4409CD00208	
R4409CD00212	
R4409CD00213	
R4409CD00713	
R4409CD00715	
R4409CD01200	
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R4409DC00400	
R4409DC00801	
R4409DC00803	
R4409DC03400	

R4409DC05300	
R4409DC06700	
R4409DC07000	
R4409DC08000	
R4409DC08801	
R4409DC09100	
R4409DC09400	
R4409DC09500	
R4409DC09800	
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R4416AB04900	

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R4416AD00224	
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R4416BA01201	
R4416BA02500	
R4416BA02800	
R4416BB00213	
R4416BB00219	
R4416BB00315	
R4416BB00316	
R4416BB00321	
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R4416BB00327	
R4416BB00331	
R4416BB03800	
R4416BB04800	
R4416BB05500	
R4416BB06000	
R4416BC00100	
R4416BC00400	
R4416BC01100	
R4416BC03311	
R4416BC03319	
R4416BD01906	
R4416BD01909	
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R4416CB02200	
R4416CB08400	
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R4416CC00800	
R4416CC00900	
R4416CC02700	
R4416CC04300	
R4416CC05200	
R4416CC06400	
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R4416DB01600	
R4416DB02000	
R4416DB02100	
R4416DB02900	
R4416DB03700	
R4416DB04600	
R4416DB05501	
R4416DB06300	
R4416DB09000	
R4416DB09100	
R4416DC00600	
R4416DC01700	
R4416DC02400	
R4416DC02800	
R4416DC02900	
R4417 00200	
R4417 00200	
R4417 00301	
R4417 01106	
R4417AC00900	
R4417AC02303	
R4417AC02304	
R4417AC02305	
R4417AC02319	
R4417AC02327	
R4417AC02349	

R4417AD00400	
R4417AD01000	
R4417AD02900	
R4417AD03200	
R4417AD04100	
R4417AD04400	
R4417AD05600	
R4417AD08400	
R4417AD08600	
R4417AD09900	
R4417AD10400	
R4417AD12000	
R4417BA01500	
R4417BA02500	
R4417BA02700	
R4417BA02900	
R4417BA03300	
R4417BA04500	
R4417BA05800	
R4417BA06800	
R4417BA08000	
R4417BA08100	
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R4417BB03600	
R4417BB03700	
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R4417BB07001	
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R4417BC02500	
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R4417BD04100	
R4417BD06300	
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R4417BD06900	
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R4417CB00500	
R4417CB01990	
R4417CB02600	

R4417CB02800	
R4417CB02900	
R4417CB03200	
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R4417CC00500	
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R4417CC02000	
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R4417DD16000	
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R4418AA02300	
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R4418AC00500	
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R4418DB11400	
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R4419AA04800	
R4419AA10100	
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R4419AD00615	
R4419AD00618	
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R4420CC00200	
R4420CC00307	
R4420CC02000	
R4420CC06900	
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R4421CD07916	
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R4421DD00904	
R4422 03500	
R4422DD01300	
R4422DD06700	
R4424C 00200	Lot 154
R4424C 00200	Lot 228
R4424C 00200	Lot 14
R4427 01000	
R4428BA01900	
R4428BC00310	
R4428BC01110	
R4428BC02016	
R4428BD01500	
R4428BD01807	
R4428D 00200	
R4428D 00200	
R4429 02501	Lot 2
R4429AB05102	
R4429BA03901	
R4429BA08900	
R4429BA11100	
R4429BA14300	
R4429BB00500	
R4429BC04921	
R4429BC05000	
R4430 00102	Lot 56
R4430 00102	Lot 107
R4430 00102	Lot 44
R4430AA02921	
R4430AA03000	Lot 91
R4430AB00100	Lot 212
R4430AB00100	Lot 165
R4430AB00100	Lot 23
R4430AB00100	Lot 185

R4430AB00100	Lot 145
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R4430AD00400	
R4430DC01800	
R4430DC02000	
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R4524DA02900	
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R4524DB03800	
R4524DB04800	

RAFTELIS

Attachment No. 4

City of McMinnville, Oregon
Stormwater Utility Implementation Data Development for Single-Family Attached and Non-Single Family Residential Properties
September 5, 2023

The following analysis and results are presented by Raftelis to the City of McMinnville (City) in support of Tasks 2 and 3 of the Stormwater Utility Implementation Data Development project. Task 2 included measurement of impervious area for single-family attached (SFA) properties in the City and their associated common areas and evaluating options for billing those properties by the City's proposed stormwater utility. Task 3 included impervious area measurements of non-single family residential (NSFR) properties in the City. Raftelis then used the calculated impervious area data and the Equivalent Residential Unit (ERU) calculated in Task 1 (and documented in Stormwater ERU Analysis Memorandum dated June 8, 2023, provided under separate cover) to determine draft units of service for the stormwater utility with billing units provided for each parcel in the City. The information provided in this memo describes Raftelis' methodology for completing these Tasks and the results of our analysis.

Data

Raftelis' analysis was based on 2022 aerial imagery and Yamhill County geographic tax parcels provided by the City in January and April 2023, respectively.

Impervious Area Digitization Methodology

Raftelis identified parcels with Yamhill County Tax property class codes (PCA) that represent the SFA and NSFR classes. PCA 102 is the primary code for SFA properties, but some SFA properties were also identified in PCA 100 and 101 and PCA 003 represents some SFA common area parcels. (Note PCA 003 also includes some NSFR parcels that are not associated with SFA properties). Table 1 includes the number of SFA properties in each PCA code. A total of 282 SFA properties within 9 SFA communities were evaluated in Task 2.

Table 1. Number of SFA Parcels by PCA Code

PCA	Number of SFA Parcels
003	17
100	2
101	123
102	140

Parcels that were not classified as SFR (Task 1) or as SFA (Task 2) were classified as NSFR. They encompass a large number of PCA codes, with 35 parcels having no assigned PCA code. Table 2 includes the number of NSFR properties in each PCA code. A total of 1,613 NSFR properties were evaluated in Task 3.

Table 2. Number of NSFR Parcels by PCA Code

PCA	NSFR Parcel Count
No Assigned PCA	35
3	46
10	1
23	6
24	2
120	1
181	3
200	50
201	456
202	23
204	13
207	16
211	26
231	6
251	1
300	49
301	112
320	2
321	11
331	5
333	30
350	3
401	4
440	1
449	1
450	1
451	1
471	1
501	1
520	1
530	7
540	27
541	32
549	2
550	8
551	67
554	1
559	7
700	3
701	84
721	4
781	6
900	1
901	11
909	2
910	13
911	47
920	16
921	41
930	2
931	2
940	145
941	30
942	2
943	2
950	14
951	45
960	6
961	2
970	1
971	6
980	30
981	28
990	1
991	10

Using ArcGIS, overlaying parcels on top of 2022 aerial imagery, Raftelis created new spatial features to represent the impervious area on each property based on visual assessment of the property that met the definition of "impervious". Impervious area was defined as "hard surfaces that don't allow infiltration of stormwater into the ground." Examples of impervious surface include rooftops, driveways, patios, private sidewalks, parking lots and compacted gravel. Swimming pool water, railroad ballast, open graded aggregate and landscaping gravel are not considered impervious surfaces. The impervious area polygons were created to match the footprint on the ground of these surfaces, rather than rooflines which may be obscured by the angle of the aerial photography.

Figure 1 provides an example of impervious area digitization on an SFA community with multiple residences and associated common area. Figure 2 provides an example of impervious area digitization on an NSFR property. Sample properties are outlined in bright green and the impervious area features created by Raftelis are translucent yellow.

Figure 1. Example of SFA community Impervious Area Digitization
(figures not at the same scale)

Figure 2. Example of NSFR parcel Impervious Area Digitization
(figures not at the same scale)

SFA Impervious Area Analysis

While SFA properties are like SFR properties, in that the dwelling units are on their own individual tax lots, SFA properties differ from SFR properties because they share a common area space that often has impervious area associated with private roadways, walkways, parking spaces, and recreational facilities. Therefore, to calculate the total impervious area associated with the SFA property, Raftelis measured impervious area associated with each SFA dwelling unit and the SFA development's common area impervious area. The total impervious area, both dwelling units and common area combined, was divided by the number of dwelling units in the development to calculate the impervious area per dwelling unit. Raftelis then divided the impervious area per unit by the City's ERU value (3,500 square feet) for a per unit ERU value ('Unit ERUs'). As an example, for the SFA development with Parent Parcel ID R4416AB90003, Raftelis subtracted the total parcels (31) in the development by the number of common area parcels (1) in the development to equal the unit count (30). The total impervious area for the development was measured at 58,290.04 square feet, which was divided by 30 units for as impervious area per unit of 1,943 square feet. The IA per unit was divided by the ERU value of 3,500 to calculate the Unit ERUs of 0.6 for this community. Raftelis also computed the group's average Unit ERUs, which is 0.7 ERUs. Table 3 below provides the impervious area measurements and ERU values for each community.

Table 3. SFA Impervious Area and ERU Values

Parent_Par	Total Parcel Count	Common Area Parcel Count	Unit Count	Impervious Area (sq. ft.)	IA per Unit	Unit ERUs
R4416AB90003	31	1	30	58,290.04	1,943.00	0.6
R4417CC90000	24	2	22	71,720.55	3,260.03	0.9
R4417CD90100	25	1	24	90,623.60	3,775.98	1.1
R4418DB12131	29	1	28	44,792.54	1,599.73	0.5
R4419AD00660	20	0	20	29,423.51	1,471.18	0.4
R4419DB03906	23	2	21	42,473.95	2,022.57	0.6
R4420BA00200	62	6	56	179,447.97	3,204.43	0.9
R4421CC90000	38	1	37	45,005.40	1,216.36	0.3
R4423 90000	30	3	27	91,911.06	3,404.11	1.0
					Average	0.7

SFA Options and Selected Option

The City considered options for the SFA properties' rate structure that were both fair and would control administrative burden. Options included treating the communities as NSFR properties, developing a community specific per-unit flat charge, and developing a classwide per-unit charge. The first two options are almost identical, in effect, and present an increased administrative burden in comparison with a classwide per unit charge. Under the first two options, either the total ERUs or per 'Unit ERUs' would be billed that vary by community based upon their impervious area measurements. Under the third approach, all SFA properties would be charged the classwide per unit ERU value of 0.7.

Raftelis recommends that the City adopt the classwide SFA unit value of 0.7 ERUs and bills each SFA dwelling, for one unit charge. The SFA properties are fairly similar in impervious area characteristics and can be billed at a flat rate similarly to SFR properties (where the City is planning to bill them all 1 ERU). Common area parcels would not receive a stormwater bill, as under this methodology their impervious area has been allocated among their associated SFA units. It should be noted that the account and meter configurations for all of the SFA communities are not all known, but is believed that the number of units for each community is a billing operand in the McMinnville Water and Light billing system that City's stormwater bills are likely to be

conveyed on, as it is used for wastewater charges. Thus, the per unit charge can be applied to the units associated with each account.

NSFR Impervious Area Analysis

The impervious area for each NSFR parcel was measured and divided by the ERU value (3,500 sq. ft) to calculate the total ERUs per parcel. Raftelis recommends that the total ERU value be rounded up to the whole integer for billing purposes. Raftelis recommends that NSFR parcels with less than 350 sq. ft. of impervious area be assigned zero ERUs and exempted from stormwater utility billing.

Draft Units of Service

Upon completion of the impervious area digitization, Raftelis assigned each parcel an ERU value by customer class, with SFR parcels being assigned an ERU of 1, SFA parcels being assigned an ERU of 0.7, and NSFR parcels being assigned a total ERU value as described in the NSFR Impervious Area Analysis section above. Raftelis summed the ERUs by customer class and for the entire proposed stormwater utility service area (Table 4). These units of service are draft and subject to change based upon finalization of billing policies discussed in this document (SFA ERUs, minimum impervious area and ERU rounding) and other billing policies which have yet to be finalized (customer exemptions, parcel aggregation, etc.).

Table 4. Draft Stormwater Units of Service by Parcel Class

Parcel Class	Number of ERUs
SFR	**9,985**
SFA	**188.3**
NSFR	**17,886**
TOTAL	**28,059.3**

STAFF REPORT Attachment No. 5

TO: Stormwater/Wastewater Project Advisory Committee

FROM: Leland Koester, Wastewater Services Manager/Project Manager

DATE: February 16, 2025, for February 18, 2025, PAC Meeting

SUBJECT: Stormwater Utility Analysis, Meeting No. 6

Report in Brief:

The PAC recommended stormwater utility administrative, financial and regulatory policies to establish a stormwater utility. These recommendations were shared with the City Council at their April 17, 2024, work session. In total, the PAC recommended the City Council adopt 18 policies to establish, guide development and operate a stormwater utility. These recommendations are included as **Attachment No. 1** to this report.

The PAC strongly recommended, and the City Council concurred, a tiered rate structure be developed for single-family residential customers. Tiered rate structures are more equitable in apportioning costs and are generally considered best practice. Tiers are groupings of properties based on impervious areas, typically grouped as three tiers, single-family residential properties with small, medium and large impervious areas.

Development of a tiered rate structure was not possible under the original timeframe planned to put the utility in place. Action to consider adoption of a stormwater utility has been delayed due to competing policy priorities before the City Council. This delay afforded staff and our consultant team time to develop tiered rate options for the PAC's consideration.

Tiered rate options will be presented at the February 18, 2025, PAC meeting. Three billing options for single-family parcels will be presented. The options are the uniform flat rate structure previously reviewed by the PAC and two new tiered options. The billing approach for all non-single family residential properties continues to base user fees on measured impervious areas.

Revenue Requirements

Revenue requirements for the minimum and interim levels of service are shown in **Table 1.** The revenue requirements are unchanged from those shared previously with the PAC with one exception. Engineering staff FTE's increased by 0.5 FTE for the first year and reduced to 0.25 FTE for the following years. The added staff time is included in anticipation tiered rates will require additional staff time, especially at the onset of the stormwater utility. While the total estimated annual expenses are now $70,000 higher than the prior (2024) estimate ($2.43 million compared to $2.36 million), the rounded total remains unchanged at $2.40 million.

Table 1 – Stormwater Utility Revenue Requirements

REVENUE REQUIRMENTS

Operating costs	Current	Minimum Service Level	Interim Service Level	Interim Funded FTEs
Stormwater collections				
Estimated current stormwater collection system maintenance[1]	$ 62,315	$ 62,315	$ -	No FTE, 10 % of conveyance budget
2 new FTEs ($127K/FTE including benefits)	$ -		$ 254,000	2.0
+ Cleaning/hydro excavation truck[2]	$ -		$ 60,000	No FTE, equipment
Supervision ($173K including benefits)	$ -	$ 43,250	$ 173,000	1.0
+ Utility truck[3]	$ -	$ -	$ 8,000	No FTE, equipment
+ Allowance for annual equipment maintenance	$ -	$ -	$ 20,000	No FTE, equipment
Sub-total, Stormwater Collections	***$ 62,315***	***$ 105,565***	***$ 515,000***	**3.0**
PW-Operations				
Leaf program ($70K/FTE +OEB@ 50%)	$ 50,000	$ 50,000	$ 75,000	0.7
Reactive repairs and maintenance costs	$ 5,000	$ 5,000	$ 50,000	No FTE, contractual
Roadside swale maintenance	$ 70,000	$ 70,000	$ 120,000	1.1
Detention pond maintenance	$ 5,000	$ 5,000	$ 30,000	0.3
Storm/High Water Response	$ 10,000	$ 10,000	$ 20,000	0.2
Annual street cleaning contractual service[4]	$ 300,000	$ 300,000	$ 400,000	No FTE, contractual
Sub-total, Operations	***$ 440,000***	***$ 440,000***	***$ 695,000***	**2.3**
Engineering				
Current personal services, 0.5 FTE ($90K/FTE +OEB @ 50% OEB)	$ 68,000	$ 68,000	$ 70,000	0.5
FTE ($90K/FTE +OEB @ 50%)[5]	$ -	$ 70,000	$ 240,000	1.75
Repayment to Sewer Fund for seed money[6]	$ -	$ 50,000	$ 50,000	No FTE, loan repayment
+ PSA (25% of Capital)	$ 50,000	$ 1,000,000	$ 375,000	No FTE, contractual
Sub-total, Engineering	***$ 118,000***	***$ 1,188,000***	***$ 735,000***	**2.3**
Administrative				
MWL billing cost		$ 150,000	$ 150,000	No FTE, contracted
Internal transer for support services[7]		$ 50,000	$ 170,000	No FTE, interfund transfer
Franchise fee @ 6% (based on annual revenue)		$ -	$ 240,000	No FTE, interfund transfer
Sub-total, Administrative	***$ -***	***$ 200,000***	***$ 560,000***	-
Total Operating	**$ 620,315**	**$ 1,933,565**	**$ 2,505,000**	**7.6**
Capital costs				
Estimated capital[8]	$ -	$ 500,000	$ 1,500,000	
Total Capital	**$ -**	**$ 500,000**	**$ 1,500,000**	
TOTAL ESTIMATED ANNUAL EXPENSES	**$ 620,315**	**$ 2,433,565**	**$ 4,005,000**	
ROUNDED, TOTAL ESTIMATED ANNUAL EXPENSES	**$ 600,000**	**$ 2,400,000**	**$ 4,000,000**	

[1] Current costs based on 10% of $623,153.00/year for collections crew

[2] Capital cost $600,000 (new Vac Con truck) spread over 10-year life

[3] Capital cost $80,000 spread over 10-year life

[4] Based on FY 2023/24 contractual services for street sweeping

[5] Based on + expenses for TMDL/MS4/Engineering Admin.

[6] Assume $150,000 seed money repaid to Sewer Fund over 3-years

[7] Transfer/Fee estimates are based on 7.3 FTEs

[8] Estimated capital requirement based on Method 2, 2009, Stormwater Master Plan in 5-years

GIS Methodology

Single-family impervious areas have been grouped into three rate tiers, small (Tier 1), medium (Tier 2) and large (Tier 3). Since the city and county lack impervious area data for single-family dwellings, the City's consultant (Raftelis) analyzed a sample (~600 parcels) to identify the best proxies for impervious area. Raftelis used a statistical method to predict actual impervious areas (IA) from available parcel data. The parcel variables that resulted in the most accurate IA estimates included number of floors, and impervious areas of building footprints and driveway areas.

Raftelis and Galardi Consulting used the IA estimates to develop three rate structure options. These include a rate structure with uniform flat rates for all single-family dwellings, meaning all would be charged the same rate; and two structures with tiered rates. Using a tiered approach based on actual or predicted IA is a common practice for stormwater utilities and improves equity within the single-family dwelling class. The data/variables used to predict IA was not available for every parcel. Tiering calculations for these properties are designed to default to the lower tier. The City will work closely with single-family customers if they have questions or believe their property has been placed in an incorrect billing tier.

A statistical analysis was used given the expense and limited benefit of measuring every parcel's impervious area. Raftelis estimates the cost to measure impervious areas for all single-family residential properties to be approximately $120,000. They advised this approach would not substantially change assigned rate tiers.

Raftelis' analysis considered two-tiered rate options. Rate Option 2 is based on defining small/medium and large parcel impervious areas as 15% Tier 1, 70% Tier 2, and 15% Tier 3. **Figure** 1 shows the number of SFRs by impervious areas for each rate tier.

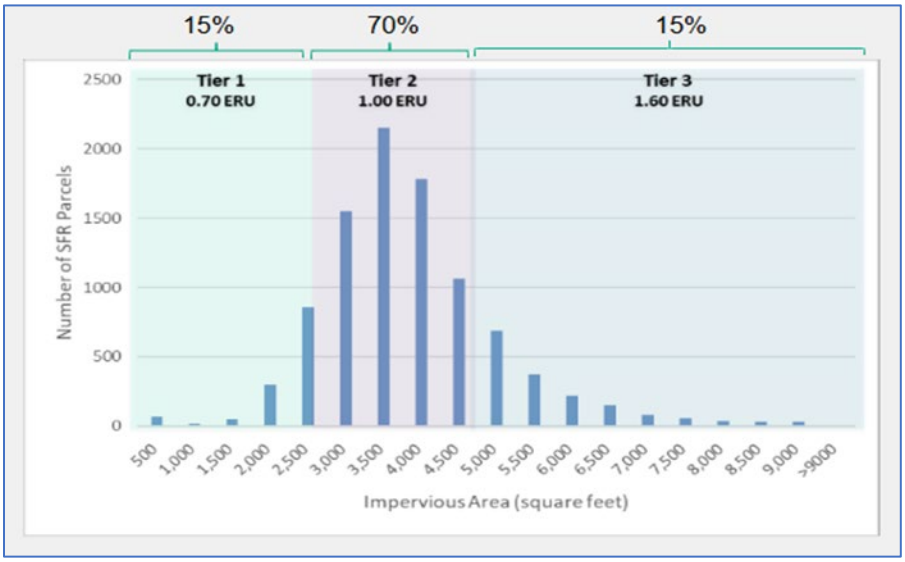

***Figure 1**, Tiering results for Option 2, 15/70/15*

Rate Option 3 is based on grouping small/medium and large tiers as 25% small, 50% medium, and 25% large. **Figure 2** shows the number of SFRs by impervious areas for each rate tier.

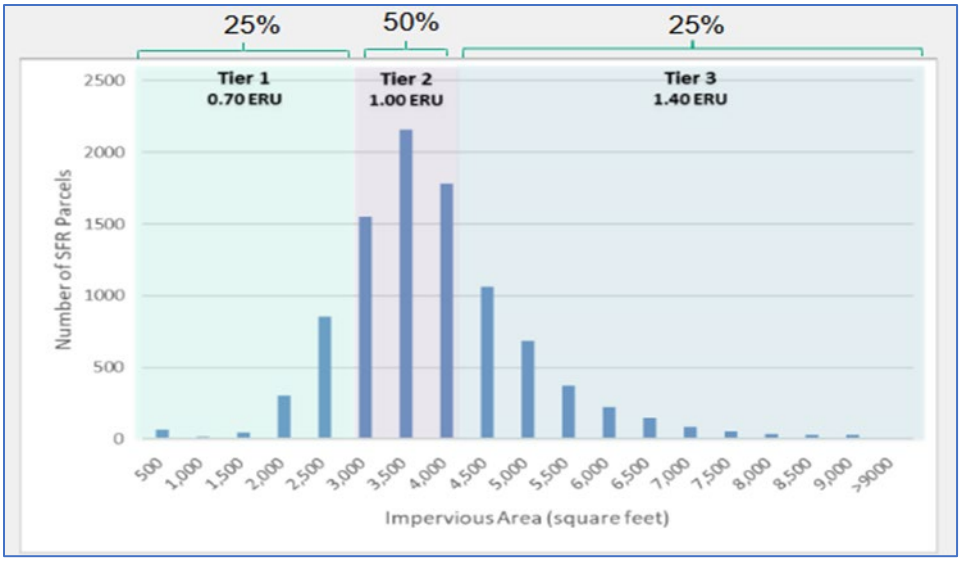

***Figure 2**, Tiering results for Option 3, 25/50/25*

The corresponding single-family property's impervious areas for the three rate structure options are shown in **Table 2**.

Table 2 – Single-family residential property impervious areas for each rate option

Rate option	Tier 1 IA (small)	Tier 2 IA (medium)	Tier 3 IA (large)
Rate Option 1 (Uniform rate)		3,500 sf	
Rate Option 2 (15%/70%/15%)[1]	[400-2,600]	(2,600-4,600)	=>4,600
Rate Option 3 (25%/50%/25%)[1]	[400-2,900]	(2,900-4,100)	=>4,100

[1] A bracket [or] means the value listed is included in the tier range, while a parenthesis (or) means that value is not contained within the range.

Rate Options

Rate options were developed based on rounded revenue requirements shown in **Table 1** and the estimated number of Equivalent Residential Units (ERUs)[1] for each option. Preliminary rates are shown in **Table 3** for a minimum level of service (initial rates for the first year of a three-year transition period) and an interim level of service (third year of rate phase in period). Once a stormwater master plan is developed rates will be evaluated based on recommended capital improvements and any changes to regulatory requirements.

[1] An ERU is equal to 3,500 SQ FT IA for non-single-family residential parcels, based on the overall estimated average IA (rounded) for single-family parcels.

Table 3 – Single-family residential property rates for each rate option

Rate Option	Tier 1 IA (small)	Tier 2 IA (medium)	Tier 3 IA (large)
Rate Option 1 (Uniform rate)			
Minimum level of service		$9.20	
Interim level of service		$15.30	
Rate Option 2 (15%/70%/15%)			
Minimum level of service	$6.40	$9.10	$14.60
Interim level of service	$10.65	$15.15	$24.25
Rate Option 3 (25%/50%/25%)			
Minimum level of service	$6.45	$9.15	$12.85
Interim level of service	$10.70	$15.25	$21.35

The estimated billable ERUs for each rate option is shown in **Table 4**. The total number of ERUs for each rate option differs slightly due to variations in predicted single-family ERU counts (reflecting the number of parcels and median IA by tier) and contingencies for billing adjustments.

Table 4 – Change in ERUs for billing options

Rate option	Measured/ Predicted ERUs[1]	Billing Adjustments[2]	Estimated Billable ERUs
Rate Option 1 (Uniform rate)	22,438	635	21,803
Rate Option 2 (15%/70%/15%)	22,843	785	22,058
Rate Option 3 (25%/50%/25%)	22,662	783	21,879

[1]Non-single-family parcels measured; single-family parcels predicted based on the Raftelis analysis.
[2]Includes 35% adjustment for private and permitted stormwater system and contingencies of 5% for non-single-family residential parcels and 1.5% for single family parcels (tiered options only) resulting from customer-initiated IA reviews.

Monthly bills for single-family residential customers are equal to the rates shown in **Table 3**. Monthly bills for non-single family residential customers are determined by multiplying the rate per ERU by a customer's measured IA. Examples are shown in **Tables 5, 6, and 7**.

Table 5 – Option 1, Example monthly bills f or non- single-family residential customers

Monthly cost/ERU		
Option 1 (Min)	$	9.20
Option 1 (Interim)	$	15.30

Customer class	Impervious area (SQ FT)	ERUs (Rounded)	Option 1 (Min)	Option 1 (Interim)
Multi-Unit (Apartment Complex)	94,500	27.0	$248.40	$413.10
Commercial (small)	28,000	8.0	$73.60	$122.40
Commercial (large)	395,500	113.0	$1,039.60	$1,728.90
Industrial (small)	45,000	13.0	$119.60	$198.90
Industrial (large)	961,812	275.0	$2,530.00	$4,207.50
Institutional	255,500	73.0	$671.60	$1,116.90

Table 6 – Option 2, Example monthly bills for non-single-family residential customers

Option 2, Monthly cost/ERU		
Option 2 (Min)	$	9.10
Option 2 (Interim)	$	15.15

Customer class	Impervious area (SQ FT)	ERUs (Rounded)	Option 2 (Min)	Option 2 (Interim)
Multi-Unit (Apartment Complex)	94,500	27.0	$245.70	$409.05
Commercial (small)	28,000	8.0	$72.80	$121.20
Commercial (large)	395,500	113.0	$1,028.30	$1,711.95
Industrial (small)	45,000	13.0	$118.30	$196.95
Industrial (large)	961,812	275.0	$2,502.50	$4,166.25
Institutional	255,500	73.0	$664.30	$1,105.95

Table 7 – Option 3, Example monthly bills for non-single-family residential customers

Option 3, Monthly cost/ERU		
Option 3 (Min)	$	9.15
Option 3 (Interim)	$	15.25

Customer class	Impervious area (SQ FT)	ERUs (Rounded)	Option 3 (Min)	Option 3 (Interim)
Multi-Unit (Apartment Complex)	94,500	27.0	$247.05	$411.75
Commercial (small)	28,000	8.0	$73.20	$122.00
Commercial (large)	395,500	113.0	$1,033.95	$1,723.25
Industrial (small)	45,000	13.0	$118.95	$198.25
Industrial (large)	961,812	275.0	$2,516.25	$4,193.75
Institutional	255,500	73.0	$667.95	$1,113.25

Rate Comparisons

Stormwater utility rates are difficult to compare because each community has different impervious areas used per ERU, capital needs, and, in the case of tiered rates, different definitions of small, medium and large single-family residential impervious areas. **Figures 3**, **4**, and **5** compare rates for the three single-family residential rate structures in a very broad sense.

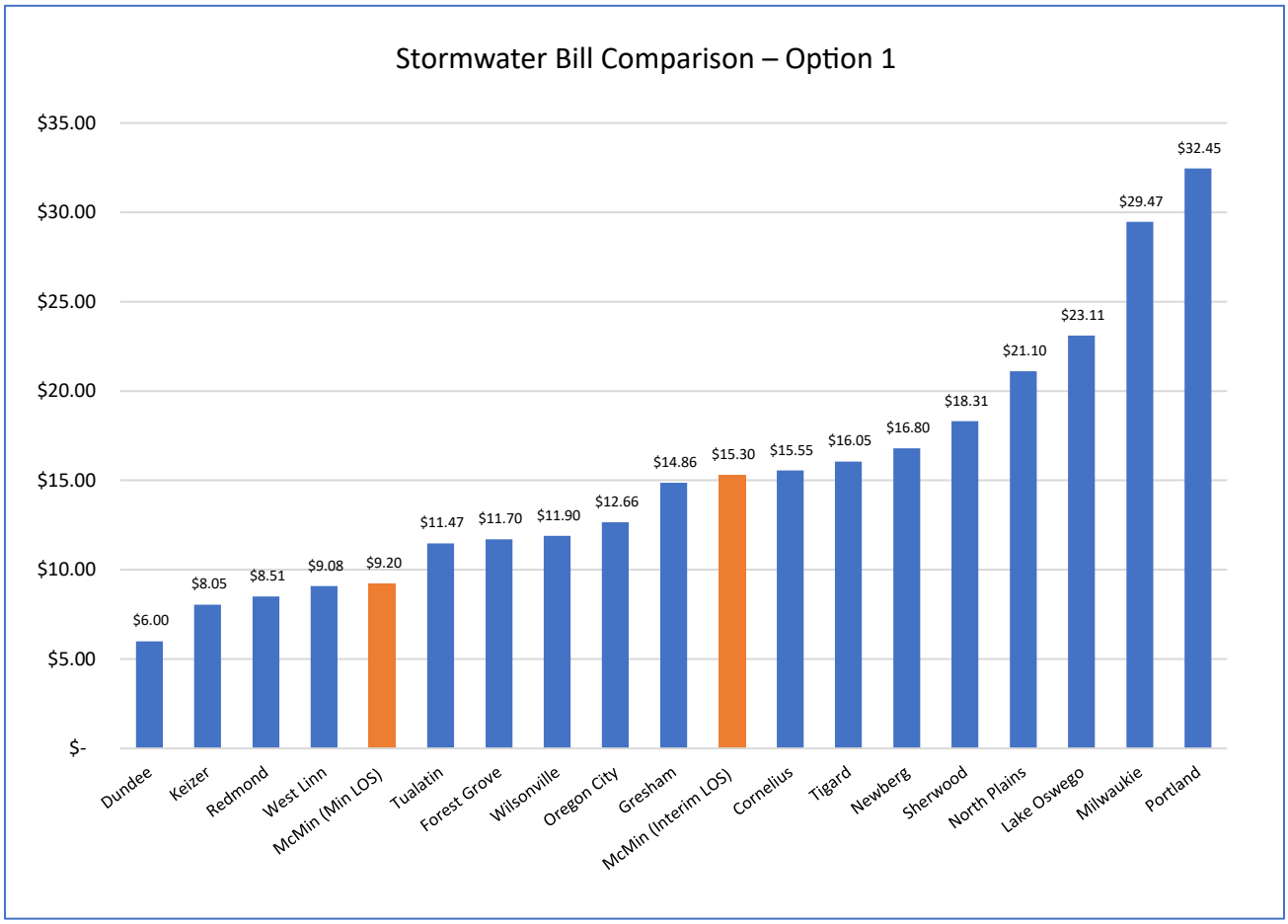

Figure 3 *- Option 1 single-family residential rate comparison*

The bill comparison for Options 2 and 3 is limited to cities that charge tiered rate structures which include Albany, Eugene, and Salem. It is important to note that all three of these cities include a base monthly charge in their rate structures that is uniform across all tiers. Therefore, the bills across the tiers have less variation, compared to the preliminary rates for the city which are based on an ERU rate only. Also, the City of Eugene charges large (Tier 3) customers based on measured IA.

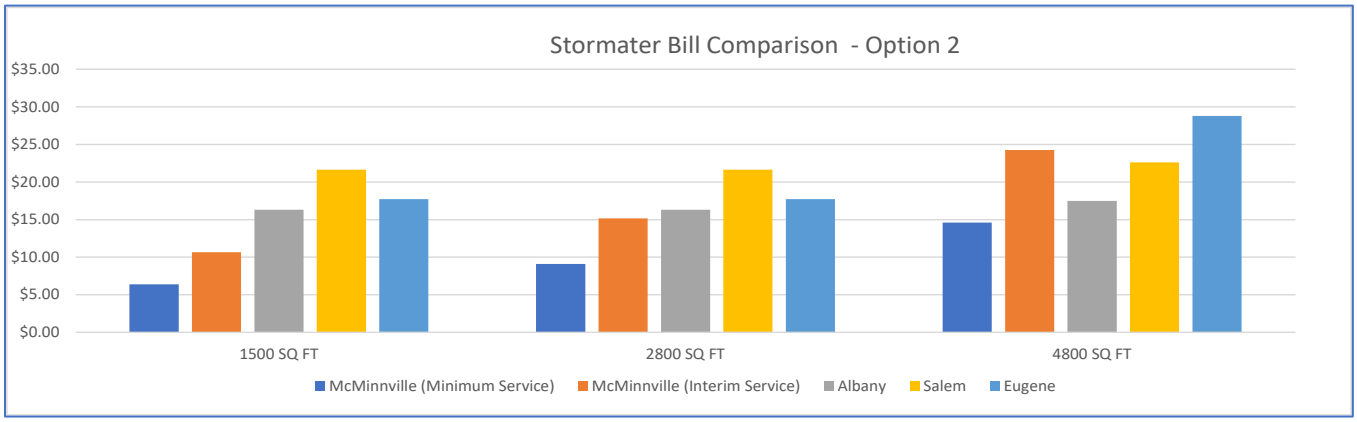

Figure 4 *- Option 2 single-family rate comparison*

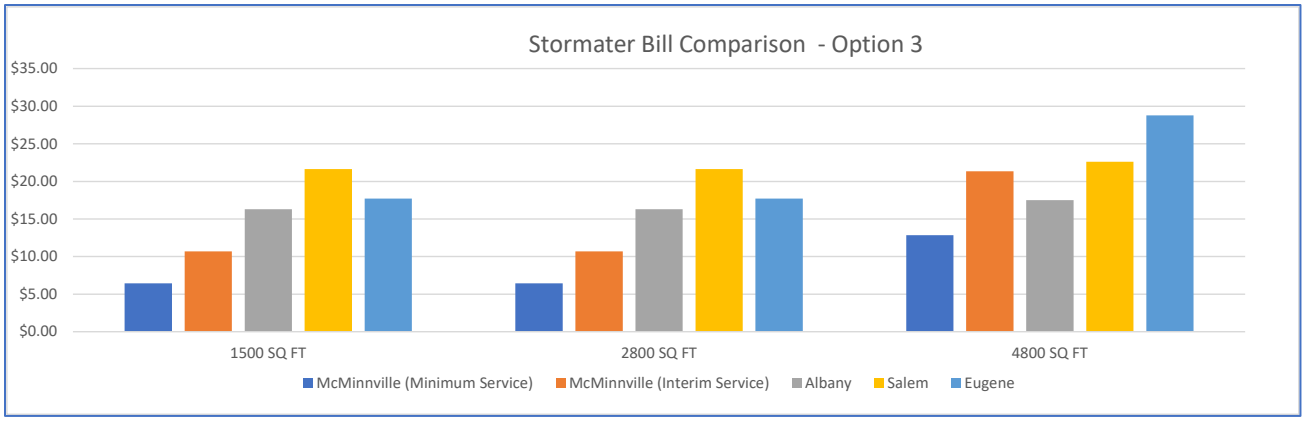

***Figure 5** - Option 3 single-family rate comparison*

Next Steps

Staff will be reviewing the status of the stormwater utility project with the City Council in a work session on February 19, 2025. After the PAC reviews the tiered rate structure and develops a recommendation, staff will present it along with the rest of the recommendations to City Council at an upcoming meeting. At that time staff will be looking for direction from the Council on adoption schedule for a stormwater utility fund.

Attachment No. 1

PAC POLICY RECOMMENDATIONS TO CITY COUNCIL (PRESENTED AT THE APRIL 17, 2024, WORK SESSION)

Summary recommendation:

The Committee recommends the City Council adopt a stormwater utility to fund stormwater related expenses more equitably.

Financial recommendations:

Revenue requirements

The Committee recommends revenue requirements begin with a minimum level of service (approximately $2.4 million) and transition to an interim level of service (approximately $4 million) over a three-year period.

Revenue sources

The Committee recommends using stormwater user fees exclusively for stormwater utility services. The Committee further recommends resources be developed to fund the transportation system and that stormwater and transportation funding sources are coordinated.

Minimum fund reserve

The Committee recommends the stormwater utility build a minimum fund balance for emergencies equal to three months of operating expenses. The Committee recommends the reserve be built over a three-year rate phase in period.

Risk management

The Committee recommends expenses required to meet water quality regulatory requirements be fully funded to meet community values and avoid enforcement penalties and potential third-party litigation.

Franchise fee deferral

The Committee recommends the franchise fee be deferred for a minimum of three years and then considered as a dedicated transfer to the Street Fund.

Assistance to low-income households

The Committee recommends the stormwater utility participate in helping low-income households, similar to assistance provided by the Wastewater Fund.

Rate recommendations

Single family residential rate

The Committee recommends single family residential properties be billed based on the median measured impervious area of 3,500 square feet (1 Equivalent Residential Unit, ERU). The Committee also recommends that attached single family properties be charged 0.7 ERUs to reflect their smaller impervious area.

Shift to tiered residential rate structure

The Committee recommends a single rate be used for single-family residential properties initially. Upon completion of the Stormwater Master Plan Update, the Committee strongly supports moving to a tiered rate structure for single family properties as a more equitable billing structure.

Multifamily/Commercial/Industrial/Institutional rate

The Committee recommends billings for non-single family residential properties be based on measured impervious areas and expressed in ERUs.

Phasing rates

The Committee recommends stormwater utility rates be phased in over a three-year period.

Billing recommendations:

Billing for city and McMinnville Water and Light properties

The Committee recommends city and McMinnville Water and Light (MWL) properties not be billed for stormwater service, similar to billing policies used for water and wastewater services.

Coordination with McMinnville Water and Light

The Committee recommends the city work with McMinnville Water and Light to incorporate stormwater utility billing into their monthly billing statements.

Minimum impervious area for non-residential billing

The Committee recommends a minimum billable impervious area of 500 square feet be used for billing non-single family residential properties.

Rounding for non-residential customers

The Committee recommends billing for non-single family residential properties be rounded up to the nearest whole ERU.

Discounts/credits

The Committee recommends a 35% discount be given to non-single-family dwellings that are self-contained, discharge to streams or rivers not maintained by the city and that are regulated by discharge permits from the State Department of Environmental Quality.

The Committee does not recommend discounts or credits for privately maintained stormwater systems be granted until further considered as part of the Stormwater Master Plan Update.

Administrative billing appeal

The Committee recommends the implementing ordinance adopting the stormwater utility include a provision for administrative appeals to reconcile any errors or changes in measurement of impervious areas.

Planning recommendations:

Stormwater Master Plan Update

The Committee recommends updating the Stormwater Master Plan Update be a high priority for the stormwater utility and that it be completed within three-years of adopting the utility.

April 15, 2015

Honorable Mayor Kim Morris, City of Mcminnville

Cc: Council President, Sal Peralta,
Councilors: Chris Chenoweth, Dan Tucholsky, Zack Geary, Jessica Payne, Scott Cunningham

I am writing in support of establishing a city-wide stormwater utility fee. Having served on the city's Stormwater/Wastewater Project Advisory Committee (PAC), I learned that the City of McMinnville's stormwater system has no dedicated funding, is in need of immediate repairs and has no plan for scheduled maintenance. Some of the city's 114 miles of stormwater pipes are ~100 years old. Sections of pipe have completely failed, creating a threat to life and property. This is no way to manage our infrastructure.

In 2009, the city paid for a Stormwater Master Plan that cost in excess of $154,000.[1] The 2009 Plan updated the 1991 Stormwater Plan. The 2009 Plan identified numerous deficiencies in the stormwater system throughout the city, many of which are in need of immediate repair. Here we are decades later and the core issues of funding and maintenance of our stormwater infrastructure remain unresolved. Recognizing the critical need, many cities established dedicated stormwater fees long ago, including Forest Grove, Newberg and Dundee.

Is a credit due to private stormwater systems? In 1983, the city approved the Michelbook 4th Addition subdivision for the benefit of Michelbook Estates, Inc. (dba Michelbook Country Club) where I reside. For the past decade, I have been investigating our HOA's stormwater system. Our neighborhood of 84 single family residences was established as a Homeowners Association by Michelbook Estates. In doing so, Michelbook Estates and the City Of McMinnville passed all responsibility for maintenance and repair of about one mile of substandard streets and the entire stormwater system to the HOA.[2] Multiple engineer's inspections, the Yamhill Mediation Road Agreement with Michelbook Estate, Inc. and the city's 2009 Stormwater Master Plan all confirmed that our streets and stormwater system are substandard.[3/4/5]
As a result, Kent Taylor, City Manager wrote that the City of McMinnville will not assume responsibility for the roads and storm sewers in our HOA.[6]

Recently, our HOA hired engineers, contractors, and working with city staff, implemented a maintenance and repair plan. We invested a total of ~ $30,000 not including hundreds of hours of volunteer time. We discovered that over the decades, the city has connected more and more stormwater pipes to our system, a system that was not designed for the current volume of stormwater. As a result, pipes failed and there has been flooding with property damage.

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[1] Leland Koester, Wastewater Service Manager, City of MAC, email 05/21/24
[2] Don E. Schut, Director, City of McMinnville Public Works 5/25/1985
[3] Andrey Chernish, PE, Owner, HBH Consulting Engineers, Newberg 4/27/2021
[4] Glen Ling, P.E., to Bill Duncan, Pres. MB4 HOA 9/25/2001
[5] Yamhill Mediation Recorded 7/6/2000: Michelbook Fourth Addition HOA vs Michelbook Estates, Inc.
[6] Kent Taylor, City Manager, City of McMinnville 4/22/1988

The vast majority of storm water passing through our HOA's pipes at the intersection of NW Doral St. and Baker Creek Road comes from the city.[7] The 2009 Stormwater Master Plan shows that one-hundred percent of all stormwater passing through our HOA's stormwater system discharges into North Cozine Creek without returning to city infrastructure. Therefore, the city is benefiting from our private stormwater system at no cost.

Currently, each property owner in our HOA is required to pay about $85 per year to maintain our private stormwater system. Our HOA's stormwater system provides a valuable amenity to the City of McMinnville as a conduit for stormwater. Therefore, it seems only fair and equitable that Michelbook 4th Addition should be granted a credit for city stormwater utility fees given that we already pay to maintain a stormwater system that was approved by the city, carries city stormwater and provides a valuable benefit to the city at no cost.

Your,

Peter Enticknap
[redacted]
McMnnville, OR 97128

[redacted]

[redacted]

[7] HBH Consulting Engineers 4/27/2021

ENTERED INTO THE RECORD
DATE RECEIVED: 04.16.2025
SUBMITTED BY: Steve Caldwell
SUBJECT: _____

From: Steve Caldwell
To: Mayor Kim Morris
Cc: Sal Peralta; Chris Chenoweth; Daniel Tucholsky; Claudia Cisneros
Subject: Work Session info RE: Storm Sewer
Date: Wednesday, April 16, 2025 4:15:25 PM

April 16, 2025

Mayor Morris
City of McMinnville

Dear Mayor,
I just read the newspaper article on the work session scheduled for this evening. Regarding the proposed storm sewer fees. The letters you have received from people living in Michelbook 4th Addition all ask for no fee or for the city to take over the system. The article makes it sound like City Staff are saying their proposed discount is acceptable. No city storm sewer fee is acceptable for Michelbook 4th Addition homes.

Please share this with the other attendees of the work session.

Sincerely,
Steve Caldwell
[redacted]
McMinnville OR 97128