



MEMORANDUM

# Overwater Structure Stormwater Rate Practices

CITY OF PORTLAND, BUREAU OF ENVIRONMENTAL SERVICES | **SANITARY SEWER & STORMWATER COMPREHENSIVE RATE STUDY**

**PREPARED FOR:** Anthony Martin, Portland Bureau of Environmental Services  
**PREPARED BY:** Deb Galardi, Galardi Rothstein Group  
Eric Rothstein, Galardi Rothstein Group  
**SUBJECT:** Overwater Structure Stormwater Rate Practices  
**DATE:** September 22, 2023

---

## Introduction

The Sanitary Sewer & Stormwater Comprehensive Rate Study (Rate Study) presented in the March 2022 Preliminary Report: Sanitary Sewer & Stormwater Comprehensive Rate Study (Rate Study Report) includes two alternative stormwater rate structures for customers with overwater impervious area: 1) systemwide structure, and 2) special class discount rate structure. The special class rates are lower for overwater structures compared to the systemwide rates because they exclude the costs of the downstream conveyance system.

Both rate structure options include system water quality control and other costs incurred by the Bureau of Environmental Services (Bureau) in managing the stormwater system. A focal point of the Bureau's stormwater management program is protection of the Willamette River and Columbia Slough to which overwater customers discharge. By discharging directly into receiving waters, overwater structures have the potential to significantly impact water quality and they are among the most benefitted properties from upstream flood and water quality controls.

Under the Rate Study framework, customers with overwater structure impervious area may reduce their stormwater bills (beyond the discounted special class rates) by qualifying for stormwater rate credits through the Bureau's Clean River Rewards program. Under the revised credit framework presented in the Rate Study Report, stormwater credit eligibility for overwater structures is linked solely to providing water quality controls, consistent with the Stormwater Management Manual.<sup>1</sup>

---

<sup>1</sup> See the Rate Study report for more detail on the stormwater rate structure options and the Clean River Rewards program.

## Other Community Practices

An earlier phase of the Rate Study included research into other agency charging practices for direct discharge customers (on land and over water). This initial research – focused primarily on Pacific Northwest Utilities – found that discounts or credits for direct discharge customers, including floating homes are offered by some utilities as shown in Table 1.

**Table 1 Summary of Direct Discharge Rate Practices for Select Pacific Northwest Utilities**

Agency	Overwater Customers
Lake Oswego	No rate discounts. All customers (including floating homes) pay 100% of charge.
Gresham	Stormwater fees for floating homes are assessed at the moorage, for shared parking lot, not for docks and floating homes.
Pierce Co.	All customers pay “base” costs. Customers in rural areas do not pay a portion (25%) of <i>water quality</i> costs. “River” overlay recovers a portion (25%) of flood control costs in specific river areas.
Tacoma	Overwater structures are exempt. Waterfront and direct discharge properties pay 50% of the regular rate. Discount reflects exclusion of <i>water quantity</i> costs.
Salem	Direct discharge to Willamette River via private conveyance system eligible for credit = 50% of <i>water quantity</i> costs (which are 43% of total costs).
Vancouver <sup>2</sup>	Floating homes are exempt. Permitted customers that do not discharge to the city's surface water system pay 30% of stormwater charge (70% discount).
Seattle	Houseboats and piers exempt from stormwater charges.
Bellingham	Customers that discharge stormwater directly to marine waters or waters under tidal influence with no connection to city systems pay 30% of stormwater charge (70% discount).

<sup>1</sup>Discount set in proportion to Washington State law RCW 90.03.525 that allows charging state right-of-way at 30 percent of rate for comparable property.

A broader survey of stormwater rate practices<sup>2</sup> indicates that less than 25 percent of surveyed utilities provide stormwater credits for direct surface discharger customers. The survey does not contain information about floating homes specifically.

<sup>2</sup> 2021 Stormwater Utility Survey Report, Black and Veatch (p. 47).

## Additional Research

Additional research on stormwater charge practices for direct dischargers was conducted as part of the Bureau’s public outreach phase of the Rate Study. Findings are summarized below.

- Many stormwater rate programs are structured as land-based charges where a customer’s stormwater charge is determined by their parcel land area and an assumed impervious coverage factor. In these cases, because the fee is land-based, overwater structures are not charged.
- Some stormwater charges are assessed based on estimated or measured impermeable area of a parcel. Two agencies note that floating parcels are not explicitly exempt from the stormwater charges if they otherwise meet the charge criteria. For example:
  - Los Angeles County developed a “special parcel tax” in 2018<sup>3</sup> to fund a “Safe Clean Water Program.” The Safe, Clean Water Program tax is assessed based on the impermeable area of each parcel of real property as determined by the Auditor-Controller of Los Angeles County. In California, floating homes are considered real property, so are potentially subject to the charges unless they are exempted from ad valorem property taxation or low-income seniors.<sup>4</sup>
  - The City of Santa Monica’s Clean Beaches and Ocean Parcel Tax applies to all parcels in the city. Parcel is defined as “the smallest, separately segregated lot, unit or plot of land having an identified owner, boundaries and surface area which is documented for property tax purposes and given an assessor’s identification number by the County of Los Angeles Tax Assessor”. Floating parcels are not specifically excluded; however, city staff are not knowledgeable of any floating parcels within the city.
- Some cities charge all or a portion of stormwater-related costs through other types of fees assessed broadly to customers on a non-parcel basis. For example,
  - The City of Newport, Rhode Island charges a combined sewer overflow (CSO) fixed charge on all water customer accounts based on their meter size. Funds are used only for projects associated with the City’s Long Term CSO Control Plan.<sup>5</sup>

---

<sup>3</sup> Prior to 2018, stormwater rates required voter approval either in the form of a special tax or property-related fee, the latter of which is regulated by Proposition 218. Legislation effective in 2018 (SB 231) expanded the definition of “sewer” under Proposition 218 to include storm drainage and flood control activities. As a result, stormwater property-related fees now qualify for the same voter approval exemption as water, sewer, and refuse rates, under Proposition 218. (City of Anaheim Storm Drain Funding Feasibility Study, GHD, February 2020, pgs. 8-9).

<sup>4</sup> Based on email communication from the Safe, Clean Water Program Team. Exempted parcels are those exempt from ad valorem property taxes (e.g., government and non-profit parcels) and low-income senior-owned parcels (Los Angeles Code of Ordinances Chapter 16.09).

<sup>5</sup> *The Bureau’s CSO-related costs are allocated between stormwater and wastewater based on the updated framework developed in the Rate Study. The stormwater related CSO costs are considered “common to all” customers and are included in the special customer discount rates presented in the Rate Study Report.*

- City of Del Mar, California charges “Clean Water Rates” (stormwater rates) to customers based on water meter size and consumption.
- Stormwater rate and credit policies for on-land direct dischargers are generally addressed in stormwater utility studies and ordinances. Multiple examples of reduced rates or partial credits for direct dischargers were found in the follow-up research.
  - City of Olympia, WA: Parcels that are exempt from flow control requirements per the city’s Design and Erosion Control Manual (i.e., properties that discharge into Capital Lake/Deschutes River or into marine waters of Budd Inlet) are charged 25% less than parcels with no stormwater management flow or treatment controls<sup>6</sup>.
  - St. Petersburg, Florida: A credit up to 52% is provided for discharges directly into tidal waters of Tampa Bay or Boca Ciega Bay if stormwater is treated onsite to meet Outstanding Florida Waters criteria prior to discharge.<sup>7</sup>
  - Kitsap County, WA: A “Direct Discharge to Tidally Influenced Waters Rate Reduction” is provided to any developed parcel that is modified to discharge directly into Puget Sound, or directly into the tidally influenced areas of rivers and streams discharging into Puget Sound. The rate reduction is 50% provided that approved techniques to meet current water quality treatment standards are utilized.<sup>8</sup>
  - City of Baltimore, MD: The City provides a direct discharge credit of 30% if property discharges to Baltimore Harbor.<sup>9</sup>
  - City of Alameda, CA: A direct drain credit of 57% is provided for parcels that drain directly into San Francisco Bay.
- Stormwater rates policies increasingly include a base funding amount to recover regulatory and other common-to-all costs for services and facilities that are not subject to credit or rate reduction. For example:
  - Kitsap County, WA – *The stormwater rate structure contemplates not only the direct impacts of parcel impervious surface on runoff to the county stormwater drainage system, but also the indirect impacts of the land use on the county roads and other public infrastructure that are impacted by stormwater and which the county manages for the protection of life and property.*<sup>10</sup>

---

<sup>6</sup> Fact Sheet: Revised Stormwater Rate Structure, March 14, 2022 (City of Olympia).

<sup>7</sup> St. Petersburg Code of Ordinances, Chapter 27.405 (5)b

<sup>8</sup> Kitsap County Code, Chapter 12.40 Storm Water Management Rate Structure

<sup>9</sup> Baltimore Department of Public Works, Stormwater Remediation Fee Regulation, pg 22.

<sup>10</sup> Kitsap County Code, Chapter 12.40 Storm Water Management Rate Structure

- Baltimore, MD – *A maximum credit is set to maintain the revenue necessary to provide the base level of stormwater service for water quality improvement requirements and stormwater infrastructure needs.*<sup>11</sup>
- Alameda, CA – *Some parcels along or near the shoreline drain directly into the Bay and do not contribute flows to the City’s storm drain system. Those parcels do not place additional burden on the physical storm drainage infrastructure, but the City does provide a certain level of storm drainage system service in two significant ways:*
  1. *NPDES Compliance: Compliance with the MRP 2.0 applies to all parcels within the City limits including those that drain directly to the Bay. The City’s Program must continue to perform tasks such as monitoring compliance with pollutant and trash generation, illicit discharges and Provision C.3 regulation. In addition, certain activities such as beach clean-ups provide a direct benefit to shoreline parcels. The impact to this Program element is not reduced due to a direct-drain status.*
  2. *Shared Facilities: All parcels in the City benefit from a well-maintained storm drainage system that keeps roads clear of flooding and infrastructure failures that could impede the movement of people, goods and emergency vehicles. These parcels also benefit from a reduced chance of flooding and the damage to private property that can accompany such instances.*<sup>12</sup>
- Some utilities have special stormwater rates for marinas, based on a variety of factors, however, published information does not provide detail on what types of structures are included in the impervious area calculations.
  - Anne Arundel County, MD: The county has two marina rate classes: 1) <7.5 impervious acres, 2) >7.5 impervious acres. The large marina class is provided with a lower rate per impervious acre for acreage over 7.5, if the marina complies with the Maryland Clean Marina Initiative.
  - Vallejo Flood and Wastewater District, CA: Storm drainage fees for nonresidential customers are based on four subcategories, with progressively higher rates per thousand square feet of impervious area. Marinas are included in Group 3 (Heavy Runoff Loads).
- Impervious area delineation practices for commercial and industrial piers were also found to vary. In instances where the stormwater charge is assessed based on parcel boundaries (for example, Anne Arundel County, MD), overwater piers are not included

---

<sup>11</sup> Baltimore Department of Public Works, Stormwater Remediation Fee Regulation, pg 10.

<sup>12</sup> City of Alameda, Water Quality and Flood Protection Fee Report, July 2019, SCI Consulting Group (pg. 14)

in the impervious area measurements because they are outside the county boundaries. On the other hand, for the City of Boston's stormwater program currently under development concrete or other impervious material permanent piers are delineated as impervious for purpose of the stormwater fee.<sup>13</sup>

## Conclusions

Identification of stormwater charge practices for floating homes and other overwater structures is complicated by many factors. Local policies and practices related to the rate structure, credit and exemption policies, and basis for impervious area measurements, all influence whether a charge might be assessed. Even when information is made available on agency websites, it is generally spread across multiple documents (e.g., fee schedules, ordinances, credit manuals, etc.) and verification of charges for specific types of customers without specific property addresses is difficult.

Even without more specific information on floating homes, the additional research supports the practice of charging all users for a portion of the Bureau's stormwater management costs, whether they discharge to piped conveyance systems or not<sup>14</sup>. Overwater dischargers have the potential to directly impact water quality and they are among the most benefitted properties from upstream flood and water quality controls. Moreover, they are directly or indirectly served by the Bureau's broader stormwater management efforts.

---

<sup>13</sup> As the City of Boston's stormwater fee program is still under development, there are currently no published policies for reference.

<sup>14</sup> For a more detailed discussion of the Bureau's direct and indirect stormwater costs and proposed rate and credit practices, see the Rate Study Report.