

## Stormwater Utility: Myth vs. Fact

### **✗ MYTH:**

Stormwater problems can be handled through the City's general fund.

### **✓ FACT:**

The General Fund already supports a broad range of core services—public works (including stormwater, paving, sidewalks, traffic signals, right-of-way mowing, urban forestry, and animal control), police and fire protection, streets, parks, and other essential operations. As a result, stormwater funding must compete annually with these priorities, often leading to deferred maintenance and reactive, emergency-driven repairs following flooding events.

A stormwater utility establishes a dedicated, predictable revenue source that allows the City to plan and invest proactively in drainage infrastructure rather than responding after failures occur. This is particularly important given that the adopted FY 2025–26 General Fund budget already reflects an operating deficit.

### **✗ MYTH:**

The City should just rely on grants for stormwater projects.

### **✓ FACT:**

Grants are competitive, limited in availability, and typically restricted to specific capital projects. They rarely fund routine maintenance and often require local matching funds, upfront engineering, and ongoing financial commitments.

A stormwater utility strengthens McMinnville's ability to pursue and leverage grant funding by providing a dedicated source for required match and related project costs—rather than relying on the General Fund. Currently, matching funds for General Fund grants, including stormwater projects such as Potter Lane and Bobby Ray, are paid from the General Fund, constraining resources that would otherwise support core services like Paving, Animal Control, Sidewalks, Police, Fire, Parks & Recreation, and Community Development.

**✗ MYTH:**

A stormwater utility is just another tax.

**✓ FACT:**

A stormwater utility is a fee, not a tax. It is based on impervious surfaces like rooftops and pavement—the main sources of runoff—so costs are aligned with actual impact rather than property value.

**✗ MYTH:**

Everyone pays the same amount.

**✓ FACT:**

See Exhibit A at the end of this document. Fees are structured so properties that generate more runoff pay more, while those with less impervious surface pay less. This creates a fairer, more equitable system.

**✗ MYTH:**

Flooding is an occasional issue.

**✓ FACT:**

McMinnville is experiencing heavier rain events in shorter timeframes, increasing the frequency and severity of flooding. Stormwater infrastructure is now a core public safety and infrastructure issue, not an optional expense.

**✗ MYTH:**

Nothing will change after paying the fee.

**✓ FACT:**

Utility funding supports drainage maintenance, culvert improvements, flood mitigation projects, water quality protection, and long-term planning—reducing damage, protecting property, and improving resilience.

**✘ MYTH:**

This is illegal.

**✔ FACT:**

Stormwater utilities are a common, best-practice approach used by communities nationwide to manage flooding responsibly and equitably.

# Exhibit A – Proposed Fee Schedule

## What is an Equivalent Residential Unit (ERU)?

An ERU is the average square footage of the impervious surface area (measured in square feet) for a single-family residential property determined pursuant to the City’s proposed ordinance. That amount is 2,000 square feet. The ERU was determined by performing detailed measurements of impervious surfaces contained on a representative sample of single-family residential properties across the City. The resulting data was analyzed and the median impervious surface value for the data set determined the ERU value.

## How will single-family residential properties be billed?

Most single-family homes will be charged a rate of \$3.00 (Base ERU) each month. However, for equity purposes, the McMinnville Board of Mayor and Alderman have approved a tiered rate system, whereby small homes will pay a slightly lower rate (\$1.50 each month) and very large homes will pay a higher rate (For every 2,000 square feet above 4,000 square feet, properties will pay 0.5 ERUs in addition to the base rate of 1.0 ERU). The City’s fee will appear on the McMinnville Utilities bill that you receive each month according to the table below.

Description	Monthly Fee
Rate – Single Family Residential Property	Charge per Dwelling Unit
Tier (square feet of impervious area)	
0 to 2,000	0.5 ERU (\$1.50)
2,001 to 4,000	1.0 ERU (\$3.00)
Every 2,000 above 4,000	+0.5 ERU (\$1.50 for every 2,000 sq ft)

Please note that the placement within the tier is NOT based on the square footage of your living space, but rather on the square footage of the impervious surface on your property (rooftop, driveway, patio, etc.).

## How will non-single residential properties (such as duplexes, apartments, condos, etc.) be billed?

If you are in a non-single-family property, the monthly fee will follow the table below. If you are the owner of a complex that receives the utility bill for multiple units, you will receive a charge

for each dwelling unit in your complex. The City’s fee will appear on the McMinnville Utilities bill that you receive each month.

Description	Monthly Fee
Rate- Non-Single-Family Residential Property	<b>Charge per Dwelling Unit</b>
<u>Subcategory</u>	
Multi-Family (duplex, triplex, quadplex, apartments, etc.)	0.33 ERU (\$1.00)
Mobile Homes	0.50 ERU (\$1.50)
Town Homes & Condos	0.75 ERU (\$2.25)

**I am renting an apartment or house. Do I have to pay this charge?**

Multi-tenant residential properties will be billed the minimum charge (0.33 ERU or \$1.00) if the apartment unit is individually metered. If the apartment complex is master metered, then the customer of record for the master meter will be billed a storm water user fee for the entire property.

Individuals or businesses which rent property will receive billing for the stormwater user fee if the water and/or sewer meter is in the renter’s name. Property owners are obligated to pay stormwater user fees. It will be up to the individual property owner and the renter to decide how to handle the assessed fee.

**How are non-residential property fees determined and billed?**

All non-residential properties will be billed at a rate based on their measured impervious area. To determine the monthly fee, divide the total impervious area of your property by 2,000 square feet (or one Equivalent Residential Unit) to obtain the number of ERUs and multiply by the base single-family rate of \$3.00 per month per ERU. Impervious areas were determined by analyzing aerial photographs to identify the amount of impervious surface on each property. For most properties, the City’s fee will be billed on the McMinnville Utilities bill. However, in some circumstances, alternative billing methods may be used.

**Is there anything I can do to reduce my fee?**

Yes, the city is developing a fee reduction/credit manual that provides opportunities for customers to reduce their monthly fee. Customers may apply for these credits, which are

awarded to customers that install best management practices on site that reduce the runoff burden on the City's stormwater system.

\*Fee reduction/credit manual is in development\*