



AIR-19-517
AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS

AGENDA OF: Regular Meeting - Oct 28 2019

DATE SUBMITTED: 10 Oct 2019

DEPT. OF ORIGIN: Capital
Projects/Engineering

PREPARED BY: Robert Upton

SUBJECT: Discussion and possible action approving a measure to be placed on the May 2020 ballot to consider creating a Municipal Drainage Utility and Stormwater Fee

ATTACHMENTS: [10.17.19 Stormwater Utility Fee Update by Upton](#)

FUNDING:

☐ Grant

☐ Developer/Other

☐ Cash

☐ G.O. Bonds To Be Sold

☐ G.O. Bonds - Sold

☐ Rev. Bonds to Be Sold

☐ Rev. Bonds - Sold

☐ C.O.'s To Be Sold

☐ C.O.'s - Sold

EXECUTIVE SUMMARY

BACKGROUND

The ultimate goal of floodplain and stormwater management is to improve and maintain drainage facilities as well as to improve the health of streams, lakes, aquatic life and provide opportunities for human uses by protecting life and property and making for sound and sustainable development. At present, the maintenance of these systems are handled by the Streets and Drainage and Right-of-Way Divisions of Public Works and funded through the General Fund. The General Fund is highly competitive for funding requests and as regulations are increasing in requirements. Although there is significant capital work being completed, funding is falling short of the needed requirements to perform proactive drainage ditch and detention basin maintenance, drainage mitigation, drainage improvements, stormwater monitoring and floodplain mitigation. Direction from the July 2019 meeting was to implement a Municipal Drainage Utility and Stormwater Fee if approved by the voters during the May 2020 election.

The proposed ballot language:

Shall the City's Code of Ordinances be amended to establish a Municipal Drainage Utility in accordance with Chapter 552, Municipal Utilities, Subchapter C, Municipal Drainage Utility Systems, of the Texas Local Government Code ("Chapter 552"), to be used for the enhancement, improvement, and ongoing renewal of Pearland's drainage systems, funded monthly from drainage utility charges in the initial amount of \$5 per month for all residential properties and \$1.79 per 1,000 square foot of impervious coverage per month for all non-residential properties, to recover costs of providing drainage services to properties located in the City, to be reviewed no more often than every 3 years.

The implementation process, if passed, is detailed in the attached memo dated October 17, 2019.

POLICY/GOAL CONSIDERATION

The project complies with Council's strategic goals of Sustainable Infrastructure, Fiscally Responsible Government, and Safe Community.

Recommended Action

Discussion and possible action approving a measure to be placed on the May 2020 ballot to consider creating a Municipal Drainage Utility and Stormwater Fee.

Memo



To: Clay Pearson, City Manager

From: Robert D. Upton, P.E., Director of Engineering

CC: Trent Epperson, Assistant City Manager
Clarence Wittwer, Director of Public Works
Darrin Coker, City Attorney
Raj Shrestha, P.E., Assistant Director of Engineering

Date: October 17, 2019

Re: Stormwater Utility Fee- Update

10/17/2019

To: Mayor and City Council members

Further background and additional material for consideration of creating a stormwater utility dedicated to maintenance and some capital improvements of this important responsibility. Envisioned to put to voters as a ballot initiative. Clay

Purpose

The purpose of this memo is to provide an update regarding the potential implementation of a Municipal Drainage Utility and Stormwater Fee (collectively referred to as the Stormwater Utility Fee). The Stormwater Utility Fee, used in other jurisdictions to augment resources for flood management with projects and maintenance, was discussed with Council during the Early Budget Input Session, at which Council provided staff a consensus to proceed with preliminary steps toward the development of what this fee may look like. Subsequently in July 2019, staff presented preliminary fee structures, budgets and a tentative implementation schedule. Direction from the July 2019 meeting was to implement a Municipal Drainage Utility and Stormwater Fee if approved by the voters during the May 2020 election.

Background

The ultimate goal of floodplain and stormwater management is to improve and maintain drainage facilities as well as to improve the health of streams, lakes, aquatic life and provide opportunities for human uses by protecting life and property and making for sound and sustainable development.

At present, the maintenance of these systems are handled by the Streets and Drainage and Right-of-Way Divisions of Public Works and funded through the General Fund. **The General Fund is highly competitive for funding requests and as regulations are increasing in requirements. Although there is significant capital work being completed, funding is falling short of the needed requirements to perform proactive drainage ditch and detention basin maintenance, drainage mitigation, drainage improvements, stormwater monitoring and floodplain mitigation.**

Ballot Measure

The recommended language by staff for a May 2020 election, would have voters decide whether or not to direct the Council to establish a Municipal Drainage Utility and associated fees per State law. The ballot measure would be binding on the City Council to implement via amendments to the City's Code of Ordinances for creation of the Drainage Utility and levying the fees. If so directed, the ordinance adoption process that follows an affirmative vote is subject to notice and public hearing requirements. So, the public hearings would only provide public input on the priority use of the fees and projects, since the ballot measure will have already resulted in a binding requirement to implement.

The proposed language includes a review of the fees no more than every three years, which will lock in the initial fee for the first three years and allow Councilmembers to have the opportunity to review the fees within their full term as a Councilmember

Proposed Ballot Measure Language

Shall the City's Code of Ordinances be amended to establish a Municipal Drainage Utility in accordance with Chapter 552, Municipal Utilities, Subchapter C, Municipal Drainage Utility Systems, of the Texas Local Government Code ("Chapter 552"), to be used for the enhancement, improvement, and ongoing renewal of Pearland's drainage systems, funded monthly from drainage utility charges in the initial amount of \$ 5 per month for all residential properties and \$1.79 per 1,000 square foot of impervious coverage per month for all non-residential properties, to recover costs of providing drainage services to properties located in the City, to be reviewed no more often than every 3 years.

Impervious cover would be further defined during the development phase of the program. For general terms impervious cover means a surface that has been covered or compacted with a layer of material that is resistant to penetration by water or changes the ability to absorb water, including such things as buildings, concrete and asphalt.

Next Steps

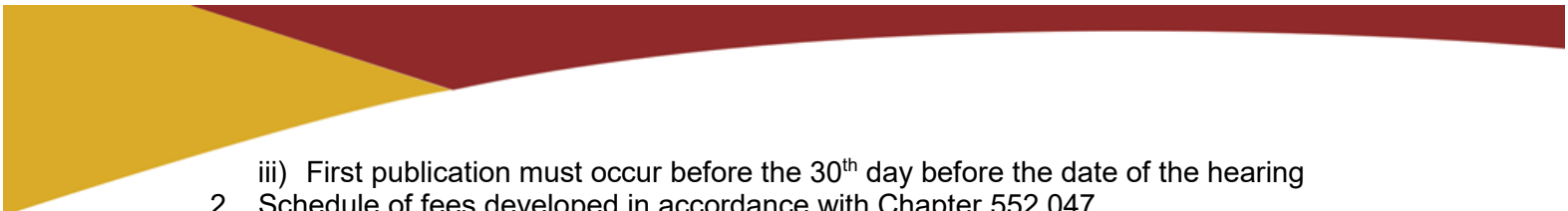
If the proposed ballot language is approved, the following represents the next steps that will be required to take place to implement the Stormwater Utility Fee:

Step 1- Adoption of Ordinance creating the Drainage Utility

1. Adopt Chapter 552 of the LGC
2. Declare the drainage of the municipality as a public utility
3. Findings:
 - i) The city will establish a schedule of drainage charges against all property in the City
 - ii) The city will provide drainage for all properties based on the charges, except for property exempt under Chapter 552
 - iii) The city will provide services in a non-discriminatory, reasonable and equitable manner
4. It would also contain language that payment of a drainage fee would not relieve property owners from the responsibility of providing drainage improvements in connection with land development as required by the City regulations
5. Publish notice of a public hearing to consider the proposed ordinance
 - i) Notice must include publication of the entire ordinance
 - ii) Published 3 times before the date of the hearing
 - iii) First publication must occur before the 30th day before the date of the hearing
6. Ordinance adoption

Step 2- Adoption of an Ordinance to levy fees

1. Public Hearing on proposed fee
 - i) Notice must include publication of the fee schedule
 - ii) Published 3 times before the date of the hearing

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- iii) First publication must occur before the 30th day before the date of the hearing
 - 2. Schedule of fees developed in accordance with Chapter 552.047
 - 3. Adoption of fee schedule by Ordinance

With the above steps and the development of the supporting documentation the schedule is to implement the Stormwater Utility Fee in Oct 2020 for the Fiscal Year 2021.

Discussion/Decision

At the October 28, 2019 Council Meeting, there will be an item to discuss and consider approving the placement of a measure on the May 2020 ballot to consider creating a Municipal Drainage Utility and Stormwater Fee.

Attachments:

FY20 White Paper

July 11, 2019 Thursday Memo

July 22, 2019 City Council Meeting Presentation

FY20 White Paper



To: Clay Pearson, City Manager

From: Robert D. Upton, P.E., Director of Engineering and Projects

CC: Trent Epperson, Assistant City Manager
Clarence Wittwer, Director of Public Works
Raj Shrestha, P.E., Assistant Director of Engineering

Date: January 25, 2019

Re: Stormwater Utility Fee – Update

BACKGROUND

The purpose of this paper is to provide background information regarding a potential implementation of a Stormwater Utility Fee, provide an update on work completed thus far by staff and outline next steps, should Council chose to proceed with development of this fee. This fee was discussed at last year's Early budget Input Session, at which Council gave staff direction to proceed with preliminary steps toward the development of this fee.

The ultimate goal of floodplain and stormwater management is to improve and maintain drainage facilities as well as to improve the health of streams, lakes, aquatic life and provide opportunities for human uses of water by mitigating the adverse effects of urban development. To achieve this goal stormwater management strives to maintain the natural hydrologic cycle, prevent an increased risk of flooding, prevent undesirable stream erosion, and protect water quality.

The Federal Clean Water Act, Safe Drinking Water Act and Endangered Species Act direct the City to improve/maintain stormwater quality and protect watersheds, rivers streams and drinking water resources. Floodplain management includes all actions that States and communities can take to reduce flood damage to both new and existing buildings and infrastructure. The Public Works Department and the Engineering and Projects Department coordinate the citywide response to the federal and state permits that require the City to reduce flooding of homes and infrastructure as well as to reduce stormwater pollution and oversee the other programs that respond to water quality requirements.

The efforts and costs to meet the mandated and unfunded federal and state requirements are currently borne by the General Fund and costs will continue to increase through personnel, capital and operational costs as additional requirements come into effect.

NEW FUNDING SOURCE FOR STORMWATER MANAGEMENT PROGRAM UTILITY FEE

Another way to fund a stormwater management program is through a Stormwater Utility Fee, versus the use of the City's general fund. The program fee is used to assist in the construction, management and maintenance of stormwater and drainage infrastructure. Under Chapter 552 of the Local Governmental Code, the Texas State Legislature authorized political subdivisions, like

the City of Pearland, the ability to create a Storm Water Utility System dedicated to the management of its storm water (drainage) facilities. State legislation also allowed for these political subdivisions the ability to levy a dedicated fee to fund the drainage utility. Since the implementation of Chapter 552, many cities such as Houston, Fort Worth, Austin, College Station, Richardson, Amarillo, Arlington and recently Lewisville and McAllen in Texas have established a Storm Water Utility program and drainage utility fee for their cities and have developed it as an enterprise fund similar to the water and wastewater departments. Cities that have developed this fee have based it upon the amount of impervious cover that covers the lot or site development. Impervious cover is any surface in the landscape that cannot effectively absorb or infiltrate rainfall. Several examples of impervious area include asphalt or concrete pavement, parking lots, driveways, sidewalks and buildings.

The City will then utilize the specific Capital Improvement Program, Master Drainage Plan and maintenance operation budget to develop the needed costs for drainage improvement, implementation of MS4 program, maintenance activities and staffing. The cost information that is developed is then utilized to develop the Stormwater Utility Fee. Similar to the other Cities, the City will develop formula to estimate monthly fee based on impervious cover that will be collected as a part of monthly utility fee.

Since this was last presented to Council, staff has started the development of a business plan to begin setting the guidance and frame work for the stormwater fee. Attached is a draft business plan that would set forth criteria for this program.

CURRENT FUNDING LIMITATIONS

Although the majority of the City is in the jurisdiction limits of Brazoria Drainage District #4 (BDD4) (existing taxing agency), the City owns and maintains numerous detention ponds and miles of drainage channels, roadside ditches and underground stormwater systems. The maintenance of these systems are handled by the Streets and Drainage and Right-of-Way Divisions of Public Works and funded through the General Fund. **The General Fund is highly competitive for funding requests and as regulations are increasing in requirements, funding is falling short of the needed requirements to perform proactive drainage ditch and detention basin maintenance, drainage mitigation, stormwater monitoring and floodplain mitigation.** As was experienced during the recent event known as Hurricane Harvey, the City received an enormous amount of rainfall, and also during localized intense rainfall many areas within the City are being and have been evaluated to determine if drainage improvements and maintenance to existing structures are needed. Additionally, the need to continue improvements for regional infrastructure along each tributary needs to be evaluated and implemented through the Master Drainage Plan that is in partnership with BDD4.

The Master Drainage Plan will assist both agencies in developing regional locations and projects for stormwater detention. The projects that will be identified will come at significant costs to provide an agreed upon level of service to our residents. These projects will be regional in nature and will be shared costs but will have to compete with other City capital projects for funding. Additionally, further detailed drainage evaluations will need to be done on a local level to get stormwater to the regional facilities. Projects similar to the proposed drainage bond projects would also need to have funding established.

The stormwater utility fee could also be utilized to fund several other stormwater maintenance activities that are currently funded through the General Fund. The types of maintenance services could include street sweeping, channel mowing, and drainage infrastructure maintenance and

debris removal. Engineering services could include educational outreach, stormwater compliance, MS4 permits and floodplain management.

With the implementation of a stormwater utility fee, the city would be able to start addressing regional and local drainage program needs more proactively and in a programmable and regional approach.

Staff looked at several types of funding sources for a drainage improvement and storm water program and compared them to the benefit of a stormwater utility fee.

Table: Comparison of Funding Mechanisms

Funding Source	Coverage of Cost		Features
	Capital	O&M	
Grants	Yes	No	Not guaranteed, highly competitive, not sustainable in long-term
Loan Programs	Yes	No	Not guaranteed, highly competitive, must repay with interest
Bond financing	Yes	No	Depend on fiscal capacity, can utilize for large, long-term expenditures, must repay with interest
General Fund	Yes	Yes	Not equitable, competes with other community priorities and other department needs, changes from year to year
Permit Review Fees	No	No	Not significant revenue, dependent on economy
Inspection Fees	No	No	Not significant revenue, dependent on economy
Stormwater Utility Fee	Yes	Yes	Ability to generate ample revenue, sustainable, dependable, equitable, requires significant public dialogue

BUSINESS PLAN

Staff has started the process of developing a business plan to layout the framework to create this program. The business plan would provide some background of where we are today and set forth goals and needs for the program.

The development of goals are an important portion of this program as it will assist in determining the level of service that the City will want to provide to the citizens for the program. Based upon this defined level of service, staff will then be able to determine the staffing needs and projects that will need for funding. Once the plan is developed a formal fee methodology can be developed based upon the funding goals and needs. There are four key components of a successful Stormwater Program that needs to be studied carefully to layout long term plan;

1. Program Management- Administrative, Planning, and CIP Implementation
2. Regulatory Compliance- Meeting Federal and State Water Quality Requirements (Public Education & Outreach, Reporting, Illicit Discharge Response, Inspection & Enforcement and Municipal Housekeeping.
3. Operation & Maintenance- Routine inspection and rehabilitation of drainage system and complaint response

4. Capital Improvement Projects- Prioritized and funded CIP Projects

To further assist in the creation of the stormwater utility fee, staff would need to have the assistance of a consultant familiar with the process to complete the development of the program. The consultant will be hired to provide services to review the results of the Master Drainage Plan to understand the costs for capital projects, review current maintenance operations and respective costs. This information will be used to formalize the fee structure and subsequent increases (similar to a water rate). The consultant would assist in finalizing the programs business plan, financial policy and assist in creating the needed legal ordinances to summarize the funds and fee development. Staff is anticipating that this would take about 6 months to develop and implement at an estimated cost of \$150,000. **This is a small cost to invest to evaluate, develop and move the existing general fund expenses to a revenue fund and potentially once the program is in place this fee could be reimbursed back to the general fund.**

Fee Structure and Plan

As staff previously proposed, it is recommended that a fee structure to be as simple as possible so that it could be understood and also developers/business owners would be able to determine their fee. Based on the proposed drafted business plan, staff has developed examples of the types of services that could be funded out of this program. These types of services could include:

Drainage Maintenance Staff (8 staff)	\$ 450,000
ROW Staff (5 staff)	\$ 320,000
Engineering (1 staff)	\$ 96,000
<u>Contracts (ditch maintenance, mowing, street sweeping)</u>	<u>\$1,250,000</u>
Existing costs	\$2,116,000
Engineering (1 new staff)	\$ 120,000
Property buy-outs	\$ 750,000
<u>Stormwater monitoring as stricter regulations are implemented</u>	<u>\$ 75,000</u>
Proposed additional costs	\$ 945,000
Equipment Needs (Gradall, street sweeper, backhoe, dump truck)	TBD
Capital Projects	TBD

With the stormwater utility fee be designated as an revenue fund, a benefit would be that capital drainage projects could be funded through this fee and the potential to provide additional funding through the use of revenue bonds would be a viable option. A portion of revenue would be dedicated to debt funding for CIP projects.

Staff recommends a simple structure that would be easy to follow. An example of this is the following:

1. The average size of a home in the City is 2,800 square feet of impervious lot coverage. This would be assessed as a unit of 1 equivalent residential unit (ERU). All residential lots would then would then be assessed a monthly fee based upon this ERU.
2. Non-residential lots, including commercial, industrial, multi-family, etc., monthly fee would be determined by dividing the impervious cover by the ERU (2,800 sqft) and then multiplying it by the fee.

Currently the City has approximately 34,000 residential meters and approximately 3,000 commercial meters. Assuming an ERU fee and using an average commercial property of 50,000 square feet an approximate annual revenue generated would be:

For a \$5.00 per month

Type	Number of Meters	Drainage Fee/month	ERU	Total revenue
Residential	34,000	\$5.00	1	\$2,040,000
Commercial	3,000	\$5.00	17.9	\$3,214,285
TOTAL				\$5,254,285
Less O&M Cost				(\$3,061,000)
Fund Balance				\$2,196,200
Cash fund CIP projects and Equipment (50%)				\$1,096,600
CIP Debt Fund (50%)				\$1,096,600

For a \$7.50 per month

Type	Number of Meters	Drainage Fee/month	ERU	Total revenue
Residential	34,000	\$5.00	1	\$3,060,000
Commercial	3,000	\$5.00	17.9	\$4,821,485
TOTAL				\$7,881,485
Less O&M Cost				(\$3,061,000)
Fund Balance				\$4,820,400
Cash fund CIP and Equipment (50%)				\$2,410,200
CIP Debt Fund (50%)				\$2,410,200

Each of these proposed fee scenarios will allow the City to move the current General Fund expenses to a revenue fund and begin the process to address the localized drainage concerns in a more responsive time. The remaining fund balance after general O&M expenses could be split 50% towards cash funding drainage projects and equipment purchases and 50% towards debt service for revenue bonds on major projects. Examples of projects that could have been funded through this program are Memosa Acres and Piper Road drainage improvements.

CITIZEN CONCERNS

Staff reached out to several cities and in those discussions with them the topic of citizen input was brought forth as a need and a requirement to get buy-in for this type of need. This is an important step in this process when adopting a new fee. The need to get the public's buy-in to this program will determine the success or failure of the program. A few of the cities had created a citizens committee that provided comments during the development of this fee and program.

A potential citizen concern could be that BDD4 is collecting a property tax revenue for drainage and that this could be considered double dipping. BDD4 has their own drainage facilities such as Clear Creek, Hickory Slough, Mary's Creek, Cowarts Creek, tributary ditches and several other drainage structures. As stated previously the City has several regional detention basins and pump stations along with miles of channels, roadside ditches and underground pipe facilities. These all need to be maintain outside of what BDD4 owns and maintains. This is a message that would need to be conveyed to the citizens during the development.

COUNCIL DIRECTION

Staff is seeking concurrence by Council to finalize the development and implementation of the stormwater utility fee in FY2020. This would include completing the business plan in more detail, with the help of a consultant, and include ordinance development, financial policy, staffing needs, project costs based upon Master Drainage Plan and educational/communication outreach.

SCHEDULE:

If there is agreement to move forward at the Early Budget Input session:

March/April 2019 – Hire consultant

September 2019 – Adopt ordinances and fees for FY2020



Memo

To: Clay Pearson, City Manager
From: Robert D. Upton, P.E., Director of Engineering
CC: Trent Epperson, Assistant City Manager
Clarence Wittwer, Director of Public Works
Raj Shrestha, P.E., Assistant Director of Engineering
Date: July 11, 2019
Re: Stormwater Utility Fee

7/11/2019

To: Mayor and City Council members

Background and presentation being worked upon for consideration and policy direction as to a dedicated stormwater utility fee administered through water bills based upon residential unit criteria, \$5 or \$7.50/month per residential unit to maintain and improve stormwater systems and flood control in Pearland. Clay

Purpose

The purpose of this memo is to provide additional information regarding the potential implementation of a Stormwater Utility Fee, provide an update on work completed thus far by staff and outline decisions and next steps, should Council chose to proceed with development of this fee. The stormwater utility fee, used in other jurisdictions to augment resources for flood management with projects and maintenance, was discussed with Council during the Early Budget Input Session, at which Council provided staff a consensus to proceed with preliminary steps toward the development of what this fee may look like.

Background

The ultimate goal of floodplain and stormwater management is to improve and maintain drainage facilities as well as to improve the health of streams, lakes, aquatic life and provide opportunities for human uses of water by protecting life and property and making for sound and sustainable development. The efforts and costs to meet the mandated and unfunded Federal and state requirements are currently borne by the City's General Fund. Costs and obligations will continue to increase through personnel, capital and operational costs as additional requirements and as the scale of City responsibilities mature.

Although the majority of the City is in the jurisdiction limits of Brazoria Drainage District #4 (BDD4) (existing taxing agency), the City owns and maintains 10 regional detention ponds and approximately 60 miles of drainage channels and roadside ditches and 310 miles of underground stormwater systems (which are being evaluated, quantified and continuing to grow).

The maintenance of these systems are handled by the Streets and Drainage and Right-of-Way Divisions of Public Works and funded through the General Fund. **The General Fund is highly competitive for funding requests and as regulations are increasing in requirements, funding is falling short of the needed requirements to perform proactive drainage ditch and detention basin maintenance, drainage mitigation, stormwater monitoring and floodplain mitigation.**

Current Status

Staff has been working on developing potential five-year budget plans based upon two different funding levels presented at the Early Budget Input Session. These funding plans will be presented to Council as examples that will provide costs for current staffing levels, equipment funding, funding of local drainage needs as a result of findings from Hurricane Harvey and partnership funding for regional drainage projects.



Decisions

Staff will be seeking concurrence by Council on the development and implementation of a stormwater utility fee. This discussion would include the **direction to adopt a stormwater utility fee by Ordinance or by Voter Referendum.**

Next Steps

Obtain the services of a consultant to assist in completing a business plan, ordinance development, financial policy, staffing needs and project costs based upon local needs and Master Drainage Plan needs.

Develop an implementation schedule



Stormwater Utility Fee

July 22, 2019



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Background on Stormwater Management in Pearland



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- The goal of floodplain and stormwater management is to improve and maintain drainage facilities
- Currently funded through the General Fund
- An alternative way to fund is directly related to each properties impact (impervious coverage) is through a Stormwater Utility Fee
- LGC Chapter 552 allows for the creation of this fee to be dedicated to drainage utility
- Purpose is to cover Maintenance Expenses and Capital Project Costs

Current Funding and Service Limitations



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- With regulations increasing, current funding is falling short of the needed requirements (Stormwater Management Plan)
- Maintenance requirements, needs, and costs are continually increasing
- Recent storm events have shown the need for increased maintenance and infrastructure (improve and new)
- Creates the ability to address localized drainage concerns in a more responsive time
- The General Fund is highly competitive for funding requests (Streets, Sidewalks, Public Safety)

Drainage Bond Packages



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2001 Bond Drainage Projects –\$23,500,000

- South Corrigan - Local
- Mary's Creek Detention - Regional
- Veterans Road Detention - Local
- Twin Creek Woods Storm Sewer - Local
- Green Tee Outfall - Local

2007 Bond Drainage Projects - \$35,305,000

- East Marys Creek Detention - Regional
- Town Ditch - Regional
- Veterans/Walnut Street – Local
- Hickory Slough Detention Phase I - Regional
- Bailey Road Drainage - Local
- Max Road Drainage - Local
- Corrigan Ditch - Local
- Max Road Drainage - Local
- SE Quadrant of Old Town - Local
- Master Drainage Plan – Regional Planning
- DL Smith - Regional

2019 Drainage Projects - \$28,498,000

- Piper Road – Local
- Mimosa Acres – Local
- Willowcrest Subdivision – Local
- West Lea Subdivision – Local
- Hickory Slough Detention Pond Phase II - Regional

- These are a list of voter-approved general obligation bond projects.
- The creation of a new dedicated stormwater fee could have had the potential to fund these projects through cash or revenue bonds versus general obligation bonds

Current Limitations



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- Continually receiving unfunded mandates regarding stormwater. Stormwater Management Plan (5-year) permit requires additional monitoring, testing and permitting.
- City has development-installed underground stormwater systems to maintain which continue to grow
- **General Fund has limited funding for maintenance activities and identified local drainage projects**
- All drainage projects are voter approved bonds which limits schedule and timing of projects
- The Stormwater Utility Fee would be utilized to fund the needed maintenance and begin the funding of needed drainage projects

Commercial Examples



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- Single Family Home = approx. 2,800 sq ft impervious cover = 1 equivalent residential unit (ERU)
- Commercial = total impervious cover/2,800

Commercial Type	Equivalent Residential Unit (ERU)
• Grocery Lg – 303,000 sq.ft	108.2
• Grocery Sm – 83,000 sq.ft	29.6
• Churches – 40,000-73,000 sq.ft	14.2-26
• Apartments – 364,000 sq.ft	130
• Restaurant – 32,000 sq.ft	11.4
• Retail Lg – 420,000 sq.ft	150
• Retail Mid – 170,000 sq.ft	60.7
• Retail Sm – 74,000 sq.ft	26.4
• Sm commercial – 24,000 sq ft	8.5

\$5.00 Fee Proposal (Example #1)



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- Single Family Home = approx. 2,800 sq ft impervious cover = 1 equivalent residential unit (ERU)
- Commercial = total impervious cover/2,800
 - Commercial estimated at 50,000 sq ft
- \$5.00/month/ERU

Type	Number of Meters	Drainage Fee/month	ERU	Total revenue
Residential	34,000	\$5.00	1	\$2,040,000
Commercial	3,000	\$5.00	17.9	\$3,214,285
TOTAL				\$5,254,285
Less O&M Cost				(\$3,061,000)
Fund Balance				\$2,196,200
Cash fund CIP and Equipment (50%)				\$1,096,600
CIP Debt Fund (50%)				\$1,096,600

\$5.00 Fee Proposal (Example #1)



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	FISCAL YEAR				
	2020	2021	2022	2023	2024
Operations: Existing Staff, contracts					
Sub-Total	\$ 2,374,285	\$ 2,494,000	\$ 2,620,000	\$ 2,751,000	\$ 2,889,000
Operations: Proposed Staff, contracts					
Sub-Total	\$ 945,000	\$ 1,081,000	\$ 1,094,000	\$ 1,108,000	\$ 1,122,000
Capital equipment needs					
Sub-Total	\$ 350,000	\$ 230,000	\$ 430,000	\$ 230,000	\$ -
Capital Projects (Cash Fund)					
Sub-Total	\$ 1,585,000	\$ 1,450,000	\$ -	\$ 50,000	\$ 130,000
Capital Projects (Debt Fund)*					
Sub-Total	\$ -	\$ -	\$ 1,110,000	\$ 1,110,000	\$ 1,110,000
TOTAL	\$ 5,254,285	\$ 5,255,000	\$ 5,254,000	\$ 5,249,000	\$ 5,251,000

\$7.50 Fee Proposal (Example #2)



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- Single Family Home = approx. 2,800 sq ft impervious cover = 1 equivalent residential unit (ERU)
- Commercial = total impervious cover/2,800
 - Commercial estimated at 50,000 sq ft
- \$7.50/month/ERU

Type	Number of Meters	Drainage Fee/month	ERU	Total revenue
Residential	34,000	\$7.50	1	\$3,060,000
Commercial	3,000	\$7.50	17.9	\$4,821,485
TOTAL				\$7,881,485
Less O&M Cost				(\$3,061,000)
Fund Balance				\$4,820,400
Cash fund CIP and Equipment (50%)				\$2,410,200
CIP Debt Fund (50%)				\$2,410,200

\$7.50 Fee Proposal (Example #2)



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	FISCAL YEAR				
	2020	2021	2022	2023	2024
Operations: Existing Staff, contracts					
Sub-Total	\$ 2,374,285	\$ 2,494,000	\$ 2,620,000	\$ 2,751,000	\$ 2,889,000
Operations: Proposed Staff, contracts					
Sub-Total	\$ 945,000	\$ 1,081,000	\$ 1,094,000	\$ 1,108,000	\$ 1,122,000
Capital equipment needs					
Sub-Total	\$ 350,000	\$ 230,000	\$ 430,000	\$ 230,000	\$ -
Capital Projects (Cash Fund)					
Sub-Total	\$ 4,212,200	\$ 4,076,485	\$ 1,850,000	\$ 155,000	\$ 233,000
Capital Projects (Debt Fund)*					
Sub-Total	\$ -	\$ -	\$ 1,887,000	\$ 3,637,000	\$ 3,637,000
TOTAL	\$ 7,881,485	\$ 7,881,485	\$ 7,881,000	\$ 7,881,000	\$ 7,881,000

Project Examples



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- **Hurricane Harvey Assessment**
 - **Local flooding in neighborhoods and Roads**



Josephine St/Harkey



Cullen Parkway

- 14) Reflection Bay Dr north of Shadow Creek Pkwy
- 15) Kirby Dr from Broadway St to Shadow Creek Pkwy
- 16) Southern Trails dr from CR 48 to Broadway St:
- 17) Magnolia Crossing Ln from Southern Trails Dr to Kirby Dr
- 18) Ivy Ln (Southern Trail Subdivision)
- 19) Magnolia at Kirby Dr: Intersection Flooding
- 20) CR 59 at Southgate Lake
- 21) CR 59 at Jackson Ave
- 22) SH 288 northbound frontage at north of JC Penny: Few hun
- 23) Country Place Blvd from Lambeth Dr to Mchard Rd: interse
- 24) Southdown Dr from Wentworth Dr to N Hampton Dr:
- 25) Cullen Blvd from BW8 to S President Dr
- 26) Cullen from McHard Rd to Hawk Rd

70 streets and intersections
to be evaluated

Project Examples

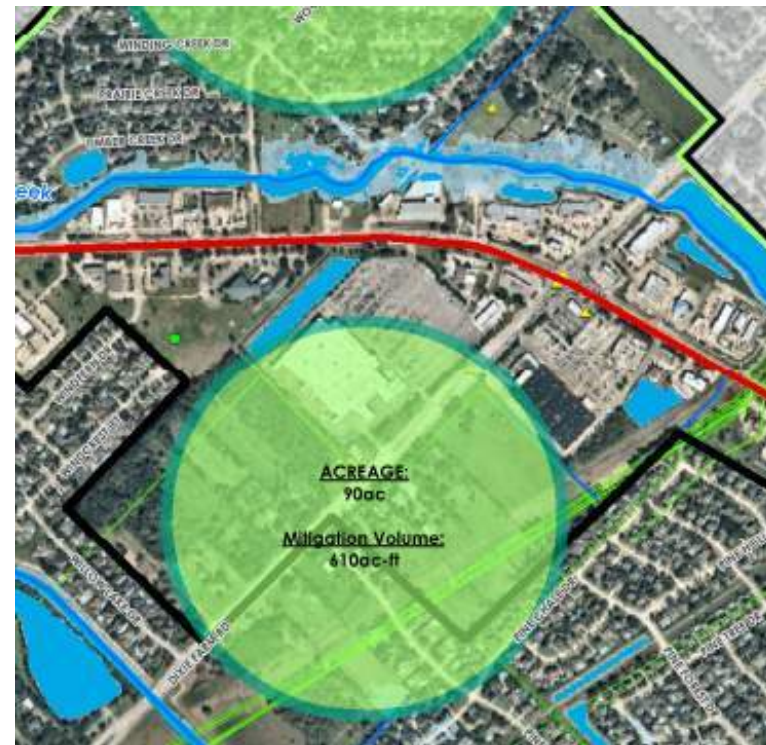


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- **Master Drainage Plan**
 - **Detention needs**



Hickory Slough



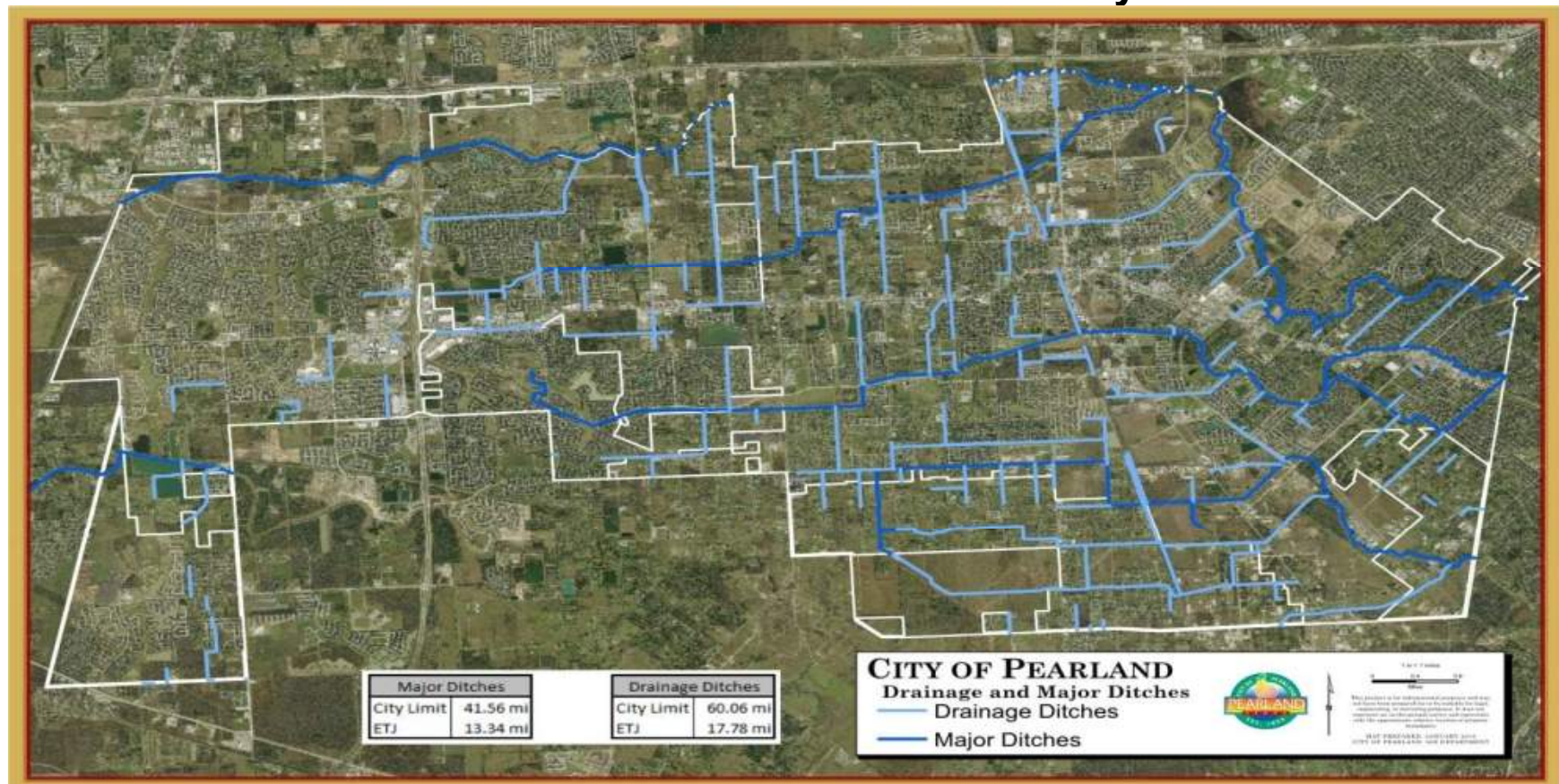
Mary's Creek

Maintenance



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- **Maintenance**
 - 60 miles of road side ditch and 310 miles of storm system



- **Historical**

- The level of staff for Drainage Maintenance has not changed over the past 3 years even as infrastructure has increased
 - Residential Development
 - New Public Infrastructure (Capital Projects)
- Storm Sewer system growth (Development)
 - 2016 – 43,000 lf
 - 2017 – 14,900 lf
 - 2018 – 29,900 lf
- Due to the high competitive nature for General Funds the operational budget has remained the same.

- **Master Drainage Plan**
 - Completed in March 2019 identified regional projects to provide a level of service to contain up to the 100-year storm event
 - Typically the City partners with BDD4 for a share of the Regional Detention costs (detention estimate \$630M for 100-year event)
 - The implementation of the fee would be able to develop infrastructure to meet a higher level of service and maintain current infrastructure
- **Allows for funding for maintenance activities and identified projects (\$5/\$7.50)**
 - \$17M/\$57M Capital Projects
 - \$19.7M/\$19.7M O&M costs General Fund
- **Staff-identified Hurricane Harvey local projects**
 - Would provide funding for up to \$7.7M/\$30M
- **Annually this will move approx. \$2.3M in General Fund for drainage maintenance to fund more Streets and Sidewalks and other priorities**

Decisions



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1. Council direction on moving forward to institute a Stormwater Utility Fee
 1. Target Fee of \$5/\$7.5 or other
2. Adopt by Ordinance or Voter Binding Referendum (advisory referendums not allowed)
 1. If by Referendum decision by August 12 to meet November Elections
3. Implementation
 - a) Hire a consultant (estimated \$150,000) to assist with the completion of the draft business plan started by staff, ordinance development, financial policy, staffing needs, project costs based MDP, educational outreach
 - b) Set implementation date/Schedule – estimated at 6-8 months to develop and implement



THANK YOU