FEBRUARY 25, 2020

FAIR OAKS RANCH

STORMWATER UTILITY 101

Kimley-Horn
Background of Drainage within the City

• The City has identified existing and upcoming drainage needs:
  • Current and future City drainage operating and maintenance expenses
  • Drainage capital projects: 2019 Master Drainage Plan identified 46 projects
  • Unfunded, mandated state and federal programs: MS4
• The City is evaluating mechanisms to fund these needs.
A Stormwater Utility is a user-fee-based funding program for a City’s drainage management activities and drainage infrastructure needs.

- Authorized by Texas Local Government Code Chapter 552
- Allows City to use General Fund for other services
Stormwater Utilities in Texas

Number of Stormwater Utilities by County

1 - 2
3 - 5
6 - 10
11 - 17
18 - 33

Number of Stormwater Utilities, By County and State, 2016

Source: Brookings analysis of WKU stormwater utility survey data.
Who will Pay Fees for the Stormwater Utility?

• Properties in the City limits.
• Mandatory exempt properties include:
  • undeveloped properties;
  • properties that don’t drain to City system;
  • a subdivision lot until a Certificate of Occupancy has been issued; and
  • property owned by a state agency or institutions of higher learning.
Stormwater Utility Billing

How utility billing works
- Based on inventory of lots and tracts within the City
- Billing cannot be based on value of property

Billing basis must be directly related to drainage
- Equitable
- Nondiscriminatory
- Reasonable

Billing basis includes
- Inventory the city
- Split the cost amongst billable parcels
Cost of Service: Examples

• Inspections, operations and maintenance
• Cost of acquisition of land, rights-of-way, easements, relating to structures, equipment, and facilities for drainage
• Repairing deficient systems
• Monitoring active construction projects for proper management of stormwater runoff and erosion
• Ensuring proper design of stormwater collection
• Preparing, planning and construction of future stormwater system upgrades and replacements and providing funding for those future needs
Steps to Develop Cost of Service

• Current and future costs to maintain and operate the stormwater utility
• Develop a strategy or business plan
• 5 year planning period
• Prioritize program goals
• Determine level of service
Basis of Stormwater Utility Rate Structure

More imperviousness

\[=\]

Increased runoff volume and flowrate

\[=\]

More use of the stormwater utility system
Equivalent Residential Unit (ERU)

- ERU = average impervious area of a single family property
- ERU is the base unit used to assess property fee.

The higher the stormwater runoff a property generates,

More Impervious = larger number of ERUs

The larger portion of use of the stormwater utility
ERUs Applied to Commercial Example

• Assume typical residential lot = 2,500 s.f. impervious area
• 1 ERU = 2,500 s.f.

Impervious area = 100,000 s.f.
40 ERUs
Example:
Impervious Area of Single-Family Properties

- Number of Single-Family Residential Properties
- Impervious Area per Property

Average impervious = 1 ERU
Example: Impervious Area of Single-Family Properties

- **Tier A**: Average impervious = 0.6 ERU
- **Tier B**: Average impervious = 1 ERU
- **Tier C**: Average impervious = 2.1 ERU

Number of Single Family Residential Properties vs. Impervious Area per Property.
Billing with Tiered Single Family Scenario

Using Previous Example:

Tier A: 0.6 ERU
Tier B: 1 ERU
Tier C: 2.1 ERU

Non-Single Family Properties

Number of ERUs per Property
Market Survey of Texas Stormwater Fees per ERU

Amarillo: $0.00
Richardson: $2.00
Prosper: $4.00
McKinney: $6.00
Houston: $8.00
Boerne: $10.00
Frisco: $12.00
Plano: $14.00
El Paso: $16.00
Mesquite: $18.00
New Braunfels: $0.00
San Antonio: $2.00
Round Rock: $4.00
Princeton: $6.00
Wichita Falls: $8.00
Fredericksburg: $10.00
Fort Worth: $12.00
Killeen: $14.00
Corinth: $16.00
Arlington: $18.00
Keller: $0.00
Lancaster: $2.00
Addison: $4.00
Austin: $6.00
Lubbock: $8.00
What’s Next?

• Determination of total impervious area (total ERUs) of billable parcels in the City
• Determine City’s Cost of Service and 5-year plan
• Determine Billing Method
• Determine Fee Structure for 5-year plan
• Finalize Fee Structure Schedule
• Prepare Ordinance
• Conduct Public Hearings
• Ordinance Adoption
• Implementation
Future Town Hall Meetings

- **Cost of Service Discussion**: Anticipated to be around March or April 2020
- **Billing Fee Structure Discussion**: Anticipated to be 1-2 months after Cost of Service Discussion
Questions?