



# City of San Antonio

## Legislation Details (With Text)

**File #:** 15-4339

**Type:** Public Hearing

**In control:** City Council B Session

**On agenda:** 9/9/2015

**Title:** A Public Hearing on the proposed rates of the monthly storm water utility fee and restructuring the billing methodology using an impervious cover approach. [Peter Zaroni, Deputy City Manager; Mike Frisbie, Director, Transportation & Capital Improvements]

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
9/9/2015	1	City Council B Session		

**DEPARTMENT:** Transportation & Capital Improvements

**DEPARTMENT HEAD:** Mike Frisbie, P.E.

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:** Public Hearing Regarding the Storm Water Utility Fee Rate Increase and Billing Restructure

### SUMMARY:

A Public Hearing will be held on September 9, 2015 at 6:00 p.m. in the City Council Chambers to allow residents and other interested parties the opportunity to provide comments to the City Council on the proposed rates of the monthly storm water utility fee and restructuring the billing methodology to be based on impervious cover. Using an impervious cover approach will provide a more equitable rate distribution and more accurately measures the use of a property's impact on the drainage system.

### BACKGROUND INFORMATION:

In response to regulations enacted by the U.S. Environmental Protection Agency ("EPA") in November 1990 requiring the City of San Antonio to develop storm water drainage plans, services, and programs, on May 13, 1993 the City Council passed Ordinance No. 77949 in order to provide funding to meet federal storm water regulations and to protect the public health and safety from loss of life and property caused by surface water overflows, surface water stagnation, and pollution arising from nonpoint source runoff within the city.

Ordinance No. 77949 established a schedule of storm water drainage fees based on the cost of providing

drainage service to benefitted properties within the San Antonio city limits and directed the San Antonio Water System (“SAWS”) to collect the drainage fees as an agent for the City using its billing system.

The storm water drainage system is not integrated into the SAWS sewer system, but is a City operated municipal separate storm sewer system (“MS4”) dedicated to providing collection and conveyance of storm water, rain water, flood water, or other surface water into area rivers and basins consistent with state and federal regulations implemented to protect surface water quality.

In addition, the storm water drainage fee funds the majority of the City’s requirements to participate in the National Flood Insurance Program (NFIP). NFIP participation requirements are mandated by the Federal Emergency Management Agency (FEMA). Participation in NFIP also allows for the citizens of San Antonio to be eligible for federally backed flood insurance and makes the City eligible to receive federal disaster assistance after a flood event.

Through Ordinance No. 86711 adopted on September 25, 1997, the City Council declared the drainage of the City to be a public utility to be known as the City of San Antonio Drainage Utility (the “Drainage Utility”), pursuant to the authority of Chapter 552, Subchapter C, of the Local Government Code, and dedicated to the Drainage Utility all present and future City owned property (real and personal), facilities, materials, and supplies constituting the City’s drainage system to be used for the purpose of the Drainage Utility.

Ordinance No. 86711 authorized the assessment on every benefitted property within the service area of the Drainage Utility, the “storm water drainage service fee”, a monthly usage fee originally created by Ordinance No. 77949.

The storm water drainage fee has been increased six times since 1993 and most recently in 2007 in order to support the Drainage Utility’s cost of service. The current rates are shown below.

Residential Rate Category	Property Area in Square Feet	Monthly Fee
Tier 1	0- 4,999	\$3.22
Tier 2	5,000 or more	\$4.25
Multi-Family Rate Category	Property Area in Square Feet	Monthly Fee
Tier 1	0- 21,999	\$7.19
Tier 2	22,000-43,999	\$22.39
Tier 3	44,000-131,999	\$67.90
Tier 4	132,000 or more	\$323.09

Commercial Rate Category	Property Area in Square Feet	Monthly Fee
Tier 1	0- 21,999	\$18.32
Tier 2	22,000-43,999	\$50.12

Tier 3	44,000-86,999	\$89.82
Tier 4	87,000-131,999	\$154.81
Tier 5	132,000 or more	\$342.03
Public Rate Category	Property Area in Square Feet	Monthly Fee
Tier 1	0- 21,999	\$18.15
Tier 2	22,000-43,999	\$49.64
Tier 3	44,000-86,999	\$89.66
Tier 4	87,000 or more	\$151.57

**ISSUE:**

While discussing a proposed increase to the storm water drainage fee during the FY 2013 budget process, Council members raised concerns about the fee’s tiered structure. City staff was asked to examine the existing fee structure in FY 2013 and to provide recommendations during the FY 2014 budget process on an alternative fee structure. In FY 2013, a consultant evaluated and benchmarked the current fee structure and recommended that the City move to a fee structure based on impervious cover. At the time of the survey, the impervious cover fee structure was being used by 55 of 91 Texas municipalities including Houston, Austin, Ft. Worth, and El Paso.

In FY 2014, a comprehensive study was funded which produced data to migrate the existing storm water drainage fee structure to a model based on impervious cover. The amount of impervious cover has a direct relationship with storm water runoff volume and rate and is a national best practice for determining drainage system usage.

The current storm water drainage fee structure does not fully take into account the impact properties have on the drainage system since it is currently based on lot size and land use and includes “rate caps”.

The goals of the revised storm water drainage fee rate structure are to improve rate-payer equity, recover the required funding to support the Drainage Utility’s cost of service, and to promote storm water best management practices.

A five-year rate has been developed to support a phase-in of increased revenue requirements and corresponding service improvements.

The effect of the revised storm water drainage fee rate structure on most residential benefitted properties will be minimal. Approximately 72% of residential benefitted properties will remain at or below their current monthly fee with the revised rate structure.

A monthly fee will be assessed among all residential benefitted properties and will be tiered based upon a range of impervious area as shown in the table below.

Residential Rate Category	Impervious Area in Square Feet	Monthly Fee
Tier 1	≤ 2,750	\$3.22
Tier 2	> 2,750 - 4,220	\$4.25
Tier 3	> 4,220	\$8.98

Non-residential benefitted properties will experience a more equitable rate treatment compared to the current rate design. Approximately 27% of non-residential benefitted properties will remain at or below their current monthly fee with the revised rate structure and 71% will increase by less than \$100 per month.

Residential benefitted properties have very similar land use characteristics unlike non-residential benefitted properties; therefore, the rate structure was developed differently.

A flat, monthly “Base Fee” of \$55.77 will be assessed among all non-residential benefitted properties and a monthly “Impervious Fee” will be assessed on a cost per square foot. The “Impervious Fee” will include multiple tiers based upon the percent of impervious area or “development intensity”.

Non-Residential Rate Category	Percent Impervious Area	Monthly Fee per 1,000 Square Feet
Tier 1	≤ 20%	\$0.25
Tier 2	> 20% - 40%	\$0.37
Tier 3	> 40% - 65%	\$0.50
Tier 4	> 65%	\$0.62

**ALTERNATIVES:**

City Council could opt not to hold this public hearing or could schedule it at another time; however, a public hearing is required prior to the adoption of any storm water utility rate increases which are scheduled to be adopted as part of the FY 2016 Budget and become effective on January 1, 2016.

**FISCAL IMPACT:**

Not applicable, this is a public hearing.

**RECOMMENDATION:**

No action is being requested at this time. This public hearing will allow citizens and other interested parties the opportunity to provide input the proposed rate increase of the monthly storm water utility fee and restructuring the billing methodology to be based on impervious cover.