City of San Antonio Storm Water Utility Fee Comprehensive Study
Stakeholders Meeting Notes/Questions
January 7, 2014; 5:30 PM

- Meeting began at 5:30 PM

- 21 Stakeholder participants present at the meeting (sign-in sheets attached)

- Stakeholders were presented with information pertaining to the City of San Antonio's Storm Water Utility Fee Comprehensive study (presentation attached)
    - Presenters were Anthony Chukwudolue, Assistant Director of Transportation and Capital Improvements (TCI) and Steve Galloway, Kimley-Horn and Associates

- Stakeholder Questions Included:

Q. What is the ERU rate?
A. It has not yet been established. The rate will be established during the process of the comprehensive study.

Q. Will only the property in the city be looked at for this study?
A. Yes, the study is only for parcels within the city limits.

Q. In determining the fee, is the City projected to create a revenue neutral system or is the City effectively trying to raise rates?
A. The goal of this fee revision is recover the cost of maintaining storm water infrastructure through maintenance and projects. Staff is currently quantifying the costs for street sweeping, repairs of pipes, and the other services funded by this fee.

Q. With the budget process starting in April, is there any idea on how often the group will be meeting? How quickly will feedback be provided to the stakeholders group? Will the City Council be involved in this process?
A. At the direction of the stakeholders group, feedback will be provided in March and either monthly or every two months thereafter until implementation of the revised fee. City staff is actively engaged with the Infrastructure and Growth Committee, a sub-committee of the City Council. Staff is briefing the Infrastructure and Growth Committee on a bi-monthly basis. Staff will brief the entire City Council in a B-Session in August 2014 to provide them with a status of this project and the feedback from this stakeholders group.

Q. What would be considered impervious cover? Would surfaces such as caliche roads next to railroads be considered impervious cover?
A. Staff is working with the consultant to finalize a definition of impervious cover. Will have to cover this in the next meeting.

Q. Is implementation of this revised fee as part of the FY 2015 Budget a hard target?
A. Yes. Based upon the schedule provided by the consultant, which was an important factor in the City selecting them, there is sufficient time to complete all of the necessary analysis to implement the revised fee structure as part of the FY 2015 Budget.

Q. What type of credits will be given to property or business owners for implementing best practices or LID's on their properties?
A. Staff is working with the consultant to develop recommendations for these types of improvements.

Q. How does the City anticipate addressing revisions to or changes in impervious cover that are to be assessed?
A. Staff is working with DSD to develop a process for making revisions, either adding or reducing fees based upon changes in impervious cover. This process will have to be finalized over the course of this project.

Q. Will there be an appeal process?
A. Yes. This process will have to be finalized over the course of the project.

Q. From a residential perspective, if the City imposes a cap on the commercial tiers, will this affect how much the residential tiers will ultimately have to pay?
A. This is something being looked at but ultimately, the goal is to reach a fair and equitable fee for all customer tiers.

- Meeting concluded at 6:23 PM

Storm Water Utility Fee Comprehensive Study
Stakeholders Meeting
January 7, 2014

Name	Organization	Contact Number
Lavera Vincent	San Antonio Restaurant Assoc.	210-734-7663
Mike Hagar	Alamo Heights ISD	210-822-3374
Steven Galloway	Kimley Horn and Assoc	972.776.1704
Trent Boarnet	Dist 10 Keller William Rlty	210-884-2353
Paul Raabe	North East I.S.D.	210-356-9339
Ivan Jaime	Union Pacific	210-200-3656
GREG SHEEN	DISTRICT 6	210 647-8727
CESAR PONCE	NORTHSIDE ISD	210 397.1290
DARREN M. VANFOSSEN	NORTHSIDE ISD	210 397 1226
Jonathan Gurwitz	KGBTexas	210-826-8894
Gabriel Garcia	COSA	210-207-2114
Hector Morales	SA Apartment Assn.	210-692-7277
Edward DeLaGarza	North Chamber / GD	210-209-9400
Bill Mock	San Antonio Chamber	210 229-2115

Storm Water Utility Fee Comprehensive Study
Stakeholders Meeting
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Name	Organization	Contact Number
GEORGE OSWALD	RPS ESPEY	512-326-5659
Linda Ximenes	Ximenes & Asso	210/354-2925
RUSSELL YEAGER	RECSA / BIG RED DOG ENG	(210) 860-9224
Marin Hume	City Council D-10	207-7063
Mary Bonavita	League of Women Voters	210-828-1368
Jim Selby	East Central ISD	210-648-7861
Delfino Villarreal	NEISD	210-407-0452
Fred Wilson	Union Pacific Railroad Co.	713-220-3224
Bob Liesman	Real Estate Council	545-1122
Lauren Sides	SA Chamber of Commerce	210-229-2160
FRANK SITERLE	Sitterle Homes/GSABA	685-7006
Jimmy McCloskey	EMBREY PARTNERS	210 307 9561

Storm Water Utility Fee Comprehensive Study

Transportation and Capital Improvements Department

Stakeholders Meeting
January 7, 2014

What is the Storm Water Utility Fee?

- Established by the City Council in May 1993
- Rate structure is based on lot size and land use
- Funds operational services related to the Municipal Separate Storm Water Sewer System (MS4) Permit
- Rate has been increased six times as follows:

Fiscal Year	2000	2003	2004	2005	2007	2008
Residential Rate	$2.29	$2.98	$3.08	$3.68	$3.93	$4.25
% Increase	15%	30%	3.36%	19.5%	6.8%	8.14%

Storm Water Operational Services and Projects

- Operational Services include:
  - Tunnel Maintenance
  - Channel Restoration
  - Channel & ROW Mowing
  - Debris Removal
  - Residential Street Sweeping
  - Infrastructure-related projects

- SAWS Services funded include:
  - Customer Billing
  - Instream Monitoring
  - Illicit Connection Inspection

Why Are We Here?

- For the FY 2013 Proposed Budget, Public Works proposed an 11.8% fee increase to fund:
  - Increase of street sweeping cycles
  - Increase of mowing cycles
  - A portion of the Leslie Rd. Service Center
- During the FY 2013 Public Works budget presentation, concerns were raised regarding:
  - Cost allocation to upper tier fees
  - The need to increase street sweeping cycles
  - Public Works was asked to examine the fee in FY 2013 and provide recommendations for FY 2014

Current Rate Structure

Table 1 – Current Stormwater Fee Schedule

Tier	Billing Unit (sq. ft)	Current Monthly Charge	Current Monthly Charge Per Acre	FY 2012 Revenue Generated
Residential				
1	0-4,999	$3.22	--	$1,456,055.12
2	5,000 or more	$4.25	--	$15,469,569.68
Multifamily				
1	0-21,999	$7.19	$35.43	$345,951.58
2	22,000-43,999	$22.39	$32.40	$42,227.03
3	44,000-131,999	$67.90	$40.20	$241,246.18
4	132,000 or more	$323.09	$37.17	$2,564,145.75
Commercial/General				
1	0-21,999	$18.32	$72.06	$1,674,810.62
2	22,000-43,999	$50.12	$69.54	$1,992,099.32
3	44,000-86,999	$89.82	$66.25	$2,237,542.48
4	87,000-131,999	$154.81	$65.85	$1,751,485.13
5	132,000 or more	$342.03	$24.77	$7,522,323.22
Public				
1	0-21,999	$18.15	$81.63	$263,095.91
2	22,000-43,999	$49.64	$60.58	$185,552.30
3	44,000-86,999	$89.66	$52.56	$264,986.92
4	87,000 or more	$151.57	$8.67	$1,766,275.38
			Total Revenue Generated =	$37,777,366.62

= Fee Tiers in Question

Findings of Pilot Project Study:

Conducted by Kimley-Horn (Jan. 2013 – May 2013)

FOCUS	FINDINGS/RECOMMENDATIONS
Current Structure Analysis: Analyze the current Storm Water Utility Fee Structure and develop options for the adjustment of the upper tiers of the multifamily, commercial and public.	1. Inequities identified in current rate structure. 2. Options were developed for an interim adjustment of the fee schedule.
Impervious Cover Analysis: Conduct a study of five pilot areas and develop a fee structure based on impervious cover maintaining current revenue levels.	1. Consultant analyzed five pilot areas. 2. Rate structure would be based on an average impervious cover for a single family-residential property of 3,250 s.f. (Equivalent Residential Unit-ERU), and a Fee of $4.06/ERU.
Benchmark Survey: Conduct a benchmark survey of other Texas municipalities.	1. A survey of municipalities in Texas identified 55 of 91 Municipalities that have storm water utility fees based on the impervious cover method.
Cost for Comprehensive Study: Determine cost of a comprehensive fee study city wide.	1. Recommended to be funded in FY 2014 Budget 2. Estimated timeline for this study - 12 months.

FY 2014 Actions

- FY 2014 Budget includes a $590K improvement to conduct a comprehensive study of the Storm Water Utility Fee – Through an RFQ process, COSA selected Kimley-Horn to complete the study
- Consultant's primary task is to utilize impervious cover data to develop a revised Storm Water Utility Fee schedule
  - Concurrent with the consultant's study, COSA is completing an internal review of operations supporting the MS4 Permit
- The findings of the internal review will be used to determine the revenue requirements used to develop the fee schedule

Consultant Discussion

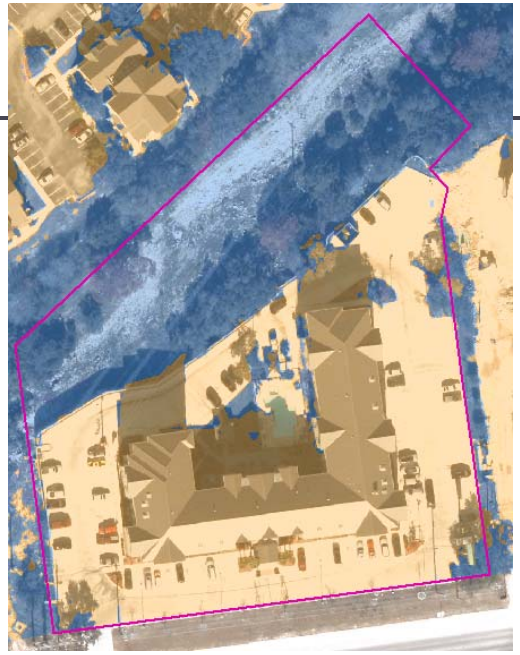
Consultant Findings of the Current Rate Structure

- State statute requires that charges must be:
  - Directly Related to drainage
  - Reasonable
  - Equitable
  - Non-Discriminatory

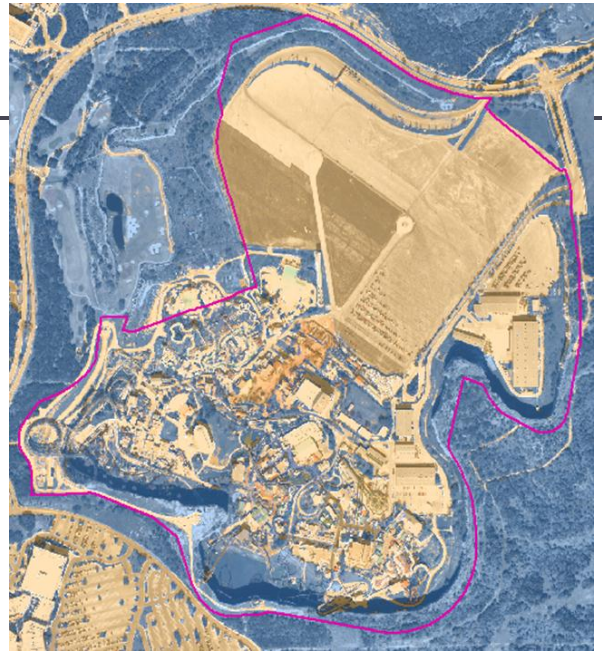
- The current billing rate structure is only based on:
  - customer classification
  - property size

Consultant Findings of the Current Rate Structure

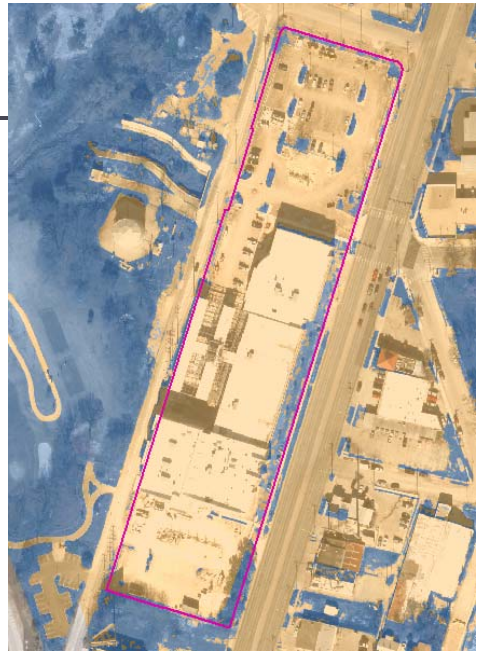
- Property SIZE does not accurately reflect storm water runoff characteristics. The tier ranges are broad with smaller properties paying the same as larger properties
- The structure does not assign customer fees equitably based on usage of the system
- Smaller customers are subsidizing large commercial, multifamily, and public properties
- The current rate structure provides poor customer equity



Property Area = 3.1 acres
Impervious Area = 1.9 acres



Property Area = 200.7 acres
Impervious Area = 121.7 acres



Property Area = 5.3 acres
Impervious Area = 4.9 acres

All currently pay same rate

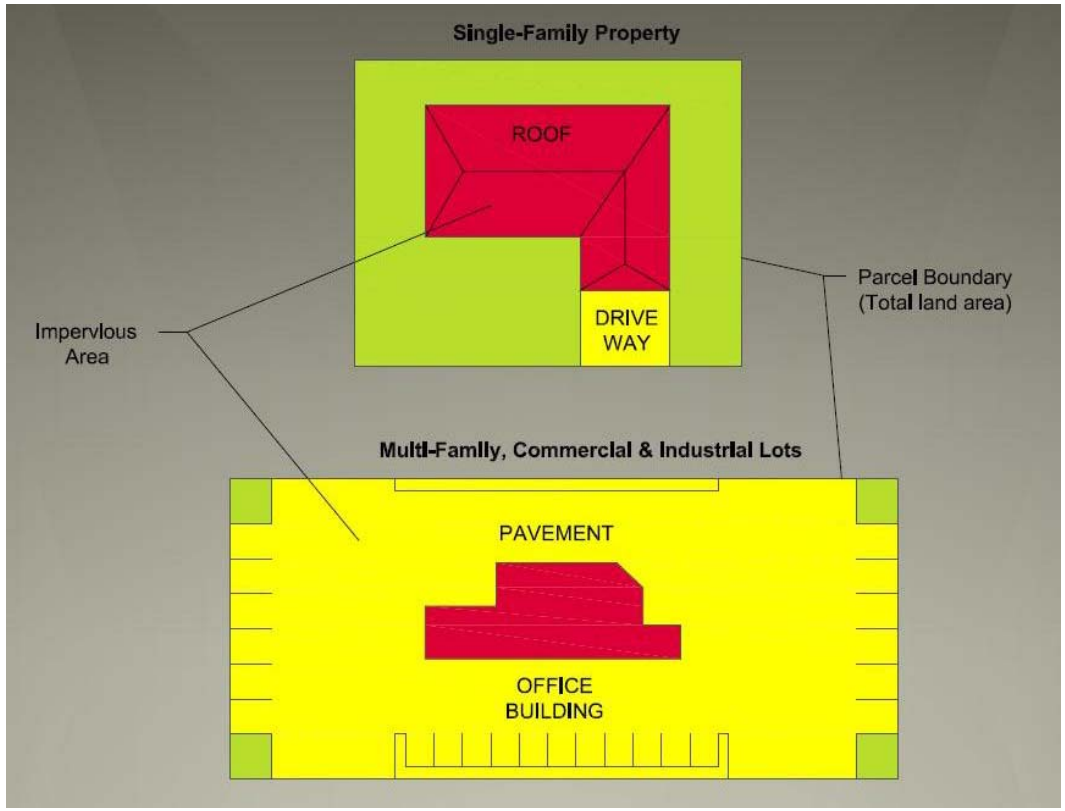
Why is Impervious Cover Important?

- The installation of impervious cover (rooftops, parking areas and driveways) directly impacts the volume and rate of storm water runoff
- The storm water runoff volume and rate are the best measures of how much the system is used
- Using impervious cover to assign utility fee is more equitable than the current system
- The majority of utilities in Texas and nationally have adopted impervious cover as the standard for the assignment of utility fees

How Would the Revised Customer Fees be Assigned?

- Impervious Area
  - Rooftops, Parking, Driveways, Walkways
  - Increases Volume & Rate of Runoff
  - Best measure of drainage system usage/demand
- Equivalent Residential Unit (ERU)
  - Average Square Feet for Single-Family Properties, ~3,250 square feet
  - Used as Billing Standard
- Rate Structure
  - SF Residential: Multiple Tiers (small, typical, large)
  - Commercial/Multi-Family/Public:
    - Custom fee assignment for each land parcel
    - Impervious Area ➡ ERU's

Utility Billing Basis Comparison

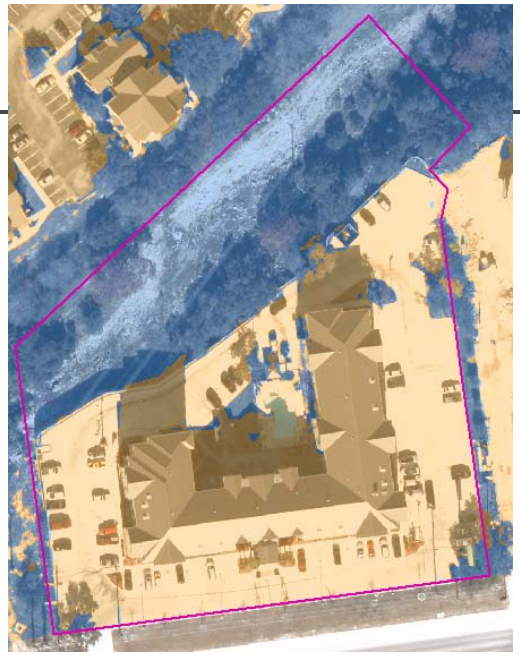


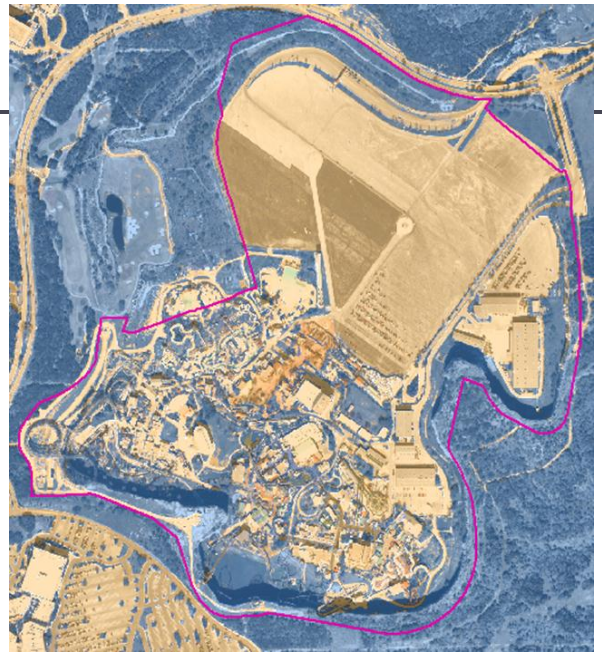
How does the City plan to Change the Fee?

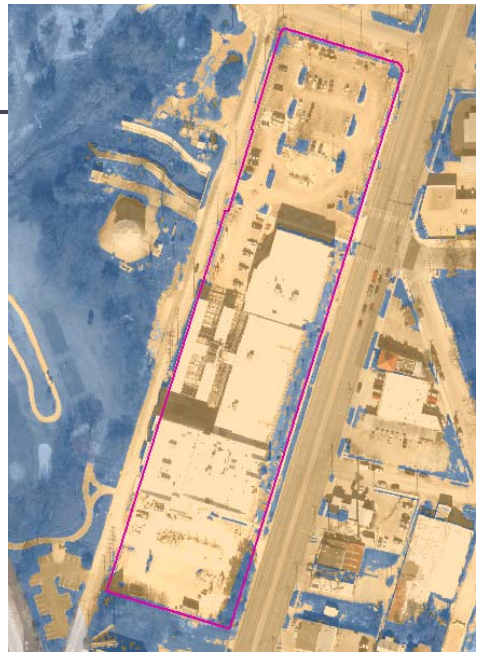
- The City is studying current development to determine total impervious cover, impervious cover per parcel, and average single-family impervious cover
- Average single-family impervious cover will be established as equivalent residential unit (ERU). Each non-single-family residential property will be assigned ERU's based on actual impervious cover

How does the City plan to Change the Fee?

- Each non-residential property will be charged based on the number of ERUs on the property. The fee for an ERU will be consistent across property types
- Stakeholder participation
  - Obtain input at the outset of the project
  - Seek ideas to improve equity in billing







Property Area = 3.1 acres
Impervious Area = 1.9 acres
26 ERUs

Property Area = 200.7 acres
Impervious Area = 121.7 acres
1,631 ERUs

Property Area = 5.3 acres
Impervious Area = 4.9 acres
65 ERUs

Rates would be assigned per ERU

Summary of FY 2014
Storm Water Utility Comprehensive Study

- The City proposes to migrate the drainage utility fee for the Fiscal Year 2015 so it is based on impervious cover
- Of the 91 Texas municipalities in Texas surveyed, **55** have drainage utility fee structures that rely on impervious area
- Other large Texas cities, such as Houston, Austin, Fort Worth, Amarillo, and El Paso base their drainage utility on impervious area; Dallas and Lubbock are in the process of moving to the impervious area standard

Impacts of Fee Structure Change

- Rates will be applied based on actual use of the system, not merely the property size – a more equitable system
- Final rates will be set following the cost of service analysis by the City and this study by the Consultant

Fiscal Year 2014 Project Timeline

Action Item	Proposed Dates
Agreement to Council	11/21/13
Consultant Completes Comprehensive Study and Fee Determination	11/22/13 - 7/7/14
Internal Study Completed by Public Works Staff	10/1/13 - 1/2/14
Review of SAWS Services/Billing System Reconfiguration	10/1/13 - 2/28/14
Stakeholder Engagement	10/16/13 - 7/16/14
FY 2015 Budget Process	4/1/14 - 10/1/14

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