

City of San Antonio Storm Water Utility Fee Comprehensive Study

Stakeholders Meeting Notes/Questions

March 18, 2014; 5:30 PM



- Meeting began at 5:30 PM
- 29 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, what is funded by the Storm Water Utility Fee, and LID credits/incentives being evaluated (presentation attached)
 - Presenter was Anthony Chukwudolue, Assistant Director of Transportation and Capital Improvements (TCI)
- Stakeholder Questions Included:
 - Q. How is impervious cover defined?
A. A working definition is found on slide 20 of the attached presentation.

 - Q. Is there a difference between this working impervious cover definition and what is in UDC?
A. Considering the work COSA has done with the FILO, it varies with the UDC as this definition provides more clarity on what is defined as impervious cover. The final definition used for the Storm Water Utility Fee will be used for UDC revisions.

 - Q. Will pavers be considered as impervious?
A. It is not necessarily the paver that is considered as impervious but more the space between the pavers and the type of material beneath the pavers.

 - Q. Are the fees only going to be used for storm water purposes?
A. Yes. As an enterprise fund, Storm Water Utility Fees can only be used to fund storm water operations.

 - Q. Will gated communities be assessed a Storm Water Utility Fee?
A. Yes. Gated communities would be assessed a fee.

 - Q. Would portable buildings be considered as impervious cover?
A. Yes. Portable buildings would be considered as impervious cover.

 - Q. What about a credit component?
A. The consultant and City staff are working to develop a credit/incentive mechanism to address changes in impervious cover. The mechanism will address LID features and their impacts on the storm water system.

 - Q. How close are we to getting the fee set?
A. Most of the impervious cover analysis should be done by the end of April; a draft fee model should be developed in May.

 - Q. When will the parcel data be available and how can one see the impervious cover calculations?
A. The data should be available in May or June. COSA is working to determine how to make this information available to the public.

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



Q. Is staff tracking to make a recommendation to City Council during a B-Session in August?

A. Yes.

Q. When City Council votes, what is the date for making the rate effective?

A. City Council has the latitude to determine an effective date for the rate.

Q. Any thought of cutting expenditures?

A. Please note that as of today, the budgeted expenditures exceed the revenues. For future consideration, staff has completed an extensive exercise to ensure that the budgets are optimized and that operations are running at their highest level of efficiency.

Q. Can the new fee be phased-in?

A. Because this is not a new fee, there is not one way to effectively phase-in the fee without affecting established services. There are some customers who will see their fee go down. Other customers will see their fee go up. Delaying or phasing-in the fee may result in some customers being charged unequally.

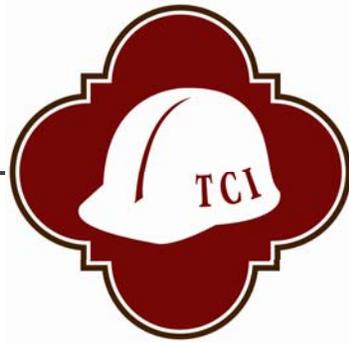
Q. For the businesses that will be affected the most, is COSA going to educate these customers in LID features?

A. We have been reaching out to a number of organizations and we are willing to meet with any group upon their request.

Q. What LID material will be available for large commercial properties?

A. As part of the development for LID credits/incentives, we are looking at what other cities have developed so that we can incorporate best practices as part of this program.

- Meeting concluded at 6:45 PM
- The next meeting is set for April 29th., at 5:30 PM

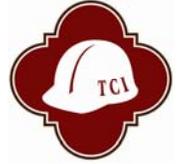


Storm Water Utility Fee Comprehensive Study

Transportation and Capital Improvements Department (TCI)



Stakeholders Meeting
March 18, 2014



Meeting Agenda

- Introductions
- Recap of January Meeting
- Description of Storm Water Funds
- Background for Fee Study
- Overview of Storm Water Operating Fund
- Cost Re-Allocation
- LID/Green Infrastructure Credits & Incentives
- Project Schedule and Next Steps



Recap of January Meeting

- First Stakeholders Meeting was held on January 7, 2014
- The meeting agenda included a discussion of:
 - An FY 2013 budget request for an 11.8% increase of the Storm Water (SW) Utility Fee that led to the pilot study
 - The findings of the FY 2013 Pilot Study which resulted in a recommendation to migrate the existing SW Utility Fee from one based on land use and parcel size to one based on impervious cover
 - The scope and implementation timeline of the FY 2014 effort to study and develop a new fee structure based on an impervious cover methodology



Description of Storm Water Funds

- Storm Water Regional Facilities Fund
 - Revenue source is the Fee In-Lieu-Of (FILO) constructing on-site detention; FY 2014 \$3.3M budgeted revenues; 7 projects
- COSA \$596M Bond Program – Storm Water Facilities
 - \$128M; 17 projects
- Bexar County Flood Control Program
 - \$500M; 52 projects within COSA limits per the Interlocal Agreement
- Storm Water Operating Fund
 - Revenue source is the Storm Water Utility Fee
 - FY 2014 Budget totals \$41M; 4 projects
 - \$39M Budgeted Revenues



Background for Fee Study

- For the FY 2013 Proposed Budget, TCI 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 TCI budget presentation, concerns were raised regarding:
 - Cost allocation to upper tier fees
 - The need to increase street sweeping cycles
 - TCI 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



Impact of Impervious Cover



Property A - 90% Impervious Cover

131,500 S.F.

Tier 4 = \$154.81

Q = 23 CFS



Property B - 30% Impervious Cover

132,500 S.F.

Tier 5 = \$342.03

Q = 13 CFS



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.	<ol style="list-style-type: none">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.	<ol style="list-style-type: none">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.	<ol style="list-style-type: none">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.	<ol style="list-style-type: none">1. Recommended to be funded in FY 2014 Budget2. 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



Overview of Storm Water Operating Fund



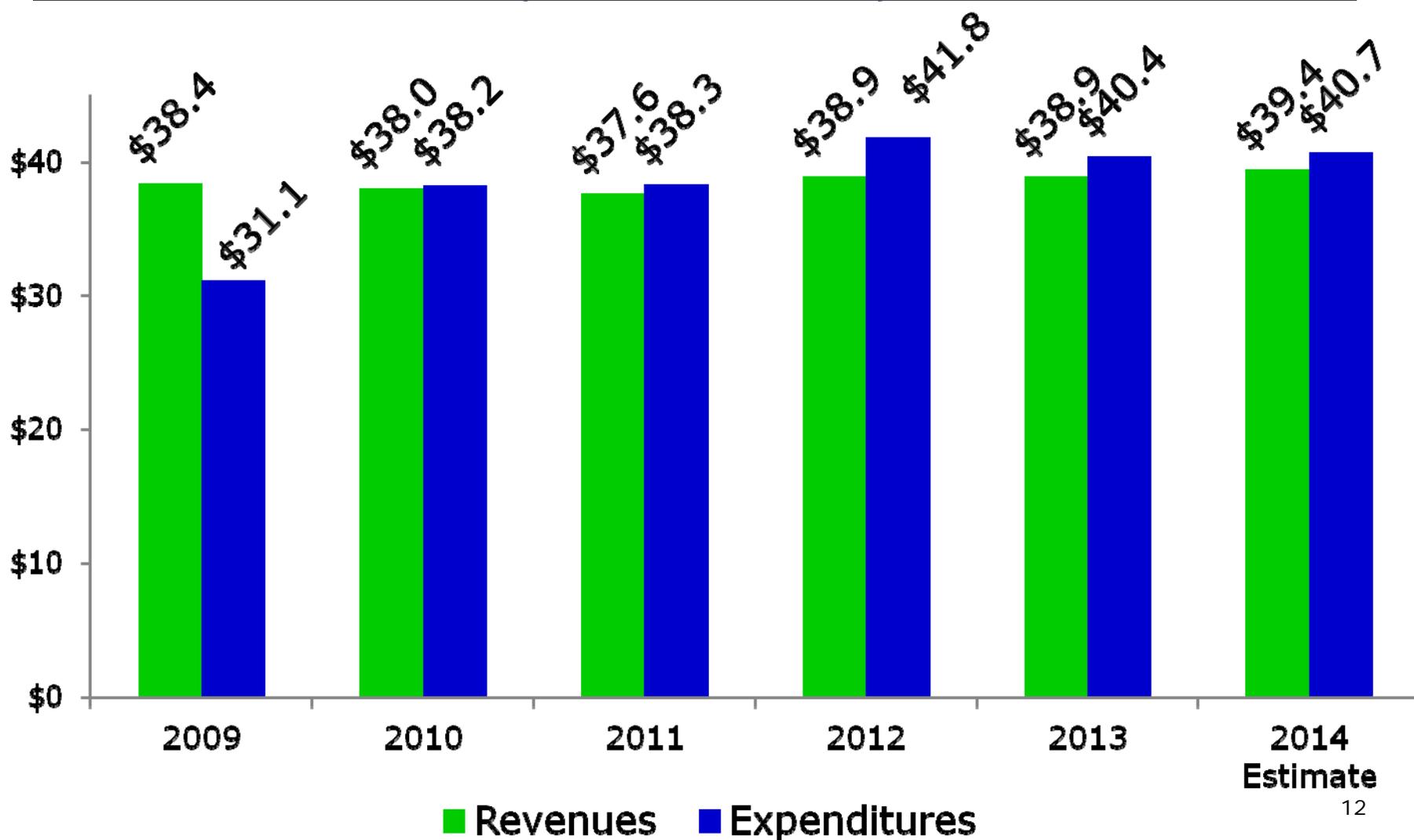
Background

- 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%



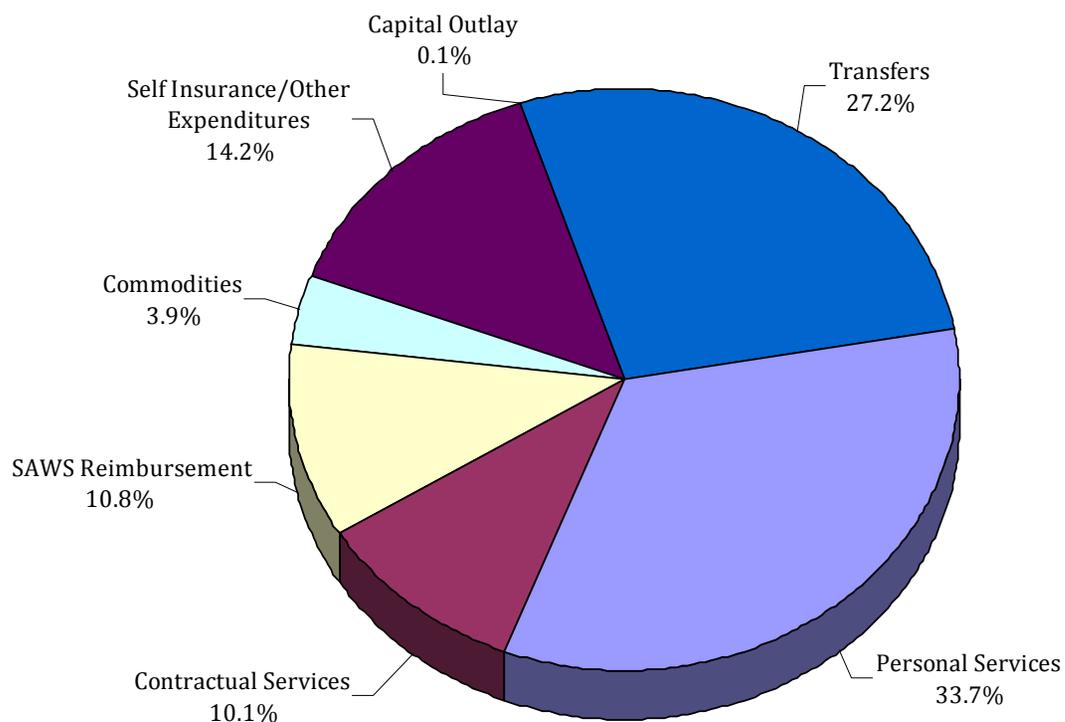
Storm Water Revenues and Expenditures (\$ in Millions)





FY 2014 Expenditure Categories

Budget Category	FY 2014 Budget
Personal Services	\$13,760,851
Contractual Services	\$4,139,056
SAWS Reimbursement	\$4,419,802
Commodities	\$1,577,835
Self Insurance/Other Expenditures	\$5,805,642
Capital Outlay	\$51,374
Total Operating Expenses	\$29,754,560
Transfer to GF Indirect Cost	\$1,270,689
Transfer to GF Other	\$966,626
Transfer to Capital Projects	\$1,726,000
Transfer to Debt Service	\$6,882,754
Transfer to Grant	\$251,758
Total Transfers	\$11,097,827
Total FY 2014 Appropriations	\$40,852,387





What is the Revenue Used For?

Services Provided	Levels of Service	% Cost Distribution	Program Cost
Tunnel Maintenance	Maintenance of 7 facilities; 15 miles of storm water pipe cleaned, televised, and mapped annually; inspection and repair of 41 high water detection sites, 54 rain gauges, and 13 flood gates	7.0%	\$2,086,331
Arterial & Collector Street Sweeping	Sweeping of 1,864 curb miles 4 times/year (7,456 curb miles annually)	3.1%	\$1,529,350
Residential Street Sweeping	Sweeping of 6,581 curb miles 2 times/year (13,162 curb miles annually)	6.1%	\$1,813,561
CBD Street Sweeping	Sweeping of 106 curb miles 363 days/year (38,478 curb miles annually)	3.1%	\$911,680
Debris Removal	56,965 cubic yards of debris annually removed	4.4%	\$1,301,446
Channel Restoration	65,934 cubic yards of debris annually removed from 3,144 acres of channels	10.2%	\$3,037,427
Concrete Repair	Average of 219 service requests completed annually	6.0%	\$1,785,996
Natural Creekway Debris Removal	60 miles maintained by contract (30 miles Leon/Salado Creeks and 30 miles of tributary creeks)	5.5%	\$1,644,374
Contractual Mowing	163 median acres mowed 24 times/year; 157 buy out acres mowed 9 times/year; 1,194 right of way acres mowed 6 times/year (12,489 acres annually)	2.0%	\$580,400
Channel Mowing/Herbicide	Drainage channels: 3,331 acres 4 times/year; 9,371 acres of herbicide sprayed	12.3%	\$3,660,230
Downed Tree Removal & Maint.	3,924 requests annually	3.8%	\$1,136,793



What is the Revenue Used For? (cont'd.)

Services Provided	Levels of Service	% Cost Distribution	Program Cost
Public Relations & Outreach	Provides education and outreach in accordance with MS4 Permit requirements	0.5%	\$136,153
San Antonio Water System	Operations performed shown on next slide	14.9%	\$4,419,802
Engineering & Contracts Management	Provides review of storm water impact on new development and ensures system meets design requirements	4.9%	\$1,471,410
Administrative & Support Costs	Provides support to operational, planning and engineering, performance and compliance , fiscal, safety, supply, HR, and fleet groups	14.1%	\$4,419,802
Capital Outlay	One-time equipment purchases	0.2%	\$51,374
Total		100.0%	\$29,754,560



Details of SAWS Services

SAWS Program	Item Description	% Cost Distribution	Program Cost
Instream Monitoring	Monitoring of 8 representative City locations to characterize the quality of storm water discharges from various land uses (residential, commercial, industrial, and highways)	4.8%	\$213,803
Industrial Site Inspection	Identifies and controls pollutants from industrial and commercial operations; includes inspections and establishes and implements control measures for storm water discharges	9.7%	\$429,259
Water Quality Modeling	Analysis and use of data to build water quality models for storm water runoff in Bexar County	1.5%	\$64,389
Illicit Connection Inspection	Identification of improper disposal of non storm water discharges to the MS4; approximately 500 field points are evaluated annually	9.7%	\$429,259
Billing & Accounting	Manages the billing and collection of payment for approximately 362K accounts; also responsible for monthly payment to COSA	35.4%	\$1,566,057
Customer Service	Responsible for maintaining, reviewing, researching, monitoring, and updating all storm water fees within COSA	11.3%	\$499,663
Legal Service	Provides legal support to Resource Protection and Compliance Department through investigations, insures adherence to appropriate operating procedures and maintains accurate records	1.1%	\$50,225
Public Education	Provides youth educations services, general media, water quality/pollution information costumer notices, and public communication	1.1%	\$49,103
Indirect Costs	Business cost incurred by SAWS not directly associated with provided services such as building maintenance and power costs	18.4%	\$811,357
Uncollectable Billing	Uncollected revenues to SAWS	7.0%	\$306,687
Total for SAWS		100.0%	\$4,419,802



Potential Cost of Service Increases

- New MS4 Permit Requirements
 - Mapping of the storm water network
 - Enhanced community outreach and education program
 - Implementation of a robust Condition Assessment Program for the existing storm water system
 - Implementation of a structured Storm Water Infrastructure Rehabilitation Program
 - Administrative support to manage implementation of the new fee methodology (impervious cover credits/incentives and maintenance of impervious cover data for customer billing)



Cost Re-Allocation

- The City/Kimley-Horn 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
- 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



Proposed Change to Impervious Cover Methodology



Impervious Cover Definition (Working Draft)

Impervious surface means any area that has been compacted or covered such that it does not readily absorb water or does not allow water to percolate through to undistributed underlying soil strata. Surface materials considered impervious shall include, but not be limited to, bricks, pavers, concrete, asphalt, compacted oil-dirt, compacted or decomposed shale, oyster shell, gravel, or granite, and other similar material. Surface features utilizing such materials and considered impervious shall include, but not be limited to, decks, foundations, (whether pier and beam or slab), buildings, roofs, parking and driveway areas, walkways, compacted or rolled areas, paved recreation areas, swimming pools, and other features or surfaces that are built or laid on the surface of the land and have the effect of increasing, concentrating, or otherwise altering water runoff so that flows are not readily absorbed.



Why is Impervious Cover Important?

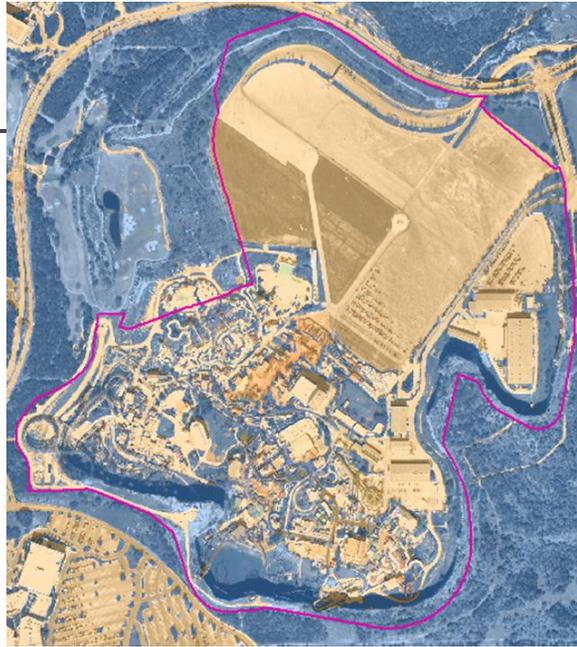
- The installation of impervious cover (rooftops, parking areas and driveways) directly impacts the volume and rate of storm water runoff
- The storm water runoff volume and rate are the best measures of how much the system is used
- Using impervious cover to assign utility fee is more equitable than 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 (Pilot Study)
 - 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

What is the Difference?



Parcel Size and Land Use-Based Fee

Property Area = 3.1 acres
 Impervious Area = 1.9 acres
Current Fee = \$342.03

***Revised Fee = \$101.84**
 (1.9 acres x 13.4 ERU =
 25.46 ERU x \$4.00 =
 \$101.84)

Property Area = 200.7 acres
 Impervious Area = 121.7 acres
Current Fee = \$342.03

Impervious Cover-Based Fee

***Revised Fee = \$6,523.12**
 (121.7 acres x 13.4 ERU =
 1,630.78 ERU x \$4.00 =
 \$6,523.12)

Impervious Cover Fee Calculation Assumptions:

- 1 ERU = 3,250 sq. ft.
- 1 acre = 43,560 sq. ft. = 43,560 sq. ft./3,250 sq. ft. = 13.4 ERU
- 1 ERU = \$4.00

Property Area = 5.3 acres
 Impervious Area = 4.9 acres
Current Fee = \$342.03

***Revised Fee = \$262.64**
 (4.9 acres x 13.4 ERU =
 65.66 ERU x \$4.00 =
 \$262.64)

***For example purposes only;
 Does not reflect recommended fees**



Current Examples of Impervious Cover-Based Storm Water Utility Fees

Arlington, TX	
Business	Storm Water Fee
Six Flags Over Texas	\$5,751.40/month
General Motors	\$8,861.80/month
AT&T Cowboys Stadium	\$6,569.00/month
Avg. Residential ERU	\$4.25/month

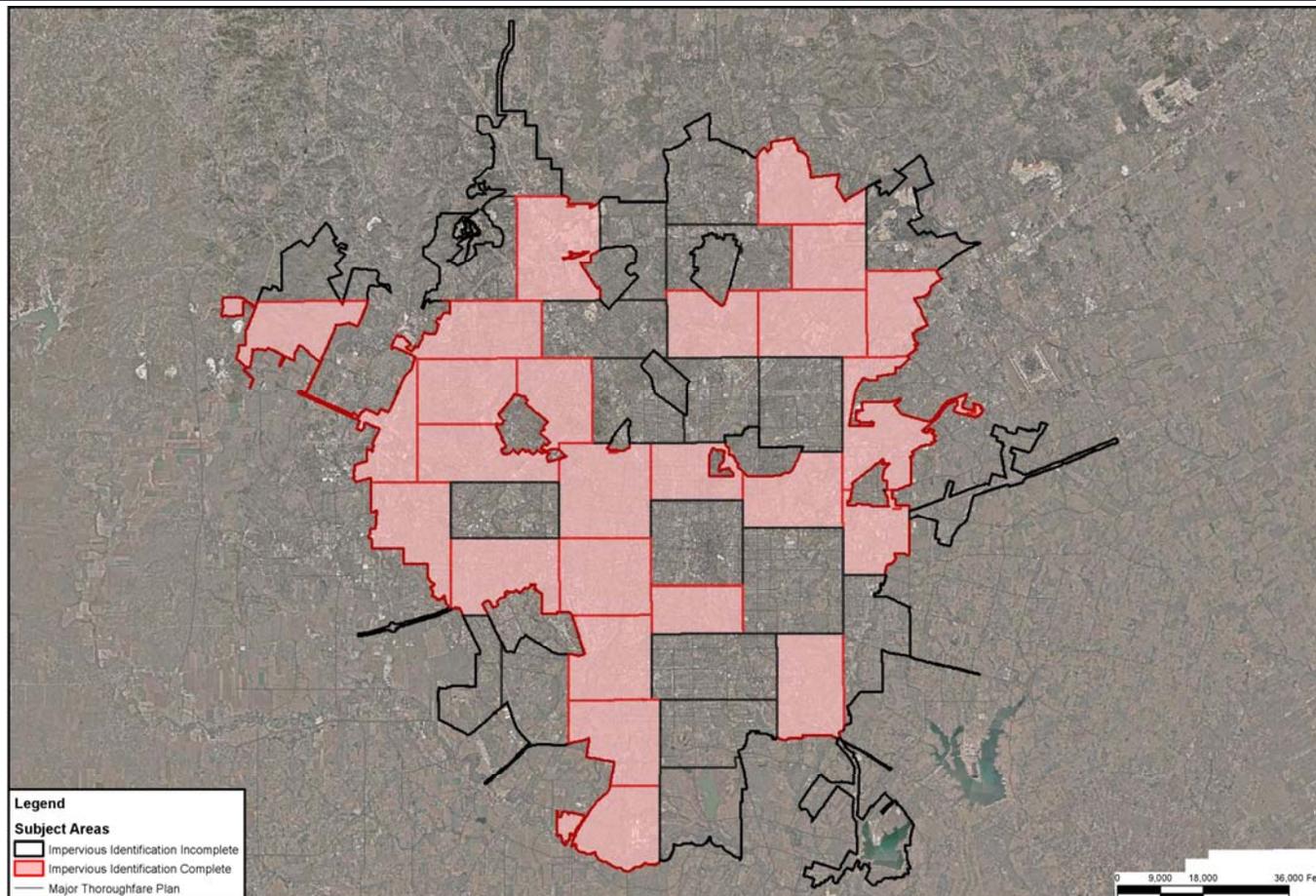
Houston, TX	
Business (Address)	Storm Water Fee
¹ Mercedes-Benz of Houston Greenway (3900 SW FWY)	\$707.39/month
¹ HEB (1701. W. Alabama)	\$606.91/month
¹ Camden Midtown Apartments (702 Hadley)	\$328.23/month
¹ Texas Land & Cattle (11960 Dickinson)	\$122.17/month
² Residential (curb and gutter street)	3.20¢/sq. ft./month

¹ Source: <http://verify.rebuildhouston.org/prod/mydrain.htm>

² Source: <http://www.rebuildhouston.org/images/pdf/fee-schedule-final.pdf>



Impervious Area Update



- Consultant has identified impervious cover for approximately 53% of the City

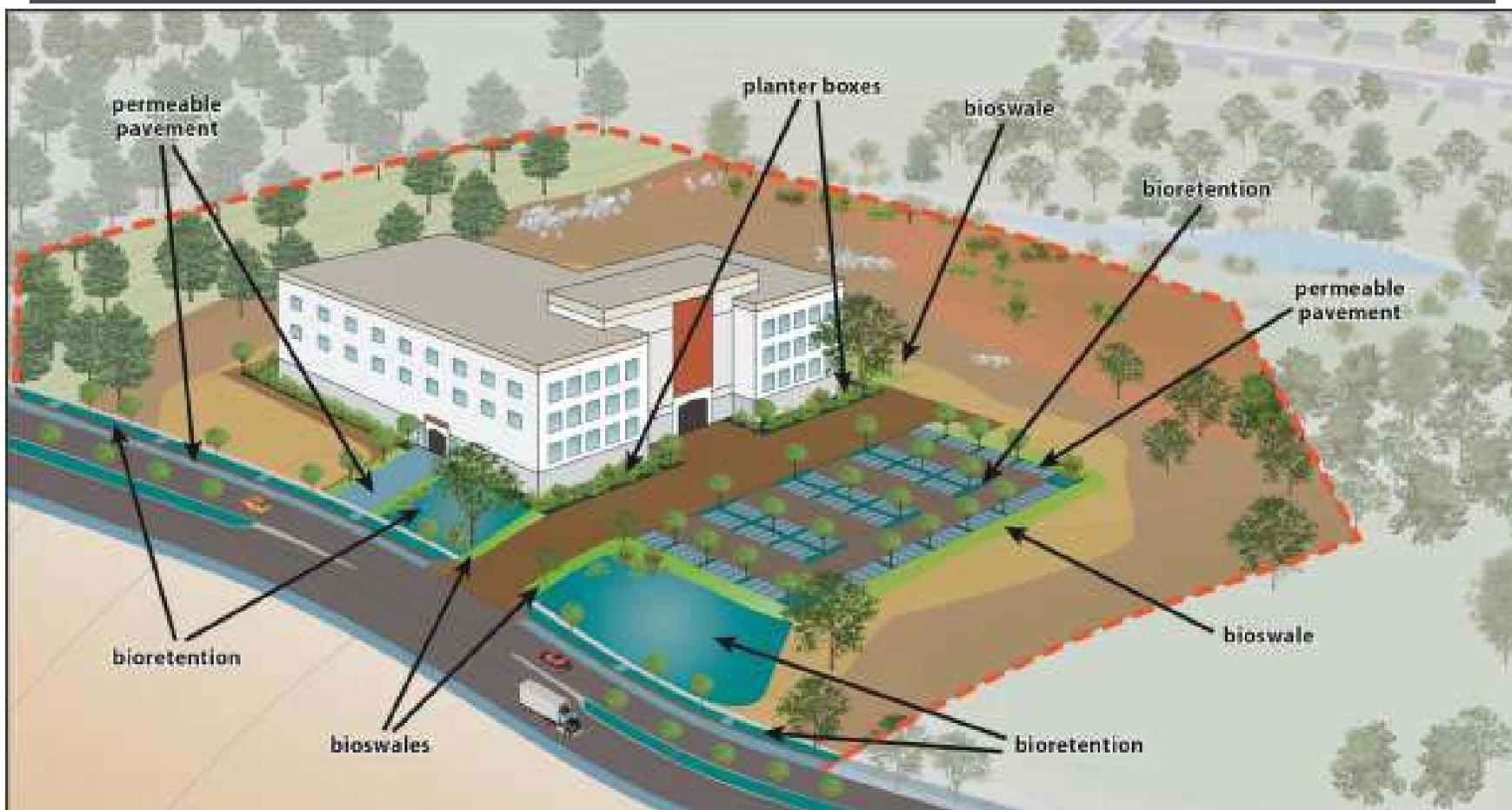


Customer Credits/Incentives

- Why?-Promote *voluntary* installation of on-site Green Infrastructure/Low Impact Development storm water control measures (GI/LID)
- Properly designed and constructed GI/LID:
 - Reduces storm water runoff
 - Enhances groundwater recharge
 - Improves water quality
- Customer Drainage Utility fee is reduced
- Customer assumes responsibility for design, construction, and long-term operations and maintenance



Examples of GI/LID Control Measures



- Rain Gardens/Bio-Retention
- Bio-Swales
- Permeable Pavement
- Vegetated Swales
- Sand Filters
- Constructed Wetlands/Wet Ponds
- Conservation Design



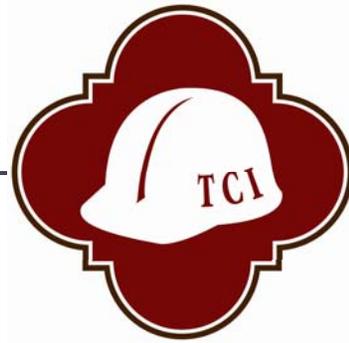
Credit/Incentive Program Principles

- Applicable only for activities that *exceed* minimum City UDC requirements
- Requires customer application and approval by City
- Application subject to periodic renewal
- City or self annual-inspection required
- Available only to non-residential customers, may be expanded in the future to residential customers
- Must have sound fiscal basis and preserve utility revenue



Project Schedule and Next Steps

Action Item	Project Dates
Stakeholder & Council Committee Briefings	Mar. 2014
Internal Study Completed by TCI Staff	Mar. 2014
Impervious Cover Analysis	Apr. 2014
Complete Consultant Analysis – Draft Fee Recommendations	Mar. - May 2014
Begin FY 2015 Budget Process & City Manager Briefing	Jun. 2014
Consultant Finalizes Recommendations	Jul. 2014
Council Briefing – “B” Session	Aug. 2014
Council Action – Budget Approval – Adopt New Ordinance	Sept. 2014



QUESTIONS

Storm Water Utility Fee Comprehensive Study
Transportation and Capital Improvements Department

Sign-In Sheet

Stakeholders Meeting 3/18/14

Ricardo De la Cruz	NIST	397-1228
Diane Hoskins	PEPP	862-8300
Lavera Vincent	SARA	734-7663
Delfino Villarreal	NEISD	407-0452
Julio Alonzo	ECTSD	649-1007
Paul Raabe	NEISD	356-9339
Dave Walsworth	D-9	844-5112
Fred Wilson	Union Pacific RR FredWilson@up.com	713-220-3224
José Maria González	SA Hispanic chamber	210 225 0462
Hector Morales	SA Apartment Assn.	210 - 692-7797
Steve Richmond	SA Restaurant Assoc.	734-7663
Trent Boerner	Dist 10	210-884-2353
Russell Yeager	RECSA	(210) 860-9224
Cesar Ponce	Northside ISD	397. 1215
Lauren Sides	SA Chamber of Commerce	229-2140
Roy A. Kiona	PEPP	342-6700
STEVE GRAHAM	SARA	302-3622
GRBG SIBTM	DIST 6	647 8727
Marsha Meredith	CEAC	391-5196

James Henderson	City of San Antonio Economic Dev.	207-6055
Jim Selby	East Central ISD	648-7861
VALRUIZ	SAWS	233-3323
CHRIS CHAY	EAST CENTRAL ISD	210-648-7861
Gabriel Garcia	COSA - Office of City Attorneys	210-207-2114
Jonathan Gornitz	KERTexas Communications	210- 876 8871
REY CHAVEZ	SAN ANTONIO MANUFACTURERS ASSOC	(210) 979-7530
CHRISTINE KRUEGER	BOMA	210-602-5825
Bob Lisman	PEPP	515-1122
April Alousev	COSA TCI	207-8034
Ivan Jaime	Union Pacific	200-3656
Edward DeLutz	GD/North Chamber	209-9400
MARGARET DAY	ALAMO SIERRA CLUB	829-5632