TRANSPORTATION & CAPITAL IMPROVEMENTS

Storm Water Utility Fee
Comprehensive Study

Stakeholder Meeting
September 23, 2014

AGENDA

- Storm Water Utility Fee Background
- Comprehensive Study
- Next Steps
- Sub-committee Meetings
- Alternative Options
- Open Discussion

OVERVIEW OF THE STORM WATER UTILITY FEE

- Established in 1993
- Rate structure based on lot size and land use
- Funds operational services related MS4 Permit
- Adopted Municipal Drainage Act in 1997 and codified rate structure
- Rate has been increased 6 times

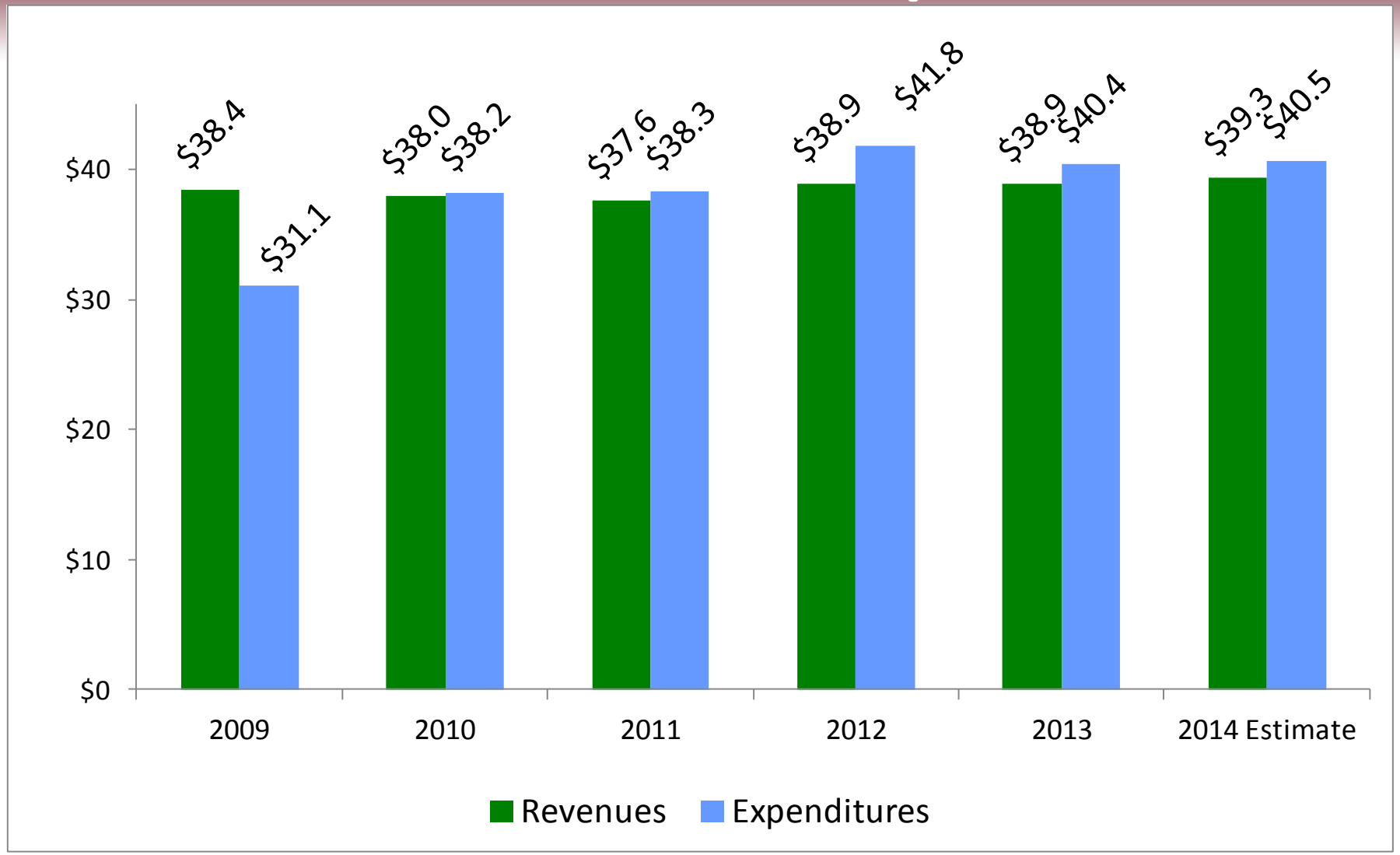
Fiscal Year	2000	2003	2004	2005	2007	2008
Residential Rate	$2.29	$2.98	$3.08	$3.68	$3.93	$4.25
% Increase	15%	30%	3.36%	19.5%	6.8%	8.14%

FY 2014 EXPENDITURE CATEGORIES

Cost of Service (Operating Expenses)	FY 2014 Budget
Tunnel Maintenance	$2,246,384
Arterial & Collector Street Sweeping	$1,651,895
Residential Street Sweeping	$1,936,106
CBD Street Sweeping	$1,034,225
Debris Removal	$1,412,802
Channel Restoration	$3,133,244
Concrete Repair	$1,897,352
Natural Creekway	$1,741,771
Contract Mowing	$650,539
Channel Mowing/Herbicide	$3,782,775
Tree Removal (Rapid Response)	$1,248,149
Public Relations & Outreach	$215,950
Engineering and Contracts Management	$1,609,803
Administrative & Support Costs	$2,722,389
Capital Outlay	*$51,374*
SAWS Services	$4,419,802
Total	***$29,754,560***

Budget Category	FY 2014 Budget
Total Operating Expenses	***$29,754,560***
Transfer to General Fund	$2,237,315
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**

STORM WATER REVENUES AND EXPENDITURES ($ IN MILLIONS)



COMPREHENSIVE STUDY PROJECT GOALS

- Develop rate structure that meets funding requirements for operational services related to MS4 Permit
- Improve Equity for All Customers
  - ❑ Non-Residential Properties
    - Current structure based on land use and area
    - Customer tiers are broad, small customers pay same as larger customers in a tier
    - One square foot of land area can move a customer to a higher tier resulting in up to a 400% fee increase
    - Highest tiers have rate caps resulting in much lower fee per unit land area for very large properties, therefore other customers pay more
  - ❑ Residential Properties
    - Only two tiers, does not adequately represent wide variation in properties

IMPERVIOUS COVER METHODOLOGY AND RATE IMPLEMENTATION

Storm Water Fee Five-Year Revenue Forecast						
Fiscal Year	FY 2014	*FY 2015*	*FY 2016*	*FY 2017*	*FY 2018*	*FY 2019*
Revenue Requirement	$40.9M	*$42.0M*	*$48.3M*	*$50.1M*	*$51.3M*	*$52.6M*
ERU Rate	$4.38	*$4.56*	*$5.32*	*$5.46*	*$5.54*	*$5.62*

- No rate change in FY 2015
- Rate change required in FY 2016 to implement recommended programs and MS4 requirements

NON-RESIDENTIAL ACCOUNT IMPACT ANALYSIS

Customer Classification	Total Accounts	At or below existing fee	Impact < $100	Impact > $100 < $500	Impact > $500 < $1,000	Impact > $1,000 < $5,000	Impact > $5,000
Multi-Family	4,254	2,649 (62.3%)	1,404 (33.0%)	189 (4.4%)	12 (0.3%)	0 (0%)	0 (0%)
Commercial	16,233	13,337 (82.2%)	2,411 (14.9%)	353 (2.2%)	86 (0.5%)	39 (0.2%)	7 (0.0%)
Public	2,750	1,994 (72.5%)	381 (13.9%)	289 (10.5%)	49 (1.8%)	35 (1.3%)	2 (0.1%)
Total	**23,237**	**17,980**	**4,196**	**831**	**147**	**74**	**9**

- FY 2014 revenues (ERU 3,400 sf @ $4.38)
  - ❑ 77% at or below their current fee
  - ❑ 1% significantly impacted (increase >$500)

RESIDENTIAL ACCOUNT IMPACT ANALYSIS

Proposed Tiers	Range of Impervious Sq. Ft.	Count	ERU Rate	Monthly Fee
Tier 1	0 - 2,748	87,535	0.66	$2.89
Tier 2	2,748 – 4,129	165,377	1.00	$4.38
Tier 3	4,129 – 7,000	83,320	1.45	$6.35
Tier 4	7,000 +	10,443	2.95	$12.92
Total		**346,675**		

- FY 2014 revenues (ERU 3,400 sf @ $4.38)
  - ❑ 25% with monthly reduction of $1.36; 48% with monthly increase of $0.13
  - ❑ 24% with monthly increase of $2.10; 3% with monthly increase of $8.67

NEXT STEPS

- Continue coordinating with stakeholders
  - ❑Definition of Impervious Area
  - ❑Max Incentive/Credit of 20% for "Effective Impervious Area"
  - ❑Multi-year phase in for significantly impacted accounts (increase of $500 or more per month)
- Created technical sub-committees to address each concern
- Recommendations to City Council in FY 2015

IMPERVIOUS AREA DEFINITION

Unified Development Code

Roads, parking areas, buildings, pools, patios, sheds, driveways, private sidewalks, and other impermeable construction covering the natural land surface; this shall include, but not [be] limited to, all streets and pavement within the subdivision. "Percent impervious cover" is calculated as the area of impervious cover within a lot, tract, or parcel or within the total site being developed, divided by the total area within the perimeter of such lot, tract, parcel or development. Vegetated water quality basins, vegetated swales, other vegetated conveyances for overland drainage, and public sidewalks shall not be calculated as impervious cover.

Storm Water Utility Fee

Impervious area, for the purpose of the Storm Water Utility Fee, means any surface or subsurface of benefitted property including, but not limited to, roads, parking areas, buildings, roofs, pools, patios, sheds, driveways, private sidewalks, *compacted subgrades, compacted gravel used for vehicular traffic and/or parking*, and other impermeable construction that does not readily absorb water and has the effect of increasing storm water runoff flow rate or runoff volume.

IMPERVIOUS AREA DEFINITION

Unified Development Code

Roads, parking areas, buildings, pools, patios, sheds, driveways, private sidewalks, and other impermeable construction covering the natural land surface*; this shall include, but not [be] limited to, all streets and pavement within the subdivision. "Percent impervious cover" is calculated as the area of impervious cover within a lot, tract, or parcel or within the total site being developed, divided by the total area within the perimeter of such lot, tract, parcel or development. Vegetated water quality basins, vegetated swales, other vegetated conveyances for overland drainage, and public sidewalks shall not be calculated as impervious cover.*

"all streets and pavement"

Public roads are not considered a benefitted property.

"Percent Impervious Cover"

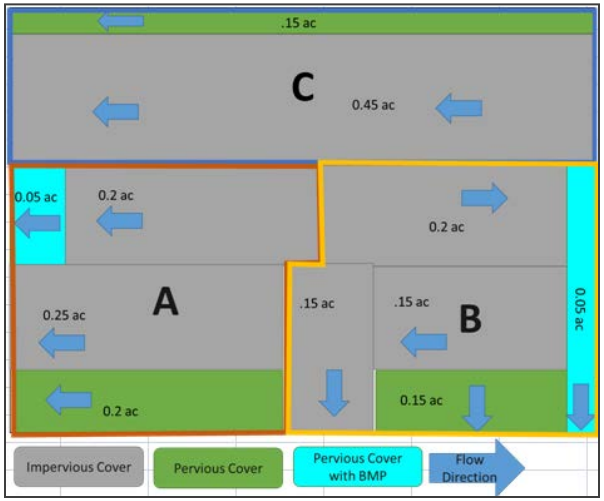
Not necessary for storm water utility regulations.

"Vegetated water quality…"

Not necessary to include exemptions in the definition.

CREDIT/INCENTIVE MECHANISM

- Coordinated with San Antonio River Authority (SARA) to develop a user friendly worksheet
- "Effective Impervious Area" using storage or conveyance BMPs
- 20% max credit



BEXAR REGIONAL WATERSHED MANAGEMENT
Partners combining resources to improve flood control and water quality

Worksheet to Determine Site Specific Effective Impervious Cover

Required Input | Calculated cells

Located in Recharge Zone	Yes			
Design Storm: 1-Hour Rain Depth	WQCV Event	1.50	inches	
			inches	
			inches	

Project Identifier: Example Calculation
Location:
Date: June 9, 2014
Owner
oject Designer For Illustration Purposes Only

SITE INFORMATION (USER-INPUT)

Sub-basin Identifier	A	B	C
Receiving Pervious Area Soil Type	Clay	Clay	Clay
Total Area (ac., Sum of DCIA, UIA, RPA, & SPA)	0.700	0.700	0.600
Directly Connected Impervious Area (DCIA, acres)	0.250	0.300	0.450
Unconnected Impervious Area (UIA, acres)	0.200	0.200	0.000
Receiving Pervious Area (RPA, acres)	0.050	0.050	0.000
Separate Pervious Area (SPA, acres)	0.200	0.150	0.150
RPA Treatment Type: Conveyance (C) or Volume (V)	V-24	V-24	V-24

CALCULATED RESULTS (OUTPUT)

Total Calculated Area (ac, check against input)	0.700	0.700	0.600
RPA Infiltration (f) (in/hr)*	0.04	0.04	0.04
Directly Connected Impervious Area (DCIA, %)	35.7%	42.9%	75.0%
Unconnected Impervious Area (UIA, %)	28.6%	28.6%	0.0%
Receiving Pervious Area (RPA, %)	7.1%	7.1%	0.0%
Separate Pervious Area (SPA, %)	28.6%	21.4%	25.0%
A_R (RPA / UIA)	0.250	0.250	0.000
I, Check	0.800	0.800	1.000
f / I for WQCV Event:	0.0	0.0	0.0
IRF for WQCV Event:	0.00	0.00	0.00
Total Site Imperviousness: I_{total}	64.3%	71.4%	75.0%
Effective Imperviousness for WQCV Event:	35.7%	42.9%	75.0%

LID / EFFECTIVE IMPERVIOUSNESS CREDITS

Total Area:	2 ac
Total Site Imperviousness:	70.0%
Total Site Effective Imperviousness for WQCV Event:	50.0%
Credit for Effective Impervious Cover Reduction:	20.0%
Minimum Volume Treatment Required:	2723 cf

* Assumes appropriate Volume of Treatment is Achieved

Notes:
* Use Green-Ampt average infiltration rate values from Table 3-3.

PHASE-IN OPTION

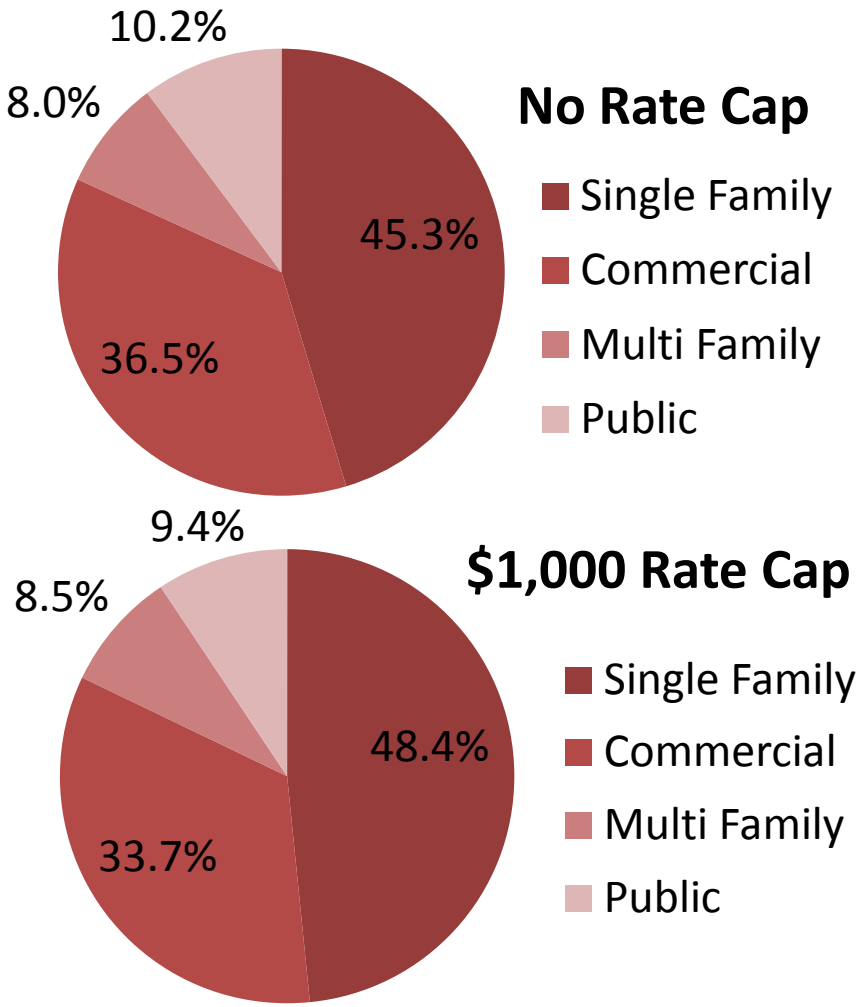
Storm Water Fee Five-Year Revenue Forecast						
	Fiscal Year	***FY 2015***	***FY 2016***	***FY 2017***	***FY 2018***	***FY 2019***
Phase-In	**Revenue Requirement**	***$42.3M***	***$48.5M***	***$50.1M***	***$51.2M***	***$52.4M***
None	ERU Rate	*$4.55*	*$5.36*	*$5.49*	*$5.58*	*$5.66*
5-Year	ERU Rate	*$4.55*	*$5.91*	*$5.93*	*$5.90*	*$5.88*

- Rate Assumption
  - ❑ 20% Max credit for 1% of existing customers and all new commercial customers

ALTERNATIVE OPTION 1

- Impervious Area with $1,000 Rate Cap (FY 2014)
  - ❑ $2,465,000 of revenue to be subsidized by others
  - ❑ 7% increase in base ERU

Customer Classification	Total Accounts	Fee > $1,000 < $5,000	Fee > $5,000
Multi-Family	4,254	4	0
Commercial	16,233	82	7
Public	2,750	47	2
Total	**23,237**	**133**	**9**



ALTERNATIVE OPTION 2

- Current Structure with Rate Increase
  - ❑ Rate change required in FY 2016 to implement recommended programs and MS4 requirements

Storm Water Fee Five-Year Revenue Forecast						
Fiscal Year	FY 2014	*FY 2015*	*FY 2016*	*FY 2017*	*FY 2018*	*FY 2019*
Revenue Requirement	$40.9M	*$42.0M*	*$48.3M*	*$50.1M*	*$51.3M*	*$52.6M*
Rate Increase	---	*0%*	*18.1%*	*3.7%*	*2.4%*	*2.5%*

ALTERNATIVE OPTION 3

- Current Structure without Acreage Cap
  - ❑ Pilot Study FY 2012 Data
  - ❑ 143 accounts > $1,000
  - ❑ 21 accounts > $5,000

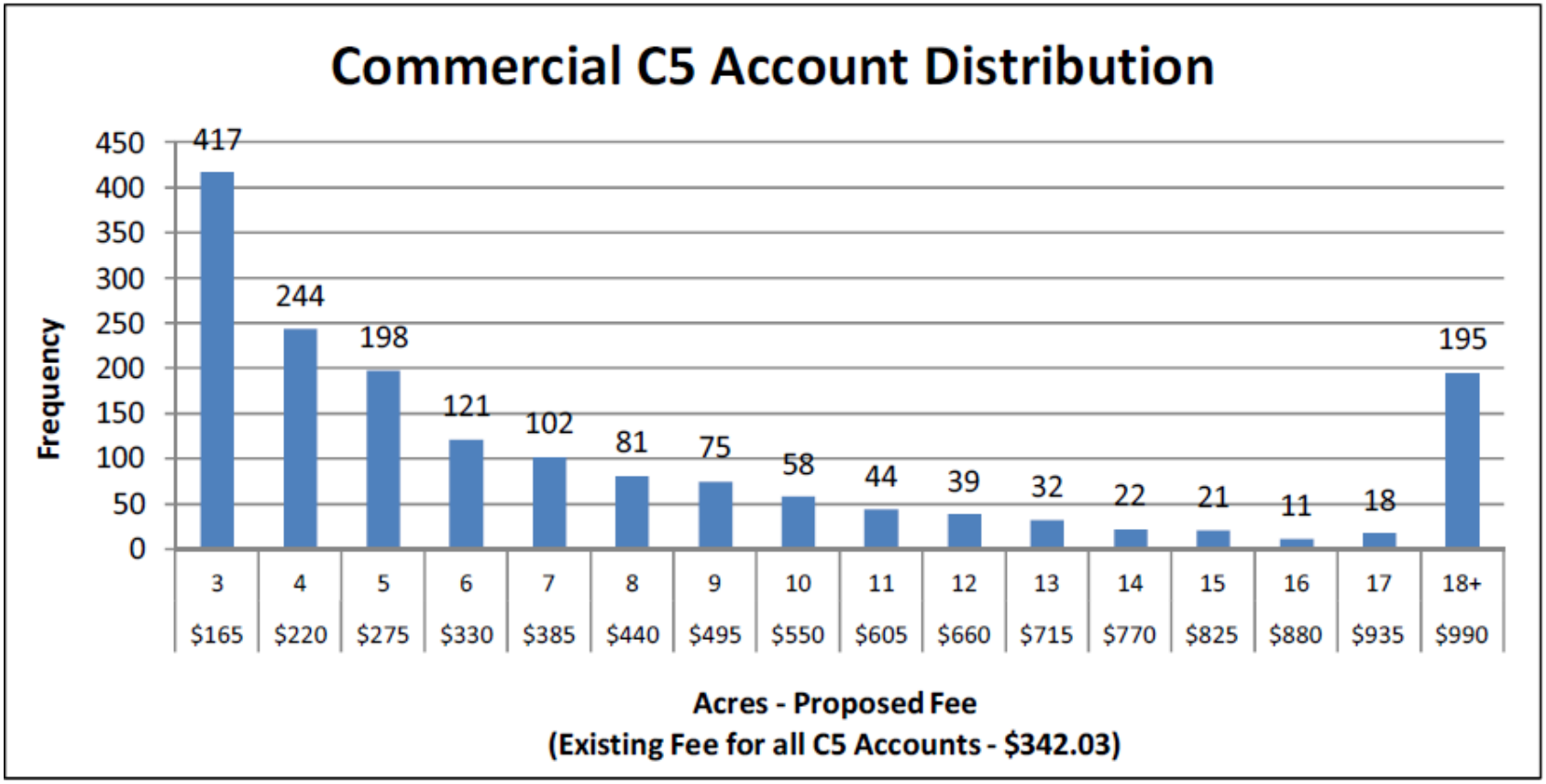
Tier	Current Fee	Alternative Fee
C1	$18.32	$10.94
C2	$50.12	$29.92
C3	$89.82	$53.62
C4	$154.81	$92.42
C5	$342.03	$37/Acre

Tier	Current Fee	Alternative Fee
M1	$7.19	$7.19
M2	$22.39	$22.39
M3	$67.90	$67.90
M4	$323.09	$40/Acre

Tier	Current Fee	Alternative Fee
P1	$18.15	$3.92
P2	$49.64	$10.72
P3	$89.66	$19.37
P4	$151.57	$12/Acre

ALTERNATIVE OPTION 4

- Current Structure with Increased Cap
  - ❑ Pilot Study FY 2012 Data



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