

STORM WATER UTILITY FEE

Notice of Public Hearing Regarding Increasing Storm Water Utility Fee

Date: September 28, 2016
Place: City Council Chambers
114 W. Commerce
San Antonio, Texas 78205
Time: 6:00PM

Background:

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, the City Council passed Ordinance No. 77949 on May 13, 1993. The Ordinance provided authority to collect drainage fees in order 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.

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 fee prior to Fiscal Year 2016 was based on lot size and land use and was last increased in Fiscal Year 2008. On September 10, 2015 after nearly a two year process and significant stakeholder outreach, City Council adopted Ordinance No. 2015-09-10-0761. The method for determining the fee was revised to be based on impervious area which has a direct relationship to the amount of storm water runoff generated from a property.

- The revised rate structure improves ratepayer equity, recovers the required funding to support the utility's cost of service, and promotes storm water best management practices.

Proposed Residential Definition Change (Section 34-7.04 "Definitions"):

To lessen the rate shock on small, multi-family customers, the following change is proposed:

- "Residential Properties" shall mean all Benefitted Properties within the Service Area used for single-family home; **duplex, triplex, quadplex properties**; or mobile home land use.
- "Non-Residential Properties" shall mean all Benefitted Properties within the Service Area, other than Residential Properties.

Proposed FY 2017 Rate Increase (Section 34-7.07 "Drainage Utility Charges"):

Ordinance No. 2015-09-10-0761 included a five-year rate increase to support a phase-in of increased revenue requirements and corresponding service improvements. The second year of the five-year plan proposes an overall revenue increase of approximately 7%.

- The Fiscal Year 2017 monthly fee for residential benefitted properties is proposed as follows:



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Residential Rate Category	Impervious Area in Square Feet	Monthly Fee
Tier 1	≤ 2,750	\$3.45
Tier 2	> 2,750 – 4,220	\$4.55
Tier 3	> 4,220	\$9.61

- Residential benefitted properties have very similar land use characteristics unlike non-residential benefitted properties; therefore, the rate structure was developed differently. The monthly fee for non-residential benefitted properties includes two components – a flat monthly “Base Fee” and an “Impervious Fee” assessed on a per square foot basis. The “Impervious Fee” includes multiple tiers based upon the percent of impervious area or “development intensity”.
- The Fiscal Year 2017 monthly “Base Fee” for non-residential benefitted properties is proposed as \$61.92. The Fiscal Year 2017 monthly “Impervious Fee” for non-residential benefitted properties is proposed as follows:

Non-Residential Rate Category	Percent Impervious Area	Monthly Fee per 1,000 Square Feet
Tier 1	≤ 20%	\$0.28
Tier 2	> 20% – 40%	\$0.41
Tier 3	> 40% – 65%	\$0.54
Tier 4	> 65%	\$0.68

For more information please visit our website at www.sanantonio.gov/stormwaterfee.

