



AGENDA ITEM SUMMARY

District Impacted

- ☐ 1 = Wolosin
- ☐ 2 = Woolard
- ☐ 3 = Tye
- ☐ 4 = Cisneros
- ☐ 5 = Handren
- ☒ X All

AGENDA DATE	January 8, 2019
DESCRIPTION	UPDATE ON PROPOSED STORMWATER UTILITY
STAFF'S RECOMMENDED ACTION (be specific)	No action necessary.
CONTACT PERSON	Jeff Thompson – Deputy City Manager Michael Mann – Utilities Director
SUMMARY	<p>Stormwater runoff in the Upper Cibolo Watershed is not a new situation. It flows from north to south and from west to east through a number of creeks, streams and tributaries based on the topography that has existed in this area as part of the Texas Hill Country (see attachment). Development both inside and outside that city limits, however, has added to the amount of water runoff volume that is moving to and through the city of Boerne which is situated at the confluence of many of the creeks and natural features. In recent years, there has been increasing focus and attention by city staff on drainage related issues within the City and citizens have voiced concerns about drainage impacts on Adler Road, Herff Road, Old San Antonio Road and Cascade Caverns Road.</p> <p>These concerns have included stormwater quality and quantity concerns, not only with existing infrastructure, but also regarding future development. The City of Boerne has a stormwater detention requirement to help manage peak flows, but total flows have increased as impervious cover has been added. Low Impact Development (LID) design requirements have recently been added as well. Many cities throughout Texas are facing similar concerns as growth continues to be strong especially between San Antonio, Austin, Dallas-Fort Worth, and Houston. Houston and other coastal cities have the added concern of periodic intense rainfall events from hurricanes.</p> <p>Because of local growth and development, significantly more public infrastructure, such as new detention facilities, has been added and will continue to be added. Ongoing and ever-increasing levels of funding for construction and maintenance of these facilities is needed, and property tax increases alone could be substantial to cover the anticipated costs.</p>

In the summer of 2018, the Council approved a professional services agreement with Kimley-Horn Associates to assist the City with the potential creation and implementation of a new Stormwater Utility. That utility would be responsible for construction and operations of drainage related projects and infrastructure, and the revenue collected for these efforts would come from a monthly fee assessed to properties within the City Limits as allowed by State Law. State owned facilities and institutions of higher learning would be exempt from the fee.

To assess fees based on impact to the drainage system, it is most appropriate and defensible to assess based on the amount of impervious cover that increases storm water runoff from each property. That is the method used by most of the Texas cities that have a stormwater utility fee. Almost all cities in the Dallas-Ft. Worth metroplex have the fee in place. Closer to home, the fee is in place in San Antonio, Austin, San Marcos, New Braunfels, & Round Rock (this list is based on a quick internet search and is not all inclusive). We have found that the size of the city is not relevant to the need to assess the fee, but rather topography and pace of growth coupled with a desire to mitigate potential negative impacts.

Below is a schedule of milestones in the scope of the professional services contract with Kimley-Horn along with anticipated completion dates.

- Completion of impervious data set – November (complete)
- Completion of cost of service – December (complete)
- Preparation of fee model – January 2019
- Project Documentation and draft ordinance completion – February
- City Council Workshop – March/April
- Adoption and implementation – As determined by City Council

The project began last summer and has been proceeding on schedule. The consultant has examined aerial photographs to assess the amount of existing impervious cover in the City of Boerne and has provided some statistics for consideration. There are approximately 5,844 developed parcels in the City, and about 4,221 of those are single family residential (houses). Over 60.8 million square feet of impervious cover has been identified, with only 18.8 million square feet being on single family home sites. This means that 72% of developed properties are single family residential sites but they only account for 31% of the impervious cover. Therefore 69% of the costs associated with the Stormwater Utility will need to be recovered

from the 28% of developed property that is commercial or other non-residential uses such as schools, churches and non-state owned governmental facilities. The average impervious cover for a residential property in Boerne is 4,600 square feet. There are several nonresidential properties with over 500,000 square feet which would result in a monthly bill of 100+ times that of a typical residential customer.

Staff has also been communicating with the consultant regarding potential methodology for appropriately assessing fees considering this information. Most cities that have the fee in place utilize a tiered system according to low, medium and high amounts of impervious cover for residential customers. Typically, these monthly fees range from \$3 to \$6 for residential properties but some are as high as \$11 (Austin) and \$16 (Lubbock). Fees for non single-family properties based on the actual area of impervious cover for each site would be much greater. State of Texas properties, such as those owned by TxDOT, are statutorily exempt. The largest amounts of impervious cover, as expected, are at large retail sites, automobile dealerships, & schools where parking lots comprise a significantly high percentage of the sites. Using \$4 per month as the rate for a single-family residence, a large (500,000 square feet of impervious cover) entity would pay a fee of about \$440 per month. Preparation of proposed fee schedules for Council review considering all the above is underway and expected to be completed by the end of January.

We will have some challenges to face in creating this new utility, most notably regarding the philosophy of how much cost to recover and revenue to collect as there is no shortage of quality drainage projects to pursue and the cost of those projects will be high. Using the example rate of \$4 per month for a typical residential property the new fees would generate about \$24,000 per month or \$288,000 annually. Full implementation of the nonresidential rate for commercial and other properties could potentially generate two to three times that amount (\$550,000-\$850,000). It may be advisable that the fees be phased in over time to avoid "rate shock". As this would be a new fee for a new utility a public awareness campaign will be needed prior to implementation to allow for public input and feedback. We anticipate the completion of documentation in February and presentation to the Council at a workshop in March or April.

In summation, the city is faced with a growing need to address drainage issues. Choices are to 1) continue as we are now addressing needs based on existing revenues or raise taxes to address additional needs; or 2) create a new Stormwater Utility to provide a new

	revenue source, collected in an equitable and projectable fashion, that allows for planning for maintenance and new projects to address the issues from a dedicated funding source.
COST	N/A
SOURCE OF FUNDS	N/A
ADDITIONAL INFORMATION	

This summary is not meant to be all inclusive. Supporting documentation is attached.