

Mayor and Council Communication

DATE: 10/29/24

M&C FILE NUMBER: M&C 24-0948

LOG NAME: 20SWM INCREASE FY25

SUBJECT

(ALL) Conduct a Public Hearing and Adopt an Ordinance Amending Section 12.5-340 “Categories of Drainage Utility Rates” of Chapter 12.5 “Environmental Protection and Compliance” of the City Code, Revising Monthly Fees Assessed for the Municipal Drainage Utility System to be Effective January 1, 2025

(PUBLIC HEARING - a. Report of City Staff: Jennifer Dyke; b. Citizen Presentations; c. Council Action: Close Public Hearing and Approve the M&C)

RECOMMENDATION:

It is recommended that the City Council conduct a public hearing and adopt the attached ordinance amending Section 12.5-340 “Categories of Drainage Utility Rates” of Chapter 12.5 “Environmental Protection and Compliance” of the City Code, revising monthly fees assessed for the Municipal Drainage Utility System to be Effective January 1, 2025.

DISCUSSION:

Due to the need for critical storm drainage pipe rehabilitation, the Transportation and Public Works Department Stormwater Management Division is recommending an increase to the monthly stormwater utility rate of \$0.33 per Equivalent Residential Unit (ERU) as a part of the Fiscal Year (FY) 2025 Budget request. An ERU equals 2,600 square feet of impervious surface. This 5% fee increase will support capital delivery for City-wide drainage pipe rehabilitation projects prioritized based on risk.

In February and June 2024, Stormwater Management Division staff met with the Stormwater Management Program Stakeholder Group to update stakeholders on the stormwater program, to discuss a potential fee increase and the proposed FY25 work efforts, and to obtain feedback. The Stormwater Management Program Stakeholder Group is comprised of community members representing residential homeowners, civic groups, developers, and large rate payers.

The following table presents the proposed fees for the four tiers of low occupancy residential property, as well as the fees for high occupancy residential/non-residential property, which includes properties such as apartments and those with commercial, industrial, and institutional land uses. For low occupancy residential property, the total amount of impervious area on the property and corresponding billing tier is estimated based on building permits or the most recent appraisal district data. For high occupancy residential/non-residential property, the fees are calculated based on an actual measurement or an estimate of the impervious area on each property using resources such as building permits and aerial photography.

Low Occupancy Residential Property (such as single family)				
Billing Tier	Billing Unit Equivalent Residential Units (ERU)	Billing Basis	Current Monthly Rate	Proposed Monthly Rate, Effective January 1, 2025
Tier 1	0.5 ERU	Up to 1,300 square feet	\$3.31	\$3.47
Tier 2	1.0 ERU	1,300 to 2,475 square feet	\$6.61	\$6.94
Tier 3	1.5 ERU	2,476 to 3,394 square feet	\$9.92	\$10.41
Tier 4	2.0 ERU	3,394+ square feet	\$13.23	\$13.88
High Occupancy Residential/Non-Residential Property				

(such as apartments, commercial, industrial, and institutional)

High Occupancy Residential/Non-Residential Property	Per ERU (2,600 square feet of impervious surface)	Estimated or measured impervious surface	\$6.61 / ERU	\$6.94 / ERU
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The fee increase will result in approximately \$60,111.00 per year in additional revenue for City property and will bring in an estimated \$2.14 million of total additional drainage utility revenue in FY25 (based on nine months of collection) and \$2.9 million of total additional drainage utility revenue in FY26.

Section 552.045 of the Local Government Code requires the City to hold a public hearing before revising and levying the drainage utility rates. Notice of the hearing, including the full text of the proposed ordinance, was published in the *Fort Worth Star-Telegram* on September 23, 2024, September 30, 2024, and October 7, 2024.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation and adoption of the attached ordinance, funds will be deposited into the Stormwater Utility Fund. The Transportation & Public Works Department (and Financial Management Services) is responsible for the collection and deposit of funds due to the City.

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