

Mayor and Council Communication

DATE: 10/31/23

M&C FILE NUMBER: M&C 23-0940

LOG NAME: 20SWM INCREASE FY24

SUBJECT

(ALL) Conduct a Public Hearing and Adopt Ordinance Amending Section 12.5-340 of the City Code, Revising Monthly Fees Assessed for the Municipal Drainage Utility System to be Effective January 1, 2024

(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 of the City Code, revising monthly fees assessed for the Municipal Drainage Utility System to be Effective January 1, 2024.

DISCUSSION:

Due to the need for critical capital improvements and increased maintenance service levels for the City’s drainage system, the Transportation and Public Works Department Stormwater Management Division is recommending an increase to the monthly stormwater utility rate of \$0.86/Equivalent Residential Unit (ERU) as a part of the Fiscal Year (FY) 2024 Budget request. An ERU equals 2,600 square feet of impervious surface. This 15% fee increase will support capital delivery for high priority, phased flood mitigation improvement projects and a 5-year plan for improved maintenance service levels consisting of increased culvert inspection and cleaning, increased channel maintenance, and more drainage pipe condition assessment, inspection, cleaning, and repair.

In February and June 2023, staff met with the Stormwater Management Program Stakeholder Group to update stakeholders on the program’s efforts, as well as to discuss and get feedback on a potential fee increase and proposed FY24 work efforts. The Stakeholder Group is comprised of community members representing residential homeowners, civic groups, developers, and large rate payers.

The table below shows what the new fee would be for the four tiers of low occupancy residential properties as well as all high occupancy residential/non-residential property, which includes properties such as apartments, commercial, industrial, and institutional land uses. The residential square footage is based on appraisal district data used as a means of estimating the total amount of impervious area on the property.

Low Occupancy Billing Tier	Billing Unit – Equivalent Residential Units (ERU)	Billing Basis	Existing Monthly Rate	Proposed Monthly Rate, Effective January 1, 2024
Tier 1	0.5 ERU	Up to 1,300 square feet	\$2.88	\$3.31
Tier 2	1.0 ERU	1,300 to 2,475 square feet	\$5.75	\$6.61
Tier 3	1.5 ERU	2,476 to 3,394 square feet	\$8.63	\$9.92
Tier 4	2.0 ERU	3,394+ square feet	\$11.50	\$13.23
High Occupancy Residential/Non-Residential Property	Per ERU (2,600 square feet of impervious	Actual impervious surface	\$5.75 per ERU	\$6.61 per ERU

surface)

The Stormwater Utility Fee increase will result in approximately \$146,879.00 per year in additional Stormwater Utility Fee payments by the City organization.

Section 552.045 (c) and (d) of the Local Government Code requires publication of any intended revision to a municipality's schedule of drainage charges three times prior to a public hearing and adoption of rates. City Staff published notification of this hearing along with the proposed ordinance in the *Fort Worth Star-Telegram* on September 22, 2023, September 29, 2023 and October 6, 2023.

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 are responsible for the collection and deposit of funds due to the City and prior to any expense or expenditure being incurred, the Transportation & Public Works Department also has the responsibility to validate the availability of funds.

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