



# STORMWATER UTILITY

## FREQUENTLY ASKED QUESTIONS

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### **What is Stormwater?**

Stormwater is water that falls to the ground during a precipitation event. When land is undeveloped or covered with vegetative surface, the water is absorbed into the ground. As properties develop, land is covered with impervious surfaces, such as buildings and paving, which are resistant to stormwater infiltration. On developed properties, stormwater runs off quickly from impervious surfaces, travels untreated through the stormwater (drainage) system and discharges to surface waters, such as rivers, lakes and streams.

The Town of Addison owns, operates and maintains a stormwater (drainage) system that includes over 50 miles of underground pipe and above-ground structures, such as curb inlets, manholes, underground pipes and surface detention ponds. As with the Town's other infrastructure systems, the Town must perform maintenance and capital improvements to the system to provide adequate capacity and maintain stormwater quality throughout the system.

### **Why is the Town considering the adoption of a Stormwater Utility at this time?**

There are a number of factors that have led the Town to consider the adoption of a stormwater utility, including regulatory obligations and growing infrastructure needs. The Town has identified a number of capital projects and significant maintenance items related to stormwater (drainage) that are not currently funded through the general fund. These projects include maintenance issues, such as the dredging and de-silting of water bodies and bridge and channel repair. The capital projects recommended are designed to address existing flooding issues and provide the capacity necessary for future development and redevelopment.

Additionally, the Town's stormwater management program is regulated by the Environmental Protection Agency (EPA) and the Texas Commission on Environmental Quality (TCEQ), as authorized by the Clean Water Act. In order to operate the stormwater (drainage) system, the Town must hold and maintain a permit with TCEQ and implement various operations and maintenance programs to comply with the permit requirements. These requirements were established to improve stormwater quality in the creeks and stream in the area. The Town is currently in the process of renewing its 5-year permit with TCEQ. The Town's expenditures that are needed to meet these obligations will grow in this next permit phase due to additional permit requirements; and that trend is expected to continue in the future.

### **Why is the Town considering establishing a Stormwater Utility and the related user fee instead of utilizing revenue generated by the property tax rate to fund stormwater-related activities?**

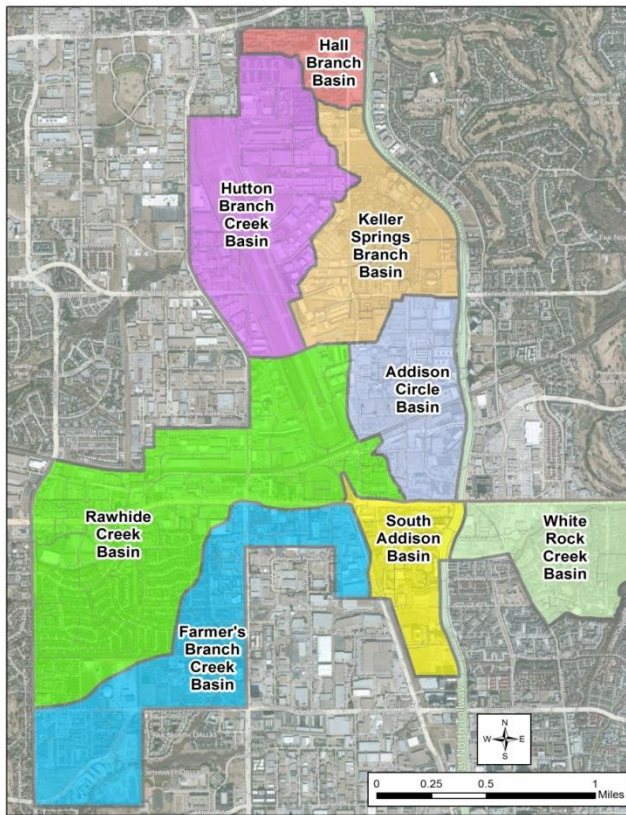
Because of recent economic pressures on the General Fund and the ad valorem tax, one of Council's strategic goals is to diversify the Town's revenue sources. The Stormwater Utility can provide a revenue stream to address necessary stormwater activities and projects that is independent of property values. The proposed fee structure will more fairly reflect the cost to build and maintain stormwater infrastructure for individual properties than the ad valorem tax, because the value of the property is not necessarily related to the stormwater runoff from the property.

If the Town were to fund the proposed stormwater activities with the ad valorem tax instead of the Stormwater Utility fee, a tax rate increase of \$0.0506 per \$100 valuation would be necessary to generate the same revenue.

## What activities and projects will be funded through the Stormwater Utility?

The revenues from the Stormwater Utility can only be spent on stormwater related activities and will provide a steady funding source for much needed operations and maintenance activities, including curb and gutter repair, maintenance of stormwater structures, and the Town's federally and state mandated stormwater quality management program.

Additionally, the proposed Stormwater Utility fee will fund capital improvements to the Town's drainage infrastructure, including drainage relief systems, detention facilities and improvements to Les Lacs and Winnwood Ponds. Revenues from the proposed rate will fund approximately \$20M in necessary drainage infrastructure improvements throughout the Town over the next 10 years. The map and table below summarize the Town's preliminary capital improvement priorities for stormwater infrastructure improvements.



Watershed	Total Cost of Identified Projects*	Cost of 10-Year Prioritized Capital Improvements*
Addison Circle Basin	\$1,916,000	Future Projects**
Farmers Branch Creek Basin	\$5,632,500	Future Projects**
Hall Branch Basin	\$1,523,500	Future Projects**
Hutton Branch Basin	\$16,422,000	\$6,464,000
Keller Springs Branch Basin	\$4,350,000	\$3,419,000
Rawhide Creek Basin	\$17,068,000	\$7,989,000
South Addison Basin	\$653,000	Future Projects**
White Rock Creek Basin	\$1,204,000	Future Projects**
City-Wide Projects	\$1,902,000	\$2,100,000
	<b>\$50,671,000</b>	<b>\$19,972,000</b>

\*Cost estimates in FY2013 dollars

\*\*Projects will be addressed in future CIP Phases

## Who would pay the Stormwater Utility fee?

The stormwater fee will be applicable to developed properties within the Town limits and will be included with the monthly water, sewer, and refuse (trash) bill. If the owner of a property normally pays for utility services on a property, the stormwater fee will be sent to the owner for payment. If an occupant, or tenant, of the property is responsible for payment of utilities, the Town considers the occupant or tenant to be responsible for payment of the stormwater fee.

However, the owner of non-residential properties will be expected to pay the stormwater fee if the property has been vacated by a tenant.

## How is the Stormwater Utility fee calculated?

**Single-family residential properties** are assigned to one of four (4) tiers based on the impervious area of the footprint of the buildings on the parcel. Tier 1 will include properties with a building footprint that is smaller than 2,000 SF in size. Tier 2 will include buildings between 2,000 and 3,399 SF. Tier 3 will include buildings between 3,400 and 4,999 SF. Tier 4 will include buildings larger than 5,000 SF. For FY2013, the proposed monthly residential stormwater fee for each dwelling unit that is located on a Tier 1 property will be \$4.80 per month, for Tier 2 will be \$8.00, for Tier 3 will be \$12.00 and for Tier 4 will be \$20.00.

**The fee for non-residential properties** (including commercial, industrial, institutional, governmental, and multi-family properties) is calculated individually for each property using the impervious area on the property. Where there are multiple tenants, the fee for a non-residential property may be allocated among tenants and their utility accounts.

The impervious area for each parcel is measured in square feet (SF) and is taken from 2011 aerial photography and/or site plans provided to the Town with the building permit application. Impervious area, or impervious coverage, is a surface (such as a building, or concrete, asphalt and compacted soil parking areas, driveways, sidewalks and storage areas) that is not covered by a natural vegetative surface and does not allow the soil to readily absorb stormwater without erosion during rainfall events.

Both the flat residential fees and individually calculated, non-residential fees for FY2013 are based on a charge of \$2.59 per 1,000 square foot (SF) of impervious area.

## Why is my monthly bill calculated based on square feet of impervious area?

When a land surface is covered by an impervious surface that will not readily absorb rainfall, the stormwater runoff volume from the property is increased. Therefore, the Town must provide stormwater drainage systems to carry the increased stormwater volume away from the property in order to prevent flooding. Additionally, impervious surfaces can also cause increased stormwater quality problems that must be addressed by the Town, such as oil, grit and other contaminants which accumulate on paved areas and are subsequently discharged into the water bodies downstream.

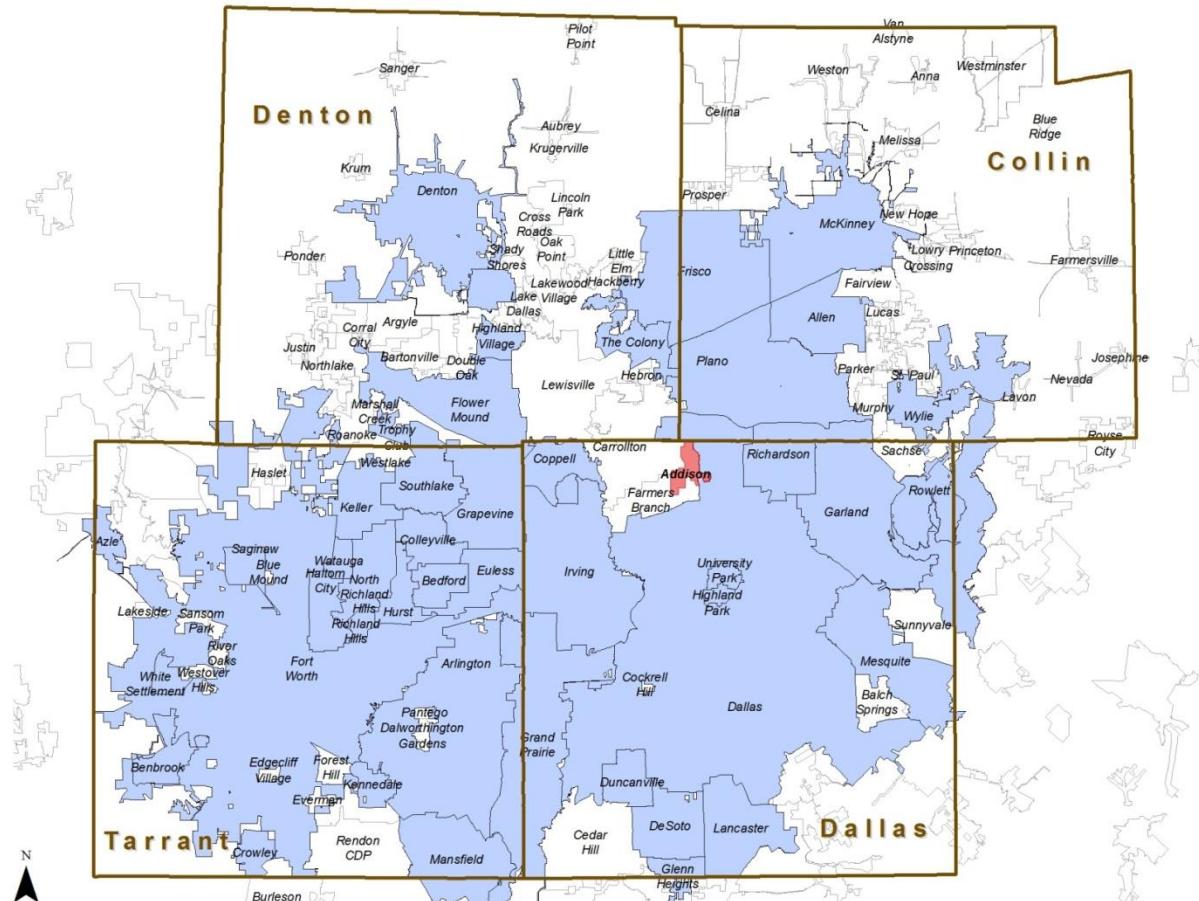


Typical engineering calculations that are used to size the infrastructure to control stormwater runoff in a watershed utilize the square footage (SF) of improved areas. The larger the amount of improved surface, or impervious area, of a property, the more impact that property will have on the size of the infrastructure needed to address the stormwater runoff problems. For example, a large commercial property with 100,000 SF of impervious area has more impact on the stormwater system than a residential property with less square feet of impervious area.

The square footage of impervious area of a property more fairly reflects the cost to build and maintain stormwater infrastructure for individual properties than property value, because the value of the property is not necessarily related to the stormwater runoff from the property.

## Do other cities in the area charge a Stormwater Utility fee?

Most cities in the DFW Metroplex have implemented a Stormwater Utility. The map below highlights in blue those cities which have established a Stormwater Utility and charge a Stormwater Fee for utility service at this time.



## Are there any properties that are exempt from paying the stormwater utility fee?

By law, the State of Texas and institutions of higher learning are exempt. In addition, Council can consider exempting other entities, including public school districts, municipalities, public agencies and religious organizations. At this time, the only exemptions recommended for consideration are the Public Rights of Way (streets, sidewalks, etc), and the Airport Common Area (the runway, taxiways and airport streets).

## Will any adjustments or credits be considered?

Any non-residential property on which measures are implemented to mitigate the quantity or quality of stormwater (drainage) runoff may be eligible for a credit against the Stormwater (drainage) Utility Fee. Measures required as part of proposed development are not eligible for a credit. Only those measures that exceed the Town's development requirements for stormwater mitigation are eligible for credit.

Additionally, credit may be applied for properties that have on file with the Town an approved individual stormwater (drainage) management permit issued by the Texas Commission on Environmental Quality (TCEQ).

## **Why will the Stormwater Utility Fee be added to the water bill?**

Addison's utility billing system currently bills all the fees for utility services provided to customers of the Town, including water, sewer, and refuse (trash) collection services. The stormwater (drainage) fee will be added to the utility bill as a separate, monthly charge. The funds collected from the fee will be accounted for in a Stormwater Utility Fund that is separate from other Town revenues. If approved, the Stormwater Utility fee for Fiscal Year 2013 will be effective November 1<sup>st</sup>, 2012 and will be added to utility bills after that date.

## **What should I do if I think that my fee is not calculated correctly?**

The single-family residential fee will be a flat rate for each dwelling unit, or ERU, and cannot be adjusted; however, the residential tier that is assigned to the parcel can be reviewed. The number of dwelling units on a property can also be reviewed.

Fee calculations for non-residential properties can be reviewed for accuracy by Town personnel. A customer can provide to the Town additional information about the impervious area from land surveys or other documents.

## **My property has multiple meters, including fire, irrigation and water meters. Will I receive a stormwater fee for each meter?**

Stormwater fees are based on the impervious area on the property and not on treated water usage. The stormwater fee will be assigned to the domestic utility account (meter) for billing purposes. Irrigation and fire accounts will not have a stormwater fee assigned.

If there is more than one occupant, the stormwater fee will be divided proportionally among the domestic accounts depending on the percentage of use by the occupant of the impervious area on the property.

## **How will the Town bill properties that do not have a water meter?**

The stormwater fee for developed properties with an impervious area but with no water account (meter) will be billed to the property owner as a stormwater only account.

## **The draft ordinance allows for transfers from the Stormwater Utility Fund to the General Fund. What instances allow for these transfers?**

The ordinance provides for transfers to the General Fund to pay for stormwater-related expenses that may have been funded through the General fund. For example, a transfer may be made from the Stormwater Utility Fund for payment of debt service for drainage improvements that was previously made from revenues in the General Fund.

## **If adopted, when will the stormwater utility fee go into effect?**

The Stormwater Utility will be considered for adoption on October 23, 2012; and if approved, the Stormwater Utility fee for Fiscal Year 2013 will be effective November 1<sup>st</sup>, 2012 and will be added to utility bills after that date.