

# Memorandum



CITY OF DALLAS


DATE March 21, 2008

TO Members of the Transportation and Environment Committee:  
Linda Koop (Chair), Sheffie Kadane (Vice Chair), Jerry R. Allen, Carolyn R. Davis, Vonciel Jones Hill, Angela Hunt, Pauline Medrano and Ron Natinsky

SUBJECT Storm Drainage Management Fee Study

The attached briefing will be presented at the March 24, 2008 Transportation and Environment Committee meeting.

Please contact me if you need additional information.



Ramón F. Míguez, P.E.  
Assistant City Manager

c: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Thomas P. Perkins, Jr., City Attorney  
Deborah Watkins, City Secretary  
Craig Kinton, City Auditor  
Judge Jay Robinson, Judiciary  
Ryan S. Evans, First Assistant City Manager  
David O. Brown, Interim Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
A.C. Gonzalez, Assistant City Manager  
David Cook, Chief Financial Officer  
Jeanne Chipperfield, Interim Director, Office of Financial Services  
Edward Scott, Interim Director, Office of Financial Services  
Chandra Marshall-Henson, Assistant to the City Manager

# Storm Drainage Management Fee Study

Presented to the  
Transportation and  
Environment Committee

March 24, 2008



# Purpose

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**Provide an overview of the City's Storm Drainage Management Utility ("Storm Water Fee") and upcoming study of the rate structure and rates**

# Briefing Outline

- History of the Storm Water Fee
- Objectives and Scope of the impending study
- Study consultant procurement
- Schedule

# Brief History of the Fee

Implemented 1991 to better position the City to address new EPA regulations regarding storm water management in the following areas:

- Illicit discharge detection and elimination
- Storm water quality enhancement
- Drainage system maintenance
- Public education/outreach directed at enhancing the quality of runoff
- Administrative and other program support necessary to comply with the City's storm water discharge permit

# Brief History of the Fee continued

## Partial List of Activities Currently / Historically Funded

- Levee maintenance
- Pump station maintenance
- Dredging
- Flood Plain Management
- GIS support
- Trash and litter removal
- Erosion control
- Maintenance of oil/sand separators
- Brush removal
- Post flood cleanup
- Parking lot cleaning/ powerwashing
- Hazardous Waste disposal
- Flood management area mowing
- Alley drainage repair
- Automated trashracks
- Storm Water Management Program
- Creek Maintenance
- Pump automation and appurtenance maintenance
- Floodway maintenance
- Storm sewer inspection, cleaning and repair
- Natural channel maintenance
- Lined channel maintenance
- Culvert repair
- Detention/retention basin maintenance
- Illegal dumping
- Hazardous spill response
- Street sweeping / sidewalk flushing
- Curb and gutter repair

## Brief History of the Fee continued

- Regulations and the cost of compliance have continued to grow particularly over the past two decades – as a result, so have the City’s annual expenses and number of activities funded
- Comprehensive study planned to assess the extent to which the City currently recovers costs of eligible costs
- Rates have been revised four times since the fee was implemented – 1994, 2000, 2003, and 2004
- Annual revenues increased from \$8.25M in FY92 (when the fee was initially adopted) to a projected \$29M this year

# History of Fees and Rates

<b>Residential Lot Size (Sq Ft)</b>	<b>1991</b>	<b>1994</b>	<b>2000</b>	<b>2003</b>	<b>2004</b>
Up to 5,000	\$1.20	\$1.65	\$1.76	\$2.07	\$2.50
5,001 - 10,000	\$1.60	\$2.65	\$2.83	\$3.31	\$3.99
10,001 - 21,800	\$2.35	\$3.85	\$4.11	\$4.81	\$5.80
21,801 - 43,600	\$4.10	\$6.75	\$7.20	\$8.42	\$10.16
More than 43,600	\$7.15	\$13.00	\$13.88	\$16.23	\$19.63
<b>Commercial</b>					
Per 100 sq. ft. of drainage area	\$0.0310	\$0.0520	\$0.0555	\$0.06560	\$0.0794
<b>Special Premise "Type Y"</b>					
Minimum Charge	n/a	n/a	n/a	\$1.05	\$1.05
Maximum Charge	n/a	n/a	n/a	\$16.89	\$20.51



# Objectives and Scope of the Study

- One of the City's Financial Management Performance Criteria is that fees are to be reviewed at least once every four years to determine extent to which full costs of associated services are recovered.
- The previous review of rates focused primarily on cost recovery for a specific list of new activities in 2004. The impending study is designed to more comprehensively assess full cost recovery of the entire drainage system.

Scope is divided into three main components:

1. Analysis and recommendations regarding expenses and costs
2. Analysis and recommendations regarding the rate structure
3. Development of a framework for a fee credit program to further incent property owners to reduce impacts on the drainage system

# Scope of the Study continued

1. Analysis of expenses and costs:
  - Current services (both fee and general fund supported) that contribute to compliance with storm water permit and regulations
  - Debt service for previous capital improvements with primarily storm water quality/quantity benefits
  - Additional water quality and quantity capital improvements to be funded by the fee (revenue bonds? Certificates of Obligation?)

# Scope of the Study continued

2. Analysis of current rate structure:
  - Legislative exemptions
  - Number of residential rate tiers
  - Runoff coefficients for commercial properties
  - Consideration of land use

## Scope of the Study continued

3. Development of credit program framework:
  - Potential incentive for property owners to reduce quality and quantity impacts on the drainage system
  - Potential incentive to encourage more sustainable development/redevelopment

Potential fiscal impacts of credit program will be included in the rate structure analysis

# Procurement Activities

- January 31<sup>st</sup> and February 7<sup>th</sup> - Business Development and Procurement (BDPS) advertised the RFP. All registered vendors were notified by email.
- BDPS contacted 25 chambers of commerce, and 2 advocacy groups (DFW Minority Business Council and Women's Business Council-Southwest).
- February 22<sup>nd</sup> - BDPS conducted pre-proposal conference

Attendees:

Black & Veatch	Camp, Dresser & McKee	CH2M-HILL
Freese and Nichols	K Bealer Consulting, LLC	Malcolm Pirnie

- March 5<sup>th</sup> - received three proposals

## Procurement Activities continued

- March 11<sup>th</sup> - all three proposers made presentations to an evaluation committee
- March 18<sup>th</sup> - BDPS provided final tabulation of scoring sheets to Public Works & Transportation

# Analysis & Recommendation

- The proposers were ranked with Black & Veatch Corporation receiving the highest score

<u>Vendor</u>	<u>Average Score</u>
Black & Veatch Corp.	94.75
Camp Dresser & McKee Inc.	86.75
Burton & Associates, Inc.	65.00

- Staff recommends award of a contract in the amount of \$96,845 to Black & Veatch.

# Schedule

- April 9<sup>th</sup> – Council Action to award contract for the fee study
- Mid-June – recommendations from the study
- Summer 2008 – City Manager’s recommendations to Council
- August 2008 – (if necessary) Public Hearings on any changes to the current rates
- October 1<sup>st</sup> – Changes in rates take effect (if applicable)





# QUESTIONS / DISCUSSION