

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

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

Residential Lot Size (Sq Ft)	1991	1994	2000	2003	2004
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
Commercial					
Per 100 sq. ft. of drainage area	\$0.0310	\$0.0520	\$0.0555	\$0.06560	\$0.0794
Special Premise "Type Y"					
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 31st and February 7th - 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 22nd - BDPS conducted pre-proposal conference

Attendees:

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

- March 5th - received three proposals

Procurement Activities continued

- March 11th - all three proposers made presentations to an evaluation committee
- March 18th - 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 9th – 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 1st – Changes in rates take effect (if applicable)



QUESTIONS / DISCUSSION