



Stormwater Utility and Fee Discussion

Agenda

Revisit Purpose and Background



Broaden Discussion of Tiered Residential Structure



Explore Exemptions & Discuss Concept of Credit Programs



Recap and Expand Discussion of Billing Methodology



Seek Direction on Next Steps



Purpose and Background

Purpose

In recent years, Burleson has continued discussions on potentially implementing a stormwater (drainage) utility and fee for three primary reasons:

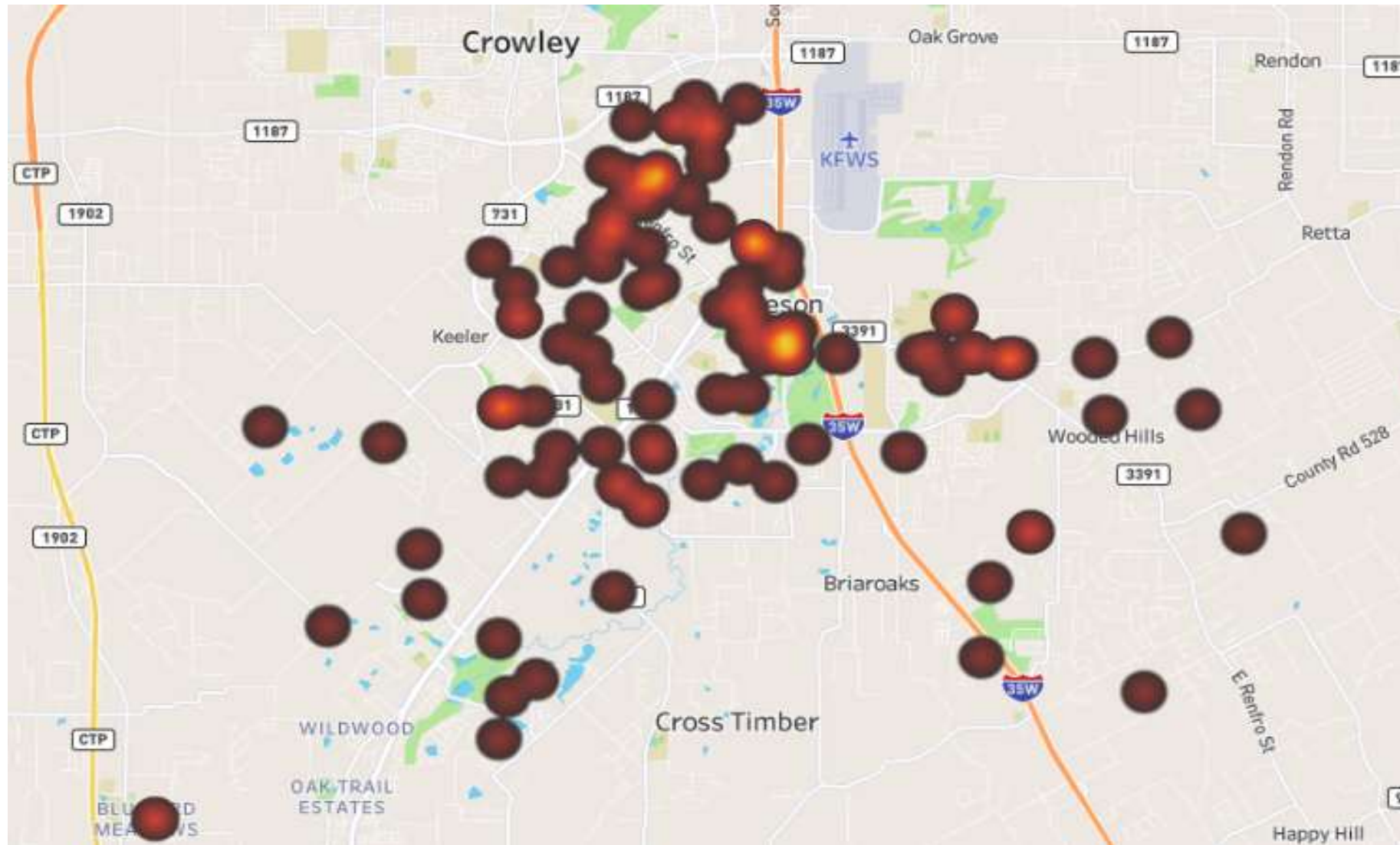
1. To address drainage needs
2. To offset projected property tax revenue shortfalls
3. To address a funding gap for growing stormwater management regulatory compliance



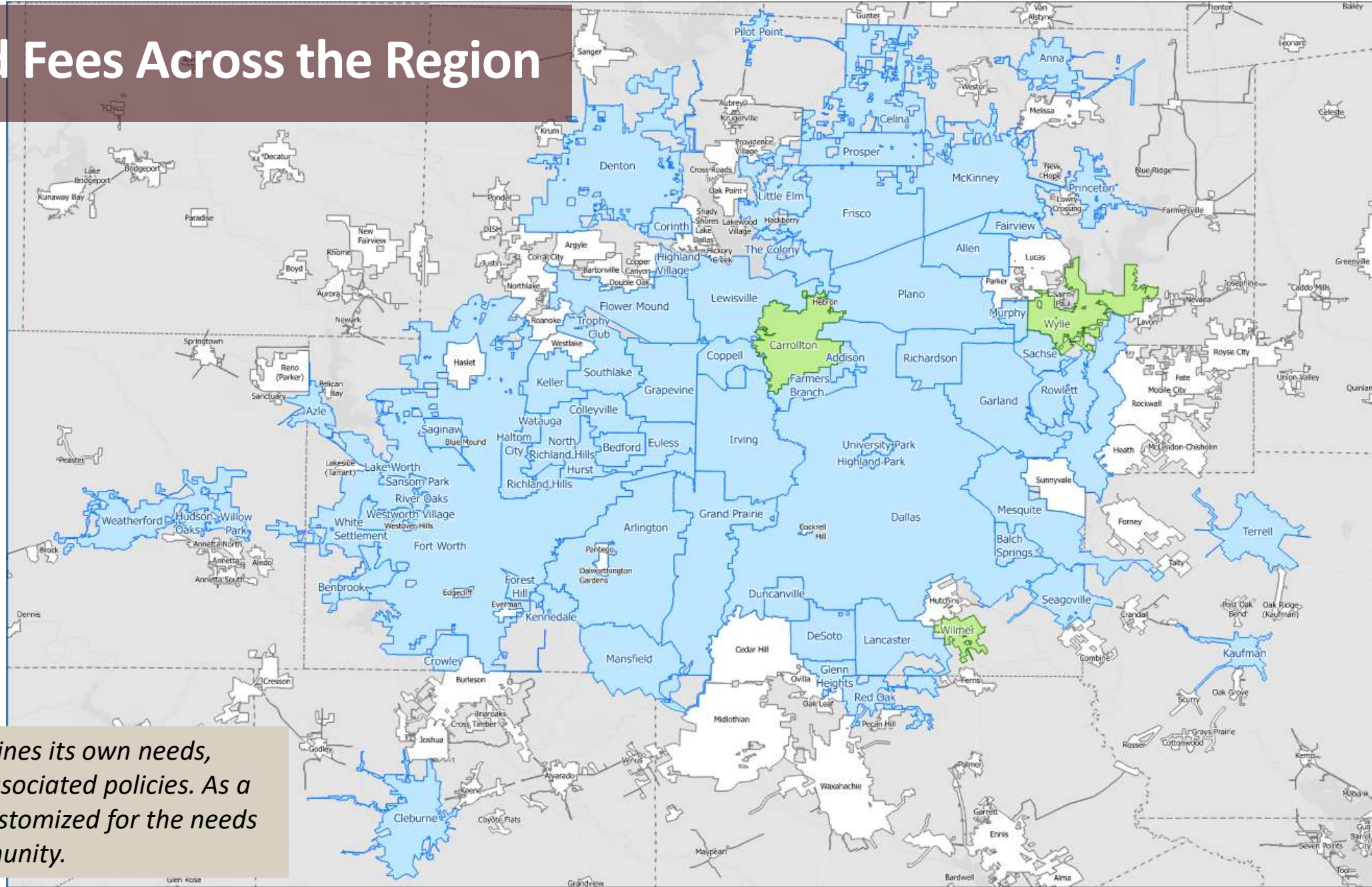
City Council decides the size a stormwater utility would be (targeted revenue to be collected).
Staff provides support for development of methodology and fee structure consistent with state law.

Drainage issues and concerns affect all areas of Burleson

112 Drainage Requests submitted to BTX 311 from April 1, 2024 - October 24, 2025



Utilities and Fees Across the Region



Note: Each city determines its own needs, structure, rates, and associated policies. As a result, each utility is customized for the needs of the respective community.

Texas Local Government Code and Utilities

Authorized by State law

Local Government Code 552, Subchapter C
(Municipal Drainage Utility Systems Act)

Dedicated funding mechanism

Directly supports costs to maintain the stormwater system

Service-based fee

- Must be reasonable, equitable, non-discriminatory
- Based on cost of providing drainage service



Burleson Property Analysis

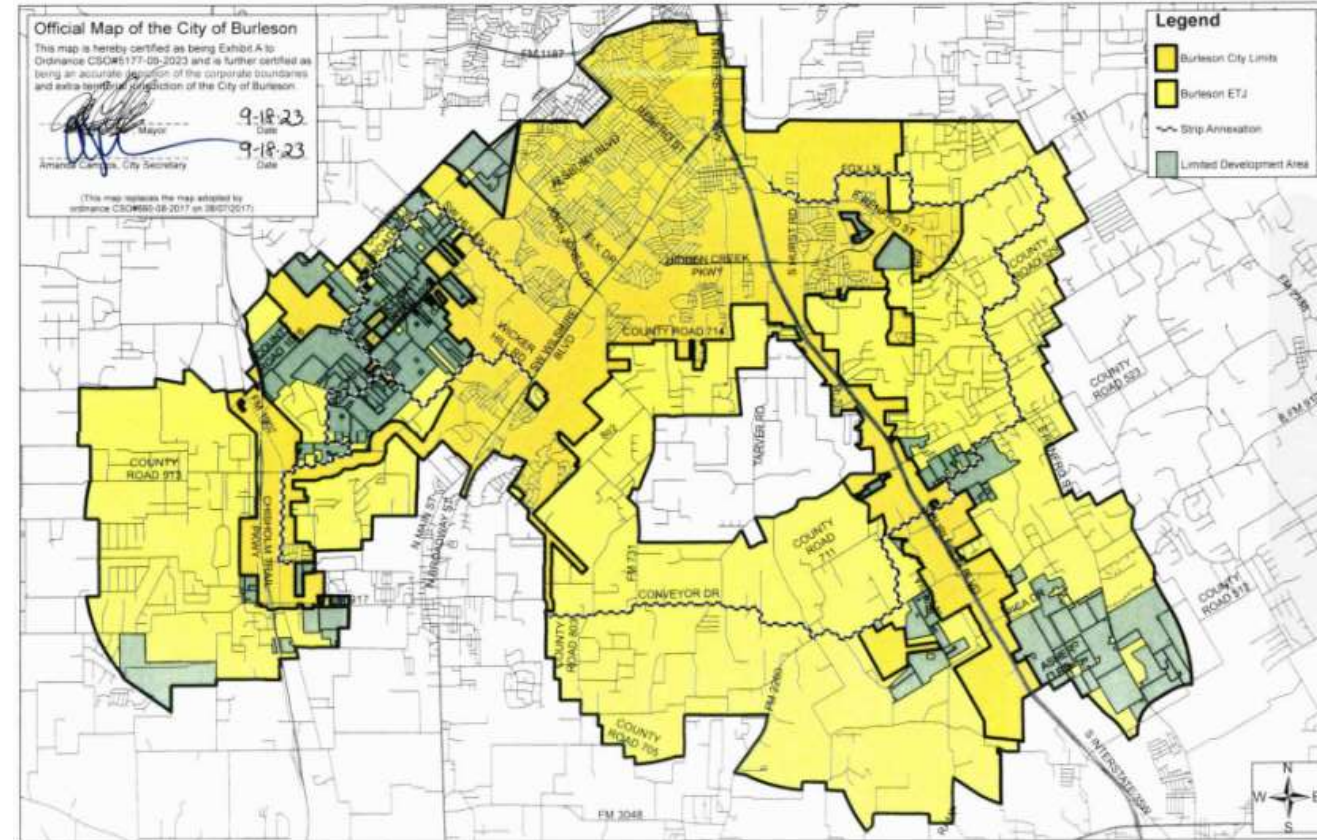


All 17,529 properties within the corporate boundaries of the City Burleson have been analyzed individually to determine impervious area for each

Results used to determine what is referred to as the “Equivalent Residential Unit” (ERU)

ERU represents the median impervious area of the overall average single-family residential property in Burleson

ERU is a standard unit of measurement allowing residential and non-residential properties to be compared / evaluated on a common basis



Single-Family Residential Property Analysis – Example Impervious Area Illustration

The fee for each property is based on that property's impervious area which is the total area covered by materials such as asphalt, concrete, brick, stone and compacted surfaces which reduce infiltration of rainfall. Impervious area on a property directly relates to how much stormwater runoff leaves the property and enters the storm drainage system that the city maintains.



IMPERVIOUS SURFACE	AREA (SF)	
Living Area	1,890	Structures
Attached Garage	450	
Covered Patio	310	
Detached Shed	250	
Walkway	80	Pavement
Driveway	360	
Patio	160	
Total	3,500	

What is an ERU? (Equivalent Residential Unit)



An ERU is a unit of measure allowing comparison of property types (single family homes, apartment buildings, restaurants, warehouses, other business, etc.)



For stormwater runoff purposes, one ERU represents the average impervious area of one single-family house (rooftops, driveways, walkways, etc.)

In Burleson,

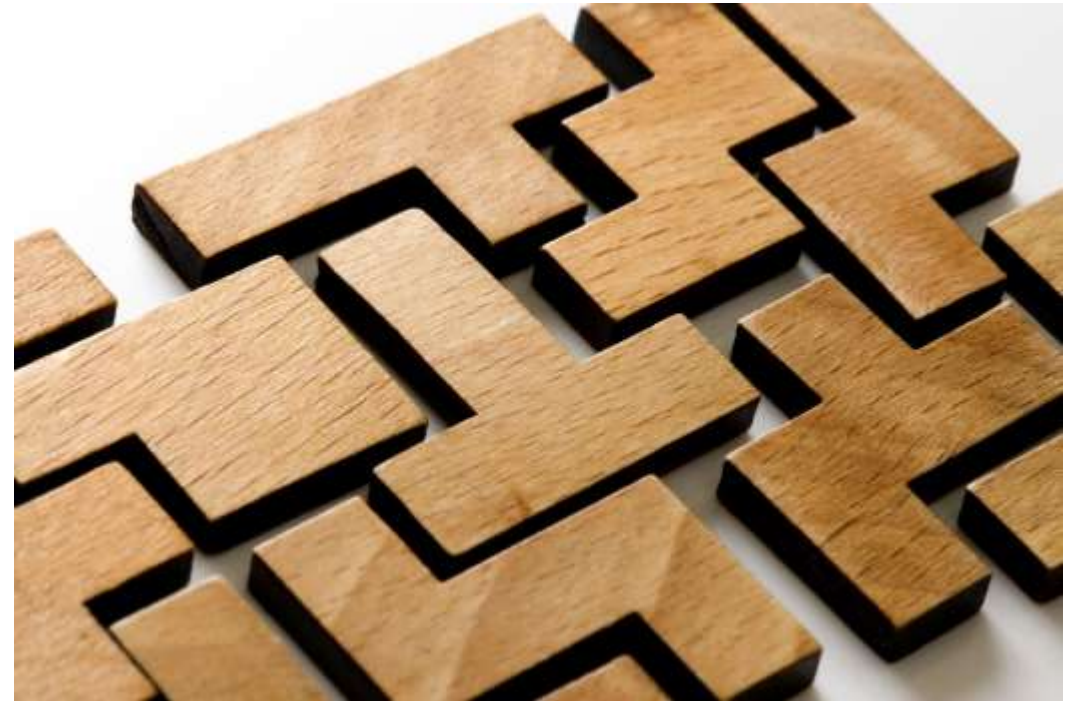
1 ERU = 3,500 sq. ft. of impervious area

ERU based on analysis of over 14,000 single-family residential properties in Burleson

Original Direction

Proceed with development of a Stormwater Utility and fee with:

- Base rate not to exceed \$8 per ERU per month
- Tiered residential structure
- Capital component
- Additional drainage crew
- No exemptions



How is the Stormwater Fee Determined?



- Fees based on each property's anticipated contribution of stormwater runoff
- Runoff from each property measured by the amount of impervious area, or hard surface, on that property
- Fees directly support costs of maintaining the stormwater system (restricted use of funds)
- Costs of maintenance to be equitably spread across properties paying the fee

Funding Drivers

Storm System Operations & Maintenance

- Current O&M service level
- Future service demands
- Plan for future development

Regulatory Compliance & Agreements

- Phase II MS4
- FEMA Floodplain Administration

Capital Improvement Projects

- Correct known flooding problems / low water crossings
- Creek erosion
- Regional solutions
- Correct water quality problems
- Greenway system enhancements

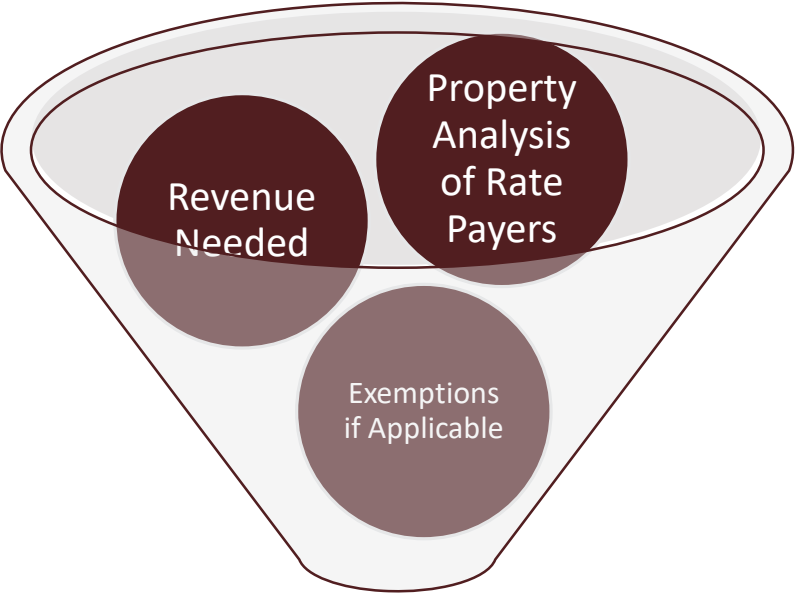
Preliminary Program

Generates \$3.7M - \$4.1M annually

- ✓ Existing activity expenses and program administration: \$1.86M
- ✓ New maintenance crew (three workers + one leader): \$340K
- ✓ New equipment (purchase and replacement contributions): \$100K
- ✓ Debt service for up to \$20M in capital projects: \$1.4M - \$1.8M



Preliminary Fee Structure



Fee structure determines how revenue requirements (approximately \$4m annually) are spread across the universe of benefitted properties that pay the fee

Fee Structure

90% of residential properties would pay \$8 per month or less

Anticipated Monthly Fees		
Residential Properties		
Tier 1 (10% of single-family properties)	Less than 2,400 square feet of impervious area	\$4.94 per month (0.62 ERU)
Tier 2 (80% of single-family properties)	Between 2,401-5,300 square feet of impervious area	\$8.00 per month (1 ERU)
Tier 3 (10% of single-family properties)	Greater than 5,301 square feet of impervious area	\$15.00 per month (1.88 ERU)
Non-residential Properties		
\$8 per month per 3,500 square feet of impervious area (or \$8 per ERU per month)		

Outreach Campaign - Reached over 26,000 Individuals



Target Audiences

Residential
Commercial
Industrial
Religious Institutions
School Districts
Johnson County

Social Media Activity

Facebook & Instagram Posts

Oct 23rd, 24th, 27th (x2), 29th, 30th
Nov 3rd

NextDoor Posts

Oct 28th
Nov 5th

Communication Channels

Website & Banner (**432 site visits** through November)
Yard Signs
Drainage-specific e-Newsletters (x3)
Newsletter Sign-ups
Town Hall Meetings
Flyers & Summary Handouts
Postcards for Religious Institutions
Group emails to religious institutions, HOAs, Industry (sent twice)
Calendar & Facebook Events
News Releases (x2)
Social Media Posts (19 total) - **over 38,000 views, reaching over 26,000 individuals**
Facebook (x9) Instagram (x7) NextDoor (x2)

Tiered Residential Rate Structure

Preliminary Fee Structure

Anticipated Monthly Fees		
Residential Properties		
Tier 1 (10% of single-family properties)	Less than 2,400 square feet of impervious area	\$4.94 per month (0.62 ERU)
Tier 2 (80% of single-family properties)	Between 2,401-5,300 square feet of impervious area	\$8.00 per month (1 ERU)
Tier 3 (10% of single-family properties)	Greater than 5,301 square feet of impervious area	\$15.00 per month (1.88 ERU)
Non-residential Properties		
\$8 per month per 3,500 square feet of impervious area (or \$8 per ERU per month)		

90% of residential properties would pay \$8 per month or less

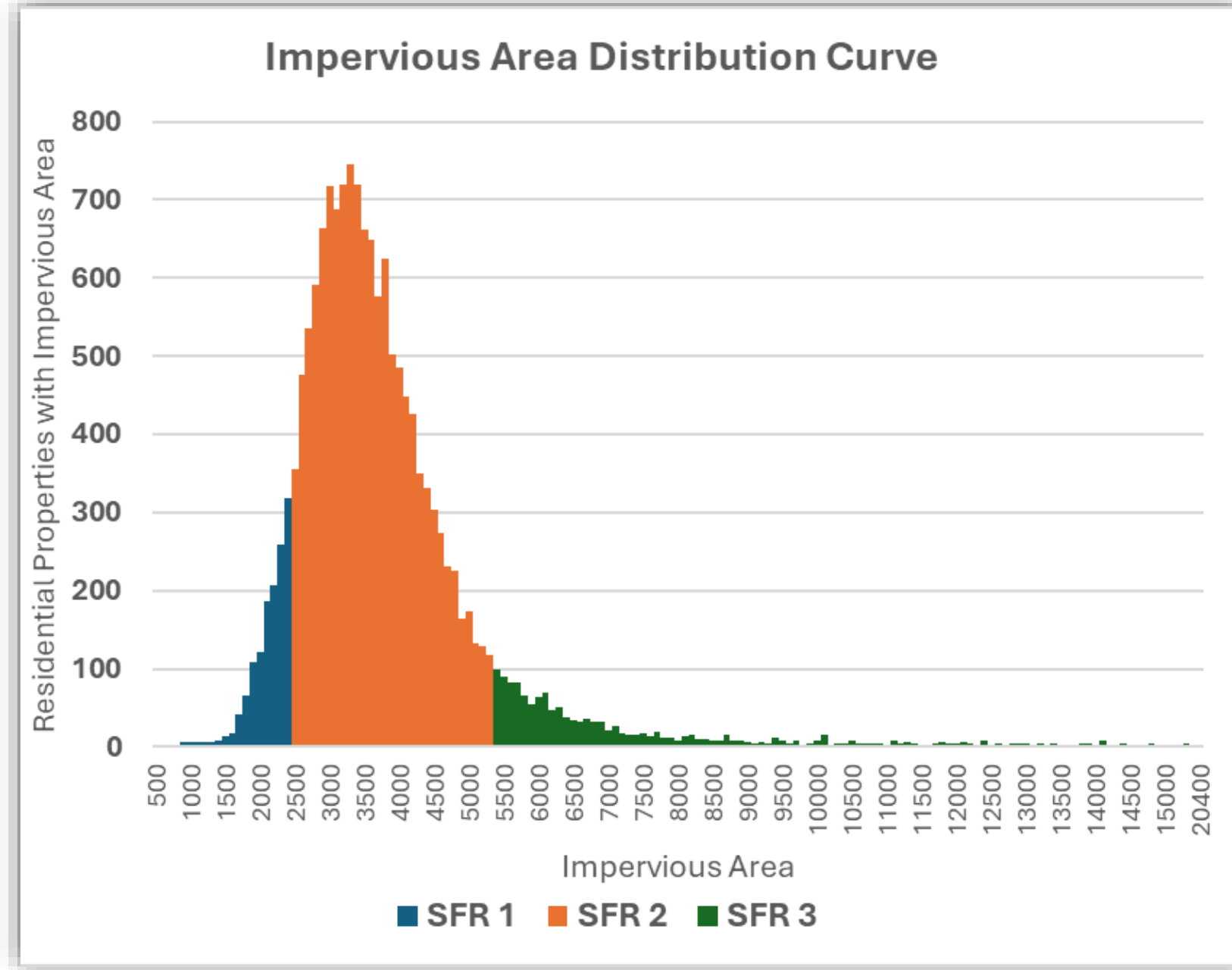
May 2025 discussion included recognition that having a tiered rate structure for residential properties would allow the ability to have lower fees for smaller single-family properties

- Assists seniors in more modest properties (with less impervious area)
- Maintains equitable basis for rate structure
- Has relatively low administrative burden for managing the utility

An alternative flat fee for all **single-family residential** properties would be approximately \$8.19 per month

Preliminary Fee Structure Single-family Residential

- Smallest 10% of Single-family residential properties (based on impervious area measurements) are shown to the left in blue
- Middle 80% of Single-family residential properties (based on impervious area measurements) are shown in the middle in orange
- Largest 10% of Single-family residential properties (based on impervious area measurements) are shown to the right in green



Variations for Consideration

- Flat residential fee structure = \$8.19 per month with non-residential at \$8.19/ERU
- Three tiers distributed 15% / 70% / 15% instead of the current 10% / 80% / 10%

10/80/10	
Tier	Monthly Fee
Smallest 10%	\$4.94
Middle 80%	\$8.00
Largest 10%	\$15.00

Non-SFR = \$8.00/ERU

15/70/15	
Tier	Monthly Fee
Smallest 15%	\$5.44
Middle 70%	\$8.00
Largest 15%	\$13.00

Non-SFR = \$8.00/ERU

Tiers based on impervious area, not lot size, to more equitably correspond to each property's contribution to the public drainage system

Preliminary and approximate amounts until approved by City Council

Council Direction Sought

Staff seeks direction on any desired adjustments to the tiered residential fee structure



Exemptions

Municipal Drainage Utility Systems Act and Exemptions



Sec. 552.053. EXEMPTIONS. (a) A governmental entity or person described by Subsection (b) and a lot or tract in which the governmental entity or person holds a freehold interest may be exempt from this subchapter and all ordinances, resolutions, and rules adopted under this subchapter.

(b) The following may be exempt:

- (1) this state;
- (2) a county;
- (3) a municipality; or
- (4) school districts and open-enrollment charter schools.

(c) The following shall be exempt from the provisions of any rules or ordinances adopted by a municipality pursuant to this Act:

- (1) property with proper construction and maintenance of a wholly sufficient and privately owned drainage system;
- (2) property held and maintained in its natural state, until such time that the property is developed and all of the public infrastructure constructed has been accepted by the municipality in which the property is located for maintenance; and
- (3) a subdivided lot, until a structure has been built on the lot and a certificate of occupancy has been issued by the municipality in which the property is located.

(d) A municipality may exempt property owned by a religious organization that is exempt from taxation pursuant to Section 11.20, Tax Code, from all or a portion of drainage charges under this subchapter, as the governing body of the municipality considers appropriate.

(d-1) A municipality may exempt property used for cemetery purposes from drainage charges under Section 552.047 if the cemetery is closed to new interments and does not accept new burials.

(e) The following property is exempt from drainage charges under Section 552.047 and all ordinances, resolutions, and rules adopted under this subchapter:

- (1) property owned by a county in which a municipality described by Section 552.044(8)(A) is located;
- (2) property owned by a school district located wholly or partly in a municipality described by Section 552.044(8)(A); and
- (3) property owned by a municipal housing authority of a municipality described by Section 552.044(8)(A).

552.044 (8) (A):

(A) a municipality of more than 500,000 population located within 50 miles of an international border;

Religious Organizations Summary



Organization	Annual Fee	Organization	Annual Fee	Organization	Annual Fee
Alsbury Baptist	\$3,456	Charity Lutheran Church	\$1,056	Faith to Faith	\$768
Bethesda Baptist	\$2,112	Christ Chapel	\$5,472	First Assembly of God	\$1,824
Burleson Bible	\$1,248	Church of Jesus Christ of Latter Day Saints	\$2,208	First Baptist Church Burleson	\$11,136
Burleson Boulevard	\$3,936	Crestmont Baptist	\$3,072	First Baptist Church Joshua	\$7,584
Boys & Girls Club (Open Door)	\$1,536	Cross Timber Baptist	\$96	First Christian Church	\$1,728
Church of Christ	\$9,504	Eastern Heights DBA The Heights	\$1,824	First Church of the Nazarene	\$864
Commons Church of Christ	\$576	Esters Safe Haven	\$288	First United Methodist Church	\$4,512
Catholic Diocese of Forth Worth	\$96	Faith Christian Fellowship	\$864	First United Pentecostal	\$96

Preliminary and approximate amounts until approved by City Council

Religious Organizations Summary



Organization	Annual Fee	Organization	Annual Fee	Organization	Annual Fee
Fort Worth Temple	\$1,632	New Calvary Baptist	\$576	St Ann Catholic Church	\$4,416
Grace Temple	\$2,304	Open Door	\$3,456	Student Discipleship Ministries	\$576
Graceview Baptist	\$1,824	Red River Presbytery of the Cumberland – Pathway Church	\$9,120	7th Day Adventist	\$11,232
Impact Family Church	\$768	Reorganized Church of Jesus Christ of Latter Day Saints	\$960	Victory Family Church of Assembly of God	\$3,072
Joshua Baptist Church	\$4,992	RPO Properties LP – Christ Chapel	\$768		
Lifegate Church of the Assemblies of God	\$2,880	South Burleson Baptist Church	\$1,440		

Range: \$96 to \$9,504/year

Average: \$1,189/year

Overall total =\$112,992/ year

Preliminary and approximate amounts until approved by City Council

Municipal Drainage Utility Systems Act and Exemptions

“Wholly Sufficient and Privately Owned Drainage Systems”



From the Municipal Drainage Utility Systems Act (LGC Section 552.053):

- (c)** The following shall be exempt from the provisions of any rules or ordinances adopted by a municipality pursuant to this Act:
 - (1)** property with proper construction and maintenance of a wholly sufficient and privately owned drainage system;

Detention ponds or other privately owned drainage infrastructure that outfall or discharge into the public drainage system are not deemed “wholly sufficient”

Credit Program Considerations

From the Municipal Drainage Utility Systems Act (LGC Section 552.047):

- (c) The governing body may fix rates for drainage charges in advance and may change, adjust, and readjust the rates and charges for drainage service from time to time. The rates must be equitable for similar services in all areas of the service area.

It is possible to develop a credit program to partially offset rates for properties that can document features in place that lessen their contribution to the public drainage system by exceeding local development standards. Credit programs should be carefully crafted to maintain equitable rates.

Such programs require significant analysis that should be completed coincident with establishing the overall rate structure.

Credit programs can be an additional and ongoing administrative burden for managing the utility.

Credit Program Considerations

Examples of infrastructure that could potentially be considered for a credit program:

- Installation of permeable pavement
- Installation of rain harvesting systems

Examples of infrastructure that typically would not be considered for a credit program:

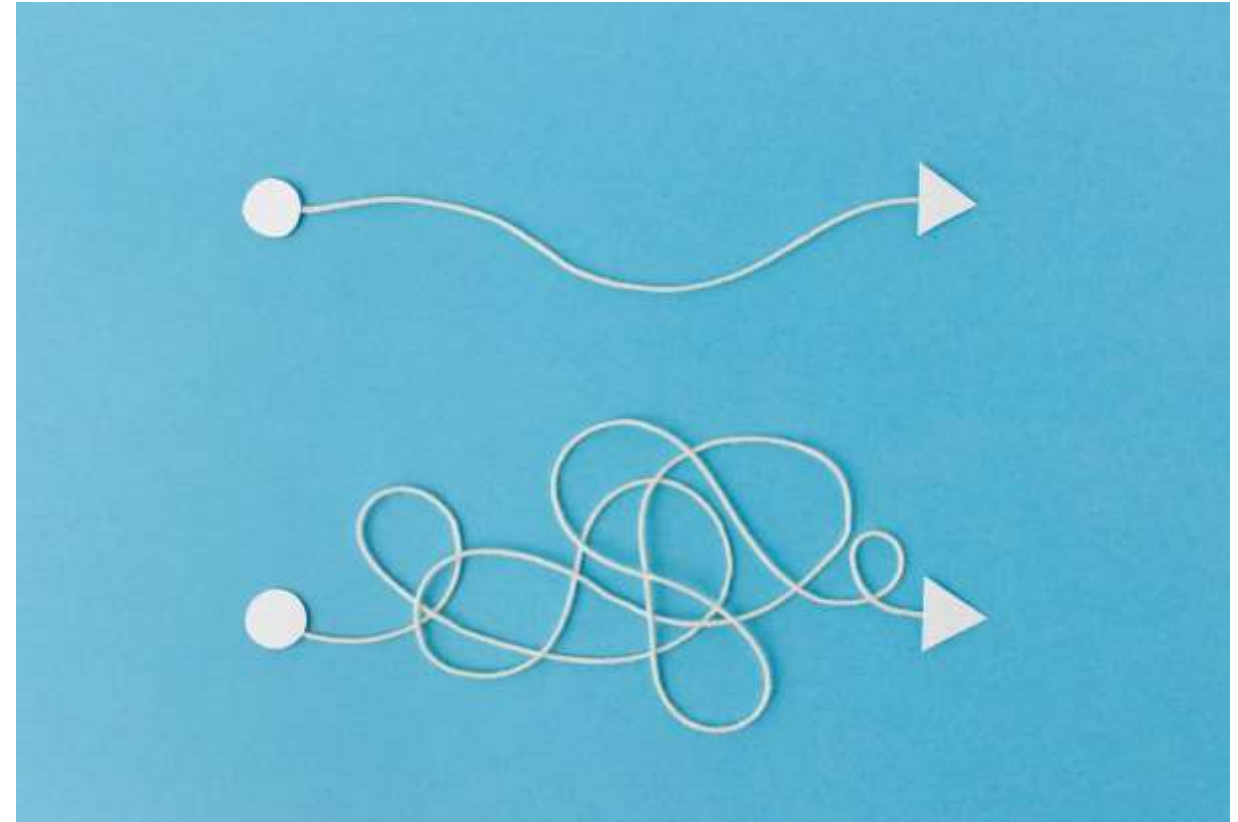
- Installation of a detention pond required by the local development code when constructed
- Installation of bioswales

Successful credit programs typically require applicants to provide engineering analysis or other documentation, and, in some cases, periodic documentation is needed to verify that the credited infrastructure remains in place and functioning as intended

Credits are provided for enhancing a property such that it has a ***demonstrable and significantly lower impact on the public drainage system than similar properties*** in the service area (maintaining equity)

Council Direction Sought

Staff seeks direction on any desired changes to previous direction on exemptions and guidance on a potential credit program



Billing Methodology

Billing the Fee

- Preliminary Stormwater Utility program anticipates billing the vast majority of properties by adding the fee to the monthly utility invoice along with water / sewer / solid waste billing today
- Some Burleson residents receive water service from other providers based on service areas (CCNs)
- Existing agreements with those partners allow other city services such as solid waste and wastewater to be billed on the provider's monthly utility bill and remitted back to Burleson
- Billing integration phase would include updating agreements with partners to incorporate the new fee



Billing the Fee



(Single-family) Residential Properties

Fee billed with the existing water/sewer/solid waste account associated with the property

This will not necessarily be the property owner. When there is no active utility account, no stormwater revenue will be generated.

Non-residential Properties (everything other than single-family residential)

- For single water meter/account parcels, the stormwater fee would be added as an additional line item on that monthly utility invoice
- For sub-metered parcels where the property owner has a meter at the property, the entire fee for the property would be billed on the owner's meter/account
- For sub-metered parcels where the property owner does not have a meter at the property, the fee would be distributed equitably among the various water meters/accounts at the property

Several examples follow illustrating various non-residential properties

Walmart Supercenter

951 SW Wilshire Blvd



The highlighted parcel represents 1 meter with 1 tenant

- Owner: 1
- Tenants: 1
- Utility Account Holder: Wal-Mart Super Center

Impact:

ERU = 239

Monthly Charge \$1,912 (\$22,944 annually)

billed to Wal-Mart Super Center

Preliminary and approximate amounts until approved by City Council

Apex Homes

309 NW Renfro St.

The highlighted parcel represents 1 meter with 5 tenants

- Owner: 1
- Tenants: 5
- Utility Account Holder: Apex Homes of Texas (the owner)

Impact:

ERU = 4.3

Monthly Charge \$33.96 (\$408 annually) ***billed to Apex Homes of Texas***



Preliminary and approximate amounts until approved by City Council

H.E. Butt Grocery Company 165 NW John Jones Dr.



The highlighted parcel represents 7 meters with 5 tenants

- Owner: 1
- Tenants: 5
- Utility Account Holders:
 - HEB Grocery
 - HEB Car Wash
 - Chick Fil A
 - Valvoline
 - 151 Coffee
 - Andy's Frozen Custard
 - JP Morgan Chase

Impact:

ERU = 221

Monthly Charge \$1,768
(\$21,216 annually)

Preliminary and approximate amounts until approved by City Council

Hobby Lobby Shopping Center 620 SW Wilshire Blvd

The highlighted parcel represents
31 meters with 28 (estimated) tenants

- Owner: 5
- Tenants: 28
- Utility Account Holder:
 - 26 different owners
 - 3 vacancies
 - 1 Religious Institution
 - 1 property not being billed yet

Impact:

ERU = 231.99

Monthly Charge \$1,856
(\$22,271 annually)

Preliminary and approximate amounts until approved by City Council



Shannon Creek Apartments 1650 Candler Dr.

The highlighted parcel represents 5 meters

- Owner: 1
- Tenants: Unknown
- Utility Account Holder: Gold Creek Homes & Development

Impact:

ERU = 235.55

Monthly Charge \$1,884 (\$22,613 annually)

billed to Gold Creek Homes & Development



Preliminary and approximate amounts until approved by City Council

Examples of Other Non-residential Properties

Organization	Annual Fee	Organization	Annual Fee	Organization	Annual Fee
Airforce Airguns	\$1,855	Core Premier	\$19,727	National DCP	\$6,045
American Completion Tools	\$3,703	FWave Manufacturing	\$3,586	Stuart Industries	\$1,631
Anson PDR	\$1,871	Golden State Foods	\$15,113	Thomas Conveyor	\$7,793
Arcadia Cold Storage	\$21,217	Hays and Stolz	\$6,991	Trophy Tractor	\$8,765
Beitler Distribution	\$10,317	Jellystone	\$54,196	United Cooperative Services	\$6,089
C&W Dustech	\$5,471	LKQ	\$62,674	Wagner Smith Equipment	\$10,449
Chicken E Food Distribution	\$7,741	McLane Classic Foods	\$6,294		

Range: \$1,631 to \$62,674/year

Average: \$13,076/year

Overall total =\$261,528/ year

Preliminary and approximate amounts until approved by City Council

Council Direction Sought

Staff seeks direction on any desired adjustments to billing approach



Direction



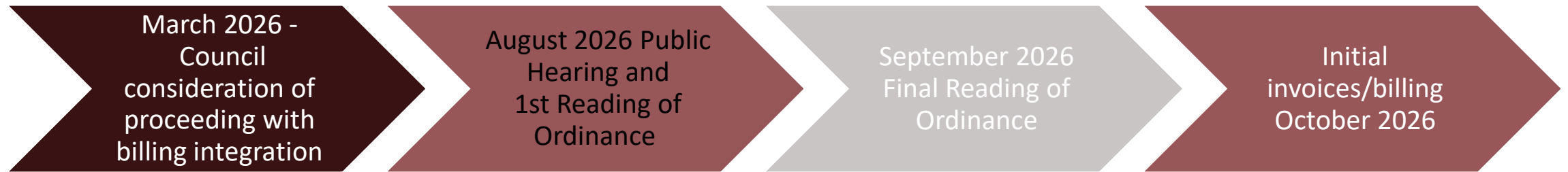
Staff is also seeking direction on the following:

1. Flat vs Tiered residential fee structure?
2. Exemptions / Credit Program?
3. Desired overall size of program
 - A. \$3.7m - \$4.1m as presented?
 - B. Larger?
 - C. Smaller?
4. Stormwater utility and fee implementation timing
 - A. Terminate the process and do not implement the Stormwater Utility and fee?
 - B. Report back to Council in March 2026 with funding options for proceeding with billing integration phase now, continue community outreach and engagement with potential public hearing and adoption in late summer 2026?
 - C. Consider the stormwater fee at a later date?

Notice Requirements and Next Steps



Should Council direct staff to proceed now with implementing the stormwater fee, the following schedule is anticipated



This schedule

- Advances billing integration phase to work through tasks such as revising existing agreements with partner water providers who would be billing the fee on our behalf and data cleansing to clarify distribution of the fee across multi-tenant properties, etc.
- Requires a budget amendment to perform the advanced work above
- Includes performing the work above at risk (in advance of formal adoption of an ordinance establishing the fee)

Questions / Discussion

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