

Committee Meeting: Stormwater Utility Fee and Street Maintenance Fee

City of Burleson, TX

5/21/2025



Agenda

- Stormwater Utility Fee
 - Fee basis
 - Cost of service
 - Rate structures
- Street Maintenance Fee
 - Fee basis
 - Cost of service
 - Rate structures

High-level Project Objectives



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Stormwater Utility Fee

Street Maintenance Fee



Stormwater Utility Fee Overview

What is a Stormwater System?

- A system designed to manage stormwater runoff
- Includes infrastructure such as drains, pipes, and swales



Culvert



Storm Drain Pipe



Swale

Problems Facing Stormwater Systems

- Aging or damaged infrastructure affects the system's functionality
- Stormwater flow can cause erosion
- Inadequate drainage capacity leads to flooding
- Runoff can pick up pollutants and affect water quality



Creek Erosion



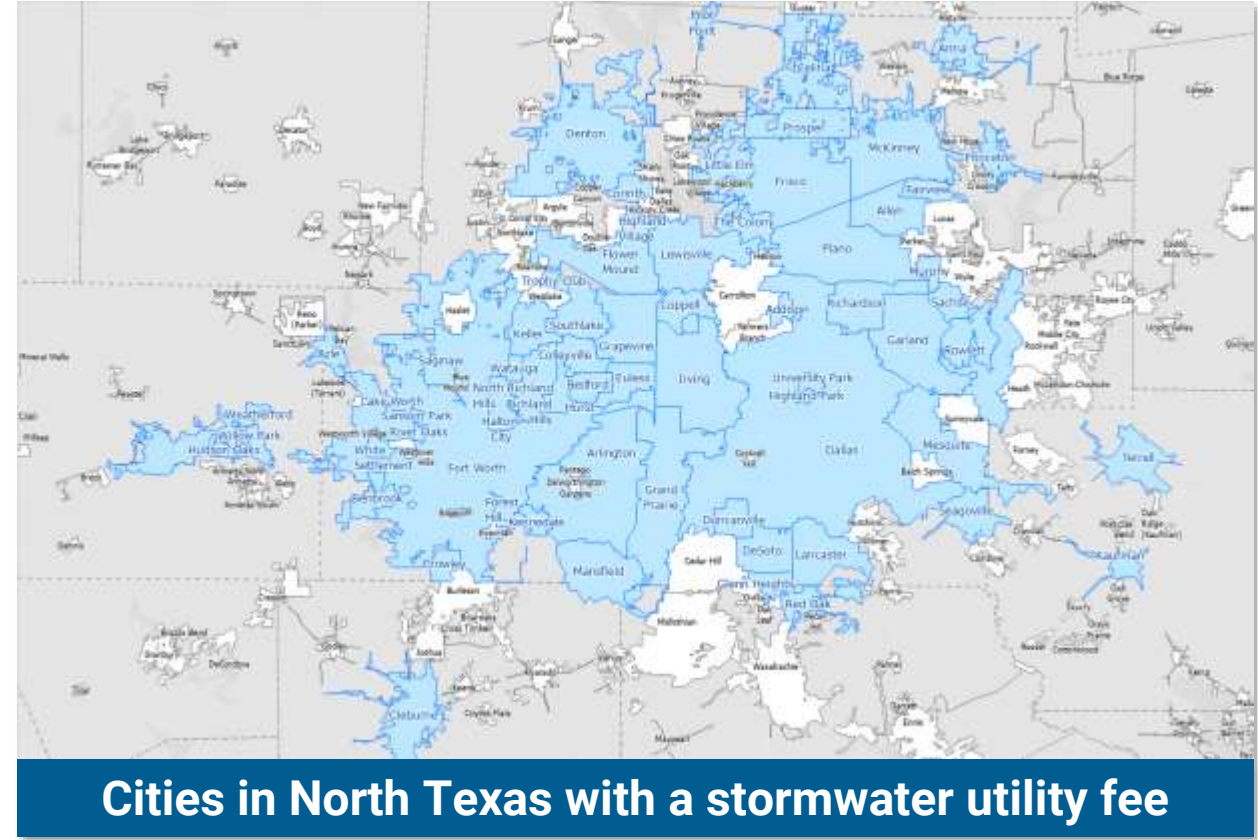
Flooding



Water Pollution

What is a Stormwater Utility Fee?

- **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
 - Monthly fee on utility bill



How is the Stormwater Fee Determined

- Fees are based on each property's contribution of stormwater runoff.
- Stormwater runoff is measured by the amount of impervious area, or hard surface, on the property.
- Stormwater can be managed as a utility like gas, electric, water, and sewer.
- Stormwater fees directly support costs of maintaining the stormwater system.

Funding Drivers

Regulatory Compliance & Agreements

- Phase II MS4
- FEMA Floodplain Administration

Storm System Operations & Maintenance

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

Capital Improvement Projects

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

How is the Stormwater Fee Assessed

Water Fee Metered Usage



Stormwater Fee Impervious Area



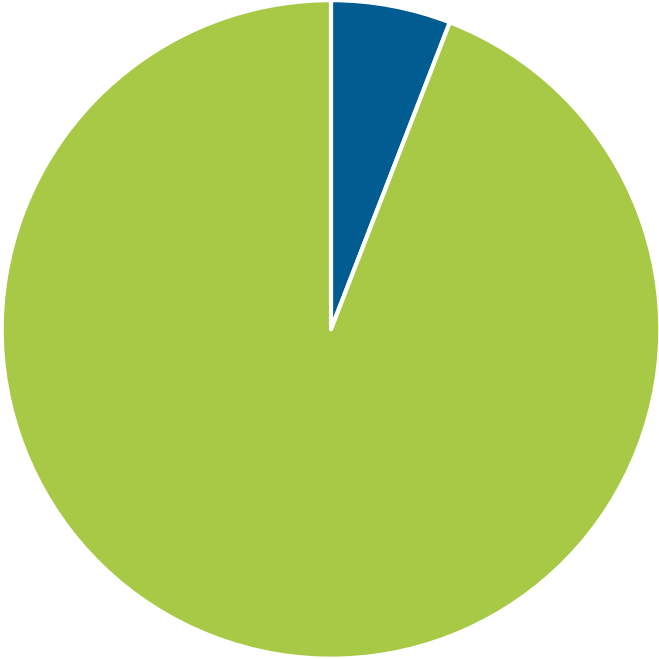
Impervious area includes surfaces that do not provide stormwater significant opportunity for infiltration into the soil and result in increased stormwater runoff to the municipal storm sewer system.

Considerations

- Exemptions:
 - Scenarios do not incorporate optional exemptions, authorized under Section 552 of the local government code.
 - The presentation itemizes the cost of optional exemptions should council opt to exempt additional property types but does not account for the value.
- 10/80/10 Tiered Structure:
 - 10% of residential properties in the first tier, applying a reduced fee. (2400 sq ft)
 - 80% residential properties with a fee based on the median impervious area. (3600 sq ft)
 - 10% of the largest properties would pay a slightly higher rate because of the relative impact of the larger impervious area. (5600 sq ft)
- Equivalent Residential Unit (ERU): represents the average amount of impervious surface water per location.



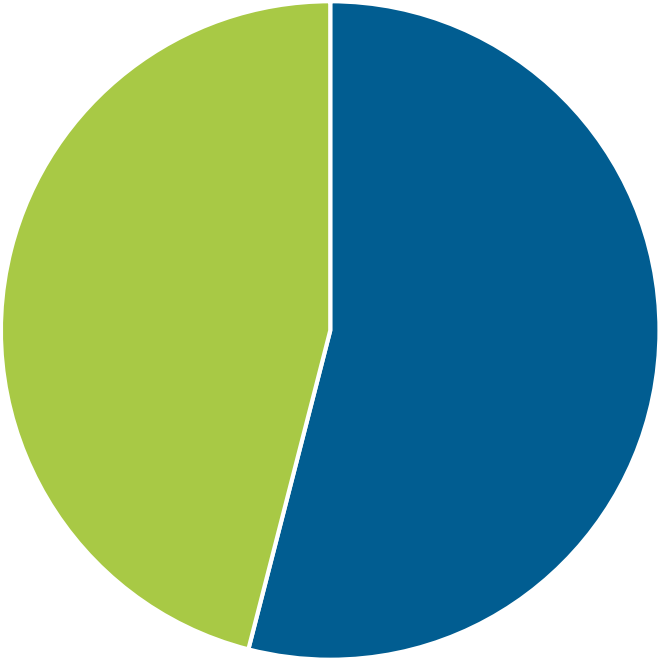
Property Count Summary



■ Non-Residential ■ Residential

Type of Property	Number of Parcels	Percentage
Non-Residential	1236	6.1%
Residential	16,293	93.9%

Impervious Area Summary



■ Non-Residential ■ Residential

Type of Property	Percentage	Sq Ft
Non-Residential	54%	77M
Residential	46%	66M

Stormwater Cost of Service Summary

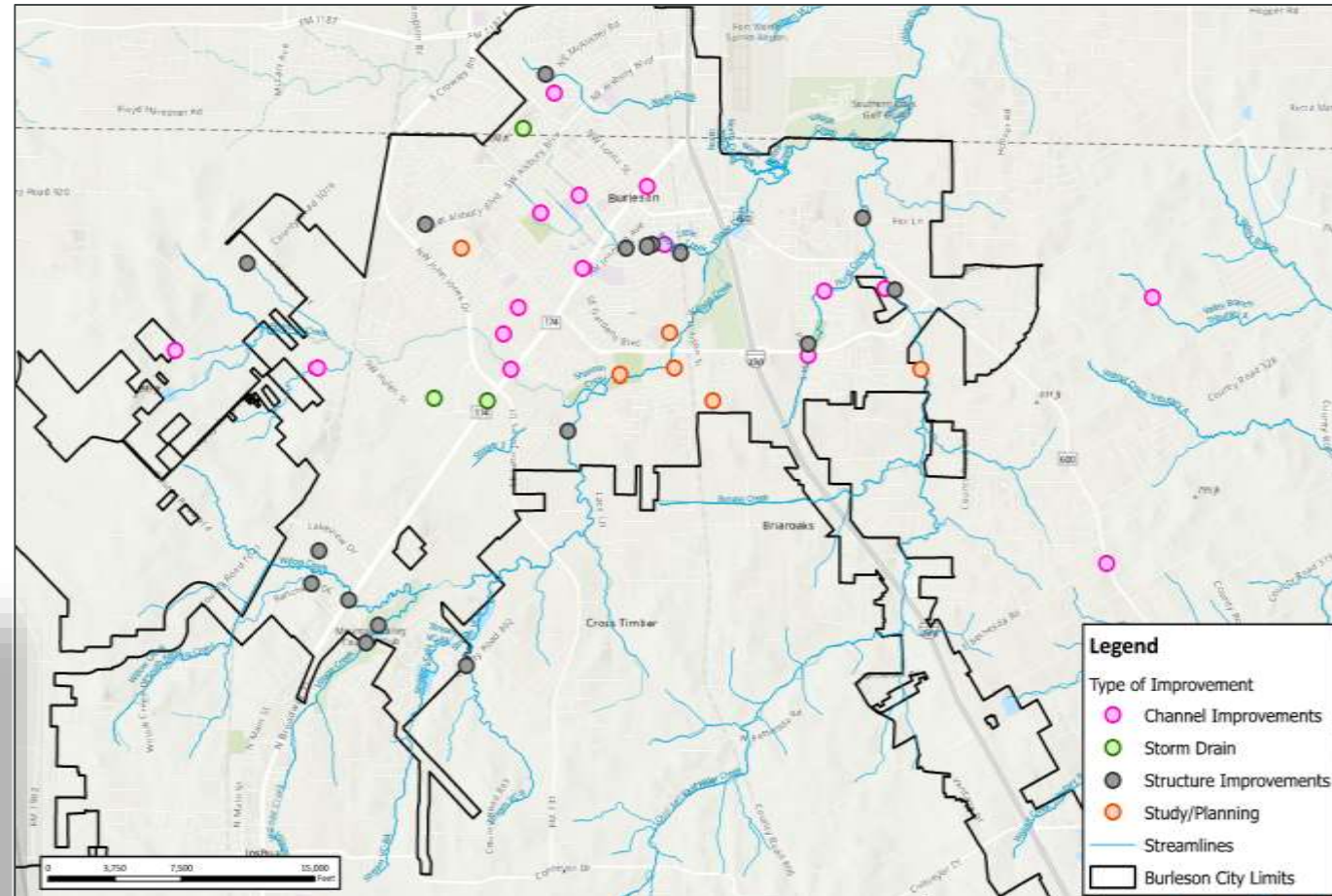
Cost of Service

- Existing Recurring Expenses include \$3.1M for drainage related activities such as:
 - Drainage Maintenance Activities
 - Inspection
 - Clean-up Activities/Litter
 - Legal/Compliance
 - Plan Review
 - Training
 - Community Outreach/Education
 - Code
- Service enhancements would include adding a dedicated drainage crew:
 - Labor: ~\$350K/yr (new maintenance crew)
 - Equipment: ~\$100K/yr (dump truck, backhoe, utility truck, material)

Adding an additional crew would significantly increase the City's ability to manage critical drainage infrastructure. With this added capacity, Public Works would be able to more adequately address more than 11 miles of storm channels and 281 culverts that fall within the City's responsibility.

Cost of Service – CIP Considerations

- 42 known problem areas citywide
- 2 planning projects identified
- \$145 million+ cost projection



Stormwater Utility Fee Rate Structure Scenarios

Residential Fee Basis Example



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	

Includes: Concrete, asphalt, rooftops, gravel driveways, parking areas, private streets and alleys, and decking around pools

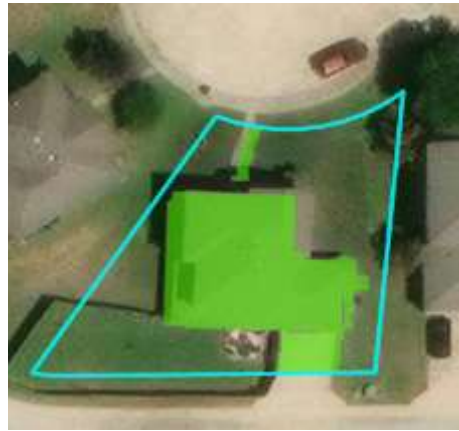
Does Not Include: Artificial turf, sidewalk in the right of way, pools, and water

Residential Properties

Equivalent Residential Unit (ERU) represents the average amount of impervious surface water per location.

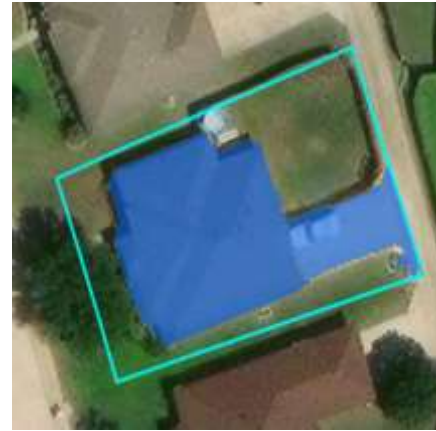
Median residential impervious area in Burleson = 3,500 square feet impervious area = 1 ERU

**Small
(10%)**



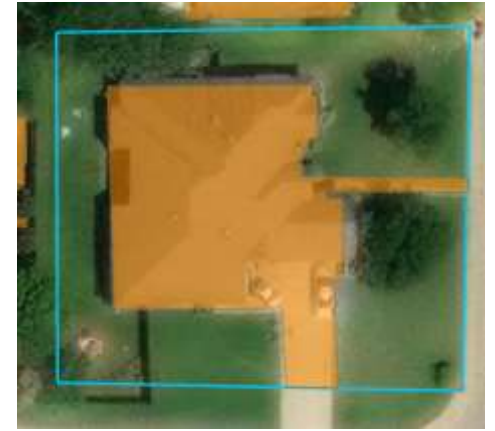
>2,400 sq ft IA

**Medium
(80%)**



2,400 - 5,300 sq ft IA

**Large
(10%)**



5,300+ sq ft IA

Residential Structure	Small	Medium	Large
Flat Rate	1 ERU	1 ERU	1 ERU
Tiered (10/80/10)	0.63 ERU	1 ERU	1.92 ERU

Stormwater Rate Structure – Non Residential

Typical Small
(Insurance Agency)



10,500 sq ft IA

Typical Medium
(Car Wash)



35,000 sq ft IA

Typical Large
(Grocery Store)



157,500 sq ft IA

Non-Residential Structure	Typical Small	Typical Medium	Typical Large
Per ERU	3 ERUs	10 ERU	45 ERU

Billing Options for Non Residential:
Primary – assign fee to primary owner of property
Split-bill – divide the bill equally between tenants

Stormwater Service Level Scenarios

Cost-based Level of Service	Scenario 1	Scenario 2	Scenario 3
Cost of Operations	Fully funds current operations	Adds new crew with equipment	Funds debt service for \$25M CIP
Utility Eligible Expenses	\$3.1M	\$3.1M	\$0
Enhanced O&M	\$0	\$440k	\$0
Debt Service	\$0	\$0	\$1.8M

Note: New crew cost includes labor and equipment

Scenario 1: Current Expenses

Service		
Generates \$3.1M - \$3.5M annually (Equivalent to \$0.05688 on the tax rate)		
<div><div>✓</div>Existing O&M activities</div> <div><div>✓</div>Corresponding equipment replacement fund contributions</div>		
Optional Exemptions		
Property Type	Change in Annual Revenue	Impact to Non-Exempt Properties
Religious Institutions	-\$103,000	+ \$0.23/ERU
City	-\$112,000	+ \$0.27/ERU
ISD	-\$203,000	+ \$0.48/ERU
County	-\$1,700	+ \$0.01ERU

Flat Rate

Residential - \$6.80 per month

Non-Residential - \$6.80 per month/ERU

OR

Tiered Rate (10/80/10)

Residential –

Tier 1: \$4.19 per month

Tier 2: \$6.80 per month

Tier 3: \$12.73 per month

Non-Residential - \$6.80 per month/ERU

Scenario 2: Current + Enhanced O&M

Service
Generates \$3.6M - \$4.1M annually
<div><div></div><div>Existing O&M activities including corresponding equipment replacement fund contributions (Equivalent to \$0.05688 on the tax rate)</div></div>
<div><div></div><div>\$440K for additional drainage crew (Equivalent to \$0.00918 on the tax rate)</div></div>

Optional Exemptions		
Property Type	Change in Annual Revenue	Impact to Non-Exempt Properties
Religious Institutions	-\$120,000	+ \$0.26/ERU
City	-\$130,000	+ \$0.32/ERU
ISD	-\$236,000	+ \$0.63/ERU
County	-\$2,000	+ <\$0.01ERU

Flat Rate

Residential - \$7.90 per month

Non-Residential - \$7.90 per month/ERU

OR

Tiered Rate (10/80/10)

Residential –

Tier 1: \$4.85 per month

Tier 2: \$7.90 per month

Tier 3: \$14.78 per month

Non-Residential - \$7.90 per month/ERU

Scenario 3: CIP

Service

Generates \$1.8M - \$2.1M annually (Equivalent to \$0.033 on the tax rate)

- ✓ Funds annual debt service for \$25M drainage CIP

Optional Exemptions

Property Type	Change in Annual Revenue	Impact to Non-Exempt Properties
Religious Institutions	-\$60,000	+ \$0.13/ERU
City	-\$66,000	+ \$0.16/ERU
ISD	-\$119,000	+ \$0.32/ERU
County	-\$1,000	+ <\$0.01ERU

Flat Rate

Residential - \$3.97 per month

Non-Residential - \$3.97 per month/ERU

OR

Tiered Rate (10/80/10)

Residential –

- Tier 1: \$2.16 per month
- Tier 2: \$3.97 per month
- Tier 3: \$7.43 per month

Commercial - \$3.97 per month/ERU

Residential Properties

Small
(10%)



>2,400 sq ft IA

Medium
(80%)



2,400 - 5,300 sq ft IA

Large
(10%)



5,300+ sq ft IA

Residential Structure	Small Monthly Fee	Medium Monthly Fee	Large Monthly Fee
Scenario 1 (Existing) Flat	\$6.80		
Scenario 2 (Existing + New) Flat	\$7.90		
Scenario 3 (CIP) Flat	\$3.97		
Scenario 1 (Existing) Tiered	\$4.19	\$6.80	\$12.73
Scenario 2 (Existing + New) Tiered	\$4.85	\$7.90	\$14.78
Scenario 3 (CIP) Tiered	\$2.16	\$3.97	\$7.43

Non-Residential

Small
(Insurance Agency)



10,500 sq ft IA

Medium
(Car Wash)



35,000 sq ft IA

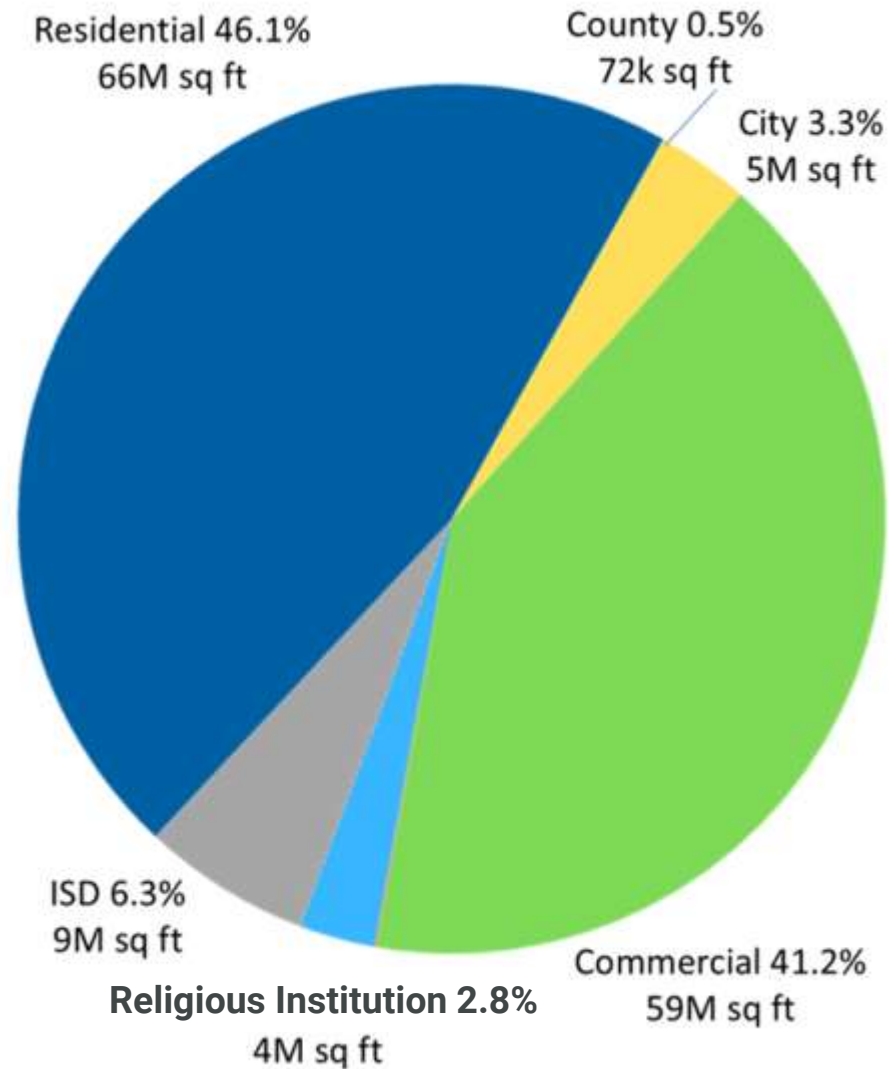
Large
(Grocery Store)



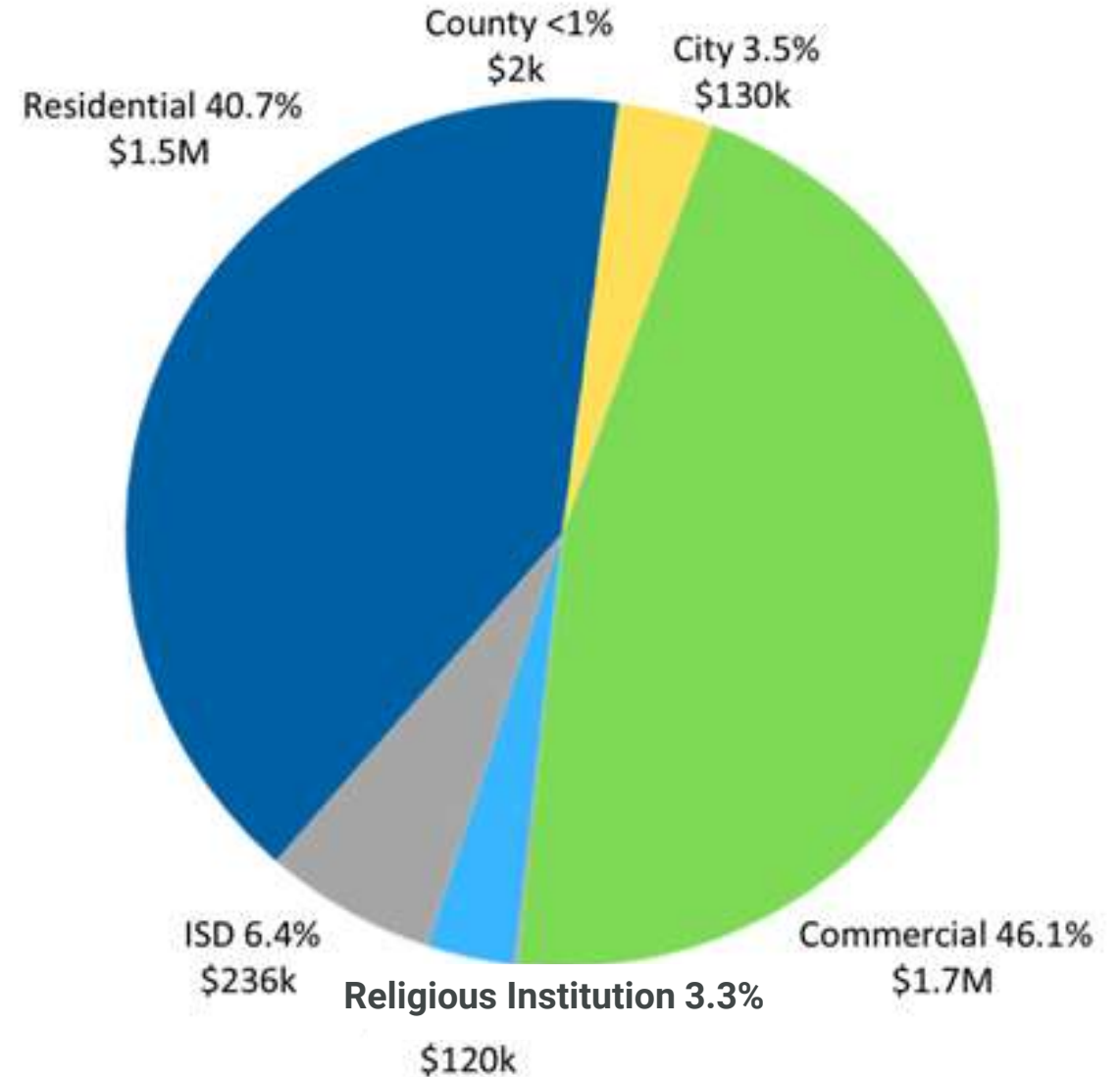
157,500 sq ft IA

Non-Residential Structure	Small (3 ERU)	Medium (10 ERU)	Large (45 ERU)
Scenario 1 (Existing)	\$20.40/Month (\$6.80/ERU)	\$68.00/Month (\$6.80/ERU)	\$306.00/Month (\$6.80/ERU)
Scenario 2 (Existing + New)	\$23.70/Month (\$7.90/ERU)	\$79.00/Month (\$7.90/ERU)	\$355.50/Month (\$7.90/ERU)
Scenario 3 (CIP)	\$11.91/Month (\$3.97/ERU)	\$39.70/Month (\$3.97/ERU)	\$178.65/Month (\$3.97/ERU)

Impervious Area Summary



Revenue Summary*

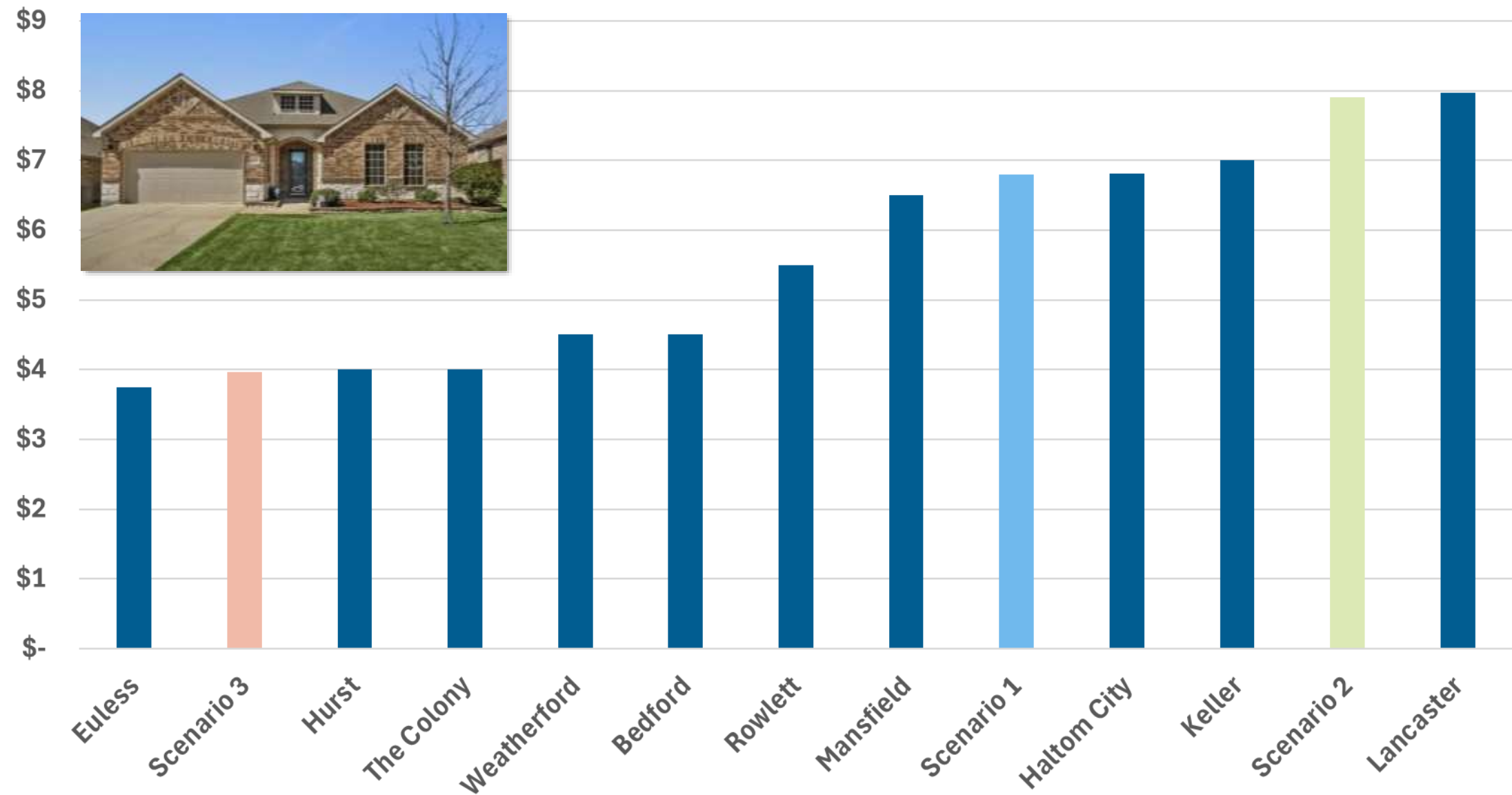


*Revenue based on Scenario 2 FY26 Flat Rate



Benchmark Comparisons

Stormwater Utility Monthly Rate Comparison

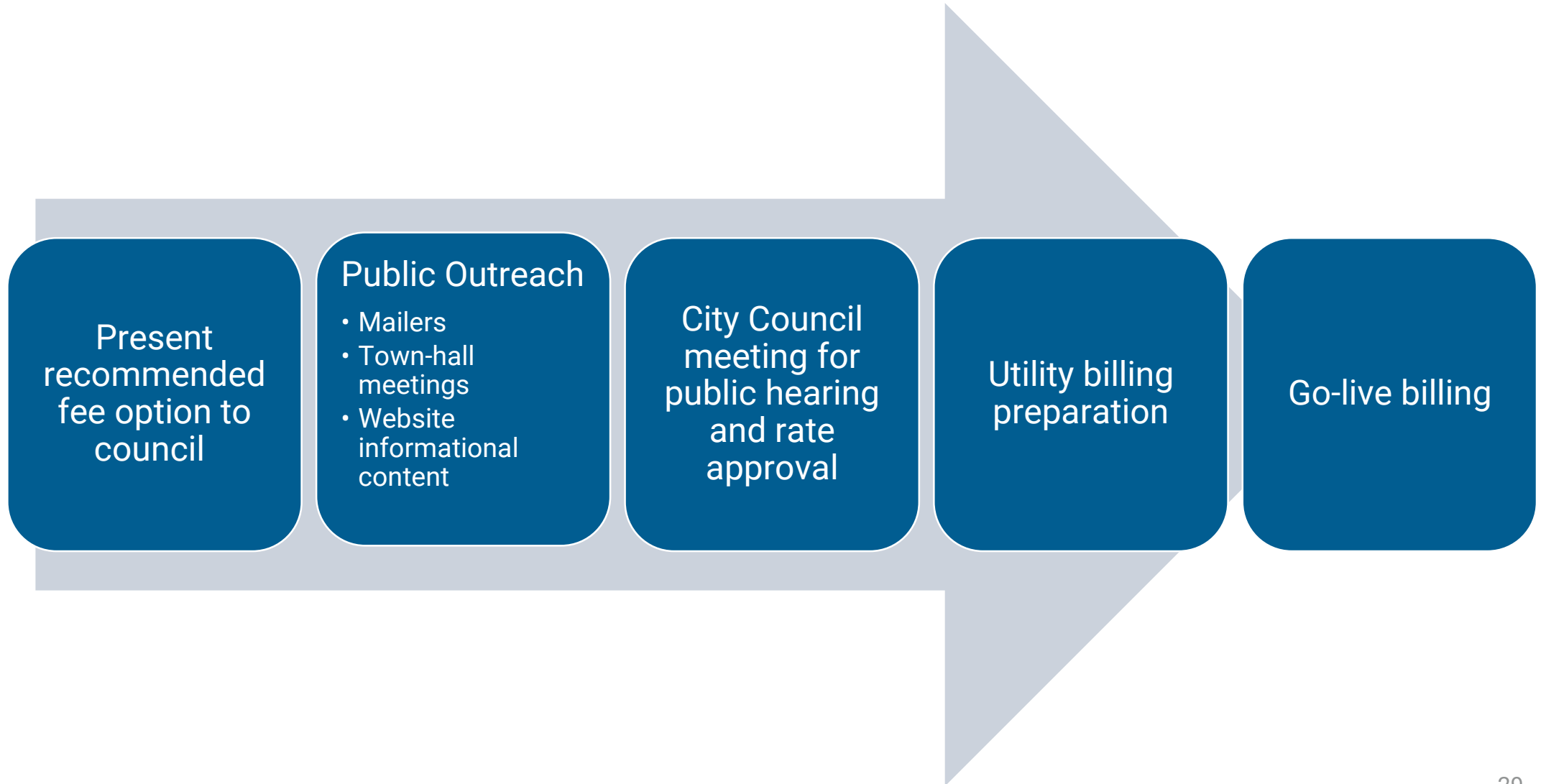


All benchmark cities listed have a flat rate residential fee

Council Committee Feedback

1. Public Outreach
2. Discussion of Appropriate Funding Level
3. Desired Rate Structure
4. Optional Exemptions

Steps Required for Implementation





Street Maintenance Fee Overview

What is a Street Maintenance Fee?

INFRASTRUCTURE TO MAINTAIN



MEASURE OF SYSTEM USE

What is a Street Maintenance Fee?

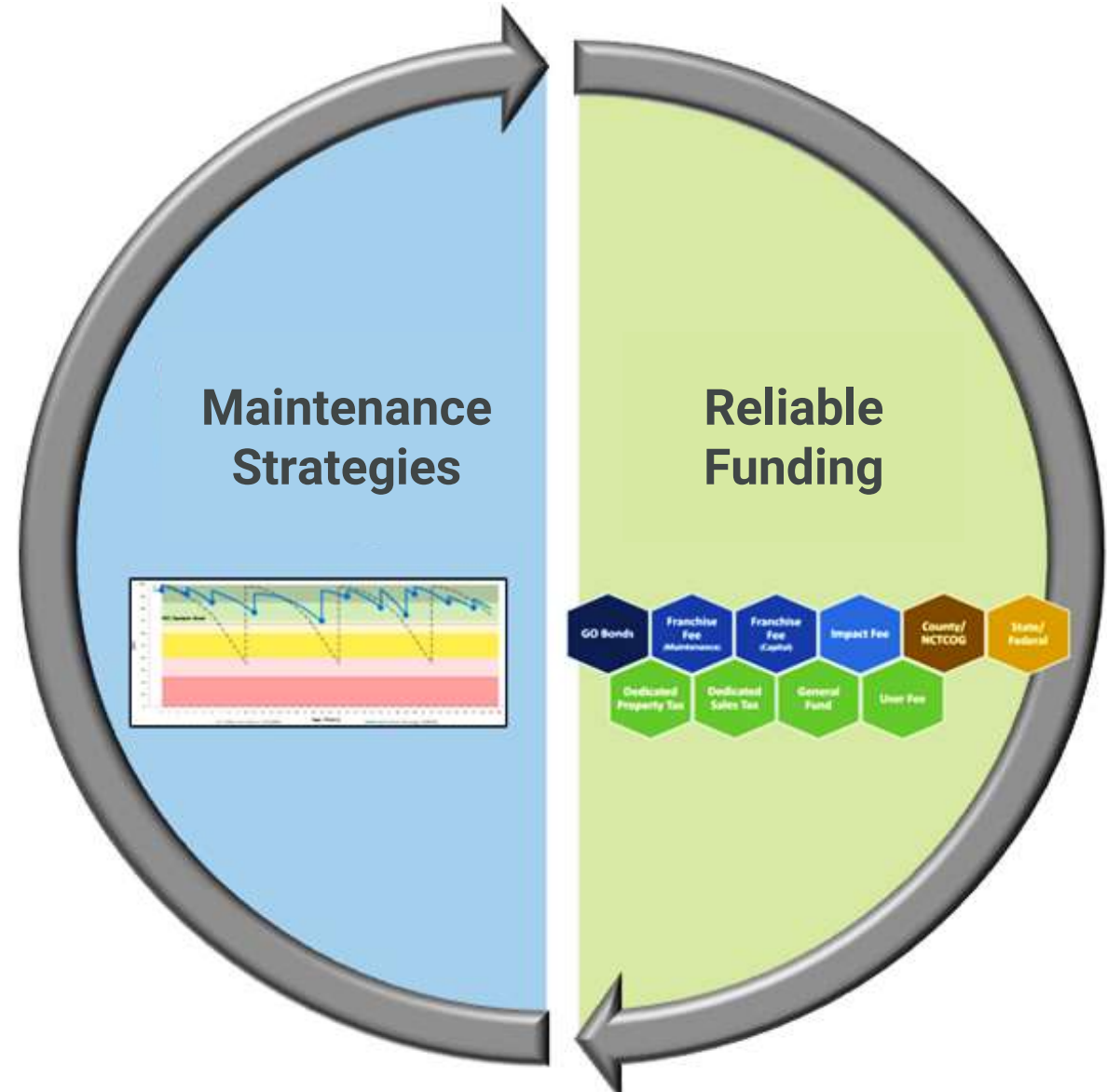
- A charge to property occupants for their proportional share of the cost to maintain the street system
- Can only be used for maintenance purposes, not capital improvements.

Typical Characteristics

- Based on vehicle trips; by land use
- Ongoing fee for system use
- Dedicated to transportation purposes
- Charged on utility bill



Develop a street maintenance fee (SMF) for the reliable funding for maintenance of the street network



Street Maintenance Cost of Service Summary and Fee Development

Street Maintenance Fee Scenarios

- Scenario 1: Use street maintenance fee to fund existing services (\$2.8M)
- Scenario 2: Use street maintenance fee to fund existing services, plus an additional \$3M (total \$5.8M)
- Two billing structures for consideration for non-residential customers: unit rate per vehicle mile traveled (VMT) and tiered rate

Fee Creation Basis

- Flat rate for residential accounts
 - Every single-family household has the same VMT
- Unit Rate or Tiered Rate for non-residential accounts
 - Unit Rate: customers pay per vehicle mile traveled
 - Tiered Rate: customers grouped into tiers and charged flat rate according to tier assignment
- Flat rate not equitable for non-residential customers
 - VMT for non-residential ranges from <1 to >8,000

Scenario 1 – Existing Expenses

Fee Category (Unit Rate)	SMF (\$/mo.)
Residential (per dwelling unit)	\$3.83
Apartments (per dwelling unit)	\$2.00
Ex: Small Commercial (Gas Station)	\$26.59
Ex: Large Commercial (Grocery Store)	\$530.23

Fee Category (Tiered Rate)	SMF (\$/mo.)
Residential (per dwelling unit)	\$3.83
Apartments (per dwelling unit)	\$2.00
Ex: Small Commercial (Gas Station)	\$31.29
Ex: Large Commercial (Grocery Store)	\$892.24

Scenario Details	
✓ Generates \$2.8M annually	
✓ Unit Rate: \$0.80 per VMT	
✓ Gas Station: 33.24 VMT	
✓ Grocery Store: 662.79 VMT	
Tiers	
Tier	Rate
Tier 1	\$4.12
Tier 2	\$10.00
Tier 3	\$13.96
Tier 4	\$18.95
Tier 5	\$31.29
Tier 6	\$49.39
Tier 7	\$71.18
Tier 8	\$103.36
Tier 9	\$187.05
Tier 10	\$892.24

Scenario 2 – Existing + New Expenses

Fee Category (Unit Rate)	SMF (\$/mo.)
Residential (per dwelling unit)	\$7.92
Apartments (per dwelling unit)	\$4.12
Ex: Small Commercial (Gas Station)	\$55.18
Ex: Large Commercial (Grocery Store)	\$1,100.23

Fee Category (Tiered Rate)	SMF (\$/mo.)
Residential (per dwelling unit)	\$7.92
Apartments (per dwelling unit)	\$4.12
Ex: Small Commercial (Gas Station)	\$64.82
Ex: Large Commercial (Grocery Store)	\$1,848.16

Scenario Details	
✓ Generates \$5.8M annually	
✓ Unit Rate: \$1.66 per VMT	
✓ Gas Station: 33.24 VMT	
✓ Grocery Store: 662.79 VMT	
Tiers	
Tier	Rate
Tier 1	\$8.54
Tier 2	\$20.71
Tier 3	\$28.92
Tier 4	\$39.25
Tier 5	\$64.82
Tier 6	\$102.31
Tier 7	\$147.44
Tier 8	\$214.10
Tier 9	\$387.45
Tier 10	\$1,848.16

Council Committee Direction

1. Discussion of Appropriate Funding Level
2. Desired Rate Structure

Next Steps for Implementation

Committee/Council Direction

