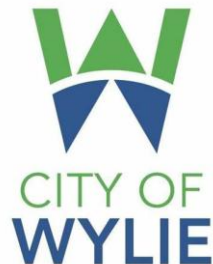




Stormwater Utility Fee Evaluation Study

City Council Update

May 13, 2025



Agenda

- **Stormwater Utility Fee Overview & Fee Basis**
- **Stormwater Cost of Service Summary**
- **Stormwater Utility Fee Rate Structure Scenarios**
- **Benchmark Comparison**
- **Council Direction & Next Steps**

A photograph of a stormwater pipe discharging into a stream, surrounded by rocks and grass. The image is overlaid with a blue tint. The pipe is black and runs horizontally across the middle of the frame. Water is flowing out of the pipe into a stream on the right. The stream is surrounded by a large pile of grey rocks. In the background, there is a grassy area.

Stormwater Utility Fee Overview & Fee Basis

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



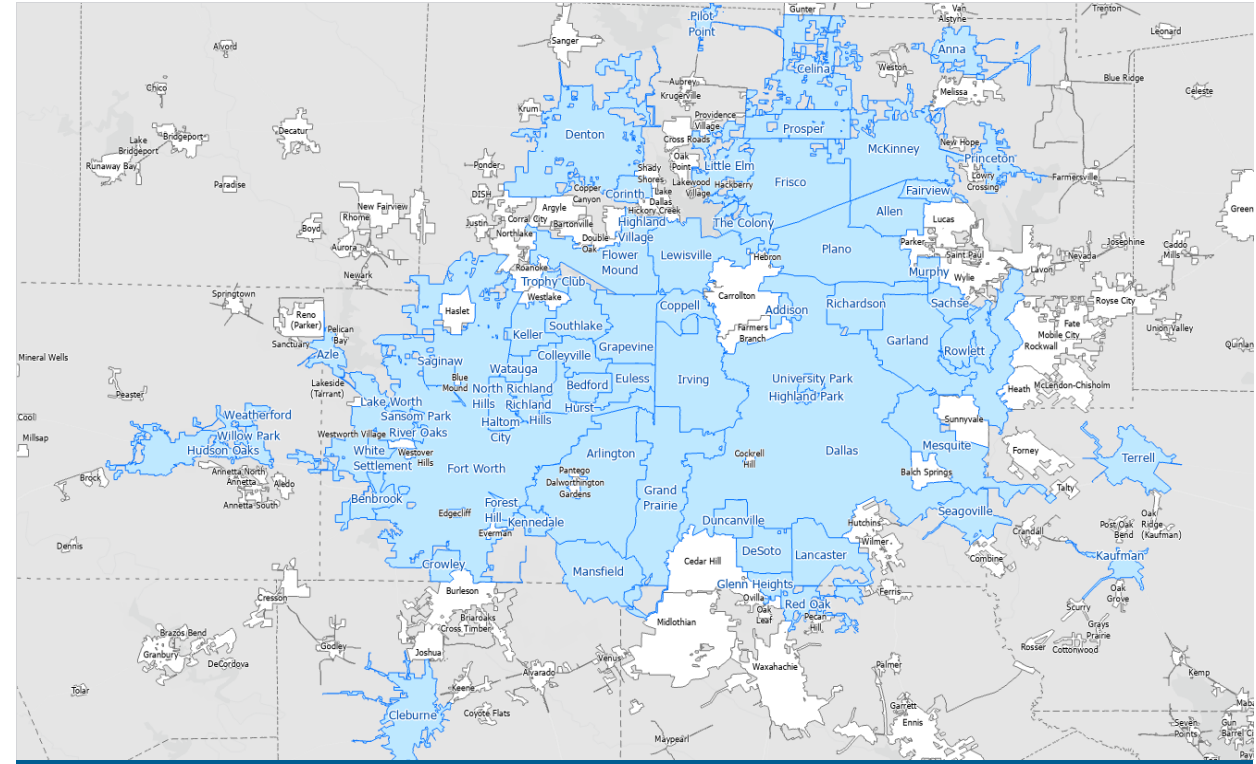
Flooding



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 support 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



Cities in North Texas with a stormwater utility fee

How is the Stormwater Fee Determined?

Water Fee Metered Usage



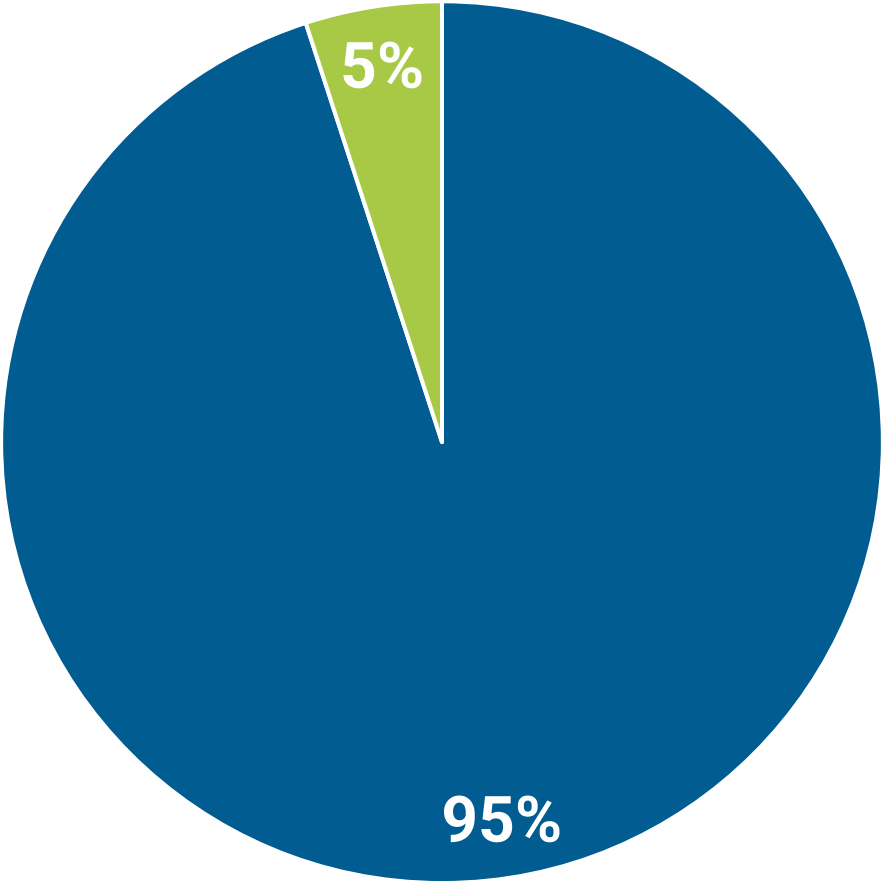
Stormwater Fee Impervious Area



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.

Property and Impervious Area Summary

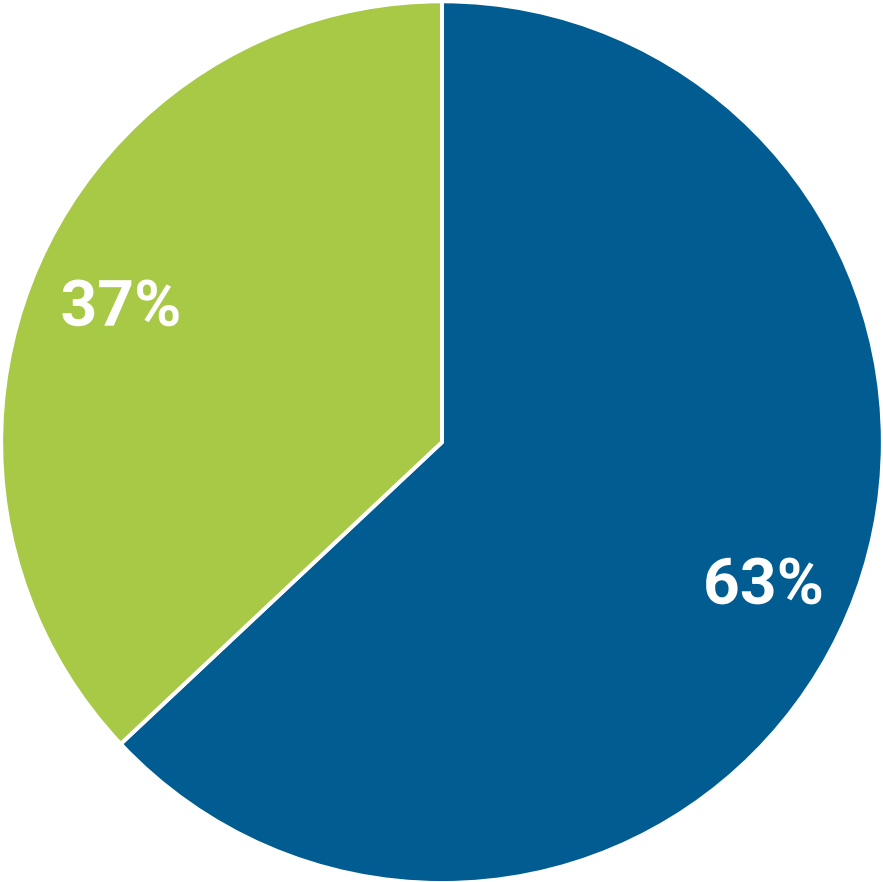
of Properties by Type



16,832 Residential Properties

639 Non-Residential Properties

Impervious Area by Type



62,000,000 sq ft for Residential

36,000,000 sq ft for Non-Residential

A photograph of a stormwater discharge pipe emptying into a rocky stream. The pipe is black and runs horizontally across the middle of the frame. Water is flowing out of the pipe into the stream, creating white foam and turbulence. The stream is filled with large, grey, angular rocks. In the background, there is a grassy bank. The entire image has a blue tint.

Stormwater Cost of Service Summary

Existing Stormwater Services (General Fund)

FY21-22

- Operating: \$180,000
- Special Project: \$190,000
(Stormwater Outfall Repair)

FY22-23

- Operating: \$150,000
- Special Project: None

FY23-24

- Operating: \$175,000
- Special Project: None

- Five full-time staffed positions
- Phase II MS4 stormwater quality compliance
- FEMA floodplain administration
- Operations and maintenance: reactive services
- Inspections
- Special projects (when necessary)
- Annual street sweeping

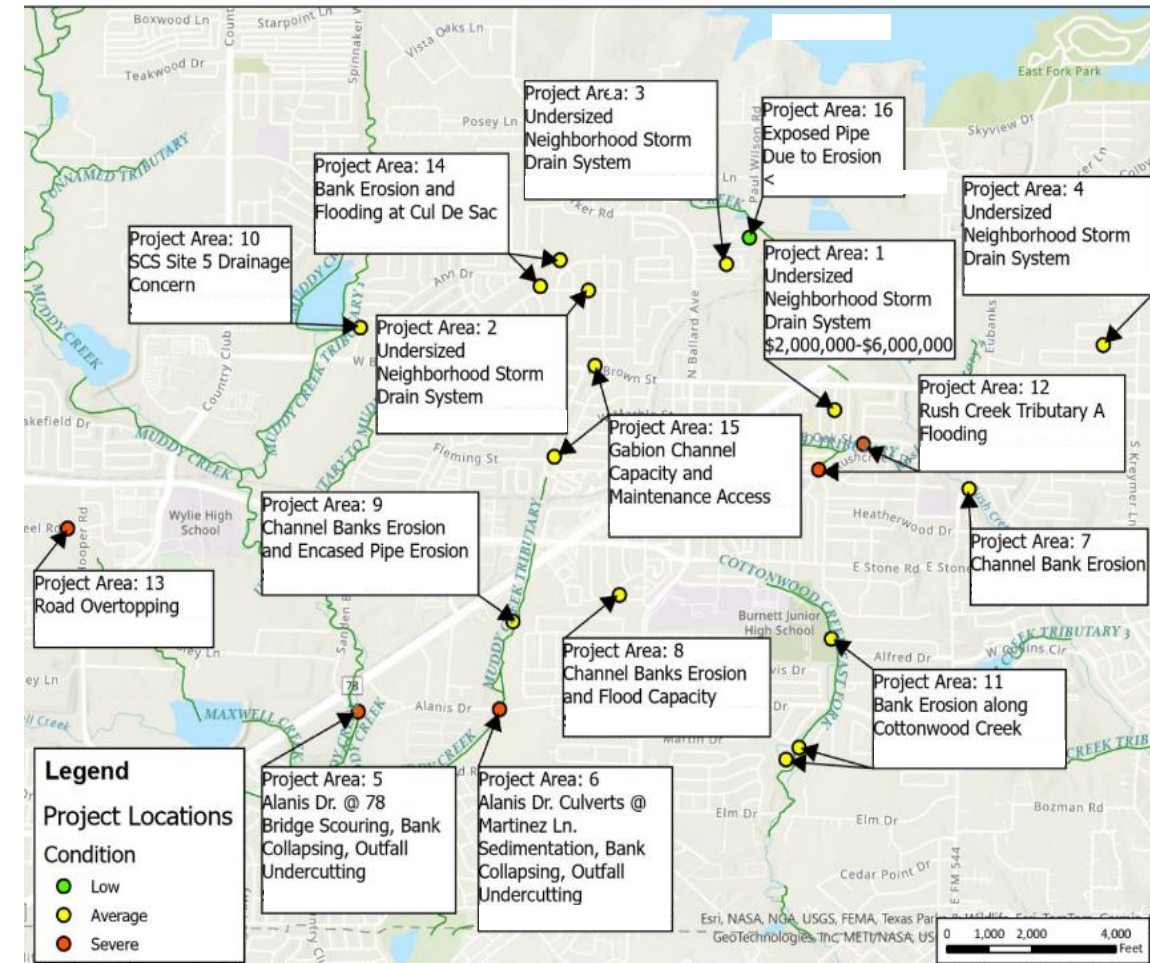
Proposed Stormwater Operating Expenses

Expense	FY26	FY27	FY28	FY29	FY30
Stormwater Operations	\$180,000	\$185,400	\$190,962	\$196,691	\$202,592
Street Sweeping*	\$75,000	\$77,250	\$79,568	\$81,955	\$84,413
Stormwater Master Plan	\$350,000	\$0	\$0	\$0	\$0
Total	\$605,000	\$262,650	\$270,530	\$278,646	\$287,005

**Sweep entire city twice annually*
Stormwater Operations and Street Sweeping include 3% inflation increase each year

Cost of Service – CIP Considerations

- 40 known problem areas citywide
- \$50 million+ rough cost projection



The background image shows a rocky stream with water flowing over the stones. The entire image is covered with a semi-transparent blue overlay. The text is centered in the middle of the image.

Stormwater Utility Fee Rate Structure Scenarios

Residential

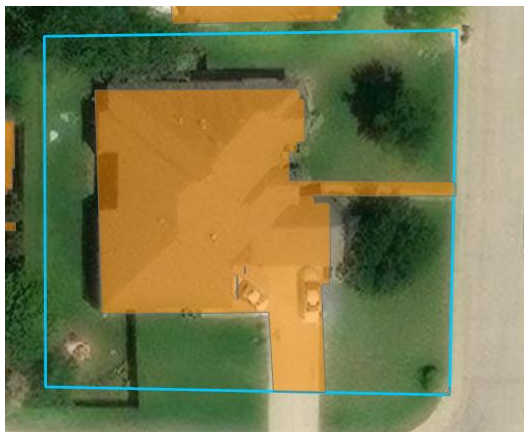
Small



Medium



Large



Average residential impervious area in Wylie = 3,500 square feet impervious area = 1 ERU

Residential Structure	Small	Medium	Large
Flat Rate	1 ERU	1 ERU	1 ERU
Tiered	0.69 ERU	1 ERU	1.58 ERU

ERU = Equivalent Residential Unit

Non-Residential

Typical Small



Typical Medium




Typical Large



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

Residential Flat-Rate Structure Scenario



100% of Single-Family Homes
\$5.00/month

Commercial properties charged \$5.00/ERU/month

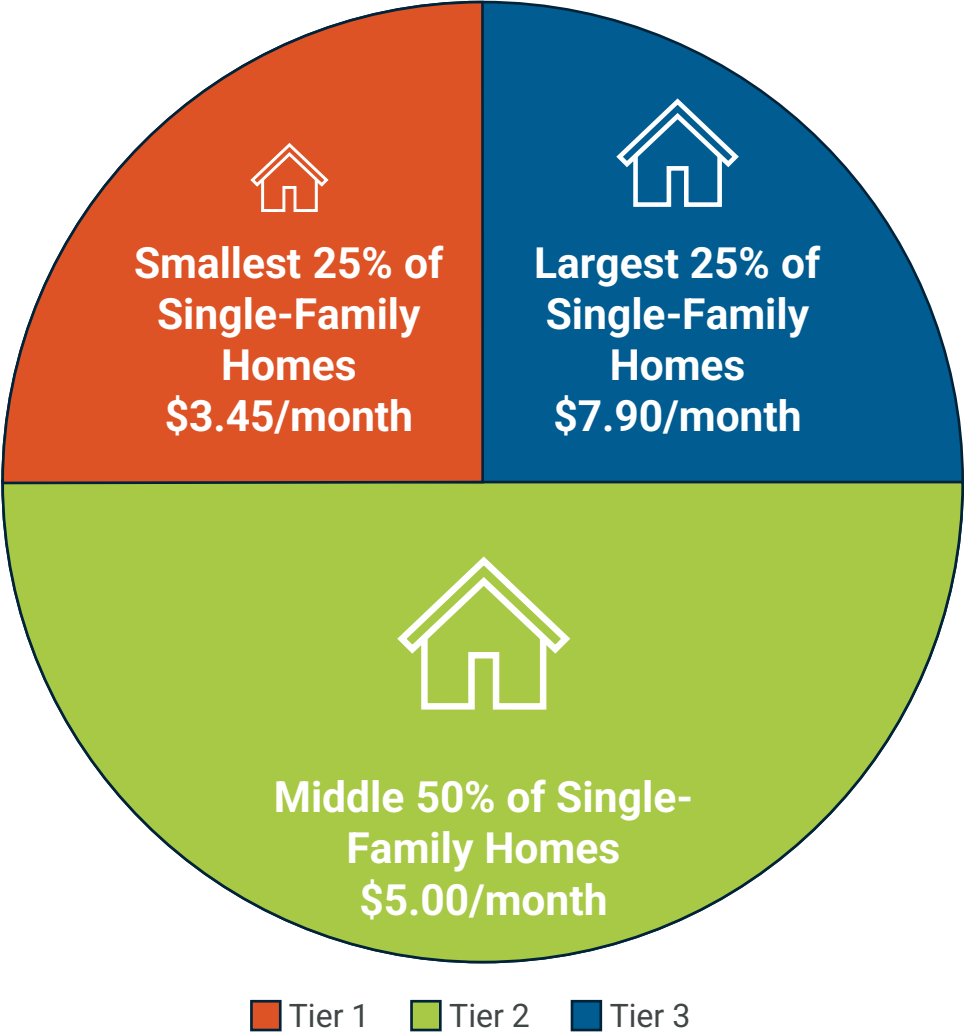
Revenue Impact

- ✓ Generates \$1.5M-\$1.7M annually
- ✓ Funds \$250-\$290K Annually for O&M
- ✓ Cash-funded CIP in FY26 is \$895K
- ✓ Funds \$350K Stormwater Masterplan in FY26
- ✓ Cash-funded CIP in FY27-30 is \$1.3M-\$1.4M/year

Exemptions

- ✓ No Stormwater Fee applied to Church, City, or County owned Properties
- ✓ Exempting ISD properties would reduce revenue by \$120K annually

Residential Tiered-Rate Structure Scenario



Commercial properties charged \$5.00/ERU/month

Revenue Impact

- ✓ Generates \$1.6M-\$1.8M annually
- ✓ Funds \$250-\$290K Annually for O&M
- ✓ Cash-funded CIP in FY26 is \$1M
- ✓ Funds \$350K Stormwater Masterplan in FY26
- ✓ Cash-funded CIP in FY27-30 is \$1.4M-\$1.6M/year

Exemptions

- ✓ No Stormwater Fee applied to Church, City, or County owned Properties
- ✓ Exempting ISD properties would reduce revenue by \$130K annually

Residential Properties

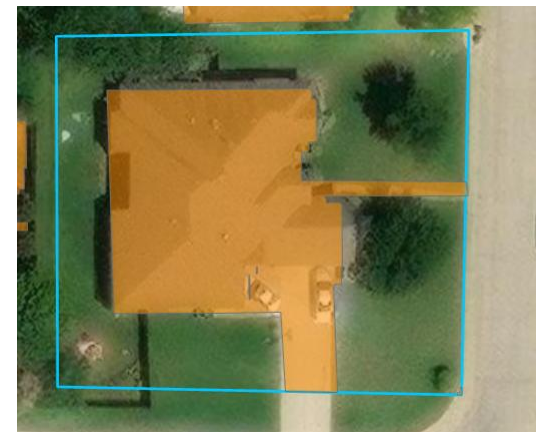
Small



Medium



Large



Residential Structure	Small	Medium	Large
Flat Rate	1 ERU	1 ERU	1 ERU
Tiered	0.5 ERU	1 ERU	1.67 ERU
Flat Rate Monthly Fee	\$5.00	\$5.00	\$5.00
Tier Rate Monthly Fee	\$3.95	\$5.00	\$7.90

Non-Residential

Small



Medium



Large

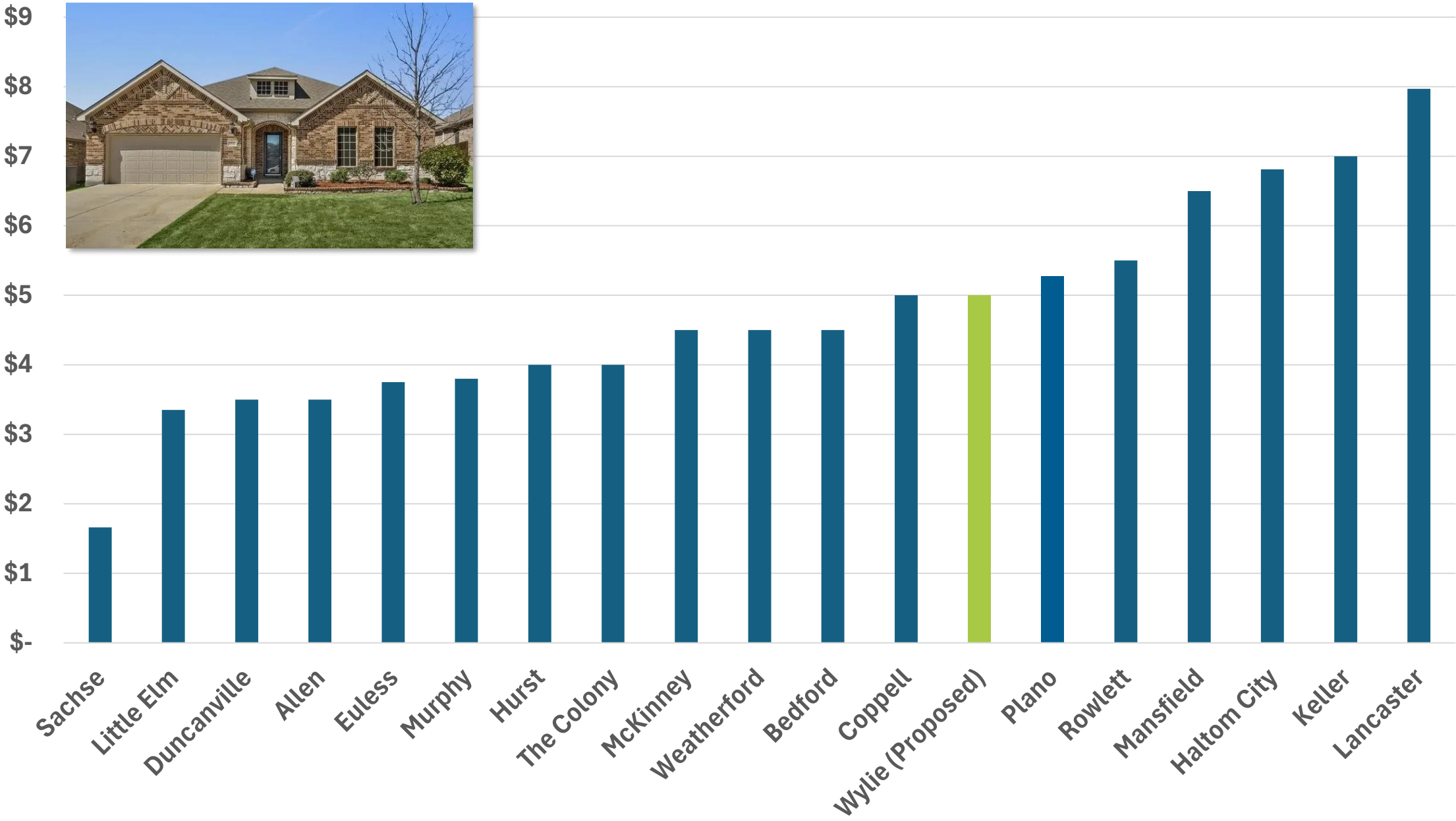


Non-Residential Structure	Small	Medium	Large
Per ERU	3 ERUs	10 ERU	45 ERU
Per ERU Monthly Fee	\$15.00 (\$5.00/ERU)	\$50.00 (\$5.00/ERU)	\$225.00 (\$5.00/ERU)



Benchmark Comparisons

Stormwater Utility Monthly Rate Comparison





Council Direction

Council Direction Needed

1. Preference for Rate Structure

Flat-Rate Residential Structure

Residential \$5.00/Month

Commercial Rate \$5.00/ERU/Month

Pro: Simpler to administer and communicate

Con: Less equitable to residential rate payers

Tiered Rate Residential Structure

Residential Tier 1 \$3.45/Month

Residential Tier 2 \$5.00/Month

Residential Tier 3 \$7.90 /Month

Commercial Rate \$5.00/ERU/Month

Pro: More equitable to residential rate payers

Pro: +\$100K annual revenue

Con: More effort to administer

2. Exempting ISD properties

In both scenarios exempting ISD properties would result in approximately \$120K-\$130K reduced revenue per year

Next Steps

**Prepare and
publish draft
ordinance and
fee schedule**

**City Council
meeting for
public hearing
and rate approval**

Go-live billing



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