



City of Amarillo Drainage Utility Study

January 2012

AMARILLO



Presentation Outline

- **Why is the City Considering the Drainage Utility?**
- **What is a Drainage Utility?**
- **How are Customer User-Fees Assigned to Property?**
- **User-Fee Comparison to other Cities**
- **How Will I Get My Bill?**
- **Will a Drainage Utility Solve All Problems?**
- **Implementation Steps-Schedule**



Why is the City Considering the Drainage Utility?

- Amarillo's flat topography and playa lakes present unique drainage requirements.
- In 2008-2011, over **1000 drainage problems** reported.
- **Backlog of 55 flood reduction projects** totaling \$66,000,000 in need of funding.
- Drainage system requires cleaning and periodic rehabilitation/replacement to function properly.
 - **180 miles of pipe/culverts and 3,300 curb inlets**
- General Fund (Property & Sales Tax Revenue) has not met funding needs.

Without stable funding, challenges will remain.



Drainage Complaints 2010-2011

136

59

61

34

3

335

15

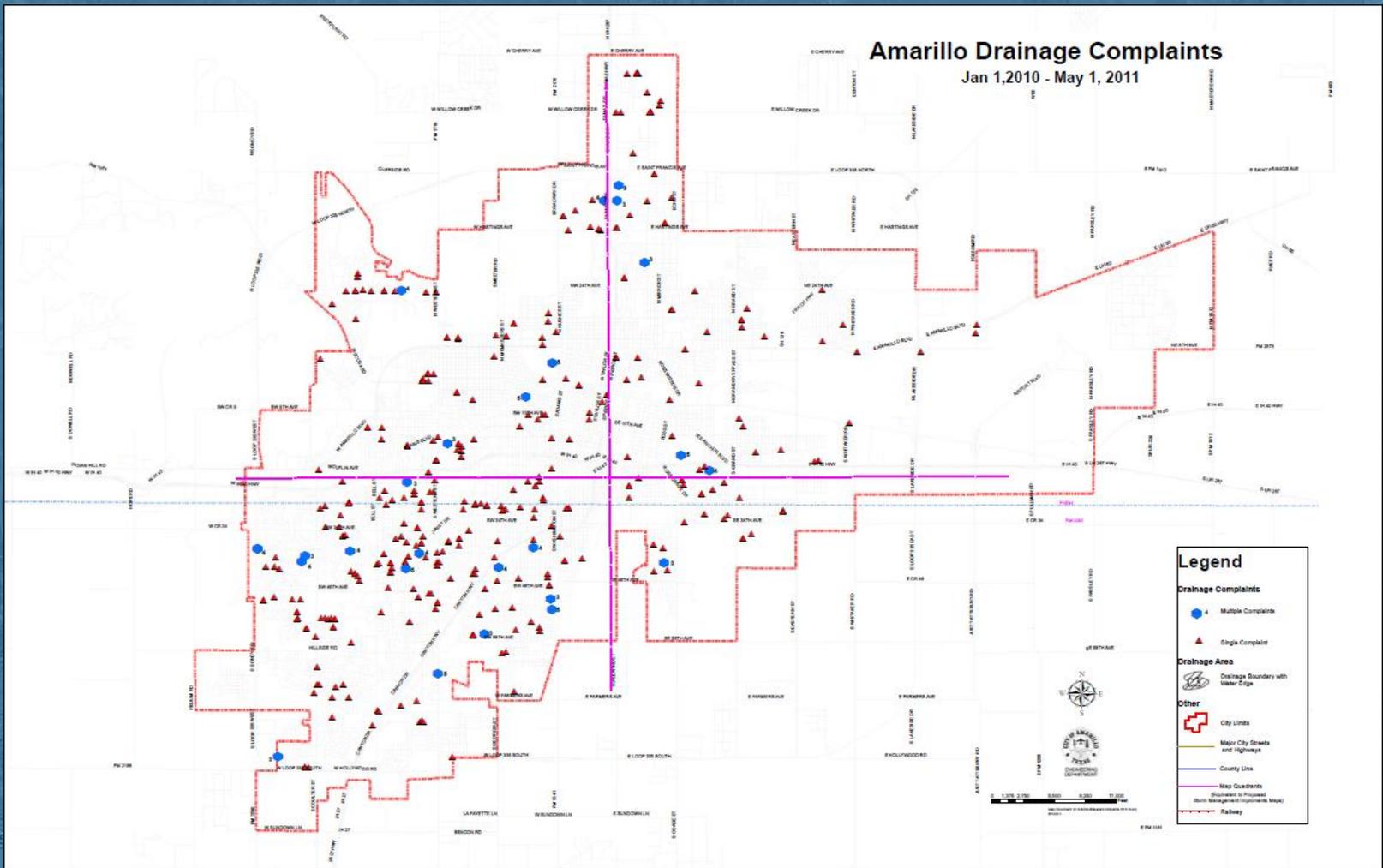
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18

39

38

Amarillo Drainage Complaints Jan 1, 2010 - May 1, 2011



What is a Drainage Utility?---Not a Tax!

- **User-Fee, like Water/Wastewater/Solid Waste**
- **Equitable User-Fee Basis: property stormwater run-off demand on drainage system**
 - *Impervious cover, i.e. rooftops, driveways/walkways, parking*
- **Guided by State Law, **no property value consideration****
- **User-Fee Collected on City Utility Bill**
- **Provides Stable Revenue Stream**
 - *Managed in **protected account***
 - *Supports long-term **program implementation***



How are User-Fees Assigned?

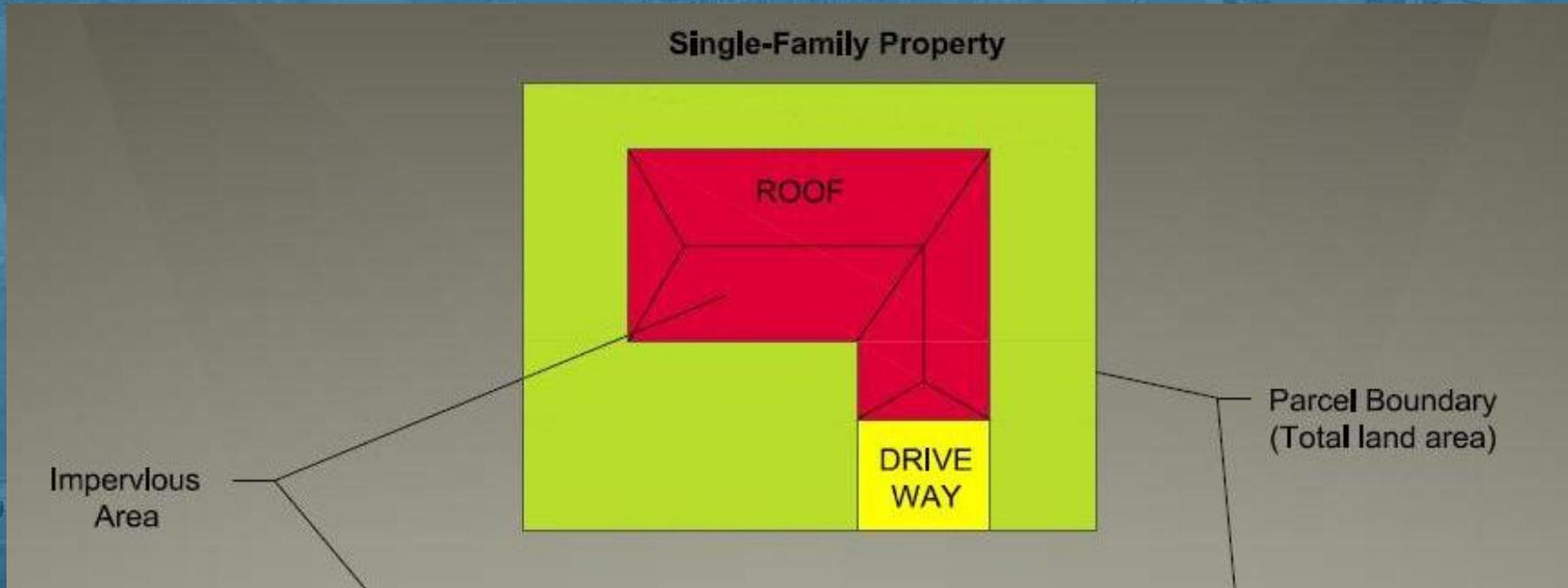
- **Impervious Area**
 - *Rooftops, Parking, Driveways, Walkways*
 - *Increases Volume & Rate of Runoff*
- **Equivalent Residential Unit (ERU)**
 - *Average Sq Ft for Single-Family Properties-2800*
 - *Used as Billing Standard*
- **Rate Structure**
 - *Single-Family, Multi-Tier*
 - *Commercial/MF/Industrial/Institutional/Religious*



Primary Land Data Sources-PRAD building footprint, parking area and aerial photography



Single-Family Impervious Area Determination



- Roof + Driveway + Walkways + Patios + Outbuildings
- Sidewalks are not included in impervious area total



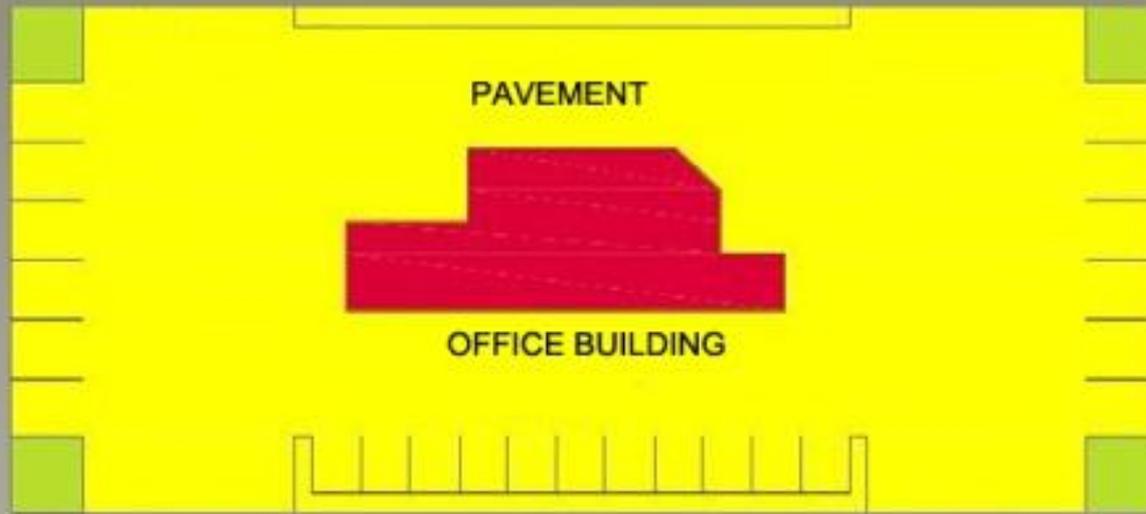
Proposed Utility Rate Structure

- **ERU Value – 2,800 sq. ft. Impervious Area (IA)**
- **Single-Family: Three Tiered**
 - **“Small”** *0.68 ERU, <2,072 sq. ft. IA, \$1.71/mo.*
 - **“Typical”** *1.0 ERU, 2,072-3,236 sq. ft. IA, \$2.51/mo.*
 - **“Large”** *1.5 ERU, >3,236 sq. ft. IA, \$3.79/mo.*
- **Commercial/Industrial/City/County/School District/Religious/Apartment Complex**
 - *15.6 ERU per Acre Impervious Area, \$39.15/mo.*



Example Commercial Utility Billing Calculation

Example Fee Calculation



$$\frac{28,000 \text{ SF}}{2,800 \text{ SF/ERU}} = 10 \text{ ERUs}$$

- Impervious Area = Building Roof + Parking



5-Year Budget Scenario

- **ERU rate \$2.51/month**
 - *Residential*
 - Small-\$1.71/mo., Typical-\$2.51/mo., Large-\$3.79/mo.
 - *Commercial-\$2.51/month/2800 sq. ft. impervious area*
- **Results:**
 - *Annual Revenue: \$4,542,000, \$24 per person*
 - **CIP-\$12M** debt issue in year-one, start 4 projects
 - **Builds \$2M Repair/Replacement Reserve**
 - **Dedicated Infrastructure Maintenance Program**
 - Transfer 9 existing positions and equipment from Street Department
 - Add 21 new positions and equipment over 5-years



Exemptions

Texas Local Government Code Chapters 552.C and 580

Statutory (Mandatory)

- Undeveloped Land
- Institutions of Higher Education
- Property with Private Drainage System
 - No discharge to City infrastructure or waterways
- State Property



Monthly User-Fee Comparison

City	ERU Rate	Revenue Per Person
Amarillo	\$2.51 ²⁴	\$24
Abilene	\$2.45	\$16
El Paso	\$2.97	\$23
Fort Worth	\$5.40	\$43
Laredo	\$6.50	\$28
Lubbock	\$12.00	\$72
San Angelo	\$4.00	\$30
Wichita Falls	\$3.55	\$24

Over 60 drainage utilities in Texas



Proposed Customer Billing

- **User-Fee included on City monthly utility bill.**
- **Sample bill mail out, August 2012**
- **Address customer concerns before 1st billing, October 2012**
- **Customer appeals process in place after 1st billing.**
- **What if I live on high ground and do not flood, do I pay the user-fee?**
 - *Yes, all developed properties produce run-off that must be conveyed by the City drainage system*



Will the Drainage Utility Solve all Drainage Problems?

- Improved drainage system maintenance begins immediately.
- Proactive response to localized drainage problems
- Large flood-reduction project construction on prioritized basis.
- Will take many years to address flood reduction project backlog.
- User-Fee proposed to remain at initial level for 5-years.
- City Commission will review user-fee and utility progress as part of annual budget process.



Implementation Steps- Proposed Schedule

- 1. Public Meetings, January 2012**
- 2. City Commission Feedback Workshop**
- 3. Ordinance Public Hearings, March 2012**
- 4. Sample Bill Mail-Out, August 2012**
- 5. Resolve Customer Inquiries on Sample Bill**
- 6. Billing Initiation, October 2012**



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