

RESOLUTION NO.

WHEREAS, the City of Austin assesses a monthly drainage charge on utility bills, as authorized by the Texas Local Government Code, to fund the City's drainage utility mission of protecting lives and property from flooding, erosion, and water pollution across Austin; and

WHEREAS, the drainage charge was first adopted in October 1982, the year after the 1981 Memorial Day Flood, which killed 13 people and caused \$35.5 million in damage; and

WHEREAS, since its inception in 1982, Council has enacted several notable increases in the charge to fund stormwater initiatives; and

WHEREAS, in 1991, the City of Austin increased the drainage charge and established its Drainage Utility program under the Texas Municipal Drainage Utility Systems Act which authorizes communities to adopt a drainage charge to recover the costs of drainage utilities with a rate structure that charges individual lots or tracts for drainage service on a basis that is directly related to drainage, rather than the value of the property; and

WHEREAS, the Texas Municipal Drainage Utility Systems Act requires that the schedule of charges and the classification of benefitted properties be "non-discriminatory, equitable, and reasonable" (Texas Local Government Code 552.047); and

WHEREAS, in 2001, City Council adopted the Watershed Protection Master Plan identifying significant drainage related capital project needs across the City; and

WHEREAS, drainage charge increases between FY 2002 and FY 2016 have primarily provided additional funding for the capital projects identified in the Master Plan and helped reduce reliance on general obligation bond funding; and

WHEREAS, on June 25, 2015, City Council approved a new methodology to assess drainage charges that is proportional to the impact each specific property has on the City's drainage system based on the property's amount and percent of impervious cover, regardless of the land use of the property; and

WHEREAS, under the new methodology residents living in a single-family home, duplex, triplex, or fourplex are still charged for drainage on their utility bill and when there are multiple units on a property, such as a duplex, the City divides the charge evenly among the units; and

WHEREAS, under the new methodology residents living in a multifamily property with more than four units, such as an apartment or condo, are not directly charged the drainage fee on their utility bills but instead the City charges the property owner or manager for the entire property's drainage charge and the property owner or manager may choose how to allocate the charge among the residents; and

WHEREAS, as a result of charging individual property owners or managers instead of the actual utility customers residing in multifamily properties, the City has seen the total number of customer drainage accounts drop from 500,000 to around 200,000; and

WHEREAS, residents living in multifamily properties, such as condos, apartment complexes, and some mobile homes, many of whom do not own the property outside their residential unit, began to be treated differently from other utility customers when the first drainage bills based on the new drainage charge methodology were sent out for October 2015 service; and

WHEREAS, under the new drainage billing process residents living in a single-family home, duplex, triplex, or fourplex can easily see the amount they are being charged for their individual drainage charge while residents living in multifamily properties do not have the same ability to understand their drainage impact and costs because they are unable

to receive an individual bill from the City showing their portion of the drainage charge;
and

WHEREAS, through adopting these billing changes the City inadvertently created a less transparent billing process for residents living in multifamily properties by eliminating the ability of residents to see an individual drainage charge on their utility bill;
NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Manager is directed to explore options to allow individual billing of the drainage charge for residents living in multifamily properties with more than four units if requested by the board of the homeowners association, an equivalent residents' association board, or a majority of the residents. The City Manager is directed to present these options, including the feasibility and cost analysis of each option, and recommendations to Council for consideration no later than November 2, 2017.

BE IT FURTHER RESOLVED:

The City Manager is directed to explore the feasibility of creating a discount or billing cap for elderly and fixed income residents who may have seen a larger than average increase to their utility bill because of the new drainage charge methodology. The City Manager is directed to present the findings, financial impact analysis, and recommendations to Council for consideration as part of the FY 2018-19 Fee Schedule adoption process.

ADOPTED: _____, 2017

ATTEST: _____

Jannette S. Goodall
City Clerk