

Drainage Charge Revision

Two Public Meetings, February 10, 2015 & February 24, 2015

Questions and Comments Grouped by General Categories

Corrections, appeals and the adjustment process

- Will there be a challenge/adjustment process?
- Our system to make adjustments should be transparent.
- Will there be the ability to adjust the charge based on impervious cover?
- An adjustment process is in the City code. People seeking an adjustment must request it from WPD Director (Victoria Li). However, she made it clear to me that all requests must go through Law. Why? The judge unfortunately didn't specify how. Will this process be continued?
- Will there be any sort of refund and rebate for what we have overpaid over the years? I believe there should be an adjustment now (for low rise apartments).
- What is the appeals process? (WPD wants the 1st step to be a less formal adjustment process.)

Commentary: *The public comments expressed that the Drainage Utility should to be ready to handle an unknown volume of questions, requests and appeals in ways that are efficient, informal and easy to access. We anticipate having temporary employees with GIS abilities to assist. The processes for adjustments will be described this summer on the drainage charge web page. While the primary access to this process will be through the web page, it can also be done by email, phone, or postal mail.*

A more formal appeals process (already established) will be available to those who are not satisfied with the adjustment process.

Though the City plans to change methods of calculating the fee on October 1, previous and current charges are valid. We do not anticipate making any refunds for previous payments that exceed the newly calculated charges.

Determination of impervious area

- What is the definition of "impervious area"? It should be on our web page.
- Are swimming pools counted as impervious cover? Are wood decks counted?
- Is bedrock (rock outcroppings) picked up by the aerial photos and put on the planimetric maps as impervious cover?
- Clarify the process of how to get from the aerial photos to the impervious area – should be footprint of structure rather than the roofline.
- Be clear and consistent with Planning & Development Review definitions.
- Not all rooflines have 100% impervious cover underneath. Roof overhangs and awnings should not count. Only foundations should count.
- There is a detailed Planning & Development Review description for impervious cover. (That should take precedence.)

- Since impact on drainage is a big issue, are you taking into consideration the permeability of the land – e.g., rocky ground to the west, gumbo clay to the east?
- How are you going to see impervious area from aerial photos through the tree cover?
- Have you done a validation across a variety of lots? How have you cleaned up the data? Have you removed rocks, crushed granite, etc. from the impervious area?
- (Property owners) should use the calculator to see if there is a significant difference to change something. Is it worth money?

Commentary: Questions, concerns and challenges concerning calculation of impervious area may constitute the majority of contacts in the adjustment process. The web page will contain enough useful information to answer most questions. WPD intends to use the same criteria for determining impervious area that are used by Development Review, which relies heavily on Section 25-8-63 of the Land Development Code (Impervious Cover Calculation). Accordingly, some surfaces such as gravel, crushed granite, etc. that could be considered pervious on walkways may be considered impervious if located on driveways and parking areas.

Soil type, degree of slopes, type of ground cover, etc. will not affect the calculation of impervious area. Features like rock outcropping are not showing up as impervious area.

Related methodology concerns

- Where did the ½ cent per sq. ft. monthly rate come from?
- If citywide average impervious area goes up, will my bill go down?
- Velocity of water is a factor. This is not being taken into account. Roof slope, gutters, yard watering, etc.
- How do you determine lot size? I have a big easement on my neighbor's property. Are you going to count that for her or for me?
- An easement shows up on my neighbor's lot, will he/she get the benefit rather than me? (Essentially same as previous.)

Commentary: The half-cent placeholder for the base rate will eventually be replaced with a more precise rate for next year that is based on an approved budget. When the City-wide average impervious area total goes up, it does tend to lower the adjustment factor for all properties. It also tends to lower the base rate as well. Factors that might affect velocity of runoff are too difficult to consider at this time. Parcel boundaries determine lot size and area. An easement will not be counted if it is on a parcel owned in fee simple by another land owner (that adjoining property owner will get credit for the easement.)

Properties with multiple tenants

- Master water and sewer charges go to the property owner. Can the owner assign additional fees to the tenants?
- State law stipulates that either the property owner or the occupant can receive the bill.
- Will there be stipulations in the new ordinance to prevent property owners from charging tenants (an extra fee for administering the charge)?

- Is billing based on property owner?
- Whoever gets taxed, gets billed? Could be the HOA or the management firm. It will be whoever gets the utility bill.
- How will we make the charge work with multi-use developments that have joint use parking garages, apartments, businesses, etc?
- Does property tie to a meter?
- How are HOA common areas billed?

Commentary: *Concern has been expressed about how property owners will pass on the drainage charge to tenants, and their ability to charge additional fees. Surveys are showing that most other cities are billing the property owners rather than the tenants. With respect to how the land owners recover their costs, the City of Austin does not plan to get involved in the relationship between land owners and tenants. The Texas Apartment Association and the Houston Apartment Association both have template lease addendums that directly address how to pass drainage charges to tenants.*

Information concerning the revenue that the charge generates

- How is revenue from the drainage charge distributed across the city?
- Have we determined the average drainage charge to single family properties? What is the impact?
- Has billable property gone up since last year?
- How is revenue/burden going to be distributed between residential, commercial and multifamily?

Commentary: *The memo to City Council dated April 30 provides several tables of information concerning average charges for different land use categories and the shift in burden between these categories. The link to this memo is found on the drainagecharge web page.*

Exemptions and Discounts

- Will there be property tax exemptions, for non-profits for example?
- Will you allow a discount if someone has rainwater harvesting? (To be addressed in Phase 2)
- On the pond maintenance credit, the City maintains residential ponds (1992 study). City of Austin is spending money to maintain these ponds. The cost differential for residential and commercial plus the 20% discount is too high. We should encourage good maintenance. The pond discount was intended to be an incentive program initially. The discount should be reevaluated for equity. I would really like to see it reviewed again. But we should maintain some level of discount.
- I live in a subdivision of 13 homes with a pond we maintain. It's not a traditional development. Will there be an adjustment for our properties? Will we get credit for what is already required? It's a private street near Little Zilker Creek. It's downstream from a new condo complex, so when it rains, it drains to our pond.

- WPD and mission to reduce flooding – has there been any discussion to reduce the charge based on practices that reduce runoff? Are we talking about this? (Rainwater barrels were mentioned specifically.)

Commentary: *Drainage charge exemptions will continue for properties owned by the state, county, school districts, an institution of higher education, and only for certain properties owned by religious organizations that also participate in an approved program that provides housing to the homeless. No other non-profits are exempt, however. The drainage charge discounts based on need will also continue.*

The city is proposing to eliminate the 20% discount for well-maintained ponds, and does not currently offer discounts for any other type of storm water mitigation. The reasons for eliminating the pond discount are best explained in a memo to pond owners mailed in early May 2015. The link to this memo is found on the drainagecharge web page.

The political (& budget) processes

- Has City Council been briefed? If not, they need to be – they could be getting questions since we've started public meetings.
- Departments need to justify their budgets.
- City staff should consider not having a 3% budget increase.
- This will go to a Council subcommittee; please participate when it does.
- When did the City start charging the drainage fee? (1982)
- How many employees will WPD be hiring to handle the GIS needs for the drainage charge revision?
- Suggest that you not budget for increased revenue this year.
- You should allow a year or two to phase this in – a transition period. Be conservative.
- Have the fee revisions been revenue neutral?
- How is the budget determined? You are building this on the backs of taxpayers.
- The department's budget shouldn't drive the rate – it should be vice versa.

Commentary: *WPD's budget proposal for the 2015-16 fiscal year is expected to be conservative, but the City Council will determine size of the department's budget, and that will set the budget requirements and consequently the base rate needed.*

Affordability

- The residential buyouts (of flood prone residential properties) costs money (and increases the charge).
- What about those on fixed incomes?
- Affordability discussion and proposals are focused on the poor, not the middle class.
- The exempt properties are having a detrimental effect on the drainage fee.
- What is the impact of the drainage charge (and the revisions to it) on the middle class?

- We built our houses 25 years ago, without impervious cover considerations. (And now the charge will penalize impervious cover.)

Commentary: *Housing affordability is a major concern of the City Council and all other parts of City government. In the past, revenue requirements not met by utility user fees (the drainage charge) were provided by other sources including property taxes. In recent years, however, the Drainage Utility has been more fully supported by the drainage charge. We don't anticipate major changes concerning exempt properties (state, county and school district lands, etc.).*

Related policy issues

- Are we incentivizing single family in the urban core?
- Does the drainage charge work at cross purposes to other incentives concerning land use and development the City has?
- The charge has possible secondary impacts on affordability and land use policy.
- The more open space on the lot, the lower your charge. The owner benefits because drainage costs are lower.
- If you want to lower your drainage charge, build with less impervious cover.
- Do we want to limit the amount of water running from creeks to Lady Bird Lake and Colorado River?
- Green infrastructure – how does the City incentivize?
- This seems to be regressive for small lots – it penalizes them.

Commentary: *While the size of the drainage charge tends to lessen its influence on land use compared to other costs, the drainage fee with its new structure will be biased somewhat in favor of low density, open space, vegetative cover, and large lots, but also vertical construction. We are finding that the proposed charge for residential units in vertical construction would be typically less than they are today. However, the proposed fee structure may not be consistent with some policies, now or in the future, that would encourage more intense development (or redevelopment) that do not employ vertical construction.*

Stakeholders

- Who are the stakeholder groups that we are meeting with?
- Add the Home Builders Association to your list of stakeholders.

Response: *The Austin Home Builders Association was a good suggestion was added to the list of stakeholders the City has been communicating with. This includes the Building Owners and Managers Association (BOMA), the Austin Apartment Association, the Real Estate Council of Austin (RECA), Downtown Austin Alliance, the Austin Board of Realtors, and the Greater Austin Chamber of Commerce, as well as the Austin Neighborhoods Council and as many of its member neighborhood associations as possible.*

Availability of City Codes and Criteria

- The Drainage Criteria Manual – is it on the web site?
- The City's Land Development Code – is it on the web site?

Commentary: Both the Land Development Code and the Drainage Criteria Manual can be found on the City web site: <http://www.austintexas.gov/department/austin-city-code-land-development-code>

https://www.municode.com/library/tx/austin/codes/drainage_criteria_manual?nodeId=DRCRMA

How to get more information

- Austintexas.gov/drainagecharge
- You have to go through Council. Austin Energy (AE) does the billing and the only phone number on the bill is AE's. AE doesn't have the same information as 311. Our utility bills should list the phone number for each department that has a utility charge on the bill. Print more contact information on the bill.
- Put calculation method on the bill. Put specific details for that property on the bill (lot size, square footage impervious cover, percent impervious cover, base rate, etc.).
- In my neighborhood, seniors are demographically significant. How will this be explained to them? Will there be an off-line process for those who don't access the web?

Commentary: The City will need to find effective ways to communicate how the fee is calculated for each property, and how individuals can ask questions and seek adjustments. WPD plans to send notification letters to all utility customers this summer, and will be prepared to handle numerous requests for adjustments.

Suggestions for more effective presentation of information

- (In our presentations) we should stress that the drainage charge is a user fee (not a tax) and is based on the proportional impact to the drainage system.
- We should stress (in our presentations) that there is a rational scientific basis for the Adjustment Factor. It is based on a long-term study with local data. It is not arbitrary.
- We should show the average & typical charges for single family residents.
- Prefer the larger, open session (there were few people). They don't like breaking out into small groups. [Nevertheless, two of the eight citizens did not talk or ask questions.]

Commentary: This feedback has been helpful for subsequent meetings. The drainage charge is indeed a utility user fee, and the new fee structure is well established on good science. The adjustment factor is based directly on the strong relationship between percentage of impervious area and the volume of storm water runoff that has been confirmed by the City's local studies using decades of monitoring data.