
MEMORANDUM

To: Mayor and City Council

From: Michael Smith, P.E., Public Works Director

Date: 2/27/2012

Subject: **Resolution to Approve New Stormwater Utility Rate**

ITEM DESCRIPTION

Approval of New Stormwater Utility Rate

BACKGROUND

The City created a Stormwater Utility in 2009 to provide a dedicated funding source for maintenance of public storm water infrastructure and to address state and federal regulatory requirements related to stormwater runoff. As with electric and water/sewer utilities, the stormwater utility fee paid by property owners is set to cover the operating cost of the system. Since the City did not have accurate historical information on the extent, age and cost of maintaining the stormwater system at the time the utility was created, the City adopted DeKalb County's rate since 2003 of \$4 per month per single family residence or per 3,000 square feet of impervious area for commercial properties.

In 2010 and 2011, the City completed a complete inventory of the entire public and private stormwater system throughout the City. A database was developed with the location, size, type and condition of each component of the system. The inventory identified 5,700 City maintained stormwater structures and 69 miles of pipe.

Based on the inventory information and two years of experience operating the stormwater system, staff has conducted a rate study to determine if the current rate structure provides a sustainable level of funding for maintenance of the system. Key findings of the rate study are:

- About 75% of the City's system consists of Corrugated Metal Pipe (CMP)
- The typical service life of CMP in Dunwoody is about 35 years
- The City currently has about 300 metal pipes older than 35 years
- A number of components have been identified for replacement through citizen reports or through the system inventory. The cost of this backlog is estimated at about \$3,300,000 and would take about 6 years to complete at current funding levels.
- Based on varying assumptions on the failure rate of metal pipe currently in fair condition, estimated annual replacement costs to sustain the infrastructure long term range from \$800,000 to \$1,600,000. The current annual funding for replacement is \$525,000.

RECOMMENDED ACTION

Staff recommends adoption of a base stormwater utility fee of \$5.75 per month (\$69 annually for single family residences) as presented at the February 13, 2012 Council Meeting. This would provide about \$925,000 annually for pipe replacement. The accompanying Resolution provides for adoption of the new rate of \$5.75 per month. All other provisions of the Resolution remain unchanged.

A RESOLUTION PROVIDING FOR THE ESTABLISHMENT OF STORMWATER SERVICE FEE RATES AND CREDITS TO THE STORMWATER SERVICE FEE

WHEREAS, Chapter 32 (Stormwater Utility) of the City Code of Ordinances authorizes and empowers the City Council of the City of Dunwoody, Georgia to determine stormwater service fee rates in the City of Dunwoody, so that the total revenue generated by said fees and any other sources of revenues or other resources allocated to stormwater management by the City Council shall be sufficient to meet the cost of stormwater management programs, systems and facilities; and

WHEREAS, Chapter 32 (Stormwater Utility) of the City Code of Ordinances authorizes and empowers the City Council of the City of Dunwoody, Georgia to determine credits to the stormwater service fee; and

WHEREAS, Given the projected cost of stormwater management programs, systems and facilities identified in the professional engineering and financial analyses performed by the City, it is appropriate to adopt a stormwater service fee rate methodology and to charge service fees to properties and persons within the city in a manner that recovers the cost of programs, systems and facilities and other costs associated therewith; and

WHEREAS, The City's analysis reflects the current conditions of the stormwater system in the City.

NOW, THEREFORE, BE IT RESOLVED, by the City Council, City of Dunwoody, Georgia, as the governing body of said City, that the following stormwater fee rates shall apply:

- 1) The stormwater service charge per equivalent Residential unit (ERU) shall be five dollars and 75 cents (\$5.75) per month.
- 2) All single detached dwelling lots shall be charged the rate applicable to one (1) equivalent residential unit.
- 3) All multiple dwelling lots shall be charged the rate applicable to one (1) equivalent residential unit times the number of dwelling units located on the property times an adjustment factor that adjusts the equivalent residential unit to equal the median impervious coverage of a statistical sampling of a single dwelling units within a multiple dwelling lot, which has been determined to be 0.7,
- 4) All other developed lands shall be billed for one (1) equivalent residential unit for each three thousand (3000) square feet of impervious surface or increment thereof on the property, rounded to the next highest tenth of an equivalent residential unit.

BE IT FURTHER RESOLVED that Stormwater service fee credits may total up to 40 percent of the service charge applicable to a property, and shall be granted in the following increments:

- (1) 10% credit for on-site systems or facilities sized and functioning to meet water quality in accordance with the City Code and the Georgia Stormwater Management Manual as may be updated or amended from time to time.
- (2) 10% credit for on-site systems or facilities sized and functioning to meet the channel protection in accordance with the City Code and the Georgia Stormwater Management Manual as may be updated or amended from time to time.
- (3) 10% credit for on-site systems or facilities sized and functioning to meet the overbank flood protection in accordance with the City Code and the Georgia Stormwater Management Manual as may be updated or amended from time to time.
- (4) 10% credit for on-site systems or facilities sized and functioning to meet the extreme flood protection properly as defined in the Statewide Stormwater Sizing Criteria for Stormwater Control and Mitigation [Georgia Stormwater Management Manual, Vol. 2 (Technical Handbook), section 1.3] as may be updated or amended from time to time.

SO RESOLVED by the City Council of City of Dunwoody, Georgia this ___ day of _____, 2012.

Approved:

Michael G. Davis, Mayor

Attest:

Sharon Lowery, City Clerk

(Seal)