ORDINANCE NO. 2020-41

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS AMENDING CHAPTER 86, ARTICLE 8, DIVISIONS 1 AND 2 OF THE SAN MARCOS CITY CODE TO, AMONG OTHER THINGS, CHANGE THE RATE STRUCTURE OF THE STORMWATER UTILITY TO AN IMPERVIOUS BASIS FOR ALL CUSTOMER CLASSES, AND TO UPDATE PROVISIONS REGARDING THE MAINTENANCE AND REPAIR OF STRUCTURAL CONTROLS IN CONNECTION WITH THE MUNICIPAL SEPARATE STORM SEWER SYSTEM (MS4); INCLUDING PROCEDURAL PROVISIONS; PROVIDING FOR THE REPEAL OF ANY CONFLICTING PROVISIONS; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1. Chapter 86, Article 8, Division 1 of the San Marcos City Code is hereby amended to read as set forth below. Added text is indicated by underlining and deleted text is indicated by strikethroughs.

ARTICLE 8. - DRAINAGE STORMWATER UTILITY

DIVISION 1. - DRAINAGE STORMWATER UTILITY FEE

Sec. 86.501. Declaration of purpose.

- (a) After a public hearing on the matter, the city council finds, determines and declares that in order to protect the citizenry from the loss of life and property caused by surface water overflows, surface water stagnation and pollution arising from nonpoint source run-off within the boundaries of the service area established in this article, it is necessary and in the best interest of the public health and safety to establish a drainage stormwater utility as authorized by state law.
- (b) To this end, the city council will establish a schedule of drainage stormwater charges against all real property in the service area, subject to the limitations of state law, and the city will provide drainage for all real property in the service area on payment of the drainage charges, except as to real property exempted from the charges under section 86.509. The city will offer drainage service on nondiscriminatory, reasonable and equitable terms.

Sec. 86.502. Definitions.

In this article:

Benefitted property or property means a lot or tract of real property to which drainage service is made available under this article and which is located within the service area.

Board means the drainage advisory board established in section 2.191 of this Code. Cost of service as applied to drainage stormwater utility system service to any benefitted property, means:

- (1) The prorated cost of the acquisition, whether by eminent domain or otherwise, of land, rights-of-way, options to purchase land, easements, and interests in land relating to structures, equipment, and facilities used in <u>stormwater quality treatment and drainage draining</u> the benefitted property;
- (2) The prorated cost of the acquisition, construction, repair, and maintenance of structures, equipment, and facilities used in stormwater quality treatment and draining the benefitted property;
- (3) The prorated cost of architectural, engineering, legal, and related services, plans and specifications, studies, surveys, estimates of cost and of revenue, and all other expenses necessary or incident to planning, providing, or determining the feasibility and practicability of structures, equipment, and facilities used in stormwater quality treatment and draining the benefitted property;
- (4) The prorated cost of all machinery, equipment, furniture, and facilities necessary or incident to the provision and operation of stormwater quality treatment and draining the benefitted property;
- (5) The prorated cost of funding and financing charges and interest arising from construction projects and the start-up cost of a drainage stormwater facility used in stormwater quality treatment and draining the benefitted property;
- (6) The prorated cost of debt service and reserve requirements of structures, equipment, and facilities provided by revenue bonds or other drainage stormwater utility revenue-pledge securities or obligations issued by the city; and
- (7) The prorated administrative costs of a drainage stormwater utility system.

<u>Customer Class</u> means the land use, residential or non-residential, that the benefitted property is assigned to be based on the predominant use of the parcel.

Director means the executive director of the department of public services, the director of engineering or their designees.

Drainage means bridges, catch basins, channels, conduits, creeks, culverts, detention ponds, ditches, draws, flumes, pipes, pumps, sloughs, treatment works, and appurtenances to those items, whether natural or artificial, or using force or gravity, that are used to draw off surface water from land, carry the water away, collect, store, or treat the water, or divert the water into natural or artificial watercourses.

Drainage charge means:

- (1) The levy imposed to recover the cost of service to the city in furnishing drainage for any benefitted property; and
- (2) If specifically provided by ordinance, an amount made in contribution to funding of future drainage system construction by the city.

Drainage system means the drainage owned or controlled in whole or in part by the city, including the portions of the Blanco River and San Marcos River within the service area, and dedicated to the service of benefitted property, including provisions for additions to the system. The drainage system is also known as a municipal separate storm sewer system, or MS4, meaning that the storm sewers are a separate system not connected with the sanitary sewer system.

Equivalent residential unit (ERU) means the basic billing unit for the drainage stormwater charge.

Facilities means the property, either real, personal, or mixed, that is used in providing drainage stormwater service and included in the drainage stormwater system.

Impervious cover means roads, streets, parking areas, buildings, sidewalks and other construction covering the natural land surface that is impenetrable to stormwater. Compacted dirt or gravel used for vehicular traffic, parking, and other uses is considered impervious cover for the purposes of this section.

Improved lot or tract means a lot or tract that has a structure or other improvement on it that causes an impervious coverage of the soil under the structure or improvement.

Public utility means a drainage stormwater service that is regularly provided by the city through municipal property dedicated to that service to the users of benefitted property within the service area and that is based on:

(1) An established schedule of charges;

- (2) The use of the police power to implement the service; and
- (3) Nondiscriminatory, reasonable, and equitable terms as declared under this chapter.

Service area means the geographic area that will be served by the city's drainage stormwater utility, established in section 86.504 and conforming to the limitations of V.T.C.A., Local Government Code § 402.044.

Stormwater charge means:

- (1) The levy imposed to recover the cost of service to the city in furnishing drainage stormwater service for any benefitted property; and
- (2) If specifically provided by ordinance, an amount made in contribution to funding of future stormwater system construction by the city.

Stormwater Code means the specific stormwater code applied to any benefitted property within the service area. The codes are as follows; Residential (R1, R2, R3), Non-Residential (NR), and Exempt (EX).

Stormwater facilities means bridges, catch basins, channels, conduits, creeks, culverts, detention ponds, ditches, draws, flumes, pipes, pumps, sloughs, treatment works, and appurtenances to those items, whether natural or artificial, or using force or gravity, that are used to draw off surface water from land, carry the water away, collect, store, or treat the water, or divert the water into natural or artificial watercourses.

Stormwater system means the drainage owned or controlled in whole or in part by the city, including the portions of the Blanco River and San Marcos River within the service area, and dedicated to the service of benefitted property, including provisions for additions to the system. The drainage system is also known as a municipal separate storm sewer system, or MS4, meaning that the storm sewers are a separate system not connected with the sanitary sewer system.

User means the person who owns or occupies a benefitted property.

Wholly sufficient and privately owned drainage stormwater system means land owned and operated by a person other than a municipal drainage stormwater utility system the drainage of which does not discharge into a creek, river, slough, culvert, or other channel that is part of a municipal drainage stormwater utility system.

Sec. 86.503. Establishment and dedication of drainage utility assets.

The city council establishes the city drainage stormwater utility as a public utility and dedicates to the utility all city-owned property, real and personal, facilities, materials and supplies constituting the city's drainage system as constituted on the effective date of this article and as may be acquired in the future, to be used for the purpose of the stormwater utility.

Sec. 86.504. Establishment and revisions to drainage stormwater utility service area.

- (a) The city council establishes the drainage stormwater utility service area as the city limits of the city, as presently configured and as the same may be amended from time to time.
- (b) Except as affected by amendments to the city limits, revisions to the service area will be made only after the publication of notice and a public hearing as required by state law.

Sec. 86.505. Establishment and revision of drainage stormwater charges; credits.

- (a) The city council establishes <u>drainage stormwater</u> charges to be paid by users of benefitted property in the service area. The determination of the <u>drainage stormwater</u> charges is deemed nondiscriminatory, reasonable and equitable to provide for the creation, operation, planning, engineering, inspection, construction, repair, maintenance, improvement, reconstruction and administration of the <u>drainage stormwater</u> utility.
- (b) The <u>drainage stormwater</u> charges will be set by separate ordinance based on the following factors:
 - (1) The <u>developed use amount of impervious cover on</u> the benefitted property;
 - (2) The number of dwelling units on predominant developed use of the benefitted property; and
 - (3) The amount of impervious cover number of equivalent residential units (ERUs) on the benefitted property.
- (c) The director will determine the category that applies to each benefitted property will be determined within the guidelines set forth herein and will recommend set the charge in accordance with the category of use and the following factors:

- will be placed by the director in a specific category of land use, also known as customer class, based upon the actual use of the property. These customer class categories will include but not be limited to residential, and commercial non-residential, and exempt. The stormwater codes associated with these customer classes are residential (R1, R2, or R3), non-residential (NR), and exempt (EX). The residential customer class is billed based on which of the 3 tiers of impervious cover it falls within, the non-residential customer class is billed based on calculated impervious cover on the site, and exempt customer class is a use that falls into an exempt category per Texas LGC § 552.053.
- (2) *Impervious cover*. The amount of impervious cover existing on each benefitted property designated by the director as being in a category of land use other than residential.
- (3) Residential units. The number of residential units existing on a particular benefitted property. For the purposes of the drainage utility, residential structures with 1 to 4 residential units are in the residential customer class and residential structures with more than 4 units are in the non-residential customer class.
- (4) Stormwater Code. Based on the customer class and impervious cover on a benefitted property, a stormwater code is assigned to the account.
 - a. Residential class accounts are divided into three tiers based on ranges of total impervious cover on the benefitted property (R1, R2, R3)
 - i. R1 properties, or small residential, exhibit less than 1,980 square feet of impervious cover. (0.61 ERUs)
 - ii. R2 properties, or typical residential, exhibit between 1,980 3,363 square feet of impervious cover. (1.0 ERUs)
 - iii. R3 properties, or large residential, exhibit more than 3,363 square feet of impervious cover. (1.46 ERUs)
 - b. Non-residential properties (NR) are all remaining nonresidential properties such as commercial, industrial, retail, government, multi-family with more than 4 units, religious, non-profit, and the like.

- c. Exempt properties (EX) are those that are exempted from paying a drainage fee based on the criteria outlined in this ordinance.
- (d) The monthly charge for each lot or parcel will be calculated equitably and proportionally using an ERU <u>impervious-based</u> billing system structure. One ERU is established as 2,575 square feet based on a review of all existing single-family residential properties within the service area. Each residential unit, whether single family or multi-family, account is will be billed for one ERU according to its stormwater code tier (see definitions in Section 86.505 (c)(4) above). The number of ERUs billed to a A commercial non-residential property is billed will be based on the property's size and the ratio of impervious cover on the property to the average impervious cover associated with the average residential unit total amount of impervious cover associated with the non-residential use divided by the ERU value of 2,575 square feet. Calculations will be subject to credits under subsection (e) (i.e. NR bill charge = total impervious cover / 2,575 * current stormwater utility fee).
- A user may apply for a credit towards the drainage stormwater charge for property upon which, or in connection with which, a structural control or practice drainage improvements have has been constructed above and beyond the minimum requirements of the city drainage code. The credit will be up to 50 percent of the drainage charge based on the deferred responsibility the improvement provides to the City of San Marcos for building and maintaining the city stormwater drainage network. The credit will be based upon the extent to which stormwater drainage flows and quality from impervious cover on the property or benefitted property upstream are mitigated by the drainage improvements, and is according to standards developed by the drainage advisory board and approved by the city council. An application for credit will be submitted to the director for determination on tThe amount of credit which can be found in the City of San Marcos Stormwater Utility Procedures Manual along with criteria for doing so will be determined by the drainage advisory board after consultation with the director. The user has the burden of proof when applying for a credit and must provide the director information reasonably required by the director to make a determination. Failure to timely provide information requested by the director is a sufficient reason to deny a requested credit.
- (f) If the user receives a credit on their stormwater utility bill for a stormwater structure that does not meet compliance with Section 86.531, the user will lose the credit until it is back in compliance.
- (gf) The monthly charge per ERU is established in a separate ordinance and is based on the revenue required to support the drainage stormwater utility divided by the total number of ERUs to be billed.

- (<u>hg</u>) The city council reserves the right to adjust the <u>drainage</u> <u>stormwater</u> charges by separate ordinance from time to time.
- (ih) Billing of the drainage stormwater charge against each benefitted property within the service area will be accomplished by a separate-stormwater utility charge listing in the monthly city utility bill. Multi-family properties with more than 4 units on a single parcel will have a stormwater utility bill mailed to the owner of record. These bills will become due and payable, and will be subject to late payment penalties, in accordance with the rules and regulations of the city pertaining to the collection of water and wastewater fees and charges.
- (ji) No utility deposit will be required as a precondition to accepting surface flow from a benefitted property in the drainage utility.
- (kj) Billing of stormwater charges will occur even in when other utilities are disconnected to reflect the on-going discharge from the impervious cover of the benefitted property to the stormwater system.

Sec. 86.506. Drainage Stormwater Uutility Ffund.

- (a) A separate fund is established, known as the drainage stormwater utility fund, for the purpose of identifying and controlling all revenues and expenses attributable to the drainage stormwater utility. All drainage charges collected by the city and other monies available to the city for the purpose of drainage will be deposited in the drainage stormwater utility fund. The revenues will be used for the purposes of the creation, operation, planning, engineering, inspection, construction, repair, maintenance, improvement, reconstruction, administration and other reasonable and customary charges associated with the operation of the drainage stormwater utility. It is not necessary that the expenses from the drainage stormwater utility fund, for any authorized purpose, specifically relate to any particular benefitted property from which the revenues were collected.
- (b) All drainage charges collected under this article will be used solely for creation, operation, planning, engineering, inspection, construction, repair, maintenance, improvement, reconstruction, administration and other reasonable and customary charges associated with the operation of the drainage stormwater utility unless otherwise directed by city council for other drainage and water quality purposes. In the event a portion of the drainage revenues is pledged to retire any outstanding indebtedness or obligation incurred, or as a reserve or amount in any contribution for future construction, repair or extension or maintenance of the utility assets, then the pledged portion of revenues may not be transferred to the general fund.
- (c) The city manager will provide an annual report of the drainage stormwater utility's revenues, expenses and programs to the city council.

Sec. 86.507. Delinquent drainage stormwater charges; enforcement.

Any drainage stormwater charge which is not paid when due may be recovered in an action at law by the city. In addition to other remedies or penalties provided by this article or state law, failure of a user of any utility within the service area to pay the drainage stormwater charges when due will subject the user to discontinuance of any other utility services provided by the city. In the event that an owner does not pay the charge, a lien can be placed on the property. Furthermore, property that is developed but vacant does not qualify for an exemption and the burden of drainage utility fees ultimately lies with the property owner, whether a tenant is in place or not. In the event that a stormwater utility fee is assessed to a tenant and the tenant moves out, the stormwater utility fee will be assessed to the property owner. In the event that a property has no other utilities turned on or is presently vacant but qualifies as a benefitted property, the stormwater utility fee will be assessed to the property owner.

Sec. 86.508. Administration; rules and regulations; appeals.

- (a) The director will be responsible for the administration of this article. The director will develop rules, regulations and procedures for the administration of drainage stormwater charges, develop maintenance programs, and establish drainage criteria and standards for operation of the drainage stormwater utility system.
- (b) Any user who disagrees with the land use category assigned to a property, the residential tier that is assigned, or the total number of ERUs assigned may submit a written request to the director for a revision of the category review of the account. A nonresidential user who disagrees with the determination of ERU's assigned to the user's property may submit a written request to the director for a revision of the determination. Each request must include the user's mailing address for notices, a description of the revision requested, whether a revision has previously been requested for the property and the reasons for the request. The process for an appeal is further described in the City of San Marcos Stormwater Utility Procedures Manual. The director will forward the request to the drainage advisory board along with supporting information on the director's determination for the property. Only nonresidential users may appeal the determination of ERUs assigned to their properties. The board will conduct a hearing on the request within 20 days of the director's receipt of the request.
- (c) The director will notify the user of the board hearing by certified mail or confirmed facsimile transmission. The board will sustain the director's determination if it finds that the determination is supported by substantial evidence. The board may modify the director's determination if the board finds no substantial evidence supporting the determination. Disputed fact issues will be determined by a preponderance of the evidence. Notice of the board's decision will be sent to the user by certified mail or confirmed facsimile transmission, unless the user is present

at the hearing. The user will be deemed to have received notice of the board's decision if the user is present at the hearing.

(cd) The user may appeal the decision of the drainage advisory board director to the city council by filing a written request with the city secretary within ten thirty calendar days of receipt of the director's board's decision. The council will consider the request within 30 days of the filing of the request. If the council determines that the board's decision is supported by substantial evidence, the council will sustain the board's decision. The council may modify the board's decision if the council finds no substantial evidence supporting the decision. If the council fails to take action on the request within 45 days of its filing, the board's decision on the request will be deemed final.

Sec. 86.509. Exemptions.

- (a) The following properties will be exempt from the provisions of this article:
 - (1) Property with proper construction and maintenance of a wholly sufficient and privately owned drainage system;
 - (2) Property held and maintained in its natural state, until the time that the property is developed.
 - (3) City facilities
- (b) The user has the burden of proof when claiming an exemption under this article and must provide the director information reasonably required by the director to make a determination. Failure to timely provide information requested by the director is a sufficient reason to deny a requested exemption.

Sec. 86.510. Flood; nonpoint source pollution control; liability.

Floods from drainage runoff may occasionally occur which exceed the capacity of the drainage system. In addition, surface water stagnation and pollution arising from nonpoint source runoff may occasionally occur which exceed the capacity of the drainage system. This article does not imply that benefitted properties will always be free from flooding or flood damage, surface water stagnation or nonpoint source pollution or that all possible flood control and water treatment projects to control the quantity and quality of runoff can be constructed cost-effectively. Nothing whatsoever in this article should be construed or be deemed to create additional duties or liability on the part of the city for any damages incurred in any flood or from adverse water quality due to drainage runoff. Nothing in this article should be deemed to waive the city's immunity under state law or affect the need for flood insurance.

SECTION 2. Section 86.523 of the San Marcos City Code is hereby amended to add the definition set forth below. Added text is indicated by underlining.

Structural Control (or Practice) - A pollution prevention practice that requires the construction of a device, or the use of a device, to capture runoff or prevent pollution in stormwater runoff. Structural controls and practices may include but are not limited to: detention and retention ponds, wet ponds, bioretention, infiltration basins, stormwater wetlands, silt fences, earthen dikes, drainage swales, vegetative lined ditches, vegetative filter strips, sediment traps, check dams, subsurface drains, storm drain inlet protection, rock outlet protection, reinforced soil retaining systems, gabions, and temporary or permanent sediment basins.

SECTION 3. Section 86.531 of the San Marcos City Code is hereby amended to read as set forth below. Added text is indicated by underlining and deleted text is indicated by strikethroughs.

Sec. 86.531. Maintenance and repair of permanent stormwater facilities structural controls.

- (a) Control measures. The City of San Marcos has the authority to require installation, implementation, inspection and maintenance of temporary and permanent structural controls control measures in accordance meeting or exceeding the requirement of with the TPDES Phase II MS4 Permit TXR040000.
- (b) Drainage easements. Drainage easements shall be required for permanent stormwater management facilities structural controls and recorded in accordance with the city's LDC, Chapter 34, Article 17.
- (c) Maintenance covenants. All oowner(s) of permanent stormwater management facility(ies) structural controls shall be required to enter into a maintenance covenant with the City of San Marcos including a schedule of maintenance activities and plans for annual inspections to assess the functionality of the structural control(s)facility(ies). Maintenance covenants shall be recorded in accordance with the city's LDC, Chapter 1, Articles 6 and 8.
- (d) Requirements for annual inspections and reports. Owner(s) of structural controls permanent stormwater management facility(ies) that discharge or connect to the City of San Marcos stormwater utility (MS4) or discharge into Waters of the United States within the City of San Marcos city limits must conduct, at a minimum, ananual inspection of each structural control facility every three (3) years following a passing inspection beginning in 2020. The inspection report must be prepared by a Texas-licensed engineer and the licensed engineer must be chosen from a list of precertified engineers provided by the city.

- (1) The inspection report must include requirements provided by the city, including but not limited to all of the following:
 - a. An assessment of the condition of the <u>structural control(s)</u> stormwater management facility, current as of the date of the report.
 - b. A history of maintenance activities performed on the <u>structural control(s)</u> facility during the past year.
 - c. The professional opinion of the engineer regarding the current functionality of the <u>facilitystructural control(s)</u> and its ability to provide total suspended solids removal in accordance with the original design specifications for the structural control(s) <u>facility</u>.
 - d. Recommendations of the engineer regarding the need for maintenance or modification of the <u>structural control(s)</u> facility to meet original design specifications.
- (2) The city may choose to provide a pre-formatted inspection report to be used for <u>each annual</u>-inspections.
- The inspection report must be submitted to the City of San Marcos, Public Services Transportation Department for review. The owner of a stormwater management facility or facilities structural control(s) must submit a certified inspection report for each structural control facility by January December 31 of each year certifying the facility for the previous year required year. Certification of each stormwater facility will be required beginning June 1, 2018. Documentation of certified facilities will be due no later than January 31, 2019 and every year thereafter.
 - a. Any maintenance and repair needs or other deficiencies identified in the inspection report must be adequately addressed to ensure compliance with the requirements of this division. Upon completion of all necessary maintenance, repairs or deficiencies identified in the inspection report, the stormwater management facility structural control(s) shall be re-inspected at the owner's expense. Following the re-inspection, the owner of the structural control(s) stormwater management facility shall submit a supplemental certified inspection report to the city confirming that all corrective measures have been completed.

- (e) Failure to maintain facilities or practices or provide certified inspection reports.
 - (1) If the owner(s) responsible for maintaining the <u>structural control(s)</u> permanent stormwater management facility fails to properly maintain the <u>structural control(s)</u> facility, or submit certified inspection reports, the city stormwater systems manager will send a written notice to the owner(s) to correct the problem within a reasonable time, not less than five days nor more than 30 days from the owner(s) receipt of the notice. If the owner(s) fails to comply with the notice, the stormwater systems manager may initiate one of the actions specified in section 86.535.
 - If the <u>structural control(s)</u> permanent stormwater management facility becomes a nuisance or danger to public safety or public health, the City of San Marcos shall notify the owner(s) responsible for maintenance of the <u>structural control(s)</u> facility in writing. Upon receipt of that notice, the owner(s) shall have 30 days to complete maintenance and repair requirements. If the owner(s) of the <u>structural control(s)</u> facility fails to comply with the requirements of the maintenance and/or repair notice, the City of San Marcos, after reasonable notice, may take one or more of the following actions:
 - a. Initiate enforcement action(s) as specified in section 86.535 requiring the owner(s) to comply with city ordinances.
 - b. Perform the required maintenance and/or repair, bill the owner(s) for the cost of the maintenance/repair, and record a lien against the property served by the <u>structural control(s)</u> stormwater management facility(ies).
 - (f) Stormwater annual inspection precertification.
 - (1) An engineer conducting annual <u>structural control</u> <u>stormwater</u> management facility inspections under subsection (d) must be precertified by the public services department prior to performing <u>structural control</u> <u>stormwater management facility</u> inspections for private parties in the city limits.
 - (2) The public services executive director will promulgate requirements for the precertification of engineers performing structural control stormwater management facility inspections. Eligibility for precertification of engineers will be based upon prior relevant licensing, training and work experience.

- (3) Any engineer seeking to be precertified for <u>structural control</u> stormwater management facility inspections must be a licensed professional engineer registered in the State of Texas.
- (4) Precertification will extend to the individual's firm.
- (5) The city shall maintain a list of engineers precertified under this subsection. The city reserves the right to add or remove engineers from the list, subject to the requirements promulgated by the public services executive director under subsection (f)(2).

SECTION 4. In codifying the changes authorized by this ordinance, paragraphs, sections and subsections may be renumbered and reformatted as appropriate consistent with the numbering and formatting of the San Marcos City Code.

SECTION 5. If any word, phrase, clause, sentence, or paragraph of this ordinance is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this ordinance will continue in force if they can be given effect without the invalid portion.

SECTION 6. All ordinances and resolutions or parts of ordinances or resolutions in conflict with this ordinance are repealed.

SECTION 7. Following its adoption on second reading, this ordinance shall become effective on October 1, 2020.

PASSED AND APPROVED on first reading on June 2, 2020.

PASSED, APPROVED AND ADOPTED on second reading on June 16, 2020.

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Mayor

Attest:

Approved:

Interim City Clerk

Michael J. Cosentino

City Attorney