



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting of January 14, 2020

**DATE:** January 14, 2020

**TO:** Peter Zaroni, City Manager

**FROM:** Kevin Norton, Director of Water Utilities  
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### **Stormwater Utility Fee Implementation**

#### **CAPTION:**

Motion authorizing a one-year service agreement for an amount not to exceed \$281,137, with an additional one-year option for a total potential value of \$562,274, with Raftelis Financial Consultants, Inc. of Austin, Texas, for support with the final stages of development and implementation of a Stormwater fee, effective upon issuance of a notice to proceed, with FY 2020 funding of \$281,137 available through the Stormwater Fund.

#### **SUMMARY:**

This motion authorizes a service agreement to support the final stages of development and implementation of a fee structure which will create a new method of financially supporting the cost of owning and maintaining the City's stormwater system.

#### **BACKGROUND AND FINDINGS:**

The City of Corpus Christi's stormwater system contains over 730 miles of channels, ditches and underground storm water pipes. The City is served by a stormwater system that is completely regulated as a Municipal Separate Storm Sewer System (MS4).

Prior to 1989, the City of Corpus Christi funded storm water management and operations through the General Fund. Since 1989, stormwater management and operations have been funded through revenue generated through the water rate.

The stormwater utility rate structure will be developed utilizing proven industry standards. Proposed changes to current ordinances will comply with Texas Local Government Code Chapter 552 which permits municipalities to establish a drainage (stormwater) utility system and related fees or charges. Emphasis will be placed on public outreach and key stakeholder engagement to ensure the project's success. The scope of work does not include program and organization review, or the determination of revenue requirements for Stormwater operations and programs for the City of Corpus Christi.

The Contracts and Procurement Department conducted a competitive Request for Proposals process to obtain proposals from qualified firms to provide stormwater utility fee implementation services. The City received four proposals and evaluated them against the published criteria. Representatives from Utilities, Development Services and Contracts and Procurement considered two firms as finalists, interviews were conducted, and pricing was evaluated. The final scores were tabulated for each firm to determine the highest-ranking firm offering the best value to the City. Staff is recommending award to Raftelis Financial Consultants, Inc. as the highest-ranking firm.

### **ALTERNATIVES:**

An alternative to approving this item is to continue to recover the cost of the stormwater system operations and debt service through the water rate.

### **FISCAL IMPACT:**

Funds for this project were budgeted in Fiscal Year 2020. Funds are available in the Stormwater Fund for this Service Agreement with Raftelis Financial Consultants, Inc. for an amount not to exceed \$281,137 in FY2020.

### **Funding Detail:**

|                        |                              |
|------------------------|------------------------------|
| Fund:                  | 4300 Stormwater Fund         |
| Organization/Activity: | 32006 Stormwater Treatment   |
| Mission Element:       | 043                          |
| Project # (CIP Only):  | N/A                          |
| Account:               | 530000 Professional services |

### **RECOMMENDATION:**

Staff recommends approval of this motion authorizing a one-year with one additional one-year option service agreement with Raftelis Financial Consultants, Inc. for development and implementation of a Stormwater fee which will replace the current method of financially supporting the cost of owning and maintaining the City's stormwater system as presented.

### **LIST OF SUPPORTING DOCUMENTS:**

Evaluation Matrix  
Service Agreement