



June 24, 2019
P36053

Mr. David Rabago, P.E., CFM
City Engineer
City of Seguin
205 N. River Street
Seguin, Texas 78155

RE: Professional Services for the Development of a Stormwater Program (SWP) and Utility Fee
RFQ #TF-2019-02

Dear Mr. Rabago,

Halff is pleased to submit this proposal for consulting services per your request. The work effort is anticipated to be broken into the following general tasks.

1.0 Project Management

This task includes the effort by Halff's project manager, principal, and QA/QC leads to run the project and execute Halff's project management program. Halff's project management activities shall include task leadership and direction, in-person, telephone and written communication, project status reports, project invoicing, and personnel and data management among other general project management activities. Specific meetings beyond staff management coordination and regular communication include the following:

1.1 Project Meetings

- i. Attend two (2) project coordination meetings with staff from the City. The meetings will be coordinated by the Halff Project Manager and are intended to discuss key items such as project schedule, budget, and any specific directives. Halff will provide a preliminary schedule of tasks for each meeting.
- ii. Meeting minutes shall be submitted to the City Project Manager within five (5) working days after each meeting.

1.2 Project Status Reports

- i. Monthly project status reports shall be provided to the City with the monthly invoice. Progress shall include notes regarding work completed in the preceding billing cycle, work expected to be completed in the next cycle, and any outstanding questions or issues for discussion.

2.0 Kickoff Workshop and Progress Meetings

The project team will work with the City to schedule a kickoff workshop. This facilitated workshop will serve to guide the team to reach consensus and resolve any apparent contradictions from the stormwater baseline survey conducted under Tasks 3.1 and 6.1. Goals will be set for the remainder of the project and establish buy-in from all associated departments. This workshop will also allow for the finalization of the proposed work approach and for the identification of the overall goals and objectives for the project. Level of service

definitions and metrics will be established. Additional meetings with the financial team and public outreach team will be scheduled on the same or following day to allow more focused discussions.

- i. Up to 5 team members will attend the kickoff workshop which will allow the key project team consultants and participants from the City to be introduced and lay the general framework for how the study will be conducted.
- ii. Attend up to five (5) progress meetings, over the course of the project schedule, to discuss specific tasks such as data collection and inventory, ranking criteria, stormwater utility fee criteria, drainage project review, etc.

3.0 Data Request and Review

Prior to the kickoff meeting, the project team will provide a comprehensive initial data request to the City for informational items which may assist in the establishment of the initial drainage utility cost of service. This data will include actual and budgetary financial data and operational information concerning stormwater program activities. A partial data request for stormwater infrastructure was submitted on 5/30/19.

3.1 Obtain and Review Available Data

Data collection and model inventory tasks will generally include gathering, organizing, and reviewing of all data provided, both hard copy and digital format. Data shall be provided by the City, as well as from other sources such as Guadalupe County, FEMA, the U.S Army Corps of Engineers (USACE), and other consultants, if necessary. Data review tasks will generally include comprehensive analysis of all models, reports, record drawings, and GIS information to determine the accuracy and validity of each. Halff will also review the current drainage criteria and work with the City to recommend any potential changes or clarifications to existing data that may be needed. Specific tasks relating to data collection include the following:

a. GIS Data

- i. Data requests will be directed to the City with additional requests made to outside entities, if necessary.
- ii. Halff will collect and catalogue all relevant GIS data including, but not limited to, storm drain network, terrain (LiDAR) Data, land use/zoning, FEMA mapping, planimetrics, political boundaries, development and subdivisions, detention pond locations, utility information, parcel information, etc.
- iii. All GIS data gathered will be organized in Geodatabase format for use during the Stormwater Utility Program process and will be provided to the City.

b. Hydrologic and Hydraulic Models

- i. Any Hydrologic and Hydraulic (H&H) models developed within the city will be requested. These may include models developed for regional detention pond projects, channel improvement projects, large scale developments, etc. A preliminary analysis of the models will be performed to determine relevance.
- ii. Model results will be compared to the effective Digital Flood Insurance Rate Map (DFIRM) data and the flood insurance claim data provided. The City will request flood insurance claim data from TWDB/TNRIS. For flood insurance claim data, Halff will compare the effective floodplains to specific claim locations to help determine if the flooding is riverine (floodplain) or possibly caused by a localized (site specific) drainage issues.

c. Drainage Report and Record Drawings

- i. Drainage reports developed for major development projects or capital projects, including detention, channel improvement, and storm sewer improvement, will be requested from the City.
- ii. Record or “As-Built” drawings will be requested from the City for improvements including, but not limited to, creek improvements, detention/retention ponds, storm sewer trunk line, TxDOT and county roadways and major developments.
- iii. Conduct a comprehensive evaluation of the LOMRs, CLOMRs, and drainage reports for regional detention, channel improvements or major developments. A cursory review of other drainage reports will be conducted to determine if the information provided impacts the larger assessment. Halff will review the scope, assumptions, methodologies, and recommendations of reports. If results were carried forward to design or construction, Halff will compare with the construction or record drawings for consistency. Constructed projects will be evaluated for consistency during the field verification phase, if needed.

d. Project Prioritization and Ranking Criteria

- i. Develop a draft ranking criteria and prioritization matrix for review, discussion and approval by City staff. These criteria will be used under Task 7 to prioritize improvement projects.

4.0 Public Outreach Program:

The City and Halff know it is vital to communicate that a new stormwater utility fee will be used exclusively for stormwater management and will not be used for other purposes. It’s also important to show Seguin residents exactly how their money will be invested in the local community and diligently managed to resolve problems and provide the best outcomes. Flood events motivate local communities to enact stormwater fees. However, whether these conditions existed or not, the most important factor determining if Seguin is successful in building consensus for a stormwater fee is successfully engaging community stakeholders and the general public in an outreach program. Halff and Seguin will list the specific improvements (captured in the CIP) that will be made and use photographs, renderings and other visualization tools as necessary to communicate the intent of the Stormwater Utility.

A guiding factor in selecting the fee determination method is the need to emphasize the fairness of the fee: that everyone pays for the services they use based on the stormwater they contribute to the system (and not simply the value of their property). Halff also recommends that we proactively focus on the positive by describing the fee in terms of the benefits it provides to the community (such as a “drainage improvement fee”) as opposed to the problems it addresses (like “flood prevention fee”).

4.1 Development of Outreach program:

- a. Utility Advisory Committee Meetings
 - i. Work with staff to develop guidance materials for the Utility Advisory Committee.
 - ii. Conduct 3 meetings with the Utility Advisory Committee.
 1. 1st meeting – Introduction/Roles & Responsibilities of the Committee.
 2. 2nd meeting – Halff presents Stormwater best practices and potential costs to Seguin residents and businesses.
 3. 3rd meeting – Halff presents recommendations to the Committee for a recommendation to the City Council.
- b. Mayor & Council Meetings:

Additionally, the team will coordinate a series of workshops to present the findings of the evaluation to City staff and elected officials. Participants will be invited to provide input regarding the findings to further refine the framework and to prioritize next steps for implementation.

- i. Meet with Mayor and Council on a one-to one basis to identify concerns, issues, pros and cons that they may have of a Stormwater Utility fee.
- ii. Attend and present at 2 City Council meetings.
 1. 1st meeting – Halff supports staff to present a status update to Mayor & Council on the Utility Advisory Committee.
 2. 2nd meeting – Halff presents recommendations from the Utility Advisory Committee to the Mayor and City Council for a vote.
- c. Internal City Staff meetings: Attend regular meetings with City Staff to discuss the public campaign and stakeholder input. These meetings will be scheduled with the general project progress meetings (Task 2 ii.).

4.2 Public Outreach Messaging:

- a. Work with City staff to create PR Statements for City staff and Mayor & Council
- b. Create educational materials for internal staff, Mayor and Council presentations.. These educational materials, including frequently asked questions (FAQ), can also be used on the City's social media presence (FB, Twitter, City's website, NextDoor, etc.)
- c. Create materials for Utility Advisory Committee meetings to distribute to the public.
- d. Create materials and attend (up to 3 Halff staff) three Public Meetings.
- e. Halff will draft statements for internal staff and Mayor & Council to media outlets: Newspaper, Radios, Local TV outlets.
- f. Halff will work with staff to provide information on the City's website to provide continuous updates to the public on the Stormwater Management fee. Halff will assist the City of Seguin with developing web maps for publishing on Seguin's ArcGIS online account or Seguin's internal hosting.

5.0 Financial Analysis

The Halff team, led by NewGen's Matthew Garrett will analyze the financial aspects of existing stormwater funding at the City of Seguin and use the information to determine the rate setting approach and implementation of the stormwater utility fee.

5.1 Utility Billing System Review and Billing Determinants Analysis

In conducting utility rate studies and establishing equitable customer fees, a significant amount of billing data is needed to properly analyze a City's revenue stream, allocate costs, and prepare alternative rate designs which can be implemented within a City's existing utility billing system. Because of our significant experience in conducting such studies, members of the Project Team possess a working knowledge of many of the more widely utilized utility billing systems, including, but not limited to, those developed by HTE, Inc.; Tyler Technologies (e.g., InCode and Munis); STW, Inc.; and Utility Data Systems, Inc. In many cases, we have worked directly with support personnel from these companies on behalf of our clients to define required reporting parameters, set-up new billing processes, and/or develop data queries. In addition to understanding the systems utilized, it is also necessary for our Project Team to be familiar with the billing processes and procedures of our clients in order for us to understand the impact such processes and procedures have on the

generation, tracking, and recording of utility revenues. In many of our engagements, our Project Team not only makes recommendations regarding rates and fees, but also on how to improve the billing processes of our clients in order to achieve a greater level of accuracy or operational efficiency.

Based on this experience, the Project Team proposes to review the City's existing utility billing system and billing methods / processes. This review will include an on-site, hands-on review of the City's system completed at the same time as the Project Kick-off Meeting in order to understand the billing system's operation, level of sophistication, and available data inventory. This review will be conducted with an emphasis on the system's capability of implementing stormwater user fees for the City's stormwater utility. Particular emphasis will be placed on the system's ability to tie land parcels to existing system accounts, as well as the system's ability to incorporate and manage new data elements such as property categories or square footage measurements of impervious surface area. As necessary, the Project Team will work with the Guadalupe County Central Appraisal District (CAD) and the GIS Section of the City's Planning Department or third party to understand the available data necessary for billing stormwater customers and to determine the best means by which to correlate this data with existing accounts within the billing system.

To the extent necessary, the Project Team will also hold discussions with support personnel of the City's utility billing system developer to gain a full understanding of the system and the efforts needed to implement the billing methods, processes, and/or import the data necessary to enable billing for the stormwater utility. In addition to conducting an on-site, hands-on review of the City's billing system, the Project Team will conduct interviews as needed with the City's key utility billing personnel. This will allow us to gain a working knowledge of the City's existing billing processes and procedures so that the recommended methods or processes for the stormwater utility can conform, to the greatest extent possible, to the City's existing practices.

Please note that the development of stormwater utility fee billing determinants can be a time-consuming process, depending on the anticipated basis of the fee and the availability of existing data. Our proposed pricing for this engagement includes hours for our financial and engineering experts to construct a billing dataset as may be needed and the establishment of the appropriate Equivalent Residential Unit basis from a statistically significant sampling of Residential properties.

5.2 Financial Forecast and Cost of Service Analysis

In Task 5.2, the Project Team will work to develop the financial forecast and estimate of the cost of service for the Stormwater Utility. In developing the cost of service, the Project Team will consider the City's existing activities as well as any potentially required activities under a full MS4 stormwater permit. In addition, the Project Team will review the timing associated with the City's planned stormwater capital improvements and the proposed method of funding to ensure sufficient revenues exist to repay debt or to cash fund these needed investments.

The financial forecast and cost of service analysis will include the following, as applicable and allowed by law:

- New Staff positions
- Cost of land acquisition;
- Capital cost of stormwater management facilities;
- Professional services fees including, but not limited to, architectural, engineering, planning, financial, and/or legal services;
- Operations and maintenance (O&M) and major repair and replacement expenses associated with stormwater facilities;
- Cost of rolling stock and other machinery and equipment;
- Interest and issuance costs associated with financing;
- Amortization of non-recurring costs (i.e., start-up costs, etc.); and/or,
- Direct and indirect administrative cost including, but not limited to, support services costs (i.e., utility billing, etc.)

After developing the cost of service for the initial test year; the Project Team will forecast the cost of service analysis for a multi-year period. This forecast will include, but is not limited to, the following variables:

- Variations in number of customers and/or billing units
- Discretionary customer exemptions (i.e., tax-exempt customers)
- Population growth rates
- Timing and sequencing of stormwater capital improvements
- Inflation and O&M cost escalation factors
- CIP Program Funding – cash, debt, and/or grant financing
- Debt issuance assumptions (i.e., term, rate, coverage requirements, etc.)
- General and/or other fund transfer and/or contributions to reserves
- Future staffing including Inspectors

5.3 Calculation of Initial and Projected Stormwater Fees

After developing the forecasted Cost of Service, the Project Team will utilize the billing data selected in Task 3 to develop the initial stormwater utility fee. To the extent that the billing basis lends itself to alternative fee development, the Project Team will consider up to three (3) alternative fee structures both within and between classes as well as the impact of potential discretionary exemptions from the fee. For example, the City may wish to examine a three-tiered rate structure for different sizes of Residential dwellings and/or differing fees for Residential and Commercial developments or determine the impact of excluding educational institutions or houses of worship from the fee. The pros and cons of potential fee options and exemptions will be discussed in detail with City staff prior to the initiation of this task.

5.4 Regional Comparison of Stormwater Utility Fees

Once the initial stormwater utility fee has been developed, the Project Team will prepare a comparison of the City's proposed stormwater utility fee to the other municipalities in the geographical area. In doing so, the Project Team will work with the City to identify specific entities which the City desires to be included in the analysis.

5.5 Fee Model Finalization and Staff Training Session

The development of the financial forecasting and stormwater fee model will occur throughout the course of the project. Once the project has been finalized, the Project Team will work to form this model into a "user-friendly" program for use by City Staff in subsequent budget cycles or as often as the City would like to reevaluate cost and revenue assumptions for the Utility.

NewGen prides itself in developing user-friendly models which are specific to, and reflect the unique operational characteristics of, each client. While our Project Team utilizes standard best practices in developing rate models, each model we develop is unique and does not reflect a "canned" or "off-the-shelf" product. Given the unique nature of each of our clients, we believe it is important that the product produced as part of a fee study also be unique and reflective of our client's overall goals and objectives.

The model provided to the City will be built so as to be compatible with Microsoft Excel 2010 or newer versions. Within the model itself, the user guide will be built-in so as to ensure that a user has immediate and constant access to instructions on the model's function. All assumptions will be presented in blue font and all calculations/results presented in black font so the user is aware of fields that can be amended. Additionally, both a fully protected version and an unlocked version of the model will be provided as well to ensure staff has a tool that can be deployed to all classes of user, from novice to advanced.

The City's model will allow staff to run "what-if" scenarios including, but not limited to, changes in operating and capital costs, customer growth or decline, debt service structure, inflation, capital project financing, and funding sources, and amendments to fee exemptions. The model will allow the user to assess the impact various

scenarios will have on an existing typical monthly bill for each class of customer. The model will also generate financial statistics such as debt coverage ratios and average dollar and percentage change for each customer class.

5.6 Fee Ordinance and Billing Data Post Implementation Audit

The Project Team will complete a thorough review of all billing data loaded into customer billing account records and run a test billing based on the rate codes, impervious area and customer class designations to ensure the billing system accurately reflects the original data compiled, including any known revisions from staff corrections or appeals. This effort will require assistance from the Billing Supervisor and the billing vendor to run a test environment.

6.0 Stormwater Program Planning

A comprehensive assessment of ongoing and desired stormwater program elements is necessary to develop an implementable strategic plan for the City of Seguin. This task will identify the programmatic level who, what, and where for establishing a stormwater department or team with public works.

6.1 Create Internal Stakeholder Panel

The City's project manager and Halff will jointly create an internal City of Seguin panel that will review and offer input to the overall stormwater program planning process. Panel members should include at a minimum, development review, maintenance, engineering, code enforcement, parks and planning. These individuals will act as liaisons to their respective departments and serve as spokespeople for the development of stormwater management requirements.

- a. Develop a list of internal departments that are or will be involved with ongoing and future stormwater management programs. The list of departments will be used to identify key advocates, influencers and potential detractors. Target departments include Public Works, Parks and Recreation, Finance, City Attorney, Planning/Codes, Utilities, Capital Projects and Engineering.
- b. Halff will work with City personnel to obtain commitments for staff time to attend workshops.
- c. Create panel of internal stakeholders – elected officials and City staff.
- d. Conduct initial meeting with panel to describe the institutional and programmatic evaluation process and request pertinent policies, regulations, procedures for review.
- e. Review documents and create evaluation matrix to identify key input areas, knowledge gaps, etc. in preparation for evaluation interviews.
- f. Coordinate and conduct evaluation interviews with key internal stakeholders. Interviews to be conducted on-site over 2-3 days. Presumes assistance from City staff to coordinate meetings with appropriate stakeholders.
- g. Incorporate applicable findings and recommendations highlighted during the financial analysis and CIP development process.
- h. Develop a draft "Stormwater Management Strategic Plan" outlining findings and strategies for updating the City's existing programs to optimize the management of stormwater quality and quantity while supporting the City's other goals.
- i. Prepare a PowerPoint presentation which outlines the "basics and benefits" of stormwater management for use by the City when presenting to stakeholders and residents.

6.2 Analyze Seguin Structure Supporting Stormwater Management

Halff will adapt and update Seguin's stormwater program documents to help the City remain at the forefront of flood control and watershed protection through advanced stormwater management. The Halff Team will assist the City with conducting a self-audit of stormwater management programs and assist in developing cost effective and compliant stormwater management programs.

- a. Conduct a comprehensive evaluation of existing City programs to evaluate how best to meet state and federal stormwater requirements.
- b. Determine how to best leverage ongoing efforts and City staff resources that may be working to meet desired level of service objectives.
- c. The team will conduct interviews with key City staff and elected officials as necessary and review appropriate policy and regulatory documents. The team will generate a report describing the pertinent regulations and a proposed framework to take advantage of existing program elements to maximize implementation efficiencies.

6.3 Review of Federal, State and Local Ordinances, Codes and Manuals

Halff with the assistance of the City and key stakeholders will review the City's manuals and codes to identify obstacles to stormwater management including drainage, flood control and MS4 implementation. Once the existing obstacles are identified and evaluated, topical recommendations will be made for changes that will bring the City in sync with national and state drainage requirements as well as prepare for future stormwater funding opportunities and requirements.

The deliverable is a section of the strategic report that provides a roadmap among the different levels of code compliance and makes specific recommendations for a Stormwater Technical Manual, the Unified Development Code and Code of Ordinances. The cost for developing the improved stormwater management guidance will be included in the stormwater utility fee analysis as part of the initial two-year program.

- a. Review the City of Seguin's City Code to identify barriers to effective stormwater management on private parcels and ways that the Code could be revised to better require, support or incentivize stormwater management.
- b. Coordinate with development review team to ensure that project-specific barriers are included and addressed.
- c. Evaluate the impacts of NOAA Atlas 14 on up to three (3) constructed or concept projects that City departments may have evaluated in the past.
- d. Evaluate or create a draft drainage checklist for development review process.
- e. Assist City staff in developing a policy, process, and estimated operation & maintenance cost to accept existing drainage infrastructure, primarily for residential subdivisions.
- f. Include findings of this review in the Strategic Plan.

7.0 Flood Mitigation Assessment and Draft Capital Improvements Program

This task will serve to document known and potential drainage issues so that potential solutions can be identified. The potential solutions will be developed to a concept level to allow cost estimating, prioritization and to feed into the analysis of the stormwater utility fee rate setting.

7.1 Drainage Problem Identification

Halff will compile a list of drainage problem area "hot spots" identified by City staff or identified in previous studies based on the data collected in Task 3. Remaining flood and drainage issues will be identified using the best available existing information, drainage complaints, and City known areas of flooding. A field

reconnaissance will be conducted to verify drainage problem areas. The following sub-tasks to be conducted for this task include the following.

a. Prepare Hydrologic and Hydraulic Models

- i. Utilize existing H&H models developed for the City and modify sub-basins as needed. Updates may include modification of development levels, updated terrain information, etc. Any new modeling will be consistent with previous modeling and be based on available data including State Soil Geographic (STATSGO) or Soil Survey Geographic (SSURGO) soil information, land use, and other available City data.
- ii. Based on discussions with the City Engineer and the results of Task 6.3, Halff may use the National Oceanic and Atmospheric Administration's (NOAA) Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States, Texas (referred to as simply Atlas 14) rainfall data in the evaluation. This will help the City to better understand its current infrastructure's level of service. Halff will coordinate with City staff on the application of the rainfall data to include the data specific to the City of Seguin.
- iii. Assist in developing and prioritizing the list of critical facilities for suggested improvements to existing bridge/culvert crossings and future planned developments as they relate to the City's Transportation Master Plan.
- iv. Based on City recommendations, develop models for critical facilities listed in Task 3.a.ii.
- v. Halff will evaluate the drainage patterns and determine the best modeling tools and approach. Because some areas of the City have flat terrain, Halff will most likely utilize HEC-RAS 2-D to develop a limited model with an unsteady two-dimensional component.

b. Identify Drainage Problems

Halff will identify drainage problems by comparing existing H&H models from previous studies to the complaints, know flood issues and revised flood plains based on modeling in Task 7.1a. The identified drainage problems may include:

- i. Stream flooding
 1. Road overtopping
 2. Building flooding
- ii. Stream erosion
 1. Roads threatened
 2. Buildings threatened
 3. Utility infrastructure threatened
- iii. Local drainage
 1. Street flooding
 2. Subdivision (lot) flooding

c. Field Reconnaissance

- i. Halff will conduct site visits of identified areas where access is available from public right-of-way (ROW) and of selected road crossings, storm sewer outfalls, retention/detention ponds, and sections of identified streams. Site visits will be conducted by two (2) persons, including an engineer. During the site visits, Halff will geo-locate all features, photograph the feature, and include notes regarding the dimensions, conditions, etc. This data will be entered into the Halff GIS iOS app, which is connected to the server in real time through a cellular or Wi-Fi network.

- ii. Once the field verification process is complete, the GIS data developed will be evaluated for completeness and correctness and finalized. The data will be provided to the City as part of the final submittal.

7.2 Develop Drainage Solutions

a. Flood Mitigation Solutions

Halff will conduct an H&H analysis and develop project solutions for up to six (6) identified drainage problem areas using updated field data collected. Halff will utilize existing H&H models to the maximum extent practicable. Updates may include the use of more advanced modeling techniques such as Unsteady 1D and 2D modeling if necessary. A desktop environmental assessment will be conducted to identify potential environmental permitting needs for each flood mitigation solution. Flood mitigation solutions/alternatives will be limited to 2 per identified drainage problem area. Localized drainage improvements may be developed based on a per block estimate of the cost to add storm drain systems to connect to existing trunk systems. Flood protection may include the following structural and non-structural measures as independent and combination solutions:

Structural Alternatives:

- Storm drain system improvements
- Road crossing improvements
- Channel improvements
- Detention and Retention Ponds
- Flood walls
- Pump stations

Non-Structural Alternatives:

- Identify flood areas and depths
- Require new buildings to be elevated
- Buy-out of buildings most prone to flooding
- Hazard classification for low water crossings
- Modifications to current drainage maintenance criteria, policies, or standards

b. Ranking and Categorizing Projects

Using a systematic process, Halff will rank and categorize each evaluated drainage project. The projects will be classified as Large CIP (regional), Small CIP (local), and O&M (small projects) which will be defined with City staff input. When scoring is complete, Halff will provide a draft drainage matrix for solutions developed for City review. The draft solutions will include a one-page project summary that will include the project description, conceptual flood mitigation solution, and probable cost estimate. A simple Benefit-Cost Analysis (BCA) will be conducted to support recommendations and requests for federal funding, however will not follow FEMA criteria.

7.3 Capital Improvements Program (CIP) Development

Halff will develop a capital improvement plan for Seguin that takes into account potential budgets, drainage needs, future development trends, potential for public private partnerships, and a feasible schedule for implementation.

a. CIP Prioritization

Halff will meet with City staff to review the project classifications and confirm objectives and assumptions for the CIP prioritization. The prioritization of the drainage CIP projects will be evaluated based on criteria that may include Public Safety, Economic Impact, and Project Timing among others as developed under Task 3. Each of the criteria developed will have a description and scoring values. The conceptual drainage projects will be prioritized based on the criteria scoring.

b. CIP Implementation

Halff will create programmatic documentation including a rough schedule to determine staffing, funding, design and construction phasing for each project. A comprehensive CIP report with single page facts sheets will be developed to communicate the prioritization, funding, and benefits of each project.

8.0 SWU Implementation

8.1 Determine Fee Assessment and Billing Methodology

The Halff Team will review available data (such as GIS and/or utility billing system information) from the City and discuss with City personnel what additional data may be available to help determine drainage utility charges. Based on this review, we will recommend to City staff our preferred method for determining drainage utility fees.

a. Evaluate options for Determining the Per Parcel Utility Fee

Halff will evaluate and compare the following three approaches for calculating the stormwater utility fee.

- i. Use impervious cover estimates extracted from the Guadalupe Appraisal District (GAD) data.
- ii. Determine the level of effort to acquire and process satellite imagery or aerial photography. The resulting impervious cover information is more current but may suffer from issues such as tree canopy interference, reducing accuracy. (*Note: This effort does not include the cost for acquisition of satellite imagery or aerial photography*)
- iii. Run sample calculations on a representative sample of parcels to calculate potential runoff from each lot using a database of lot characteristics (size, impervious area, tree canopy, soil, etc.).
- iv. Determine the best approach for setting lower limits on impervious cover and/ or how to address “empty” lots that are still generating stormwater runoff to the utility.
- v. Halff will establish a maximum impervious cover area (in square feet) for single-family residential and small projects with impervious cover for which detention will be waived.
- vi. Present information on approaches to City staff and gain consensus on the desired methodology.

b. Evaluate options for Determining the Per Parcel Utility Fee

After the final selection and approval of the drainage utility fee basis, the project team will provide guidance to and assist the City in compiling the billing data needed to calculate the initial drainage fee. Please note that the development of drainage utility fee billing determinants can be a time-consuming process,

depending on the basis of the fee. Halff will also assist the city with developing an appeal process for property owners to submit information supporting a change in the utility fee. The appeals process will depend on the method selected to calculate the fee. Halff will document all steps in the billing determinant process and train city staff on how to add, delete or change steps and parameters in the process.

c. Compile Draft and Final Strategic Plan

The Project Team will develop an electronic copy of the draft Strategic Plan summarizing findings, conclusions, and recommendations for the stormwater program and the stormwater utility fee study. The Project Team is committed to ensuring that the City thoroughly understands the recommendations in the draft plan and will included sufficient time in the schedule for staff to address their concerns and/or questions prior to finalizing the report.

Upon receipt of City staff comments, the Project Team will make appropriate changes and provide the final plan and draft ordinances for adoption. After completion of the final report, the Project Team, will make a presentation of its recommendations to the City Council and participate in the Question and Answer sessions as part of the public hearing needed to adopt and approve the proposed fees.

9.0 Quality Assurance/Quality Control (QA/QC)

Each task will be subjected to internal QA/QC by a separate water resources team at Halff. Associated documentation will be provided with the final report. Specific tasks relating to the QA/QC process include the following:

a. QA/QC Procedures

- i. The QA/QC program will include a multi-level approach to ensure that senior members review, comment, and approve the completed work. Quality control will include milestones that describe the items to be reviewed and include documentation of the comments by the reviewer and responses from the Project Manager. All project materials presented to the City as draft or final products will be accompanied by QA/QC certification. QA/QC will be performed for the following specific tasks:
 - a. Data and Model Inventory – Including the data scans and associated Geodatabase
 - b. Field Data Verification – Including notes and photos taken as well as the GIS data developed in the field.
 - c. Drainage Master Plan – Including the narrative, exhibits, and tables. The final digital submittal will also be reviewed.

PROPOSED FEE SCHEDULE

The fees for Task 1 through 9, established above, shall be considered **lump sum** fees unless otherwise noted. Our services will be invoiced monthly based on the percentage of work completed. Costs incurred will be carefully monitored during the progress of this project and the fees will not be exceeded without prior approval from the City.

Task 1: Project Management	\$ 20,680.00
Task 2: Kickoff Workshop and Progress Meetings	\$ 15,835.00
Task 3: Data Request and Review.....	\$ 13,870.00
Task 4: Public Outreach Program.....	\$ 36,475.00



Task 5: Financial Analysis	\$ 46,000.00
Task 6: Stormwater Program Planning	\$ 30,900.00
Task 7: Flood Mitigation Assessment and CIP	\$ 54,570.00
Task 8: Stormwater Utility Implementation.....	\$ 11,695.00
Task 9: Quality Assurance / Quality Control	\$ Included in Task 1

TOTAL ENGINEERING SERVICES

\$ 230,025.00

Sincerely,

HALFF ASSOCIATES, INC.

A handwritten signature in blue ink that reads "Troy Dorman".

Troy Dorman, Ph.D., PE
Director of Water Resources

C: Josh Logan, PE