

MAYOR AND COUNCIL COMMUNICATION

DATE: November 4, 2025

TO: Mayor and Council

FROM: Melinda Moritz, Public Works Director

THROUGH: Crystal Caldera, Ph.D., City Manager

SUBJECT: Presentation, Discussion, and Possible Action to Consider Approval of an Ordinance Amending the Leon Valley Code of Ordinances, Appendix A, Article A14.000 to Delete Pro Rata Fees and Reserve the Section for Future Use

SPONSOR(S): None

PURPOSE & BACKGROUND

This item is to consider approval of an Ordinance deleting Appendix A Schedule of Fees, Article A14.000 Pro Rata fees. These fees were included in the Impact Fee section of the City Code in 1994 and 1997 and were comprised of charges assessed separate and above normal impact fees, as they were specific to certain water and sewer main construction projects that only benefited properties in the area in which they were constructed. This section of code is no longer needed.

Examples include the connection of a property to the Monte Robles Fire Line Protection project (water main) along Thunderbird Lane to provide that property owner with water service (failed water well) and a sewer main extension across Evers Road to certain properties in the Castle Estates subdivision on Adair (failing septic tanks). Those projects have been completed, and we no longer collect any fees related to them.

Pro Rata fees are still legal, but they are typically performed after an agreement has been reached between a developer and the city. They also usually have a limited time period to charge for connection. An example would be if we were to charge a Pro Rata fee for each property along Bluebird Lane in connection with the water main the city installed in 2018 and each property owner had agreed in writing on the fees they would pay prior to the construction of the main. So far, we have not received any requests from property owners along Bluebird Lane to connect to that main (they have working water wells). The primary reason for the construction of this main was to loop the water system to prevent a dead-end.

Currently, if the city receives a request from a property owner to extend a service to their property, we charge the actual cost for such extension, along with current impact fees, unless the main extension could serve several properties. In that case, we would charge the property owner a portion of the construction costs, based on the number of possible connections.

Large subdivision developers construct their own mains and service lines, which are eventually accepted by the city and impact fees are paid for these connections to the city's existing water and sewer system.

FISCAL IMPACT

None.

RECOMMENDATION

Staff recommends approval of the Ordinance deleting Appendix A, Article A14.000 Pro Rata Fees of the Leon Valley Code of Ordinances and leaving the section as reserved for future use.

APPROVED: _____ DISAPPROVED: _____

APPROVED WITH THE FOLLOWING AMENDMENTS:

ATTEST:

SAUNDRA PASSAILAIGUE, TRMC
City Secretary