

MAYOR AND COUNCIL COMMUNICATION

DATE: December 3, 2024
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, Section A16.Water and Wastewater Impact Fees, Section A16.001 Water Impact Fees, Subsection 1. Water Impact Fees, to Update the Fees

SPONSOR(S): N/A

PURPOSE

The purpose of this item is to consider approval of an Ordinance that would increase the fees charged to new development for connection to the city's water system.

The last time the water and sewer impact fees were increased was in June of this year; however, the water impact fees were based on what the City had been paying for water rights previously. In light of new information on the price for purchasing water rights, the fees should be increased to assure adequate recovery of those costs.

Impact fees may only be used for improvements to the water and wastewater system that are directly related to new development. They cannot be used to maintain or replace existing systems and may not be charged to existing customers, unless the customer has a change in use that would require an increase in water and/or wastewater treatment usage.

Approval of the Ordinance will allow the city to recover capital costs associated with acquiring water rights and the eventual replacement of the Marshall Elevated Water Storage Tank with a larger storage tank.

Impact fees are to be re-evaluated every 5 years by the Capital Improvements Advisory Committee.

FISCAL IMPACT

Water impact fees are used to offset the costs of obtaining water rights for new development and are now being sold between \$10,000 and \$12,000 per acre foot of water.

Current Water Impact Fees

Size of Meter	Water Supply Impact Fee	Development Impact Fee
5/8" & 3/4"	\$2,650	\$962
1"	\$4,425	\$1,603
1 1/2"	\$8,825	\$3,207
2"	\$28,275	\$10,261
3"	\$44,175	\$16,033
4"	\$58,300	\$21,164
6"	\$72,423	\$26,295
8"	\$88,325	\$53,444
10"	\$141,246	\$51,307

Proposed Water Impact Fees

Size of Meter	Water Supply Impact Fee	Development Impact Fee
5/8" & 3/4"	\$4,997	\$962
1"	\$8,344	\$1,603
1 1/2"	\$16,639	\$3,207
2"	\$53,312	\$10,261
3"	\$83,292	\$16,033
4"	\$109,924	\$21,164
6"	\$136,552	\$26,295
8"	\$166,535	\$53,444
10"	\$166,534	\$51,307

RECOMMENDATION

At their September 2024 meeting, the Capital Improvements Advisory Committee recommended approval of the increase in water impact fees.

APPROVED: _____ DISAPPROVED: _____

APPROVED WITH THE FOLLOWING AMENDMENTS:

ATTEST:

SAUNDRA PASSAILAIGUE, TRMC
City Secretary