

# Order Setting Public Hearing Capital Improvements Plan Water Impact Fees

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City Council Meeting  
October 15, 2024

# Summary

- Question
  - City Council is being asked to consider ordering a public hearing to consider updates to the Capital Improvements Plan, specifically to discuss and review a proposed increase to the water impact fees
- Options
  - Recommended:
    - Approve
    - Deny
- Declaration
  - The cost of acquiring water rights has significantly increased since the previous fee was adopted

# Purpose

- To consider ordering a public hearing to discuss and review a Capital Improvement Plan water impact fee update

# Purpose/Background

- 5/24 – City Council approved an increase to the water impact fees
- Since that time, it has been discovered that the cost for the purchase of water rights has increased much higher than what was originally estimated
- Previous water impact fees were based on acquiring water rights at \$6,100 per acre foot (includes closing costs)
- Since then, it has been found that the cost is now estimated between \$10,600 and \$12,000 per acre foot

# Purpose/Background

- Per state law, to discuss updates to the fees & consider an amendment to the Capital Improvements Plan, Council must adopt an order setting public hearing date & notify the public of the hearing
- Proposed date of the public hearing would be November 19, 2024
  - *Impact fees may only be used for improvements to the water and wastewater system that are directly related to new development*
  - *Can't be used to maintain/replace existing systems & may not be charged to existing customers, unless use changes*

# Fiscal Impact

- Water impact fees are used to offset the costs of obtaining water rights

# Recommendation

- At their September 24, 2024 meeting, the Planning and Zoning Commission recommended moving forward with an update to the Capital Improvement Plan to increase water impact fees