



AGENDA ITEM SUMMARY FORM

MEETING DATE: August 24, 2026
PREPARED BY: Michael Burrell, Director
DEPARTMENT: Development Services

AGENDA ITEM DESCRIPTION:

Consideration, discussion, and possible action on Water and Sewer Impact Fees.

BACKGROUND/SUMMARY:

Based on the approved water and sewer project lists, which have estimated project costs, the Advisory Committee should evaluate the estimated water and sewer impact fees. Additionally, water and sewer tap fees should be evaluated, and the combined amounts can be compared to area cities for reference. Under state law, a credit equal to 50% of the total projected costs is applied as the maximum fee per service unit. This means if the estimated project costs result in an impact fee of \$4,000, the maximum assessable amount is \$2,000. To be able to assess a higher fee, the city would need a plan for awarding a credit for the portion of ad valorem tax and utility service revenues generated by new service units during the program period that is used for the payment of improvements, including the payment of debt, that are included in the capital improvement plans. This financial plan would require a third-party financial consultant to evaluate projected revenues. In lieu of this plan, the city has always provided the 50% credit.

LEGAL REVIEW: No
FISCAL IMPACT: No
FORM 1295 FILED: Not Applicable
PRESENTATION: No
ATTACHMENTS: Yes

- Water and Sewer Project Lists and Costs
- Peer city comparisons
- Estimated Water and Sewer Impact Fees

STAFF RECOMMENDATION:

The city staff recommends that the Community Impact Fee Advisory Committee discuss water and sewer impact fees and their calculations.

Community Impact Fee Advisory Committee:

Recommend Approval

Disapproval

None
