



## AGENDA ITEM COMMENTARY

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**MEETING NAME:** Wolfforth City Council

**MEETING DATE:** January 8, 2024

**ITEM TITLE:** Consider and take appropriate action on report from staff pertaining to Water Impact Fees

**INITIATOR/STAFF INFORMATION SOURCE:** Randy Criswell, City Manager

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### **BACKGROUND:**

The attached report shows the activity pertaining to the discussion and implementation of Water Impact Fees. If you recall, Newgen strategies presented a report and recommendations to you in July 2023 based on a \$31.5 million CIP (Capital Improvements Plan), which resulted in a maximum water Impact Fee of \$4372 per 1 inch meter. The CIAC met and approved the Capital Improvements Plan and recommended the City Council adopt the maximum legal impact fee. At that time, our local development partners requested a delay in the decision until they had an opportunity to be more involved, which we agreed to. The attached activity timeline details this.

At this point, it's time to begin the process of issuing additional debt to fund the next portions of the CIP. One of the critical components of that process is how we will service the debt. As you will recall, the current water rate structure was designed with the assumption that full Impact Fees would be implemented. If we don't implement the full impact fees, we will need to have Newgen revisit and recalculate water rates for all customers.

We're also continuing to look at any other option we can find.

To move forward, I've asked our engineers to update all cost estimates for the projects, I've asked Newgen strategies to provide some additional information, and I've met with our Financial Advisor. As soon as the Impact Fee issue is resolved, we will be prepared to move forward with the issuance of future Certificates of Obligation.

### **EXHIBITS:**

Activity timeline report  
Water System Capital Improvements Plan  
Rate impacts of adopting reduced Impact Fees

### **COUNCIL ACTION/STAFF RECOMMENDATION:**

Council direction needed