



AGENDA ITEM COMMENTARY

MEETING NAME:	City Council
MEETING DATE:	September 16, 2024
ITEM TITLE:	Conduct a Public Hearing on Ordinance No. 2024-023 an ordinance establishing impact fees for water system improvements
	FOLLOWED BY THIS ITEM:
	Consider and take appropriate action on Ordinance No. 2024-023 an ordinance establishing impact fees for water system improvements.
STAFF INITIATOR:	Randy Criswell, City Manager

BACKGROUND:

This commentary will apply to the next two items. At the August 5 City Council meeting, you received a final report from Newgen Strategies pertaining to the implementation of a Water Impact Fee. At that meeting, the Public Hearing date for adoption of the Water Impact Fees was set for tonight, September 16, 2024. Since that meeting, we have prepared the ordinance for adoption of the Impact Fees. The full impact fee is \$4,372 for a one-inch water meter, with increased pricing for other meter sizes. There will be a discount applied to the fee in each of the first five years, and will look like this for a one-inch meter (we are not proposing any discount for meters larger than one inch):

- FY 2025: 54% discount, FY 2025 fee = \$2,000
- FY 2026: 41% discount, FY 2026 fee = \$2,600
- FY 2027: 27% discount, FY 2027 fee = \$3,200
- FY 2028: 13% discount, FY 2028 fee = \$3,800
- FY 2029: No discount, FY 2029 and forward, fee = \$4372

It is important to remember impact fees must be reviewed periodically. If the CIP changes, the impact fees must change accordingly. We will be bringing forth a recommendation to the Council in the future about some possible changes to the CIAC, and as we move ahead with the implementation of our CIP, we will closely monitor costs and projects to ensure any adjustments are made appropriately.

EXHIBITS:

Ordinance

Water Rate Study by NewGen Strategies from August 5, 2024

Scenario 2- Impact Fee Phase-In

Adoption Fee Schedule for Phase-In Approach

Capital Improvement Projects Timeline

Water Rate Study by NewGen Strategies from September 2023

Memorandum about WolfForth Impact Fee Determination by NewGen

COUNCIL ACTION/STAFF RECOMMENDATION:

Council must perform two actions:

1. Conduct a Public Hearing on Ordinance adopting Water Impact Fees
2. Adopt the Ordinance