



City of Pflugerville

Legislation Details (With Text)

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Title:	Discuss and consider recommendation to amend the Land Use Assumptions and Capital Improvements Plan for Water and Wastewater Utility Infrastructure, determine whether to amend the plan and amendments to the Land Use Assumptions, Capital Improvements Plan and Update and Impact Fees				

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Attachments: 1. Pflugerville Impact Fee Report, 2. Presentation

Date	Ver.	Action By	Action	Result
12/5/2022	1	Capital Improvement Advisory Committee	Approved	Pass

Discuss and consider recommendation to amend the Land Use Assumptions and Capital Improvements Plan for Water and Wastewater Utility Infrastructure, determine whether to amend the plan and amendments to the Land Use Assumptions, Capital Improvements Plan and Update and Impact Fees.

City staff returns to the Capital Improvements Advisory Committee (CIAC) as a follow up to the November 7, 2022 CIAC meeting for discussion and consideration for review and update of the City's proposed Water and Wastewater Impact Fees.

November 8, 2022, City Council authorized staff to set a public hearing date for December 13, 2022 for consideration of updating the City's Land Use Assumptions, Capital Improvement Plan and Water and Wastewater Impact Fees. City Staff requested public hearing as required by TLGC Chapter 395 as an opportunity for public review and consider action to submit comments to City Council on the update and amendment to the City of Pflugerville Code of Ordinances, Chapter 152, Subchapter A, entitled "Water and Wastewater Impact Fees," updating the land use assumptions, capital improvement plan and amending impact fees for water and wastewater utilities.

The Public Hearing is also necessary in advance of adoption of an ordinance to amend impact fees and implementation of impact fees. As with this request, discussion and recommendation with any written comments to City Council regarding the City of Pflugerville Utilities Water and Wastewater 2022 Impact Fee Study Update.

City Staff coordinated with Freese and Nichols, Incorporated (FNI) and Newgen Strategies as consultants for the efforts of updating associated components related to the City's Water and Wastewater Impact Fees. The Water and Wastewater Impact Fee Study is an analysis necessary for the City in order to consider capital utility infrastructure impact fees related to water and wastewater, as well determines the maximum fee rates allowable in Pflugerville under state law. Impact fees are

funds collected within a service area to pay for water and wastewater improvements that contribute to the capacity of the utility infrastructure system.

The Water and wastewater service area for impact fees include city wide and ETJ, for water and wastewater needs within City's Certificate of Convenience and Necessity (CCN). Service areas for City of Pflugerville's water and wastewater systems differ slightly in terms of extent. Both the Water and Wastewater Service Areas include the City's current Water and Wastewater CCN, respectively, as well as areas that are proposed to be added to each CCN in the future. Wastewater Service Area includes nearly the entire Water Service Area, and extends six miles farther east, covering an area more than 2.5 times the size of the Water Service Area. For the purpose of impact fee calculations, Wastewater Service Area was split into two separate service areas to account for different rates of projected development. Service Area 1 includes the Central Basin (located west of the State Highway 130 corridor), and Service Area 2 includes the Wilbarger and Cottonwood Basins (entire area east of State Highway 130). Please refer to the map exhibits in the report for more information.

The current impact fee ordinance was effective April 2020, as set the water impact fee for single family meter at \$7,897 and the wastewater impact fee for a single-family meter at \$1,898 in Central Basin and \$8,184 in the Cottonwood and Wilbarger Basins. The proposed Water and Wastewater Impact Fee Study established a maximum rate that could be collected per service area and would be applicable to new development or redevelopment that generates an increase from existing uses. Due to the nature of the capital projections in the Water and Wastewater utility, an update of the impact fees are necessary to make sure that we are passing on to the developers their share of the capacity in these new facilities. The major changes from the 2020 report to this updated report are the necessary capital projects and the estimate of probable cost for various utility projects, mainly the Water Treatment Plant expansion, Wilbarger Wastewater Treatment Plant and Secondary Colorado River Raw Water Line projects for construction that has begun or will begin within the next several months. After contracting with several design consultants to design these projects, the costs have increased significantly from the original estimates received in 2020.

Updated fees result increases for the proposed capital improvement plan to serve new development over the next 10-year period 2022 to 2032 based on the percentage of the project's capacity required to serve development. The proposed maximum assessable fee rates per service area:

Service Area 1: Maximum Assessable Fee

- Water Impact Fee: \$14,713.00
- Wastewater Impact Fee: \$1,316.00
- Total Impact Fee: \$16,029.00

Service Area 2: Maximum Assessable Fee

- Water Impact Fee: \$14,713.00
- Wastewater Impact Fee: \$15,136.00
- Total Impact Fee: \$29,849.00

City staff will continue to evaluate the necessity to update the impact fees annually or otherwise, until the cost of these large projects are solidified and under contract. The proposed Impact fees will be used to pay for development "impacts" into the water and wastewater infrastructure. The fees are highly regulated and must be "directly attributable" to the development taking place. Impact fees are levied by Ordinance by the City of Pflugerville. Before an update to the water and wastewater impact

fees can be implemented, City must consider approval to update land use assumptions. City provided proposed Land Use Maps, as extremely important pieces of information that drive the Capital Improvement Plan; which describe the long term needs of a proposed development area in regards to capital improvements such as water and wastewater.

Capital Improvement Advisory Committee (CIAC) Action History

On January 6, 2020, the CIAC recommended approval of Service Area 1 and 2 for wastewater and recommended approval of Maximum Assessable Impact Fees for water and wastewater.

On July 18, 2022, the CIAC reviewed and discussed Water and Wastewater Impact Fee Update.

On November 7, 2022, the CIAC discussed and considered various assumptions and calculations for Impact Fees; Agreeable for consideration up to maximum Water and Wastewater Impact Fee.

Supporting documents attached:

Water and Wastewater Impact Fee Study Report
Presentation

Recommended Action

1. Discuss and consider action to update Land Use Assumptions, Capital Improvement Plan, and Impact Fees
2. Motion to approve amendments to Land Use Assumptions, Capital Improvement Plan, and Impact Fees
3. Motion for recommendation of a proposed Water and Wastewater Impact Fee for Service Areas
4. Written letter with recommendation to the City Council for proposed Water and Wastewater Impact Fee for Service Areas on the 5th day before the Public Hearing