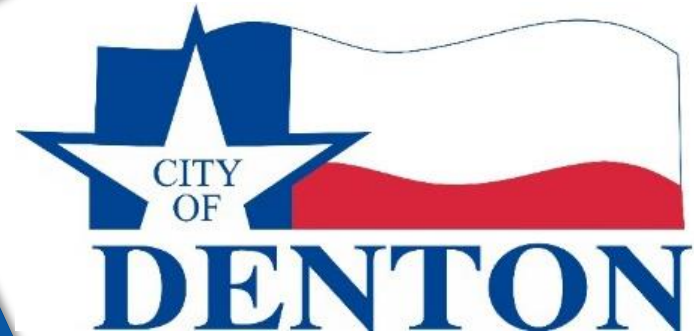


Water and Wastewater Impact Fee Update

City of Denton



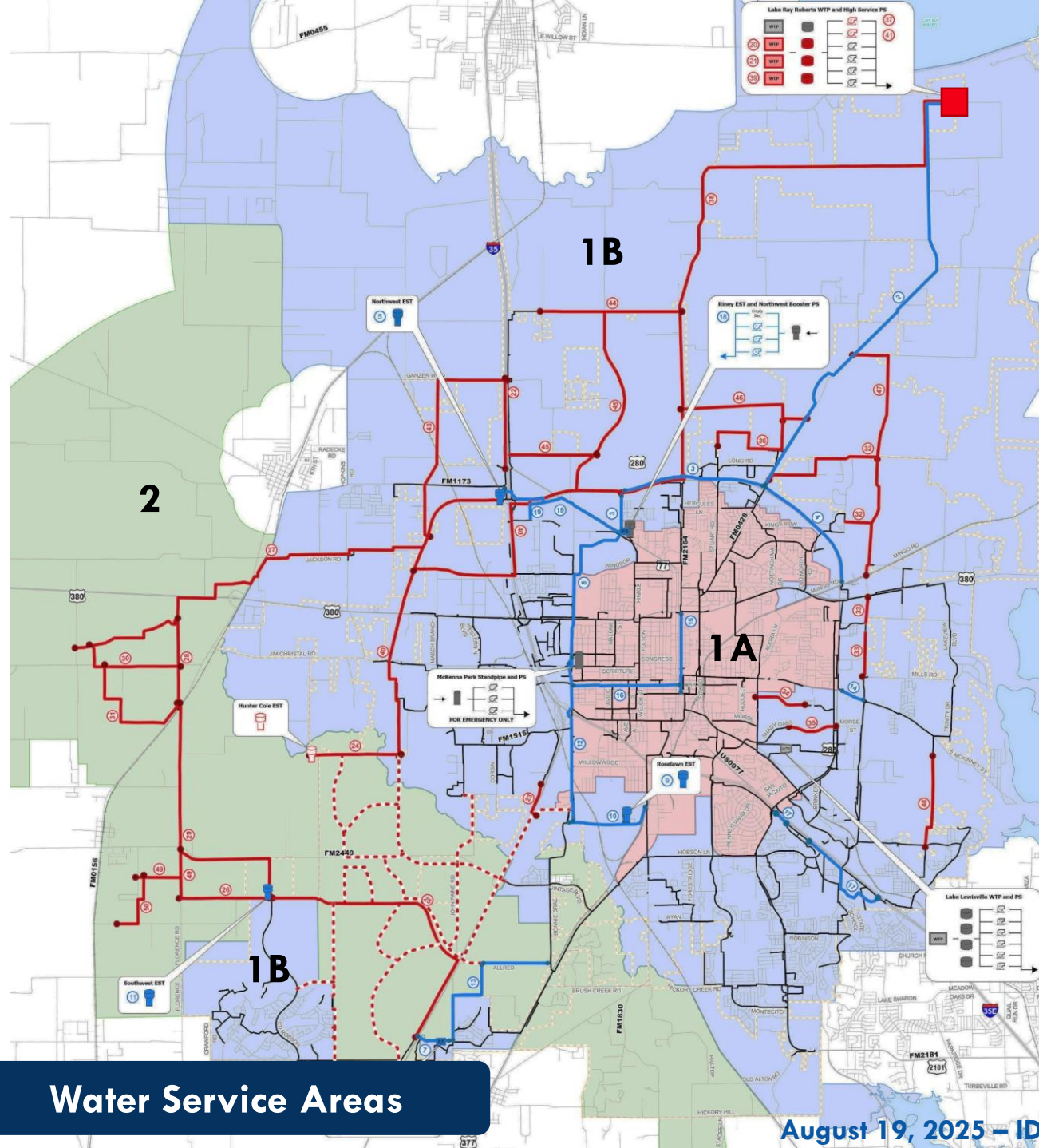
Kimley»Horn

Kimley»Horn

August 19, 2025
ID 25-1143

Previous Discussion Timeline

- October 24, 2022 – Public Utilities Board gave initial direction
- July 8, 2024 – Developer meeting to share updates and gather feedback
- July 16, 2024 – City Council provided direction
- February and June 2025 – Staff presented to the Capital Improvements Advisory Committee
- March 5 and July 1, 2025 – Developer town halls to present proposed changes and hear input
- June 25, 2025 – Capital Improvements Advisory Committee voted 6–0 to recommend 100% cost recovery
- July 15, 2025 – City Council Work Session; supported 75% percent cost recovery (6–1)
- August 5, 2025 – Public Hearing; supported 75% cost recovery and recommended a delayed implementation date



Water Service Areas

Existing Water Service Areas and CIP

No proposed changes to Service Areas
Capital Improvement Plan (CIP) Statistics:

- 10-Year Recoverable Cost Estimate
 - \$582,923,277
- 10-Year Service Unit Projection
 - 52,774

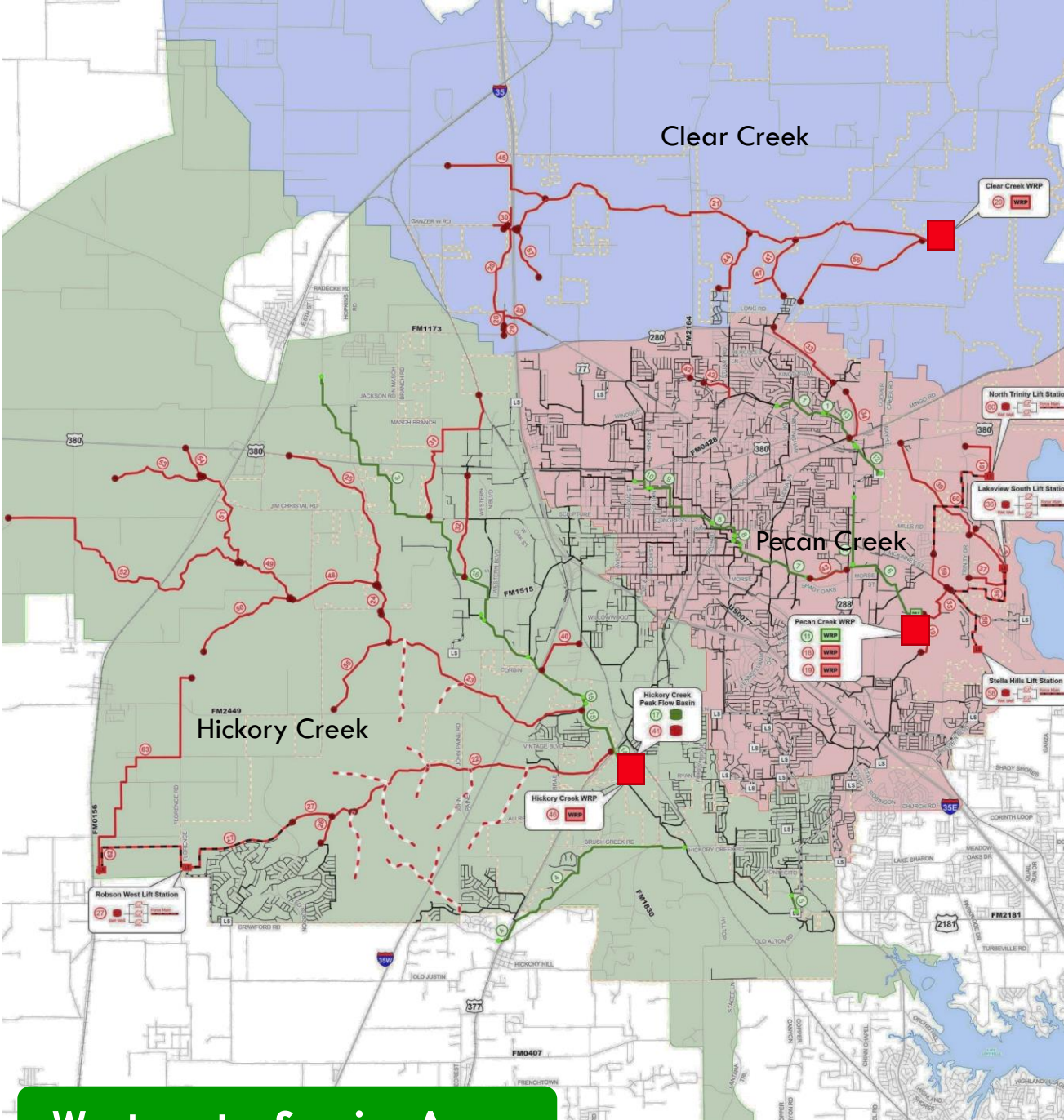
	Previously Installed Infrastructure
	Planned Infrastructure (10-Year CIP)
	Infrastructure to be Installed by Hunter/Cole
	Vertical Infrastructure Call-Out Boxes

Proposed Wastewater Service Areas and CIP

Proposed Service Area change divides the single Service area into Clear Creek, Pecan Creek, and Hickory Creek Service Areas.

Capital Improvement Plan (CIP) Statistics:

- 10-Year Recoverable Cost Estimate
 - \$707,097,573
- 10-Year Service Unit Projection
 - 52,276



	Previously Installed Infrastructure
	Planned Infrastructure (10-Year CIP)
	Infrastructure to be Installed by Hunter/Cole
	Vertical Infrastructure Call-Out Boxes

Wastewater Service Areas

August 19, 2025 – ID 25-1140

Recommended Impact Fees

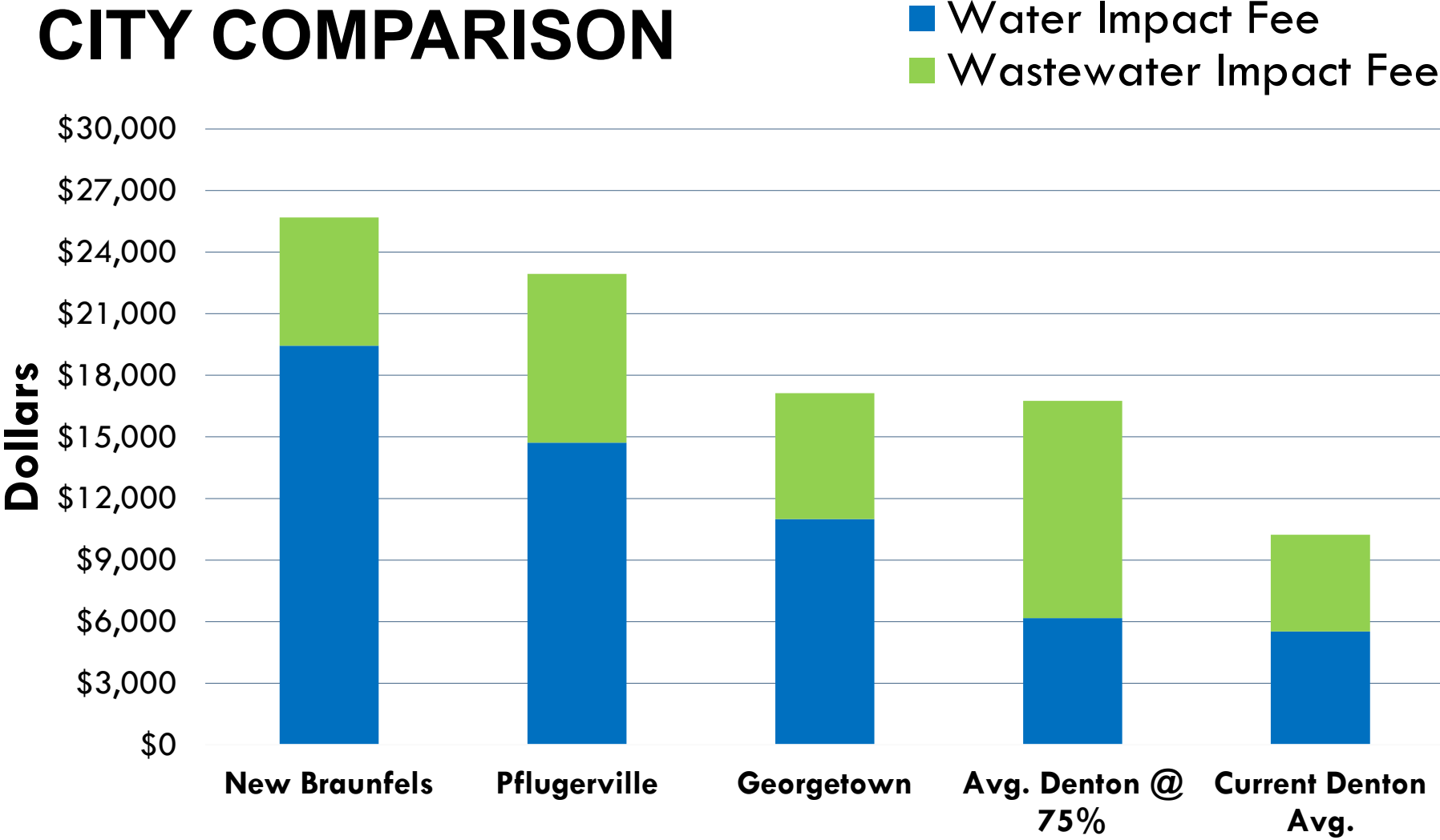
Water Impact Fees

Service Areas	Zone 1A	Zone 1B	Zone 2
<i>Current Fee 2018</i>	\$3,569	\$5,352	\$7,638
100% Cost Recovery (Maximum Impact Fee)	\$1,820.00	\$10,745.00	\$12,139.00
CIAC Recommendation	\$1,820.00	\$10,745.00	\$12,139.00
Recommendation to Council (75%)	\$1,365.00	\$8,058.75	\$9,104.25

Wastewater Impact Fees

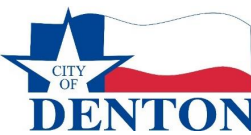
	2018 Service Area		
<i>Current Fee 2018</i>	\$4,716		
Service Areas	Pecan Creek	Hickory Creek	Clear Creek
100% Cost Recovery (Maximum Impact Fee)	\$11,615.00	\$12,791.00	\$17,916.00
CIAC Recommendation	\$11,615.00	\$12,791.00	\$17,916.00
Recommendation to Council (75%)	\$8,711.75	\$9,593.25	\$13,437.00

CITY COMPARISON



Pflugerville, New Braunfels, and Georgetown share the following characteristics with Denton:

- Full-service utilities — each city owns and operates all water and wastewater treatment and distribution facilities
- Similar population sizes and experiencing high population growth rates comparable to those of Denton
- Located near major Texas metropolitan areas
- Active capital improvement planning to support infrastructure expansion aligned with rapid development
- Diverse service areas with distinct water and wastewater impact fee zones (notably in Pflugerville) reflecting varied infrastructure costs across growing regions



Staff Recommendation

Staff recommends division of the single Wastewater Service Area into the Clear Creek, Pecan Creek, and Hickory Creek Service Areas; adoption of the Maximum Impact Fee as 75% of the value presented in the study (values referenced in table below); and an implementation date of April 1st, 2026.

Water Impact Fees

	Zone 1A	Zone 1B	Zone 2
<i>Current Fee 2018</i>	\$3,569	\$5,352	\$7,638
Recommendation (75%)	\$1,365.00	\$8,058.75	\$9,104.25

Wastewater Impact Fees

	2018 Service Area		
<i>Current Fee 2018</i>	\$4,716		
	Pecan Creek	Hickory Creek	Clear Creek
Recommendation (75%)	\$8,711.75	\$9,593.25	\$13,437.00



Questions

Stephen.Gay@cityofdenton.com