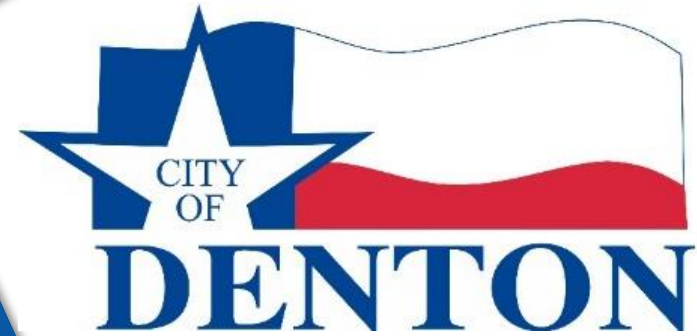


Water and Wastewater Impact Fee Update

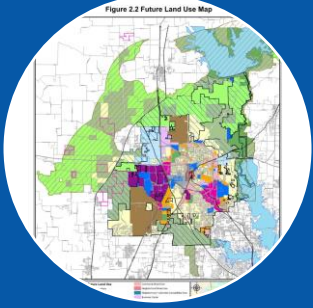
City of Denton



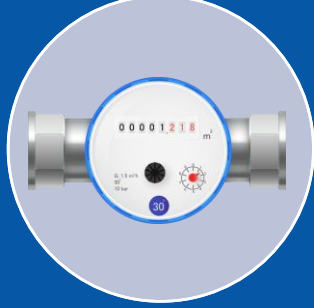
Kimley»Horn

Kimley»Horn

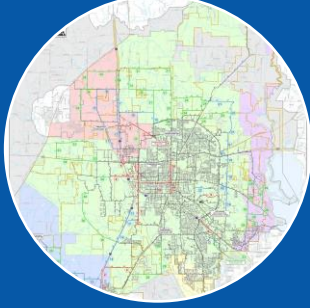
Impact Fee Study Components



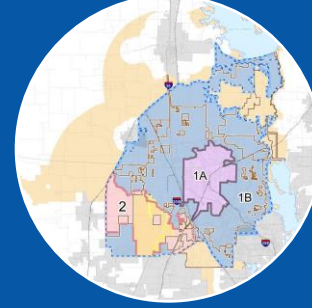
Land Use
Assumptions
Growth



Service Units



Impact Fee
Capital
Improvement
Plans



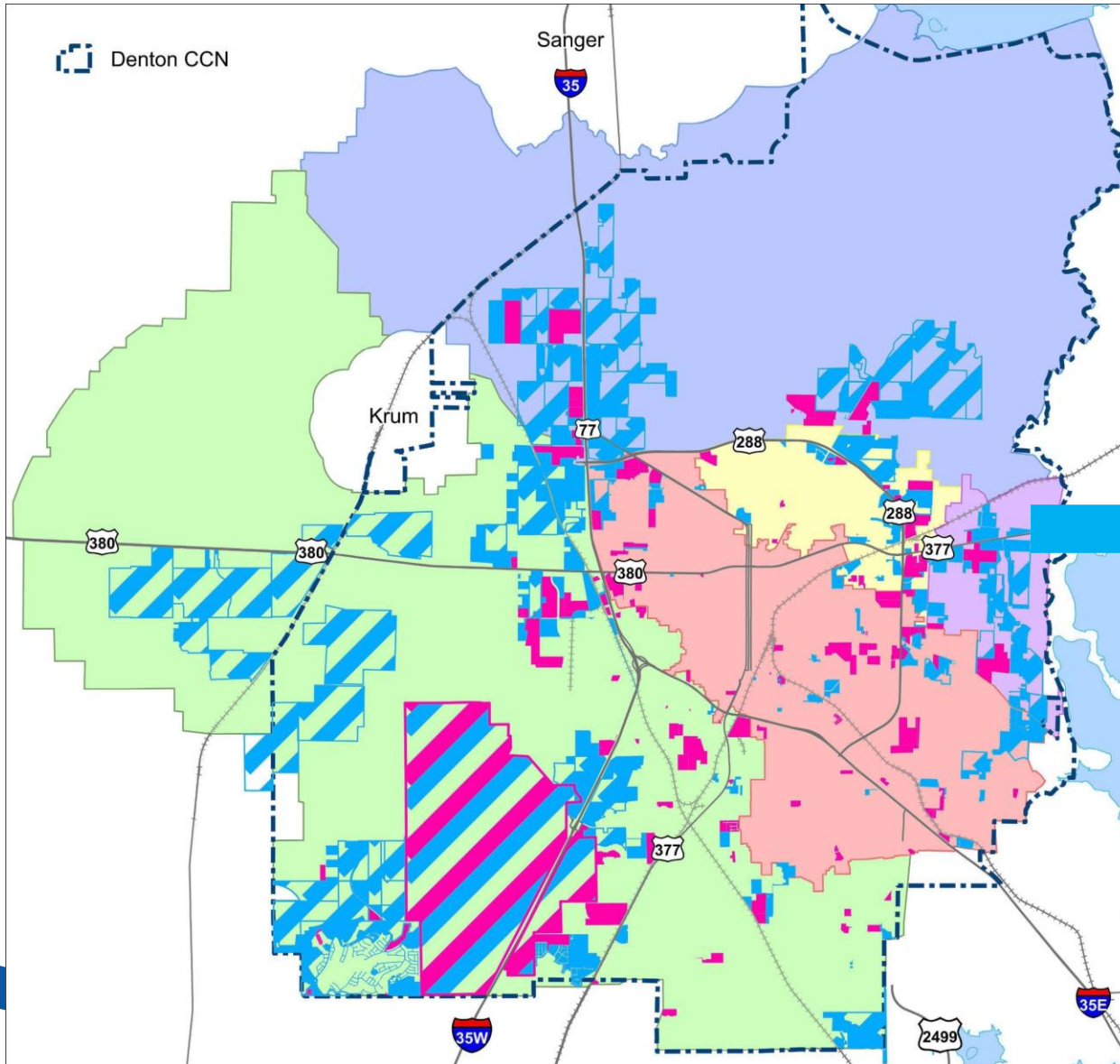
Service
Area
Comparisons



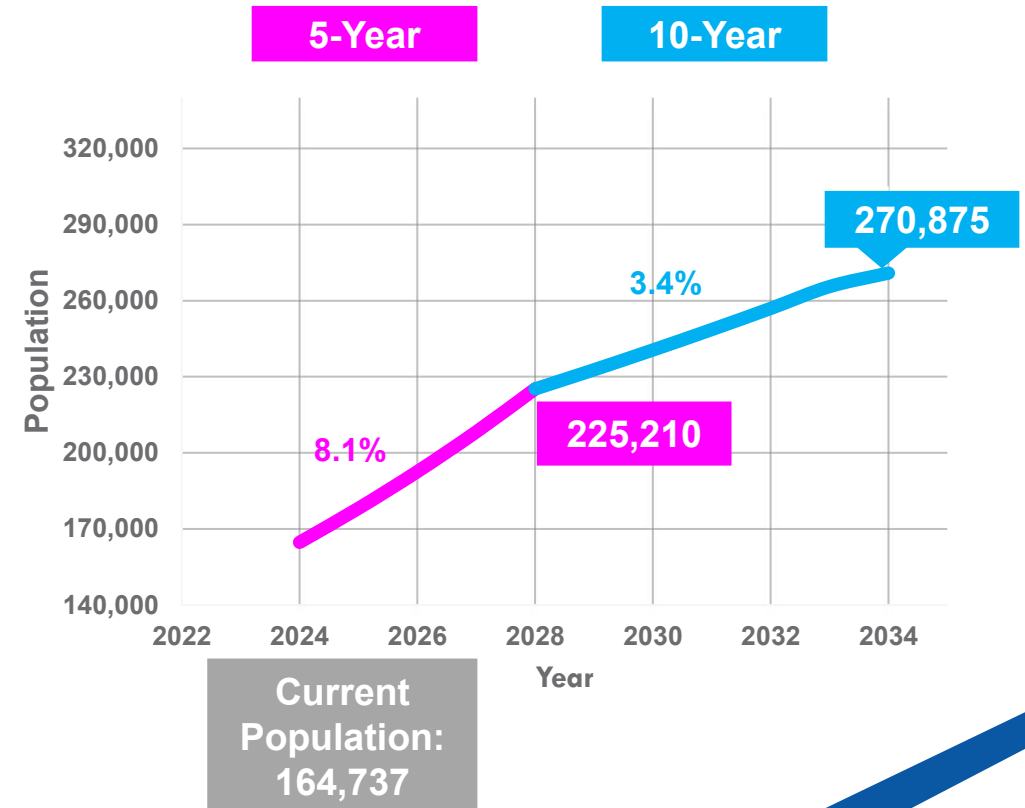
Impact Fee
Calculation

*Hunter/Cole Offsite Impacts
are detailed in the appendix

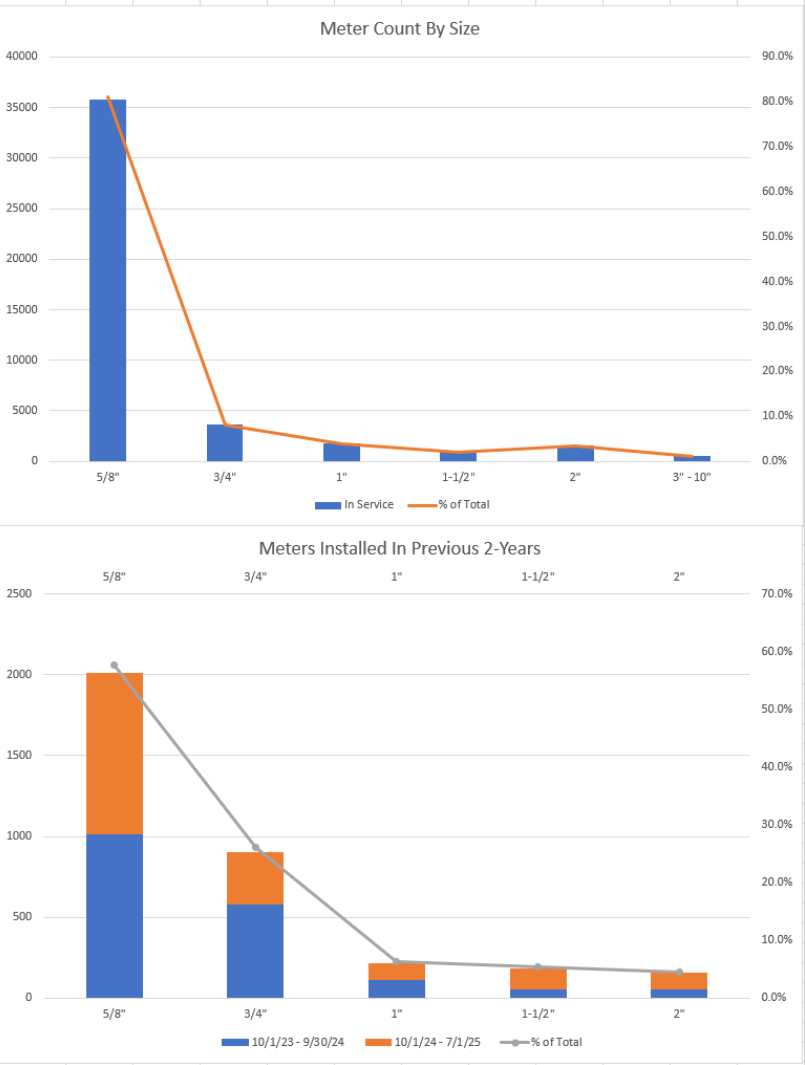
PHASING & POPULATION GROWTH



10-Year Population Growth Projection



Impact Fee Components: Wastewater/Water Service Units



American Water Works Association (AWWA) establishes the 5/8" meter as 1 Single Family Equivalency (SFE) since that is the standard meter size required for a single-family home

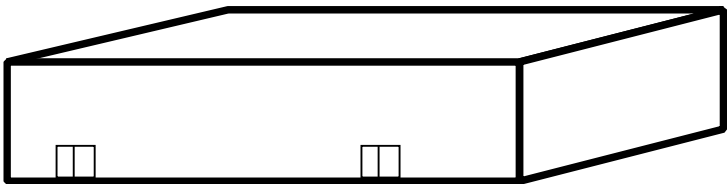
- **81% of Denton's current meter count are 5/8" compared to 8% for 3/4" (next size up)**
- **Therefore, the 5/8" meter was chosen as the base unit for calculations**

Impact Fee Components: Meter Size Comparison

Domestic Demand Meters (Potable & Reclaimed Source)			
Type	Size	†Safe Maximum Operating Capacity (gpm)	Recommended Continuous Max Service Unit Eq.
*Positive Displacement	5/8"	20	1.0
*Positive Displacement	3/4"	30	1.5
*Positive Displacement	1"	50	2.5
*Positive Displacement	1.5"	100	5.0
*Positive Displacement	2"	160	8.0
**Compound	3"	350	17.5
**Compound	4"	600	30.0
**Compound	6"	1350	67.5
**Compound	8"	1600	90.0

Impact fees are calculated as a multiple of the SFE based on meter sizing per the AWWA chart.

Large Retail Development (2" meter)

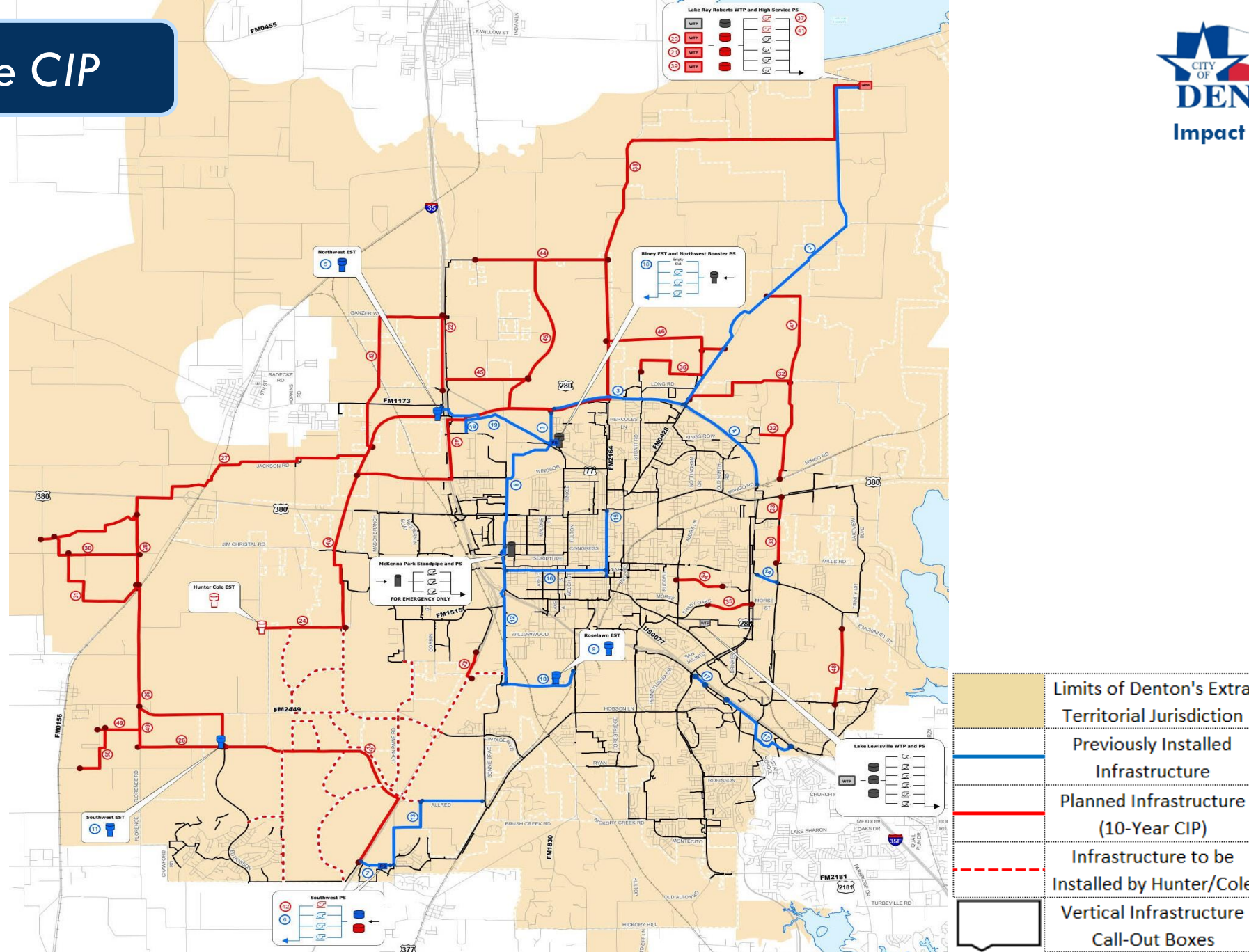


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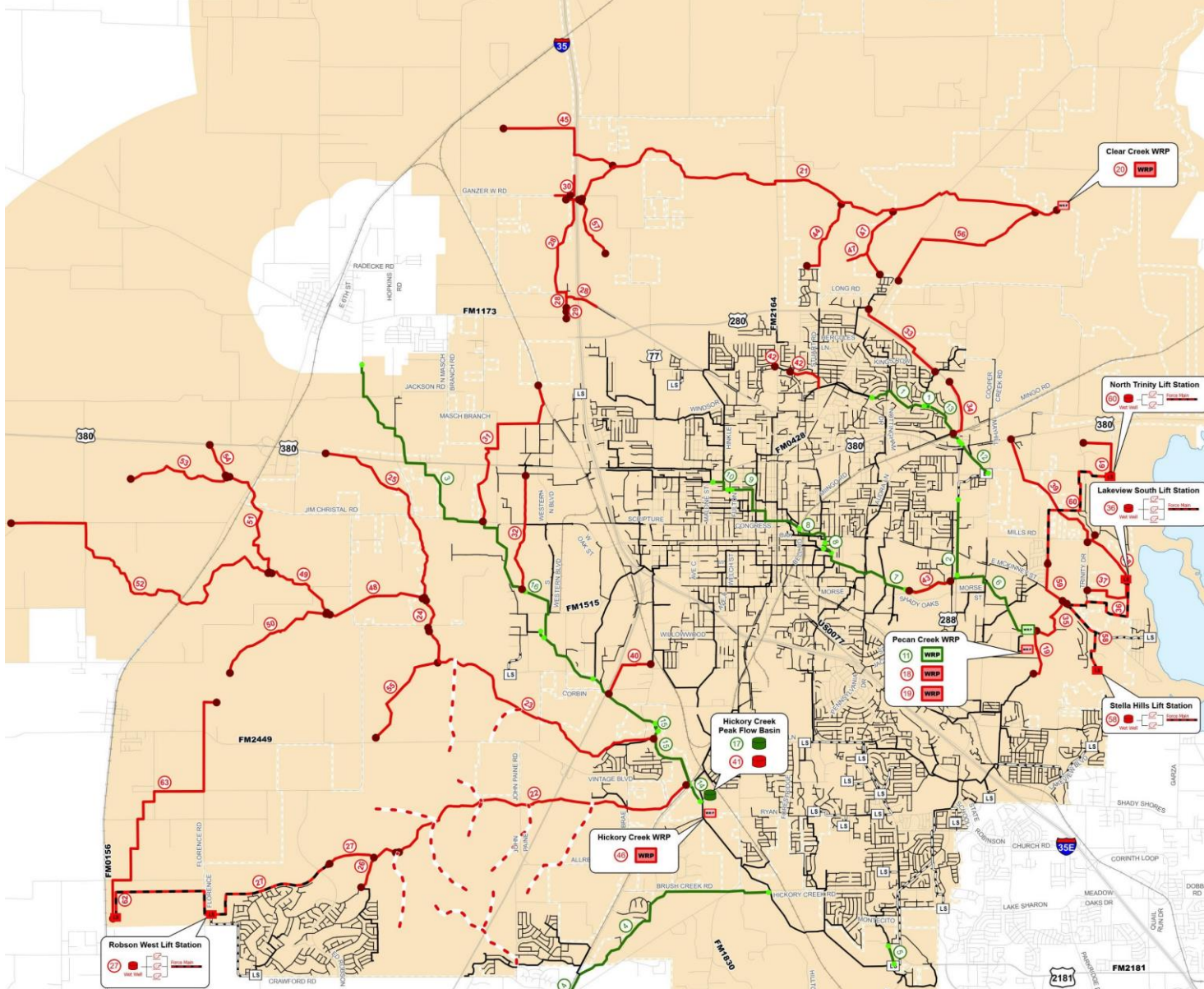


8- Single Family Homes

Water Impact Fee CIP



Wastewater Impact Fee CIP



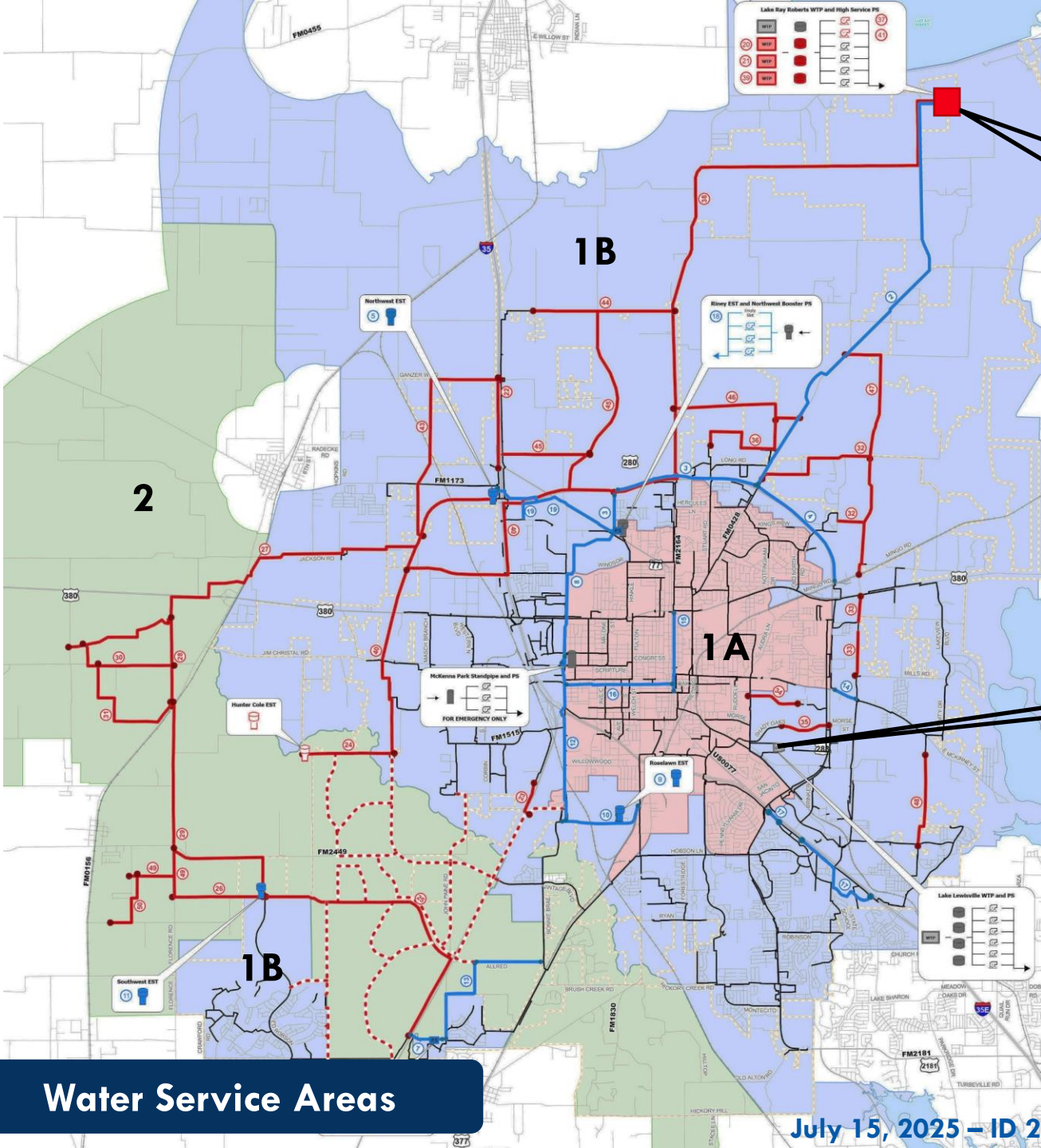
	Limits of Denton's Extra Territorial Jurisdiction
	Previously Installed Infrastructure
	Planned Infrastructure (10-Year CIP)
	Infrastructure to be Installed by Hunter/Cole
	Vertical Infrastructure Call-Out Boxes

Existing and Proposed Water Service Areas

Existing Lake Ray Roberts WTP

Existing Lake Lewisville WTP

Water Service Areas



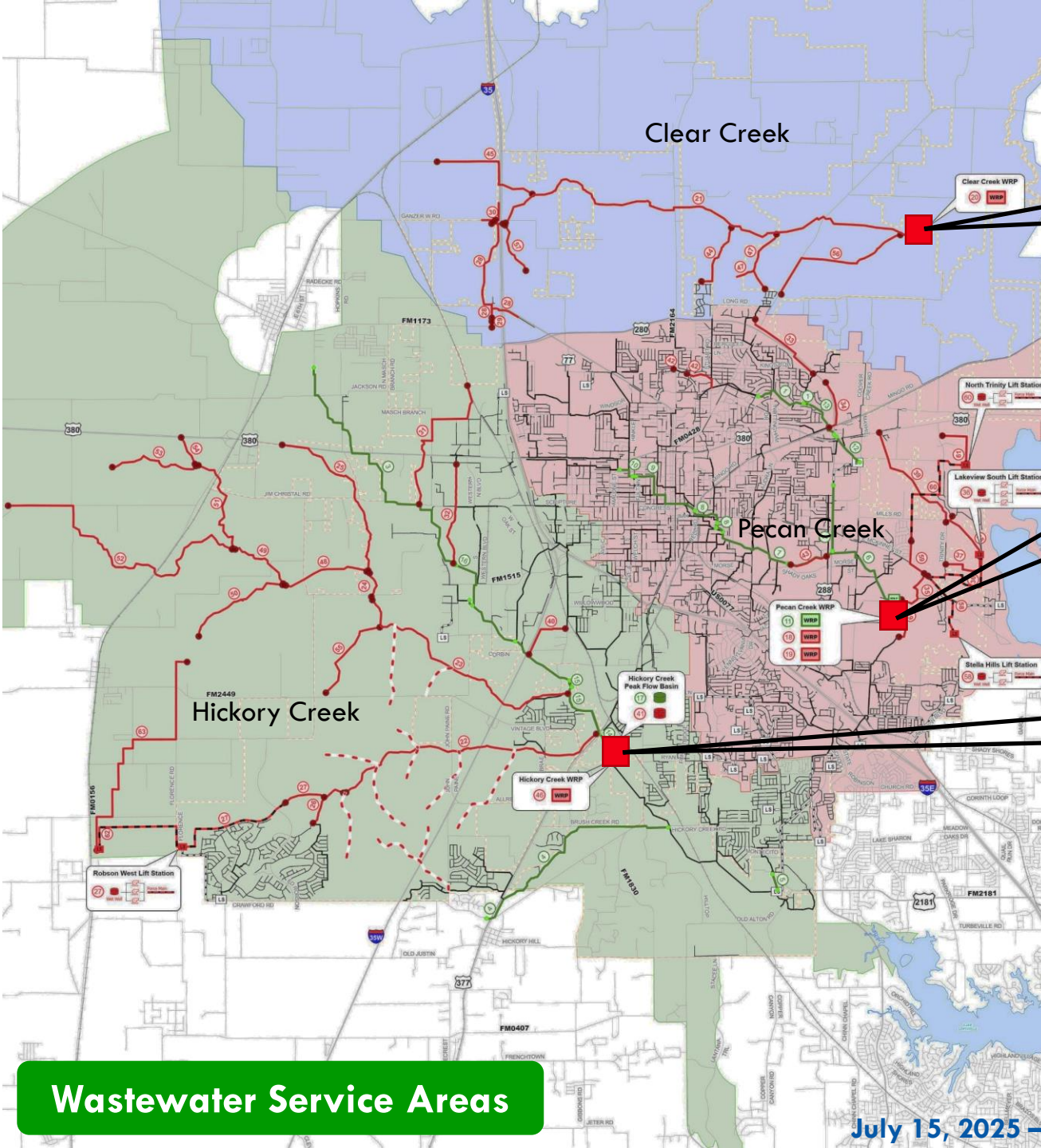
Existing Wastewater Service Area

Pecan Creek WRP Statistics:

- 21 MGD current treatment capacity
 - Approaching 90% utilization which requires expansion to be under construction by Texas Commission on Environmental Quality (TCEQ) rules
- 30 MGD after expansion
 - Treatment capacity and discharge permit will be fully utilized by 2030 according to current models

Existing Pecan Creek WRP

Single Service Area



Proposed Wastewater Service Areas

Proposed Clear Creek WRP
10 MGD

Existing Pecan Creek WRP
30 MGD

Proposed Hickory Creek WRP
10-20 MGD

Wastewater Service Areas



Estimated Maximum Assessable Impact Fee Calculation (City-Wide)

$$\text{Maximum Impact Fee Per Service Unit} = \frac{\text{10 – Year Recoverable Cost of Impact Fee CIP}}{\text{10 – Year Service Unit Projection}}$$

Entire Study Area	Water	Wastewater
10 – Year Recoverable Cost of Impact Fee CIP	<u>\$582,923,277</u>	<u>\$707,097,573</u>
10 – Year Service Unit Projection	52,774	52,276
Max Assessable Impact Fee per Service Unit	\$11,046	\$13,526

- Water and Wastewater service unit counts differ slightly due to users with on-site septic or sewer systems
- This calculation is based on single city-wide service areas instead of divided service areas

Proposed Maximum Assessable (100%) Impact Fees Per Service Area

**Water Maximum Impact fee
 by Service Areas**

Year	Service Area 1A	Service Area 1B	Service Area 2
2018	\$3,569	\$5,352	\$7,638
2025	\$1,820	\$10,745	\$12,139

**Wastewater Maximum Impact fee
 by Service Areas**

Year	2018 Single Service Area		
2018	\$4,716		
	Pecan Creek	Hickory Creek	Clear Creek
2025	\$11,615	\$12,791	\$17,916

- The Hunter Ranch and Cole Ranch impacts to projects collectively known as “City Offsites” is calculated and detailed in the final appendix of the impact fee report.
 - This complies with both the Hunter and Cole Operating Agreements as well as Texas Local Government Code Chapter 395

Staff Recommendation 75% Assessable Impact Fees Per Service Area

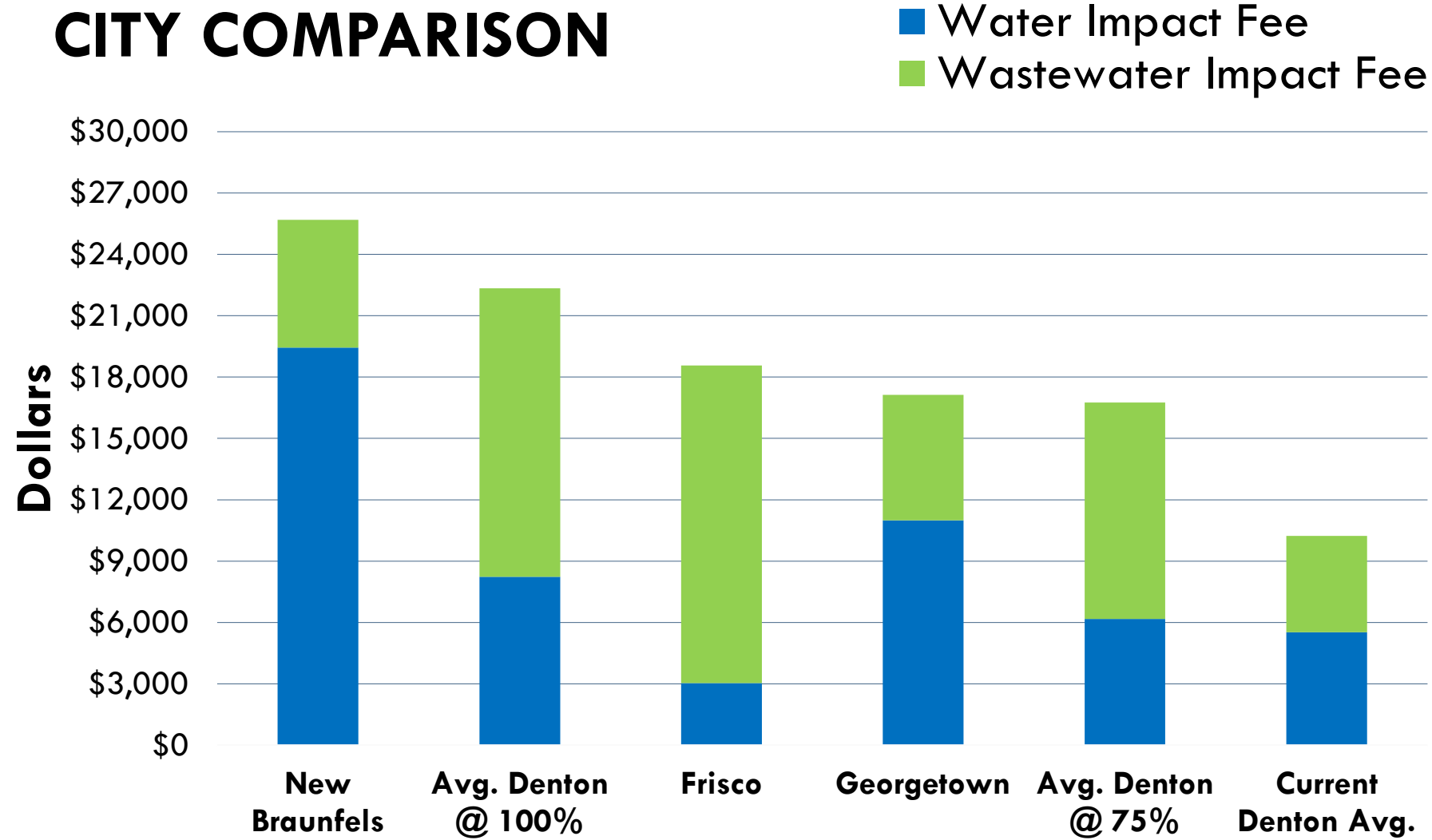
Water 75% Impact fee by Service Areas

Year	Service Area 1A	Service Area 1B	Service Area 2
2018	\$3,569	\$5,352	\$7,638
2025	\$1,365	\$8,059	\$9,104

Wastewater 75% Impact fee by Service Areas

Year	2018 Single Service Area		
2018	\$4,716		
	Pecan Creek	Hickory Creek	Clear Creek
2025	\$8,711	\$9,593	\$13,437

CITY COMPARISON



- New Braunfels and Georgetown share the following characteristics with Denton
 - Full-service utilities (own and operate all water and wastewater facilities)
 - Similar population bases and high population growth as Denton
 - Located on the edge of a major metro area
- Frisco is a member of the North Texas Municipal Water District
 - Implemented a \$12,125 “System Investment Fee” for Wastewater Connections in April 2025
 - Water Utility Bill is on average 125% higher than Denton



Summary

- Water Utilities staff met individually with Council Members in December 2023 and January 2024 to review the study methodology and share a preliminary update on the impact fee calculations.
- On March 5, 2025 and July 1, 2025, city staff hosted a developer town hall and facilitated a discussion on proposed changes.
- In February and June 2025, staff presented to the Capital Improvement Advisory Committee (CIAC).
- On June 25, 2025, CIAC voted to recommend approval (6-0).
 - Recommended adopting the impact fees at 100% of the calculated maximum collection rate.

Staff recommends adopting Water and Wastewater impact fees at 75% of the proposed maximum amounts per service area.

Adoption Steps

- Notice of Public Hearing (Complete) - 06/21/2025
- Capital Improvement Advisory Committee (CIAC) (6-0 approval) - 06/25/2025
- City Council Work Session to set Public Hearing Meeting - 07/15/2025
- City Council Public Hearing Meeting - 07/22/2025
- City Council Ordinance Update Meeting - 08/05/2025
- Public Utilities Board Memo Update - 09/22/2025
- Capital Improvement Advisory Committee Update - TBD



Questions

Kyle.Pedigo@cityofdenton.com