



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Water Utilities
ACM: Cassandra Ogden
DATE: August 5, 2025

SUBJECT

Hold a public hearing to consider amending and updating the Water and Wastewater Land Use Assumptions and Capital Improvements Plan, and the imposition of increased water and wastewater impact fees for designated service areas, and discuss amending Ordinance No. 2019-008 regulating the City's water and wastewater impact fees.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Support Healthy and Safe Communities.

INFORMATION/BACKGROUND

The City of Denton is updating its Water and Wastewater Impact Fees in accordance with Chapter 395 of the Texas Local Government Code. Impact fees are a mechanism to recover the costs associated with expanding infrastructure necessary to serve new development.

The City first adopted impact fees in 1998. In accordance with Chapter 395 of the Texas Local Government Code, land use assumptions and capital improvement plans must be updated every five years. The city periodically updates its impact fees, with the last update completed in January 2019. The current update commenced in August 2022 and encompasses a defined service area, revised land use assumptions, service unit projections, and 10-year capital improvement plans (CIPs), which serve as the basis for calculating the maximum allowable impact fees.

On June 25, 2025, the Capital Improvements Advisory Committee (CIAC) voted 6-0 to recommend adopting the full cost recovery amount permitted under state law. Most recently, on July 15, 2025, City Council received an update during a work session and provided feedback on the proposed fees.

The 2025 Recovery Fee amounts per Single-Family Equivalent (SFE) are shown below:

Water Impact Fees

	Zone 1A	Zone 1B	Zone 2
<i>Current Fee 2018</i>	\$3,569	\$5,352	\$7,638
100% Cost Recovery	\$1,820	\$10,745	\$12,139
CIAC Recommendation	\$1,820	\$10,745	\$12,139
Council Recommendation	\$1,365	\$8,059	\$9,104

Wastewater Impact Fees

2018 Service Area			
Current Fee 2018	\$4,716		
	Pecan Creek	Hickory Creek	Clear Creek
100% Cost Recovery	\$11,615	\$12,791	\$17,916
CIAC Recommendation	\$11,615	\$12,791	\$17,916
Council Recommendation	\$8,711	\$9,593	\$13,437

The Capital Improvement Advisory Committee (CIAC) recommends 100% recovery; Staff recommends 75% recovery; City Council gave direction for 75% at the July 15, 2025 worksession.

As required by Chapter 395, this public hearing is being held to allow for public input prior to City Council's future consideration of adopting the updated Water and Wastewater Impact Fees.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

October 24, 2022 – Public Utilities Board: Received direction

July 8, 2024 – Developer Meeting: Provided update and received feedback

July 16, 2024 – City Council: Received direction

February 10, 2025 – Developer Meeting: Provided update and received feedback

February 12, 2025 – Capital Improvements Advisory Committee: Provided update and received feedback

June 25, 2025 – Capital Improvements Advisory Committee: Voted 6–0 to recommend 100% cost recovery

July 1, 2025 – Developer Meeting: Provided update and received feedback

July 15, 2025 – City Council Work Session: Provided update; Council supported 75% cost recovery (6–1)

ESTIMATED SCHEDULE OF PROJECT

August 22, 2025 – Anticipated adoption of Land Use Assumptions, Capital Improvement Plan, Maximum Allowable Fee, and Collection Rate.

EXHIBITS

Exhibit 1: Agenda Information Sheet

Exhibit 2: Draft Water/Wastewater Impact Fee Study

Exhibit 3: Land Use Assumptions and Service Area Maps

Exhibit 4: Ordinance 19-008

Exhibit 5: Presentation

Respectfully submitted:
Stephen Gay, 940-349-8086
General Manager
Water Utilities and Street Operations

For information concerning this, contact Kyle Pedigo at 940-349-7194.

Legal point of contact: Susan Keller at 940-349-8333.