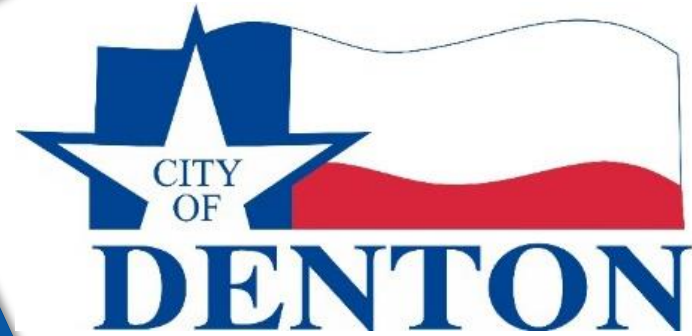


# Water and Wastewater Impact Fee Update

City of Denton



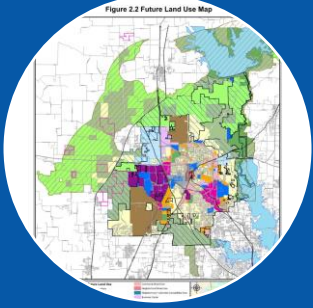
Kimley»Horn

Kimley»Horn

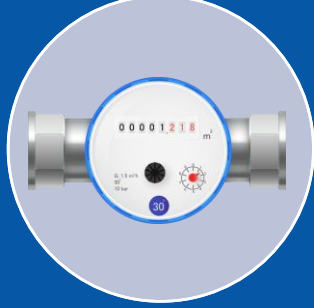
August 5, 2025

ID 25-1140

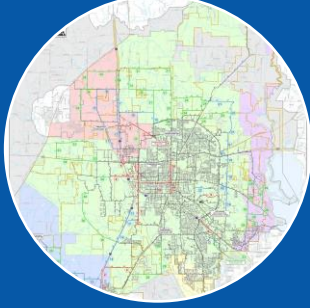
# Impact Fee Study Components



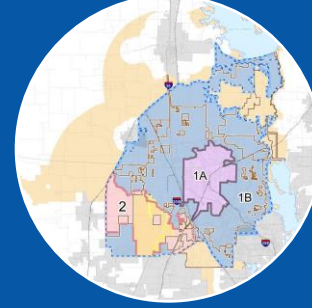
Land Use  
Assumptions  
Growth



Service Units



Impact Fee  
Capital  
Improvement  
Plans



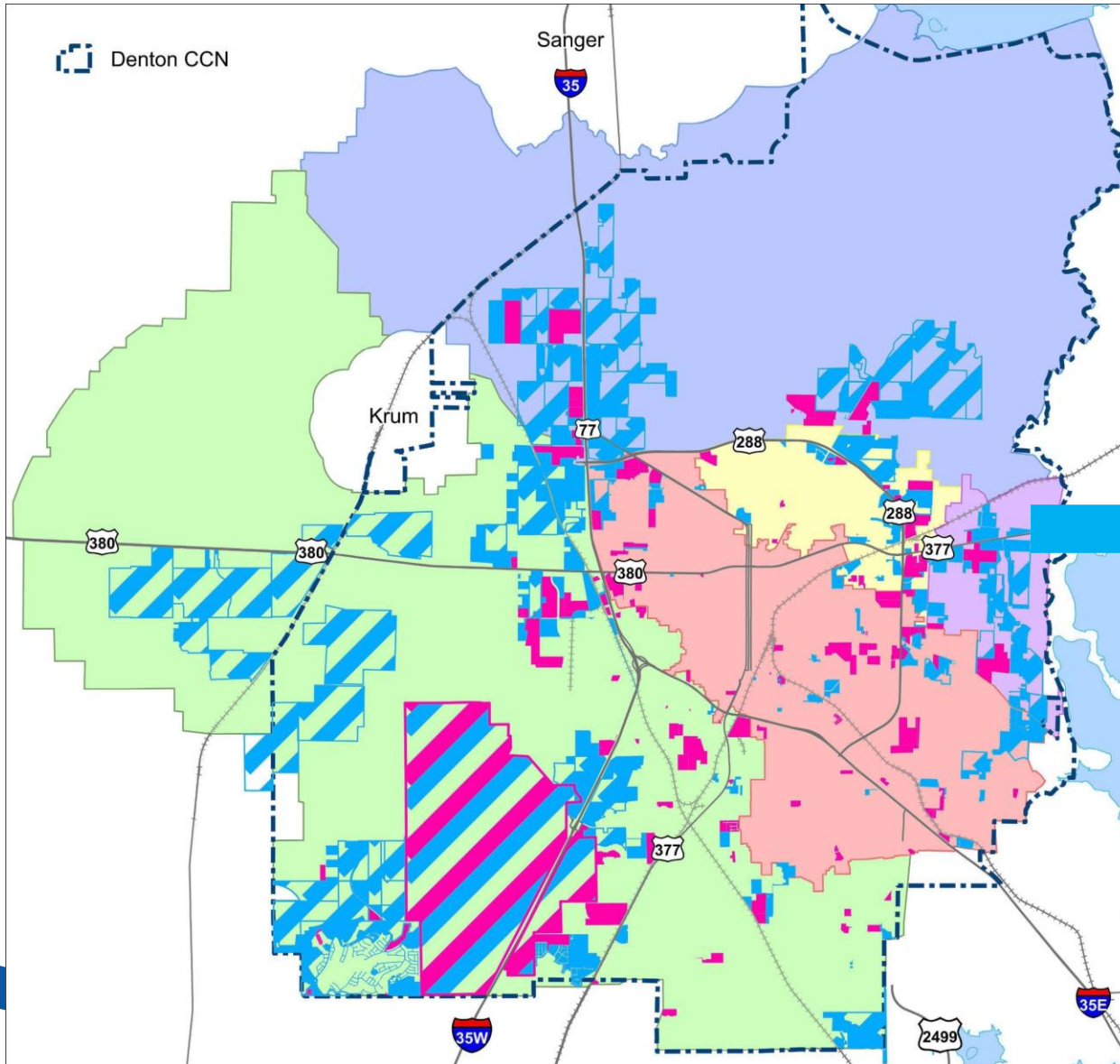
Service  
Area  
Comparisons



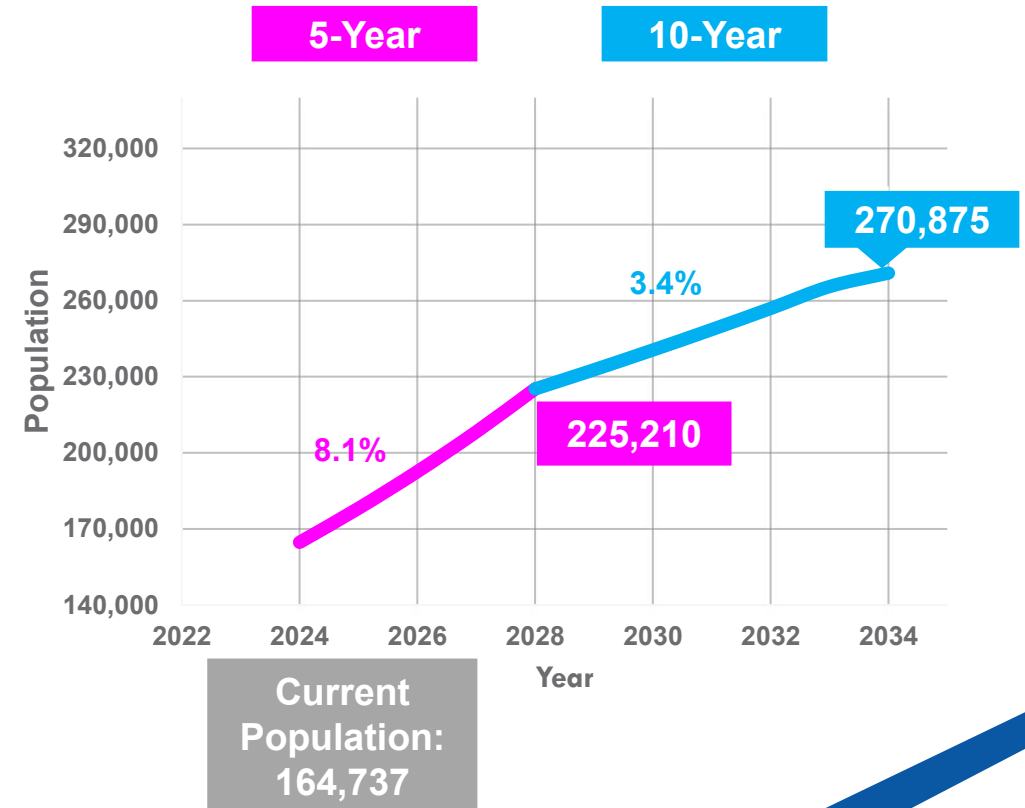
Impact Fee  
Calculation

\*Hunter/Cole Offsite Impacts  
are detailed in the appendix

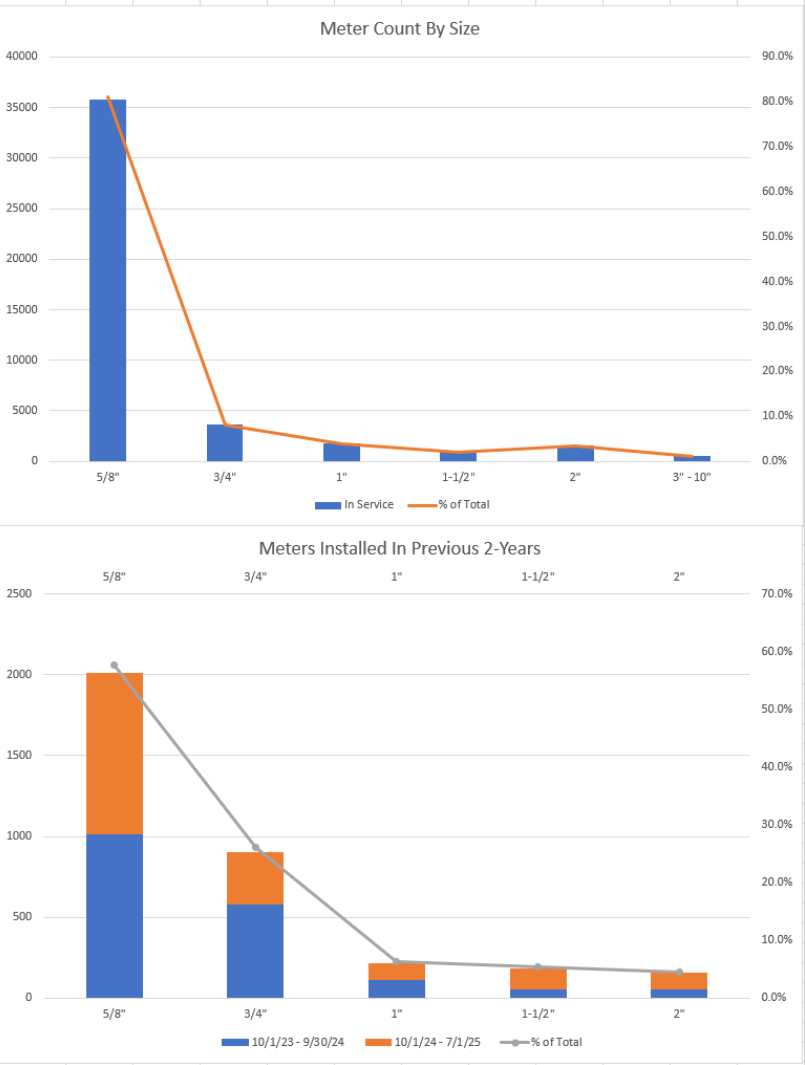
# PHASING & POPULATION GROWTH



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**

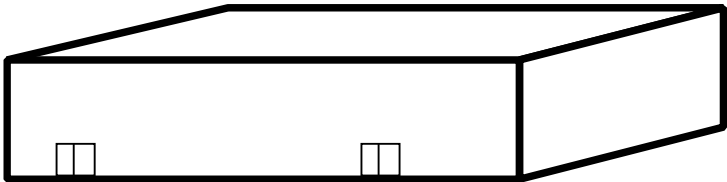
- **81% of Denton’s current meter count are 5/8” compared to 8% for 3/4” (next size up)**
- **Therefore, the 5/8” meter was chosen as the base unit for calculations**

# 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)



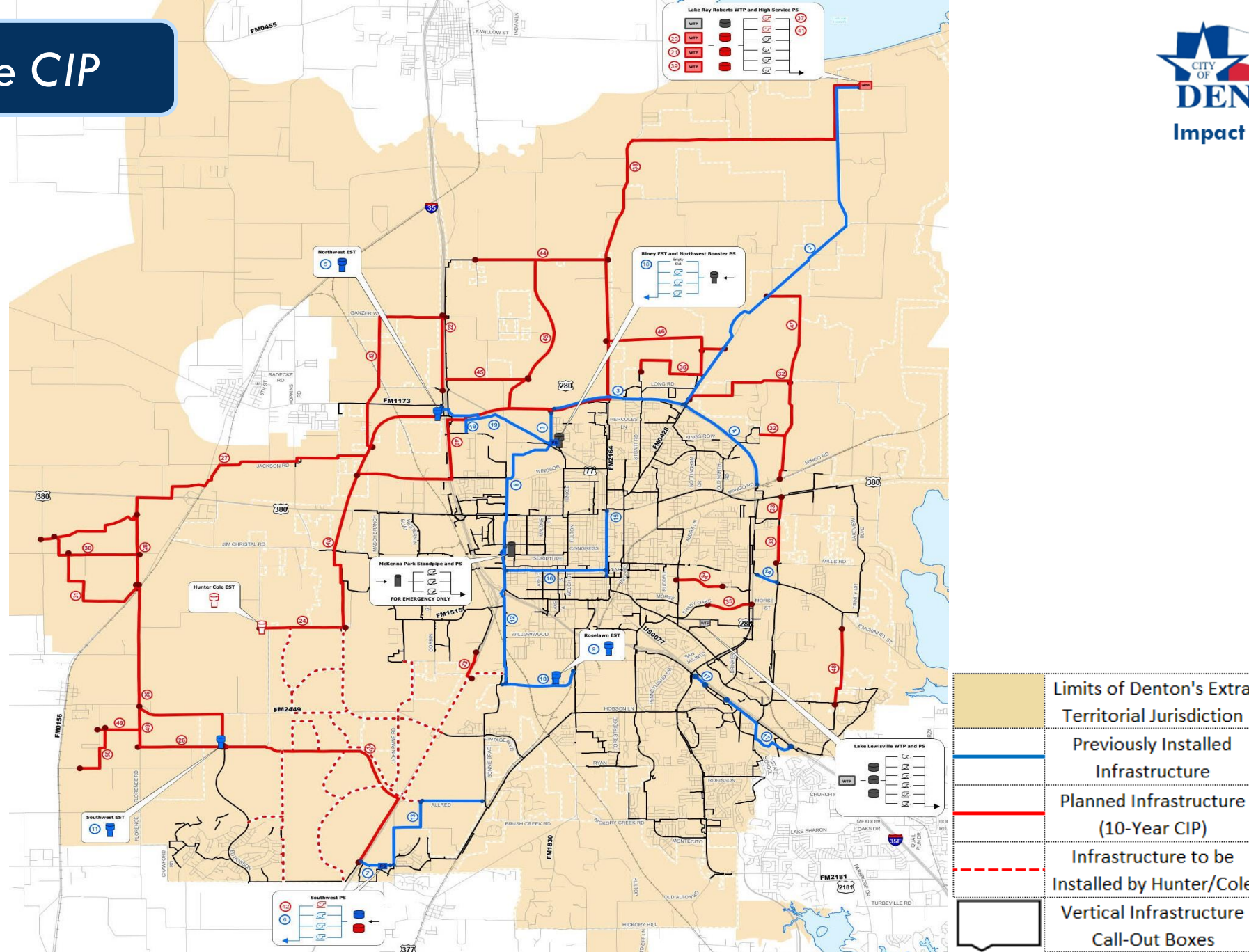
=



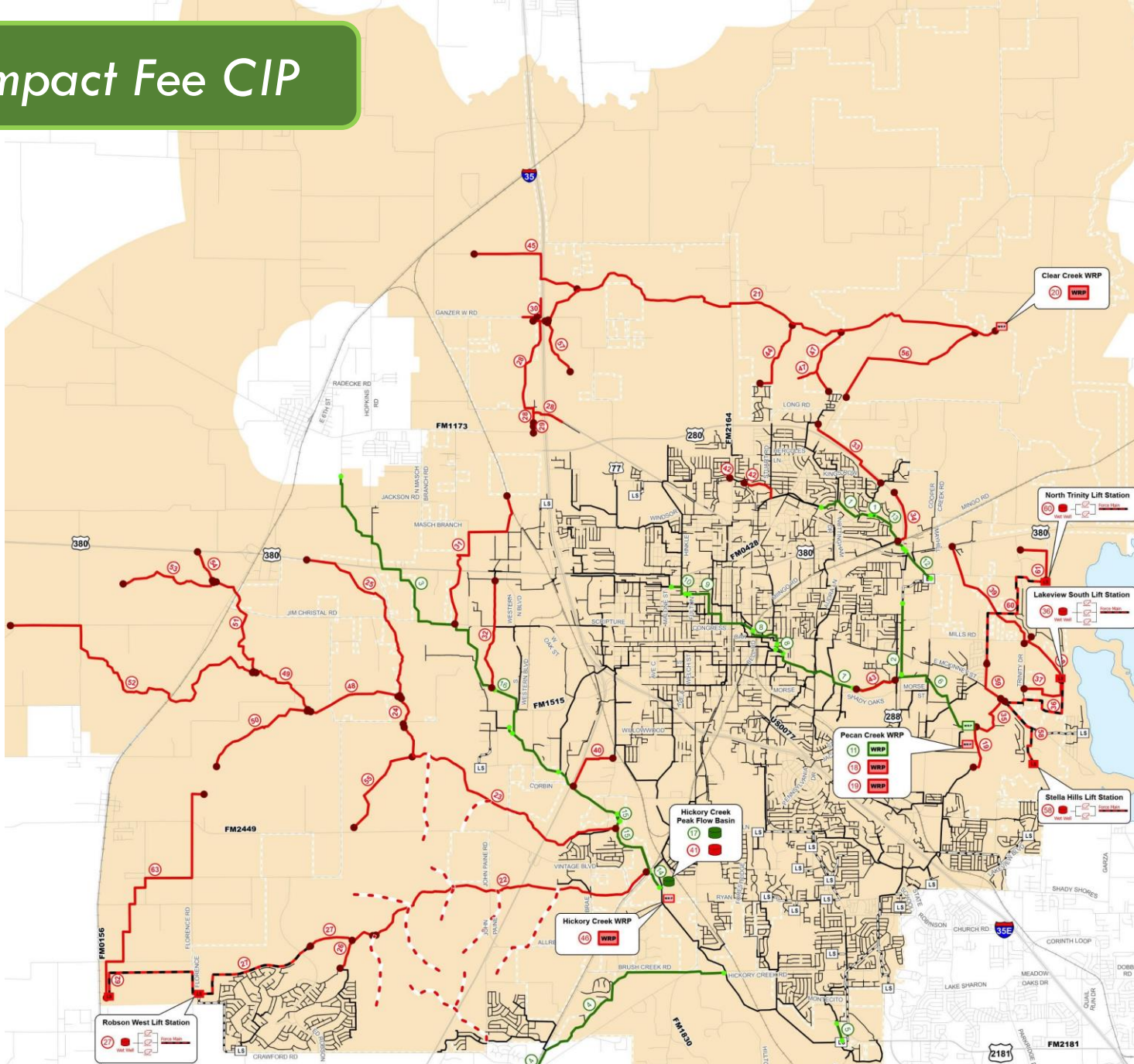
8- Single Family Homes



# 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

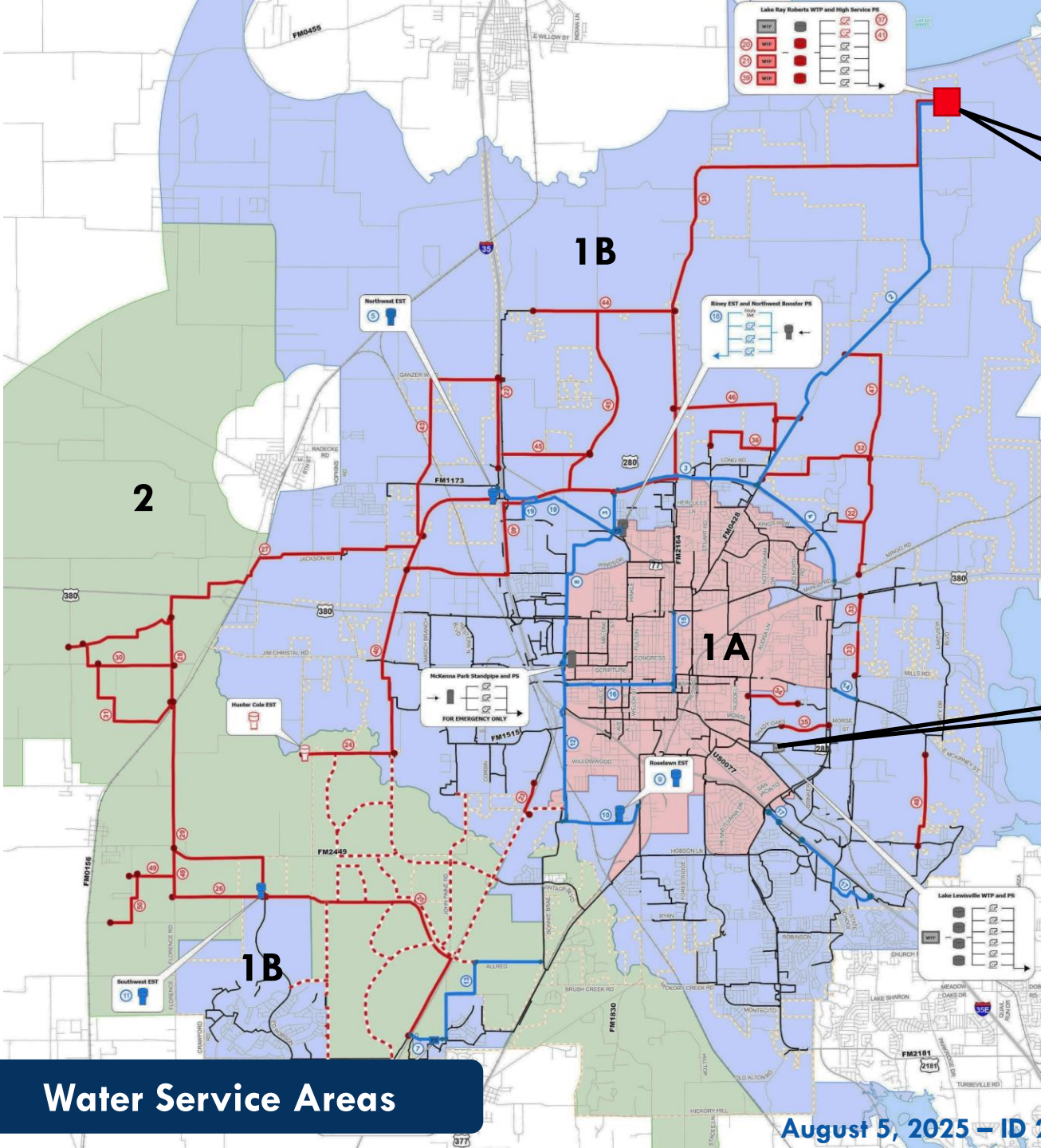


Existing and Proposed Water Service Areas

Existing Lake Ray Roberts WTP

Existing Lake Lewisville WTP

Water Service Areas





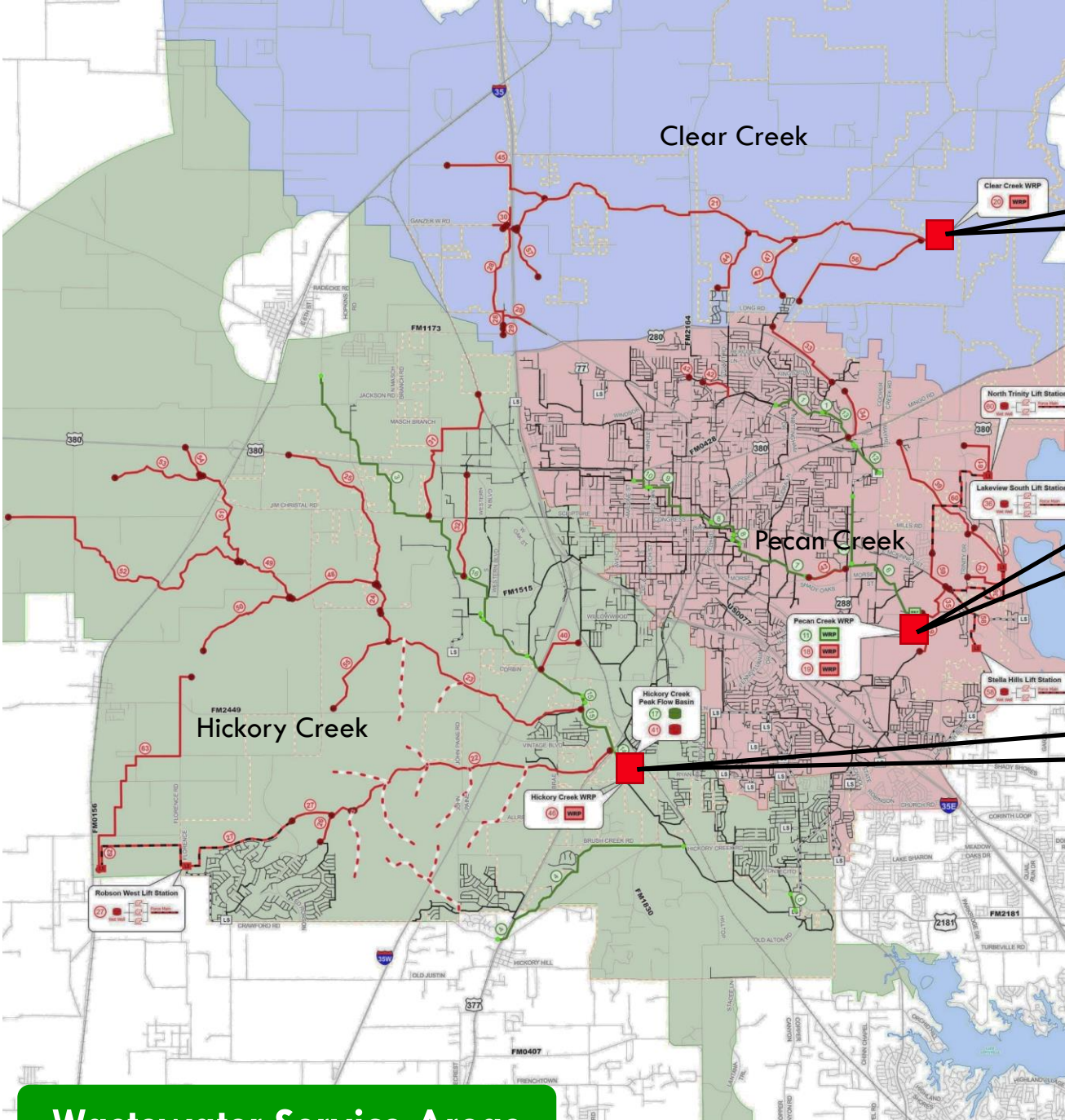
## Existing Wastewater Service Area

### 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
<b>Max Assessable Impact Fee per Service Unit</b>	<b>\$11,046</b>	<b>\$13,526</b>

- 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



# 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

# 75% of Maximum Assessable Impact Fees Per Service Area

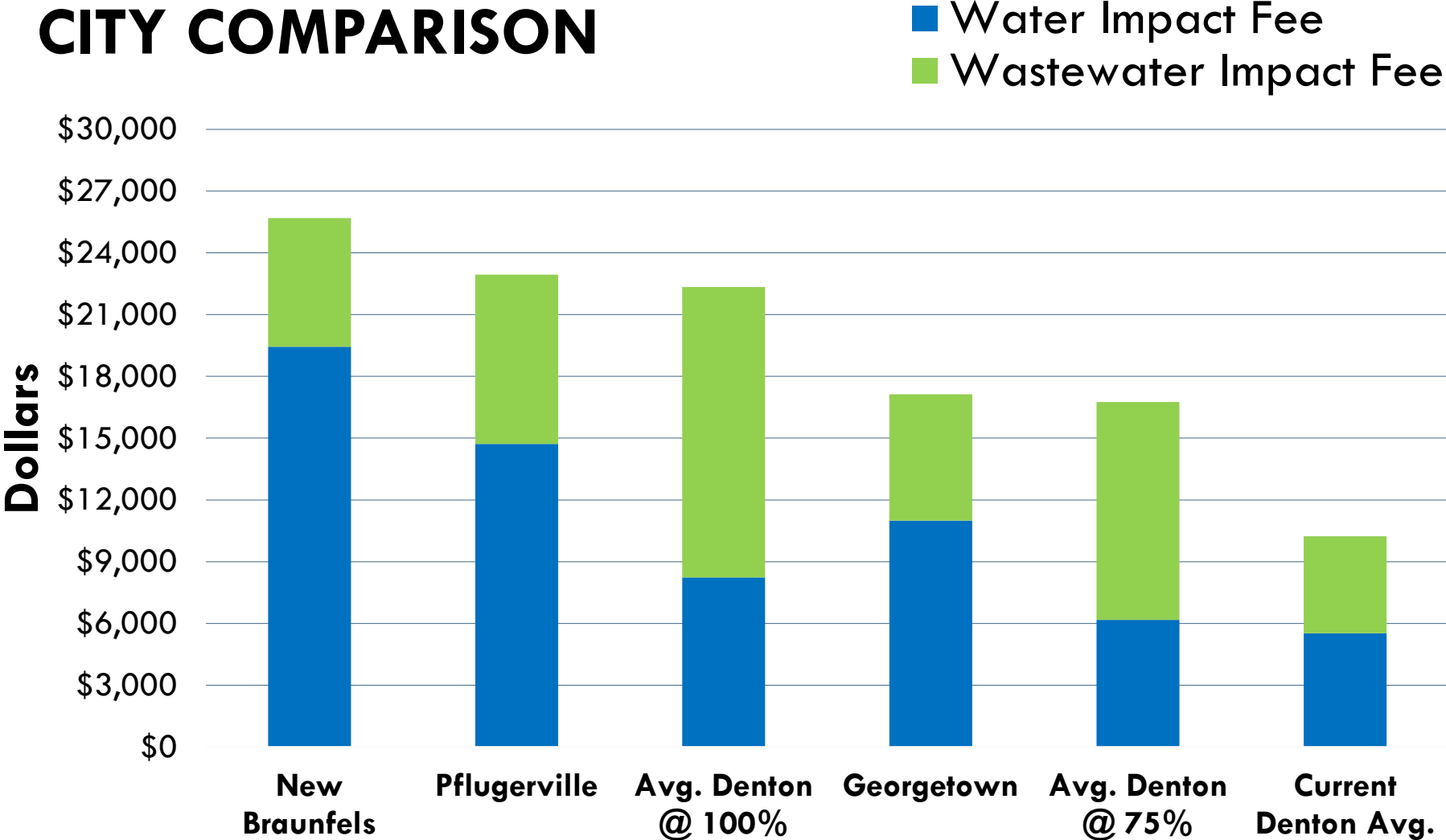
## Water 75% Impact fee by Service Areas

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



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





# Summary

- 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 one hundred percent cost recovery
- July 15, 2025 – City Council Work Session; supported seventy-five percent cost recovery (6–1)

**Staff recommends setting Water and Wastewater impact fees at seventy-five percent of the maximum allowed.**

# Adoption Steps

- |  |              |
|--|--------------|
| ✓ Notice of Public Hearing   | - 06/21/2025 |
| ✓ Capital Improvement Advisory Committee (CIAC); 6-0 approval                            | - 06/25/2025 |
| ✓ City Council Work Session/Resolution to set Public Hearing Meeting; 6-1 Recommendation | - 07/15/2025 |
| ❑ City Council Public Hearing Meeting  | - 08/05/2025 |
| ❑ City Council Impact Fee Ordinance Update Meeting                                       | - 08/19/2025 |
| ❑ Public Utilities Board Memo Update   | - 09/22/2025 |
| ❑ Capital Improvement Advisory Committee Update  | - TBD        |



# Questions

[Kyle.Pedigo@cityofdenton.com](mailto:Kyle.Pedigo@cityofdenton.com)