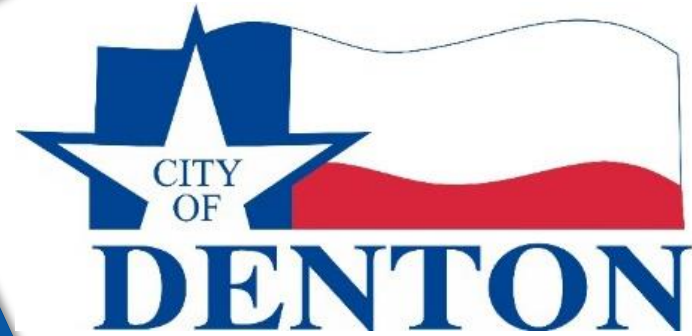


# Water and Wastewater Impact Fee Update

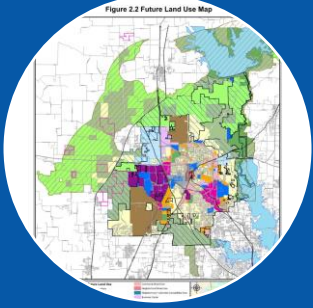
City of Denton



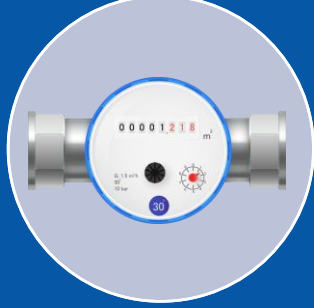
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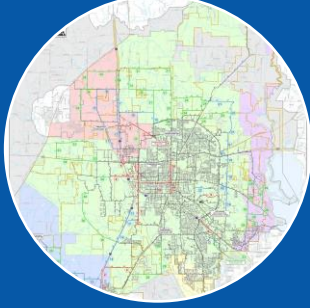
# Impact Fee Study Components



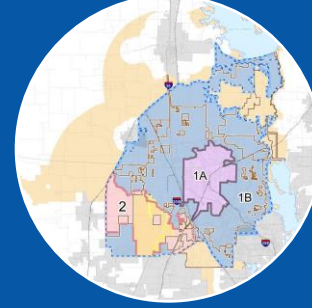
Land Use  
Assumptions  
Growth



Service Units



Impact Fee  
Capital  
Improvement  
Plans



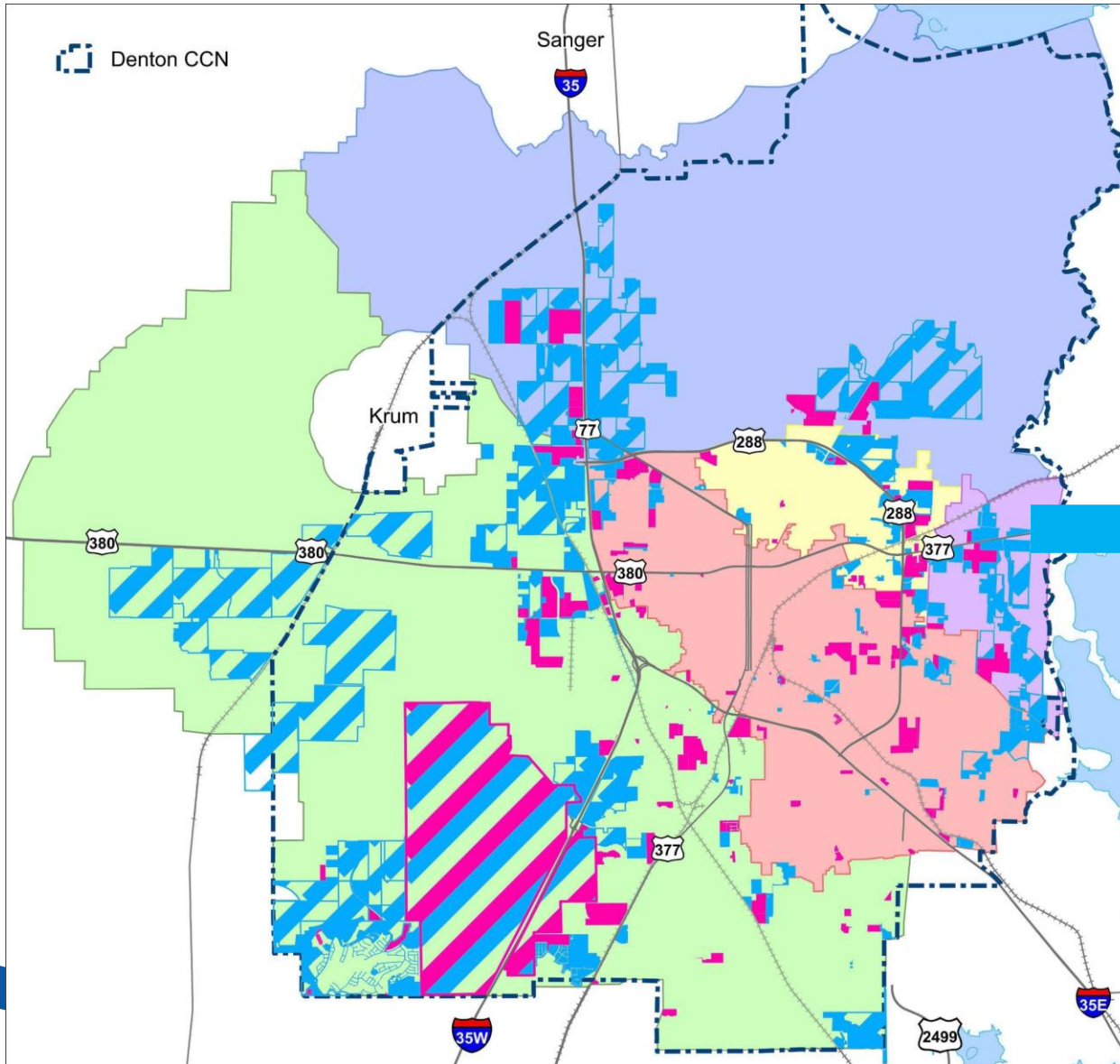
Service  
Area  
Comparisons



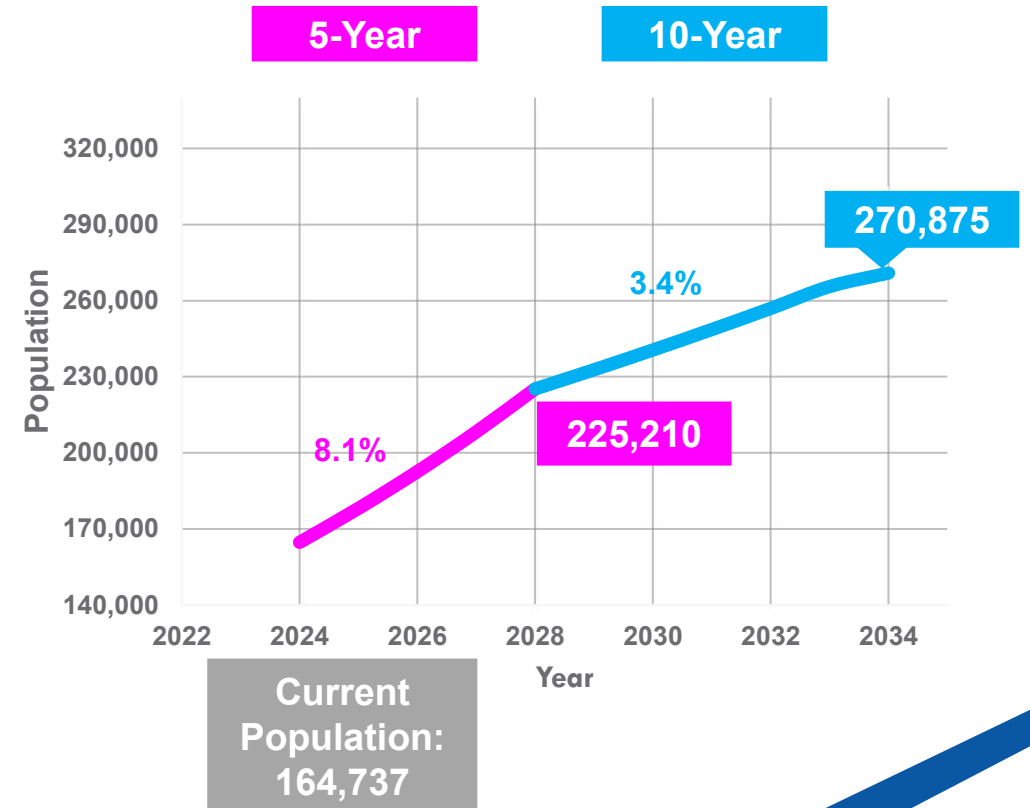
Impact Fee  
Calculation

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

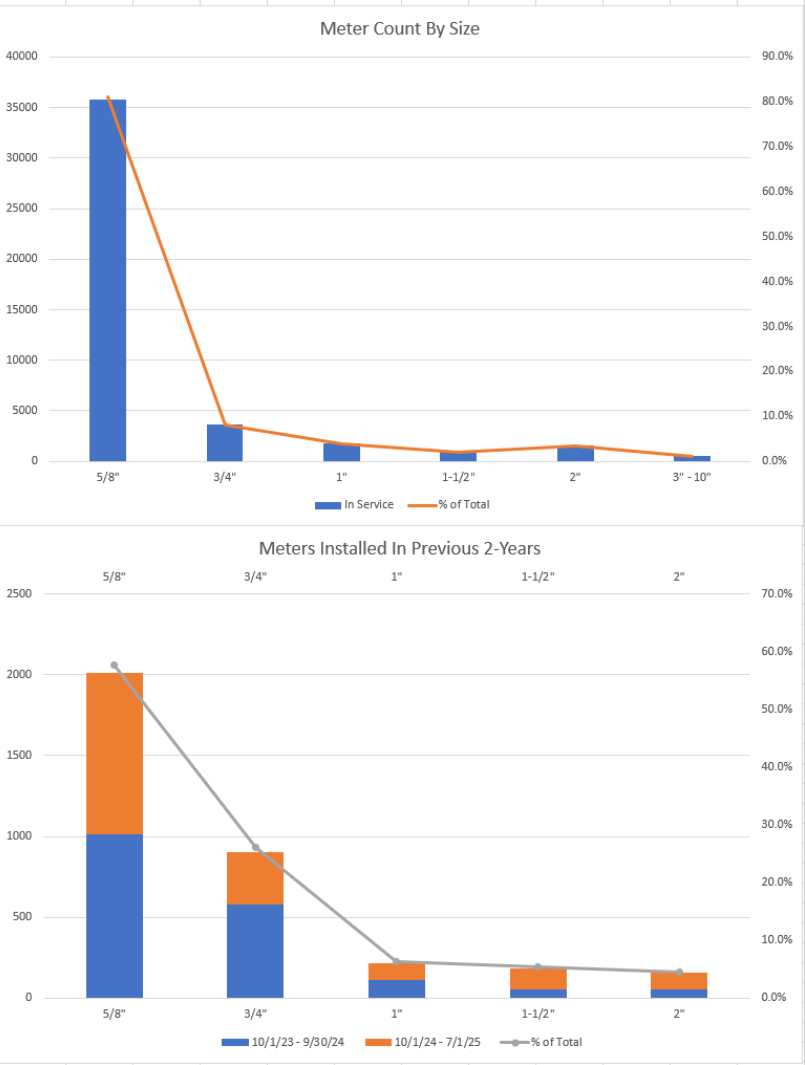
# PHASING & POPULATION GROWTH



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**

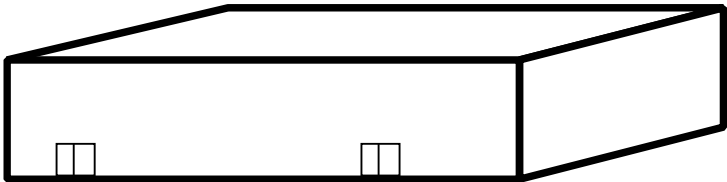
- 81% of Denton’s current meter count are 5/8” compared to 8% for 3/4” (next size up)**
- Therefore, the 5/8” meter was chosen as the base unit for calculations**

# 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)



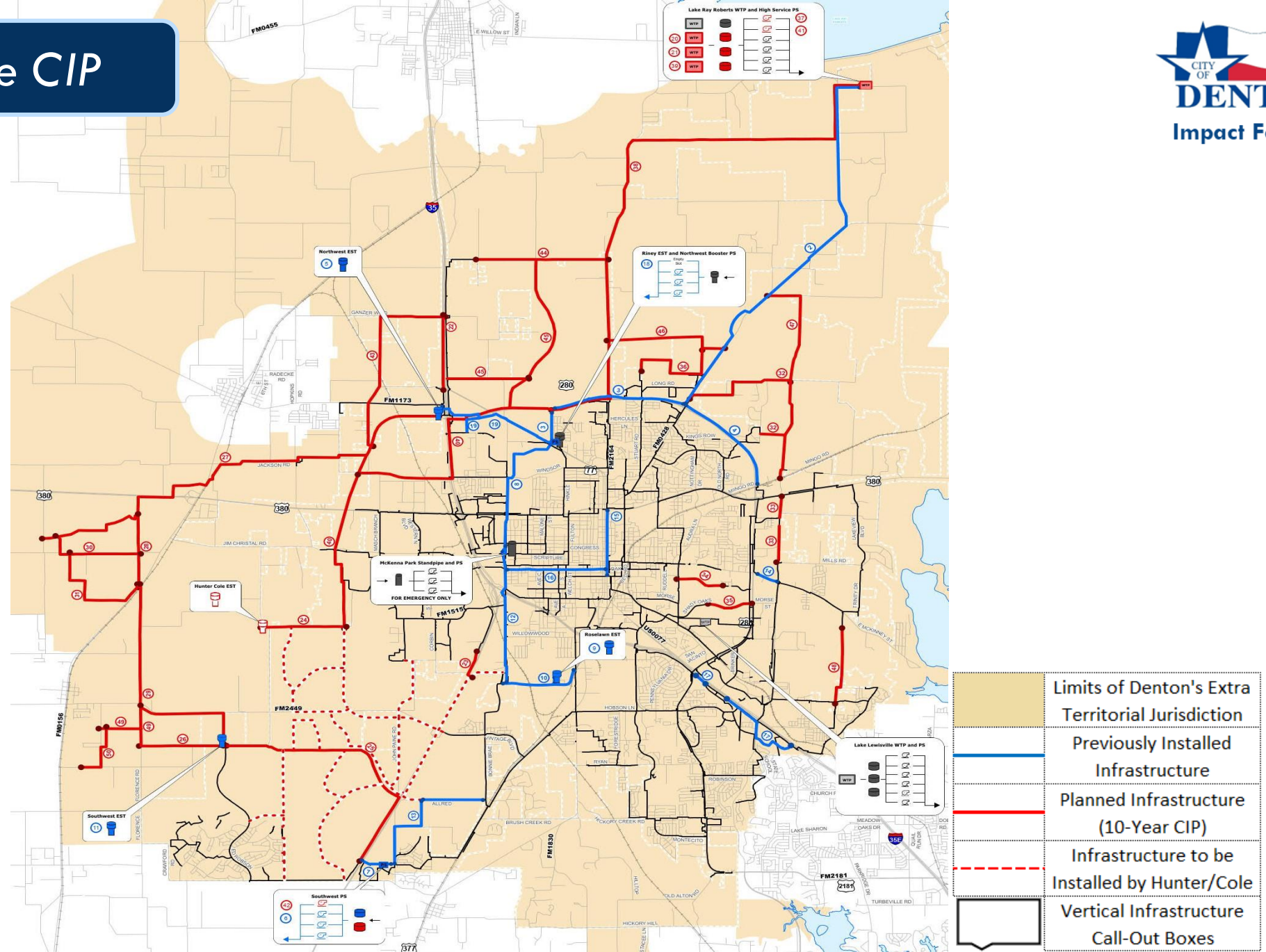
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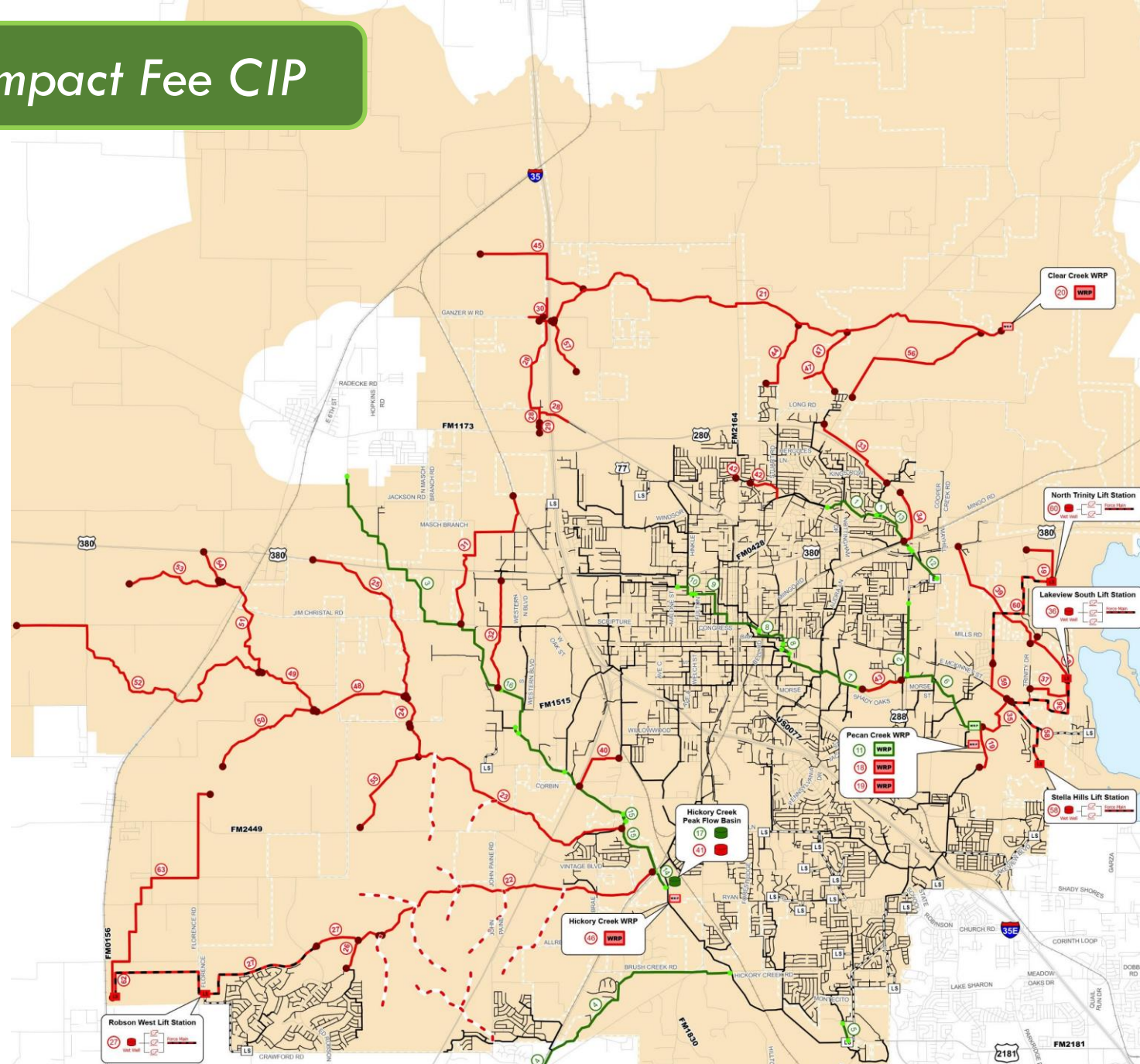
8- Single Family Homes



# Water Impact Fee CIP



# Wastewater Impact Fee CIP



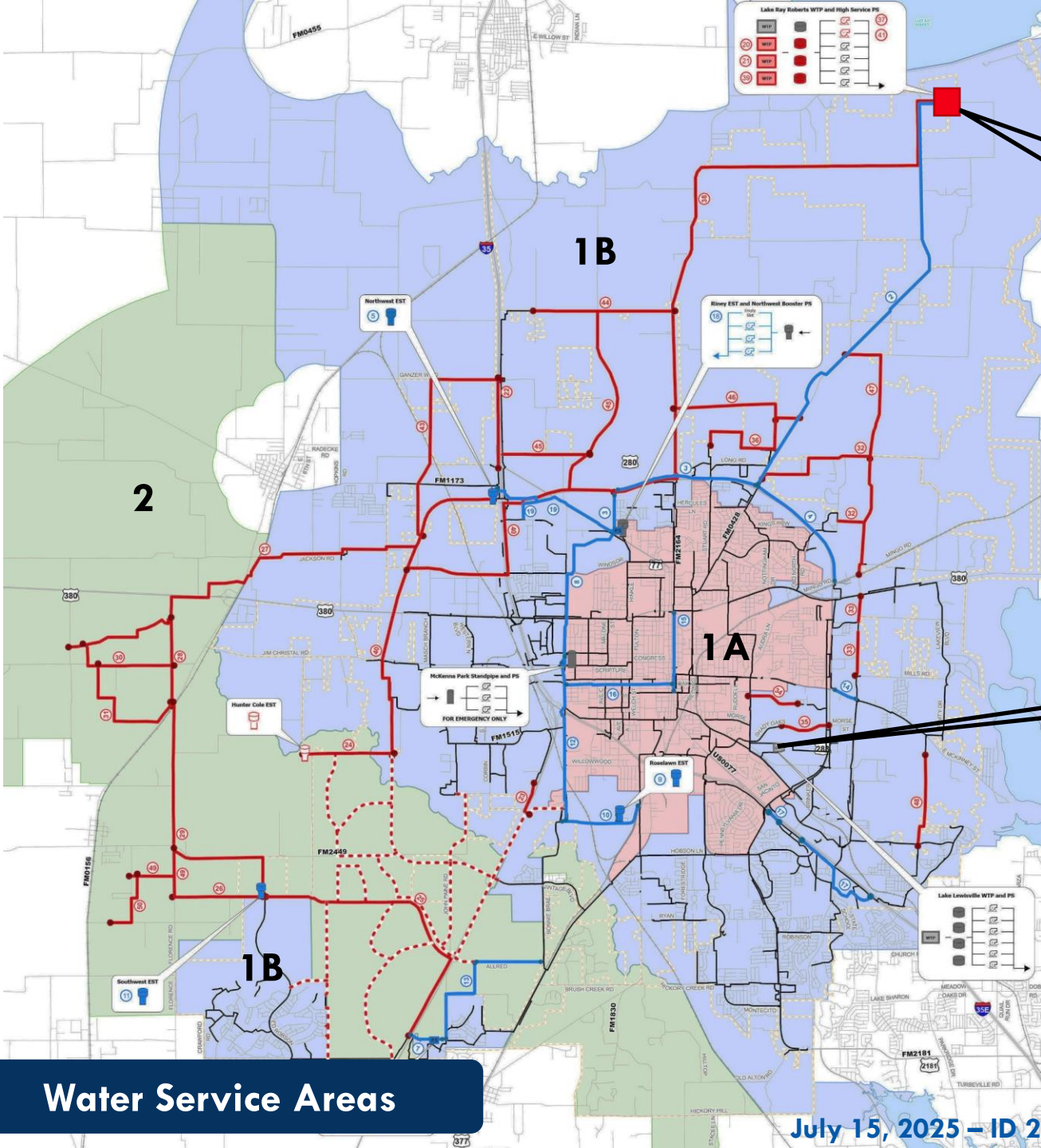


Existing and Proposed Water Service Areas

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

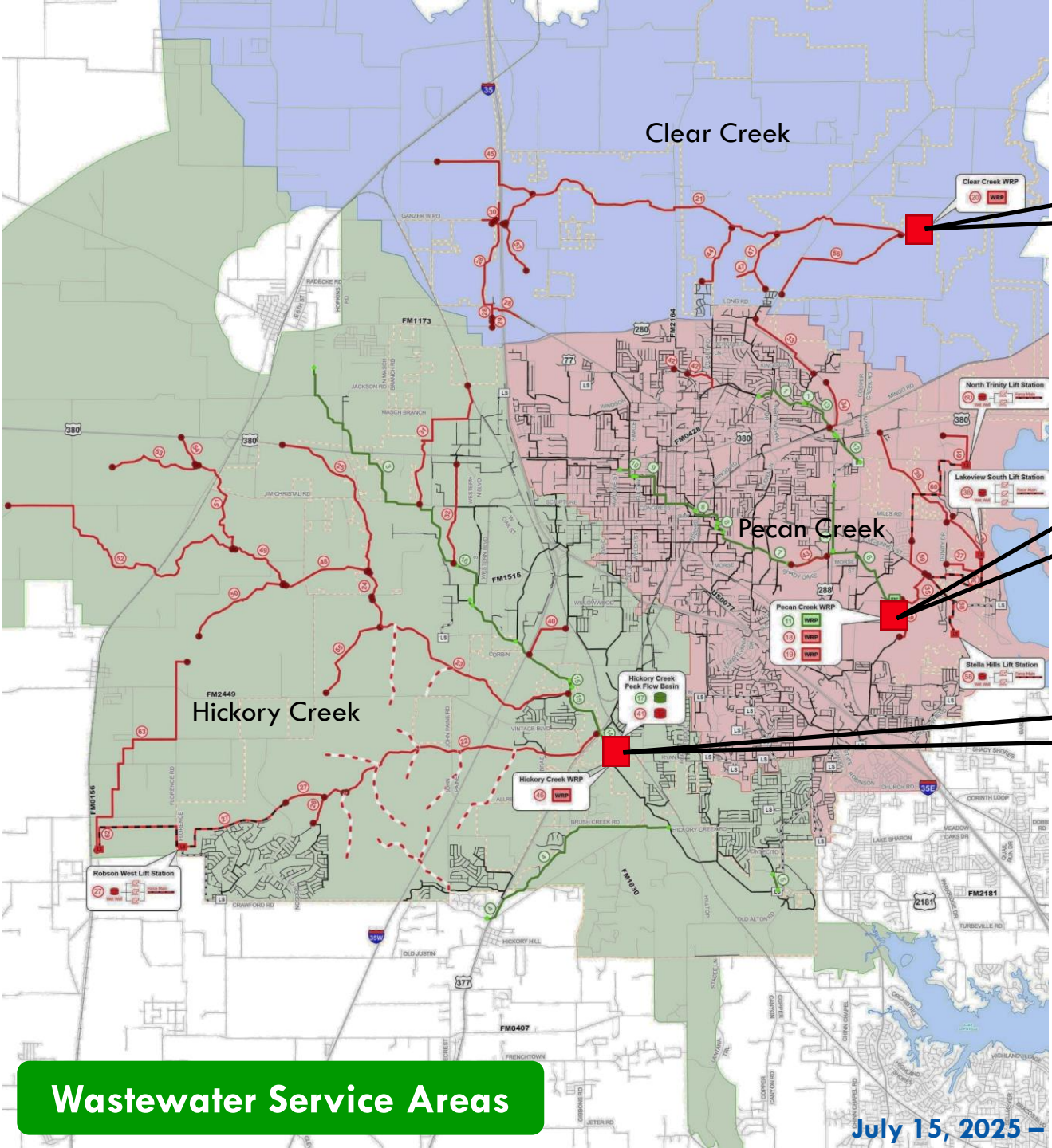
Proposed Wastewater Service Areas

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



# 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

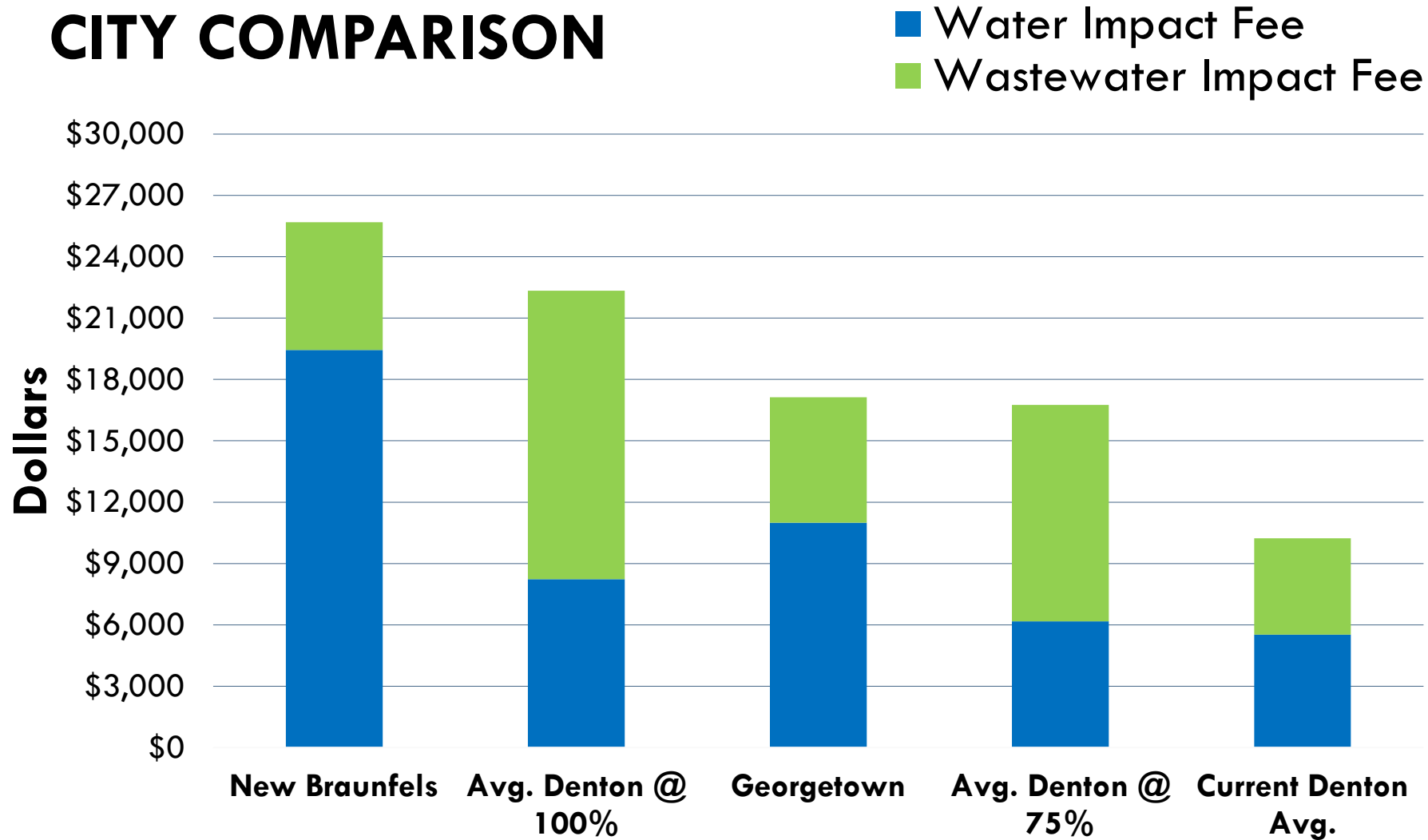
#### Water 75% Impact fee by Service Areas

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



# 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 - 08/05/2025
- City Council 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)