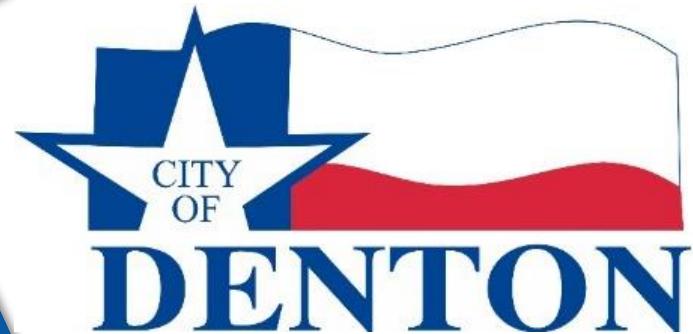


# Water and Wastewater Impact Fee Update

City of Denton



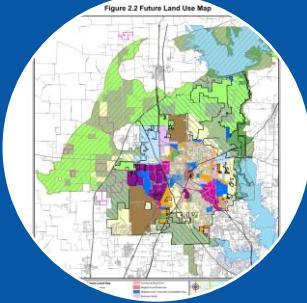
Kimley » Horn

July 15, 2025

ID 25-1139

KimleyHorn.com

# Impact Fee Study Components



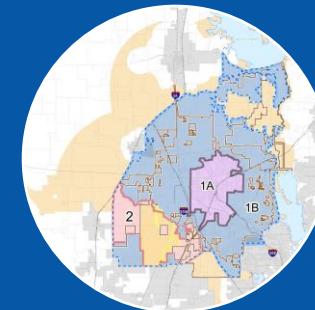
Land Use  
Assumptions  
Growth



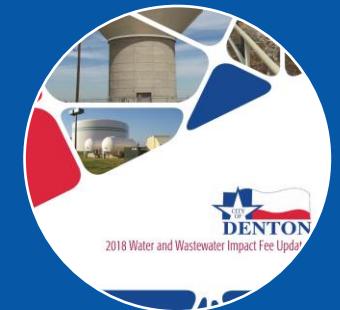
Service Units



Impact Fee  
Capital  
Improvement  
Plans



Service  
Area  
Comparisons

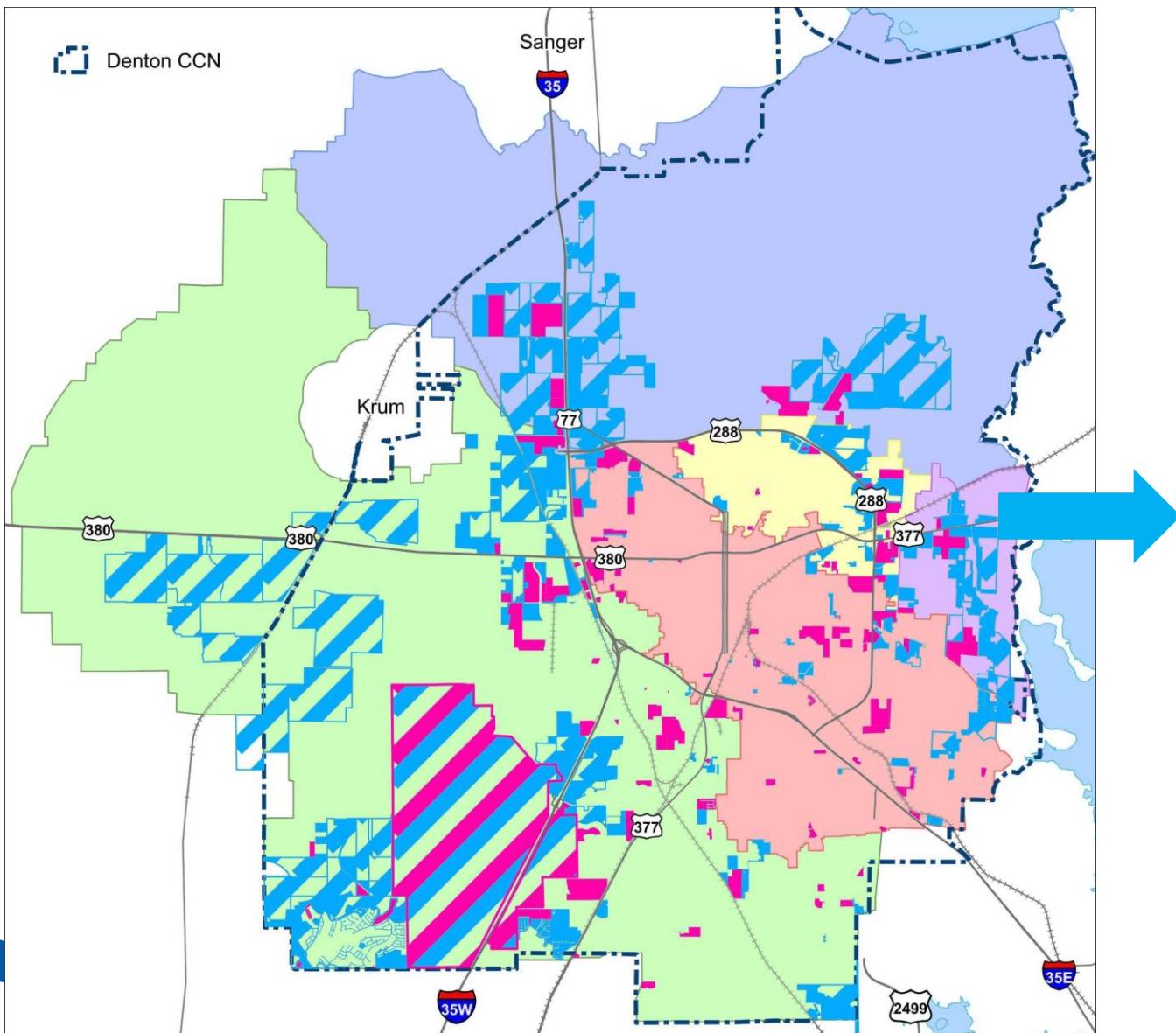


Impact Fee  
Calculation

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

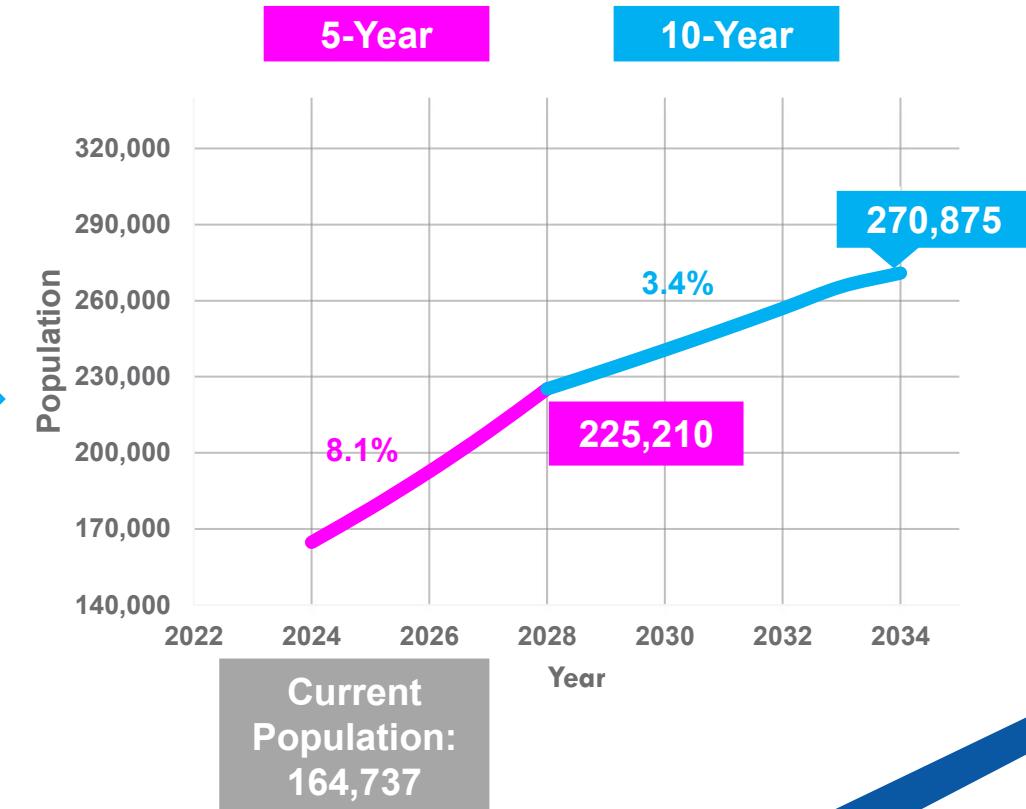
# PHASING & POPULATION GROWTH

Denton CCN

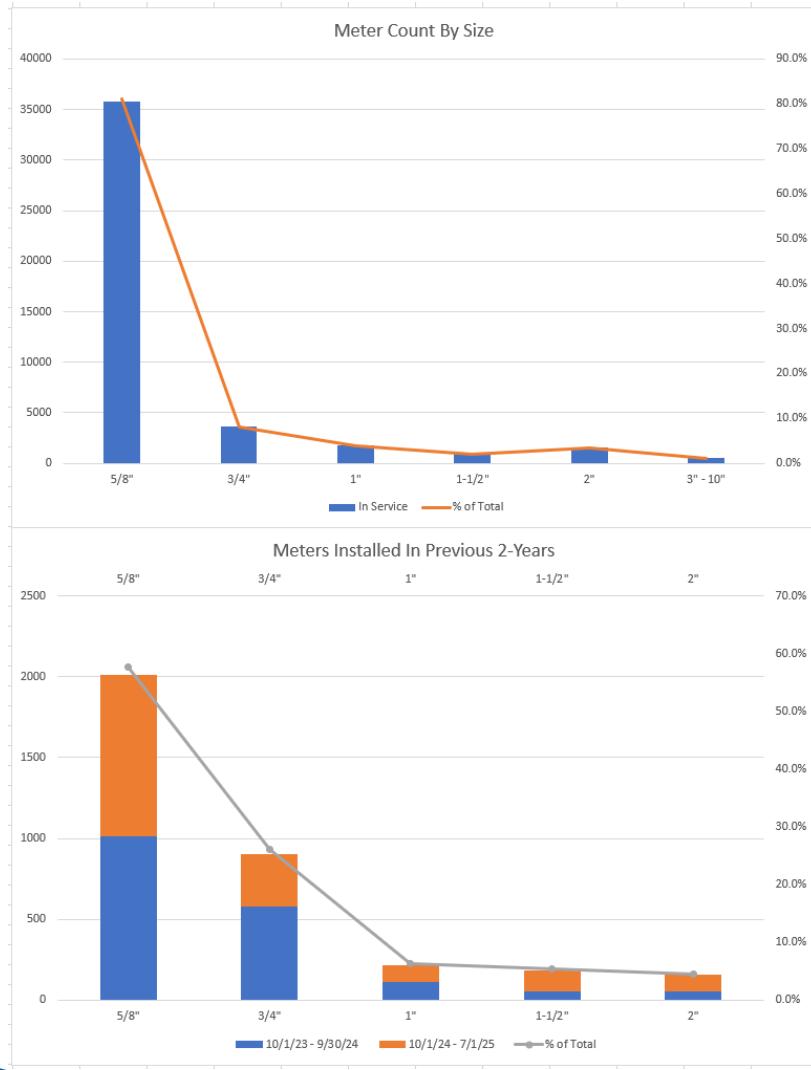


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## 10-Year Population Growth Projection



# 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

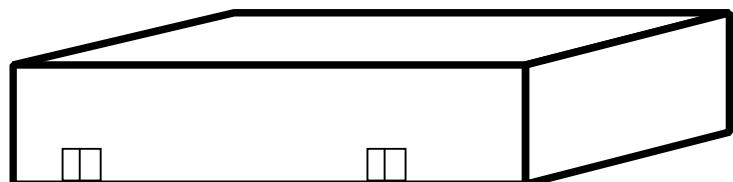
- 81% of Denton's current meter count are 5/8" compared to 8% for 3/4" (next size up)
- Therefore, the 5/8" meter was chosen as the base unit for calculations

# Impact Fee Components: Meter Size Comparison

Domestic Demand Meters (Potable & Reclaimed Source)			
Type	Size	<sup>†</sup> 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)

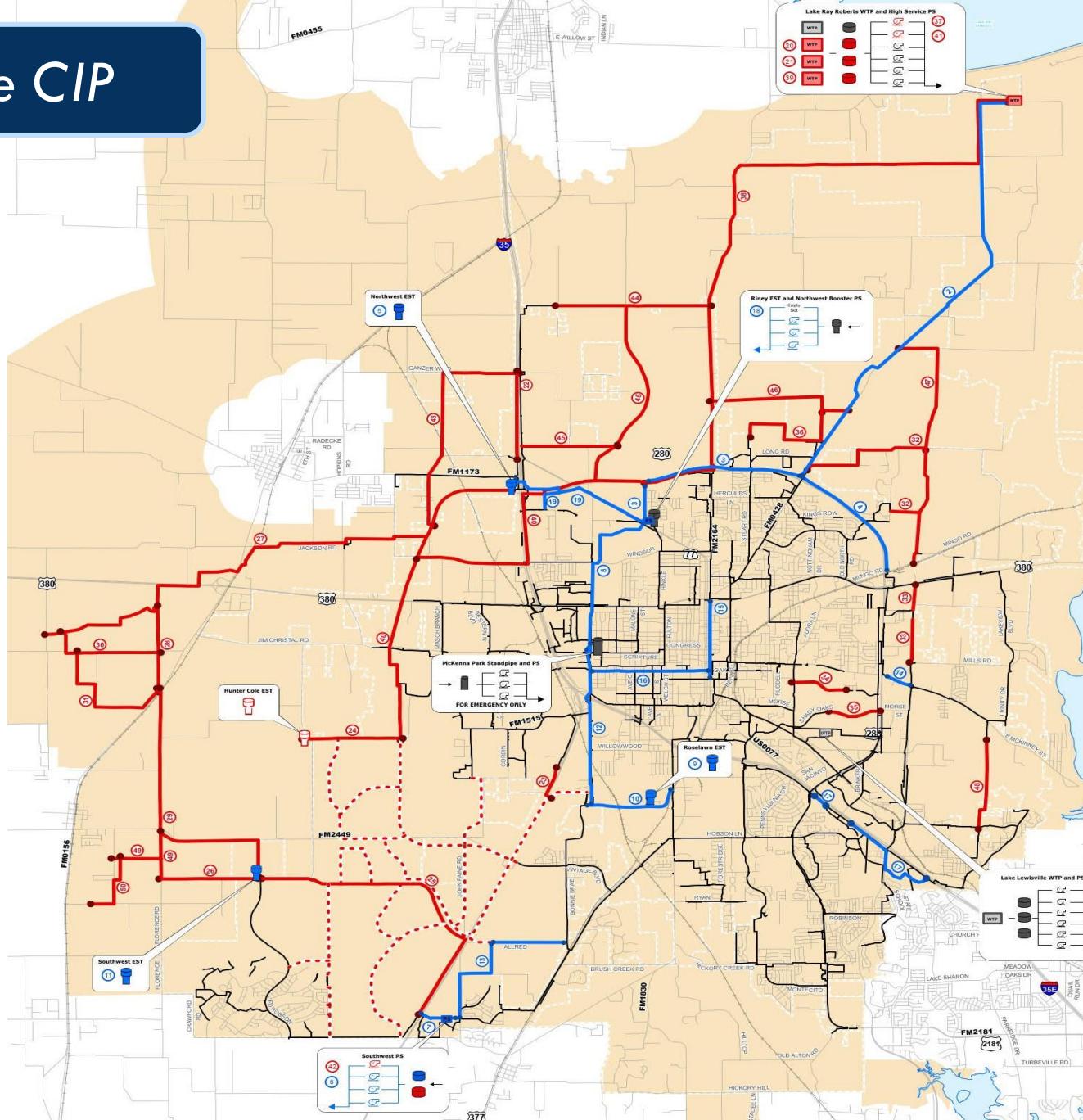


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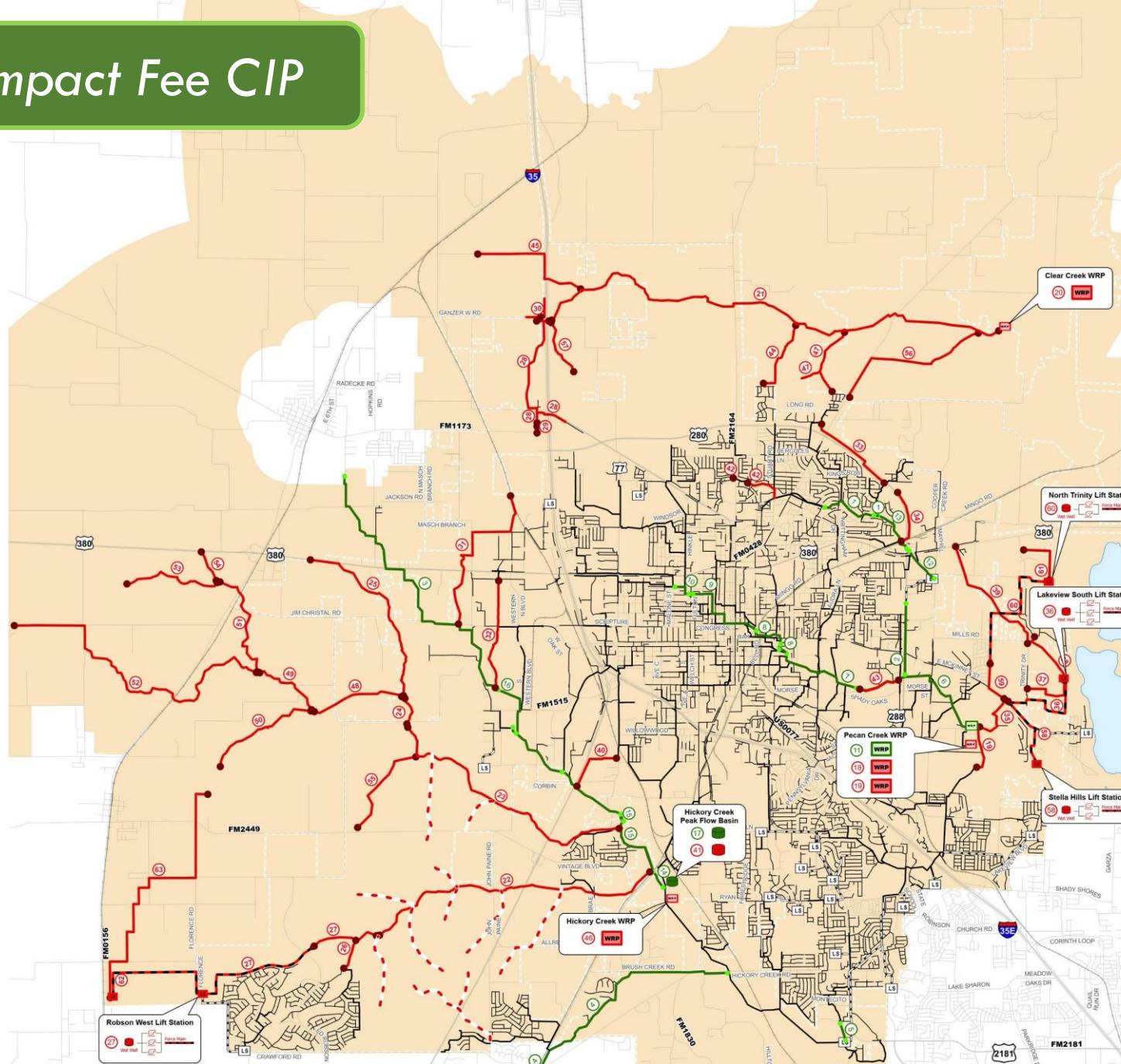


8- Single Family  
Homes

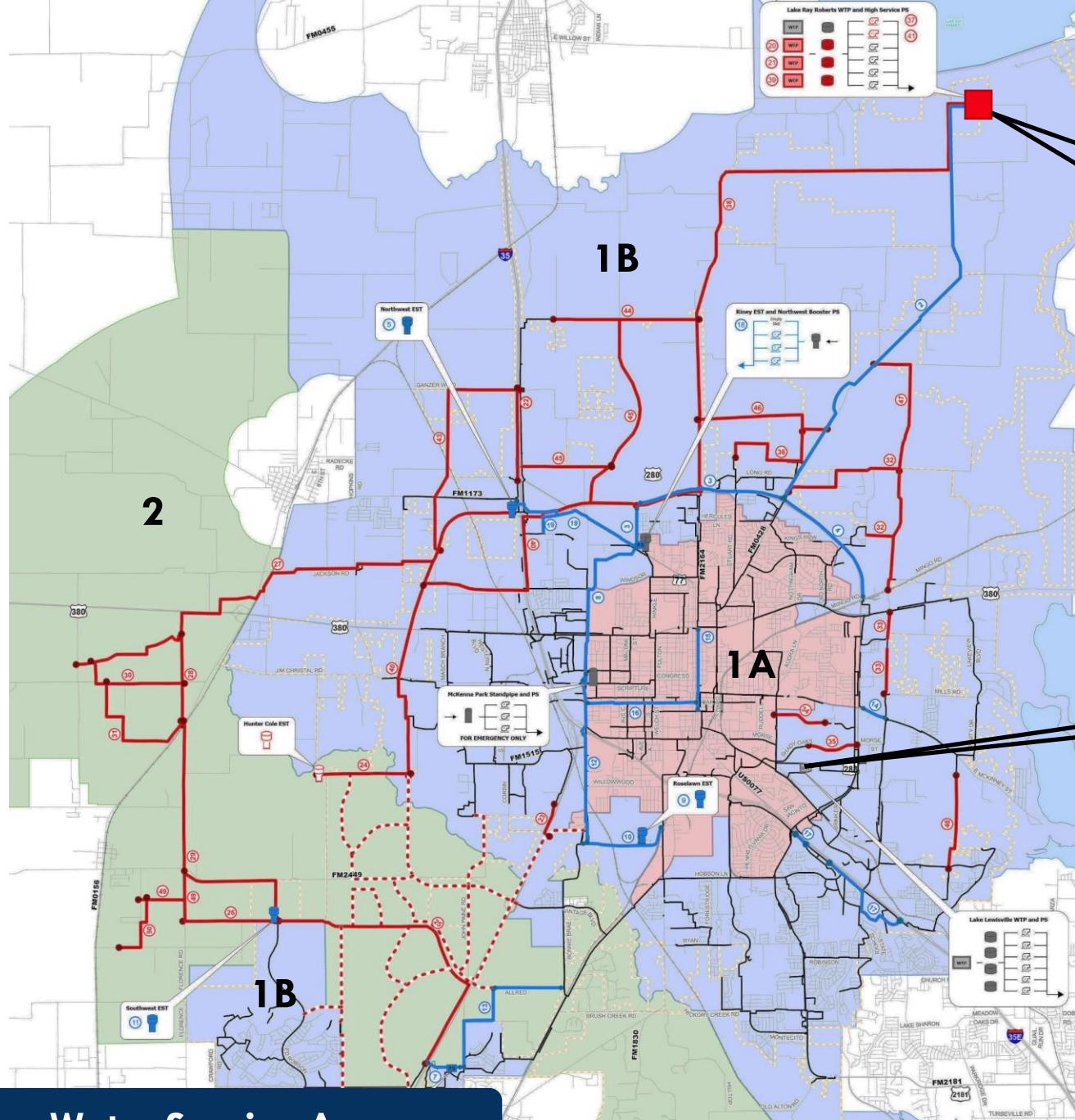
# Water Impact Fee CIP



# Wastewater Impact Fee CIP



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## Existing and Proposed Water Service Areas

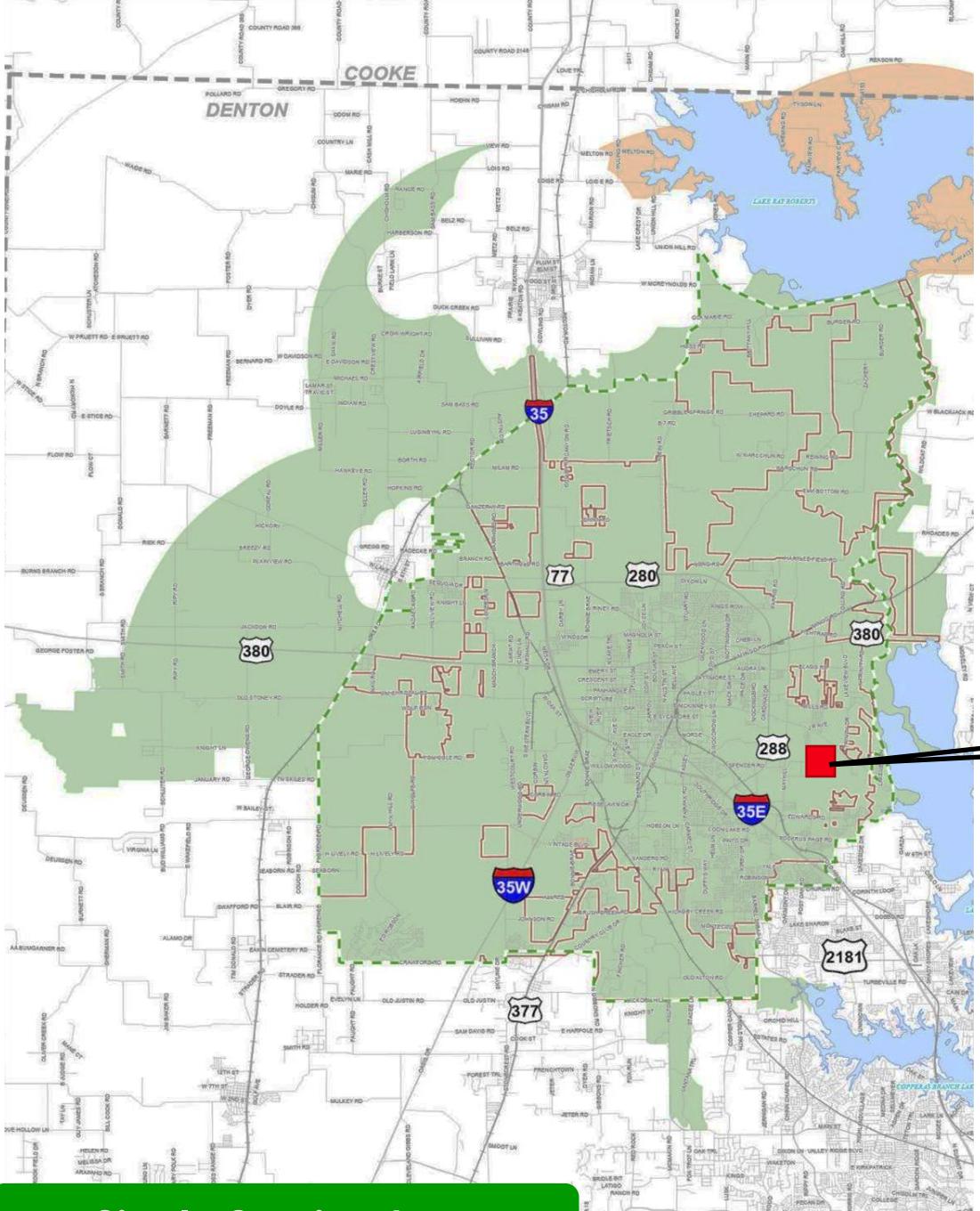
## Existing Lake Ray Roberts WTP

## Existing Lake Lewisville WTP

## Water Service Areas

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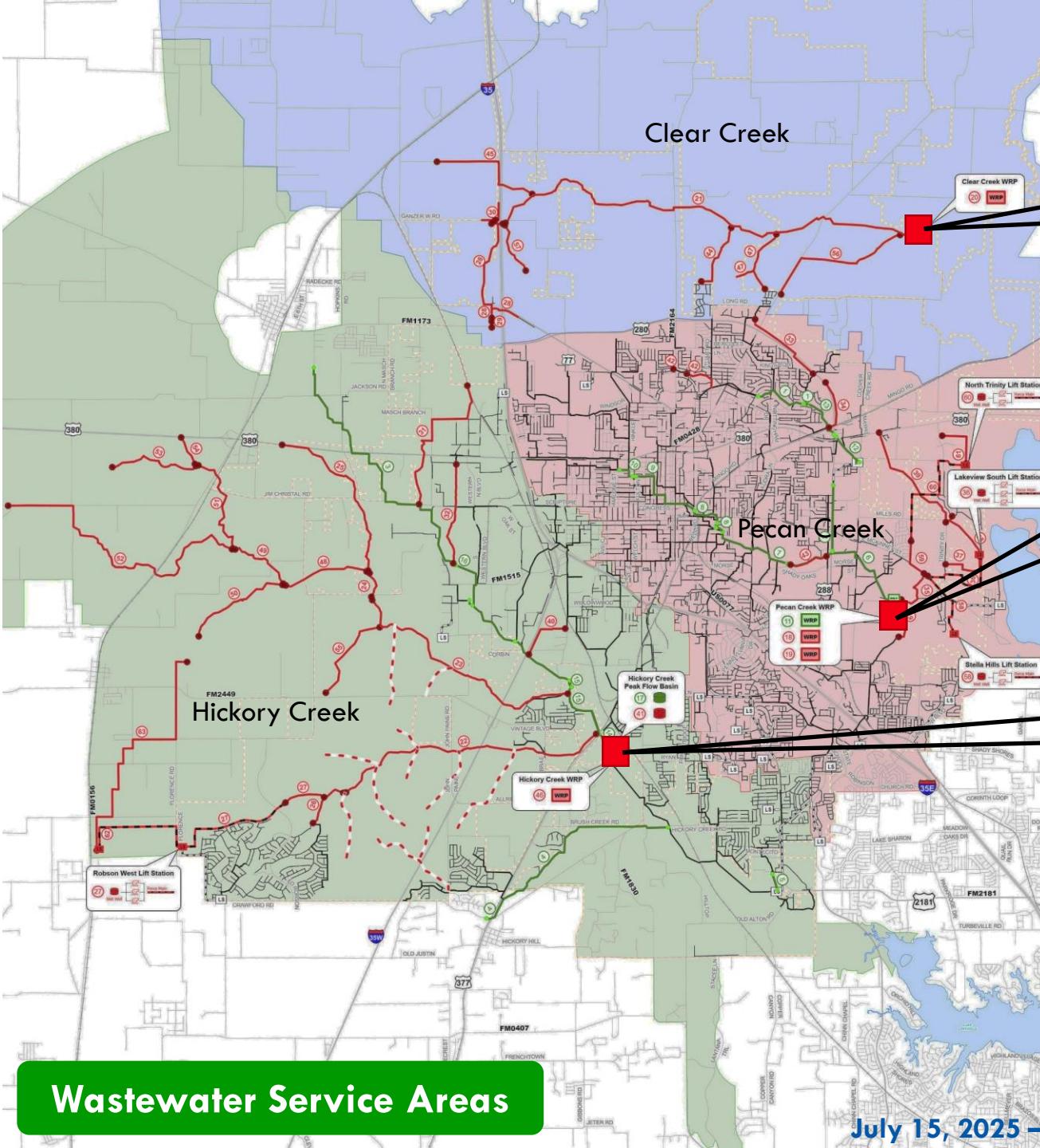
Single Service Area

## 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



## Proposed Wastewater Service Areas

Proposed Clear Creek WRP  
10 MGD

Existing Pecan Creek WRP  
30 MGD

Proposed Hickory Creek WRP  
10-20 MGD



# Estimated Maximum Assessable Impact Fee Calculation (City-Wide)

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

Entire Study Area	Water	Wastewater
10 – Year Recoverable Cost of Impact Fee CIP	\$582,923,277	\$707,097,573
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		
	Pecan Creek	Hickory Creek	Clear Creek
2018		\$4,716	
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

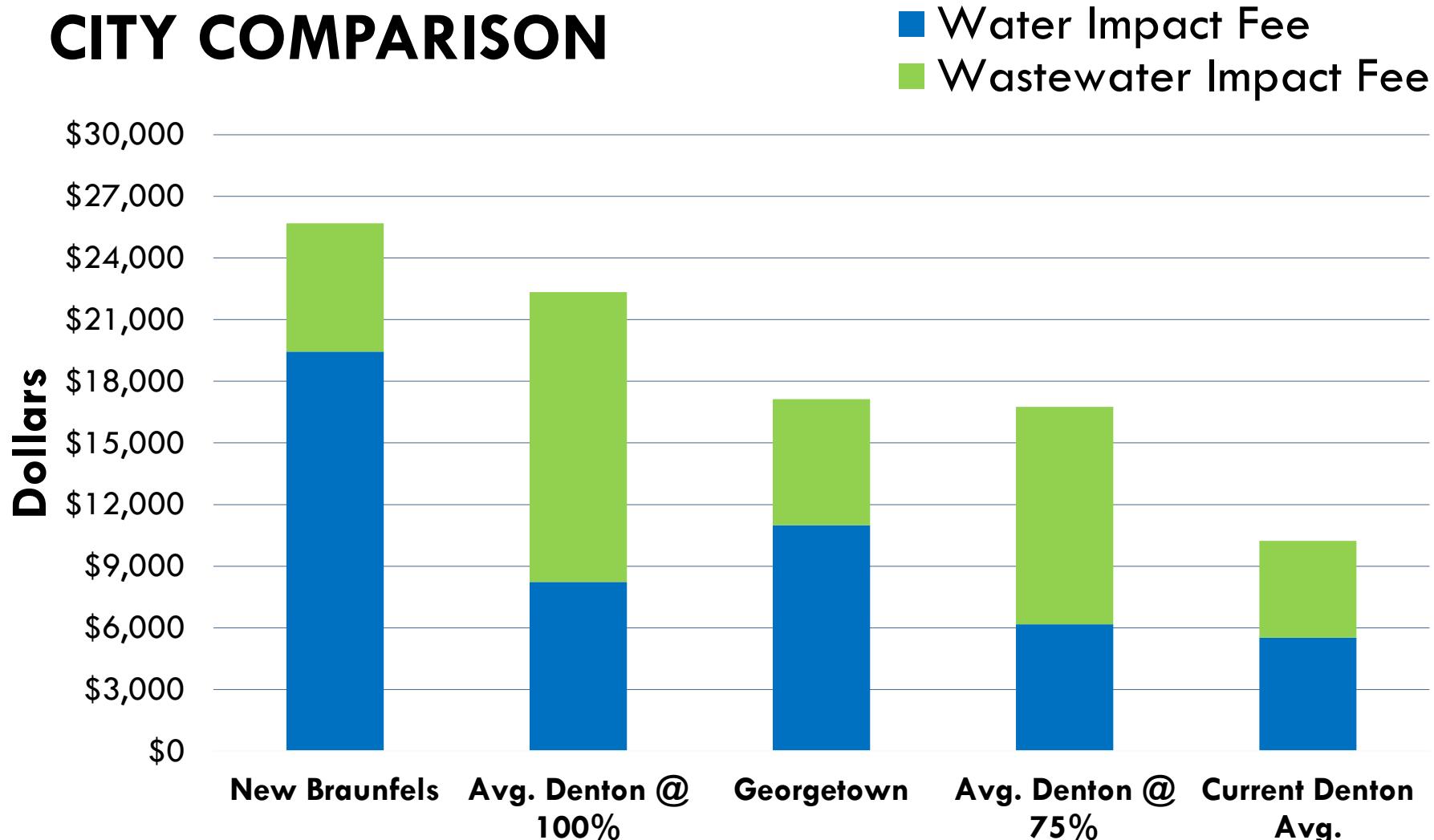
#### Water 75% Impact fee by Service Areas

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		
	Pecan Creek	Hickory Creek	Clear Creek
2018		\$4,716	
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

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