

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS, REPEALING ORDINANCE NO. 2013-248 AND ENACTING A NEW ORDINANCE RELATING TO PLANNING AND DEVELOPMENT FEES AS IT CONCERNS: GAS WELL DRILLING AND PRODUCTION IN THE CITY OF DENTON AND ITS EXTRATERRITORIAL JURISDICTION; ROAD DAMAGE REMEDIATION FEE CALCULATIONS DUE TO DAMAGE TO CITY OF DENTON ROADWAYS FROM GAS WELL DRILLING; ASSESSMENT OF PENALTIES AND INTEREST; AND SETTING AN EFFECTIVE DATE.

WHEREAS, pursuant to Ordinance No. 2013-248, the City Council of the City of Denton, Texas established certain fees related to gas well drilling and production in the City of Denton and the extra-territorial jurisdiction of the City, and also established a formula for the calculation of road damage remediation fees in the interest of recovering costs associated with damage to city roadways from gas well drilling and production activities; and

WHEREAS, the City enacted Ordinance 2015-233 on August 4, 2015, thereby amending the City's regulations relating to gas well drilling in the City in order to comply with HB 40 (Texas Natural Resources Code, Sec. 81.0523) enacted by the Texas Legislature on May 18, 2015; and

WHEREAS, the City Council deems it prudent to harmonize Ordinance 2015-233 and the assessment of fees associated with gas well drilling and production and associated activities; and

WHEREAS, all fees assessed under this Ordinance have been comprehensively reviewed, are fair and reasonable, and do not exceed the reasonable cost to the City in providing the scheduled service; and

WHEREAS, the City Council deems it in the best interest of the City to allow a short period of fee reduction in order to encourage gas well operators to file Site Plans on those gas well drilling and production sites existent in the City as of the effective date of this Ordinance;
NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this ordinance are incorporated herein by reference and found to be true.

SECTION 2. The Planning and Development Fee Schedule for gas well production is set forth in Exhibit "A", which Exhibit is incorporated herein as though set forth in full, and is hereby adopted.

SECTION 3. The Road Damage Remediation Fee Calculation Formula, which appears and is based on the road damage remediation calculations set forth in Exhibit “B” for gas well drilling and production, which Exhibit is incorporated herein as though set forth in full, is hereby adopted.

SECTION 4. Planning and Development fees are due and owing at the time of application and delinquent if not paid at that time. No permit will issue until payment is made.

Inspection fees are due and owing on or before the 30th day following the end of the month when any inspection(s) are performed and are delinquent thereafter, and will be billed to the operator of record.

Road Remediation Fees are due and owing at the time the operator of record notices the City of intent to perform any activities specified in Ordinance 2015-233; or, in the event of failure to notice the City of activities specified in Ordinance 2015-233, at the time the operator embarks upon such specified activities, and are delinquent thereafter.

To cover a portion of the administrative costs of collecting past due balances, a late payment charge of \$20.00 shall be assessed on the fifth business day following the due date of any fees assessed. Furthermore, interest shall be assessed on any past due account balance (excluding late payment charges) that remains unpaid at the time of each monthly billing calculation. The interest provided for and assessed shall be due and payable on the due date of the month’s billing statement. The interest charge shall be 1% per month on all past due charges and account balances unpaid at the time of the succeeding month’s billing calculations; however, the interest charge provided for herein shall not exceed the legal rate of interest, and the City intends only to assess, charge and collect such interest rate that does not exceed the highest lawful rate.

SECTION 5. Ordinance 2013-248 is hereby superseded and repealed.

SECTION 6. This ordinance shall become effective immediately.

PASSED AND APPROVED this, the ____ day of _____, 2015.

CHRIS WATTS, MAYOR

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
ANITA BURGESS, CITY ATTORNEY

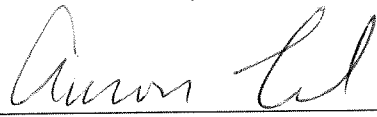
BY: 

Exhibit A
Planning and Development Fee Schedule

Activity	Fee - After 02/15/2016	Fee - Prior to 02/15/2016
Gas Well SUP Review (includes Engineering Fee)	\$12,840	\$1,300
Gas Well Development Site Plan	\$7,575	\$760
Additional Fee for Engineering Review	\$390	\$390
Additional Fee for Full Landscape Plan Review (includes initial and one follow-up inspection)	\$350	\$0
Additional Fee for Second Follow-Up inspection (third site visit) for Full Landscape Plan Review	\$265	\$0
Additional Fee for Full Tree Mitigation Review (includes initial and one follow-up inspection)	\$240	\$0
Additional Fee for Second Follow-Up Inspection (third site visit) for Full Tree Mitigation Review	\$165	\$0
Additional Fee for Erosion and Sediment Control Plan Review (includes initial and one follow-up inspection), which fee is included as part of the Initial Gas Well Inspections category below	\$285	\$285
Additional Fee for Second Follow-Up Inspection (third site visit) for Erosion and Sediment Control Plan Review	\$130	\$130
Gas Well Development Plat Review	\$5,215	\$520
The same Additional Fee(s) listed under the Gas Well Development Site Plan category above shall be charged, if applicable	Varies	Varies
Gas Well Development Site Plan Amendment	\$7,575	\$7,575
The same Additional Fee(s) listed under the Gas Well Development Site Plan category above shall be charged, if applicable	Varies	Varies
Gas Well Development Plat Amendment	\$5,215	\$5,215
The same Additional Fee(s) listed under the Gas Well Development Site Plan category above shall be charged, if applicable	Varies	Varies
The following fees shall be charged annually		
Annual Inspection and Administration Fee (within City Limits) (covers two annual inspections) per well located on the same Drilling and Production Site		
1 well	\$1,055	\$1,055
2-5 wells	\$955	\$955
6-10 wells	\$855	\$855
More than 10 wells	\$755	\$755
Annual Inspection and Administration Fee (within ETJ) (covers two annual inspections) per each Drilling and Production Site	\$395	\$395
Annual Erosion and Sediment Control Inspection (covers initial and one follow-up inspection) per each Drilling and Production Site	\$285	\$285
Additional Fee for each inspection beyond the initial and one follow-up Annual Erosion and Sediment Control Inspection	\$130	\$130
The following fees shall be charged per each application		
Transfer of Operation	\$315	\$315
Watershed Protection Permit (WPP)	\$195	\$195
Gas Well Permit (GWP)	\$500	\$500
Initial Gas Well Inspections , required for each GWP	\$1,620	\$1,620

Exhibit B
ROAD DAMAGE REMEDIATION CALCULATION

Initial Drilling and Fracturing - Piped Water							
Road Type	Construction Cost/Lane Mile 2013	AASHTO Design Life (ESAL)	Consumptive Use (ESAL)	New Pad		Existing Pad	
				Consumptive Use (%)	Assessment Per Lane Mile	Road Damage Percentage	Assessment Per Lane Mile
I	\$67,500	1,000	719.82	71.982%	\$48,588	55.097%	\$37,190
II	\$128,503	13,000	719.82	5.537%	\$7,115	4.238%	\$5,446
III	\$150,920	250,000	719.82	0.288%	\$435	0.220%	\$332
IV	\$275,000	1,600,000	719.82	0.045%	\$124	0.034%	\$94

Initial Drilling and Fracturing - Hauled Water							
Road Type	Construction Cost/Lane Mile 2013	AASHTO Design Life (ESAL)	Consumptive Use (ESAL)	Consumptive Use (%)	Assessment Per Lane Mile	Road Damage Percentage	Assessment Per Lane Mile
I	\$67,500	1,000	1567.52	156.752%	\$105,808	139.867%	\$94,410
II	\$128,503	13,000	1567.52	12.058%	\$15,495	10.759%	\$13,826
III	\$150,920	250,000	1567.52	0.627%	\$946	0.559%	\$844
IV	\$275,000	1,600,000	1567.52	0.098%	\$270	0.087%	\$239

Fracturing - Piped Water							
Road Type	Construction Cost/Lane Mile 2013	AASHTO Design Life (ESAL)	Consumptive Use (ESAL)	Consumptive Use (%)	Assessment Per Lane Mile	Road Damage Percentage	Assessment Per Lane Mile
I	\$67,500	1,000	315.57	31.557%	\$21,301	14.672%	\$9,904
II	\$128,503	13,000	315.57	2.217%	\$2,887	1.129%	\$1,451
III	\$150,920	250,000	315.57	0.126%	\$190	0.059%	\$89
IV	\$275,000	1,600,000	315.57	0.073%	\$201	0.009%	\$25

Fracturing - Hauled Water							
Road Type	Construction Cost/Lane Mile 2013	AASHTO Design Life (ESAL)	Consumptive Use (ESAL)	Consumptive Use (%)	Assessment Per Lane Mile	Road Damage Percentage	Assessment Per Lane Mile
I	\$67,500	1,000	1163.27	116.327%	\$78,521	99.442%	\$67,123
II	\$128,503	13,000	1163.27	8.948%	\$11,498	7.649%	\$9,829
III	\$150,920	250,000	1163.27	0.465%	\$702	0.398%	\$601
IV	\$275,000	1,600,000	1163.27	0.073%	\$201	0.062%	\$171

Fee Calculation Formula					
Road Type	Access Lane Miles Per Plat		Assessment Per Lane Mile		Assessment Per Road Type
I		x			
II		x			
III		x			
IV		x			
Total Assessment (see Note #5)					\$7,500

NOTES:

1. Road Type I is six inch (6") flex base with chip seal;
2. Road Type II is six inch (6") flex base with chip seal and a two inch (2") asphalt overlay;
3. Road Type III is six inch (6") treated subgrade with six inches (6") of asphalt;
4. Road Type IV is six inch (6") treated subgrade with eight inches (8") of asphalt;
5. Minimum charge for Road Damage Remediation is \$7,500 per well;
6. Maximum charge for Road Damage Remediation is up to the maximum Assessment Per Lane Mile per well as shown above.