



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** July 27, 2020

SUBJECT: Consider Ordinance No. 3656, amending Section 110 of the North Richland Hills Code of Ordinances to amend the current Impact Fee Study and update the wastewater service unit equivalent in the city's fee schedule.

PRESENTER: Caroline Waggoner, Director of Public Works

SUMMARY:

This agenda item consists of approving an ordinance to clarify the Impact Fee Study and update the City's wastewater Impact Fee collection rate.

GENERAL DESCRIPTION:

In January 2018, City Council approved the current Water and Wastewater Impact Fee Study and adopted new impact fee rates.

Last year city staff contacted Freese & Nichols, the Impact Fee Study author, to seek clarification on the intended fee collection for wastewater. The study included a Meter Unit Equivalent (MUE) table providing different values for water and wastewater. Previous impact fee studies had maintained equivalent MUE values for both water and wastewater. The MUE values for water and wastewater are essentially multipliers of the approved Impact Fees, and are based on the size of the water meter. The current fee schedule includes the table below, taken from the 2018 study:

CURRENT NRH METER / SERVICE UNIT EQUIVALENCY

Meter Size	Water Equivalency Factor	Wastewater Equivalency Factor
3/4"	1.00	0.86
1"	1.67	1.44
1-1/2"	3.33	2.86
2"	5.33	4.58
3"	10.00	8.60
4"	16.67	14.34
6"	33.33	28.66
8"	60.00	51.60



Following our discussions with Freese & Nichols, they issued a clarifying technical memo, which is provided as Exhibit A to the proposed ordinance. The memo indicates that the wastewater equivalency factor should be the same as the water equivalency factor as shown below:

PROPOSED NRH METER / SERVICE UNIT EQUIVALENCY

Meter Size	Water Equivalency Factor	Wastewater Equivalency Factor
3/4"	1.00	1.00
1"	1.67	1.67
1-1/2"	3.33	3.33
2"	5.33	5.33
3"	10.00	10.00
4"	16.67	16.67
6"	33.33	33.33
8"	60.00	60.00

The proposed change does not alter the approved impact fees rates as identified in the Impact Fee Study and approved by City Council, but rather the factors used to determine how the actual impact fees are calculated for each property or water / wastewater service. The adjustment results in a roughly 16% increase in the one-time NRH impact fee payment for the wastewater portion of the fee when a domestic water meter is initially installed. For example, when a property owner pays for a new ¾" water meter for domestic service, the NRH Wastewater Impact fee will be \$1,210 instead of \$1,040. The NRH Water Impact Fee remains unchanged at \$1,851. The monthly usage bills for NRH customers are not impacted by this change.

This information was presented to the Capital Improvements Advisory Committee (CIAC) on May 21, 2020. A letter of CIAC support for the proposed update is provided with this agenda item.

RECOMMENDATION:

Approve Ordinance No. 3656.