



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** July 27, 2020
SUBJECT: Public hearing and discussion on updating Impact Fees for Water and Wastewater pursuant to Chapter 395 of the Local Government Code.
PRESENTER: Caroline Waggoner, Director of Public Works

SUMMARY:

The Council is being asked to conduct a public hearing to consider a correction to the Service Unit Equivalent for wastewater. No Impact Fee amounts or Service Unit Equivalent rates will be adopted with this agenda item. An ordinance to modify the service unit equivalent rate is a separate item for consideration on this agenda.

GENERAL DESCRIPTION:

A new Impact Fee Study was approved in January 2018, and minor corrections were made in March 2019. At this time, staff is recommending a correction to the service unit equivalent table in the Impact Fee study based on a technical memorandum provided by the study consultant, Freese & Nichols. This technical memorandum is included in the agenda item for your review.

The issue that requires correction is the study document indicated that the Service Unit Equivalent for wastewater was lower than that for water resulting in a reduced collection rate for wastewater impact fees. As the technical memorandum explains, the meter unit equivalents should be identical for both water and wastewater allowing the City to collect the full wastewater impact fee as identified in this table.

YEAR	WATER	WASTEWATER
Year 1 (January 8, 2018 – January 7, 2019)	\$ 1,429	\$ 685
Year 2 (January 8, 2019 – January 7, 2020)	\$ 1,644	\$ 1,008
Year 3 (January 8, 2020 – January 7, 2021)	\$ 1,851	\$ 1,210
Year 4 (January 8, 2021 – January 7, 2022)	\$ 1,851	\$ 1,210
Year 5 (January 8, 2022 – January 7, 2023)	\$ 1,851	\$ 1,210



The proposed changes to Table 4 will not change the maximum impact fee rates, but rather will update the City's fee schedule, Appendix A, to allow wastewater collection rates to come into conformance with the intent of the approved Impact Fee Study.

TABLE 4
NORTH RICHLAND HILLS 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 will not impact NRH customers' monthly bills. 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 3/4" water meter for domestic service, the NRH Wastewater Impact fee will be \$1,210 instead of the currently collected \$1,040. The NRH Water Impact Fee remains unchanged at \$1,851.

RECOMMENDATION:

Staff is seeking City Council guidance on the wastewater impact fee service unit equivalent rate.