



**CITY OF FAIR OAKS RANCH**  
**CAPITAL IMPROVEMENTS ADVISORY COMMITTEE (CIAC)**  
**MEETING**

Thursday, March 21, 2024 at 9:00 AM

Public Safety Training Room, Police Station, 7286 Dietz Elkhorn, Fair Oaks Ranch

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## **AGENDA**

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### **OPEN MEETING**

1. Roll Call - Declaration of a Quorum.

### **CITIZENS and GUEST FORUM**

*To address the Committee, please sign the Attendance Roster located on the table at the entrance of the Council Chambers. In accordance with the Open Meetings Act, the CIAC Committee may not discuss or take action on any item which has not been posted on the agenda. Speakers shall limit their comments to five (5) minutes each.*

2. Citizens to be heard.

### **CONSENT AGENDA**

*The following items are considered routine by the CIAC, there will be no separate discussion on these items and will be enacted with one motion. Items may be removed by any Committee Member by making such request prior to a motion and vote.*

3. Approval of the September 7, 2023 regular Capital Improvements Advisory Committee meeting minutes.

Amanda Valdez, TRMC, Deputy City Secretary

### **PRESENTATIONS**

4. CIAC History and Overview.

Paul Mebane, Committee Chairman

### **REVIEW OF COMMITTEE ACTIONS ITEMS**

5. Semiannual Report from September 2023.

Paul Mebane, CIAC Chairman

### **REVIEW OF CAPITAL IMPROVEMENT PROJECTS**

6. Wastewater Treatment Plant Solids Handling Improvements.

Grant Watanabe, P.E., Director of Public Works & Engineering Services

7. Willow Wind / Red Bud Hill / Rolling Acres Trail waterline replacement.

Grant Watanabe, P.E., Director of Public Works & Engineering Services

**UPDATE ON IMPACT FEE CAPITAL PROJECTS**

8. Impact Fee Capital Improvement Project Summary:

- oWater CIP with Map
- oWastewater CIP with Map

Grant Watanabe, P.E., Director of Public Works & Engineering Services

9. Water Plant 5 Ground Storage Tank.

Grant Watanabe, P.E., Director of Public Works & Engineering Services

10. Elevated Storage Tank / Pressure Reducing Valves.

Grant Watanabe, P.E., Director of Public Works & Engineering Services

11. Wastewater Treatment Plant (WWTP) Phase 1 Expansion.

Grant Watanabe, P.E., Director of Public Works & Engineering Services

**REVIEW OF AND LAND USE ASSUMPTIONS**

12. Land Use Assumptions (LUA) Update.

- oLUA Summary - From August 1, 2023 through January 31, 2024
- oWater and Wastewater Trend Charts (actual vs. projected growth)
- oDemonstration of LUA Interactive Map

Amanda Wade, Public Works Administrative Assistant

**CONSIDERATION / DISCUSSION ITEMS**

13. Recommendations to City Council for Semi-Annual Report.

Paul Mebane, Chairman

14. Discussion regarding the next Impact Fee Study and Update.

Paul Mebane, CIAC Chairman  
Grant Watanabe, P.E., Director of Public Works and Engineering Services

15. Bond Advisory Committee Update.

Seth Mitchell, BAC Chairman

**FUTURE MEETINGS**

16. CIAC Semi-Annual Meeting September 5, 2024 at 9:00 AM.

**ADJOURNMENT**

*Requests for City topic needing additional information/research; or, potential consideration for a future agenda*

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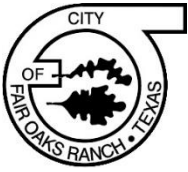
**Signature of Agenda Approval:** s/Paul Mebane

Paul Mebane, CIAC Chairman

I, Amanda Valdez, TRMC, Deputy City Secretary, certify that the above Notice of Meeting was posted on the outside bulletin board at the Fair Oaks Ranch City Hall, 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas, and on the City's website [www.fairoaksranchtx.org](http://www.fairoaksranchtx.org), both places being convenient and readily accessible to the general public at all times.

As per Texas Government Code 551.045, said Notice was posted by 9:00 AM, March 18, 2024 and remained so posted continuously for at least 72 hours before said meeting was convened. A quorum of City Council and various boards, committees, and commissions may attend the Capital Improvements Advisory Committee meeting.

The Fair Oaks Ranch Police Station is wheelchair accessible at the front main entrance of the building from the parking lot. Requests for special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary's office at (210) 698-0900. Braille is not available.



**CITY OF FAIR OAKS RANCH  
CAPITAL IMPROVEMENTS ADVISORY COMMITTEE (CIAC)  
MEETING**

Thursday, September 07, 2023 at 9:00 AM  
Public Safety Training Room, Police Station, 7286 Dietz Elkhorn, Fair Oaks Ranch

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**MINUTES**

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**OPEN MEETING**

**1. Roll Call - Declaration of a Quorum.**

CIAC Present: Chairman Paul Mebane, and Committee Members: John Guidry, Seth Mitchell, Dana Green, Marcus Garcia, and Ben Koerner

CIAC Absent: Committee Vice Chair Chris Weigand and Members: Joe DeCola and Arthur Waterman

Council Liaison, Emily Stroup, was also present at this meeting.

With a quorum present, the meeting was called to order at 9:00 AM.

**CITIZENS and GUEST FORUM**

**2. Citizens to be heard – None.**

**CONSENT AGENDA**

**3. Approval of the March 2, 2023 Regular Capital Improvements Advisory Committee meeting minutes.**

MOTION: Made by Committee Member Seth Mitchell, seconded by Member John Guidry, to approve the Consent Agenda.

VOTE: 6-0; Motion Passed.

**REVIEW OF COMMITTEE ACTIONS ITEMS**

**4. Semiannual Report from March 2023.**

Paul Mebane, Chairman, went over the semiannual report submitted to City Council on October 5, 2023.

**REVIEW OF CAPITAL IMPROVEMENT PROJECTS**

**5. Wastewater Treatment Plant Solids Handling Improvements.**

Julio Colunga, Assistant Director of Public Works, informed the Committee that the project is now complete.

**6. Willow Wind/Red Bud Hill/Rolling Acres Trail Waterline Replacement.**

Julio Colunga, Assistant Director of Public Works, explained that replacement is happening due to repeated water line breaks. The design phase is at about 90% and moving along. The project is estimated to cost approximately \$1.4 million but he’s hopeful that the City receives competitive bids.

**UPDATE ON IMPACT FEE CAPITAL PROJECTS**

**7. Impact Fee Capital Improvement Project Summary:**

- o **Water CIP with Map**
- o **Wastewater CIP with Map**

Grant Watanabe, P.E., Director of Public Works & Engineering Services, provided information on several projects and identified the project locations on the maps.

**8. Water Plant 5 Ground Storage Tank**

Julio Colunga, Assistant Director of Public Works, provided details about the project. The City is working with Maguire Iron to design and build a 500,000-gallon tank. The project is estimated to cost approximately \$1.3 million dollars for design construction. The project would replace the current 125,000-gallon on-site tank that experiences repeated problems. The larger tank will help to store more water in the event of an emergency or power outage.

**9. Elevated Storage Tank / Pressure Reducing Valves**

Grant Watanabe, P.E., Director of Public Works & Engineering Services, explained that staff has been exploring options with the City of Boerne, as owners of a 10-acre property north of the City. Staff is pursuing the possibility of purchasing a portion as a potential site.

**10. Wastewater Treatment Plant (WWTP) Phase 1 Expansion**

Grant Watanabe, P.E., Director of Public Works & Engineering Services, updated the Committee on the expansion. The improvements include upgrades of the Effluent Pump Station and Conveyance System, larger effluent piping, and Bottom of the Hill Lift Station improvements. Since the last Town Hall meeting of the City, the decision was made to also add odor control at the headworks. The project will be presented to Council for approval of the work authorization at their September 7, 2023 regular meeting. Mr. Watanabe expects that the project will go out for bid late in 2024.

**REVIEW OF AND LAND USE ASSUMPTIONS**

**11. Land Use Assumptions (LUA) Update.**

- o **LUA Summary - From February 1, 2023 through July 31, 2023**
- o **Water and Wastewater Trend Charts (actual vs. projected growth)**

Amanda Wade, Public Works Administrative Assistant, provided an update to the Committee regarding Land Use Assumptions as of July 31, 2023.

**CONSIDERATION / DISCUSSION ITEMS**

Chairman Mebane, asked for the Committee to consider item 13 out of order.

**13. Presentation of Five-Year Capital Improvement Plan and Types of Debt**

Scott Huizenga, Interim City Manager, provided to the Committee a presentation on the City’s proposed CIP budget and projects prioritized by the City Council. Mr. Huizenga discussed assumptions and methodology. As the Committee has expressed interest in the past to expand their role, the Committee is in favor of be appointed to an advisory committee.

**12. Recommendations to City Council for Semi-Annual Report.**

The Committee provided Chairman Mebane to include the following items in the Semiannual Report to City Council:

- The CIAC Committee is willing to serve as an advisory committee to Council regarding the Capital Improvements Plan.
- The Committee recommends that the Water, Wastewater and Reuse Master Plan be updated so that the Committee may present new Impact Fee recommendations in early 2025.

**FUTURE MEETINGS**

**14. CIAC Semi-Annual Meeting March 7, 2024 at 9:00 AM.**

Chairman, Paul Mebane, announced that the next regular meeting is scheduled for March 7, 2024 at 9:00 AM. After a brief discussion, the Committee rescheduled that meeting to March 21, 2024 by consensus.

**ADJOURNMENT**

Chairman Mebane adjourned the meeting at 10:27 AM.

ATTEST:

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Paul Mebane, Chairman

\_\_\_\_\_  
Amanda Valdez, TRMC  
Deputy City Secretary

## CAPITAL IMPROVEMENTS ADVISORY COMMITTEE (CIAC) March 21, 2024 Meeting

**MISSION** - Responsible for advising and assisting the City in the following:

- a. in development of **Land Use Assumptions** and regular update
- b. by reviewing proposed **Capital Improvement Plans**
- c. by providing written comments on those plans
- d. by monitoring and evaluating implementation of approved plans
- e. by filing semi-annual reports regarding plan progress
- f. by reporting any perceived inequities in plan implementation
- g. by reporting any inequities in imposing impact fees
- h. **by reporting the need to update or revise the land use assumptions, capital improvement plans and impact fees**

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Section 395 Texas Local Government Code – “Financing Capital Improvements Required by New Developments in Municipalities, Counties and Certain Other Local Governments”

Sec. 395.052. PERIODIC UPDATE OF LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLAN REQUIRED. (a) A political subdivision imposing an impact fee shall update the land use assumptions and capital improvements plan at least every **five years**. The initial five-year period begins on the day the capital improvements plan is adopted.

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On January 16, 2020, John Merritt, CIAC President, presented the CIAC recommendation for the updated water and wastewater impact fee as follows:

### CIAC Findings and Recommendations

1. The CIAC finds that the City’s recently adopted Land Use Assumptions and Capital Improvement Plan are based on sound assumptions and engineering practices and recommends no changes.
2. The CIAC finds that Freese & Nichols used sound assumptions and engineering practices and complied with the requirements under the Code in their calculation of the Maximum Allowable Impact Fees.
3. The CAIC recommends to Council that the Council adopt the proposed Maximum Allowable Impact Fees as calculated by Freese & Nichols. Accordingly, the following Impact Fees changes are recommended:
  - Water Impact Fee per LUE increases from the current \$5,400 to \$8,670, and
  - Wastewater Impact Fee per LUE increases from the current \$1,550 to \$6,069.

DATE: March 5, 2020 City Council Meeting

AGENDA TOPIC: Approval of the second reading of an Ordinance amending the Water and Wastewater Impact Fees, Division 2 and 3 Land Use Assumptions Plan, and Water and Wastewater Improvements Plan

To: Honorable Mayor Gregory C. Maxton and City Council Members  
City of Fair Oaks Ranch

**Capital Improvements Advisory Committee Semiannual Progress Report  
September 7, 2023 Meeting**

Overview:

A Capital Improvements Plan is required by LGC § 395, *Financing Capital Improvements Required by New Development in Municipalities, Counties and Certain other Local Governments*. The plan is to identify capital improvements or facility expansions required by new service units projected; and to include a description of the service area and projection of changes in land uses, densities, intensities, and populations in the service area over a 10-year period. Since the City imposes an impact fee, a periodic review shall be performed at least every five years to determine the need of updating the plans and/or impact fees.

To partially pay for the extension of its Water and Wastewater systems attributable to new development, the City of Fair Oaks Ranch has opted to charge impact fees as allowed under Texas Local Government Code Title 12. Subtitle C. Chapter 395 (Code).

The Code requires the governing body (City) to appoint a Capital Improvements Advisory Committee (CIAC). The CIAC serves in an advisory capacity and is established to:

1. advise and assist the City in adopting land use assumptions;
2. review the capital improvements plan and file written comments;
3. monitor and evaluate implementation of the capital improvements plan;
4. file semiannual reports with respect to the progress of the capital improvements plan and report to the City any perceived inequities in implementing the plan or imposing the impact fee; and
5. advise the City of the need to update or revise the land use assumptions, capital improvements plan, and impact fee.

Progress Report:

Chairperson Mebane called the semi-annual CIAC meeting to order at 9:00 AM, Thursday, September 7, 2023. Below are the members present along with their designation and term expiration:

Paul Mebane, Chair (At Large) 9/30/25  
John Guidry (At Large) 9/30/24  
Seth Mitchell (At Large) 9/30/24  
Dana Green (Development) 9/30/25  
Marcus Garcia (Development) 9/30/25  
Ben Koerner (At Large) 9/30/23

Chairperson Mebane declared a quorum present.

Absent was:

Vice Chair Chris Weigand (Real Estate) 9/30/23  
Joe DeCola (Real Estate) 9/30/24  
Arthur Waterman (Building) 9/30/23



Council and Staff Present:

- Emily Stroup – Council Representative
- Scott M. Huizenga, Interim City Manager
- Grant Watanabe, P.E. – Director of Public Works & Engineering Services
- Julio Colunga, Assistant Director of Public Works
- Amanda Wade, Public Works Administrative Assistant
- Summer Fleming, Interim Finance Director
- Christina Picioccio, TRMC –City Secretary

Following introductions, staff provided updates on Capital Improvement Plans and Impact Fee Capital Projects. Staff also provided an update on Land Use Assumptions and answered questions of the members.

COMMITTEE RECOMMENDATIONS:

1. While there have been no significant changes to the Capital Improvement Plan or Land Use Assumptions, it is recognized that costs continue to rise and home building continues to slow which will affect future Impact Fees. The current Impact Fees were approved by Council in early 2020 and are to be updated every five years.
2. It is recommended that the Water, Wastewater and Reuse Master Plan be updated in FY2023-24 in order to present new Impact Fee recommendations to Council in 2025. This will allow us to have an updated Capital Improvement Plan and Land Use Assumptions as a basis for the new Impact Fees.
3. Scott Huizenga presented the City’s five-year Capital Improvement Plans for utilities, roadways, drainage, and facilities to the CIAC and mentioned that a citizen advisory group may be requested to review and recommend projects for debt financing. The CIAC is open to supporting additional duties as assigned by the Council.

The next Semi Annual CIAC meeting will take place on March 21, 2024.

Signed: Paul M Mebane  
 Paul Mebane, CIAC Chairperson

Date: 10/5/23



# WWTP Solids Handling Improvements

**Scope:** Install volute dewatering press at existing WWTP to increase process efficiency and reduce hauling and disposal costs.

**Cost:** \$1,132,498 – Design & Construction

**Design Firm:** Malone & Wheeler, Inc., Austin, TX

**Construction Firm:** Udelhoven, Inc., Floresville, TX



## Justification and Impact

- Current sludge hauling and disposal costs are \$300,000 per year and labor intensive. Fully automated system provides return on investment in under 4 years.
- Avoids use of sludge drying beds and generates low noise and odor, a source of frequent complaints from adjacent property owners.

## Project Timeline (subject to change)

- Jun 2022 – Contract awarded
- Sept 2022 – Construction started
- June 2023 – Substantial completion
- April 2024 – Contract close-out (final invoice pending)

**% Completed:** 100

**Status Update:** Unit is in operation. Ribbon-cutting ceremony held July 27, 2023 with City Council and neighbors.



# Rolling Acres Trail (CIP #28R) and Willow Wind Drive/Red Bud Hill (CIP #29R) Water Line Replacement

**Scope:** Replace approximately 3,300 LF of waterline on Willow Wind Drive/Red Bud Hill and approximately 2,300 LF of waterline on Rolling Acres Trail.

**Budget:** \$1,570,910 – Design and Construction

**Design Firm:** Weston Solutions, Inc. , San Antonio, TX

**Construction Firm:** TBD (depends on C.O. bond funding)



Water line location (replacement in yellow)

## Justification and Impact

- This project will address aging water mains that are known to be in poor condition
- These water mains have a history of main breaks (3-4 per year and becoming more frequent)
- Replacing these mains will reduce operation and maintenance costs, avoid service disruptions to residents, and reduce total water loss
- The estimated combined construction cost is \$1,433,411

## Project Timeline (subject to change)

- Nov. 2022 – Design contract awarded to Weston
- July 2023 – 90% design submitted
- Apr. 2024 – 100% design complete (estimated)
- Nov. 2024 – Bid and Construction award (estimated)

**% Completed:** 45 (currently in design phase)

**Status Update:** 100% Design received. City staff coordinating with Raintree Woods HOA regarding driveway impacts.

## Water Impact Fee and Project Summary

1999 Impact Fees		
Project Name Per Impact Fee Study	Project Description	Actual Project Costs
Groundwater Supply Facilities Component	Well # 36 - Deer Meadow	\$78,234
Groundwater Supply Facilities Component	Flow Lines Well - Deer Meadow	\$12,501
Groundwater Supply Facilities Component	FlowLines Well #32 - Deer Meadow	\$5,320
High Service Pumping Facilities	Replaced pumps; well repairs	\$75,917
Elevated Storage Facilities Component	Hydro Tank Plant 1	\$17,887
Water Supply & Production Future Facilities	Water Plant #5	\$130,616
<b>Total Project Costs</b>		<b>\$320,475</b>
<b>Impact Fee Allowable Cost Limit Per Study</b>		<b>\$320,475</b>
<b>Impact Fees Collected</b>		<b>\$168,661</b>

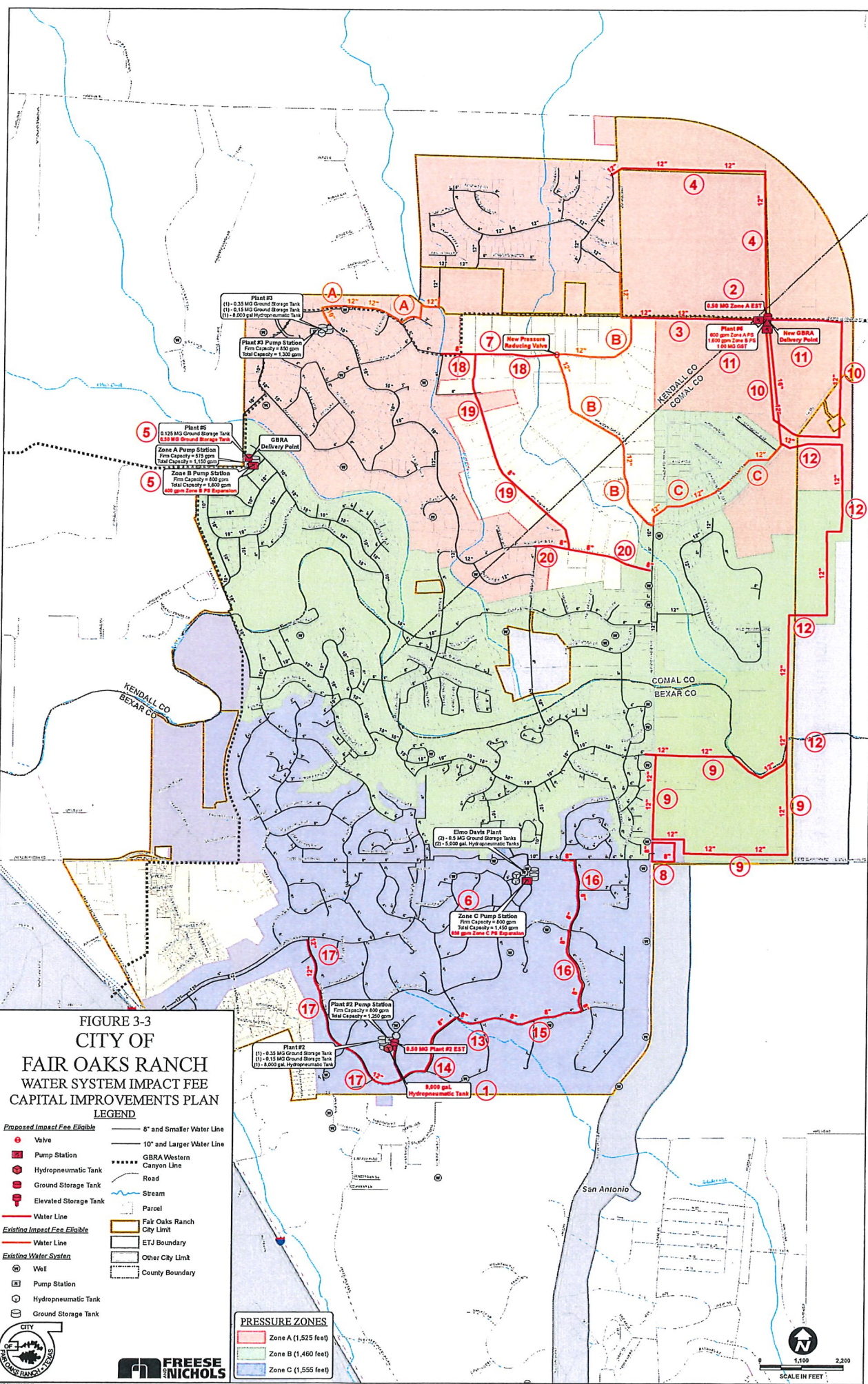
2004 Impact Fees		
Project Name Per Impact Fee Study	Project Description	Actual Project Costs
Water Supply & Production Future Facilities	Water Plant #5	\$1,232,260
<b>Impact Fee Allowable Cost Limit Per Study</b>		<b>\$559,311</b>
<b>Impact Fees Collected</b>		<b>\$1,095,059</b>

2014 Impact Fees		
Project Name Per Impact Fee Study	Project Description	Actual Project Costs
12-inch Parallel along Rolling Acres Trail	Pipeline Installation #1	\$312,775
12-inch line near Meadow Creek Trail	Pipeline Installation #1	\$69,598
2014 Impact Fee Study	Impact Fee Study	\$50,435
<i>Elevated Storage Tank</i>	<i>Contribution-in-Aid Eligible Project</i>	\$106,226 *
12-inch Connection to EST		-
12-inch North/South Connection	Meadow Creek Trail	\$1,109,477
6-inch line to Western ETJ		-
12-inch Parallel from Plant #2		-
0.5 MG Ground Storage Tank		-
12-inch Parallel from GBRA to Plant #3		-
New Groundwater Well		-
Financing Costs		-
<b>Total Project Costs</b>		<b>\$1,648,511</b>
<b>Impact Fee Allowable Cost Limit Per Study</b>		<b>\$5,768,373</b>
<b>Impact Fees Collected</b>		<b>\$523,800</b>

2020 Impact Fees			
Map	Project Name Per Impact Fee Study	Project Description	Actual Project Costs
<u>Existing Projects</u>			
A	12-inch Parallel along Rolling Acres Trail		-
B	12-inch line near Meadow Creek Trail		-
C	12-inch line near Meadow Creek Trail and 3351		-
2	<i>0.5 MG Zone A Elevated Storage Tank</i>	<i>Contribution-in-Aid Eligible Project</i>	\$228,890 *
D	2020 Impact Fee Study		\$36,000
<u>Proposed Projects</u>			
1	9000 Gallon Plant #2 Hyrdopneumatic Tank		\$642,558
3	12-inch West Ammann Road Water Line		-
4	12-inch Northeast Water Lines		-
5	400-gpm Plant #5 Zone B Pump Station Expansion and 0.5-MG GST		-
6	650-gpm Elmo Davis Pump Station Expansion		-
7	Pressure Reducing Valve at Rolling Acres Trail and Meadow Creek Trail		-
8	8-inch Water Line at Dietz Elkhorn Road and Ralph Fair Road		-
9	12-inch Southeastern Water Lines		-
10	12/16-inch Plant #6 Discharge Water Lines		-
11	Plant #6 and New GBRA Delivery Point		-
12	12-inch ETJ Water Line		-
13	0.5-MG Plant #2 Elevated Storage Tank		-
14	8/12-inch Royal Ascot/Triple Crown/Equestrian Water Line Replacement		-
15	8-inch Pimlico Lane Water Line Replacement		-
16	8-inch Preakness Lane Water Line Replacement		-
17	12-inch Triple Crown Road Water Line Replacement		-
18	8-inch Rolling Acres Trail Water line		-
19	8-inch Post Oak Trail Water Line		-
20	8-inch Silver Spur Trail Water Line		-
<b>Total Project Costs</b>			<b>\$907,448</b>
<b>Impact Fee Allowable Cost Limit Per Study</b>			<b>\$17,852,217</b>
<b>Impact Fees Collected</b>			<b>\$1,167,026</b>

Total Contribution-in-Aid Eligible Costs (above) \$335,117 \*





## Wastewater Impact Fee and Project Summary

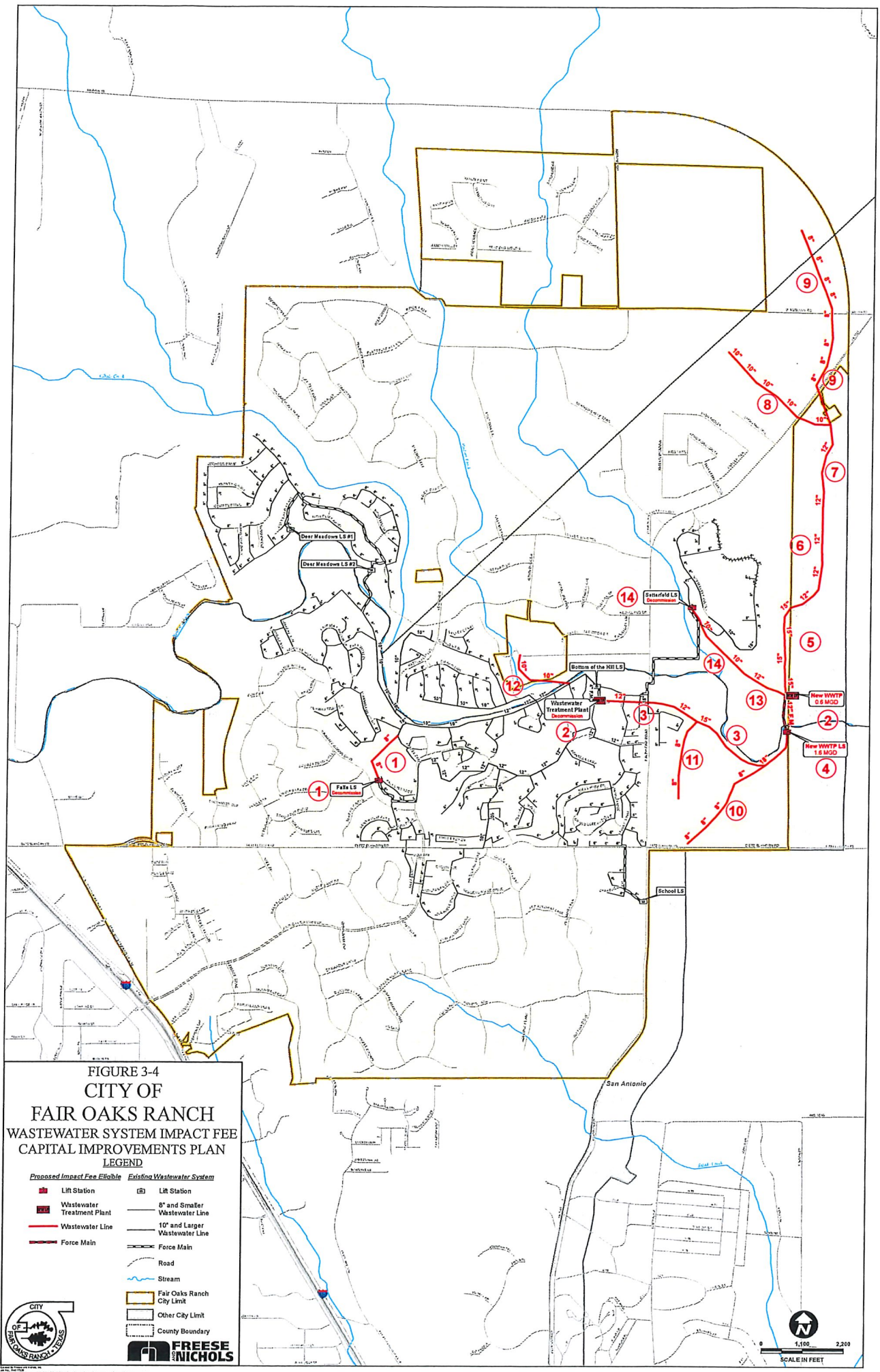
1999 Impact Fees		
Project Name Per Impact Fee Study	Project Description	Actual Project Costs
Wastewater Treatment Plant	WWTP Expansion Project	\$524,626
Wastewater Treatment Plant	Sludge Bed (Polymer)	\$50,575
Wastewater Treatment Plant	Sludge Harvester	<u>\$25,943</u>
<b>Total Project Costs</b>		<b>\$601,144</b>
<b>Impact Fee Allowable Cost Limit Per Study</b>		<b>\$343,294</b>
<b>Impact Fees Collected</b>		<b>\$308,799</b>

2004 Impact Fees		
Project Name Per Impact Fee Study	Project Description	Actual Project Costs
Wastewater Treatment	Wastewater Treatment	\$447,200
Wastewater Collection	Wastewater Collection	<u>\$134,064</u>
		\$581,264
<b>Impact Fee Allowable Cost Limit Per Study</b>		<b>\$297,051</b>
<b>Impact Fees Collected</b>		<b>\$409,155</b>

2014 Impact Fees		
Project Name Per Impact Fee Study	Project Description	Actual Project Costs
2014 Impact Fee Study		\$50,435
10-inch Cibolo Creek Crossing		-
8-inch Cibolo Trails expansion		-
8/10-inch Post Oak Creek lines		-
Southwest 8-inch sewer line		-
Financing Costs		-
		-
<b>Total Project Costs</b>		<b>\$50,435</b>
<b>Impact Fee Allowable Cost Limit Per Study</b>		<b>\$1,112,762</b>
<b>Impact Fees Collected</b>		<b>\$169,978</b>

2020 Impact Fees			
Map	Project Name Per Impact Fee Study	Project Description	Actual Project Costs
A	Impact Fee Study		\$36,000
1	8-inch Gravity Line and Deommission Falls Lift Station		-
2	New 0.6 mgd WWTP and Deommission old WWTP		-
3	New Gravity Line from Old WWTP to New WWTP		-
4	1.6 mgd Lift Station and 12" Force Main to New WWTP		-
5	12/15-inch Gravity Line in the ETJ		-
6	12-inch Gravity Line in the ETJ #1		-
7	12-inch Gravity Line in the ETJ #2		-
8	10-inch Gravity Line north of Ralph Fair Road		-
9	8/10-inch Gravity Line north of Ralph Fair Road		-
10	8-inch Gravity Line north of Dietz Elkhorn Road		-
11	8-inch Gravity Line east of Ralph Fair Road		-
12	10-inch Gravity Line crossing Cibolo Creek		-
13	12-inch Gravity Line to the new WWTP		-
14	10-inch Gravity Line and Decommission Setterfeld Lift Station		-
	Financing Costs		-
			-
<b>Total Project Costs</b>			<b>\$36,000</b>
<b>Impact Fee Allowable Cost Limit Per Study</b>			<b>\$10,705,092</b>
<b>Impact Fees Collected</b>			<b>\$807,129</b>





**FIGURE 3-4**  
**CITY OF**  
**FAIR OAKS RANCH**  
**WASTEWATER SYSTEM IMPACT FEE**  
**CAPITAL IMPROVEMENTS PLAN**  
**LEGEND**

*Proposed Impact Fee Eligible*     *Existing Wastewater System*

■ Lift Station      Lift Station  
 Wastewater Treatment Plant      8" and Smaller Wastewater Line  
 Wastewater Line      10" and Larger Wastewater Line  
 Force Main      Force Main  
— Road     — Stream  
 Fair Oaks Ranch City Limit      Other City Limit  
 County Boundary

0     1,000     2,000  
 SCALE IN FEET



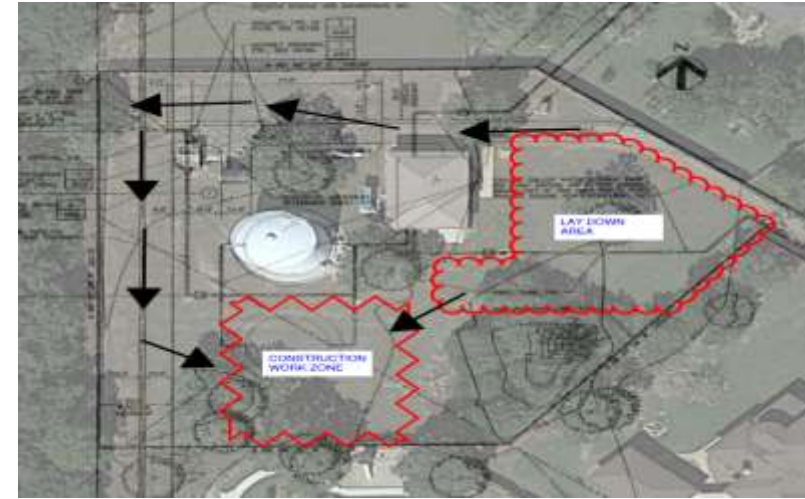
# Water Plant 5 Ground Storage Tank

**Scope:** Construct a new 500,000 gallon Ground Storage Tank (GST) at Water Plant 5 to improve utility operations and resiliency during periods of high demand or extended power outages.

**Budget:** \$1,440,000 – Design and Construction

**Design Firm:** Maguire Iron, Inc., Sioux Falls, SD

**Construction Firm:** TBD (depends on C.O. bond funding)



Plant 5 GST Location

## Justification and Impact

- The current tank is only 125,000 gallons and turns over multiple times a day. It is not capable of meeting peak demand needs or storing enough water for extended power outages.
- Plant 5 supplies GBRA water directly to Plant 3 (Zone A) and Plant 1 (Zones B and C). The additional storage will enable utility staff to pump water to where it is needed most.

## Project Timeline (subject to change)

- July 2023 – Design awarded to Maguire Iron
- Jan. 2024 – Design completed
- Nov. 2024 – Bid and construction award (estimated)

**% Completed:** 10

**Status Update:** Price proposal received from Maguire Iron, staff researching comps to verify fair and reasonable.

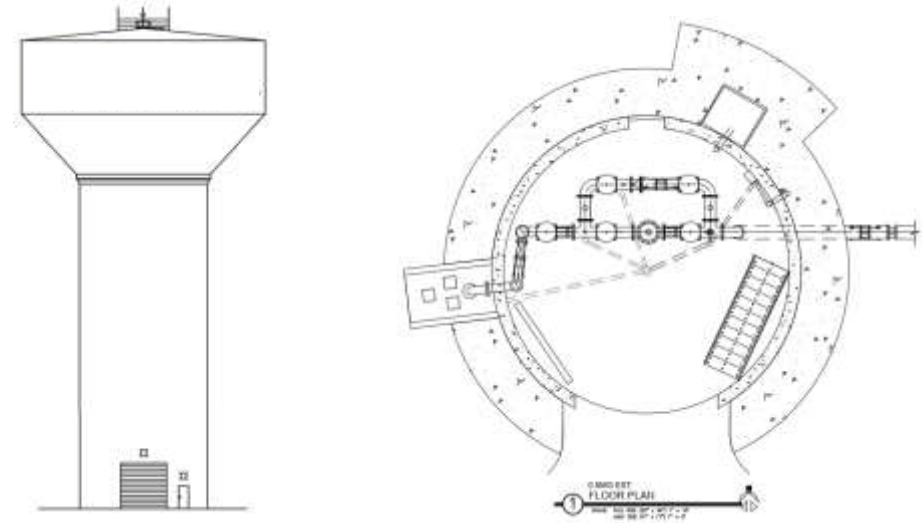


# Elevated Storage Tank / Pressure Reducing Valves

**Scope:** Construct 500,000 gallon Elevated Storage Tank to improve water supply and pressure during peak demand and provide adequate fire protection, 12" water main to EST site and two system pressure reducing valves.

**Budget:** \$7,774,313 – Land Acquisition, Design and Construction

**Design Firm:** Kimley-Horn, Inc., San Antonio, TX



## Justification and Impact

- Existing pump stations cannot support projected peak demands; system pressure within Zone A falls below minimum TCEQ requirement of 35 PSI.
- In addition to maintaining pressures above 35 PSI, elevated storage provides operational flexibility needed during emergencies, power outages, and drought.
- Current flow in large parts of City fall below the NFPA 1,000 gallons per minute minimum requirement to combat a house fire.

## Project Timeline (subject to change)

TBD – Design completion pending final site confirmation



# Wastewater Treatment Plant Phase 1 Expansion

**Scope:** Wastewater Treatment Plant (WWTP) Phase 1 Expansion improvements include Effluent Pump Station and conveyance system upgrades, Bottom of the Hill Lift Station upgrades, and odor control at the headworks

**Cost:** \$4,750,000 – Design and Construction

**Design Firm:** Kimley-Horn, Inc. San Antonio, TX

**Construction Firm:** TBD (depends on C.O. bond funding)



Aerial view of existing WWTP

### Justification and Impact

- WWTP Expansion Study identified immediate needs to improve capacity and plant operations.
- Existing WWTP effluent pump station is undersized and cannot reach Blackjack effluent storage ponds. This bottleneck caused backups during high-flow events.
- Bottom of the Hill Lift Station is also undersized and large amounts of rags and wipes get caught in the pumps.

### Project Timeline (subject to change)

- Feb 2023 – WWTP Expansion Study completed
- Sept 2023 – Design awarded
- Oct. 2024 – Design complete (estimate)
- Nov. 2024 – Bid and construction award (estimate)

**% Completed:** 10

**Status Update:** Consultant has completed 30% design, presentation planned for future Council meeting.

# Land Use Assumptions Summary As Of January 31, 2024

Land Use Assumptions Summary Update for CIAC Meeting March 21, 2024

## **Additions to LUA**

Stone Creek Ranch Unit 2C      53 Residential Lots      2 Non-Residential Lots

## **Adjustments to LUA**

Adjustments were made to the LUA as needed for Master LUA and per the Master Plan.

### **Summary: August 1, 2023 to January 31, 2024**

53 – Lots Added

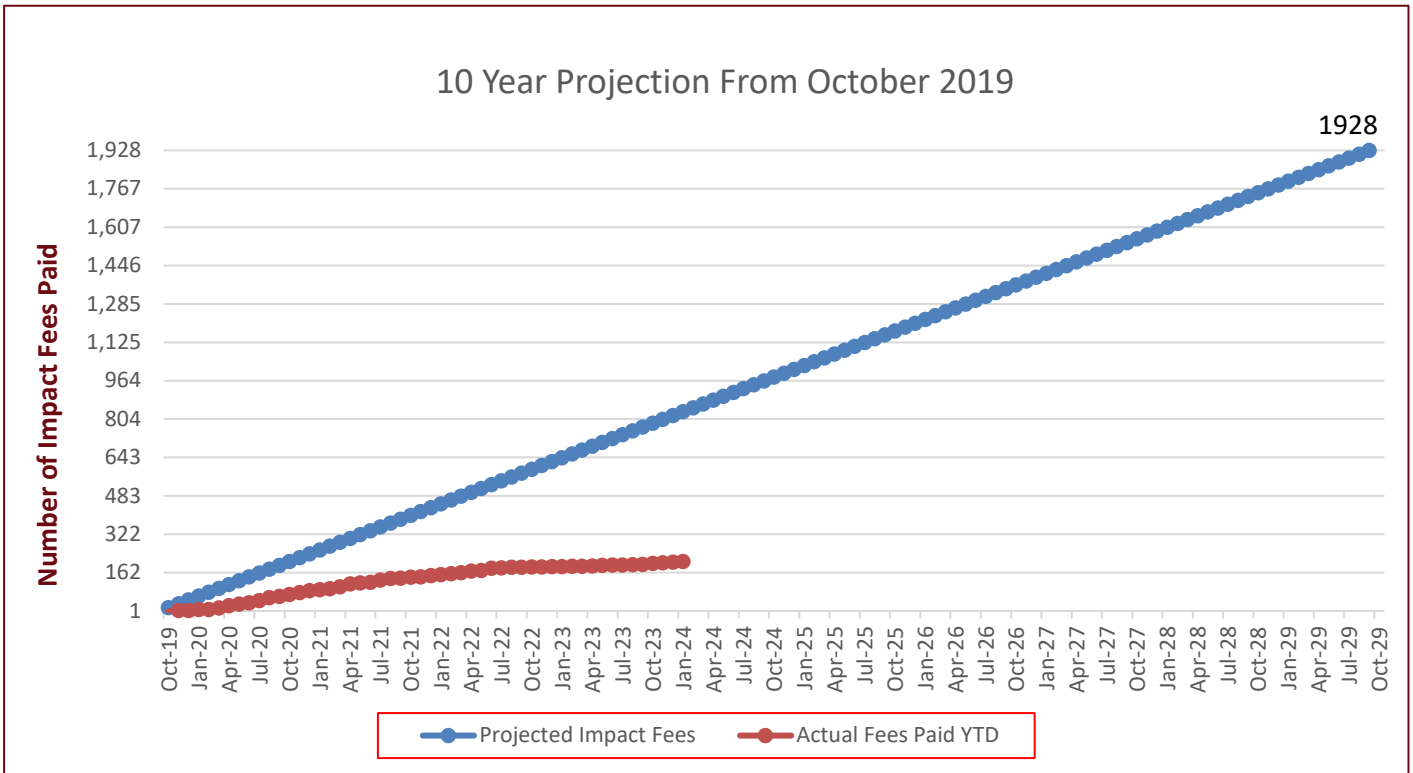
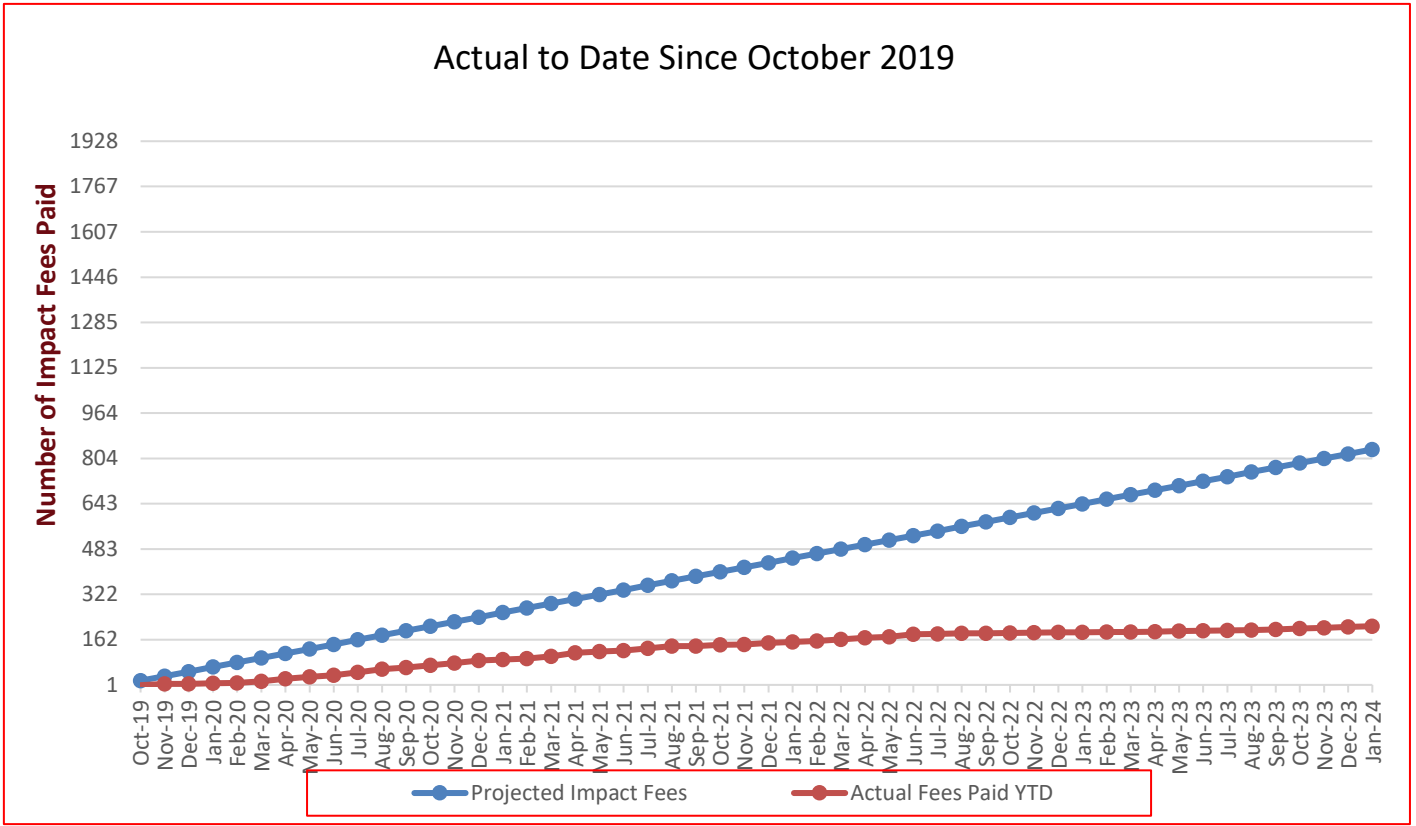
45 – Lots Improved

20 – Residential Water Connection Services Added

0 – Non-Residential Water Connection Services Added

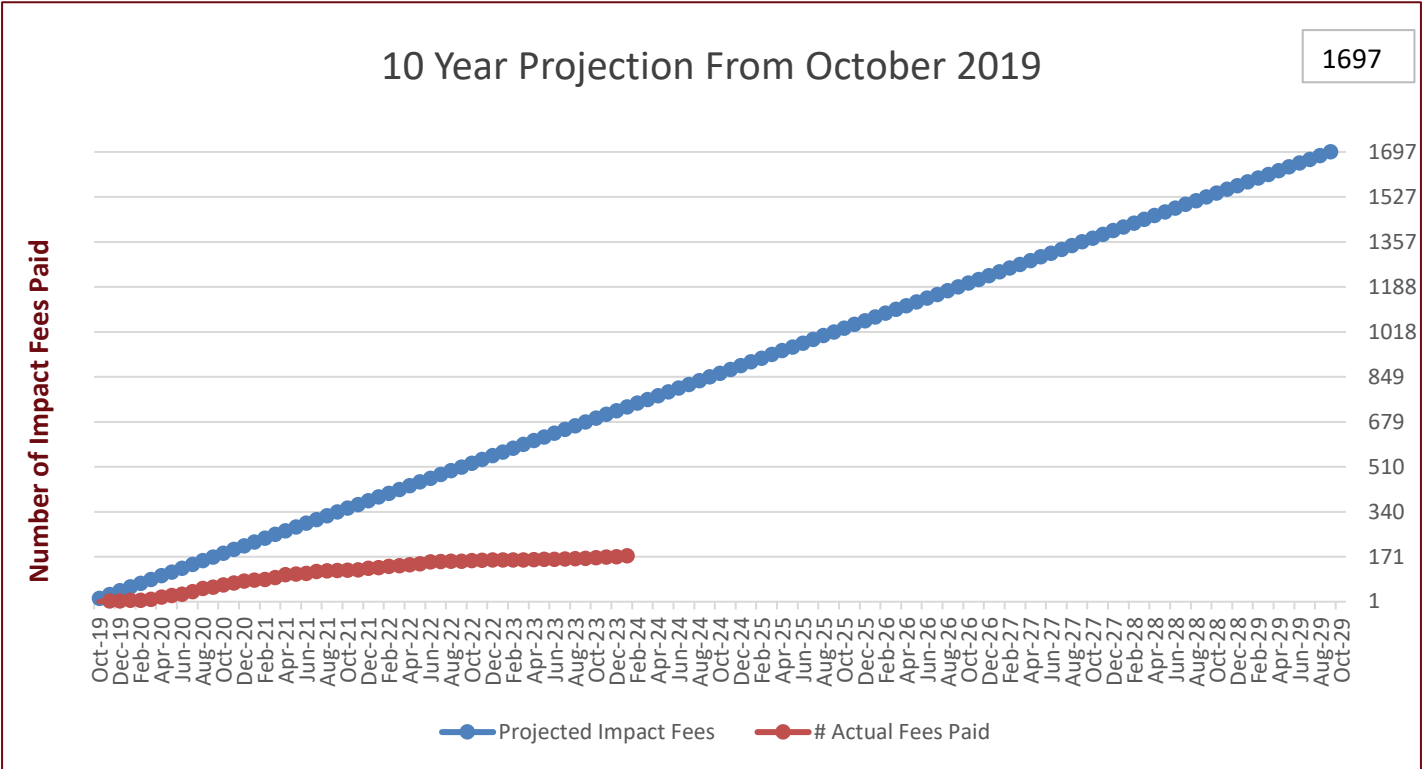
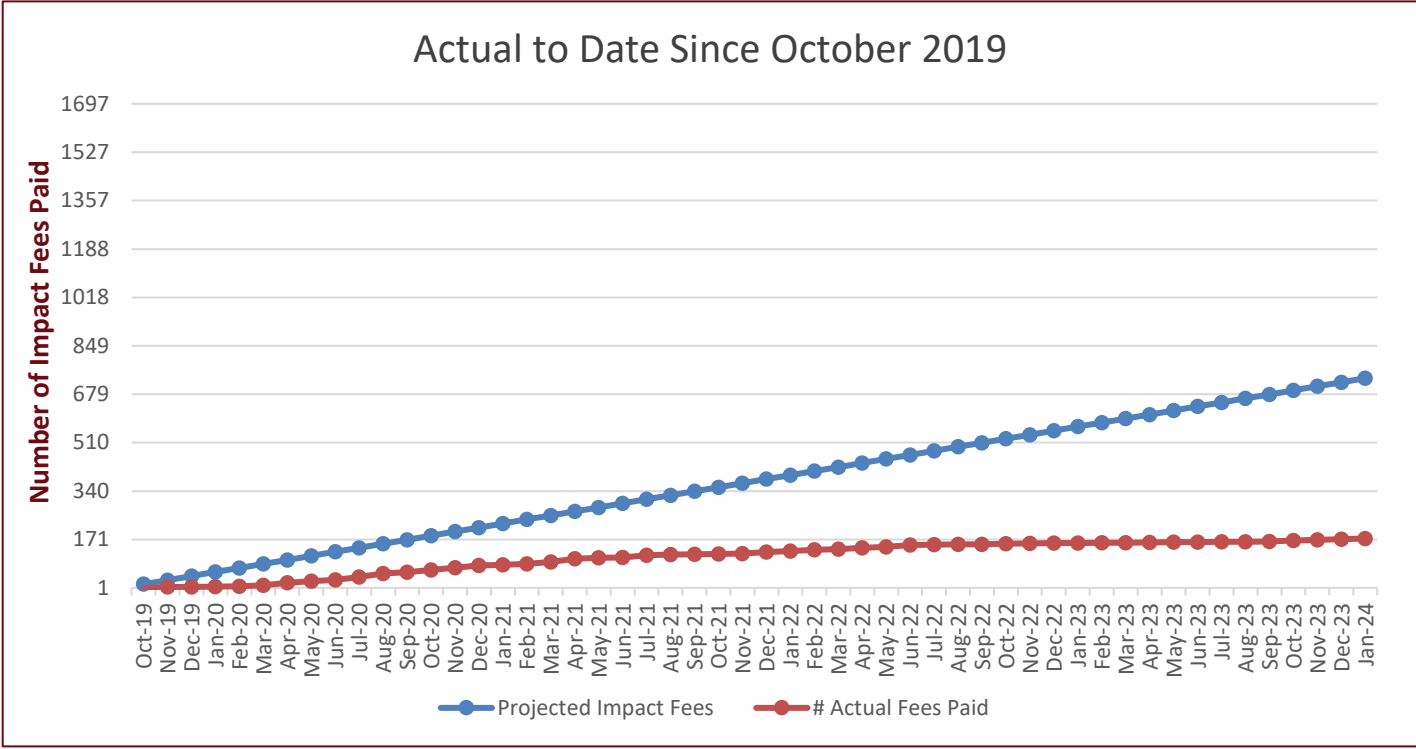
12 – Wastewater Connection Services Added

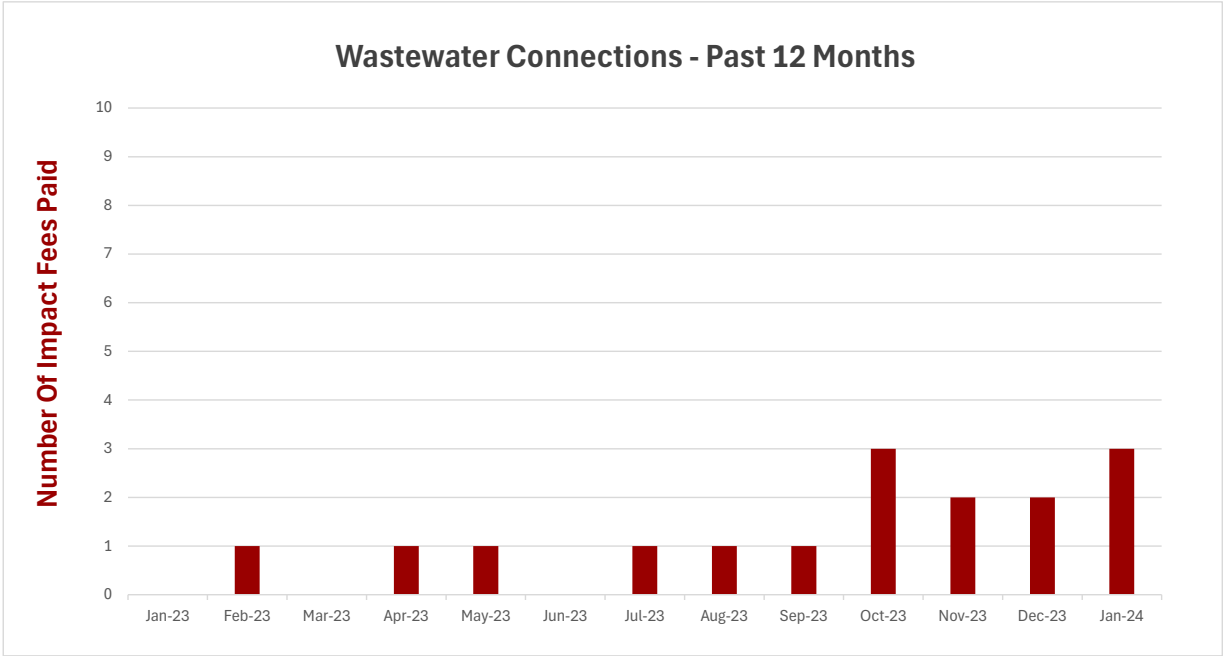
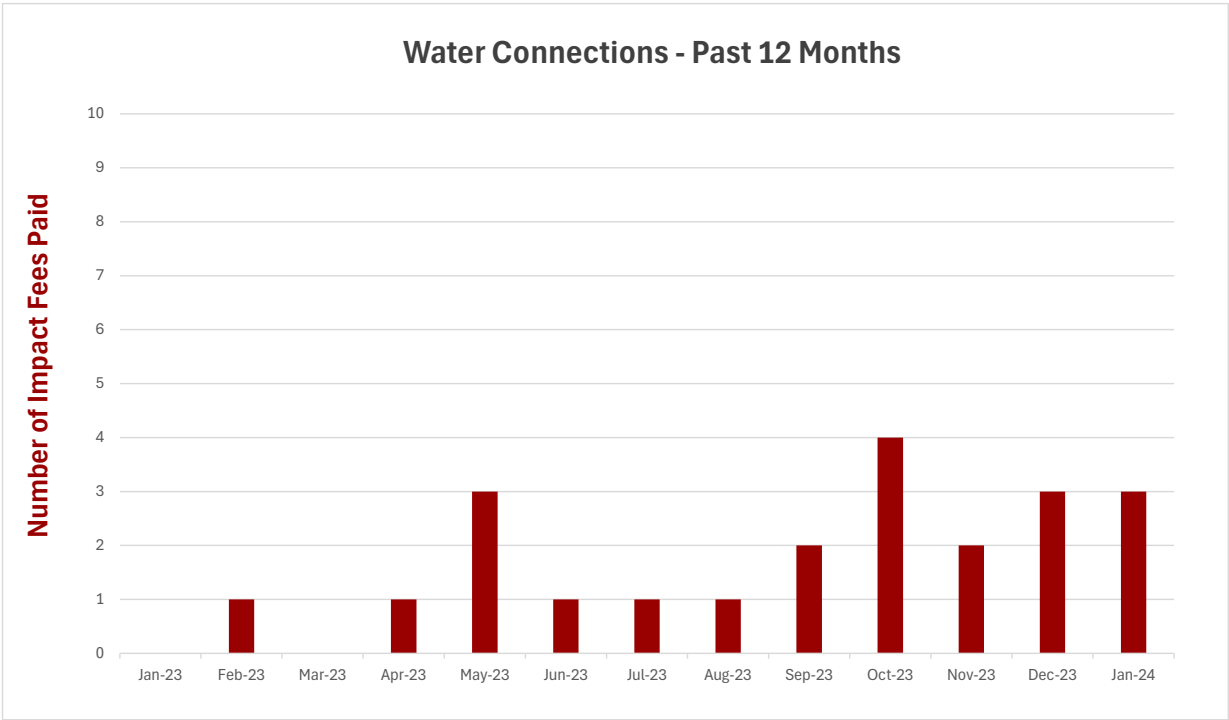
# Land Use Assumptions Trend Charts - Water



2019/2020 to 2029/2030

# Land Use Assumptions Trend Charts - Wastewater







**CAPITAL IMPROVEMENT ADVISORY COMMITTEE  
CONSIDERATION ITEM  
CITY OF FAIR OAKS RANCH, TEXAS**

AGENDA TOPIC: Discussion regarding the next Impact Fee Study and Update  
DATE: March 21, 2024  
DEPARTMENT: Public Works  
PRESENTED BY: Paul Mebane, CIAC Chairperson  
Grant Watanabe, P.E., Director of Public Works and Engineering Services

**INTRODUCTION/BACKGROUND:**

As required by Local Government Code §395.052, a periodic update of Land Use Assumptions and the Capital Improvement Plan is required. A political subdivision imposing an impact fee shall update the land use assumptions and capital improvement plan at least every five years. The City’s Water and Wastewater Impact Fees were last updated and adopted on March 5, 2020, and, therefore, are due for an update. With inflation and increases in material and labor costs driving project costs higher over the past several years, CIAC members have expressed a desire to update impact fees to ensure future developments pay their share for new or expanded utility infrastructure.

An impact fee is defined as “a charge or assessment imposed by a political subdivision against new development in order to generate revenue for funding or recouping costs of capital improvements or facility expansions necessitated by and attributable to the new development.”

The CIAC Chairperson, Mr. Paul Mebane, has drafted a Water/Wastewater Impact Fee Update Schedule (**Exhibit A**). A copy of the schedule from the last impact update (**Exhibit B**) and legal Q&A (**Exhibit C**) are also provided for reference. Note that the next Impact Fee Study can be initiated earlier if a budget amendment is approved by City Council and funds are allocated for the current fiscal year. Based on a review of impact fee balances, sufficient funds are available to support the estimated cost of the study.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

- Supports Priority 1.4 Develop Sustainable Financing Strategies Aligned with Service Delivery Expectations of the Strategic Action Plan.
- Supports Priority 3.1 Enhance and Ensure Continuity of Reliable Water Resources in Accordance with CCN Obligations of the Strategic Action Plan.
- Supports Priority 3.2 Enhance and Ensure Continuity of Reliable Wastewater Treatment in Accordance with CCN Obligations of the Strategic Action Plan.

**LONGTERM FINANCIAL & BUDGETARY IMPACT:**

Impact fees are a tool that cities can use to recoup some of the costs of capital improvements or facility expansions necessitated by and attributable to new development. Put more simply, impact fees require new developments to pay for the costs that new development places on city infrastructure.

**LEGAL ANALYSIS:**

N/A

**RECOMMENDATION/PROPOSED MOTION:**

N/A



EXHIBIT A

DRAFT 2/7/24

WATER/WASTEWATER IMPACT FEE UPDATE SCHEDULE

<u>DATE</u>	<u>DESCRIPTION</u>	<u>ACTION BY</u>
Sept 2024	Add Impact Fee Study to FY25 Budget (\$75,000+/-?)	Staff
	CIAC Meeting	CIAC
	Release RFP for Study	Staff
October	City Council Approval to Award Study	Staff
	Award 6-month+/- Study	Staff
March 2025	Draft Report to City for Review	Contractor
	CIAC Meeting to Review Preliminary Study Results	Staff/CIAC
	Comments on Draft Report Back to Contactor	Staff
April	City Council Meeting	
	- Presentation on Results of Study	Staff
	- Impact Fee Recommendation to City Council	CIAC
	- Resolution for Public Hearing Date <i>(Public Hearing within 60 days of Resolution)</i>	City Staff
	Publish Notice of Public Hearing <i>(Notice at least 30 days before Hearing)</i>	City Staff
	Final Report to City	Contractor
May	Public Hearing	City Staff
	City Council Meeting	
	- Resolution/Ordinance Approving Impact Fee <i>(Adoption within 30 days of Public Hearing)</i>	City Staff

**Water/Wastewater Impact Fee Update  
Draft Schedule of Important Dates**

<u>DATE</u>	<u>DESCRIPTION</u>	<u>ACTION BY</u>
Aug 28	Project Kickoff Meeting	City Staff
Sept 25	<u>CIAC Meeting #1</u> : Land Use Assumptions and Impact Fee 101	CIAC
Oct 3	<u>Council Meeting #1</u> : Impact Fees 101	City Council
Oct 28	<u>Progress Meeting</u> : Discuss impact fee calculation	City Staff
Nov 15	Draft Impact Fee Report to City for review (comments due by Nov 29)	FNI
Dec 5	Revised Draft report, impact fee calculations, benchmarking to CIAC	City Staff
Dec 12	<u>CIAC Meeting #2</u> : Impact fee calculations, benchmarking consideration/recommendation of impact fee	CIAC
Jan 2	<u>Council Meeting #2</u> : Resolution by City Council establishing Public Hearing date to consider possible adoption of impact fee (PH within 60 days of resolution) and presentation on results of Impact Fee Study	City Council
Jan 13	Final sealed Report to City	FNI
Jan 17	Publish Notice of Public Hearing on impact fee (at least 30 days before PH; Report made available to public)	City Staff
Feb 3	Impact fee written recommendation to City Council by CIAC	CIAC
Feb 10	CIAC recommendation due to City Secretary/Council (at least 5 business days prior to PH)	City Staff
Feb 20	<u>Council Meeting #3</u> : Public Hearing on Impact Fee; Resolution/Ordinance approving impact fee ( <i>adoption within 30 days of PH</i> )	City Council

*Public Notice:*

- *By certified mail to anyone with written requests 2 years prior to the plan process*
- *1 or more newspapers in county where the municipality resides*

# EXHIBIT C

## Legal Q&A

By **Tad Cleaves**, TML Legal Counsel

Access to quality, functional water, sewer and roadway infrastructure can be a powerful driver of economic development in and around a city, but sometimes financing infrastructure expansion can be difficult. One tool a city can use to finance the cost of infrastructure expansion is impact fees, which can be adopted following the procedures detailed in Chapter 395 of the Texas Local Government Code (“Chapter 395”).

### **Q What is an impact fee?**

**A** An “impact fee” is defined, by statute, as “a charge or assessment imposed by a political subdivision against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development.” Tex. Loc. Gov’t Code § 395.001(4). Put more simply, an impact fee is a tool that cities can use to recoup, from property developers, some of the costs that new development places on city infrastructure. Impact fees require new development to pay for the costs of new development.

### **Q What costs may be funded by impact fees?**

**A** Impact fees may only be used to pay certain costs for: (1) constructing capital improvements or facility expansions for water supply, treatment, and distribution facilities; (2) wastewater collection and treatment facilities; (3) stormwater, drainage and flood control facilities; and (4) roadways. *Id.* § 395.001(1). Not all costs associated with infrastructure expansion qualify –only costs authorized under Chapter 395 are allowable. Allowable costs include the costs of facility expansion or new facility construction such as: (1) construction contract price; (2) surveying and engineering fees; and (3) land acquisition costs. *Id.* § 395.012(a). Fees paid to a non-city engineer or financial consultant related to preparing or updating the capital improvement plan can also be paid by impact fees. *Id.* § 395.012(a)(4). Additionally, certain financing charges related to permissible facilities improvements or expansions may be funded by impact fees, and impact fees may also be pledged to as security for bonds under certain circumstances. *Id.* § 395.012(d).

### **Q What items may not be paid for by an impact fee?**

**A** Chapter 395 provides that impact fees may not be adopted or used to fund the following items: (1) construction, acquisition, or expansion of public facilities or assets *not identified* in the capital improvements plan; (2) repair, operation, or maintenance of existing or new capital improvements or facility expansions; (3) upgrading, updating, expanding, or replacing existing capital improvements to serve existing development in order to meet stricter safety, efficiency, environmental, or regulatory standards; (4) upgrading, updating, expanding, or replacing existing capital improvements to provide better service to existing development; (5) administrative and operating costs of the city;

## EXHIBIT C

and (6) principal payments of interest or other finance charges on bonds or other indebtedness unless otherwise authorized under Chapter 395. *Id.* § 395.013.

### **Q Where can a city assess impact fees?**

**A** An impact fee may be imposed within the corporate limits of a city. *Id.* § 395.011(b). Impact fees may also be imposed in the city’s extraterritorial jurisdiction (ETJ), except that impact fees may not be imposed in the ETJ for roadway facilities. *Id.* § 395.011(b). The area where impact fees may be assessed is called the “Service Area.” For roadway facilities, the Service Area is limited to an area within the corporate boundaries of the city, not to exceed six miles. *Id.* § 395.001(9). For storm water, drainage, and flood control facilities, the Service Area may include all or part of the land within the city or its ETJ, but shall not exceed the area actually served by the storm water, drainage, and flood control facilities designated in the capital improvements plan and shall not extend across watershed boundaries. *Id.*

In areas outside both the corporate limits and ETJ of the city, a city may only impose impact fees for capital improvements by contract (but not for roadway facilities even by contract). *Id.* § 395.011(c).

### **Q Are there procedural prerequisites for establishing an impact fee?**

**A** Yes. Before a city can take final action to impose impact fees, the city must first appoint a Capital Improvements Advisory Committee and then adopt: (1) a Capital Improvements Plan; and (2) Land Use Assumptions.

### **Q What are Land Use Assumptions?**

**A** Land use assumptions are essentially documentation containing a description of the Service Area and projections of changes in land uses, densities, intensities, and population in the Service Area over at least a 10-year period. *Id.* § 395.001(5).

### **Q What is the Capital Improvements Plan (CIP)?**

**A** Based on the projections contained in the land use assumptions, the city also prepares a draft of a CIP detailing the capital improvements that will need to be made over the term of the plan to meet existing and projected future needs. *Id.* § 395.001(2). The CIP must be developed by qualified professionals using generally accepted engineering and planning practices. *Id.* § 395.0411. The land use assumptions and CIP are detailed documents that form the basis for calculating permissible impact fees.

### **Q What is the Capital Improvements Advisory Committee?**

**A** The capital improvements advisory committee (“Committee”) is an advisory committee appointed by city council to assist with the impact fee adoption and implementation process. The city council must appoint the Committee before passage of the ordinance setting the public hearing on the CIP and land use assumptions. *Id.* §

## EXHIBIT C

395.058. Practically speaking, once a city has decided to consider adopting an impact fee, appointment of the Committee is the first official action. In some cities, members of the Planning and Zoning Commission also serve as the Committee.

The Committee’s purpose is to: (1) advise and assist the city in adopting the land use assumptions; (2) review and file written comments on the city’s CIP; (3) monitor and evaluate implementation of the CIP; (4) file semiannual reports with respect to the progress of the CIP and report to the city any perceived inequities in implementing the plan or imposing the impact fee; and (5) advise the city of the need to update or revise the land use assumptions, CIP, or impact fee. *Id.* §§ 395.058(c), 395.050. Be aware that these are not simply ad-hoc committees that disappear once an impact fee ordinance has been adopted. Due to the Committee’s obligation to provide semiannual reports and advise the city council with regard to the CIP and land use assumptions, the Committee should meet on a regular basis.

### **Q Who may serve on the Capital Improvements Advisory Committee?**

**A** The advisory committee must be composed of at least five members. At least 40 percent of the members of the advisory committee must be representatives of the real estate, development, or building community, and not employees or officials of the city. *Id.* § 395.058(b).

### **Q What is the procedure for adopting an impact fee?**

**A** Adoption of an impact fee requires strict compliance with several detailed statutory steps, lest the city open itself up to potential legal challenge. This is a technical process with specific notice and hearing timelines, so if a city wishes to adopt impact fees or update its impact fees, it should involve its professionals early, including the city attorney and city engineer. The following is a summary of the procedural steps:

- (1) **Draft CIP and Land Use Assumptions.** The city must prepare a draft of its land use assumptions and CIP. *Id.* § 395.042. In practice, the Committee generally creates or updates these drafts in advance of the hearing described below.
- (2) **Set Hearing on CIP and Land Use Assumptions.** The council must adopt an order, resolution, or ordinance establishing a public hearing date to consider the CIP and land use assumptions. *Id.* Proper notice of the hearing must be given at least 31 days in advance of the date of the hearing. *Id.* § 395.044.
- (3) **Hold Public Hearing on CIP and Land Use Assumptions.** At the hearing, the council must allow all who desire to speak for or against the CIP or land use assumptions, or any other topic related to the upcoming impact fees, to present their views to the council. *Id.* § 395.044(c)(4).
- (4) **Vote to Adopt an Ordinance Approving the CIP and Land Use Assumptions.** After the conclusion of the hearing, the council should

## EXHIBIT C

“determine whether to adopt or reject an ordinance, order, or resolution approving the land use assumptions and capital improvements plan.” *Id.* § 395.045(a). Whether this “determination” step is a distinct requirement from simply adopting the CIP and land use assumptions is debatable. Regardless, within 30 days after the hearing, the city council must adopt an ordinance, order, or resolution approving the CIP and land use assumptions. *Id.* § 395.045(b).

- (5) **Set Hearing on Impact Fees.** Assuming the city adopts the ordinance approving the CIP and land use assumptions, the city council must adopt an order or resolution setting a public hearing to consider the imposition of the impact fee. *Id.* § 395.047. Proper notice of the hearing must be given at least 31 days in advance of the date of the hearing. *Id.* § 395.049.
- (6) **Advisory Committee Comments.** At least six business days before the hearing on the imposition of impact fees, the Committee must file written comments concerning the proposed impact fees. *Id.* § 395.050.
- (7) **Hold Public Hearing on Impact Fees.** At the hearing on imposition of impact fees, the city council must allow all who desire to speak for or against the impact fees, or any other topic related to the upcoming impact fees, to present their views to the council. *Id.* § 395.049(c)(5).
- (8) **Approve Impact Fee.** Within 30 days after the hearing on the imposition of impact fees, the city council must approve or disapprove the impact fees by order, ordinance, or resolution. *Id.* § 395.051.

### **Q When is an ordinance, order or resolution adopting impact fees effective?**

**A** An ordinance, order or resolution establishing an impact fee can be effective immediately upon adoption, but the validity of such ordinance, order or resolution can be challenged in court. A lawsuit to contest the validity of an impact fee must be filed within 90 days from the date of adoption of the ordinance, order or resolution. *Id.* § 395.077. To avoid refunding collected impact fees following a successful appeal, some cities delay the implementation of impact fees until after the 90-day appeal period has expired.

### **Q How much in impact fees may a city charge?**

**A** An impact fee may not exceed the cost of capital improvements and facility expansions required by the new development (as calculated by a professional engineer), minus a credit in an amount equal to either: (1) the new property taxes and utility revenue generated by the development; or (2) 50 percent of total costs of the capital improvements, with that figure being divided by the total number of projected service units attributable to the new development. *Id.* § 395.015. Additionally, any construction of, contributions to, or dedications of off-site roadway facilities agreed to or required by the city as a condition of development approval shall be credited against roadway facilities impact fees otherwise due from the development. *Id.* § 395.023. It is up to the

## EXHIBIT C

city, with the advice of its professionals, to determine which of the two credits above will be subtracted from the costs when calculating the impact fee.

### **Q What is the difference between impact fee “assessment” and “collection?”**

**A** “Assessment” is the determination of the maximum amount of the impact fee that can be charged per service unit of development on the date when the impact fee amount is calculated as discussed below. *Id.* § 395.016(f). “Collection” is the actual payment of the assessed impact fee to the city.

### **Q When may an impact fee be assessed and collected from a developer?**

**A** Generally, impact fees are assessed on development at the time the final plat of the property is recorded. *Id.* § 395.016. Impact fees are generally collected when a building permit is issued or, in some cases, when a meter is installed. *Id.* § 395.016. Keep in mind that, with certain exceptions, impact fees generally may be assessed but not collected where services are unavailable. *Id.* § 395.019. Chapter 395 provides different timeframes for assessment and collection of impact fees based on when the impact fees were adopted, so cities should carefully review Chapter 395 before taking final action. Additionally, the landowner and the city can set, by agreement, the time and method of payment of impact fees. *Id.* § 395.018.

### **Q When is it too late to assess an impact fee on new development?**

**A** If an impact fee is adopted after the land being developed is platted, fees cannot be assessed on any service unit that receives its building permit within one year after adoption of the impact fee. *Id.* § 395.016(c).

### **Q Should a city segregate impact fee funds from other municipal funds ?**

**A** Yes. Because impact fee funds may be spent only for the purposes for which the impact fee was imposed, mingling the funds with other city revenues can be problematic. The order, ordinance, or resolution levying an impact fee must provide that all funds collected through the adoption of an impact fee shall be deposited in interest-bearing accounts clearly identifying the category of capital improvements or facility expansions within the service area for which the fee was adopted. *Id.* § 395.024(a). Furthermore, interest earned by impact fees is subject to the same use restrictions placed on the use of impact fee funds. *Id.* § 395.024(d).

### **Q What fees and other development tools are not considered impact fees (and thus not subject to the procedures or restrictions under Chapter 395)?**

**A** A number of land development costs are not considered impact fees, and thus are not subject to the detailed procedures and formulas set forth in Chapter 395, including: (1) dedication of land for public parks; (2) payment in lieu of the dedication of parks; (3) dedication of rights-of-way or easements for on-site or off-site water distribution, wastewater collection or drainage facilities, or streets, sidewalks, or curbs if the

## EXHIBIT C

dedication or construction is required by a valid ordinance and is necessitated by and attributable to the new development; (4) construction or dedication of on-site or off-site water distribution, wastewater collection or drainage facilities, or streets, sidewalks, or curbs if the dedication or construction is required by a valid ordinance and is necessitated by and attributable to the new development; (5) lot or acreage fees to be placed in trust funds for the purpose of reimbursing developers for oversizing or constructing water or sewer mains or lines; and (6) other pro rata fees for reimbursement of water or sewer mains or lines extended by the political subdivision. *Id.* § 395.001(4).

### **Q Is a city required to review its CIP, Land Use Assumptions or impact fees after adoption?**

**A** Yes. A city imposing impact fees must hold hearings and update its CIP and land use assumptions at least every five years. *Id.* § 395.052. Chapter 395 contains detailed procedures for hearings, review, and amendment of the CIP, which are essentially the same as the procedures for initial adoption. *Id.* §§ 395.053-395.0575. Keep in mind that the Committee is required to make semiannual reports to the city council as well as advise the council with respect to the progress of the CIP.