



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

Thursday, September 05, 2024 at 9:00 AM

Fair Oaks Ranch Homeowners Association Office, 7286 Dietz Elkhorn, Fair Oaks Ranch

AGENDA

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 March 21, 2024 Regular Capital Improvements Advisory Committee meeting minutes.

Amanda Valdez, TRMC, Deputy City Secretary

REVIEW OF COMMITTEE ACTIONS ITEMS

4. Semiannual Report from March 2024.

Paul Mebane, CIAC Chairman

REVIEW OF CAPITAL IMPROVEMENT PROJECTS

5. Willow Wind / Red Bud Hill / Rolling Acres Trail waterline replacement. (Not an Impact Fee Project)

Steve Fried, Assistant Director of Public Works

6. Old Fredericksburg Road Waterline Replacement. (Not an Impact Fee Project)

Steve Fried, Assistant Director of Public Works

7. SAWS Emergency Interconnection. (Not an Impact Fee Project)

Steve Fried, Assistant Director of Public Works

[8.](#) Plant 3 Electrical Upgrades. (Not an Impact Fee Project)

Steve Fried, Assistant Director of Public Works

[9.](#) Tank Maintenance Program. (Not an Impact Fee Project)

Steve Fried, Assistant Director of Public Works

UPDATE ON IMPACT FEE CAPITAL PROJECTS

[10.](#) Impact Fee Capital Improvement Project Summary:

- Water CIP with Map
- Wastewater CIP with Map

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

[11.](#) Elevated Storage Tank / Pressure Reducing Valves.

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

[12.](#) Wastewater Treatment Plant (WWTP) Phase 1 Expansion.

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

[13.](#) Cojak Circle Manhole and Sewer Upgrades.

Steve Fried, Assistant Director of Public Works

[14.](#) Water Plant 5 Ground Storage Tank.

Steve Fried, Assistant Director of Public Works

REVIEW OF AND LAND USE ASSUMPTIONS

[15.](#) Land Use Assumptions (LUA) Update.

- LUA Summary - From February 1, 2024 through July 31, 2024
- Water and Wastewater Trend Charts (actual vs. projected growth)
- Demonstration of LUA Interactive Map

Amanda Wade, Public Works Administrative Support Specialist

CONSIDERATION / DISCUSSION ITEMS

[16.](#) Discussion regarding the next Impact Fee update.

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

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

Paul Mebane, Chairperson

FUTURE MEETINGS

18. Recognition of outgoing committee members.

Paul Mebane, Chairman

19. CIAC Semi-Annual Meeting March 6, 2025.

[20.](#) Consideration and possible action to schedule special meetings for an impact fee update.

Amanda Valdez, TRMC, Deputy City Secretary

ADJOURNMENT

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

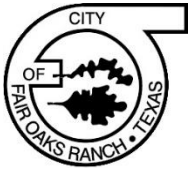
Signature of Agenda Approval: s/Paul Mebane

Paul Mebane, 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, 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, September 2, 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, March 21, 2024 at 9:00 AM

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

MINUTES

OPEN MEETING

1. Roll Call - Declaration of a Quorum.

CIAC Present: Chairman Paul Mebane and Vice Chair Chris Weigand, and Committee Members: Marcus Garcia, John Guidry, Seth Mitchell, and Jamin Kazarian

CIAC Absent: Committee Members: Joe DeCola, Dana Green, and Ben Koerner
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 September 7, 2023 Regular Capital Improvements Advisory Committee meeting minutes.

MOTION: Made by Committee Vice Chair Chris Weigand, seconded by Member John Guidry, to approve the Consent Agenda.

VOTE: 6-0; Motion Passed.

PRESENTATIONS

4. CIAC History and Overview.

Paul Mebane, Committee Chairman, provided an overview of the committee's charge.

REVIEW OF COMMITTEE ACTIONS ITEMS

5. Semiannual Report from September 2023.

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

REVIEW OF CAPITAL IMPROVEMENT PROJECTS

6. Wastewater Treatment Plant Solids Handling Improvements.

Grant Watanabe, P.E., Director of Public Works & Engineering Services, informed the committee that this project has been completed and is now in operation. He went on to explain that the City has had no need to haul sludge since June of 2023 as a result of these improvements.

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

Grant Watanabe, P.E., Director of Public Works & Engineering Services, informed everyone that design should be wrapped up in the next month. The replacement is to address the high occurrence of breaks on this waterline.

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, gave a brief overview of the projects and answered questions of the committee members.

9. Water Plant 5 Ground Storage Tank.

Grant Watanabe, P.E., Director of Public Works & Engineering Services, explained that the current 125,000-gallon tank is too small. The replacement tank has a 500,000-gallon capacity.

10. Elevated Storage Tank / Pressure Reducing Valves.

Grant Watanabe, P.E., Director of Public Works & Engineering Services, updated the committee to let them know that the City is in conversations with the City of Boerne to acquire land for the elevated storage tank.

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

Grant Watanabe, P.E., Director of Public Works & Engineering Services, updated the committee on the ongoing expansion.

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, explained that over the past 6 months staff has been working to replace LUA charts with an map that provided more details. Amanda demonstrated the webpage and its functions to the committee. Committee members thanked and commended staff on their hard work to create this tool.

CONSIDERATION / DISCUSSION ITEMS

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

The committee provided the following items to Chairman, Paul Mebane, for inclusion in his semiannual report to City Council:

- Impact Fees and the need to update them based on rising costs
- Encourage funding from City Council to engage an Impact Fee Study this fiscal year so that action may be taken in early 2025.

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

Grant Watanabe, P.E., Director of Public Works and Engineering Services, explained that a study would require additional meetings of the committee. The Chairman will call special meetings as necessary.

15. Bond Advisory Committee Update.

Seth Mitchell, Bond Advisory Committee Chairman, announced that the following meetings have been scheduled to complete the charge of the committee:

- April 3, 2024 at 6:00 PM
- April 17, 2024 at 9:00 AM
- May 8, 2024 at 6:00 PM

FUTURE MEETINGS

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

Chairman Mebane reminded all that the next regular meeting of the CIAC is scheduled to take place on September 5, 2024 at 9:00 AM.

ADJOURNMENT

Chairman Mebane adjourned the meeting at 10:16 AM.

ATTEST:

Paul Mebane, Chairman

Amanda Valdez, TRMC
Deputy City Secretary

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

**Capital Improvements Advisory Committee Semiannual Progress Report
March 21, 2024 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, March 21, 2024. Below are the members present along with their designation and term expiration:

- Paul Mebane, Chair (At Large) 9/30/25
- Chris Weigand, Vice Chair (Real Estate) 9/30/25
- John Guidry (At Large) 9/30/24
- Seth Mitchell (At Large) 9/30/24
- Marcus Garcia (Development) 9/30/25

Chairperson Mebane declared a quorum present.

Absent was:

- Joe DeCola (Real Estate) 9/30/24
- Dana Green (Development) 9/30/25
- Ben Koerner (At Large) 9/30/25

Council and Staff Present:

- Emily Stroup, Council Representative
- Gregory C. Maxton, Mayor

Scott M. Huizenga, City Manager
Grant Watanabe, P.E., Director of Public Works & Engineering Services
Amanda Wade, Public Works Administrative Assistant
Summer Fleming, Director of Finance
Amanda Valdez, Deputy City Secretary
Rachel Brown, Building Codes Administrative Assistant

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. It is recognized that construction and material costs have risen and that home building has been slower than forecasted which will affect future Impact Fees. The current Impact Fees were approved by Council in early 2020 and need to be updated in early 2025.
2. It is recommended that the Water, Wastewater and Reuse Master Plan be updated this year in order to present new Impact Fee recommendations to Council in early 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. One significant change to the Wastewater CIP has occurred. We are no longer planning to build a new Wastewater Treatment Plant and have started design work for the expansion of the existing treatment plant. The Wastewater CIP has \$25M for the plant while the expansion is estimated to cost about \$5M.
4. The current Impact Fees were based on a Freese and Nichols Study completed in 2019. While such a study is not currently in the budget for this fiscal year, the CIAC recommends that such a study be funded to be kicked off this September. Staff plans to present a budget amendment at a future City Council meeting to use existing impact fees to fund the needed Impact Fee Study.

The next Semi Annual CIAC meeting will take place on September 5, 2024.

Signed: Paul M Mebane
Paul Mebane, CIAC Chairperson

Date: 4/4/24

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

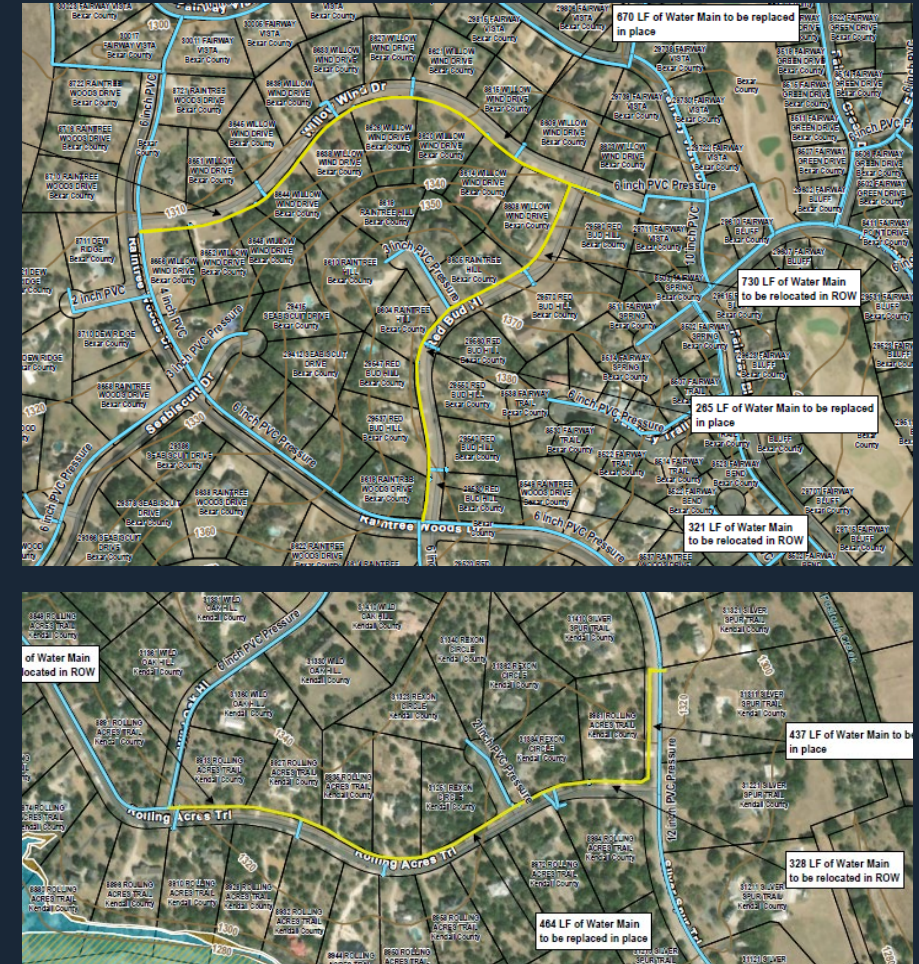


Item #5.

- Project replaces approximately 3,300 feet of waterline on Willow Wind Drive/Red Bud Hill and approximately 2,300 feet of waterline on Rolling Acres Trail.
- Main breaks (3-4 per year) are becoming more frequent
- Reduces O&M costs, service disruption to customers, and water loss
- **Total Estimated Cost = \$1,628,247**

Prioritization Score: 48

“Must Do” Project (Resiliency, high O&M costs)



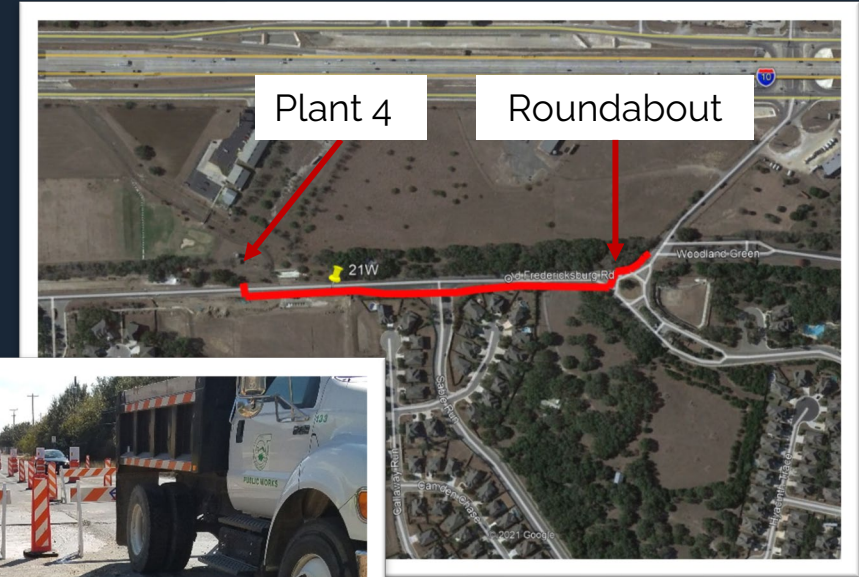
Old Fredericksburg Rd. Water Line Replacement (21W)



- Project replaces approximately 2700 linear feet of water main along and under Old Fredericksburg Rd.
- Main breaks (2 per year) are becoming more frequent and expensive due to traffic control requirements.
- Planned in conjunction with Bexar County road reconstruction project to gain efficiencies and reduce closure impact.
- **Total Estimated Cost = \$562,320**

Prioritization Score: 26

“Should Do” Project (Reduced O&M, City Priority)





SAWS Emergency Interconnect

- Project constructs an emergency interconnect with SAWS to provide a backup water source for Zone C
- Improves resiliency in the event of extended power outage or other event where FORU is unable to provide adequate flow or pressure
- Planned location is near intersection of Fair Oaks Parkway and IH-10 Access Rd.
- **Total Estimated Cost = \$200,000**

Prioritization Score: New project
"Must Do" Project [Resiliency, Regulatory (SB3)]



Upgrade Electrical at Plant No. 3 (5R)



Item #8.

- Project installs VFDs, modern electrical panels and other components to reduce wear and tear on equipment (motors, pumps, check valves, etc.) and improve utility operations.
- Plant 3 is the only major plant without VFDs.
- Existing electrical equipment is beyond its expected service life and requires replacement.
- **Total Estimated Cost = \$392,939**

Prioritization Score: 24

“Should Do” Project (Resiliency, Reduced O&M)



Tank Maintenance Program



- The City's seven ground storage tanks were last coated between 2004-2010. Due to the harsh Texas climate, tanks are normally coated every 10 years (exterior) and 15 years (interior) to prevent deterioration.
- As an alternative to CIP projects, the long-term tank maintenance program (10 or 15 year contract) will provide regular inspection, cleaning, recoating and rehab to meet TCEQ requirements for all tanks.
- **Total Estimated Cost = \$207,036 per year**

Prioritization Score: 33

"Should Do" Project (Reduced O&M, Regulatory)



Water Impact Fee and Project Summary

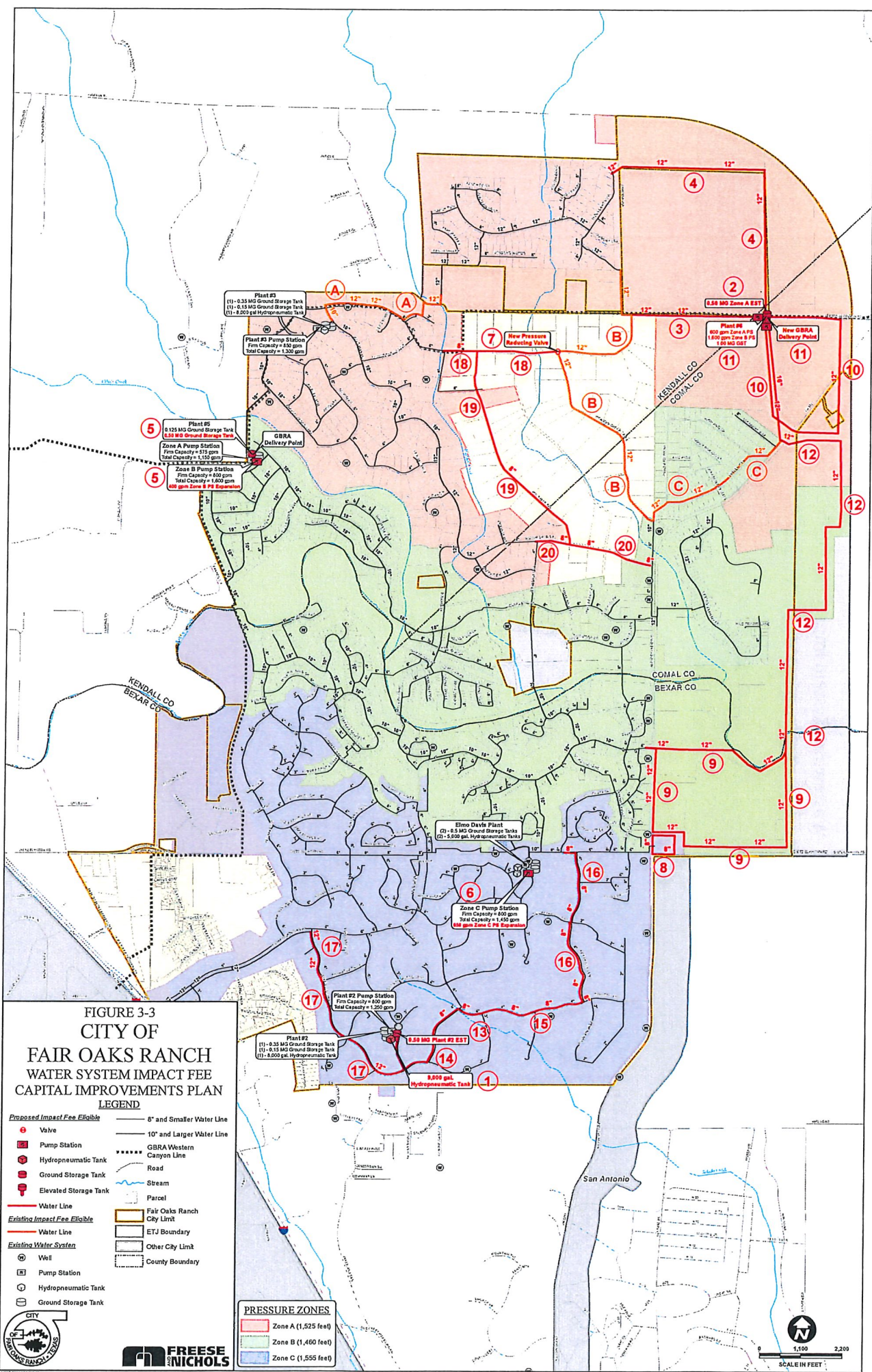
1999 Impact Fees		
Project Name Per Impact Fee Study	Project Description	Actual Project Costs
Groundwater Supply Facilities Component	Well # 36 - Deer Meadow	\$78,234
Groundwater Supply Facilities Component	Flow Lines Well - Deer Meadow	\$12,501
Groundwater Supply Facilities Component	FlowLines Well #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
Total Project Costs		\$320,475
Impact Fee Allowable Cost Limit Per Study		\$320,475
Impact Fees Collected		\$169,621

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
Impact Fee Allowable Cost Limit Per Study		\$559,311
Impact Fees Collected		\$1,100,068

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		-
Total Project Costs		\$1,648,511
Impact Fee Allowable Cost Limit Per Study		\$5,768,373
Impact Fees Collected		\$523,800

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		\$23,070
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		-
Total Project Costs			\$930,519
Impact Fee Allowable Cost Limit Per Study			\$17,852,217
Impact Fees Collected			\$1,236,389

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>
Total Project Costs		\$601,144
Impact Fee Allowable Cost Limit Per Study		\$343,294
Impact Fees Collected		\$309,499

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
Impact Fee Allowable Cost Limit Per Study		\$297,051
Impact Fees Collected		\$410,162

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		-
		-
Total Project Costs		\$50,435
Impact Fee Allowable Cost Limit Per Study		\$1,112,762
Impact Fees Collected		\$169,978

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 Decommission Falls Lift Station		-
2	New 0.6 mgd WWTP and Decommission 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		-
			-
Total Project Costs			\$36,000
Impact Fee Allowable Cost Limit Per Study			\$10,705,092
Impact Fees Collected			\$849,610

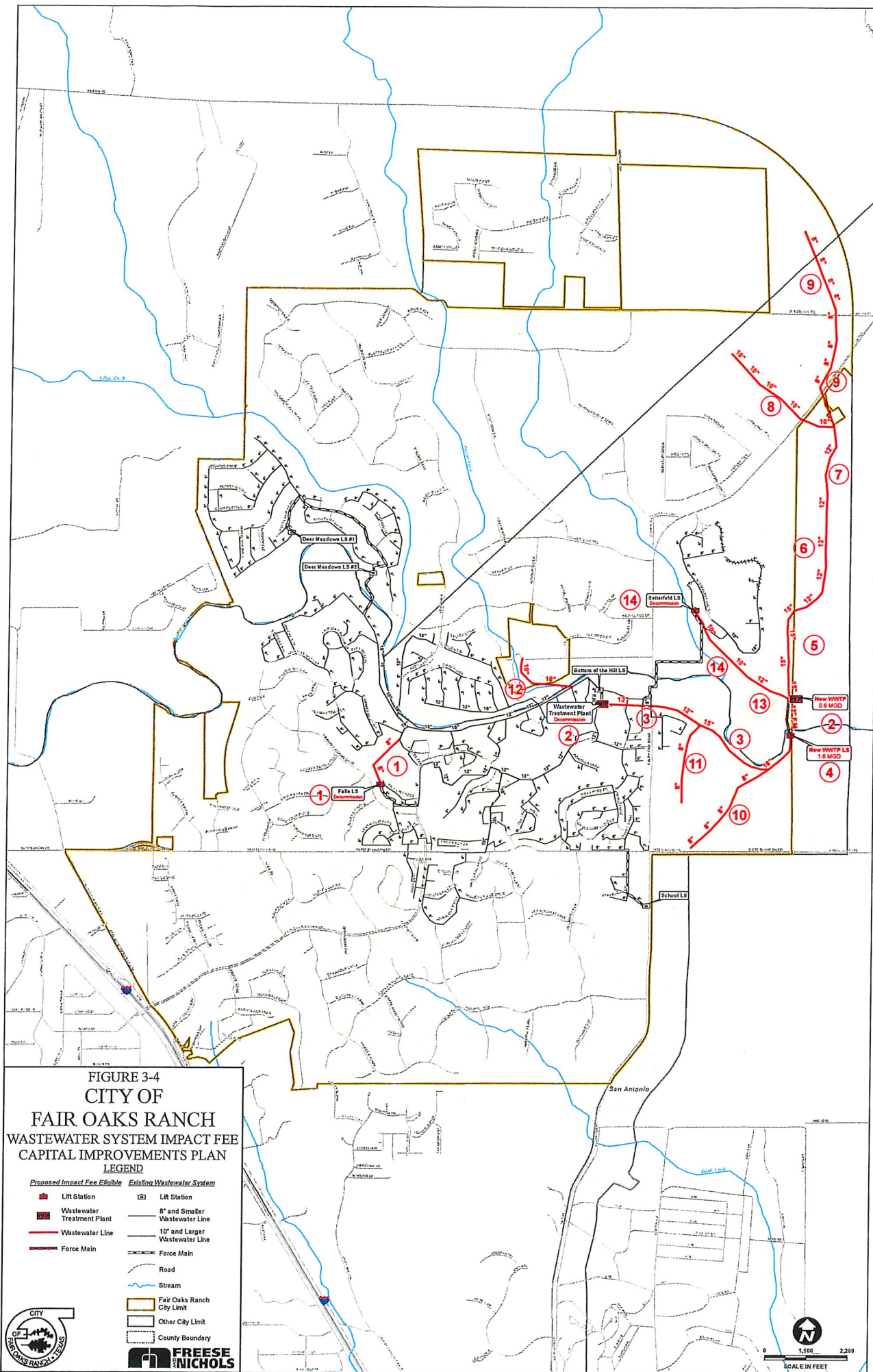


FIGURE 3-4
CITY OF
FAIR OAKS RANCH
WASTEWATER SYSTEM IMPACT FEE
CAPITAL IMPROVEMENTS PLAN
LEGEND

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	

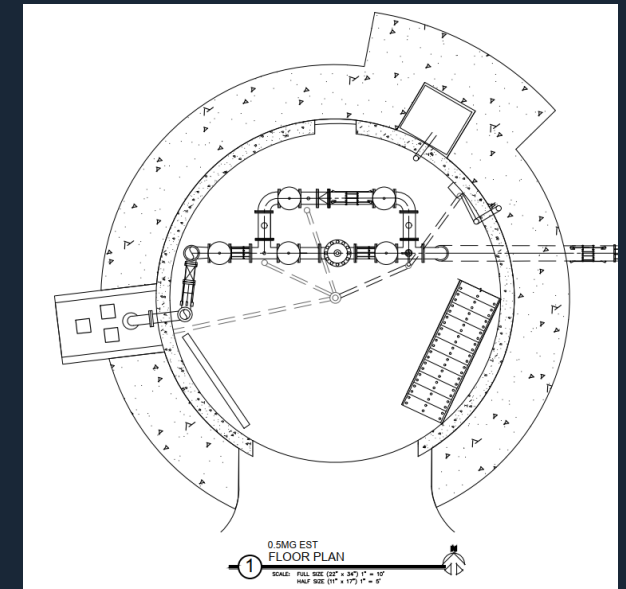
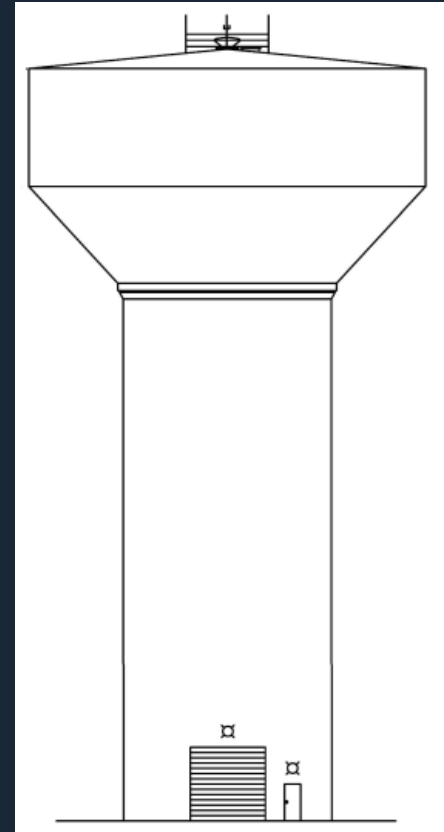
SCALE IN FEET: 0, 1,100, 2,200

Elevated Storage Tank (2W)

- Constructs a 500,000 gallon EST to improve water supply and pressure during peak demand, provide adequate fire protection, and reserve storage during extended power outage
- Large parts of the City fall below the NFPA minimum requirement to combat a house fire (1000 gallons per minute for 1 hour).
- In 2017, TCEQ cited the City for exceeding hydrotank capacity. The City responded that it plans to construct an EST to serve Zone A and B (interconnect with pressure reducing valves).
- **Total Estimated Cost = \$8,779,378**

Prioritization Score: 33

“Must Do” Project (Resiliency, Regulatory)





WWTP Phase I Expansion (2S)

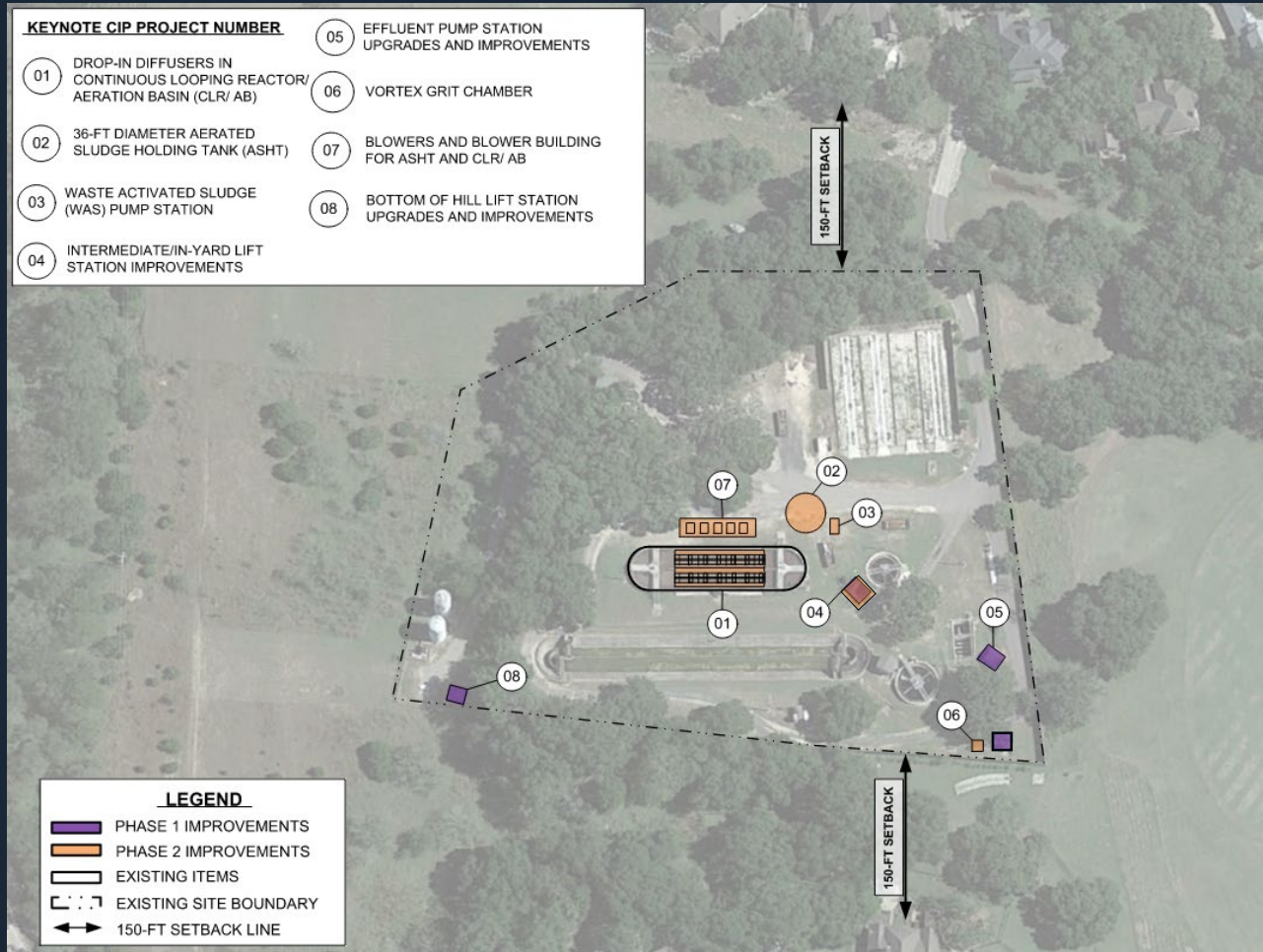
Phase 1 (Immediate Needs): \$5.6 million

- Effluent Pump Station and Conveyance Upgrade
- Bottom of the Hill LS Improvements
- Headworks Odor Control Improvements

Phase 2 (Future Needs): \$11.2 million

- Oxidation Ditch to Aeration Basin Retrofit
- Aerated Sludge Holding Tank
- Headworks Grit Removal
- Intermediate/In-Yard LS Improvements

Prioritization Score: 33
 "Must Do" Project (Regulatory)



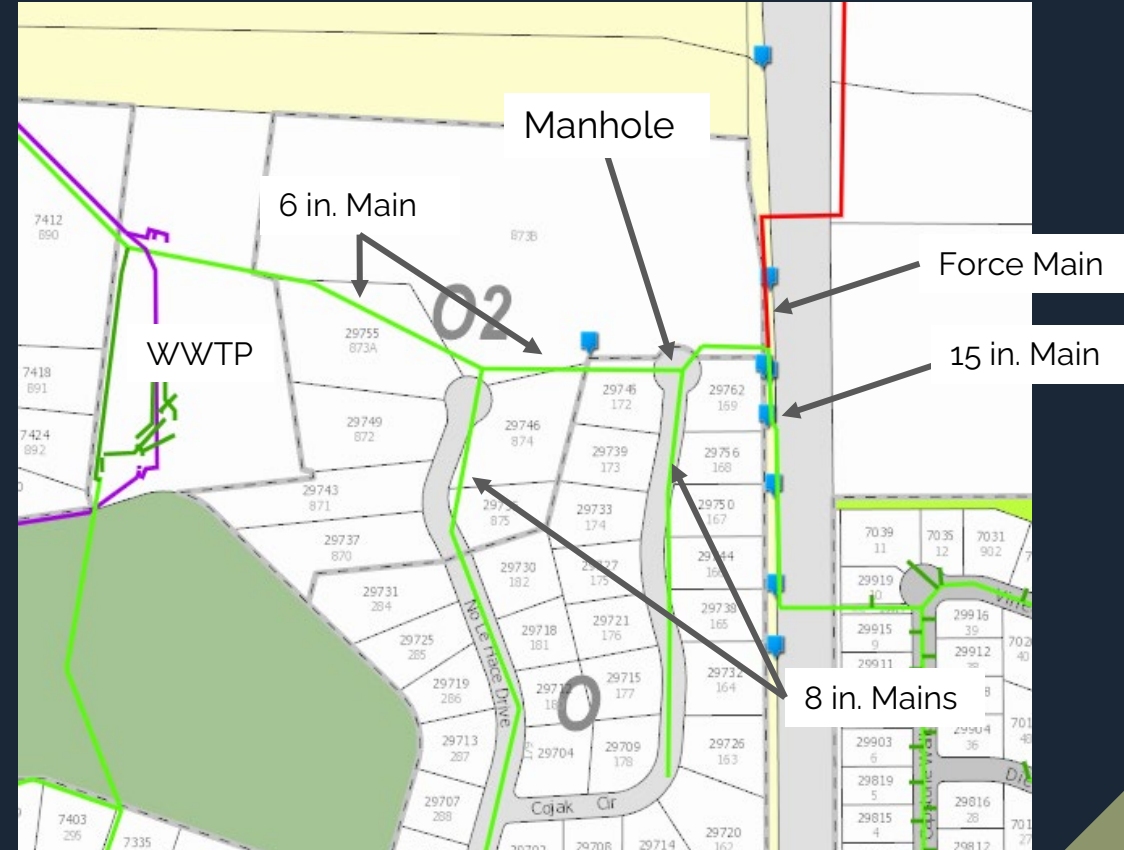
Cojak Circle Manhole and Sewer Upgrade



Item #13.

- Project upgrades Cojak Circle manhole and 1200 linear feet of 6 in. sewer line which is undersized.
- Flow from Arbors, Setterfeld, No Le Hace and Cojak Circle cause backups and high levels in manhole.
- Ongoing construction in the Arbors will exacerbate the issue, may result in spills during peak flow events.
- **Total Estimated Cost = \$650,000**

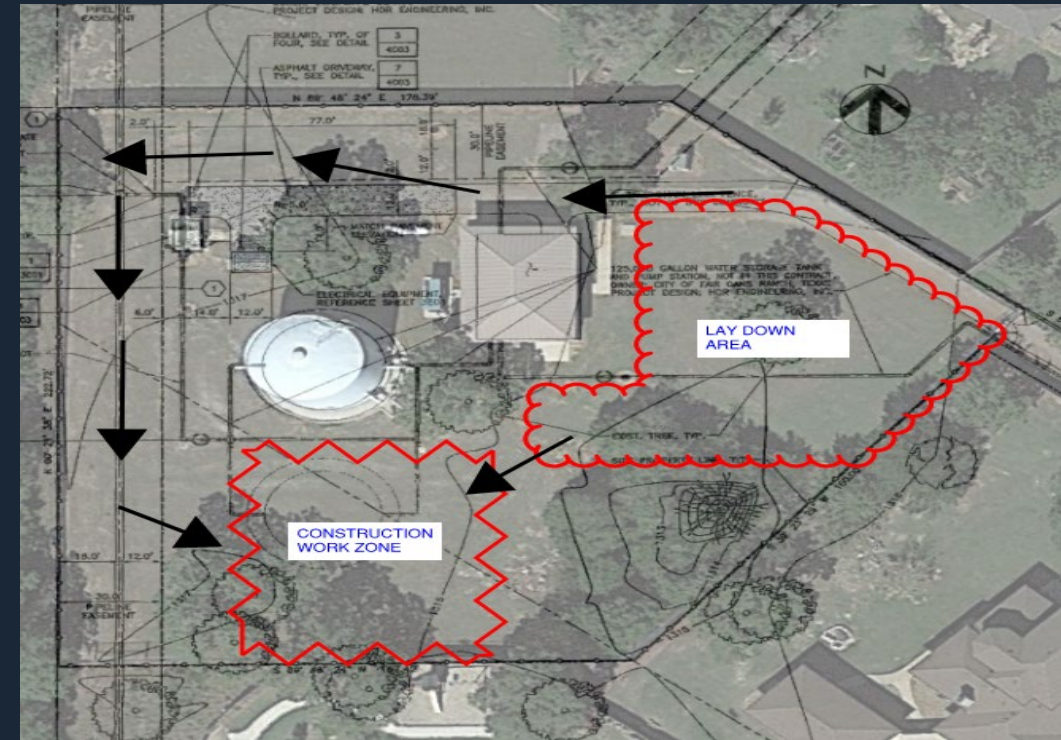
Prioritization Score: New project
"Must Do" Project (Resiliency, Health and Safety)



Expand Plant No. 5 (5W)



- Constructs a new 500,000 gallon Ground Storage Tank (GST) at Plant 5 to improve utility operations and resiliency during periods of high demand and extended power outages.
- The existing 125,000 gallon tank turns over multiple times a day. It is not capable of meeting peak demand each summer.
- Plant 5 supplies GBRA water directly to Plant 3 (Zone A) and Plant 1 (Zones B and C). The GST storage will enable utility staff to pump water to where it is needed most.
- **Total Estimated Cost = \$1,550,299**



Prioritization Score: 34

“Must Do” Project (Resiliency, Regulatory)

Land Use Assumptions Summary
As Of July 31, 2024

Land Use Assumptions Summary Update for CIAC Meeting September 5, 2024

Additions to LUA

No additions

Adjustments to LUA

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

Summary: February 1, 2024 to July 31, 2024

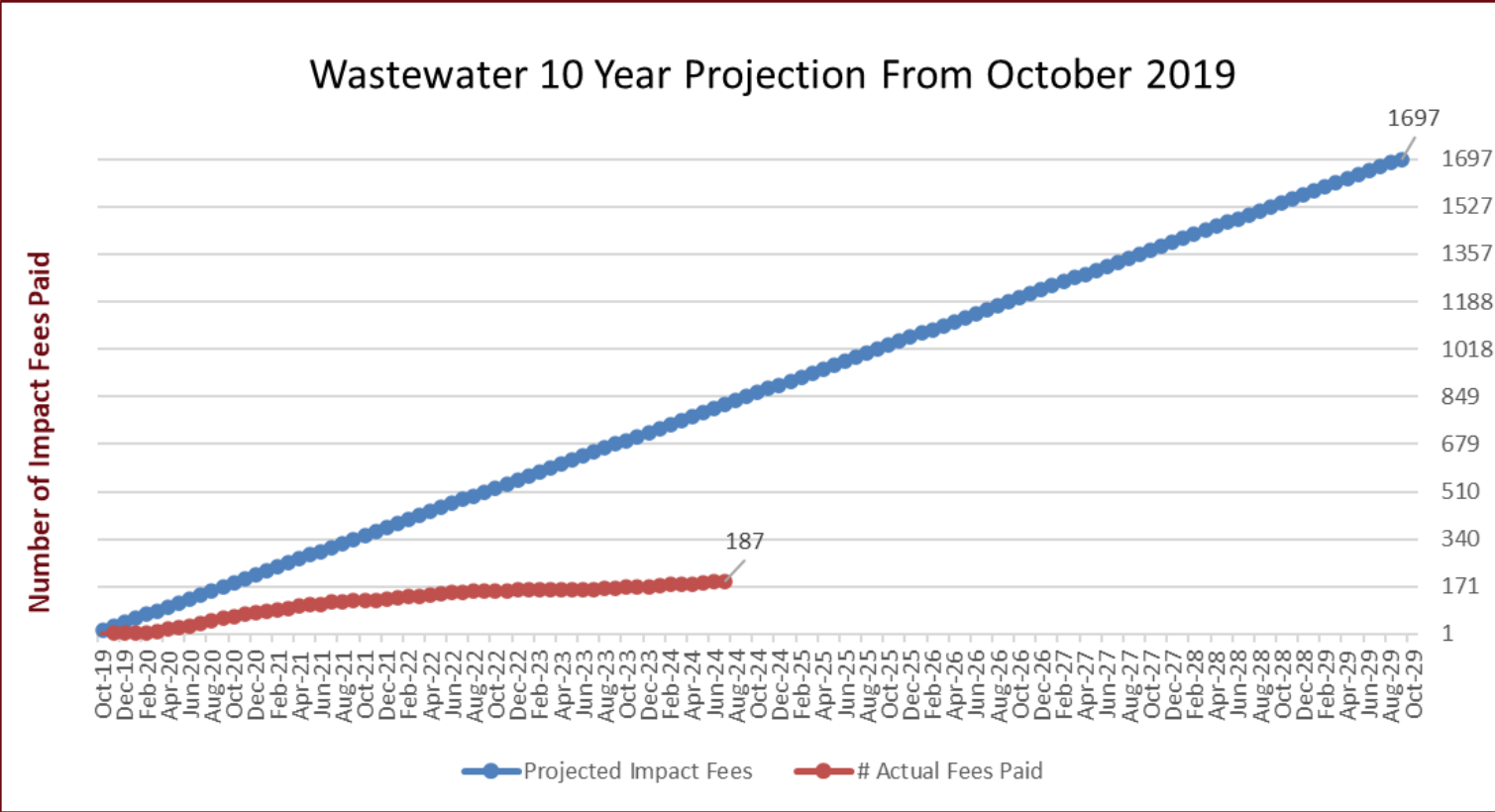
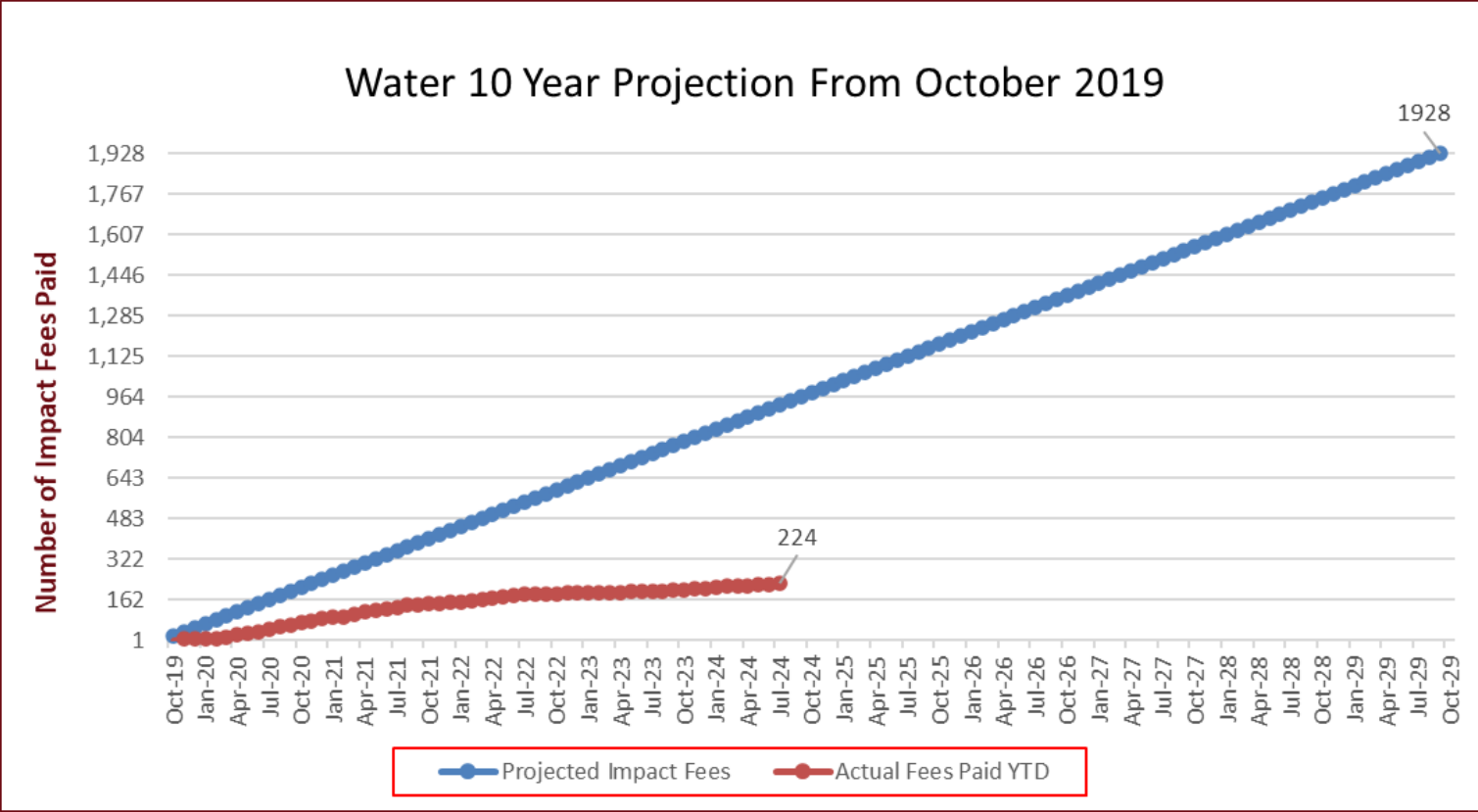
0 – Lots Added

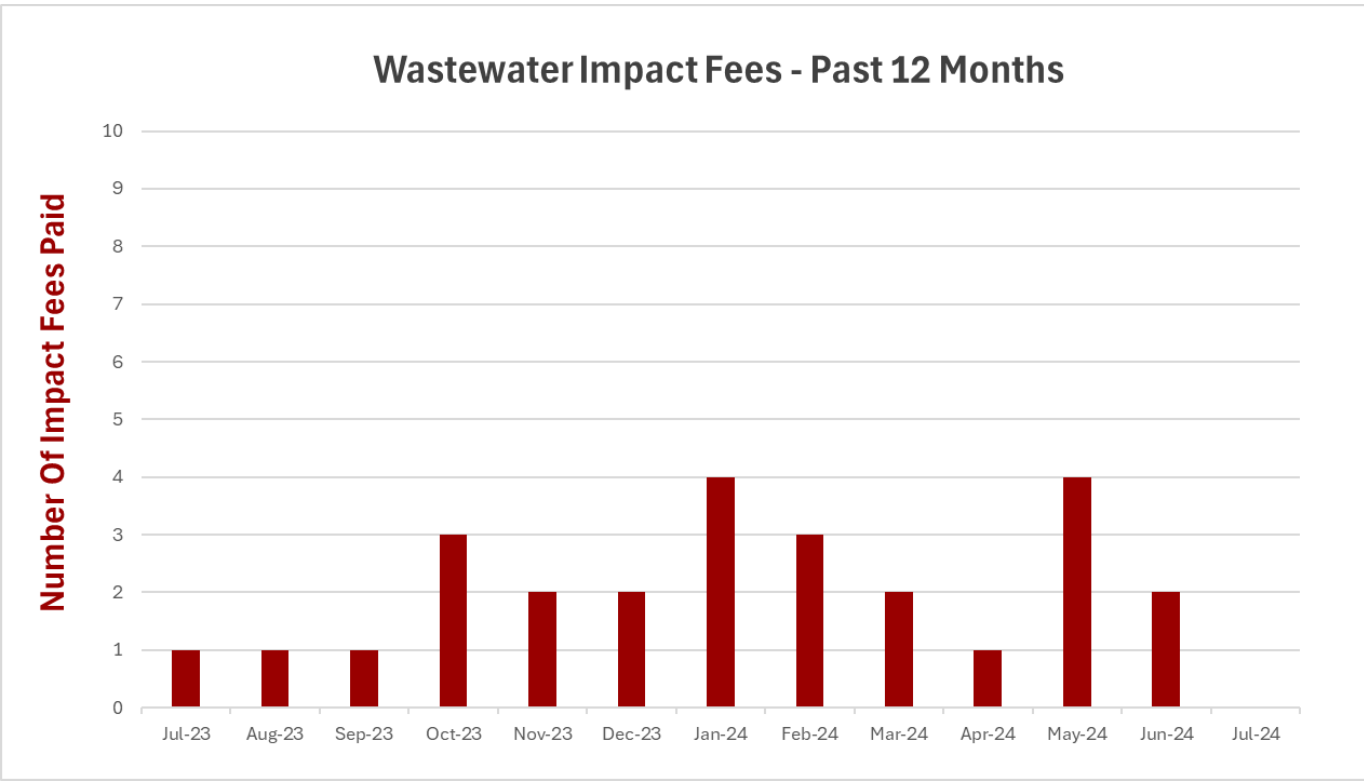
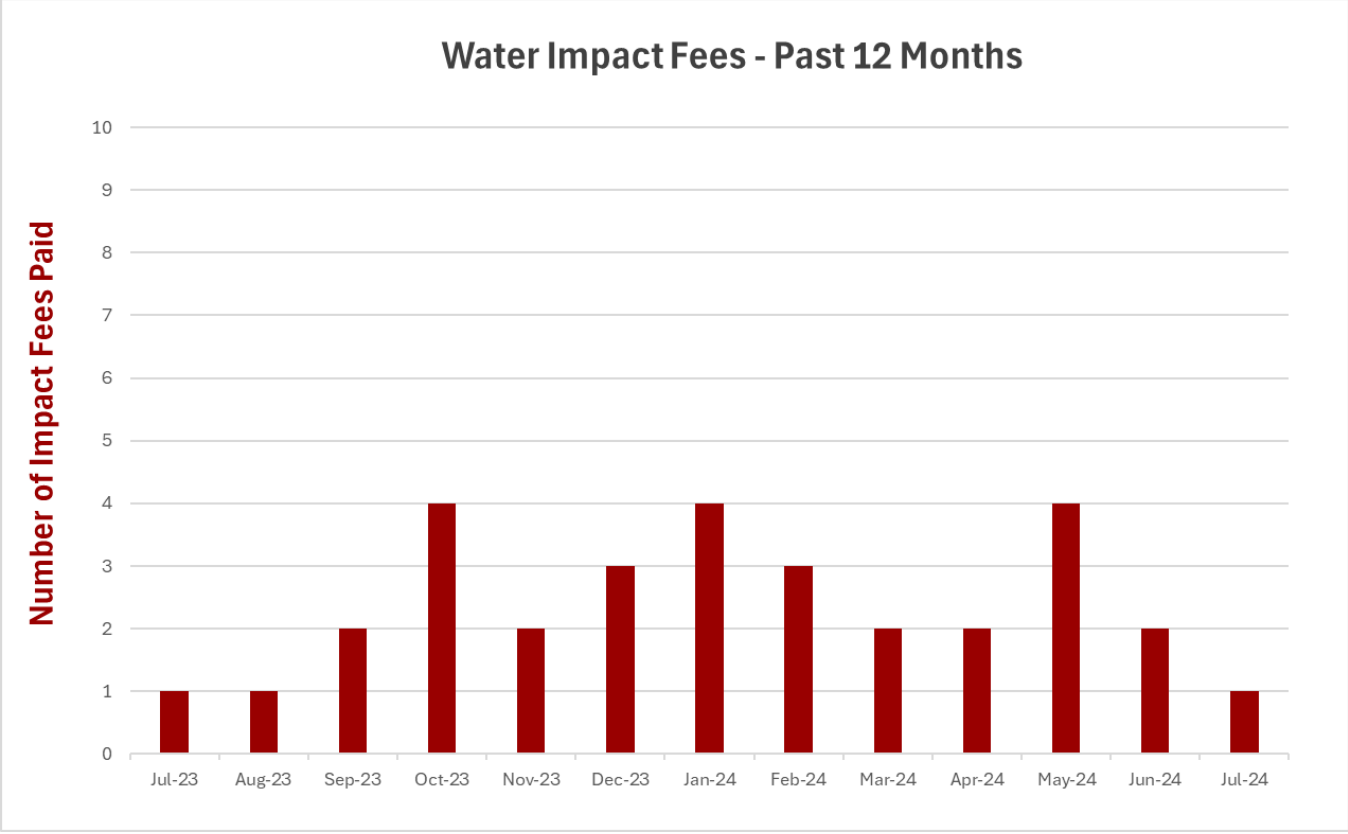
45 – Lots Improved

14 – Residential Water Connection Services Added

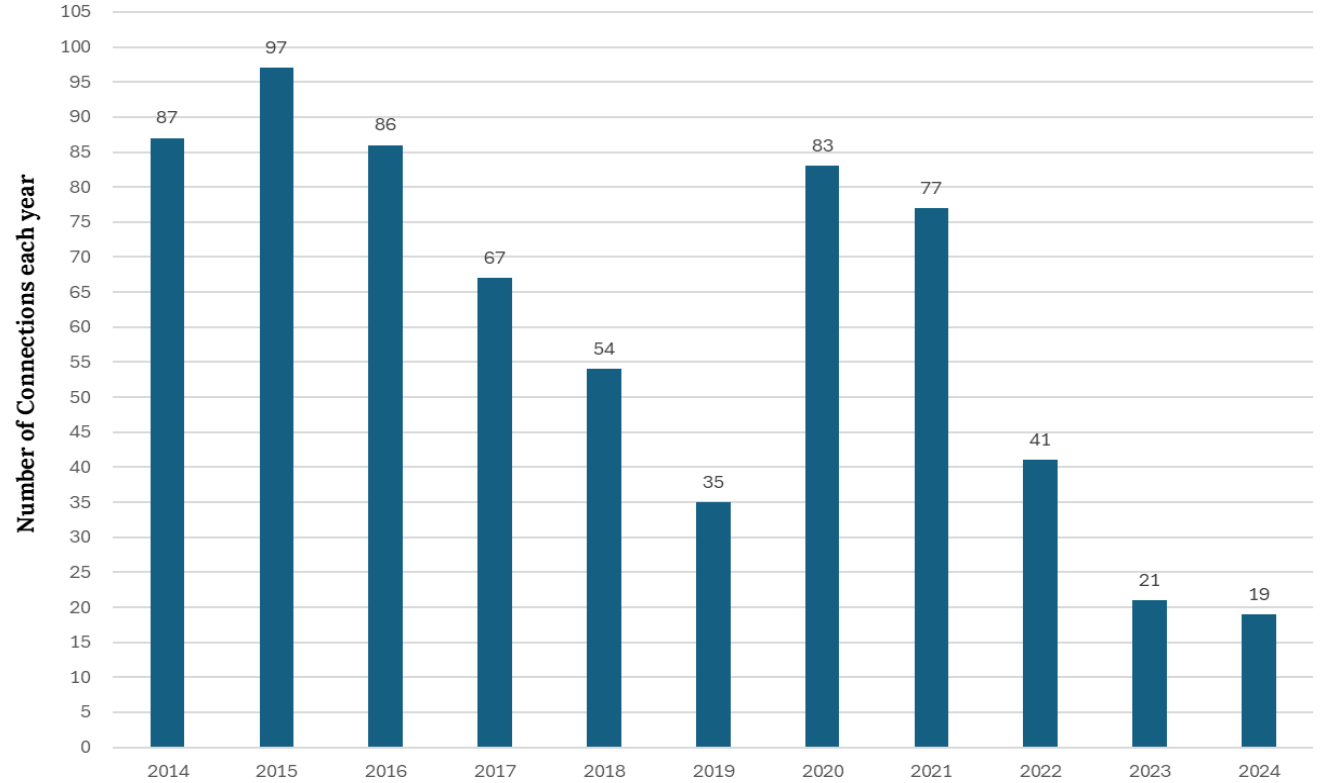
0 – Non-Residential Water Connection Services Added

12 – Wastewater Connection Services Added



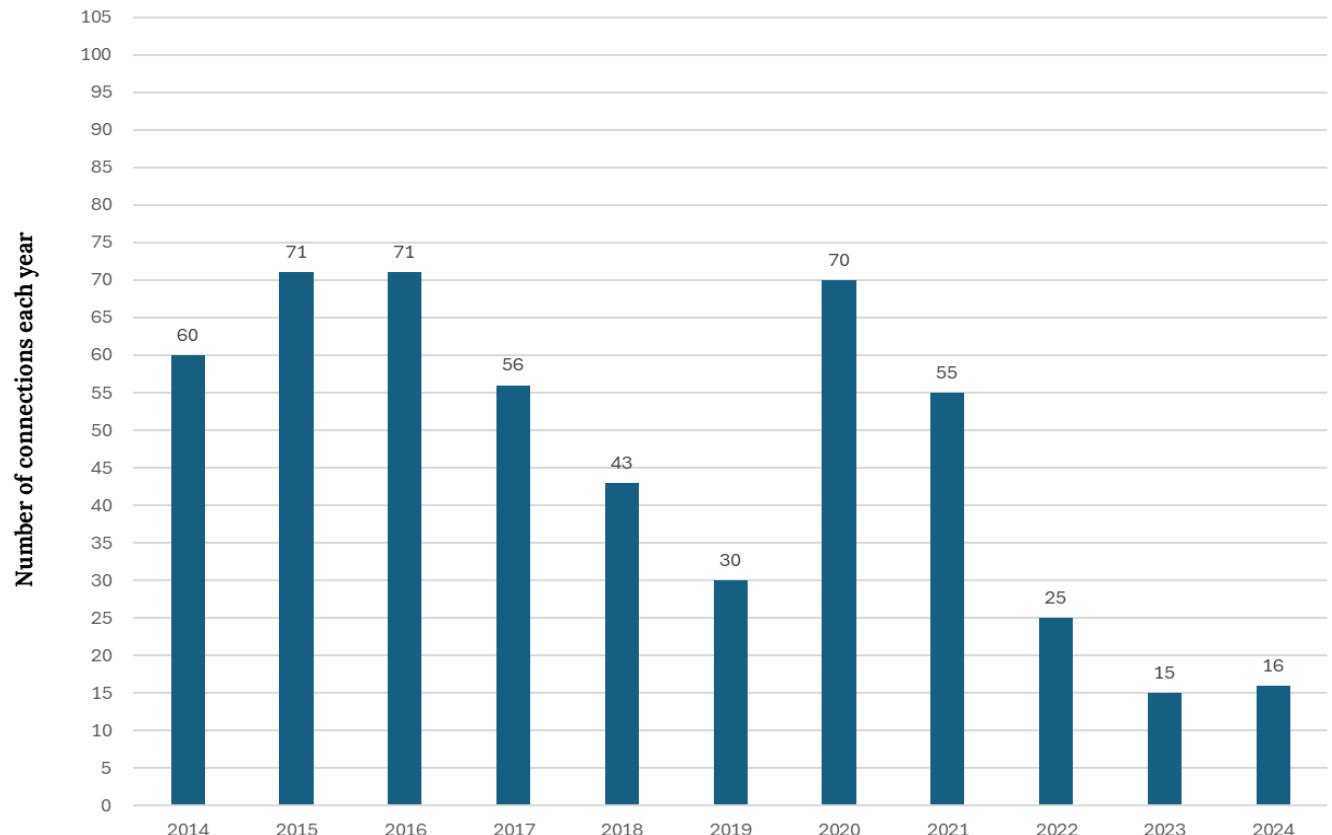


Water Connections Past 10 Years



10 year average - 65 water connections | Highest year 2015 | Lowest year 2023

Wastewater Connections Past 10 Years



10 year average - 50 wastewater connections | Highest year 2015 & 2016 | Lowest year 2023



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

AGENDA TOPIC: Discussion Regarding the next Impact Fee Update
DATE: September 5, 2024
DEPARTMENT: Public Works
PRESENTED BY: Grant Watanabe, P.E., Director of Public Works and Engineering Services

INTRODUCTION/BACKGROUND:

In accordance with Texas Local Government Code §395.052, a political subdivision imposing an impact fee shall update the land use assumptions (LUA) and capital improvement plan (CIP) 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 in 2025. This process will require a public hearing on the updated LUA, CIP and proposed impact fees prior to the adoption of new impact fees.

In addition, LGC §395.014 states that political subdivisions shall use qualified professionals to prepare the capital improvement plan and to calculate the impact fee. From the list of on-call consultants, Freese and Nichols, Inc. is a highly qualified consultant. The firm completed the City’s Water, Wastewater and Reuse Master Plan and conducted the 2015 and 2020 impact fee updates. They also have experience working with the City’s Capital Improvements Advisory Committee (CIAC) in calculating proposed impact fees and developing recommendations to City Council.

Staff have completed negotiations with Freese and Nichols, Inc. and a copy of the final proposal is attached as **Exhibit A**. Staff plan to present the proposal and a resolution at the September 5 regular City Council meeting for approval.

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.” 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.

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.

- Complies with Texas Local Government Code Chapter 395.

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.

The cost for this water and wastewater impact fee update is \$69,282. The cost paid in 2020 was \$72,000. As with past impact fee studies and updates, water and wastewater impact fees collected to date are available and will be used to fund the cost of this update.

Once the new proposed impact fees are developed, additional services may be warranted. An addendum to the work authorization may be issued in the amount detailed in the proposal.

LEGAL ANALYSIS:

N/A

RECOMMENDATION/PROPOSED MOTION:

N/A



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www.freese.com

August 6, 2024

Grant Watanabe, P.E., CFM
Director of Public Works & Engineering Services
City of Fair Oaks Ranch
7286 Dietz Elkhorn
Fair Oaks Ranch, Texas 78015
210-698-0900 x213

Dear Mr. Watanabe,

Freese and Nichols, Inc. is pleased to submit this proposal to provide professional services to the City of Fair Oaks Ranch for the Water and Wastewater Impact Fee Update.

We appreciate this opportunity to present this proposal. If additional information is desired, please do not hesitate to contact us.

Sincerely,
FREESE AND NICHOLS, INC.

A handwritten signature in blue ink that reads 'Jessica P. Vassar'.

Jessica Vassar, P.E.
Project Manager

**City of Fair Oaks Ranch
Water and Wastewater Impact Fee Update
Scope of Work**

Project Understanding:

Freese and Nichols, Inc. (FNI) understands that the City of Fair Oaks Ranch (City) is seeking to update their water and wastewater impact fees consistent with the requirements of Chapter 395 of the Texas Local Government Code. FNI will work with City staff to develop land use assumptions and the impact fee capital improvements plan. The study will be coordinated through a Capital Improvements Advisory Committee (appointed by the City) and culminate with adoption through a public hearing process.

Scope of Work:

Basic Services:

1. Project Kickoff Meeting: FNI will attend a virtual project kickoff meeting at the City to discuss project scope and schedule. A data request memorandum will be developed and presented at the meeting.
2. Develop Land Use Assumptions: FNI will utilize data from City staff to develop the land use assumptions for 2024 and 2034 conditions.
3. Identify Existing Projects Eligible for Impact Fee Cost Recovery: FNI will review recently completed water and wastewater improvements and determine which projects have excess capacity for future growth.
4. Identify Water and Wastewater Projects: FNI will work with City staff to analyze the projects proposed in the Water and Wastewater Master Plan to refine the timing of the recommended improvements. Demand and flow triggers will be developed to identify when the proposed projects are needed. FNI will also incorporate additional projects identified by staff.
5. Develop Water and Wastewater Impact Fee CIP: FNI will develop an impact fee CIP based on the existing eligible improvements and the proposed water and wastewater projects. Maps will be prepared showing the proposed water and wastewater capital improvement plan projects included in the impact fee calculations.
6. Conduct Water and Wastewater Capacity Analysis: FNI will utilize the updated land use assumptions to determine the capacity utilized of each project due to the 10-year growth projections.
7. Calculate Project Costs Eligible for Impact Fee Cost Recovery: FNI will calculate the portion of the project costs that is impact fee eligible based on the capacity analysis. Cost estimates developed as part of the Water and Wastewater Master Plan will be updated to 2024 dollars. Estimated project costs provided by the City will be used for existing eligible projects.

8. Develop Service Unit Equivalentents (SUEs) for Water and Wastewater Systems: FNI will utilize equivalent capacity of water meters to establish the service unit equivalentents (SUEs) required in Chapter 395 of the Local Government Code for both existing and 10-year growth conditions.

9. Calculate Maximum Allowable Impact Fees: FNI will develop maximum allowable water and wastewater impact fees using the 50% credit method based on the existing and proposed capital improvement costs to support 10-year growth.

10. Develop Draft Impact Fee Report: FNI will prepare a Draft Water and Wastewater Impact Fee Report showing land use assumptions, water and wastewater impact fee eligible capital improvement costs, and maximum allowable water and wastewater impact fees. An electronic PDF copy will be delivered to City for review.

11. Progress Meetings: FNI will meet with the City virtually up to three (3) times to discuss the status of the project and review the results of the analysis.

12. Finalize Impact Fee Report: FNI will prepare a final Water and Wastewater Impact Fee Report and deliver an electronic PDF copy and 10 hard copies to the City.

13. Citizen Advisory Committee Presentations: FNI will conduct two presentations to the Citizen Advisory Committee and/or the City Council. Topics may include impact fee program overview, summary of land use assumptions, capital improvements plan, or impact fee analysis and results. FNI will prepare presentation materials and exhibits for the Citizen Advisory Committee presentations.

14. Attend City Council Meetings: FNI will attend two City Council meetings. The first to set the date for the Public Hearing and the second for the Public Hearing to present and address questions about the land use assumptions, capital improvements plan, and impact fee calculations.

Additional Services:

Development of Credit Analysis: FNI will perform an analysis of the proposed projects to be included in the impact fee calculation to serve new customers to determine if a credit is applicable, as defined by Local Government Code Chapter 395. FNI will compare the proposed projects against the City’s past and present funding sources and the portion of those funding sources that are included, or expected to be included, in the City’s Water and Wastewater rates. If necessary, a credit will be developed to ensure that new customers are not charged twice for capital improvements attributed to them, through impact fees and again through rates.

Project Schedule:

FNI will complete the proposed scope of work within 10 months of notice to proceed.

Compensation:

Basic Services	\$69,282
Additional Services	\$23,987
Total	\$93,269

November 2024

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
				1	2	3
4 RESERVED All Day	5	6	7 8 am-5 pm Municipal Court 6:30 pm City Council Meeting	8	9	10
11 CITY HOLIDAY – VETERANS DAY	12	13 RESERVED All Day	14 6:30 pm P&Z Commission Meeting	15	16	17
18	19	20 6:30 pm ZBOA Meeting	21 6:30 pm City Council Meeting	22	23	24
25	26	27	28 CITY HOLIDAY – THANKSGIVING	29 CITY HOLIDAY – THANKSGIVING	30	

December 2024

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
						1
2	3	4	5 8 am-5 pm Municipal Court 6:30 pm City Council Meeting	6	7	8
9	10	11	12 6:30 pm P&Z Commission Meeting	13	14	15
16	17	18 6:30 pm ZBOA Meeting	19 6:30 pm City Council Meeting	20	21	22
23	24	25	26	27	28	29
30	31					