



**CITY OF LEON VALLEY
CAPITAL IMPROVEMENT ADVISORY COMMITTEE**

Leon Valley City Council Chambers
6400 El Verde Rd, Leon Valley, TX 78240
Tuesday, April 23, 2024 at 6:00 PM

AGENDA

1. CALL TO ORDER AND ROLL CALL

2. APPROVAL OF CIAC MINUTES

1. Capital Improvement Advisory Committee – Regular Meeting – October 24, 2023

3. NEW BUSINESS

1. Presentation, and Discussion to Consider a Recommendation to City Council for Updated Impact Fees Proposal - M. Teague, Director of Planning and Zoning

4. ANNOUNCEMENTS BY COMMITTEE MEMBERS AND CITY STAFF

In accordance with Section 551.0415 of the Government Code, topics discussed under this item are limited to expressions of thanks, congratulations or condolence; information regarding holiday schedules; recognition of a public official, public employee or other citizen; a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial or community event; and announcements involving an imminent threat to the public health and safety of people in the political subdivision that has arisen after the posting of the agenda.

5. ADJOURNMENT

Executive Session. The Capital Improvement Advisory Committee of the City of Leon Valley reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any of the matters listed on the posted agenda, above, as authorized by the Texas Government Code, Sections 551.071 (consultation with attorney), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donations), 551.074 (personnel matters), 551.076 (deliberations about security devices), and 551.087 (economic development).

Sec. 551.0411. MEETING NOTICE REQUIREMENTS IN CERTAIN CIRCUMSTANCES: (a) Section does not require a governmental body that recesses an open meeting to the following regular business day to post notice of the continued meeting if the action is taken in good faith and not to circumvent this chapter. If an open meeting is continued to the following regular business day and, on that following day, the governmental body continues the meeting to

another day, the governmental body must give written notice as required by this subchapter of the meeting continued to that other day.

Attendance by Other Elected or Appointed Officials: It is anticipated that members of other City boards, commissions and/or committees may attend the open meeting in numbers that may constitute a quorum. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of any other boards, commissions and/or committees of the City, whose members may be in attendance in numbers constituting a quorum. These members of other City boards, commissions, and/or committees may not deliberate or act on items listed on the agenda. [Attorney General Opinion – No. GA-0957 (2012)].

I hereby certify that the above **NOTICE OF PUBLIC MEETING(S) AND AGENDA OF THE LEON VALLEY CITY COUNCIL** was posted at the Leon Valley City Hall, 6400 El Verde Road, Leon Valley, Texas, and remained posted until after the meeting(s) hereby posted concluded. This notice is posted on the City website at <https://www.leonvalleytexas.gov>. This building is wheelchair accessible. Any request for sign interpretive or other services must be made 48 hours in advance of the meeting. To make arrangements, call (210) 684-1391, Extension 216.



SAUNDRA PASSAILAIGUE, TRMC
City Secretary
APRIL 17, 2024 3:25 PM





**City of Leon Valley
CAPITAL IMPROVEMENT ADVISORY
COMMITTEE MEETING MINUTES
6:00 PM – OCTOBER 24, 2023
Leon Valley City Council Chambers
6400 El Verde Road, Leon Valley, TX 78238**

1. CALL TO ORDER AND ROLL CALL

Catherine Rowse called the Capital Improvement Advisory Committee meeting to order at 6:03 PM.

PRESENT

Member	Andrea Roofe	Tardy – 6:07 PM
Member	Pat Martinez	
Member	Cassie Rowse	
Member	David Perry	
Member	Mary Ruth Fernandez	
Member	Thomas Dillig	

ABSENT

Member	Hilda Gomez	Excused
Member	Erick Matta	Excused
Member	Richard Blackmore	Excused
Council Liaison	Will Bradshaw	Excused

Also in attendance were Planning & Zoning Director Mindy Teague and Permit Technician Elizabeth Aguilar.

2. NEW BUSINESS

1. Appointment of Chair and Vice Chair positions on the Capital Improvement Advisory Committee (CIAC) – M. Teague, Planning and Zoning Director

Member Mary Ruth Fernandez nominated herself for Chair and Member Thomas Dillig nominated himself for Vice Chair. Member Rowse made a motion to accept Member Fernandez for Chair and Member Dillig for Vice Chair. The motion carried unanimously.

Voting Yea: Members Roofe, Martinez, Rowse, Perry, Fernandez and Dillig.

Voting Nay: None

3. ANNOUNCEMENTS BY COMMISSIONERS AND CITY STAFF

Planning and Zoning Director Mindy Teague explained the contents of the binders that were given to the Members and recommended they review it. She then explained that staff was working on the Capital Improvement Plan and would present that to the Committee once completed.

4. ADJOURNMENT

Catherine Rowse announced the meeting adjourned at 6:11 PM.

These minutes were approved by the Capital Improvements Advisory Committee on the 23rd of April 2024.

APPROVED

MARY RUTH FERNANDEZ
CHAIR

ATTEST: _____

ELIZABETH AGUILAR
PERMIT TECHNICIAN

DRAFT

CAPITAL IMPROVEMENTS ADVISORY COMMITTEE STAFF REPORT

DATE: April 23, 2024

TO: Capital Improvements Advisory Committee

FROM: Mindy Teague, Planning and Zoning Director

THROUGH: Crystal Caldera, City Manager

SUBJECT: Presentation, and Discussion to Consider a Recommendation to City Council on Updated Impact Fees Proposal

SPONSOR(S): N/A

PURPOSE

The purpose of this item is to consider recommending approval of updated impact fees for new development.

This action would allow the city to recover capital costs associated with providing the infrastructure and other required improvements to provide service.

Impact fees should be re-evaluated every 5 years.

FISCAL IMPACT

There may be an increase in the City's revenue.

RECOMMENDATION

At the discretion of the Planning & Zoning Commission and City Council.

ATTEST:

MINDY TEAGUE

Planning and Zoning Director



January 22, 2024

Melinda Moritz
Public Works Director
City of Leon Valley
6400 El Verde Rd.
Leon Valley, TX 78238

RE: Leon Valley Impact Fee Evaluation

Dear Ms. Moritz,

As requested, **Ardurra** performed an assessment of the existing water impact fees to build a recommendation for future impact fees.

Methods:

An impact fee is a one-time charge imposed on new development to help recover capital costs associated with providing the infrastructure and other required improvements to provide service to that new development. The maximum impact fee per service unit is calculated by dividing the cost of the growth-related Capital Improvements Projects (CIP) the city anticipates undertaking in the evaluated time period by the projected number of total service units the city will add in that time period.

Ardurra set the evaluation time period at ten years. Capital Improvement Projects evaluated included replacing the Marshall Elevated Storage Tank and costs associated with expanding the city's water rights. To estimate the number of total service units to be added in ten years, Ardurra performed a generalized population projection utilizing census data and meter counts provided by the City.

The Texas Local Government Code Chapter 395 requires utilities to calculate a credit for growth related Capital Improvements Projects (CIP) to be subtracted from the impact fee. The credit is based on the amount of projected future rate revenues or taxes expected to be generated by the new development and used to pay for capital improvements identified in the CIP. This credit provides an adjustment to benefit fee payers who will pay for CIP in both the impact fee and their future rates and taxes. Utilities can calculate this credit and apply it to the calculated impact fee or alternatively, can avoid having to calculate the credit by opting to use the statutory credit equal to 50% of the calculated impact fee. Ardurra has opted to estimate impact fees here by statutory credit of 50%.

Population Projections:

- In 2010, according to the US Census Bureau, Leon Valley had a population of 10,151. In 2020, according to the US Census Bureau, Leon Valley had grown to a population of 11,542, a growth rate of 1.29% annually. Ardurra has assumed this growth rate will continue through the ten year evaluation period. With that assumption in mind, the population in the current year of 2023 is estimated to be 11,842.
- Leon Valley provided the current meter count for the water system as 2,576 meters. In order to estimate the number of meters to be added in the evaluation period, Ardurra will use a ratio of meters per resident. In 2023, this ratio is 4.6 residents per meter. Ardurra will use the assumption that this ratio holds for the evaluation period.
- In 2033, the population is estimated to be 13,368. With an assumed ratio of 4.6 residents per meter, it is estimated that the meter count in 2033 will be 2,965 meters. Based on this assumption, Leon Valley will add an additional 390 meters to their water system over the evaluation period.

Growth Related Capital Improvement Project:

Water Sourcing:

- The City of Leon Valley currently owns 1,758.38 acre-feet of Edwards Aquifer water rights. The city rarely gets access to its full water rights due to withdrawal reductions required by Edwards Aquifer water restriction stages.
- In 2018, Leon Valley reported having 2,440 meters and using 1,086 acre-feet of water. This is the highest per-capita water usage in recent history, 0.45 acre-feet per meter over that year. Ardurra has opted to use this per-capita water usage as basis for projected water demand in the evaluation period.

- This projects the full system ultimate water usage in 2033 as:

$$2,965 \text{ meters} * 0.45 \frac{\text{acre} - \text{feet}}{\text{meter}} = 1,335 \text{ acre} - \text{feet of water}$$

- Edwards Aquifer water withdrawal reduction stages are given as percentage reductions of total owned water rights. This means when the city is at a critical period stage 3 reduction level, they can only utilize up to 65% of their owned water rights. The City of Leon Valley is currently in a stage 3 reduction period. If one were to assume stage 3 reduction level in 2033, to have enough water rights to meet water demand the city would need to own:

$$\frac{1,335 \text{ acre} - \text{feet of water}}{65\%} = 2,054 \text{ acre} - \text{feet}$$

- The city estimates cost per acre-foot of water rights acquisition at \$6,100 per acre-foot. Using this as a baseline cost, which includes closing costs, and extrapolating this cost over the evaluation period with inflation, it is estimated it will cost the city approximately \$2,067,260 to acquire the recommended water rights (see Attachment A for estimate).

Capital Improvements Project:

- The City of Leon Valley will need to replace the 100,000 gallon Marshall Elevated Storage Tank in the next ten years with a larger tank.
 - Removing and replacing the tank with a 150,000 gallon elevated storage tank is estimated to cost \$750,000 (see Attachment B for estimate).

Impact Fee Calculation with Credit:

- The impact fee that can be levied per service unit is calculated by dividing the growth-related CIP costs by the projected number of total service units projected. Then the maximum impact fee amount is calculated by applying a 50% credit to account for projected future rate revenues or taxes expected to be generated by the new development and used to pay for capital improvements identified in the CIP. The max impact fee is calculated in the table below:

Description	CIP	Calculated Maximum Impact Fee	Credited Impact Fee (50%)
Water Supply	\$2,067,260	\$5,300.00	\$2,650.00
System Development	\$750,000	\$1,923.00	\$962.00

- These proposed impact fees and Leon Valley’s existing impact fees (last set in 2008) were referenced against the nearest water system, San Antonio Water System (SAWS), current impact fees, adopted in 2020. This comparison is shown in the table below. It should be noted that Leon Valley’s water system was found to have adequately sized mains for projected growth and there is no need for flow expansion improvement projects.

Description	SAWS Impact Fee	Proposed Leon Valley Impact Fee	Existing Leon Valley Impact Fee
Flow Impact Fee	\$1,188.00	\$0.00	\$0.00
Water Supply Impact Fee	\$2,706.00	\$2,650.00	\$1,242.00
System Development Impact Fee	\$855.00	\$962.00	\$450.00
Total Impact Fee	\$4,749.00	\$3,612.00	\$1,692

Conclusions and Recommendations:

It is recommended that the City of Leon Valley update their impact fees. The existing impact fees are too low to address the water system’s growth demands in the coming years. The suggested impact fee per water meter size is shown below. To estimate recommended impact fees for larger than standard residential size water meters, multiplier of fee increase from the previous adopted fees in 2008 were used:

Size of Meter	Existing Water Supply Impact Fee	Existing Development Impact Fee	Proposed Water Supply Impact Fee	Proposed Development Impact Fee
5/8" & 3/4"	\$1,242	\$450	\$2,650	\$962
1"	\$2,074	\$750	\$4,425	\$1,603
1 1/2"	\$4,136	\$1,500	\$8,825	\$3,207
2"	\$13,252	\$4,800	\$28,275	\$10,261
3"	\$20,704	\$7,500	\$44,175	\$16,033
4"	\$27,324	\$9,900	\$58,300	\$21,164
6"	\$33,943	\$12,300	\$72,423	\$26,295
8"	\$41,396	\$25,000	\$88,325	\$53,444
10"	\$66,199	\$24,000	\$141,246	\$51,307

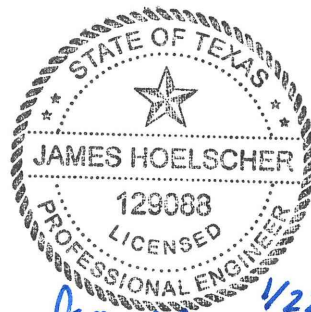
We appreciate the opportunity to assist you in this matter. If you have any questions, please contact us at (210) 822-2232 or e-mail us at jhoelscher@ardurra.com.

Sincerely,



James Hoelscher

James Hoelscher, PE
 Project Engineer



James Hoelscher 1/22/24

ATTACHMENT A
WATER ACQUISITION COSTS ESTIMATE

Item 2.

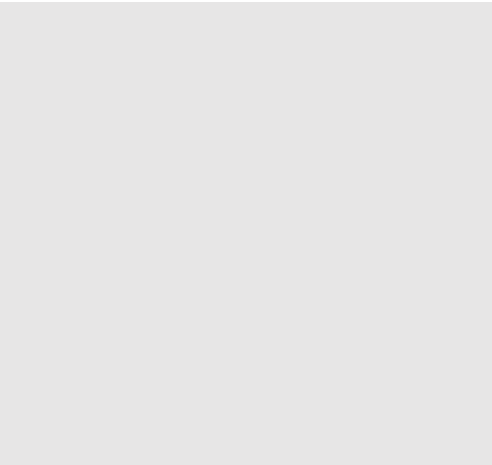
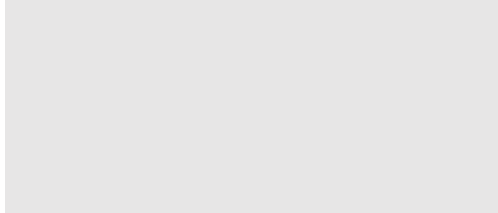
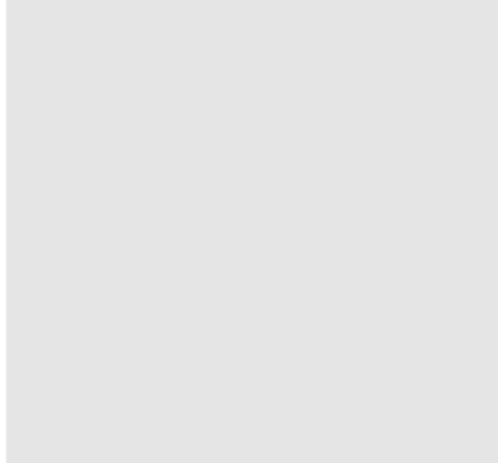
Description	Units	Qty
Water Rights Acquired Current	Acre Feet	1758.38
Water Rights Desired	Acre Feet	2054
\$/Acre Foot	\$	\$ 6,100.00
To Acquire	Acre Feet	295.62
Acquire per year	Acre Feet	29.562
Inflation	%	3.0%
2024 Cost to Purchase Water Rights	\$	\$ 180,328.20
2025 Cost to Purchase Water Rights	\$	\$ 185,738.05
2026 Cost to Purchase Water Rights	\$	\$ 191,310.19
2027 Cost to Purchase Water Rights	\$	\$ 197,049.49
2028 Cost to Purchase Water Rights	\$	\$ 202,960.98
2029 Cost to Purchase Water Rights	\$	\$ 209,049.81
2030 Cost to Purchase Water Rights	\$	\$ 215,321.30
2031 Cost to Purchase Water Rights	\$	\$ 221,780.94
2032 Cost to Purchase Water Rights	\$	\$ 228,434.37
2033 Cost to Purchase Water Rights	\$	\$ 235,287.40
Total Cost to Acquire	\$	\$ 2,067,260.72

ATTACHMENT B

MARSHALL ELEVATED STORAGE TANK DEMOLITION AND REPLACEMENT PROJECT COST ESTIMATE

Item 2.

Item #	Description	Unit	Unit Cost	Qty	\$
1	Demo of Existing 100,000 Gallon Tank	LS	\$ 60,000.00	1	\$ 60,000.00
2	Construction of 150,000 Gallon Tank	LS	\$ 540,000.00	1	\$ 540,000.00
			<i>Contingency</i>	<i>25%</i>	<i>\$ 150,000.00</i>
			TOTAL		\$ 750,000.00

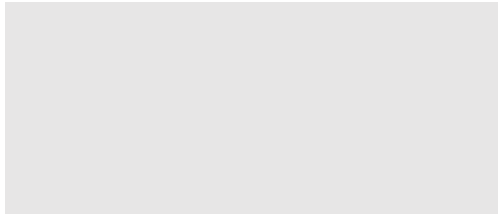
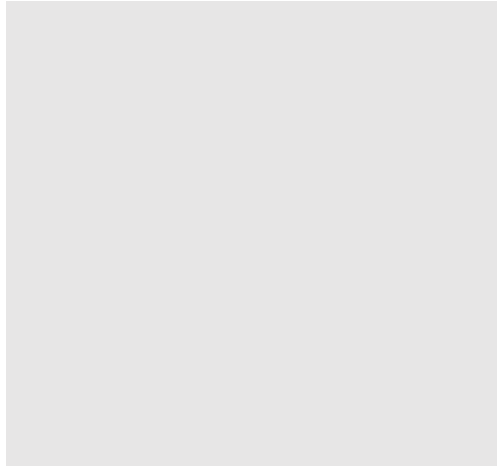


LEON VALLEY 2023 IMPACT FEE PROPOSAL

James Hoelscher, PE
Byron Sanderfer, PE, CPM



ARDURRA



AGENDA



Existing Impact Fee



Population Projections



Water Sourcing



Capital Improvements



Potential Proposed Impact Fee



Proposed Impact Fee Comparison

IMPACT FEES - DEFINED

An impact fee is a one-time charge imposed on new development to help recover capital costs associated with providing the infrastructure and other required improvements to provide service to that new development.



EXISTING IMPACT FEES

- Last time Impact Fee rates were increased was in 2008.
- Current Rates – Water Only:

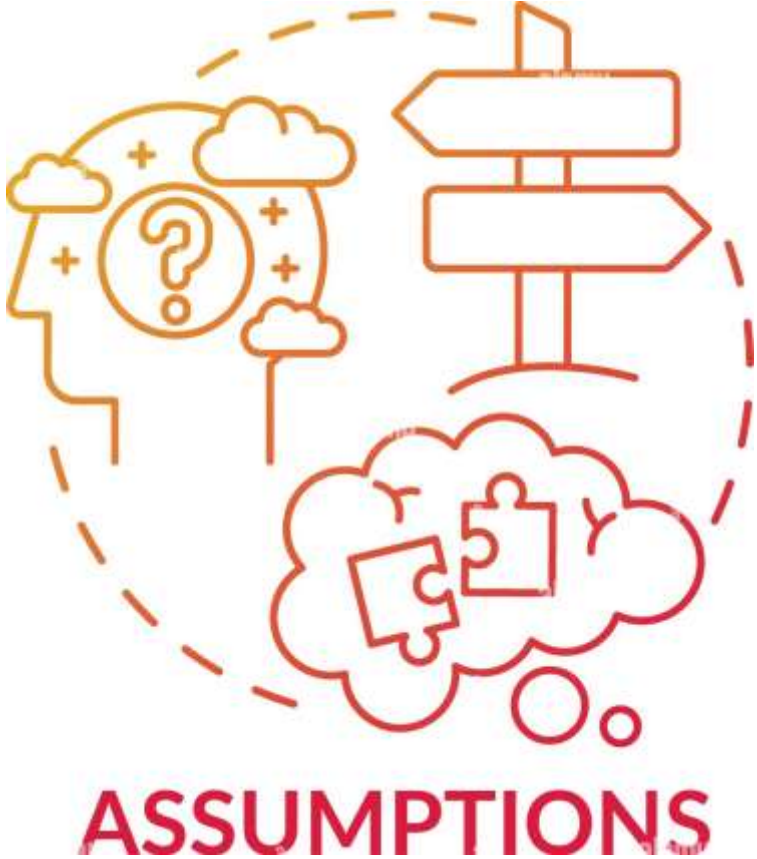
Size of Meter	Water Supply Impact Fee	Development Impact Fee
5/8" & 3/4"	\$1,242	\$450
1"	\$2,074	\$750
1 1/2"	\$4,136	\$1,500
2"	\$13,252	\$4,800
3"	\$20,704	\$7,500
4"	\$27,324	\$9,900
6"	\$33,943	\$12,300
8"	\$41,396	\$25,000
10"	\$66,199	\$24,000

GROWTH PROJECTIONS

- Census data from 2010
 - *Population: 10,151*
- Census data from 2020
 - *Population: 11,542*
- Growth rate of **1.29% annually** from 2010 to 2020
- Current meter count from Leon Valley
 - **2,576 meters**
 - 2,288 residential
 - 288 commercial
 - *Most are 5/8" meters (2,245 or 87%)*
- If rate of growth from 2010 to 2020 is assumed to continue
- Current population in 2023 is estimated to be
 - *11,842*
 - **4.6 residents per meter**
- Population in 2033 is estimated to be
 - **13,368**
- Using same meter ratio as before it is estimated in 2033, the city will have:
 - **2,965 meters**
- A growth of **390 meters** in 10 years

ASSUMPTIONS REVIEW

- Growth of 1.29% annually over next ten years
- Ratio of 4.6 residents per meter
- Undeveloped land in Leon Valley
 - Estimate 150 acres
 - About 40 individual residential lots currently undeveloped (> 1 acre)
 - Assume 10% never to be developed
 - Floodplain
 - Adjacent to existing owned property
 - Untenable



WATER SOURCING

- The City of Leon Valley currently owns 1,758.38 acre-feet of Edwards Aquifer water rights.
- The city rarely gets access to its full water rights due to withdrawal reductions during Edwards Aquifer water restriction stages.

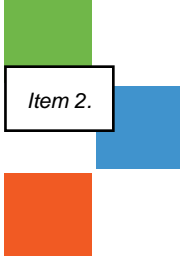
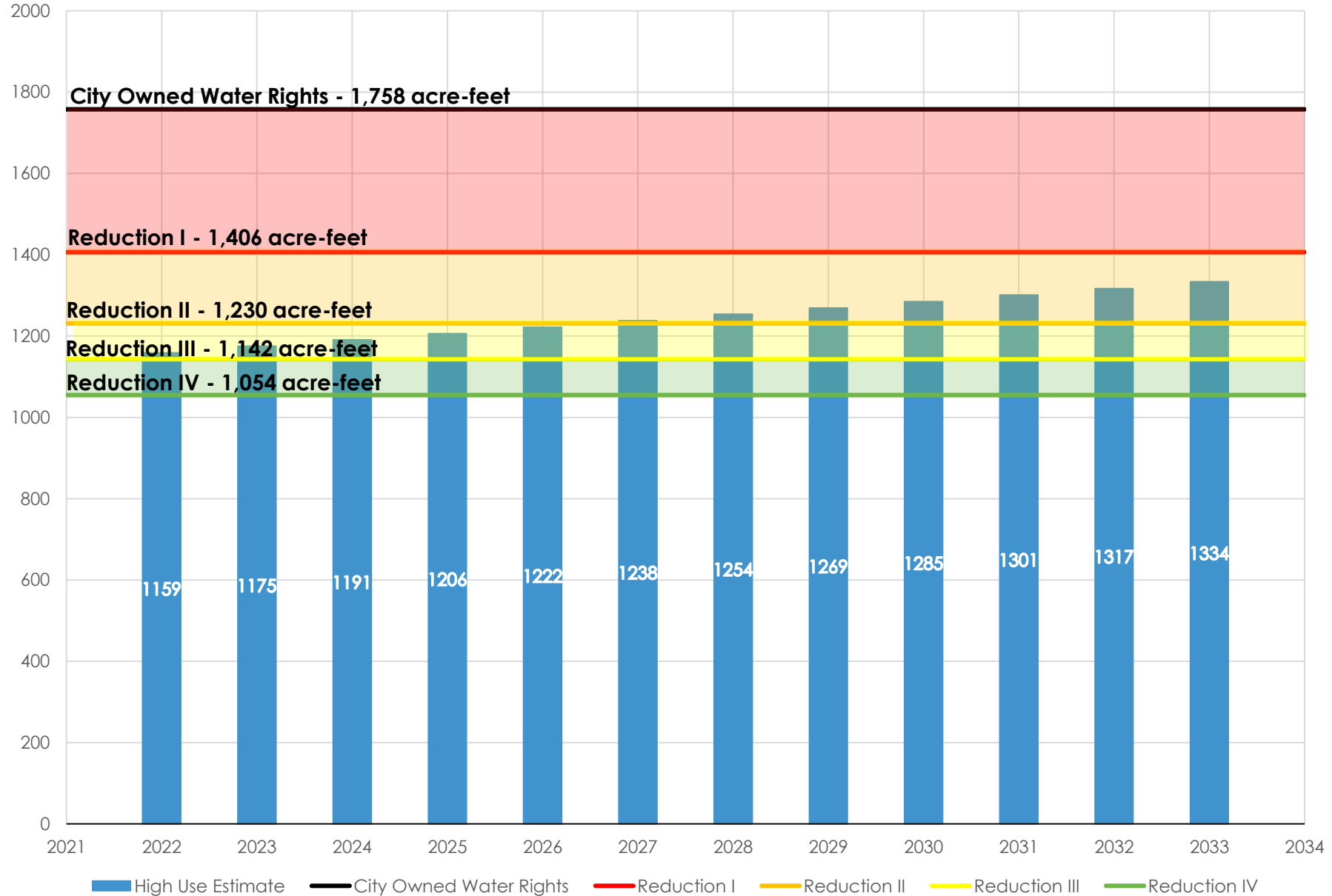
Owned Water	Critical Period Stage	Withdrawal Reduction	Withdrawal Reduction – Owned Water
1,758.38	I	20%	1406.7
1,758.38	II	30%	1230.8
1,758.38	III	35%	1142.9
1,758.38	IV	40%	1054.9

WATER USAGE – HIGH ESTIMATE

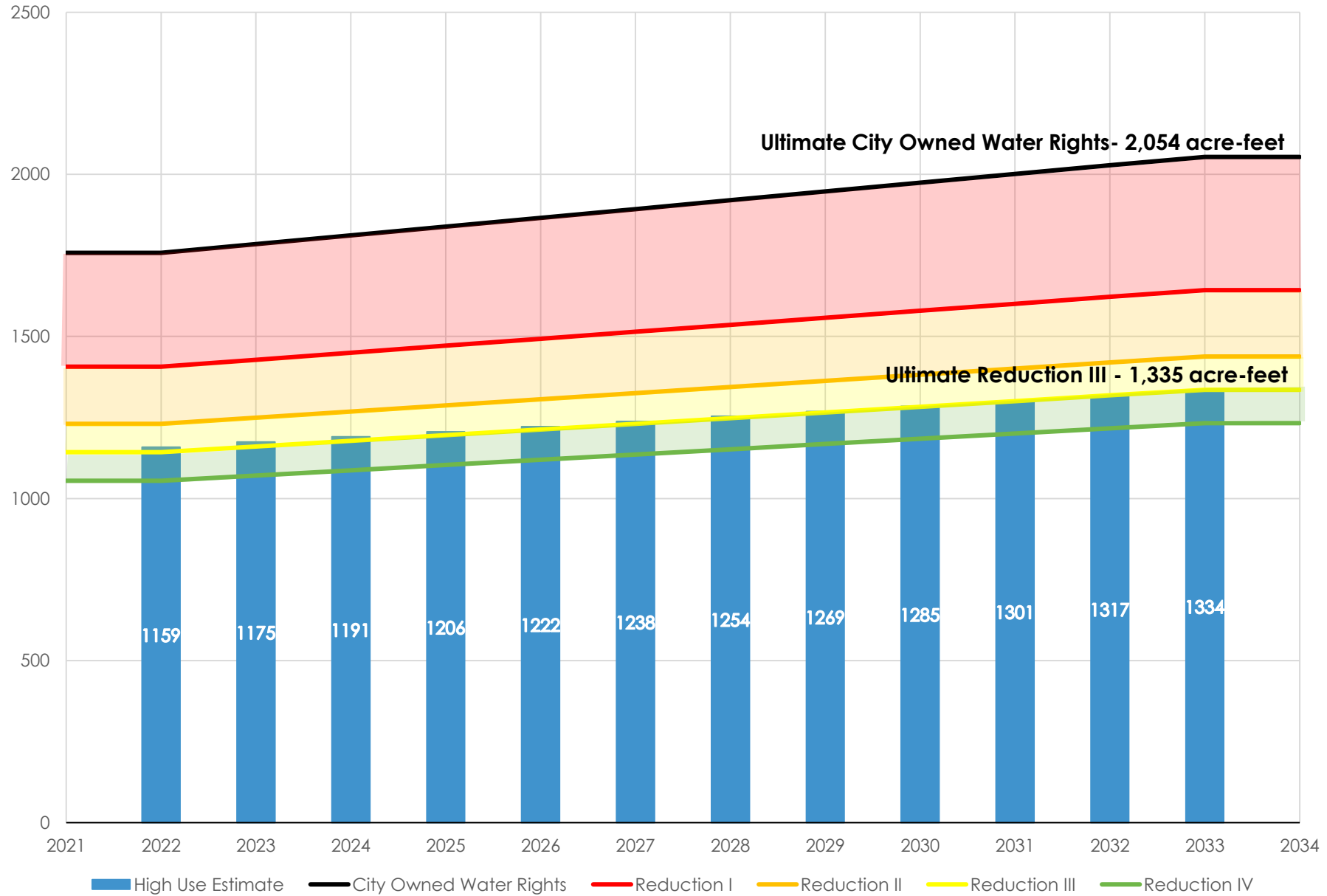
- In 2018, Leon Valley reported having 2,440 meters and using 1,086 acre-feet of water.
 - *~0.45 acre-feet / meter*
 - *Highest per-capita water usage in recent history*
- Assume this per-meter-usage to give a high estimate of potential water demand in 2033
- $(0.45 \text{ acre-feet / meter}) * (2,965 \text{ meters})$
 - **1,335 acre-feet of water**



Estimated Leon Valley Water Use Over Time



Estimated Leon Valley Water Use Over Time



WATER SOURCING

- If the city assumes being kept under water restriction stage III, but wants to keep capacity above estimated high demand, it will need to own:
 - **2,054 acre-feet of water rights by 2033.**

Owned Water	Critical Period Stage	Withdrawal Reduction	Withdrawal Reduction – Owned Water
2,054	I	20%	1643.1
2,054	II	30%	1437.7
2,054	III	35%	1335.0
2,054	IV	40%	1232.3

WATER SOURCING

City estimates cost per acre-foot of water rights acquisition at \$6,100/acre-foot.

Includes closing cost

To reach water source goal in 2033. It is estimated it will cost the city approximately:

\$2,067,260



#65101240

CAPITAL IMPROVEMENTS

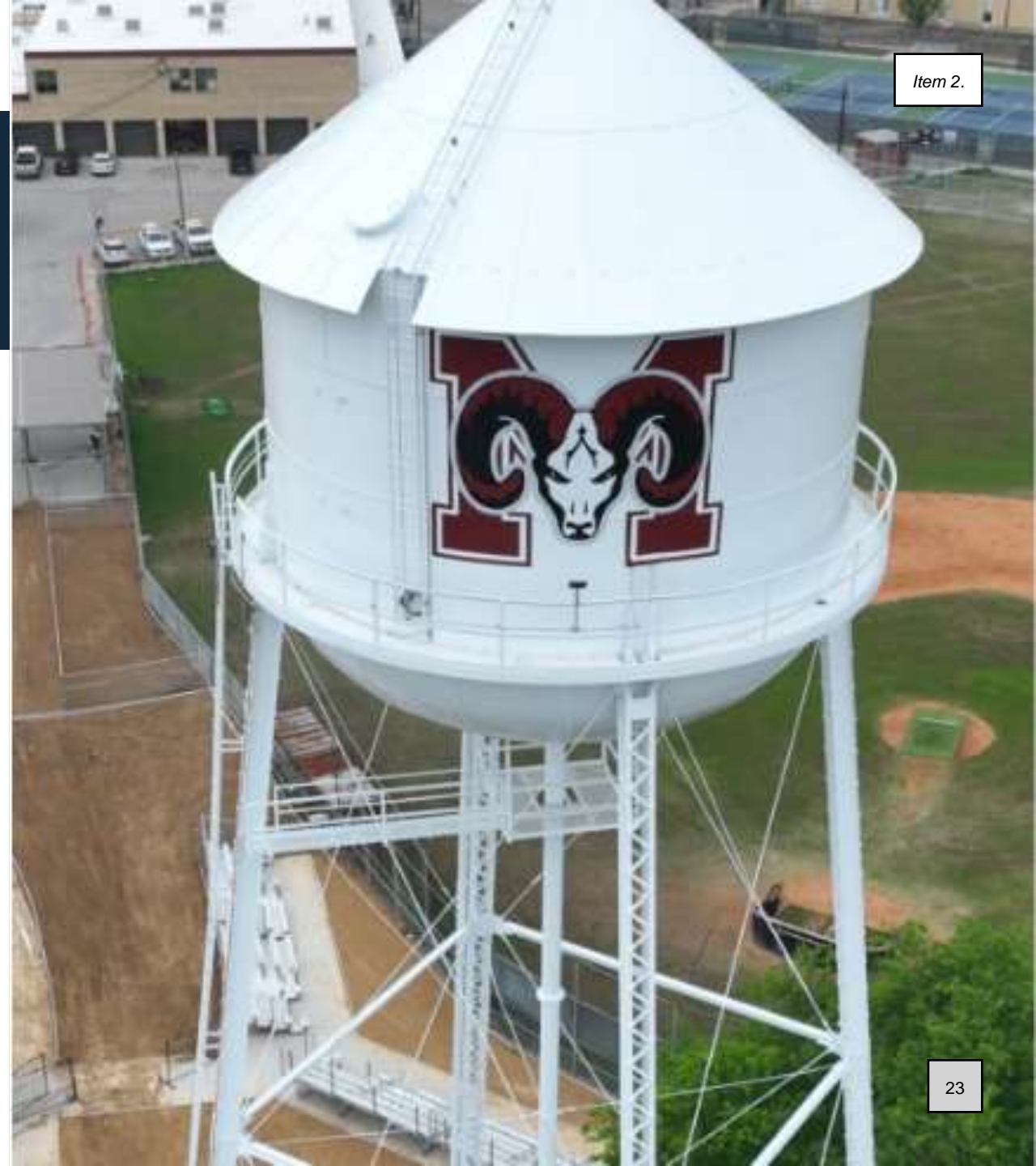
City of Leon Valley currently has 400,000 gallons of elevated storage capacity.

Enough to serve 4,000 meters per TCEQ

The City will need to replace the 100,000-gallon Marshall Elevated Storage Tank in the next ten years with a larger tank.

Replacing existing tank with a 150,000-gallon elevated storage tank is estimated to cost

\$750,000



TLGC CHAPTER 395 CREDIT

- The Texas Local Government Code Chapter 395 requires utilities to calculate a credit for growth related Capital Improvements Projects (CIP) to be subtracted from the impact fee.
- The credit is based on the amount of projected future rate revenues or taxes expected to be generated by the new development and used to pay for capital improvements identified in the CIP. This credit provides an adjustment to benefit fee payers who will pay for CIP in both the impact fee and their future rates and taxes.
- Utilities can calculate this credit and apply it to the calculated impact fee or alternatively, **can avoid having to calculate the credit by opting to use the statutory credit equal to 50% of the calculated impact fee.**
- **City Engineer Ardurra has opted to estimate impact fees here by statutory credit of 50%.**

IMPACT FEE CALCULATION

- The impact fee per service unit is calculated by dividing the growth-related CIP costs by the projected number of total service units.
 - 390 service units over 10 years

- Then crediting 50% per TLGC Chapter 395

Description	CIP	Calculated Impact	Max Impact Fee (50%)
Water Supply	\$2,067,260	\$5,300.00	\$2,650.00
System Development	\$750,000	\$1,923.00	\$962.00

For 5/8" & 3/4" meter

PROPOSED IMPACT FEE COMPARISON - SAWS

- For reference, see table below for comparison of proposed fee to SAWS current impact fees adopted in 2020.
 - *Leon Valley does not need to increase the size of the mains, therefore a flow impact fee is not needed*

Description	SAWS Impact Fee	Proposed Leon Valley Impact Fee	Existing Leon Valley Impact Fee
Flow Impact Fee	\$1,188.00	\$0.00	\$0.00
Water Supply Impact Fee	\$2,706.00	\$2,650.00	\$1,242.00
System Development Impact Fee	\$855.00	\$962.00	\$450.00
Total Impact Fee	\$4,749.00	\$3,612.00	\$1,692

For 5/8" & 3/4" meter

RE-EVALUATE IMPACT FEES REGULARLY

Impact fees will need to be re-evaluated every 5 years

New capital improvements projects

Population projections

Development projections



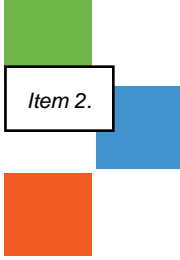
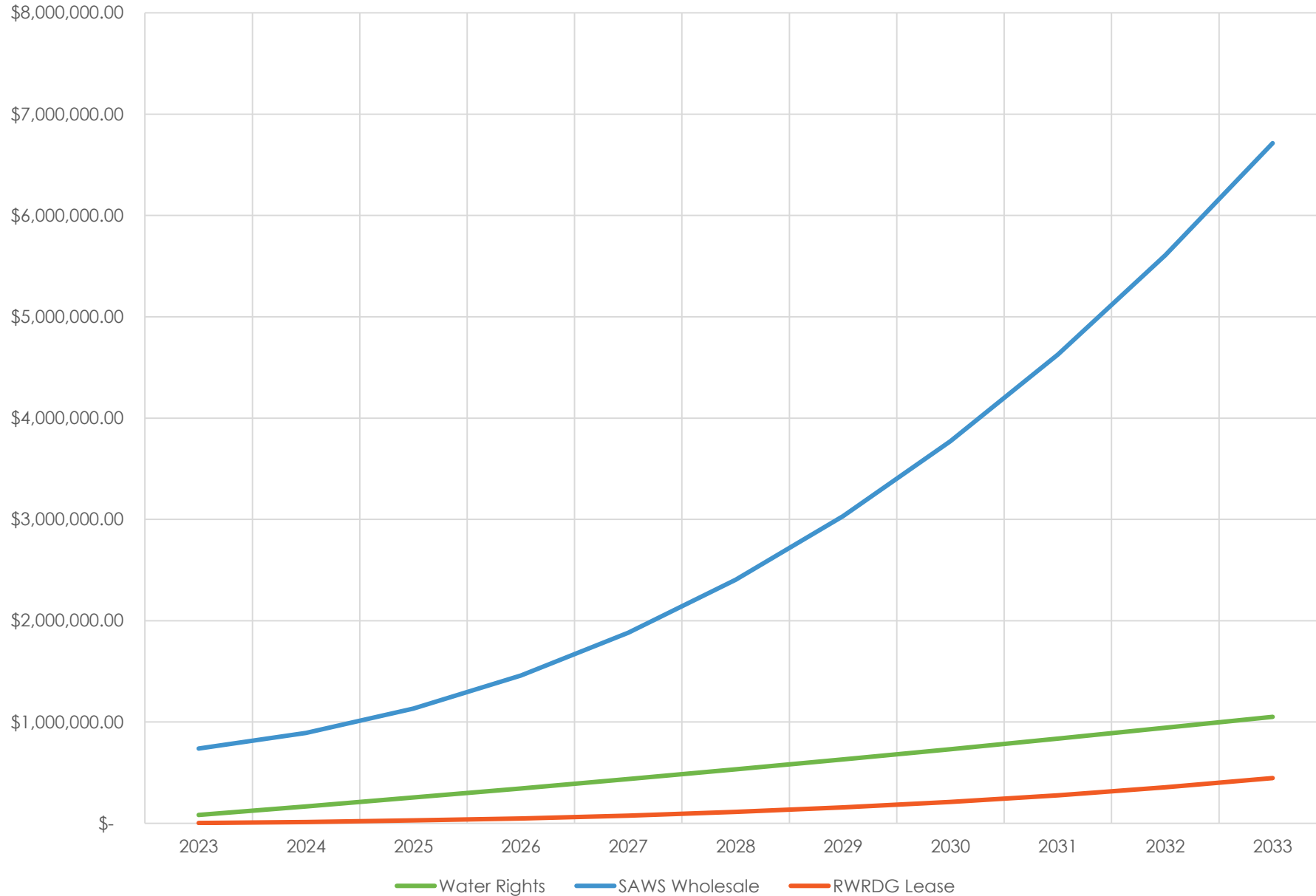
THANK YOU FOR YOUR TIME TODAY

Questions?

WATER SOURCING – WHOLESALE AND LEASING

- The city can purchase water from SAWS wholesale.
 - \$216,645 per year for 100 acre-feet
 - \$278,133 per year for 100 acre-feet when in critical period management
 - Not refunded for unused water
 - A one-time Impact Fee of \$662,580.00 would also be due (based on meter size, not acre-feet)
- Regional Water Resource Development Group (RWRDG) has water leasing options. Cost per year is dependent upon length of lease.
 - \$12,480 per year for 100 acre-feet on a 2-year lease
 - \$15,600 per year for 100 acre-feet on a 10-year lease
 - Also offer 3-year and 5-year leases
 - No Impact Fees
- Note that leasing water rights does not fall under money eligible for recouping in impact fees.

Cost Comparison Water Rights Purchase vs SAWS vs RWRDG



Cumulative Cost Comparison Purchase Water Rights Vs RWRDG Lease

