

City of Richwood — TEXAS —

CAPITAL IMPROVEMENT ADVISORY COMMITTEE AGENDA

Monday, July 15, 2024 at 6:00 PM

Richwood City Hall, 1800 N. Brazosport Blvd., Richwood, TX 75531

BE IT KNOWN that the City of Richwood Capital Improvement Advisory Committee will hold a Regular meeting on Monday, July 15, 2024, at 6:00 PM in the City Hall Council Chambers located at 1800 Brazosport Blvd. N., Richwood, Texas 77531 with the following agenda:

- I. CALL TO ORDER
- II. ROLL CALL OF MEMBERS
- III. PUBLIC COMMENTS
- IV. CONSENT AGENDA
 - [A.](#) Approval of minutes from meeting held June 17, 2024.
- V. DISCUSSION AND ACTION ITEMS
 - [A.](#) Presentation, discussion, and possible action regarding the capital improvement plans and the maximum assessable impact fees for water and wastewater.
- VI. SET NEXT MEETING DATE
- VII. FUTURE AGENDA ITEMS
- VIII. ADJOURNMENT

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (979) 265-2082 or FAX (979) 265-7345 for further information.

I, Kirsten Garcia, do hereby certify that I did, on July 12, 2024 at 5:00 PM post this notice of meeting on the bulletin board at 1800 N. Brazosport Blvd., Richwood, TX, in compliance with the Texas Open Meetings Law.

Kirsten Garcia, City Secretary
City of Richwood

MINUTES

RICHWOOD CAPITAL IMPROVEMENT ADVISORY COMMITTEE

Monday, June 17, 2024 at 6:00 PM

BE IT KNOWN that the City of Richwood Capital Improvement Advisory Committee will hold a Regular meeting on Monday, June 17, 2024, at 6:00 PM in the City Hall Council Chambers located at 1800 Brazosport Blvd. N., Richwood, Texas 77531 with the following agenda:

I. CALL TO ORDER

The meeting was called to order at 6:00 p.m.

II. INVOCATION

Tricia Ditto, Finance Director, led the invocation.

III. PLEDGES OF ALLEGIANCE

Mayor Durham led the pledges.

IV. ROLL CALL OF MEMBERS

Michael Durham, Mayor:	Present
Paul Stallberg, Position 1:	Present
Mike Challenger, Position 2:	Present
Amanda Reynolds, Position 3:	Present
William Yearsin, Position 4:	Present
Jeremy Fountain, Position 5:	Present
Dena Pate, Community Representative	Present

Others present: Eric Foerster, City Manager; Kirsten Garcia, City Secretary; Tricia Ditto, Finance Director; Police Chief Stephen Mayer.

V. PUBLIC COMMENTS

There was no public comment.

VI. DISCUSSION AND ACTION ITEMS

A. Presentation and discussion regarding the Land Use Assumptions and Population Projections. Presented by Strand Associates.

Strand Associates presented.

Discussion held on current land use and future projections.

Discussion held on timeline for impact fee development.

VII. FUTURE AGENDA ITEMS

None.

VIII. ADJOURNMENT

Being there no further business, the meeting adjourned at 6:55 p.m.

These minutes were read and approved on the 8th day of July 2024.

Mayor

ATTEST:

City Secretary

City of Richwood — TEXAS —

CIAC AGENDA MEMORANDUM

CONTACT: CLIF CUSTER

SUBJECT: STRAND PRESENTATION

SUMMARY:

Strand Associates is presenting to the CIAC a revised Capital Improvement Plan as well as a maximum potential impact fee for new water and wastewater connections.

BACKGROUND INFORMATION:

During the previous CIAC meeting, Strand Associates presented to the CIAC Richwood's population, population projections, and land use assumptions (LUA's). Based on input from Staff and the CIAC, Strand uses the LUA's, including development potential of any current undeveloped land, to review the current CIP to ensure that the projects are applicable to any new development.

The CIAC is already familiar with the current CIP. At this meeting Stand Associates will present to the CIAC any revisions to the current CIP and the justification for those revisions. The presentation will include a proposed maximum impact fee for new water and sewer connections for which the dollar amounts are based off any revisions made to the current CIP.

ISSUE:

N/A

FISCAL IMPACT:

N/A

RECOMMENDATION:

N/A



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Impact Fees Fund Improvements Needed to Serve New Development while Maintaining Regulatory Compliance and Quality of Service

City of Richwood

July 15, 2024

Ryan D. Tinsley, P.E., ENV SP
Morgan Ruiz

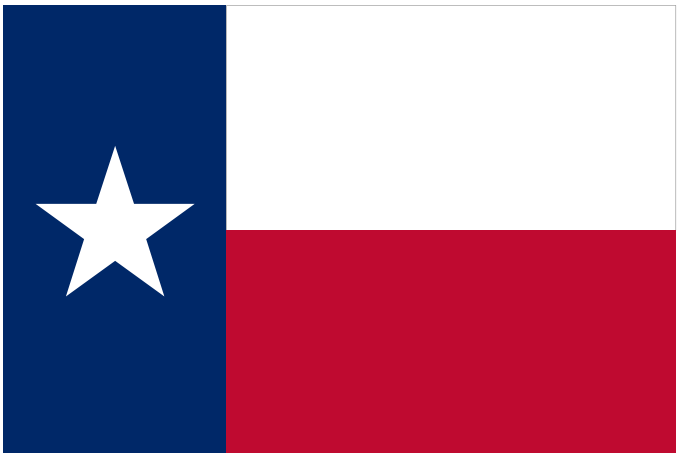


Agenda

- What is an Impact Fee?
- Impact Fee Development Process
- Land Use Assumptions (LUA) and Service Units
- Draft Wastewater Capital Improvement Plan (CIP) Projects
- Draft Water CIP Projects
- Draft Maximum Assessable Impact Fee
- CIAC Feedback and Questions
- Next Steps

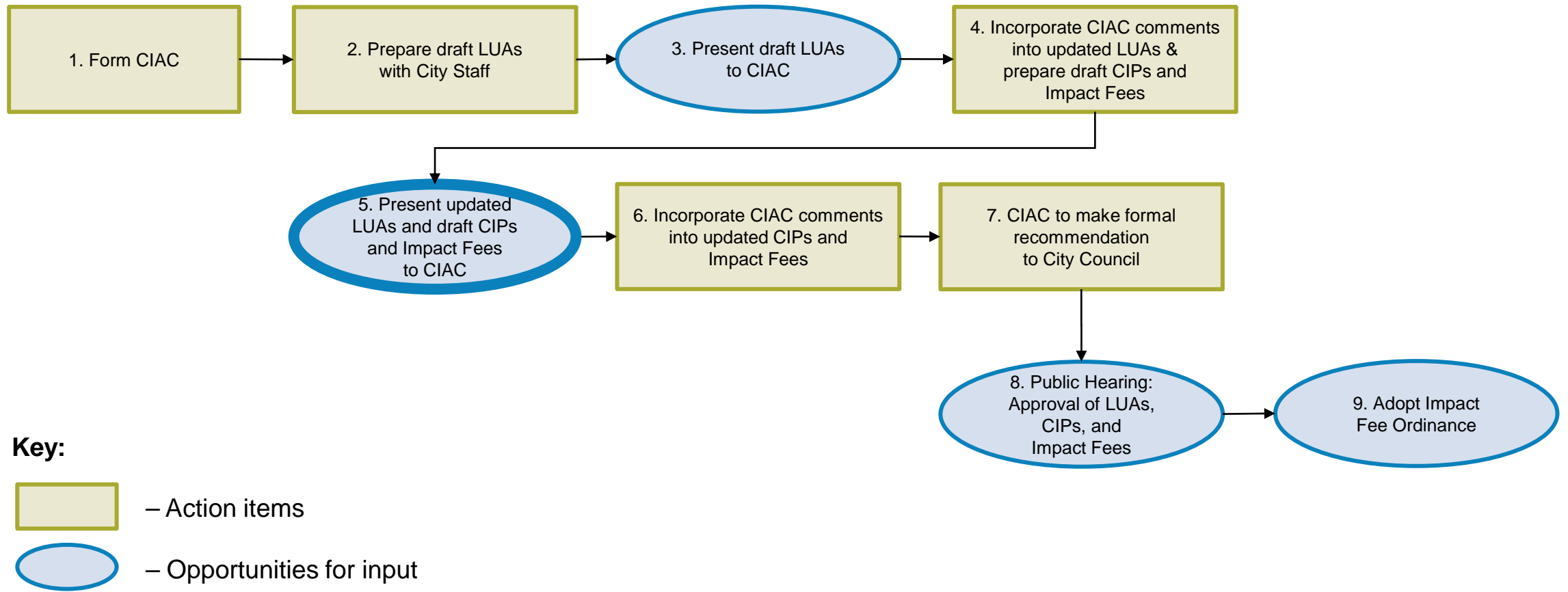
What is an Impact Fee?

- Governed by Texas Local Government Code, Chapter 395
- Charge or assessment imposed by a City to generate revenue to fund or recoup costs of capital improvements or facility expansions associated with new development
- Items payable by impact fees include construction costs, survey and engineering fees, land acquisition costs, and consulting fees to prepare and update the CIPs
- Calculations consider only the portion of the CIPs attributable to new development over a period of 10 years
- Lessens the burden of increasing utility rates and taxes on existing residents and employers that would otherwise pay for such infrastructure improvements



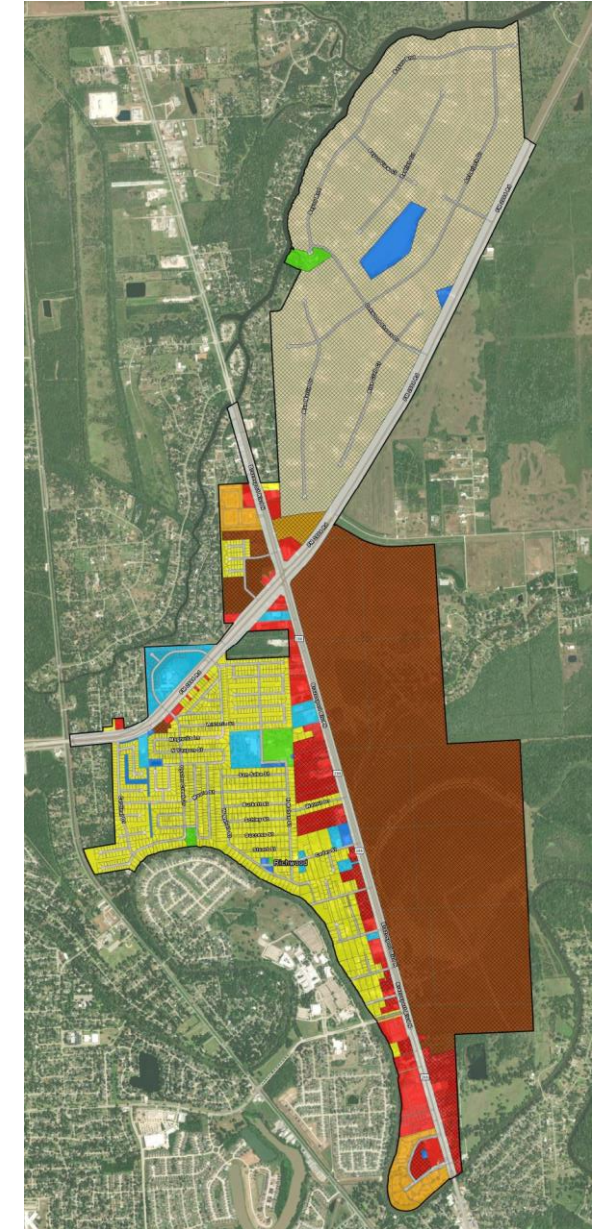
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Impact Fee Development Process Provides Multiple Opportunities for Input and Comment



LUAs Provide Strong Foundation for Preparation of Impact Fee CIPs

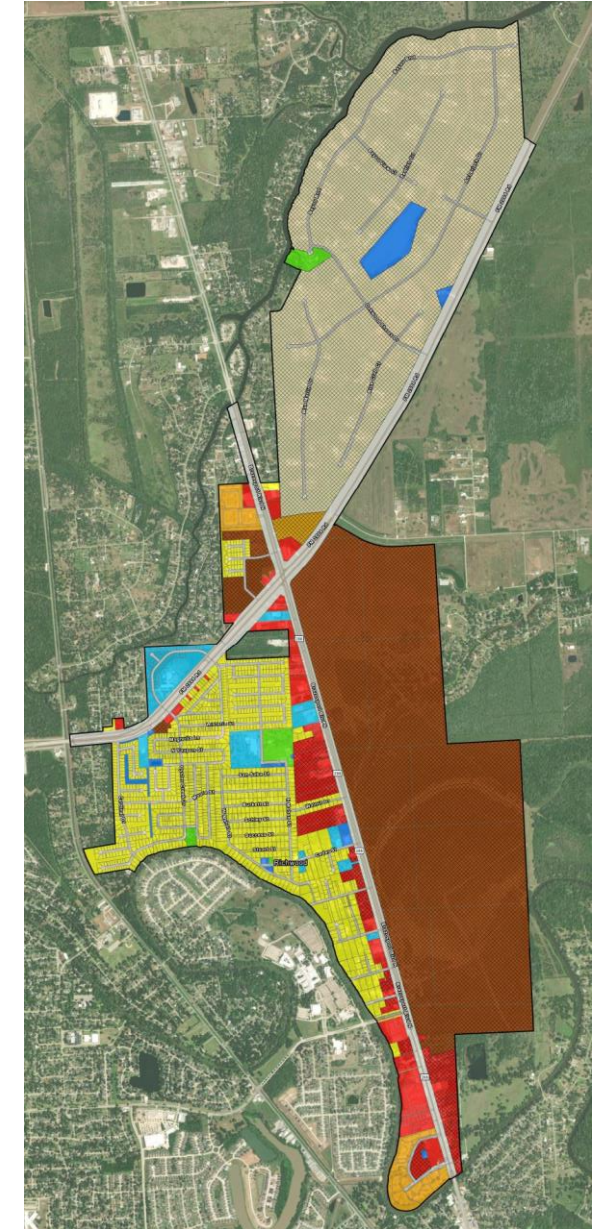
- Service Unit = Equivalent residential water meter connection rated for 10 gpm of continuous flow (5/8" water meter)
- Population density assumptions:
 - 52% acreage usable for residences
 - 48% acreage usable for streets, drainage, and open spaces
 - Single family residential = 3 service units per acre
 - Multi-family residential = 20 service units per acre
 - Commercial = 3 service units per acre
 - Mixed use = 80% residential, 20% commercial
 - U.S. Census Bureau = 2.83 people per household



Item A.

Updated LUAs Incorporate City Feedback and Improve Confidence in Impact Fee Study

- Development areas (residential units):
 - Oakwood Shores – 10 per year for 10 years
 - SH 288B/FM 2004 Intersection:
 - NE multi-family development – 42 per year for 5 years
 - NW mixed-use development – 5 per year for 10 years
 - SH 288B East development – 5 per year for 5 years
- Growth projections:
 - Population = 6,960 people (2024) to 8,035 people (2034)
 - Service units = increase by 410 (water) and 310 (wastewater)



Item A.

TCEQ Chapter 217 Identifies Need for Wastewater Collection, Pumping, and Treatment Improvements based on Increased Sanitary Flows

- Wastewater treatment
 - Rated = 1.0 mgd daily average flow (daf)
 - 5-Month Average = 0.609 mgd daf (60.9%)
 - January 2024 = 1.016 mgd daf (101.6%), 9.75” of rain

- Lift stations and force mains
 - 7 lift stations with varying rated capacities
 - Rated capacity is the volume of wastewater a lift station can pump with its largest pump out of service

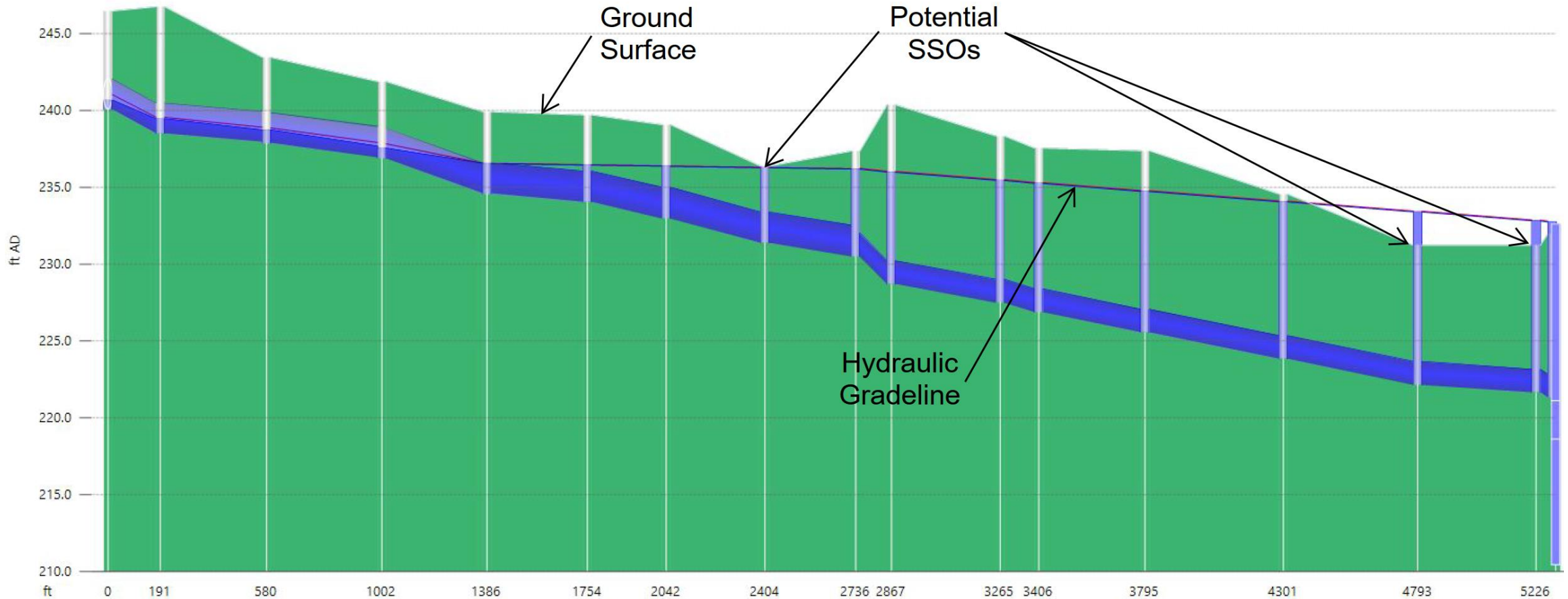
- Sanitary sewer slopes are established to allow a velocity not less than 2.0 feet per second when the pipes are flowing at full capacity

Table C.2. - Minimum and Maximum Pipe Slopes

Size of Pipe (inches)	Minimum Slope (%)	Maximum Slope (%)
6	0.50	12.35
8	0.335	8.40
10	0.25	6.23
12	0.20	4.88
15	0.15	3.62
18	0.115	2.83
21	0.095	2.30
24	0.08	1.93
27	0.07	1.65
30	0.06	1.43
33	0.055	1.26
36	0.045	1.12
39	0.04	1.01
>39	*	*

TCEQ Chapter 217, Table C.2

Wastewater Collection System Planning Considers Inflow and Infiltration to Identify Needed Wastewater Infrastructure Improvements



Example of InfoWorks Integrated Catchment Modeling Output

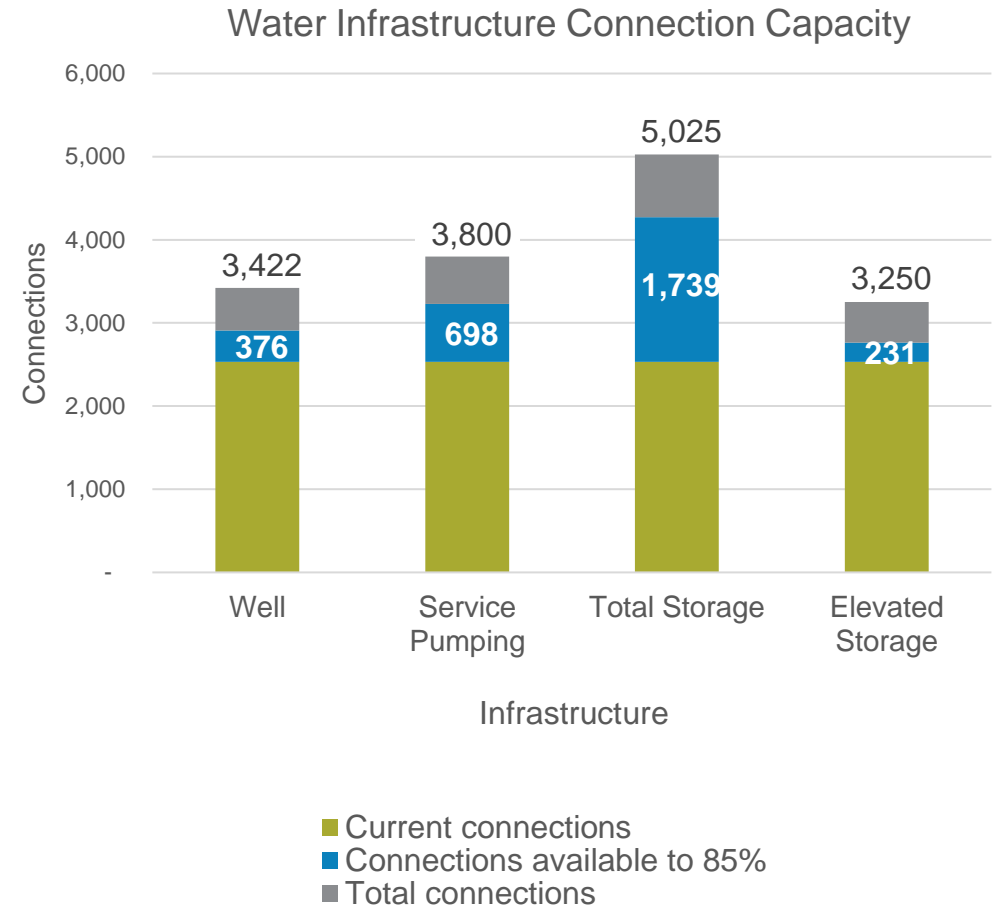
Impact Fees Fund Eligible Capacity Improvements on the Wastewater CIP

Item A.

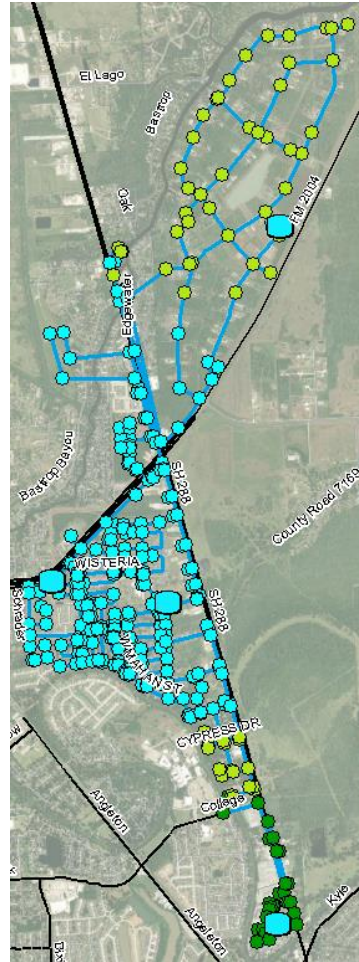
Wastewater CIP Projects				Connections Served By Project				Opinion of Probable Costs		
ID	Name	Year	Project Description	Ultimate	Existing	10-Year	10-Year (%)	Total Costs (2024 Dollars)	10-Year Costs (2024 Dollars)	10-Year Costs (Escalated)
WWT1	WWTP Study	2029	WWTP study to consider expansion and/or replacement alternatives.	1	0	1	100.0%	\$ 75,000	\$ 75,000	\$ 93,056
WWP1	Lift Station No. 2A Improvements	2025	Construct a 1,500-gpm lift station with associated force main and gravity sewer improvements to combine and replace the existing Lift Station Nos. 1 and 2.	1,800	1,199	44	2.4%	\$ 3,695,000	\$ 90,322	\$ 95,795
WWP2	Lift Station No. 4A Improvements	2029	Construct a 1,150-gpm lift station with associated force main and gravity sewer improvements to replace the existing Lift Station No. 4.	1,380	680	266	19.3%	\$ 4,649,000	\$ 896,112	\$ 1,111,848
WWP3	Lift Station No. 6 Rehabilitation	2031	Construct up to a 3,500-gpm lift station by modifying the wet well-dry pit configuration to be a larger submersible wet well; replace pumps, piping, valves, and electrical equipment.	4,452	2,398	310	7.0%	\$ 2,429,000	\$ 169,135	\$ 226,978
Study	Study	2024	Wastewater Impact Fee Study	1	0	1	100.0%	\$ 42,500	\$ 42,500	\$ 42,500
								\$ 10,890,500	\$ 1,273,069	\$ 1,570,178

TCEQ's Capacity Requirements Drives Need for Water Improvements Based on Connection Growth

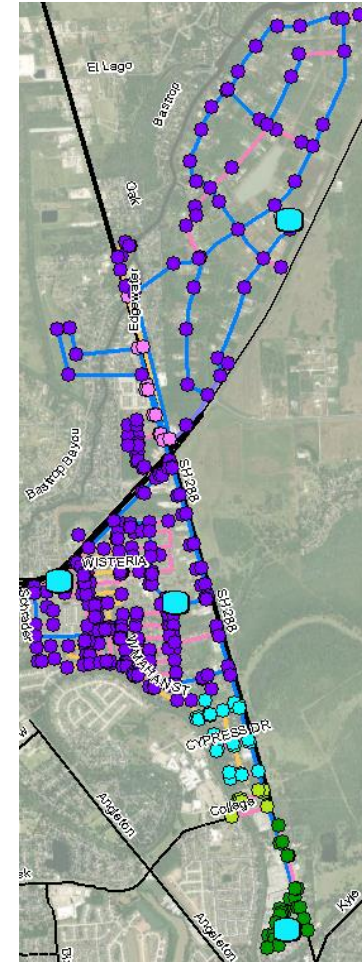
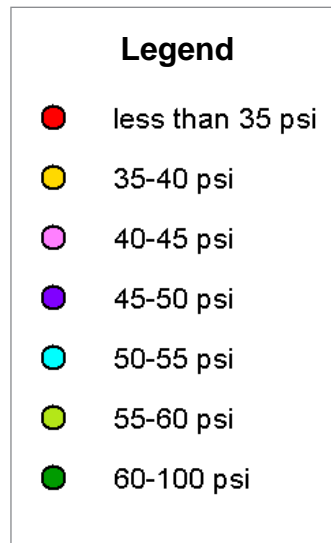
- TCEQ connections
 - Current = 2,532 connections (June 2024)
 - 10-year = 410 additional connections
 - 2,942 total connections
- System pressures – minimum 35 psi



Hydraulic Model Used to Simulate System Pressures Based on Connection Growth

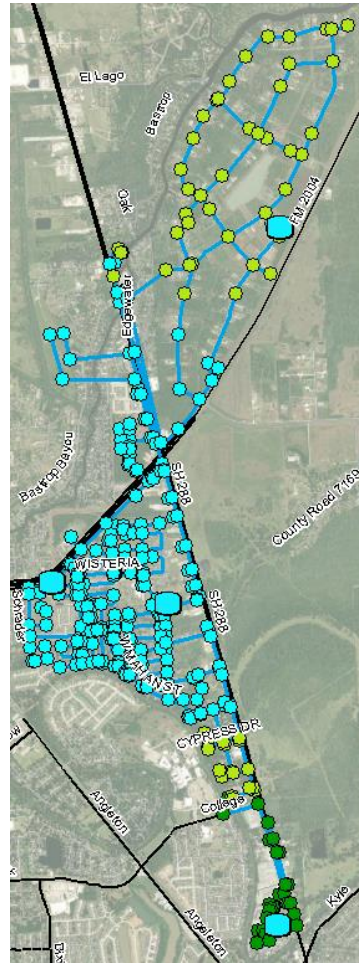


Existing system pressures

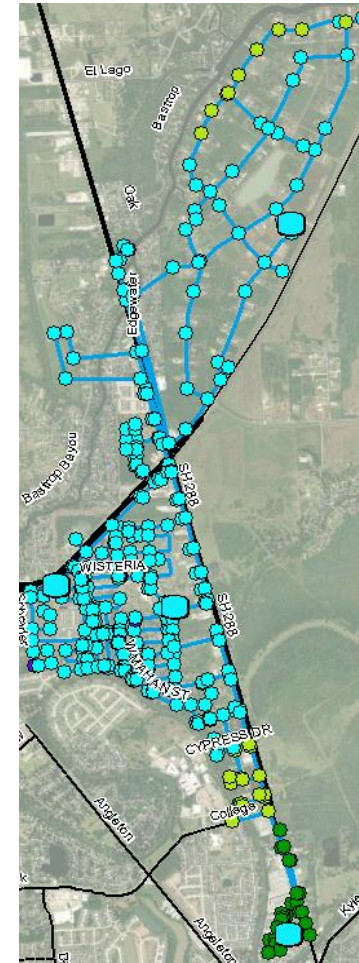
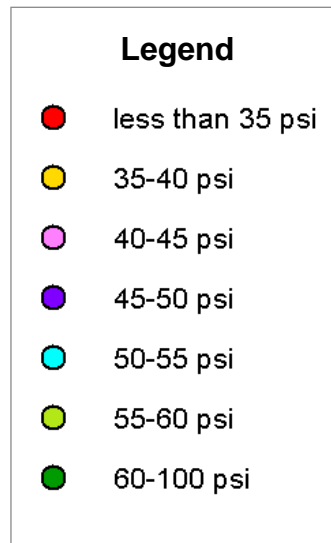


10-year system pressures (no improvements)

Hydraulic Model Used to Simulate System Pressures Based on Connection Growth



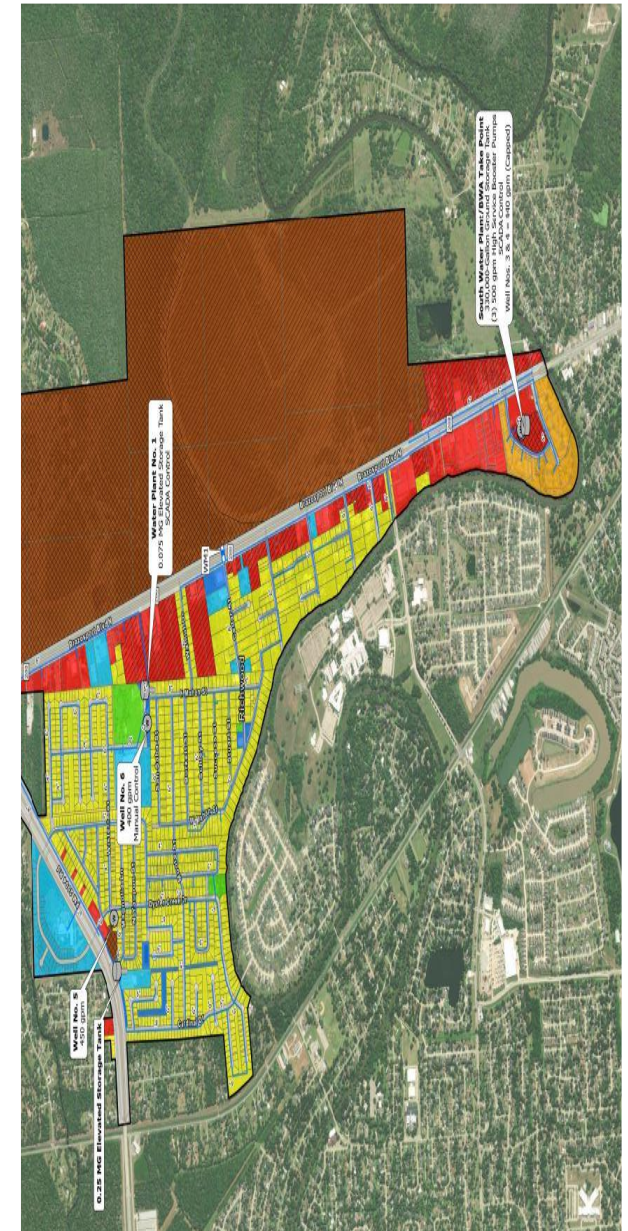
Existing system pressures



10-year system pressures (with improvements)

TCEQ Compliance Maintained Through Water Infrastructure Improvements

- Water CIP project summary:
 - WS = Water Supply and Storage (3 projects)
 - WM = Water Mains (2 projects)
 - Study = Water Impact Fee Study
- Opinion of Probable Costs:
 - Total Costs (2024) = \$11,907,708
 - 10-Year Costs (2024) = \$2,846,286
 - 10-Year Costs (Escalated) = \$3,136,192



Item A.

Impact Fees Fund Eligible Capacity Improvements on the Water CIP

Water CIP Projects				Connections Served By Project				Opinion of Probable Costs		
ID	Name	Year	Project Description	Ultimate	Existing	10-Year	10-Year (%)	Total Costs (2024 Dollars)	10-Year Costs (2024 Dollars)	10-Year Costs (Escalated)
WS1	North Water Plant	2023	Construct a 600-gpm water well, 900-gpm booster pumping station, and 350,000-gallon ground storage tank, and water main looping.	850	474	376	44.2%	\$ 3,884,108	\$ 1,718,146	\$ 1,718,146
WS2	North Elevated Tank	2027	Construct a 200,000-gallon elevated storage tank.	1,700	0	179	10.5%	\$ 3,036,000	\$ 319,673	\$ 366,710
WS3	Well No. 8	2033	Construct a 600-gpm water well and 8-inch raw water main to the North Water Plant.	850	0	34	4.0%	\$ 3,278,000	\$ 131,120	\$ 190,321
WM1	Water Main Extension to SH 288B East Development	2029	Extend 8-inch water main across SH 288B, including TxDOT bore with steel casing.	400	0	36	9.0%	\$ 151,300	\$ 13,617	\$ 16,895
WM2	North Water Main Loop	2030	Loop an 8-inch water main from FM 2004, north along SH 288B to Amberjack Drive.	244	0	100	41.0%	\$ 1,515,800	\$ 621,230	\$ 801,620
Study	Study	2024	Water Impact Fee Study	1	0	1	100.0%	\$ 42,500	\$ 42,500	\$ 42,500
								\$ 11,907,708	\$ 2,846,286	\$ 3,136,192

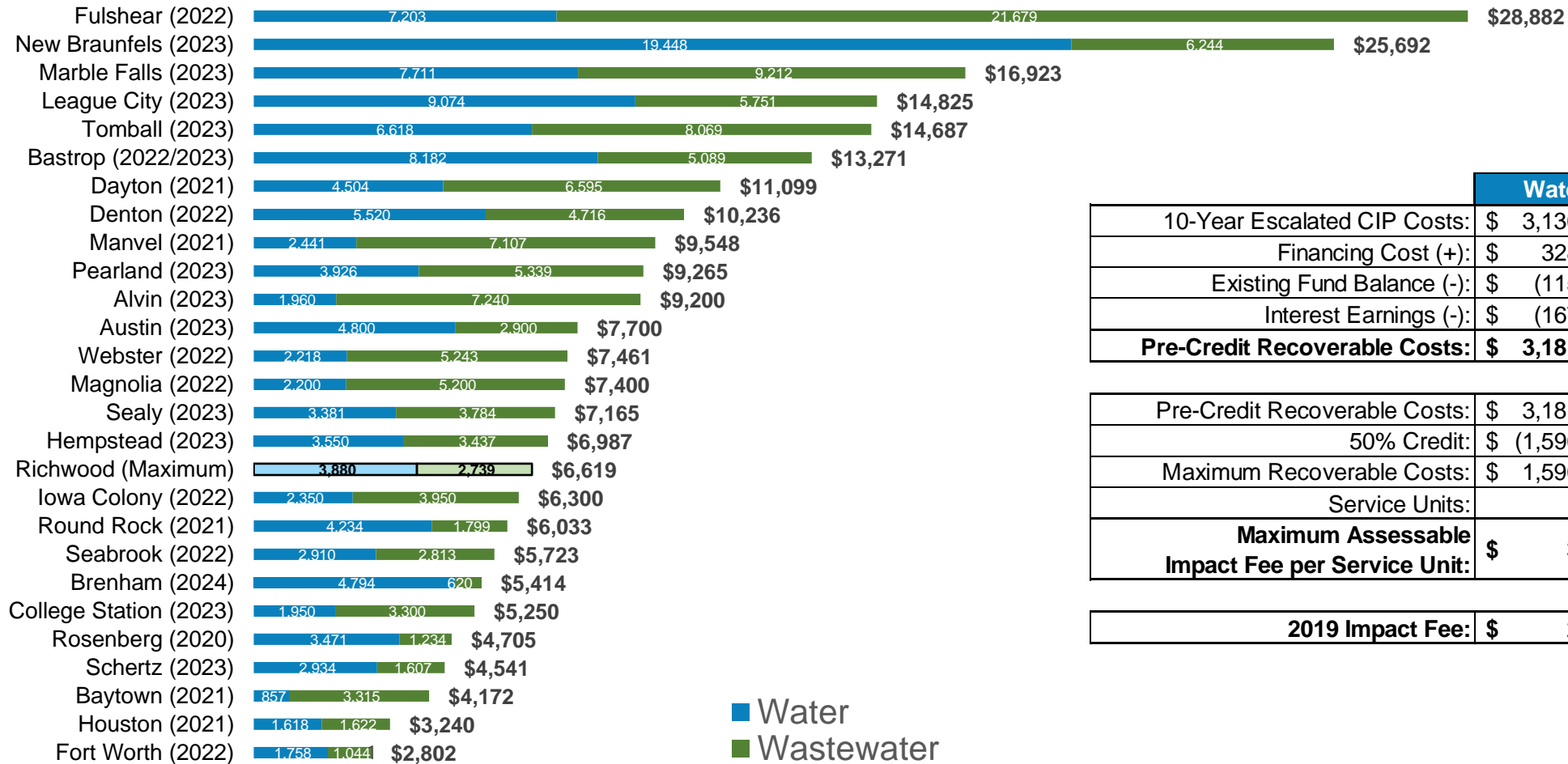
Chapter 395 Allows Credit to be Awarded to Developers Using Two Different Methods, Revenue Credit and 50 Percent Credit

- CIP costs, financing costs (4.05%), existing fund balances, and interest earnings (2.68%) are considered in calculating pre-credit recoverable costs
- Revenue credit method awards credit for portion of ad valorem taxes and utility service revenues generated by new service units
- 50 percent credit method assumes a credit equal to 50 percent of the total projected cost
- Maximum assessable impact fees are calculated by dividing maximum recoverable costs by the new service units added

	Water	Wastewater
10-Year Escalated CIP Costs:	\$ 3,136,192	\$ 1,570,178
Financing Cost (+):	\$ 328,864	\$ 342,333
Existing Fund Balance (-):	\$ (115,592)	\$ (10,822)
Interest Earnings (-):	\$ (167,813)	\$ (203,758)
Pre-Credit Recoverable Costs:	\$ 3,181,651	\$ 1,697,931

Pre-Credit Recoverable Costs:	\$ 3,181,651	\$ 1,697,931
50% Credit:	\$ (1,590,826)	\$ (848,966)
Maximum Recoverable Costs:	\$ 1,590,826	\$ 848,966
Service Units:	410	310
Maximum Assessable Impact Fee per Service Unit:	\$ 3,880	\$ 2,739

Impact Fee Marketability is Supported by Review of Impact Fees Recently Adopted by Neighboring Communities



	Water	Wastewater
10-Year Escalated CIP Costs:	\$ 3,136,192	\$ 1,570,178
Financing Cost (+):	\$ 328,864	\$ 342,333
Existing Fund Balance (-):	\$ (115,592)	\$ (10,822)
Interest Earnings (-):	\$ (167,813)	\$ (203,758)
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50% Credit:	\$ (1,590,826)	\$ (848,966)
Maximum Recoverable Costs:	\$ 1,590,826	\$ 848,966
Service Units:	410	310
Maximum Assessable Impact Fee per Service Unit:	\$ 3,880	\$ 2,739

2019 Impact Fee:	\$ 2,414	\$ 2,937
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■ Water
■ Wastewater

Impact Fees Determined for Varying Water Meter Types and Sizes Using AWWA Equivalency Tables

Meter Size (inch)	Meter Type	Continuous Duty Maximum Flow Rate (gpm)	Ratio to 5/8-Inch Meter	Maximum Assessable Impact Fees	
				Water	Wastewater
5/8	Displacement Type	10	1	\$3,880	\$2,739
5/8 x 3/4	Displacement Type	10	1	\$3,880	\$2,739
3/4	Displacement Type	15	1.5	\$5,820	\$4,109
1	Displacement Type	25	2.5	\$9,700	\$6,848
1.5	Displacement Type	50	5	\$19,400	\$13,695
2	Displacement Type	80	8	\$31,040	\$21,912
2	Compound	80	8	\$31,040	\$21,912
3	Compound	175	17.5	\$67,900	\$47,933
3	Turbine Vertical Shaft	220	22	\$85,360	\$60,258
3	Turbine High Velocity	350	35	\$135,800	\$95,865
4	Compound	300	30	\$116,400	\$82,170
4	Turbine Vertical Shaft	420	42	\$162,960	\$115,038
4	Turbine High Velocity	650	65	\$252,200	\$178,035
6	Compound	675	67.5	\$261,900	\$184,883
6	Turbine Vertical Shaft	865	86.5	\$335,620	\$236,924
6	Turbine High Velocity	1,400	140	\$543,200	\$383,460
8	Compound	900	90	\$349,200	\$246,510
8	Turbine High Velocity	2,400	240	\$931,200	\$657,360
10	Turbine High Velocity	3,500	350	\$1,358,000	\$958,650
12	Turbine High Velocity	4,400	440	\$1,707,200	\$1,205,160

CIAC Feedback and Questions?



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Next Steps

Action	Date	Completed
CIAC Meeting No. 1 – Draft LUAs	June 17, 2024	✓
CIAC Meeting No. 2 – Updated LUAs & Draft CIPs and Impact Fees	July 15, 2024	✓
CIAC – Formal Recommendation to City Council	August 2, 2024	
City Council – Public Hearing for Approval of LUAs, CIPs, and Impact Fees & Adopt Impact Fee Ordinance (First Reading)	August 12, 2024	
City Council – Adopt Impact Fee Ordinance (Second Reading)	Late August	



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