

Mayor and Council Communication

DATE: 06/11/24

M&C FILE NUMBER: M&C 24-0517

LOG NAME: 60WATER-WASTEWATER IMPACT FEE STUDY UPDATE 2025

SUBJECT

(ALL) Authorize Execution of an Agreement, with Freese and Nichols, Inc., in the Amount of \$491,470.00 to Update Land Use Assumptions and the Water and Sewer Impact Fee Schedule, Incorporate Revisions in the Water and Sewer Capital Improvements Plan, and Update Wastewater Model, and Adopt Appropriation Ordinances Amend the Fiscal Years 2024-2028 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the execution of an agreement with Freese and Nichols, Inc., in an amount not to exceed \$491,470.00 to update the Water and Wastewater Land Use Assumptions and Capital Improvements Plan for the purpose of revising the impact fee assessed for water and wastewater in accordance with Chapter 395 of the Texas Local Government Code (City Project No. 105387);
2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Water Impact Fee Fund in the amount of \$245,735.00 from available funds, in the Water/Wastewater Wholesale Impact Fees and Water/Wastewater Retail Impact Fees projects (City Project Nos, B20004 and B20005) for the purpose of transferring funds to the Water/Wastewater Impact Fee Study Update project (City Project No. 105387);
3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Sewer Impact Fee Fund in the amount of \$245,735.00 from available funds, in the Water/Wastewater Wholesale Impact Fees and Water/Wastewater Retail Impact Fees projects (City Project Nos, B20004 and B20005) for the purpose of transferring funds to the Water/Wastewater Impact Fee Study Update project (City Project No. 105387);
4. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Water Impact Fee Fund in the amount of \$245,735.00 transferred from the Water/Wastewater Wholesale Impact Fees and Water/Wastewater Retail Impact Fees projects (City Project Nos, B20004 and B20005) to the Water/Wastewater Impact Fee Study Update project (City Project No. 105387) to effect a portion of Water's Contributions to the Fiscal Years 2024-2028 Capital Improvement Program;
5. Adopt the attached appropriation ordinance increasing estimated and appropriations in the Sewer Impact Fee Fund in the amount of \$245,735.00 transferred from Water/Wastewater Wholesale Impact Fees and Water/Wastewater Retail Impact Fees projects (City Project Nos, B20004 and B20005) to the Water/Wastewater Impact Fee Study Update project (City Project No. 105387) to effect a portion of Water's Contributions to the Fiscal Years 2024-2028 Capital Improvement Program.

DISCUSSION:

Chapter 395 of the Texas Local Government Code provides authorization for local governments to enact and impose impact fees for capital improvements related to water and wastewater facilities, storm drainage and flood control facilities and roadway facilities.

Since the early 1990s, the City has assessed Water and Wastewater Impact Fees pursuant to Chapter 35, Article III, and Division 2 of the City Code. State law and Section 35-70.13(a) of the City Code requires that the City update the Land Use Assumptions and Capital Improvements Plan at least every five years, commencing from the date of adoption of such plans, and recalculate the Impact Fees in accordance with the procedures set forth in Chapter 395 of the Texas Local Government Code. On September 21, 2021 the City Council approved the last update and the City Council approved the revised impact fees to allow for the collection of 40 percent of the maximum assessable water and wastewater fee per service unit (Ordinance No. 25101-09-2021).

To comply with City procedure and the Water Department's Wholesale Contracts, the Wholesale Subcommittee was formed and Bonfire was utilized to receive responses to a Request For Qualifications (RFQ) for the selection of an engineering consultant. The RFQ was advertised in the *Fort Worth Star-Telegram* on February 16 and March 1, 2024. On March 14, 2024 one response was received and publicly opened. Water Department staff recommends Freese and Nichols, Inc., be selected to conduct the update of the Land Use Assumptions and Capital Improvements Plan for Water and Wastewater Impact Fee Update.

As part of the Water and Wastewater Impact Fee Update, Freese and Nichols, Inc. shall;

- Use the updated Water and Wastewater Models provided by the City and review current Land Use Assumptions, Capital Improvements Plan and Impact Fee Schedule and Ordinances. Additional reports to review include the Water and Wastewater Master Plan, Facilities Plan and Semi-Annual Impact Fee reports;
- Update Land Use Assumptions and Capital Improvements Plan for water and wastewater in accordance with Texas Local Government Code, Chapter 395;
- Participate with staff in meetings and with the Water and Wastewater Capital Improvements Plan Citizen Advisory Committee, participate in meetings with the Water and Wastewater Wholesale Customer Committees and Sub-Committees, and participate in public hearings and City Council meetings concerning the impact fee studies; and Generate an updated report for the Land Use Assumptions, Capital Improvements Plan for water and wastewater and make recommendations on the City's Impact Fees; and

- Update the Westside Pressure Plane Water Model.

It is the practice of the Water Department to appropriate its CIP plan throughout the Fiscal Year (FY), instead of within the annual budget ordinance, as projects commence, additional funding needs are identified, and to comply with bond covenants. The actions in the Mayor & Council Communication (M&C) will appropriate funds in support of the Water's portion of the City of Fort Worth's Fiscal Years 2024-2028 Capital Improvement Program, as follows:

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Capital Fund Name	Project Name	FY2024 CIP Appropriations	Authority Change	Budget (Increase/Decrease)	Revised FY 2024 Budget
Water Impact Fee Fund-56003	105387-W/WW Impact Fee Study Update	\$0.00	This M&C	\$245,735.00	\$245,735.00
Sewer Impact Fee Fund-57003	105387-W/WW Impact Fee Study Update	\$0.00	This M&C	\$245,735.00	\$245,735.00

Funding is currently available in the W/WW Wholesale Impact Fees and W/WW Retail Impact Fees projects within the Water Impact Fee Fund and the Sewer Impact Fee Fund for the purpose of funding the W/WW Impact Fee Study Update project.

Appropriations for the W/WW Impact Fee Study Update project are depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
Water Impact Fee - Fund 56003	\$0.00	\$245,735.00	\$245,735.00
Sewer Impact Fee - Fund 57003	\$0.00	\$245,735.00	\$245,735.00
Project Total	\$0.00	\$491,470.00	\$491,470.00

M/WBE OFFICE: Freese and Nichols, Inc., is in compliance with the City's Business Equity Ordinance by committing to 13.04 percent SBE participation on this project. The City's Business Equity goal on this project is 13 percent.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the W/WW Wholesale Impact Fees and W/WW Retail Impact Fees projects within the Water Impact Fee Fund and the Sewer Impact Fee Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the Water Impact Fee Fund and the Sewer Impact Fee Fund for the W/WW Impact Fee Study Update project to support the approval of the above recommendations and authorization of the agreement. Prior to an expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds.

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