

To the Mayor and Members of the City Council

April 15, 2025

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SUBJECT: WATER AND WASTEWATER IMPACT FEE UPDATE

Fort Worth is one of the fastest growing cities in the country. Regionally, the Fort Worth water utility provides water and wastewater services to more than 1.4 million people in Fort Worth and many surrounding cities. Since 1990, as permitted by the Texas Local Government Code, Chapter 395, Fort Worth Water has charged water and wastewater impact fees against new development to fund a portion of growth-related capital improvement costs, such as new or expanded treatment facilities, pump stations, storage tanks, and regional pipelines, needed to serve future customers. Impact fee studies must be updated at a minimum of every five years and include updating land use assumptions and the capital improvements plan (CIP) as well as the fee to assess developers/new customers and the related collection rate. Fort Worth Water staff began the current study update in May 2024.

As part of the land use assumptions update, population and employment projections are developed for the period from 2025 to 2035 for the entire retail and wholesale water and wastewater service areas and include growth projections for the water and wastewater customer base. Population and employment growth are then normalized into service unit equivalents (SUEs), which correlate to flowrates from a 3/4" x 5/8"-sized water meter.

Water Customer Base	Service Area Population		Service Area Employment	
	2025	2035	2025	2035
City of Fort Worth (Retail)	1,017,863	1,264,157	683,904	775,564
Wholesale Customers (33)	433,898	507,653	239,101	290,213
TOTAL	1,451,761	1,771,810	923,005	1,065,777
10-Year Increase		320,049		142,772
Service Unit Equivalent (SUE) Growth	123,508		34,658	
TOTAL SUE GROWTH	158,166			
Wastewater Customer Base	Service Area Population		Service Area Employment	
	2025	2035	2025	2035
City of Fort Worth (Retail)	1,017,863	1,264,157	683,904	775,564
Wholesale Customers (23)	371,547	436,431	168,165	196,475
TOTAL	1,389,410	1,700,588	852,069	972,039
10-Year Increase		311,178		119,970
Service Unit Equivalent (SUE) Growth	114,167		19,268	
TOTAL SUE GROWTH	133,435			

The impact fee eligible CIP includes growth-related facilities for Fort Worth Water as well as growth-related projects allocated to the Fort Worth system by the Tarrant Regional Water District (water) and the Trinity River Authority (wastewater). Projects include water supply, treatment facilities, pump stations, storage facilities and regional transmission mains; and wastewater treatment plants, pumping stations, and regional interceptors. Total impact fee eligible water costs for the ten-year study period are calculated to be \$1,050,944,830, while the total wastewater impact fee eligible costs are estimated at \$841,408,968. The total impact fee eligible costs are divided by the growth in SUEs to determine the maximum allowable impact fees which could be collected, calculated to be \$6,645 for water and \$6,305 for wastewater, for a total of \$12,950 per SUE, as shown in the table below:

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Entity	Water	Wastewater
Tarrant Regional Water District	\$474,988,804	
Trinity River Authority		\$159,950,169
Fort Worth Water	\$575,956,026	681,458,799
Total 2025 Impact Fee Eligible Costs	\$1,050,944,830	\$841,408,968
Growth in SUEs	158,166	133,435
Maximum Allowable Impact Fees	\$6,645	\$6,305
Combined Impact Fee	\$12,950	

Throughout the study update process, Fort Worth Water staff have worked closely with the City Council-appointed Capital Improvements Plan Advisory Committee (CIPAC), and have briefed the Development Advisory Committee, the Wholesale Customer Advisory Committees, and the Interdepartmental Meetings on Development on multiple occasions.

At the February 27, 2025, public meeting of the CIPAC, the members approved the updated land use assumptions and CIP on a unanimous vote. The committee then recommended, on a 5 to 1 vote, a collection rate of 45% of the maximum allowable impact fee, to be phased in over two years. The first year is recommended to be collected at 42.5%, calculated at \$2,824 for water and \$2,680 for wastewater for a total of \$5,504. The second and subsequent years are recommended to be collected at 45%, calculated at \$2,990 for water and \$2,838 for wastewater for a total of \$5,828. The current collection rate is 40%. Attached is the CIPAC letter to the Mayor and City Council recommending these updated water and wastewater impact fees.

Next Steps

The next steps include a public hearing before the City Council on the land use assumptions, CIP and impact fee assessment and collection rates scheduled for May 20, 2025 (Resolution No. 6073-03-2025), followed by City Council consideration for approval on June 10, 2025. Wholesale customer cities are required by contract to adopt impact fees which are at least equal to Fort Worth’s fees. The new impact fees would take effect in Fort Worth and wholesale customer cities on October 1, 2025.

Should you have any questions, please contact Chris Harder, P.E., Water Director, at 817-392-5020.

Jesus “Jay” Chapa
City Manager



March 7, 2025

The Honorable Mayor and City Council
City of Fort Worth
100 Fort Worth Trail
Fort Worth, TX 76102

RE: 2025 Water and Wastewater Capital Improvements Plan Update - Advisory Committee Recommendations

Dear Mayor Parker and Members of the City Council:

The Water and Wastewater Capital Improvements Plan Advisory Committee (CIPAC) has been working with City staff and the consulting firm of Freese and Nichols, Inc. since May 2024 on the Water and Wastewater Impact Fee Study Update 2025, an update to the Land Use Assumptions and Capital Improvements Plan for water and wastewater facilities, which are used to calculate the maximum allowable Impact Fees.

The CIPAC met on February 27, 2025, and reviewed the consultant's presentation of the finished Water and Wastewater Impact Fee Study Update 2025. Pursuant to its statutory duties, the CIPAC hereby submits, by unanimous vote, the following for your consideration:

- The Water and Wastewater Impact Fee Study Update 2025 which updates the City's land use assumptions and capital improvements plan for water and wastewater facilities.
- Continued imposition of the Maximum Allowable Impact Fee for water and wastewater facilities increased to \$12,950 per service unit based on calculations before credits contained in the 2025 Update. \$12,695 would be the maximum allowable with the credit if the collection rate were to exceed 50 percent.

The CIPAC, by a 5 to 1 vote, recommends the following with respect to the collection rate of the maximum allowable impact fees:

- Effective October 1, 2025, a collection rate of 42.5 percent of the Maximum Allowable Impact Fee (water and wastewater combined) increasing the combined water and wastewater impact fee to \$5504.
- Effective October 1, 2026, a collection rate of 45 percent of the Maximum Allowable Impact Fee (water and wastewater combined) increasing the combined water and wastewater impact fee to \$5828.

The CIPAC stands ready to discuss this recommendation with the City Council if so requested.

The CIPAC is composed of the following members:

Mr. Bob Madeja, Chairman - Building Community Representative

Mr. Don E. Allen, Real Estate Representative
Mr. George Felan, Neighborhood Community Representative
Mr. Daniel Haase, Neighborhood Community Representative
Mr. Don Little, Development Community Representative
Mr. Rusty Fuller, Neighborhood Community Representative
Mr. Rick Trice, ETJ Representative

Sincerely,

Bob Madeja

[Bob Madeja \(Mar 7, 2025 09:33 CST\)](#)

Bob Madeja
Chairman, Capital Improvements Plan Advisory Committee

CC. City Secretary
Jesus "Jay" Chapa, City Manager
Jessica McEachern, Assistant City Manager
Chris Harder, P.E., Water Department Director
Water Department staff