



City of Harker Heights  
Capital Improvements Advisory Committee Meeting  
August 31, 2022  
5:30 P.M.

Kitty Young Council Chambers  
Harker Heights City Hall  
305 Miller's Crossing  
Harker Heights, TX 76548





**CAPITAL IMPROVEMENTS ADVISORY COMMITTEE  
MEETING AGENDA  
HARKER HEIGHTS CITY HALL  
WEDNESDAY, AUGUST 31, 2022 – 5:30 P.M.**

Notice is hereby given that beginning at 5:30 P.M. on Wednesday, August 31, 2022, the Capital Improvements Advisory Committee (CIAC) of the City of Harker Heights will conduct a regular meeting. The Meeting will be held in the Kitty Young Council Chambers of the Harker Heights City Hall, located at 305 Miller's Crossing, Harker Heights, Texas, 76548. The subjects to be discussed are listed in the following agenda:

**MEETING AGENDA**

**I. CALL TO ORDER** – Convene Regular Meeting of the Capital Improvements Advisory Committee and establish a quorum.

**II. INVOCATION**

**III. PLEDGE OF ALLEGIANCE**

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.

**IV. APPROVAL OF AGENDA**

1. Consider approval of the agenda for the regular meeting of the Capital Improvements Advisory Committee for August 31, 2022.

**V. CONSENT AGENDA**

1. Consider approval of Minutes from the Capital Improvements Advisory Committee Meeting held December 8, 2021, and January 12, 2022.

**VI. RECOGNITION OF AFFIDAVITS FOR CONFLICT OF INTEREST.**

**VII. PUBLIC COMMENTS:**

1. At this time, residents who desire to address the Committee on any matter may do so during this time. Please understand that while the Committee appreciates hearing your comments, State law (Texas Local Government Code §551.042) prohibits them from: (1) engaging in discussion other than providing a statement of specific factual information or reciting existing City policy, and (2) taking action other than directing Staff to place the matter on a future agenda. Please state your name and address for the record and limit your comments to three minutes.

**VIII. PUBLIC HEARING:**

1. **CIAC-22-01** Conduct a public hearing to discuss and consider Impact Fee Calculations and Recommendations under which an impact fee may be imposed for wastewater facilities for the 2022 wastewater impact fee area and take the appropriate action.

**IX. REPORTS FROM CIAC MEMBERS & ALTERNATES**

**X. STAFF COMMENTS**

**XI. ADJOURNMENT**

I, the undersigned authority, do hereby certify that pursuant to the Texas Open Meetings Act, the above Notice of Meeting of the Capital Improvements Advisory Committee of the City of Harker Heights, Texas, was posted at the Harker Heights Municipal Building, and the City of Harker Heights website which is readily accessible to the public at all times, by **10:00 A.M. on Friday, August 26, 2022**. Please contact the Planning and Development Department at (254) 953-5648 for further information.

**Raelin Fiscus**

Raelin Fiscus, Planning & Development Administrative Assistant

*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 254-953-5600, or FAX 254-953-5614, or email [jhelsham@harkerheights.gov](mailto:jhelsham@harkerheights.gov) for further information.*



**Minutes of the Harker Heights Capital Improvements  
Advisory Committee Meeting  
December 8, 2021**

Present:

**Commission**

Larry Robison	Chairman
Robert Robinson III	Vice Chairman
Noel Webster	Commissioner
Rodney Shine	Commissioner
Joshua McCann	Commissioner
Kay Carey	Commissioner
Bobby Hoxworth	ETJ Member
Michael Stegmeyer	Alternate Commissioner
Bary Heidtbrink	Alternate Commissioner
Natalie Austin	Alternate Commissioner

**Staff**

Kristina Ramirez	Planning and Development Director
Yvonne Spell	City Planner
Michael Beard	Building Official
Wilson Everett	Planning and Development Administrative Assistant
Brad Alley	Fire Marshal

Absent:

Adam Parker	Secretary
Nuala Taylor	Commissioner
Stephen Watford	Commissioner

**Meeting Agenda:**

Agenda Item I: A quorum was established, and the meeting for the Capital Improvements Advisory Committee was called to order at 5:30 P.M.

Agenda Item II: Invocation

Agenda Item III: Pledge of Allegiance

Agenda Item IV: The next agenda item was to consider approval of the agenda for the regular meeting of the Capital Improvements Advisory Committee for December 8, 2021. Commissioner Carey made a motion to approve the Agenda. Commissioner Shine seconded the motion. **The motion was approved (7-0).**

Agenda Item V: The next agenda item was to consider approval of the minutes from the regular meeting of the Capital Improvements Advisory Committee on August 25, 2021. Commissioner Shine made a motion to approve the Agenda. Vice Chairman Robinson seconded the motion. **The motion was approved (7-0).**

Agenda Item VI: Recognition of Affidavits for Conflict of Interest. There were no conflicts of interest submitted.

Agenda Item VII: Public Comments: There was no one present in person or attending virtually who wished to address the Capital Improvements Advisory Committee during this meeting.

Agenda Item VIII: Presentations by Staff:

*None.*

**Agenda Item IX: Public Hearing:**

1. **CIAC-21-03** Conduct a public hearing to discuss and consider Impact Fee Calculations and recommendations under which an impact fee may be imposed for wastewater facilities for the 2022 wastewater impact fee area and take the appropriate action.

Vice Chairman Robinson made a motion to approve the Impact Fee Calculations and recommendations under which an impact fee may be imposed for wastewater facilities for the 2022 wastewater impact fee area for the maximum allowable amount for the ¾” meter at \$6,100.00. Commissioner McCann seconded the motion. **The motion was approved (7-0).**

**Agenda Item X: New Business:**

*None.*

Agenda Item XI: Reports from CIAC Members and Alternates

Agenda Item XII: Staff Comments

Agenda Item XIII: Adjournment- **Chairman Robison then adjourned the meeting of the Capital Improvements Advisory Committee at 6:20 P.M.**

**Larry Robison, Chairman**

**DATE:**

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**Adam Parker, Secretary**

**DATE:**

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**Minutes of the Harker Heights Capital Improvements  
Advisory Committee Meeting  
January 12, 2022**

Present:

**Commission**

Larry Robison	Chairman
Robert Robinson III	Vice Chairman
Michael Stegmeyer	Secretary
Natalie Austin	Commissioner
Rodney Shine	Commissioner
Bary Heidtbrink	Commissioner
Stephen Watford	Commissioner
Jerry Bess	Commissioner
Allen Strickland	Alternate Commissioner
Elizabeth McDaniel	Alternate Commissioner
Monica Washington	Alternate Commissioner

**Staff**

Kristina Ramirez	Planning and Development Director
Ayesha Lealiiee	Finance Director
Gary Bates	Director of Information Services
Yvonne K. Spell	City Planner
Wilson Everett	Planning and Development Administrative Assistant
Courtney Fye	Building Official Secretary
Calvin Fleming	Code Enforcement Officer
Daniel Phillips	GIS Analyst/Planner

Absent:

Joshua McCann	Commissioner
Bobby Hoxworth	ETJ Member

**Meeting Agenda:**

Agenda Item I: A quorum was established, and the meeting for the Capital Improvements Advisory Committee was called to order at 5:43 P.M.

Agenda Item II: Swear in Members and Alternates of the Planning and Zoning Commission (as needed). There were no additional members who needed to be sworn in at this time.

Agenda Item III: Elect Planning and Zoning Commission Officers: Chairman, Vice Chairman, and Secretary. Commissioner Austin made a motion to elect Larry Robison as the Chairman, Robert Robinson as the Vice Chairman, and Michael Stegmeyer as the Secretary. Commissioner Shine seconded the motion. **The motion was approved (8-0).**

Agenda Item IV: Public Hearing:

CIAC-21-03-A Conduct a public hearing to discuss and consider amended Impact Fee Calculations and recommendations under which an impact fee may be imposed for wastewater facilities for the 2022 wastewater impact fee area and take the appropriate action.

Mrs. Ramirez explained the proposed changes to the impact fee amount being due to bids for projects coming in higher than what was projected initially.

Jessica Vassar of Freese and Nichols made a recommendation to amend the Impact Fee for wastewater facilities from \$6,100.00 to \$6,133.00.

Secretary Stegmeyer made a motion to approve the Impact Fee Calculations and recommendations under which an impact fee may be imposed for wastewater facilities for the 2022 wastewater impact fee area for the maximum allowable amount at \$6,133.00. Commissioner Shine seconded the motion. **The motion was approved (8-0).**

Agenda Item XIII: Adjournment- **Chairman Robison then adjourned the meeting of the Capital Improvements Advisory Committee at 7:14 P.M.**

**Larry Robison, Chairman**

**DATE:**

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**Michael Stegmeyer, Secretary**

**DATE:**

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# CAPITAL IMPROVEMENTS ADVISORY COMMITTEE MEMORANDUM

**22-01**

**AGENDA ITEM VIII-1**

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FROM: THE OFFICE OF THE PLANNING AND DEVELOPMENT DIRECTOR

DATE: AUGUST 31, 2022

**DISCUSS AND CONSIDER IMPACT FEE CALCULATIONS**

**EXPLANATION:**

According to Chapter 395 of the Texas Local Government Code, Capital Improvement Advisory Committee (CIAC) serves as the advisory committee for the 2022 Wastewater Impact Fee study. The purpose of the August 31, 2022 meeting is for the CIAC to discuss and consider Impact Fee Calculations and recommendations under which an impact fee may be imposed for wastewater facilities for the 2022 wastewater impact fee area and take the appropriate action.

The City adopted the current Future Land Use Map (FLUM) in 2007. The City Council adopted changes to the Land Use Plan on October 26, 2021. The City's consultant, Ms. Jessica Vassar with Freese and Nichols, has evaluated the future land use assumptions, current development activity, and existing land use map with respect to their contribution to developing an impact fee.

**STAFF RECOMMENDATION:**

Staff recommends approval of the presented impact fee calculations for the 2022 impact fee area, as presented by Ms. Vassar.

**ACTION BY CAPITAL IMPROVEMENT ADVISORY COMMITTEE:**

1. Motion to recommend approval/ disapproval of impact fee calculations for the 2022 impact fee area, based on staff's recommendation and findings.
2. Any other action deemed necessary.

**ATTACHMENTS:**

1. NONE

**ORDINANCE NO. 2022-\_\_\_\_\_**

**AN ORDINANCE OF THE CITY OF HARKER HEIGHTS, TEXAS AMENDING TITLE V OF THE CITY'S CODE OF ORDINANCES; ESTABLISHING CHAPTER 55 "IMPACT FEES"; ADOPTING, IMPOSING, AND ESTABLISHING WASTEWATER IMPACT FEES ON NEW DEVELOPMENTS IN THE IMPACT FEE SERVICE AREA TO THE EXTENT ALLOWABLE BY LAW; ADOPTING ASSESSMENT AND COLLECTION RATES FOR WASTEWATER IMPACT FEES; PROVIDING A CUMULATIVE CLAUSE, PROVIDING A SEVERABILITY CLAUSE; ESTABLISHING A PENALTY AND SPECIFICALLY NEGATING A REQUIREMENT OF A CULPABLE MENTAL STATE; ESTABLISHING A PENALTY FOR VIOLATIONS; AND PROVIDING AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, Chapter 395 of the Texas Local Government Code (LGC) authorizes municipalities to enact or impose impact fees on land within the city limits in accordance with Chapter 395; and

**WHEREAS**, the City of Harker Heights is responsible for and committed to the provision of public facilities to ensure the provision of adequate facilities in the future; and

**WHEREAS**, new development causes and imposes increased demands for City public wastewater facilities ("public infrastructure"); and

**WHEREAS**, Texas Local Government Code, Chapter 395, authorizes Cities to adopt and amend impacts for the purpose of financing capital improvements for public infrastructure required by new development; and

**WHEREAS**, to the extent new development places demands upon public infrastructure, those demands should be satisfied by sharing the responsibility for financing these facilities from the public at large to the developments creating the demands; and

**WHEREAS**, the City Council, after careful consideration of the matter, hereby finds and declares that wastewater impact fees imposed upon development to finance specific public infrastructure projects that are needed to meet the demands of the development are in the best interests of the general welfare of the City and its residents, are proportionate, and do not impose an unfair burden on such development; and

**WHEREAS**, the amount of the wastewater impact fees imposed on new development shall be determined by the cost of the additional public infrastructure

needed to support such new development as identified in capital improvements plans; and

**WHEREAS**, the Capital Improvements Advisory Committee has filed written comments regarding the proposed wastewater impact fees with the City Council; and

**WHEREAS**, On September 14, 2021, the City Council approved an order establishing two public hearing dates to consider adoption of land use assumptions and the capital improvements plan for the potential imposition of impact fees for wastewater facilities and directed the City Secretary to publish notice of said Public Hearings; and

**WHEREAS**, on October 26, 2021 and November 9 2021, the City Council held a public hearing to solicit comments from citizens and other interested parties concerning the adoption of land use assumptions and the capital improvements plan for the potential imposition of impact fees for wastewater facilities; and

**WHEREAS**, On November 9, 2021, the City Council approved Ordinance No. 2021-39 adopting land use assumptions and the capital improvements plans for the potential imposition of impact fees for wastewater facilities; and

**WHEREAS**, On January 18, 2022, the City Council approved an order establishing two public hearing dates to consider adoption of impact fees for wastewater facilities and directed the City Secretary to publish notice of said Public Hearings; and

**WHEREAS**, on February 22, 2022 and March 8, 2022, the City Council held a public hearing to consider land use assumptions and wastewater capital improvements plans pursuant to which impact fees would be imposed; and

**WHEREAS**, the land use assumptions and wastewater capital improvements plans were developed by qualified professionals using generally accepted engineering and planning practices in accordance with Chapter 395 of the Texas Local Government Code; and

**WHEREAS**, the report dated January 10, 2022 prepared by Freese and Nichols, Inc., and entitled “Wastewater Impact Fee Study Report” sets forth reasonable methodologies and analyses for determining the impact of new development on public infrastructure and the costs for additional wastewater facilities in the City of Harker Heights, and are in accordance with the provisions of Chapter 395 of the Texas Local Government Code; and

**WHEREAS**, the City Council finds that the City has complied with Chapter 395 in the notice, adoption, promulgation, and methodology necessary to adopt impact fees;

**WHEREAS**, the meeting at which this Ordinance was passed was open to the public, and notice of the time, place and purpose of said meeting was given as required by law, all in strict accordance with the requirements of the Texas Open Meetings Act;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HARKER HEIGHTS, TEXAS AS FOLLOWS:**

**Section 1.** All the above whereas clauses and the premises stated in them are hereby found to be true and correct legislative and factual findings of the City Council and are hereby approved and incorporated into the body of this ordinance as if copied in their entirety.

**Section 2.** In accordance with Chapter 395 of the Texas Local Government Code, the City Council has employed qualified professionals to prepare land use assumptions and capital improvements plans for the imposition of wastewater impact fees. These land use assumptions and capital improvements plans were approved after a public hearing in accordance with Chapter 395 of the Texas Local Government Code.

**Section 3.** The report entitled “Wastewater Impact Fee Study Report”, dated January 10, 2022, which is attached to this Ordinance as Exhibit “D”, is hereby adopted and incorporated into this Ordinance. To the extent of any conflict between Exhibit “D” and prior versions of the report, Exhibit “D” shall control. To the extent of any conflict between Exhibit “D” and this Ordinance, Exhibit “D” shall control.

**Section 4.** The provisions in this Ordinance apply to all new development within the impact fee service area of the City.

**Section 5.** Chapter 55 of the Code of Ordinances of the City of Harker Heights, Texas, is hereby established which shall hereafter read as follows:

**CHAPTER 55: IMPACT FEES**

**CHAPTER I. – GENERAL PROVISIONS**

**§55.01. Title.**

This Chapter shall be known and may be cited as the Impact Fees Ordinance or the Impact Fees Code of the City of Harker Heights.

**§55.02. Statement of Purpose.**

This Chapter is intended to ensure the provision of adequate public facilities to serve new development in the City by requiring each development to pay its proportional share of the costs of such improvements necessitated by and attributable to such new development as related to wastewater capital improvements.

§55.03. Authority.

This Chapter is adopted pursuant to Chapter 395 of the Texas Local Government Code. The provisions of this Chapter shall not be construed to limit the powers of the City to utilize other methods authorized under state law, or pursuant to other City powers to accomplish the purposes set forth herein, either in substitution or in conjunction with this Chapter.

§55.04. Definitions

The following words, terms and phrases, as used in this Chapter, shall have the meanings respectively ascribed to them in this Chapter, unless the context clearly indicates otherwise:

*Area-related facility* means a capital improvement or facility expansion which is designated in the Impact Fee Capital Improvements Plan and which is not a site-related facility. Area-related facility may include a capital improvement, which is located offsite, within, or on the perimeter of the development site.

*Assessment* means the determination of the amount of the maximum credited impact fee per service unit that can be imposed on new development pursuant to this Chapter.

*Capital improvement* means any wastewater facilities that have a life expectancy of three (3) or more years and are owned and operated by or on behalf of the City.

*Capital improvements plan* means a plan approved by the City Council that identifies capital improvements or facility expansions for which impact fees may be assessed.

*City* means the City of Harker Heights, Texas.

*City Council* means the City Council of the City of Harker Heights, Texas.

*City Manager* means the City Manager of the City of Harker Heights, Texas, or his or her designee.

*Change of Use* means a new development involving a change in use or occupancy of any existing structure, with the exception of shell structures never previously occupied, that has the effect of increasing the number of service units beyond those attributable to the immediately preceding use, which requires the issuance of a new permit and which may include, but is not limited to, the reconstruction, redevelopment, conversion, structural alteration or enlargement of any structure.

*Director* means the Public Works Director or the Director's designee.

*Effective date* means March 8, 2022.

*Extraterritorial jurisdiction (ETJ)* means the extraterritorial range of the City's authority outside corporate limits of the city.

*Facility expansion* means the expansion of the capacity of any existing facility for the purpose of serving new development. The term does not include the repair, maintenance, modernization, or expansion of an existing facility to serve existing development.

*Final Plat* means the map of a subdivision (and any required accompanying material per §154.22 and §154.26) which is presented to the City's Planning and Zoning Commission, the City Council or authorized city staff for approval, and which, if approved, is recorded in the official public records of Bell County, Texas.

*Impact Fee Capital Improvements Plan* means the adopted plan for public infrastructure within the impact fee service area, as may be amended from time to time, which identifies the facilities and their associated costs which are necessitated by and which are attributable to new development, for a period not to exceed ten (10) years, and which are to be financed in whole or in part through the imposition impact fees pursuant to this Chapter.

*Land use assumptions* means the projections of growth and associated changes in land uses, densities and intensities for a service area adopted by the City, as may be amended from time to time, upon which the Impact Fee Capital Improvements Plan for the service area is based.

*New development* means an activity involving the construction, reconstruction, redevelopment, conversion, structural alteration, relocation, or enlargement of any structure, or any use or extension of land, which has the effect of increasing demand, measured by an increase in the number of the service units utilizing the City's systems that are attributable to such activity, and which requires either the approval and filing of a plat, or a re-plat pursuant to the City's subdivision regulations, or the issuance of a building permit, or a utility connection.

*Owner* means an owner of real property who is subject to this Ordinance, or an agent, employee or representative thereof who is authorized to act on the real property owner's behalf or a person who has paid an impact fee under this Ordinance.

*Preliminary plat* means the map of the proposed layout of a subdivision (and

any required accompanying material per §154.21) which is presented to the Planning and Zoning Commission and City Council and is approved by the City Council.

*School District* means a public or private institution for the teaching of students.

*Service area* means a geographic area within the City or within the City's extraterritorial jurisdiction within which impact fees may be collected for new development occurring within such area. For purposes of this Chapter, the area within in the portion of the City as illustrated and annotated in Exhibit A.

*Service unit* means a standardized measure of consumption, use, generation or discharge attributable to an individual unit of development calculated in accordance with generally accepted engineering or planning standards, for a particular category of capital improvements or facility expansions.

*Service Unit Equivalent* (“SUE’s”) means an equivalency factor, based on the demand associated with the smallest water meter used in the City of Harker Heights, Texas utility systems. SUE's are utilized to establish the number of service units to be allocated to various meter sizes used in the City of Harker Heights, Texas.

*Site-related facility* means an improvement or facility which is for the primary use or benefit of a new development and/or which is the for the primary purpose of safe and adequate provision of facilities to serve the new development and which is not included in the Impact Fee Capital Improvements Plan and for which the developer or owner is solely responsible under subdivision and other applicable regulations.

*Study* means, collectively, the impact fee report prepared by a registered professional engineer licensed in the State of Texas that is on file in the office of the City Secretary.

*System-related facility* means a capital improvement or facility expansion which is designated in the capital improvements plan and which is not a site-related facility. This term may include a capital improvement which is located off-site or within or on the perimeter of the development site.

*Utility connection* means connection of an individual meter to the City's system, or an increase in the size of an existing meter.

*Wastewater facility* means a wastewater interceptor or main, lift station or other facility or improvement used for providing wastewater collection and/or treatment included within the City’s wastewater system. This term includes

land, easements or structures associated with such facilities. This term excludes a site-related facility.

§55.05. Impact Fee as Condition of Development Approval.

No new development shall be connected to the City's wastewater system within the service area without the assessment of an impact fee pursuant to this Chapter, and no building permit or request for service shall be issued until the applicant has paid the impact fee imposed herein, except for those entities that are expressly exempt from impact fees as set forth in Texas Local Government Code, Chapter 395.

§55.10. Land Use Assumptions.

- (A) Said land use assumptions for the service area are depicted in Exhibit A, which is attached hereto and incorporated by reference herein as §55.40(A).
- (B) Exhibit A shall be updated at least every five (5) years utilizing the amendment procedure set forth in Texas Local Government Code, Chapter 395.
- (C) Amendments to the land use assumptions shall incorporate projections of changes in land uses, densities, intensities, and population for the service area over at least a ten (10) year period.

§55.11. Wastewater Impact Fee Service Area.

- (A) There is hereby established one (1) wastewater impact fee service area the boundaries of which are depicted in Exhibit B, which is attached hereto and incorporated by reference herein as §55.40(B).
- (B) Exhibit B may be amended from time to time utilizing the amendment procedure set forth in Texas Local Government Code, Chapter 395.

§55.20. Determination of Service Units.

- (A) The service unit shall constitute the basis for establishing equivalency within various customer classes based upon the relationship of the continuous duty maximum flow rate in gallons per minute for a water meter of a given size and type compared to the continuous duty maximum flow rate in gallons per minute for a 3/4-inch diameter simple water meter.
- (B) The number of service units for impact fees shall be determined by using land use and service unit equivalencies tables, which convert the

demands generated by typical land uses to SUE. Said tables are included within Exhibit C and are incorporated by reference herein as §55.40(C).

- (C) Exhibit C shall be updated at least every five (5) years utilizing the amendment procedure set forth in Texas Local Government Code, Chapter 395.

§55.21. Impact Fees Per Service Unit.

- (A) Maximum impact fees per service unit for each service area shall be established by category of capital improvements. The maximum impact fee per service unit for each service area for each category of capital improvement shall be computed in the following manner:
  - (1) For each category of capital improvements, calculate the total projected costs of capital improvements necessitated by and attributable to new development in the service area identified in the Impact Fee Capital Improvements Plan;
  - (2) From such amount, subtract a credit in the amount of that portion of utility service revenues, if any, including the payment of debt, to be generated by new service units during the period the capital improvements plan is in effect, including the payment of debt, associated with the capital improvements in the plan;
  - (3) Divide the resultant amount by the total number of service units anticipated within the service area, based upon the land use assumptions for that service area.
- (B) The maximum impact fee per service unit by service area shall be as set forth in Exhibit C. Exhibit C shall be used to assess impact fees.
- (C) The impact fee to be paid per service unit by each new development within a service area shall be as set forth in Exhibit C and shall be an amount less than or equal to the assessed impact fee.

§55.22. Computation of Impact Fees.

- (A) Following the filing and acceptance of a written application for building permit or utility connection, the City shall compute the impact fee due in the following manner:
  - (1) The number of service units shall be determined by using the Service Unit/SUE tables in Exhibit C to calculate impact fees as applicable.

- (2) Service units shall then be multiplied by the applicable impact fees as depicted in Exhibit C.
  - (3) The amount of each impact fee shall be reduced by any allowable offsets or credits for that category of capital improvements, in the manner provided in §55.51.
- (B) The amount of impact fees due for new development shall not exceed the amount computed by multiplying the assessed fee for service units generated by the development as by the applicable impact fee(s) in Exhibit C. The amount of impact fee due for redevelopment shall not exceed the amount computed by multiplying the appropriate fees for services by the net increase in service units generated by the redevelopment.
  - (C) The developer may submit, or the Director may require the submission of, a study prepared by a professional engineer licensed in the State of Texas that clearly indicates the number of service units which will be consumed or generated by the new development. The Director will review the information for completeness and conformity with generally accepted engineering practices and will, when satisfied with the completeness and conformity of the study, multiply the number of service units determined by the study by the impact fee per service unit contained in Exhibit C to determine the total impact fee to be collected for the development.
  - (D) Whenever the owner increases the number of service units for a development, the additional impact fees collected for such new service units shall be determined based on Exhibit C then in effect and shall be collected at issuance of building permits or, as applicable, when water meters are purchased.
  - (E) In the event the owner decreases the number of service units for a development, the owner shall be entitled to a refund of the impact fee or impact fees actually paid, but only for the amounts represented by the decrease in service units based on the assessed fees applicable at the time the fees were paid.
  - (F) If the building permit for the property on which an impact fee is paid has expired and a new application for a building permit is thereafter filed for the identical property and the identical number of service units, the impact fee previously paid satisfies the requirements of this Chapter, unless the earlier impact fee was refunded to the applicant at the expiration of the previously-issued building permit, or

is otherwise refunded.

- (G) The impact fee shall attach to the property for which the impact fee was paid and shall not be transferable to other properties or service units.
- (H) No building permit or utility connection shall be issued if the applicant cannot verify payment to the City of the appropriate impact fees and other applicable fees, or if existing facilities do not have actual capacity to provide service to the new connection(s), except for those entities that are exempted from impact fees as are specifically set forth in Texas Local Government Code, Chapter 395.
- (I) All matters pertaining to the enforcement, assessment, computation, or collection of impact fees provided for herein shall be determined by the Director.

#### §55.30. Assessment of Impact Fees.

- (A) Assessment of impact fees for any new development in all of the service area as illustrated in Exhibit B shall be made as follows:
  - (1) For land which is unplatted at the time of application for a building permit or utility connection, or for a new development which received final plat approval prior the effective date of this Chapter, and for which no re-platting is necessary pursuant to the City's subdivision regulations prior to development, assessment of impact fees shall occur at the time application is made for the building permit or utility connection, whichever first occurs, and shall be the amount of the assessed impact fee per service unit in effect, as set forth in Exhibit C.
  - (2) For a new development which is submitted for approval pursuant to the City's subdivision regulations on or after the effective date of this Chapter, or for which re-platting results in an increase in the number of service units after such date, assessment of impact fees shall be at the time of final plat recordation and shall be the amount of the assessed impact fee per service unit in effect as set forth in Exhibit C.
- (B) Following assessment of impact fees pursuant to subsection (A), the amount of impact fee assessment per service unit for that development cannot be increased, unless the owner proposes to change the approved development by the submission of a new application for final plat approval or other development application that results in approval of additional service units, in which case a new assessment shall occur at

the Exhibit C rate then in effect for such additional service units.

- (C) Following the vacating of any plat or approval of any re-plat, a new assessment must be made in accordance with subsection (A)(2).
- (D) An application for an amending plat made pursuant to Texas Local Government Code §212.016 and the City of Harker Heights Subdivision Ordinance §154.26, for which no new development is proposed and for which there is not an increase in the number of service units, is not subject to reassessment for an impact fee.

§55.40. Exhibits.

- (A) Land Use Assumptions Map (Exhibit A)
- (B) Impact Fee Service Area Map (Exhibit B)
- (C) Impact Fee Tables (Exhibit C)

§55.50. Collection of Impact Fees.

- (A) Except as otherwise provided in this Chapter, the impact fee for the new development shall be collected at the time the City issues a building permit, or if a building permit is not required, at the time an application is filed for a new connection, to the City's wastewater system or for an increase in water meter size.
- (B) Except as otherwise provided by contracts with political subdivisions, developer's contracts, or wholesale customers, no building permit shall be issued until all impact fees due and owing have been paid to the City.
- (C) The City may enter into an agreement for capital improvements with an owner pursuant to §55.71 that establishes a different time and manner of payment.
- (D) In the event that an owner agrees to construct or finance capital improvements in the capital improvements plan pursuant to §55.71, the costs of which are to be reimbursed to the owner from impact fees paid from other new developments that will use such facilities, the City may collect impact fees from such other new developments at the time a final plat is recorded for such development or phase of development.

§55.51. Offsets and Credits.

- (A) The City shall offset the reasonable value of any area-related facilities, identified in the Impact Fee Capital Improvements Plan and

constructed pursuant to an agreement with the City, except as otherwise provided therein, which are dedicated to and received by the City on or after the effective date of this ordinance, against the amount of the impact fee due for that category of capital improvement. No offsets or credits shall be provided for required over-sizing of water and wastewater lines or lift stations not identified in the capital improvements plan or for pro-rata payments to repay other developers for such over-sizing.

- (B) The City shall credit any new development that occurs after the effective date of this Chapter, any amount of capital recovery fees which have been collected by the City pursuant to duly adopted ordinances and any impact fees collected by the City pursuant to this Chapter.
- (C) All offsets and credits against impact fees shall be subject to the following limitations and shall be granted based on this Chapter and additional standards promulgated by the City, which may be adopted as administrative guidelines.
  - (1) No offset or credit shall be given for the dedication or construction of site-related facilities.
  - (2) No offset or credit shall exceed the impact fee to be collected from new development as established in §55.22.
  - (3) The unit costs used to calculate the offsets shall not exceed those assumed for the capital improvements included in the Impact Fee Capital Improvements Plan for the category of facility within the service area for which the impact fee is imposed.
  - (4) If an offset or credit applicable to a plat has not been exhausted within ten (10) years from the date of the acquisition of the first building permit issued or connection made after the effective date of this Chapter or within such period as may be otherwise designated by agreement for capital improvements pursuant to §55.71, such offset or credit shall lapse.
  - (5) In no event will the City reimburse the owner or developer for an offset or credit when no impact fees for the new development can be collected pursuant to this Chapter or for any amount exceeding the total impact fees collected or due for the development for that category of capital improvement, unless otherwise agreed to by the City.
  - (6) The City may participate in the costs of an area-related improvement to be dedicated to the City, including costs that

exceed the amount of the impact fees due for the development under Exhibit C for that category of capital improvements, in accordance with policies and rules established under the City's subdivision regulations and when incorporated into an agreement for capital improvements pursuant to §55.71. The amount of any offset shall not include the amount of the City's participation.

- (D) Unless an agreement for capital improvements is executed providing for a different manner of offsetting or crediting impact fees due pursuant to §55.71, an offset or credit associated with a plat shall be applied to reduce an impact fee at the time of application for the first building permit or at the time of application for the first utility connection for the property, in the case of land located within the City's extraterritorial jurisdiction, and, thereafter, to reduce impact fees subsequently to be collected, until the offset or credit is exhausted.

§55.52. Establishment of Accounts.

- (A) The City's Finance Department shall establish separate interest-bearing accounts clearly identifying the category of capital improvement (i.e. wastewater facility).
- (B) Interest earned by each account shall be credited to the account on which it is earned and shall be used solely for the purposes specified for impact fees as authorized herein.
- (C) The City's Finance Department shall establish adequate financial and accounting controls to ensure that impact fees disbursed from the account are utilized solely for the purposes authorized in this Chapter. Disbursement of funds shall be authorized by the City at such times as are reasonably necessary to carry out the purposes and intent of this Chapter; provided, however, that any fee paid shall be expended within a reasonable period of time, but not to exceed ten (10) years from the date the fee is deposited into the account.
- (D) The City's Department of Finance shall maintain and keep adequate financial records for each such account, which shall show the source and disbursement of all revenues, which shall account for all monies received, the number of service units for which the monies are received, and which shall ensure that the disbursement of funds from each account shall be used solely and exclusively for the provision of projects specified in the Impact Fee Capital Improvements Plan as area-related capital projects.
- (E) The City's Department of Finance shall also maintain such records as are necessary to ensure that refunds are appropriately made in

accordance with this Chapter.

- (F) The records of the account into which impact fees are deposited shall be open for public inspection and copying during ordinary City business hours. The cost for copies is as annually adopted in the City's Fee Schedule.

§55.53. Use of Proceeds of Impact Fee Accounts.

- (A) The impact fee collected pursuant to this Chapter may be used to finance or to recoup capital construction costs for public infrastructure identified in the adopted Impact Fee Capital Improvements Plan and for any purpose authorized in Texas Local Government Code, Chapter 395, as amended. Impact fees may also be used to pay the principal sum and interest and other finance costs on bonds, notes or other obligations issued by or on behalf of the City to finance such capital improvements or facility expansions.
- (B) Impact fees collected pursuant to this Chapter shall not be used to pay for any of the following expenses:
  - (1) Construction, acquisition, or expansion of capital improvements or assets other than those identified in the Impact Fee Capital Improvements Plan;
  - (2) Repair, operation, or maintenance of existing or new capital improvements or expansion of facilities;
  - (3) Upgrading, expanding, or replacing existing capital improvements to serve existing development in order to meet stricter safety, efficiency, environmental or regulatory standards;
  - (4) Upgrading, expanding, or replacing existing capital improvements to serve existing development; provided, however, that impact fees may be used to pay the costs of upgrading, expanding or replacing existing capital improvements in order to meet the need for new capital improvements generated by new development; or
  - (5) Administrative and operating costs of the City.

§55.60. Appeals.

- (A) The owner or applicant for new development may appeal the Director's decisions and determinations first to the City Manager and then to the City Council: (a) the applicability of an impact fee to the new

development; (b) the method of calculating the amount of the impact fee due; (c) the availability or the amount of an offset, credit or rebate; (d) the application of an offset or credit against an impact fee due; or (e) the amount of a refund due, if any.

- (B) The written notice to the City Secretary requesting an appeal shall contain the following information:
- (1) The name of the owner and/or applicant of the Appeal; and
  - (2) The business address and telephone number of the owner and/or applicant; and
  - (3) The specific decision or determination of the Director which owner and/or applicant are aggrieved by, and the date of issuance thereof; and
  - (4) State specifically the grounds regarding owner's and/or applicant's application for appeal; and
  - (5) State specifically what amount of money that you believe is owed to the City, as well as the basis thereof; and
  - (6) The name and address of any legal counsel representing the owner or applicant who will appear before the City Manager/City Council; and
  - (7) The signature of the owner and/or applicant regarding the Appeal.
- (C) The burden of proof shall be on the owner and/or applicant to demonstrate that the amount of the fee or the amount of the offset, credit or rebate was not calculated according to the provisions of this Chapter. Upon submission of the case and posting of the appropriate public notification, a hearing on the case shall be held. The owner and/or applicant must be present and shall be given an opportunity to present their case.
- (1) The owner/applicant shall file a notice of appeal with the City Secretary of the City of Harker Heights, Texas in writing, of its desire to appeal the Director's decision or determination to the City Manager, no later than ten (10) days following the date of the Director's decision or determination. This notice shall be untimely if it is received by the City Secretary more than ten (10) days following the date of the Director's decision and determination.

The City Manager shall provide for a hearing on the appeal. The owner and/or applicant may appear in person or by counsel, at the time and place named in the notice of setting, and may make a defense to the action. If the appellant fails or refuses to appear, the City Manager may proceed to hear and determine the appeal. When the City Manager has completed the hearing and made a decision, one copy of the decision shall be filed with the Director, and one copy shall be forwarded to the owner/applicant by certified mail.

- (2) The owner/applicant shall file a notice of appeal with the City Secretary of the City of Harker Heights, Texas in writing, of its desire to appeal the City Manager's decision or determination to the City Council, no later than ten (10) days following the date of the City Manager's decision or determination. This notice shall be untimely if it is received by the City Secretary more than ten (10) days following the date of the City Manager's decision and determination.

The City Council shall provide for a public hearing on the appeal. The owner and/or applicant may appear in person or by counsel, at the time and place named in the notice of setting, and may make a defense to the action. If the owner/applicant fails or refuses to appear, the City Council may proceed to hear and determine the appeal. When the City Council has completed the hearing and made a decision, one copy of the decision shall be filed with the Director, and one copy shall be forwarded to the owner/applicant by certified mail.

- (D) If the notice of appeal is accompanied by a bond or other sufficient surety satisfactory to the City Attorney in an amount equal to the original determination of the impact fee due, the development application may be processed while the appeal of the impact fee is pending.

#### §55.70. Update of Plan and Revision of Fees.

- (A) The City shall update its land use assumptions and capital improvements plans at least every five (5) years, commencing approximately from the date of adoption of such plans, and shall recalculate the impact fees based thereon in accordance with the procedures set forth in Texas Local Government Code, Chapter 395, or in any successor statute.
- (B) The City may review its land use assumptions, impact fees, capital

improvements plans and other factors such as market conditions more frequently than provided in §55.70(A) to determine whether the land use assumptions and capital improvements plans should be updated and the impact fee recalculated accordingly, or whether Exhibit C should be changed. Exhibit C may be amended without revising land use assumptions and capital improvements plans at any time prior to the update provided for in §55.70(A), provided that the impact fees to be collected under Exhibit C do not exceed the maximum impact fees of Exhibit C.

- (C) If at the time an update is required pursuant to §55.70(A), the City Council determines that no change to the land use assumptions, capital improvements plans, or impact fees is needed it may dispense with such update by following the procedures in Texas Local Government Code, Section 395.0575.
- (D) The City may amend by resolution the Land Uses and Service Unit Equivalency tables in Exhibit A and Exhibit C respectively at any time prior to the update provided for in §55.70(A), provided that the number of service units associated with a particular land use shall not be increased.

#### §55.71. Agreement for Capital Improvements.

An owner of a new development may construct or finance a capital improvement or facility expansion designated in the Impact Fee Capital Improvements Plan, if required or authorized by the City, by entering into an agreement with the City prior to the issuance of any building permit for the development. The agreement shall be on a form approved by the City and shall identify the estimated cost of the improvement or expansion, the schedule for initiation and completion of the improvement or expansion, a requirement that the improvement be designed and completed to City standards and such other terms and conditions as deemed necessary by the City. The agreement shall provide for the method to be used to determine the amount of the offset to be given against the impact fees due for the development or any reimbursement to the owner for construction of the facility.

#### §55.72. Use of Other Financing Mechanisms.

- (A) In addition to the use of impact fees, the City may finance capital improvements or facilities expansions designated in the Impact Fee Capital Improvements Plan through the issuance of bonds, through the formation of public improvements districts or other assessment districts, or through any other authorized mechanism, in such manner

and subject to such limitations as may be provided by law.

- (B) Except as otherwise provided herein, the assessment and collection of an impact fee shall be additional and supplemental to, and not in substitution of, any other tax, fee, charge, or assessment which is lawfully imposed on and due against the property.

§55.80. Conflicting Ordinances.

All ordinances or parts of ordinances that are in force when the provisions of this ordinance become effective, which are inconsistent or in conflict with the terms or provisions contained in this ordinance, are hereby repealed to the extent of the conflict.

§55.90. Reserved.

**Section 6.** Impact Fees shall be assessed and collected in accordance with the provisions of Chapter 395 of the Texas Local Government Code, as amended. The City Manager, or the Manager's designee, is hereby authorized to develop procedures and policies for assessment and collection of impact fees consistent with applicable law and the City's ordinances and to implement said procedures and policies in the administration of the City's Impact Fee Program. Impact fees shall be collected at the time of issuance of the building permit or, for property outside the city limits, at the time an application for connection to the City's wastewater system is filed. On property that receives final plat approval before the effective date of this Ordinance, no impact fees shall be collected on any service unit for which a valid building permit is issued within one (1) year of the effective date of this Ordinance. If a building permit obtained within one (1) year of the effective date of this Ordinance subsequently expires, and no new application is made and approved within such period, the new development shall be subject to the payment of the impact fees adopted in this Ordinance.

**Section 7.** The maximum impact fee per service unit, as defined in Exhibit A and as may be amended from time to time, is hereby declared to be an appropriate measure of the impacts generated by a new development on the City's public infrastructure. To the extent that the impact fee charged against a new development, as may be amended from time to time, is less than the maximum impact fee per service unit, such difference is hereby declared to be founded on policies unrelated to the measurement of the impacts of the new development on the City's public infrastructure. The maximum impact shall therefore be used when evaluating any claim by a property owner that the dedication or construction of a capital improvement within a service area that

is imposed as a condition of development pursuant to the City's subdivision or development regulations is disproportionate to the impacts created by the development on the City's public infrastructure.

**Section 8.** This ordinance shall not limit the City's authority to impose other or additional impact fees authorized by Chapter 395 of the Texas Local Government Code or impose taxes, fees, charges, or assessments authorized by State law.

**Section 9.** This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance, Ordinances, or parts thereof, in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance.

**Section 10.** If any provision or any section of this ordinance shall be held to be void or unconstitutional, such holding shall in no way affect the validity of the remaining provisions or sections of this ordinance, which shall remain in full force and effect.

**Section 11.** Any person who violates this Ordinance shall be guilty of a misdemeanor and, upon conviction thereof, shall be subject to a fine not exceeding two thousand dollars (\$2,000.00). Each and every day that a violation of this Ordinance occurs shall constitute a separate offense. The culpable mental state required by Chapter 6.02, Texas Penal Code, is specifically negated and dispensed with and a violation is a strict liability offense.

**Section 12.** This ordinance shall be effective from and after its passage, and the City Secretary shall publish the caption or title of hereof within ten days as required by law.

**PASSED AND APPROVED** by the City Council of the City of Harker Heights on September 27, 2022.

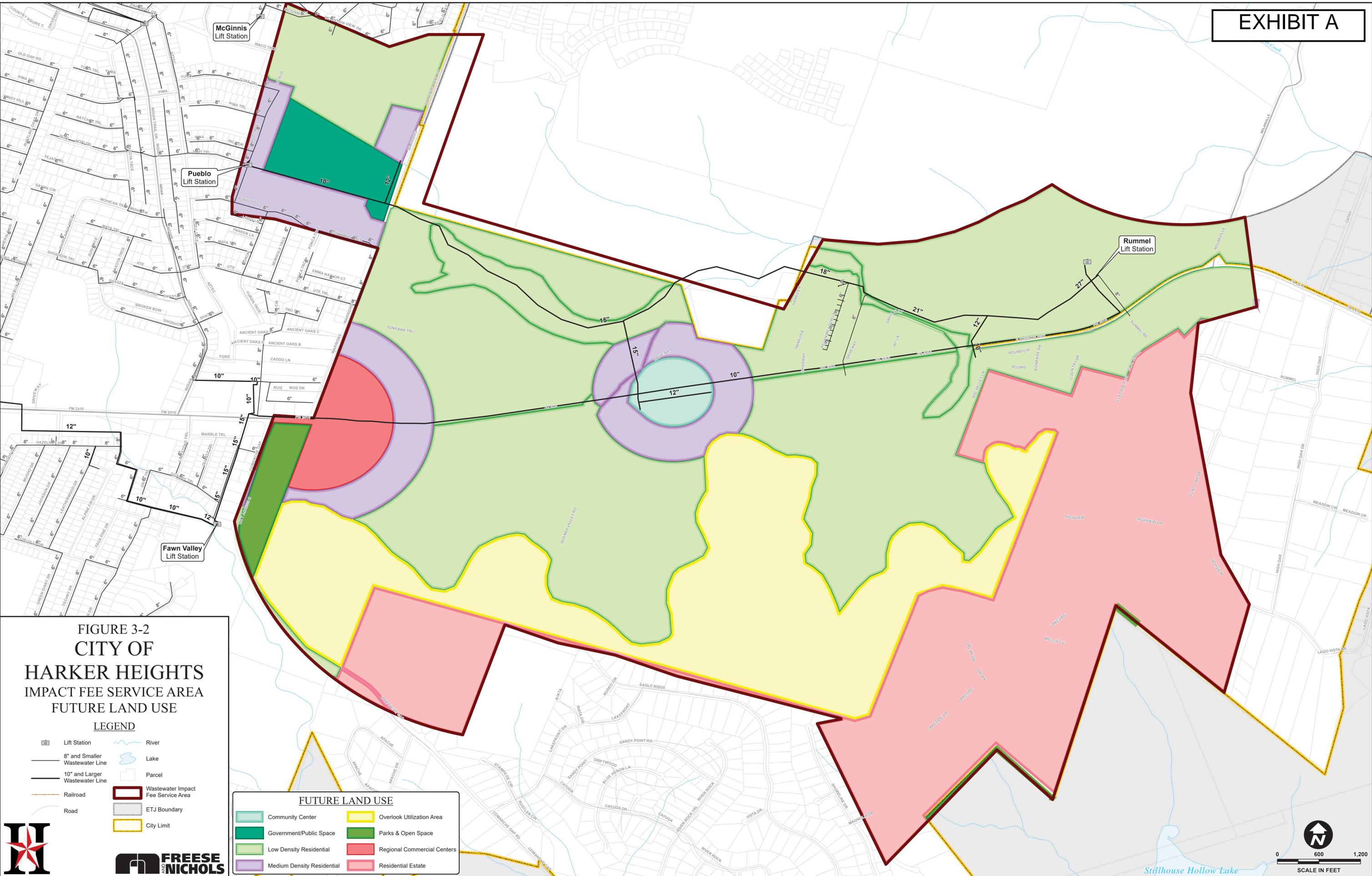
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Spencer H. Smith, Mayor

ATTEST:

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Juliette Helsham, City Secretary



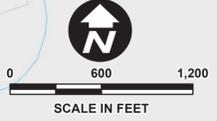
**FIGURE 3-2  
CITY OF  
HARKER HEIGHTS  
IMPACT FEE SERVICE AREA  
FUTURE LAND USE**

**LEGEND**

- Lift Station
- 8" and Smaller Wastewater Line
- 10" and Larger Wastewater Line
- Railroad
- Road
- River
- Lake
- Parcel
- Wastewater Impact Fee Service Area
- ETJ Boundary
- City Limit

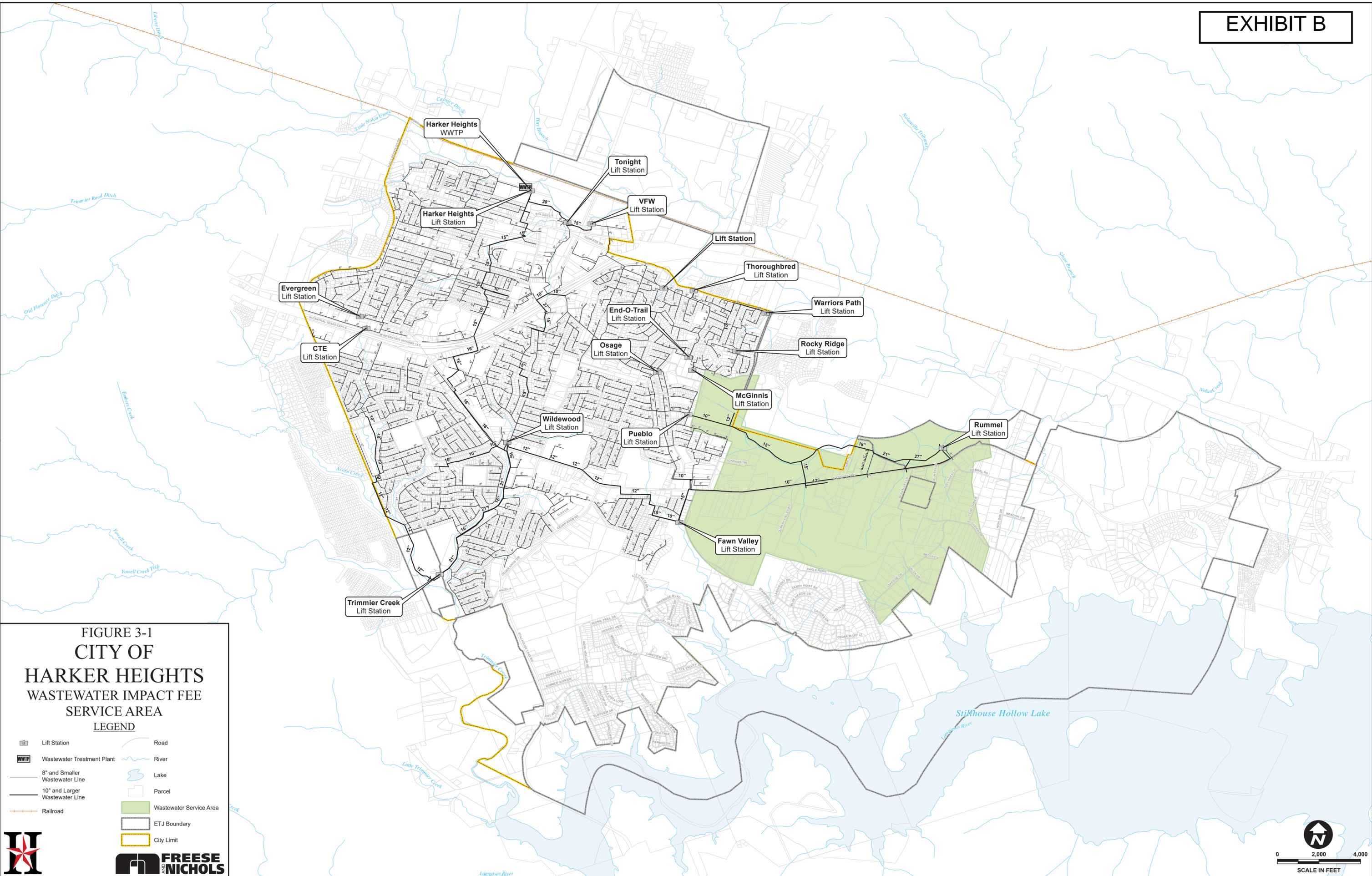
**FUTURE LAND USE**

- Community Center
- Government/Public Space
- Low Density Residential
- Medium Density Residential
- Overlook Utilization Area
- Parks & Open Space
- Regional Commercial Centers
- Residential Estate



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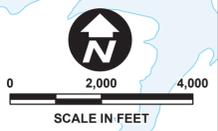
Stillhouse Hollow Lake



**FIGURE 3-1**  
**CITY OF**  
**HARKER HEIGHTS**  
**WASTEWATER IMPACT FEE**  
**SERVICE AREA**

**LEGEND**

-  Lift Station
-  Wastewater Treatment Plant
-  8" and Smaller Wastewater Line
-  10" and Larger Wastewater Line
-  Railroad
-  Road
-  River
-  Lake
-  Parcel
-  Wastewater Service Area
-  ETJ Boundary
-  City Limit



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 Date: 02/18/2016 10:23:54 AM  
 User Name: jnichols

## **EXHIBIT C**

**Table 1. Service Unit Equivalency Table (per water meter)**

<b>Water Meter Size (inches)</b>	<b>Meter Type</b>	<b>Service Unit Equivalent Water and Wastewater</b>
3/4"	Displacement	1.0
1"	Displacement	1.6
1 1/2"	Displacement	2.0
2"	Ultrasonic	4.0
3"	Compound	12.8
4"	Compound	20.0
6"	Compound	40.0
8"	Compound	64.0

**Table 2. Wastewater Impact Fees**

<b>Service Area</b>	<b>Maximum Impact Fee Per SUE</b>	<b>Assessed Impact Fee Per SUE</b>	<b>Impact Fee To Be Paid At Building Permit Per SUE</b>
2022 Impact Fee Service Area	\$6,133	\$6,133	\$6,133



Innovative approaches  
Practical results  
Outstanding service

# EXHIBIT D

## WASTEWATER IMPACT FEE STUDY REPORT

Prepared for:

**City of Harker Heights**

January 2022

Prepared by:

**FREESE AND NICHOLS, INC.**  
10431 Morado Circle, Suite 300  
Austin, Texas 78759  
512-617-3100

# WASTEWATER IMPACT FEE STUDY REPORT

Prepared for:

**City of Harker Heights**



1/10/2022

*Jessica B. Vassar*

FREESE AND NICHOLS, INC.  
TEXAS REGISTERED  
ENGINEERING FIRM  
F-2144

Prepared by:

**FREESE AND NICHOLS, INC.**  
10431 Morado Circle, Suite 300  
Austin, Texas 78759  
512-617-3100

FNI Project No.: HAK21373

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Appendix A: Cost Estimates

## 1.0 EXECUTIVE SUMMARY

### 1.1 BACKGROUND

In April 2021, the City of Harker Heights, Texas (City) authorized Freese and Nichols, Inc. (FNI) to perform an impact fee analysis for the southeast portion of the City’s wastewater system. The purpose of this report is to document the methodology used in the development and calculation of wastewater impact fees for the City of Harker Heights. The methodology used herein satisfies the requirements of the Texas Local Government Code (TLGC) Section for the establishment of impact fees. The City does not currently charge wastewater impact fees to new developments.

### 1.2 LAND USE ASSUMPTIONS

Population and land use assumptions are important elements in the determination of needs for infrastructure systems. To assist in the determination of need and timing of capital improvements to serve future development, a reasonable estimation of future growth is required. Growth and future development projections were formulated based on the adopted future land uses within the community. These land use assumptions, which include growth projections for the ten-year planning period of 2022-2032, are the basis for the preparation of impact fee capital improvement plan (CIP).

### 1.3 WASTEWATER IMPACT FEE ANALYSIS

A wastewater impact fee CIP was developed for the City of Harker Heights based on the adopted land use assumptions and previously conducted studies. The recommended improvements will provide the required capacity to meet projected wastewater flows through 2032. **Table 1-1** displays the wastewater flow projections in terms of million gallons per day (MGD) for the study area.

**Table 1-1: Impact Fee Service Area Wastewater Flow Projections**

Year	Average Daily Flow (MGD)	Peak Wet Weather Flow (MGD)
2022	0.03	0.11
2032	0.34	1.35

Chapter 395 of the TLGC states that the maximum impact fee may not exceed the amount determined by dividing the cost of capital improvements required by the total number of service units attributed to new

development during the impact fee eligibility period, less the credit to account for revenues used to finance these capital improvements. The total projected costs include the projected capital improvement costs to serve 10-year development, the projected finance cost for the capital improvements, and the consultant cost for preparing and updating the CIP. A 2.0% interest rate was used to calculate financing costs. **Table 1-2** displays a summary of the maximum allowable wastewater impact fee calculation.

**Table 1-2: Maximum Wastewater Impact Fee Calculation**

Total Eligible Capital Improvement Costs	<b>\$15,758,705</b>
Total Eligible Financing Costs	\$1,156,784
Total Eligible Impact Fee Costs	\$16,915,489
Growth in Service Units	1,379
Maximum Wastewater Impact Fee per Service Unit <sup>(1)</sup>	\$12,266
Impact Fee Credit per Service Unit <sup>(2)</sup>	\$6,133
<b>Maximum Allowable Wastewater Impact Fee per Service Unit <sup>(3)</sup></b>	<b>\$6,133</b>

(1) Total Eligible Costs divided by the Growth in Service Units.

(2) Credit is 50% of Maximum Wastewater Impact Fee per Service Unit.

(3) Maximum Allowable Wastewater Impact Fee is Maximum Wastewater Impact Fee per service unit minus the Impact Fee Credit per Service Unit.

## 2.0 BACKGROUND AND SCOPE

In April 2021, the City of Harker Heights, Texas (City) authorized Freese and Nichols, Inc. (FNI) to perform an impact fee analysis for the southeast portion of the City’s wastewater system. The purpose of this report is to document the land use assumptions and capital improvements plan which were used in the development and calculation of the maximum allowable wastewater impact fees for the City of Harker Heights. The methodology used herein satisfies the requirements of the Texas Local Government Code (TLGC) Section 395 (**Section 1.1**) for the establishment of impact fees. The City does not currently charge wastewater impact fees to new developments.

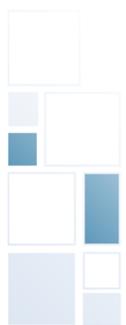
### 2.1 TEXAS LOCAL GOVERNMENT CODE

Chapter 395 of the Texas Local Government Code requires an impact fee analysis before impact fees can be created and assessed. Chapter 395 defines an impact fee as “a charge or assessment imposed by a political subdivision against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development.” In September 2001, Chapter 395 was amended creating the current procedure for implementing impact fees. Chapter 395 identifies the following items as impact fee eligible costs:

- Construction contract price
- Surveying and engineering fees
- Land acquisition costs
- Fees paid to the consultant preparing or updating the capital improvement plan (CIP) and impact fee analysis
- Projected interest charges and other finance costs for projects identified in the CIP

Chapter 395 also identifies items that impact fees cannot be used to pay for, such as:

- Construction, acquisition, or expansion of public facilities or assets other than those identified on the capital improvements plan
- Repair, operation, or maintenance of existing or new capital improvements
- Upgrading, updating, expanding, or replacing existing capital improvements to serve existing development in order to meet stricter safety, efficiency, environmental, or regulatory standards



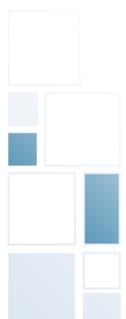
- Upgrading, updating, expanding, or replacing existing capital improvements to provide better service to existing development
- Administrative and operating costs of the political subdivision
- Principal payments and interest or other finance charges on bonds or other indebtedness, except as allowed above

As a funding mechanism for capital improvements, impact fees allow cities to recover the costs associated with new or facility expansion in order to serve future development. Statutory requirements mandate that impact fees be based on a specific list of improvements identified in a capital improvements program and only the cost attributed (and necessitated) by new growth over a 10-year period may be considered. Once established, impact fees are required to be updated at least every five years.

## 2.2 METHODOLOGY

Wastewater impact fee capital improvement plan (CIP) projects were selected by FNI for the City based on the land use assumptions, input from City staff, and projects developed during previous studies. The recommended improvements will provide the required capacity to meet projected wastewater flows through year 2032. The projects identified are consistent with the Chapter 395 definition of impact fee eligible projects.

As part of the impact fee development, FNI conducted workshops with the City's appointed Capital Improvements Advisory Committee (CIAC) and City Council. FNI calculated the maximum allowable impact fee utilizing the 50% credit methodology identified in TLGC Chapter 395. The CIAC's role included reviewing the land use assumptions and impact fee CIP and recommending an impact fee rate to the City Council. The City Council sets the impact fees to be collected.

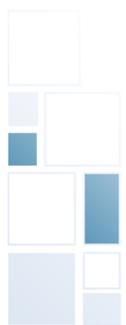


### 2.3 LIST OF ABBREVIATIONS

The list of abbreviations used in this report are presented in **Table 2-1**.

**Table 2-1: List of Abbreviations**

Abbreviation	Actual
AWWA	American Water Works Association
CIAC	Capital Improvement Advisory Committee
CIP	Capital Improvement Plan
FNI	Freese and Nichols, Inc.
MGD	Million Gallons per Day
TCE	Thonhoff Consulting Engineers, Inc.
TLGC	Texas Local Government Code

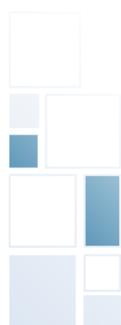


### 3.0 LAND USE ASSUMPTIONS

Projected land use is an important element in the analysis of wastewater collection and treatment systems. To assist the City in determining the need and timing of capital improvements to serve future development, a reasonable estimation of future growth is required. These assumptions will become the basis for the preparation of impact fee capital improvement plans for wastewater facilities.

#### 3.1 SERVICE AREA

FNI worked with City staff to develop growth projections and land use assumptions for the study area during the development of this report. The City is anticipating the majority of future developments to occur roughly within the southeast portion of the City, and therefore determined to set the wastewater impact fee service area to this boundary, shown on **Figure 3-1**. The City recently adopted an updated future land use plan that was used for this study. The future land use for the service area is presented on **Figure 3-2**.



**FIGURE 3-1  
CITY OF  
HARKER HEIGHTS  
WASTEWATER IMPACT FEE  
SERVICE AREA**

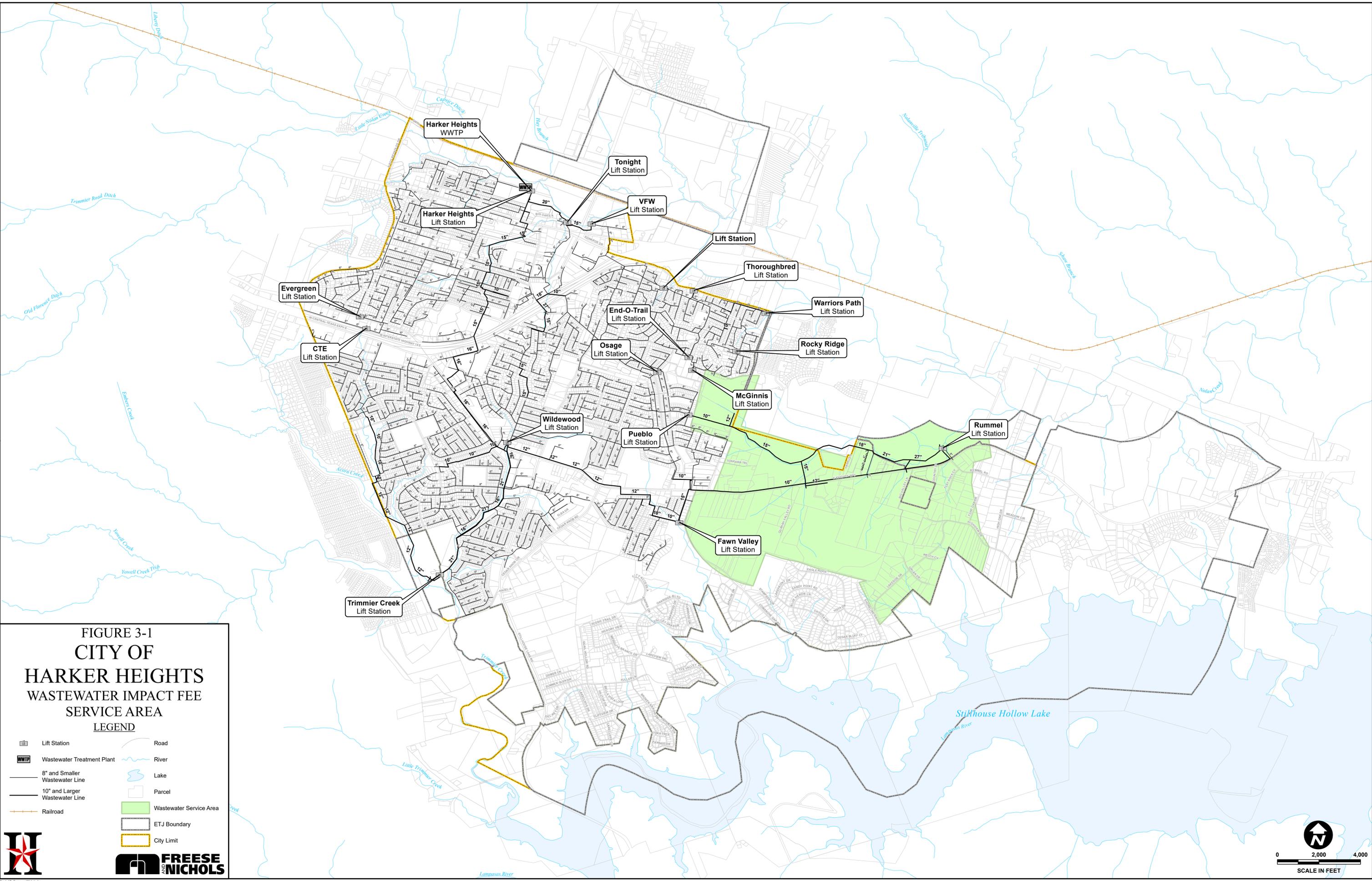
**LEGEND**

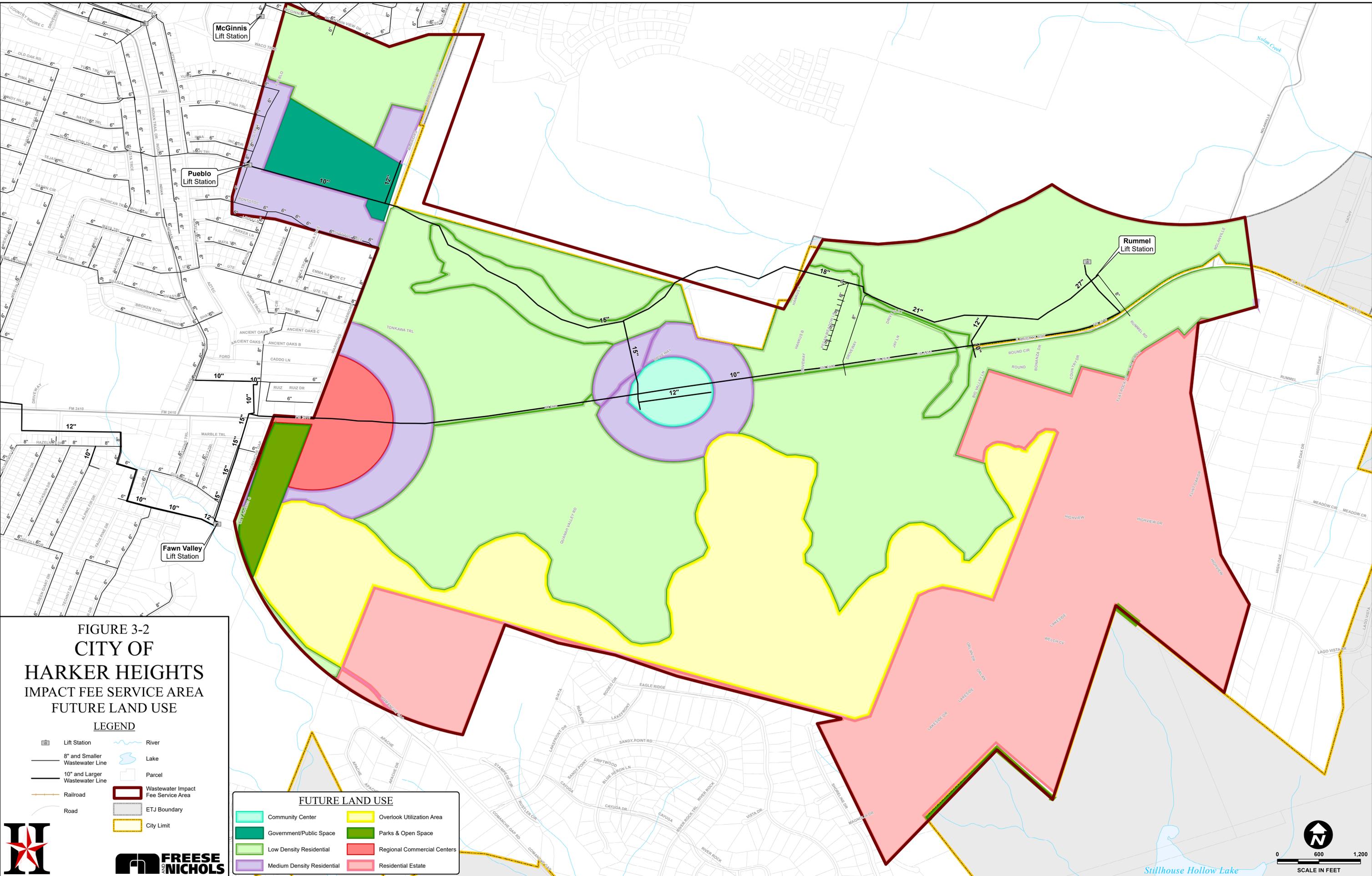
-  Lift Station
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-  Lake
-  Parcel
-  Wastewater Service Area
-  ETJ Boundary
-  City Limit



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User Name: jnichols

SCALE IN FEET





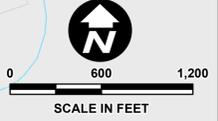
**FIGURE 3-2  
CITY OF  
HARKER HEIGHTS  
IMPACT FEE SERVICE AREA  
FUTURE LAND USE**

**LEGEND**

- Lift Station
- 8" and Smaller Wastewater Line
- 10" and Larger Wastewater Line
- Railroad
- Road
- River
- Lake
- Parcel
- Wastewater Impact Fee Service Area
- ETJ Boundary
- City Limit

**FUTURE LAND USE**

- Community Center
- Government/Public Space
- Low Density Residential
- Medium Density Residential
- Overlook Utilization Area
- Parks & Open Space
- Regional Commercial Centers
- Residential Estate



Created by Freese and Nichols, Inc.  
File No. 1905232  
Location: 11101 WYV PLANNING/01 DELIVERABLES/02 Land\_Use/03 Figure\_3-2/Service\_Area\_Land\_Use.mxd  
Updated: 8/20/2019, August 15, 2021 10:25:04 AM  
User Name: JBV

Stillhouse Hollow Lake

### 3.2 HISTORICAL AND PROJECTED GROWTH

#### 3.2.1 Historical Population

Historical population data was provided in the February 2021 *Wastewater Flow Capacity Analysis Report* developed by Thonhoff Consulting Engineers, Inc. (TCE). The City had an average 2.2% annual growth rate over the past eight years. This historical population information is presented in **Table 3-1**.

**Table 3-1: Historical Population within City Limits**

Year	Population	Average Annual Growth Rate (%)
2012	27,894	
2013	28,563	2.4%
2014	29,233	2.3%
2015	29,903	2.3%
2016	30,573	2.2%
2017	31,243	2.2%
2018	31,913	2.1%
2019	32,583	2.1%
2020	33,253	2.1%
Average		2.2%

#### 3.2.2 Projected Growth

The magnitude and distribution of the growth in the service area will dictate where future wastewater infrastructure is required. It is important to note that projecting future growth is challenging, especially for relatively small geographic areas such as individual cities or sections of cities, because it can be difficult to predict how fast or slow development will occur when there are a variety of circumstances that can impact it. **Table 3-2** presents the City’s projected growth for the 10-year planning period for the wastewater impact fee service area.

**Table 3-2: Wastewater Impact Fee Service Area Growth**

Year	Connections
2022	125
2032	1,500

## 4.0 WASTEWATER IMPACT FEE ANALYSIS

Wastewater CIP projects were developed for the City of Harker Heights in the February 2021 *Wastewater Flow Capacity Analysis Report* by TCE. The wastewater CIP projects that are required to serve growth within the next 10 years were identified for inclusion in the wastewater impact fee analysis.

### 4.1 WASTEWATER LOAD PROJECTIONS

Wastewater flow projections for 2022 and 2032 were developed using criteria from the February 2021 *Wastewater Flow Capacity Analysis Report*. 2.97 people per connection and 76 gallons per capita per day were assumed for wastewater flow projections. A wet weather peaking factor of 4.0 was applied to calculate the peak wet weather flow. **Table 4-1** presents the projected wastewater flows for the wastewater impact fee service area in million gallons per day (MGD).

**Table 4-1: Impact Fee Service Area Wastewater Flow Projections**

Year	Average Daily Flow (MGD)	Peak Wet Weather Flow (MGD)
2022	0.03	0.11
2032	0.34	1.35

### 4.2 WASTEWATER SYSTEM IMPROVEMENTS

The TCE 2021 *Wastewater Flow Capacity Analysis Report* included proposed wastewater system improvements. A summary of the costs for each of the projects required for the 10-year growth period used in the wastewater system impact fee analysis is shown in **Table 4-2**. Costs listed for the existing projects are based on actual design and construction cost data provided by the City. Detailed cost estimates for the proposed wastewater system projects were provided by TCE and are provided in **Appendix A**. **Table 4-2** shows a 2022 percent utilization, which is the portion of a project's capacity that is required to serve existing development. This portion of the project cost is not impact-fee-eligible. The 2032 percent utilization is the portion of the project's capacity that will be required to serve projected growth in the city in 2032. The 2022-2032 percent utilization is the portion of the project's capacity required to serve development from 2022 to 2032. The impact fee eligible cost for each project is calculated as the total capital cost multiplied by the 2022-2032 percent utilization. Only this portion of

the cost can be used to calculate maximum allowable impact fees. Proposed wastewater projects are shown on **Figure 4-1**.

**Table 4-2: Wastewater Impact Fee Eligible Projects**

No.	Description of Project	Percent Utilization			Costs Based on 2022 Dollars		
		2022 <sup>(1)</sup>	2032	2022 - 2032	Capital Cost	Impact Fee Eligible Cost	
Existing	A	Rummel Lift Station and Force Main	10%	100%	90%	\$1,116,502	\$1,004,851
	B	15/18/21/27" Gravity Line	10%	75%	65%	\$1,674,752	\$1,088,589
	C	Impact Fee Study	0%	100%	100%	\$64,000	\$64,000
	<b>Existing Project Sub-total</b>					<b>\$2,855,254</b>	<b>\$2,157,440</b>
Proposed	1	12" Force Main	0%	100%	100%	\$1,975,412	\$1,975,412
	2	Rummel Lift Station Expansion	0%	100%	100%	\$493,853	\$493,853
	3	Proposed Lift Station and 18" Force Main	0%	23%	23%	\$6,330,252	\$1,455,958
	4	24/27" Gravity Line	0%	23%	23%	\$10,569,748	\$2,431,042
	5	1.5 MGD Wastewater Treatment Plant Expansion	0%	23%	23%	\$31,500,000	\$7,245,000
	<b>Proposed Project Sub-total</b>					<b>\$50,869,265</b>	<b>\$13,601,265</b>
<b>Total Capital Improvements Cost</b>					<b>\$53,724,519</b>	<b>\$15,758,705</b>	

(1) Utilization in 2022 on proposed projects indicates a portion of the project that will be used to address deficiencies within the existing system, and therefore are not eligible for impact fee cost recovery for future growth.



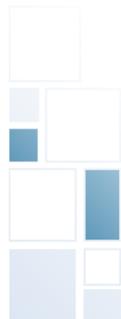
### 4.3 WASTEWATER IMPACT FEE ANALYSIS

The impact fee analysis involves determining the utilization of existing and proposed projects required as defined by the capital improvement plan to serve new development over the next 10-year period. For existing or proposed projects, the impact fee eligible cost is calculated as a percentage of the total project cost, based upon the percentage of the project's capacity required to serve development projected to occur between 2022 and 2032. Capacity serving existing development and development projected to occur more than 10 years in the future cannot be included in the maximum allowable impact fee calculations.

#### 4.3.1 Service Units

According to Chapter 395 of the TLGC, the maximum allowable impact fee may not exceed the amount determined by dividing the cost of required capital improvements by the total number of service units attributed to new development during the impact fee eligibility period. A service unit for wastewater is defined as the service equivalent to a water connection for a single-family residence.

Public, commercial, and industrial connections are converted into service units based upon the capacity of each meter used to provide service. The number of service units required to represent each meter size is based on the safe maximum operating capacity of the appropriate meter type. American Water Works Association (AWWA) standards C700 and C710 (Displacement Meters), C715 (Ultrasonic Meters), and C702 (Compound Meters) were used to determine the safe maximum operating capacity, as these meter types represent those in place and stocked by the City. The service unit equivalent for each meter size used by the City is listed in **Table 4-3**.



**Table 4-3: Service Unit Equivalents**

Meter Size	Type	Maximum Flow (gpm)	Service Unit Equivalents
3/4"	Displacement	25	1.0
1"	Displacement	40	1.6
1 1/2"	Displacement	50	2.0
2"	Ultrasonic	100	4.0
3"	Compound	320	12.8
4"	Compound	500	20.0
6"	Compound	1,000	40.0
8"	Compound	1,600	64.0

Typically, in Harker Heights, single-family residences are served with 3/4-inch water meters. Larger meters represent multi-family, public, commercial, and industrial water use. **Table 4-4** shows the service units by meter size for 2022 and the projected service units for 2032.

**Table 4-4: Service Units**

Meter Size	2022		2032		Growth in Service Units
	Number of Meters	Service Units	Number of Meters	Service Units	
3/4"	120	120	1,489	1,489	1,369
1"	5	8	10	16	8
1 1/2"	0	0	1	2	2
2"	0	0	0	0	0
3"	0	0	0	0	0
4"	0	0	0	0	0
6"	0	0	0	0	0
8"	0	0	0	0	0
<b>Total</b>	<b>125</b>	<b>128</b>	<b>1,500</b>	<b>1,507</b>	<b>1,379</b>

#### 4.3.2 Maximum Impact Fee Calculations

TLGC Chapter 395 outlines the procedures and requirements for calculating maximum allowable impact fees to recover costs associated with capital improvement projects needed due to growth over a 10-year period. Chapter 395 also requires a plan that addresses possible duplication of payments for capital improvements. This plan can either provide a credit for the portion of revenues generated by new

development that is used for the payment of eligible improvements, including payment of debt, or reduce the total eligible project costs by 50 percent. The City of Harker Heights has selected to utilize the reduction of the total eligible project costs by 50 percent to determine the maximum allowable impact fees.

Chapter 395 of the TLGC states that the maximum impact fee may not exceed the amount determined by dividing the cost of capital improvements required by the total number of service units attributed to new development during the impact fee eligibility period less the credit to account for water and wastewater revenues used to finance these capital improvements.

The total projected costs include the projected capital improvement costs to serve 10-year development, the projected finance cost for the capital improvements, and the consultant cost for preparing and updating the CIP. A 2.0% interest rate was used to calculate financing costs. **Table 4-5** displays a summary of the maximum allowable wastewater impact fee calculation.

**Table 4-5: Maximum Wastewater Impact Fee Calculation**

Total Eligible Capital Improvement Costs	<b>\$15,758,705</b>
Total Eligible Financing Costs	\$1,156,784
Total Eligible Impact Fee Costs	\$16,915,489
Growth in Service Units	1,379
Maximum Wastewater Impact Fee per Service Unit <sup>(1)</sup>	\$12,266
Impact Fee Credit per Service Unit <sup>(2)</sup>	\$6,133
<b>Maximum Allowable Wastewater Impact Fee per Service Unit <sup>(3)</sup></b>	<b>\$6,133</b>

(1) Total Eligible Costs divided by the Growth in Service Units.

(2) Credit is 50% of Maximum Wastewater Impact Fee per Service Unit.

(3) Maximum Allowable Wastewater Impact Fee is Maximum Wastewater Impact Fee per Service Unit minus the Impact Fee Credit per Service Unit.

## **Appendix A Cost Estimates**

**CITY OF HARKER HEIGHTS**  
**Rummel Road Lift Station Upgrade**  
**and 12-Inch Force Main Extension**

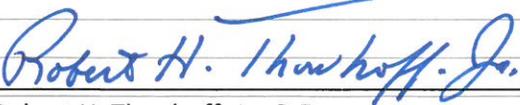
Bid Opening: January 5, 2022  
2:00 PM

TCE Job # 21006.1.300

BIDDER	BASE BID AMOUNT	COMMENT
Blackrock Construction Mansfield TX	2,469,265.00	
Bell Contractors Belton, TX	2,530,098.11	

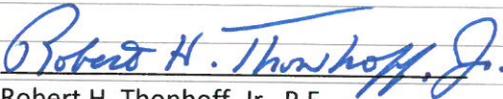
**City of Harker Heights  
Phase 5 of FM 2410 Service Area Wastewater Trunk Line  
and 4167 GPM Lift Station and 18-inch Force Main  
Pumping Back to Existing WWTP Site**

**Update of Initial Engineering Estimate of Total Project Cost  
December 6, 2021**

<b>Construction Costs</b>	
Original (11/03/2009) Phase 5 Wastewater Trunk Line Construction Cost Estimate: \$4,890,000	
Updated Construction Cost using ENR Index Est. 7767 (12/2021) ÷ Est. 5390 (11/2009) ≈ 1.44 x	\$7,046,499
Original (5/24/2011) 4167 GPM Lift Station Construction Cost Estimate: \$1,000,000	
Updated Construction Cost using ENR Index Est. 7767 (12/2021) ÷ Est. 5390 (11/2011) ≈ 1.44 x	\$1,441,002
Original (5/24/2011) 18-inch F.M. Construction Cost Estimate: \$1,939,800	
Updated Construction Cost using ENR Index Est. 7767 (12/2021) ÷ Est. 5390 (11/2011) ≈ 1.44 x	<u>\$2,795,255</u>
Construction Subtotal	\$11,282,756
<b>Engineering Costs</b>	
Turnkey Engineering Services at +/- 25%	<u>\$2,820,689</u>
Engineering Subtotal	\$2,820,689
TOTAL COST	\$14,103,445
Contingency at +/- 20%	<u>\$2,796,555</u>
<b>UPDATE OF INITIAL ENGINEERING ESTIMATE OF TOTAL PROJECT COST</b>	<b>\$16,900,000</b>
Prepared by: THONHOFF CONSULTING ENGINEERS, INC.	
	
Robert H. Thonhoff, Jr., P.E.	

**City of Harker Heights  
Wastewater Treatment Plant Expansion  
From 3.0 MGD to 4.5 MGD**

**Initial Engineering Estimate of Total Project Cost  
December 3, 2021**

<b>Construction Costs</b>	
Renovation of Existing 3.0 MGD Facility	
3,000,000 GPD x \$1/GPD	\$3,000,000
Expansion of 1.5 MGD Capacity	
1,500,000 GPD x \$14/GPD	<u>\$21,000,000</u>
Construction Subtotal	\$24,000,000
<b>Engineering Costs</b>	
Turnkey Engineering Services at +/- 25%	<u>\$6,000,000</u>
Engineering Subtotal	\$6,000,000
Total	\$30,000,000
Contingency at +/- 20%	<u>\$6,000,000</u>
<b>INITIAL ENGINEERING ESTIMATE OF TOTAL PROJECT COST</b>	<b>\$36,000,000</b>
Prepared by:	
THONHOFF CONSULTING ENGINEERS, INC.	
	
Robert H. Thonhoff, Jr., P.E.	