

AN ORDINANCE 71727

ADOPTING AMENDMENTS TO THE CITY WATER BOARD REGULATIONS FOR WATER SERVICE TO IMPLEMENT AN IMPACT FEE PROGRAM FOR WATER SERVICE FACILITIES, IN ACCORDANCE WITH CHAPTER 395 OF LOCAL GOVERNMENT CODE, VERNON'S TEXAS CODES ANNOTATED.

* * * * *

WHEREAS, the City of San Antonio is authorized by Chapter 395 of the Local Government Code, Vernon's Texas Codes Annotated, (hereinafter referred to as the Local Government Code) to enact impact fees to finance capital improvements required by new development; and

WHEREAS, in accordance with Chapter 395 of the Local Government Code, on August 10, 1989, after a duly publicized public hearing, the City adopted a Land Use Assumptions document projecting levels of new development to occur within the City limits and extraterritorial jurisdiction over a ten year period from 1988 to 1998; and

WHEREAS, in accordance with Chapter 395 of the Local Government Code, on May 10, 1990, after a duly publicized public hearing, the City designated the service areas to be used to develop capital improvements plan for sanitary sewer and water facilities, respectively, and adopted an amendment to the Land Use Assumptions document clarifying certain forecasting assumptions; and

WHEREAS, in accordance with Chapter 395 of the Local Government Code, the City Water Board has prepared a capital improvements plan for water service facilities, to provide service to new development within designated service areas; and

WHEREAS, the City Water Board Water Works Trustees on April 30, 1990, by resolution approved and recommended for City Council adoption the capital improvements plan; and

WHEREAS, the Planning Commission on June 6, 1990, by resolution recommended to the City Council that the capital improvements plan for water service facilities be adopted; and

WHEREAS, implementation of an impact fee program requires amendment to certain provisions of the Regulations for Water Service of the City Water Board; and

WHEREAS, the Planning Commission on June 13, 1990, after holding a public hearing, recommended approval of proposed amendments to the City Water Board Regulations for Water Service to implement impact fee programs for water service facilities; and

WHEREAS, in accordance with Chapter 395 of the Local Government Code, the City Council duly publicized and held a public hearing June 14, 1990, on the proposed capital improvements plan for water service facilities; and

WHEREAS, immediately upon adoption of such capital improvements plan for water service facilities, the Council has directed staff to commence an action plan for updating the City's impact fee program; and

WHEREAS, the Council directed staff to commence such an action plan for numerous reasons including the following:

- the City of San Antonio has an opportunity to assess the cost of new development to those that benefit from it;
- the rate payers in San Antonio are struggling to meet costs to provide basic services to our city;
- responsible growth in San Antonio is more likely to occur when an accurate assessment of cost is identified and charged; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The amendments to the Regulations For Water Service given at Attachment I are hereby adopted and incorporated herein for all purposes.

SECTION 2. The provisions of this Ordinance shall be liberally construed to carry out its purposes of furthering public health, safety, welfare and convenience.

SECTION 3. All portions of the City Water Board Regulations for Water Service in conflict with this Ordinance are hereby repealed to the extent of such conflict.

SECTION 4. The accurate assessment of impact fees necessarily includes the cost of surface water attributable to new development. It is the City Council's intent to see the cost of Applewhite attributable to new development included in future impact fee calculations.

SECTION 5. Council calls for further work by staff to develop new land use assumptions and update capital improvement plans so fees reflect all eligible costs. The staff is directed to establish a calendar to provide for a public hearing on land use assumptions on or about September 1990 and for a public hearing on Capital Improvement Plans and new fees on or about January 1991.

SECTION 6. Should any article, Section, Part, Paragraph, Sentence, Phrase, Clause or word of this Ordinance, for any reason, be held illegal, inoperative, or invalid, or if, any exception to or limitation upon any general provision herein contained be held to

be unconstitutional or invalid or ineffective, the remainder shall, nevertheless, stand effective and valid as if it had been enacted and ordained without the portion held to be unconstitutional or invalid or ineffective.

PASSED AND APPROVED this 14th day of June, 19 90.

Lila Cockell

M A Y O R

ATTEST:

James S. Redding
City Clerk

APPROVED AS TO FORM:

Tom Finlay
City Attorney

90-26

June 14, 1990

REGULATIONS FOR WATER SERVICE
IMPACT FEE AUTHORIZATION

SECTION 11 - APPLICATION OF IMPACT FEES TO FINANCE WATER SERVICE
TO NEW DEVELOPMENT

11-1. POLICY

This section establishes the procedures to be used by the Board in assessing and administering Impact Fees for Developer Customers. The Board's Impact Fee Structure consists of a System Development Impact Fee as well as a Flow Impact Fee. These fees have been developed in accordance with the provisions of the Texas Local Government Code Section 395.001 et seq.

Impact Fees may be assessed in addition to other charges authorized in Schedules B, C, D, E, F, G, H, and I of these Regulations. However, when an Impact Fee is imposed, this Section takes precedence over the other Sections in these Regulations which address Board extension policies.

Properties which were under development, or had a formal commitment for water service, prior to the adoption of this section, shall be governed by the extension policies which were in effect at that time.

11-2. APPLICATION

An Impact Fee will be applied to the excess capacity in an

existing capital improvement installed after February 2, 1984, an expansion of currently operating facilities, and to the financing of new capital improvements necessary to provide service to new development within the Board's Service Area.

When a request for service is submitted, the Board's staff will calculate the applicable Impact Fees. The amount of the Impact Fee for each Equivalent Dwelling Unit is detailed, by Service Area and Service Level, in Schedules O and P.

11-3. DEFINITIONS

New Development - If the property being platted is within an area that is the subject of a formal commitment for water service, executed by the City Water Board before June 14, 1990, development of the property will not be considered new development for water impact fees as long as the development is consistent with the water service commitment, and therefore may not be assessed Water Impact Fees at the time of platting. All other property being platted will be considered new development for water service and therefore may be assessed Water Impact Fees.

If a new or larger water meter is to be placed in service after June 14, 1990, and platting is not required for the property, such additional capacity will also be considered new development.

If the property to be serviced by the new or larger water meter is not within an area that is the subject of a formal commitment for water service executed by the City Water Board, the property will be considered new development for water service and therefore may be assessed Water Impact Fees.

Equivalent Dwelling Unit (EDU) - A standard residential service which is projected to supply 1.5 gallons per minute of water for system analysis. The Equivalent Dwelling Unit is the "standardized measure of consumption..." required by Section 395 of the Texas Local Government Code in order to establish what existing excess capacity, facility expansions, or future capital improvements may be subject to an impact fee.

Facility Expansions - The expansion of the capacity of any water system facility in order to permit that facility to service new development. A "facility expansion" serves the same purpose as an otherwise new capital improvement. For purposes of assessing

an Impact Fee, facility expansions may not include the repair, maintenance, modernization or expansion of an existing facility to better serve existing development.

Impact Fee - A charge or assessment imposed upon 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. An Impact Fee may also be charged for existing facilities with excess capacity which were installed after February 2, 1984, if that capacity is used to service new development. The Board's Impact Fee structure shall consist of a System Development Impact Fee and a Flow Impact Fee. The System Development Impact Fee includes the production, storage and related distribution capital improvement costs involved in providing service to new development. The Flow Impact Fee reflects those capital improvement costs involved in delivering water through the Board's system, but excludes the cost of approach main extensions.

Capital Improvement - Any water supply, treatment or distribution facility, whether located in the Service Area or not, with a life expectancy of three (3) or more years that is owned by the City of San Antonio and operated by the Board.

Capital Improvement Plan - A plan required by Section 395 of the Texas Local Government Code which identifies existing facilities with excess capacity, proposed capital improvements, and facility expansions for which impact fees may be assessed.

Flow Impact Fee - An impact fee required of all new development within the Inner or Outer Service Zones which will be served from a Water Board facility which was installed after February 2, 1984. The Flow Impact Fee provides a means for the Water Board to recover the capital improvement costs of distribution mains with excess capacity as well as reimburse developers for construction costs of mains which have been oversized in accordance with Schedule "F".

Service Area - For purposes of Impact Fee assessment, the Board's Service Area includes the area certificated to it by the Texas Water Commission. The Board's Service Area is further divided into an Inner Service Zone and Outer Service Zone.

Service Level - For purposes of the System Development Impact Fee assessment, the Board's Service Area shall be subdivided into Service Levels. These Service Levels are listed in Schedule P. Service Levels reflect operational distinctions and require differences in capital improvement costs related to the topographical locations of the listed Service Levels.

Land Use Assumptions Plan - A plan prepared under the direction of the City of San Antonio's Capital Improvements Advisory Committee and approved by the City Council of the City of San Antonio which includes a description of utility service areas and projections of changes in land uses, densities, intensities, and population in the Service Area over at least a ten-year period.

System Development Impact Fee - An impact fee required of all new development within the Outer Service Zone which will be served from a Water Board facility. The System Development Impact Fee provides a means for the Board to recover the capital improvement costs of the production, storage, and related distribution facilities required to service new development.

11-4. CAPITAL IMPROVEMENTS PLAN

Impact Fees may only be applied to projects which are included in the Capital Improvements Plan for Water Facilities. The City of San Antonio shall update its Land Use Assumptions Plan not less than once every three (3) years as established by law. At that time, the Board shall also update its Capital Improvements Plan for Water Facilities and recalculate its Impact Fee structure.

The Board, in cooperation with the City of San Antonio, may review its Impact Fees, Capital Improvements Plan, and other factors (e.g. market conditions) more frequently than the above time limit to determine whether the Plan should be revised and/or Impact Fees recalculated.

11-5. CALCULATION OF IMPACT FEES

A. Following the filing and acceptance of an application for connection to the Board's water system facilities, the Board shall compute the total Impact Fee due for a new development.

1. The total amount of the Impact Fee, shall be determined by multiplying the number of Equivalent Dwelling Units ("EDUs") generated by the new development within the Board's Inner Service Area by the Flow Charge Impact Fee per EDU as outlined in Schedule O. For new development in the Board's Outer Service Area, the total amount of the Impact Fee shall be determined by calculating the Flow Charge Impact Fee as described above and adding the System Development Impact Fee calculated by multiplying the number of EDUs generated by the new development by the System Development Impact Fee per EDU for the specific Service Level where the development is located as outlined in Schedule P.

2. The total amount of the Impact Fee due for the new development shall be calculated and attached to the:
 - (a) application for water service as a condition of approval for service, or
 - (b) application for increased water service as a condition of approval for increased service.
- B. The maximum Impact Fee per EDU by Service Area and Service Level is computed by dividing the total costs of capital improvements or facility expansions necessitated by and attributable to new development in a particular Service Area and Service Level by the total number of EDUs projected for that level. If the number of EDUs projected over the ten-year period covered by the most recent land use assumptions plan is less than the total number of EDUs at full development of each Service Area or Service Level, the maximum Impact Fee per EDU per Service Area or Service Level shall be calculated by dividing the costs of the part of the capital improvements or facility expansions necessitated by and attributable to the projected EDUs in each Service Area or Service Level over the ten-year period by the projected EDUs in each Service Area or Service Level during this ten-year period.

- C. The Impact Fees which are to be paid by each new development shall be that established by the Board and approved by the City Council, as may be amended from time to time, and shall be an amount less than or equal to the maximum fee per EDU established in paragraph B above. The Impact Fees which are to be paid shall be as set forth in Schedules O and P attached hereto and made a part of this Section by reference.

- D. Whenever the property owner proposes to increase the amount or size of water meters for a new development and platting or replatting is not necessary, the additional Impact Fee collected for such additional or larger meters shall be determined by using Schedules O and/or P then in effect and such additional charges shall be collected prior to the time of enlargement of the connection to the Board's water system facilities to obtain increased service.

- E. The Impact Fee schedules may be amended from time to time by the Board and City Council.

11-6. PAYMENT OF IMPACT FEES

Impact Fees assessed for a project shall be paid at the time the property is platted or replatted, before additional water meters

are connected or prior to enlargement of the connection to the Board's facilities to obtain increased service.

11-7. IMPACT FEE FUND ACCOUNT

The Board's Comptroller shall establish a fund into which Impact Fee payments shall be deposited. Interest earned from the Impact Fee Fund Accounts shall be considered funds of the accounts and shall only be used for purposes authorized by law.

11-8. REFUNDS

An Impact Fee, or portion thereof, collected pursuant to this section, which has not been expended for the purposes for which it was intended within ten (10) years from the date of collection shall be refunded, upon application, to the property owner of record at the time the refund is to be paid in accordance with Chapter 395 of the Texas Local Government Code. Interest, calculated from the date of collection to the date of refund, shall accompany the refund at the statutory rate established in Article 1.03, Title 79, Revised Statutes (Article 5069-1.03, Vernon's Texas Civil Statutes) or any successor statute. This

section shall apply solely to reimbursements related to impact fees as required by law. There is nothing in this section which shall be construed as applicable to refunds made under Schedules "J" and/or "L" of these Regulations.

11-9. USE OF OTHER FINANCING STRUCTURES

The Board may finance capital improvements or facility expansions designated in the Capital Improvements Plan through the issuance of bonds, or any other financing method authorized by law in addition to or in lieu of Impact Fees. There is nothing in this Section which shall be construed as limiting the Board's financing or extension policy options. In addition to an Impact Fee, the Board may require payment of any other fee, charge, or assessment which is lawfully imposed on and due against the property.

11-10. EFFECT OF IMPACT FEES ON OTHER PARTS OF THE REGULATIONS
FOR WATER SERVICE

Nothing in this Section shall affect, in any manner, the Board's application of its Regulations, not inconsistent with this Section, to any part of its service area.

11-11. ASSESSMENT OF IMPACT FEES

The approval of any new development shall include the assessment of Impact Fees. Within the Inner Service Zone, the Board shall be responsible for providing all general benefit facilities. Therefore, any Impact Fees applicable within the Inner Service Zone shall consist only of a Flow Impact Fee. Impact Fees assessed in the Outer Service Zone shall include a System Development Impact Fee in addition to the Flow Impact Fee.

Actual assessment of Impact Fees shall be effected at the time the application for new service is approved. If the request involves an application for a new meter, which will entail an increase in the number of EDUs assigned to the property, Impact Fees shall be assessed at the time the request is approved.

Schedule "O"

Flow Impact Fee
(Inner and Outer Service Zone)

\$105/EDU

Schedule "P"

<u>Service Level</u>	<u>System Development Impact Fee (Outer Service Zone)</u>
2	N/A
3	N/A
4	N/A
5	N/A
5A	N/A
6	\$145/EDU
7	\$180/EDU
8	\$375/EDU
9	\$270/EDU
10	\$380/EDU
11	\$580/EDU
11A	Fully Committed
14	\$660/EDU

Note: N/A in Service Levels 2 through 5A indicates that these Service Levels are completely within the Inner Service Zone.

CITY WATER BOARD

1001 E. MARKET ST. P. O. BOX 2449

SAN ANTONIO, TEXAS 78298-2449

(512) 225-7461



GENERAL MANAGER

LESTER J. HASH

BOARD OF TRUSTEES

NELDA WEATHERLY
CHAIRMAN

SAMUEL C. LOPEZ
VICE-CHAIRMAN

CLARENCE R. MCGOWAN

PHILIP M. BARSHOP

LILA COCKRELL
MAYOR

June 12, 1990

Mrs. Lila Cockrell, Mayor
City of San Antonio
P.O. Box 839966
San Antonio, Texas 78283-3966

Dear Mayor Cockrell:

The recent discussion on the proposed impact fee amendments have indicated that there is some confusion within the community concerning the Water Board's Flow Impact Fee and the role which that fee plays. In order to clarify that issue, the Board has prepared the attached brief. Our intent is to put this situation in its proper perspective; to demonstrate that development-related contributions to our system far exceed the dollar amount associated with a "Flow Charge" or "Flow Impact Fee." If you or any member of the Council have any questions on the Flow Impact Fee or the Board's impact fee structure, please call me at 224-7001.

Very truly yours,

A handwritten signature in black ink that reads "Lester J. Hash".

Lester J. Hash
General Manager

Attachment

The Water Board's proposed Flow Impact Fee directly relates to the existing Flow Charge in both function and percentage of total project costs even though different methodologies for calculating the fees were employed. The Flow Impact Fee provides a means for recovering the Board's investment in distribution mains with excess capacity.

The Impact Fee Structure consists of the Flow Impact Fee and the System Development Impact Fee. Although the Flow Impact Fee effects recovery of at least some of the costs associated with the mains, it by no means represents the total development contribution to the overall waterworks system. During the 1980s, these contributions amounted to 107 million dollars. Between 1985 and 1989, developer contributions totalled \$70,240,969. That figure represents 56 percent of the increase in the Water Board's equity and 36 percent of its increase in plant value.

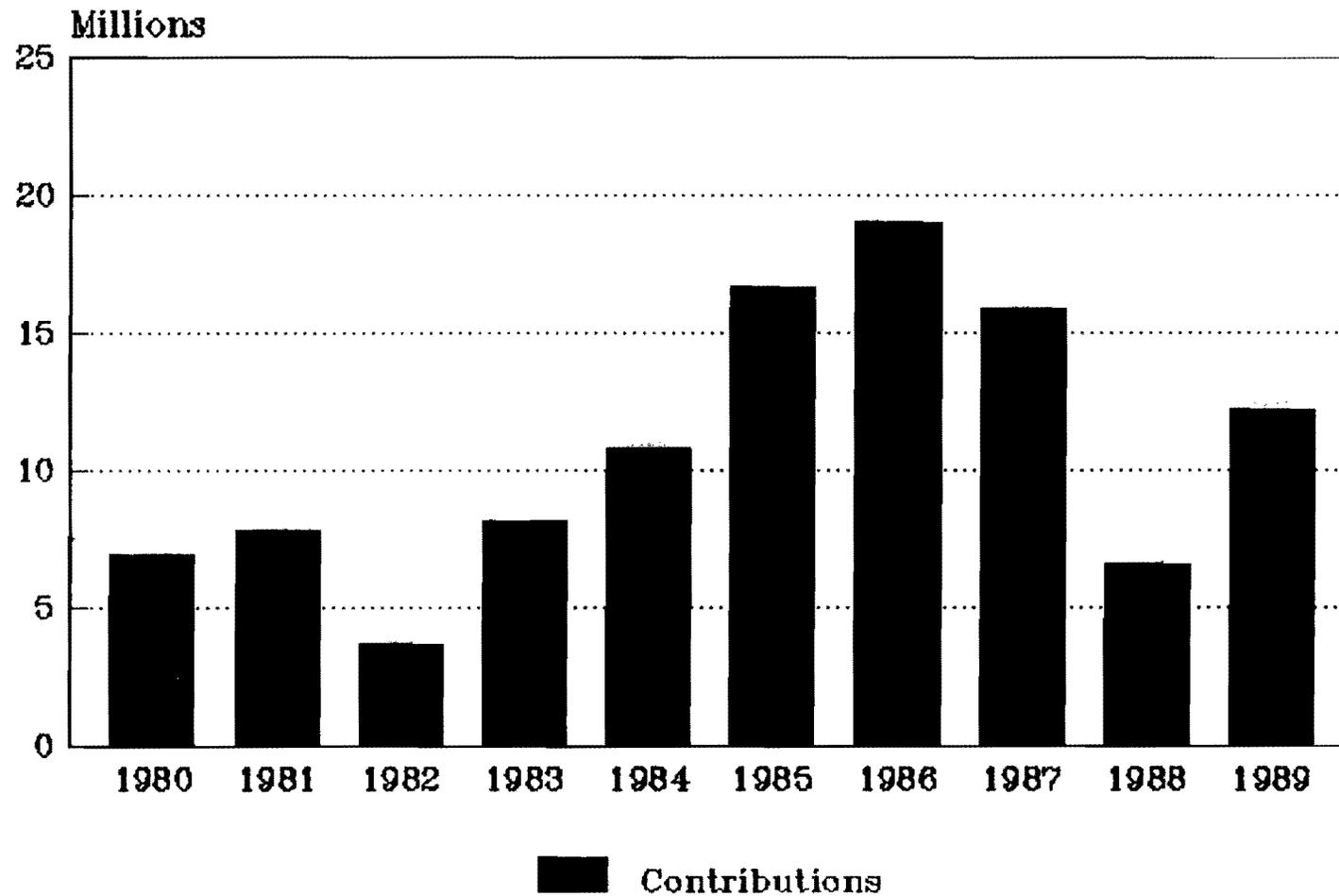
When considered in relation to total developer contributions, the Flow Impact Fee represents less than 10 percent of the construction costs. For example, the existing Flow Charge of \$90/EDU represents 7.6 percent of the current developer contributions of \$1,189.32 per EDU in the Parkwood Subdivision. When the proposed Flow Impact Fee amount of \$105/EDU is substituted in the calculation, that proportion rises to 8.8 percent.

Senate Bill 336 required that a "maximum allowable" fee be established as part of the Capital Improvements Plan. That plan includes all improvements or facility expansions, and their costs, attributable to new development in the service area, based on the approved land use assumptions projected for a 10 year planning horizon. Because the process for calculating the maximum is driven by assumptions, no city that we are aware of is assessing the maximum allowable fee. In that light, the Water Board is proposing to adjust the existing Flow Charge for inflation since 1985 and maintain its general ratio to total project cost.

City Water Board
San Antonio, Texas
June 12, 1990

History of Contributions

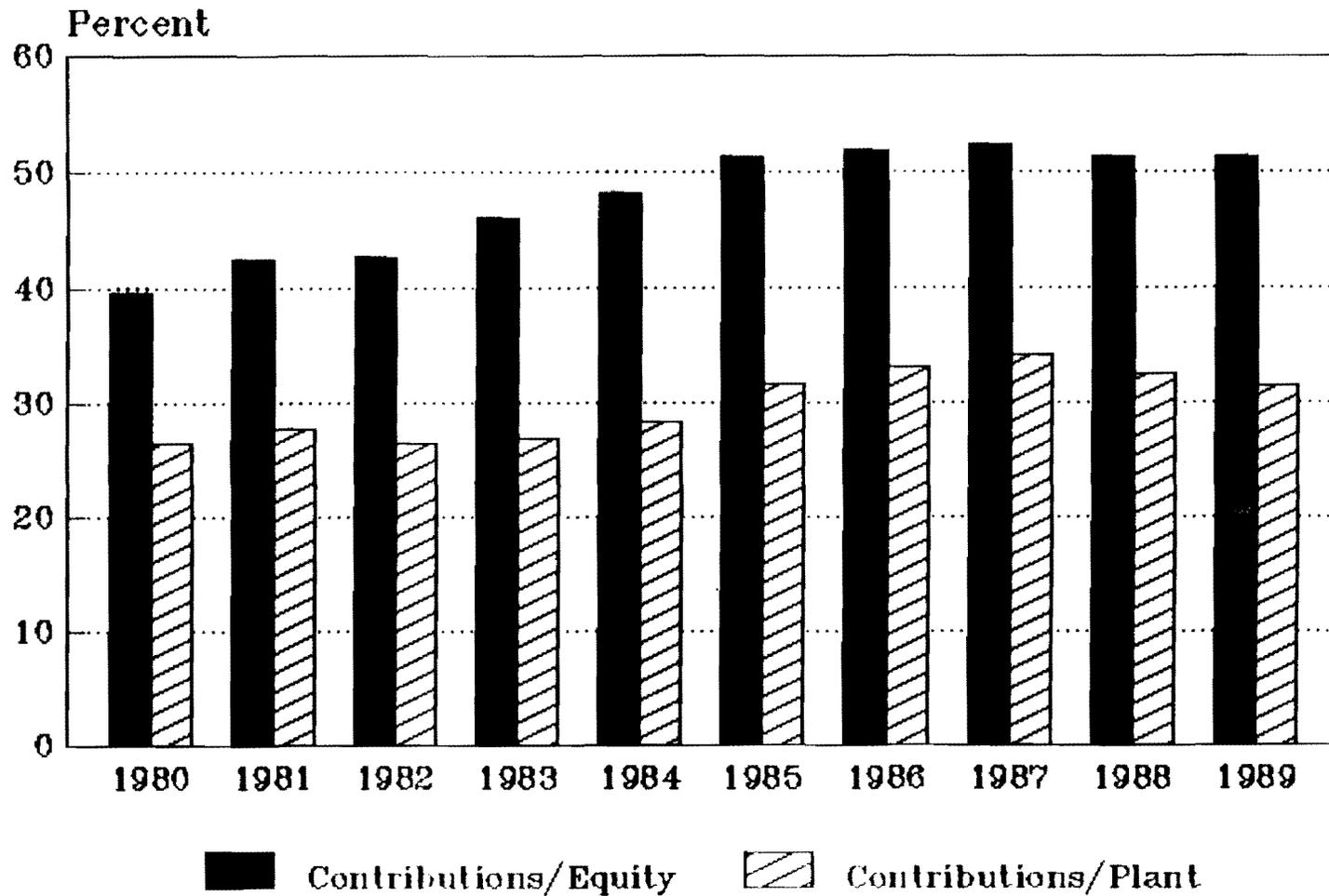
City Water Board
San Antonio, Texas



Comparison of Contributions

City Water Board

San Antonio, Texas



RESOLUTION NO. 90-39

OF THE WATER WORKS BOARD OF TRUSTEES OF SAN ANTONIO AMENDING THE REGULATIONS FOR WATER SERVICE (REGULATIONS) TO AUTHORIZE THE ASSESSMENT AND COLLECTION OF IMPACT FEES; MAKING CERTAIN FINDINGS OF FACT AS THE BASIS FOR ADOPTION OF THE AMENDMENT; REQUESTING THE CAPITAL IMPROVEMENTS ADVISORY COMMITTEE TO ENDORSE THIS AMENDMENT; REQUESTING THE CITY PLANNING COMMISSION TO FORWARD THE AMENDMENT AS ADOPTED BY IT TO THE CITY COUNCIL; REQUESTING THE COUNCIL TO ESTABLISH BY ORDINANCE THE AMENDMENT AS A PART OF THE BOARD'S REGULATIONS AND MAKING THIS RESOLUTION A PART OF THE REGULATIONS.

WHEREAS, the Acts of the 70th Legislature authorized political subdivisions to assess and collect impact fees; and

WHEREAS, those Acts of the 70th Legislature pertaining to impact fees have since been codified in Chapter 395 of the Local Government Code; and

WHEREAS, the City Council of the City of San Antonio, by Resolution No. 87-41-64, established a Capital Improvements Advisory Committee to advise and assist the City Council in the implementation of the impact fee process; and

WHEREAS, the Capital Improvements Advisory Committee has faithfully discharged its duties, including the development of a Land Use Assumptions Plan; and

WHEREAS, the City Water Board staff, working with the Capital Improvements Advisory Committee has developed an Amendment to the Regulations which will permit the assessment and collection of impact fees; and

WHEREAS, notice of a public hearing on said Regulations, to be held on April 17, 1990, was given on April 12, 1990, in accordance with law; and

WHEREAS, said public hearing was held on April 17, 1990; and

Attach. F

WHEREAS, the Board at its regular meeting held on April 17, 1990, after receiving input from all interested parties, gave formal consideration to the Amendment to the Regulations; and

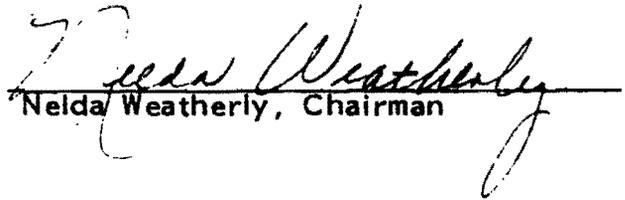
WHEREAS, the Board adopted in final form the proposed Amendment to the Regulations attached hereto as Exhibit "A" on April 17, 1990, at its regular meeting and directed that its action be reflected by this Resolution and that the Amendment to the Regulations as approved be forwarded to the Planning Commission and the City Council for their respective review and adoption; now, therefore

BE IT RESOLVED BY THE WATER WORKS BOARD OF TRUSTEES OF SAN ANTONIO:

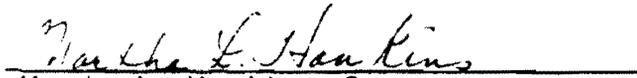
1. That the Board finds certain facts as follows:
 - a. That the Amendment to the Regulations attached to this Resolution as Exhibit "A" has been prepared in accordance with all stipulations established in Chapter 395 of the Local Government Code.
 - b. That the Amendment to the Regulations will promote the health, safety, and general welfare of the community and the safe, orderly, and healthful development of said community.
 - c. That the Amendment to the Regulations will promote and protect the general health, safety, and welfare of persons within and adjacent to the City of San Antonio.
2. The Amendment to the Regulations is hereby adopted and is attached hereto as Exhibit "A" and shall govern the assessment and collection of impact fees.
3. The Board requests the Planning Commission of the City of San Antonio to adopt this Amendment to the Regulations.
4. The Board requests the Planning Commission to forward such Amendment to the Regulations as adopted by it to the City Manager for submission to the City Council of the City of San Antonio.
5. The Board requests the City Council of the City of San Antonio to establish by Ordinance this Amendment as a part of the Board's Regulations.

6. This Amendment and the findings made herein are made a part of the Regulations as amended.

PASSED AND APPROVED this the 30th day of April, 1990.


Nelda Weatherly, Chairman

ATTEST:


Martha L. Hawkins, Secretary

**SAN ANTONIO PLANNING COMMISSION
RESOLUTION NO. 90-06-04**

**RECOMMENDING TO THE CITY COUNCIL THE ADOPTION
OF AMENDMENTS TO THE REGULATIONS FOR WATER
SERVICE IN ACCORDANCE WITH CHAPTER 395 OF LOCAL
GOVERNMENT CODE, VERNON'S TEXAS CODES ANNOTATED**

* * * *

WHEREAS, the City of San Antonio is authorized by V.T.C.A., Local Government Code (hereinafter referred to as the Local Government Code) to enact impact fees to finance capital improvements required by new development; and

WHEREAS, in accordance with Chapter 395 of the Local Government Code, on August 10, 1989, after a duly publicized public hearing, the City adopted a Land Use Assumptions document projecting levels of new development to occur within the City limits and extraterritorial jurisdiction over a ten year period from 1988 to 1998; and

WHEREAS, in accordance with Chapter 395 of the Local Government Code, on May 10, 1990, after a duly publicized public hearing, the City designated the service areas to be used to develop a capital improvement plan for City Water Board water service facilities, and adopted an amendment to the Land Use Assumptions document clarifying certain forecasting assumptions; and

WHEREAS, in accordance with Chapter 395 of the Local Government Code, the City Water Board has prepared a capital improvements plan for City Water Board Water service facilities to provide service to new development within designated service areas; and

WHEREAS, the City Water Board Trustees approved the amendments to the Regulations for Water Service at its regular meeting on April 30, 1990; and

WHEREAS, the Planning Commission held a public hearing on the proposed amendments to the Regulations for Water Service; NOW THEREFORE:

BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF SAN ANTONIO:

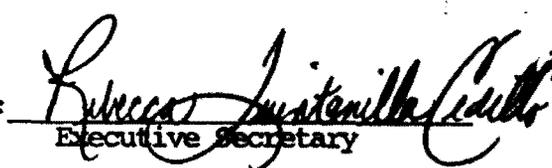
The amendments to the Regulations for Water Service, which include schedules "O" and "P" specifying the actual impact fee rates, given in Attachment I are hereby recommended for adoption by the City Council.

PASSED AND APPROVED THIS 13TH DAY OF JUNE, 1990.

APPROVED:


Ruth Jones-McClendon, Chairman

ATTEST:


Rebecca Justenilla-Cedillo
Executive Secretary

REVISED ORDER FOR CONSIDERATION OF IMPACT FEE ORDINANCES

**AGENDA
ITEM
NUMBER**

- 9 Public Hearing and Consideration of An Ordinance adopting the City Water Board Capital Improvements Plan.
- 10 Public Hearing and Consideration of An Ordinance adopting the City Water Board amendments to the Regulations for Water Service which also includes the impact fee rate schedules.
- 7 Public Hearing and Consideration of An Ordinance adopting the Sanitary Sewer Capital Improvements Plan and impact fee schedule.
- 8 Public Hearing and consideration of An Ordinance adopting amendments of the Unified Development Code which establishes the sanitary sewer and water facilities impact fee programs for the City.

THIS REVISED ORDER FOR CONSIDERATION OF THE IMPACT FEE ORDINANCES IS NECESSARY BECAUSE THE ORDINANCE ADOPTING THE AMENDMENTS TO THE CITY WATER BOARD REGULATIONS FOR WATER SERVICE SHOULD OCCUR PRIOR TO THE ORDINANCE ADOPTING THE AMENDMENTS TO THE UNIFIED DEVELOPMENT CODE.

DRAFT

BECAUSE, the City of San Antonio has an opportunity to assess the cost of new development to those that benefit from it; and

BECAUSE, the rate payers in San Antonio are struggling to meet costs to provide basic services in our city; and

BECAUSE, responsible growth in San Antonio is more likely to occur when an accurate assessment of cost is identified and charged: Therefore be it

RESOLVED,

A) The accurate assessment of impact fees necessarily includes the cost of surface water attributable to new development. It is the city council's intent to see the cost of Applewhite attributable to new development included in future impact fee calculations.

B) Council calls for further work by staff to develop new land use assumptions and update capital improvement plans so fees reflect all eligible costs. The staff is directed to establish a calendar to provide for a public hearing on land use assumptions on or about September 1990 and for a public hearing on Capital Improvement Plans and new fees on or about January 1991.

*For Items 7, 8, 9, 10
To Be Included in all 4 Ord.*

April 9, 1990

PROPOSED AMENDMENT
REGULATIONS FOR WATER SERVICE
IMPACT FEE AUTHORIZATION

SECTION 11 - APPLICATION OF IMPACT FEES TO FINANCE WATER SERVICE TO NEW DEVELOPMENT

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11-2. APPLICATION

An Impact Fee may be applied to the excess capacity in an existing capital improvement, an expansion of currently operating

facilities, and to the financing of new capital improvements necessary to provide service to new development within the Board's Service Area.

When a request for service is submitted, the Board's staff will calculate the applicable Impact Fees. The amount of the Impact Fee for each Equivalent Dwelling Unit is detailed, by Service Area and Service Level, in Schedules O and P.

11-3 DEFINITIONS

New Development - If the property being platted is within an area that is the subject of a formal commitment for water service, executed by the City Water Board before the date of enactment of a Water Impact Fees ordinance by City Council, development of the property will not be considered new development for water impact fees as long as the development is consistent with the water service commitment, and therefore may not be assessed Water Impact Fees at the time of platting. All other property being platted will be considered new development for water service and therefore may be assessed Water Impact Fees.

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Capital Improvement Plan - A plan required by Section 395 of the Texas Local Government Code which identifies existing facilities with excess capacity, proposed capital improvements, and facility expansions for which impact fees may be assessed.

Flow Impact Fee - An impact fee required of all new development within the Inner or Outer Service Zones which will be served from a Water Board facility. The Flow Impact Fee provides a means for the Water Board to recover the capital improvement costs of distribution mains with excess capacity as well as reimburse developers for construction costs of mains which have been oversized.

Service Area - For purposes of Impact Fee assessment, the Board's Service Area includes the area certificated to it by the Texas Water Commission. The Board's Service Area is further divided into an Inner Service Zone and Outer Service Zone.

Service Level - For purposes of the System Development Impact Fee assessment, the Board's Service Area shall be subdivided into Service Levels. These Service Levels are listed in Schedule P. Service Levels reflect operational distinctions and require differences in capital improvement costs related to the topographical locations of the listed Service Levels.

Land Use Assumptions Plan - A plan prepared under the direction of the City of San Antonio's Capital Improvements Advisory Committee and approved by the City Council of the City of San Antonio which includes a description of utility service areas and projections of changes in land uses, densities, intensities, and population in the Service Area over at least a ten-year period.

System Development Impact Fee - An impact fee required of all new development within the Outer Service Zone which will be served from a Water Board facility. The System Development Impact Fee provides a means for the Board to recover the capital improvement costs of the production, storage, and related distribution facilities required to service new development.

11-4 CAPITAL IMPROVEMENTS PLAN

Impact Fees may only be applied to projects which are included in the Capital Improvements Plan for Water Facilities. The City of San Antonio shall update its Land Use Assumptions Plan not less than once every three (3) years as established by law. At that time, the Board shall also update its Capital Improvements Plan for Water Facilities and recalculate its Impact Fee structure.

The Board, in cooperation with the City of San Antonio, may review its Impact Fees, Capital Improvements Plan, and other factors (e.g. market conditions) more frequently than the above time limit to determine whether the Plan should be revised and/or Impact Fees recalculated.

11-5. CALCULATION OF IMPACT FEES

A. Following the filing and acceptance of an application for connection to the Board's water system facilities, the Board shall compute the total Impact Fee due for a new development.

1. The total amount of the Impact Fee, shall be determined by multiplying the number of Equivalent Dwelling Units ("EDUs") generated by the new development within the Board's Inner Service Area by the Flow Charge Impact Fee per EDU as outlined on Schedule O. For new development in the Board's Outer Service Area, the total amount of the Impact Fee shall be determined by calculating the Flow Charge Impact Fee as described above and adding the System Development Impact Fee calculated by multiplying the number of EDUs generated by the new development by the System Development Impact Fee per EDU for the specific Service Level where the development is located, as outlined on Schedule P.

2. The total amount of the Impact Fee due for the new development shall be calculated and attached to the:
 - (a) application for water service as a condition of approval for service, or
 - (b) application for increased water service as a condition of approval for increased service.

- B. The maximum Impact Fee per EDU by Service Area and Service Level is computed by dividing the total costs of capital improvements or facility expansions necessitated by and attributable to new development in a particular Service Area and Service Level by the total number of EDUs projected for that level. If the number of EDUs projected over the ten-year period covered by the most recent land use assumptions plan is less than the total number of EDUs at full development of each Service Area or Service Level, the maximum Impact Fee per EDU per Service Area or Service Level shall be calculated by dividing the costs of the part of the capital improvements or facility expansions necessitated by and attributable to the projected EDUs in each Service Area or Service Level over the ten-year period by the projected EDUs in each Service Area or Service Level during this ten-year period.

- C. The Impact Fees which are to be paid by each new development shall be that established by the Board and approved by the City Council, as may be amended from time to time, and shall be an amount less than or equal to the maximum fee per EDU established in paragraph B above. The Impact Fees which are to be paid shall be as set forth in Schedules O and P attached hereto and made a part of this Section by reference.
- D. Whenever the property owner proposes to increase the amount or size of water meters for a new development and platting or replatting is not necessary, the additional Impact Fee collected for such additional or larger meters shall be determined by using Schedules O and/or P then in effect and such additional charges shall be collected prior to the time of enlargement of the connection to the Board's water system facilities to obtain increased service.
- E. The Impact Fee schedules may be amended from time to time by the Board and City Council.

11-6. PAYMENT OF IMPACT FEES

Impact Fees assessed for a project shall be paid at the time the property is platted or replatted, before additional water meters are connected or prior to enlargement of the connection to the Board's facilities to obtain increased service.

11-7. IMPACT FEE FUND ACCOUNT

The Board's Comptroller shall establish a fund into which Impact Fee payments shall be deposited. Interest earned from the Impact Fee Fund Accounts shall be considered funds of the accounts and shall only be used for purposes authorized by law.

11-8. REFUNDS

An Impact Fee, or portion thereof, collected pursuant to this section, which has not been expended for the purposes for which it was intended within ten (10) years from the date of collection shall be refunded, upon application, to the property owner of record at the time the refund is to be paid. Interest, calculated from the date of collection to the date of refund, shall accompany the refund at the statutory rate established in Article 1.03, Title 79, Revised Statutes (Article 5069-1.03, Vernon's Texas Civil Statutes) or any successor statute. Any refunds shall be disbursed according to the procedures established in Section 395 of the Texas Local Government Code.

11-9 USE OF OTHER FINANCING STRUCTURES

The Board may finance capital improvements or facility expansions designated in the Capital Improvements Plan through the issuance of bonds, or any other financing method authorized by law in addition to or in lieu of Impact Fees. There is nothing in this Section which shall be construed as limiting the Board's financing or extension policy options. In addition to an Impact Fee, the Board may require payment of any other fee, charge, or assessment which is lawfully imposed on and due against the property.

11-10. EFFECT OF IMPACT FEES ON OTHER PARTS OF THE REGULATIONS
FOR WATER SERVICE

Nothing in this Section shall affect, in any manner, the Board's application of its Regulations, not inconsistent with this Section, to any part of its service area.

11-11 ASSESSMENT OF IMPACT FEES

The approval of any new development shall include the assessment of Impact Fees. Within the Inner Service Zone, the Board shall

be responsible for providing all general benefit facilities. Therefore, any Impact Fees applicable within the Inner Service Zone shall consist only of a Flow Impact Fee. Impact Fees assessed in the Outer Service Zone shall include a System Development Impact Fee in addition to the Flow Impact Fee.

Actual assessment of Impact Fees shall be effected at the time the application for new service is approved. If the request involves an application for a new meter, which will entail an increase in the number of EDUs assigned to the property, Impact Fees shall be assessed at the time the request is approved.

Schedule "O"

**Flow Impact Fee
(Inner and Outer Service Zone)**

\$105/EDU

SCHEDULE "P"

<u>Service Level</u>	<u>System Development Impact Fee (Outer Service Zone)</u>
2	N/A
3	N/A
4	N/A
5	N/A
5A	N/A
6	\$145/EDU
7	\$180/EDU
8	\$375/EDU
9	\$270/EDU
10	\$380/EDU
11	\$580/EDU
11A	Fully Committed
14	\$660/EDU

Note: N/A in Service Levels 2 through 5A indicates that these Service Levels are completely within the Inner Service Zone.

AGENDA ITEM NO.

BRIEF

April 30, 1990

SUBJECT: Capital Improvements Advisory Committee
Recommendations Regarding the Proposed Amendment to
the Regulations For Water Service

At its meeting on April 18, 1990, the Capital Improvements Advisory Committee endorsed the following changes concerning the proposed amendment to the Regulations For Water Service and requested Water Board Staff present them to the Board of Trustees.

Recommendation

Staff Response

Section 11-2 p.1 Last line

Insert "installed after February 2, 1984 after the phase "existing capital improvement".

This is consistent with our current regulations. No objection.

Section 11-2 p.2. Line 1

Insert "due to new development" after "...expansion of currently operating facilities..."

This phrase appears to be overly limiting. The law is quite specific regarding what impact fees may be charged for. However, this phrase could be construed as an expansion to serve a specific development when, in reality,

the expansion could have been made according to a master plan which predicted general, but not specific, new growth. Staff cannot support this change.

Section 11-2 p. 2 Line 4

Adding the sentence "Those costs which are included in existing and/or future capital improvements which are also included in the customer rate structure shall not be charged to impact fees" on the first paragraph.

This proposal relates to the bond funding of a project and the subsequent assessment of impact fees for a project serviced by that facility. Such an option is certainly allowed under the impact fee legislation. Indeed this method has historically been employed by the Board and is being pursued by other water utilities. Staff suggests that the bond funding/impact fee approach is the best option available. The impact fee collected will be applied to the principal and interest

on the bonds, therefore
retiring them sooner. Staff
cannot support the
recommendation.

Section 11-3 p. 3 Line 3

In the first paragraph, the phrase
"additional capacity" will replace
"action".

Staff concurs in this change.

Section 11-3 p. 4 Line 8

Include the phrase "which were
installed after February 2, 1984"
after the phrase "... facilities
with excess capacity."

Staff agrees with this change
as it is consistent with our
Regulations.

Section 11-3 p. 5 Line 7

Include "which was installed after
February 2, 1984" after Water Board
facility.

Staff agrees with the
recommendation.

Section 11-3 p. 5 Line 11

Insert "in accordance with Schedule
'F'" after the word oversized.

Staff agrees with the
recommendation.

Section 11-6 p. 9 Line 20

Substitute the phrase "at the time the meter is placed in service" for property is platted or re-platted

Staff does not concur with this change. Rather, staff recommends retaining the present policy of fee payment at the time the plat is recorded.

Section 11-8 p. 10 Line 1

Include the phrase "in accordance with Chapter 395 of the Texas Local Government Code" after "refund is to be paid"

Staff concurs.

Section 11-8 p. 10 Line 6

Add "This section shall apply solely to reimbursements related to impact fees as required by law. There is nothing in this section which shall be construed as applicable to refunds made under Schedules "J" and/or "L" of these Regulations.

Staff agrees with this suggestion.

At its meeting of April 25, the Committee further recommended that language be included in Section 11-1 clarifying the fact that there are two (2) impact fees.

Staff does not object to this proposal, and has drafted the following language to address the issue.

Section 11-1 p. 1 Line 3

Insert as the second sentence, "The Board's Impact Fee Structure consists of a System Development Impact Fee as well as a Flow Impact Fee.

	ARTS & CULTURAL AFFAIRS
	AVIATION
/	BUDGET & RESEARCH
	BUILDING INSPECTIONS
	BUILDING INSPECTIONS-HOUSE NUMBERING
	CITY ATTORNEY
	LUIS GARCIA, MUNICIPAL COURT
	REAL ESTATE (FASSNIDGE)
	REAL ESTATE (WOOD)
	TRIAL SECTION
	CITY MANAGER
	KAREN DAVIS, ASST. TO THE MANAGER
	CODE COMPLIANCE
	SPECIAL PROJECTS
	CITY PUBLIC SERVICE
	CITY PUBLIC SERVICE-MAPS & RECORDS
/	CITY WATER BOARD
	COMMERCIAL RECORDER
	COMMUNITY DEVELOPMENT (BASEMENT)
	CONVENTION & VISITORS BUREAU
	CONVENTION FACILITIES
	DOME DEVELOPMENT OFFICE
	DOWNTOWN INITIATIVES
	ECONOMIC & EMPLOYMENT DEVELOPMENT (DEED)
/	ENVIRONMENTAL MANAGEMENT
	FINANCE DIRECTOR
	ASSESSOR
/	CONTROLLER
	GRANTS
	RISK MANAGEMENT
	TREASURY
	FIRE DEPARTMENT
	HUMAN RESOURCES & SERVICES
	INFORMATION RESOURCES
	INTERNATIONAL RELATIONS
	LIBRARY
	MARKET SQUARE
	METROPOLITAN HEALTH DISTRICT
	MUNICIPAL CODE CORPORATION (PUBLICATION)
	MUNICIPAL COURTS
	PARKS & RECREATION
	PERSONNEL
/	PLANNING
	ZONING ADMINISTRATION
	POLICE DEPARTMENT
/	PUBLIC UTILITIES
/	PUBLIC WORKS
	CAPITAL PROJECTS MANAGEMENT
	CENTRAL MAPPING
	ENGINEERING
	REAL ESTATE (BILL TOUDOUZE)
	TRAFFIC ENGINEERING
	PURCHASING & GENERAL SERVICES
	WATER RESOURCES MANAGEMENT
/	AZR0

ITEM NO. 10

MEETING OF THE CITY COUNCIL DATE: 6-14-90

MOTION BY: Antone SECONDED BY: Alan

ORD. NO. 71727 ZONING CASE _____

RESOL. _____ PETITION _____

	ROLL CALL	AYES	NAYS
MARIA BERRIOZABAL PLACE 1		/	
JOE WEBB PLACE 2		/	
HELEN DUTMER PLACE 3		/	
FRANK D. WING PLACE 4		/	
WALTER MARTINEZ PLACE 5		/	
BOB THOMPSON PLACE 6		/	
YOLANDA VERA PLACE 7		/	
NELSON WOLFF PLACE 8		/	
WEIR LABATT PLACE 9		/	
JAMES C. HASSLOCHER PLACE 10		/	
LILA COCKRELL PLACE 11 (MAYOR)		/	

Staff Rec w/ Rec Attachment

90-26

FILE "C.N.B." - Regulations

(4)

(#3)

7:00 PM PUBLIC HEARING & ORDINANCE

ADOPTING THE CITY WATER BOARD AMENDMENTS TO THE REGULATIONS FOR WATER SERVICE, WHICH ALSO INCLUDES THE IMPACT FEE RATE SCHEDULES. ITEM NO. 10

ARTS & CULTURAL AFFAIRS
AVIATION
BUDGET & RESEARCH
BUILDING INSPECTIONS
BUILDING INSPECTIONS-HOUSE NUMBERING
CITY ATTORNEY
LUIS GARCIA, MUNICIPAL COURT
REAL ESTATE (FASSNIDGE)
REAL ESTATE (WOOD)
TRIAL SECTION
CITY MANAGER
KAREN DAVIS, ASST. TO THE MANAGER
CODE COMPLIANCE
SPECIAL PROJECTS
CITY PUBLIC SERVICE
CITY PUBLIC SERVICE-MAPS & RECORDS
CITY WATER BOARD
COMMERCIAL RECORDER
COMMUNITY DEVELOPMENT (BASEMENT)
CONVENTION & VISITORS BUREAU
CONVENTION FACILITIES
DOME DEVELOPMENT OFFICE
DOWNTOWN INITIATIVES
ECONOMIC & EMPLOYMENT DEVELOPMENT (DEED)
ENVIRONMENTAL MANAGEMENT
FINANCE DIRECTOR
ASSESSOR
CONTROLLER
GRANIS
RISK MANAGEMENT
TREASURY
FIRE DEPARTMENT
HUMAN RESOURCES & SERVICES
INFORMATION RESOURCES
INTERNATIONAL RELATIONS
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MARKET SQUARE
METROPOLITAN HEALTH DISTRICT
MUNICIPAL CODE CORPORATION (PUBLICATION)
MUNICIPAL COURTS
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PUBLIC WORKS
CAPITAL PROJECTS MANAGEMENT
CENTRAL MAPPING
ENGINEERING
REAL ESTATE (BILL TOUDOUZE)
TRAFFIC ENGINEERING
PURCHASING & GENERAL SERVICES
WATER RESOURCES MANAGEMENT

MEETING OF THE CITY COUNCIL DATE: JUN 14 1990

MOTION BY: Webb SECONDED BY: Vera

ORD. NO. _____ ZONING CASE _____

RESOL. _____ PETITION _____

	ROLL CALL	AYES	NAYS
MARIA BERRIOZABAL PLACE 1			
JOE WEBB PLACE 2			
HELEN DUTMER PLACE 3			
FRANK D. WING PLACE 4			
WALTER MARTINEZ PLACE 5			
BOB THOMPSON PLACE 6			
YOLANDA VERA PLACE 7			
NELSON WOLFF PLACE 8			
WEIR LABATT PLACE 9			
JAMES C. HASSLOCHER PLACE 10			
LILA COCKRELL PLACE 11 (MAYOR)			

W/Res granted by COPS/melba allan

FILE