

An aerial photograph of a suburban neighborhood at sunset. The houses are illuminated by the warm, golden light of the setting sun. In the center of the neighborhood, a prominent water tower stands out, with the name 'SCHERTZ' visible on its side. The sky is a mix of orange and yellow, and the overall scene is peaceful and scenic.

Water and Wastewater Impact Fee Updates

City Council April 1, 2025

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SCHERTZ
COMMUNITY • SERVICE • OPPORTUNITY

Water and Wastewater Impact Fee Updates

Governed by Texas Local Government Code Chapter 395

- Land Use Assumptions
- Capital Improvement Plans and Costs
- Maximum Assessable Rates per Living Unit Equivalent (LUE)
- Impact Fee Rates to be Charged
- Update to Ordinance Chapter 90 Article V Water and Wastewater Capital Recovery Fees

Updated Max Assessable Rates

	Current Rate per LUE	Updated Max Rate per LUE
Water Impact Fee	\$2,934	\$8,814
Wastewater Impact Fee	\$1,669	\$5,556
Total Fee per LUE	\$4,603	\$14,369

These are calculated maximum allowable fees applicable to development of property for which a plat is recorded on or after the effective date of the updated ordinance. City must choose actual rates to charge that will be collected at time of building permit.

CALCULATED MAXIMUM ASSESSABLE FEES

Based on updated Land Use Assumptions and Capital Improvement Plans and costs as presented

Meter Size	Meter Type	Maximum Flow Rate for Continuous Duty (gpm)	Proposed LUE	Maximum Allowable Water Impact Fee	Maximum Allowable Wastewater Impact Fee
5/8"	MULTI-JET	15	1.0	\$ 8,814	\$ 5,556
3/4"	MULTI-JET	20	1.3	\$ 11,810	\$ 7,445
1"	MULTI-JET	30	2.0	\$ 17,627	\$ 11,112
2"	ULTRASONIC	250	16.7	\$ 146,924	\$ 92,615
3"	ULTRASONIC	500	33.3	\$ 293,848	\$ 85,231
4"	ULTRASONIC	1,000	66.7	\$ 587,607	\$ 370,406
6"	ULTRASONIC	1,600	106.7	\$ 940,154	\$ 592,639
8"	ULTRASONIC	2,800	186.7	\$ 1,645,248	\$ 1,037,104
10"	ULTRASONIC	5,500	366.7	\$ 3,231,708	\$ 2,037,150
12"	ULTRASONIC	5,500	366.7	\$ 3,231,708	\$ 2,037,150

LOCAL COMPARISON OF FEES

City/Utility	Total	Water	Wastewater	Population Served (At the Time of Individual Analysis)
Pflugerville (2023)	\$29,849	\$14,713	\$15,136	65,191
NBU (2022)	\$25,692	\$19,448	\$6,244	90,403
Seguin (2023)	\$16,558	\$7,308	\$9,250	29,470
Schertz (Proposed 2024)	\$14,369	\$8,814	\$5,556	45,719
SAWS (2024)	\$9,350	\$5,987	\$3,363	2,000,000
Austin (2023)	\$7,700	\$4,800	\$2,900	961,000
Boerne (2023)	\$7,629	\$2,509	\$5,120	18,232
San Marcos (2018)	\$6,485	\$3,801	\$2,684	68,217
Schertz (Current from 2011)	\$4,603	\$2,934	\$1,669	34,754
Cibolo (2021)	\$2,712	\$1,839	\$873	34,000

Effect of update on fees

Development	Fee	Water Impact Fee	Wastewater Impact Fee	Total Impact Fee
Single Family Home 5/8" meter – 1.0 LUE	current	\$2,934	\$1,669	\$4,603
	new	\$8,814	\$5,556	\$14,370
Fast Food Restaurant 2" meter – 16.7 LUE	Current	\$48,997	\$27,872	\$125,866
	New	\$147,193	\$92,785	\$239,978
9,000 sf Medical Office 1" meter – 2.0 LUE	Current	\$5,868	\$3,338	\$9,206
	New	\$17,628	\$11,112	\$28,740
200,000 sf Spec Warehouse 2" meter – 16.7 LUE	Current	\$48,997	\$27,872	\$125,866
	New	\$147,193	\$92,785	\$239,978

Fees to be Charged

Original recommendation from Staff to Capital Improvement Advisory Committee (CIAC):

- Phase-in (after grace period of no increase)
 - Year 1 50% max water = \$4,407 50% max wastewater = \$2,778
 - Year 2 75% max water = \$6,610 75% max wastewater = \$4,167
 - Year 3 100% max water = \$8,814 100% max wastewater = \$5,556

CIAC accepted recommendation (6-1 with one Committee Member wanting shorter phase-in period)

Fees to be Charged cont'd

Council discussion after Public Hearing March 18, 2025, yielded another phase-in option:

- Phase-in (after grace period of no increase)
 - Year 1 66% max water = \$5,817 66% max wastewater = \$3,667
 - Year 2 100% max water = \$8,814 100% max wastewater = \$5,556

Fees to be Charged cont'd

Since the public hearing, Staff learned of pending legislation:

S.B. No. 1883 (Bettencourt) updates Chapter 395:

“A political subdivision may not increase the amount of an impact fee for three years from the date the fee was most recently increased.”

Fees to be Charged cont'd

Based on pending legislation, Staff recommends third option for phase-in:

- Delay ordinance effective date to June 1, 2025
- Establish July 1, 2025, as date for impact fee rate increase to maximum allowable amounts

So –

- Updated Ordinance in effect for property platted on or after June 1, 2025
 - No rate increase for Building Permits June 1, 2025 - June 30, 2025
 - Rates for Building Permits as of July 1, 2025:
Water \$8,814 per LUE Wastewater \$5,556 per LUE

(Property platted prior to June 1, 2025 will continue to be charged based on schedule in effect at the time of platting)

Summary of Fees to be Charged

- Option A – Three year phase-in*
- Option B – Two year phase-in*
- Option C – Grace period, but no rate increase phase-in

*Risk of inability to implement planned increases after year 1.

QUESTIONS AND DISCUSSION