

**SEMI-ANNUAL REPORT**  
**to the**  
**CAPITAL IMPROVEMENTS ADVISORY COMMITTEE**  
**for**  
**THE CITY OF LEWISVILLE, TEXAS**  
**APRIL 1, 2017 – SEPTEMBER 30, 2017 AND**  
**OCTOBER 1, 2017 – MARCH 31, 2018**

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**CIAC MEMBERS:**

- ◆ **WILLIAM MERIDITH**
- ◆ **JOHN LYN**
- ◆ **MARYELLEN MIKSA**
- ◆ **ALVIN TURNER**
- ◆ **KAREN LOCKE**
- ◆ **KRISTIN GREEN**
- ◆ **JAMES DAVIS**

# SEMI-ANNUAL REPORT OF THE CAPITAL IMPROVEMENTS ADVISORY COMMITTEE

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The April 1, 2017 – September 30, 2017 and October 1, 2017 – March 31, 2018 Semi-Annual Report to the Capital Improvements Advisory Committee (CIAC) for the City of Lewisville, Texas, has been prepared in accordance with the Texas Local Government Code, Chapter 395. This report will evaluate the progress of the existing program.

## ◆ Purpose of the Report

As required in Subsection 395.058 (c) of the Texas Local Government Code, the Capital Improvements Advisory Committee is charged with the following functions:

- Advise and assist the City in adopting land use assumptions;
- Periodic review of the impact fee/capital improvement plans;
- Monitor and evaluate implementation of the Capital Improvement Plan;
- Prepare Semi-Annual Reports evaluating the progress of the Capital Improvements Plan and impact fees; and
- Advise the City of the need to update or revise the Land Use Assumption Plan, the Capital Improvements Plan, and the impact fees.

## ◆ Background

In 1986, the City of Lewisville adopted the Capital Recovery Fee Program. In 1987, the Texas Legislature adopted Senate Bill 336, which established the necessary legislation to expand the impact fee requirements for Texas cities.

In 1988, the Impact Fee Program was modified to comply with the recently adopted Senate Bill 336. The study and the revised program were approved by the City Council on January 22, 1990. Included in the legislation and the Texas Local Government Code, Section 395, is the provision to review the Capital Improvements Plan, Land Use Assumptions, and impact fee schedules every fifth year.

Freese and Nichols provided a briefing on the update of the Land Use Assumptions (LUA) at the last CIAC meeting. A final version of that report was submitted to the City on July 31, 2018, and a copy has been provided in the agenda packet.

The engineering firm of Birkhoff, Hendricks, and Carter used the LUA, and the population projections contained within it to update the Capital Improvements Plan (Water and Wastewater). The projects identified in this plan are then used along with the population projections to calculate a revised Capital Recovery (Impact) fee. A final report for these documents is included in the agenda packet as well.

A presentation of these documents will be made at the meeting by the Director of Public Services.

◆ Water System Capital Improvements Plan

The following items are included in the calculation for the impact fee for the water system:

- Water Supply Projects
- Water Treatment Projects
- High Service Pump Stations
- Ground Storage Tanks
- Elevated Storage Tanks

Linework required for water distribution and transmission has not previously been included in the calculation of the impact fee, although the cost of the linework is an eligible item under Texas Local Government Code, Section 395. This will be reviewed during the current update.

## CAPITAL IMPROVEMENT PROJECTS FOR THE WATER SYSTEM

Approximate Date to be Placed in Service	Water Facility	Capacity of Improvement	Total Capacity After Improvement
2012	Midway Pump Station (completed 2013)	15.0 MGD	15.0 MGD
2012	Midway 3.0 MG GSR (completed 2013)	3.0 MG	3.0 MG
2012	Transmission Lines from Midway Pump Station to SH 121 (completed 2013)	7.5 MGD	15.0 MGD
2013	30" Transmission Lines from Feaster to College St.	15.0 MGD	25.0 MGD
2015	Southside 2.0 MG GSR (delayed TBD)	2.0 MG	4.0 MG
2015	Feaster/Northside 4.0 MG GSR (reduced to 2.0 MG, completed 2015)	2.0 MG	7.0 MG

Upon completion of the impact fee update, the above list will change.

### Wastewater System Capital Improvements Plan

The following items are included in the calculation of the impact fee for the wastewater system:

- Wastewater Treatment Facilities
- Lift Stations and Force Mains

The cost of the wastewater collection lines and interceptor mains was not included in the calculation of the impact fee, although the cost of the linework is an eligible item under Texas Local Government Code, Section 395.

## CAPITAL IMPROVEMENTS PROJECTS FOR THE WASTEWATER SYSTEM

Approximate Date to be Placed in Service	Facility	Capacity of Improvement (MGD)	Total Capacity After Improvement (MGD)
2012	Timber Creek Lift Station Expansion (completed 2015)	7.0	30.2
2013	Indian Creek Lift Station & Force Main (delayed)	2.5	2.5
2013	Crossroads Lift Station & Force Main (delayed)	0.55	0.55
2015	Midway Branch Lift Station & Force Main (pending)	3.5	3.5
2015	Wastewater Treatment Plant Expansion (completed 2015)	3.0	12.0

Wastewater projects related to Castle Hills are being reviewed as part of the Master Plan update.

## Impact Fee Determination

The impact fees are based upon the living unit equivalents (LUE) subject to meter sizes. A 3/4" meter is equivalent to one LUE. As the meter size increases, the equivalent factor also increases. The current impact fee schedule for 2011 – 2016 is set below the maximum allowed, with a gradual increase each January to prevent excess collection. The eligible proposed expenditure for water and sewer capital improvements is \$34,263,886 and \$26,610,689, respectively.

Below is the fee schedule adopted during the previous review.

### **SCHEDULE OF CAPITAL RECOVERY FEES PER LUE**

<b>YEAR</b>	<b>WATER</b>	<b>SEWER</b>
2011	2,830.86	1,780.64
2012	2,896	1,971
2013	2,961	2,161
2014	3,026	2,351
2015	3,091	2,541
2016	3,165	2,724

#### ♦ Report of FY2017 Impact Fee Collection

- The following information is submitted in regards to the amount of water and sewer impact fees collected from April 1, 2017 – September 30, 2017.
1. The impact fees are adjusted on January 1st of each year. The 2017 water and sewer impact fees were \$3,165 and \$2,724, respectively. The combined total of maximum allowable water and wastewater impact fees is \$5,889 per LUE.
  2. The Capital Recovery Fees collected for water totaled \$691,599 plus accrued interest of \$1,764, at an average interest rate of 1.25%.
  3. The Capital Recovery Fees collected for sewer totaled \$480,527 plus accrued interest of \$1,226, at an average interest rate of 1.25%.

New construction starts are distributed as follows:

• Single Family	<b>28</b>
• Commercial	<b>37</b>
• Multi-Family	<b>4</b>
• Condominiums / Townhomes	<b>83</b>

4 Multi-Family permits issued for a total of 4 buildings and 238 units.

- The following information is submitted in regards to the amount of water and sewer impact fees collected from October 1, 2017 – March 31, 2018.
4. The impact fees are adjusted on January 1st of each year. The 2017 water and sewer impact fees are \$3,165 and \$2,724, respectively. The combined total of maximum allowable water and wastewater impact fees is \$5,889 per LUE.
  5. The Capital Recovery Fees collected for water totaled \$1,018,497 plus accrued interest of \$3,021, at an average interest rate of 1.68%.
  6. The Capital Recovery Fees collected for sewer totaled \$655,674 plus accrued interest of \$1,945, at an average interest rate of 1.68%.

New construction starts are distributed as follows:

• Single Family	52
• Commercial	12
• Multi-Family	12
• Condominiums / Townhomes	49


12 Multi-Family permits issued for a total of 12 buildings and 96 units.

#### ♦ Conclusion

The City of Lewisville, has not reported any written complaints or perceived inequities or inadequacies in regards to the Capital Improvements Plan or the impact fee requirements.

The current Impact Fee Program is in compliance with Chapter 395 of the Texas Local Government Code.

Respectfully submitted,

  
 Vice Chairman