



AGENDA
CITY OF TAYLOR, TEXAS
CAPITAL IMPROVEMENTS
ADVISORY COMMITTEE
TAYLOR CITY HALL, COUNCIL CHAMBERS,
400 PORTER STREET
MAY 11, 2026, 6:00 PM

CALL TO ORDER AND DECLARE A QUORUM

CITIZENS COMMUNICATION

(The Committee welcomes public comments on items not listed on the agenda. However, the Committee cannot respond until the item is posted on a future meeting agenda. Public comments are limited to 3 minutes.)

ACTION/DISCUSSION ITEMS

1. Introduction of Board Members, City Staff, and HDR Representatives.
2. Consideration and Possible Action to Elect a Chair, Vice-Chair, and Secretary.
3. Presentation and Discussion Regarding Impact Fees and the Update Process.
4. Discussion and Consideration of Meeting Schedule.

ADJOURN

The Committee may vote and/or act upon each of the items listed in this Agenda. As authorized by Section 551.071(2) of the Texas Government Code, the meeting may be convened into Closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item listed herein.

I certify that the notice of meeting was posted in the Taylor City Hall Lobby before 5:00 p.m. on May 5, 2026, and remained posted for at least three business days before the scheduled date of said meeting.

In compliance with the ADA the City Hall and Council Chambers is wheelchair accessible. Reasonable accommodations will be provided for persons attending the meetings in need of special assistance. Please contact the City Clerk at least 24 hours prior to the meeting for special assistance.

Posted by: Lucy Aldrich Date: May 5, 2026



2026 UPDATE OF WATER AND WASTEWATER IMPACT FEES

Capital Improvement Advisory Committee

City of Taylor

May 11, 2026



WHAT IS AN IMPACT FEE?

- A one-time, up-front payment levied on new or expanded development for its capital costs of providing service being place on the utility system.
- Intended to mitigate rate impacts arising from the capital costs of new development and help make growth pay for itself.
- Impact Fees in Texas are statutorily addressed in Chapter 395 of the Texas Local Government Code.

WHAT IS AN IMPACT FEE?

- **The real issue underlying impact fees and rates is,**
 - *“Who pays for utility capacity related to growth?”*
 - If there are no impact fees, ratepayers carry the costs.
 - If there are impact fees, the costs are shared.
- **The ultimate goal is to assure that:**
 - Infrastructure needed to accommodate growth is constructed.
 - Capacity will be available when the development community needs it.
 - Limitations will not be placed on growth due to lack of utility capacity.

BACKGROUND

- Process is defined in Chapter 395 of Local Government Code, as amended.
- Water and wastewater impact fees last updated in 2023
 - Current Impact Fees
 - Water \$2,919 per LUE
 - Wastewater \$2,799 per LUE
 - Total \$5,718 per LUE



FEE DESIGN

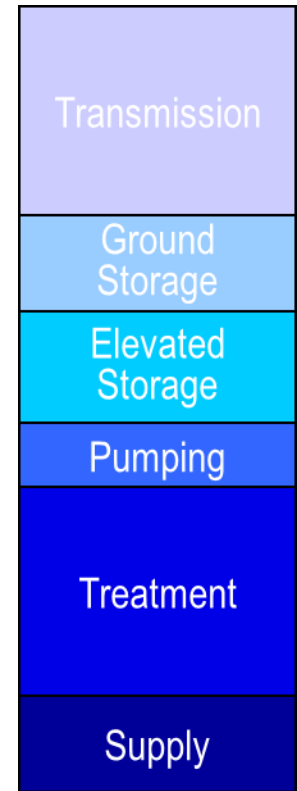
- Overall fees are made up of component fees

Water

- Supply/Treatment
- Storage
- Pumping
- Transmission

Wastewater

- Treatment
- Pumping
- Interceptors



- Produces a maximum fee amount, subject to Council decision on that *or lesser amount*.

MAXIMUM FEE DETERMINATION

- Define impact fee service area & land uses
- Estimate water, wastewater and roadway utility demands
- Compare to existing capacity
- Identify amount and cost of existing available capacity and new facility needs (10-Year CIP)
- Allocate current & future service demands to facilities

MAXIMUM FEE DETERMINATION

- Calculate weighted cost of existing and new capacity per Living Unit Equivalent (LUE)
- Determine amount of capital being funded through rates per LUE
- Weighted Capacity Cost per LUE

Minus: Rate Credit per LUE

Equals: Maximum Impact Fee per LUE

ITEMS PAYABLE BY THE FEE

- Construction
- Surveying and Engineering
- Land Acquisition and Associated Costs
- Financing Costs
- Engineering Costs associated with land use/capital improvements planning or financial consulting associated with developing impact fees

ITEMS NOT PAYABLE BY THE FEE

- Capital improvement projects NOT identified in the Impact Fee CIP
- Operations and Maintenance Costs
- Improvements associated with existing deficiencies
- Administrative and operational costs of the City
- Non-impact fee CIP debt service
- School districts are exempt unless agreed to via contract

ADVISORY COMMITTEE ROLE

- Serves in an advisory capacity only.
 - Advise and assist the City in adopting land use assumptions;
 - Review the capital improvement plan;
 - Monitor and evaluate the implementation of the capital improvement plan;
 - File semi-annual reports with respect to the progress of the capital improvement plan;
 - Determine if an impact fee update is needed.

CHARGE TO THE COMMITTEE

- Verify:
 - The land use basis for the CIP
 - That the CIP has been reasonably defined.
 - That the maximum impact fee has been reasonably calculated.
 - The resultant maximum fee is \$X.
- Recommend a fee to the City Council

FEE COORDINATION & DECISION-MAKING

- Advisory Committee adopts impact fee report
- Advisory Committee makes recommendations to Council
- City Council to set Public Hearing date
- Provide Public Notice of pending hearing
- Conduct Public Hearing
- Council Action

OTHER ACTIONS

- At least 60 days before Public Notice, land use assumptions and capital improvement descriptions must be made available to the public.
- An independent audit must be performed before an existing impact fee can be increased.
- Report and ordinance must include credits for certain actions related to water/wastewater conservation.

ANTICIPATED SCHEDULE

- May 11 – Overview of Impact Fees
- Next meetings are To Be Determined.
- Future Meetings will focus on land use assumptions, capital improvements plan, report presentation and report adoption.