



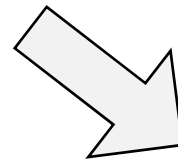
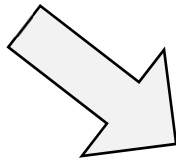
Water/Wastewater Capital Recovery Fees Public Hearing Presentation



April 09, 2019

What are Capital Recovery Fees (CRF)?

One-time charge assessed to new development for a portion of costs related to specific capital improvements



*Systematic, structured
approach to
assessment of fees*

Basis of Capital Recovery Fees?



New development should pay for the cost of public infrastructure required to serve it.

“Growth Paying for Growth”

- Authorized by State Law (LGC Chapter 395)
- Specific requirements for program administration and fee calculation
- Update required every five years
- Tool for assisting in determination of proportionality



Water/Wastewater CRF Update Process

Develop Water/Wastewater Master Plan CIPs



Council Workshop: Master Plans and CRF 101



Develop Capital Recovery Fee CIP



Conduct Capital Recovery Fee Calculations
(Utilizing 2017 Land Use Assumptions Report)



CIAC Presentation & Discussion
CIAC Provides Written Comments to Council



Public Hearing and Council Approval



Update Capital Recovery Fee Ordinance

CIP:
Capital
Improvements
Plan

CIAC:
Capital
Improvements
Advisory
Committee

Capital Recovery Fee Calculations

$$\text{Maximum Allowable Capital Recovery Fee Per EDU} = \frac{\text{Pre-Credit Recoverable Cost} - \text{Credit}}{\text{Growth in Service Units}}$$

EDU = Equivalent Dwelling Unit (connection for a single family home)

Pre-Credit Recoverable Cost = 10-year capital costs with financing (2018 – 2028)

Credit = Chapter 395 requirements: reduce the recoverable cost by conducting a credit analysis to determine the portion of ad valorem tax and utility service revenue generated that is used for growth CIP

Growth in Service Units = Derived from land use assumptions for 10-year growth in EDUs

Capital Recovery Fee Calculations



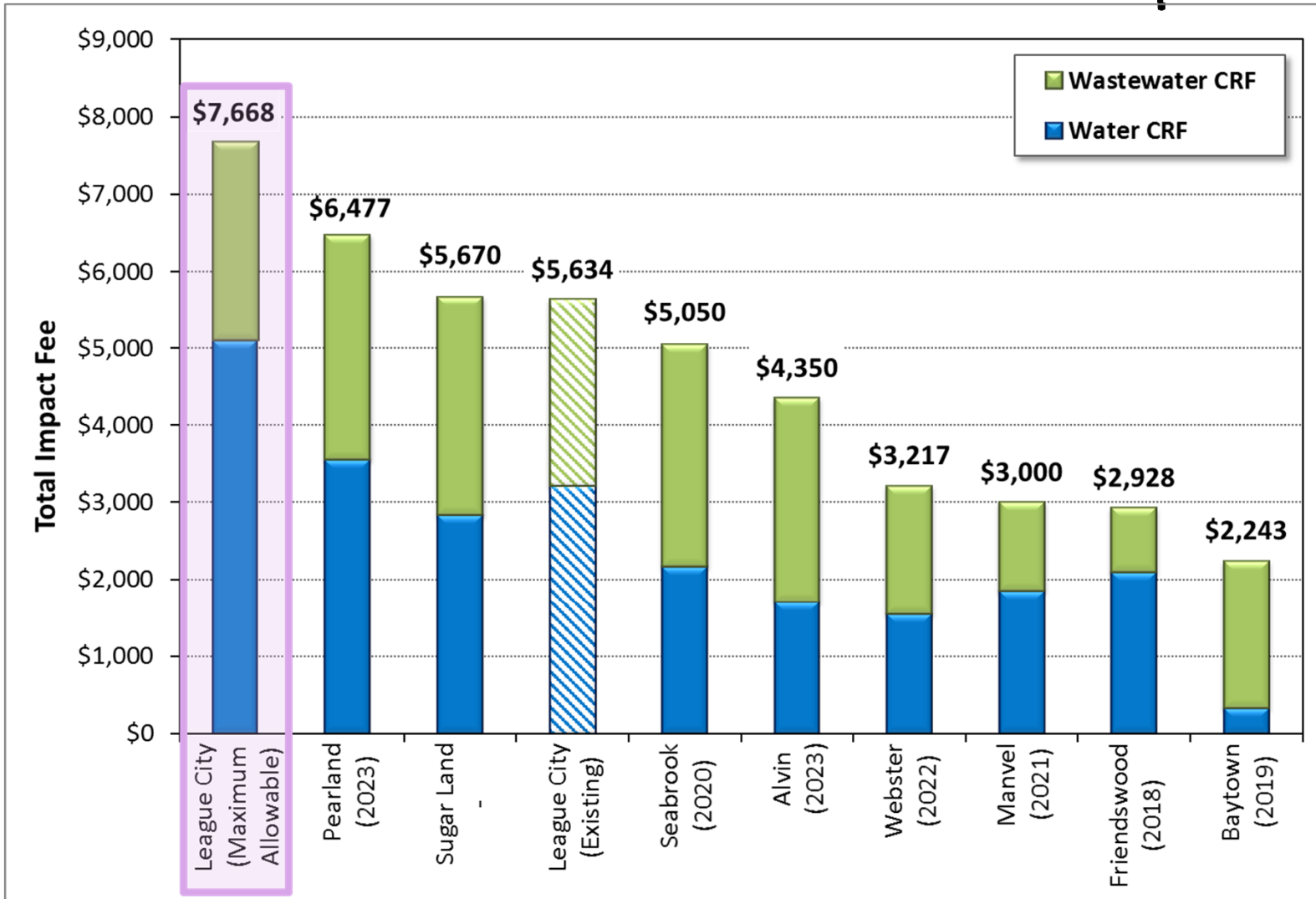
$$\text{Maximum Allowable Capital Recovery Fee Per EDU} = \frac{\text{Pre-Credit Recoverable Cost} - \text{Credit}}{\text{Growth in Service Units}}$$

2019 Maximum Allowable Capital Recovery Fee

$$\text{Water CRF Per EDU} = \frac{\$124,946,385 - \$21,498,510}{20,278} = \$5,101$$

$$\text{Wastewater CRF Per EDU} = \frac{62,065,355 - 10,005,321}{20,278} = \$2,567$$

Water and Wastewater CRF Comparison



* Projected year of next CRF update in parenthesis

Next Steps

- *Council Resolution: **Feb 26, 2019***
- *Posting in Newspapers: **By March 1, 2019***
- **Public Hearing and Council Approval: April 9, 2019**

