

VILLAGE OF SALADO

ORDINANCE NO. 2018-12

AN ORDINANCE OF THE VILLAGE OF SALADO, TEXAS, ADOPTING IMPACT FEES FOR WASTEWATER IMPROVEMENTS THAT ARE ATTRIBUTABLE TO NEW DEVELOPMENT IN THE VILLAGE'S VILLAGE'S PROPOSED WASTEWATER IMPACT FEE SERVICE AREA; PROVIDING FOR IMPACT FEE COLLECTION AND ACCOUNTING FOR FEES AND INTEREST; PROVIDING FOR IMPACT FEE WAIVERS; PROVIDING FOR SEMI-ANNUAL REVIEW OF IMPACT FEES BY CAPITAL IMPROVEMENT ADVISORY COMMITTEE; PROVIDING FOR SEVERABILITY; AND DECLARING AN EFFECTIVE DATE.

- WHEREAS,** the Village of Salado, Texas (the "Village") is responsible for and committed to the provision of public services (including wastewater services) at levels necessary to provide service for customers connecting to the wastewater system;
- WHEREAS,** new residential and nonresidential development imposes increased demands upon the Village's public services, including sewer facilities, that would not otherwise be imposed;
- WHEREAS,** the Village's growth to date indicates that such development will continue and will place ever-increasing demands on the Village to provide necessary public facilities;
- WHEREAS,** to the extent that such new development places demands upon the public infrastructure, such demands should be satisfied by allocating the responsibility for financing the provision of new infrastructure by the development creating such demands;
- WHEREAS,** On January 4, 2018, the; Board of Aldermen appointed four members to the Village Impact Fee Advisory Committee; and
- WHEREAS,** HDR Engineering, Inc. prepared for the Village a professional engineering report (the "2018 Wastewater Impact Fee Study"), which is attached hereto as Exhibit "A" and incorporated into this Ordinance for all intents and purposes, on land use assumptions and a capital improvements plan for the implementation of impact fees for wastewater improvements in the Village's proposed wastewater impact fee service area; and
- WHEREAS,** Tex. Loc. Gov't Code Section 395.045 states that to impose wastewater impact fees, the Board of Aldermen must, after holding a public hearing, approve land use

assumptions and a capital improvements plan for the Village's proposed wastewater impact fee service area; and

- WHEREAS,** the Board of Aldermen finds and determines that the Village has complied with the requirements in Tex. Loc. Gov't Code Sections 395.042 and 395.043 for publicizing the 2018 Wastewater Impact Fee Study including the land use assumptions and capital improvements plan prior to holding public hearings; and
- WHEREAS,** the Village's Impact Fee Advisory Committee met on April 12, 2018 and approved the Impact Fee Report finding that the land use assumptions used in the report are reasonable, the Capital Improvements Plan used in the report is reasonable; and the method to calculate the maximum impact fee is reasonable; and
- WHEREAS,** the Village's Impact Fee Advisory Committee recommended to Board of Aldermen approval of the land use assumptions and capital improvement plan recommended by the preliminary Wastewater Impact Fee Study for the possible imposition of impact fees for wastewater improvements in the impact fee service area on April 19, 2018; and
- WHEREAS,** pursuant to Tex. Loc. Gov't Code Section 395.044, the City Secretary of the Village of Salado timely published on April 26, 2018, the notice of public hearing (attached as Exhibit "B") in the Village of Salado's official newspaper of general circulation concerning the public hearing to consider approval of the land use assumptions and capital improvements plan associated with the imposition of impact fees for wastewater improvements in the impact fee service area; and
- WHEREAS,** the Board of Aldermen held a public hearing on May 29, 2018, to consider the land use assumptions and capital improvement plan associated with the Wastewater Impact Fee Study for the possible imposition of impact fees for wastewater improvements in the impact fee service area; and
- WHEREAS,** the Board of Aldermen adopted a Resolution on May 29, 2018, after the public hearing and adopted and approved the land use assumptions and capital improvement plan recommended by the Wastewater Impact Fee Study for the possible imposition of impact fees for wastewater improvements in the impact fee service area; and
- WHEREAS,** pursuant to Tex. Loc. Gov't Code Section 395.044, the City Secretary of the Village of Salado timely published on May 31, 2018, the notice of public hearing (attached as Exhibit "C") in the Village of Salado's official newspaper of general circulation concerning the public hearing to consider the calculation of the maximum impact fee amounts and possible imposition of impact fees for new or expanded wastewater utility service from the Village's wastewater utility; and
- WHEREAS,** the Board of Aldermen held a public hearing on July 5, 2018, to consider the calculation of the maximum impact fee amounts and possible imposition of impact

fees for new or expanded wastewater utility service from the Village's wastewater utility; and

WHEREAS, the Board of Aldermen, after careful consideration of the matter, hereby finds and declares that it is in the best interests of the general welfare of the Village and its residents to adopt this ordinance relating to the adoption of impact fees for wastewater utilities;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE VILLAGE OF SALADO, TEXAS:

SECTION 1. FINDINGS

The facts and recitations found in the preamble of the Ordinance are true and correct and incorporated herein for all purposes.

SECTION 2. ENACTMENT

The Impact Fee Ordinance, including the impact fees recommended by the Impact Fee Advisory Committee is enacted so to read in accordance with Exhibit "D", which is attached hereto and incorporated into this Ordinance for all intents and purposes.

SECTION 3. ORDINANCE CUMULATIVE

This ordinance is cumulative of all other ordinances of the Village, and shall not operate to repeal or affect any of such other ordinances except as to provisions that are in conflict with the provisions of this ordinance, in which event the conflicting provisions are hereby superseded.

SECTION 4. SEVERABILITY

In the event any clause, phrase, provision, sentence or part of this Ordinance or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconditional; and the Board of Aldermen of the Village of Salado, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

SECTION 5. HEADINGS

Any headings or titles set forth in this ordinance, including the title hereof, are included for purposes of convenience only and shall not be used in the interpretation, construction or definition of the provisions of this ordinance.

SECTION 6. CODIFICATION

The City Secretary is hereby directed to record and publish the attached rules, regulations and policies in the Village's Code of Ordinances as authorized by Section 52.001 of the Texas Local

Government Code.

SECTION 7. OPEN MEETINGS

That it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public as required and the public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Chap. 551, Tex. Loc. Govt. Code.

SECTION 8. EFFECTIVE DATE

This Ordinance is in full force and effect immediately upon its adoption.

FIRST READING PASSED, APPROVED, AND ADOPTED on this the 19th day of July, 2018 by 5 (ayes) to 0 (nays) to 0 (abstentions) vote of the Board of Aldermen of the Village of Salado, Texas.

SECOND READING PASSED, APPROVED, AND ADOPTED on this the 2nd day of August, 2018 by a 3 (ayes) to 1 (nays) to 0 (abstentions) vote of the Board of Aldermen of the Village of Salado, Texas.

VILLAGE OF SALADO:


Skip Blancett, Mayor

ATTEST:


Cara McPartland, City Secretary



APPROVED AS TO FORM:



Alan Bojorquez, City Attorney
Josh Katz

EXHIBIT "A"

**Wastewater Impact Fee Study prepared by HDR Engineering, Inc., entitled "2018 Development
of a Wastewater Impact Fee for the Village of Salado"**

***2018 Development of a
Wastewater Impact Fee
for the Village of Salado***

Prepared for:



Prepared by:

**HDR Engineering, Inc.
4401 West Gate Blvd, Suite 400
Austin, Texas 78745**



April 2018

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1.0 Introduction and Summary

The Village of Salado (Village) is in the process of creating a new wastewater impact fee to help fund the new wastewater collection and treatment system serving the downtown business district and adjoining areas. This report presents HDR Engineering, Inc.'s (HDR) maximum impact fee determination for consideration by the Village's Impact Fee Advisory Committee and the Salado Board of Aldermen.

The methodology to determine the maximum fee amount considers two options. Consistent with State law, each fee component is calculated with either: (1) consideration of a credit for other methods of payments for utility capital by a new customer, such as through utility rates or taxes, or alternatively, (2) a reduction of the maximum fee amount equal to 50% of the unit capital cost of providing new service. By maximum amounts, this means that the determined fee amount was calculated as the highest that can be lawfully levied by the Village, given the prospective land uses and capital improvements plan, the cost of existing and new utility capacity, and consideration of a credit to new customers for capital contributions made through rate payments. The Board of Aldermen can decide to enact fees less than the maximum amounts shown in this report.

As detailed later in this report, the maximum impact fees were developed in component pieces. For example, the overall wastewater fee is comprised of separate amounts for treatment, pumping and collection. This will facilitate the consideration of offsets or credits from the applicable fee if a developer builds and dedicates eligible facilities to the Village or the Village provides wholesale service to a neighboring utility and wishes to charge only certain portions of the fee. The maximum fee amounts do not include capital costs for facilities required to be provided by developers at their own expense.

Planning, service demand, and design factor assumptions used in the wastewater facility sizing and costing were provided by the Village and, in general, are based upon recently completed cost estimates for the project (see Appendix A). Data on projected utility demand, needed future facilities, and prospective cash versus debt financing were obtained from or coordinated with the Village of Salado staff. HDR combined these elements into the maximum impact fee calculations presented in this report.

2.0 Utility Service and Fee Application Area

This fee would only apply to the Village's downtown business district and other adjoining areas as shown in Figure 1. This fee application area boundary will comprise the area in which Salado may levy the impact fee, in-part or in-full, if Village service is provided. The fee cannot be levied to areas outside of the proposed impact fee area. Further, this fee would only apply to all new connections to the system, including previously platted land unless a separate agreement has been previously established with the Village. This boundary does not mandate that the Village supply wastewater service to this area; however, if service is provided by the Village, any impact fee would be applicable to that parcel.



Figure 1. Wastewater Impact Fee Application Area

3.0 Land Use Assumptions

Table 1 provides an estimate of the current and future land use patterns of the potential service area with information provided by Village of Salado staff and a report by Kasberg, Patrick & Associates, LP¹. The estimated land area of the potential future service area is 1,808 acres. When the system is initially placed into operation in early 2019, it is estimated that the system will service 47 residential acres (2.6% of total land area) and 128 acres of commercial development (7.1% of total area). The remaining 1,633 acres of the potential wastewater service area will remain unserved until the system is expanded.

Over the next 10 years, some expansion of the system is forecasted, primarily to the areas south of Royal Street, although future expansion will be dictated by customer demand. At the end of the 10-year period, it is estimated that the wastewater system will serve 95 residential acres (5.3% of total area) and 160 acres of commercial development (14.1% of the total area). The remaining 1,553 acres will remain unserved until after this 10-year period.

Table 1.
Current and Projected Land Use

Item	Current		Future (10-years)	
	Acres	%	Acres	%
Residential (Served)	47	2.6%	95	5.3%
Non-Residential (Served)	128	7.1%	160	8.8%
Subtotal Served	175	9.7%	255	14.1%
Un-served	1,633	90.3%	1,553	85.9%
Total Land Use Acreage	1,808	100.0%	1,808	100.0%
Source: Village of Salado & KPA Report.				

Table 2 shows the anticipated number of service connections at the completion of the project as well as the projected future connections for the wastewater service area. This growth assumption includes a 1% growth rate in 2019, a 3% growth rate beginning in 2020 through 2025 and a 5% growth rate in 2026. This table also shows the number of Living Unit Equivalent (LUEs) for the same time period. The number of LUEs is based on an assessment of

¹ Kasberg, Patrick & Associates, LP., Update to Preliminary Design of the 2015 Wastewater System Improvements, January 2016.

the winter water use for each customer within the Village. It was determined that the average residential customer uses approximately 100 gallons of water per day during the winter months. This was assumed to be the standard use for determining the number of LUEs for all customers. This is the industry standard practice for determining a base LUE. For each potential customer, the average daily water use during the winter months (November through February) was determined.² This value was divided by 100 to determine the number of LUEs for that customer. If this calculation resulted in a value less than one, the number was rounded to one LUE. Each new customer will be charged for a minimum of one LUE. This system is being used, instead of using meter size, due to the fact that using meter size may under estimate the impact of residential and commercial developments on the wastewater system within the Village.

Table 2.
Wastewater Service Area Connections & LUEs

Year	Service Connections	LUEs
2018	0	0
2019	137	341
2020	138	344
2021	143	355
2022	147	365
2023	151	376
2024	156	388
2025	160	399
2026	165	411
2027	173	432

² Using the winter water average as a basis of determine impact fees only applies to the impact fee methodology. At the time of this report, the basis for actual wastewater use billing has not been determined and may be some other factor such as actual water use.

4.0 Current and Projected Utility Demand and Supply

Table 3 summarizes the Village's current and projected wastewater service demands and existing service capabilities by facility. Current and future service demands are also compared with the existing service capacity of the utility system. This table shows the projected service demands on the system once the system is completed, but shows no current capacity in 2018 as the project is still under construction and is anticipated to be completed in early 2019. Wastewater demand was forecast using historical data and technical studies of the Village's proposed system.

Table 3.
Estimated Wastewater Service Demands and Available Capacity

<i>Facility Type</i>	<i>2018</i>	<i>2027</i>	<i>10-yr Demand Increment</i>
Treatment			
Existing 2018 Capacity (mgd) *	0.000	0.000	
Est. Service Demand	0.063	0.080	0.017
Excess (Deficiency)	(0.063)	(0.080)	
Pumping			
Existing 2018 Capacity (mgd)	0.000	0.000	
Est. Service Demand**	0.126	0.160	0.034
Excess (Deficiency)	(0.126)	(0.160)	
Interceptors			
Existing 2018 Capacity (mgd)	0.000	0.000	
Est. Service Demand	0.126	0.160	0.034
Excess (Deficiency)	(0.126)	(0.160)	
Interceptors			
Existing 2018 Capacity (LUEs) *	0	0	
Est. Service Demand	341	432	91
Excess (Deficiency)	(341)	(432)	
<p>* Assume LUE conversion factor of : 185 gpd/LUE for ww treatment 370 gpd/LUE for ww pumping 370 gpd/LUE for interceptors</p> <p>These are average estimates of use over the 10-year period. It is felt that the average use may be less than these values in the early years of the system and greater than these value during the later portion of the 10-year period depending on customer response to having wastewater service available.</p>			
<p>** Assumes: 100.0% of ww demand pumped</p>			

5.0 Identified Major Capital Improvement Needs and Costs

Given the anticipated wastewater demands in the planning area, facilities have been identified to meet the projected wastewater needs for the next 10 years. The Village's 10-year capital need for new capacity totals \$9.993 million for wastewater (see Appendix A).

Specific projects that will be constructed as part of the wastewater project are identified in Table 4 along with their cost, capacity, unit cost, and allocation of existing and projected demand to these facilities. A weighted unit cost of service (\$ per SU) is then calculated by facility type, based on the proportionate share of use of existing versus new facility capacity by the growth anticipated over the next ten years.

TABLE 4
WASTEWATER CIP INVENTORY AND COSTING
VILLAGE OF SALADO

Facility Name	Construction Cost	Capacity		Construction Cost per SU	Facility Capacity Allocations (LUEs)			Total Capacity
		Total	LUEs		Existing Customers	Growth Use in Next 10 Years	Excess Capacity after 10 Years	
TREATMENT								
<i>EXISTING FACILITIES</i>								
		mgd						
Subtotal Existing Facilities	\$ -			\$ -				
<i>FUTURE FACILITIES</i>								
Treatment Plant	\$ 5,803,025	0.200	1,081					
Subtotal Future Facilities	\$ 5,803,025	0.200	1,081	\$ 5,368		432	649	1,081
TOTAL WASTEWATER TREATMENT	\$ 5,803,025	0.200	1,081			432	649	1,081
	AVERAGE CAPITAL COST PER NEW LUE = \$			5,368				
PUMPING								
<i>EXISTING FACILITIES</i>								
		mgd						
Subtotal Existing Facilities	\$ -			\$ -				
<i>FUTURE FACILITIES</i>								
Two Lift Stations	\$ 750,095	1.200	3,243					
Subtotal Future Facilities	\$ 750,095	1.200	3,243	\$ 231		432	2,811	3,243
TOTAL PUMPING	\$ 750,095	1.200	3,243			432	2,811	3,243
	AVERAGE CAPITAL COST PER NEW LUE = \$			231				
INTERCEPTORS								
<i>EXISTING FACILITIES</i>								
		mgd						
Subtotal Existing Facilities	\$ -			\$ -				
<i>FUTURE FACILITIES</i>								
Collection System	\$ 3,439,474	1.200	3,243					
Subtotal Future Facilities	\$ 3,439,474	1.200	3,243	\$ 1,061		432	2,811	3,243
TOTAL INTERCEPTORS	\$ 3,439,474	1.200	3,243			432	2,811	3,243
	AVERAGE COST PER NEW SU			\$ 1,061				
WASTEWATER TOTAL								
	\$ 9,992,594							
	AVERAGE CAPITAL COST PER NEW LUE = \$			6,660				

6.0 Consideration of Other Methods of Capital Payment

For utilities that charge an impact fee, the new customer pays for capital in two ways: (1) initially through the up-front impact fee, and (2) over the longer-term through utility rate payments, where typically some portion of customer rate payments also funds capital projects.

The 77th Texas Legislature amended Chapter 395 of the Local Government Code to require either: (1) a calculated credit for rate payments be reflected in the fee amount, or (2) a credit equal to 50% of the total projected cost of the capital improvements plan be given in calculating the maximum fee amount.

Table 5 indicates the estimated cost per LUE that is projected to be borne in the utility rates by the average new customer. The rate credit calculation considered: (1) existing debt, (2) future debt payments incurred in the year in which the facilities would be built and financed, and (3) the projected LUEs at the mid-point year of the weighted average life of the debt for the facilities that are part of the impact fee calculation for each utility.

7.0 Alternative Impact Fee Calculations

Table 6 summarizes the unit capital cost of providing new service and the two alternative credit calculations for new customers. The alternative approach that calculates a specific rate credit (Option A) results in the maximum impact fee calculation of \$5,152 per LUE for new wastewater service. See Appendix B for example impact fees calculated at the maximum impact fee amount derived from Option A.

As shown in Table 6, the alternative 50% of capital cost method for calculating a rate credit (Option B) results in a lesser wastewater impact fee of \$3,353 per LUE.

Table 5.
Existing or Anticipated Debt to be Paid through Utility Rates

Facility Type	Est. Debt In Rates	Mid-Point LUEs	Est. Debt In Rates per LUE
WASTEWATER UTILITY			
Treatment			
Existing Debt	\$ 0	386	\$ 0
New Debt ¹	327,664	386	848
Subtotal WWTP	327,664		848
Pumping			
Existing Debt	0	386	0
New Debt ¹	69,626	386	180
Subtotal Wastewater Pumping	69,626		180
Interceptors			
Existing Debt	0	386	0
New Debt ¹	194,207	386	503
Subtotal Interceptors	194,207		503
Total Wastewater			\$1,531
1. It is understood that the Village has already issued debt associated with this project; however, for purposes of calculating the impact fee, all debt associated with the project was shown as new debt since the facilities have not been placed into service.			

Table 6.
Derivation of Alternative Maximum Wastewater Impact Fee Amounts

Item	Capital Cost of New Service per LUE	Optional Adjustments		Option A	Option B	Highest of Option A or B
		Option A Rate Credit	Option B 50% Cost Adjustment			
WASTEWATER						
Treatment	\$ 5,368	\$ 848	\$ 2,684	\$ 4,520	\$ 2,684	
Pumping	231	180	116	51	116	
Interceptors	1,061	503	530	558	530	
Allocated Impact Fee Study Cost	23			23	23	
TOTAL WASTEWATER	\$6,683	\$1,531	\$3,330	\$5,152	\$3,353	\$5,152

For comparison purposes, the current impact fees of other near-by cities are listed in Table 8.

Table 7.
Area Impact Fee Comparison

City/Utility	Wastewater
Salado	\$5,152
Buda	\$3,515
Kyle	\$2,826
Pflugerville	\$2,725
Austin	\$2,200
Hutto	\$2,128
Round Rock	\$2,099
Jarrell	\$1,600
Taylor	\$1,230
Florence	\$575

8. **Advisory Committee Actions and Recommendations**

The following summarizes the Impact Fee Advisory Committee activities during the impact fee updating process:

- On 2/6/18, the Committee met to:
 - Review Chapter 395 Impact Fee process and requirements; and
 - Review methodology for maximum fee calculation.
- On 3/21/18, the Committee met to:
 - Review CIP information;
 - Review unit cost calculations and maximum fee calculation;
 - Receive draft report for review;
- On 4/12/18, the Committee met to:
 - Approve the Impact Fee Report. By approving this report the Committee found the following:
 - The land use assumptions used in the report are reasonable;
 - The CIP used in the report is reasonable; and
 - The method used to calculate the maximum impact fee of is reasonable.
 - In addition, the Committee recommends to Board of Alderman that the maximum impact fee amount of \$5,152/LUE in this document be adopted.

Appendix A
Summary of 10-Year Wastewater
CIP Projects

PROJECT EXPENDITURES	COST
Wastewater Treatment Plant	\$4,883,000.00
Wastewater Treatment Collection System	\$3,326,632.50
Construction Contingencies	\$410,000.00
Project Management	\$339,000.00
Engineering On-Site Deduction	-\$193,900.00
Engineering (Project Management Coord.)	\$35,000.00
Engineering Construction Services	\$496,641.00
Oncor 3 Phase Overhead Power to Plant	\$69,926.07
Oncor 3 Phase Overhead Power to Lift Stations	\$7,943.41
CCN Designation	\$18,850.00
Rate Study	\$40,000.00
Environmental Monitoring	\$25,000.00
Archeological Monitoring	\$8,500.00
Property Connection	\$156,000.00
Grinder Pumps for 30 Main Street properties	\$210,000.00
Decommissioning Stagecoach WW Plant	\$160,000.00
TOTAL	\$9,992,592.98

PROJECT EXPENDITURES SPLIT INTO SYSTEM COMPONENTS				
Cost Item	WWTP	Lift Station	Collection System	Total
Capital Cost	\$ 4,883,000	\$ 650,253	\$ 2,676,380	\$ 8,209,633
Construction Contingencies	\$ 243,864	\$ 32,475	\$ 133,662	\$ 410,000
Project Management	\$ 201,634	\$ 26,851	\$ 110,516	\$ 339,000
Engineering On-Site Deduction	\$ (115,330)	\$ (15,358)	\$ (63,212)	\$ (193,900)
Engineering (Project Management Coord.)	\$ 20,818	\$ 2,772	\$ 11,410	\$ 35,000
Engineering Construction Services	\$ 295,397	\$ 39,337	\$ 161,907	\$ 496,641
Oncor 3 Phase Overhead Power to Plant	\$69,926.07	\$ -	\$ -	\$ 69,926
Oncor 3 Phase Overhead Power to Lift Stations	\$ -	\$7,943.41	\$ -	\$ 7,943
CCN Designation	\$ -	\$ -	\$18,850.00	\$ 18,850
Rate Study	\$ 23,792	\$ 3,168	\$ 13,040	\$ 40,000
Environmental Monitoring	\$ 14,870	\$ 1,980	\$ 8,150	\$ 25,000
Archeological Monitoring	\$ 5,056	\$ 673	\$ 2,771	\$ 8,500
Property Connection	\$ -	\$ -	\$156,000.00	\$ 156,000
Grinder Pumps for 30 Main Street properties	\$ -	\$ -	\$210,000.00	\$ 210,000
Decommissioning Stagecoach WW Plant	\$160,000.00	\$ -	\$ -	\$ 160,000
Total	\$ 5,803,025	\$ 750,095	\$ 3,439,474	\$ 9,992,593

Appendix B
Example Impact Fee Calculations

Example 1 – Single Family Household with estimated use of 19,800 gallons during the winter (November through February).

- 19,800 gallons = an average daily use of 165 gallons ($19,800 / 120$)
- 165 gallons/day divided by 100 gallons/day (defined as one LUE) = 1.7 LUEs. Since this number is greater than 1.0, this is the number of LUEs that would be charged.
- *LUEs times \$5,152 = \$8,758 – this would be the impact fee paid.*

Example 2 – Single Family Household with estimated use of 10,500 gallons during the winter (November through February).

- 10,500 gallons = an average daily use of 87.5 gallons ($10,500 / 120$)
- 87.5 gallons/day divided by 100 gallons/day (defined as one LUE) = 0.88 LUEs. Since this number is less than 1.0, this number would be rounded up to 1.0 LUE. This is the number of LUEs that would be charged.
- *LUEs times \$5,152 = \$5,152 – this would be the impact fee paid.*

Example 3 – Commercial Customer with estimated annual use of 650,000 gallons.

- 650,000 gallons = an average daily use of 1,780.8 gallons ($650,000 / 365$)
- 1,780.8 gallons/day divided by 100 gallons/day (defined as one LUE) = 17.8 LUEs. Since this number is greater than 1.0, this is the number of LUEs that would be charged.
- *LUEs times \$5,152 = \$91,706 – this would be the impact fee paid.*

Example 4 – Commercial Customer with estimated annual use of 100,000 gallons.

- 100,000 gallons = an average daily use of 274 gallons ($100,000 / 365$)
- 274 gallons/day divided by 100 gallons/day (defined as one LUE) = 2.7 LUEs. Since this number is greater than 1.0, this is the number of LUEs that would be charged.
- *LUEs times \$5,152 = \$13,910 – this would be the impact fee paid.*

Example 5 – Commercial Customer with estimated annual use of 30,000 gallons.

- 30,000 gallons = an average daily use of 82.2 gallons ($30,000 / 365$)
- 82.2 gallons/day divided by 100 gallons/day (defined as one LUE) = 0.82 LUEs. Since this number is less than 1.0, this number would be rounded up to 1.0 LUE. This is the number of LUEs that would be charged.
- *LUEs times \$5,152 = \$5,152 – this would be the impact fee paid.*

EXHIBIT "B"

**Notice of Public Hearing on Land Use Assumptions and Capital Improvements Plan Relating to
Possible Adoption of Impact Fees**

PUBLISHER'S AFFIDAVIT

STATE OF TEXAS
COUNTY OF BELL

BEFORE ME, the Undersigned Authority, on this 26 day of April,
²⁰¹⁸~~2017~~, personally appeared Royce Wiggins

who, upon being duly sworn, desposes and says that (s) he is a representative
of the Salado Village Voice, Inc.; that said newspaper is
regularly published in Bell County/Countries, TX
and generally circulated in Bell County/Countries, Texas,
that the attached advertisement was published in said newspaper on the following date(s):

April 26, 2018 pg 4D

Signature Newspaper Representative Royce Wiggins

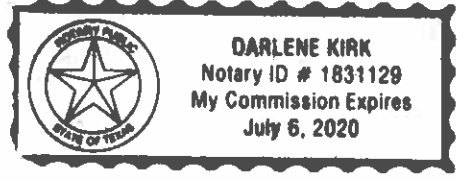
SUBSCRIBED AND SWORN TO me this 26 day of April,
²⁰¹⁸~~2017~~, to certify which witness my hand and seal of office.

Darlene Kirk
Signature

Notary Public in and for the State of Texas

DARLENE KIRK
Print or Type Name of Notary Public

My commission expires: 7-6-2020



"NOTICE OF PUBLIC HEARING ON LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLAN RELATING TO POSSIBLE ADOPTION OF IMPACT FEES"

NOTICE IS HEREBY GIVEN that the Board of Aldermen of the Village of Salado, Texas will hold the *first* of two public hearings at the Salado Municipal Building, located at 301 N. Stagecoach, Salado, Texas on Tuesday, May 29, 2018 at 6 p.m. The purpose of this first hearing is to consider the land use assumptions and capital improvements plan under which impact fees may be imposed for new or expanded services in certain areas for service received from the Village's wastewater utility.

The potential impact fee application area is shown in the map below. These areas in the proposed impact fee area are the areas where the fees, if enacted, may be levied in-full or in-part, depending on the service arrangement and in no way obligates the Village to extend utility service beyond its incorporated area.

This first Hearing is to provide for public input as to the land use and capital improvements assumptions that will underlie a pending calculation of the impact fees. A second Public Hearing will be noticed and held at a later date to review the draft fee calculations. The exact amount of the impact fees to be levied, at or below the maximum, will be determined by the Salado Board of Aldermen subsequent to the second Public Hearing.

Any member of the public has the right to appear at the hearing and present evidence for or against the land use assumptions and capital improvements plan. Information on land uses and utility capital improvements is available from Village Staff at the Salado Municipal Building, located at 301 N. Stagecoach, Salado, Texas, from 8 am to 5 pm weekdays.



VILLAGE OF SALADO



SPJST Beseda Dance



Sauerkraut Making

SPJST-

IST District Two Dancers will perform p.m.

Lodge 47, Seaton Club will host the Zone. Activities include nival games, a petti bounce house, craft ride, and other activities.

Food and beverages will be available from L.C. Seaton.

The event supports the SPJST Foundation, which is an independent (3) non-profit corporation that was established

EXHIBIT "C"

Notice of Public Hearing on Wastewater Impact Fees

evaduent

PUBLISHER'S AFFIDAVIT

STATE OF TEXAS
COUNTY OF BELL

BEFORE ME, the Undersigned Authority, on this 9 day of August,
2018, personally appeared Royce Wiggins
who, upon being duly sworn, desposes and says that (s) he is a representative
of the Salado Village Voice, Inc.; that said newspaper is
regularly published in Bell County/Countries, TX
and generally circulated in Bell County/Countries, Texas,
that the attached advertisement was published in said newspaper on the following date(s):

August 9, 2018 page 2D

Signature Newspaper Representative Royce Wiggins

SUBSCRIBED AND SWORN TO me this 9th day of August,
2018, to certify which witness my hand and seal of office.

Darlene Kirk
Signature

Notary Public in and for the State of Texas

Darlene Kirk
Print or Type Name of Notary Public

My commission expires: 7-6-20



254-947-1111

be set on my way...
on August 6, 2018. The contractor plans to work on August 6, 2018. The contractor plans to work on 10-hour days a week. (6am to 5pm). Work may occur on Saturdays.

**NOTICE OF ENACTMENT
 ORDINANCE NO. 2018-12**

An ordinance of the Village of Salado, Texas, adopting impact fees for wastewater improvements that are attributable to new development in the Village's proposed wastewater impact fee service area; providing for impact fee collection and accounting for fees and interest; providing for impact fee waivers; providing for semi-annual review of impact fees by Capital Improvement Advisory Committee; providing for severability; and declaring an effective date.

weight loss and stress management solutions. C. J. Harbuz, CNHP 947-1909, 560 N. Main Suite 10.

Integrity: Rehab & Home Health Physical therapy, speech therapy, occupational therapy, in-home skilled nursing. integrityrehab.net, 254-699-3993.

Family Dentistry: Lumineers for straighter, whiter teeth. Douglas B. Willingham, DDS, 254-947-5242.

HEAT & AIR

Britt Heating & Air: Installation and repairs, 254-760-1004, 254-947-5263, TACL #8006640

Moffat & Daughters Plumbing: Tankless Water heater Service, repair, remodeling. Rinnal authorized service provider. 254-289-5988 (local) Master LIC #M017002

Salado Plumbing. In-home repairs, 254-947-5800. Master LIC M 16892

Yount Sewer & Drain: septic tank & grease trap pumping, 254-947-5036

RENTAL/LEASE

COMMERCIAL
2500 sf space available in Stagesop Building at 560 N. Main St in Salado. 135 and Main Street frontages. Single story ample parking. Great retail or office location. \$3000/month. Contact Ann at 254-563-3675. 0802fmb

RENTAL/LEASE

RESIDENTIAL
Private/quiet very nice furnished 1BR 1BA Washer Dryer Covered Parking All Bills Paid \$825 Dep. \$825 N PETS Avail. Sept. 1, 254-718-20789-830b

Charming, spacious 2/2/1 townhome for rent. Clean!! 6 closets, vaulted ceiling, w/d closet inside. Walk to shopping center. Lawn care provided. 254-913-9813, w.saladorentals.com. 02fmb

RESIDENTIAL SALE
Beautifully updated spacious home on corner lot with mature trees! Open concept hardwood floors in all main rooms with many seating options. 3 or 4 bedrooms, 2 1/2 baths sunroom, wood burning fireplace in cozy setting. Newly designed all electric kitchen with built in electric oven. New Mast with tiled walk in shower, tub and quartz counter top front entry with garden. \$



RANEY & ASSOCIATES

ANN CARROLL, Realtor 254-760-0101
GEORGE ROMFH, Realtor 254-718-6845

1432 ARNOLD PALMER

Unparalleled quality & design, defines this exceptional custom home! 3 bedrooms, 3.5 baths. Oversized Garage with 3 car plus an additional space for 3 more. Enter through a courtyard plus an interior courtyard and a covered porch on the back overlooking a wet weather creek. Stunning home has beautiful landscaping with stone stairway and many other features. You will not see a duplicate of this sophisticated Mediterranean with casual elegance! A non-smokers house. New Price \$798,000



List your home with the Raney Real Estate Team

ANNA LOU RANEY, Broker/Realtor 254-913-1215
DANIEL RANEY, Realtor 254-760-2591



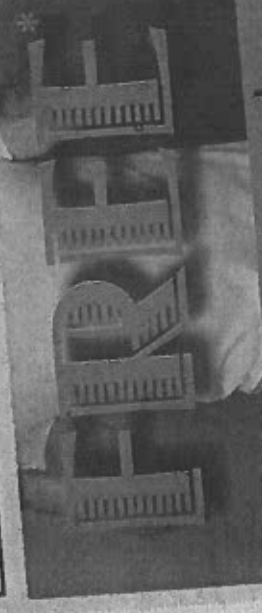
619 BAINES
 Charming 4 bedroom, 2 1/2 bath home on over half acre. Mature trees, beautiful stone patio, a wood patio and screened-in porch on

725 Whispering Oaks
 Spacious, 3 or 4 bedrooms, 2 1/2 bath on corner lot with mature trees! Open concept, hardwood floors in all main areas. Large sunroom, wood burning electric kitchen with double convection



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EXHIBIT "D"

VILLAGE OF SALADO IMPACT FEE ORDINANCE

VILLAGE OF SALADO IMPACT FEE ORDINANCE

ARTICLE I.

SECTION 1. SHORT TITLE

This ordinance, shall be known and cited as the Village of Salado Impact Fee Ordinance.

SECTION 2. PURPOSE

This ordinance is intended to assure the provision of adequate public facilities to serve new development in the Village by requiring each new development to contribute payments toward its share of the costs of the facilities necessitated by and attributable to such new development.

SECTION 3. AUTHORITY

This ordinance is adopted pursuant to the Texas Local Government Code. The provisions of this ordinance shall not be construed to limit the power of the Village to use other methods authorized under Texas law or pursuant to other Village powers to accomplish the purposes set forth herein, either in substitution or in conjunction with this ordinance. The Board of Aldermen is authorized to adopt and administer guidelines for applying the provisions of this section. Guidelines may be developed and approved by ordinance, resolution, or otherwise to implement and administer this ordinance.

SECTION 4. DEFINITIONS

“Advisory committee” means a capital improvements advisory committee on impact fees designated by the Board of Aldermen in accordance with Texas Local Government Code Chapter 395.

“Assessment” means the determination of the amount of the maximum impact fee per service unit which can be imposed on new development under an impact fee ordinance.

“Capital improvement” means a wastewater facility, with a life expectancy of three or more years, to be owned and operated by or on behalf of the Village.

“Capital improvements plan” means an adopted plan, as amended from time to time, that identifies wastewater capital improvements or facility expansions and their associated costs which are necessitated by and attributable to new development and will be financed in whole or in part through wastewater impact fees imposed under an impact fee ordinance.

“Credit” means the amount of the reduction of an impact fee for fees, payments or charges for the same type of capital improvements for which such fee has been assessed.

“Facility expansion” means an expansion of the capacity of any existing wastewater facility, as applicable, for the purpose of serving existing or new development, but does not include the repair, maintenance, or modernization of an existing facility.

“Impact fee” means a fee for wastewater facilities in order to generate revenue to fund or recoup all or part of the costs of capital improvements or facility expansions necessitated by new

development. Impact fees do not include (1) the dedication of rights-of-way or easements for wastewater facilities, (2) a requirement for the construction of such facilities imposed under the Village's zoning or subdivision regulations, (3) pro rata fees for reimbursement of the Village's costs for extending wastewater mains, or (4) charges for wastewater services to a wholesale customer such as a political subdivision of the state or other wholesale utility customer

"Land use assumptions" means projections of population and employment growth and associated changes in land uses, densities and intensities adopted by the Village, as amended from time to time, upon which a capital improvements plan is based.

"Land use equivalency table" means a table included by reference in the Impact Fee Ordinance as an exhibit, as amended from time to time, that converts the demands for capital improvements generated by various land uses to numbers of service units.

"New development" means any activity involving the construction, reconstruction, redevelopment, conversion, structural alteration, relocation, or enlargement of any structure, or any use or extension of land, which (1) has the effect of increasing the requirements for capital improvements or facility expansions, measured by the number of service units to be generated by the activity, (2) requires the approval of a plat, the issuance of a building permit or connection to the Village's wastewater system, and (3) is not exempted from impact fees by the provisions of an impact fee ordinance. New development includes the conversion of an existing use from private on-site wastewater facilities to the use of Village wastewater facilities.

"Offset" means a reduction of an impact fee designed to fairly reflect the value of system facilities provided by a developer under the Village's subdivision regulations or other requirements, in accordance with the Impact Fee Ordinance or Board of Aldermen-approved administrative guidelines.

"Plat" has the meaning given the term in Article 5.8 of the Village's Zoning Ordinance. Plat includes replat.

"Plat recordation" means the date the final plat of a subdivision is filed in the appropriate county records.

"Plumbing permit" means any plumbing permit used by Village's building inspection division.

"Property owner" means any person, corporation, legal entity or agent thereof having a legal or equitable interest in the land for which an impact fee becomes due. Property owner includes the developer for a new development.

"Recoupment" means the imposition of an impact fee to reimburse the Village for capital improvements which the Village has previously oversized to serve new development.

"Service area" means either an impact fee wastewater service area within the Village or the Village's extraterritorial jurisdiction, within which an impact fee may be collected for new

development, and within which impact fees will be expended for the types of facility improvements or expansions identified in a capital improvements plan.

“Service unit” means a living unit based upon metered water usage, which will serve as the standardized measure of consumption, use or generation attributable to new development.

“Site-related facility” means an improvement or facility which (1) is for the primary use or benefit of a new development, or for the primary purpose of safe and adequate provision of wastewater facilities to serve a new development (including improvements and facilities needed to meet the Village’s minimum standards for wastewater facilities, (2) is not included in an impact fees capital improvements plan and (3) the developer or property owner is solely responsible for constructing or installing under subdivision or other applicable regulations.

“System facility” means a capital improvement or facility expansion which is designated in a capital improvements plan and is not a site-related facility. System facility may include a capital improvement which is located offsite, or within or on the perimeter of the development site.

“Utility application” includes (1) any request for connection of a new development to the Village wastewater system, or (2) any report, including a report from a property owner, a Village employee or official, or another provider of wastewater services, of an additional connection to, or an increase in the use of, Village wastewater facilities.

“Village” means the Village of Salado, Texas.

“Wastewater facility” means a wastewater interceptor or main, lift station, treatment facility or other facility included within and comprising an integral component of the Village’s collection, transmission and treatment system for wastewater. Wastewater facility includes land, easements or structures associated with such facilities. Wastewater facility excludes a site-related facility.

“Water meter” means a device for measuring the flow of water to a development, whether for domestic, commercial, industrial, fire protection, irrigation, or other purposes.

ARTICLE II.

SECTION 1. CAPITAL IMPROVEMENTS ADVISORY COMMITTEE

A. In accordance with Tex. Loc. Govt. Code Chapter 395, the Board of Aldermen is required to appoint a Capital Improvements Advisory Committee on Impact Fees to advise the Board of Aldermen concerning the finalization of the land use assumptions, impact fee capital improvements plan and the amounts of impact fees for wastewater facilities. The Capital Improvements Advisory Committee on Impact Fees shall be composed of the members appointed by the Board of Aldermen. Representatives of the real estate, development, or building industries and/or a representative from the extra-territorial jurisdiction of the Village, neither of who are an employee or official of the Village will be included on the Capital Improvements Advisory Committee on Impact Fees.

- B. The Advisory Committee serves in an advisory capacity and is established to:
1. advise and assist the Village in adopting land use assumptions;
 2. review the capital improvements plan and file written comments;
 3. monitor and evaluate implementation of the capital improvements plan;
 4. file semiannual reports with respect to the progress of the capital improvements plan and report to the Village any perceived inequities in implementing the plan or imposing the impact fee; and
 5. at least every five years, advise the Board of Aldermen of the need to update or revise the land use assumptions, capital improvements plan, and impact fee.

SECTION 2. NOTICES

The Board of Aldermen shall give such notices, hold such public hearings, and fulfill all other such requirements as are required under Tex. Loc. Govt. Code Chapter 395 with respect to the adoption of and updates to the Impact Fee Ordinance.

ARTICLE III.

SECTION 1. IMPACT FEE ORDINANCE REVISIONS

This Impact Fee Ordinance may be revised from time to time based on recommendations by the Impact Fee Advisory Committee after review and revision of the land use assumptions and capital improvements plan.

SECTION 2. IMPACT FEE AS CONDITION OF DEVELOPMENT APPROVAL

All applications for approval related to a new development shall be subject to assessment and collection of impact fees under the Impact Fee Ordinance and Sections 395.016 and 395.019 of the Texas Local Government Code. Each approval of a building permit, plumbing permit or utility application shall be conditioned on payment by the Applicant of impact fees imposed under the Impact Fee Ordinance.

SECTION 3. MAXIMUM IMPACT FEES PER SERVICE UNIT

- A. The maximum impact fee per service unit for each service area shall be established by category of capital improvements, and shall be as set forth in the attached Schedule "A". The maximum impact fee per service unit for each service area for each category of capital improvement is computed in the following manner:
1. Calculate the total projected costs of capital improvements identified in the capital improvements plan for each category of capital improvements;
 2. (a) From such amounts, subtract a credit equal to 50 percent of the such total projected costs; or

(b) From such amounts, subtract a credit for the portion of ad valorem tax and utility service revenues generated by new service units during the program period that is used for the payment of improvements, including the payment of debt, that are included in the capital improvements plan; and

3. Divide the resulting amounts by the total number of service units anticipated in the respective service area, based on the land use assumptions for that service area.
- B. The impact fee per service unit to be paid by each new development as set forth in the attached Schedule "A" is an amount less than or equal to the maximum impact fee per service unit calculated under Subsection A.

SECTION 4. ASSESSMENT OF IMPACT FEE AMOUNTS

- A. The assessment of the amount of the impact fee per service unit for each category of capital improvements for a new development in the designated impact fee service area shall be made as follows:
1. For a new development on land which is unplatted, at the time building permit is issued.
 2. For a new development on platted property, the assessment shall occur at the time of plat recordation, and shall be the amount of the impact fee per service unit applicable for the date of recordation, as described in an attached Schedule included by reference in the impact fee ordinance.
- B. After assessment under subsection A, the amount of the assessment per service unit for the development cannot be increased unless the quantity of service units needed for the development increases. In the event of such an increase, a new assessment for the development shall occur using the applicable scheduled rate then in effect and the applicable service unit computation criteria in Section 5 below.
- C. Following the vacating of any plat or submittal of any replat, a new assessment must be made in accordance with subsections A and B.
- D. Approval of an amended plat under Texas Local Government Code Section 212.016 and the Village's subdivision regulations will not change the assessment for the affected area.

SECTION 5. COMPUTATION OF SERVICE UNITS AND COLLECTION OF IMPACT FEES

- A. Impact fees shall be computed and collected at the following times:
Except as provided by Subsection 5.B below, if the Village has wastewater capacity available:
1. For land platted within the corporate boundaries of the Village, the Village shall collect the fees at the time the Village issues a building permit or if no building permit is needed, at the time an application for a utility connection is filed;
 2. For land platted outside the corporate boundaries of the Village, the Village shall collect the fees at the time an application for a utility connection is filed; and
 3. For a new development on land which is unplatted, at either the time of recordation of the subdivision plat or application for a utility connection, or at the time the City issues either the building permit or the certificate of occupancy.

B. Impact fees may be assessed, but may not be collected in areas where services are not currently available unless:

1. The collection is made to pay for a capital improvement or facility expansion that has been identified in the capital improvements plan and the Village commits to commence construction within two years, under duly awarded and executed contracts or commitments of staff time covering substantially all of the work required to provide service, and to have the service available within a reasonable period of time considering the type of capital improvement or facility expansion to be constructed, but in no event longer than five years;
2. The Village agrees that the owner of a new development may construct or finance the capital improvements or facility expansions and agrees that the costs incurred or funds advanced will be credited against the impact fees otherwise due from the new development or agrees to reimburse the owner for such costs from impact fees paid from other new developments that will use such capital improvements or facility expansions, which fees shall be collected and reimbursed to the owner at the time the other new development records its plat; or
3. An owner voluntarily requests the Village to reserve capacity to serve future development, and the Village and owner enter into a valid written agreement.

C. The computation of the quantity of service units required for a new development will be as follows:

1. For new development subject to assessment under Paragraph 4.A.1, and for new development subject to assessment under Paragraph 4.A.2 with plat recordation on or after the effective date of the impact fee ordinance, the quantity of service units will be determined as follows:
 - a. Single Family Residential - By average daily winter water use during the preceding winter (November through February). The average daily water use for this time will be determined by examining water use billing records. The average daily water use will be divided by 100 (the average use for single-family customers) to determine the number of service units. If this calculation results in a value less than one, the number of service units will be rounded to one. Each new customer will be charged for a minimum of one service unit. For development with no water use history, an estimate of the water use will be derived using measures deemed appropriate by the Village. This may include using building plans, plumbing layouts, flow calculations and other information to support a request for use of a specific size or type of water meter.
 - b. All Other Development - By average annual water use during the preceding calendar year. The average daily water use for this time will be determined by examining water use billing records. The average daily water use will be divided by 100 (the average use for single-family customers) to determine the number of service units. If this calculation results in a value less than one, the number of service units will be rounded to one. Each new customer will be charged for a minimum of one service unit. For

development with no water use history, an estimate of the water use will be derived using measures deemed appropriate by the Village. This may include using building plans, plumbing layouts, flow calculations and other information to support a request for use of a specific size or type of water meter.

2. For new development subject to assessment under Section 4.A.2 with plat recordation on or before the effective date of the impact fee ordinance, the quantity of service units will be determined by reference to certain scheduled service unit computation criteria as described in 5.C.1 above.
- D. The Village shall compute the impact fees for a new development in the following manner:
1. The amount of the impact fee shall be determined by multiplying the number of service units required for the new development by the impact fee per service unit using the applicable scheduled rate, as identified in Schedule "A".
 2. The amount of each impact fee shall be reduced by any allowable offsets or credits for that category of capital improvements, in the manner provided in Section 6 below.
 3. The total amount of the impact fee for the new development shall be calculated and attached to the permit or utility application as a condition of approval.
- E. The amount of the impact fee for a new development shall not exceed an amount computed by multiplying the assessment amount per service unit under Section 4 by the number of service units for the development determined under this section.
- F. If a building or plumbing permit or an approved utility application for which an impact fee has been paid has expired, and a new application is thereafter filed, the impact fees shall be computed using the scheduled rate then in effect, with credits for previously paid fees being applied against the newly determined amount.
- G. In the case of redevelopment, the amount of the impact fee shall be determined by multiplying the incremental number of service units associated with any new water use estimate, compared to the prior water use estimate, times the base impact fee per service unit.
- H. The Board of Aldermen may approve an agreement with a property owner for a different time, manner of computation, or payment of impact fees for new development on the owner's property.
- I. Property Owners who connect to the wastewater system within the first ninety (90) days that the system is operational qualify to have their impact fees paid out over four (4) years without incurring interest on the amount owed.

SECTION 6. OFFSETS AND CREDITS AGAINST IMPACT FEES

- A. The Village shall offset or credit the present value of any system facility which has been dedicated or contributed to by a property owner and accepted by the Village, including the

value of rights-of-way or capital improvements constructed under an agreement with the Village, against the amount of the impact fee due for that category of capital improvement. The offset or credit shall be associated with the plat of the property that is to be served by the system facility.

- B. All offsets or credits against impact fees shall be based upon standards promulgated by the Village, which may be adopted as administrative guidelines, including the following standards:
1. An offset or credit shall not be given for the dedication or construction of site-related facilities, including improvements and facilities needed to meet the Village's minimum standards for wastewater facilities.
 2. An offset shall not exceed an amount equal to the eligible costs of the improvement multiplied by a fraction, the numerator of which is the impact fee per service unit due for the new development computed by schedule, and the denominator of which is the maximum impact fee per service unit for the new development as computed by schedule.
 3. The unit costs used to calculate offsets and credits shall not unreasonably exceed those assumed for the capital improvements included in the impact fees capital improvements plan for the category of facility for which the impact fee is imposed as delineated in Schedule "A". An offset or credit for an oversized improvement or facility shall not exceed the incremental increase in the cost of the improvement or facility over the cost of an improvement or facility needed to meet the Village's minimum standards for wastewater facilities.
 4. An offset or credit shall not be given for an oversized facility which is not identified within the capital improvements plan, unless the Village agrees that the facility supplies capacity to other new developments, and provisions for offsets or credits are incorporated in an agreement for capital improvements under Section 14.
 5. An offset or credit shall not be given (a) when no impact fees for a new development can be collected under an impact fee ordinance, (b) for any amount exceeding the total impact fees due for a new development for that category of capital improvements, unless expressly agreed to by the Village in writing, or (c) for any oversized facility where the Village executes an oversize reimbursement agreement with the property owner for the oversize cost.
 6. The Village may participate in the costs of a system facility to be dedicated to the Village in connection with a new development, including costs that exceed the amount of the impact fees due for the development for its scheduled category of capital improvements, in accordance with the Village's subdivision regulations. The amount of any offset shall not include the amount of the Village's participation.
- C. Offsets or credits created after the effective date of the Impact Fee Ordinance shall expire ten (10) years from the date the offset or credit was created. Offsets or credits arising prior to that effective date shall expire ten (10) years from the date the offset or credit was created.

- D. An offset or credit associated with a new development shall be applied to reduce the impact fee for the first building or plumbing permit or utility application for the property at the applicable time for collection of the fee, and thereafter to each subsequent building or plumbing permit or utility application, until the offset or credit is exhausted.

SECTION 7. ESTABLISHMENT OF ACCOUNTS, ACCOUNTING AND INTEREST

- A. The Village's finance department shall establish an account to which interest is allocated for each category of capital improvement for which an impact fee is imposed under the impact fee ordinance. Each impact fee collected for that category shall be deposited in that account.
- B. Interest earned on an impact fee account is considered funds of the account and shall be used solely for the purposes authorized in Section 8.
- C. The finance department shall establish adequate financial and accounting controls to ensure that impact fees disbursed from the account are utilized solely for the purposes authorized in Section 8. Disbursement of funds shall be authorized by the Village at such times as are reasonably necessary to carry out the purposes and intent of the impact fee ordinance; provided, however, that any fee paid shall be expended within a reasonable period of time, but not to exceed ten (10) years from the date the fee is deposited into the account.
- D. The finance department shall maintain and keep financial records for impact fees, which shall show the source and disbursement of all fees collected in or expended from each account. The records of the accounts into which impact fees are deposited shall be open for public inspection and copying during ordinary business hours.
- E. The finance department shall maintain and keep financial records for these accounts which shall show the source and disbursement of all funds placed in or expended from the accounts.

SECTION 8. USE OF PROCEEDS OF IMPACT FEE ACCOUNTS

- A. The impact fees collected under the Impact Fee Ordinance may be used for the following expenses:
 - 1. To finance or to recoup the costs of any capital improvements or facility expansion identified in the capital improvements plan for the applicable category of capital improvements, including but not limited to the construction contract price, surveying and engineering costs, and land acquisition costs including purchase price, court awards and costs, attorney's fees, and expert witness fees.
 - 2. To pay the principal sum and interest and other finance costs on bonds, notes or other obligations issued by or on behalf of the Village to finance capital improvements or facility expansions.
 - 3. To pay fees paid to an independent qualified engineer or financial consultant for preparing or updating the capital improvements plan and impact fees.

4. To pay for expansion of existing capital improvements in order to meet the need for capital improvements generated by new development.
- B. Impact fees collected under the Impact Fee Ordinance shall not be used to pay for any of the following expenses:
1. Construction, acquisition or expansion of capital improvements or assets other than those identified in the capital improvements plan for the applicable category of capital improvements;
 2. Repair, operation, or maintenance of existing or new capital improvements or facility expansions;
 3. Upgrade, expansion or replacement of existing capital improvements to serve existing development in order to meet stricter safety, efficiency, environmental or regulatory standards;
 4. Upgrade, expansion, or replacement of existing capital improvements to provide better service to existing development when no new development is involved;
 5. Administrative and operating costs of the City.

SECTION 9. APPEALS

- A. The property owner or applicant for new development may appeal the following administrative decisions to the Board of Aldermen:
1. The applicability of an impact fee to the development;
 2. The amount of the impact fee due;
 3. The availability of, the amount of, or the expiration of an offset or credit;
 4. The application of an offset or credit against an impact fee due;
 5. The amount of the impact fee in proportion to the benefit received by the new development;
 6. The amount of a refund due, if any; or
 7. The applicability of an exception or exemption.
- B. The appellant must file a written notice of appeal with the Village clerk within thirty (30) days after the decision being appealed. If the notice of appeal is accompanied by a payment or other security satisfactory to the Village attorney in an amount equal to the original determination of the impact fee due, the development application may be processed and approved while the appeal is pending.

- C. The appeal shall be heard by the Board of Aldermen at its next regular meeting that is scheduled at least fifteen (15) days from the date the appeal is filed. The appellant may present evidence directly relevant and material to the grounds for the appeal. The burden of proof shall be on the appellant to demonstrate that the decision being appealed was not in accordance with the Impact Fee Ordinance or standards or guidelines adopted under or referred to in the Impact Fee Ordinance.
- D. The Board of Aldermen, after public hearing, may grant the appeal in whole or in part, or deny the appeal. If the amount of an impact fee is reduced, any portion of the impact fee paid under protest shall be refunded to the appellant.

SECTION 10. REFUNDS

- A. Upon written request, any impact fee or portion thereof collected under the impact fee ordinance, which has not been expended within ten (10) years from the date of payment, shall be refunded to the record owner of the property for which the impact fee was paid, or to a governmental entity, if the entity paid the fee, together with interest calculated from the date of collection to the date of refund at the statutory rate as set forth in Section 302.002 of the State Finance Code, or its successor statute. The application for refund under this section shall be submitted within sixty (60) days after the expiration of the ten-year period for expenditure of the fee. An impact fee shall be considered expended on a first-in, first out basis.
- B. An impact fee collected under the Impact Fee Ordinance shall be considered expended if the total expenditures for capital improvements or facility expansions authorized in Section 8 within ten (10) years after the date of payment exceeds the total fees collected for such improvements or expansions during that period.
- C. Upon written request, all or part of an impact fee collected under the Impact Fee Ordinance shall be refunded if:
 - 1. Existing service is available and service is denied;
 - 2. Service was not available when the fee was collected, and the Village has failed to commence construction of facilities to provide service within two (2) years of fee payment; or
 - 3. Service was not available when the fee was collected and has not subsequently been made available within a reasonable period of time considering the type of capital improvement or facility expansion to be constructed, but in any event this period shall not extend more than five (5) years from the date of fee payment.
- D. If a refund is due under subsections A, B or C, the Village shall divide the difference between the amount of expenditures and the amount of the fees collected by the total number of service units assumed within the service area for the period to determine the refund due per service unit. The refund shall be calculated by multiplying the refund due per service unit by the number of service units for the development for which the fee was paid, and interest due shall be calculated upon that amount.

SECTION 11. REBATES

- A. If a tract of land for which an impact fee has been paid is replatted, resulting in a reduction in the number of service units, and the new impact fee to be collected is less than that paid, the Village shall rebate the difference, if water meters to serve the area being replatted have not been installed.
- B. If a building or plumbing permit or an approval of a utility application in a new development expires after an impact fee has been paid, no utility connection for the applicable category of capital improvements has been made under the permit or approval, and a modified or new application has not been filed within six months of the expiration, the Village shall, upon written request, rebate the amount of the impact fee to the record owner of the property for which the impact fee was paid. If no application for rebate under this subsection has been filed within this period, no rebate shall become due.

SECTION 12. UPDATES TO PLANS AND REVISION OF FEES

- A. The Village shall update the land use assumptions and capital improvements plan at least every five (5) years, commencing from the date of adoption of such plans, and shall recalculate the impact fees based thereon in accordance with the procedures set forth in Tex. Loc. Govt. Code Chapter 395, or in any successor statute.
- C. The Village may review its land use assumptions, impact fees, capital improvements plan and other factors more frequently than provided in subsection A. to determine whether the land use assumptions and capital improvements plan should be updated and the impact fees recalculated accordingly, or whether any schedules thereto should be changed.
- D. The schedule setting forth the impact fee per service unit may be amended without revising land use assumptions and capital improvements plan at any time prior to the update described in subsection A, as long as the impact fee per service unit to be collected thereunder does not exceed the maximum impact fee per service unit set forth in another schedule.
- C. If the Board of Aldermen determines that no change to the land use assumptions, capital improvements plan or impact fee is needed at the time of an update under subsection A, the Board of Aldermen may dispense with the update in accordance with Tex. Loc. Govt. Code Section 395.0575.

SECTION 13. AGREEMENTS FOR CAPITAL IMPROVEMENTS

- A. The property owner for a new development may construct or finance a capital improvement or facility expansion designated in the capital improvements plan, if required or authorized by the Board of Aldermen, by entering into a facility agreement with the Village prior to the issuance of any building permit for the development. The facility agreement shall be on a form approved by the Village, and shall identify the estimated cost of the improvement or expansion, the schedule for initiation and completion of the improvement or expansion, a requirement that the improvement be designed and completed to Village standards, and such other terms and conditions as deemed necessary by the Village. The facility agreement shall provide for the

method to be used to determine the amount of the offset or credit to be given against impact fees due for the development.

- B. The Village and the property owner may agree that the costs incurred or funds advanced will be (1) offset or credited against the impact fees otherwise due from the new development, or (2) reimbursed to the owner from impact fees paid from other new developments that will use the capital improvements or facility expansions, or from other funding sources. In the event the Village elects to reimburse an owner for the dedication, construction or financing of a capital improvement or facility expansion designated in the capital improvements plan, the terms of reimbursement shall be incorporated in the agreement required by subsection A. Reimbursement agreements shall further be based on the availability of Village funds from all sources including current and projected impact fee fund accounts.
- C. Any agreement to offset or credit a portion of impact fees or to reimburse a portion of impact fees for certain capital improvements does waive the requirement to pay impact fees or reduce the amount thereof for other infrastructure to be utilized by new development. For example, a credit for the portion of impact fees associated with a property owner's installation of collection system lines does not waive the requirement to pay the portion of the impact fee associated with the treatment plant.

SECTION 14. APPLICABILITY, EXCEPTIONS AND EXEMPTIONS

- A. Political subdivisions and other governmental entities shall pay impact fees imposed under this ordinance.
- B. A school district is not required to pay impact fees imposed by this ordinance unless the board of trustees of the district consents to the payment of the fees by entering a contract with the Village.
- C. A property connected to the Stagecoach wastewater system owned and operated by the Village of Salado is not required to pay impact fees imposed by this ordinance unless capital improvements are made to the property increasing the capacity or expanding the use of wastewater service.

SECTION 15. USE OF OTHER FINANCING MECHANISMS

- A. The Village may finance capital improvements or facility expansions designated in the capital improvements plan through the issuance of bonds, through the formation of public utility districts or other assessment districts, or through any other authorized mechanism, in such manner and subject to such limitations as may be provided by law, in addition to the use of impact fees.
- B. Except as herein otherwise provided, the assessment and collection of an impact fee shall be additional and supplemental to, and not in substitution of, any other tax, fee, charge or assessment which is lawfully imposed on and due against the property.
- C. The Board of Aldermen may decide that the Village shall waive all or a part of impact fees due for a new development under duly adopted criteria.

SECTION 16. IMPACT FEE AS ADDITIONAL AND SUPPLEMENTAL REGULATION

- A. Impact fees established by the Impact Fee Ordinance are additional and supplemental to, and not in substitution of, any other requirements imposed by the Village on the development or subdivision of land, the issuance of building permits, or the sale of wastewater taps. Impact fees are intended to be consistent with and to further the policies of the Village's comprehensive land use plan, the capital improvements plan, the zoning ordinance, subdivision regulations and other Village policies, ordinances and resolutions by which the Village seeks to ensure the provision of adequate public facilities in conjunction with the development of land.
- B. The Impact Fee Ordinance shall not affect in any manner the permissible use of property, density of development, design, and improvement standards and requirements, or any other aspect of the development of land or provision of public improvements subject to Village zoning, subdivision or other regulations, which shall remain in full force and effect without limitation.
- C. The Impact Fee Ordinance is not intended to replace or supersede the Village's subdivision and other regulations requiring the dedication, extension or construction of wastewater improvements, and is intended to be interpreted consistently with such regulations.
- D. The cost per service unit for any category of capital improvement under the Impact Fee Ordinance may be used in determining whether a Village regulation requiring the dedication or construction of that type of capital improvement is proportional to the nature and extent of the impacts of a new development on the Village's facilities.

SECTION 17. RELIEF PROCEDURES

- A. Any person who has paid an impact fee or a property owner for a new development for which an impact fee has been paid may submit a written petition for the Board of Aldermen to determine whether any duty of the Village under the Impact Fee Ordinance has been performed in a timely manner. The petition shall be submitted to the Village clerk, and shall state the nature of the duty. The Board of Aldermen will hear the petition at its next meeting that is scheduled at least seven days from the date the petition is filed. If the Board of Aldermen determines that the duty is required under the Impact Fee Ordinance and is late in being performed, the Board of Aldermen shall direct that the duty be promptly commenced and continued until completion. This subsection is not applicable to matters which may be appealed under Section 9.
- B. The Board of Aldermen may grant a variance in whole or in part from any requirement of the Impact Fee Ordinance, upon written request by a property owner, following a public hearing. The Board of Aldermen will grant a variance only upon finding that a strict application of a requirement would, when regarded as a whole, result in the confiscation of a property owner's property.

- C. If the Board of Aldermen grants a variance to the amount of the impact fee due for a new development under this section, the Board of Aldermen may transfer the amount of the reduction in the impact fee to the proper impact fee account from other Village funds.

Schedule A
Adopted Impact Fee Schedule
(Effective: _____, 2018)

Maximum Allowable Wastewater Impact Fee per Service Unit

Wastewater	
Treatment	\$4,520
Pumping	\$51
Interceptors	\$558
Study Allowable	\$23
Total Wastewater Fee per Service Unit	\$5,152

Adopted Effective Wastewater Impact Fee per Service Unit

Wastewater	
Treatment	\$3,290
Pumping	\$37
Interceptors	\$406
Study Allowable	\$17
Total Wastewater Fee per Service Unit	\$3,750