



AGENDA ITEM SUMMARY

Agenda Date	December 9, 2025
Requested Action	APPROVE ORDINANCE NO. 2025-20; AN ORDINANCE OF THE CITY OF BOERNE, TEXAS REPEALING AND REPLACING ORDINANCE NO. 2023-18 AND ESTABLISHING CREDITS FOR WATER CONSERVATION MEASURES.
Contact Person	Andrea Snouffer – Utilities Administrative Supervisor Michael Mann – Utilities Director
Background Information	<p>In a special session earlier late last summer, the State Legislature passed SB 14 adding a new section to the impact fee chapter of the Texas Local Government Code. This bill requires cities to grant credits against water and wastewater impact fees when a developer includes facilities, systems, or products that reduce water use or wastewater demand. The statute’s mandatory language reads: a political subdivision “shall provide credit” against water and wastewater impact fees to a builder or developer for the “construction, contribution, or dedication of an eligible facility, system, or product that results in water reuse, conservation, or savings”. The process for determining and granting these credits must be in place by the beginning of January 2026, and we are asking for a one-time reading of this ordinance because of the single meeting in December.</p> <p>The new State law does not provide specific guidance or methodology for calculating credits or even what qualifies for credits. We are required only to be fair and consistent in our policies of determining the effectiveness of any developer installed work. We have contacted neighboring utilities regarding their intent to meet the requirements and learned that some are making no changes to their programs at this time.</p> <p>The intent of this well-intended law is to encourage conservation. However, its effect on the utility ratepayers is also financial. We must complete the projects in our water and wastewater capital improvement plans to ensure we provide service for new development. Development’s payment of impact fees toward those projects costs helps minimize the financial effects on other ratepayers. If impact fees are not collected, the project costs must be funded through applied overall service rates.</p> <p>The City of Boerne impact fee program already encourages</p>

	<p>conservation by incentivizing the use of smaller water meters (less flow capability) rather than being based on land use or building square footage as others do. Smaller water meters also minimize wastewater system demand flows. Furthermore, we offer “irrigation-only” meters to development if desired to further reduce their assessed wastewater impact fees.</p> <p>It's difficult to imagine a developer-provided project that would result in significantly reducing the utility capital improvements that must be provided to provide service. For compliance with State Law, however, we have added a section to our Impact Fee Ordinance that addresses impact fee credits for conservation and the requirements of a Developer seeking those special credits for his installations. Credits would only be applicable to land development (usually on a lot-by-lot basis) that can appropriately quantify its beneficial effects and ensure longevity.</p> <p>The use of City of Boerne reclaimed water alone does not qualify because it does not reduce overall water demand (including non-potable water). Reclaimed water projects that the City will fund to meet customer demand are included in our water impact fee capital improvements plan, and these project costs on new services are recovered via water impact fees.</p> <p>Staff recommends that the Council approve the proposed updates to the Impact Fee Ordinance as presented.</p>
Strategic Alignment	<p>B1-Utilizing data to drive smart decision making</p> <p>B2-Advancing master plan recommendations</p>
Financial Considerations	<p>Consultant fees for applicable to this update any future changes as required will be paid with impact fee funds.</p>
Citizen Input/Board Review	<p>N/A</p>
Legal Review	<p>The City Attorney’s office has provided guidance regarding the new State Law reviewed the proposed ordinance modifications.</p>
Alternative Options	<p>We welcome any suggested wording changes from Council</p>
Supporting Documents	<p>Ordinance No. 2025-20</p> <p>A memo from the City Attorney</p>