

TASK ORDER-No. 17
Water/Wastewater/Reclaimed Water Impact Fee Update

This Task Order pertains to an Agreement by and between The City of Boerne, (“CITY/OWNER”), and HDR Engineering, Inc. (“ENGINEER/HDR”), dated January 30th, 2017, (“the Agreement”). ENGINEER shall perform services on the project described below as provided herein and in the Agreement. This Task Order shall not be binding until it has been properly signed by both parties. Upon execution, this Task Order shall supplement the Agreement as it pertains to the project described below.

TASK ORDER NUMBER: 17

PROJECT NAME: Water/Wastewater/Reclaimed Water Impact Fee Update

PART 1.0 PROJECT DESCRIPTION:

The CITY has requested that ENGINEER provide professional services for the following:

- Update the existing water and wastewater impact fee, and
- Develop a reclaimed water impact fee.

PART 2.0 SCOPE OF SERVICES TO BE PERFORMED BY ENGINEER ON THE PROJECT:

Task 1 – Develop Land Use, Capacity & New CIP Data for Impact Fee Update

ENGINEER will develop the land use assumptions and update the Capital Improvements Plan (with information provided by the City) underlying the calculation of the impact fees in compliance with Chapter 395 of the Texas Local Government Code. In particular, these issues will be reviewed:

- Where will the CITY likely charge the fees, i.e. its impact fee service area?
- What is the current and prospective land use mix, densities, or land use/equivalent service unit assumptions?
- What is the current available utility capacity, if any, in the existing utility system?
- What capital projects (with excess capacity) have already been funded?
- What new capital projects are needed in the 5 to 10 year time frame?

Each of the existing capital projects with excess capacity or new capital project items discussed above needs to be identified or quantified in terms of:

1. Type of Facility
 - a. Water
 - i. Water Supply
 - ii. Treatment
 - iii. Ground Storage
 - iv. Elevated Storage
 - v. Pumping & Transmission

- b. Wastewater
 - i. Treatment
 - ii. Pumping & Interceptors
 - c. Reclaimed Water
 - i. All components of the reclaimed water system
- 2. Cost to construct
- 3. Used/available capacity
- 4. Cost per Living Unit Equivalent for new capacity

Neighborhood water distribution and wastewater collection facilities will not be assessed as part of the fee basis as either (a) these facilities are developer contributed, or (b) City spending on these facilities is for rehabilitation or replacement benefit for existing customers (both of which are fee ineligible items).

ENGINEER will develop existing (2019) and projected (2028) land use and population data for the CITY and its ETJ service areas in order to be used as a consistent basis for defining facility demand in the separate water, wastewater and reclaimed water service areas. It will be the CITY's responsibility to provide information relating to any outstanding debt associated with existing water, wastewater and reclaimed water facilities.

Data to be supplied, developed or compiled by the parties to this agreement are listed in Table 1 in Part 3.0.

Task 2 - Impact Fee Calculation and Application

ENGINEER will use the land use and capital improvements program information previously developed to calculate maximum fee amounts. The first step is to develop a weighted average cost of capital per service unit for each type of utility facility. The fee calculation will consider capital payments through the rates or the 50% deduction allowed in Chapter 395. The calculations and fee design will also be divided into component parts of the water and wastewater utilities to allow for credits or offsets against a full fee amount should the entity paying the fee provide for an acceptable portion of eligible capital at their own expense. It should be noted that ENGINEER's ability to develop component fees is dependent upon the CITY being able to segregate its outstanding debt into facility types. The reclaimed water fee will not be split into component parts of the system and will be calculated based on the whole reclaimed water system.

The full cost of capital for these utility components will be calculated and then be pro-rated to a lesser amount should the Committee and/or Council decide to recommend a fee less than the maximum allowable. Data will also be provided to scale the base fee per standard service unit to allow for appropriate fee levies for larger service requirements.

ENGINEER will provide technical and production support for the preparation of an Advisory Committee report that meets the requirements of Chapter 395.

Task 3 - Review Impact Fee Ordinance

Based on Committee, Council, and public input, ENGINEER will review the CITY's existing ordinance for needed changes and provide that feedback to CITY staff and the CITY attorney.

Task 4 – Engineering Support

ENGINEER will provide assistance to the CITY with costing of CIP projects if needed. ENGINEER will also assist in formatting the CIP projects into the specific format needed for the impact fee study.

Task 5 – Impact Fee Coordination with Committee, Council, and Public & Reporting

ENGINEER will develop support materials and coordinate with various interested stakeholders in the fee development process to assure that provisions of Chapter 395 of the Local Government Code are met and that all key parties are adequately informed.

The proposed formal coordination effort includes the following activities:

City Staff – Up to Three Meetings. The first meeting would be to review and update the project list and costs for those projects to be included in the CIP. At this meeting the land use assumptions would also be reviewed. The second meeting would be to review the draft results of the fee study and suggested ordinance revisions. The final meeting would be to review the draft Committee report prior to submission to the Committee.

Impact Fee Advisory Committee – Two Meetings. The first meeting would be to coordinate the draft impact fee calculation and seek Committee concurrence with any revised fee proposal that would be presented at the public hearing. The second meeting with the Committee would be to review the Committee feedback, make any revisions to the fee calculations, review the draft Committee report, and seek Committee adoption for filing with Council.

Public Hearings – Up to Two Meetings. Chapter 395 calls for a one-hearing process for update of the existing water and wastewater impact fees. It is currently anticipated that the reclaimed water impact fee could be considered under a one-hearing process as an update of the existing water and wastewater fee. However, should that not be the case, the reclaimed water portion of the fee will require two public hearings. These public hearings must be preceded by a 30-day advance published public notice. ENGINEER will prepare the necessary information required under Chapter 395 for the public notices for public hearing(s) and conduct the public hearing(s). It is understood that the CITY will provide for the cost of publication and any certified mailings that may be required.

2nd Reading Ordinance – One Meeting. Assuming that Council will take action on the first reading of the impact fee ordinance after the closing of the public hearing that same evening, ENGINEER will attend one subsequent meeting with Council to provide any needed support at the second reading of the ordinance, if required.

ENGINEER will prepare an electronic copy of the Technical Advisory Committee report to the City Council outlining the Committee's recommendations on land use assumptions, 10-year capital improvements plan, fee design and calculation, offset credits, and any policy or fee issues that may affect the pending ordinance provisions. This report will summarize:

- The calculation of unit capital costs, rate credits and maximum fee amounts;
- Water and sewer utility service area population growth and land use data for the "snapshot" years 2019 and 2028 (this will be developed with input from the City);
- A 10-year Capital Improvements Plan (for spending expected to occur between 2019 and 2028) listing type of facility, project name, projected installed costs, and anticipated service capacities for future projects underlying the proposed fees (this will be developed with input from the City).

ENGINEER will also work with the CITY Attorney to prepare a draft ordinance for CITY consideration.

In addition to these two documents, ENGINEER will also provide briefing handouts and presentation on the fee assumptions. The electronic spreadsheet used to calculate the fee will also be provided to the City.

PART 3.0 OWNER'S RESPONSIBILITIES:

The OWNER shall be responsible for the following:

- Provide data pertinent to the project (See Table 1).
- Participate in meetings as required.
- Review and approve ENGINEER'S invoices.

TABLE 1

INFORMATION TO BE SUPPLIED BY THE CITY

- Water, wastewater and reclaimed water service area delineation;
- Electronic file of map of intended impact fee service area;
- A recent month meter size inventory of (a) water customers and (b) sewer customers.

- A fixed assets model listing of existing water, wastewater and reclaimed water infrastructure and original cost, grouped by type of facility and subtotaled by:
 - water supply
 - water treatment
 - pumping
 - elevated storage
 - ground storage
 - water transmission (not distribution)
 - wastewater treatment
 - lift stations
 - interceptors (not collection)
 - reclaimed water
- Capacity of existing water, wastewater and reclaimed water facilities aggregated by type of facility listed above.
- Outstanding water, wastewater and reclaimed water debt by type of facility listed above; and
- Placing of public notices and payment of advertising costs.

PART 4.0 PERIODS OF SERVICE:

ENGINEER is authorized to begin rendering services as of the date of Notice to Proceed (NTP).

The schedule below represents an efficient effort to accomplish the water, wastewater and reclaimed water impact fee update. The schedule of the impact fee update is dependent upon the date of notice to proceed, appointment of an Advisory Committee, provision of needed data by the CITY, and actions by the Advisory Committee, CITY staff, and CITY Council. ENGINEER has developed an anticipated schedule that may be subject to change. Our past experience indicates that it normally takes about four to five months to complete the process.

**ANTICIPATED SCHEDULE
WATER, WASTEWATER AND RECLAIMED WATER IMPACT FEE UPDATE**

Activities	March				April				May				June			
Notice to Proceed	X															
Task 1 - Update Land Use, Capacity, and CIP Data																
Task 2 - Impact Fee Calculation and Application							cmt. report									
Task 3 - Revise Ordinance																
Task 4 - Coordination																
Meet with City Staff			S1			S2										
Meet with Advisory Committee						A1		A2								
Public Hearing										H1					H2	
City Council Meeting								C1							C2	

S1 - Staff review CIP, unit cost information, and demand allocations to facilities.

S2 - Staff review draft impact fee calculations.

A1 - Review draft CIAC report and seek comments.

A2 - Consider any changes and seek adoption and filing of Committee report to Council.

H1 - After C1, provide public notice 30 days before hearing.

H2 - Public Hearing on amended data and fee.

C1 - Council adopts order for public hearing and provides for publication 30-day advance public notice..

C2 - Possible council action to adopt.

Unless otherwise stated in this Agreement, the rates of compensation for ENGINEER'S services have been agreed to in anticipation of the orderly and continuous progress of the project through completion. If any specified dates for the completion of ENGINEER'S services are exceeded through no fault of the ENGINEER, the time for performance of those services shall be automatically extended for a period which may be reasonably required for their completion and all rates, measures and amounts of ENGINEER'S compensation shall be equitably adjusted.

PART 5.0 ENGINEER'S FEE:

Compensation shall be a lump sum basis as follows:

TASK No.	FEE
Task 1: Gather/Develop Planning Data	\$7,700.00
Task 2: Derive Maximum Impact Fees	\$15,800.00
Task 3: Review/Revise Ordinance	\$2,600.00
Task 4: Engineering Support	\$7,500.00
Task 5: Reporting and Coordination	\$7,600.00
Total Professional Services	\$41,200.00

ENGINEER will submit monthly invoices listing the amount of work completed to date as a percentage of the Lump Sum fee.

This Task Order is executed this _____ day of _____, 2019. Execution of this Task Order shall serve as ENGINEER'S Notice to Proceed.

CITY OF BOERNE
"OWNER"

BY: _____

NAME: Ronald C. Bowman

TITLE: City Manager

ADDRESS: 402 E. Blanco Road
Boerne, TX 78006

HDR ENGINEERING, INC.
"ENGINEER"

BY: 

NAME: Shay Ralls Roalson, P.E.

TITLE: Vice President

ADDRESS: 4401 West Gate Blvd, Suite 400
Austin, TX 78745