

MEMORANDUM

To: Mayor and City Council Members
Steve Parker, City Manager

From: Melissa Reynolds, P.E., MPA, CFM, City Engineer

Through: Rick Cortes, Deputy City Manager

Subject: Professional Services Contract for Water and Wastewater Impact Fee Update

Date: March 15, 2022

The City's Water and Wastewater Impact fees are charged to new customers for connecting to the City's water and wastewater utilities. These fees are set with the adoption of the Water and Wastewater Impact Fee Study. This study uses land use assumptions and capital improvements plans to develop the maximum impact fee based on the service area for each utility. City Council adopts an effective rate that cannot exceed this maximum fee.

The Water and Wastewater Impact Fee Study was last updated in 2020. Since that time, there has been an increase in development that exceeds the predicted growth rate in the 2020 update as well as potential changes to the water service area. Staff is recommending that the Water and Wastewater Impact Fee Study be updated at this time to account for these changes.

Because of their ongoing involvement in the Water and Wastewater Master Plans updates, Freese and Nichols, Inc. has been selected to perform this study update. Staff recommends approval of the Professional Services Contract with Freese and Nichols, Inc. in the amount of \$68,870 and will be available to answer any questions at the March 15, 2022 City Council meeting.