

## **Frequently Asked Questions About Impact Fees**

### ***Is this a new fee?***

No. BWA has been collecting these fees since 1987. Senate Bill 336, passed by the Texas Legislature in 1987, authorized water districts to use impact fees as a source of funding. The Senate Bill specifies what expenditures are qualified to receive impact fee funding and sets forth a formula for calculating the maximum allowable rate.

### ***Why did the Board of Directors decide to collect impact fees?***

Before these fees were authorized, the costs associated with expanding BWA facilities were borne by all of the department's customers. Now, through the use of impact fees, the developers who create the additional demand are paying a larger share of the cost of meeting that demand. This has helped reduce rate increases that all customers must pay and helps ensure that those who place additional demand on the water and sewer system help pay the costs required.

### ***Do only BWA customers pay impact fees?***

No. Impact fees are charged to all new service within BWA's service area. This includes all residences and businesses located within Benbrook's city limits. Irrigation meters must pay the water impact fee, but the wastewater impact fee does not apply. There are no impact fee charges on fire lines.

Most communities also have adopted ordinances allowing them to impose impact fees on new development within their jurisdictions. Each city or authority sets its own rates, which may be different from those charged by BWA. Contact local officials for information on impact fees in areas outside BWA's service area.

### ***How are water and wastewater impact fees determined?***

Water and wastewater impact fee updates are conducted as required by Chapter 395 of the Texas Local Government Code. These updates include revising forecasts of how population and land use throughout the service area are expected to change. The revised Land Use Assumptions take into account the latest projections made by the North Central Texas Council of Governments. Next, Capital Improvements Plans are drafted that identify the improvements that will be needed to meet projected demand. Finally, the maximum impact fees are calculated by dividing the cost of capital improvements that will be required due to future growth by the number of service units, or meters, projected in the revised Land Use Assumptions.

The entire process is overseen by Capital Improvements Advisory Committee, comprised of 5 citizens who reside in the BWA service area. The committees' involvement is intended to ensure that the updates are conducted legally and fairly reflect existing and projected conditions.

State law requires that a public meeting be held before the BWA Board of Directors adopts any change in the impact fees. The board has the authority to adopt any fee rate that does not exceed the maximum allowable rate determined by the Impact Fee Update. The BWA Board of Directors adopted a rate lower than the maximum allowable rate.

***Do impact fees apply to existing development?***

Only if an additional demand is being placed on the public system. For example, if a large meter is installed in an existing home for a swimming pool or irrigation system, an impact fee is assessed based on the size of the new meter. If a business or individual chooses to switch service from a private water well or a septic tank to the BWA's water and/or sanitary sewer system, then the customer will be charged an impact fee.

***What is the difference between an impact fee and a tap fee?***

An impact fee is charged to new development to offset new or increased demands on existing water and wastewater systems. Impact fees are used to fund expansion on the water and wastewater systems. A tap fee is a service fee that is charged for connecting the public water or sewer main to the private plumbing.