

Kimley-Horn and Associates, Inc.
City of Killeen – 2025 Water/Water Impact Fee Update
Scope of Services

Task 1. Project Initiation/Management

- 1.1. Project Kick-Off Meeting. ENGINEER will meet with the City for a formal kick-off meeting for the Impact Fee project. During this meeting the scope and City contacts will be determined for each task.
- 1.2. Project Team Status Meetings and Coordination. ENGINEER will participate in monthly virtual meetings with City staff. These meetings will be held on specific days and times as agreed by the City. A maximum of two hours will be anticipated for each meeting. These are assumed to be conference calls. ENGINEER will prepare notes from each meeting and submit to the City's Project Manager for review and approval. A maximum of six (6) virtual team meetings will be held. It is anticipated that the work will be completed within nine (9) months.
- 1.3. Project Status Reports. ENGINEER will prepare and submit monthly status reports regarding the overall project schedule, critical tasks, and sub-consultant coordination in conjunction with each monthly invoice.

Task 2. Land Use Assumptions

ENGINEER will assist the City in developing the land use assumptions in conformance with Chapter 395 of the Local Government Code and shall include:

- 2.1. Data Collection. ENGINEER will deliver a letter to the Client describing data that should be provided to the ENGINEER. The Scope for data collection is as follows:
 - General Plan – The Client shall identify and provide the most recent comprehensive mast plan.
 - The Client shall identify and provide ENGINEER the Water/Wastewater Master Plan demographic projections.
 - Maps – The Client shall provide ENGINEER with GIS shapefiles, associated databases, and layer files in ESRI ArcGIS format. All data shall be projected in NAD 83 State Plane, Central Texas Zone Coordinates. Data should include:
 - 1) Current Zoning Map
 - 2) Future Land Use Plan
 - 3) City Limits, ETJ Limits
 - 4) Water and Wastewater Infrastructure
 - 5) Current Impact Fee Water and Wastewater Service Area Limits
 - 6) Most recent digital orthophotograph (DOQ) of the City
- 2.1.1 Service Area Boundaries. ENGINEER will work with City staff to review previous and update, if necessary, the service area boundaries for water and wastewater impact fees
- 2.2. Land Use Assumptions. ENGINEER will provide City staff with an overview of the information required as part of the Land Use Assumptions for Impact Fees. This task will require the City to develop the following for use in the Impact Fee calculations:
 - 2.2.1 Existing population by service area for the Year 2025;
 - 2.2.2 Build-Out population by service area;

- 2.2.3 Ten Year population by service area for the Year 2035;
- 2.2.4 All population information shall be reported by number of persons and number of dwelling units/living unit equivalent;
- 2.2.5 Map identifying where the growth is projected; and
- 2.2.6 Summary report to include with the Impact Fee Update showing a general overview of methodology and results.
- 2.2.7 Existing Land Use Assumptions. ENGINEER will prepare the existing land use information in a format suitable for the use in the impact fee update based on information provided by the City. The information will be presented in tabular form by service area as defined by the water and wastewater service area boundaries.
 - ENGINEER will use the latest available GIS future land use data provided by the City.
- 2.2.8 Build-Out Land Use Assumptions. ENGINEER will develop the build-out demographics within the service areas in tabular format. For each service area, population will be summarized.
- 2.2.9 Ten-Year Land Use Assumptions. Chapter 395 states that impact fees may only be used to pay for items included in the capital improvements plan and attributable to new service units projected over a period of time not to exceed ten (10) years. Based upon guidance from the Client, ENGINEER will develop the Ten-Year Land Use Assumptions for the 2025– 2035 planning window.
 - ENGINEER will conduct one (1) meeting with the City to receive the City’s projections for expected growth rates for land use. ENGINEER will review the City’s information and develop the demographic table using population by households to develop 10-year population projections.
- 2.3. Land Use Documentation. ENGINEER will provide both a draft and final Land Use Assumptions to be incorporated as a chapter into the Impact Fee Report. The chapter will include:
 - Water service area
 - Wastewater service area
 - Historical population data
 - Existing land use, population data
 - 10-year land use, population data
 - Exhibits
 - Draft versions of the Land Use Assumptions will be submitted in .pdf format.
- 2.4. Meetings. ENGINEER will prepare for and attend (1) one meeting with Client to discuss and review the proposed Land Use Assumptions in a conference call. It is anticipated that (1) one service area for water and (1) service area for wastewater will be used.
- 2.5. Deliverables.
 - Data collection request letter
 - Electronic (.pdf) copy of the Draft Land Use Assumptions
 - Upon final approval of the Impact Fee Update and new ordinance by the City Council, ENGINEER will provide five (5) originals of the Final Impact Fee Update Report, including the Land Use Assumptions component of the Report (see Task 6).
 - ENGINEER will provide the City with all GIS shapefiles, associated databases, and layer files used in the development of the Land Use Assumptions in ESRI

ArcGIS format. All data will be projected in NAD 83 State Plane, Central Texas Zone coordinates.

Task 3. Water Impact Fee Study

ENGINEER will prepare the water impact fee update in conformance with Chapter 395 of the Local Government Code and shall include:

3.1. Data Collection. ENGINEER will deliver a letter request to the City describing water data that should be provided to ENGINEER. The data collection is as follows:

- 3.1.1 Water Master Plan – ENGINEER will coordinate with the City to obtain the latest water system master plan adopted by the City.
- 3.1.2 Water usage history - Annual water usage records for the past ten (10) years for development of the service unit projection.
- 3.1.3 Water Meter Data – List of the current water meter account by meter size.

3.2. Infrastructure Capacity Criteria. ENGINEER will coordinate with the City to obtain the criterion for determining the ten (10) year capacity of the following infrastructure:

- 3.2.1 Future Transmission Lines (12-inch and larger)
- 3.2.2 Existing and Future Elevated Storage Tanks
- 3.2.3 Existing and Future Ground Storage Tanks
- 3.2.4 Existing and Future Pump Stations
- 3.2.5 Existing and Future Supply Facilities

A criterion will not be developed for existing City transmission lines. If the City does not have criteria for elevated storage tanks, ground storage tanks and pump stations sizing the ENGINEER will utilize the Texas Commission on Environmental Quality (TCEQ) criteria.

3.3. Water Impact Fee Capital Improvements Plan. ENGINEER will coordinate with the City to develop the Water Impact Fee Capital Improvements Plan. It will include the following infrastructure:

- 3.3.1 Future Transmission Lines (12-inch and larger)
- 3.3.2 Existing and Future Elevated Storage Tanks
- 3.3.3 Existing and Future Ground Storage Tanks
- 3.3.4 Existing and Future Pump Stations
- 3.3.5 Existing and Future Supply Facilities

Impact Fee CIP will not include existing City transmission lines.

3.4. Maximum Assessable Water Impact Fee Calculation. ENGINEER will calculate the additional service units based on the Land Use Assumptions. ENGINEER will then calculate the Impact Fee per service unit, unit equivalents by meter size and the Maximum Assessable Water Impact Fee table by meter size. ENGINEER will incorporate the financial analysis performed in Task 6 to determine the credit calculation. If Task 6 is not performed, ENGINEER will use 50% as the credit calculation as required by state law.

3.5. Water Impact Fee Update Report. ENGINEER will provide both a draft and final Water Impact Fee Report. The report will include:

- 3.5.1 Water service area

- 3.5.2 Narrative of the impact fee update methodology
- 3.5.3 Impact fee calculations
- 3.5.4 Water Impact Fee CIP
- 3.5.5 Exhibits
- 3.5.6 Draft versions of the Water Impact Fee Report will be submitted in .pdf format.

3.6. Deliverables

- 3.6.1 Data collection request letter.
- 3.6.2 Electronic (.pdf) copy of the Draft Water Impact Fee Report.
- 3.6.3 Text of the Draft Water Impact Fee Report will be provided in .doc format for commenting purposes.
- 3.6.4 Upon final approval of the Impact Fee Update and new ordinance by the City Council, ENGINEER will provide up to five (5) originals of the Final Impact Fee Update Report, including the Water Impact Fee component of the Report (see Task 5.2).

Task 4 – Wastewater Impact Fee Update

ENGINEER will prepare the wastewater impact fee update in conformance with Chapter 395 of the Local Government Code and shall include:

4.1. Data Collection. ENGINEER will collect the following data:

- 4.1.1 Wastewater Master Plan – ENGINEER will coordinate with the City to obtain the latest wastewater system master plan adopted by the City.
- 4.1.2 Wastewater Discharge History - Annual wastewater discharge records for the past ten (10) years for verification of current demand by service unit and development of the service unit projection.
- 4.1.3 Wastewater service counts from billing.

4.2. Infrastructure Capacity Criteria. ENGINEER will coordinate with the City to obtain the criterion for determining the ten (10) year capacity of the following infrastructure:

- 4.2.1 Future Trunk Lines (12-inch and larger)
- 4.2.2 Existing and Future Lift Stations
- 4.2.3 Existing and Future Force Mains

If the City does not have criteria for lift station and force main sizing the ENGINEER will utilize the Texas Commission on Environmental Quality (TCEQ) criteria.

4.3. Wastewater Impact Fee Capital Improvements Plan. ENGINEER will coordinate with the City to develop the Wastewater Impact Fee Capital Improvements Plan. It will include the following infrastructure:

- 4.3.1 Future Trunk Lines (12-inch and larger)
- 4.3.2 Existing and Future Lift Stations
- 4.3.3 Existing and Future Force Mains

4.4. Maximum Assessable Wastewater Impact Fee Calculation. ENGINEER will calculate the additional service units based on the Land Use Assumptions. ENGINEER will then calculate the Impact Fee per service unit, unit equivalents by meter size and the Maximum Assessable Wastewater Impact Fee table

by meter size. ENGINEER will incorporate the financial analysis performed in Task 6 to determine the credit calculation. If Task 7 is not performed, ENGINEER will use 50% as the credit calculation as required by state law.

- 4.5. Wastewater Report. ENGINEER will provide both a draft and final Wastewater Impact Fee Report. The report will include:

- 4.5.1 Wastewater service area
- 4.5.2 Narrative of the impact fee update methodology
- 4.5.3 Impact fee calculations
- 4.5.4 Wastewater Impact Fee CIP
- 4.5.5 Exhibits
- 4.5.6 Draft versions of the Wastewater Impact Fee Report will be submitted in .pdf format.

- 4.6. Deliverables.

- 4.6.1 Data collection request letter
- 4.6.2 Electronic (.pdf) copy of the Draft Wastewater Impact Fee Report
- 4.6.3 Text of the Draft Wastewater Impact Fee Report will be provided in .doc format for commenting purposes.
- 4.6.4 Upon final approval of the Impact Fee Update and new ordinance by the City Council, ENGINEER will provide up to five (5) originals of the Final Impact Fee Update Report, including the Wastewater Impact Fee component of the Report (see Task 5.2).

Task 5 – Impact Fee Documentation/Adoption Process/Administration Tools

- 5.1. Water and Wastewater Documentation. ENGINEER will provide both a draft and final Water and Wastewater Impact Fee Report. The report will include:

5.1.1 **Executive Summary**

- Introduction
- Impact Fee Methodology
- Water and Wastewater Maximum Fee Calculation Results

5.1.2 **Land Use Assumptions**

- Water service area
- Wastewater service area

5.1.3 **Water**

- Impact Fee Capital Improvement Plan 10-year capacity criterion
- Impact Fee Capital Improvement Plan with project narratives and opinions of probable construction cost
- Impact Fee CIP Exhibits
- Impact fee calculations

5.1.4 **Wastewater**

- Impact Fee Capital Improvement Plan 10-year capacity criterion
- Impact Fee Capital Improvement Plan with project narratives and opinions of probable construction cost
- Impact Fee CIP Exhibit
- Impact fee calculations

- 5.2. Deliverables

- 5.2.1 Electronic (.pdf) copy of the Draft Water and Wastewater Impact Fee Report; and
- 5.2.2 Four (4) 8.5" x 11" hard copies of the Draft Water and Wastewater Impact Fee Report
- 5.2.3 Upon final approval of the Water and Wastewater Impact Fee Analysis and new ordinance by the City Council, ENGINEER will provide four (4) 8" x 11" originals and one (1) electronic (.pdf) copy of the Final Water and Wastewater Impact Fee Report.

5.3. Public Hearings and Approval. It is anticipated that a representative from ENGINEER will prepare for and attend up to four (4) meetings during the public hearing and approval process. These anticipated meetings are as follows:

- As required by Chapter 395 of the Local Government Code, prepare for and attend up to two (2) CIAC public hearing to present the Land Use Assumptions, CIP, and Maximum Assessable Water, and Wastewater Impact Fees.
- As required by Chapter 395 of the Local Government Code, prepare for and attend two (2) City Council public hearing to present the Land Use Assumptions, CIP, and Maximum Assessable Water and Wastewater Impact Fees; and adopt the associated ordinance.

Task 6 – Financial Analysis and Impact Fee Credit Determination (Special Service)

A financial subconsultant will calculate maximum assessable impact fees for the designated ten-year period for each service function (i.e. water and wastewater), as well as determine the water and wastewater impact fee credits in conformance with Chapter 395 of the Local Government Code. This task shall include:

- 1.1. Select Appropriate Credit Option. In 2001, Chapter 395 was amended to include a plan for awarding either a credit for the portion of ad valorem tax and/or utility service revenues generated by new service units during the program period that are used for payment of improvements that are included in the impact fee capital improvements plan, or a credit equal to 50% of the total cost of the impact fee capital improvements plan. Using the impact fee eligible capital improvement costs and projected service units provided by ENGINEER, the financial subconsultant will calculate the maximum assessable, full-cost recovery impact fees, including applicable financing costs, for the designated period. The financial subconsultant will then meet with City Staff to determine the credit option (either the credit determination or 50% of costs) that most appropriately satisfies the balance between the City's funding requirements and the City's desired economic growth.
- 1.2. Credit Determination. Assuming the City elects to pursue the credit option involving ad valorem tax and/or utility service revenue, the financial subconsultant will determine the appropriate credit, if any, and apply this credit to the impact fee determination in accordance with Chapter 395 requirements. A critical component of this calculation is the examination of funding practices involving existing projects that are impact fee eligible under the newly calculated impact fees. Since Chapter 395 requires a credit for ad valorem taxes and/or utility service revenues from new service units used to fund impact fee eligible projects, a decision must be made as to whether to maintain or modify the existing funding practice for existing projects. The ultimate decision of either maintaining or modifying existing funding practices is generally based on funding needs or the administrative requirements of complying with Chapter 395.
- 1.3. Impact Fee Determination. After the credit determination is made, the credit will be incorporated into the impact fee calculation. The impact fee calculation performed by the financial subconsultant uses a financial model, which fully recognizes the requirements of Chapter 395,

including the recognition of cash and/or debt financing, interest earnings, fund balances, ad valorem taxes, and utility rate revenues.

- 1.4. Meetings and Presentations. After the impact fees have been calculated, the financial subconsultant will meet with City Staff to review the impact fee determination and address any outstanding issues and/or concerns. Staff's comments and recommendations will be incorporated where appropriate. ENGINEER will incorporate the financial analysis and impact fee credit determination into the final impact fee documentation. This includes coordination with City Auditor and includes one in person meeting at City Council.

Additional Services

Services not specifically identified in the Scope of Services above shall be considered additional and shall be performed on an individual basis upon authorization by the City. Compensation for additional services will be agreed to prior to their performance. Such services shall include, but are not limited to, the following:

- Additional assistance in developing the land use assumptions outside of that described in this agreement.
- Preparation for and attendance at additional public meetings not specifically identified in the Scope of Services.
- Furnish additional copies of review documents and/or bid documents in excess of the number of the same identified in the Scope of Services.
- Coordinating or including impact fee project costs associated with projects from wholesale water and wholesale wastewater treatment provider.
- Reanalysis or recalculation to reflect project scope changes or policy changes requested by the City, addressing changes in direction previously approved by the City, or mandated by changing governmental laws.

- End of Scope of Services -

**IMPACT FEE STUDY
FEE PROPOSAL
CITY OF Killeen**

Kimley-Horn will perform the scope of services for the total fixed fee below. Fees will be invoiced monthly based upon the overall percentage of services performed.

Task	Task Name	Subtotal
1	Project Initiation/ Management	\$11,380
2	Land Use Assumptions	\$14,325
3	Water Impact Fee Study	\$28,570
4	Wastewater Impact Fee Study	\$28,570
5	Impact Fee Documentation/Adoption Process	\$23,835
6	Financial Analysis and Impact Fee Credit	\$29,400
Subtotals		\$136,080