



**CITY OF KILLEEN
CAPITAL IMPROVEMENTS
ADVISORY COMMITTEE
(CIAC)**

*Semi-Annual Report
October 2024*

TABLE OF CONTENTS

SECTION I. COMMITTEE MEMBERS AND CITY PERSONNEL	1
1.1 Capital Improvements Advisory Committee	2
1.2 City of Killeen Staff Facilitators	2
SECTION II. EXECUTIVE SUMMARY	3
SECTION III. WATER IMPACT FEES	4
3.1 Capital Improvements Plan	4
3.2 Project Status	4
3.3 Revenue	6
SECTION IV. WASTEWATER IMPACT FEES	6
4.1 Capital Improvements Plan	6
4.2 Project Status	6
4.3 Revenue	7
SECTION V. ASSESSMENT OF IMPACT FEES	9
SECTION VI. POTENTIAL CIP-FUNDED PROJECTS	9
SECTION VII. CIAC MEETING MINUTES	9
SECTION VII. FINDINGS	9
SECTION VIII COMMITTEE RESPONSES	10

SECTION I. COMMITTEE MEMBERS AND CITY PERSONNEL

1.1 Capital Improvements Advisory Committee

Chair, Johnny Frederick, Community Representative
Vice Chair, Josh Welch, Vice-Chair, Real Estate Development
Camille France-Howard, Real Estate Development
Chet Southworth, Real Estate Development
Dillon Whitis, Real Estate Development
Patsy Bracy, Community Representative
Sandra Wooten, Community Representative
Levi Bannigan, Community Representative
Angela Ann Santos, ETJ Resident

1.2 City of Killeen Staff Facilitators

Edwin Revell, Executive Director of Development Services
Jeff Reynolds, Executive Director of Public Works
Andrew Zagars, P.E., City Engineer
Steve Kana, P.E., Assistant City Engineer
Andy Wallander, Assistant City Attorney
Laura Dyer, Engineering Secretary

SECTION II. EXECUTIVE SUMMARY

Chapter 395 of the Texas Local Government Code requires that the Capital Improvements Advisory Committee (CIAC) file semiannual reports with the political subdivision. The purpose of the semiannual report is to document the progress of the Capital Improvements Plan (CIP) and any perceived inequities in implementing the CIP or imposing the impact fee.

On April 13, 2021, the City of Killeen City Council adopted Ordinance 21-015, which implemented water and wastewater impact fees in the City of Killeen effective April 14, 2021. Also, as required by Chapter 395 of the Texas Local Government Code, the ordinance provided for a one-year grace period for any development that received a final plat before the effective date of impact fees and was issued a building permit within that one-year time frame.

The CIAC held its last meeting on October 23, 2024, to review the implementation of the Impact Fee program and adopt this Semi-Annual Report. This Semi-Annual Report includes:

- A summary of the water and wastewater capital improvements plan, project status, and impact fees collected and available for capital improvements projects to date.
- Any potential projects identified on the CIP that are currently scheduled to be funded by impact fee revenues,

This report covers the period from October 2023 through March 2024 and fulfills the CIAC's statutory obligations.

SECTION III. WATER IMPACT FEES

3.1 Capital Improvements Plan

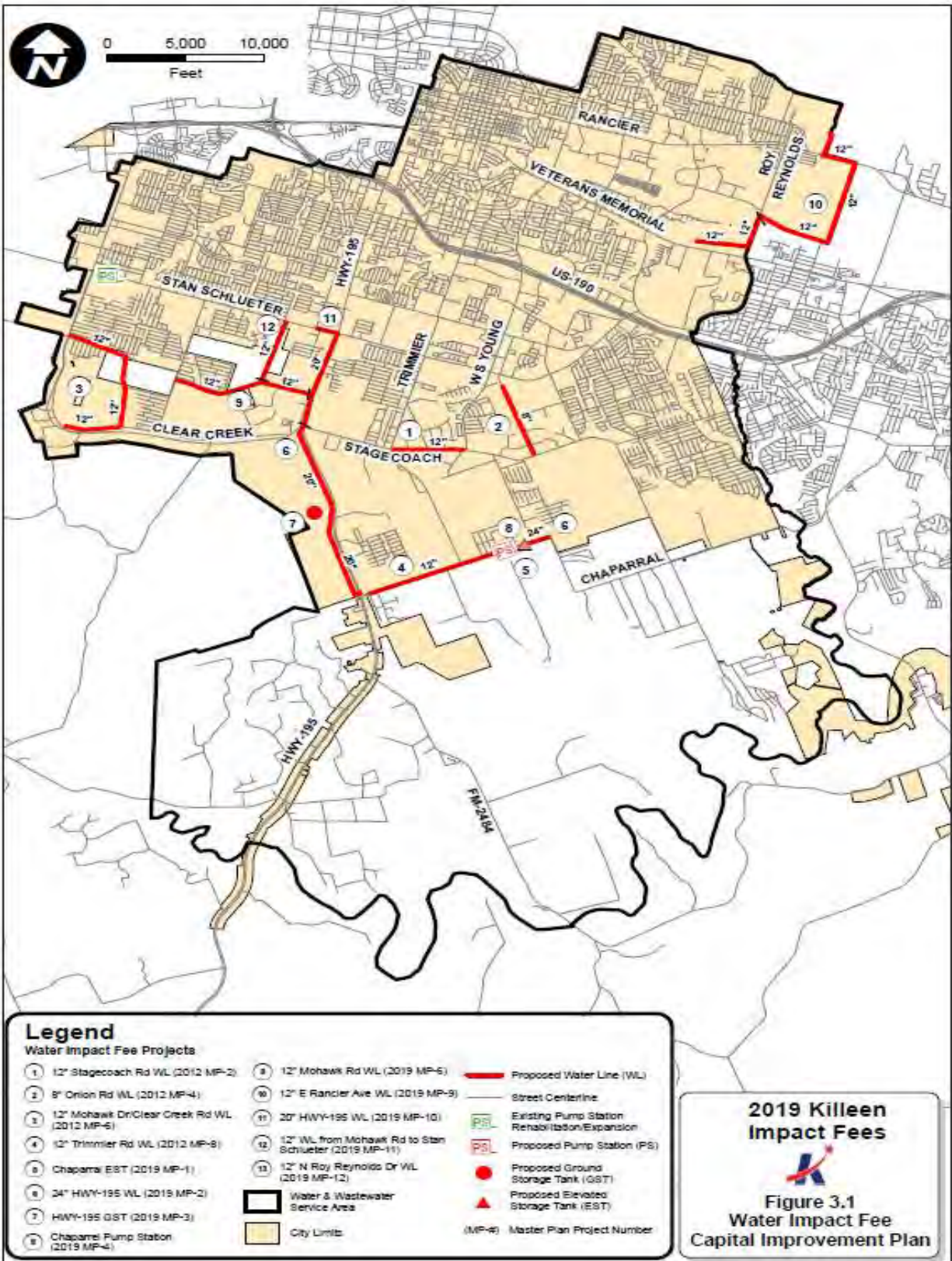
The City’s Water and Wastewater Master Plan provides a logical strategy for upgrading and expanding its water distribution system to accommodate future growth and for addressing existing system deficiencies. The Water Capital Improvements Plan has been developed using projects identified during the master planning process. State law only allows cost recovery associated with eligible projects in a 10-year planning window from the time of the impact fee study. **Figure 3.1** lists the thirteen water impact fee projects and shows their locations on a city map.

3.2 Project Status

Thirteen projects, along with the water impact fee study, are determined eligible for recoverable costs through impact fees over the 10-year planning window. The City’s Water Impact Fee Capital Improvements Plan recoverable costs total \$19,486,810. After debt service costs are added and the 50% reduction calculation is complete, \$11,984,388 is recoverable through impact fees serving the 10-year system needs. These impact fee capital improvements and the status of the thirteen projects are shown in **Table 3.1**.

Table 3.1 Water Impact Fee Capital Improvements Plan Costs and Status				
Project No.	Project Name	Total Cost	Fee Eligible Cost	Status
1	12" Stagecoach Rd. WL	\$ 752,640	\$ 421,479	Completed
2	8" Onion Rd. WL	\$ 687,263	\$ 529,193	Completed
3	12" Mohawk/Clear Creek WL	\$ 253,009	\$ 253,009	Completed
4	12" Trimmier Rd. WL	\$ 689,615	\$ 517,212	Completed
5	Chaparral EST -1W in 2019 Map	\$ 5,704,500	\$ 5,704,500	Completed
6	24" Hwy 195 WL- 2W	\$ 8,545,000	\$ 3,161,650	Design 65% Completed
7	Hwy 195 GST – 3W	\$ 2,415,000	\$ 2,415,000	Design 60% Completed
8	Chaparral Pump Station – 4W	\$ 5,244,000	\$ 2,307,360	Construction 10% Completed
9	12" Mohawk Rd. WL– 6W	\$ 1,808,400	\$ 669,108	Eastern end part of COA
10	12" E. Rancier WL– 9W	\$ 2,484,000	\$ 1,341,360	Design 65% completed
11	20" Hwy 195 WL– 10W	\$ 2,905,400	\$ 1,074,998	No activity
12	12" Mohawk Rd. to Stan Schlueter – 11W	\$ 973,900	\$ 360,343	No activity
13	12" N. Roy Reynolds Water Line - 12	\$ 1,311,600	\$ 708,264	No activity
	Water Impact Fee Study	\$ 23,334	\$ 23,334	No activity
	TOTAL	\$ 33,797,661	\$ 19,486,810	Completed

Figure 3.1



3.3 Revenue

The city has collected a total of \$397,227 in water impact fees. **Table 3.2** illustrates the total water impact fee collections from October 2023 through March 2024.

Table 3.2 Water Impact Fee Revenue			
Month	Collection	Interest	Total
Oct-23	\$ 61,533	\$ 2,512	\$ 64,045
Nov-23	\$ 34,830	\$ 3,040	\$ 37,870
Dec-23	\$ 40,635	\$ 4,595	\$ 45,230
Jan-24	\$ 53,803	\$ 7,179	\$ 60,982
Feb-24	\$ 65,016	\$ 3,684	\$ 68,700
Mar-24	\$ 116,868	\$ 3,532	\$ 120,400
TOTAL	\$ 372,685	\$ 24,542	\$ 397,227

The total water impact fees collected from April 2021 through March 2024 are \$1,734,334. The total expenses through March 2023 are \$294,000. Therefore, the water impact fee fund balance through March 2024 is \$1,440,334.

SECTION IV. WASTEWATER IMPACT FEES

4.1 Capital Improvements Plan

The City’s Water and Wastewater Master Plan provides a logical strategy for upgrading and expanding its wastewater collection system to accommodate future growth and for addressing existing system deficiencies. The Wastewater Capital Improvements Plan has been developed using projects identified during the master planning process. State law only allows cost recovery associated with eligible projects in a 10-year planning window from the time of the impact fee study. **Figure 4.1** lists the twelve wastewater impact fee projects and shows their locations on a city map.

4.2 Project Status

Twelve projects and the wastewater impact fee study are determined eligible for recoverable costs through impact fees over the 10-year planning window. The City’s Wastewater Impact Fee Capital Improvements Plan recoverable costs total \$7,001,703. After debt service costs are added and the 50% reduction calculation is complete, \$4,306,049 is recoverable through impact fees serving the 10-year system needs. These impact fee capital improvements and the status of the twelve projects are shown in **Table 4.1**.

Table 4.1 Water Impact Fee Capital Improvements Plan Costs and Status				
Project No.	Project Name	Total Cost	Fee Eligible Cost	Status
1	LS #23 Expansion-1S in 2012 MP	\$ 1,118,804	\$ 783,163	Completed
2	LS #22 Expansion-1S in 2019 MP	\$ 350,000	\$ 178,500	No Activity
3	LS #8 Expansion-2S	\$ 1,596,680	\$ 846,241	No Activity
4	15" WW Main Replace in Long Branch-3S	\$ 1,668,500	\$ 317,015	No Activity
5	12"/15" WW Main Replace by LS #24-4S	\$ 1,959,200	\$ 470,208	No Activity
6	12" WW Main in Trimmier Crk. Basin-5S	\$ 1,620,700	\$ 891,385	Completed
7	12" WW Main near Money Pit Rd-6S	\$ 850,100	\$ 467,555	Completed
8	LS #6 Expansion-11S	\$ 1,500,000	\$ 450,000	Design 90% completed
9	12" WW Main in Long Branch Basin-12S	\$ 1,640,600	\$ 902,330	No Activity
10	18"/21" WW Main Replace in Trim. Crk.-13S	\$ 1,546,100	\$ 262,837	No Activity
11	LS #20 Expansion-14S	\$ 350,000	\$ 273,000	No Activity
12	12" WW Main along Trimmier Road-7S	\$ 2,065,700	\$ 1,136,135	Construction 50% completed
	Wastewater Impact Fee Study	\$ 23,334	\$ 23,334	Completed
	TOTAL	\$ 16,289,718	\$ 7,001,703	

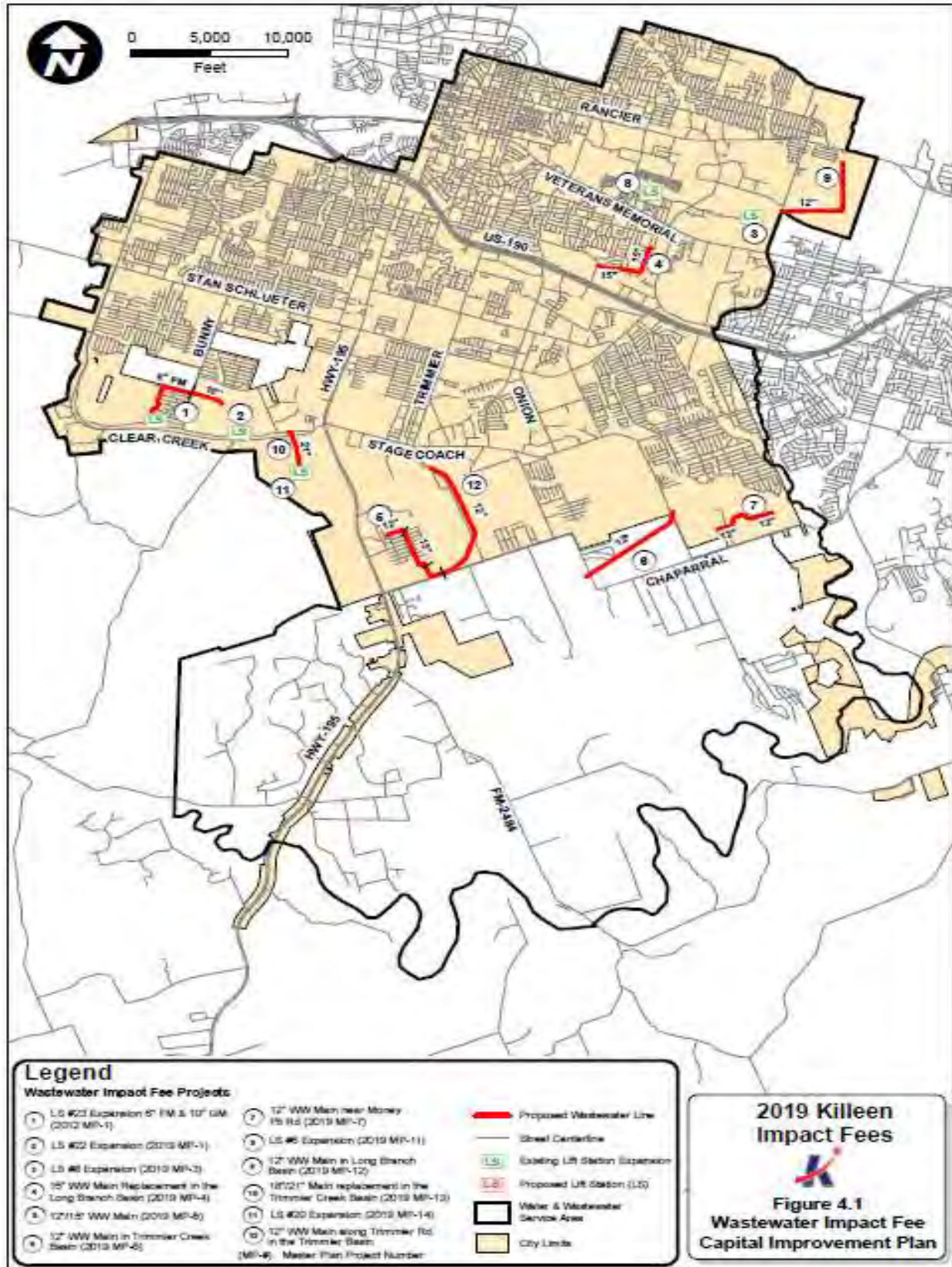
4.3 Revenue

The city has collected a total of \$130,419 in wastewater impact fees. **Table 4.2** illustrates the total water impact fee collections from October 2023 through March 2024.

Table 4.2 Wastewater Impact Fee Revenue			
Month	Collection	Interest	Total
Oct-23	\$ 22,154	\$ -	\$ 22,154
Nov-23	\$ 12,540	\$ -	\$ 12,540
Dec-23	\$ 14,630	\$ -	\$ 14,630
Jan-24	\$ 16,447	\$ -	\$ 16,447
Feb-24	\$ 23,408	\$ -	\$ 23,408
Mar-24	\$ 41,240	\$ -	\$ 41,240
TOTAL	\$ 130,419	\$ -	\$ 130,419

The total wastewater impact fees collected from April 2021 through March 2024 are \$585,978. The total expenses through March 2023 are \$1,003,971. Therefore, the wastewater impact fee fund balance through March 2024 is (\$417,993).

Figure 4.1



SECTION V. ASSESSMENT OF IMPACT FEES

<i>Meter Size</i>	<i>Service Unit Equivalent to ¾"</i>	<i>Water Impact Fee</i>	<i>Wastewater Impact Fee</i>
<i>¾"</i>	<i>1.0</i>	<i>\$1,161</i>	<i>\$418</i>
<i>1"</i>	<i>1.67</i>	<i>\$1,939</i>	<i>\$699</i>
<i>1 ½"</i>	<i>3.33</i>	<i>\$3,867</i>	<i>\$1392</i>
<i>2"</i>	<i>5.33</i>	<i>\$6,189</i>	<i>\$2,228</i>
<i>3"</i>	<i>11.67</i>	<i>\$13,549</i>	<i>\$4,879</i>
<i>4"</i>	<i>20.00</i>	<i>\$23,220</i>	<i>\$8,360</i>
<i>6"</i>	<i>45.00</i>	<i>\$52,245</i>	<i>\$18,810</i>
<i>8"</i>	<i>60.00</i>	<i>\$69,660</i>	<i>\$25,080</i>

SECTION VI. POTENTIAL CIP-FUNDED PROJECTS

The only CIP project funded through impact fees so far is the 12" WW Main in Trimmier Creek Basin Project. This project is substantially complete, with final completion scheduled for early July 2024. As discussed in Section 4.3, Wastewater Impact Fee expenses through March 2024 are \$417,993, greater than received revenues. The Wastewater Impact Fee fund will take approximately 19 months to return to a positive amount. Presently, no Water Impact Fee funds are being used for a specific Water Impact Fee project. The Water Impact Fee funds could be used to offset construction funding for the 24" Hwy. 195 Water Line Project or the Hwy. 195 Ground Storage Tank Project. Both projects have projected start dates in the summer of 2025.

SECTION VII. FINDINGS

At this time, the CIAC files the following findings with the City of Killeen:

- The water and wastewater CIP adopted in the Impact Fee Study per Ordinance 21-015 is an appropriate representation of the upgrades and expansions needed to the City's system facilities to accommodate predicted future growth and address existing system deficiencies.
- The water and wastewater impact fees are being assessed and collected in accordance with applicable state law.
- There are no perceived inequities in the City of Killeen's impact fee program.

SECTION VIII. COMMITTEE RESPONSES

Committee Member D. Whitis:

My suggestions are in alignment with the comprehensive plan as well. If the city decides to fund a CIP in the north side of Killeen then they can by prioritizing impact fees that are collected to be allocated there. Alternatively, if a developer wants to fund a CIP in the south side of Killeen (through a city-owner agreement or abatement of impact fees) then they have the option to do so. This allows for organic development that pays for itself and does not cause money that was invested in the CIP to sit and wait for a return.

I have concerns about the way that the impact fees are being assessed and applied, and with the lack of input from the Capital Improvements Advisory Committee as to what the city should look for when determining new CIP's. As an advisory committee made up of citizens and industry professionals, I believe we collectively have a good idea of where the city is going and what it needs to facilitate good, long-term growth. The CIAC should be viewed as a tool to use to make appropriate long-term decisions. I do understand that a new water/wastewater master plan is underway, however I believe that it's the job of city staff, the CIAC, and council to determine scope of these plans and to work together to create a well thought out Capital Improvements Plan. Additionally, I feel that the impact fees are not equally applied. There are some CIPs that have a significantly higher investment per household served that is not equally distributed with the way impact fees are currently used.

My goals for the assessment and application of impact fees is:

- Assess impact fees based on areas that the proposed CIPs *actually* serve.
 - This will require a bit more work to determine both water and sewer "impact fee zones." Each will need an impact fee applied based on the proposed CIP's cost and the number of households it serves.
 - Sewer should be relatively easy to apply. Water may be a wider range – that's something we should discuss.
- Encourage the use of impact fees in city-owner agreements.
 - Currently there are some CIPs that, when built out, can sit for a long time and not have impact fees coming in. I believe we should encourage CIPs to be built that serve an immediate purpose and can quickly start collecting impact fees through developers with city-owner agreements.
- Prioritize use of impact fees where growth will be happening in 20-30+ years.
 - We can identify very long-term projects with the water/wastewater master plans and build a CIP that incrementally works to achieve those long-term goals. We can encourage that by applying impact fees to those incremental projects.

Committee Member L. Bannigan:

This is a good goal.

Committee Chair J. Frederick:

My comment is why we do not show any interest revenue from wastewater impact fees. Are funds expended when the project is completed or though the term of the project.

Committee Member C. Southworth:

I believe I made clear my concerns at the meeting. Not all of the new infrastructure needs are at the south end of the city, but that is where it appears the money is going. New construction is ongoing in the north and central portions of the city as well, and I believe the projects there should receive some of the funding. It did not appear as if this is being done.

It is at least encouraging that the developers are beginning to pay a portion of the funds needed to support their construction and development of undeveloped land.

I remain concerned though, that as the amount they are providing is insufficient to fund the infrastructure they require, existing water and sewer users are being required to supplement the additional infrastructure required for the city expansion.

All too many of the existing users, our fellow citizens, are on tight budgets or fixed incomes, and may not be able to afford the additional increases in water and sewer bills required to keep up with the skyrocketing costs of the construction required. I was also glad to hear that the amounts to be paid by the developers was under review again, but I anticipate as much, or more, push back from them than we had last time.

END OF COMMENTS



JOHNNY FREDRICK
CIAC COMMITTEE CHAIR

10.19.24

DATE