

What are Impact Fees?

Impact Fees are a funding mechanism that allows entities to recover the costs associated with new facilities or facility expansions to serve future development. These fees are utilized to assist in reducing the cost of needed infrastructure paid by existing customers through water and wastewater rates.

For example, if Developer A is developing a new subdivision or Company B is building new commercial space in town, existing water lines may need to be upsized to meet the needs of existing and new connections. Developer A and Company B pay a one-time Impact Fee per connection that covers their fair share of maintaining services and facilities for all JCSUD customers. These funds are used to upgrade and construct the infrastructure to provide that service.

This procedure is established by the Texas Local Government Code Chapter 395 and sets forth the mandated requirements that the Impact Fees be based on a specific list of improvements and that they are re-evaluated every 5 years. These fees are based upon the value of the improvements divided by the growth attributed to new development.

Why Does JCSUD Need to Collect Impact Fees?

Through the use of Impact Fees, the developers who create the additional demand are paying a portion of the cost of meeting that demand. This helps reduce rate increases that all customers must pay and ensures that those who place additional demand on the water and wastewater systems help pay the costs required.

Who Will be Required to Pay Impact Fees?

Impact Fees are required by any person requesting new water and/or sewer service for more than two meters or having to follow the non-standard process after January 1, 2024. This could be an individual or a development company. In a development, developers and home builders will have their own agreement in place on which party pays the Impact Fees to cover their impact on the system.

Impact Fees will not apply to persons moving to a property where a meter exists today, as long as the meter is of equal size. If a meter is upsized, the person will pay for the upsized cost.

What are the Impact Fee Amounts?

The Board has the authority to adopt any fee rate that does not exceed the maximum allowable rate determined by the Impact Fee Study. Following a Public Hearing in August 2025, the Board adopted the following Impact Fees for a standard 5/8" x 3/4" meter:

Maximum Assessable Fee

\$13,462

Adopted Impact Fee

\$10,750

Wastewater Impact Fee

Service Area 1 \$7,500

Service Area 2 \$6,000

Service Area 3 \$7,500

Service Area 4 \$2,400

For any meter larger than 5/8" x 3/4", please coordinate with the District.

How are Impact Fees Determined?

The development of water and wastewater Impact Fees is conducted as required by Chapter 395 of the Texas Local Government Code. This includes analyzing forecasts of how population and land use throughout the water and wastewater service areas are expected to change. The Land Use Assumptions take into account historical growth trends within the District, growth potential for undeveloped areas within the service area, and ten-year growth projections by pressure plane. Next, Capital Improvements Plans (CIP) for five, ten, fifteen, and twenty-five years 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 for future growth by the number of service units, or meters, projected in the Land Use Assumptions.

Capital Improvement Advisory Committee

The Impact Fee process is overseen by the Capital Improvements Advisory Committee (CIAC). The committees' involvement is intended to ensure that the Impact Fees are conducted legally and reflect existing and projected conditions. The CIAC is made up of three JCSUD Board Members and three developer representatives. The CIAC's role is to:

- Advise and assist JCSUD in adopting Land Use Assumptions.
- Review the Water and Wastewater CIP and file written comments with the Board.
- Monitor and evaluate the implementation of the District's CIP.
- Advise the Board of the need to update or revise the Land Use Assumptions, CIP, and Impact Fees.

What Projects Will be Funded by Impact Fees?

The Impact Fee CIP list provides the District with a logical strategy for upgrading and expanding its water distribution system to accommodate future growth and for addressing improvements. These projects are also necessary to continue providing affordable, reliable, and safe water to JCSUD customers.

Major Projects Include:

- Transmission Line from City of Arlington Take Point
- Pressure Plane 13 – 2 MG EST
- Plant 11B Pump Station
- Pressure Plane 24 1 MG EST
- Plant 27B 9,000 GPM Pump Station
- Pressure Plane 8- WP 21 New Pump Station Ph 2
- Pressure Plane 3 - 2 MGD Composite Elevated Tank
- Pressure Plane 8 – 3 MG Composite Elevated Tank
- Over 25 12" and 16" Water Line Projects

Impact Fee Process

The process for assessing and collecting Impact Fees begins when the non-standard application is received and a first hydraulic analysis is completed. After the developer submits plans to JCSUD, a second hydraulic analysis is performed. The assessment, or final calculation, of Impact Fees will be dependent on Plan Approval from JCSUD. At that time, the development is held in the hydraulic model.

The Impact Fees will be collected from the developer at the time of substantial construction completion. After the acceptance of final construction completion, the meter application, as well as a deposit and required Connection Fees, will be submitted to JCSUD by the developer to have the meter installed.

For more information and resources about Impact Fees, please contact the JCSUD office or visit www.jcsud.com/277/Impact-Fees



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