



3100 Alvin Devane Boulevard, Suite 150  
Austin, Texas 78741  
Tel: 512.441.9493  
www.quiddity.com

October 12, 2023

Mr. Rick A. Schroder  
Chief Administrative Office  
City of Johnson City  
303 E. Pecan Drive  
Johnson City, Texas 78636

Re: Proposal for Impact Fee Study Update

Mr. Schroder:

Quiddity Engineering (Quiddity) appreciates the opportunity to present this proposal for civil engineering services in connection with the City of Johnson City's (the City) Impact Fee Study Update.

#### **Project Understanding**

The City and Quiddity updated the City's Capital Improvements Plan, Future Land Use Plan, and Impact Fee Study in 2022. The Impact Fees were calculated, approved and implemented based on proposed meter size. It is Quiddity's understanding the City desires to update its Impact Fees to be based on Living Unit Equivalent (LUE) instead of meter size. It is also Quiddity's understanding that updates to the Future Land Use Plan and Capital Improvements Plan established and approved in 2022 are not needed at this time.

#### **Scope of Services**

##### Impact Fee Study

1. Calculate the total number of projected service units necessitated by and attributable to new development within the service area based on the approved Land Use Assumptions.
2. Establish the City's water demands and wastewater flows per LUE and update the projected water demands and wastewater flows attributable to new development for the next 5 years (2024-2029).
3. Evaluate timing of the 2022 Capital Improvements Plan projects, and adjust timing as necessary for new development.
4. Utilizing the 2022 Capital Improvements Plan and cost estimates, determine capital project construction costs necessitated by and attributable to new development within the service area. The cost estimates included in the 2022 Capital Improvements Plan update did not account for inflation or escalation (excluding the wastewater treatment plant expansion project).
5. Develop and recommend awarding a credit for revenues generated by new service units that is used for the payment of improvements included in the Capital Improvements Plan. It is assumed the City will continue utilizing a plan for credit equal to 50 percent (50%) of the total project cost of implementing the Capital Improvements Plan.
6. Summarize findings and recommendations in a written report. The report will include recommendations for collecting impact fees based on LUEs rather than by meter size.
7. Submit draft report to the City for review, and address comments.



Mr. Rick Schroder  
Page 2  
October 12, 2023

8. Prepare presentation and present the Impact Fee updates to the Capital Improvements Advisory Committee, and address comments.
9. Present the Impact Fee updates to City Council and hold Public Hearing.
10. Issue final signed and sealed Impact Fee Update report.

#### Water and Wastewater Capacity Update

1. Collect, review, and analyze the daily well logs from February 2022 – September 2023. Analyze and determine approximate water demands per connection changes over the last year compared to the previous analysis.
2. Update the water plant capacity analysis with revised water demands (as necessary).
3. Collect, review, and analyze the daily wastewater effluent flows from February 2022 – September 2023. Establish updated dry weather flows and approximate flow per connections.

#### Project Management

1. Host a kickoff meeting to review project objectives and deliverables, discuss critical tasks and potential impacts to schedule and budget, and develop a Quality Management Plan (QMP).
2. Attend one (1) virtual meeting with the City to discuss comments on draft Impact Fee Study Update report.
3. Maintenance of a project schedule, invoicing, monthly status reports.

#### **Proposed Fee**

In accordance with the Professional Services Agreement between Quiddity Engineering and the City of Johnson City, compensation for Services described herein will be on a time and materials basis as denoted in the amounts below:

<u>Scope</u>		<u>Proposed Fee</u>
1. Impact Fee Study	(Hourly)	\$ 16,000
2. Water and Wastewater Capacity Update	(Hourly)	\$ 7,000
3. Project Management	(Hourly)	\$ 4,000
<b>TOTAL FEE</b>		<b>\$ 27,000</b>

Compensation for Additional Services (including additional meetings) authorized by the City will be on an hourly basis per the attached Schedule of Hourly Rates. Reimbursable expenses under this contract will be charged based on actual usage in accordance with the attached Schedule of Reimbursable Expenses.



Mr. Rick Schroder  
Page 3  
October 12, 2023

### Proposed Schedule

Quiddity will complete the scope of services defined herein according to the attached Project Schedule, commencing with written notice-to-proceed by Johnson City. Based on this schedule, it is anticipated the Project will take approximately 4 months to complete. Some scheduled items depend on receiving timely input from the City. Dates for Meeting with Advisory Committee and Public Hearings are subject to change based on the City's schedule.

### Special Considerations

This proposal is based on the following special considerations:

1. This proposal shall be subject to the existing Professional Services Agreement between the City of Johnson City and Quiddity Engineering, LLC signed February 3, 2021 .
2. The services described herein for Impact Fee Updates do not constitute as a Capital Improvements Plan (CIP) update. Updating the scope, sizing, or EOPCCs for projects within the CIP, or adding projects to the CIP are not included in this scope of work. Should the City wish to update the projects within the current CIP or add to the current CIP, Quiddity can provide a separate proposal for services.
3. Services requested by the City that are outside the scope of this proposal will be performed on an hourly rate basis in accordance with the enclosed Schedule of Hourly Rates and Reimbursable Expenses. These schedules are subject to revision in January of each year.
4. The proposed fees shall be considered in their entirety for the scope of services. Should the City wish to contract with Quiddity for only a portion of the work, Quiddity reserves the right to negotiate individual scope items on their own merits.
5. This proposal shall be valid for sixty (60) days from this date and may be extended upon approval by this office.

We thank you for the opportunity to submit this proposal and look forward to working with you on this project.

An executed copy of this proposal will serve as our notice to proceed. Please return one (1) copy to our office.

Should you have any questions, please call 713.353.7123.

Sincerely,

Handwritten signature of Alan Moon in black ink.

Alan Moon, PE  
Senior Project Manager

Sincerely

Handwritten signature of Kyle Kaspar in black ink.

Kyle Kaspar, PE  
Manager

AMM/khk

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Enclosures



# QUIDDITY

Mr. Rick Schroder

Page 4

October 12, 2023

APPROVED BY:

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Signature

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Name and Title (Printed)

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Date



**IMPACT FEE  
FUND BUDGET**

***Adopted FYE 2024 Impact Fee Fund (Restricted)***

Impact Fee Fund						
Account #	Account Description	2022-2023 Amended Budget	Current YTD	2022-2023 Projected Year End	2023-2024 Requested Budget	Notes
			Beginning Fund Balance \$	-	\$ 48,861.11	
12-4900	Interest Income	\$ -	\$ 164.50	179.45	\$ 179.45	
12-4803	Impact Fees	\$ -	\$ 44,670.00	48,730.91	\$ 48,730.91	
	Revenue Total	\$ -	\$ 44,834.50	48,910.36	\$ 48,910.36	
						Capital
						Improvements
						Plan Update -
						Meter Size to
12-361-6501	Impact Fee Expenses	\$ -	\$ 45.15	49.25	\$ 20,000.00	ESFU
	Expenditure Total	\$ -	\$ 45.15	49.25	\$ 20,000.00	
	Surplus / (Deficit)	\$ -	\$ 44,789.35	48,861.11	\$ 28,910.36	
			Ending Fund Balance \$	48,861.11	\$ 77,771.47	