

**TO:** Capital Improvements Advisory Committee

**FROM:** Jaclyn Kneupper, Planner III

**DATE:** January 18, 2017

**SUBJECT:** January 2017 Update

The purpose of this letter is to provide a summary of SAWS and DSP impact fee eligible Capital Improvement Projects.

SAWS owns and operates an infrastructure-intensive system comprised of treatment facilities, pumping stations, storage facilities, and pipelines that are continuously improved and expanded. The schedule for future investment in the water and wastewater system is known as the Capital Improvements Plan (CIP). Projects included in the CIP can serve to rehabilitate and renew the system, enhance the system to improve efficiency and meet regulatory requirements, increase the system capacity, or achieve a combination of these objectives. SAWS staff prepare and maintain a draft CIP that forecasts projects to be designed and/or constructed over the next five years. The draft five year CIP is used to develop current year CIP which is funded as part of the SAWS annual operating budget approved by the SAWS Board of Trustees. The 2017 funded CIP is \$367.5M which accounted for approximately two-thirds of the rate adjustments required for 2017. The current CIP projection for 2018 to 2021 totals \$1.3B. The actual 2018 to 2021 CIP will be contingent upon future SAWS Board approval of the annual operating budgets, of which funding for CIP will likely require future rate adjustments.

The portion of the CIP related to increasing the system capacity (Growth CIP) is defined by SAWS Water and Wastewater Master Plans. The Master Plans are developed to ensure adequate capacity for a 25 year planning period. The Master Plans are adjusted as needed by SAWS staff based on current development trends. In addition, the Master Plans are peer reviewed and updated by outside consultants approximately every five years. The CIP included in the 2014 Impact Fee Study relates to Growth CIP between 2014 and 2023.

The San Antonio City Council approved the San Antonio Water System’s Land Use Assumptions Plan (LUAP), Capital Improvements Plan, and Maximum Impact Fees on May 27, 2014. The revised fees went into effect on June 9, 2014. The Water Supply impact fee was set at \$1,590 and increased to \$2,796 on June 1, 2015. The following table shows a summary of SAWS impact fees collected and total commitments for impact fee eligible projects from June 2014 through October 31, 2016. The District Special Project (DSP) impact fees are included in this table.

<u>Jun 2014-Oct 2016</u>	<u>IF Collected</u>	<u>IF Commitments</u>
Flow	\$ 35,946,938	\$ 4,362,735
System Development	\$17,341,658	\$26,754,107
Collection	\$36,414,582	\$68,420,092
Treatment	\$18,950,833	(\$445,927)
<u>Water Supply</u>	<u>\$44,395,643</u>	<u>93,721,491</u>
<b>Total</b>	<b>\$153,049,654</b>	<b>\$193,191,305</b>

The approved impact fees are meant to reimburse SAWS for costs associated with existing excess capacity and help fund infrastructure required to create new capacity. Since 1993, SAWS, including DSP, has collected \$570,677,187 and spent \$430,703,712 in impact fees through October 2016. SAWS is projected to spend another \$37.7 million on impact fee eligible jobs currently in process.

Beginning in 2015, in accordance with state law, SAWS has elected to “recoup” impact fees associated with the reimbursement for existing excess capacity and use those impact fees to fund capital projects not directly associated with providing additional capacity. These recouped impact fees thereby serve as a tool to minimize rate increases. Through October 2016, impact fee spending includes \$101,174,995 of recouped impact fees. Over the next 6 to 12 months, SAWS intends to recoup an additional \$63 million in impact fees to help fund other capital projects included in the current CIP. The attached table shows the percentages of the current impact fee calculation that is attributable to recouping the cost for existing infrastructure compared to the proportionate share for new infrastructure. The current impact fee calculation ratio for recoupment for existing infrastructure ranges from 3% to 70%, with a weighted average of 38%.

The attached table shows the impact fee eligible projects with commitments from June 2014 through October 2016.

SAWS will update the impact fees again for the 2019-2028 timeframe, unless there is a need to update them sooner.

Please feel free to contact SAWS staff at any time for information on CIP projects.

Flow	Commitments
AFTON OAKS WTR MN OVERSIZE	50,272.48
Borgfeld Drive Phase 2 ROW	(147,744.71)
FM 1937 Phase 2	(574.76)
Hidden Springs Water Project	18,340.88
Micron 48in Wtr Mn Ext to Andr	263,500.60
Public WTR MN EXT @ Chavaneaux	24,782.04
Purchase Pipe Inland Storage	(83.52)
Redbird Ranch Reeves Lp Ph 1	33,074.00
Redbird Ranch Reeves Lp Ph 2	33,074.00
Redbird Ranch Unit 11A	17,859.96
Royal Oak Estates Unit 1	87,315.36
DSP Borgfeld Rd. 12-inch	604,632.60
E. Evans 24in Approach & Brd	488,716.97
Evans Rd 16&24 OS (Judson ISD)	2,000,824.73
Highland Estates 24in OvrSz	872,385.97
McCoy Subdivision Unit 1	16,358.58
<b>Total</b>	<b>4,362,735.18</b>

System Development	Commitments
Anderson Pump Station Improvem	79,541.80
Artesia PS New Wells	93,906.71
Culebra Tnk & PS aka Cnty Line	(492,116.45)
DeZavala Storage Tank	2,891.00
DSP New World GST and HSP	7,458,145.78
DSP Swanson Fac 182	2,445,458.69
DSP-Bitters Aspen Interconnect	65,169.97
DSP-Hill Country Village	90,159.46
Indian Hills PZ 12 PS(IH10 BS)	2,634.24
Naco PS Improvemnts PH8	312,640.96
Southeast Tank and Pump Stn	14,542,725.20
Turtle Crk No3 Pump Stn	462,398.34
Watson Tank (AKA Applewhite) (	2.00
Wtr Prd Fac Rehab Ph11-Wurzbch	1,680,386.08
Zoeller Tank (General McMullen	10,162.94
<b>Total</b>	<b>26,754,106.72</b>

Collection	Commitments
Arcadia Ridge 24" Offsite Wtr	188,085.39
Boerne Stage Rd. Sewer Partici	(37,198.05)
C-01 Sewer Relief Main (PFS)	415.63
C13 BrdwyCrdr-Jsphn to S Alamo	1,587,646.92
C-33 Brdwy Corridor: Carnahan	4,124,700.39
C-5 & C-28 Ph1A_Ph1B-DESIGN	558,056.22
Carmona Hills Sub 2B	828.78
Cibolo Crk Swrshd Flw Divrsn	9,848,400.63
E-19: Seguin Rd-Nacogdoches Rd	6,068,270.16
E20 Wurzbach:Jones Malts-Naco	3,444,398.28
Far West Swr Relief Mn (FW-01)	(14,028.31)
Helotes Crk Grvty Mn&LS246 Elm	1,088,182.44
Lift Station Elimn Ph 2	1,901,082.27
Lift Station Elimination Ph3	137,496.54
Oversize 24in Wtr Mn Schneider	727,944.36
Quiet Creek Offsite Wtr MN	307,336.67
Sawyer Meadows SWR Oversize	(22,140.02)
SBSP Legal & Constr Management	186,700.46
SSO - LS 135 Elimination	319,458.41
SW Bexar SWR Pipeline Seg 3	938,662.34
SW Bexar SWR Pipeline Seg 4	349,716.63
SW Bexar SWR Pipeline Seg 5	(461,584.60)
SWISD Swr Mn Ext Oversize	167,151.28
W_2_Hbnr Crk_Eckhrt_Shdw Mist	(882,878.31)
W-1 Leon Crk: Hwy 151-Hwy 90	3,620,271.67
W-2 Huebner Creek: Eckhert	1,089,911.27
W31:IH10 Boerne Stg-Old Frdrck	19,100,973.62
W-6 Western Watershed SWR	29,072.41
W-6 Wstrn Wtr Shd P3 & P4	13,623,056.76
W-6:Western Wtrshd SwrRifLn-P1	68,307.44
W-6:WstrnWtrshdSwrRif Ln-Proj1	6,265.92
Westover Hills Main Oversize	(1,552.74)

WWRL - Upper Segment	357,081.08
<b>Total</b>	<b>68,420,091.94</b>

Treatment	Commitments
Dos Rios 1st Stage Diffuser	(118,982.16)
Dos Rios Re-rating Ph1 (Prelm)	1,327,611.90
DR & LC Tertiary Filters	(1,736,785.82)
DR WRC Dig Mix & Sys Enhnc-Ph2	76,387.00
Medio Creek WRC Expansion Proj	5,841.65
<b>Total</b>	<b>(445,927.43)</b>

Water Supply	Commitments
Water Resources Integration-2B	24,932,575.07
WRIP Pipeline Segment 1A	21,004,031.16
Brackish Groundwater Desalinat	35,183.66
Expanded Carrizo	1,734,967.08
Integration Pipeline Seg 1	242,081.03
Integration Pipeline Seg 2	1,300,015.32
Integration Pipeline Seg 3	4,649,164.26
Integration: Land Acquisition	168,651.19
RC Buckhorn?SSLGC WTP Pipeline	715,267.69
RCP-Land/Easements	5,575.50
RCP-Well Drilling&Collection	15,085.17
Regional Carrizo: SSLGC - Naco	2,690.16
Vista Ridge Integration	4,323,180.60
WRIP Old Pearsall PS Ph1	15,736,595.29
WRIP PH2 PS Improvements	3,559,260.96
WRIP Somerset PS & Medina WTP	49,603.32
<b>Total</b>	<b>93,721,490.91</b>

<b>Grand Total</b>	<b>\$ 193,191,305</b>
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2014-2023 Impact Fee Summary

	LUAP (EDUs)	Total CIP (\$ millions)			Impact Fee Eligible CIP (\$ millions)	Impact Fee (\$/EDU)	% Existing Recoup	% New CIP	Impact Fee Proposed CIP Customer Allocations (\$ million)			
		Existing	Proposed	Total					Existing	2014-2023	Post 2023	Total
Water Supply	95,817	294	714	1,008	7	\$2,796	3%	97%	91	275	348	714
Water Flow	95,817	611	210	821	85	\$1,182	70%	30%	0	36	174	210
Water System Development (total)	95,817	329	222	551	30	728	40%	60%	30	44	148	222
High Elevation	8,783	27	23	50	4	\$883						
Middle Elevation	45,265	136	125	261	14	\$799						
Low Elevation	41,769	167	74	241	12	\$619						
Wastewater Treatment (total)	95,589	380	241	620	59	845	68%	32%	146	28	67	241
Medio Creek	8,838	62	26	88	10	\$1,429						
Leon/Dos Rios Creeks	86,751	318	215	533	49	\$786						
Wastewater Collection (total)	95,589	619	772	1,391	97	1,653	58%	42%	312	70	390	772
Medio Creek	8,838	17	30	47	3	\$838						
Upper Medina	18,744	35	32	67	13	\$1,565						
Lower Medina	3,762	28	25	54	9	\$475						
Upper Collection	35,689	86	124	210	19	\$2,520						
Middle Collection	12,048	153	292	446	20	\$1,469						
Lower Collection	16,508	300	268	568	33	\$719						
Totals		2,233	2,159	4,392	278	7,205	38%	62%	579	453	1,127	2,159