



2011-2020 Impact Fee Update Summary

February 2, 2011

Capital Improvements Advisory Committee

Sam Mills, P.E.

Director, Infrastructure Planning

Overview

- Background
- Advisory Committee
- Land Use Assumptions Plan
- Capital Improvement Plan
- Schedule for Board and Council Approval
- Draft Impact Fees
 - Maximum Calculated Impact Fees
 - Rate Credit

February 2, 2011

2011 – 2020 Impact Fee Update Summary



Background

- Impact fees are a one-time payment made by new development at time of connection
- Impact fees facilitate growth by funding system expansions
- Impact fees are assessed by many utilities in Texas, including several of the largest:
 - Houston
 - Austin
 - El Paso
 - Fort Worth
 - Arlington
- SAWS has been charging impact fees since 1990

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2011 – 2020 Impact Fee Update Summary



Background (Cont.)

- Impact fees are designed to recover the cost of capital improvements needed to serve new development
 - Costs allowed by State law include:
 - Construction contract price
 - Surveying and engineering fees
 - Land acquisition costs
 - Interest charges on bonds payable only by impact fee proceeds to finance construction
 - Must be based on adopted Land Use Assumptions Plan and adopted Capital Improvements Plan

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2011 – 2020 Impact Fee Update Summary



Impact Fee Review Process

Basic Concepts

- Capital Improvement Projects are ultimately paid for with either rates or impact fees
 - Impact fees cover CIP for new customers
 - Rates cover O&M and CIP for existing customers
- Existing customers do not subsidize new customers
- New customers do not subsidize existing customers
- Texas Local Gov't Code 395 mandates that:
 - Impact fees pay for capital costs only
 - All other costs are covered by rates and service fees

February 2, 2011

2011 – 2020 Impact Fee Update Summary



Texas Local Gov't Code 395 Requirements

- LUAP
- Impact Fee CIP
- Calculation of Maximum Impact Fee
- Updated Every 5 Years

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2011 – 2020 Impact Fee Update Summary



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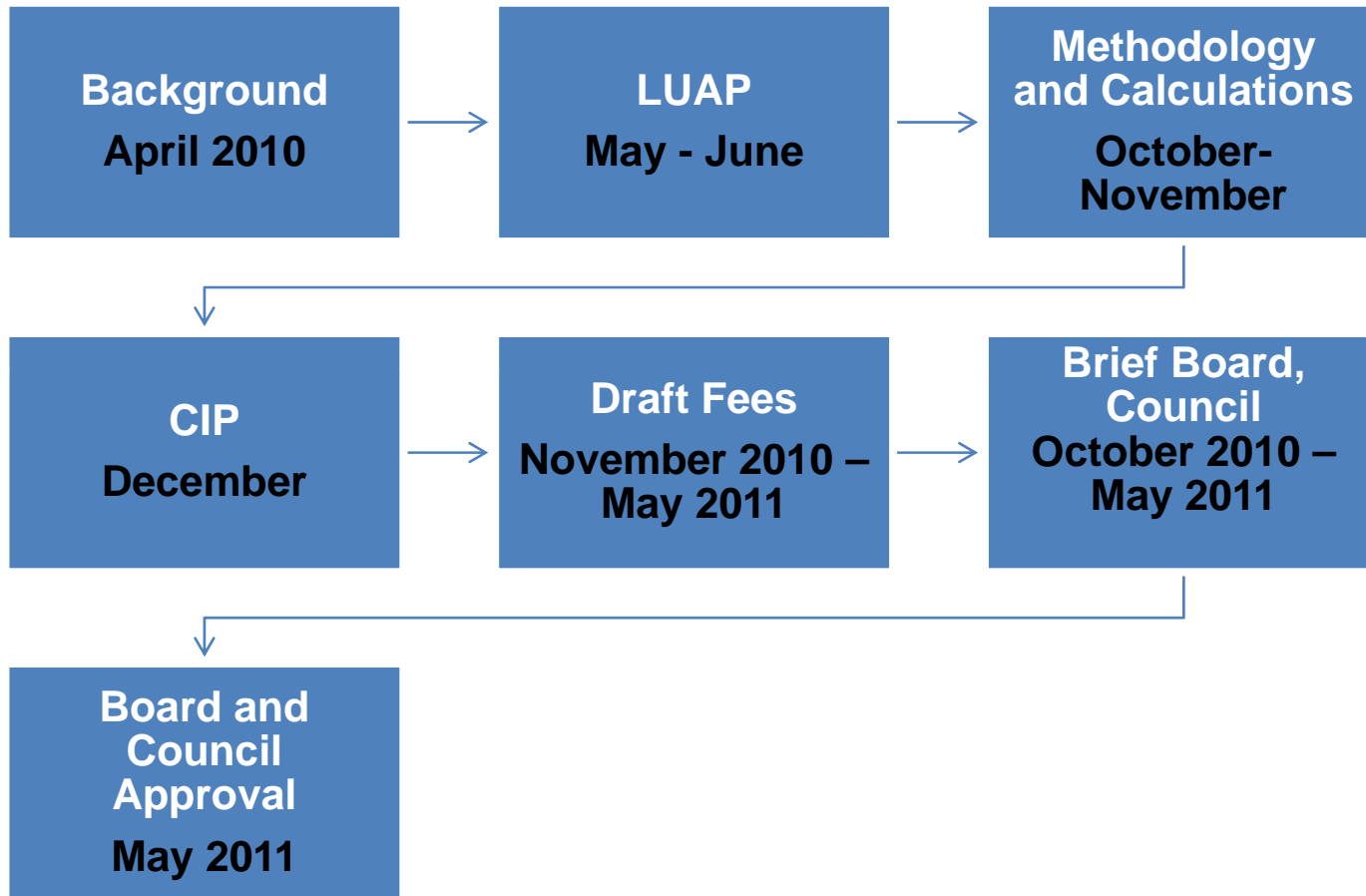
Name	Council District	Representing
Felix M. Alvarez	1	Community Representative
Susan M. Wright	2	Real Estate/Bldg. Industry
Jose R. Limon	3	Real Estate/Bldg. Industry
Michael Cude	4	Community Representative
Michael E. Martinez	5	Community Representative
Michael Hogan	6	Real Estate/Bldg. Industry
Robert Hahn	7	Community Representative
Mark Johnson	8	Real Estate/Bldg. Industry
Keith Pyron	9	Community Representative
Daniel D. Kossl	10	Community Representative
<i>Vacant</i>	Mayoral	ETJ

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2011 – 2020 Impact Fee Update Summary



Impact Fee Update Schedule



February 2, 2011

2011 - 2020 Impact Fee Update Summary



Types of Impact Fees

- Water Flow



- Water System Development



- Water Supply



- Wastewater
- Collection



- Wastewater Treatment

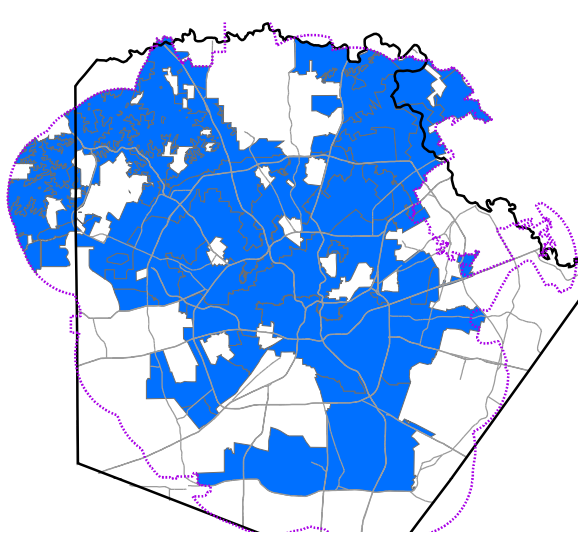


February 2, 2011





2011 – 2020 Impact Fee Update Summary

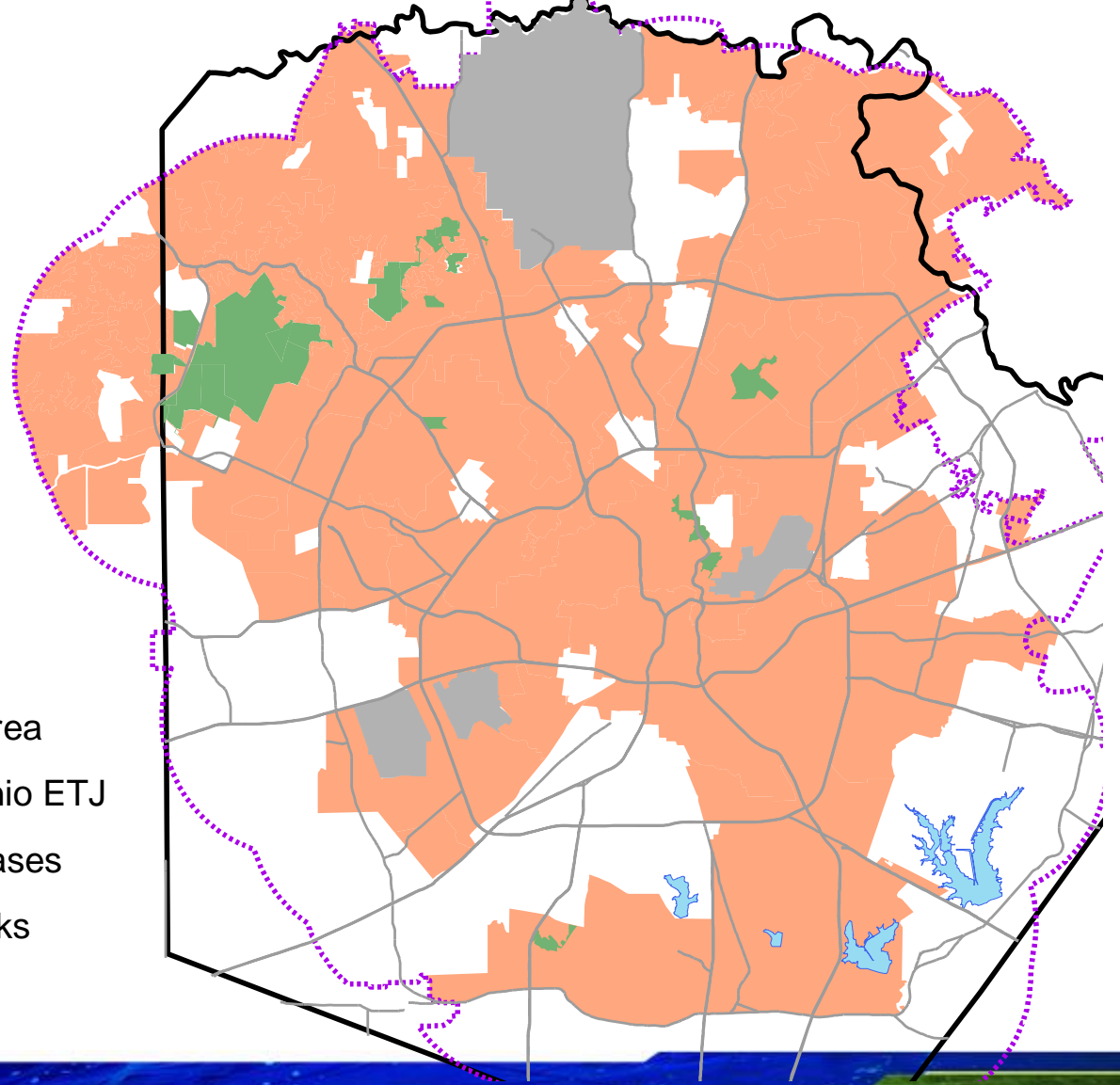


Service Areas: Water Delivery - Flow



•Existing

-  Service Area
-  San Antonio ETJ
-  Military Bases
-  Major Parks

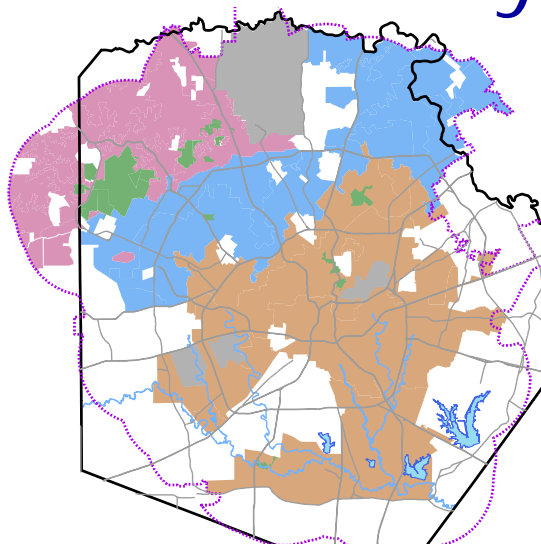


February 2, 2011

2011 – 2020 Impact Fee Update Summary

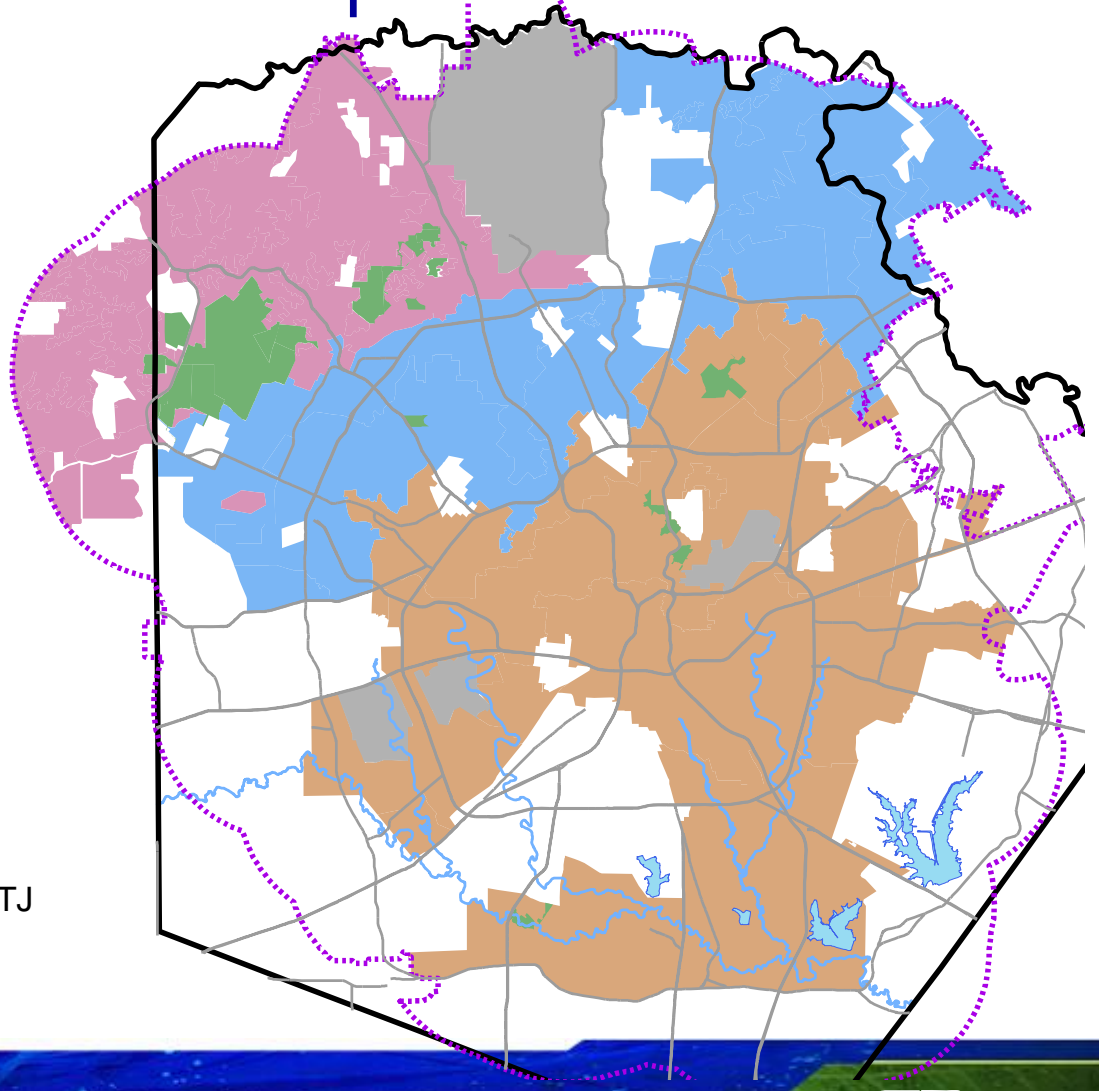


Service Areas: Water Delivery - System Development



•Existing

- High
- Middle
- Low
- San Antonio ETJ
- Military Bases
- Major Parks

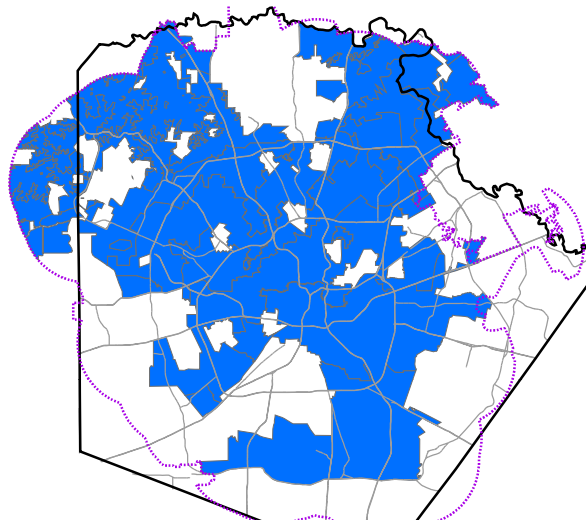


February 2, 2011





2011 - 2020 Impact Fee Update Summary

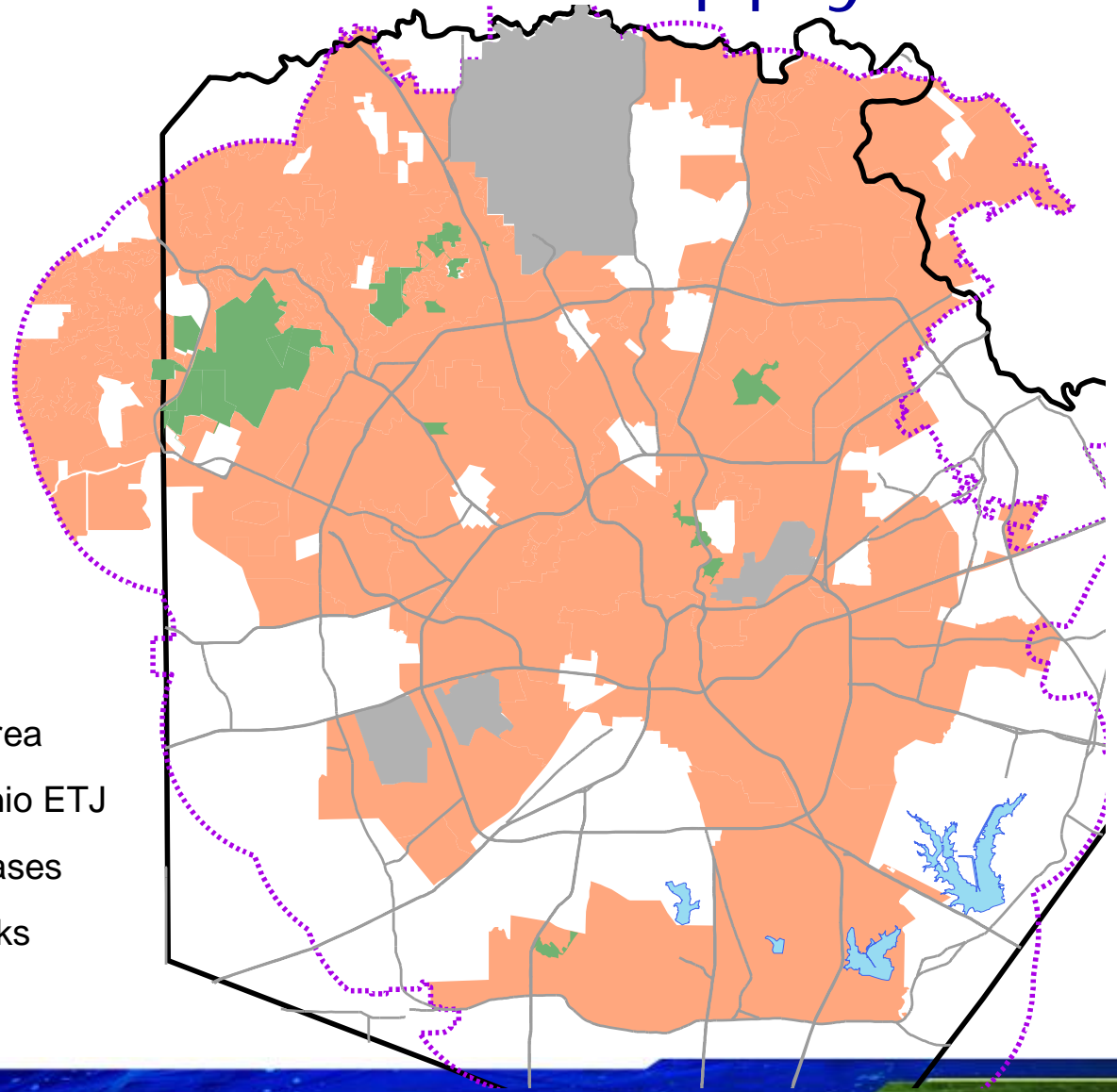


Service Areas: Water Supply



•Existing

-  Service Area
-  San Antonio ETJ
-  Military Bases
-  Major Parks

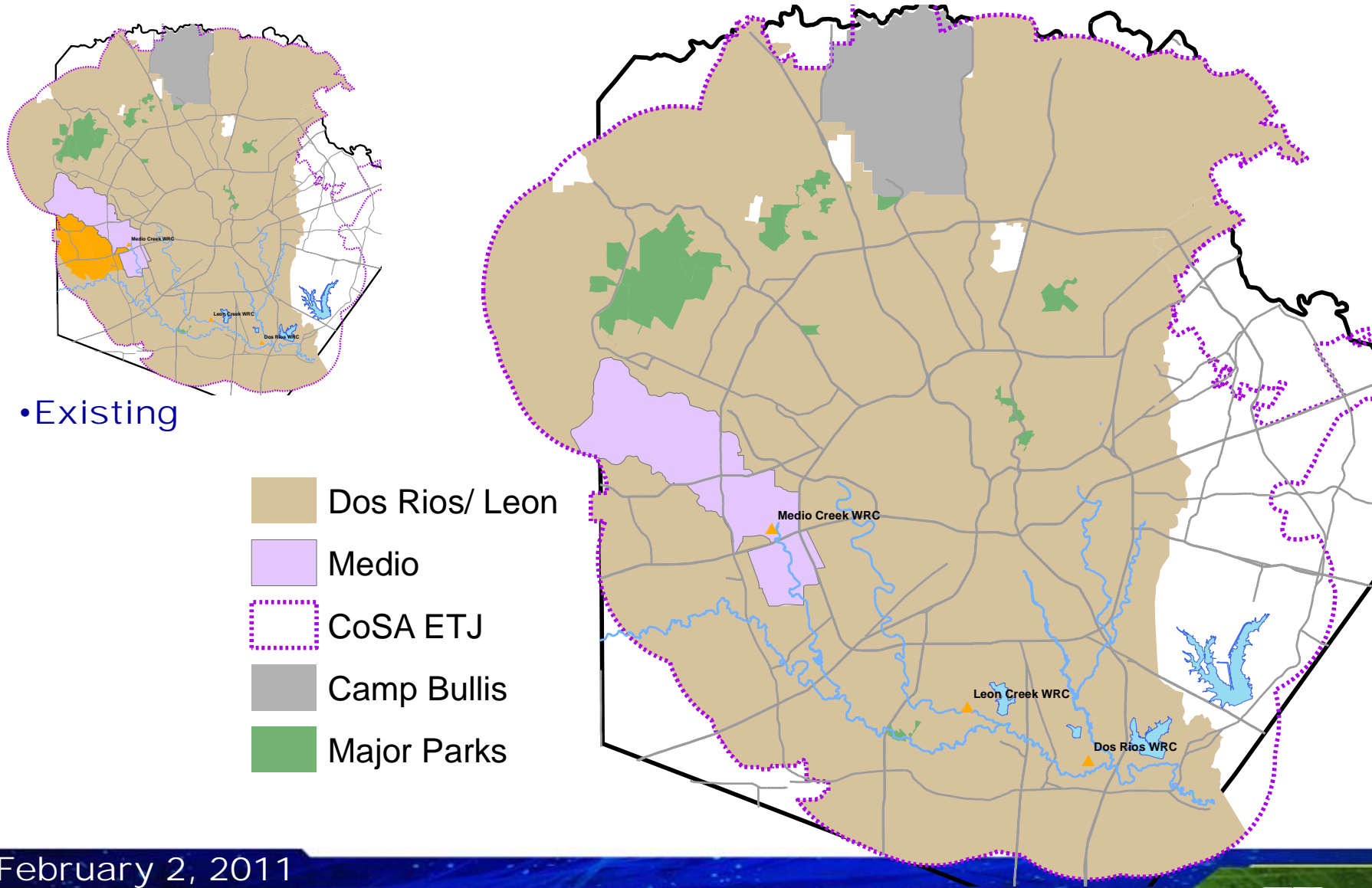


February 2, 2011

2011 – 2020 Impact Fee Update Summary



Service Areas: Wastewater Treatment



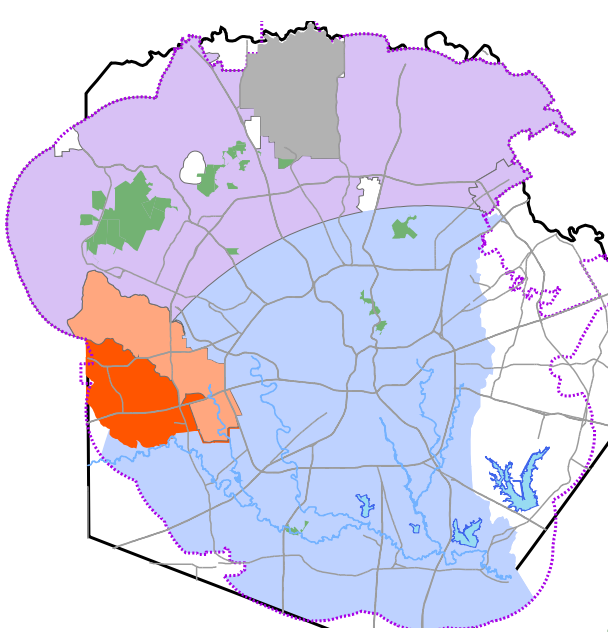
•Existing

February 2, 2011

2011 – 2020 Impact Fee Update Summary

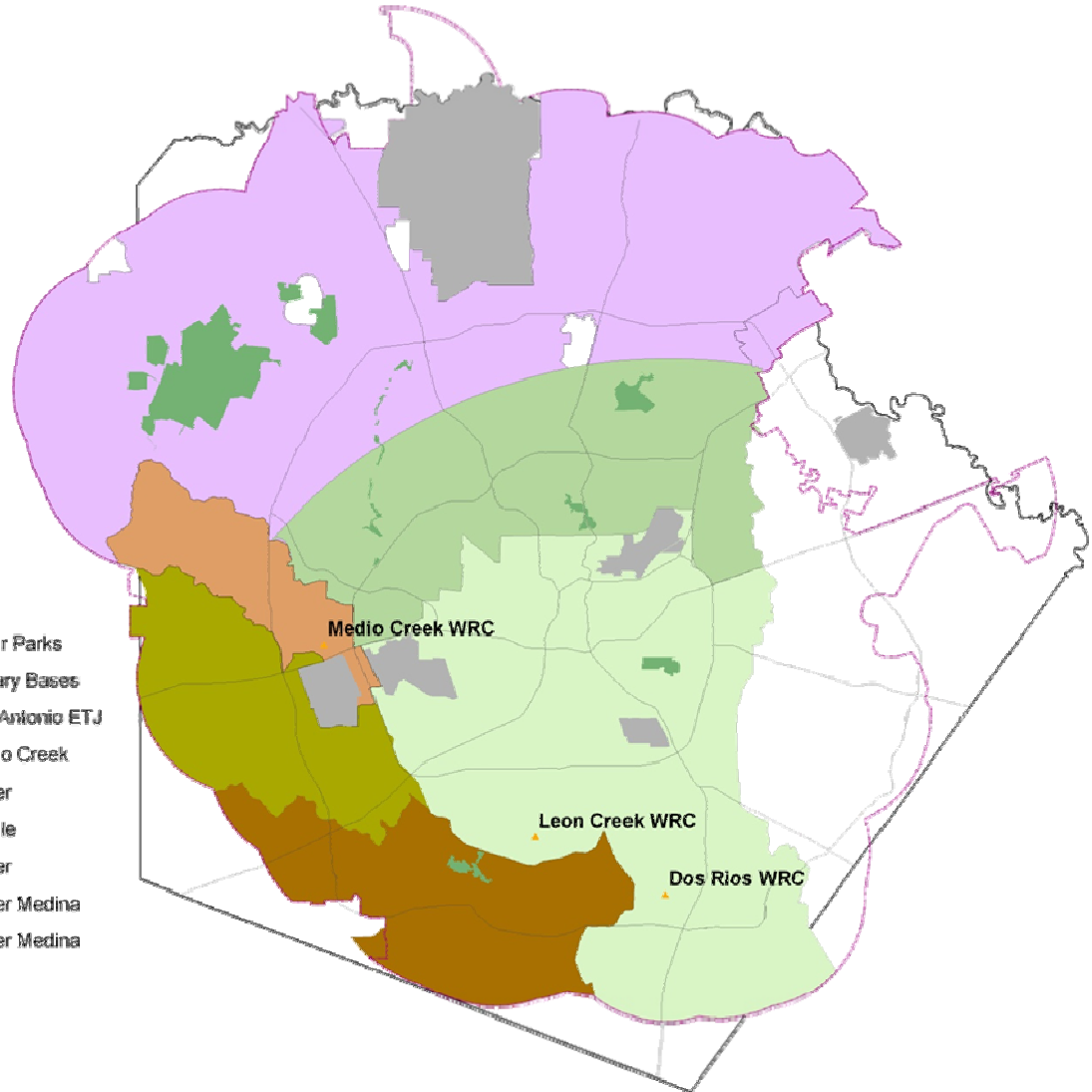


Service Areas: Wastewater Collection



•Existing

- Major Parks
- Military Bases
- San Antonio ETJ
- Medio Creek
- Upper
- Middle
- Lower
- Upper Medina
- Lower Medina



February 2, 2011

2011 – 2020 Impact Fee Update Summary



Population and EDUs

Table 1-2: Water and Wastewater Service Area Population and EDU Projections

	Service Area	----Population----		-----EDUs-----		
		2011	2020	2011	2020	Change
Supply	All	1,346,965	1,531,302	587,073	667,416	80,343
Flow	All	1,346,965	1,531,302	587,073	667,416	80,343
System Development	High Elevation	41,004	84,181	17,872	36,690	18,818
	Middle Elevation	500,181	595,400	218,003	259,504	41,501
	Low Elevation	805,780	851,721	351,198	371,222	20,024
	Total System Development	1,346,965	1,531,302	587,073	667,416	80,343
Treatment	Medio Creek ⁽¹⁾	78,393	118,720	33,501	50,735	17,234
	Leon Creek / Dos Rios	1,567,369	1,777,596	669,816	759,657	89,841
	Total Treatment	1,645,762	1,896,316	703,317	810,392	107,075
Collection	Medio Creek ⁽¹⁾	78,393	118,720	33,501	50,735	17,234
	Upper Medina ⁽²⁾	29,100	62,384	12,436	26,660	14,224
	Lower Medina	6,074	10,102	2,596	4,317	1,721
	Upper Collection	349,313	468,013	149,279	200,006	50,727
	Middle Collection	613,865	630,729	262,335	269,542	7,207
	Lower Collection	569,017	606,368	243,170	259,132	15,962
	Total Collection	1,645,762	1,896,316	703,317	810,392	107,075

Boundaries are for population served in 2020

(1) Medio Creek sewershed of current Far West

(2) Includes lower 3 sewersheds of current Far West

February 2, 2011

2011 – 2020 Impact Fee Update Summary



Land Use Assumptions Plan

Projected Growth: 2011 - 2020

- New Water EDUs – 80,343
- New Wastewater EDUs – 107,075

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2011 – 2020 Impact Fee Update Summary



Water Supply CIP Cost

Table 1-3: 2011 – 2020 Eligible Water Supply CIP Cost
 (In millions of \$)

Service Area	-----Existing Capacity-----			-----New CIP Capacity-----			-----Total Capacity-----	
	Value of Capacity	Value of Eligible Capacity	Eligible Financing Costs	Value of Capacity	Value of Eligible Capacity	Eligible Financing Costs	Total Value of All Capacity	Total Value of Eligible Capacity
All	\$575.2	\$0.0	\$0.0	\$254.3	\$115.7	\$0.0	\$829.6	\$115.7

*value of existing capacity not included in eligible capacity

Water System Development

**Table 1-10: 2011 – 2020 Eligible Water Delivery – System Development CIP Costs
(In millions of \$)**

	-----Existing Capacity-----			-----New CIP Capacity-----			-----Total Capacity-----	
	Value of Capacity	Value of Eligible Capacity	Eligible Financing Costs	Value of Capacity	Value of Eligible Capacity	Eligible Financing Costs	Total Value of All Capacity	Total Value of Eligible Capacity
All								
High Elevation	\$36.4	\$4.9	\$2.2	\$41.3	\$11.6	\$0.0	\$77.6	\$18.7
Middle Elevation	139.1	9.6	4.4	114.7	19.3	0.0	253.8	33.3
Low Elevation	162.0	5.5	2.5	33.1	4.2	0.0	195.1	12.2
Total	\$337.5	\$20.0	\$9.1	\$189.1	\$35.1	\$0.0	\$526.5	\$64.2

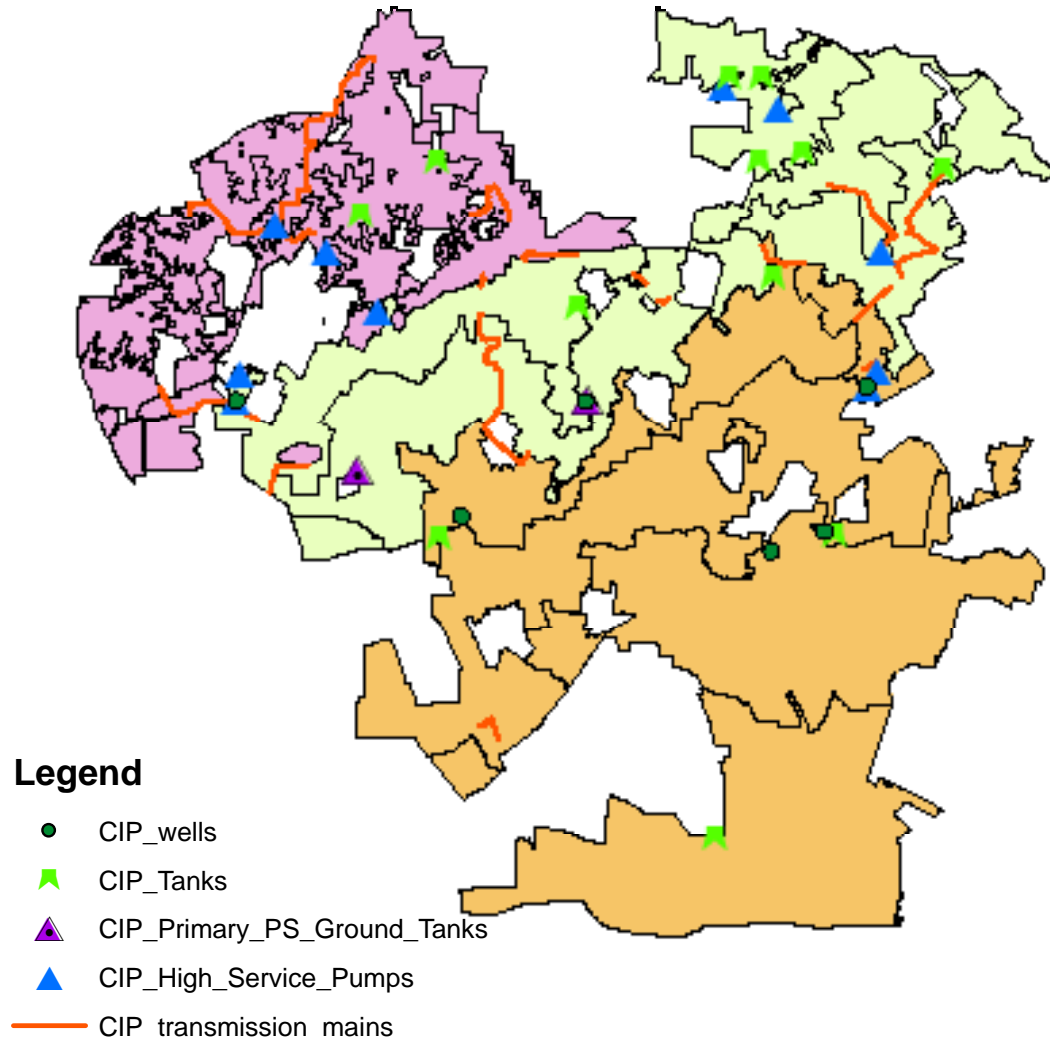
Water Flow

Table 1-4: 2011 – 2020 Eligible Water Flow CIP Cost

(In millions of \$)

Service Area	-----Existing Capacity-----			-----New CIP Capacity-----			-----Total Capacity-----	
	Value of Capacity	Value of Eligible Capacity	Eligible Financing Costs	Value of Capacity	Value of Eligible Capacity	Eligible Financing Costs	Total Value of All Capacity	Total Value of Eligible Capacity
All	\$603.2	\$60.3	\$27.6	\$113.0	\$19.1	\$0.0	\$716.3	\$107.1

Impact Fee CIP Water Infrastructure



Total Cost \$302,199,731

- 9 Wells (44.5 mgd) - \$41,202,000
- 37 pumps (136.9 mgd) - \$24,379,000
- 2 ground tanks (12.5 mgd) - \$7,060,890
- 12 elevated (24.5 mgd) - \$59,055,500
- 40.8 miles of transmission mains from 16" to 48" \$57,460,829
- 126.4 miles of distribution mains from 12" to 48" \$113,041,512

Impact Fee Eligible Cost \$54,217,231

February 2, 2011

2011 – 2020 Impact Fee Update Summary



Wastewater Treatment

Table 1-11: 2011 – 2020 Eligible Wastewater Treatment CIP Costs

(In millions of \$)

Service Area	-----Existing Capacity-----			-----New CIP Capacity-----			-----Total Capacity-----	
	Value of Capacity	Value of Eligible Capacity	Eligible Financing Costs	Value of Capacity	Value of Eligible Capacity	Eligible Financing Costs	Total Value of All Capacity	Total Value of Eligible Capacity
Medio Creek	\$62.8	\$16.2	\$7.4	\$0.0	\$0.0	\$0.0	\$62.8	\$23.7
Leon Creek / Dos Rios	278.8	16.7	7.6	336.0 ⁽¹⁾	53.6	0.0	614.8	77.9
Total	\$341.6	\$32.9	\$15.0	\$336.0	\$53.6	\$0.0	\$677.6	\$101.6

(1) These CIP projects do not add capacity, but increase the value of existing available capacity. They are listed in Appendix B, Table B-14.

Capital Improvement Projects

Treatment

Total cost for projects built in the next 10 years is
\$335,979,600

- Leon Transfer - \$ 13,597,395
- Treatment share of MRSO - \$ 9,686,740
- Improvements to Dos Rios - \$ 312,695,465

Impact fee eligible cost is **\$53,572,605**

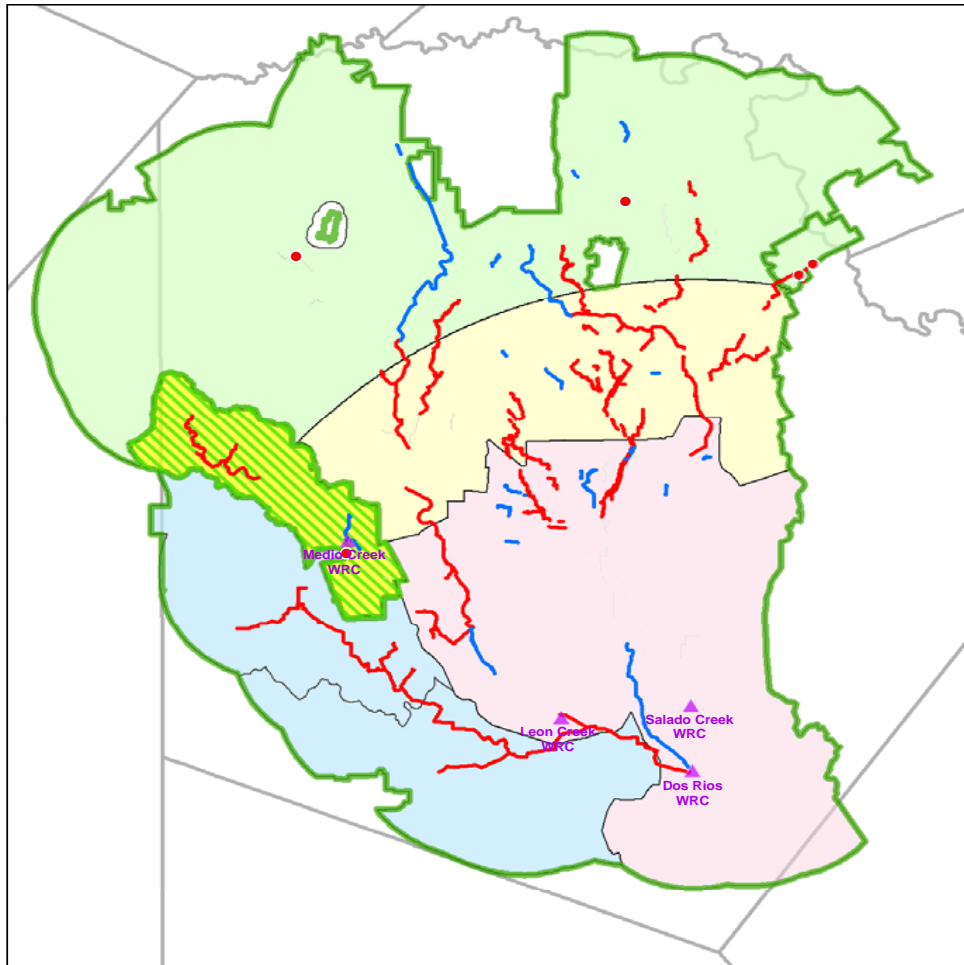
Wastewater Collection

Table 1-12: 2011 – 2020 Eligible Wastewater Collection CIP Costs

(In millions of \$)

Service Area	-----Existing Capacity-----			-----New CIP Capacity-----			-----Total Capacity-----	
	Value of Capacity	Value of Eligible Capacity	Eligible Financing Costs	Value of Capacity	Value of Eligible Capacity	Eligible Financing Costs	Total Value of All Capacity	Total Value of Eligible Capacity
Medio Creek	\$21.2	\$2.1	\$1.0	\$38.7	\$7.2	\$0.0	\$59.9	\$10.3
Upper Medina	7.9	0.8	0.4	39.0	5.6	0.0	46.9	6.7
Lower Medina	1.6	0.2	0.1	59.9	9.4	0.0	61.5	9.6
Upper Collector	94.5	9.5	4.3	100.0	20.5	0.0	194.5	34.3
Middle Collector	166.1	16.6	7.6	207.4	12.0	0.0	373.5	36.2
Lower Collector	154.0	15.4	7.0	268.2	20.3	0.0	422.2	42.8
Total	\$445.3	\$44.6	\$20.4	\$713.2	\$75.0	\$0.0	\$1,158.5	\$139.9

Impact Fee CIP Wastewater Infrastructure



Total Cost
\$713,134,854

- Collection Pipes (182 miles)
 \$703,549,137
- 4 Lift Stations (17 mgd)
 \$9,585,717

Impact Fee Eligible
Cost \$74,941,471

— 1st 5 years
 — 2nd 5 years

CIP SUMMARY

Existing & New CIP Impact Fee Eligible Capacity

for 10-Year Growth
(In millions of \$)

Service Area	Value of New Capacity	Total Value of Existing and New Capacity	Total Value of Eligible Capacity
Water Delivery	\$302.1	\$1,243.0	\$171.4
Water Supply	\$254.3	\$829.6	\$115.7
Wastewater	\$1,049.2	\$1,836.1	\$241.5
Total	\$1,605.6	\$3,908.7	\$528.6

**Water supply existing value not included in impact fee calculation*

February 2, 2011

2011 – 2020 Impact Fee Update Summary



Impact Fee Formula

$$\text{Maximum Impact Fee} = \left[\frac{\text{Growth CIP}}{\text{LUAP}} \right] - \text{Rate Credit}$$

February 2, 2011

2011 – 2020 Impact Fee Update Summary

Calculated Impact Fees

Table 1-13: Water and Wastewater Calculated Impact Fees

Impact Fee	Service Area	Eligible CIP Value	Service Units	Calculated Impact Fee per Service Unit
Water Supply	All	\$115,660,971	80,343	\$1,440
Flow	All	107,071,131	80,343	1,333
System Development	High Elevation	18,749,685	18,818	996
	Middle Elevation	33,332,491	41,501	803
	Low Elevation	12,196,277	20,024	609
Treatment	Medio Creek	23,653,796	17,234	1,373
	Leon Creek / Dos Rios	77,922,401	89,841	867
Collection	Medio Creek	10,285,377	17,234	597
	Upper Medina(1)	6,705,155	14,224	1,073
	Lower Medina	9,597,499	15,945	602
	Upper Collection(2)	34,328,678	50,727	1,880
	Middle Collection(3)	36,197,660	57,934	1,203
	Lower Collection	42,757,964	73,896	579

(1) Maximum Impact Fee per Service Unit includes Lower Medina fee

(2) Maximum Impact Fee per Service Unit includes Middle Collection fee

(3) Maximum Impact Fee per Service Unit includes Lower Collection fee

Maximum Impact Fees

Table 1-14: Maximum Water and Wastewater Impact Fees per Service Unit

Impact Fee	Service Area	Calculated Impact Fee per EDU	Rate Credit per EDU	Maximum Impact Fee per EDU	Current Fee (\$/EDU)
Water Supply	All	\$1,440	\$143	\$1,297	\$1,242
Flow	All	1,333	86	1,247	1,098
System Development	High Elevation	996	30	966	1,356
	Middle Elevation	803	29	774	591
	Low Elevation	609	30	579	668
Treatment	Medio Creek	1,373	103	1,270	901
	Dos Rios/Leon Creek	867	31	836	453
Collection	Medio Creek	597	15	582	394
	Upper Medina	1,073	20	1,053	772
	Lower Medina	602	8	594	413
	Upper Collection	1,880	85	1,795	691
	Middle Collection	1,203	61	1,142	413
	Lower Collection	579	27	552	413

February 2, 2011

2011 – 2020 Impact Fee Update Summary



Change in Impact Fees

Table 1-15: Maximum Impact Fees per EDU versus Current Fees per EDU

Impact Fee	Service Area	Maximum Impact Fee per EDU	Current Fee per EDU	Change
Water Supply	All	\$1,297	\$1,242	\$55
Flow	All	1,247	1,098	149
System Development	High Elevation	966	1,356	(390)
	Middle Elevation	774	591	183
	Low Elevation	579	668	(89)
Treatment	Medio Creek	1,270	901	369
	Dos Rios/Leon Creek	836	453	383
Collection	Medio Creek	582	394	188
	Upper Medina	1,053	772	281
	Lower Medina	594	413	181
	Upper Collection	1,795	691	1,104
	Middle Collection	1,142	413	729
	Lower Collection	552	413	139

DRAFT – Proposed Total Maximum & Minimum Impact Fees

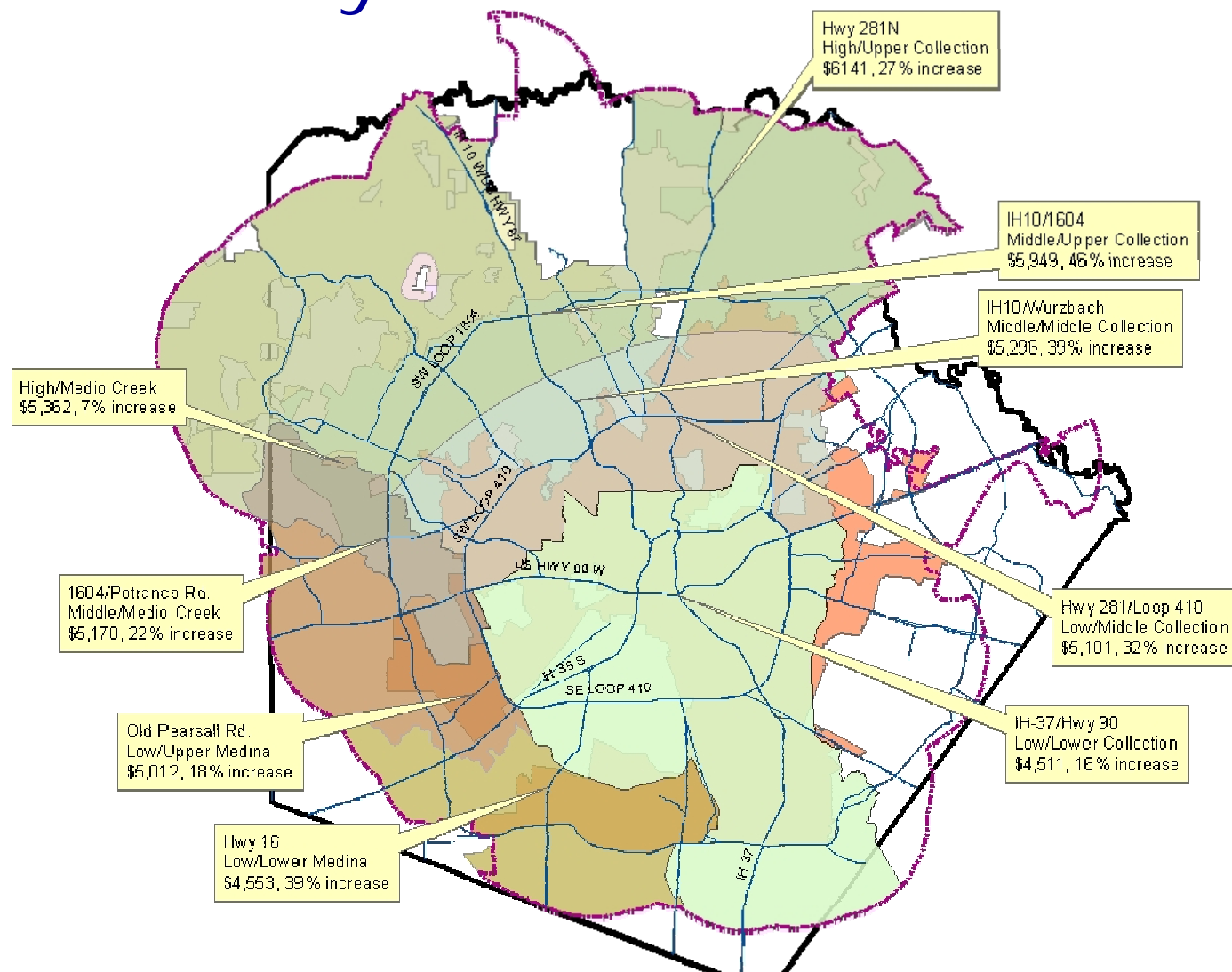
Systemwide	Proposed	Current	Change	%
Total Minimum (Low/Lower Collection)	\$ 4,511	\$ 3,874	\$ 637	16
Total Maximum (High/Upper Collection)	6,141	4,840	1,301	27

February 2, 2011

2011 – 2020 Impact Fee Update Summary



Impact Fees by Service Area



February 2, 2011

2011 – 2020 Impact Fee Update Summary



Future Water Supply Support

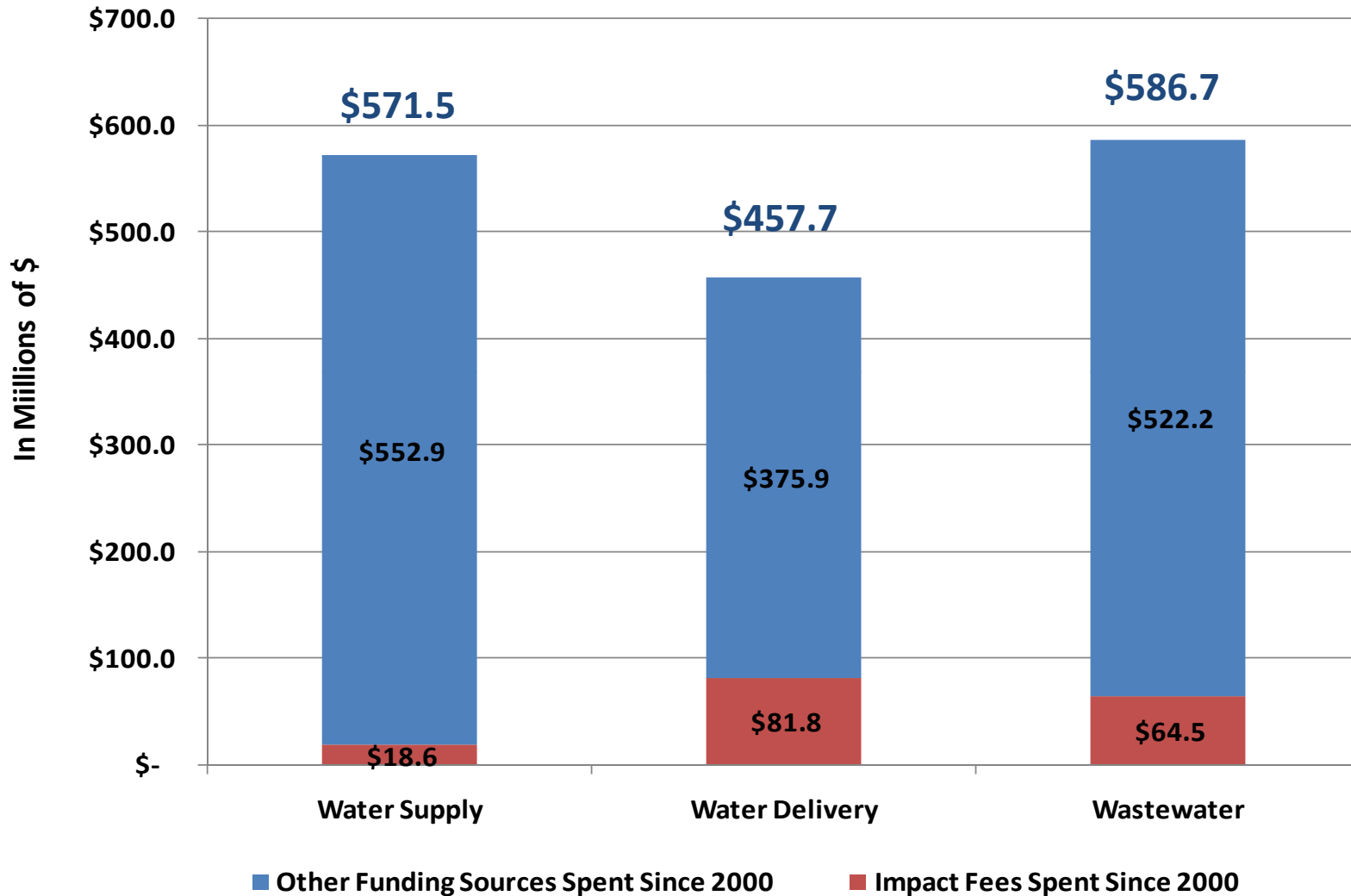
- Non-impact fee revenues will contribute more to community water supply enhancement for the next 10 years than will impact fee revenue by 8 to 1
- Projected Water Supply Impact Fee revenue (2011 – 2020): \$104.2 million at proposed \$1,297 per EDU rate
 - Covers only future bricks & mortar costs for new water supply projects
- Projected Water Supply Monthly Rate revenue (2011 – 2020) assuming no change from 2011 level: \$883.6 million
 - Covers all future operating & maintenance costs of water supply capital projects (whether impact fee-funded or not), Edwards water rights & leases, recycling operations, water planning and debt service for non-impact fee capital projects

February 2, 2011

2011 – 2020 Impact Fee Update Summary



Capital Expenditures Since 2000



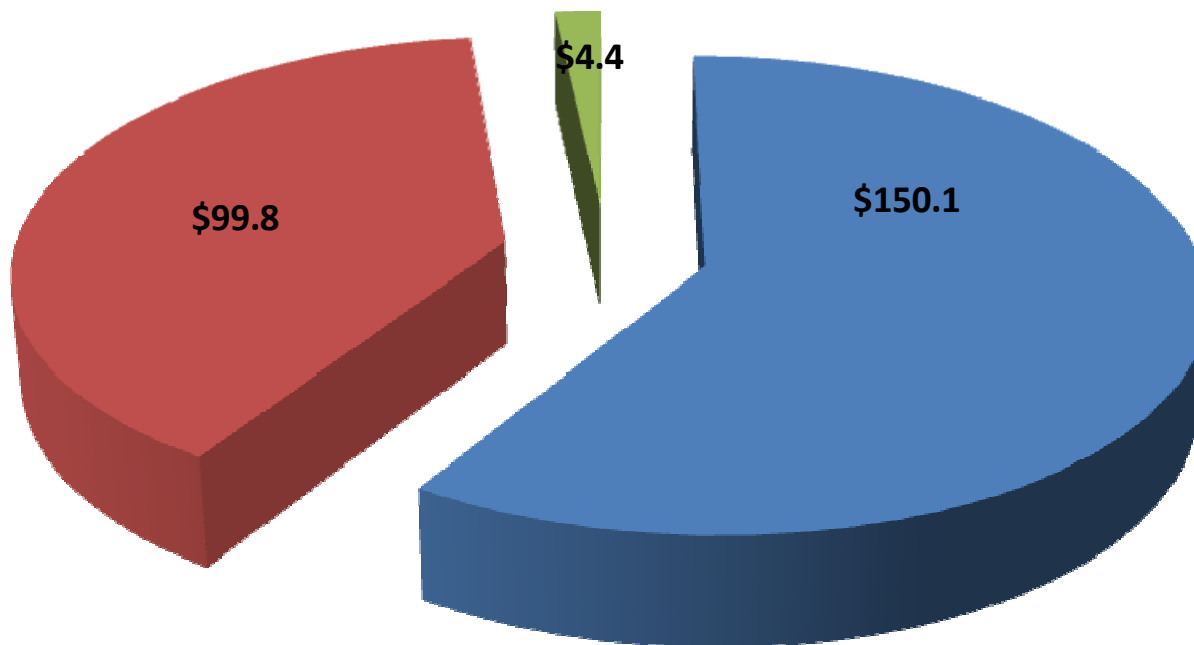
February 2, 2011

2011 – 2020 Impact Fee Update Summary



Water Supply Overall CIP vs. Projected Impact Fee Revenue: 2011 – 2020

(In Millions of \$)



- Ratepayers (59.0%)
- Impact Fee Funding at Current Rate (39.2%)
- Added Impact Fee Funding from Calculated Rate (1.7%)

Total Water Supply CIP: \$254.3 Million

Total CIP includes projects containing growth support components

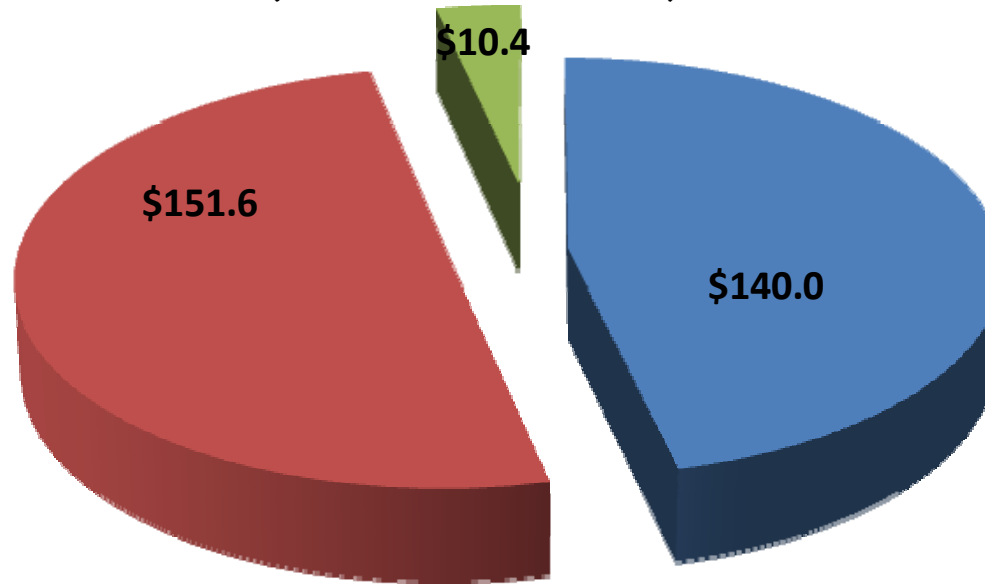
February 2, 2011

2011 – 2020 Impact Fee Update Summary



Water Delivery Overall CIP vs. Projected Impact Fee Revenue: 2011 – 2020

(In Millions of \$)



- Ratepayers (46.3%)
- Impact Fee Funding at Current Rate (50.2%)
- Added Impact Fee Funding from Proposed Rate (3.5%)

Total Water Delivery CIP: \$302.1 Million

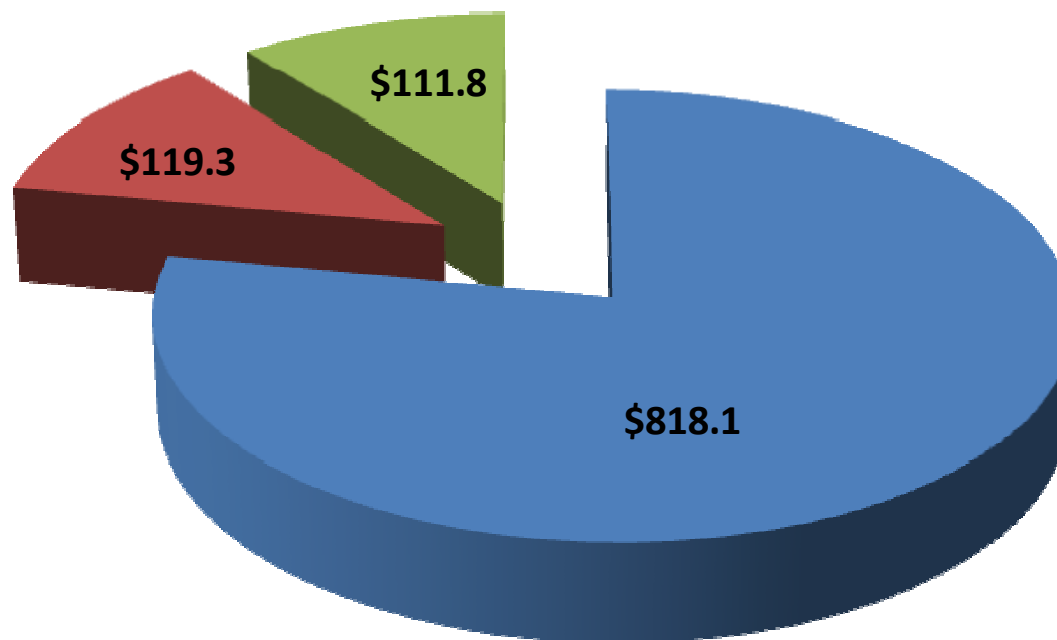
Total CIP includes projects containing growth support components

February 2, 2011

2011 – 2020 Impact Fee Update Summary

Wastewater Overall CIP vs. Projected Impact Fee Revenue: 2011 – 2020

(In Millions of \$)



- Ratepayers (78%)
- Impact Fee Funding at Current Rate (11.4%)
- Added Impact Fee Funding from Proposed Rate (10.7%)

Total Wastewater CIP: \$1,049.2 Million

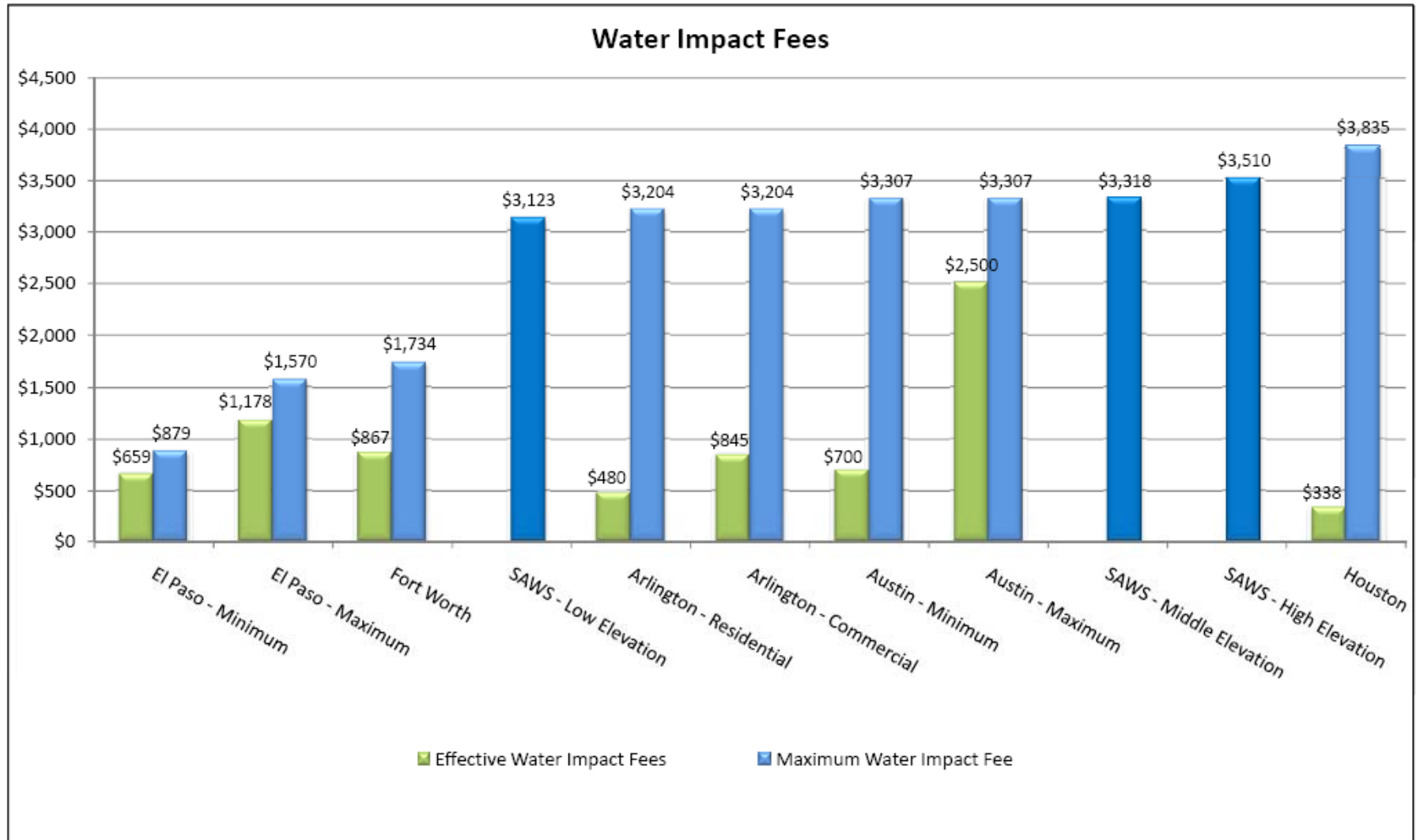
Total CIP includes projects containing growth support components

February 2, 2011

2011 – 2020 Impact Fee Update Summary



Comparison to Other Utilities - Water

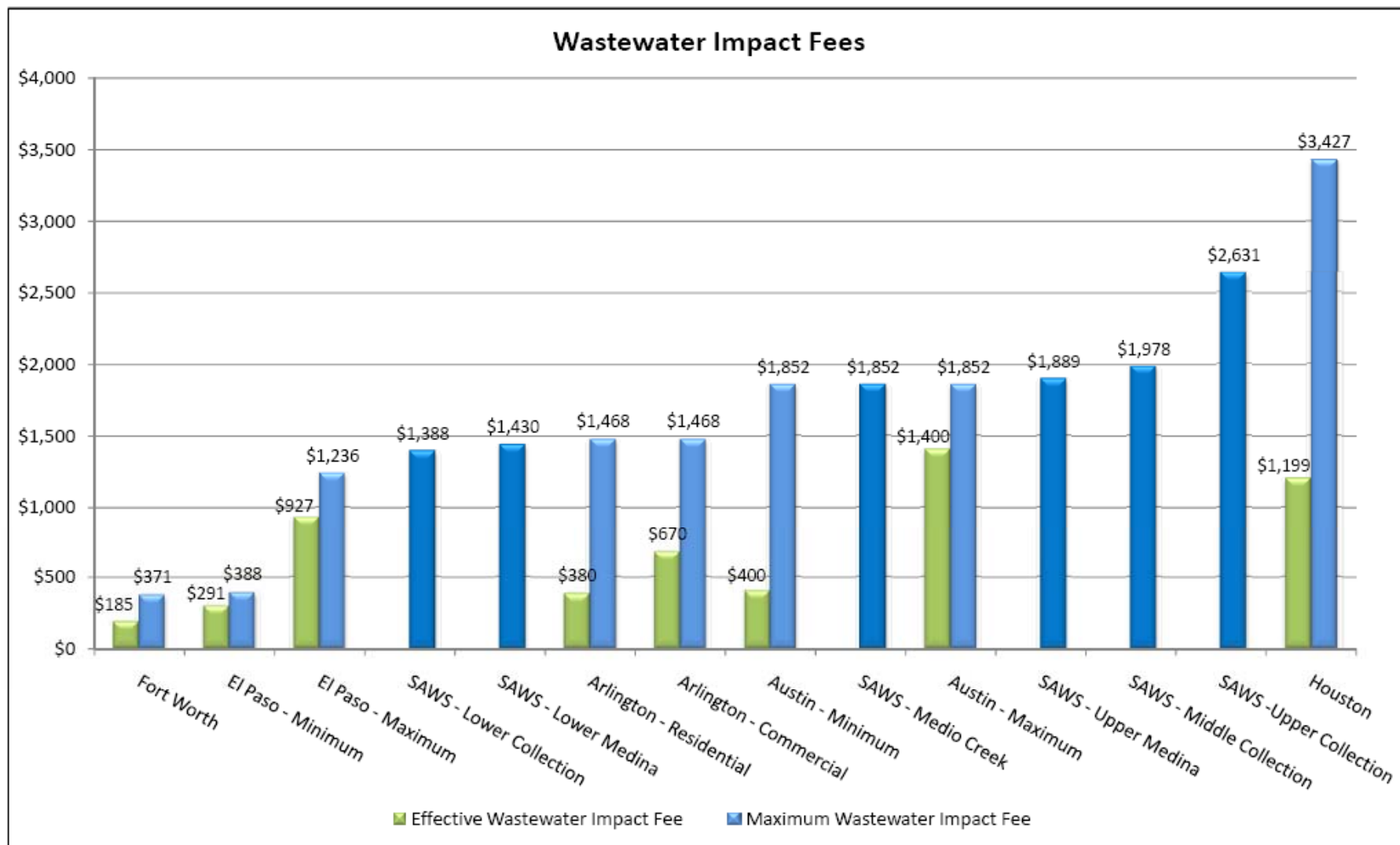


February 2, 2011

2011 – 2020 Impact Fee Update Summary



Comparison to Other Utilities - Wastewater



February 2, 2011

2011 – 2020 Impact Fee Update Summary



Next Steps

- CIAC acceptance and recommendation to City Council
- SAWS Board acceptance and recommendation to City Council
- City Council briefing and set date for Public Hearing
- City Council Public Hearing and action

February 2, 2011

2011 – 2020 Impact Fee Update Summary





2011-2020 Impact Fee Update Summary

February 2, 2011

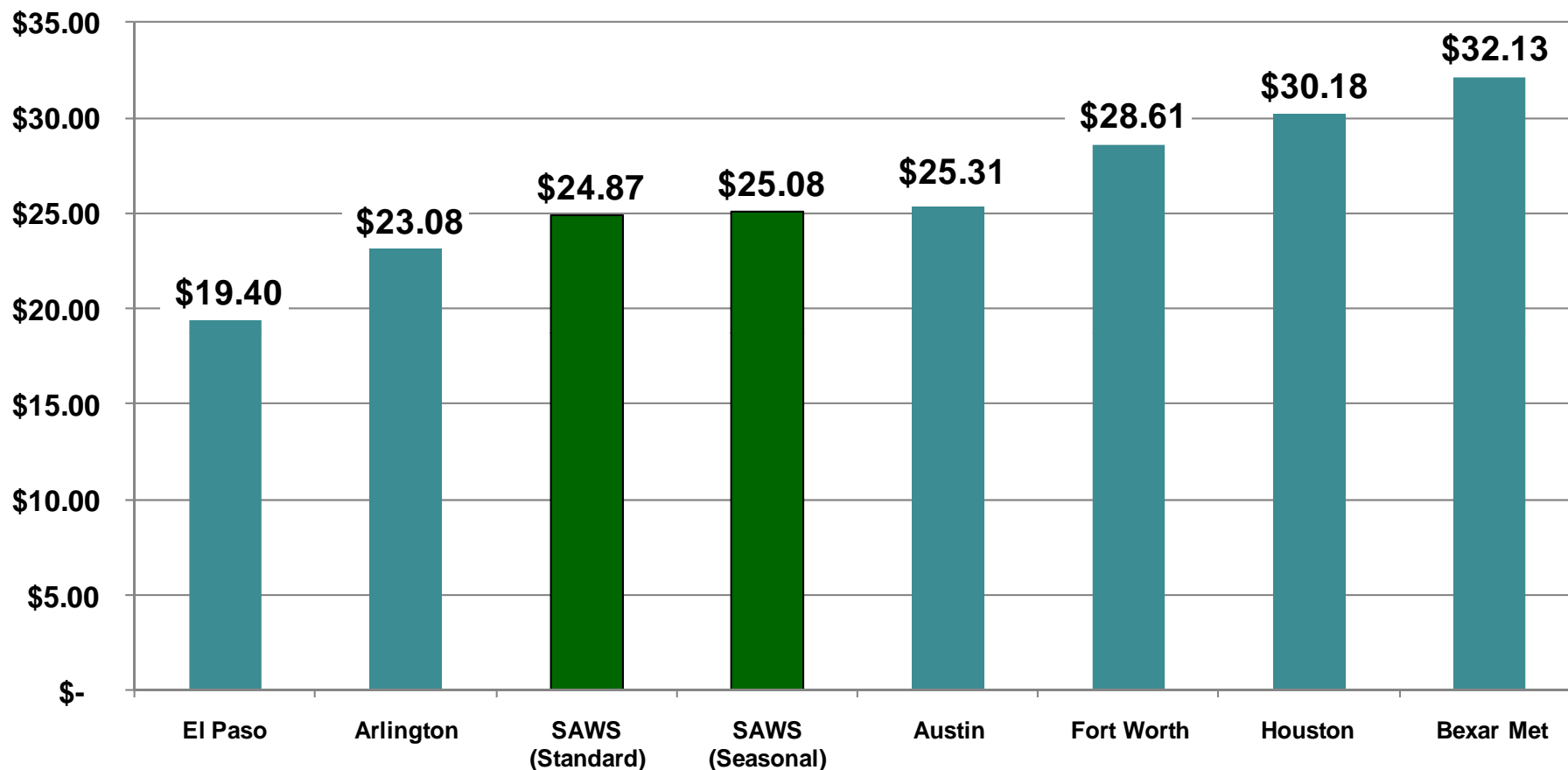
Capital Improvements Advisory Committee

Sam Mills, P.E.

Director, Infrastructure Planning

Residential Water Bill Comparison

Monthly Cost at 7,788 Gal. Water (5/8" Meter)



•Monthly charges as of Jan 2011

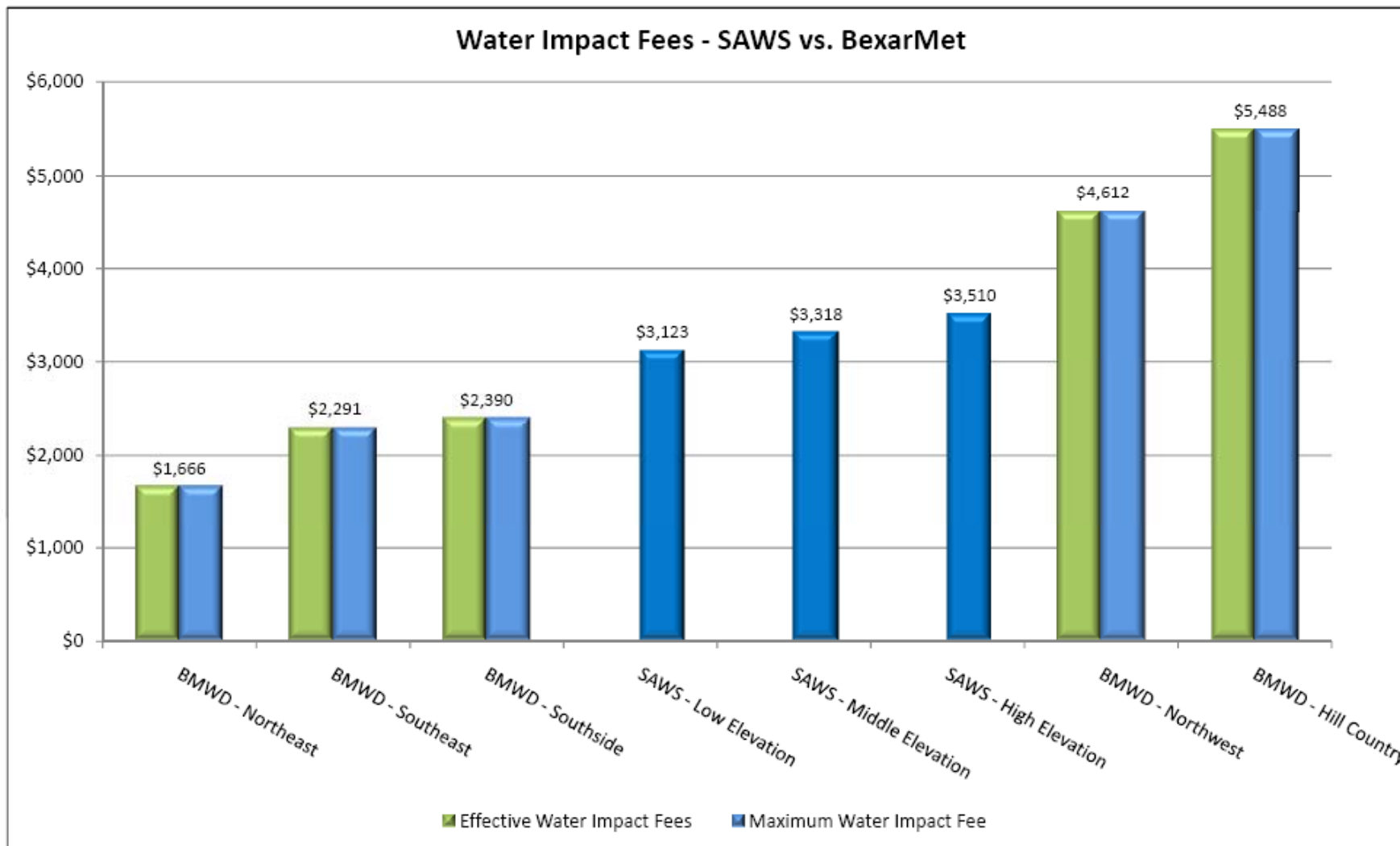
February 2, 2011

•SAWS Rates: Incl. EAA and TCEQ - ICL

2011 - 2020 Impact Fee Update Summary



Comparison to Other Utilities - Water



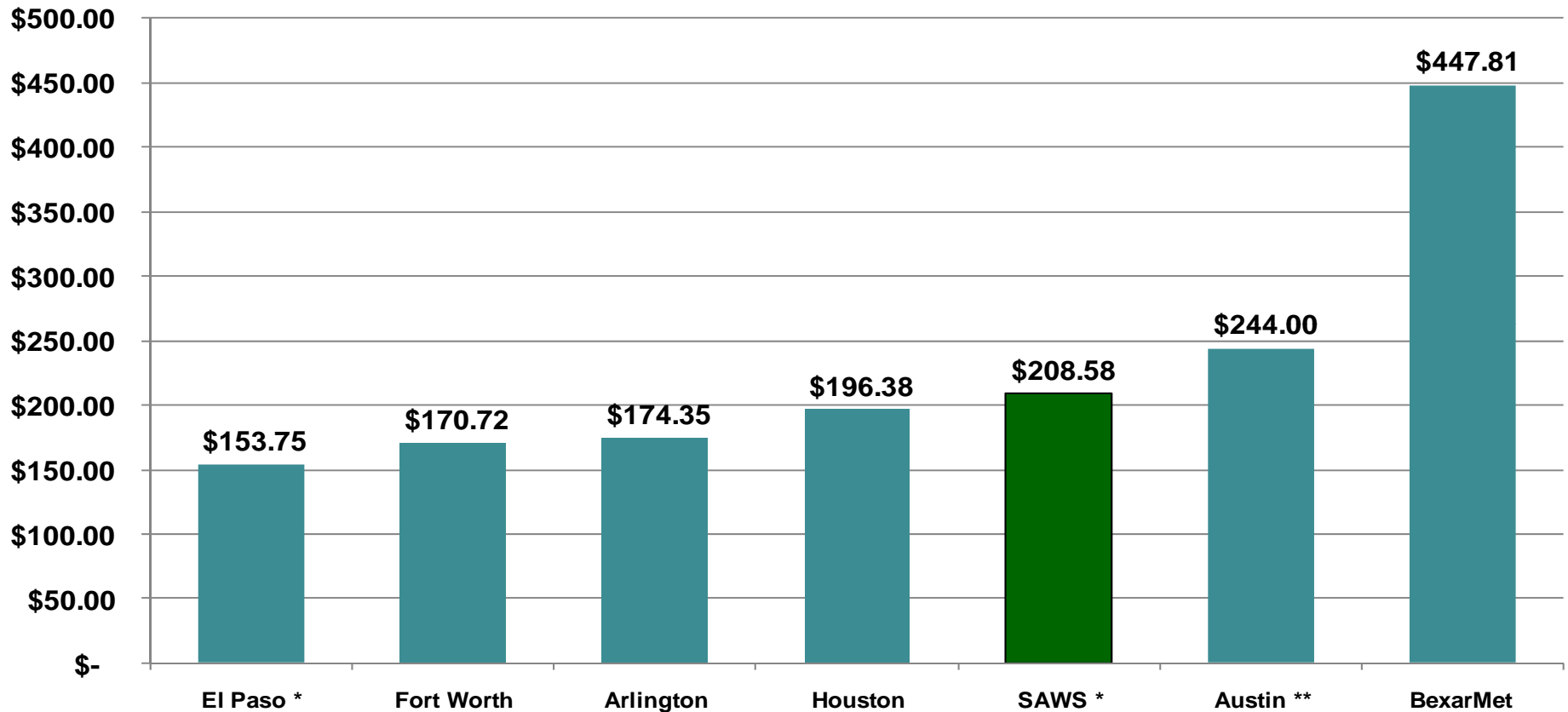
February 2, 2011

2011 – 2020 Impact Fee Update Summary



Commercial/General Class Bill Comparison

Monthly Cost at 50,000 Gallons Water (2" Meter)



* SAWS and El Paso have base/excess water rates; charges assume avg. monthly consumption of 50,000 gallons per month.

** Austin Peak Period Rates – July 1 through October 31.

•Monthly charges as of Jan 2011

February 2, 2011

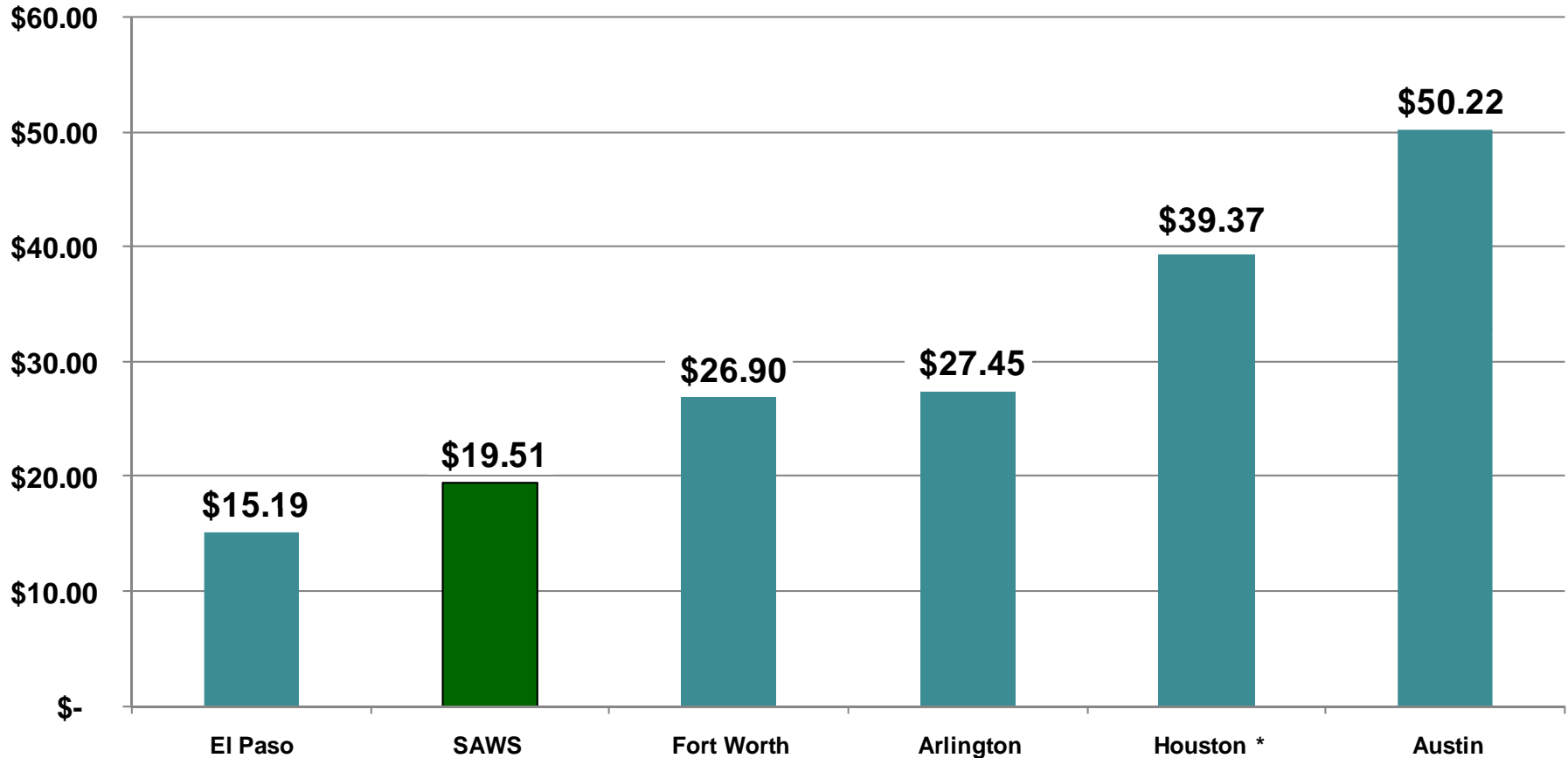
•SAWS Rates: Incl. EAA and TCEQ – ICL

2011 – 2020 Impact Fee Update Summary



Residential Wastewater Bill Comparison

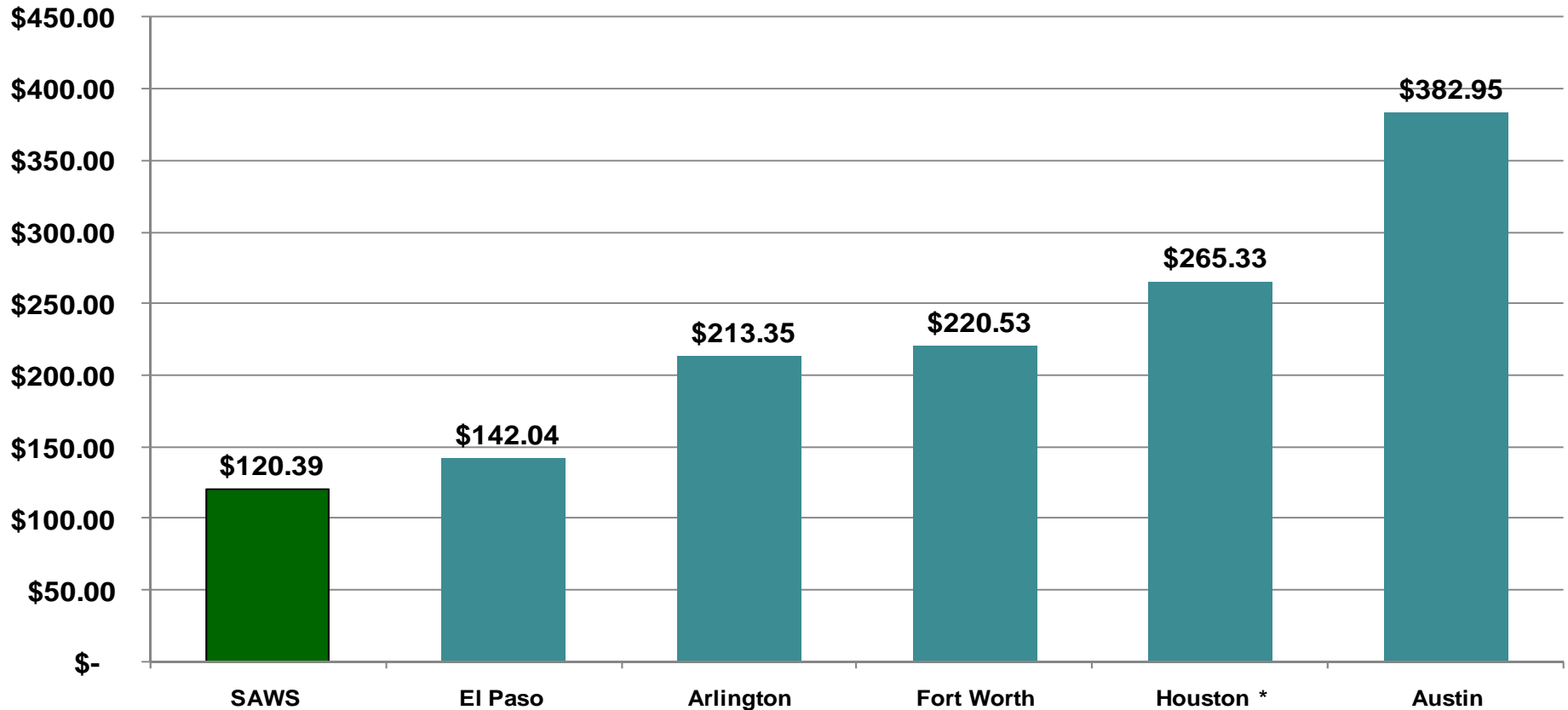
Monthly Cost at 6,178 Gal. Wastewater



- * Houston wastewater charges based solely on water usage
- Monthly charges as of Jan 2011

Commercial/General Class Bill Comparison

Monthly Cost at 50,000 Gallons Wastewater



- Houston wastewater charges based solely on water usage
- *Monthly charges as of Jan 2011*

February 2, 2011

•SAWS Rates: Incl. TCEQ - ICL

2011 - 2020 Impact Fee Update Summary

