

**TO:** Capital Improvements Advisory Committee

**FROM:** Tracey B. Lehmann, P.E., Director - Development

**DATE:** September 5, 2018

**SUBJECT:** September 2018 Update

The purpose of this letter is to provide a summary of SAWS 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 budget approved by the SAWS Board of Trustees. The 2018 funded CIP is approximately \$391.4M. The 2019 to 2022 unfunded CIPs are approximately \$423.3M/year. The actual 2019 to 2022 CIPs are contingent upon future SAWS Board approval of the annual budgets, of which funding is likely to require rate increases that are contingent upon approval by the San Antonio City Council.

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 current impact fee CIP relates to the 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 July 31, 2018.

JUN 2014 – JUL 2018	IF Collected	IF Commitments
Flow	47,043,343.45	6,499,461.99
System Development	32,173,738.40	45,760,940.27
Collection	66,290,750.27	183,872,112.75
Treatment	33,848,510.29	7,504,655.76
Water Supply	94,061,799.49	81,692,380.93
<b>Total</b>	<b>273,418,141.90</b>	<b>325,329,551.70</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 has collected \$702.98M and spent \$343.6M in impact fees through July 2018. SAWS is projected to spend another \$22.31M 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 July 2018, impact fee spending includes \$161.3M of recouped impact fees. Over the next 6 to 12 months, SAWS intends to recoup an additional \$59.1M in impact fees to help fund other capital projects included in the current CIP.

The attached table shows the impact fee eligible projects with commitments from June 2014 through July 2018.

SAWS is currently working with the CIAC to update the impact fees for the 2019-2028 timeframe which are expected to be in effect by June 2019.

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

<u>Flow</u>	<u>Commitments</u>
16in wtr mn along Old Fred Rd	101,095.85
Afton Oaks Wtr Mn Oversize	50,272.48
Borgfeld Drive Phase 2 ROW	(147,744.71)
Borgfeld West 16-Inch Oversize	(64,266.75)
Concept Therapy Institute	778,574.60
DSP Borgfeld Rd. 12-inch main	604,632.60
DSP TAMUS E/W Arterial Mn	868,076.76
DSP-Bitters Aspen Interconnect	65,169.97
Evans Rd 16&24 OS (Judson ISD)	2,000,824.73
FM 1937 Phase 2	(574.76)
Hidden Springs Water Project	(189,946.16)
McCoy Subdivision Unit 1	16,358.58
Public Wtr Mn Ext @ Chavaneaux	24,782.04
Purchase Pipe Inland Storage	(83.52)
Quiet Creek 16' Oversize 8'	(20,548.92)
Quiet Creek Offsite Wtr Mn	307,336.67
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
Tesoro Ridge Subd WtrMn-16inOS	(43,306.01)
Whispering Winds Dr-Mogford	1,528,615.59
Wiseman Blvd Wtr Mn Extn(pipe)	448,869.63
	<b>6,499,461.99</b>
<u>System Development</u>	<u>Commitments</u>
24in Wtr Mn Rgrs Rnch Ph1 11-7	(457,088.66)
Anderson Pump Station Improvements	79,541.80

Arcadia Ridge 24" Offsite Wtr	188,085.39
Artesia PS New Wells	408,212.71
Babcock Tank	(7,500.00)
Cibolo Elevated Storage Tank	(514,081.94)
Cross Mountain Elevated Strg Tnk	(110,053.14)
Culebra Tnk & PS aka Cnty Line	(492,116.45)
Davis Ranch Sub 24-Inch OS Ph2	50,608.28
DeZavala Storage Tank	14,100.60
Dietrich Storage Tank	958,733.24
DSP New World GST and HSP	7,314,363.73
DSP Swanson Fac 182	2,445,458.69
DSP-Hill Country Village	90,159.46
E. Evans 24in Approach & Brd	382,682.75
Evans Road - Water Main Extend	3,330,466.10
Harlach Farm Subd Water Main	404,748.05
Highland Estates 24in OvrSz	987,006.80
Highland Estates Unit 1 FGST	7,206,428.67
Indian Hills PZ 12 PS(IH10 BS)	2,634.24
Kallison 24-inch Offsite Water	895,476.55
Micron - Additional Wells	359,014.73
Micron 48in Wtr Mn Ext to Andr	1,064,332.70
Naco PS Improvements PH8	(709,730.13)
Oversize 24in Wtr Mn Schneider	624,831.94
PZ1082 to PZ7 Interconnection	59.18
Southeast Tank and Pump Stn	16,232,538.61
Sunset Pump Station Improv	(13,076.08)
SW Lp 410 Elevated Strg Tank	1,335,250.12
Turtle Crk #3 PS-Med Cntr T Mn	14,142.28
Turtle Crk No3 Pump Stn	769,400.21
Watson Tank (AKA Applewhite)	2.00
Winwood 24in OvrSz Mn Ph1	(107,445.49)
Wtr Mn Along Encino PS/Hwy 281	1,410,775.73
Wtr Prd Fac Rehab Ph11-Wurzbch	1,592,814.66
Zoeller Tank (General McMullen	10,162.94
	<b>45,760,940.27</b>

<u>Collection</u>	<u>Commitments</u>
Boerne Stage Rd. Sewer Part	(37,198.05)
C-01 Sewer Relief Main (PFS)	415.63
C13 BrdwyCrdr-Jsphn to S Alamo	1,459,881.70
C-13 Broadway Corridor Pck B2	25,536.51
C13-Broadway Corridor PckB Ph1	15,895,257.04
C-30 San Joaquin-Gen McMullen	267,468.93
C-33 Brdwy Corridor: Carnahan	1,575,506.21
C-5 & C-28 Ph1A_Ph1B-DESIGN	1,064,839.38
C-5 & C-28 Phase 1B	14,369,070.65
C-5 Culebra&C-28 Zarza Crk Ph3	94,191.92
C-5 Culebra&C-28 Zarzamora Ph2	6,140,217.61
Carmona Hills Sub 2B	828.78
Cibolo Crk Swrshd Flw Divrsn	9,891,149.93
Classen-Steubing Oversized Sew	5,787,777.42
E-19 Segment 1	43,345,336.31
E-19 Segment 2	31,321,172.24
E20 Wurzbach:Jones Malts-Naco	4,417,202.58
Far West Inter-Basin Lift Stat	(217,971.57)
Far West Swr Relief Mn (FW-01)	(25,973.69)
Helotes Crk Grvty Mn&LS246 Elm	1,093,338.07
Lift Station Elimn Ph 2	1,901,082.27
Lift Station Elimination Ph3	653,136.08

Sawyer Meadows Swr Oversize	(22,140.02)
SBSP Legal & Constr Management	253,267.82
Sewer Main at 126 Endicott	(29,210.21)
SSO - LS 135 Elimination	314,136.76
SSO-Olmos Basin Cntrl C-3 UIW	1,924,901.60
SW Bexar Swr Pipeline Seg 3	814,386.12
SW Bexar Swr Pipeline Seg 4	54,254.75
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	3,467,765.45
W-2 Huebner Creek: Eckhert	1,282,522.38
W31:IH10 Boerne Stg-Old Frdrck	19,109,007.57
W-6 Western Watershed SWR	(392,404.91)
W-6 Wstrn Wtr Shd P3 & P4	18,402,037.79
W-6:Western Wtrshd SwrRifLn-P1	68,307.44
W-6:WstrnWtrshdSwrRif Ln-Proj1	(230,284.65)
Westover Hills Main Oversize	(1,552.74)
WWRL - Upper Segment	1,012,163.28
	<b>183,872,112.75</b>

<u>Treatment</u>	<u>Commitments</u>
Dos Rios 1st Stage Diffuser	(118,982.16)
Dos Rios Re-rating Ph1 (Prelm)	1,567,795.83
Dos Rios WRC ThermalHydrolysis	(76,565.25)
DR & LC Tertiary Filters	(1,736,785.82)
DR & LC-Tertiary Filters Exp	229,240.13
DR WRC Dig Mix & Sys Enhnc-Ph2	(1,854,282.03)
DR WRC Elec Sys Imprvmnts-Ph 2	2,356,999.51
DR WRC Thickening Fac Expn	7,131,393.90
Medio Creek WRC Expansion Proj	5,841.65
	<b>7,504,655.76</b>

<u>Water Supply</u>	<u>Commitments</u>
Brackish Groundwater Desalinat	(1,785,030.89)
Desal: Prod Well Design-Pckg 1	106,448.13
Expanded Carrizo	1,658,244.26
Integration Pipeline Seg 1	1,057,899.02
Integration Pipeline Seg 2	1,170,003.85
Integration Pipeline Seg 3	4,810,174.15
Integration: Land Acquisition	168,651.19
RC Buckhorn?SSLGC WTP Pipeline	715,267.69
RCP-Land/Easements	(2,775,393.64)
RCP-Well Drilling&Collection	(1,592,890.63)
Regional Carrizo: SSLGC - Naco	(389,229.10)
WRIP Interconnect-Somerset PS	1,422,679.25
WRIP Old Pearsall PS Ph1	15,638,560.46
WRIP PH2 PS Improvements	3,878,835.00
WRIP Pipeline Segment 1A	19,672,375.57
WRIP Pipeline Segment 2B	23,093,711.41
WRIP Twin Oaks West PS Ph1	14,842,075.21
	<b>81,692,380.93</b>

**Grand Total** **325,329,551.70**