

AN ORDINANCE 2019-04-11-0297

**SETTING A PUBLIC HEARING FOR MAY 16, 2019, TO CONSIDER
UPDATED LAND USE ASSUMPTIONS, CAPITAL
IMPROVEMENTS PLAN, AND IMPACT FEES FOR THE SAN
ANTONIO WATER SYSTEM SERVICE AREA.**

* * * * *

WHEREAS, the San Antonio Water System ("SAWS") operates a combined water and wastewater utility system on behalf of the City of San Antonio, which serves approximately 502,000 water and 449,000 wastewater customer connections in the San Antonio metropolitan area; and

WHEREAS, Chapter 395 of the Local Government Code establishes the requirements and the process that the City of San Antonio must follow in order to assess and collect impact fees; and

WHEREAS, the appropriate level of impact fees is based on the Land Use Assumption Plan ("LUAP") and Capital Improvements Plan ("CIP") for the SAWS service area; and

WHEREAS, the purpose of the LUAP is to describe the service area subject to impact fees and establish a ten year forecast of expected changes in land uses, densities, intensities, and population in the service area; while the CIP provides an overview of the costs associated with the capital improvements and facility expansions necessary to support new development in the service area based on the land use assumptions; and

WHEREAS, SAWS staff have been meeting with the council appointed members of the Capital Improvements Advisory Committee ("CIAC") since June 2018 to update the LUAP, capital improvements plans for water supply, water delivery, and wastewater; and the maximum impact fee for the water delivery, water supply, and wastewater applicable to new development; and

WHEREAS, Chapter 395 requires impact fees to be updated every five years - the current impact fees for water delivery, water supply, and wastewater were approved by the San Antonio City Council on May 29, 2014; and

WHEREAS, in order to update the LUAP, CIP and impact fees applicable to the SAWS service area, a public hearing must be held to accept public comments and consider the proposed updates to the LUAP, CIP, and impact fees; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The San Antonio City Council will hold a public hearing on May 16, 2019, in City Council Chambers to accept public comments on the proposed updates to the LUAP, CIP, and impact fees for the SAWS service area.


SECTION 2. SAWS is directed to provide notice by publication of the hearing as required by

RP
04/11/2019
Item No. 4B

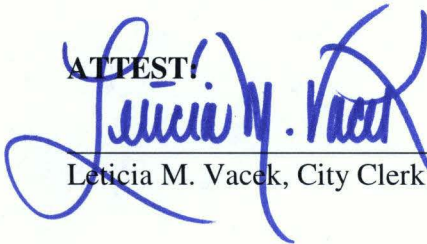
Chapter 395 of the Local Government Code in the San Antonio Express News and any other publication that SAWS deems appropriate.

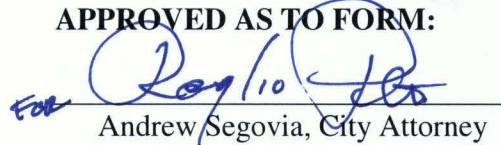
SECTION 3. This ordinance shall become effective immediately.

PASSED AND APPROVED, this 11th day of April, 2019.



M A Y O R
Ron Nirenberg

ATTEST!

Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:

Andrew Segovia, City Attorney

Agenda Item:	4B (in consent vote: 4A, 4B)						
Date:	04/11/2019						
Time:	11:21:51 AM						
Vote Type:	Motion to Approve						
Description:	Ordinance scheduling a public hearing date for May 16, 2019 to consider adoption of the Land Use Assumptions Plan, the Capital Improvements Plan and updated impact fees for the service territory of the San Antonio Water System.						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ron Nirenberg	Mayor		x				
Roberto C. Treviño	District 1		x			x	
Art A. Hall	District 2		x				
Rebecca Viagran	District 3	x					
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Greg Brockhouse	District 6	x					
Ana E. Sandoval	District 7		x				
Manny Pelaez	District 8		x				x
John Courage	District 9		x				
Clayton H. Perry	District 10		x				

**CAPITAL IMPROVEMENTS ADVISORY COMMITTEE
REPORT TO THE SAN ANTONIO CITY COUNCIL ON THE UPDATE OF THE 2019 –
2028 LAND USE ASSUMPTION PLAN, CAPITAL IMPROVEMENTS PLAN AND
MAXIMUM IMPACT FEES**

Chapter 395 of the Texas Local Government Code establishes both the procedural and substantive requirements for the City Council of the City of San Antonio (City) to adopt impact fees related to the San Antonio Water System's (SAWS) water and wastewater capital costs associated with new development. As part of those requirements, Section 395.058 of the Code requires the City Council to appoint an impact fee advisory committee, but gives the Council the option to either: designate the Planning or Zoning Commission as the advisory committee; or create a separate and independent advisory committee. In August of 1987, pursuant to Resolution No. 87-41-64, the City Council created the Capital Improvements Advisory Committee (CIAC) as an independent impact fee advisory committee.

Pursuant to Section 395.058, the CIAC is charged with the following responsibilities: advise and assist the City/SAWS in adopting a Land Use Assumptions Plan (LUAP); review the Capital Improvements Plan (CIP) and file written comments; monitor and evaluate the implementation of the CIP; file semiannual reports on the progress of the CIP and report any perceived inequities to the City/SAWS; and advise the City/SAWS of the need to update the CIP, LUAP and/or Impact Fees (see § 395.058). For the purposes of the proposed comprehensive five (5) year update, the CIAC's main purpose is to timely file its written comments consistent with those relevant responsibilities delineated above. The SAWS Board has the authority to make an independent recommendation to City Council and the Council has the final authority to adopt the updated CIP, LUAP and Impact Fees up to the maximum calculations. The CIAC shall meet at least semi-annually to review the status of the impact fee program and to meet the current legislative requirements.

BACKGROUND

1. Legal Basis

- a. Impact fees may be adopted and collected under Chapter 395 of the Texas Local Government Code.
- b. Impact fees are a framework for financing the capital improvements related to growth for water and sewer infrastructure.
- c. Impact fees are a one-time charge to fund the cost of building new infrastructure to serve new development. They may be collected only for capital costs. Costs for operations and maintenance are not eligible.
- d. Chapter 395 requires that impact fees must be updated every five years, for a ten year period.
- e. Chapter 395 of the L.G.C. requires utilities to calculate a rate credit for growth related capital improvements to be subtracted from the calculated impact fee.
- f. The rate credit is based on the amount of projected future rate revenues or taxes expected to be generated by the new development and used to pay for capital improvements identified in the CIP.
- g. Utilities can calculate the rate credit and apply it to the impact fee or apply a credit equal to 50% of the calculated impact fee.
- h. SAWS has historically opted to calculate the rate credit which results in the calculation of the maximum impact fee.
- i. Chapter 395 requires the calculation of the maximum impact fee. It does not require that the maximum impact fee be charged.
- j. A copy of all agendas, minutes, recordings and presentations to the CIAC will be maintained by SAWS. A copy of the draft 2019-2028 impact fee report is attached for reference.
- k. The CIAC, in its advisory capacity to City Council, is required to file its written comments on the proposed updates and amendments to the CIP, LUAP and maximum impact fees no later than six (6) business days prior to the public hearing on the updates and amendments (see § 395.056).

2. Factual Basis

- a. The San Antonio Water System updated impact fees in May 2014. The SAWS impact fees must be updated before June 2019.
- b. Chapter 395 of the L.G.C. allows for financing costs to be included in the calculation of impact fees.
- c. Financing costs for existing projects were included in the impact fee calculation.
- d. Financing costs for future projects were not included since SAWS reserves the option to fund growth projects with cash.
- e. Historically, the City of San Antonio has approved charging the maximum impact fee.
- f. Other cities charge an impact fee that is less than the maximum impact fee. A comparison of other U.S. and Texas cities' impact fees is in Appendix B.
- g. If less than the maximum impact fee is charged the difference would be made up from other sources in order to fund future CIP.

- h. Using a timeline of 1993 through July of 2018, SAWS staff found that without the inclusion of an impact fee the average SAWS water bill would increase approximately \$6.19, equating to an overall rate increase of 9.84%. A comparison of rates in other cities can be found in Appendix C.
- i. In contrast to previous impact fee calculation cycles, the committee did not consider alternate LUAP projections.

LAND USE ASSUMPTIONS PLAN (LUAP)

3. The Land Use Assumptions Plan is accepted and recommended for City Council approval.

- a. 10 year water Land Use Assumptions Plan = 141,770 EDUs.
- b. 10 year wastewater Land Use Assumptions Plan = 131,840 EDUs.
- c. A summary of the change in EDUs, CIP, and maximum calculated impact fees is in Appendix A.
- d. The committee recommended approval of the Land Use Assumptions Plan by a vote of 8-0. There were two committee members absent (D7 & D8) and one unfilled position (D5).
- e. The SAWS Water Management Plan was updated in 2017, and the population projections that were used by SAWS staff are consistent with COSA, AACOG and MPO.

EQUIVALENT DWELLING UNIT (EDU) DEFINITIONS

4. EDU Definitions

The EDU definitions are accepted and recommended for City Council approval.

- a. A water EDU = 290 gallons per day.
- b. A wastewater EDU = 200 gallons per day with an I/I factor (inflow and infiltration) of 600 gallons per acre per day.
- c. The committee recommended approval of the EDU definitions by a vote of 8-0. There were two committee members absent (D7 & D8) and one unfilled position (D5).

CAPITAL IMPROVEMENTS PLAN

5. The Water Supply Capital Improvements Plan is based on the SAWS 50-Year Water Management Plan.

- a. San Antonio's long-standing commitment and investment in water conservation and infrastructure improvements has yielded its most diverse water supply. SAWS, in partnership with the community, has successfully cultivated an ethic of conservation and invested in infrastructure over the past 25 years and effectively reduced the gallons per capita per day (GPCD) by approximately 50 percent, all while SAWS' service area population has grown by approximately 150 percent.
- b. The 50-Year Water Management Plan uses the drought of record as the guide to determine when projects are needed and the amount of Edwards Aquifer water that will be available based on projected pumping restrictions.
- c. The existing water supply projects used in the calculation are Edwards Aquifer Storage & Recovery, Local Carrizo, Regional Carrizo (through SSLGC), Trinity Aquifer, GBRA (Canyon Lake), Desalination, Canyon Regional Water Authority, and Medina System Surface Water.
- d. SAWS staff determined the 2018 water supply capacity to be 281,495 AF (acre feet) and the 2028 water supply capacity to be 331,495 AF including 50,000 AF from the Vista Ridge project. (*An acre foot is 325,853 gallons of water.*)
- e. SAWS staff determined the 2018 AD (annual demand) to be 251,629 AF and the 2028 AD to be 297,682 AF.
- f. SAWS staff changed the assumption for debt financing the future Water Supply CIP from 50% to 85% debt financing, matching SAWS multi-year financial plan. Increasing the debt financing assumption increases the rate credit.
- g. The CIAC does not recommend the maximum calculated Supply Impact Fee.
- h. The CIAC recommends assessing a prorated Supply Impact Fee of \$2,706 per EDU, which is a weighted average of the maximum calculated Supply Impact Fee of \$3,322 and the expected future calculated Supply Impact Fee of \$2,637 when the Vista Ridge Project will be in operation and become a component of the equity calculation. The Vista Ridge Project is expected to be completed in 2020.
- i. A reconciled CIP list will be provided to the CIAC biannually for review.
- j. A summary of the change in EDUs, CIP, maximum calculated impact fees and CIAC recommended impact fees is in Appendix A.

6. The Water Delivery System Development and Flow Capital Improvements Plan

- a. The gallons per day used to define an EDU has been reduced from 313 to 290 GPD based on updated data provided by SAWS staff.
- b. EDUs have increased over the last five years while total water supplied has remained fairly constant.
- c. SAWS staff changed the assumption for debt financing the future Water Delivery CIP from 70% to 60%, matching the SAWS multi-year financial plan. Decreasing the debt financing assumption decreases the rate credit.

- d. The CIAC recommends assessing the maximum Water Delivery System and Flow Impact Fees.
- e. A reconciled CIP list will be provided to the CIAC at the biannual meetings for review.
- f. A summary of the change in EDUs, CIP, maximum calculated impact fees and CIAC recommended impact fees is in Appendix A.

7. The Wastewater Treatment and Collection Capital Improvements Plan

- a. The gallons per day used to define an EDU has been reduced from 240 to 200 GPD based on updated data collected by SAWS staff monitoring flows at SAWS treatment plants, collection of winter averaging data, and flow meters throughout the SAWS wastewater system.
- b. From data collected with additional flow meters in conjunction with the SAWS requirement in the EPA consent Decree, SAWS determined that an inflow and infiltration factor of 300 gallons per acre was inadequate, and was increased to 600 gallons per acre.
- c. SAWS staff changed the assumption for debt financing the future Wastewater CIP from 70% to 60%, matching the SAWS multi-year financial plan. Decreasing the debt financing assumption decreased the rate credit.
- d. The CIAC recommends assessing the maximum Wastewater Treatment and Collection fees.
- e. A reconciled CIP list will be provided to the CIAC at the biannual meetings for review.
- f. A summary of the change in EDUs, CIP, maximum calculated impact fees and CIAC recommended impact fees is in Appendix A.

8. The Capital Improvements Plan is accepted and recommended for City Council approval.

- a. 10-year value of eligible water supply projects = \$519,048,777
- b. 10-year value of eligible water flow projects = \$182,232,572
- c. 10-year value of eligible water system development projects = \$139,999,299
- d. 10-year value of eligible wastewater treatment projects = \$102,044,699
- e. 10-year value of eligible wastewater collection projects = \$235,191,944
- Total 10-year value of all impact fee eligible projects= \$1,178,517,291

MAXIMUM IMPACT FEES

9. The maximum calculated impact fees are shown below:

a.	Water Supply Impact Fee.....	\$3,322
b.	Water Flow Impact Fee.....	\$1,188
c.	Water System Development Impact Fee	
	i. High.....	\$1,203
	ii. Middle.....	\$1,014
	iii. Low.....	\$855
d.	Wastewater Treatment	
	i. Medio Creek.....	\$1,222
	ii. Dos Rios / Leon Creek.....	\$651
e.	Wastewater Collection	
	i. Medio Creek.....	\$861
	ii. Upper Medina.....	\$1,422
	iii. Lower Medina.....	\$520
	iv. Upper Collection.....	\$2,800
	v. Middle Collection.....	\$2,013
	vi. Lower Collection.....	\$902

The Committee recommended approval of the Maximum Calculated Impact Fees by a vote of 9-0. One committee member was absent (D3) and one position unfilled (D5).

The percentage change and dollar amount of the maximum impact fees by service areas are shown in Appendix B.

10. Impact Fee Waiver Program

- a. Currently SAWS provides three million dollars in impact fee waivers to City of San Antonio annually for the Fee Waiver Program.
- b. City Council adopted the August 2018 Affordable Housing Taskforce recommendation to waive impact fees for affordable housing units.

CAPITAL IMPROVEMENTS ADVISORY COMMITTEE RECOMMENDATIONS

11. The CIAC accepts and recommends for City Council the approval of the maximum calculated impact fees except for the Water Supply Impact Fee as shown below and in Appendix D:

- a. Water Supply Impact Fee.....\$2,706
- b. Water Flow Impact Fee.....\$1,188
- c. Water System Development Impact Fee
 - i. High.....\$1,203
 - ii. Middle.....\$1,014
 - iii. Low.....\$855
- d. Wastewater Treatment
 - i. Medio Creek.....\$1,222
 - ii. Dos Rios / Leon Creek.....\$651
- e. Wastewater Collection
 - i. Medio Creek.....\$861
 - ii. Upper Medina.....\$1,422
 - iii. Lower Medina.....\$520
 - iv. Upper Collection.....\$2,800
 - v. Middle Collection.....\$2,013
 - vi. Lower Collection.....\$902

APPENDIX A

CIAC Approved 2019-2028 Maximum Impact Fee Calculation

	EDU Definition (gpd)		LUAP (EDUs)		Eligible Equity & CIP (\$)		Calculated Fee (\$/EDU)		Rate Credit (\$/EDU)		Impact Fee (\$/EDU)		Fee Change	
	Current	Approved	Current	Approved	Current	Approved	Current	Approved	Current	Approved	Current	Approved Max	\$	%
Water Supply	313	290	95,817	141,770	\$ 282,391,017	\$ 519,048,777	\$ 2,947	\$ 3,661	\$ 151	\$ 339	\$ 2,796	\$ 3,322	\$ 526	19%
Water Flow	313	290	95,817	141,770	\$ 121,466,247	\$ 182,232,572	\$ 1,268	\$ 1,285	\$ 86	\$ 97	\$ 1,182	\$ 1,188	\$ 6	1%
Water System Development (total)	313	290	95,817	141,770	\$ 73,696,321	\$ 139,999,299	\$ 769	\$ 988	\$ 41	\$ 52	\$ 728	\$ 935	\$ 207	28%
High Elevation			8,783	6,845	\$ 6,574,789	\$ 8,467,874	\$ 923	\$ 1,237	\$ 40	\$ 34	\$ 883	\$ 1,203	\$ 320	36%
Middle Elevation			45,265	56,478	\$ 34,596,341	\$ 60,338,483	\$ 843	\$ 1,068	\$ 44	\$ 54	\$ 799	\$ 1,014	\$ 215	27%
Low Elevation			41,769	78,447	\$ 32,525,191	\$ 71,192,942	\$ 657	\$ 908	\$ 38	\$ 53	\$ 619	\$ 855	\$ 236	38%
Wastewater Treatment (total)	240	200	95,589	131,840	\$ 86,683,968	\$ 102,044,699	\$ 907	\$ 774	\$ 61	\$ 57	\$ 845	\$ 717	\$ (129)	-15%
Medio Creek			8,838	15,167	\$ 13,385,880	\$ 19,820,413	\$ 1,515	\$ 1,307	\$ 86	\$ 85	\$ 1,429	\$ 1,222	\$ (207)	-14%
Leon/Dos Rios Creeks			86,751	116,673	\$ 73,298,089	\$ 82,224,287	\$ 845	\$ 705	\$ 59	\$ 54	\$ 786	\$ 651	\$ (135)	-17%
Wastewater Collection (total)	240 & 300	200 & 600	95,589	131,840	\$ 167,093,734	\$ 235,191,944	\$ 1,748	\$ 1,784	\$ 95	\$ 103	\$ 1,653	\$ 1,681	\$ 28	2%
Medio Creek			8,838	15,167	\$ 7,627,627	\$ 13,693,357	\$ 863	\$ 903	\$ 25	\$ 42	\$ 838	\$ 861	\$ 23	3%
Upper Medina			18,744	11,667	\$ 21,475,227	\$ 11,011,473	\$ 1,651	\$ 1,504	\$ 86	\$ 82	\$ 1,565	\$ 1,422	\$ (143)	-9%
Lower Medina			3,762	4,410	\$ 11,374,282	\$ 9,011,045	\$ 505	\$ 560	\$ 30	\$ 40	\$ 475	\$ 520	\$ 45	9%
Upper Collection			35,689	39,389	\$ 39,431,580	\$ 32,831,501	\$ 2,666	\$ 2,969	\$ 146	\$ 169	\$ 2,520	\$ 2,800	\$ 280	11%
Middle Collection			12,048	21,769	\$ 37,842,239	\$ 71,615,338	\$ 1,561	\$ 2,136	\$ 92	\$ 123	\$ 1,469	\$ 2,013	\$ 544	37%
Lower Collection			16,508	39,438	\$ 49,342,780	\$ 97,029,230	\$ 768	\$ 965	\$ 49	\$ 63	\$ 719	\$ 902	\$ 183	25%
Totals					\$ 731,331,287	\$ 1,178,517,291	\$ 7,639	\$ 8,492	\$ 434	\$ 649	\$ 7,205	\$ 7,843	\$ 638	9%

Notes:

1. Current = Final Approved 2014 to 2023 impact fee program
2. Approved = Approved 2019 to 2028 impact fee program presented to the CIAC
3. Total Impact Fees (\$/EDU) are weighted averages for water system development, wastewater treatment, wastewater collection, and total.
4. Eligible CIP is the prorated amount of existing and Approved infrastructure to serve the LUAP.
5. EDU definition applies as warranted based on average daily flow in gallons per day (gpd) except collection which shows 200 gpd average dry weather flow & 600 gpd per acre Inflow & Infiltration (I/I).
February 11, 2019

APPENDIX A

2019 - 2028 EDU, LUAP, CIP and Impact Fee Summary

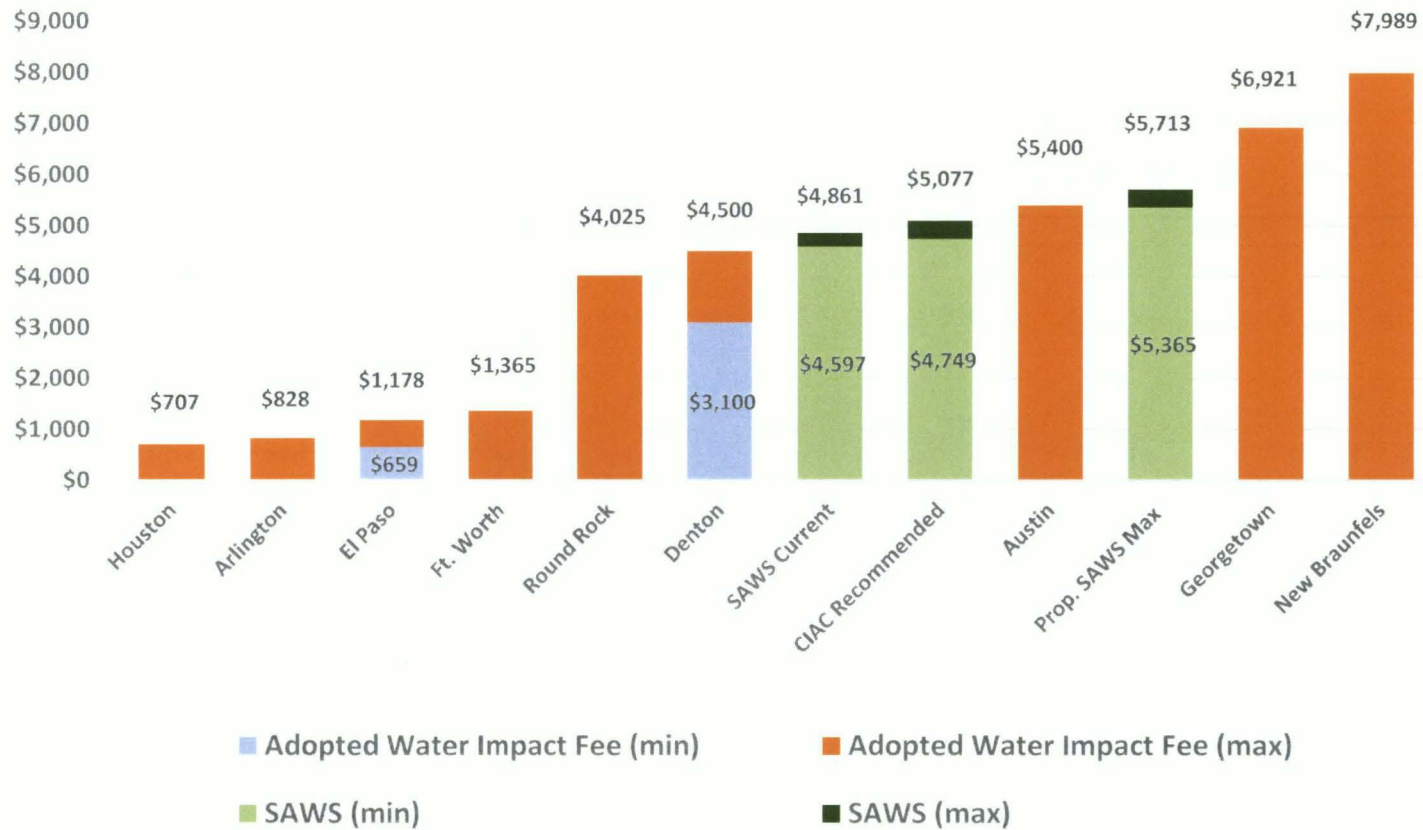
	EDU Definition (gpd)		LUAP (EDUs)		Eligible Equity & CIP (\$)		2014-2023 Impact Fee	Maximum Calculated 2019 - 2028 Impact Fee			CIAC Recommended 2019 - 2028 Impact Fee		
	Current	Approved	Current	Approved	Current	Approved	\$/EDU	\$/EDU	\$ Change	% Change	\$/EDU	\$ Change	% Change
Water Supply	313	290	95,817	141,770	\$ 282,391,017	\$ 519,048,777	\$ 2,796	\$ 3,322	\$ 526	19%	\$ 2,706	\$ (90)	-3%
Water Flow	313	290	95,817	141,770	\$ 121,466,247	\$ 182,232,572	\$ 1,182	\$ 1,188	\$ 6	1%	\$ 1,188	\$ 6	1%
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Wastewater Treatment (total)	240	200	95,589	131,840	\$ 86,683,968	\$ 102,044,699	\$ 845	\$ 717	\$ (129)	-15%	\$ 717	\$ (129)	-15%
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Lower Collection			16,508	39,438	\$ 49,342,780	\$ 97,029,230	\$ 719	\$ 902	\$ 183	25%	\$ 902	\$ 183	25%
Totals					\$ 731,331,287	\$ 1,178,517,291	\$ 7,205	\$ 7,843	\$ 638	9%	\$ 7,227	\$ 22	0%

Notes:

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3. Total Impact Fees (\$/EDU) are weighted averages for water system development, wastewater treatment, wastewater collection, and total.
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February 11, 2019

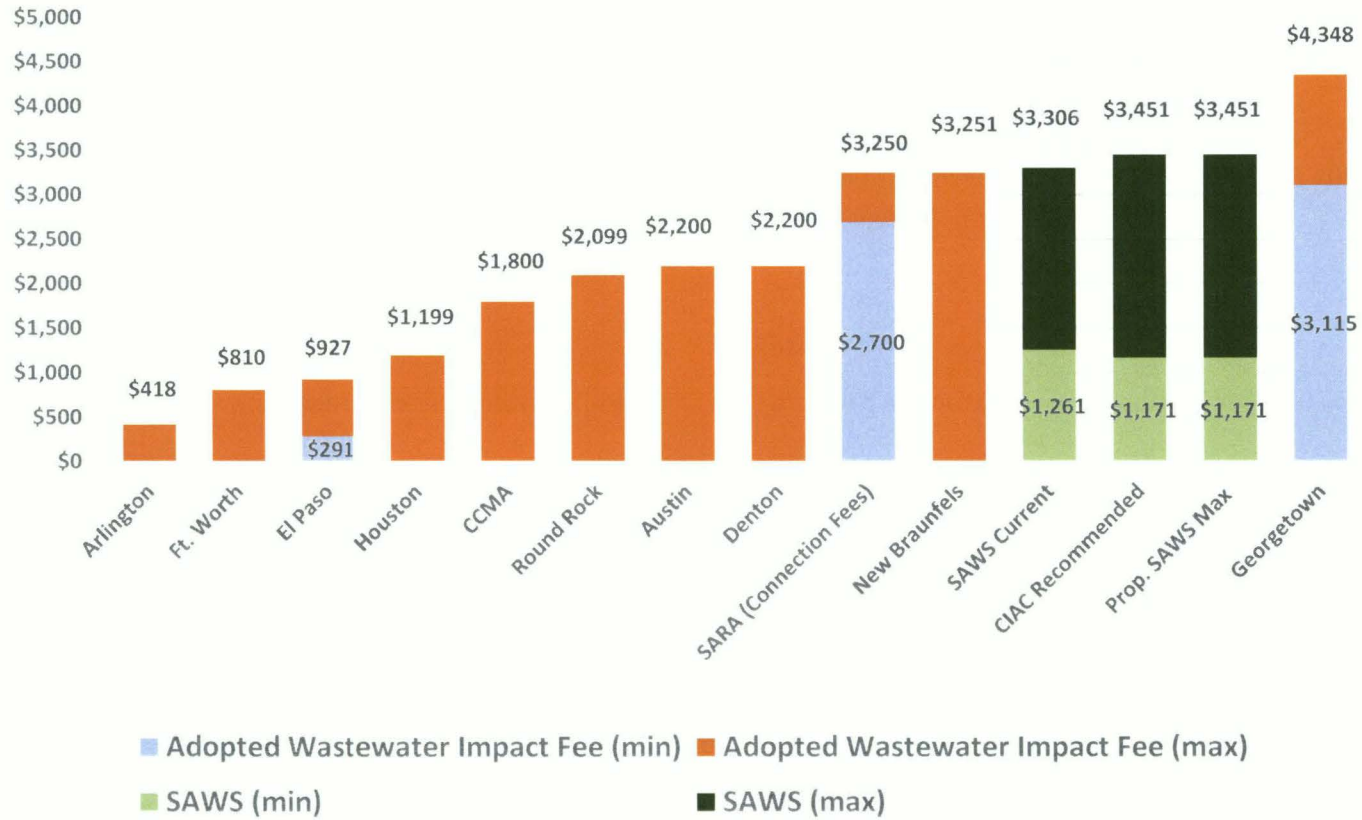
APPENDIX B: Impact Fee Survey of Texas Cities



Comparison to other Texas utilities – water

SAWS Current represent the minimum and maximum water impact fees in effect as of February 6, 2019. Proposed SAWS Maximum Allowable water impact fees are also reflected in the above chart.

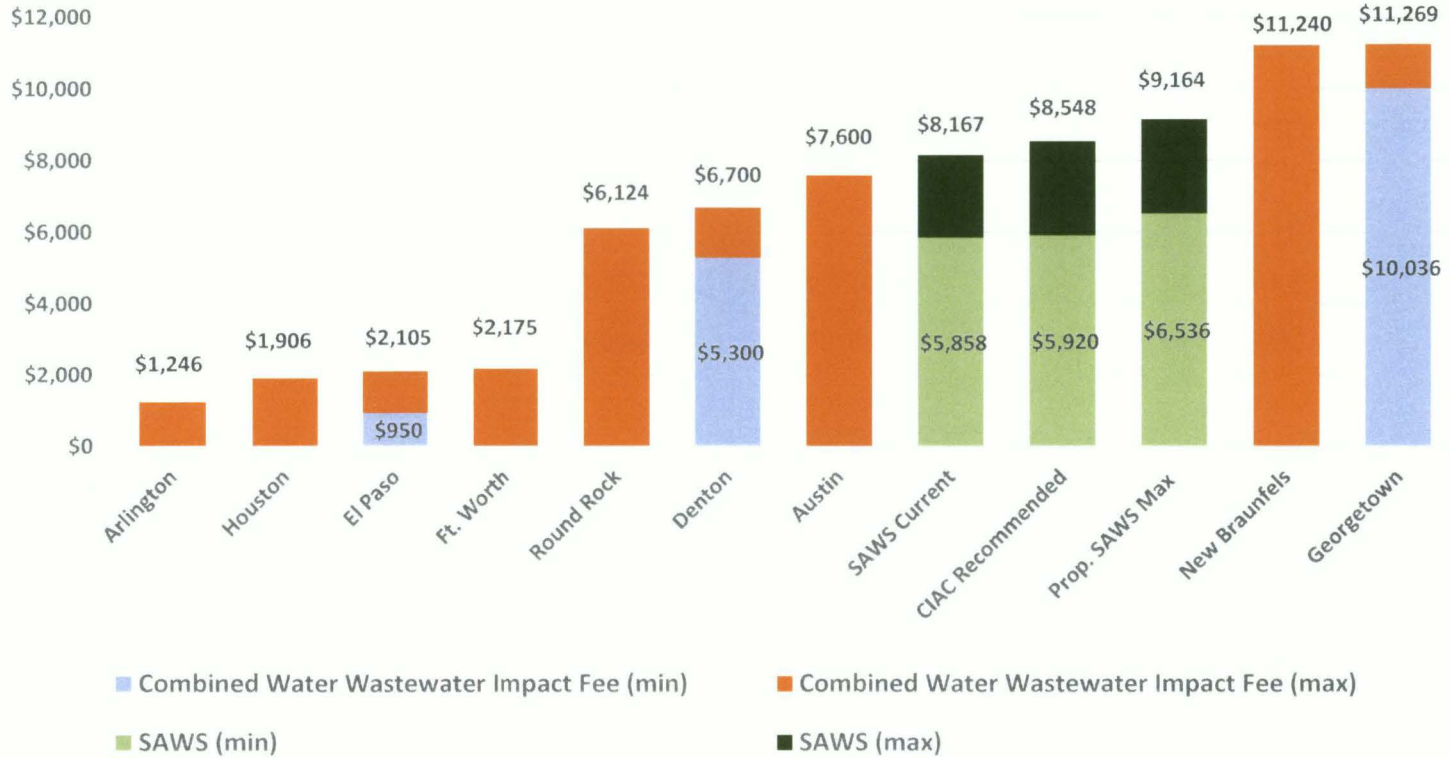
APPENDIX B: Impact Fee Survey of Texas Cities



Comparison to other Texas utilities – wastewater

SAWS Current represent the minimum and maximum wastewater impact fees in effect as of February 6, 2019. Proposed SAWS Maximum Allowable wastewater impact fees are also reflected in the above chart.

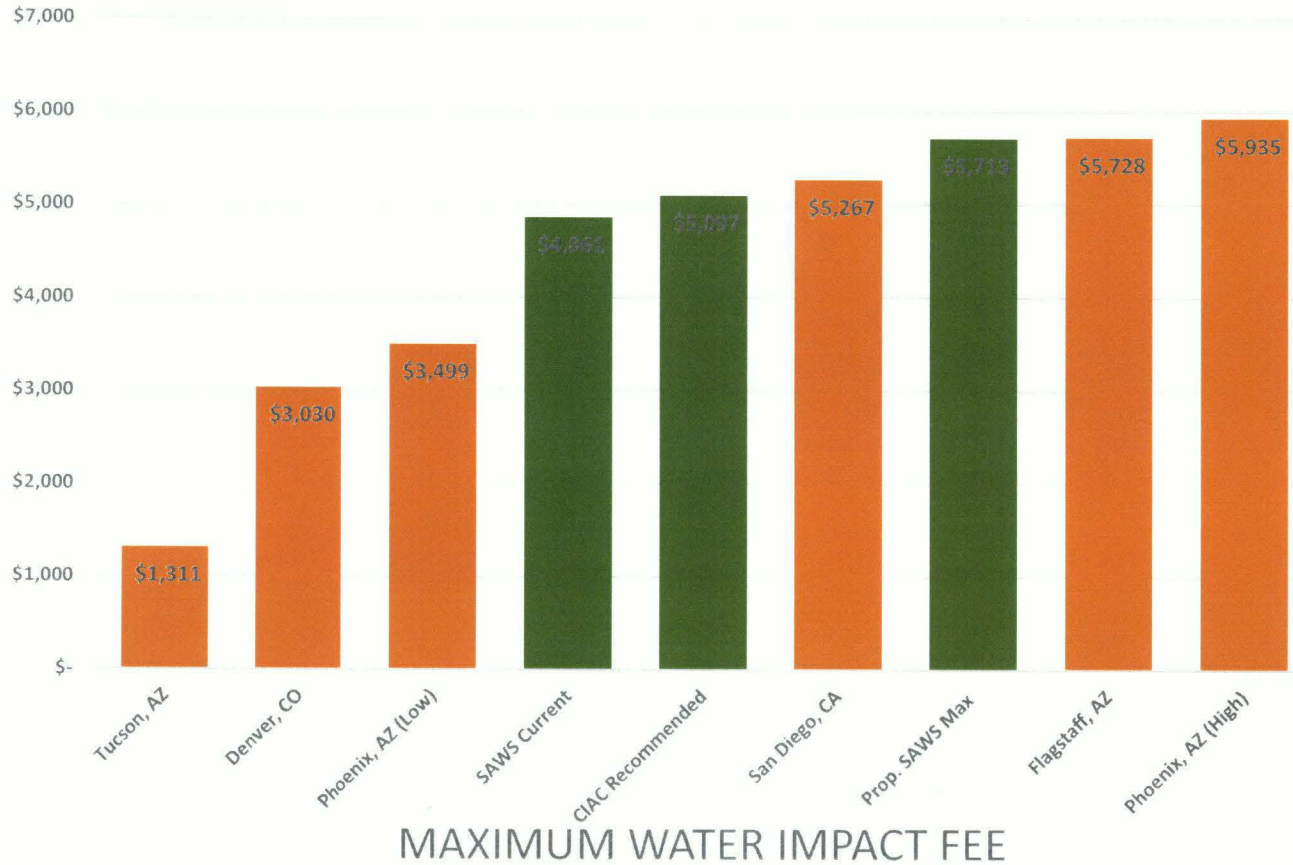
APPENDIX B: Impact Fee Survey of Texas Cities



Comparison to other Texas utilities – water and wastewater combined

SAWS Current represent the minimum and maximum combined water/wastewater impact fees in effect as of February 6, 2019. Proposed SAWS Maximum Allowable combined water/wastewater impact fees are also reflected in the above chart.

APPENDIX B: Impact Fee Survey of U.S. Cities



Comparison to other U.S. utilities – water

SAWS Current represent the maximum water impact fees in effect as of February 6, 2019. Proposed SAWS Maximum Allowable water impact fees are also reflected in the above chart.

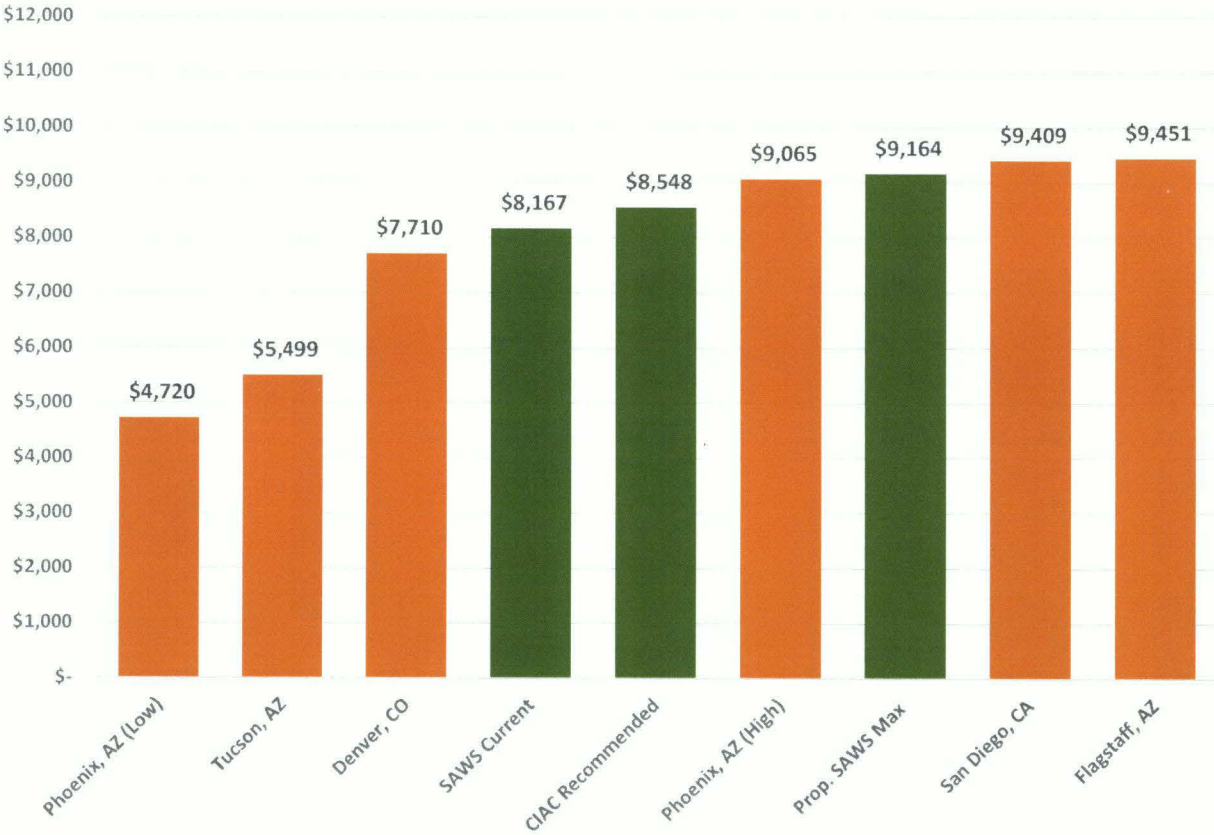
APPENDIX B: Impact Fee Survey of U.S. Cities



Comparison to other U.S. utilities – wastewater

SAWS Current represent the maximum wastewater impact fees in effect as of February 6, 2019. Proposed SAWS Maximum Allowable wastewater impact fees are also reflected in the above chart.

APPENDIX B: Impact Fee Survey of U.S. Cities



MAXIMUM WATER AND WASTEWATER IMPACT FEE

Comparison to other U.S. utilities – water and wastewater combined

SAWS Current represent the maximum combined water/wastewater impact fees in effect as of February 6, 2019. Proposed SAWS Maximum Allowable combined water/wastewater impact fees are also reflected in the above chart.

APPENDIX C: SAWS Average Residential Bills Compared to Major Texas Cities



Monthly charges as of January 2019. Based on 7,092 gallons per month water usage and 5,668 gallons per month wastewater usage. Includes EAA and TCEQ Fees.

* Houston and Corpus Christi wastewater charges based solely on water usage.

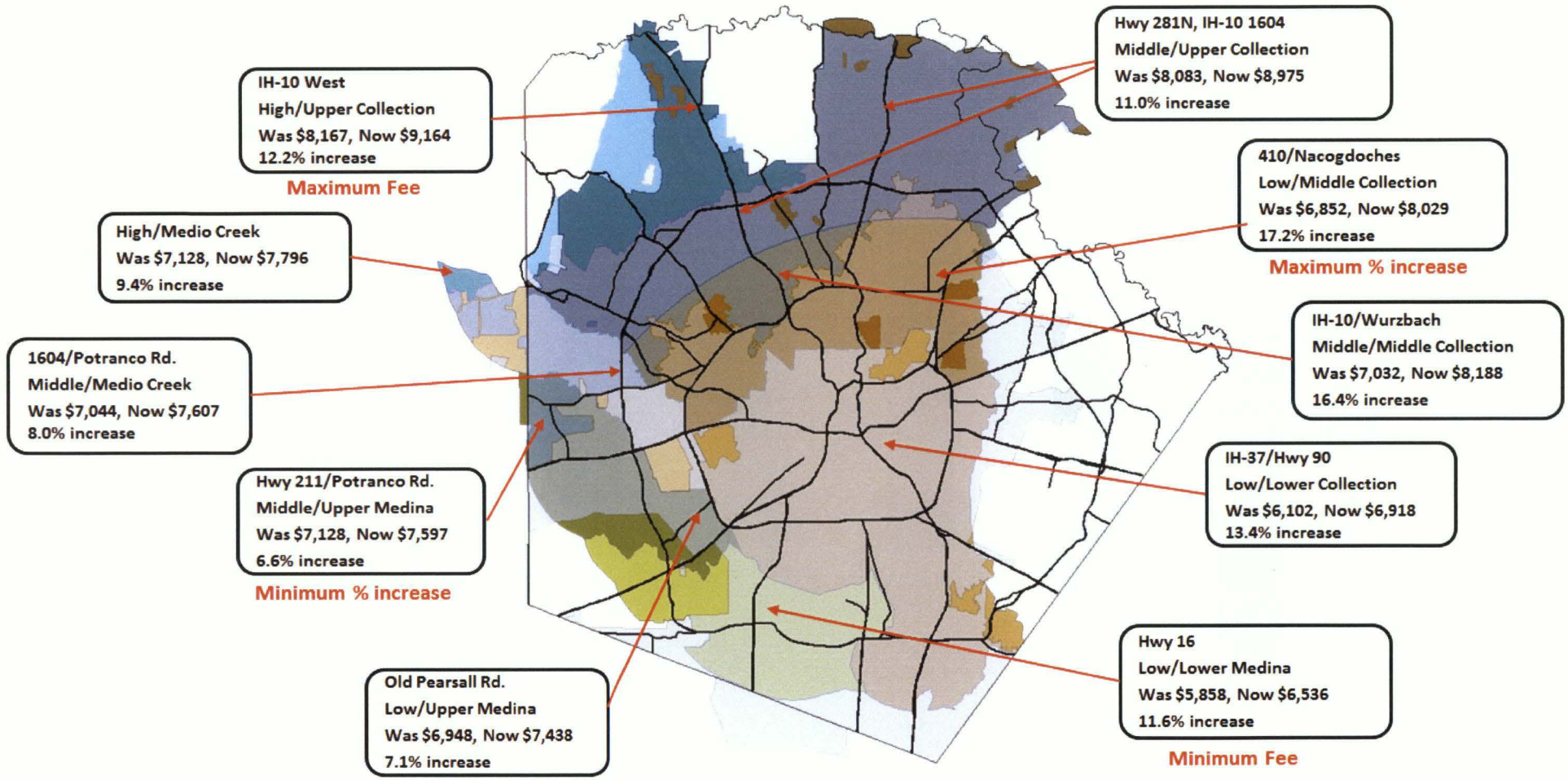
APPENDIX C: SAWS Average Residential Bills Compared to U.S. Cities Charging Impact Fees



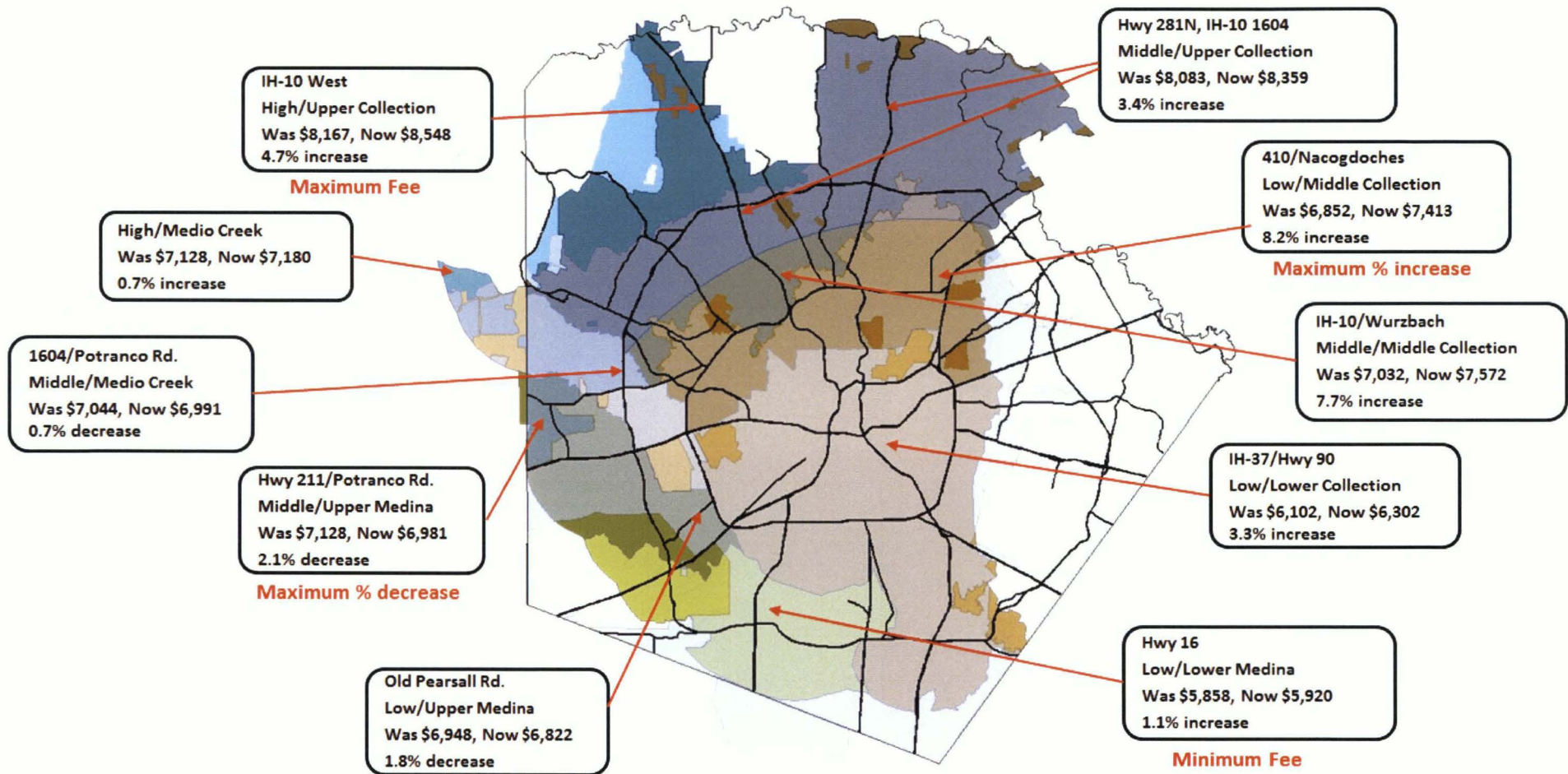
Monthly charges as of January 2019. Based on 7,092 gallons per month water usage and 5,668 gallons per month wastewater usage. Includes EAA and TCEQ Fees.

* Phoenix applies different rates during three different times a year; charges shown are the highest and cover April, May, Oct. & November.

APPENDIX D: Maximum Calculated Impact Fees by Impact Fee Area



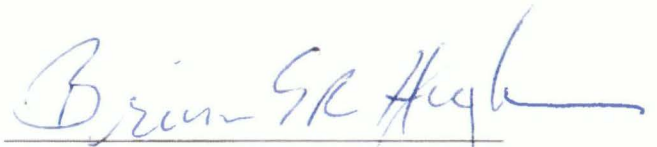
APPENDIX D: CIAC Recommended Impact Fees by Impact Fee Area



Capital Improvements Advisory Committee



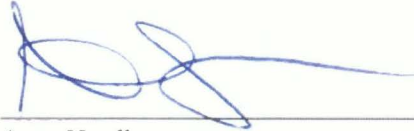
Arlene B. Fisher
District 1



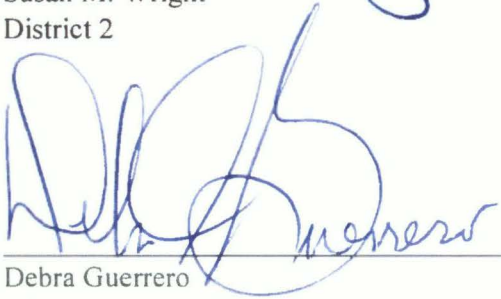
Brian G.R. Hughes
District 7



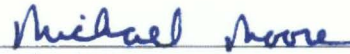
Susan M. Wright
District 2



Amy Hardberger
District 8



Debra Guerrero
District 3



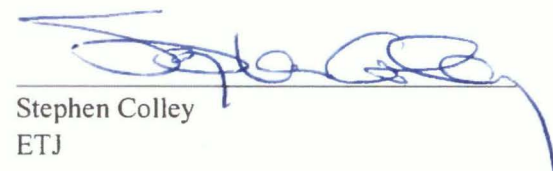
Michael Moore
District 9



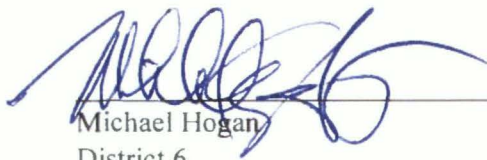
Michael W. Cude
District 4

Daniel D. Kossl
District 10
Chair

Vacant
District 5



Stephen Colley
ETJ



Michael Hogan
District 6

Capital Project Impact Fee Update

Robert R. Puente

President/Chief Executive Officer

City Council Presentation

April 11, 2019



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Impact Fees

Background

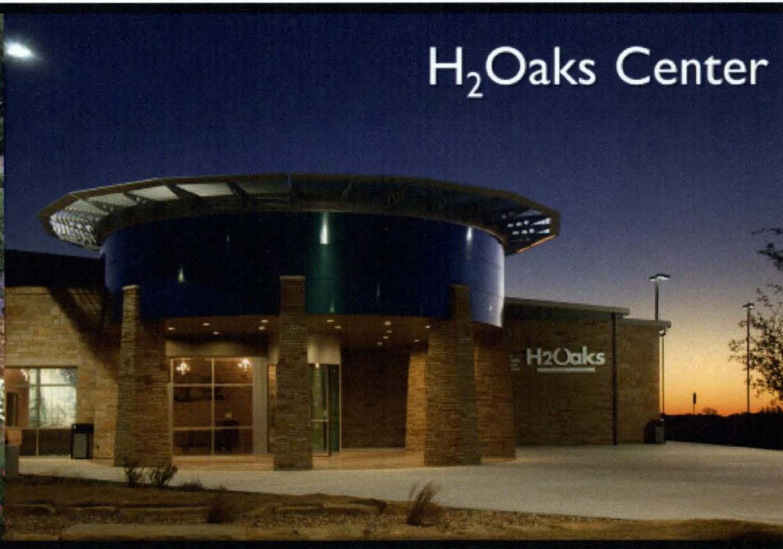
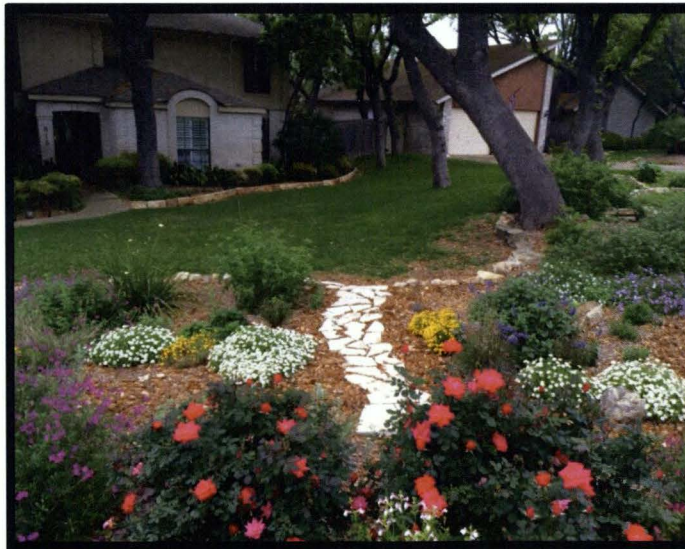
- A one-time payment made by new development at time of connection
- Provide financing for system expansions
- Assessed by many utilities in Texas
 - Houston
 - Fort Worth
 - El Paso
 - Austin
 - Arlington
- SAWS has been charging impact fees since 1990

Successful Innovation

National Leaders in Conservation

Innovative Water Supply Projects

Environmental Sustainability



Capital Project Impact Fee Update



SAWS Impact Fees

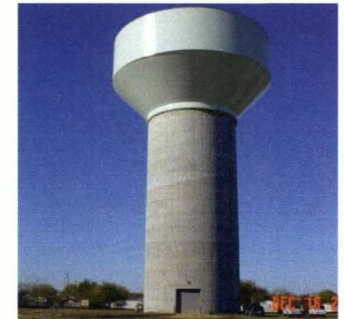
One-time charge for the cost of infrastructure for new development



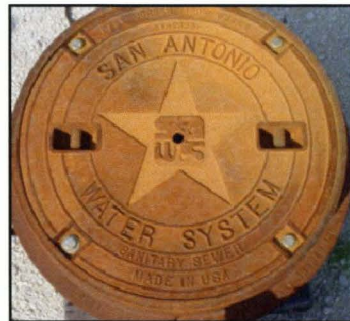
Water Supply



Water Delivery
Flow



Water Delivery
System Development



Wastewater Collection



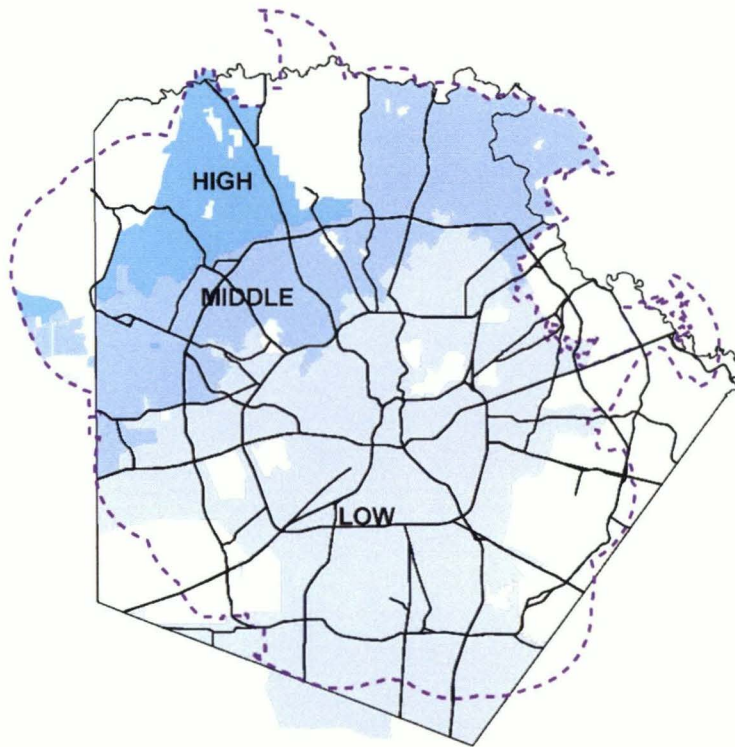
Wastewater Treatment

Capital Project Impact Fee Update

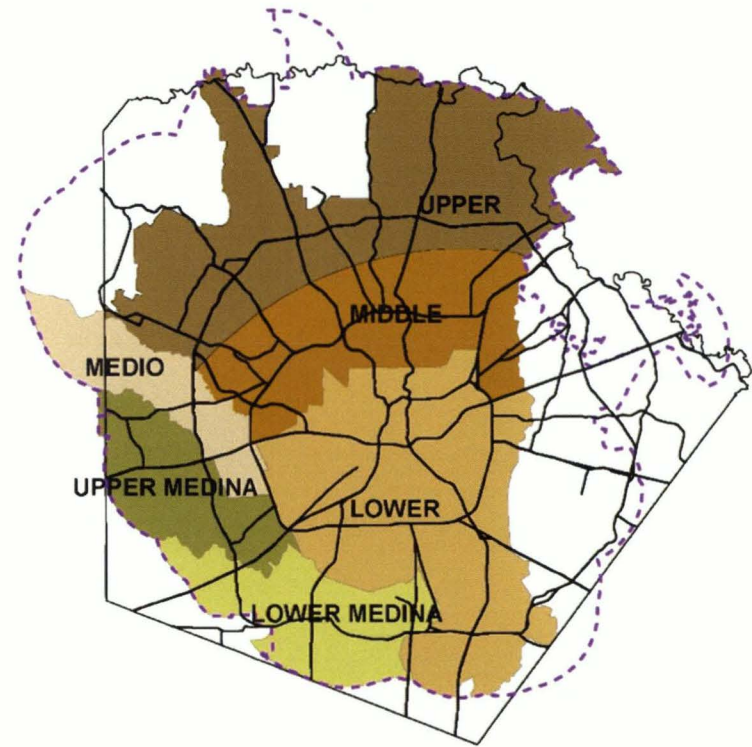


Impact Fees Vary Based on Location

Water



Wastewater



Impact Fee Review Process

Texas Local Government Code 395

- Statutory requirements:
 - Updated every 5 years
 - Council appointed Capital Improvements Advisory Committee (CIAC) reviews and approves
 - Land Use Assumptions Plan (LUAP)
 - Impact Fee Capital Improvements Plan (CIP)
 - Calculation of Maximum Impact Fee
 - 40% of members must represent real estate development or building industry
 - CIAC – 7 of 10 members represent development/building industry

In Memoriam
Mr. Dan Kossl

Member of CIAC Since 1997
Vice-Chair 2006
Chair 2010



CIAC Approved 2019-2028 Maximum Impact Fee Calculation

	Impact Fee (\$/EDU)		Fee Change	
	Current	Proposed Max	\$	%
Water Supply	\$ 2,796	\$ 3,322	\$ 526	19%
Water Flow	\$ 1,182	\$ 1,188	\$ 6	1%
Water System Development				
High Elevation	\$ 883	\$ 1,203	\$ 320	36%
Middle Elevation	\$ 799	\$ 1,014	\$ 215	27%
Low Elevation	\$ 619	\$ 855	\$ 236	38%
Wastewater Treatment				
Medio Creek	\$ 1,429	\$ 1,222	\$ (207)	-14%
Leon/Dos Rios Creeks	\$ 786	\$ 651	\$ (135)	-17%
Wastewater Collection				
Medio Creek	\$ 838	\$ 861	\$ 23	3%
Upper Medina	\$ 1,565	\$ 1,422	\$ (143)	-9%
Lower Medina	\$ 475	\$ 520	\$ 45	9%
Upper Collection	\$ 2,520	\$ 2,800	\$ 280	11%
Middle Collection	\$ 1,469	\$ 2,013	\$ 544	37%
Lower Collection	\$ 719	\$ 902	\$ 183	25%
Totals	\$ 7,205	\$ 7,843	\$ 638	9%

Water Supply

- Unique, only has one project with completion April 2020
- Impact fees based on 10-year forecast
- 1 year of Today's Maximum Fee, 9 years of Next Year's Maximum Fee

Supply Impact Fee	Current Fee (\$/EDU)	Proposed Fee (\$/EDU)	\$ Change	% Change
Maximum Impact Fee (Today)	\$ 2,796	\$ 3,322	\$ 526	19%
Maximum Impact Fee (Next Year)	\$ 2,796	\$ 2,637	\$ (159)	-6%
Hybrid	\$ 2,796	\$ 2,706	\$ (90)	-3%

CIAC Recommended 2019-2028 Impact Fee Calculation

	Impact Fee (\$/EDU)		Fee Change	
	Current	Proposed	\$	%
Water Supply	\$ 2,796	\$ 2,706	\$ (90)	-3%
Water Flow	\$ 1,182	\$ 1,188	\$ 6	1%
Water System Development				
High Elevation	\$ 883	\$ 1,203	\$ 320	36%
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Middle Collection	\$ 1,469	\$ 2,013	\$ 544	37%
Lower Collection	\$ 719	\$ 902	\$ 183	25%
Totals	\$ 7,205	\$ 7,227	\$ 22	0%

Community Outreach

- CIAC Public Meetings
 - 13 meetings between June 2018 and February 2019
 - Posted at www.saws.org/ciac and City Clerk
- Updates at bi-monthly SAWS/RECSA Development Task Force Meetings and Associated Builders and Contractor's Government Affairs Council Meetings
- SAWS Development Engineering electronic Quarterly Newsletter and Information Updates
- Website: www.saws.org/business_center/developer/ImpactFees/
- One-on-one with City Council Members

Impact Fee Timeline

Date	Task
June 2018 to February 2019	CIAC Presentations, Review and Deliberations
February 13, 2019	CIAC Approved Findings Report
April 2, 2019	SAWS Board Action
April 11, 2019	Council Briefing and Public Hearing Date Ordinance
May 16, 2019	Council Public Hearing and Action
June 2019	Updated Impact Fees in Effect



Impact Fee

- Request for City Council approval of the proposed 2019 - 2028:
 - Land Use Assumptions Plan
 - Water, Water Supply and Wastewater Capital Improvements Plans
 - Maximum Impact Fee Calculation for Water, Water Supply and Wastewater
 - Implement the Maximum Calculated Water and Wastewater Impact Fee and Water Supply fee of \$2,706 per EDU

Recommendation

- Establish public hearing date for May 16, 2019 and publish the notice in newspaper
- Hearing to discuss:
 - Updated 2019 – 2028 Land Use Assumptions Plan
 - Capital Improvements Plans
 - Maximum Impact Fee Calculations
 - Recommended Impact Fee Amounts

Capital Project Impact Fee Update

Robert R. Puente

President/Chief Executive Officer

City Council Presentation

April 11, 2019



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