

Wellborn Special Utility District
Water Impact Fee Analysis
Summary of Water Service Area Impact Fee Determination

Recoverable Impact Fee CIP Costs	\$ 28,826,110	(A)
Financing Costs	15,454,218	(B)
Existing Fund Balance	(772,067)	(C)
Interest Earnings	(4,213,544)	(D)
Pre Credit Recoverable Cost for Impact Fee (sum of above)	39,294,717	(E)
Credit Calculation Allowance	(3,833,393)	(F)
Maximum Recoverable Cost for Impact Fee	\$ 35,461,324	(G)

(A) Recoverable Impact Fee CIP Costs:

Represents the portion of capital improvement costs that are eligible for funding through impact fees
Per discussions with Wellborn SUD staff and Consulting Engineer as per Local Government Code Chapter 395.014(a)(6)

(B) Financing Costs:

Represents the interest costs associated with debt financing the new impact fee project costs
Interest costs are derived from existing debt issues (when applicable) and forecasted debt issues

New Annual Debt Service	\$ 44,205,028
Existing Annual Debt Service	-
Principal Component (New and Existing Debt)	(28,750,810)
Financing Costs	\$ 15,454,218

(C) Existing Fund Balance:

Represents impact fee revenue collected but not yet expended as 8/31/2017

(D) Interest Earnings:

Represents the interest earned on cash flows. Assumes a 1.03% annual interest rate based on TexPool Rate.
The impact fee statute states that interest earnings are funds of the impact fee account and are held to the same restrictions as impact fee revenues. Therefore, in order to recognize that interest earnings are used to fund capital improvements, interest earnings are credited against the recoverable costs.

(E) Pre Credit Recoverable Cost for Impact Fee

Represents Impact Fee Recoverable CIP Costs plus Financing Costs less Existing Fund Balance and Interest.

(F) Credit Allowance

See Schedule 5

In 2001, the impact fee statute was amended to include a credit for ad valorem and/or utility revenues generated by new service units during the ten-year timeframe that are used to fund impact fee eligible projects for which the new service units were charged an impact fee or, in the alternative, a credit equal to 50% of the total project costs of implementing the capital improvements plan. The intent of this amendment is to avoid double-charging the new service units for impact fee capital improvements.

(G) Maximum Recoverable Cost for Impact Fee:

This is the maximum cost that can be recovered through Water Impact Fees.

Revenue Credit Method		
Pre Credit Recoverable Cost for Impact Fee	\$ 39,294,717	
Calculated Revenue Credit	(3,833,393)	
Max Assessable Costs	\$ 35,461,324	
 New Service Units thru 2027	 5,987	
Maximum Impact Fee	\$ 5,923	

Wellborn Special Utility District
Water Impact Fee Analysis
Assumptions (General, New Debt, Capital Expenditure)

I. General Assumptions

Annual Interest Rate on Deposits ⁽¹⁾	1.03%
Annual Service Unit Growth	599
Existing Fund Balance ⁽²⁾	\$ 772,067
Portion of Projects Funded by Existing Debt ⁽³⁾	\$ -
Non-debt Funded Project Cost ^{(3) (4)}	75,300
Project Cost Funded Through New Debt ⁽⁵⁾	28,750,810
Total Recoverable CIP Project Cost	\$ 28,826,110

II. New Debt Issues Assumptions

					Annual Cash Capital	
	Year	Principal ⁽⁶⁾	Interest ⁽⁷⁾	Term	Year	Outlays
1	2018	\$ -	4.00%	20	1	\$ 75,300
2	2019	-	4.25%	20	2	-
3	2020	-	4.50%	20	3	-
4	2021	-	4.50%	20	4	-
5	2022	20,371,484	4.50%	20	5	-
6	2023	-	4.50%	20	6	-
7	2024	-	4.50%	20	7	-
8	2025	4,930,608	4.50%	20	8	-
9	2026	1,373,092	4.50%	20	9	-
10	2027	2,075,626	4.50%	20	10	-
	Total	\$ 28,750,810				\$ 75,300

III. Capital Expenditure Assumptions

		Annual Capital Expenditures ⁽⁸⁾
1	2018	\$ 75,300
2	2019	-
3	2020	-
4	2021	-
5	2022	20,371,484
6	2023	-
7	2024	-
8	2025	4,930,608
9	2026	1,373,092
10	2027	2,075,626
	Total	\$ 28,826,110

(1) Based on TexPool Rate 10-11-17 (<http://www.texpool.com/TexPool/mutualfunds/details/performance.do?fundshareid=6538&basketid=8880>)

(2) Impact Fee balance provided by staff as of 8/31/2017

(3) Per discussions with Wellborn SUD staff and Consulting Engineer

(4) Includes professional service costs associated with updating capital improvements plan and impact fees

(5) As shown on Schedule 4

(6) Assumes allocable portion of new debt issued in first year of project construction

(7) Estimated interest cost and terms based on Wellborn SUD's Financial Advisor

(8) Capital expenditures based on estimated project dates

**Wellborn Special Utility District
Water Impact Fee Analysis
Capital Improvement Projects**

		Estimated Construction Cost	Contingency & Other Costs	% Associated with New Growth	Total Cost	Impact Year
Water Capital Improvement Plan						
Water Line Improvements:						
1	10" Line out of Black Jack Plant along FM 2549 (Increased OSR Delivery)	\$ 140,000	\$ 56,000	0%	\$ -	FY 2020
2	10" Line along Old Hearne Rd. (Increased OSR Delivery)	775,000	310,000	0%	-	FY 2020
3	10" Line for Bird Pond Interconnect with City of Bryan	400,000	160,000	0%	-	FY 2019
4	6" Line along River Place Ct.	45,000	18,000	0%	-	FY 2022
5	Tie-in 2" and 12" w/ 6" Line at Rock Prairie Rd. and Robin Dr.	15,000	6,000	0%	-	FY 2021
6	Tie-in 1 1/2" and 14" w/ 4" Line at FM 2154 and Barron Cut-Off Rd.	20,000	8,000	0%	-	FY 2021
7	16" Line along Dowling Rd.	827,700	331,080	50%	579,390	FY 2022
8	16" Line along FM 2154	2,464,500	985,800	50%	1,725,150	FY 2022
9	20" Line along Koppe Bridge Dr.	348,000	139,200	40%	194,880	FY 2022
10	12" Line along Peach Creek Rd. and Rock Prairie Rd.	2,721,600	1,088,640	50%	1,905,120	FY 2022
11	20" Supply line for delivery from OSR to Jones Rd. Interconnect	6,968,000	2,787,200	100%	9,755,200	FY 2022
12	20" Line from new Simsboro Well to OSR Supply Booster Pump Station	2,452,200	980,880	100%	3,433,080	FY 2022
Plant Improvements:						
13	Bird Pond Rd. Plant Interconnect with City of Bryan on University Dr. E.	\$ 130,000	\$ 52,000	0%	\$ -	FY 2019
14	Additional 1,950 gpm High Service Pump at Jones Road Interconnect	195,000	78,000	0%	-	FY 2019
15	SWTP Expansion to 3 MGD	1,739,000	695,600	100%	2,434,600	FY 2022
16	Additional 2,100 gpm High Service Pump at SH 6 Plant	256,000	102,400	96%	344,064	FY 2022
17	Additional of 3,000 gpm Simsboro Well near Old San Antonio Rd.	2,352,000	940,800	89%	2,930,592	FY 2025
18	1.5 MG Millican Elevated Tank near FM 2154 and Dickson Rd.	3,965,000	1,586,000	34%	1,887,340	FY 2025
19	Booster Pump added to Black Jack Plant	81,000	31,676	100%	112,676	FY 2025
20	Addition of 700 gpm Carrizo Well at OSR Plant	1,102,000	440,800	89%	1,373,092	FY 2026
21	Replace High Service Pumps at OSR Plant, 3,200 gpm each	672,000	268,800	56%	526,848	FY 2027
22	Addition of OSR Supply Booster Pump Station at OSR Standpipe	1,243,000	497,200	89%	1,548,778	FY 2027
23	Total - Water Capital Project Funding	\$ 28,912,000	\$ 11,564,076		\$ 28,750,810	
24						

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Water Capital Improvement Plan							
Water Line Improvements:							
1	10" Line out of Black Jack Plant along FM 2549 (Increased OSR Delivery)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	10" Line along Old Hearne Rd. (Increased OSR Delivery)	-	-	-	-	-	-
3	10" Line for Bird Pond Interconnect with City of Bryan	-	-	-	-	-	-
4	6" Line along River Place Ct.	-	-	-	-	-	-
5	Tie-in 2" and 12" w/ 6" Line at Rock Prairie Rd. and Robin Dr.	-	-	-	-	-	-
6	Tie-in 1 1/2" and 14" w/ 4" Line at FM 2154 and Barron Cut-Off Rd.	-	-	-	-	-	-
7	16" Line along Dowling Rd.	-	-	-	-	579,390	-
8	16" Line along FM 2154	-	-	-	-	1,725,150	-
9	20" Line along Koppe Bridge Dr.	-	-	-	-	194,880	-
10	12" Line along Peach Creek Rd. and Rock Prairie Rd.	-	-	-	-	1,905,120	-
11	20" Supply line for delivery from OSR to Jones Rd. Interconnect	-	-	-	-	9,755,200	-
12	20" Line from new Simsboro Well to OSR Supply Booster Pump Station	-	-	-	-	3,433,080	-
13	Plant Improvements:	-	-	-	-	-	-
14	Bird Pond Rd. Plant Interconnect with City of Bryan on University Dr. E.	-	-	-	-	-	-
15	Additional 1,950 gpm High Service Pump at Jones Road Interconnect	-	-	-	-	-	-
16	SWTP Expansion to 3 MGD	-	-	-	-	2,434,600	-
17	Additional 2,100 gpm High Service Pump at SH 6 Plant	-	-	-	-	344,064	-
18	Addition of 3,000 gpm Simsboro Well near Old San Antonio Rd.	-	-	-	-	-	-
19	1.5 MG Millican Elevated Tank near FM 2154 and Dickson Rd.	-	-	-	-	-	-
20	Booster Pump added to Black Jack Plant	-	-	-	-	-	-
21	Addition of 700 gpm Carrizo Well at OSR Plant	-	-	-	-	-	-
22	Replace High Service Pumps at OSR Plant, 3,200 gpm each	-	-	-	-	-	-
23	Addition of OSR Supply Booster Pump Station at OSR Standpipe	-	-	-	-	-	-
24	Total - Water Capital Project Funding	\$ -	\$ -	\$ -	\$ -	\$ 20,371,484	\$ -

		Year 7	Year 8	Year 9	Year 10	
		FY 2024	FY 2025	FY 2026	FY 2027	Total
Water Capital Improvement Plan						
Water Line Improvements:						
1	10" Line out of Black Jack Plant along FM 2549 (Increased OSR Delivery)	\$ -	\$ -	\$ -	\$ -	\$ -
2	10" Line along Old Hearn Rd. (Increased OSR Delivery)	-	-	-	-	-
3	10" Line for Bird Pond Interconnect with City of Bryan	-	-	-	-	-
4	6" Line along River Place Ct.	-	-	-	-	-
5	Tie-in 2" and 12" w/ 6" Line at Rock Prairie Rd. and Robin Dr.	-	-	-	-	-
6	Tie-in 1 1/2" and 14" w/ 4" Line at FM 2154 and Barron Cut-Off Rd.	-	-	-	-	-
7	16" Line along Dowling Rd.	-	-	-	-	-
8	16" Line along FM 2154	-	-	-	-	579,390
9	20" Line along Koppe Bridge Dr.	-	-	-	-	1,725,150
10	12" Line along Peach Creek Rd. and Rock Prairie Rd.	-	-	-	-	194,880
11	20" Supply line for delivery from OSR to Jones Rd. Interconnect	-	-	-	-	1,905,120
12	20" Line from new Simsboro Well to OSR Supply Booster Pump Station	-	-	-	-	9,755,200
13	Plant Improvements:	-	-	-	-	3,433,080
14	Bird Pond Rd. Plant Interconnect with City of Bryan on University Dr. E.	-	-	-	-	-
15	Additional 1,950 gpm High Service Pump at Jones Road Interconnect	-	-	-	-	-
16	SWTP Expansion to 3 MGD	-	-	-	-	-
17	Additional 2,100 gpm High Service Pump at SH 6 Plant	-	-	-	-	2,434,600
18	Addition of 3,000 gpm Simsboro Well near Old San Antonio Rd.	-	2,930,592	-	-	344,064
19	1.5 MG Millican Elevated Tank near FM 2154 and Dickson Rd.	-	1,887,340	-	-	2,930,592
20	Booster Pump added to Black Jack Plant	-	112,676	-	-	1,887,340
21	Addition of 700 gpm Carrizo Well at OSR Plant	-	-	1,373,092	-	112,676
22	Replace High Service Pumps at OSR Plant, 3,200 gpm each	-	-	-	526,848	1,373,092
23	Addition of OSR Supply Booster Pump Station at OSR Standpipe	-	-	-	1,548,778	526,848
24	Total - Water Capital Project Funding	\$ -	\$ 4,930,608	\$ 1,373,092	\$ 2,075,626	\$ 28,750,810

Wellborn Special Utility District
Water Impact Fee Analysis
CIP Funding

Impact Fee Project Name	Impact Fee	Impact Fee	Recoverable Cost ⁽¹⁾	Debt Funded ⁽²⁾		Proposed %	Non-Debt	Year
				Existing	Proposed			
Project No.					Debt Funded	Funded ⁽²⁾		
Water Line Improvements:								
10" Line out of Black Jack Plant along FM 2549 (Increased OSR Delivery)	1	\$	-	\$	-	0%	\$	2020
10" Line along Old Hearne Rd. (Increased OSR Delivery)	2		-	-	-	0%	-	2020
10" Line for Bird Pond Interconnect with City of Bryan	3		-	-	-	0%	-	2019
6" Line along River Place Ct.	4		-	-	-	100%	-	2022
Tie-in 2" and 12" w/ 6" Line at Rock Prairie Rd. and Robin Dr.	5		-	-	-	0%	-	2021
Tie-in 1 1/2" and 14" w/ 4" Line at FM 2154 and Barron Cut-Off Rd.	6		-	-	-	0%	-	2021
16" Line along Dowling Rd.	7		579,390	-	579,390	100%	-	2022
16" Line along FM 2154	8		1,725,150	-	1,725,150	100%	-	2022
20" Line along Koppe Bridge Dr.	9		194,880	-	194,880	100%	-	2022
12" Line along Peach Creek Rd. and Rock Prairie Rd.	10		1,905,120	-	1,905,120	100%	-	2022
20" Supply line for delivery from OSR to Jones Rd. Interconnect	11		9,755,200	-	9,755,200	100%	-	2022
20" Line from new Simsboro Well to OSR Supply Booster Pump Station	12		3,433,080	-	3,433,080	100%	-	2022
Total Water Line Improvements		\$	17,592,820	\$	-	\$ 17,592,820	\$	-
Plant Improvements:								
Bird Pond Rd. Plant Interconnect with City of Bryan on University Dr. E.	13	\$	-	\$	-	0%	\$	2019
Additional 1,950 gpm High Service Pump at Jones Road Interconnect	14		-	-	-	0%	-	2019
SWTP Expansion to 3 MGD	15		2,434,600	-	2,434,600	100%	-	2022
Additional 2,100 gpm High Service Pump at SH 6 Plant	16		344,064	-	344,064	100%	-	2022
Addition of 3,000 gpm Simsboro Well near Old San Antonio Rd.	17		2,930,592	-	2,930,592	100%	-	2025
1.5 MG Millikan Elevated Tank near FM 2154 and Dickson Rd.	18		1,887,340	-	1,887,340	100%	-	2025
Booster Pump added to Black Jack Plant	19		112,676	-	112,676	100%	-	2025
Addition of 700 gpm Carrizo Well at OSR Plant	20		1,373,092	-	1,373,092	100%	-	2026
Replace High Service Pumps at OSR Plant, 3,200 gpm each	21		526,848	-	526,848	100%	-	2027
Addition of OSR Supply Booster Pump Station at OSR Standpipe	22		1,548,778	-	1,548,778	100%	-	2027
Total Plant Improvements		\$	11,157,990	\$	-	\$ 11,157,990	\$	-
Impact Fee Study Cost								
Professional Engineers		\$	55,300	\$	-	0%	\$	2018
Financial Consultant			20,000	-	-	0%	20,000	2018
Total Study Cost ⁽³⁾		\$	75,300	\$	-	\$	75,300	
Grand Total		\$	28,826,110	\$	-	\$ 28,750,810	\$	75,300

(1) Per discussions with Wellborn SUD staff and Consulting Engineer as per Local Government Code Chapter 395.014(a)(6)

(2) Per discussions with Wellborn SUD staff

(3) Per LGC Chapter 395.012(a)(4), costs associated with updating capital improvements plan and impact fees can be included in impact fee calculation

Wellborn Special Utility District
Water Impact Fee Analysis
Credit Calculation

2017 Service Units (All Service Areas)⁽¹⁾ 8,455
Ten Year Growth in Service Units 5,987
Annual Growth (Connections) 599 10 years

	1	2	3	4	5	6	7	8	9	10	Total
Debt Funded Projects Eligible for Impact Fees	\$ -	\$ -	\$ -	\$ -	\$ 1,566,081	\$ 1,566,081	\$ 1,566,081	\$ 1,945,127	\$ 2,050,685	\$ 2,210,251	\$ 10,904,307
Annual Depreciation Value of Cash Capital Outlays	7,530	7,530	7,530	7,530	7,530	7,530	7,530	7,530	7,530	7,530	75,300
Total Value for Credit Calculation	\$ 7,530	\$ 7,530	\$ 7,530	\$ 7,530	\$ 1,573,611	\$ 1,573,611	\$ 1,573,611	\$ 1,952,657	\$ 2,058,215	\$ 2,217,781	\$ 10,979,607
Service Units (Existing plus growth)	9,053	9,652	10,251	10,850	11,448	12,047	12,646	13,245	13,843	14,442	
Total Debt Funded Projects Eligible for Impact Fees per Service Unit	\$ 0.83	\$ 0.78	\$ 0.73	\$ 0.69	\$ 137.45	\$ 130.62	\$ 124.44	\$ 147.43	\$ 148.68	\$ 153.57	
Annual Service Unit Growth in Water Service Area (Cumulative)	599	1,197	1,796	2,395	2,994	3,592	4,191	4,790	5,388	5,987	
Annual Water Utility Revenue Generated by New Service Units for Debt Funded Projects Eligible for Impact Fees	\$ 498	\$ 934	\$ 1,319	\$ 1,662	\$ 411,479	\$ 469,235	\$ 521,522	\$ 706,160	\$ 801,159	\$ 919,424	\$ 3,833,393

Credit Amount \$ 3,833,393

(1) Estimated 2017 Connections from 2017 Engineering Study

Wellborn Special Utility District
Water Impact Fee Analysis
Recovery Fee Proof

<u>Year</u>	<u>Impact Fee</u>	<u>Connections</u>	<u>Impact Fee Revenue</u>	<u>Annual Expenses</u>	<u>Sub-Total</u>	<u>Accumulated Interest</u>	<u>Balance</u>
							\$ 772,067
2018	\$ 5,923	599	\$ 3,546,132	\$ 74,802	\$ 3,471,330	\$ 25,830	\$ 4,269,227
2019	5,923	599	3,546,132	(934)	3,547,067	62,240	7,878,534
2020	5,923	599	3,546,132	(1,319)	3,547,452	99,418	11,525,404
2021	5,923	599	3,546,132	(1,662)	3,547,795	136,983	15,210,182
2022	5,923	599	3,546,132	1,154,602	2,391,530	168,981	17,770,693
2023	5,923	599	3,546,132	1,096,846	2,449,286	195,652	20,415,631
2024	5,923	599	3,546,132	1,044,559	2,501,573	223,164	23,140,368
2025	5,923	599	3,546,132	1,238,967	2,307,165	250,228	25,697,761
2026	5,923	599	3,546,132	1,249,526	2,296,607	276,514	28,270,882
2027	5,923	599	3,546,132	1,290,827	2,255,305	302,805	30,828,993
2028	-	-	-	2,210,251	(2,210,251)	306,156	28,924,897
2029	-	-	-	2,210,251	(2,210,251)	286,544	27,001,189
2030	-	-	-	2,210,251	(2,210,251)	266,729	25,057,667
2031	-	-	-	2,210,251	(2,210,251)	246,711	23,094,127
2032	-	-	-	2,210,251	(2,210,251)	226,487	21,110,362
2033	-	-	-	2,210,251	(2,210,251)	206,054	19,106,165
2034	-	-	-	2,210,251	(2,210,251)	185,411	17,081,324
2035	-	-	-	2,210,251	(2,210,251)	164,555	15,035,628
2036	-	-	-	2,210,251	(2,210,251)	143,484	12,968,860
2037	-	-	-	2,210,251	(2,210,251)	122,196	10,880,805
2038	-	-	-	2,210,251	(2,210,251)	100,690	8,771,243
2039	-	-	-	2,210,251	(2,210,251)	78,961	6,639,953
2040	-	-	-	2,210,251	(2,210,251)	57,009	4,486,710
2041	-	-	-	2,210,251	(2,210,251)	34,830	2,311,289
2042	-	-	-	644,170	(644,170)	20,489	1,687,608
2043	-	-	-	644,170	(644,170)	14,065	1,057,502
2044	-	-	-	644,170	(644,170)	7,575	420,907
2045	-	-	-	265,124	(265,124)	2,970	158,753
2046	-	-	-	159,566	(159,566)	813	0
2047	-	-	-	-	-	0	0
			\$ 35,461,324	\$ 40,446,935	\$ (4,985,611)	\$ 4,213,544	\$ 410,802,668