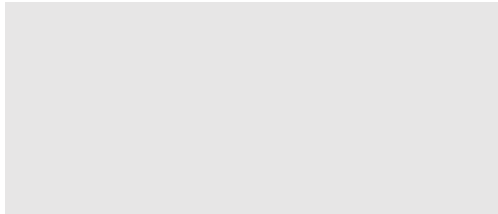
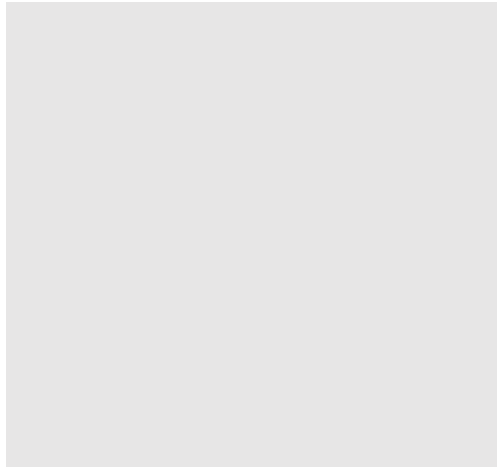






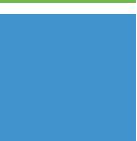

LEON VALLEY 2023 IMPACT FEE PRELIMINARY REVIEW

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AGENDA

-  Existing Impact Fee
-  Population Projections
-  Water Sourcing
-  Capital Improvements
-  Potential Proposed Impact Fee
-  Proposed Impact Fee Comparison



EXISTING IMPACT FEES

- Impact Fees were recently updated and adopted in June of 2024
- Current Rates – Water Only:

Size of Meter	Water Supply Impact Fee	Development Impact Fee
5/8" & 3/4"	\$2,650	\$962
1"	\$4,425	\$1,603
1 1/2"	\$8,825	\$3,207
2"	\$28,275	\$10,261
3"	\$44,175	\$16,033
4"	\$58,300	\$21,164
6"	\$72,423	\$26,295
8"	\$88,325	\$53,444
10"	\$141,246	\$51,307

GROWTH PROJECTIONS

- Census data from 2010
 - *Population: 10,151*
- Census data from 2020
 - *Population: 11,542*
- Growth rate of **1.29% annually** from 2010 to 2020
- Current meter count from Leon Valley
 - **2,576 meters**
 - 2,288 residential
 - 288 commercial
 - *Most are 5/8" meters (2,245 or 87%)*
- If rate of growth from 2010 to 2020 is assumed to continue
- Current population in 2023 is estimated to be
 - 11,842
 - **4.6 residents per meter**
- Population in 2033 is estimated to be
 - **13,368**
- Using same meter ratio as before it is estimated in 2033, the city will have:
 - **2,965 meters**
- A growth of **390 meters** in 10 years

ASSUMPTIONS REVIEW

- Growth of 1.29% annually over next ten years
- Ratio of 4.6 residents per meter
- Undeveloped land in Leon Valley
 - *Estimate 150 acres*
 - About 40 individual residential lots currently undeveloped (> 1 acre)
 - Assume 10% never to be developed
 - Floodplain
 - Adjacent to existing owned property
 - Untenable



WATER SOURCING

- The City of Leon Valley currently owns 1,758.38 acre-feet of Edwards Aquifer water rights.
- The city rarely gets access to its full water rights due to withdrawal reductions during Edwards Aquifer water restriction stages.

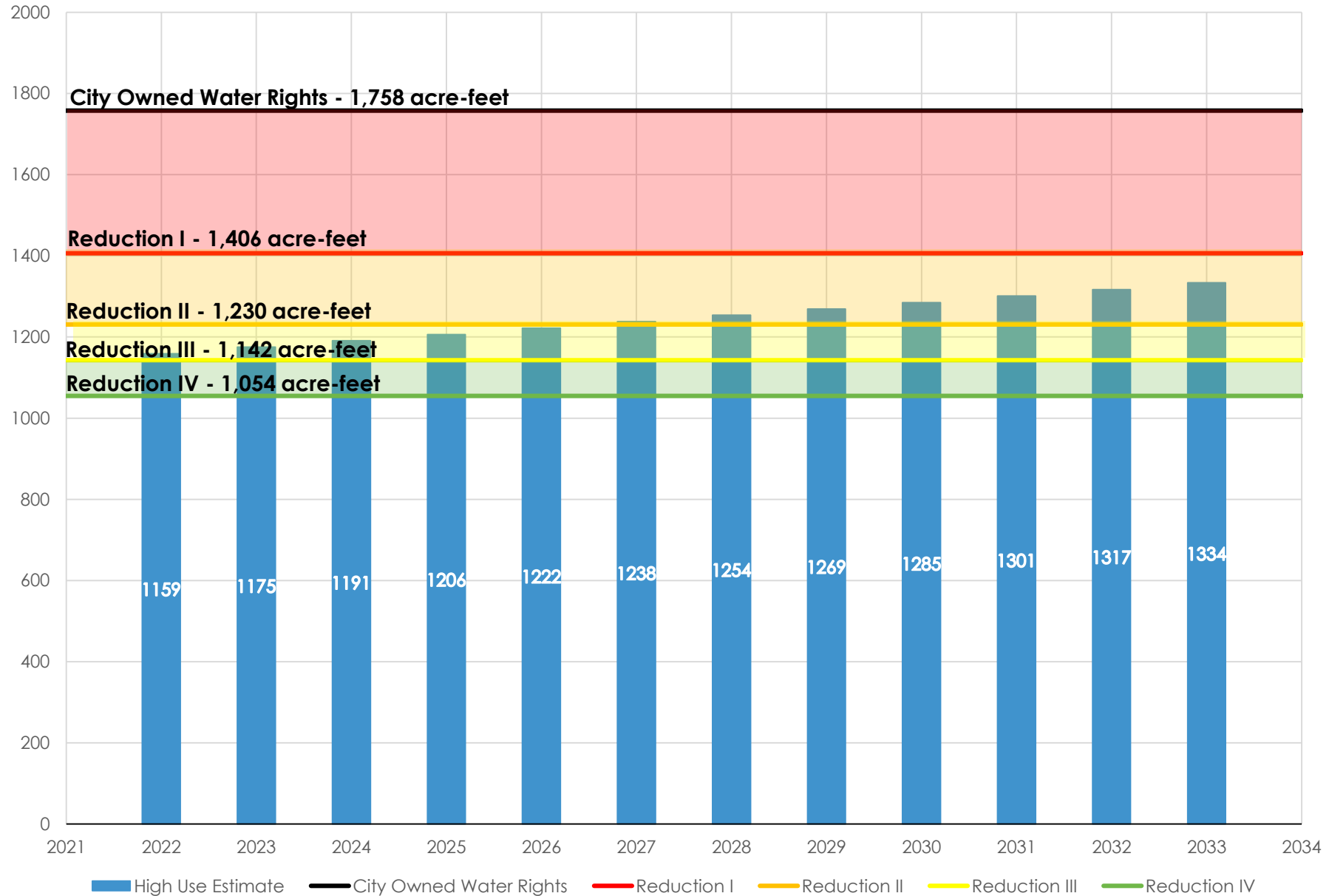
Owned Water	Critical Period Stage	Withdrawal Reduction	Withdrawal Reduction – Owned Water
1,758.38	I	20%	1406.7
1,758.38	II	30%	1230.8
1,758.38	III	35%	1142.9
1,758.38	IV	40%	1054.9

WATER USAGE – HIGH ESTIMATE

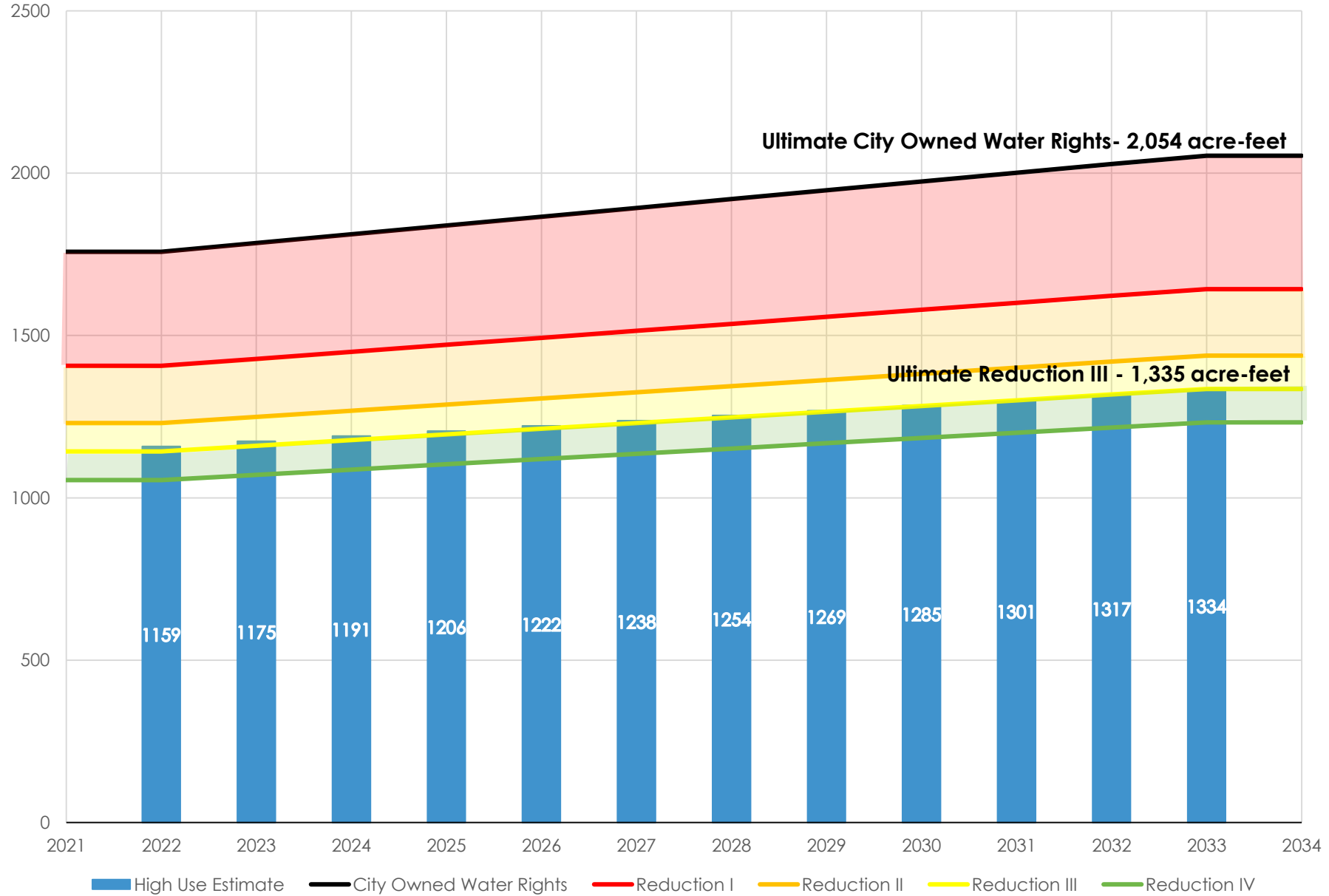
- In 2018, Leon Valley reported having 2,440 meters and using 1,086 acre-feet of water.
 - *~0.45 acre-feet / meter*
 - *Highest per-capita water usage in recent history*
- Assume this per-meter-usage to give a high estimate of potential water demand in 2033
- $(0.45 \text{ acre-feet / meter}) * (2,965 \text{ meters})$
 - **1,335 acre-feet of water**



Estimated Leon Valley Water Use Over Time



Estimated Leon Valley Water Use Over Time



WATER SOURCING

- If the city assumes being kept under water restriction stage III, but wants to keep capacity above estimated high demand, it will need to own:
 - **2,054 acre-feet of water rights by 2033.**

Owned Water	Critical Period Stage	Withdrawal Reduction	Withdrawal Reduction – Owned Water
2,054	I	20%	1643.1
2,054	II	30%	1437.7
2,054	III	35%	1335.0
2,054	IV	40%	1232.3

WATER SOURCING

City estimates cost per acre-foot of water rights acquisition at \$11,500/acre-foot.

Includes closing cost

To reach water source goal in 2033. It is estimated it will cost the city approximately:

\$3,897,295



CAPITAL IMPROVEMENTS

No changes are proposed to the capital improvements portion of the existing water impact fees today.



TLGC CHAPTER 395 CREDIT

- The Texas Local Government Code Chapter 395 requires utilities to calculate a credit for growth related Capital Improvements Projects (CIP) to be subtracted from the impact fee.
- The 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. This credit provides an adjustment to benefit fee payers who will pay for CIP in both the impact fee and their future rates and taxes.
- Utilities can calculate this credit and apply it to the calculated impact fee or alternatively, **can avoid having to calculate the credit by opting to use the statutory credit equal to 50% of the calculated impact fee.**
- **City Engineer Ardurra has opted to estimate impact fees here by statutory credit of 50%.**



IMPACT FEE CALCULATION

- The water supply impact fee per service unit is calculated by dividing the growth related costs for water sourcing by the projected number of total service units.
 - 390 service units over 10 years
- Then crediting 50% per TLGC Chapter 395

Description	CIP	Calculated Impact	Max Impact Fee (50%)
Water Supply	\$3,897,295	\$9,993	\$4,997

For 5/8" & 3/4" meter



PROPOSED IMPACT FEE COMPARISON - SAWS

- For reference, see table below for comparison of proposed fee to SAWS current impact fees adopted in 2020.
 - *Leon Valley does not need to increase the size of the mains, therefore a flow impact fee is not evaluated*

Description	SAWS Impact Fee	Adopted 2024 Leon Valley Impact Fee	Proposed Leon Valley Impact Fee
Flow Impact Fee	\$1,188.00	\$0.00	\$0.00
Water Supply Impact Fee	\$2,706.00	\$2,650.00	\$4,997.00
System Development Impact Fee	\$855.00	\$962.00	\$962.00
Total Impact Fee	\$4,749.00	\$3,612	\$5,959.00

For 5/8" & 3/4" meter

RE-EVALUATE IMPACT FEES REGULARLY

Impact fees will need to be re-evaluated every 5 years

New capital improvements projects

Population projections

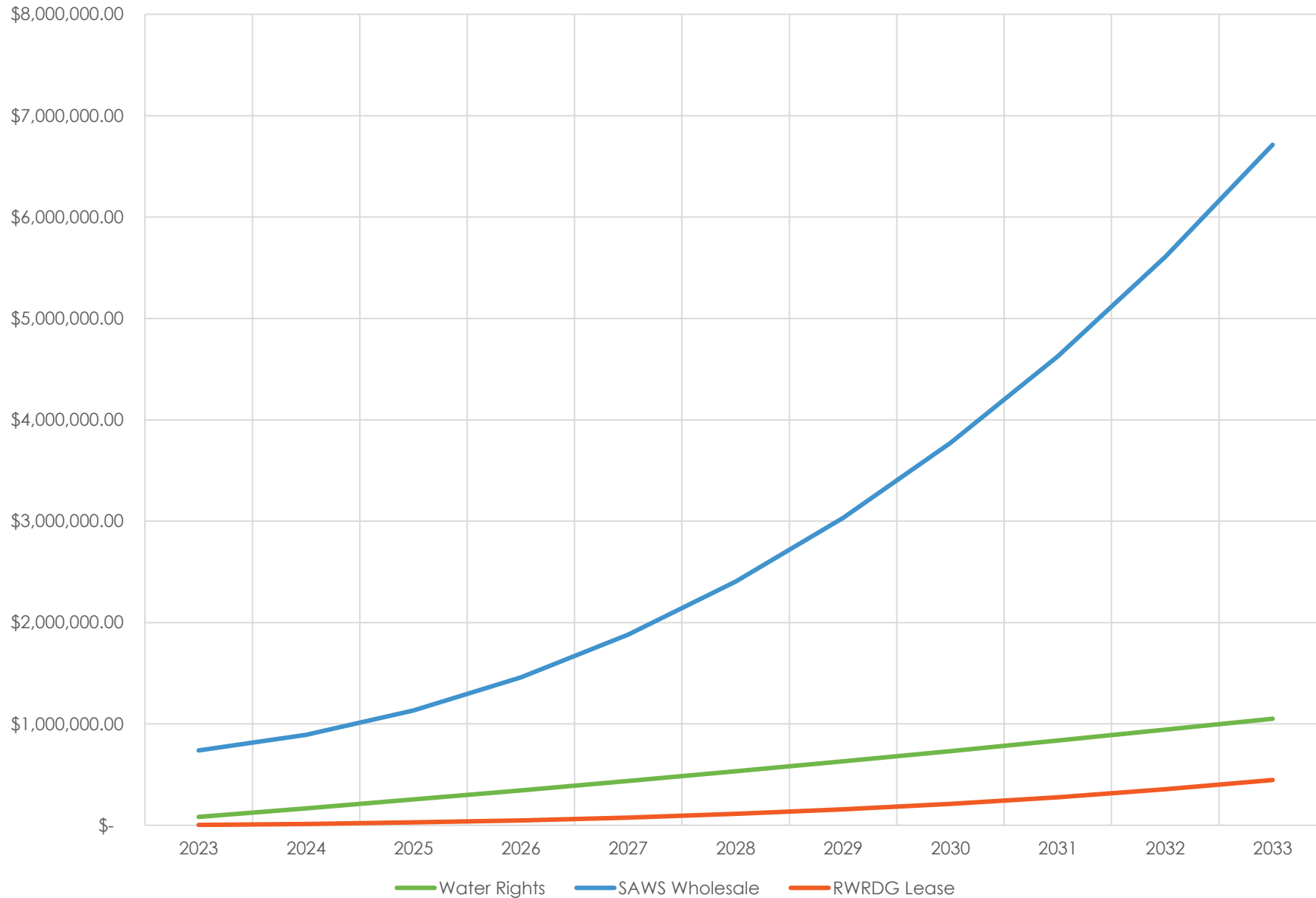
Development projections



**THANK YOU FOR YOUR
TIME TODAY**

Questions?

Cost Comparison Water Rights Purchase vs SAWS vs RWRDG



Cumulative Cost Comparison Purchase Water Rights Vs RWRDG Lease

