

**City of Wimberley**  
Community Center, 14068 Ranch Road 12  
Wimberley, Texas  
**Minutes of Special Meeting of City Council**  
January 23, 2017 at 6:00 p.m.

City Council meeting called to order at 6:00 p.m. by Mayor Mac McCullough

Councilmembers Present: Mayor Mac McCullough; Councilmembers Bob Dussler, Craig Fore, Sally Gibson Trapp, Gary Barchfeld, and John White. Planning and Zoning Commission Chair and Ad Hoc Wastewater Review Committee member John Urban was also present.

Staff Present: City Administrator Don Ferguson

### **Workshop Session**

A workshop to discuss Central Wimberley wastewater service options.

Mayor McCullough thanked everyone for attending and turned over the meeting to Mayor Pro-tem White, who assumed duties as Presiding Officer.

Mayor Pro-tem White introduced Councilmember Barchfeld, who read a statement on development of the options to be presented and the purpose of tonight's workshop. Councilmember Barchfeld advised that Council will hear the presentations on all of the options and then be allowed the opportunity to ask questions or seek clarification. He stated that due to time limitations, there will be no questions from the audience; however, a follow-up meeting is scheduled for Wednesday, February 1<sup>st</sup> at 6 p.m. at the Community Center to allow for public questions and comments. He noted that tonight's presentation will begin with Mr. Urban identifying the City's options and explaining the City's annual investment for each option, including the total impact on the community, and the City's contributions. He advised that City Administrator Ferguson will detail an elemental comparison of the various options available to the City. He clarified that tonight's workshop on wastewater service options is not to be confused with the rate report and is not about water. He pointed out a map of the proposed area that defines impacted properties. He said discussion would also include a reduced system option. He stressed that no action will be taken and tonight's meeting is purely informational.

Councilmember Barchfeld reviewed the status of the City-owned project, including the timeframe for bid package approval and the bidding process. He introduced John Urban, who is Planning and Zoning Commission Chair, a member of the Ad Hoc Wastewater Review Committee, and a representative of the City Council wastewater subcommittee, and highlighted his professional background as an electrical engineer. Councilmember Barchfeld pointed out handouts are available for distribution to the audience.

Mr. Urban opened his presentation by stating this is a best effort attempt to model each option relative to the number of moving parts such as revenues/expenditures, project costs/debt service, and receipt of bids, which will cause numbers to change. He thanked Steve Jagers for his help

with the numbers and invited his fellow Ad Hoc Wastewater Review Committee members to participate in the presentation. Mr. Urban's presentation (*attached to these minutes*) included:

- Review modeling format and source of data
- Present simplified flow diagrams for various options evaluated
- Discuss expected City contribution for the various options
- Wrap-up

He highlighted (as applicable to each option):

- Project Cost and Debt Service
  - Total Project Cost
  - Less EDA Grant and Green Subsidy
  - Amount Financed
  - Annual Debt Service – P & I
- Expected Annual Revenues
  - Service Customers
- Expected Annual Expenditures
  - O & M – New Facilities
  - O & M – Existing Facilities
  - Aqua Treatment Fees
  - Annual Debt Service
    - Total Expenditures
- Expected Annual City Contribution for Shortfall
- Expected City Contribution over 30 Years

During Mr. Urban's presentation, Mayor McCullough reiterated to an audience member wishing to ask a question, that no questions and answers from the audience would be conducted tonight, as previously stated by Councilmember Barchfeld. He noted that a separate meeting is planned to allow for public comments and questions.

Councilmember Barchfeld introduced City Administrator Ferguson, who gave a presentation (*attached to these minutes*) that included an elemental comparison of the following items relevant to each option:

- Total Project Cost
- Total Construction Cost
- Amount Financed
- Annual Debt Service
- Financing
  - Source
  - Method
  - TWDB Green Subsidy
  - \$1 Million EDA Grant
  - Mandatory Customer Connection (with exceptions for newly installed septic systems to delay connection)

- Permitting
  - Existing Permit Available
  - Permit Amendment Required
- Effluent Discharge
- Park Effluent Irrigation
- Service Delivery
- Pros/Cons

During this presentation, clarification was provided on certain impact areas, CIAC fees, and Aqua Texas's willingness to defer connection of new septic customers for a period of 10 years. He said this presentation is based on the best available data and that discussions continue with Aqua Texas.

Councilmember Barchfeld entertained Council questions and discussion that included the following:

- As a Type A General Law city, Wimberley does not have the authority to place referendums/initiatives on an election ballot
- The CCN transfer process could be lengthy and there is no guarantee that transfer of the City's CCN can be accomplished
- Actual costs cannot be determined until project bids are received
- Clarification that the service delay for Option #4 (Aqua Retail Plan) should read 3 years (rather than 2 years)

City Administrator Ferguson advised handouts presented tonight and additional information will be posted on the City's website.

Due to a shorter than expected length of time taken for tonight's presentations, Councilmember Barchfeld stated that the audience will be invited to ask questions. He asked that each speaker approach the microphone and identify him/herself and keep questions limited to those pertinent to tonight's presentation.

An unidentified audience member asked if the \$119,000 in expected annual revenue shown for Option #4 comes from Deer Creek (nursing facility). City Administrator Ferguson replied that approximately 90% of that figure would come from Deer Creek, with 10% coming from the City. She asked: "Where is that revenue in the other options?" Mr. Urban replied if we put our own system in that we would charge Deer Creek the same rate we would charge anyone, which is substantially less than what they are being billed today. Mr. Urban said the key thing to keep in mind is the interdependency when you put both systems together. He said that at one time, they were looked at separately, but knowing that the rates are going to go down has an effect on what the revenue stream is today. She also asked if the amount being paid to Aqua Texas under the wholesale options were based on the initial rate for the first 5 years only. Mr. Urban said the rate was guaranteed for 5 years and he affirmed the speaker's comments that we do not know what future rates beyond the initial 5-year period might be.

Susan Zimmerman requested clarification on the “No” indicated under “Mandatory Customer Connection” for Options #4 and 4a asked if this was because the City did not require it. She said that under these options people who are on this system will be Aqua Texas customers. City Administrator Ferguson replied that at this time the answer is “No”; however, in the future, as Aqua Texas would be investing a lot of capital in a very small area, and would understandably have to have enough customers and a revenue stream sufficient to retire the debt, it is likely that would be through mandatory connections. Ms. Zimmerman felt that this is an important point because one of things heard in the community is that Aqua Texas will not require anyone to hook up to the system. City Administrator Ferguson stated that from the City’s standpoint, requiring someone to connect to a private system poses a legal issue that will have to be addressed and he noted that mandatory connection is not required on the north side of the creek. Ms. Zimmerman stated her understanding of Option #4 that if you are a true retail customer and the CCN is transferred to Aqua Texas, the mandatory hook-up will only be for the users that are going to be paying for it as it gets across the creek. She said you cannot be forced to connect if you are nowhere near the service area and the line is not near you. Ms. Zimmerman said what she hears from the public is that under the full retail option everyone would be required to hook up within 10 years, but she believed that would only be the case if the line is in close proximity to the customer’s property.

Jo Kathryn Quinn asked if Options #2, 3, 4, and 4a all require building a pipe under Cypress Creek to connect to Aqua Texas and City Administrator Ferguson replied affirmatively. She said only Option #1 would not require building a pipe under the creek. City Administrator Ferguson said the City is exploring with TxDOT the possibility of attaching a line on the bottom of the bridge that is protected (from flood debris) to avoid boring the creek. He said the benefit is that the line is visible and can be inspected. Citing the 1998 flood of the Guadalupe River, he said flood waters snapped the large wastewater line under the river and raw sewage poured into the river for quite awhile before the line could be shut down.

Roberta Shoemaker Beal referred to the map and asked if the only option where Wimberley builds and owns the wastewater plant is Option #1. City Administrator Ferguson replied affirmatively. She asked if all the other options included running a pipe under the river so that the water needing to be treated goes to the Aqua Texas plant. Councilmember Barchfeld replied affirmatively. She asked how the water gets back to irrigate Blue Hole Park and said it seems there is a whole lot of piping if you are using the Aqua Texas treatment plant. City Administrator Ferguson said that Options #2-4a involve upgrading the current treatment plant to provide water for the Park. He said there is a side option that has come to the table in the last 3 days about the possibility of effluent being available from the Aqua Texas facility to come back to the Park either by truck or by line. He said right now all of the options on the spreadsheet involve upgrading the current plant to make it Type I quality effluent and to put an irrigation piece in. Ms. Beal said her understanding is that “it’s all collection system, but it’s not building a treatment plant.” She said the only option that has a treatment plant seems to be Option #1. City Administrator Ferguson replied affirmatively that only Option #1 includes construction of a new plant and the other options include upgrading the existing plant to allow for water at the Park without having to truck it in. City Administrator Ferguson said there might not be as much water available for options that keep the current plant, with only Deer Creek and the City as customers. He said the most recent possible option relating to bringing effluent from Aqua

Texas's facility to the Park needs further examination and vetting with Mr. Laughman, as costs of getting the water from Aqua Texas would need to be compared to costs of building the treatment plant. He said the concept of piping from Aqua Texas's treatment plant could be a very expensive alternative. Ms. Beal asked if this expense has been factored in tonight's presentation. City Administrator Ferguson said it has not because it is an option that came to the table within the last few days. He clarified for Ms. Beal that under Option #1 the treatment plant is not an upgrade, but a bigger and higher quality plant in a separate location, and that the current plant goes away entirely. Ms. Beal wondered if there would be more water to irrigate the downtown area and Blue Hole (and possibly even the bypass) under Option #1. City Administrator Ferguson stated that the water balance study indicated that there is plenty of room in the Park to handle the effluent that a new wastewater treatment plant would produce, but could not say how much water would be available to take back to downtown. He said the Park would be the primary recipient and it would be a Council decision on when to "turn the nozzle" and send it downtown. Ms. Beal stated her understanding that if a new plant were built on this side of the creek and adjacent to Blue Hole, that Blue Hole Park could handle all the effluent. City Administrator Ferguson advised that the water balance indicated that is the case.

Councilmember Dussler asked if the City has good numbers on Option #2's upgrading of the existing plant and irrigating Blue Hole. City Administrator Ferguson replied that the irrigation system cost will be around \$43,500 and modifications to the plant will be about \$265,000. Councilmember Dussler asked what would happen if the plant's major customer (Deer Creek) ceased to operate. City Administrator Ferguson said there is a risk of incurring debt for money spent on the plant upgrade, as Deer Creek would be the customer contributing 90% of the flow into that plant. He noted that the Park is clearly not going to be producing that much effluent and said the possibility of not having Deer Creek as a customer would be a problem.

Barbara Hopson asked if the spreadsheet is based on and follows the December 1, 2016 Aqua Texas proposal. Councilmember Barchfeld said that it does. Ms. Hopson expressed concerns about costs the City would incur before it gives the CCN to Aqua Texas, particularly the possibility of large legal fees, if Aqua Texas wants the CCN with the total area already having the necessary easements for them to put in pipelines. Councilmember Barchfeld said that only holds true with the retail option, but with the wholesale option the City retains the CCN and owns the collection system. Councilmember Trapp said it is not correct that Aqua Texas would require easements for the entire CCN, but would only require easements within the service area (the triangle downtown). Ms. Hopson stated her understanding that the City would give Aqua Texas the CCN, but does not have to get easements beyond the downtown area. She asked if attorney fees for the CCN transfer are included in the spreadsheet. City Administrator Ferguson said there would be legal costs relating to the CCN transfer and recognized there is the likelihood the transfer would be protested. He said the question was posed to Aqua Texas about its willingness to pick up any of the City's legal fees it might incur in a protest process. He advised that Mr. Laughman was clear that the City would be responsible for its legal fees and Aqua Texas would be responsible for its own legal fees. Ms. Hopson was concerned and said legal fees could be \$400 per hour and those probable fees are not included in this presentation. Mayor McCullough said to Ms. Hopson that if the CCN is transferred, Aqua Texas has the whole area and can expand into the whole area as growth happens. Discussion clarified that Aqua Texas gets the whole CCN if it transfers, but the only area the City would have the obligation to

provide easements for, is the downtown area. City Administrator Ferguson noted that if Aqua Texas wanted to expand the system beyond the downtown area, Aqua Texas would be on its own in securing those easements. He said there are not plans in the City-operated system to expand beyond the proposed service area and the plant will be capped. He stated if the CCN transfers, the City will not have control over where Aqua Texas goes, but pointed out Aqua Texas's growth and development would be affected by its ability to secure easements on its own and other issues such as topographical/construction issues. Ms. Hopson was concerned that if we give our CCN to Aqua Texas or to anyone, the City will probably incur lawyer fees and there will be delays and nothing will be in place to treat the wastewater. City Administrator Ferguson stated that the City's legal counsel has estimated up to a 12 to 24-month delay under the CCN transfer option.

Mike Bachers asked for Council's current estimate on the value of the CCN. Mayor McCullough said \$10,000,000. Councilmember Barchfeld disputed that "because Aqua Texas cannot buy anything." He said if there were an estimate on the value of the CCN somebody would have given it to us by now. Mayor McCullough said "it is at least \$5,000,000 on paper." Councilmember Barchfeld said: "If that's what they are willing to spend on it – if they put in a \$5,000,000 system in, then it's worth \$5,000,000." Mayor McCullough asked about their (Aqua Texas's) right to expand it. Councilmember Trapp said we are not here to debate that point and that we are going over our spreadsheet. Regarding the \$5,000,000 estimate, Councilmember Barchfeld said he gave Mayor McCullough a number because no one has said "nobody has said we want to buy the CCN" or said this is what the appraised value is. Councilmember Barchfeld said he thought the CCN is probably worth the value of what they put the system in for. Mr. Bachers asked Councilmember Barchfeld if he meant \$385,000. Councilmember Barchfeld replied negatively and said that was just for the upgrade on the existing plant in the Park right now. Mr. Bachers said it seems like an important question that Council should have some solid answers on as long as we are doing spreadsheets.

Debbie Koeck said she is an affected property owner in this area (referred to map #s 8A and 8B) and asked how this affects her, as she is not "green." Councilmember Barchfeld said it all depends on the option that we go with. Dr. Koeck asked how Option #3 affects her. Councilmember Trapp stated that the "green" indicates the reduced collection system, so if she is not highlighted in green on the reduced collection system, then she is not included in that option. Dr. Koeck stated her understanding that her residential neighbors and the Meeks' Rio Bonito property are not included in that option. City Administrator Ferguson replied affirmatively and clarified that option only goes as far as the large City parking lot on Oak Drive. Dr. Koeck thanked Council for this option and said she is fine with her permitted septic system, as the Meeks are with theirs. Councilmember Barchfeld stated the logic for this option is to provide a contingency plan, should project costs exceed the TWDB loan amount. He said our main job is to clean up Cypress Creek. He stated reasoning for this condensed project is that it is less expensive than putting in a whole system and most of the people in outlying areas have septic, but want to take advantage of the opportunity to provide the service. He said we want to put a sewer system in, but that is secondary to cleaning up the creek. Dr. Koeck said as an environmental chemist her first priority is the cleanliness of Cypress Creek and stated her concern that we have not found the source of the pollution. She said if the system is put in and the creek is not cleaned then we will have spent a large amount of money to no avail.

Flite Acres resident Edward Davis asked if there was a document quantifying the amount of water that can be productively used at Blue Hole and felt that a system with 109 connections may be a lot more water than can be used at Blue Hole. City Administrator Ferguson referenced a water balance study (available on the City's website) showing an engineering analysis that reflects there is ample irrigation capability at the Park and maybe more. He said one of the things discussed was taking water out to the bypass for irrigation, which depends a lot on what you want to water. He said the plan right now is to water the Park, including the soccer fields and "great lawns," which tend to dry out quickly after rains due to the openness and type of soil. He stated it is important to understand it is not our intent to grow those soccer fields to the quality of Five-Mile Dam, which has competition soccer fields with a very thick, lush turf. He said it is our plan to get a turf that covers the area, is safe, and durable.

Alice Wightman asked if this is just the CCN for the downtown area or the entire area around the City. Mayor McCullough said it is the entire area under Option #4. She asked if Option #1 is the only option that has discharge. Councilmember Barchfeld replied affirmatively. Ms. Wightman asked if the cap of 75,000 gallons per day (gpd) is an average that would allow times of discharge above the 75,000 gpd. Councilmember Barchfeld said that when we get to about 60,000 gallons, we have an alternative plan. City Administrator Ferguson said that the permit states 75,000 and we are not going to exceed 75,000 gpd or we will be visiting with TCEQ. He stressed Council has committed to a cap that will not exceed one gallon over 75,000 gpd and noted that the 75,000 gpd limit will be included in the deed restriction and in the City's grant language. Ms. Wightman stated her understanding that the 75,000 gpd limit only has to be an average and it is calculated over a period of time and there could be more than 75,000 gpd. City Administrator Ferguson said the statement regarding gpd calculation is correct, however, the City has a commitment to take steps to minimize any risk of discharge whenever the plant is near capacity. He said the City has no desire to exceed the 75,000 gpd limit. Ms. Wightman asked if the storage would only hold 6.6 days worth of daily discharge. City Administrator Ferguson stated the storage tank holds one-half million gallons. Ms. Wightman said dividing that by 75,000 gpd comes out to 6.6 days. Councilmember Dussler said starting with about 25,000 gpd, the half-million gallon tank would hold anywhere from 7 days to more than 20 days. He stated that we are going to irrigate Blue Hole, and if the Park is saturated, the storage tank would be used, and if the tank were full, the excess could be trucked, which in effect is a no discharge option. Ms. Wightman said the permit allows the discharge and that is her chief concern for her and other property owners. She said "unlikely is not the same thing as it won't happen."

An unidentified audience member asked about the trucking option. Councilmember Barchfeld addressed the referenced audience member as "Casey" and asked her to come to the microphone in order to be heard.

The referenced speaker said Option #1 is the only option that has discharge with 75,000 gallons of effluent allowed into the creek. She understood Council has looked at excess tanks, ponds, and a trucking option, but asked if any of these are in the plan right now. She asked "Wouldn't the trucking option go to Aqua Texas?" She repeated her statement on Option #1 that it would allow discharge into the creek of 75,000 gallons and said as of right now we do not have a contract to truck it off or anything else. Councilmember Barchfeld said the discharge issue is

very sensitive for a lot of people in this area and he said the speaker is correct. He said no one on this Council wants discharge, but we cannot control future Councils. He said as long as we have a permit that allows for discharge he said “you’re right, that is capacity.” Councilmember Barchfeld affirmed that Council is looking at other ways to prohibit discharge even if it is a matter of trucking it off to another facility, but they are not included in tonight’s presentation.

A speaker (referred to as “Alice” by Councilmember Barchfeld) asked if the CCN is for sewer or water. City Administrator Ferguson and Councilmember Barchfeld replied that the CCN would only be for sewer and that Wimberley Water Supply Corporation holds the CCN for water inside city limits. Alice asked how the City of Woodcreek’s sewage gets to the plant and City Administrator Ferguson replied through ground collection system lines that go to their treatment plant. There was discussion among the speaker, Council, and City Administrator Ferguson about the location of Woodcreek lines and which of those lines are all on one side of the creek or cross the creek.

Bert Ray referred to Option #1 and asked if those numbers include the “purple pipe.” City Administrator Ferguson replied affirmatively. Referring to the “purple pipe,” Mr. Ray said there are reclaimed water lines coming from the plant to downtown and going to all the customers who will have access to that water for irrigation and other non-potable uses. City Administrator Ferguson confirmed Mr. Ray’s statement that the “purple pipe” component is almost \$900,000. Mr. Ray noted none of the other options have the “purple pipe” component. Councilmember Trapp said it would not go to all the customers. Mr. Ray said, according to the drawings, it shows going to all customers. City Administrator Ferguson stated this pertains to “purple pipes.” Mr. Ray pointed to a map showing a much smaller service area than the larger area under Option #1, and said it is unfair to compare Option #1 to these others and characterized them as “apples and oranges.” He said it would only be fair to show in future presentations what Option #1 includes and that it is much larger. Mr. Ray stated he could not believe that after all of these years of work to bring a sewer system to Wimberley, that it would be pared back to a tiny portion around the Square and asked what happens to places along the creek that are not in the reduced area that are producing sewage. He asked why we are comparing two different things.

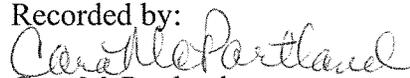
City Administrator Ferguson pointed out that Mr. Ray was referring to the larger service area under the City’s Option #1, which is the same as the full wholesale/retail Aqua Texas plans, listed as Options # 2 and 4.

Councilmember Barchfeld thanked Council and Mayor McCullough. Mayor McCullough thanked everyone for attending.

### **Adjourn**

Mayor McCullough called the meeting adjourned at 7:45 p.m.

Recorded by:

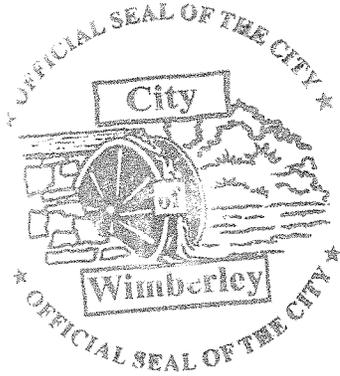
  
Cara McPartland

These minutes approved on the 2<sup>nd</sup> of February, 2017.

**APPROVED:**



**Mac McCullough, Mayor**



# Wimberley Wastewater System

## Expected City Contribution Based on Various Options

January 23, 2017

## Where Are We Going ....

- Review modeling format and source of data
- Present simplified flow diagrams for various options evaluated
- Discuss expected City contribution for the various options
- Wrap up

## Comparison of Options - Sources of Financial Data (\$000)

City Owned CCN					Aqua CCN
City Retail	City Retail - Aqua Wholesale				Aqua Retail
Option #1	Option #2	Option #2a	Option #3	Option #3a	Option #4
City Builds, Owns and Operates Collection System and Plant	City Builds Full Collection System and Delivers Wastewater to Aqua. Existing Plant Upgraded	City Builds Full Collection System and Delivers Wastewater to Aqua. Existing Plant Shut Down	City Builds a Smaller Collection System to Serve Square, etc. and Delivers Wastewater to Aqua. Existing Plant Upgraded	City Builds a Smaller Collection System to Serve Square, etc. and Delivers Wastewater to Aqua. Existing Plant Shut Down	Aqua Builds Collection System Upon Transfer of CCN. Existing Plant Upgraded

**Project Cost and Debt Service**

Total Project Cost  
 Less EDA Grant and Green Subsidy Amount Financed

Annual Debt Service - P&I

**Expected Annual Revenue**

Service Customers

**Expected Annual Expenditures**

O&M - New Facilities  
 O&M - Existing Facilities  
 Aqua Treatment Fees  
 Annual Debt Service  
 Total Expenditures

**Expected Annual City Contribution for Shortfall**

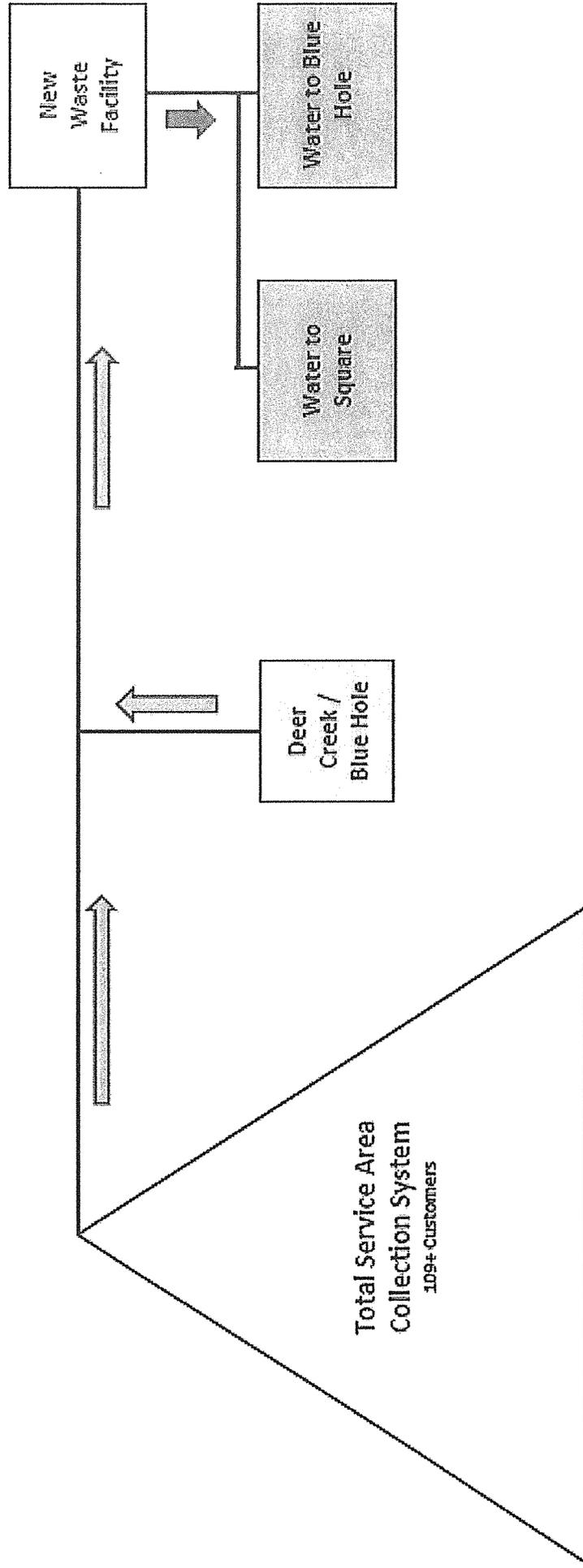
**Expected City Contribution over 30 Years**

**Information Based on Best Available Information Data:**

- RFC Rate Study dated November 30, 2016
- City Proforma from Rate Study
- City Budget
- Engineering Project Cost Estimate
- Aqua Texas Negotiations

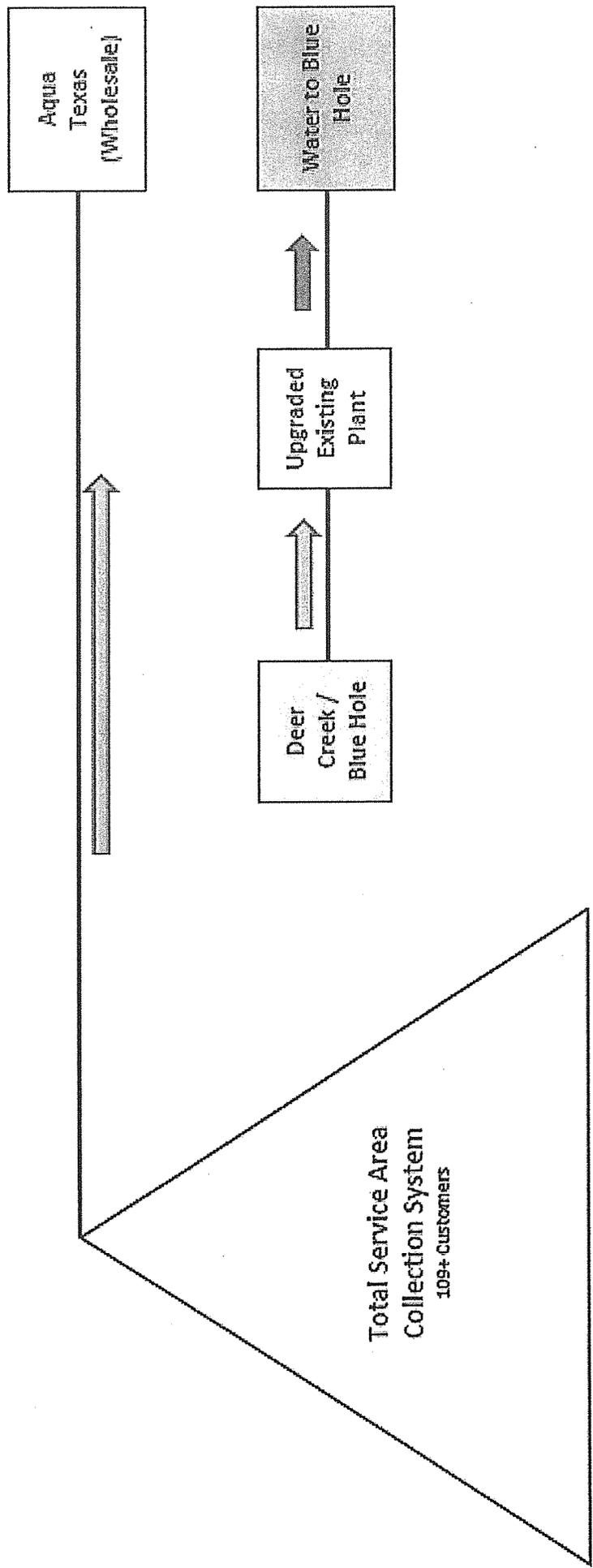
# Option #1

City Owned CCN  
City Builds, Owns and Operates Collection System and Plant



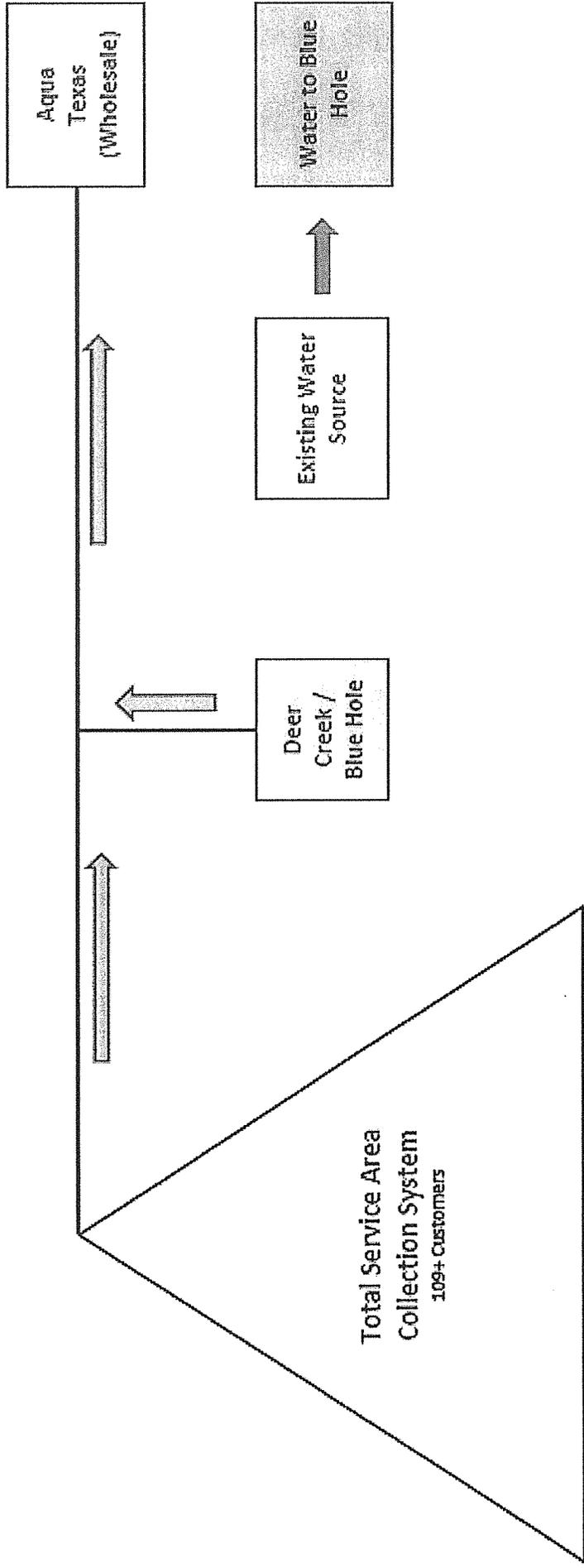
**Option #2**

**City Owned CCN  
City Builds Full Collection System and Delivers Wastewater to Aqua  
Existing Plant Upgraded**



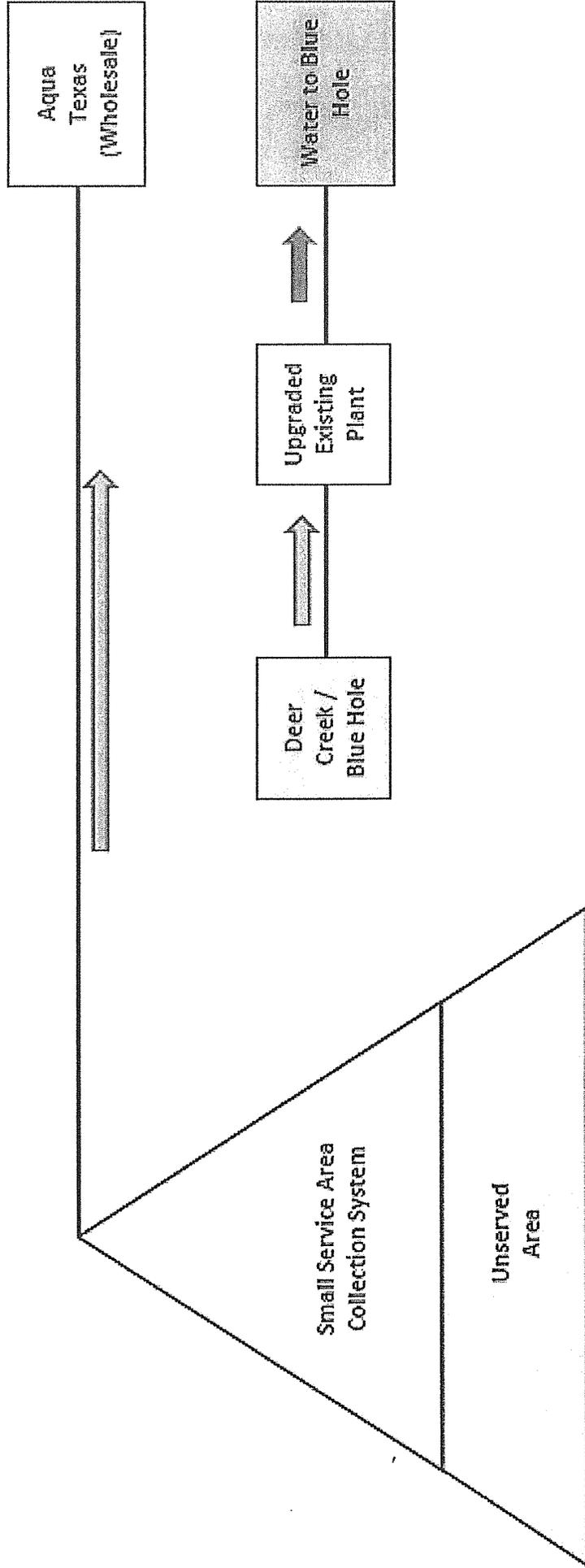
# Option #2a

## City Owned CCN City Builds Full Collection System and Delivers Wastewater to Aqua Existing Plant Shut Down



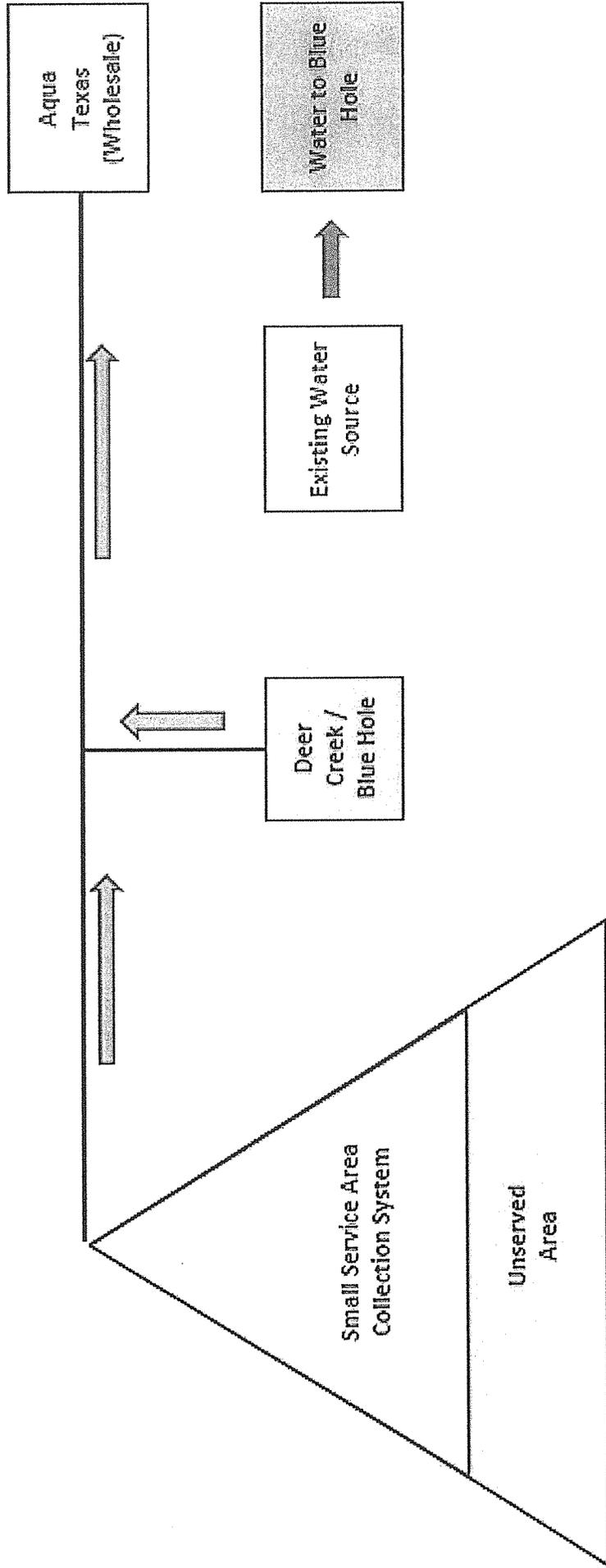
### Option #3

City Owned CCN  
City Builds a Smaller Collection System to Serve Square and Delivers  
Wastewater to Aqua. Existing Plant Upgraded



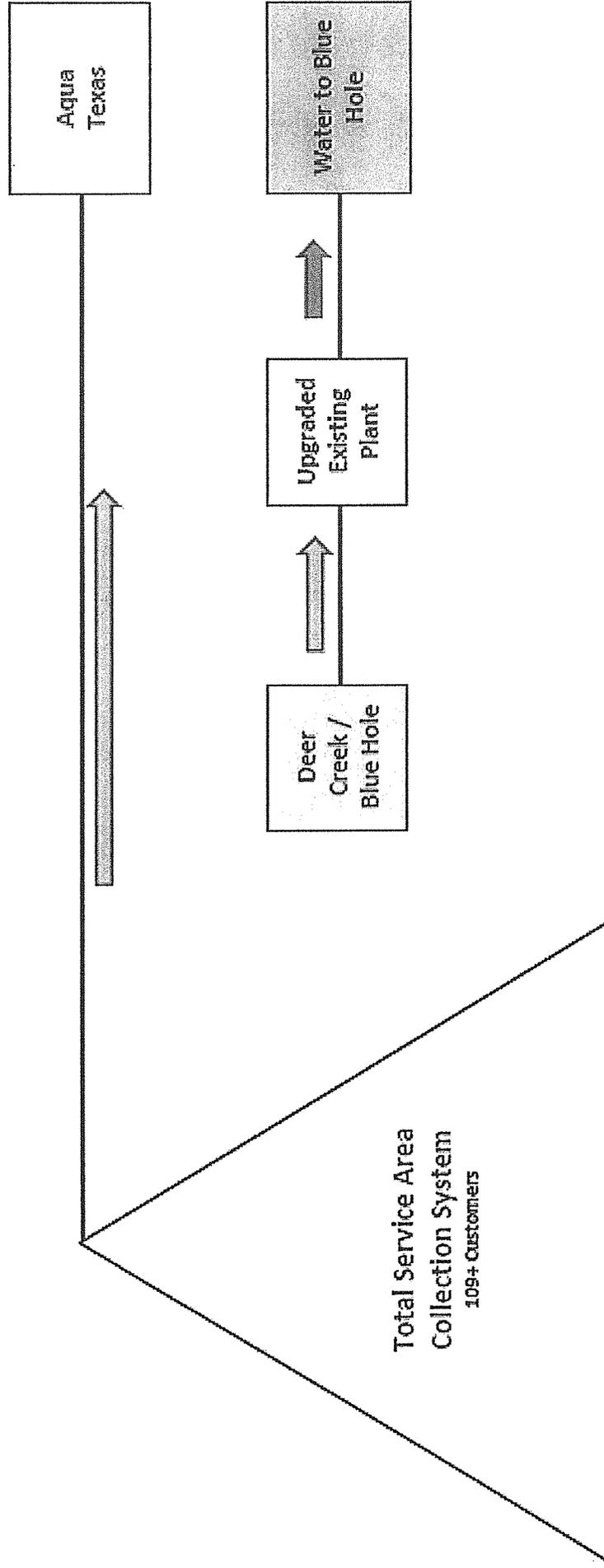
**Option #3a**

**City Owned CCN  
City Builds a Smaller Collection System to Serve Square and Delivers  
Wastewater to Aqua. Existing Plant Shut Down**



# Option #4

## Aqua Owned CCN Aqua Builds Collection System Upon Transfer of CCN Existing Plant Upgraded



## Comparison of Options - Sources of Financial Data - \$000

	City Owned CCN				Aqua CCN	
	City Retail	City Retail - Aqua Wholesale				Aqua Retail
	Option #1	Option #2	Option #2a	Option #3	Option #3a	Option #4
	City Builds, Owns and Operates Collection System and Plant	City Builds Full Collection System and Delivers Wastewater to Aqua. Existing Plant Upgraded	City Builds Full Collection System and Delivers Wastewater to Aqua. Existing Plant Shut Down	City Builds a Smaller Collection System to Serve Square, etc. and Delivers Wastewater to Aqua. Existing Plant Upgraded	City Builds a Smaller Collection System to Serve Square, etc. and Delivers Wastewater to Aqua. Existing Plant Shut Down	Aqua Builds Collection System Upon Transfer of CCN. Existing Plant Upgraded
<b>Project Cost and Debt Service</b>						
Total Project Cost	\$ 5,400	3,590	3,205	1,985	1,600	385
Less EDA Grant and Green Subsidy Amount Financed	(1,243)	0	0	0	0	0
	4,157	3,590	3,205	1,985	1,600	385
Annual Debt Service - P&I	\$ 203	175	156	97	78	69
<b>Expected Annual Revenue</b>						
Service Customers	\$ 194	194	194	105	105	119
<b>Expected Annual Expenditures</b>						
O&M - New Facilities	\$ (172)	(34)	(34)	(26)	(26)	0
O&M - Existing Facilities	0	(109)	0	(109)	0	(109)
Aqua Treatment Fees	0	(77)	(136)	(44)	(98)	0
Annual Debt Service	(203)	(175)	(156)	(97)	(78)	(69)
Total Expenditures	\$ (375)	(395)	(326)	(275)	(202)	(178)
Expected Annual City Contribution for Shortfall	\$ (181)	(202)	(133)	(170)	(97)	(59)
Expected City Contribution over 30 Years	\$ 5,430	6,060	3,990	5,100	2,910	354

**Project Cost and Debt Service**

Total Project Cost  
Less EDA Grant and Green Subsidy  
Amount Financed

Annual Debt Service - P&I

**Expected Annual Revenue**

Service Customers

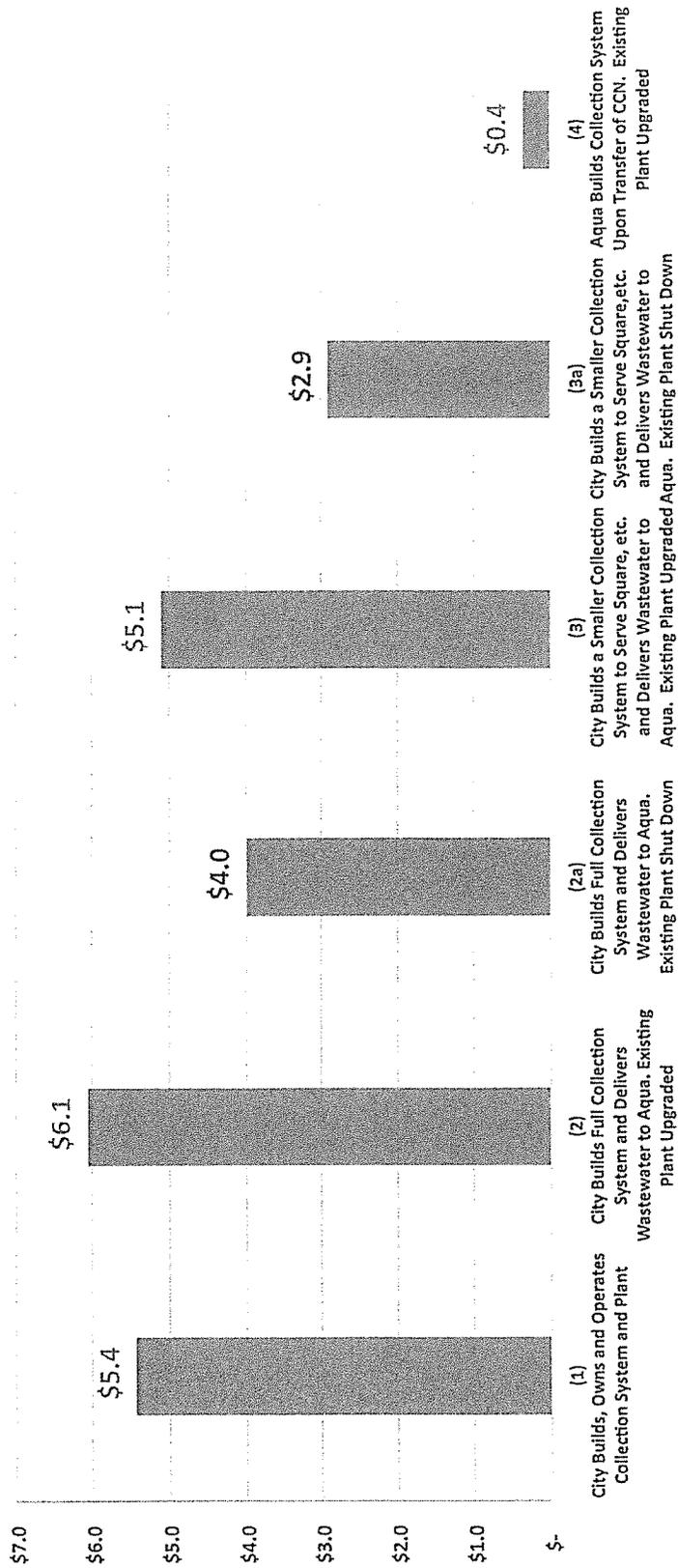
**Expected Annual Expenditures**

O&M - New Facilities  
O&M - Existing Facilities  
Aqua Treatment Fees  
Annual Debt Service  
Total Expenditures

Expected Annual City Contribution for Shortfall

Expected City Contribution over 30 Years

## Expected City Contribution over 30 Years \$ Millions



# Appendix A

## Notes and Assumptions to Financial Summary

- (1) Information based on best available data
- (2) Primary source of data is RFC Rate Study/Proforma 11-30-16
- (3) City CCN - Deer Creek will pay same rates as other City customers
- (4) Aqua CCN - Deer Creek revenues are from City 2017 budget
- (5) Collection system O&M costs for Wholesale options assumed at 20% and 15%, respectively, of City new total system
- (6) Existing facility costs include operating costs from City 2017 budget
- (7) Current proposed wholesale rates from Aqua - \$11.72 per thousand gallons
- (8) Reduced Collection System Option includes Old Kyle Road (FM 3237 to Square), RR 12 (Blue Heron to Square), Oak Drive (midway Blue Heron to Square), Henson (through Square), the Square, + Deer Creek with existing system
- (9) Expenditures exclude capital expenditures and administrative expense

	Option #1 (City Plan)	Option #2 (Wholesale Plan)	Option #3 (Reduced Wholesale Plan)	Option #4 (Aqua Retail Plan)	Option #4A (Aqua Transitional Retail Plan)
	(City retains CCN, builds, owns and operates collection system and plant)	(City retains CCN, builds full collection system and delivers wastewater to Aqua)	(City retains CCN, builds a smaller collection system to serve Square and delivers wastewater to Aqua)	Aqua obtains CCN, builds collection system upon transfer of CCN	(Aqua obtains CCN, City builds collection system and interconnect to deliver wastewater to Aqua and system is turned over to Aqua upon transfer of CCN)
<b>Total Project Cost</b>	\$5,378,005	\$3,590,000	\$1,985,000	\$385,000	\$3,980,000
<b>Total Construction Cost</b>	\$4,892,098	\$3,164,600	\$1,549,520	\$345,520	\$3,510,000
<b>Amount Financed</b>	\$4,135,000	\$3,590,000	\$1,985,000	\$385,000	\$3,980,000
<b>Annual Debt Service</b>	\$198,000-\$201,000	\$171,000-\$175,000	\$83,000-\$98,000	\$66,000-\$69,000	\$189,000-\$194,000
<b>Financing</b>					
Source Method	Existing TWDB Loan Revenue Bond Available	Modified TWDB Loan Revenue Bond Unknown	Modified TWDB Loan Revenue Bond Unknown	Modified TWDB Loan Tax Notes (Tax backed) Unknown	TWDB/Private GO Bond, CO Bond or Tax Notes (Tax Backed) Unknown
TWDB Green Subsidy	Available	No	No	No	No
\$1 Million EDA Grant	Yes	Yes	Yes	No	No
Mandatory Customer Connection *	Yes	Yes	Yes	No	No
<b>Permitting</b>					
Existing Permit Available	Yes	No	No	No	No
Permit Amendment Required	No	Yes (Park Irrigation)	Yes (Park Irrigation)	Yes (Parks Irrigation)	Yes (Park Irrigation)
<b>Effluent Discharge</b>	Yes	No	No	No	No
<b>Park Effluent Irrigation</b>	Yes	Yes	Yes	Yes	Yes
<b>Service Delivery</b>	Oct-18	Apr-19	Jan-19	Apr-21	Apr-19
<b>Pros</b>	<ol style="list-style-type: none"> <li>1. TWDB loan (existing)</li> <li>2. \$1 million EDA grant available for use</li> <li>3. TCEQ Permit exists</li> <li>4. Service available sooner</li> <li>5. City retains full rate control</li> <li>6. City retains CCN</li> </ol>	<ol style="list-style-type: none"> <li>1. No risk of effluent discharge</li> <li>2. City retains CCN</li> <li>3. No CIAC fees</li> <li>4. TWDB loan (modified)</li> <li>5. Five (5) year wholesale rate freeze</li> <li>6. No treatment plant costs</li> </ol>	<ol style="list-style-type: none"> <li>1. No risk of effluent discharge</li> <li>2. Retail rates can be protested</li> <li>3. Only cost to City is for Park effluent irrigation</li> <li>4. No long term debt</li> </ol>	<ol style="list-style-type: none"> <li>1. No risk of effluent discharge</li> <li>2. No CIAC fees</li> <li>3. Limited cost to City with potential Aqua reimbursement</li> <li>4. Five (5) year retail rate freeze</li> <li>5. Retail rates can be protested</li> <li>6. No treatment plant costs</li> </ol>	
<b>Cons</b>	<ol style="list-style-type: none"> <li>1. Risk of effluent discharge</li> <li>2. Increased treatment plant costs</li> <li>3. Increased Operation &amp; Maintenance Costs</li> <li>4. Facility aesthetically unpleasing</li> </ol>	<ol style="list-style-type: none"> <li>1. Permit amendment required for Park Irrigation</li> <li>2. Six (6) month delay in service delivery</li> <li>3. Limited ability to protest wholesale rates</li> <li>4. Environmental document must be updated</li> <li>5. EDA grant unavailable</li> </ol>	<ol style="list-style-type: none"> <li>1. Permit amendment required for Park Irrigation</li> <li>2. Two (2) year delay in service delivery</li> <li>3. City transfers CCN</li> <li>4. City has no WW rate control</li> <li>5. EDA grant unavailable</li> </ol>	<ol style="list-style-type: none"> <li>1. Permit amendment required for Park Irrigation</li> <li>2. Six (6) month delay in service delivery</li> <li>3. Environmental document must be updated</li> <li>4. City transfers CCN</li> <li>5. Potential risk CCN transfer to Aqua will not be approved</li> <li>6. Interim financing might require tax-backed debt</li> <li>7. EDA grant unavailable</li> </ol>	

\* All customers with the exception of those with recently installed septic systems will be required to connect to the wastewater system when it comes on line. Those with newly installed septic systems will be allowed to delay their connection for a period of time not yet determined

**City of Wimberley  
Wastewater Financial Comparison of Options  
(\$000)**

	City Owned CCN				Aqua CCN	
	City Retail Option #1	Option #2	Option #2a	Option #3		Option #3a
	City Builds, Owns and Operates Collection System and Plant	City Builds Full Collection System and Delivers Wastewater to Aqua. Existing Plant Upgraded	City Builds Full Collection System and Delivers Wastewater to Aqua. Existing Plant Shut Down	City Builds a Smaller Collection System to Serve Square, etc. and Delivers Wastewater to Aqua. Existing Plant Upgraded	City Builds a Smaller Collection System to Serve Square, etc. and Delivers Wastewater to Aqua. Existing Plant Shut Down	Aqua Builds Collection System Upon Transfer of CCN. Existing Plant Upgraded
<b>Project Cost and Debt Service</b>						
Total Project Cost	\$ 5,400	3,590	3,205	1,985	1,600	385
Less EDA Grant and Green Subsidy Amount Financed	(1,243)	0	0	0	0	0
	4,157	3,590	3,205	1,985	1,600	385
Annual Debt Service - P&I	\$ 203	175	156	97	78	69
						6 Year Term
<b>Expected Annual Revenue</b>						
Service Customers	\$ 194	194	194	105	105	119
<b>Expected Annual Expenditures</b>						
O&M - New Facilities	\$ (172)	(34)	(34)	(26)	(26)	0
O&M - Existing Facilities	0	(109)	0	(109)	0	(109)
Aqua Treatment Fees	0	(77)	(136)	(44)	(98)	0
Annual Debt Service	(203)	(175)	(156)	(97)	(78)	(69)
Total Expenditures	\$ (375)	(395)	(326)	(275)	(202)	(178)
<b>Expected Annual City Contribution for Shortfall</b>	\$ (181)	(202)	(133)	(170)	(97)	(59)
<b>Expected City Contribution over 30 Years</b>	\$ 5,430	6,060	3,990	5,100	2,910	354

**Notes**

- (1) Information based on best available data
- (2) Primary source of data is RFC Rate Study/Proforma 11-30-16

↑ 708

- 71
- 72
- 73
- 74
- 75
- 76
- 134

PUMP  
LIVING  
HOME  
65

DEER CREEK  
45

77C

66

67A  
67B

707 708 709

70A

70B

70C

70D

70E

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70AB

70AC

70AD

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70AF

70AG

70AH

70AI

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70AK

70AL

70AM

70AN

70AO

70AP

70AQ

70AR

70AS

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70GZ

70HA

70HB

70HC

70HD

70HE

70HF

70HG

70HH

70HI

70HJ

70HK

70HL

70HM

70HN

70HO

70HP

70HQ

70HR

70HS

70HT

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70HV

70HW

70HX

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