

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

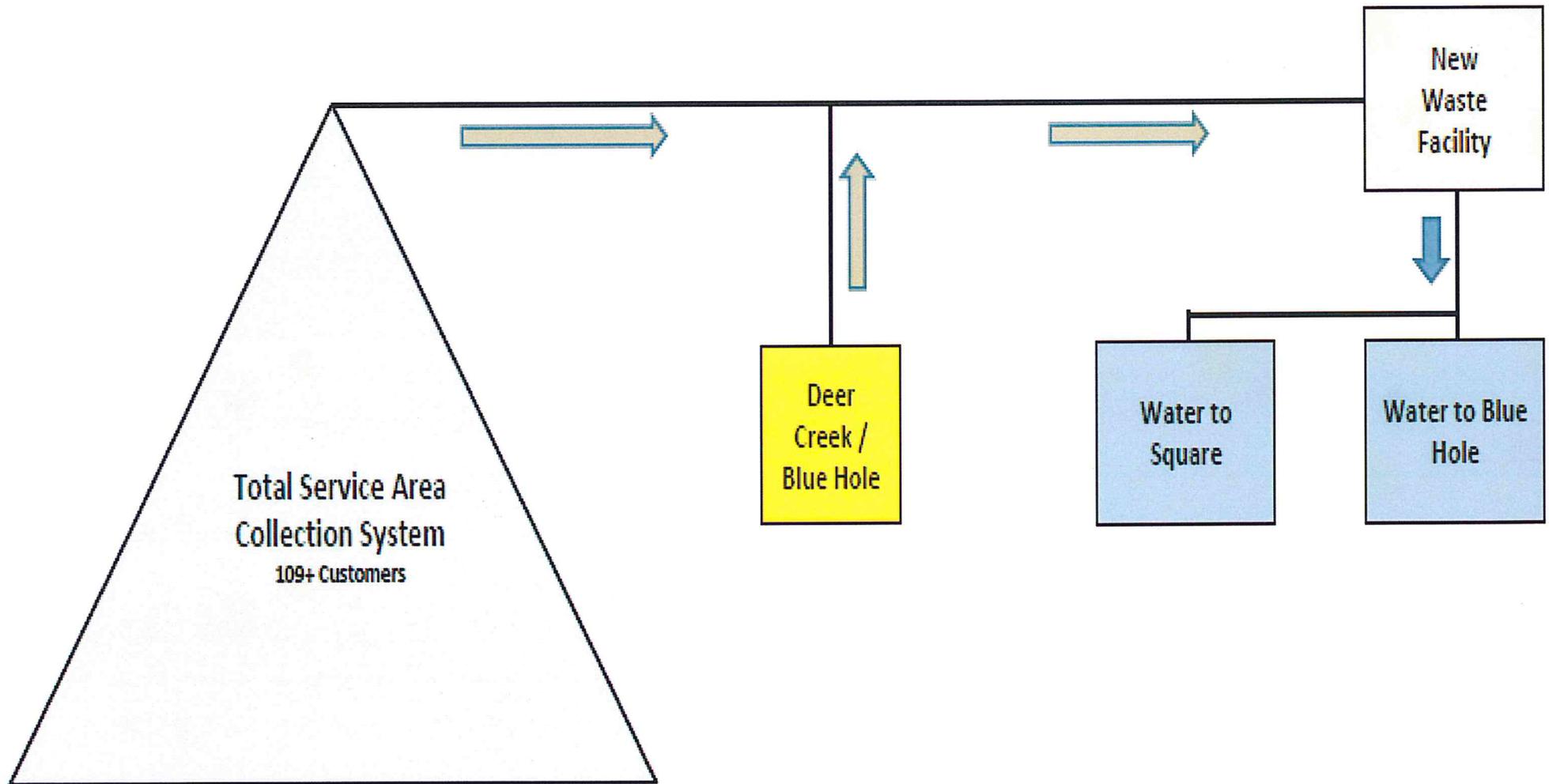
Information Based on Best Available Information Data:

- 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

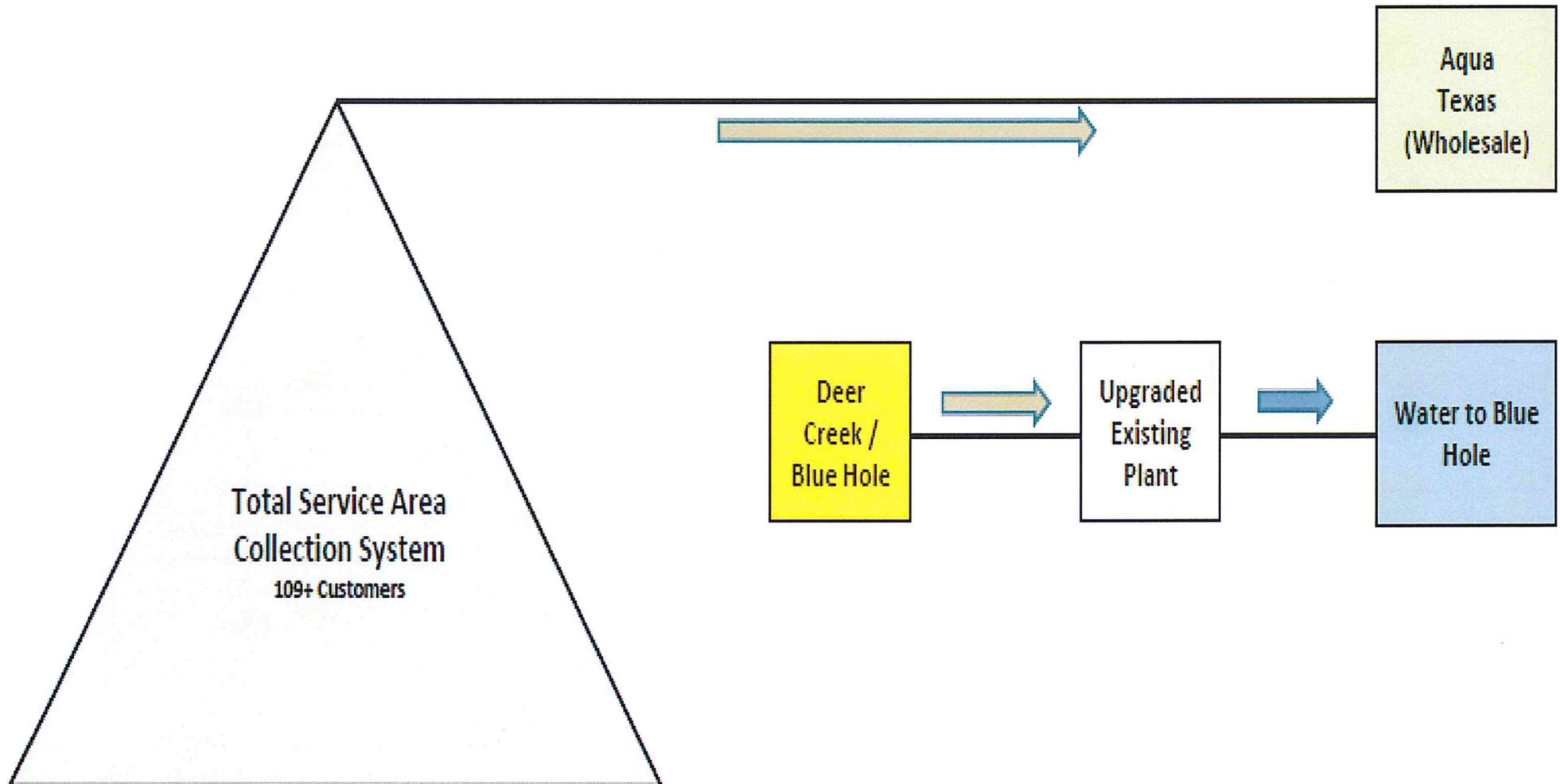
City Builds, Owns and Operates Collection System and Plant



Option #2

City Owned CCN

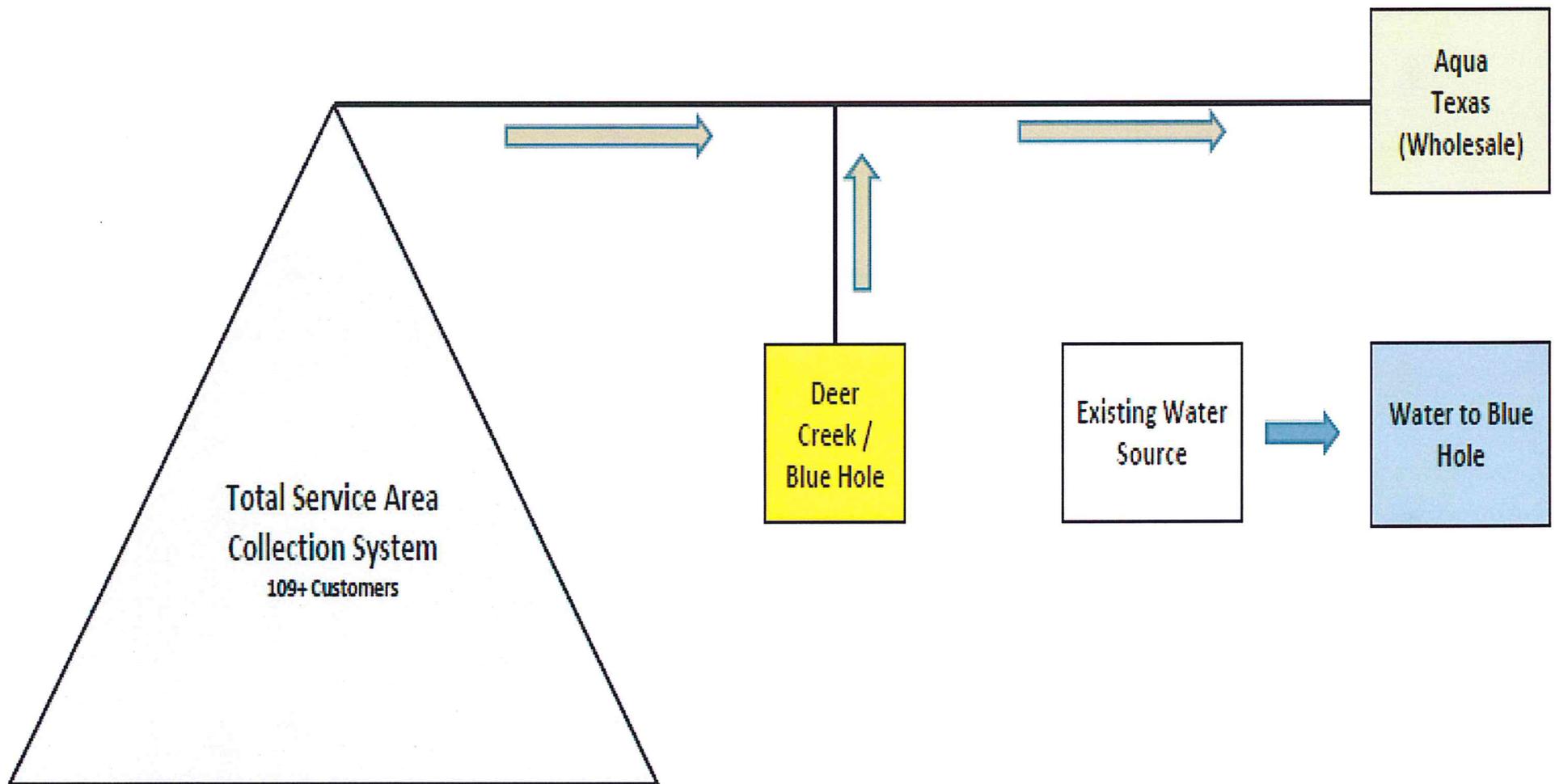
City Builds Full Collection System and Delivers Wastewater to Aqua
Existing Plant Upgraded



Option #2a

City Owned CCN

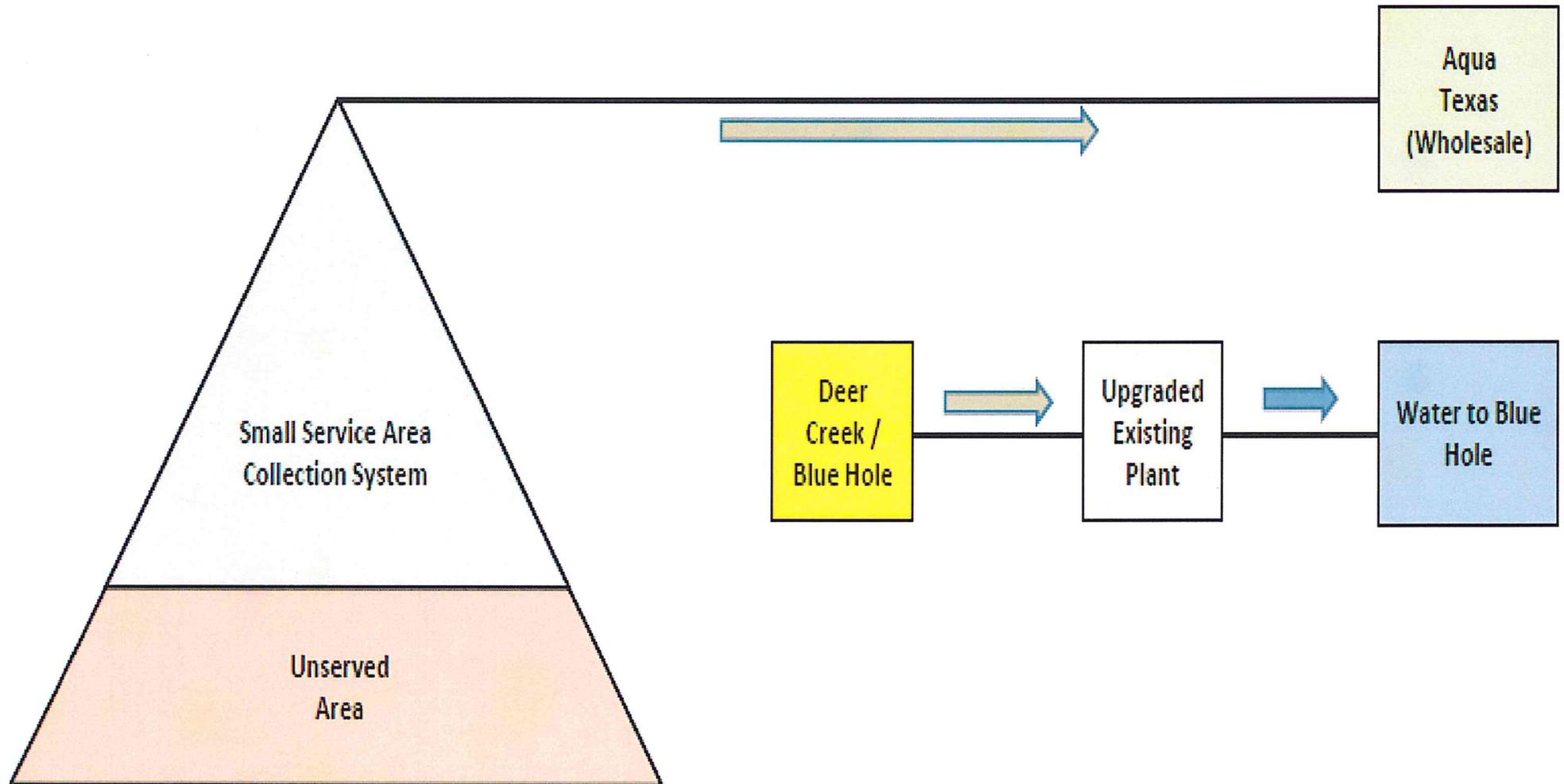
City Builds Full Collection System and Delivers Wastewater to Aqua
Existing Plant Shut Down



Option #3

City Owned CCN

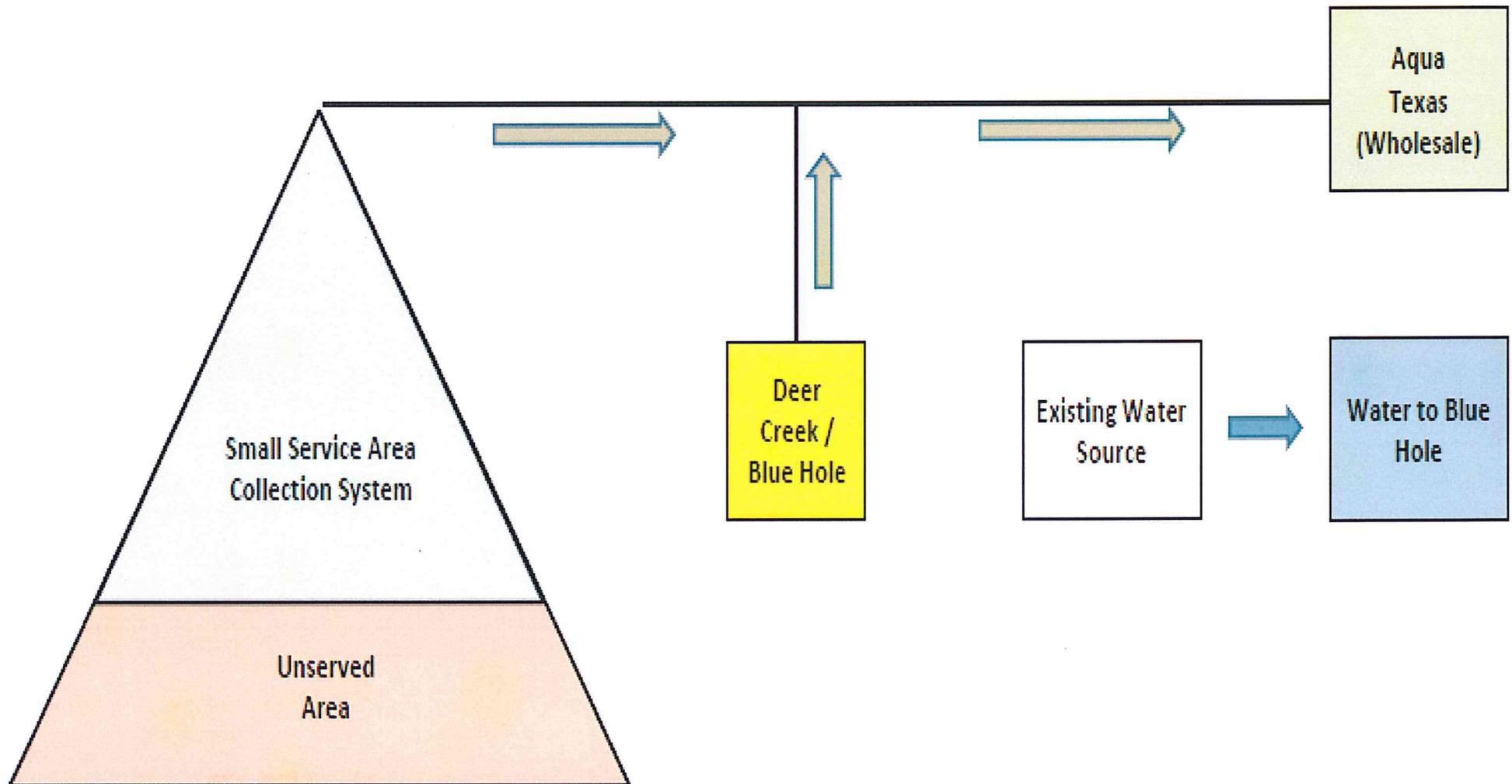
City Builds a Smaller Collection System to Serve Square and Delivers Wastewater to Aqua. Existing Plant Upgraded



Option #3a

City Owned CCN

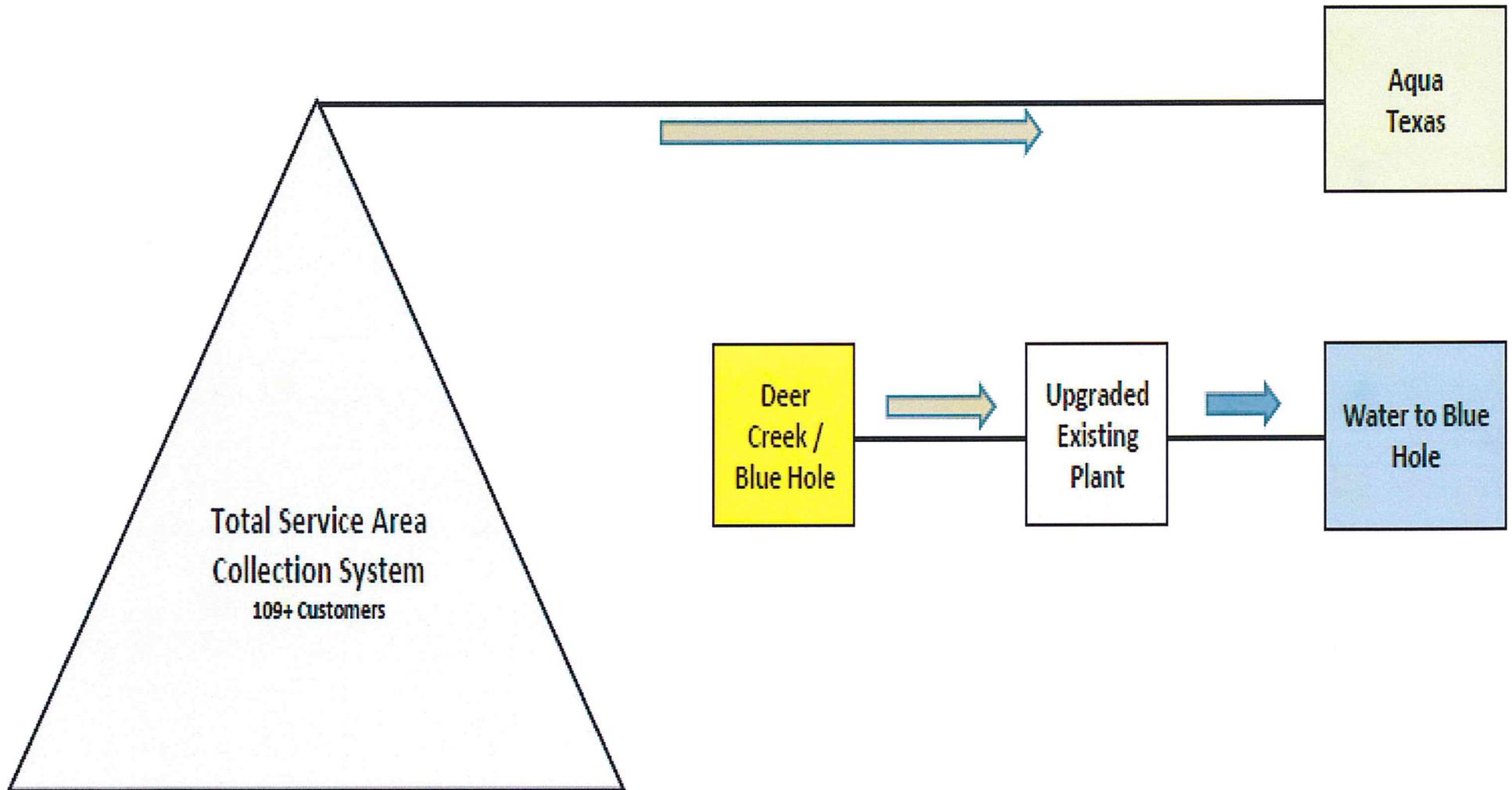
City Builds a Smaller Collection System to Serve Square and Delivers Wastewater to Aqua. Existing Plant Shut Down



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
Project Cost and Debt Service						
Total Project Cost	\$ 5,400	3,590	3,205	1,985	1,600	385
Less EDA Grant and Green Subsidy	(1,243)	0	0	0	0	0
Amount Financed	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
Expected Annual Revenue						
Service Customers	\$ 194	194	194	128	128	119
Expected Annual Expenditures						
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)	(148)	(74)	(59)
Expected City Contribution over 30 Years	\$ 5,430	6,060	3,990	4,440	2,220	354

Revised 1-30-17 - Options #3 and #3a revenues adjusted upward by \$23,000 for impact fees. These revenues were inadvertently omitted at time of presentation

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