



MEMORANDUM

TO: Randy Alexis, Principal Planner
Austin Water Utility

FROM: Jennifer Castellon, Utility Financial Analyst
Austin Water Utility

DATE: March 5, 2009

SUBJECT: Semi-Annual Impact Fee Report as of March 31, 2008

Attached for your information is the Semi-Annual Impact Fee Report of Collections as of March 31, 2008. The report is based on financial information reported in the City's accounting system. Fees collected during this period are lower than past years. Further, the percentage of fees waived or exempted is higher for wastewater fees than water.

In summary, combined utility capital recovery fees collected during the six month period totaled \$3,456,618. Of this total, \$2,268,623 was for water and \$1,187,995 was for wastewater. Total capital recovery fees collected since the adoption of the current ordinance on June 20, 1990, through March 31, 2008, totaled \$84,410,025 for water and \$51,294,041 for wastewater, for a combined utility total of \$135,704,066.

As of March 31, 2008, the cash balances in the water and wastewater CRF funds were \$1,832,278 and \$1,457,988, respectively, for a combined total of \$3,290,266. The balances reflect the transfer of \$10,970,000 from the CRF funds to the operating funds and from there to the Debt Service Fund in December 2007, \$6,110,000 from Water and \$4,860,000 from Wastewater.

Please let me know if you have any questions or need additional information.

Jennifer Castellon

Jennifer Castellon
Utility Financial Analyst
Austin Water Utility

Attachment

Cc: Greg Mesaros, Director
Perwez Moheet, CPA, Deputy Director
David Anders, Assistant Director, Finance and Business Services
Alice Flora, Customer Service Division Manager
Teresa Lutes, P.E., Systems Planning Division Manager
Rusty Cobern, CPA, Financial Management Division Manager
Robert A. Butler, CPA, Utility Financial Manager



Austin Water Utility Capital Recovery Fee Financial Summary

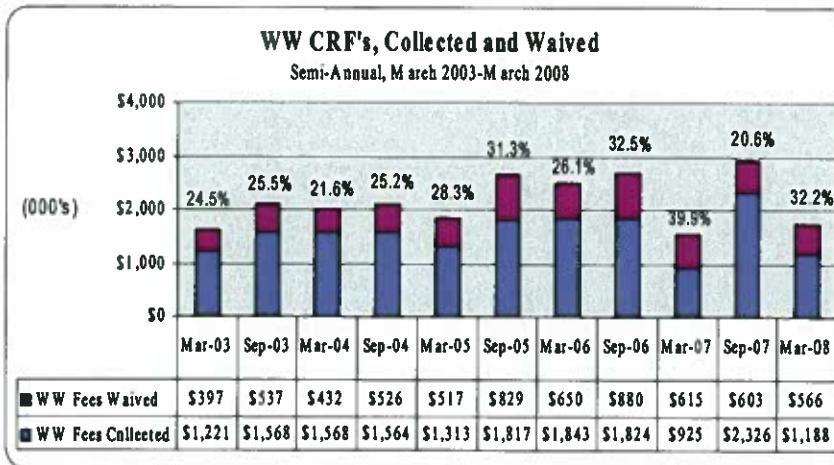
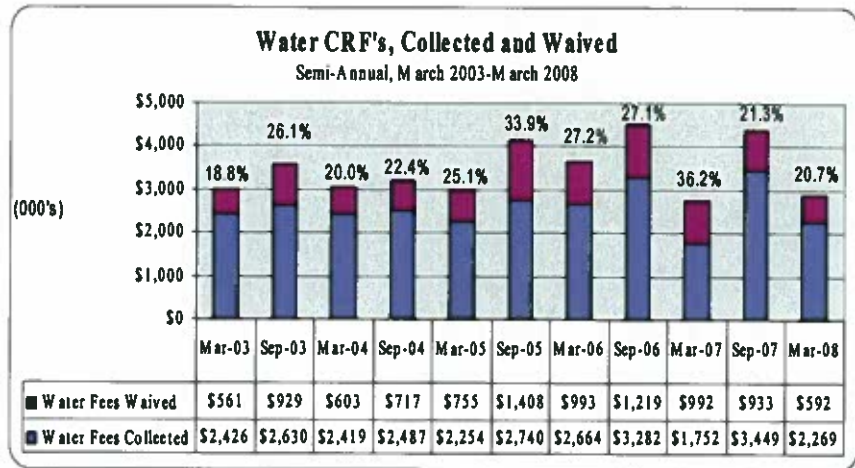


Semi-Annual Impact Fee Report

Period Ending March 31, 2008

Texas Local Government Code, Chapter 395, Section 395.058, requires that the Impact Fee Advisory Committee “file semiannual reports with respect to the progress of the capital improvements plan and report to the political subdivision any perceived inequities in implementing the plan or imposing the impact fee.” This report supports the committee by providing financial information about the collection of capital recovery fees and the value of fee waivers.

The chart at right shows the breakdown of water capital recovery fee collections and water capital recovery fees waived or exempted in thousands of dollars for the last eleven reporting periods. In the period ended March 31, 2008, the utility collected \$2.27 million and exempted or waived \$0.59 million. The waived capital recovery fees comprise 20.7% of the total capital recovery fees before waivers or exemptions.



Similarly, the chart at left shows the breakdown of wastewater capital recovery fee collections and wastewater capital recovery fees waived or exempted in thousands of dollars for the last eleven reporting periods. In the period ended March 31, 2008, the utility collected \$1.19 million and exempted or waived \$0.57 million. The waived fees comprise 32.2% of the total fees before waivers or exemptions.

The attachments included with this report provide detail on the following:

1. Current semi-annual period and inception to date Capital Recovery Fee Collections.
2. Six month Capital Recovery Fee Collections by Zone.
3. Fiscal year Capital Recovery Fee Collections by Quarter and Zone.
4. Capital Recovery Fee Report by Fund, Inception through March 31, 2008.
5. Capital Recovery Fee Report by Class, Inception through March 31, 2008.
6. Summary of Capital Recovery Fee Exemptions and Waivers for the Period Ended March 31, 2008.

City of Austin, Texas
Austin Water Utility
Impact Fee (Capital Recovery Fee) Collections
As of March 31, 2008

DESCRIPTION	WATER	WASTEWATER	TOTAL
CURRENT SEMI-ANNUAL PERIOD (October 1, 2007- March 31, 2008)			
Total Dollar Value of Taps & Connections	\$ 2,860,775	\$ 1,753,496	\$ 4,614,271
CRF Exemptions, Waivers and Refunds	(592,153)	(565,501)	(1,157,653)
Net CRF Collected	<u>\$ 2,268,623</u>	<u>\$ 1,187,995</u>	<u>\$ 3,456,618</u>
Interest Earnings	70,653	69,660	140,314
Total CRF Collected	<u>\$ 2,339,276</u>	<u>\$ 1,257,656</u>	<u>\$ 3,596,932</u>

TOTAL IMPACT FEES (CAPITAL RECOVERY FEES) COLLECTED BY THE CITY OF AUSTIN SINCE THE ADOPTION OF THE CURRENT IMPACT FEE (CRF) ORDINANCE FROM JUNE 20, 1990, THROUGH MARCH 31, 2008, ARE SHOWN BELOW:

INCEPTION TO DATE (June 20, 1990 - March 31, 2008)			
Net CRF Collected	\$ 84,410,025	\$ 51,294,042	\$ 135,704,066
Interest Earnings	4,107,064	2,621,422	6,728,486
Total CRF Collected	<u>\$ 88,517,088</u>	<u>\$ 53,915,464</u>	<u>\$ 142,432,552</u>
Used for Debt Defeasance	(35,418,846)	(19,899,018)	(55,317,864)
Used for CIP *	(40,428,000)	(25,460,000)	(65,888,000)
Used for Debt Service **	(11,580,000)	(7,770,000)	(19,350,000)
Other Adjustments***	742,035	671,542	1,413,577
CRF CASH BALANCES	<u>\$ 1,832,278</u>	<u>\$ 1,457,988</u>	<u>\$ 3,290,266</u>

* The Utility had restricted the use of capital recovery fees collected for defeasance of outstanding revenue bonds until FY 2001-02 when the Utility's policy was changed to allow CRFs to be used to fund certain major plant capacity improvements.

** In FY2006 Management decided to use CRF collections to pay debt service.

*** Includes Transfers for Fairway Ridge, Circle C, refunds and other miscellaneous adjustments.

APPLICATION OF CRF FUNDS FOR DEBT DEFEASANCE

The following schedule reflects the application of crfs collected since inception toward the defeasance of revenue bonds.

FY 1991-92	\$ (1,543,846)	\$ (451,428)	\$ (1,995,274)
FY 1992-93	(5,000,000)	(3,000,000)	(8,000,000)
FY 1993-94	(3,800,000)	(2,200,000)	(6,000,000)
FY 1994-95	(3,500,000)	(2,000,000)	(5,500,000)
FY 1995-96	(4,500,000)	(2,500,000)	(7,000,000)
FY 1996-97	0	0	0
FY 1997-98	(4,075,000)	(5,747,590)	(9,822,590)
FY 1998-99	(13,000,000)	(4,000,000)	(17,000,000)
FY 1999-2000	0	0	0
FY 2000-01	0	0	0
TOTAL	<u>\$ (35,418,846)</u>	<u>\$ (19,899,018)</u>	<u>\$ (55,317,864)</u>

APPLICATION OF CRF FUNDS FOR CAPITAL PROJECTS

FY 2001-2002	(18,000,000)	(11,300,000)	(29,300,000)
FY 2002-2003	(5,004,000)	(4,870,000)	(9,874,000)
FY 2003-2004	(5,944,000)	(3,750,000)	(9,694,000)
FY 2004-2005	(6,080,000)	(2,680,000)	(8,760,000)
FY 2005-2006	(5,400,000)	(2,860,000)	(8,260,000)
TOTAL	<u>(40,428,000)</u>	<u>(25,460,000)</u>	<u>(65,888,000)</u>

APPLICATION OF CRF FUNDS FOR DEBT SERVICE

FY 2006-2007 (Debt Service)	(5,470,000)	(2,910,000)	(8,380,000)
FY 2007-2008 (Debt Service)	(6,110,000)	(4,860,000)	(10,970,000)
TOTAL	<u>(11,580,000)</u>	<u>(7,770,000)</u>	<u>(19,350,000)</u>

**City of Austin, Texas
Austin Water Utility
Six-month Capital Recovery Fee Collections
As of March 31, 2008**

DESCRIPTION	1st Qtr (FY) Oct 07-Dec 07	2nd Qtr (FY) Jan 08-Mar 08	6 month Total
WATER IMPACT FEE			
Wholesale Customers	\$ 217,944	\$ 238,650	\$ 456,594
DWPZ ETJ	34,000	14,450	48,450
DWPZ Inside	150,250	242,215	392,465
DDZ ETJ	41,600	81,900	123,500
DDZ Inside	428,350	475,825	904,175
Urban	154,939	119,500	274,439
CURE	63,500	5,500	69,000
NET COLLECTIONS	\$ 1,090,583	\$ 1,178,040	\$ 2,268,623
Interest Earnings	58,847	11,807	70,653
TOTAL WATER	\$ 1,149,430	\$ 1,189,847	\$ 2,339,276
WASTEWATER IMPACT FEE			
Wholesale Customers	\$ 125,350	\$ 238,250	\$ 363,600
DWPZ ETJ	0	60,000	60,000
DWPZ Inside	103,400	54,600	158,000
DDZ ETJ	17,600	36,400	54,000
DDZ Inside	178,300	188,200	366,500
Urban	83,650	58,945	142,595
CURE	40,150	3,150	43,300
NET COLLECTIONS	\$ 548,450	\$ 639,545	\$ 1,187,995
Interest Earnings	58,222	11,439	69,660
TOTAL WASTEWATER	\$ 606,672	\$ 650,984	\$ 1,257,656
TOTAL COMBINED COLLECTIONS	\$ 1,756,101	\$ 1,840,831	\$ 3,596,932

City of Austin, Texas
Austin Water Utility
Capital Recovery Fee Collections
As of March 31, 2008

DESCRIPTION	1st Qtr(FY) Oct. '07-Dec. '07	2nd Qtr(FY) Jan '08-Mar.'08	3rd Qtr(FY) Apr. '08- June'08	4th Qtr (FY) July '08-Sept '08	YTD Total Oct '07-Sept '08
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WATER IMPACT FEE

Wholesale Customers	\$ 217,944	\$ 238,650	\$ 0	\$ 0	\$ 456,594
DWPZ ETJ	34,000	14,450	0	0	48,450
DWPZ Inside	150,250	242,215	0	0	392,465
DDZ ETJ	41,600	81,900	0	0	123,500
DDZ Inside	428,350	475,825	0	0	904,175
Urban	154,939	119,500	0	0	274,439
CURE	63,500	5,500	0	0	69,000
NET COLLECTIONS	\$ 1,090,583	\$ 1,178,040	\$ 0	\$ 0	\$ 2,268,623
Interest Earnings	58,847	11,807	0	0	70,653
TOTAL WATER	\$ 1,149,430	\$ 1,189,847	\$ 0	\$ 0	\$ 2,339,276

WASTEWATER IMPACT FEE

Wholesale Customers	\$ 125,350	\$ 238,250	\$ 0	\$ 0	\$ 363,600
DWPZ ETJ	0	60,000	0	0	60,000
DWPZ Inside	103,400	54,600	0	0	158,000
DDZ ETJ	17,600	36,400	0	0	54,000
DDZ Inside	178,300	188,200	0	0	366,500
Urban	83,650	58,945	0	0	142,595
CURE	40,150	3,150	0	0	43,300
NET COLLECTIONS	\$ 548,450	\$ 639,545	\$ 0	\$ 0	\$ 1,187,995
Interest Earnings	58,222	11,439	0	0	69,660
TOTAL WASTEWATER	\$ 606,672	\$ 650,984	\$ 0	\$ 0	\$ 1,257,656
TOTAL COMBINED COLLECTIONS	\$ 1,756,101	\$ 1,840,831	\$ 0	\$ 0	\$ 3,596,932

City of Austin
Austin Water Utility
Semi-Annual Impact Fee Report By Class
Inception through March 31, 2008

DESCRIPTION	THRU FY 1995-96	FY 1996-97 OCT - SEPT	FY 1997-98 OCT - SEPT	FY 1998-99 OCT - SEPT	FY 1999-00 OCT - SEPT	FY 2000-01 OCT - SEPT	FY 2001-02 OCT - SEPT	FY 2002-03 OCT - SEPT	FY 2003-04 OCT - SEPT	FY 2004-05 OCT - SEPT	FY 2005-06 OCT - SEPT	FY 2006-07 OCT - SEPT	FY 2007-08 OCT - SEPT	ITD TOTAL
Water	\$ 13,452,503	\$ 3,724,253	\$ 4,882,115	\$ 5,256,797	\$ 5,360,520	\$ 4,163,074	\$ 15,300	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 36,854,582
Urban, CURE	0	0	0	0	0	0	385,539	237,328	479,220	489,376	779,525	771,865	343,439	3,486,383
DWPZ inside, DDZ inside	0	0	0	0	0	0	2,580,187	3,126,663	3,273,075	3,688,444	3,644,800	3,606,683	1,296,640	21,516,482
Total Inside Water	\$ 13,452,503	\$ 3,724,253	\$ 4,882,115	\$ 5,256,797	\$ 5,360,520	\$ 4,163,074	\$ 2,965,726	\$ 3,353,991	\$ 3,752,295	\$ 4,177,820	\$ 4,724,325	\$ 4,378,618	\$ 1,840,079	\$ 61,857,427
Wastewater	\$ 7,363,831	\$ 2,025,544	\$ 2,510,871	\$ 3,118,011	\$ 3,343,802	\$ 2,322,822	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,684,881
Urban, CURE	0	0	0	0	0	0	177,348	123,364	258,900	279,874	426,250	381,508	185,885	1,833,137
DWPZ inside, DDZ inside	0	0	0	0	0	0	1,530,752	1,794,500	1,908,100	2,139,680	2,327,734	1,872,432	524,500	12,097,798
Total Inside Wastewater	\$ 7,363,831	\$ 2,025,544	\$ 2,510,871	\$ 3,118,011	\$ 3,343,802	\$ 2,322,822	\$ 1,708,100	\$ 1,917,864	\$ 2,167,000	\$ 2,417,554	\$ 2,753,984	\$ 2,253,937	\$ 710,395	\$ 34,615,616
TOTAL INSIDE CRFs	\$ 20,816,334	\$ 5,749,797	\$ 7,392,986	\$ 8,374,808	\$ 8,704,322	\$ 6,485,896	\$ 4,683,826	\$ 5,271,855	\$ 5,919,295	\$ 6,597,374	\$ 7,478,309	\$ 6,632,555	\$ 2,350,474	\$ 96,473,043
OUTSIDE CITY LIMITS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Water	\$ 3,911,845	\$ 745,450	\$ 1,011,586	\$ 1,370,143	\$ 2,062,863	\$ 1,688,009	\$ (1,300)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,788,598
Wholesale	2,128,401	428,946	261,203	287,347	292,417	118,056	724,936	983,550	597,900	487,800	613,050	268,608	456,584	7,005,806
DWPZ ETJ, DDZ ETJ	0	0	0	0	0	0	1,229,355	708,256	585,450	347,763	608,150	556,272	171,950	4,177,198
Total Outside Water	\$ 6,041,246	\$ 1,174,396	\$ 1,272,789	\$ 1,657,490	\$ 2,355,270	\$ 1,786,065	\$ 1,952,991	\$ 1,691,806	\$ 1,183,350	\$ 815,563	\$ 1,221,200	\$ 822,878	\$ 628,544	\$ 22,552,598
Wastewater	\$ 1,893,982	\$ 415,774	\$ 627,031	\$ 747,203	\$ 1,125,027	\$ 810,758	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,619,775
Wholesale	2,073,977	479,307	183,266	146,351	186,554	59,800	2,427,746	355,700	442,300	547,750	658,750	681,250	383,600	8,620,351
DWPZ ETJ, DDZ ETJ	0	0	0	0	0	0	652,050	424,850	522,100	162,950	246,550	315,700	114,000	2,438,300
Total Outside Wastewater	\$ 3,967,959	\$ 895,081	\$ 810,297	\$ 893,554	\$ 1,323,581	\$ 870,558	\$ 3,079,786	\$ 780,650	\$ 964,400	\$ 710,700	\$ 905,300	\$ 998,950	\$ 477,600	\$ 18,678,426
TOTAL OUTSIDE CITY CRFs	\$ 10,009,205	\$ 2,069,477	\$ 2,083,086	\$ 2,551,044	\$ 3,678,851	\$ 2,656,623	\$ 5,032,787	\$ 2,472,456	\$ 2,117,750	\$ 1,526,263	\$ 2,128,600	\$ 1,619,828	\$ 1,106,144	\$ 39,231,024
INTEREST	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Water Interest	\$ 780,456	\$ 248,110	\$ 554,835	\$ 687,907	\$ 411,718	\$ 788,403	\$ 104,810	\$ 101,613	\$ 68,477	\$ 67,332	\$ 101,447	\$ 141,302	\$ 70,653	\$ 4,107,064
Wastewater Interest	487,724	178,315	349,293	237,518	287,273	510,370	94,054	58,429	31,324	51,608	101,853	153,001	69,660	2,621,422
TOTAL INTEREST	\$ 1,278,180	\$ 426,425	\$ 904,128	\$ 925,425	\$ 698,991	\$ 1,298,773	\$ 198,864	\$ 161,042	\$ 99,801	\$ 118,940	\$ 203,300	\$ 294,303	\$ 140,314	\$ 6,728,486
TOTAL INSIDE/OUTSIDE CRFs & INTEREST	\$ 32,163,719	\$ 6,245,699	\$ 10,380,010	\$ 11,813,277	\$ 13,982,164	\$ 10,449,292	\$ 9,820,787	\$ 7,916,464	\$ 8,136,048	\$ 8,242,677	\$ 9,808,109	\$ 8,748,687	\$ 3,696,832	\$ 142,432,562
SUMMARY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Inside City CRFs	\$ 20,816,334	\$ 5,749,797	\$ 7,392,986	\$ 8,374,808	\$ 8,704,322	\$ 6,485,896	\$ 4,683,826	\$ 5,271,855	\$ 5,919,295	\$ 6,597,374	\$ 7,478,309	\$ 6,632,555	\$ 2,350,474	\$ 96,473,043
Total Outside City CRFs	10,009,205	2,069,477	2,083,086	2,551,044	3,678,851	2,656,623	5,032,787	2,472,456	2,117,750	1,526,263	2,128,600	1,619,828	1,106,144	\$ 39,231,024
Total Interest	1,278,180	426,425	904,128	925,425	698,991	1,298,773	198,864	161,042	99,801	118,940	203,300	294,303	140,314	\$ 6,728,486
Add: Transfers-in from CRF Funded Grant Funds & Other Adjustments	0	0	0	0	0	0	0	(7,260)	(1,452)	(1,300)	3,666	(4,128)	0	\$ 1,413,577
Defersance Application Transfers to CIP	(28,466,274)	0	(9,622,660)	(17,000,000)	0	0	(28,300,000)	(9,874,000)	(9,694,000)	(8,760,000)	(8,260,000)	0	0	\$ (56,317,864)
Transfers to Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0	\$ (85,888,000)
TOTAL	\$ 3,606,448	\$ 5,245,699	\$ 657,420	\$ (5,184,725)	\$ 13,982,164	\$ 10,676,819	\$ (18,684,300)	\$ (1,966,796)	\$ (1,858,609)	\$ (816,723)	\$ 1,652,008	\$ 362,659	\$ (7,373,068)	\$ 3,290,248

City of Austin, Texas
Austin Water Utility
Summary of Capital Recovery Fee Exemptions and Waivers
Per Taps Office Records for the Period October 1, 2007, to March 31, 2008

Type of Waiver/Exemption	Water \$	Wastewater \$	Total \$	Water Units	WW Units
1. City Ordinance 042000-77 Affordable Housing 1,500 fee units/year	\$ 232,140	\$ 129,155	\$ 361,294	501.0	446.0
2. LDC Section 25-9-341(E) 2nd Meter for Single Family Residence (Old REF# 13-3A-10(d))	-	-	-		
3. LDC Section Tap for fire protection only (Old REF # 13-3A-10(e))	-	-	-		
4. LDC Section 25-9-341 Reconnect, Abandon Previous Tap (Old REF# 13-3A-10(f))	23,300	18,200	41,500		
5. LDC Section 25-9-345(B) Annexed property - 2 year waiver (Old REF# 13-3A-10(h))	-	29,150	29,150		
6. LDC Section 25-9-341(B) State of Texas (Old REF# 13-3A-10(i))	17,850	6,400	24,050		
7. LDC Section 25-9-341(C) C.D.B.G. Funding (Old REF# 13-3A-10(j))	-	-	-		
8. LDC Section 25-9-324 Second Sewer Tap (Old REF# 13-3A-8(b)(1))	-	69,200	69,200		
9. LDC Section 25-9-353 Previously paid CRF, Tap expired (Old REF# 13-3A-8(g))	49,763	57,896	107,659		
10. LDC Section 25-9-326 Installment payment of impact fees (Old REF# 13-3A-9(d))	-	-	-		
11. City Ordinance 980122-C 1997 Annexation- 10 year waiver	1,500	57,700	59,200		
12. EX-0002 Already paying for WW service and no service until they come in for a TAP	-	-	-		
13. EX-0003 LUE Assignment (2)	2,250	1,800	4,050		
14. EX-0004 Council Approved exemptions (3)	81,800	81,800	143,600		
15. EX-0005 Stratus Properties (4)	149,950	121,400	271,350		
16. EX-0006 WW Construction Projects	-	-	-		
17. EX-0007 Combo Stratus/Smart Housing (5)	-	-	-		
18. EX-0009 Senate Bill 883 School Waivers	33,800	12,800	46,600		
19. 13-3A-6(c) Master Meter Exemption	-	-	-		
TOTALS	\$ 592,153	\$ 565,501	\$ 1,157,653		

City of Austin, Texas
Austin Water Utility

Notes to Summary of Capital Recovery Fee Exemptions and Waivers:

- (1) LDC = The City of Austin Land Development Code.
- (2) LUE Assignment = Developer has entered into an agreement with the City to receive LUE credits because of funds expended by the developer to provide water and wastewater services. An example of this is The Forest Section 1 & 2. In this case, each time the developer sells a lot to a builder, the builder is eligible to receive CRF credits.
- (3) Includes various council approvals for exemptions including smart growth and the Bradley agreement from 2000 that states the City will agree to waive all water and wastewater CRFs and impact fees for all single family residential development project on the Original Edwards' Easement land and all non retail commercial development buildings containing less than 50,000 square ft of gross floor area. Any other development on the land including the development of a hotel and/or the Golf Course will be subject to all fees.
- (4) Circle C Land Development Corp DBA Stratus Properties...\$15,000,000. 1000+ acres development in SW Austin but up to \$1.5 million per year can be used for both CRF and tap fees in DDZ.
- (5) Stratus properties that are exempt from tap fees and CRFs for Smart Housing

In July 2003 KB Homes used \$174,900 in Stratus Credits to adjust their Smart Housing goals rather than pay CRFs for previously exempted properties.