Growth Strategy Statements

Policy and Planning Meeting

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Outline

• Growth Strategy Process
• Growth Strategy Statement Review
• Implications of Growth Strategy over next 5 years
• Next Steps in Strategic Planning
Growth Strategy Process

• In 2009, Board of Trustees and Executive Management began their review and update of the strategic plan to reflect the goals and objectives of SAWS through 2015

• Development of statements to formalize strategies
  – Growth
  – Financial
  – Water Resources
  – Human Resources
  – Technology/Innovation

• Tactical and operational plans will be created to achieve the strategies
Growth Strategy Process

• Board of Trustees’ philosophy will provide guidance when developing future policies and plans
• Foundation of other key elements of the Strategic Plan
• Discussed at October 19, 2009 and December 16, 2009 Policy and Planning meetings
• Statements represent a summary of concepts articulated by the Board of Trustees during the February 3, 2010 Growth Strategy Workshop
Growth Strategy Statements

• Support, consistent with SAWS mission, San Antonio Master Plan Policies and other related City growth and development policies
  – Participate in City Master Plan Review
  – Compare SAWS Policy/City Policy
  – Recommend changes/realignment if necessary
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- Within reason, expand SAWS service area to the City of San Antonio’s Extraterritorial Jurisdiction (ETJ), seeking contiguous and cost effective expansion
  - Reactivate Water CCN Applications
  - Update the water and wastewater master plans based on anticipated CCN areas in response to Board guidance
  - Evaluate the possibility of selective master planning for Wastewater, reactively apply for Wastewater CCNs
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• Seek to continually invest to sustain, modernize and grow SAWS water services infrastructure based on a 50-year replacement Level of Investment (LOI)*
  – Evaluate the financial implications

*Adoption of this item recommended to be deferred until Financial Strategy discussions
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• Assess the recovery of costs using impact fees, identify potential cost recovery gaps and seek to close them
  – Conduct analysis of costs not included in the impact fees
    • Develop strategy for remedies, legislative, ordinances, USR, SAWS Policies
  – Revise the impact fees and include costs where possible
  – Develop strategy to correct any shortages
    • Lift station maintenance fee
    • Water supply purchases
  – Identify areas where impact fee waivers will be considered to support City goals
    • Identify financial impact
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- Analytically acquire other water services systems only when SAWS existing ratepayers do not have to fund upgrades or make up unpaid impact fees
  - Develop methodology for analyzing cost of acquisitions
  - Develop a framework for presenting proposed acquisitions to Board to make full costs/benefits known
  - Recognize that special conditions will exist
  - Consider special fees for acquired systems that could fund uncollected impact fees and needed upgrades
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- Growth should pay for itself, consistent with other SAWS growth strategies
  - Conduct an analysis of cost of service to various customers considering variables including: location (distance from pump station, elevation, topography, sensitive area, customer class, demand patterns, consumption
  - Present analysis to management and Board to have full picture of costs and benefits of growth from a utility perspective
Growth Strategy Recap

• Support City Master Plan and Related Policies
• Expand CCN to ETJ, Seek Contiguous, Cost Effective Expansion
• Recover Growth Costs Thru Impact Fees
• Acquire Other Systems Cost Effectively
• Growth Should be Self Funding
Strategy Implications

• Near Term Focus: Aligning processes and tools with Growth Strategy
• Expect 5 - 11% Growth of Water System in next 5 Years
• Expect 8 - 15% Growth of Wastewater System in next 5 years
• Possible slight increase in growth rate in inner city, may see changes in direction of growth
• Expect < 1% Growth Thru Acquisition
Strategic Planning Next Steps

• Growth Strategy Item on April Board Agenda
• Discuss LOI Strategy Statement during Financial Strategy Development
• Begin Discussion of Other Strategies
• Staff to develop Action Plan for Items Identified in Growth Strategy
Growth Strategy Statements

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