



Growth Strategy Statements

March 25, 2010

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

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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

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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

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- **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

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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

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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

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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

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