



## **River Ridge – Water Line Replacement Planning FAQ – Customers**

8 substandard water lines require replacement to ensure residents in River Ridge residents have safe and reliable water service with fully-rated fire flow throughout their community. (Please see enclosed map which shows affected water lines.)

### **How do you know the water lines need to be replaced?**

In 2023 District staff and engineers performed a water line assessment of all water lines in our system which were evaluated for material condition, number of homes the line services, and whether or not the line can provide adequate fire flow. As a result, 8 of the water lines in River Ridge are graded as requiring replacement.

### **How much will it cost to replace the water lines?**

The cost to replace the 8 water lines is estimated by our engineering consultants to be approximately \$13.6 million plus any necessary fees.

### **How did we get here?**

The River Ridge area, initially served by a private groundwater system, was transferred to WCID No. 17 for operation and connected to surface water in 2003. Water line improvements on Quinlan Park Rd, River Bend and Lakeland Park were initially accomplished through a \$1.1 million loan from the Texas Water Development Board (TWDB) in 2004.

### **Why do River Ridge residents have to pay fees?**

Original River Ridge residents who were connected to the water system at the time WCID No. 17 took it over pay a monthly Capacity Buy-In Fee in order to pay the living unit equivalents (LUE) impact fees required of all District customers. The District took out a Bond to pay these fees on the behalf of these homeowners, and this fee repays that bond. Customers who built their homes after this paid the LUE impact fee directly and are not subject to the Capacity Buy-In fee. This fee will continue until the TWDB loan balance is paid in full, approximately 2030.

All River Ridge customers are subject to the Debt Service Fee which repays the Bond used to pay for system improvements necessary to connect the River Ridge water system to our water system. This fee will continue until the TWDB loan balance is paid in full, approximately 2030.

Because the River Ridge community elected to not join the District at the time we took this system over, an Out of District Fee (ODF) was created. This fee is designed to fund District operations in River Ridge (including emergency response equipment and personnel) as well as associated line repairs within River Ridge service area. This fee is paid by all properties in River Ridge who receive water service from WCID No. 17.



## **Where do we go from here?**

The District's Board of Directors have raised the Out of District fee (ODF) to \$80 starting January 1, 2025.

### **Option 1:**

- River Ridge residents could request to be annexed into the District by forming a Defined Area. Then the District would be able to sell bonds on behalf of the Defined Area (up to the amount approved by voters in the election to create the Defined Area). This would result in a tax rate specific to the Defined Area that would fund the repayment of these bonds. All property owners in River Ridge would also be required to pay the District's Operations & Maintenance tax rate.
- By selling these bonds the District would have immediate access to the monies necessary to conduct the required water line replacements and upgrades. This would allow the District to complete all line repairs on approximately a 5 – 10-year timeline.

### **Option 2:**

- Should the River Ridge community elect to not form a Defined Area and join the District, WCID No. 17 will be left with no option except to continue to increase the current ODF to levels that allow the replacement of these water lines.
- For Fiscal Year 2025, WCID No. 17's Board of Directors have increased the current River Ridge Out-of-District fee from the current \$40 per month to \$80 per month. District staff estimate this fee would have to increase in future years until it reached approximately \$320 per month in order to complete the replacement on approximately a 20-year timeline.
- This does not account for the inevitable increases in construction costs over that same 20-year time frame and would likely result in the continuance of this fee until such time as all of the water lines were replaced.

### **Option 3:**

- Some combination of one of the above with River Ridge taking the lead in partnering with the District to seek outside funding from the County/State to assist with these waterline replacement costs.

## **What are the advantages of joining the District?**

Ability to be represented on the Board of Directors and have a voice in the direction of the District

Ability to complete work in a timely fashion ~ 5 – 10 years

- Will result in improved service
- Fewer community disruptions due to fewer line breaks
- Improved roads as disturbed roads will be restored following construction
- Improvements for home insurance rates
- Fire protection as quickly as possible



**What happens to the various fees if we join the District?**

- The Debt Service Fee and Capacity Buy-In Fee would continue until the bond is completely repaid in 2030, they will then be discontinued.
- The Out of District fee would go away completely.
- Residents would pay the District's Operations and Maintenance tax of \$0.0533 per \$100 in Assessed Value (AV) as well as the tax rate for the new Defined Area.

**What could the tax rate be?**

Based on \$14.95 million in bonds, a rate of \$0.435 per \$100 in assessed value. The rate would fall to \$0.415 per \$100 in AV by 2041. Please see estimate below.

Home Value	Tax @\$0.435 per \$100 AV and \$0.0533 per \$100 in AV	Tax @ \$0.415 per \$100 in AV and \$0.0533 per \$100 in AV
\$200,000	\$976.60	\$936.60
\$350,000	\$1709.10	\$1639.05
\$500,000	\$2441.50	\$2341.50
\$750,000	\$3662.25	\$3512.25

**How are vacant lots that are currently not connected to the WCID No. 17 service going to be handled with this proposal?**

Vacant lots would be taxed at the assessed value of the lot. Same as for other taxes. When and if that property decided they wanted to connect to the District's systems they would have to pay the impact fee that all properties have to pay to connect to our system.

**Are commercial properties affected the same as residential properties?**

Commercial businesses pay a unique water rate but other than that they are treated the same as any other property for tax calculation purposes of our example.

**How can River Ridge join the District?**

- A petition is required to submit to the District Board of Directors.
- WCID No. 17 Board will establish the metes and bounds of the potential Defined Area as well as a Tax Plan and Improvement Plan for the area. A public hearing is set and conducted
- WCID No. 17 Board adopts the Tax Plan and Improvement Plan.
- An election is held where majority of property owners in River Ridge would have to vote in favor of joining. The District would then have to vote to accept the Defined Area.
- The Order is filed in Travis County real property records.

# WCID No. 17

Travis County

**LEGEND**

- 3" OR LESS WATER LINE
- 4" WATER LINE
- 6" WATER LINE
- PROJECT LIMIT
- TC WCID NO. 17 CCNs

