



Apache Shores – Water Line Replacement Planning – FAQ – Customers

46 substandard water lines require replacement to ensure residents in Apache Shores have safe and reliable water service with fully-rated fire flow throughout the community.

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, 46 of the water lines in AS are graded substandard.

How much will it cost to replace the water lines?

The cost to replace the 46 water lines is estimated by our engineering consultants to be approximately \$59.7 million.

How did we get here?

In 1997 the Apache Shores Utility Corporation was placed in receivership by the Texas Commission on Environmental Quality (TCEQ) due to substandard operations and inability to meet water quality safety standards. At this time the Apache Shores POA approached WCID No. 17 and requested they take over the Apache Shores Water Corporation and run it to ensure water quality standards were maintained for the Apache Shores Community. Following being connected to the WCID No. 17 water system, the Apache Shores community elected to not join the District. By not doing so, the community avoided having to pay District Taxes but maintained financial responsibility to maintain their own water lines.

Why do Apache Shores residents have to pay fees?

To fund the improvements necessary to connect the Apache Shores water system to that of WCID No. 17 the District sold a bond on behalf of Apache Shores. The repayment of this bond was funded through the existing Debt Service Fee (DSF) which is paid by all Apache Shores residents. This bond will be fully repaid in 2027 and the DSF will go away at that time.

To pay the required impact fees for all properties connected to the water system at the time of the agreement a bond was sold by the District on the behalf of Apache Shores. The repayment of this bond was funded through the existing Capacity Buy-in Fee (CBF) which is paid only by those Apache Shores residents discussed above. This bond will be fully repaid in 2027 and the CBF will go away at that time.

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



How is the ODF money being spent?

Since 2011, the District has collected \$1,848,000 from AS residents for water line replacements. In July 2011, the District completed the General Williamson water line replacement for \$1,400,000. In May 2017 the District completed the Platte Pass and Rainwater waterline replacement projects for \$335,000. In January 2023 the District completed the Red Fox water line project in the amount of \$503,000. Apache Shores currently has \$950,000 set aside with the District to pay for upcoming water line replacements.

Where do we go from here?

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

Option 1:

- Apache Shores 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 Apache Shores 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 10-year timeline.

Option 2:

- Should the Apache Shores 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 Apache Shores 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 \$300 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 the Apache Shores POA 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 to 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 the work in a timely fashion ~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 fully repaid in 2027, 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 as well as the tax rate for the new defined area.

What will the tax rate be?

Based on \$59.7 million in bonds and a 30-year term at 5.25%:

- A tax rate of \$0.37 per \$100 in Assessed Value. Additionally, each property would have to pay the O&M tax of \$0.0533 per \$100 in AV.

If Apache Shores does not join the District, the board will likely raise the ODF as necessary until it reaches \$300 per month.

Home Value:	Total Annual Tax Payment with Tax @ \$0.37 per \$100 in AV and \$0.0533 per \$100 in AV	Annual ODF payments at \$300/month
\$200,000	\$846	\$3,600
\$350,000	\$1,482	\$3,600
\$500,000	\$2,117	\$3,600
\$750,000	\$3,175	\$3,600

How can Apache Shores 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 the majority of voters in AS 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.