



## TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT 17

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### WCID 17 TXDOT 620 Fee Frequently Asked Questions:

Q: Why isn't TXDOT paying for the cost of utility relocation as part of the overall roadwork?

A: While it would be wonderful for all affected utilities if TXDOT was willing to pay these costs, they only compensate utilities for road work where the utility has a recorded easement. Easements are normally obtained by purchasing them from land owners and as you can imagine that is cost prohibitive for a non-profit utility. As such, most utilities like us take advantage of the State/County right of ways along roads and highways to install our infrastructure. The upfront advantage of this is that the utility incurs no costs by doing so, the down side is that if TXDOT ever decides to move the road, it (as the owner of the right of way) requires that affected utilities move their equipment at their own expense.

Q: Why was a Fee established instead of paying with a bond or increased rates?

A: Through consultation with our Engineers and Financial Advisors we have been informed that other Water utilities have traditionally paid for these types of projects through bonds and/or increased rates. The Board and I are not believers in either method when they can be avoided due to the exorbitant long term costs to the public. As I discussed in my letter to our rate payers, the District's taxpayers can save over \$5 million dollars by avoiding a bond. As to paying with increased rates, I disagree with paying through increased rates for the same reason that we all are concerned with the fee's expiration date. I am wary that 5 years from now the increased rates associated with this project would be too easy to simply maintain, as they would be likely to get lost amongst our normal rate structure. We have all seen this happen in government; where rates raised for a certain event, lose their connection to that event over time. By identifying a specific fee as the funding path it is clear where the monies are coming from and at completion of the work it is much simpler to have that fee cease.

Q: When does the monthly fee stop?

A: The WCID 17 TXDOT 620 fee will expire at the completion of the work. In discussion with the Board of Directors all parties were clear on this and the fee was worded such that the monies set aside from this fee can only be used for this project. They will be segregated in a separate account for this sole purpose.

Q: What is the plan for the funds if the actual project costs do not exceed the collected fees?

A: Once the project concludes and all final funds have been disbursed, the remaining funds will be credited back to all active accounts. At the time this takes place I will include a letter in our regularly scheduled billing cycle explaining the final costs of the project and how our customer's accounts will be credited. At all times it is my goal to ensure we remain as transparent as possible in everything we do and this process won't be any different in that regard.

Q: Why will this project be so expensive?

A: I can assure you that our Engineers are coordinating with the TXDOT design Engineers to minimize costs wherever possible, but WCID 17 has water and wastewater lines along RR620 from Highway 71 all the way north past Steiner Ranch. The majority of these lines reside within State and County established right of ways. Placement within a right of way carries with it the upfront advantage of being free to the Utility but should the owner of the right of way ever decide to move/improve the road that may require the Utility in question to have to move their infrastructure appropriately. The extensive length of our lines along the intended construction path is what will make this project so expensive to fund for our District.