

**CAPITAL IMPROVEMENT PLAN**

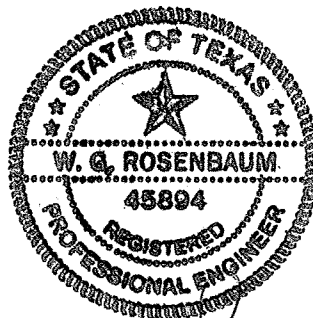
**and**

**IMPACT FEE STUDY**

**2008 to 2018**

**CLEAR LAKE CITY WATER AUTHORITY**

**Prepared by:**



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2-19-09

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## **Authorization**

This study was authorized by the Board of Directors of the Clear Lake City Water Authority (CLCWA or the Authority) to determine the facilities, costs and eligible Impact Fees necessary to finance capital improvements to provide water capacity, wastewater treatment capacity and storm sewer capacity to New Developments within the Authority.

## **Definitions**

“Equivalent Single-Family Connection” or ESFC or Service Unit is the water and wastewater demand for an equivalent single household and is the equivalent unit for all land uses in this report.

“Service Area” (excerpt from Chapter 395 of the Local Government Code) means the area within the corporate boundaries or extraterritorial jurisdiction, as determined under Chapter 42, of the political subdivision to be served by the capital improvements or facilities expansions specified in the capital improvements plan.

## **Projects Qualifying for the Impact Fee Funding Method**

The Authority currently has a wide variety of system rehabilitation projects underway which are making necessary repairs and extending the useful life of the utility systems. And from time to time, revised State or Federal regulations dictate an update to various facilities. Additionally, some facilities may come to the end of their useful life and must be replaced. And occasionally, new system capacity is desired.

The State of Texas has adopted rules which govern the financing of capital improvements required by new development within municipalities, counties, and certain other local governments. These rules outline the use of Impact Fees to fund these type projects and they will be used as a basis for this study.

## **Capital Improvement Plan and Impact Fees**

The following sections of this report address the requirements of Local Government Code Chapter 395 as it relates to Capital Improvements Plan and Impact Fee determination for the Authority.

### **1. Description of Existing Capital Improvements within Service Area and Costs to Upgrade to meet Existing Needs**

The Clear Lake City Water Authority owns, operates and maintains water, sanitary and storm sewer systems within its corporate boundaries which serve its customers. The

water and wastewater systems consist of approximately 1 million linear feet of pipe each and the storm sewer system consists of approximately 787,000 linear feet of pipe. In addition to the piping systems are water wells, storage tanks, booster pumps, wastewater lift stations, and a wastewater treatment plant.

**Table 1– Buildout Projections, pages 5 - 10**, shows the existing buildout by subdivision or tract in 2008 and the projected buildout by 2018. A 10-year buildout period is the maximum timeframe allowed by Chapter 395.

**Table 2– Wastewater Commitments/Demand vs. Capacity, page 11**, shows the total existing equivalent single-family connections served (28,109 ESFC) in 2008 with Clear Lake’s share of the existing wastewater treatment plant capacity (30,333 ESFC). The existing wastewater treatment system is adequate to meet customer needs in 2008 with no additional improvements.

**Table 3– Water Demand vs. Capacity, pages 12 - 14**, shows the existing demand in 2008 vs. the system capacities. The existing water system is adequate to meet customer needs in 2008 with no additional improvements.

The existing storm sewer system is adequate to meet customer needs in 2008 with no additional improvements.

## **2. Analysis of Total Capacity, Current Usage, Commitments for Usage of Existing Capital Improvements**

Based on Clear Lake’s share of 9.1 MGD of the total wastewater treatment capacity of 10.0 MGD as shown in **Table 2**, the Authority can currently serve up to 30,333 ESFC. Currently, 28,109 ESFC are being served. It is projected that by 2018, the Authority will need to serve 30,781 ESFC which is 447 ESFC in excess of its current wastewater capacity.

As shown in **Table 3**, the Authority will be able to meet the TCEQ minimum water capacity requirements for the 30,781 ESFC in 2018. However, addition demand will require an additional Booster Pump capacity and an Elevated Storage Tank in the Space Center Boulevard/Genoa Red Bluff area to balance the pressure and provide fire protection.

CLCWA storm sewer systems have been designed and constructed by developers to serve each individual subdivision or project. There is no common treatment of stormwater, therefore no costs for storm sewer system have been included in this study.

### **3. Descriptions of Capital Improvements Expansions and Costs attributable to New Development**

The Authority expects a shortfall of 447 ESFC of wastewater treatment capacity by 2018 due to buildout of its existing commitments. An additional 2,841 ESFC are projected from the development of new commitments to be constructed between 2008 and 2018. Thus service to an additional 447 ESFC + 2,841 ESFC, or 3,288 ESFC are projected by 2018.

The wastewater treatment plant current capacity is 10.0 Million Gallons per Day (MGD). The next nominal plant expansion increment is 1.0 MGD. The estimated cost of a 1.0 MGD facility is \$8,400,000 as shown on **Table 2**. The cost attributable to the new developments 2,841 ESFC's is \$7,159,622 and the cost attributable to the Authority's 492 ESFC's is \$1,240,378.

As shown in **Table 3**, the existing water system is adequate to serve buildout of the Authority's existing commitments by 2018. However, additional elevated storage and booster pump capacity will be required for new development by 2018. The estimated cost of these improvements is \$1,610,000 as shown in **Table 3, page 14**.

**Table 4, page 15**, reviews the eligibility of various projects to be considered within the Impact Fee program.

### **4. Table showing demand for Service Unit and Equivalency Table for Land Uses**

**Table 5, page 16**, shows the demand per Service Unit or ESFC and an equivalency table establishing the ratio of a service unit to various types of land uses.

### **5. Total Projected Service Units attributable to New Development**

**Table 2** shows the projected 2,841 ESFC attributable to new development by 2018.

### **6. Projected Capital Improvements required by new Service Units over next 10 years**

The facilities required to serve new development over the next 10 years include a portion of a 1.0 MGD Wastewater Treatment Expansion and an additional Elevated Storage Tank and Booster Pump. The cost of the wastewater expansion is estimated as \$8,400,000 as shown on the bottom of **Table 2**. The expansion would provide service to an additional 3,333 ESFC at a cost of **\$2,520 per ESFC**.

The cost of the additional water booster pump is estimated as \$1,610,000 as shown on the bottom of **Table 3, page 14**. The expansion would provide service to an additional 3,846 ESFC at a cost of **\$418.60 per ESFC**.

**Table 6, page 17**, shows the projected bond issue amount per ESFC, interest costs over the 20 year bond period and the total debt service costs per ESFC for water (\$833.04) and wastewater (\$5,014.97).

**7. Credits for Ad Valorem Tax and Utility Service Revenue generated by new service units during program period used for payment of improvements or, in the alternative, a credit equal to 50% of the total projected cost.**

**Table 7, page 18**, shows the credits for ad valorem tax and utility service revenue, the credit for taxes generated by the new development and the maximum impact fee per ESFC. **The maximum impact for water service is \$416.52 per ESFC and for wastewater is \$2,507.49 per ESFC or a total of \$2,924.01 per ESFC.**

**Conclusions and Recommendations**

1. Within the current boundaries of the Clear Lake City Water Authority, the orderly buildout of the existing utility commitments is expected to increase from 28,109 equivalent single-family connections (ESFC) in 2008 to 30,781 ESFC in 2018.
2. An additional 2,841 ESFC are projected by 2018 which are attributed to new development of properties within the Authority that do not currently have commitments.
3. In order to serve these new developments, expansions to the CLCWA water supply and wastewater treatment systems will be needed to provide additional capacity. Water lines, sanitary sewer lines, storm sewer lines and detention ponds will also be needed but they are specific to each development and have not been included in this Impact Fee study.
4. A Capital Improvement Plan for the orderly expansion of the water supply and wastewater treatment systems to meet this new demand has been prepared and is included in this report.
5. The Impact Fee funding method has been reviewed and the derivation of the maximum Impact Fee, in compliance with Chapter 395 of the Local Government Code for Financing Capital Improvements required by new developments in Municipalities, Counties and certain other Local Governments, has been made. **The maximum impact fee for water service is \$416.52 per ESFC and the maximum impact fee for wastewater treatment service is \$2,507.49 per ESFC, or a total of \$2,924.01 per ESFC for both services.**

| <b>Table 1 - Buildout Projections</b>     |                      |             |                |                 |                  |
|---|----------------------|-------------|----------------|-----------------|------------------|
| <b>Clear Lake City Water Authority</b>    |                      |             |                |                 |                  |
| <b>As of 2/16/09</b>                      |                      |             |                |                 |                  |
|   |                      |             |                | <b>ESFC</b>     |                  |
|   |                      |             |                | <b>Existing</b> | <b>Projected</b> |
| <b>Subdivision or Project Name</b>        | <b>Type Develop.</b> | <b>Lots</b> | <b>Acreage</b> | <b>2008</b>     | <b>2018</b>      |
| <b>(B) Development from Prior Bonds</b>   |                      |             |                |                 |                  |
| (bolded denotes a detailed spreadsheet)   |                      |             |                |                 |                  |
| <b>AREAS within CLCWA served by CLCWA</b> |                      |             |                |                 |                  |
| <b>ARMAND PLACE APARTMENTS</b>            | Multi Family         |             | <b>10.07</b>   | <b>155</b>      | <b>155</b>       |
| <b>ARMAND, THE</b>                        | Commercial           |             | <b>50</b>      | <b>222</b>      | <b>266</b>       |
| BAY FOREST SEC. 1                         | Single Family        | 222         | 103.4          | 222             | 222              |
| BAY FOREST SEC. 1 COMM                    | Commercial           |             | 6.264          | 23              | 23               |
| BAY FOREST SEC. 2                         | Single Family        | 206         | 80.516         | 206             | 206              |
| BAY FOREST SEC. 3                         | Single Family        | 300         | 104.972        | 300             | 300              |
| BAY FOREST SEC. 3 COMM                    | Commercial           |             | 2.882          | 4               | 11               |
| BAY FOREST SEC. 4                         | Single Family        | 30          | 9.855          | 30              | 30               |
| BAY FOREST SEC. 5                         | Single Family        | 55          | 14.7955        | 55              | 55               |
| BAY FOREST SEC. 6                         | Single Family        | 23          | 5.9112         | 23              | 23               |
| BAY GLEN SEC. 1                           | Single Family        | 266         | 82.229         | 266             | 266              |
| BAY GLEN SEC. 1 COMM                      | Commercial           |             | 5.664          | 0               | 34               |
| BAY GLEN SEC. 1 School                    | School Site          |             | 10.004         | 0               | 285              |
| BAY GLEN SEC. 10 COMM                     | Commercial           |             | 1              | 4               | 4                |
| BAY GLEN SEC. 11                          | Single Family        | 48          | 11.831         | 48              | 48               |
| BAY GLEN SEC. 2                           | Single Family        | 215         | 63.09          | 215             | 215              |
| BAY GLEN SEC. 3                           | Single Family        | 89          | 31.545         | 89              | 89               |
| BAY GLEN SEC. 4                           | Single Family        | 223         | 53.238         | 223             | 223              |
| BAY GLEN SEC. 5                           | Single Family        | 257         | 57.82          | 257             | 257              |
| BAY GLEN SEC. 6                           | Single Family        | 45          | 10.787         | 45              | 45               |
| BAY GLEN SEC. 6 COMM                      | Commercial           |             | 2.24           | 8               | 8                |
| BAY GLEN SEC. 7                           | Single Family        | 7           | 5.946          | 7               | 7                |
| BAY GLEN SEC. 8                           | Single Family        | 239         | 58.074         | 239             | 239              |
| BAY GLEN SEC. 9 COMM                      | Commercial           |             | 6              | 22              | 22               |
| BAY KNOLL SEC. 1                          | Single Family        | 198         | 74.582         | 190             | 190              |
| BAY KNOLL SEC. 1 COMM                     | Commercial           |             | 0.7            | 4               | 4                |
| BAY KNOLL SEC. 2                          | Single Family        | 229         | 92.479         | 229             | 229              |
| BAY KNOLL SEC. 2 COMM                     | Commercial           |             | 3.65           | 6               | 6                |
| BAY KNOLL SEC. 3                          | Single Family        | 120         | 45.031         | 120             | 120              |
| <b>BAY KNOLL SEC. 3 COMM</b>              | Commercial           |             | <b>40.082</b>  | <b>40</b>       | <b>95</b>        |
| BAY KNOLL SEC. 4                          | Church               |             | <b>14.559</b>  | <b>0</b>        | <b>68</b>        |
| BAY KNOLL SEC. 5                          | Single Family        | 43          | 12.828         | 43              | 43               |
| BAY KNOLL SEC. 6                          | Single Family        | 24          | 6.064          | 24              | 24               |
| BAY KNOLL SEC. 7                          | Single Family        | 15          | 5.238          | 15              | 15               |
| BAY KNOLL SEC. 8                          | Single Family        | 48          | 12.266         | 48              | 48               |
| BAY OAKS CLUB HOUSE RES.                  | Commercial           |             | 68.057         | 19              | 19               |
| BAY OAKS SEC. 1                           | Single Family        | 275         | 159.608        | 278             | 278              |
| BAY OAKS SEC. 10                          | Single Family        | 16          | 11.935         | 16              | 16               |
| BAY OAKS SEC. 11                          | Single Family        | 35          | 18.712         | 35              | 35               |
| BAY OAKS SEC. 12                          | Single Family        | 55          | 22.998         | 56              | 56               |
| BAY OAKS SEC. 13                          | Single Family        | 6           | 2.744          | 6               | 6                |
| BAY OAKS SEC. 14                          | Single Family        | 19          | 8.118          | 19              | 19               |
| BAY OAKS SEC. 15                          | Single Family        | 47          | 18.002         | 47              | 47               |
| BAY OAKS SEC. 16                          | Single Family        | 22          | 10.644         | 22              | 22               |
| BAY OAKS SEC. 2                           | Commercial           |             | 1.4922         | 5               | 5                |

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|---|----------------------|-------------|----------------|----------------------|-----------------------|
| <b>Clear Lake City Water Authority</b>            |                      |             |                |                      |                       |
| <b>As of 2/16/09</b>                              |                      |             |                |                      |                       |
| <b>Subdivision or Project Name</b>                | <b>Type Develop.</b> | <b>Lots</b> | <b>Acreage</b> | <b>ESFC</b>          |                       |
|   |                      |             |                | <b>Existing 2008</b> | <b>Projected 2018</b> |
| BAY OAKS SEC. 3                                   | Single Family        | 77          | 32.619         | 77                   | 77                    |
| BAY OAKS SEC. 4                                   | Single Family        | 88          | 33.216         | 88                   | 88                    |
| BAY OAKS SEC. 4 COMM                              | Commercial           |             | 1.5            | 6                    | 6                     |
| BAY OAKS SEC. 5                                   | Single Family        | 67          | 75.433         | 67                   | 67                    |
| BAY OAKS SEC. 5 COMM                              | Commercial           |             | 2.347          | 6                    | 6                     |
| BAY OAKS SEC. 6                                   | Single Family        | 59          | 26.094         | 59                   | 59                    |
| BAY OAKS SEC. 6, REPLAT                           | Single Family        | 16          | 6.203          | 16                   | 16                    |
| BAY OAKS SEC. 7                                   | Single Family        | 184         | 96.368         | 184                  | 184                   |
| BAY OAKS SEC. 8                                   | Single Family        | 10          | 3.437          | 10                   | 10                    |
| BAY OAKS SEC. 9                                   | Single Family        | 17          | 4.913          | 17                   | 17                    |
| BAY POINTE SEC. 1                                 | Commercial           |             | 33.571         | 45                   | 93                    |
| BAY POINTE SEC. 2 Res A                           | Retail               |             | <b>1.32</b>    | 1                    | 1                     |
| BAY POINTE SEC. 2 Res A1                          | Retail               |             | <b>9.0797</b>  | 24                   | 24                    |
| BAY POINTE SEC. 3                                 | Single Family        | 129         | 32.39          | 120                  | 120                   |
| BAY POINTE SEC. 4                                 | Single Family        | 125         | 30.677         | 125                  | 125                   |
| BAY POINTE SEC. 5                                 | Single Family        | 172         | 40.496         | 172                  | 172                   |
| BAY POINTE SEC. 6                                 | Single Family        | 60          | 16.002         | 60                   | 60                    |
| BAY POINTE SEC. 7                                 | Single Family        | 84          | 43.325         | 84                   | 84                    |
| Bay Pointe Section 1 Reserve "E" Replat           | Single Family        |             | 13             | 1                    | 1                     |
| <b>BAY TERRACE SEC. 1</b>                         | Commercial           |             | 109.478        | <b>298</b>           | <b>356</b>            |
| BAY TERRACE SEC. 1                                | Multi Family         |             | 29.69          | 245                  | 245                   |
| BAY TERRACE SEC. 1                                | Single Family        | 1           | 1.87           | 1                    | 1                     |
| BAYWIND CONDOS                                    | Condos               |             | 7.67           | 135                  | 135                   |
| BFRE Ventuest Ltd                                 | Commercial           |             | 5.833          | 0                    | 0                     |
| BROOK FOREST SEC. 1                               | Single Family        | 242         | 107.1219       | 242                  | 242                   |
| BROOK FOREST SEC. 2                               | Single Family        | 321         | 86.304         | 320                  | 320                   |
| BROOK FOREST SEC. 3                               | Single Family        | 393         | 147.012        | 393                  | 393                   |
| BROOKWOOD SEC. 1                                  | Single Family        | 341         | 106.8          | 341                  | 341                   |
| BROOKWOOD SEC. 2                                  | Single Family        | 261         | 106.608        | 261                  | 261                   |
| BROOKWOOD SEC. 3, PH. 1                           | Single Family        | 73          | 39.434         | 73                   | 73                    |
| BROOKWOOD SEC. 3, PH. 2                           | Single Family        | 178         | 56.719         | 178                  | 178                   |
| BROOKWOOD SEC. 4                                  | Single Family        | 51          | 14.946         | 51                   | 51                    |
| CAMINO - MARRIOTT                                 | Commercial           |             | 3.45           | 35                   | 35                    |
| CAMINO CENTER (65 ac tr)                          | Commercial           |             | 3.8427         | 12                   | 12                    |
| CAMINO CENTER (65 ac tr)                          | Commercial           |             | 4.1083         | 13                   | 13                    |
| CAMINO PARK TOWNHOMES (65 ac tr)                  | Multi Family         |             | 10.6386        | 56                   | 56                    |
| CAMINO SOUTH APARTMENTS                           | Multi Family         |             | 12.61          | 209                  | 209                   |
| CAMINO SOUTH SEC. 1                               | Single Family        | 354         | 106.0964       | 352                  | 352                   |
| <b>CAMINO SOUTH SEC. 2 COMM</b>                   | <b>Commercial</b>    |             | <b>28.13</b>   | <b>315</b>           | <b>315</b>            |
| CAMINO SOUTH SEC. 3                               | Single Family        | 463         | 139.3297       | 462                  | 462                   |
| CAMINO SOUTH SEC. 4                               | Single Family        | 416         | 98.2057        | 416                  | 416                   |
| CAMINO SOUTH SEC. 5 COMM                          | Commercial           |             | 19.7064        | 41                   | 41                    |
| CAMINO SOUTH SEC. 6 COMM                          | Commercial           |             | 8.93           | 13                   | 13                    |
| CATHOLIC CHURCH - MG1                             | Church               |             | 10             | 2                    | 2                     |
| St. Andrews PI (CLC Sec 1) formerly Chateau Dijon | Multi Family         |             | 4.061          | 189                  | 189                   |
| CHURCH - CS1                                      | Church               |             | 6.97           | 2                    | 2                     |
| CHURCH AT BAY AREA/SPACE CENTER                   | Church               |             | 2              | 2                    | 2                     |
| CLEAR CREEK ELEMENTARY #23                        | School               |             |                | 25                   | 25                    |
| CLEAR CREEK IND SCHOOL                            | School               |             | 11.09          | 29                   | 29                    |

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|--|----------------------|-------------|----------------|----------------------|-----------------------|
| <b>Clear Lake City Water Authority</b>                     |                      |             |                |                      |                       |
| <b>As of 2/16/09</b>                                       |                      |             |                |                      |                       |
| <b>Subdivision or Project Name</b>                         | <b>Type Develop.</b> | <b>Lots</b> | <b>Acreage</b> | <b>ESFC</b>          |                       |
|  |                      |             |                | <b>Existing 2008</b> | <b>Projected 2018</b> |
| CLEAR LAKE BIBLE CHURCH - CS3                              | Church               |             | 5.56           | 2                    | 2                     |
| CLEAR LAKE FOREST SEC. 1                                   | Single Family        | 132         | 41.2424        | 129                  | 129                   |
| CLEAR LAKE FOREST SEC. 2                                   | Single Family        | 241         | 72.8032        | 241                  | 241                   |
| CLEAR LAKE FOREST SEC. 3                                   | Single Family        | 92          | 26.315         | 89                   | 89                    |
| CLEAR LAKE FOREST SEC. 4                                   | Single Family        | 136         | 49.8136        | 135                  | 135                   |
| CLEAR LAKE FOREST SEC. 5                                   | Single Family        | 166         | 54.9449        | 170                  | 170                   |
| CLEAR LAKE FOREST SEC. 6                                   | Single Family        | 10          | 2.1241         | 10                   | 10                    |
| CLEAR LAKE FOREST SEC. 6 COMM                              | Commercial           |             | 0.54           | 1                    | 1                     |
| CLEAR LAKE FOREST SEC. 7 (Pasadena)                        | Single Family        | 30          | 7.484          | 30                   | 30                    |
| <b>Clear Lake City Section One</b>                         | <b>Comm &amp; MF</b> |             |                | <b>443</b>           | <b>605</b>            |
| <b>CLEAR LAKE CITY IND. PARK SEC "A"</b>                   | <b>Commercial</b>    |             | <b>128.154</b> | <b>136</b>           | <b>151</b>            |
| <b>CLEAR LAKE CITY IND. PARK SEC "B"</b>                   | <b>Commercial</b>    |             | <b>79.9921</b> | <b>333</b>           | <b>333</b>            |
| CLEAR LAKE INDUSTRIAL PARK "C"                             | Commercial           |             | 53.5898        | 178                  | 178                   |
| CLEAR LAKE INDUSTRIAL PARK "D-1"                           | Commercial           |             | 14.61          | 39                   | 39                    |
| CLEAR LAKE INDUSTRIAL PARK "D-2"                           | Commercial           |             | 21.864         | 81                   | 81                    |
| CLEAR LAKE INDUSTRIAL PARK "D-3"                           | Multi Family         |             | 29.563         | 286                  | 286                   |
| CLEAR LAKE INDUSTRIAL PARK "D-4"                           | Commercial           |             | 17.2533        | 60                   | 60                    |
| CLEAR LAKE INDUSTRIAL PARK "D-5"                           | Commercial           |             | 15.778         | 50                   | 50                    |
| CLEAR LAKE INDUSTRIAL PARK "D-6"                           | Commercial           |             | 10.234         | 38                   | 38                    |
| CLEAR LAKE INDUSTRIAL PARK "E"                             | Multi Family         |             | 21.9533        | 211                  | 211                   |
| CLEAR LAKE PRES CHURCH - OBW2                              | Church               |             | 4.935          | 2                    | 2                     |
| CLEAR LAKE SCHOOLS - ESCUALA                               | School               |             | 71.93          | 153                  | 153                   |
| CLEAR LAKE VILLAGE   | Multi Family         |             | 5.08           | 90                   | 90                    |
| <b>CLEARPOINT SEC. 1</b>                                   | <b>Commercial</b>    |             | <b>13.71</b>   | <b>51</b>            | <b>51</b>             |
| CLEARPOINT SEC. 2 (1171070000001)                          | Commercial           |             | 8              | 0                    | 32                    |
| Clearpoint Tract 1 (Space Center Blvd)                     | School               |             | 179.8          | 0                    | 143                   |
| Clearpoint Tract 2 (Space Center Blvd)                     | Commercial           |             | 2              | 0                    | 8                     |
| Clearpoint Tract 3 (Space Center Blvd)                     | Commercial           |             | 1.5            | 4                    | 4                     |
| <b>Clearpoint Tract 4 (Space Center Blvd)</b>              | <b>Commercial</b>    |             | <b>21</b>      | <b>204</b>           | <b>378</b>            |
| <b>Clearpoint Tract 5 (Space Center Blvd)</b>              | <b>Commercial</b>    |             | <b>41</b>      | <b>183</b>           | <b>366</b>            |
| <b>Clearpoint Tract 6 (Space Center Blvd)</b>              | <b>Commercial</b>    |             | <b>16</b>      | <b>0</b>             | <b>77</b>             |
| <b>Clearpoint Tract 7 (Space Center Blvd)</b>              | <b>Commercial</b>    |             | <b>95</b>      | <b>0</b>             | <b>457</b>            |
| <b>Clearpoint Tract 8 (Space Center Blvd)</b>              | <b>Commercial</b>    |             | <b>14</b>      | <b>2</b>             | <b>67</b>             |
| Clearpoint Tract 9 (Space Center Blvd)                     | Commercial           |             | 2              | 0                    | 8                     |
| Clearpoint Tract 10 (Space Center Blvd)                    | Detention            |             | 30             | 0                    | 0                     |
| Clearpoint Tract 11 (Space Center Blvd)                    | Detention            |             | 8.8            | 0                    | 0                     |
| Clearpoint Tract 12 Space Center Blvd                      | Detention            |             | 13.7           | 0                    | 0                     |
| Clearpoint Tract 13 (Space Center Blvd)                    | Industrial           |             | 27.7           | 0                    | 33                    |
| Clearpoint Tract 14 (Space Center Blvd)                    | Industrial           |             | 72.9           | 0                    | 34                    |
| CLOISTERS CONDOS   | Multi Family         |             | 3.25           | 0                    | 63                    |
| COASTAL PLAINS CHURCH                                      | Church               |             | 3              | 2                    | 2                     |
| <b>COMM SITE - SPACE CENTER/BAY AREA (Map 6049A4, 605)</b> | <b>Commercial</b>    |             | <b>29.687</b>  | <b>26</b>            | <b>26</b>             |
| COVE APARTMENTS  | Multi Family         |             | 6.92           | 186                  | 186                   |
| DH Apts, Ltd (Bay Place) (CLC Sec1)                        | Multi Family         |             | 7.51           | 58                   | 58                    |
| DH Apts, Ltd (Baycrest)                                    | Multi Family         |             | 3.59           | 117                  | 117                   |
| Endeavor Condos  | Condos               |             | 2.83           | 26                   | 80                    |
| EL CAMINO VILLAGE SHOPPING CENTER (65 ac tr)               | Commercial           |             | 1.4957         | 5                    | 5                     |
| EL DORADO PLACE APARTMENTS                                 | Multi Family         |             | 8.06           | 122                  | 122                   |
| FAIRWIND APARTMENTS  | Multi Family         |             | 5.04           | 87                   | 87                    |



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|---|----------------------|-------------|----------------|----------------------|-----------------------|
| <b>Clear Lake City Water Authority</b>      |                      |             |                |                      |                       |
| <b>As of 2/16/09</b>                        |                      |             |                |                      |                       |
| <b>Subdivision or Project Name</b>          | <b>Type Develop.</b> | <b>Lots</b> | <b>Acreage</b> | <b>ESFC</b>          |                       |
|   |                      |             |                | <b>Existing 2008</b> | <b>Projected 2018</b> |
| HARBORTREE Ltd. APARTMENTS                  | Multi Family         |             | 6.18           | 91                   | 91                    |
| HARBOUR ESTATES                             | Single Family        | 7           | 6.582          | 7                    | 7                     |
| HARBOUR VILLAGE                             | Single Family        | 12          | 10.1526        | 12                   | 12                    |
| HOUSE OF PRAYER LUTHERAN BW1                | Church               |             | 4.98           | 2                    | 2                     |
| KING'S PARK                                 | Mixed Use            |             | 28.755         | <b>492</b>           | <b>492</b>            |
| KINGS PARK APARTMENTS, Ltd                  | Multi Family         |             | 4.465          | <b>107</b>           | <b>107</b>            |
| KINGS PARK TOWNHOMES                        | Multi Family         |             | 2.24           | <b>40</b>            | <b>40</b>             |
| <b>Kings Park Restaurant &amp; Offices</b>  | Mixed Use            |             |                | <b>37</b>            | <b>37</b>             |
| KINGS VILLAGE TOWNHOMES                     | Multi Family         |             | 5.65           | 51                   | 51                    |
| KIRBY LAKE (Plotkin Tract)                  | Single Family        | 151         | 39.221         | 151                  | 151                   |
| KIRBY OAKS - KAUFFMAN TRACT                 | Single Family        | 32          | 8.68           | 32                   | 32                    |
| KIRBY PLACE (replat of Kirby Office Center) | Single Family        | 109         | 19.694         | 109                  | 109                   |
| KIRBYBEND COMM                              | Commercial           |             | 1.98           | 0                    | 20                    |
| KIRBYBEND SEC. 1                            | Single Family        | 119         | 33.7748        | 119                  | 119                   |
| KIRBYBEND SEC. 2                            | Single Family        | 22          | 4.7            | 22                   | 22                    |
| KIRBYWOODS                                  | Single Family        | 82          | 29.77          | 82                   | 82                    |
| LAKE COUNTRY - MUD 181                      | Single Family        | 106         | 38.79          | 106                  | 106                   |
| LAS PALMAS APARTMENTS (65 ac tr)            | Multi Family         |             | 20             | 217                  | 217                   |
| LEEWARD LTD APARTMENTS                      | Multi Family         |             | 3              | 154                  | 154                   |
| MEADOWGREEN SEC. 1                          | Single Family        | 272         | 82.162         | 271                  | 271                   |
| MEADOWGREEN SEC. 1 COMM                     | Commercial           |             | 0.947          | 5                    | 5                     |
| MEADOWGREEN SEC. 2                          | Single Family        | 383         | 103.1674       | 383                  | 383                   |
| MEADOWGREEN SEC. 2 COMM                     | Commercial           |             | 4.7931         | 24                   | 120                   |
| MEADOWGREEN SEC. 3                          | Single Family        | 273         | 63.205         | 272                  | 272                   |
| METHODIST CHURCH - OB1                      | Church               |             | 5              | 2                    | 2                     |
| MIDDLEBROOK COMM ASSN - MB1                 | Commercial           |             | 13.78          | 1                    | 1                     |
| MIDDLEBROOK SEC. 1                          | Single Family        | 536         | 168.672        | 531                  | 531                   |
| MIDDLEBROOK SEC. 2                          | Single Family        | 481         | 116.8704       | 493                  | 493                   |
| NORTHFORK SEC. 1                            | Single Family        | 307         | 88.216         | 307                  | 307                   |
| NORTHFORK SEC. 2                            | Single Family        | 264         | 74.83          | 264                  | 264                   |
| NORTHFORK SEC. 3                            | Single Family        | 112         | 30.771         | 112                  | 112                   |
| NORTHFORK SEC. 4                            | Single Family        | 54          | 16.545         | 54                   | 54                    |
| NORTHFORK SEC. 5                            | Single Family        | 123         | 36.828         | 123                  | 123                   |
| NORTHFORK SEC. 6                            | Single Family        | 59          | 14             | 59                   | 59                    |
| NORTHFORK SEC. 7                            | Single Family        | 119         | 32.857         | 119                  | 119                   |
| OAKBROOK SEC. 1                             | Single Family        | 33          | 39.84          | 33                   | 33                    |
| OAKBROOK SEC. 1 MULTI FAMILY                | Multi Family         |             | 155.09         | 981                  | 981                   |
| OAKBROOK SEC. 2                             | Single Family        | 96          | 99.67          | 96                   | 96                    |
| OAKBROOK SEC. 3                             | Single Family        | 481         | 275.48         | 481                  | 481                   |
| OAKBROOK SEC. 3 COMM                        | Commercial           |             | 8.64           | 43                   | 215                   |
| OAKBROOK SEC. 4                             | Single Family        | 284         | 128.18         | 284                  | 284                   |
| OAKBROOK WEST SEC. 1                        | Single Family        | 61          | 22.682         | 61                   | 61                    |
| OAKBROOK WEST SEC. 1                        | Single Family        | 128         | 79.1696        | 128                  | 128                   |
| OAKBROOK WEST SEC. 2                        | Single Family        | 201         | 101.0927       | 201                  | 201                   |
| OAKBROOK WEST SEC. 3                        | Single Family        | 231         | 75.0562        | 231                  | 231                   |
| OAKBROOK WEST SEC. 3 COMM                   | Commercial           |             | 1.8777         | 7                    | 7                     |
| OAKBROOK WEST SEC. 4                        | Single Family        | 412         | 158.939        | 412                  | 412                   |
| OAKBROOK WEST SEC. 5                        | Single Family        | 17          | 5.109          | 17                   | 17                    |
| OAKBROOK WEST SEC. 6 COMM                   | Commercial           |             | 5.228          | 17                   | 17                    |

| <b>Table 1 - Buildout Projections</b>                       |                      |             |                |                      |                       |
|---|----------------------|-------------|----------------|----------------------|-----------------------|
| <b>Clear Lake City Water Authority</b>                      |                      |             |                |                      |                       |
| <b>As of 2/16/09</b>  |                      |             |                |                      |                       |
| <b>Subdivision or Project Name</b>                          | <b>Type Develop.</b> | <b>Lots</b> | <b>Acreage</b> | <b>ESFC</b>          |                       |
|   |                      |             |                | <b>Existing 2008</b> | <b>Projected 2018</b> |
| OLD CHAMPIONS PARK  | Park                 |             | 1              | 1                    | 1                     |
| PALMS at CLEAR LAKE APARTMENTS                              | Multi Family         |             | 9.6262         | 145                  | 145                   |
| Pappas Phase III - Private Lake                             | Lake                 |             | 4.483          | 0                    | 0                     |
| Pappas Tract #3 - Future Commercial                         | Commercial           |             | 39.033         | 0                    | 254                   |
| PARK at ARMAND BAYOU APTS                                   | Multi Family         |             | 110.504        | 163                  | 163                   |
| PARK at ARMAND BAYOU Ph 2 APTS                              | Multi Family         |             | 22.347         | 79                   | 79                    |
| PARK SHADOWS TOWNHOMES                                      | Multi Family         |             | 7.4431         | 33                   | 33                    |
| PHILADELPHIA CHURCH - OB1                                   | Church               |             | 3.84           | 2                    | 2                     |
| PINE BROOK COURT  | Single Family        | 7           | 2.768          | 7                    | 7                     |
| PINE BROOK SEC. 1   | Single Family        | 127         | 40.896         | 127                  | 127                   |
| PINE BROOK SEC. 10  | Single Family        | 82          | 27.052         | 82                   | 82                    |
| PINE BROOK SEC. 11  | Single Family        | 75          | 23.727         | 76                   | 76                    |
| PINE BROOK SEC. 2   | Single Family        | 60          | 26.028         | 60                   | 60                    |
| PINE BROOK SEC. 3   | Single Family        | 106         | 45.287         | 106                  | 106                   |
| PINE BROOK SEC. 4   | Single Family        | 88          | 55.784         | 88                   | 88                    |
| PINE BROOK SEC. 5   | Single Family        | 32          | 11.43          | 32                   | 32                    |
| PINE BROOK SEC. 6   | Single Family        | 57          | 19.881         | 57                   | 57                    |
| PINE BROOK SEC. 7   | Single Family        | 79          | 27.923         | 79                   | 79                    |
| PINE BROOK SEC. 8   | Single Family        | 84          | 37.443         | 84                   | 84                    |
| PINE BROOK SEC. 9   | Single Family        | 77          | 25.096         | 77                   | 77                    |
| QUAIL WALK APARTMENTS (CLC Sec 1)                           | Multi Family         |             | 4.3911         | 95                   | 95                    |
| RAMADA DUPLEXES (CLC Sec 1)                                 | Multi Family         |             | 0              | 39                   | 39                    |
| RAMADA TOWNHOMES (CLC Sec 1)                                | Multi Family         |             | 4.13           | 30                   | 30                    |
| RESEDA TOWNHOMES (CLC Sec 1)                                | Multi Family         |             | 4.13           | 42                   | 42                    |
| ROY ISLES ESTATES (Taylor Lake Village)                     | Single Family        | 3           | 12.19          | 4                    | 4                     |
| SAMARITAN CENTER CHARITIES (65 ac tr)                       | Commercial           |             | 3.0496         | 10                   | 10                    |
| Sandalwood  | Single Family        | 16          |                | 0                    | 16                    |
| SEAFARER TOWNHOMES  | Multi Family         |             | 8.41           | 83                   | 83                    |
| SKYLAR POINTE APTS (formerly Camino Village Apts, 65 ac tr) | Multi Family         |             | 17.85          | 271                  | 271                   |
| SOUTHWESTERN BELL   | Commercial           |             | 9.57           | 1                    | 1                     |
| ST CLAIR of ASSISI - BO12                                   | Church               |             | 11.388         | 2                    | 2                     |
| TAYLOR LAKE ESTATES - MUD 181                               | Single Family        | 59          | 23             | 59                   | 59                    |
| TAYLOR LAKE SHORES SEC. 1                                   | Single Family        | 37          | 31.8789        | 37                   | 37                    |
| TAYLOR LAKE SHORES SEC. 2                                   | Single Family        | 8           | 7.9922         | 8                    | 8                     |
| TAYLOR LAKES VILLAGE CITY HALL                              | Commercial           |             | 8.88           | 10                   | 10                    |
| TAYLORCREST CONDOS  | Multi Family         |             | 8.5            | 145                  | 145                   |
| TIFFANY BAY TOWNHOMES                                       | Multi Family         |             | 3.146          | 28                   | 28                    |
| TIMBER COVE (WCID 75)                                       | Single Family        | 262         | 103.27         | 262                  | 262                   |
| UNITED CHURCH OF CHRIST - CS1                               | Church               |             | 4.22           | 2                    | 2                     |
| UNIVERSITY BAPTIST CHURCH - BW4                             | Church               |             | 18.9           | 2                    | 2                     |
| UNIVERSITY FOREST APARTMENTS                                | Multi Family         |             | 11.2735        | 82                   | 82                    |
| UNIVERSITY GREEN APARTMENTS                                 | Multi Family         |             | 6.631          | 117                  | 117                   |
| UNIVERSITY GREEN SEC. 1 TOWNHOMES                           | Multi Family         |             | 10.8509        | 47                   | 47                    |
| UNIVERSITY GREEN SEC. 2                                     | Single Family        | 118         | 36.3652        | 118                  | 118                   |
| UNIVERSITY GREEN SEC. 3                                     | Single Family        | 178         | 35.3593        | 176                  | 176                   |
| UNIVERSITY GREEN SEC. 4 TOWNHOMES                           | Multi Family         |             | 20.3962        | 100                  | 100                   |
| UNIVERSITY GREEN SEC. 5                                     | Single Family        | 154         | 28.9886        | 154                  | 154                   |
| UNIVERSITY GREEN SEC. 6 TOWNHOMES                           | Multi Family         |             | 26.0067        | 113                  | 113                   |
| UNIVERSITY OF HOUSTON                                       | School               |             | 330.957        | 150                  | 150                   |

| <b>Table 1 - Buildout Projections</b>                     |                      |               |                 |                      |                       |
|---|----------------------|---------------|-----------------|----------------------|-----------------------|
| <b>Clear Lake City Water Authority</b>                    |                      |               |                 |                      |                       |
| <b>As of 2/16/09</b>                                      |                      |               |                 |                      |                       |
| <b>Subdivision or Project Name</b>                        | <b>Type Develop.</b> | <b>Lots</b>   | <b>Acreage</b>  | <b>ESFC</b>          |                       |
|   |                      |               |                 | <b>Existing 2008</b> | <b>Projected 2018</b> |
| <b>UNIVERSITY OF HOUSTON COMM</b>                         | Commercial           |               | <b>82.74</b>    | 414                  | 414                   |
| UNIVERSITY PARK PATIO HOMES (partial replat of University | Single Family        | 56            | 12.4603         | 56                   | 56                    |
| UNIVERSITY PARK PATIO HOMES SEC. 2                        | Single Family        | 29            | 8.5979          | 29                   | 29                    |
| UNIVERSITY PARK PATIO HOMES SEC. 3                        | Single Family        | 26            | 5.6253          | 26                   | 26                    |
| UNIVERSITY PARK PATIO HOMES SEC. 4                        | Single Family        | 54            | 12              | 56                   | 56                    |
| UNIVERSITY PARK SECTION 1                                 | Mixed Use            |               | 42              | 157                  | 157                   |
| UNIVERSITY PARK SECTION 1                                 | Mixed Use            |               | 99              | 354                  | 354                   |
| UNIVERSITY SQUARE SEC. 1                                  | Commercial           |               | 9.633           | 36                   | 36                    |
| UNIVERSITY SQUARE SEC. 2                                  | Commercial           |               | 13.049          | 48                   | 48                    |
| UNIVERSITY SQUARE SEC. 3                                  | Commercial           |               | 26.775          | 100                  | 100                   |
| UNIVERSITY SQUARE SEC. 4                                  | Commercial           |               | 11.102          | 41                   | 41                    |
| UNIVERSITY TRACE CONDOS (CLC IP Sec A)                    | Multi Family         |               | 5.77            | 90                   | 90                    |
| VILLAGE GREEN APARTMENTS (CLC IP Sec A)                   | Multi Family         |               | 7.665           | 140                  | 140                   |
| VILLAGE on the LAKE APARTMENTS Ph #1 (Pappas #1)          | Multi Family         |               | 22.72           | 234                  | 234                   |
| VILLAGE on the LAKE APARTMENTS Ph #2 (Pappas #2)          | Multi Family         |               | 11.48           | 135                  | 135                   |
| VILLAGE SOUTH APARTMENTS                                  | Multi Family         |               | 1.006           | 101                  | 101                   |
| VILLAS on the LAKE (Pappas #3)                            | Multi Family         |               | 6.52            | 54                   | 54                    |
| WEBSTER SUPPORTIVE HOUSING APTS                           | Multi Family         |               | 0               | 15                   | 15                    |
| WINDWARD ASSOC LTD APARTMENTS                             | Multi Family         |               | 15.201          | 165                  | 165                   |
| WOLF CREEK APARTMENTS                                     | Multi Family         |               | 7.6649          | 140                  | 140                   |
| <b>Total AREAS within CLCWA served by</b>                 |                      | <b>15,807</b> | <b>8,574</b>    | <b>27,455</b>        | <b>30,120</b>         |
| <b>CLCWA from Prior Bonds</b>                             |                      |               |                 |                      |                       |
| <b>Outside Customers Currently Served by CLCWA</b>        |                      |               |                 |                      |                       |
| METRO AIRPORT   | Commercial           | 0             | 3.3507          | 4                    | 4                     |
| PASADENA SERVICE AREA (El Cary Estates)                   | Single Family        | 0             | 99.17           | 235                  | 235                   |
| HCWC&ID #156  |                      |               |                 |                      |                       |
| BAY OAKS SECTION 17                                       |                      | 45            | 19.846          | 45                   | 45                    |
| BAY OAKS SECTION 18                                       |                      | 28            | 11.603          | 28                   | 28                    |
| BAY OAKS SECTION 19                                       |                      | 54            | 22.647          | 54                   | 54                    |
| BAY OAKS SECTION 20                                       |                      | 22            | 7.991           | 22                   | 22                    |
| BAY OAKS SECTION 21                                       |                      | 20            | 7.799           | 20                   | 20                    |
| PINE BROOK PATIO HOMES                                    |                      | 49            | 15.109          | 49                   | 49                    |
| PINE BROOK SECS 12 & 13                                   |                      | 102           | 36.15           | 102                  | 102                   |
| PINE BROOK SECTION 14                                     |                      | 57            | 21.221          | 50                   | 57                    |
| H.C. YOUTH VILLAGE & PARK                                 |                      | 44            | 156.74          | 27                   | 27                    |
| MEMORY LANE   |                      | 5             | 8.68            | 5                    | 5                     |
| SO TAYLOR LAKE WATER CORP                                 |                      | 48            | 11.85           | 13                   | 13                    |
| <b>Total Outside Customers</b>                            |                      | <b>474</b>    | <b>422.1567</b> | <b>654</b>           | <b>661</b>            |
| <b>Total Existing Customers</b>                           |                      |               |                 | <b>28,109</b>        | <b>30,781</b>         |

| Table 2 - Wastewater Commitments/Demand vs Capacity       |                          |                  |                  |                    |                    |                   |               |                   |             |
|---|--------------------------|------------------|------------------|--------------------|--------------------|-------------------|---------------|-------------------|-------------|
| Clear Lake City Water Authority                           |                          |                  |                  |                    |                    |                   |               |                   |             |
| As of 02/17/09  |                          |                  |                  |                    |                    |                   |               |                   |             |
|   | WWTP Commitments/Demand  |                  |                  |                    | Cumulative Total   |                   |               |                   | Balance     |
|   | 2008                     | 2008             | 2018             | 2018               | ESFC               | GPD               | ESFC          | GPD               |             |
| <b>CLCWA Commitments</b>                                  | <b>ESFC</b>              | <b>GPD</b>       | <b>ESFC</b>      | <b>GPD</b>         | <b>ESFC</b>        | <b>GPD</b>        | <b>ESFC</b>   | <b>GPD</b>        |             |
| CLCWA Customer Commitments                                | 27,455                   |                  | 30,120           |                    |                    |                   |               |                   |             |
| Outside Customer Commitments                              | 654                      |                  | 661              |                    |                    |                   |               |                   |             |
| <b>Total</b>  | <b>28,109</b>            | <b>8,432,675</b> | <b>30,781</b>    | <b>9,234,206</b>   | <b>30,781</b>      | <b>9,234,206</b>  | <b>30,333</b> | <b>9,100,000</b>  | <b>-447</b> |
|   |                          |                  |                  |                    |                    |                   | <b>3,000</b>  | <b>900,000</b>    |             |
|   |                          |                  |                  |                    |                    |                   | <b>33,333</b> | <b>10,000,000</b> |             |
| <b>PHASE 1</b>  |                          |                  |                  |                    |                    |                   |               |                   |             |
| <b>Future Demands, Property within CLCWA</b>              |                          |                  | <b>ESFC</b>      | <b>GPD</b>         |                    |                   |               |                   |             |
| Developable portion of Kinder Morgan Tracts 104-110       |                          |                  | 2,541            | 762,336            |                    |                   |               |                   |             |
| Ellington Field Tracts                                    |                          |                  | 150              | 45,000             |                    |                   | 30,333        | 9,100,000         |             |
| Additional Pappas Tracts Capacity                         |                          |                  | 150              | 45,000             |                    |                   | 3,333         | 1,000,000         |             |
| <b>Total</b>  |                          |                  | <b>2,841</b>     | <b>852,336</b>     | <b>33,622</b>      | <b>10,086,542</b> | <b>33,667</b> | <b>10,100,000</b> | <b>45</b>   |
|   |                          |                  |                  |                    |                    |                   |               |                   |             |
|   |                          |                  |                  |                    |                    |                   | <b>3,000</b>  | <b>900,000</b>    |             |
|   |                          |                  |                  |                    |                    |                   | <b>36,667</b> | <b>11,000,000</b> |             |
| <b>PHASE 2</b>  |                          |                  |                  |                    |                    |                   |               |                   |             |
| <b>Potential Ultimate Demands, Property outside CLCWA</b> |                          |                  | <b>ESFC</b>      | <b>GPD</b>         |                    |                   |               |                   |             |
| Boat Barn Tract   |                          |                  | 120              | 36,000             |                    |                   |               |                   |             |
| Oilfield Tract east of Kinder Morgan Tracts               |                          |                  | 2,100            | 630,000            |                    |                   |               |                   |             |
| Dev. portion of Kinder Morgan Tracts 104-110              |                          |                  | 1,328            | 398,442            |                    |                   |               |                   |             |
| El Cary Subdivision Redevelopment                         |                          |                  | 200              | 60,000             |                    |                   | <b>33,667</b> | <b>10,100,000</b> |             |
| South Taylor Lake Village Water Corp                      |                          |                  | 140              | 42,000             |                    |                   | 4,167         | 1,250,000         |             |
| <b>Total</b>  |                          |                  | <b>3,888</b>     | <b>1,166,442</b>   | <b>37,510</b>      | <b>11,252,984</b> | <b>37,833</b> | <b>11,350,000</b> | <b>323</b>  |
|   |                          |                  |                  |                    |                    |                   |               |                   |             |
|   |                          |                  |                  |                    |                    |                   | <b>3,000</b>  | <b>900,000</b>    |             |
|   |                          |                  |                  |                    |                    |                   | <b>40,833</b> | <b>12,250,000</b> |             |
| <b>ESTIMATED CAPITAL IMPROVEMENTS COST</b>                | <b>Item</b>              | <b>Unit</b>      | <b>Quantity</b>  | <b>Unit Cost</b>   | <b>Cost</b>        | <b>Cost/ESFC</b>  |               |                   |             |
|   | PHASE 1 - WWTP Expansion | gpd              | 1,000,000        | \$6.00             | \$6,000,000        |                   |               |                   |             |
|   | Contingency 15%          |                  |                  |                    | \$900,000          |                   |               |                   |             |
|   | Engineering 25%          |                  |                  |                    | \$1,500,000        |                   |               |                   |             |
|   | <b>Total</b>             |                  |                  |                    | <b>\$8,400,000</b> | <b>\$2,520</b>    |               |                   |             |
|   |                          |                  |                  |                    |                    |                   |               |                   |             |
|   |                          | <b>ESFC</b>      | <b>Cost/ESFC</b> | <b>Cost</b>        |                    |                   |               |                   |             |
|   | New Development Share    | 2,841            | \$2,520          | \$7,159,622        |                    |                   |               |                   |             |
|   | CLCWA Share              | 492              | \$2,520          | \$1,240,378        |                    |                   |               |                   |             |
|   | <b>Total</b>             | <b>3,333</b>     |                  | <b>\$8,400,000</b> |                    |                   |               |                   |             |

| <b>Table 3 - Water Demand vs Capacity<br/>Clear Lake City Water Authority<br/>As of 2/9/09</b> |                |                         |  |  |                               |               |
|--|----------------|-------------------------|--|--|-------------------------------|---------------|
| <b>SYSTEM DEMANDS</b>  | <b>Factors</b> | <b>2008<br/>Current</b> | <b>2018<br/>Projected<br/>CLCWA<br/>Only</b> | <b>2018<br/>Projected<br/>CLCWA &amp;<br/>New Dev.</b> | <b>Ultimate<br/>Projected</b> | <b>Change</b> |
| Equivalent Single-Family Connections (ESFC)  |                | 28,109                  | 30,781                                       | 33,622   | 37,778                        | 4,156         |
| Average People per ESFC  | 3.00           |                         |  |  |                               |               |
| Population   |                | 84,327                  | 92,342                                       | 100,865  | 113,334                       |               |
| Average Daily Demand (ADD) per person  | 130            |                         |  |  |                               |               |
| Average Daily Demand (ADD) in MGD  |                | 10.96                   | 12.00  | 13.11  | 14.73                         |               |
| ADD to Peak Day Demand Factor  | 1.8            |                         |  |  |                               |               |
| Peak Day Demand (PDD) in MGD   |                | 19.73                   | 21.61  | 23.60  | 26.52                         |               |
| PDD to Peak Hourly Demand Factor   | 1.6            |                         |  |  |                               |               |
| Peak Hourly Demand (PHD) in MGD  |                | 31.57                   | 34.57  | 37.76  | 42.43                         |               |
|  |                |                         |  |  |                               |               |
| <b>SYSTEM CAPACITIES</b>   |                | <b>2008<br/>Current</b> | <b>2008<br/>Current</b>                      | <b>2018<br/>Projected</b>                              | <b>Ultimate<br/>Projected</b> |               |
| <b>Surface Water Plant Capacity (MGD)</b>  |                | <b>20.45</b>            | <b>20.45</b>                                 | <b>20.45</b>   | <b>20.45</b>                  |               |
| <b>Surface Water Pumping Capacity (MGD)</b>  |                | <b>32.00</b>            | <b>32.00</b>                                 | <b>32.00</b>   | <b>32.00</b>                  |               |
|  |                |                         |  |  |                               |               |
| <b>Groundwater Supply Capacity</b>   | <b>gpm</b>     | <b>MGD</b>              | <b>MGD</b>                                   | <b>MGD</b>   | <b>MGD</b>                    |               |
| Well No. 1   | 1200           | 1.73                    | 1.73   | 1.73   | 1.73                          |               |
| Well No. 2   | 1000           | 1.44                    | 1.44   | 1.44   | 1.44                          |               |
| Well No. 3   | 1000           | 1.44                    | 1.44   | 1.44   | 1.44                          |               |
| Well No. 4 - not normally used   | 0              | 0.00                    | 0.00   | 0.00   | 0.00                          |               |
| Well No. 5   | 1100           | 1.58                    | 1.58   | 1.58   | 1.58                          |               |
| Well No. 6 - not normally used   | 0              | 0.00                    | 0.00   | 0.00   | 0.00                          |               |
| Well No. 7   | 1500           | 2.16                    | 2.16   | 2.16   | 2.16                          |               |
| Well No. 8   | 1500           | 2.16                    | 2.16   | 2.16   | 2.16                          |               |
| <b>Total</b>   |                | <b>10.51</b>            | <b>10.51</b>                                 | <b>10.51</b>   | <b>10.51</b>                  |               |
|  |                |                         |  |  |                               |               |
| <b>Average Day Analysis for Water Supply</b>   |                | <b>MGD</b>              | <b>MGD</b>                                   | <b>MGD</b>   | <b>MGD</b>                    |               |
| Capacity   |                | 30.96                   | 30.96  | 30.96  | 30.96                         |               |
| Demand   |                | 10.96                   | 12.00  | 13.11  | 14.73                         |               |
| Surplus/(Deficiency)   |                | 20.00                   | 18.96  | 17.85  | 16.23                         | OK            |
|  |                |                         |  |  |                               |               |
| <b>Peak Day Analysis for Water Supply</b>  |                | <b>MGD</b>              | <b>MGD</b>                                   | <b>MGD</b>   | <b>MGD</b>                    |               |
| Capacity   |                | 30.96                   | 30.96  | 30.96  | 30.96                         |               |

| <b>Table 3 - Water Demand vs Capacity<br/>Clear Lake City Water Authority<br/>As of 2/9/09</b> |        |        |        |        |  |    |
|--|--------|--------|--------|--------|--|----|
| Demand   | 19.73  | 21.61  | 23.60  | 26.52  |  |    |
| Surplus/(Deficiency)   | 11.23  | 9.35   | 7.36   | 4.44   |  | OK |
| <b>Peak Hour Analysis for Water Supply</b>   |        |        |        |        |  |    |
| Capacity   | MGD    | MGD    | MGD    | MGD    |  |    |
| Demand   | 42.51  | 42.51  | 42.51  | 42.51  |  |    |
| Surplus/(Deficiency)   | 31.57  | 34.57  | 37.76  | 42.43  |  |    |
|  | 10.94  | 7.94   | 4.75   | 0.08   |  | OK |
| <b>Water Storage Analysis</b>  |        |        |        |        |  |    |
| Ground Storage Tanks   | MG     | MG     | MG     | MG     |  |    |
| Water Plant No. 1  | 1.254  | 1.254  | 1.254  | 1.254  |  |    |
| Water Plant No. 2  | 0.6    | 0.6    | 0.6    | 0.6    |  |    |
| Water Plant No. 3  | 4      | 4      | 4      | 4      |  |    |
| Water Plant No. 4  | 2      | 2      | 2      | 2      |  |    |
| Subtotal   | 7.854  | 7.854  | 7.854  | 7.854  |  |    |
| Elevated Storage Tanks   | MG     | MG     | MG     | MG     |  |    |
| EST #1   | 0.50   | 0.50   | 0.50   | 0.50   |  |    |
| EST #2   | 0.50   | 0.50   | 0.50   | 0.50   |  |    |
| EST #3   | 1.00   | 1.00   | 1.00   | 1.00   |  |    |
| EST #4   | 1.00   | 1.00   | 1.00   | 1.00   |  |    |
| EST #5   | 0.50   | 0.50   | 0.50   | 0.50   |  |    |
| Subtotal   | 3.50   | 3.50   | 3.50   | 3.50   |  |    |
| Total Storage Capacity   | 11.35  | 11.35  | 11.35  | 11.35  |  |    |
| Storage Requirement (200 gal/ESFC)   | 5.62   | 6.16   | 6.72   | 7.56   |  | OK |
| Hours of Storage at Peak Hour Demand   |        |        |        | 6.4    |  |    |
| <b>Booster Pump Capacity</b>   |        |        |        |        |  |    |
| Water Plant No. 1  | gpm    | gpm    | gpm    | gpm    |  |    |
| Water Plant No. 2  | 4,125  | 4,125  | 4,125  | 4,125  |  |    |
| Water Plant No. 3  | 2,050  | 2,050  | 2,050  | 2,050  |  |    |
| Water Plant No. 4  | 9,000  | 9,000  | 9,000  | 12,000 |  |    |
| Total  | 12,000 | 12,000 | 15,000 | 33,175 |  |    |
|  | 27,175 | 27,175 | 30,175 |        |  |    |
| Total Booster Pump Capacity in MGD   | 39.13  | 39.13  | 43.45  | 47.77  |  |    |

| <b>Table 3 - Water Demand vs Capacity</b>                |             |                 |                  |             |                   |                |
|--|-------------|-----------------|------------------|-------------|-------------------|----------------|
| <b>Clear Lake City Water Authority</b>                   |             |                 |                  |             |                   |                |
| <b>As of 2/9/09</b>                                      |             |                 |                  |             |                   |                |
| Total BP Cap. w/ largest pump out in MGD                 | 34.81       | 34.81           | 39.13            | 43.45       |                   |                |
| Peak Hourly Demand in MGD                                | 31.57       | 34.57           | 37.76            | 42.43       |                   |                |
| <b>Surplus/(Deficiency)</b>                              | <b>3.24</b> | <b>0.24</b>     | <b>1.37</b>      | <b>1.02</b> |                   | <b>OK</b>      |
| <b>New Development / CLCWA Share of Improvements</b>     |             |                 |                  |             |                   |                |
| Peak Hourly Demand for 1 ESFC in gpd                     |             | 1123.2          |                  |             |                   |                |
| Peak Hourly Demand for 1 ESFC in gpm                     |             | 0.78            |                  |             |                   |                |
| Capacity of 3000 gpm Pump in ESFC                        |             | 3,846           |                  |             |                   |                |
| New Development Share                                    |             | 2,460           |                  | 63.96%      |                   |                |
| CLCWA Share  |             | 1,386           |                  | 36.04%      |                   |                |
| <b>Cost of Capital Improvements for New Developments</b> |             |                 |                  |             |                   |                |
| <b>Item</b>  | <b>Unit</b> | <b>Quantity</b> | <b>Unit Cost</b> | <b>Cost</b> | <b>New Devel.</b> | <b>Portion</b> |
| 0.5 MGD Elevated Storage Tank                            | LS          | 1               | \$1,000,000      | \$1,000,000 |                   | \$568,200      |
| 3000 gpm Booster Pump & Appurtenances                    | LS          | 1               | \$150,000        | \$150,000   |                   | \$95,940.00    |
| subtotal   |             |                 |                  | \$1,150,000 |                   | \$664,140      |
| Contingency 15%  |             |                 |                  | \$172,500   |                   | \$99,621.00    |
| Engineering 25%  |             |                 |                  | \$287,500   |                   | \$166,035.00   |
| Total  |             |                 |                  | \$1,610,000 |                   | \$929,796      |
| Total ESFC served  |             |                 |                  | 3,846       |                   |                |
| Cost per ESFC  |             |                 |                  | \$418.60    |                   |                |

| <b>Table 4 - Summary of New CIP Projects Qualifying for Impact Fees</b>  |                                    |                          |                                  |                          |                   |                          |
|--|------------------------------------|--------------------------|----------------------------------|--------------------------|-------------------|--------------------------|
| <b>Clear Lake City Water Authority</b>   |                                    |                          |                                  |                          |                   |                          |
| <b>As of 2/9/09</b>  |                                    |                          |                                  |                          |                   |                          |
| <b>Qualifying Criteria in Chapter 395 of the Local Government Code - Financing Capital Improvements Required by New Developments</b>                           | <b>WWTP 1.0 MGD Expansion</b>      |                          | <b>Replace WWTP Oper. Office</b> | <b>New Booster Pumps</b> | <b>New EST #6</b> | <b>Replace EST #5</b>    |
| <b>Sec 395.012- Items Payable By Impact Fee</b>  | <b>New Development Share (MGD)</b> | <b>CLCWA Share (MGD)</b> |                                  |                          |                   |                          |
| (a) Costs of constructing capital improvements or facility expansions, including -   | 0.738                              | 0.262                    |                                  |                          |                   |                          |
| (1) Construction Contract Price  |                                    |                          |                                  |                          |                   |                          |
| (2) Surveying and Engineering Fees   |                                    |                          |                                  |                          |                   |                          |
| (3) Land Acquisition Costs   |                                    |                          |                                  |                          |                   |                          |
| (4) Fees for the Capital Improvements Plan   |                                    |                          |                                  |                          |                   |                          |
| (b) Interest or Financing Costs  | OK                                 |                          |                                  | OK                       | OK                |                          |
| <b>Sec 395.013- Items Not Payable By Impact Fee</b>  |                                    |                          |                                  |                          |                   |                          |
| (1) Construction, acquisition or expansion of public facilities other than Capital Improvements or Facility Expansions identified in Capital Improvements Plan | OK                                 |                          |                                  | OK                       | OK                |                          |
| (2) Repairs, Operation & Maintenance   | OK                                 |                          |                                  | OK                       | OK                |                          |
| (3) Upgrading, updating, expanding or replacing existing capital improvements to meet stricter standards   | OK                                 |                          |                                  | OK                       | OK                | NO                       |
| (4) Upgrading, updating, expanding or replacing existing capital improvements to provide better service  | OK                                 |                          | NO                               | OK                       | OK                | NO                       |
| (5) Administration and operating costs   | OK                                 |                          |                                  | OK                       | OK                |                          |
| (6) Principal payments and interest charges other than that allowed in Sec 395.12  | OK                                 |                          |                                  | OK                       | OK                |                          |
| <b>Sec 395.014 - Capital Improvements Plan</b>   |                                    |                          |                                  |                          |                   |                          |
| (6) The projected demand for capital improvements or facility expansions required by new service over a reasonable period not to exceed 10 years               | OK                                 |                          |                                  | OK                       | OK                |                          |
| <b>Conclusions</b>   | <b>0.738 MGD<br/>OK</b>            |                          | <b>Can't<br/>Include</b>         | <b>OK</b>                | <b>OK</b>         | <b>Can't<br/>Include</b> |



**Table 5 - Demand per Service Unit & Equivalency Table**  
**Clear Lake City Water Authority**  
**As of 2/12/09**

| Land Use  | ESFC/Unit | Unit             | Wastewater Demand (gpd) | Water Demand (gpd) |
|---|-----------|------------------|-------------------------|--------------------|
| <b><u>Equivalent Single Family Connection</u></b> |           |                  |                         |                    |
| Single Family Residence                           | 1         | EA               | 300                     | 390                |
| <b><u>Undeveloped Land</u></b>                    |           |                  |                         |                    |
| Single Family                                     | 3.5       | Acre             |                         |                    |
| Multi-Family                                      | 15        | Acre             | 4,500                   | 5,850              |
| Commercial  | 10        | Acre             | 3,000                   | 3,900              |
| Office/Warehouse                                  | 6         | Acre             | 1,800                   | 2,340              |
| <b><u>Developed Land</u></b>                      |           |                  |                         |                    |
| Bakery  | 0.000700  | per SF           |                         |                    |
| Barber Shop, General                              | 0.480000  | per Bowl         |                         |                    |
| Barber Shop, Supercuts                            | 0.240000  | per Bowl         |                         |                    |
| Beauty Shop                                       | 0.480000  | per Bowl         |                         |                    |
| Bowling Alley                                     | 0.635000  | per Lane         |                         |                    |
| Car Repair  | 0.000160  | per SF           |                         |                    |
| Car Wash, Tunnel, Self Serve                      | 6.350000  | per carwash      |                         |                    |
| Car Wash with Attendants                          | 31.430000 | per carwash      |                         |                    |
| Car Wash, Wand Self Serve                         | 1.220000  | per carwash bay  |                         |                    |
| Church  | 0.003200  | per seat         |                         |                    |
| Club, Tavern, or Lounge                           | 0.031700  | per occupant     |                         |                    |
| Convenience Store                                 | 0.000200  | per SF           |                         |                    |
| Country Club                                      | 0.320000  | per member       |                         |                    |
| plus Country Club guests                          | 0.080000  | per guest        |                         |                    |
| Day Care Center                                   | 0.031700  | per occupant     |                         |                    |
| Dormitory   | 0.286000  | per bed          |                         |                    |
| Fire Station                                      | 0.286000  | per fire fighter |                         |                    |
| Funeral Home                                      | 2.140000  | per service      |                         |                    |
| Gas Station with Car Wash                         | 9.350000  | per Station      |                         |                    |
| Gas Station without Car Wash                      | 1.750000  | per Station      |                         |                    |
| Grocery Store 5,000-28,999 SF                     | 0.000260  | per SF           |                         |                    |
| Grocery Store 29,000+ SF                          | 0.000700  | per SF           |                         |                    |
| Health Club                                       | 0.001210  | per SF           |                         |                    |
| Homeless Shelter                                  | 0.105000  | per Bed          |                         |                    |
| Hospital  | 0.635000  | per Bed          |                         |                    |
| Motel with Kitchenettes                           | 0.430000  | per Room         |                         |                    |
| Hotel / Motel                                     | 0.251000  | per room         |                         |                    |
| Manufacturing                                     | 0.000160  | per SF           |                         |                    |
| Mobile Home Park                                  | 0.880000  | per space        |                         |                    |
| Modeling Studio                                   | 2.890000  | per studio       |                         |                    |
| Nursing Home                                      | 0.286000  | per Bed          |                         |                    |
| Office  | 0.000335  | per SF           |                         |                    |
| Photo Store                                       | 3.175000  | per Store        |                         |                    |
| Post Office                                       | 0.000254  | per SF           |                         |                    |
| Prison  | 0.290000  | per capita       |                         |                    |
| Racquetball Club                                  | 0.510000  | per court        |                         |                    |
| RV Park   | 0.238100  | per vehicle      |                         |                    |
| Residence, Apt w/ Washer-Dryer                    | 0.714000  | per unit         |                         |                    |
| Residence, Apt w/o Washer-Dryer                   | 0.635000  | per unit         |                         |                    |
| Residence, Condo                                  | 0.714000  | per unit         |                         |                    |
| Residence, Duplex                                 | 1.000000  | per unit         |                         |                    |
| Residence, Single Family                          | 1.000000  | per unit         |                         |                    |
| Residence, Townhouse                              | 1.000000  | per unit         |                         |                    |
| Restaurant, Fast Food                             | 0.002500  | per SF           |                         |                    |
| Restaurant, Full Service                          | 0.006000  | per SF           |                         |                    |
| Retail  | 0.000223  | per SF           |                         |                    |
| School, High School                               | 0.047600  | per seat         |                         |                    |
| School, Others, Non-Residential                   | 0.031700  | per seat         |                         |                    |
| School, Others, Residential                       | 0.317000  | per capita       |                         |                    |
| Service Center                                    | 0.000160  | per SF           |                         |                    |
| Shopping Center, Mixed Tenants                    | 0.000900  | per SF           |                         |                    |
| Skating Rink                                      | 0.015900  | per capita       |                         |                    |
| Stadium   | 0.010000  | per seat         |                         |                    |

**Table 6 - Debt Service**  
**Clear Lake City Water Authority**  
**As of 2/9/09**

| <b>Component</b> | <b>Capital Cost per ESFC</b> | <b>Bond Amount per ESFC (1)</b> | <b>Total Interest per ESFC (2)</b> | <b>Total Debt Service per ESFC</b> | <b>Payment per Period per ESFC</b> |
|------------------|------------------------------|---------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Water            | \$418.60                     | \$481.39                        | \$351.65                           | \$833.04                           | (\$20.83)                          |
| Wastewater       | \$2,520.00                   | \$2,898.00                      | \$2,116.97                         | \$5,014.97                         | (\$125.37)                         |

(1) Assumes a bond soft cost of 15%

(2) Assumes an interest rate of 6% and 40 semi-annual payments

**Table 7 - Derivation of Maximum Water and Wastewater Impact Fees  
Clear Lake City Water Authority  
As of 2/9/09**

| <b>Component</b>  | <b>Capital Cost per ESFC</b> | <b>Total Debt Service per ESFC</b> | <b>Credit for Debt Service Payback thru Revenue Rates</b> | <b>Eligible Recovery Costs per ESFC</b> | <b>Credit for Taxes generated by New Development</b> | <b>Maximum Impact Fee per ESFC</b> |
|-------------------|------------------------------|------------------------------------|---|---|--|------------------------------------|
| Water             | \$418.60                     | \$833.04                           | 0   | \$833.04                                | \$416.52   | \$416.52                           |
| <u>Wastewater</u> | <u>\$2,520.00</u>            | <u>\$5,014.97</u>                  | <u>0</u>  | <u>\$5,014.97</u>                       | <u>\$2,507.49</u>                                    | <u>\$2,507.49</u>                  |
| Total             |                              |                                    |   |   |  | \$2,924.01                         |

(1) Avoided cost of 50% of CIP during study