



City of Burleson

2024 Water and Wastewater

Rate Study and Financial Forecast

Finance Committee Presentation

City of Burleson Background



- ◆ City implemented a 3.0% rate adjustment in October 2023
- ◆ Previously, City's policy had been to minimize rate adjustments through gradual drawdowns in fund balance
- ◆ Combination of several factors is resulting in the need for a new long-term rate plan
 - ❖ Operating expenses continue to increase
 - ❖ Fort Worth charges are increasing
 - ❖ Need to fund capital improvements through debt



Current Water & WW Rates



Water Rates

Minimum Charge by Meter Size	3/4"	\$	16.03
	1"		23.08
	1 1/2"		43.46
	2"		64.05
	3"		154.04
	4"		256.74
	6"		512.33
	8"		767.93
	10"		1,021.26
	12"		1,179.25
Volume Rate (per 1,000 Gallons)			
-	10,000	\$	4.90
10,001	20,000		5.92
20,001	Above		6.57

Wastewater Rates

RS - Residential Wastewater Rates

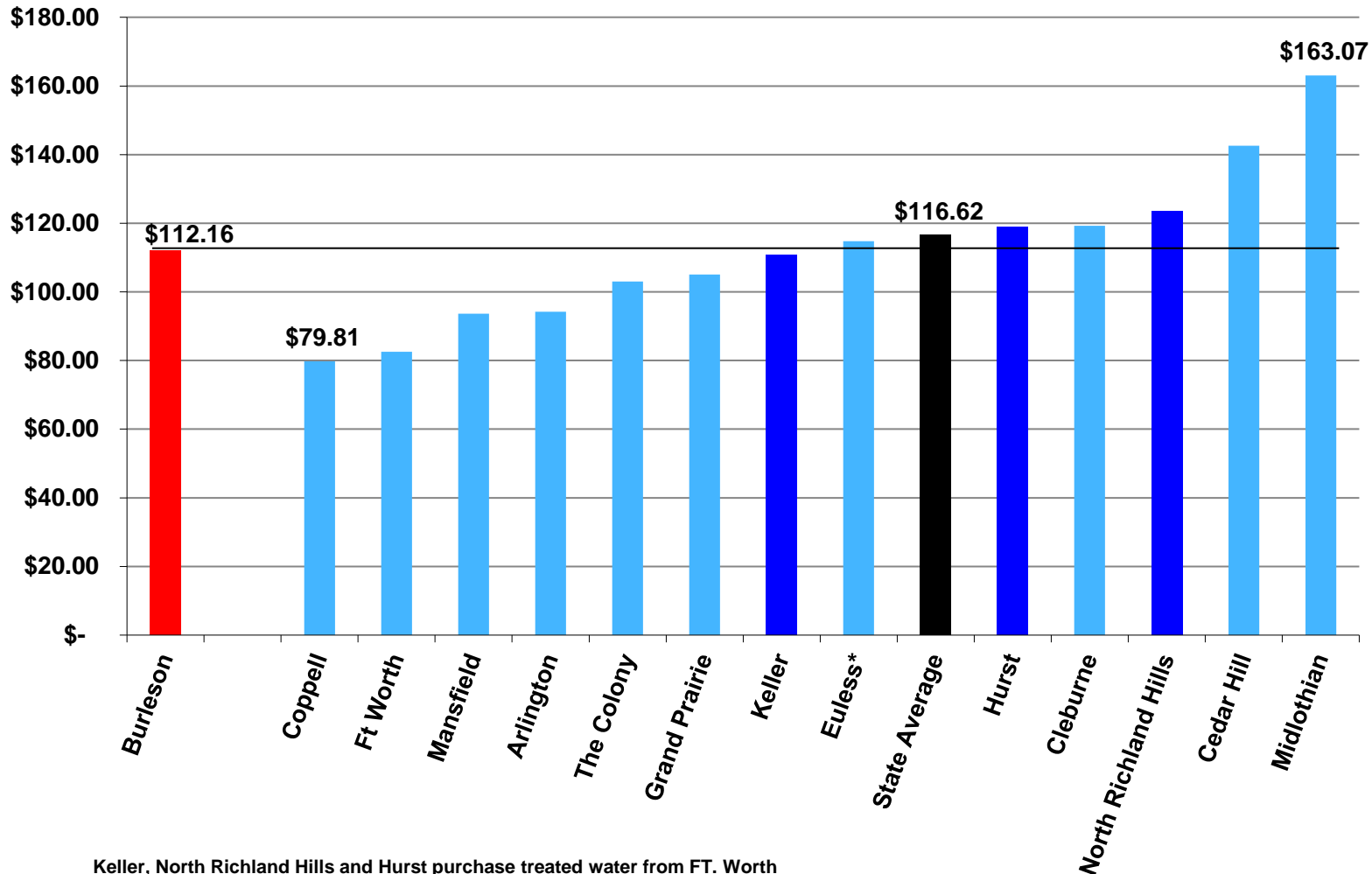
Minimum Charge	\$	19.73
Volume Rate (per 1,000 Gallons)		5.48

* Monthly billed based on an average monthly water consumption for the months of January, February and March. Volumes capped at 12,000 Gallons.

CM - Commercial, AP, C7, C8, C9, IN, MU, SH, S6

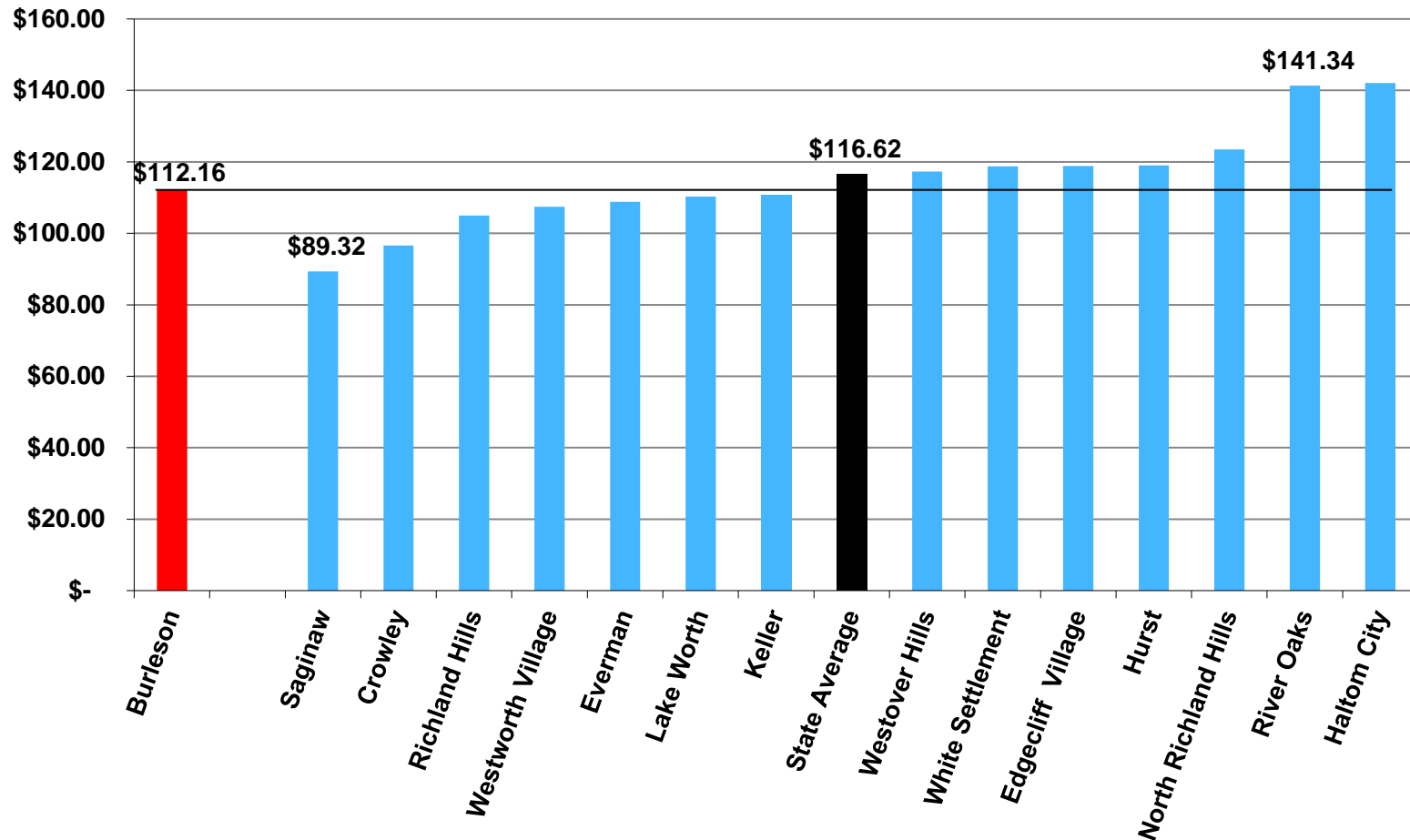
Minimum Charge by Meter Size	\$	19.73
Volume Rate (per 1,000 Gallons)		5.48

Monthly Residential Charge Comparison 10,000 Gal W, 5,000 Gal WW



Keller, North Richland Hills and Hurst purchase treated water from FT. Worth

Monthly Residential Bill Comparison Fort Worth Wholesale Customers



Note: Keller purchases water only from Ft. Worth

TY 2024 Accounts



WATER Customer Accounts

RS - Residential	15,002
AP - Apartment	160
CM - Commercial	942
CS - Construction	19
MU - Municipal	87
IN - Industrial	14
SH - School	<u>37</u>
Total Accounts	16,261

WASTEWATER Customer Accounts

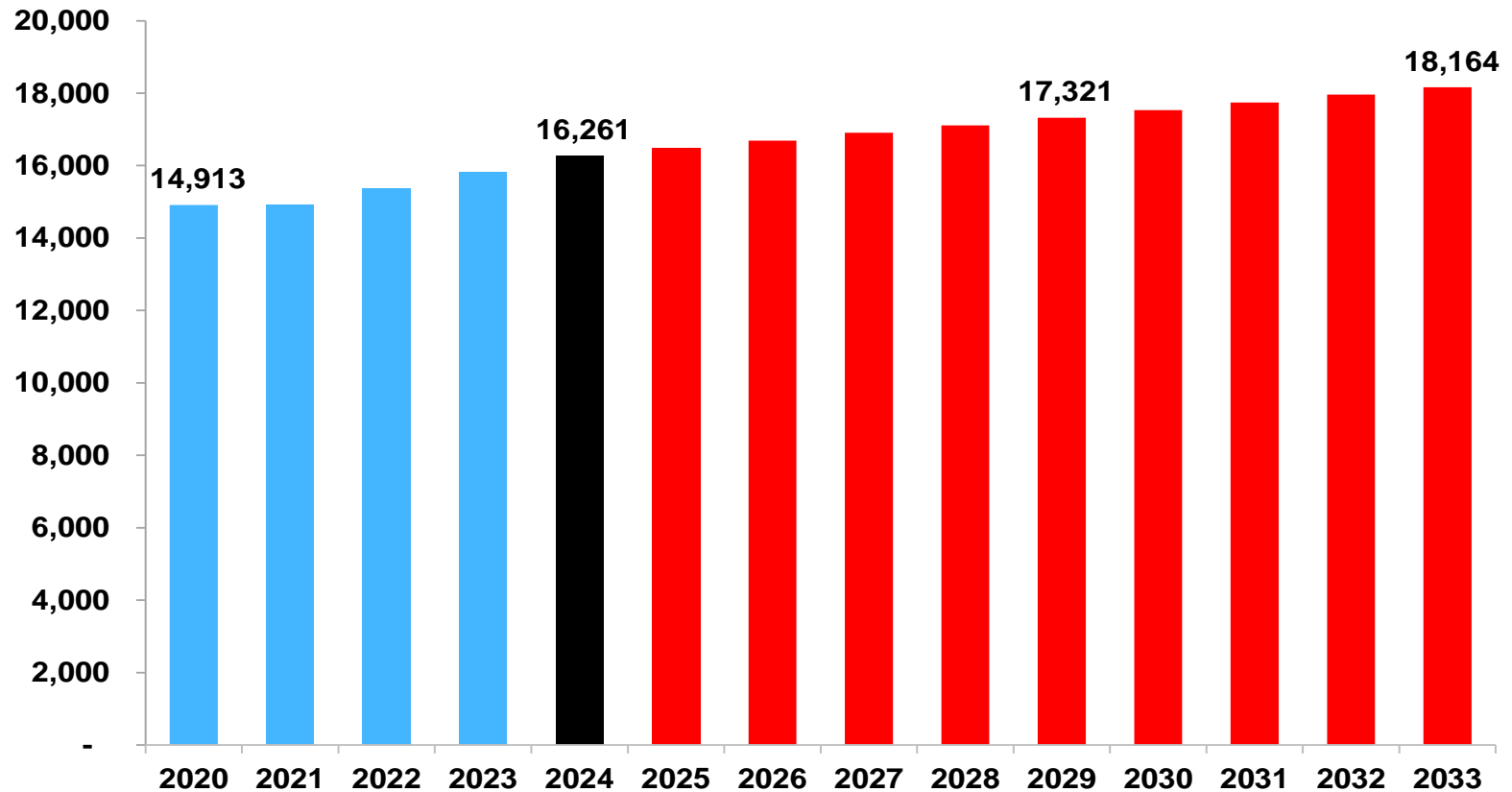
RS -- Residential *	16,152
AP - Apartment	134
CM -- Commercial *	581
C7 - Class 2 Sewer Surcharge	38
C8 - BOD/TSS Rate Class One	99
C9 - BOD/TSS Rate Class Three	9
In - Industrial	11
MU - Municipal	28
SH - School	6
S6 - School Sewer Surcharge	<u>17</u>
Total Accounts	17,075

* Includes Bethesda and JCSUD

Actual and Forecast Total Water Accounts



Average: 200 – 215 new accounts per year



Wastewater Accounts

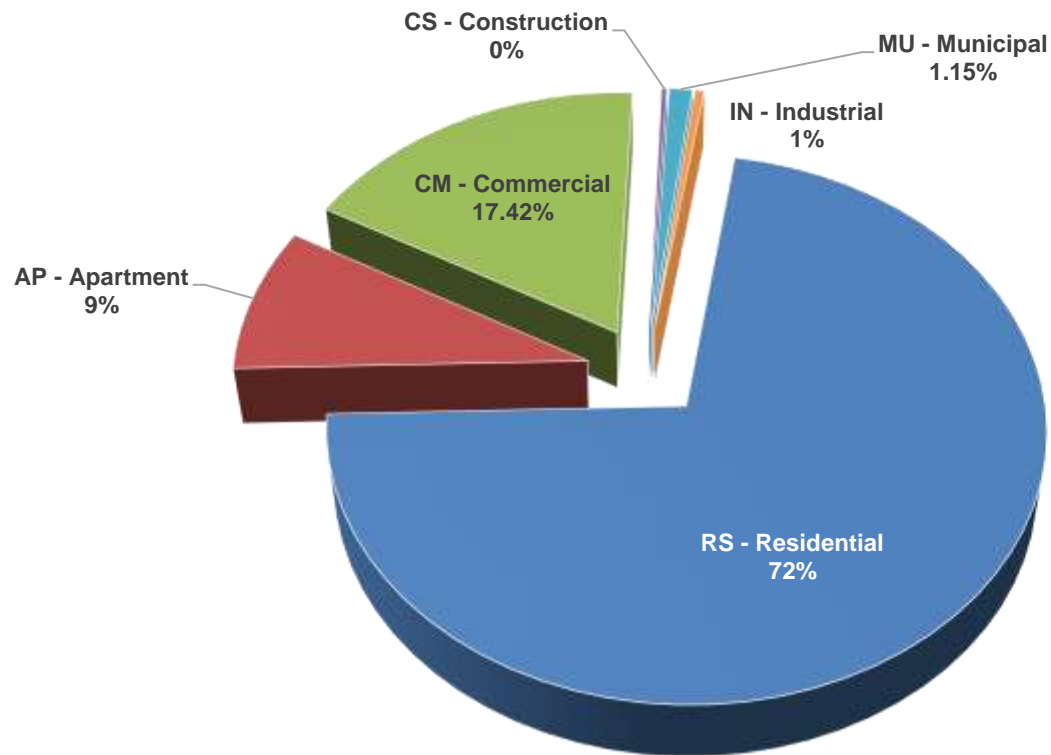
17,075

18,013

19,173

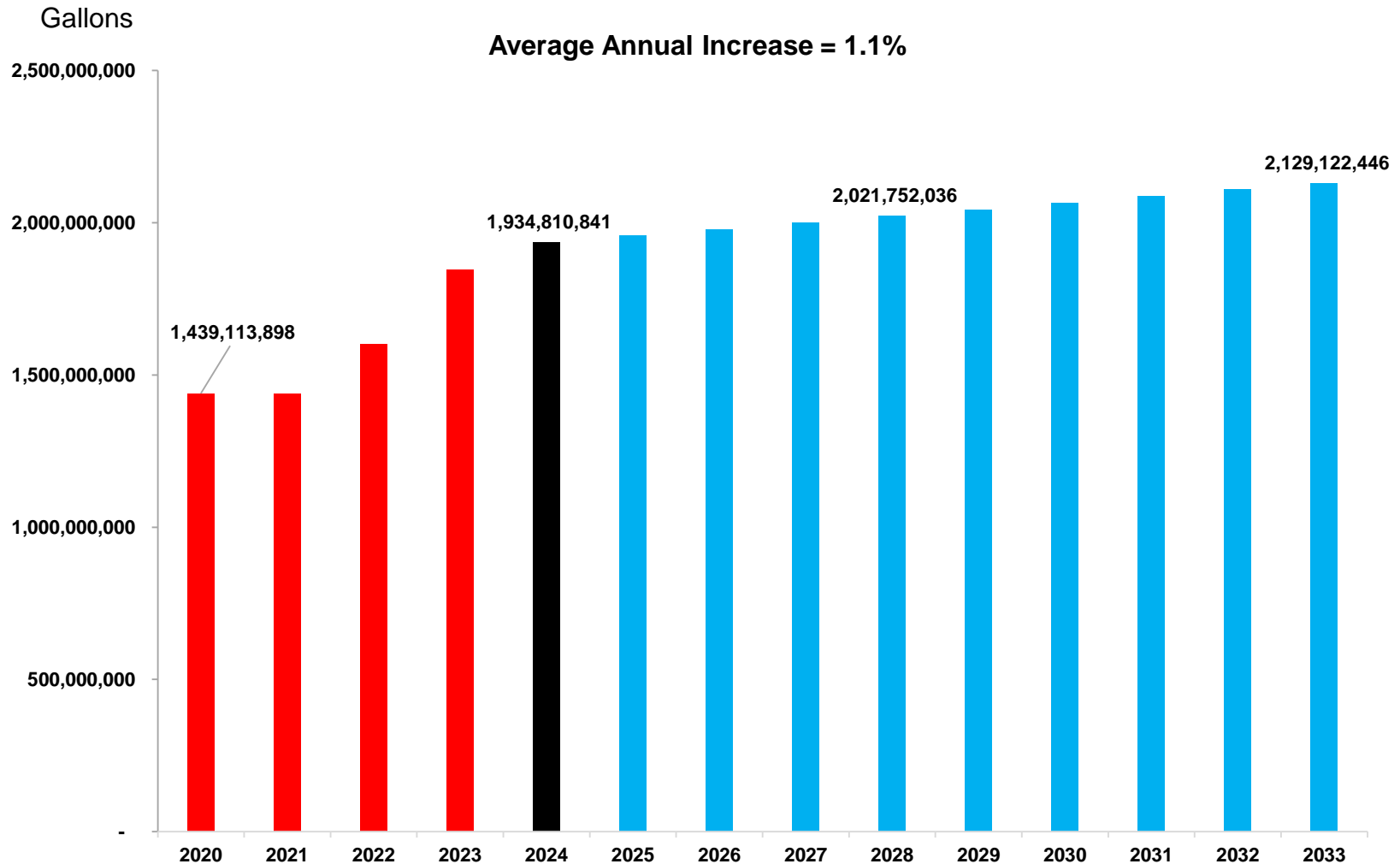
TY 2024 Water Consumption

Avg Residential Usage Per Month = 7,662



Total = 1,934,810,841 Gallons

Actual and Forecast Water Consumption



Key Assumptions Driving Forecast Financial and Rate Plan

- ◆ Most personnel and operating expenses increase 3-4% per year
- ◆ Certain costs (chemicals, health insurance, etc.) increase at higher rates
- ◆ Biggest impacts on rate plan:
 - ❖ Fort Worth water and wastewater charges
 - ❖ **Debt required to fund CIP**



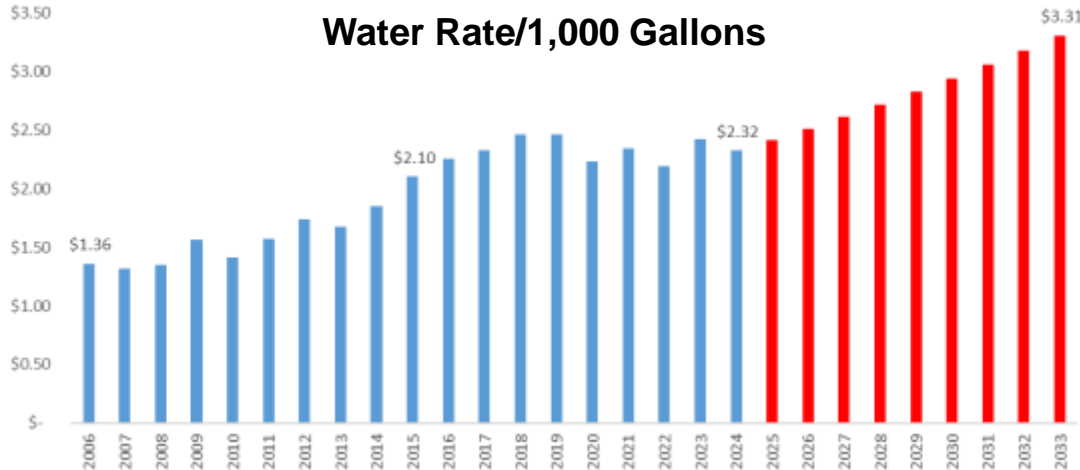
Notes on Rate Plan

- ◆ 3 Rate Plan scenarios to be presented:
 - ❖ Scenario I -- \$138 Million CIP Funding
 - ❖ Scenario II -- \$98 Million CIP Funding
 - ❖ Scenario III -- \$59 Million CIP Funding
- ◆ If no CIP funded, annual rate adjustments of **3-4%** still required
- ◆ Rates presented for October 2024 and forecast for subsequent years



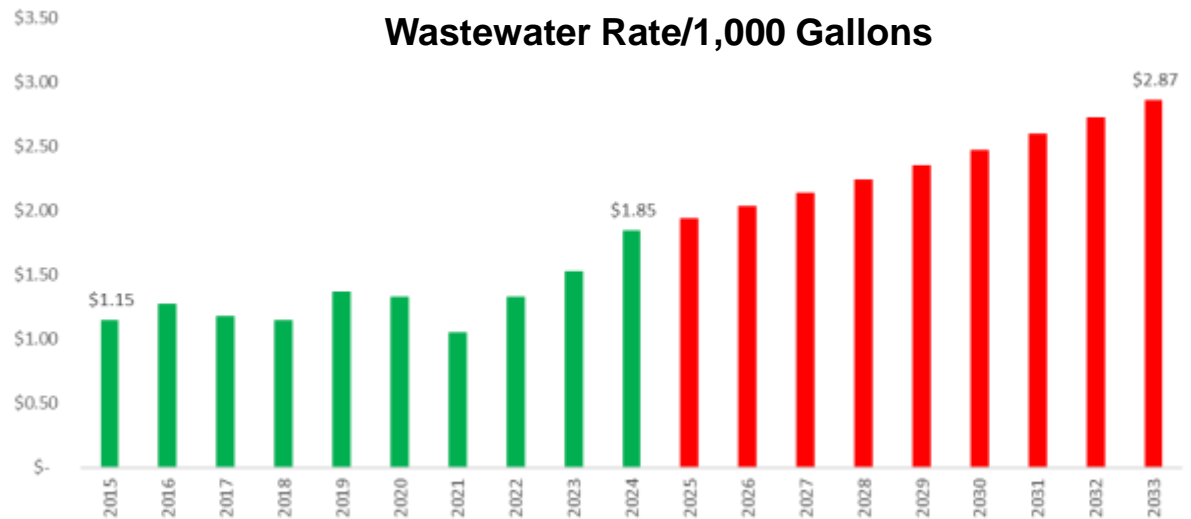
Fort Worth Forecast Water/Wastewater Rates—All Scenarios

Water Rate/1,000 Gallons



- 4.3% Avg Increase 2010-2024
- 4.0% Forecast Annual Increase 2025-2033

Wastewater Rate/1,000 Gallons



- 5.4% Avg Increase 2015-2024
- 5.0% Forecast Annual Increase 2025-2033

Million Water and WW CIP

FY 2024 – FY 2028



WATER PROJECTS

	<u>\$138M Plan</u>	<u>\$98M Plan</u>	<u>\$59M Plan</u>
Waterline Rehabilitation	\$ 6,700,000	\$ 10,000,000	\$ -
Industrial Blvd Pump Station Expansion & Alsbury Pump Station Decomm.	15,716,620	15,716,620	15,716,620
12" Willow Creek Waterline Looping	810,968	810,968	-
Hulen Ground Storage Tank Rehabilitation	1,406,486	1,406,486	-
8" Village Creek Waterline Looping	837,199	837,199	-
Service Center Detention	1,250,000	1,250,000	1,250,000
Mountain Valley EST and GST Demolition	775,000	775,000	-
16" Hulen Street Waterline	3,870,657	3,870,657	3,870,657
12" Waterline Loop for Mountain Valley	1,334,148	1,334,148	-
12" Water Line from Wilshire to John Jones (Future Hulen)	1,324,877	256,361	-
Offsite Water Supply from Fort Worth	16,383,211	16,383,211	16,383,211
Hulen Pump Station Expansion	3,195,604	3,195,604	-
Turkey Peak Elevated Storage Tank Rehabilitation	1,637,382	1,637,382	-
8" County Road 715 Water Line Looping	663,050	663,050	-
Hidden Creek Pkwy Tank Rehab	499,993	499,993	-
New 2023 W Masterplan Projects for Design	2,075,000	-	-
New 2023 W Masterplan Projects for Construction	14,300,000	-	-
New Mountain Valley 0.75 MG EST	3,675,000	-	-
NEW AMI/ AMI Implementation	5,000,000	-	-
TOTAL WATER PROJECTS	81,455,195	58,636,679	37,220,488

WASTEWATER PROJECTS

Sewer Line Rehabilitation	\$ 10,000,000	\$ 15,000,000	\$ -
Trunk Relief Line (Town Creek Basin Parallel Buildout Interceptors)	20,170,000	20,170,000	20,170,000
Gateway Station Lift Station Rehabilitation	832,984	832,984	832,984
Sewer Line Protection- Booger Creek Improvements	600,000	600,000	600,000
Sewer Line Easement Acquisition- Mockingbird to CR913	350,000	350,000	-
Parkview Dr Sewer Upsizing to 10"	1,139,843	1,139,843	-
12" Wastewater line Replacement in Village Creek Basin (Golf Course)	1,459,839	1,459,839	-
AMI/ AMI Implementation	3,000,000	-	-
New 2023 WW Masterplan Projects for Design	3,850,000	-	-
New 2023 WW Masterplan Projects for Construction	14,850,000	-	-
TOTAL WASTEWATER PROJECTS	\$ 56,252,666	\$ 39,552,666	\$ 21,602,984

TOTAL PROJECTS	\$ 137,707,861	\$ 98,189,345	\$ 58,823,472
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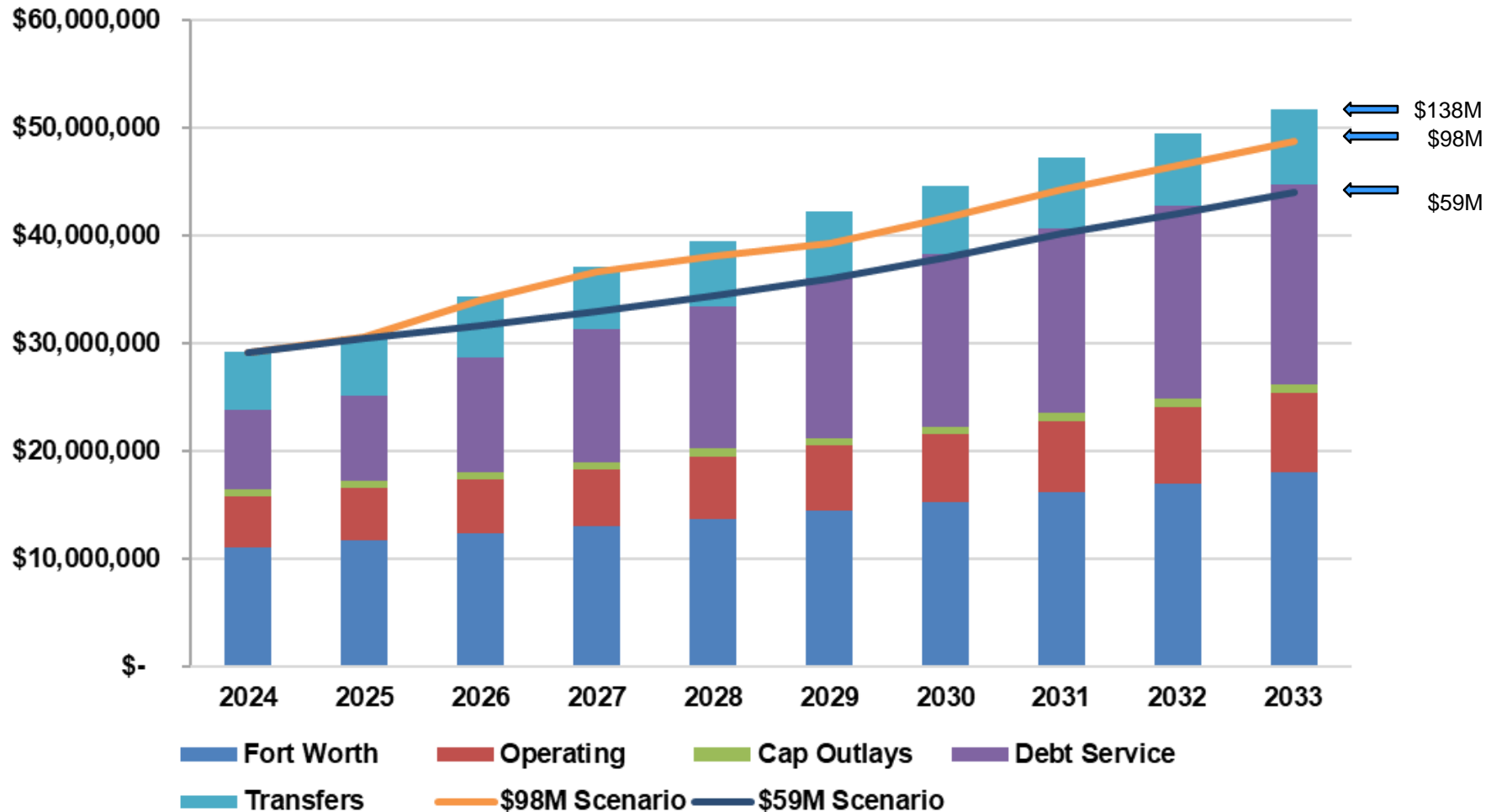


Forecast Bond Issues

\$138M CIP		\$98M CIP		\$59M CIP	
Bond Issues	Total	Bond Issues	Total	Bond Issues	Total
2024	\$ 13,500,000	2024	\$ 13,000,000	2024	\$ 10,000,000
2025	43,000,000	2025	39,000,000	2025	27,000,000
2026	29,000,000	2026	28,000,000	2026	20,500,000
2027	22,500,000	2027	9,000,000	2027	-
2028	26,000,000	2028	5,000,000	2028	-
Total	134,000,000	Total	\$ 94,000,000	Total	\$ 57,500,000

Note: Difference between debt and total CIP = Impact Fees

Water and Wastewater Forecast Cost of Service



Scenario I Rate Plan – Status Quo

\$138M CIP

		Effective	Forecast				
		Oct-24	Oct-25	Oct-26	Oct-27	Oct-28	
WATER		Current					
Monthly Minimum Charge							
3/4"		\$ 16.03	\$ 17.95	\$ 19.93	\$ 21.72	\$ 23.68	\$ 25.10
1"		23.08	25.85	28.69	31.28	34.09	36.14
1 1/2"		43.46	48.68	54.03	58.89	64.19	68.04
2"		64.05	71.74	79.63	86.79	94.60	100.28
3"		154.04	172.52	191.50	208.74	227.52	241.18
4"		256.74	287.55	319.18	347.91	379.22	401.97
6"		512.33	573.81	636.93	694.25	756.73	802.14
8"		767.93	860.08	954.69	1,040.61	1,134.27	1,202.32
10"		1,021.26	1,143.81	1,269.63	1,383.90	1,508.45	1,598.95
12"		1,179.25	1,320.76	1,466.04	1,597.99	1,741.81	1,846.31
Volume Rate Per 1,000 Gal							
-	Above	4.90	5.49	6.09	6.64	7.24	7.67
10,001	20,000	5.92	6.63	7.36	8.02	8.74	9.27
20,001	Above	6.57	7.36	8.17	8.90	9.70	10.29
WASTEWATER							
Monthly Minimum Charge		19.73	22.10	24.53	26.25	28.08	29.49
Volume Rate/1,000 Gal		5.48	6.14	6.81	7.29	7.80	8.19

Scenario I Rate Plan -- \$138M

Impact on Monthly Charges – Res/Comm

		Current	Effective Oct-24	Forecast				
				Oct-25	Oct-26	Oct-27	Oct-28	
Residential Monthly Charges -- 3/4"								
5,000 Water	5,000 WW	\$ 87.66	\$ 98.18	\$ 108.98	\$ 117.62	\$ 126.95	\$ 133.89	
	Increase -- \$		10.52	10.80	8.64	9.33	6.95	
	Increase -- %		12.0%	11.0%	7.9%	7.9%	5.5%	
10,000 Water	5,000 WW	112.16	125.62	139.44	150.81	163.13	172.25	
	Increase -- \$		13.46	13.82	11.38	12.32	9.12	
	Increase -- %		12.0%	11.0%	8.2%	8.2%	5.6%	
30,000 Water	5,000 WW	237.06	265.51	294.71	320.07	347.62	367.80	
	Increase -- \$		28.45	29.21	25.35	27.55	20.19	
	Increase -- %		12.0%	11.0%	8.6%	8.6%	5.8%	
Commercial Monthly Charges -- 2"								
40,000 Water	40,000 WW	\$ 542.58	\$ 607.69	\$ 674.54	\$ 729.30	\$ 788.58	\$ 832.50	
	Increase -- \$		65.11	66.85	54.77	59.28	43.91	
	Increase -- %		12.0%	11.0%	8.1%	8.1%	5.6%	

Scenario II Rate Plan – Status Quo

\$98M CIP

		Current	Effective Oct-24	Forecast			
				Oct-25	Oct-26	Oct-27	Oct-28
WATER							
<u>Monthly Minimum Charge</u>							
3/4"		16.03	17.63	19.40	21.14	22.41	23.76
1"		23.08	25.39	27.93	30.44	32.27	34.20
1 1/2"		43.46	47.81	52.59	57.32	60.76	64.40
2"		64.05	70.46	77.50	84.48	89.54	94.92
3"		154.04	169.44	186.39	203.16	215.35	228.27
4"		256.74	282.41	310.66	338.61	358.93	380.47
6"		512.33	563.56	619.92	675.71	716.25	759.23
8"		767.93	844.72	929.20	1,012.82	1,073.59	1,138.01
10"		1,021.26	1,123.39	1,235.72	1,346.94	1,427.76	1,513.42
12"		1,179.25	1,297.18	1,426.89	1,555.31	1,648.63	1,747.55
<u>Volume Rate Per 1,000 Gal</u>							
-	Above	4.90	5.39	5.93	6.46	6.85	7.26
10,001	20,000	5.92	6.51	7.16	7.81	8.28	8.77
20,001	Above	6.57	7.23	7.95	8.67	9.19	9.74
Wastewater Rates - Residenti							
Monthly Minimum Charge		19.73	21.70	23.87	25.78	27.33	28.70
Volume Rate/1,000 Gal		5.48	6.03	6.63	7.16	7.59	7.97

Scenario II Rate Plan -- \$98M

Impact on Monthly Charges – Res/Comm

		Current	Effective Oct-24	Forecast				
				Oct-25	Oct-26	Oct-27	Oct-28	
Residential Monthly Charges -- 3/4"								
5,000 Water	5,000 WW	\$ 87.66	\$ 96.43	\$ 106.07	\$ 115.04	\$ 121.95	\$ 128.61	
	Increase -- \$		8.77	9.64	8.98	6.90	6.66	
	Increase -- %		10.0%	10.0%	8.5%	6.0%	5.5%	
10,000 Water	5,000 WW	112.16	123.38	135.71	147.36	156.20	164.92	
	Increase -- \$		11.22	12.34	11.64	8.84	8.72	
	Increase -- %		10.0%	10.0%	8.6%	6.0%	5.6%	
30,000 Water	5,000 WW	237.06	260.77	286.84	312.09	330.81	350.01	
	Increase -- \$		23.71	26.08	25.25	18.73	19.20	
	Increase -- %		10.0%	10.0%	8.8%	6.0%	5.8%	
Commercial Monthly Charges -- 2"								
40,000 Water	40,000 WW	\$ 542.58	\$ 596.84	\$ 656.52	\$ 712.72	\$ 755.48	\$ 797.50	
	Increase -- \$		54.26	59.68	56.20	42.76	42.02	
	Increase -- %		10.0%	10.0%	8.6%	6.0%	5.6%	

Scenario III Rate Plan – Status Quo

\$59M CIP

		Effective	Forecast				
Current		Oct-24	Oct-25	Oct-26	Oct-27	Oct-28	
WATER							
Monthly Minimum Charge							
3/4"		16.03	17.47	19.05	20.76	22.21	22.88
1"		23.08	25.16	27.42	29.89	31.98	32.94
1 1/2"		43.46	47.37	51.63	56.28	60.22	62.03
2"		64.05	69.81	76.10	82.95	88.75	91.42
3"		154.04	167.90	183.01	199.49	213.45	219.85
4"		256.74	279.85	305.03	332.49	355.76	366.43
6"		512.33	558.44	608.70	663.48	709.93	731.22
8"		767.93	837.04	912.38	994.49	1,064.11	1,096.03
10"		1,021.26	1,113.17	1,213.36	1,322.56	1,415.14	1,457.59
12"		1,179.25	1,285.38	1,401.07	1,527.16	1,634.06	1,683.09
Volume Rate Per 1,000 Gal							
-	Above	4.90	5.34	5.82	6.35	6.79	6.99
10,001	20,000	5.92	6.45	7.03	7.67	8.20	8.45
20,001	Above	6.57	7.16	7.81	8.51	9.10	9.38
Wastewater Rates - Residentia							
Monthly Minimum Charge		19.73	20.91	21.96	23.06	24.21	24.94
Volume Rate/1,000 Gal		5.48	5.81	6.10	6.40	6.72	6.93

Scenario III Rate Plan -- \$59M

Impact on Monthly Charges – Res/Comm

		Current	Effective Oct-24	Forecast				
				Oct-25	Oct-26	Oct-27	Oct-28	
Residential Monthly Charges -- 3/4"								
5,000 Water	5,000 WW	\$ 87.66	\$ 94.14	\$ 100.61	\$ 107.57	\$ 113.99	\$ 117.41	
	Increase -- \$		6.48	6.47	6.96	6.43	3.42	
	Increase -- %		7.4%	6.9%	6.9%	6.0%	3.0%	
10,000 Water	5,000 WW	112.16	120.84	129.72	139.29	147.94	152.38	
	Increase -- \$		8.68	8.88	9.58	8.65	4.44	
	Increase -- %		7.7%	7.3%	7.4%	6.2%	3.0%	
30,000 Water	5,000 WW	237.06	256.98	278.11	301.04	321.01	330.65	
	Increase -- \$		19.92	21.13	22.93	19.97	9.63	
	Increase -- %		8.4%	8.2%	8.2%	6.6%	3.0%	
Commercial Monthly Charges -- 2"								
40,000 Water	40,000 WW	\$ 542.58	\$ 584.24	\$ 626.70	\$ 672.46	\$ 713.95	\$ 735.37	
	Increase -- \$		41.66	42.45	45.77	41.49	21.42	
	Increase -- %		7.7%	7.3%	7.3%	6.2%	3.0%	

Presentation Summary

Next Steps

- ◆ Review assumptions and forecast to determine if any adjustments are required
- ◆ Review CIPs and determine which plan is most appropriate for City
- ◆ Schedule Council workshop to review modified recommendations





Questions?