



August 22, 2023

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# WILLOW PARK, TEXAS WATER & WASTEWATER RATE UPDATE



# BUSINESS FUNDAMENTALS

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## Revenue Sufficiency

Revenues must match or exceed expenses



## Reserves

Must plan for a rainy day



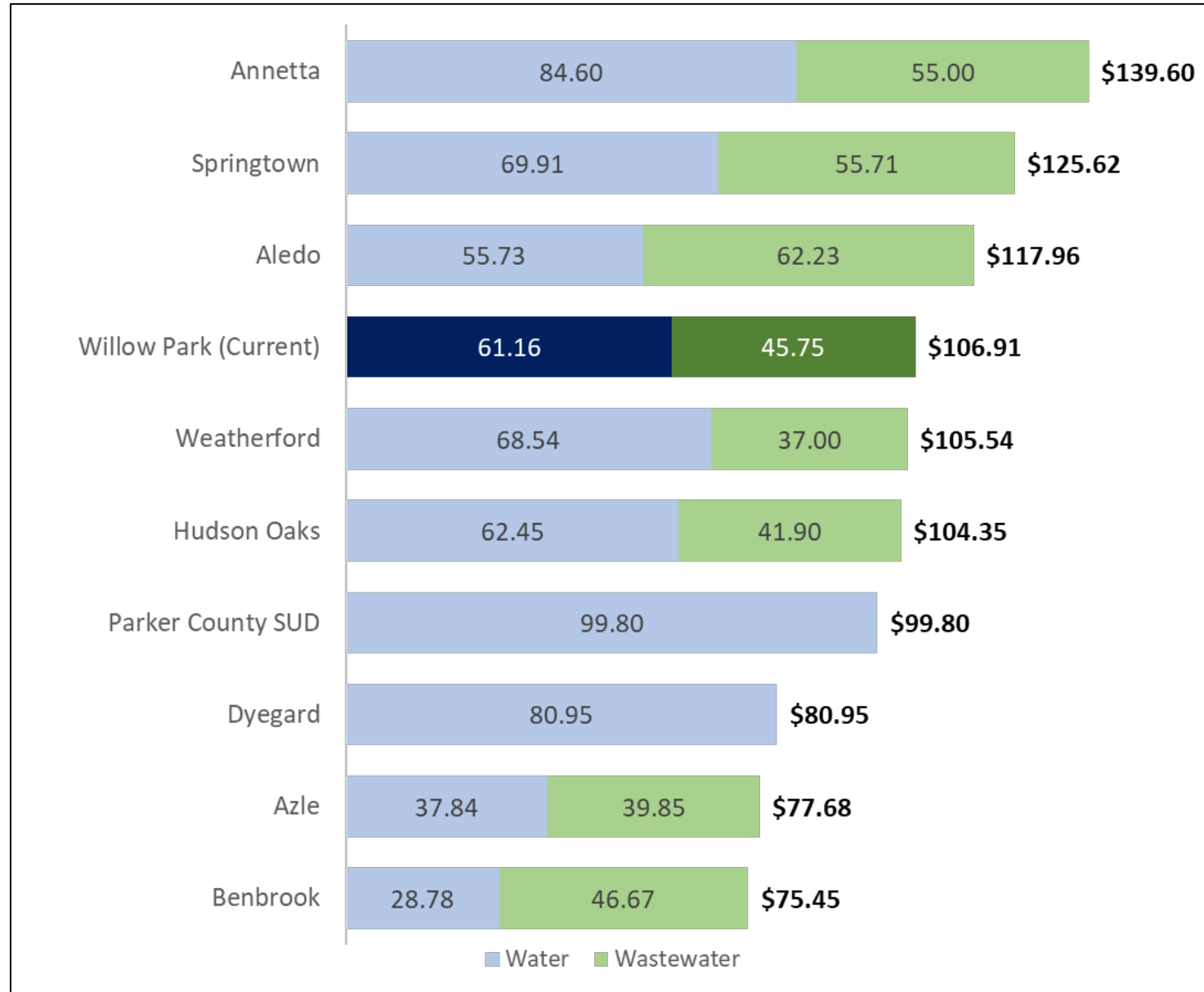
## Reinvestment

We must repair, replace, and reinvest in infrastructure

# REGIONAL BILL COMPARISON

## 5/8" Residential – 5,000 Gallons Water and Wastewater

*Regional Bill Comparison is based on publicly available data and NewGen's understanding and interpretation of this data.*

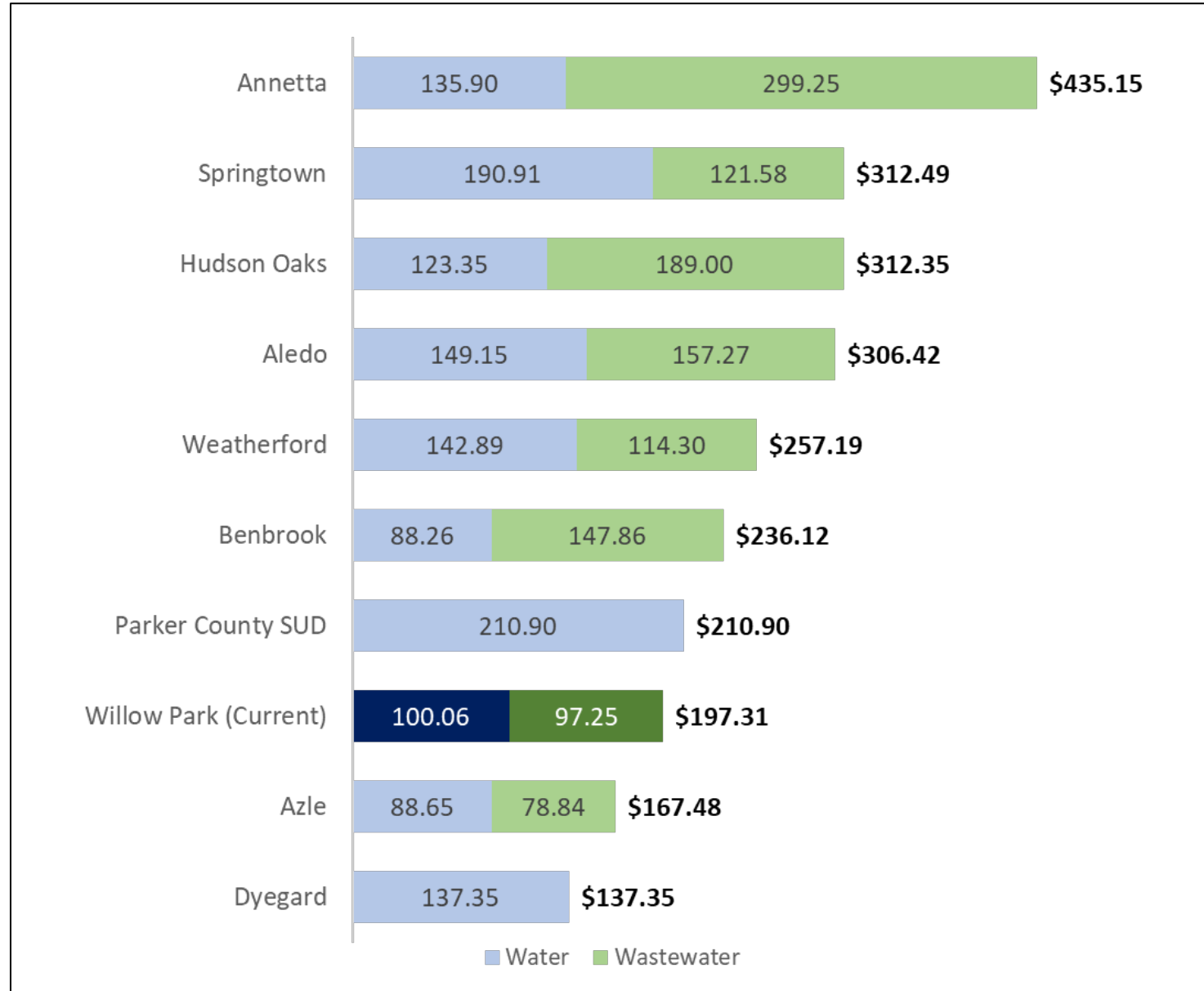


Note: Comparison City rates utilized in the bill calculations were the publicly available rates as of February 2023.

# REGIONAL BILL COMPARISON

5/8" Commercial –  
15,000 Gallons Water  
and Wastewater

*Regional Bill Comparison is based on publicly available data and NewGen's understanding and interpretation of this data.*



Note: Comparison City rates utilized in the bill calculations were the publicly available rates as of February 2023.

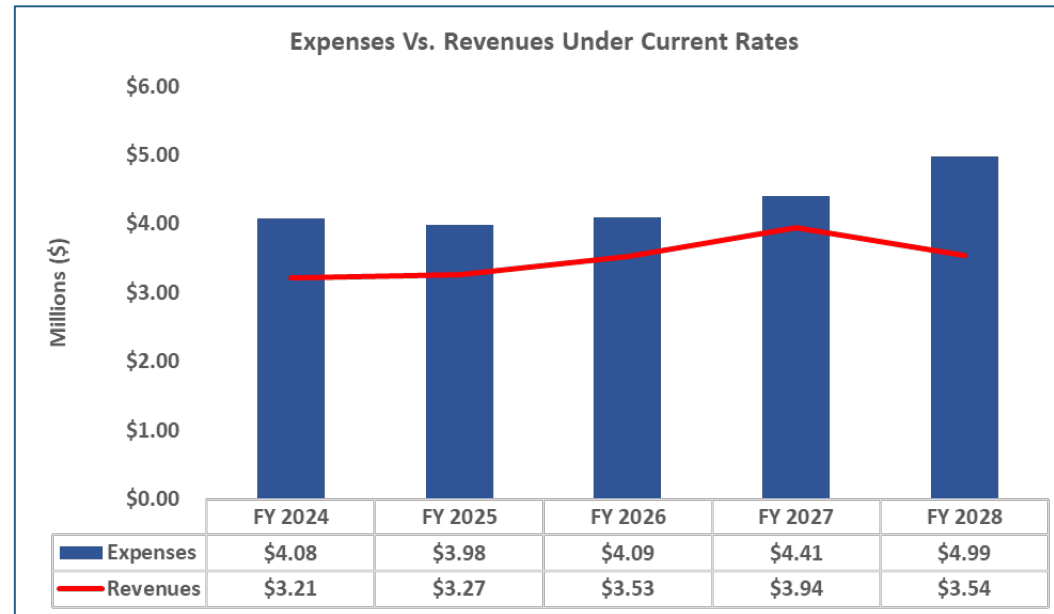
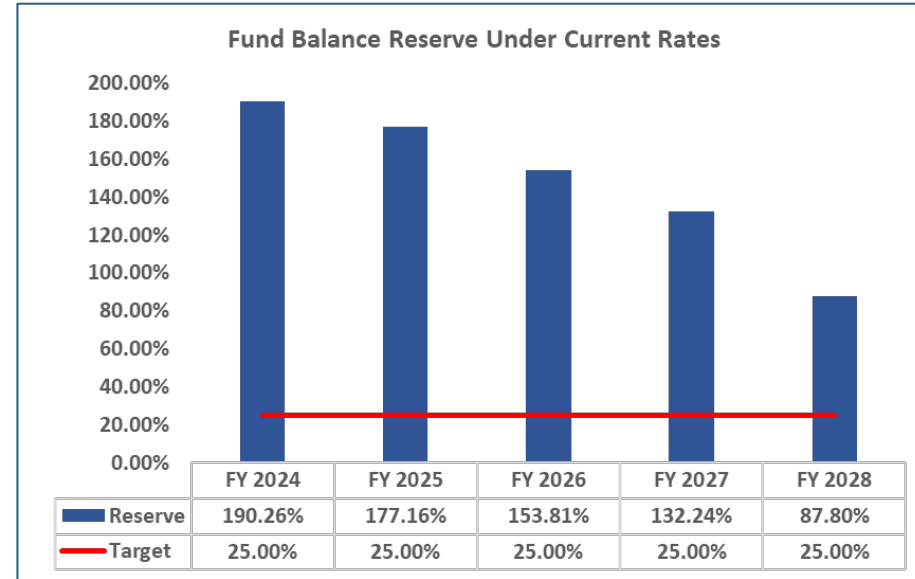
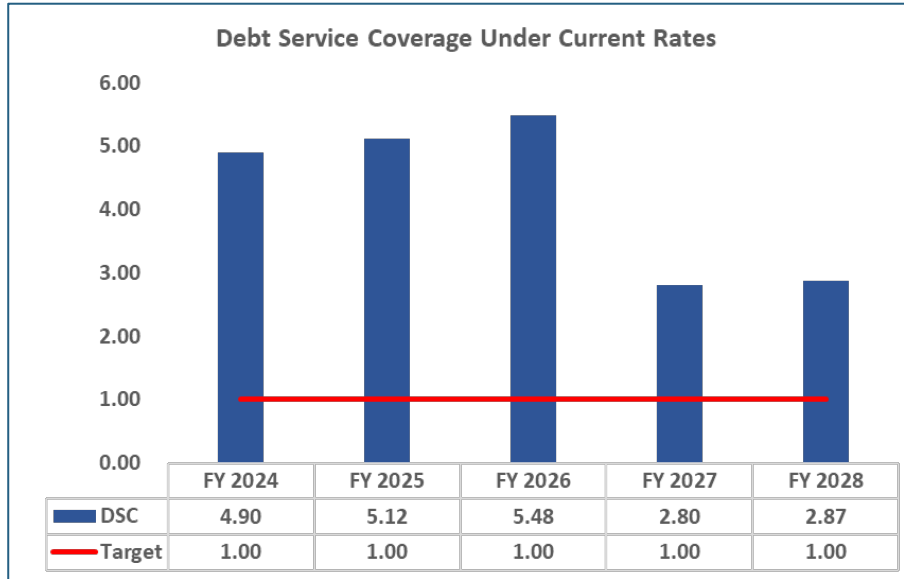
# PROJECTED CAPITAL OUTLAYS

## Water and Wastewater

Project Name	Cost	Funding Method	Funding Year
1.0 MGD Wastewater Treatment Plant	\$ 12,000,000	Existing Debt	2024
1.0 MGD Wastewater Treatment Plant	4,000,000	New Debt	2024
South of IH Sewer Transmission	1,500,000	Developer	2024
New 0.5 MG Elevated Tank (South of IH20)	3,750,000	New Debt	2026
New 0.5 MG Elevated Tank (Fox Hunt)	3,000,000	New Debt	2026
El Chico to Fox Hunt Transmission Line	2,850,000	New Debt	2026
Replace Deteriorated Lines	2,500,000	New Debt	2026
Upsize Lines	2,000,000	New Debt	2026
Collection System Inspection and Testing	150,000	New Debt	2026
Fire Hydrant Additions	100,000	Cash	2026
Willow Springs Oaks Interconnect	75,000	Cash	2026
Fee Studies	35,000	Cash	2026
Crown Road 12" Loop	1,750,000	Developer	2026
Bankhead 8" Water Line	885,000	Developer	2026
Russell Road Water Line	830,000	Developer	2026
<b>TOTAL</b>	<b>\$ 35,425,000</b>		

# 5-YEAR OUTLOOK

## Water Revenue Requirement under Current Rates

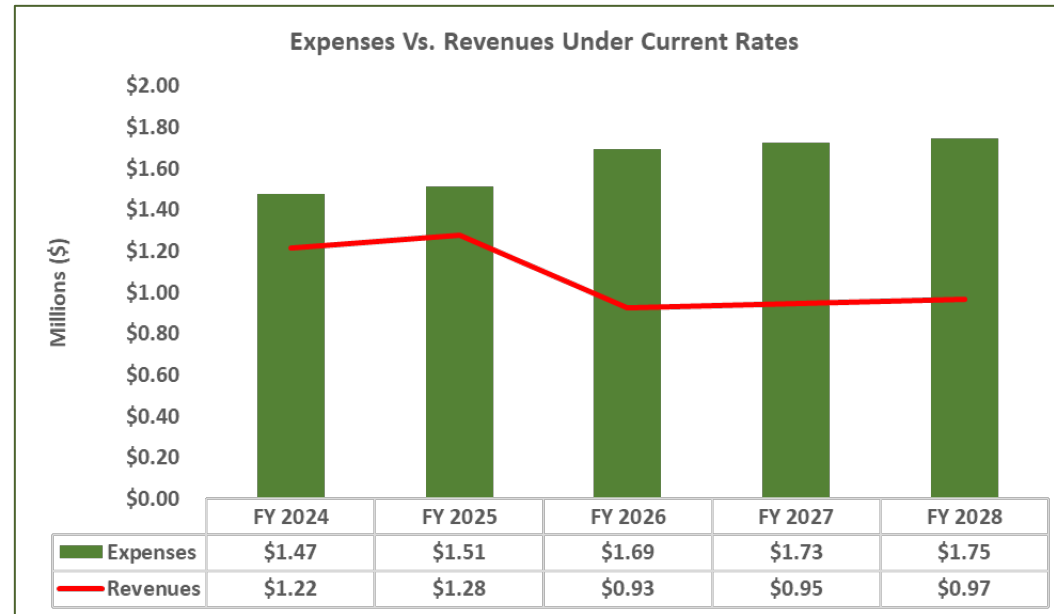
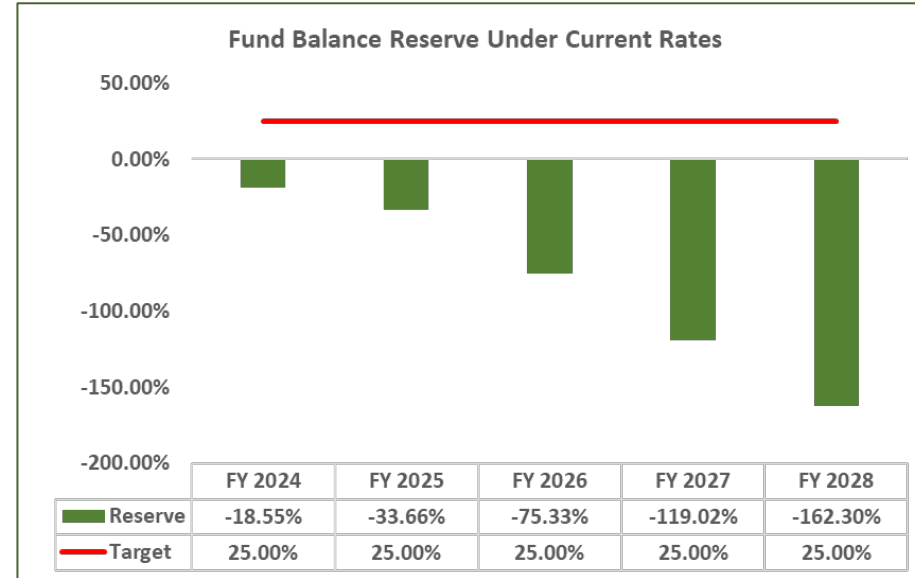
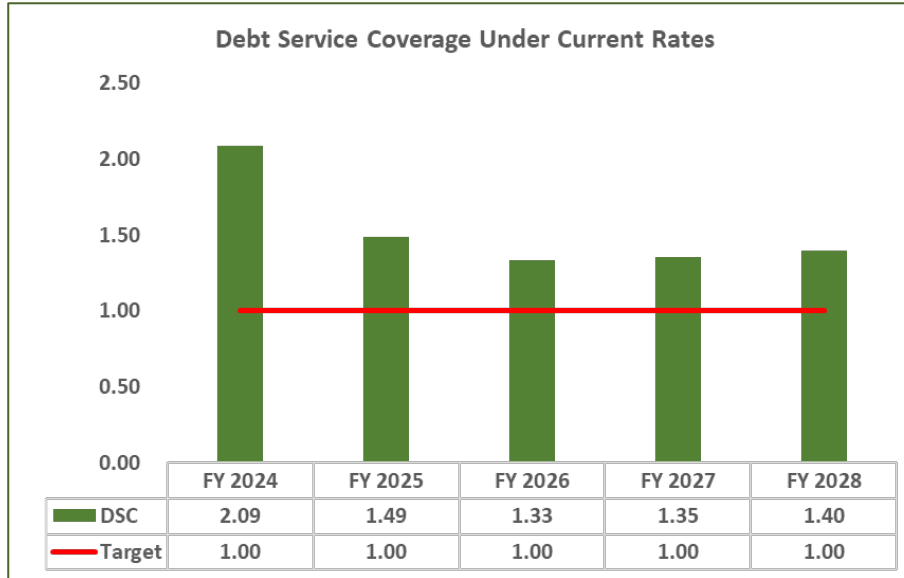


Transfer to Wastewater	
FY 2024	\$ 400,000
FY 2025	210,000
FY 2026	0
FY 2027	0
FY 2028	0

Notes: Calculations of Total Revenues assume Use of Reserves in FY 2026 and Impact Fee Revenues after FY 2027, which causes Total Revenues to vary year to year.

# 5-YEAR OUTLOOK

## Wastewater Revenue Requirement under Current Rates

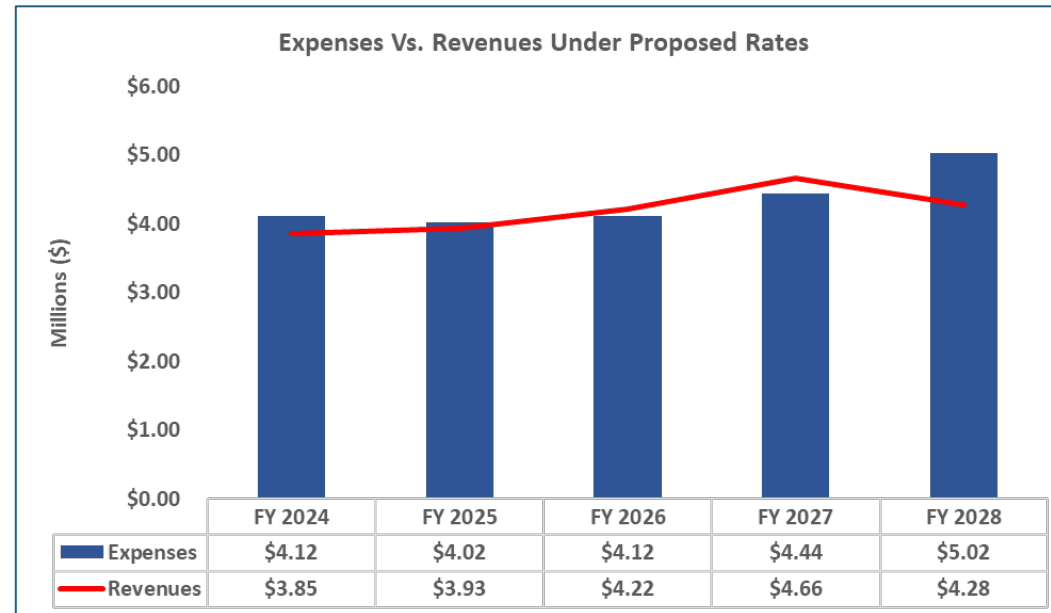
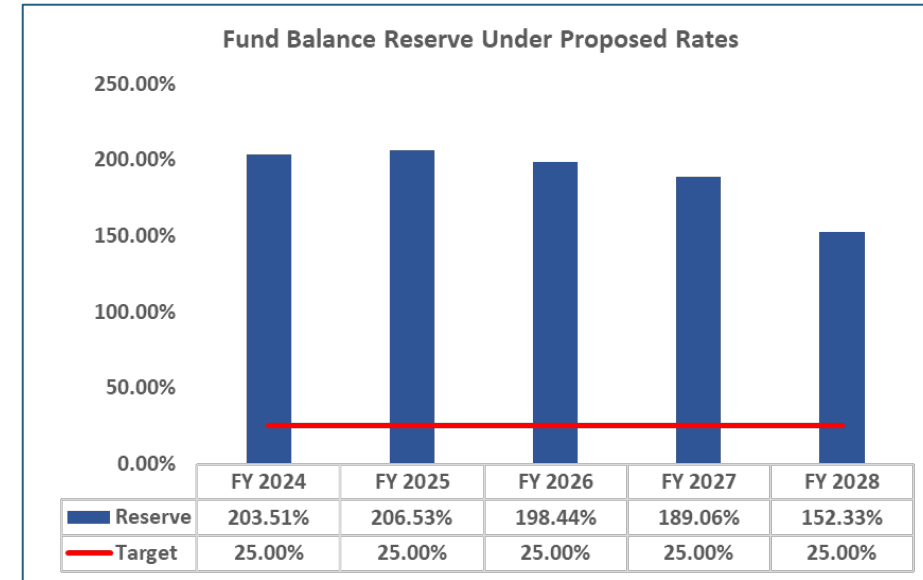
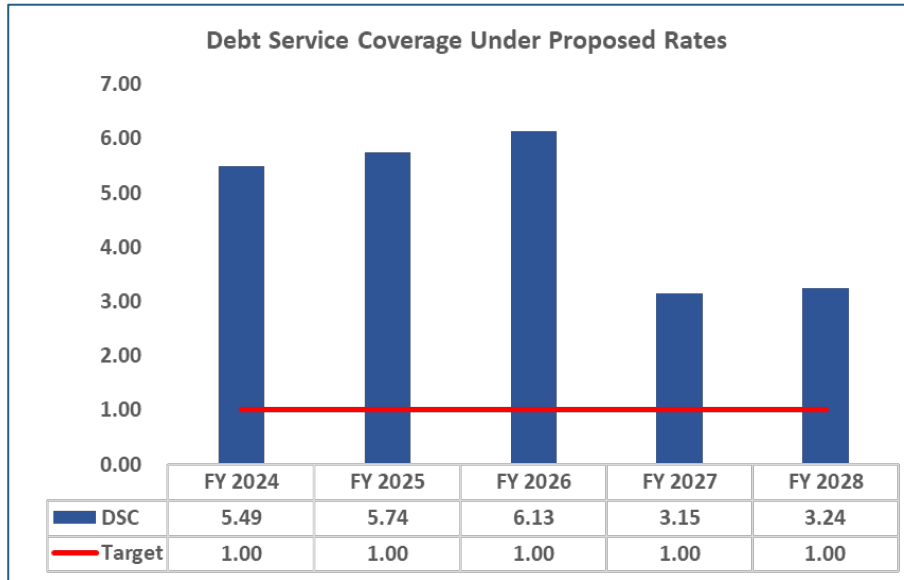


Transfer from Water	
FY 2024	\$ 400,000
FY 2025	210,000
FY 2026	0
FY 2027	0
FY 2028	0

Notes: Calculations of Total Revenues assume Impact Fee Revenues after FY 2025 and the Transfer from Water to phase out by FY 2026, which causes Total Revenues to vary year to year.

# 5-YEAR OUTLOOK

## Water Revenue Requirement under Proposed Rates



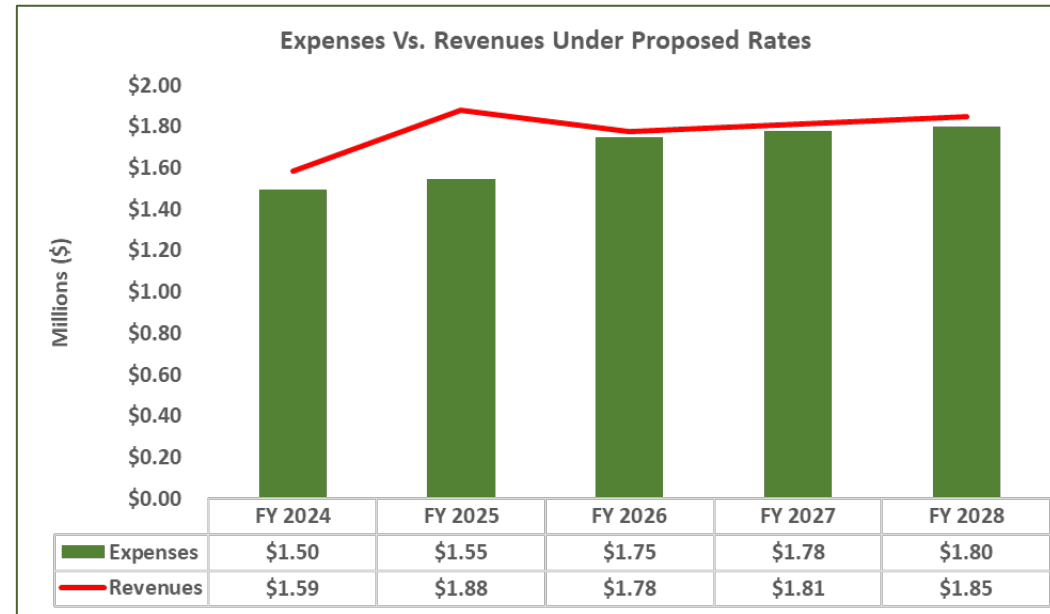
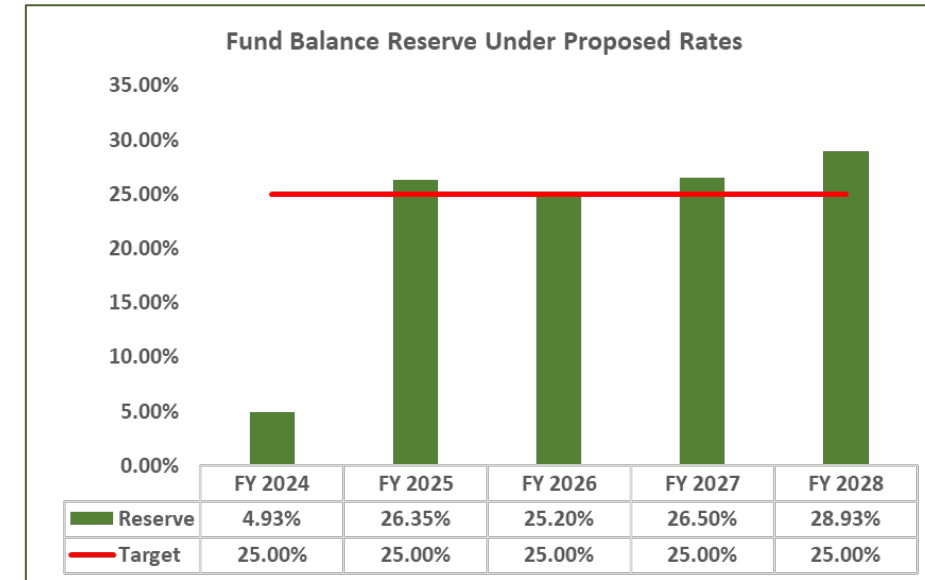
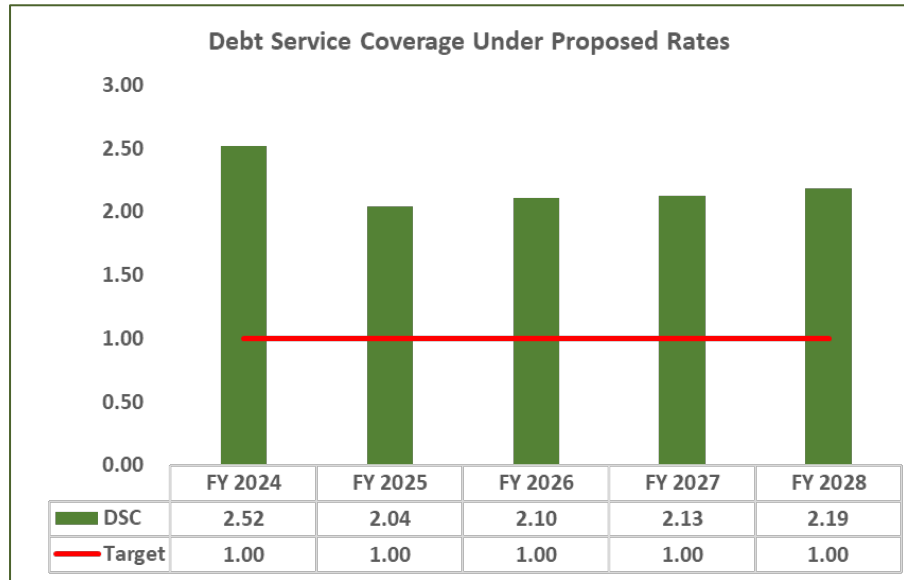
Transfer to Wastewater	
FY 2024	\$ 400,000
FY 2025	210,000
FY 2026	0
FY 2027	0
FY 2028	0

Notes: Calculations of Total Revenues assume Use of Reserves in FY 2026 and Impact Fee Revenues after FY 2027, which causes Total Revenues to vary year to year.



# 5-YEAR OUTLOOK

## Wastewater Revenue Requirement under Proposed Rates



Transfer from Water	
FY 2024	\$ 400,000
FY 2025	210,000
FY 2026	0
FY 2027	0
FY 2028	0

Notes: Calculations of Total Revenues assume Impact Fee Revenues after FY 2025 and the Transfer from Water to phase out by FY 2026, which causes Total Revenues to vary year to year.

# MULTI-FAMILY UNIT BILLING

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- City has the Option to Bill Multi-Family Customers on a per Unit Basis
  - Currently 10 Accounts with a Total of 777 Units
  - Minimum Charge is the Lowest Residential Minimum Rate
  - Volumetric Charge is by Unit Using Residential Volumetric Rates
- Rule: 30 TAC 290.38(16)
  - Connection – A single family residential unit or each commercial or industrial establishment to which drinking water is supplied from the system. As an example, the number of service connections in an apartment complex would be equal to the number of individual apartment units.

# MULTI-FAMILY UNIT BILLING EXAMPLE USING CURRENT RATES

- A Customer with 259 Units with a 6” meter and 630,000 gallons usage

	Current Rates	Current Billing Determinants	Current Bill		Multi-Unit Rates	Multi-Unit Billing Determinants	Billed By Units
Water							
Minimum (6”)	\$2,085.72	1	\$2,086	Minimum (5/8”)	\$41.71	259	\$10,803
Volumes				Volumes			
0-25k	\$3.89	25,000	\$97	0-9k	\$3.89	630,000	\$2,451
25k-50k	4.87	25,000	122	9k-20k	4.87	0	0
50k+	6.08	580,000	3,526	20k-40k	6.08	0	0
				40k+	7.60	0	0
Volumes (gal)		630,000	\$3,745	Volumes (gal)		630,000	\$2,451
<b>Total Bill</b>			<b>\$5,831</b>				<b>\$13,254</b>

Note: Volumes per unit for multi-family billing are 2,432 gallons

# MULTI-FAMILY UNIT BILLING EXAMPLE (CONT.)

## USING CURRENT RATES

- A Customer with 259 Units with a 6” meter and 630,000 gallons usage

	Current Rates	Current Billing Determinants	Current Bill	Multi-Unit Rates	Multi-Unit Billing Determinants	Billed By Units
Wastewater						
Minimum	\$20.00	1	\$20.00	\$20.00	259	\$5,180
Volumetric	\$5.15	630,000	3,245	\$5.15	630.000	3,245
Total Bill			\$3,265			\$8,425
Water Bill						
			\$5,831			\$13,254
Wastewater Bill			3,265			8,425
Total Bill			\$9,096			\$21,678

# PROPOSED RATES

## Residential

Volumetric Charge is per 1,000 gallons

Multi-Family Charged by Unit Starting in FY 2024

Water	# of Connections	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Minimum Charge							
5/8" & 3/4"	1,468	\$ 41.71	\$ 41.71	\$ 41.71	\$ 41.71	\$ 41.71	\$ 41.71
1"	4	104.29	104.29	104.29	104.29	104.29	104.29
1 1/2"	0	208.57	208.57	208.57	208.57	208.57	208.57
2"	0	333.72	333.72	333.72	333.72	333.72	333.72
3"	0	625.72	625.72	625.72	625.72	625.72	625.72
4"	0	1,042.86	1,042.86	1,042.86	1,042.86	1,042.86	1,042.86
6"	0	2,085.72	2,085.72	2,085.72	2,085.72	2,085.72	2,085.72
Volumetric Charge							
0-9,000		\$ 3.89	\$ 3.89	\$ 3.97	\$ 4.05	\$ 4.13	\$ 4.21
9,001-20,000		4.87	4.87	4.97	5.07	5.17	5.27
20,001-40,000		6.08	6.08	6.20	6.32	6.44	6.56
40,001+		7.60	7.60	7.75	7.90	8.05	8.20
Sewer	# of Connections	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Minimum Charge	871	\$ 20.00	\$ 24.80	\$ 29.60	\$ 34.40	\$ 34.40	\$ 34.40
Volumetric Charge		\$ 5.15	\$ 6.39	\$ 7.63	\$ 8.87	\$ 8.87	\$ 8.87

# PROPOSED RATES

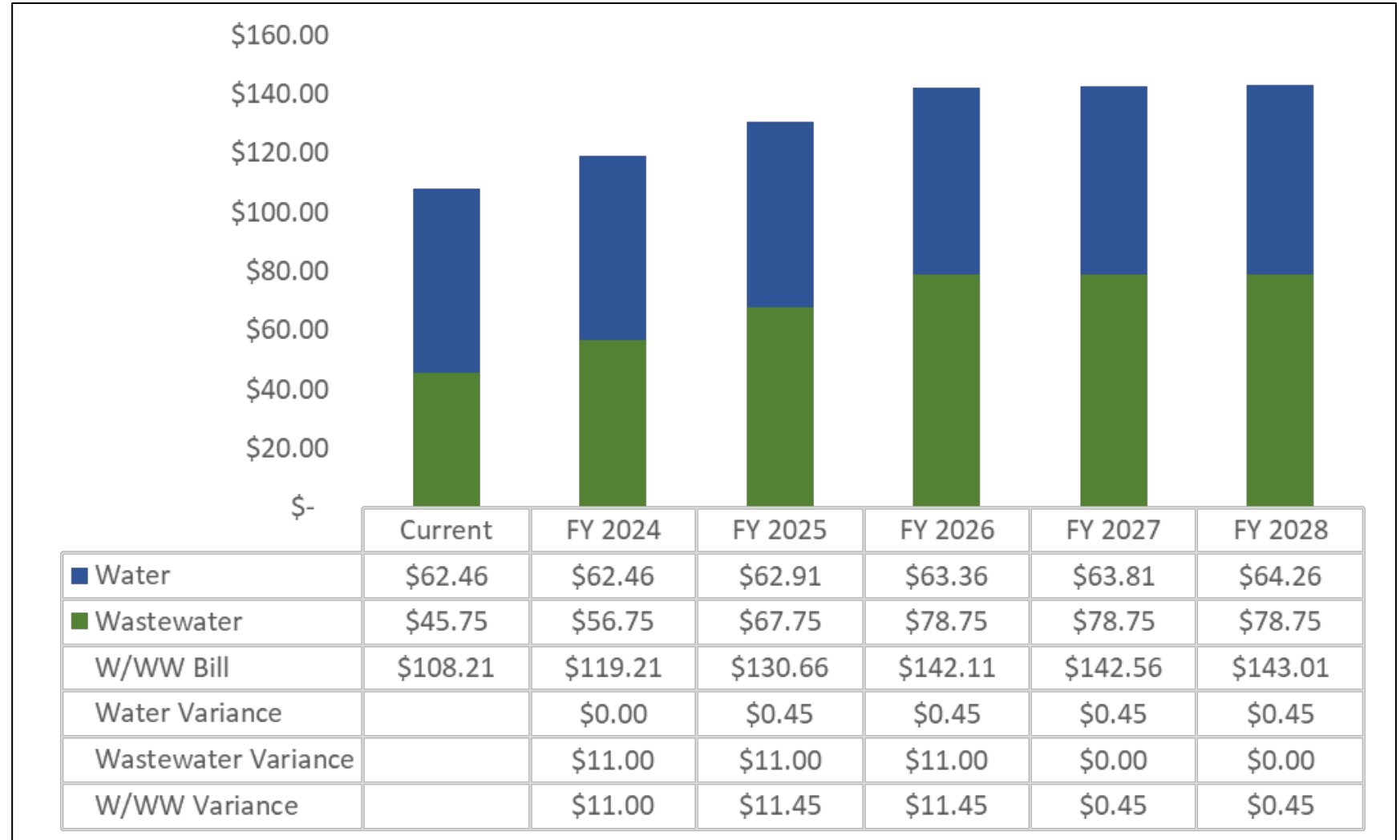
## Commercial

Volumetric Charge is per 1,000 gallons

	# of Connections	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
<b>Minimum Charge</b>							
5/8" & 3/4"	51	\$ 41.71	\$ 41.71	\$ 41.71	\$ 41.71	\$ 41.71	\$ 41.71
1"	28	104.29	104.29	104.29	104.29	104.29	104.29
1 1/2"	12	208.57	208.57	208.57	208.57	208.57	208.57
2"	24	333.72	333.72	333.72	333.72	333.72	333.72
3"	2	625.72	625.72	625.72	625.72	625.72	625.72
4"	4	1,042.86	1,042.86	1,042.86	1,042.86	1,042.86	1,042.86
6"	1	2,085.72	2,085.72	2,085.72	2,085.72	2,085.72	2,085.72
<b>Volumetric Charge</b>							
0-25,000		\$ 3.89	\$ 3.89	\$ 3.97	\$ 4.05	\$ 4.13	\$ 4.21
25,001-50,000		4.87	4.87	4.97	5.07	5.17	5.27
50,001+		6.08	6.08	6.20	6.32	6.44	6.56
Sewer	# of Connections	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Minimum Charge	89	\$ 20.00	\$ 24.80	\$ 29.60	\$ 34.40	\$ 34.40	\$ 34.40
Volumetric Charge		\$ 5.15	\$ 8.18	\$ 9.76	\$ 11.34	\$ 11.34	\$ 11.34

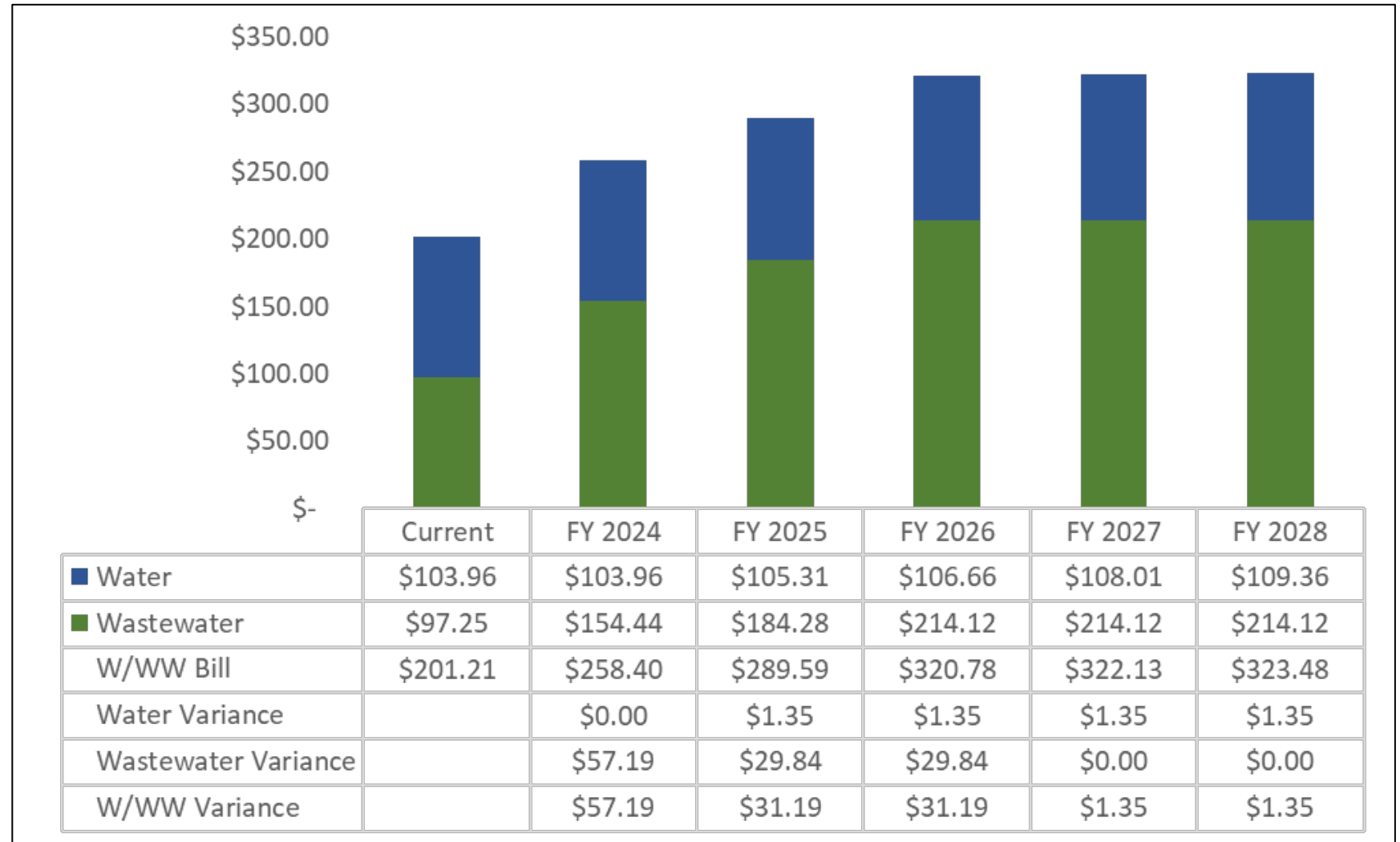
# MONTHLY BILL IMPACTS

5/8" Residential –  
5,000 Gallons Water  
and Wastewater



# MONTHLY BILL IMPACTS

5/8" Commercial –  
15,000 Gallons Water  
and Wastewater

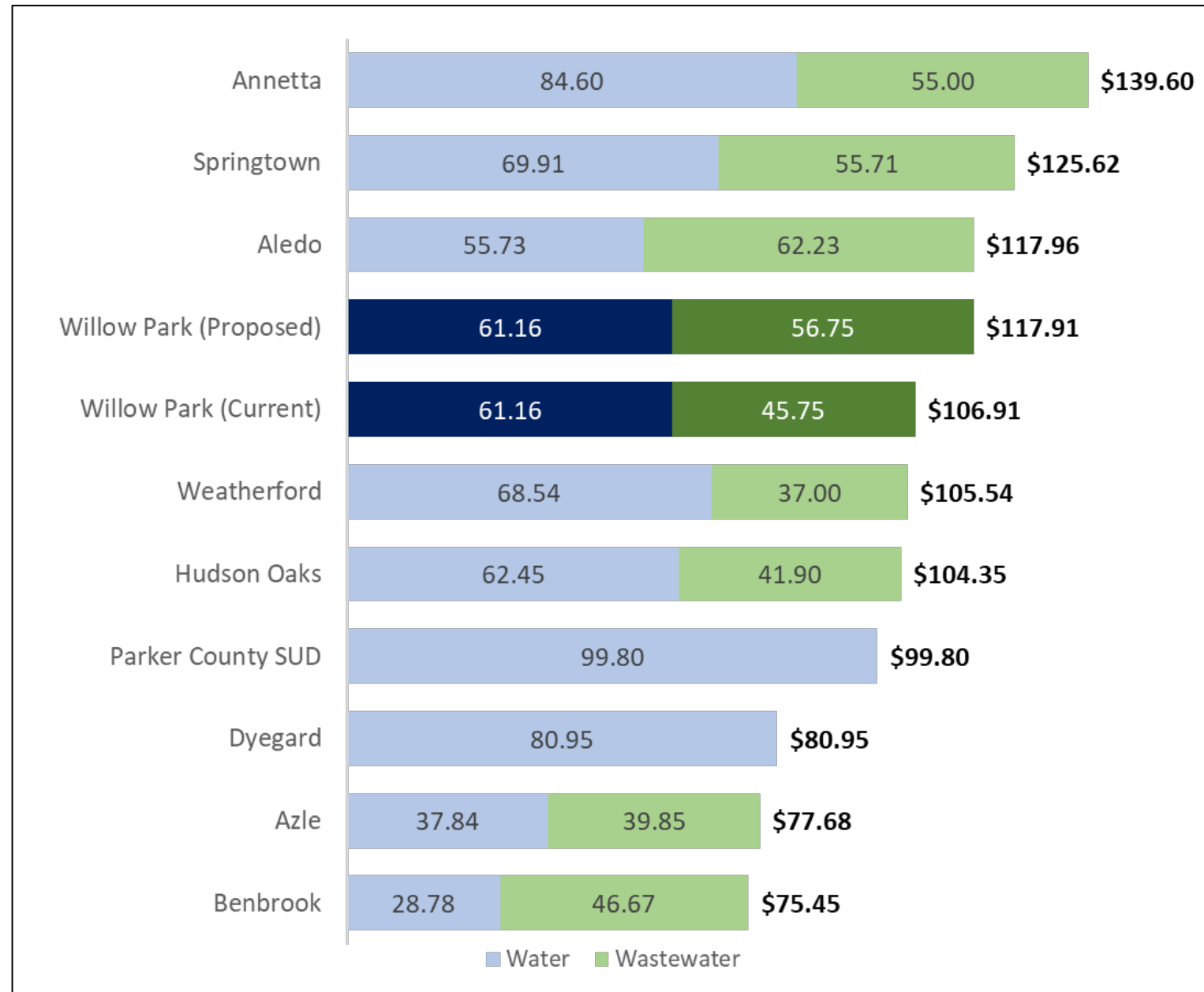




# REGIONAL BILL COMPARISON

## 5/8" Residential – 5,000 Gallons Water and Wastewater

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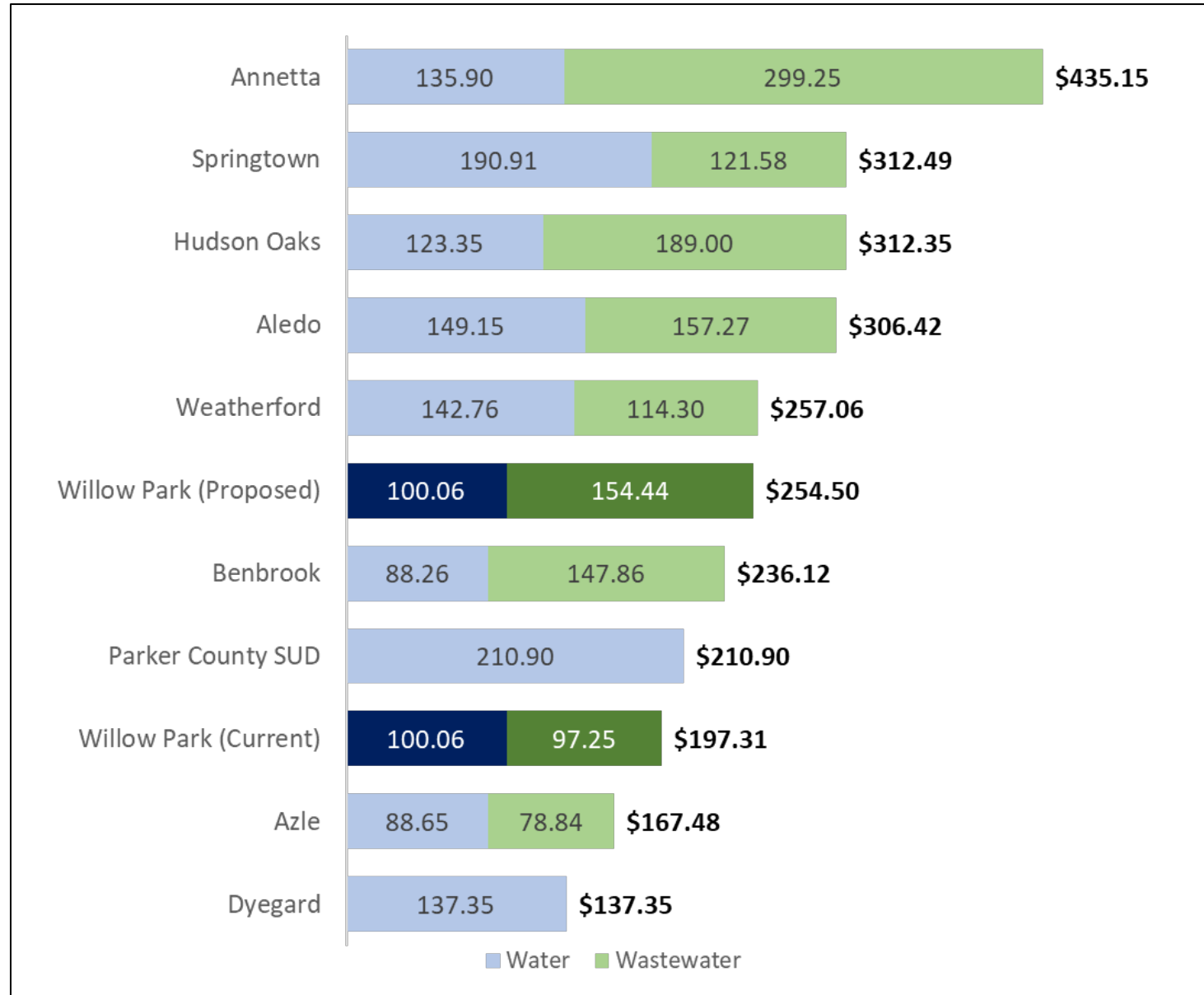


Note: Comparison City rates utilized in the bill calculations were the publicly available rates as of June 2023.

# REGIONAL BILL COMPARISON

## 5/8" Commercial – 15,000 Gallons Water and Wastewater

*Regional Bill Comparison is based on publicly available data and NewGen's understanding and interpretation of this data.*



Note: Comparison City rates utilized in the bill calculations were the publicly available rates as of June 2023.



# QUESTIONS AND DISCUSSION

**NEWGEN STRATEGIES AND SOLUTIONS**  
275 W. CAMPBELL ROAD, SUITE 440  
RICHARDSON, TEXAS 75080

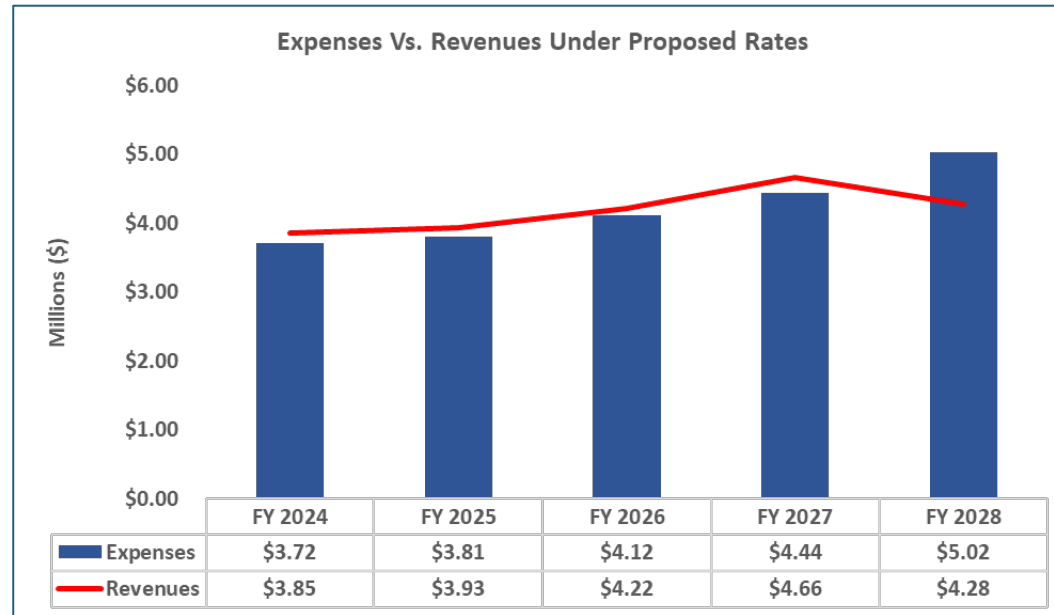
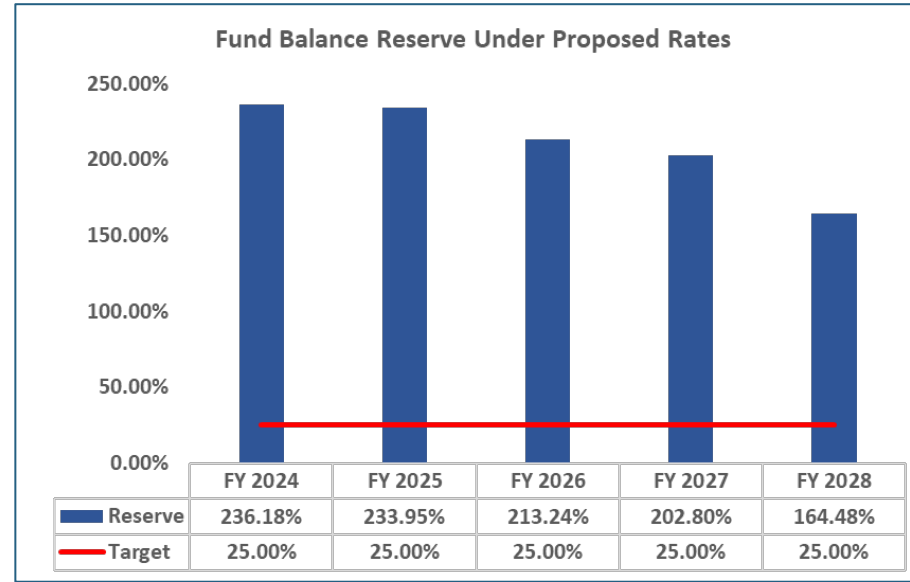
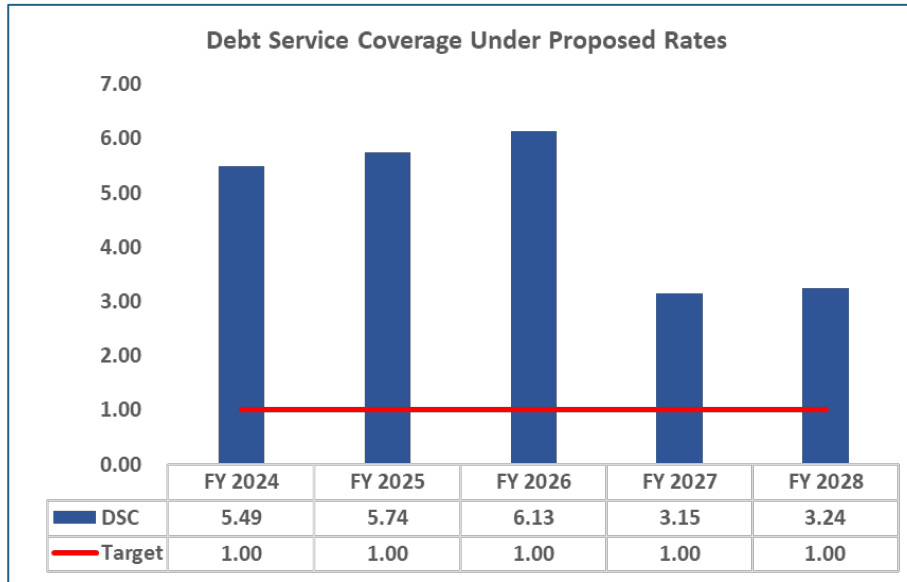
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# 5-YEAR OUTLOOK

Water Revenue  
Requirement  
under Proposed Rates

Without Transfer



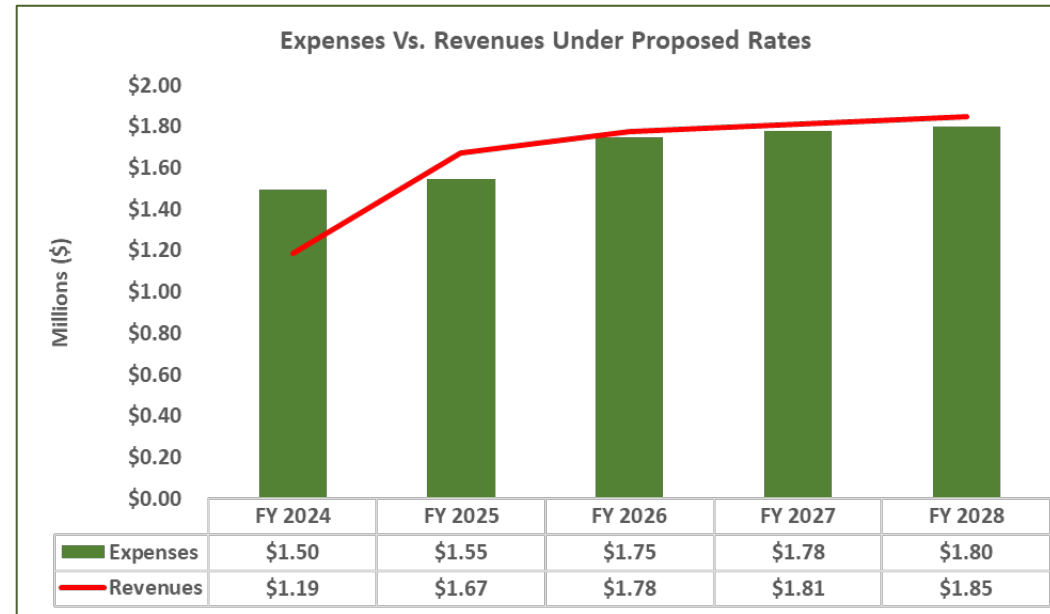
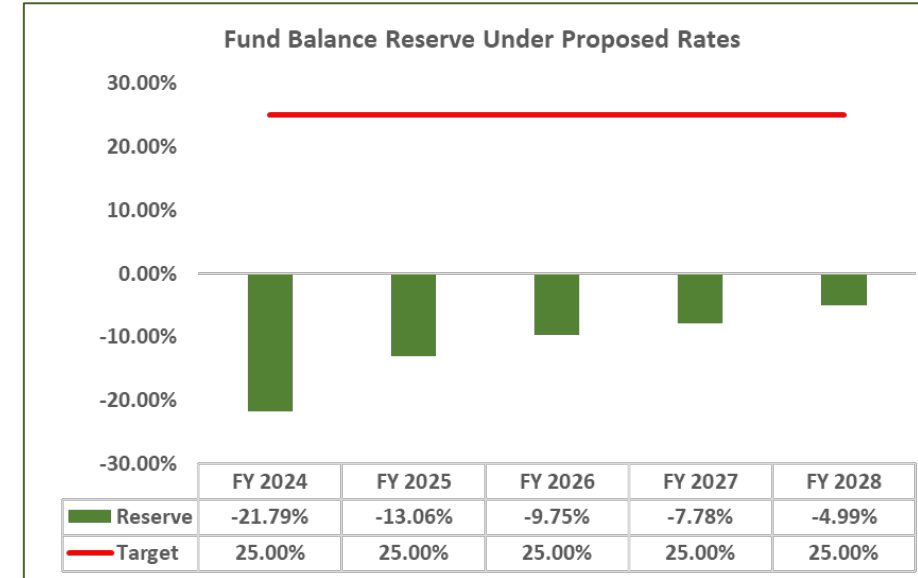
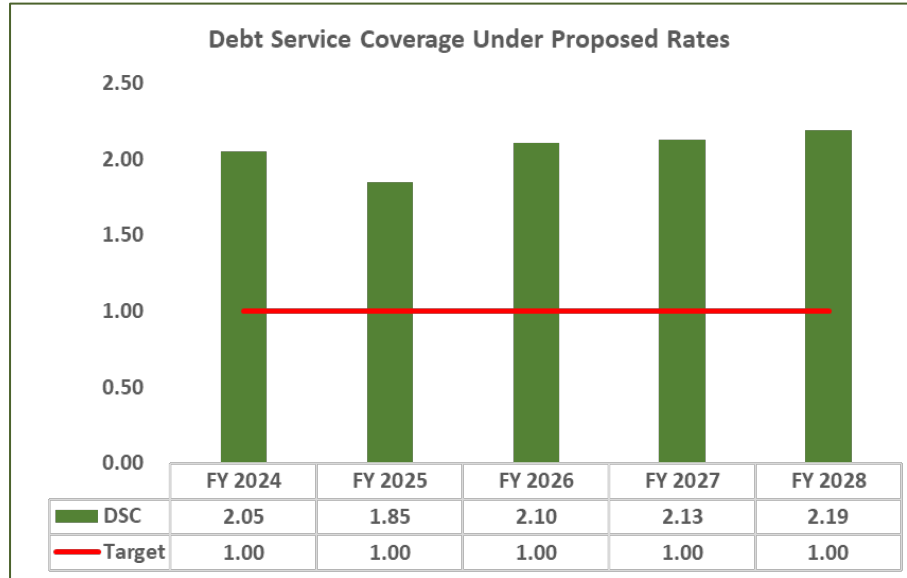
Transfer to Wastewater	
FY 2024	\$ 0
FY 2025	0
FY 2026	0
FY 2027	0
FY 2028	0

Notes: Calculations of Total Revenues assume Use of Reserves in FY 2026 and Impact Fee Revenues after FY 2027, which causes Total Revenues to vary year to year.

# 5-YEAR OUTLOOK

Wastewater Revenue  
Requirement  
under Proposed Rates

Without Transfer



Transfer from Water	
FY 2024	\$ 0
FY 2025	0
FY 2026	0
FY 2027	0
FY 2028	0

Notes: Calculations of Total Revenues assume Impact Fee Revenues after FY 2025 and the Transfer from Water to phase out by FY 2026, which causes Total Revenues to vary year to year.