



Water Capital Improvement Plan and Funding

Project Description	Cost Estimate>>>					Total
	2025	2026	2027	2028	2029	2025 - 2029
Elevated Storage Tank - Alcove	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Distribution Improvements for Elevated Tank	-	-	-	-	-	-
EDR Plant #2	14,750,000	-	-	-	-	14,750,000
Lubbock North Connection and Ground Storage	-	-	-	-	-	-
Loop 88 East Connection and Ground Storage	-	-	-	-	-	-
Loop 88 North Connection and Ground Storage	250,000	2,750,000	-	-	-	3,000,000
Harvest Wells	-	-	-	-	-	-
Overlook Wells	-	-	-	-	-	-
TOTAL	\$ 16,000,000	\$ 2,750,000	\$ -	\$ -	\$ -	\$ 18,750,000
<u>Total CIP Funding</u>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Debt	16,000,000	2,750,000	-	-	-	18,750,000
Existing Funds	-	-	-	-	-	-
TOTAL	\$ 16,000,000	\$ 2,750,000	\$ -	\$ -	\$ -	\$ 18,750,000



Water Impact Fee Fund

	2024	2025	2026	2027	2028	2029
Impact Fee Fund						
Beginning Balance	\$ -	\$ -	\$ 186,982	\$ -	\$ -	\$ -
Revenues						
Impact Fee Revenue	\$ -	\$ 812,000	\$ 1,116,500	\$ 1,421,000	\$ 1,775,032	\$ 1,775,032
Total Impact Fee Revenue Available	\$ -	\$ 812,000	\$ 1,303,482	\$ 1,421,000	\$ 1,775,032	\$ 1,775,032
Expenses						
Projected Debt (P&I), Growth Related	\$ -	\$ 625,018	\$ 1,661,775	\$ 1,803,686	\$ 1,803,686	\$ 1,803,686
Impact Fee Revenues Used	\$ -	\$ 625,018	\$ 1,303,482	\$ 1,421,000	\$ 1,775,032	\$ 1,775,032
Impact Fee Ending Balance	\$ -	\$ 186,982	\$ -	\$ -	\$ -	\$ -
Impact Fee Revenue						
Connections at Start of Year	3,021	3,427	3,833	4,239	4,645	5,051
New Connections (Rate Model)	406	406	406	406	406	406
New Connections (Impact Fee model)	406	406	406	406	406	406
Full Impact Fee (\$ / new connection) ¹	\$ 4,372	\$ 4,372	\$ 4,372	\$ 4,372	\$ 4,372	\$ 4,372
Impact Fee (\$ / new connection)	\$ -	\$ 2,000	\$ 2,750	\$ 3,500	\$ 4,372	\$ 4,372
Impact Fee Phase In	0%	46%	63%	80%	100%	100%
Projected Revenue	\$ -	\$ 812,000	\$ 1,116,500	\$ 1,421,000	\$ 1,775,032	\$ 1,775,032



Water Purchases and Consumption

Water Purchases / Consumption	2024	2025	2026	2027	2028	2029
Loop 88 LLC						
Volumes Purchased (kgal)	0	0	0	182,500	273,750	365,000
Rate (\$ / kgal)	\$ -	\$ -	\$ -	\$ 2.00	\$ 2.00	\$ 2.00
Cost of Water Purchased	\$ -	\$ -	\$ -	\$ 365,000	\$ 547,500	\$ 730,000
Lubbock, TX						
Volumes Purchased (kgal)	182,500	182,500	212,917	273,750	273,750	273,750
Rate (\$ / kgal)	\$ 7.34	\$ 7.57	\$ 7.81	\$ 8.05	\$ 8.30	\$ 8.56
Cost of Water Purchased	\$ 1,339,550	\$ 1,381,528	\$ 1,662,291	\$ 2,204,206	\$ 2,273,280	\$ 2,344,518
Total Cost of Water Purchased	\$ 1,339,550	\$ 1,381,528	\$ 1,662,291	\$ 2,569,206	\$ 2,820,780	\$ 3,074,518
Projected Water Consumption						
Water Consumption over Full Year (kgal)	302,209	342,259	381,930	418,013	457,780	497,547
Share of Consumption Charged	100%	100%	100%	100%	100%	100%
Water Consumption Charged (kgal)	302,209	342,259	381,930	418,013	457,780	497,547
Effective Rate of Purchased Water (\$ / kgal)						
Loop 88 LLC	\$ -	\$ -	\$ -	\$ 0.87	\$ 1.20	\$ 1.47
Lubbock, TX	\$ 4.43	\$ 4.04	\$ 4.35	\$ 5.27	\$ 4.97	\$ 4.71
Total Effective Rate	\$ 4.43	\$ 4.04	\$ 4.35	\$ 6.15	\$ 6.16	\$ 6.18



Water Fund Balance Summary Under Current Rates

FINANCIAL SUMMARY	2024	2025	2026	2027	2028	2029
REVENUES						
Water Sales ¹	\$ 4,639,391	\$ 5,262,858	\$ 5,884,717	\$ 6,491,337	\$ 7,113,603	\$ 7,735,869
Impact Fees	-	-	-	-	-	-
Other Revenues	334,927	367,062	400,977	436,754	474,474	514,226
TOTAL REVENUES	\$ 4,974,319	\$ 5,629,919	\$ 6,285,694	\$ 6,928,091	\$ 7,588,077	\$ 8,250,095
EXPENSES						
O&M	\$ 2,768,964	\$ 2,918,739	\$ 3,075,573	\$ 3,219,186	\$ 3,370,903	\$ 3,533,519
Water Purchases	1,339,550	1,381,528	1,662,291	2,569,206	2,820,780	3,074,518
Cash Capital Outlays	-	-	-	-	-	-
Existing Debt Service	1,106,967	1,076,440	1,079,761	1,083,765	1,080,866	1,078,883
Projected Debt Service	-	766,248	1,807,071	1,996,285	1,996,285	1,996,285
TOTAL EXPENSES	\$ 5,215,482	\$ 6,142,955	\$ 7,624,695	\$ 8,868,442	\$ 9,268,833	\$ 9,683,205
CHANGE IN NET POSITION	\$ (241,163)	\$ (513,035)	\$ (1,339,001)	\$ (1,940,351)	\$ (1,680,756)	\$ (1,433,110)
Beginning Fund Balance	\$ 1,317,259	\$ 1,076,096	\$ 563,061	\$ (775,940)	\$ (2,716,291)	\$ (4,397,047)
Change in Fund Balance	(241,163)	(513,035)	(1,339,001)	(1,940,351)	(1,680,756)	(1,433,110)
Ending Fund Balance	\$ 1,076,096	\$ 563,061	\$ (775,940)	\$ (2,716,291)	\$ (4,397,047)	\$ (5,830,157)
KEY FINANCIAL STATISTICS						
Debt Service Coverage:						
Total Revenues	\$ 4,974,319	\$ 5,629,919	\$ 6,285,694	\$ 6,928,091	\$ 7,588,077	\$ 8,250,095
Less: O&M Expenses	4,108,514	4,300,267	4,737,864	5,788,392	6,191,682	6,608,036
Available for Debt Service Requirements	\$ 865,804	\$ 1,329,653	\$ 1,547,830	\$ 1,139,699	\$ 1,396,395	\$ 1,642,059
Total Debt Service Requirements	1,106,967	1,842,688	2,886,831	3,080,050	3,077,151	3,075,169
Actual Debt Service Coverage	0.78	0.72	0.54	0.37	0.45	0.53
DSC Target	1.10	1.10	1.10	1.10	1.10	1.10
Additional Funds to Meet Target DSC	\$ 351,860	\$ 697,304	\$ 1,627,684	\$ 2,248,356	\$ 1,988,471	\$ 1,740,627
Days Cash on Hand:						
Operating Expenditures	\$ 4,108,514	\$ 4,300,267	\$ 4,737,864	\$ 5,788,392	\$ 6,191,682	\$ 6,608,036
Daily O&M Requirement	11,256	11,782	12,980	15,859	16,964	18,104
Ending Fund Balance	\$ 1,076,096	\$ 563,061	\$ (775,940)	\$ (2,716,291)	\$ (4,397,047)	\$ (5,830,157)
Days of Operating Expenses	96	48	(60)	(171)	(259)	(322)
Fund Balance Requirement (\$)	\$ 1,013,058	\$ 1,060,340	\$ 1,168,240	\$ 1,427,275	\$ 1,526,716	\$ 1,629,379
Over (Short of) Requirement	63,038	(497,279)	(1,944,180)	(4,143,566)	(5,923,763)	(7,459,536)

Notes:

[1] Assuming 5% uncollectible revenue



Projected Water Rates

FY	Current	2024	2025	2026	2027	2028	2029
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Inside City Water & Outside City Water

Fixed Charges:

EDR Fee (\$ per month)

EDR Fee	\$ 7.29	\$ 7.29	\$ 7.29	\$ 7.29	\$ 7.29	\$ 7.29	\$ 7.29
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Minimum Monthly Fee (\$ per month)

5/8"	\$ 75.62	\$ 75.62	\$ 76.91	\$ 81.63	\$ 87.01	\$ 87.01	\$ 87.01
3/4"	75.62	75.62	76.91	81.63	87.01	87.01	87.01
1"	75.62	75.62	76.91	81.63	87.01	87.01	87.01
1 1/2"	75.62	75.62	76.91	81.63	87.01	87.01	87.01
2"	75.62	75.62	76.91	81.63	87.01	87.01	87.01

Total Fixed Monthly Fee (\$ per month)

5/8"	\$ 82.91	\$ 82.91	\$ 84.20	\$ 88.92	\$ 94.30	\$ 94.30	\$ 94.30
3/4"	82.91	82.91	84.20	88.92	94.30	94.30	94.30
1"	82.91	82.91	84.20	88.92	94.30	94.30	94.30
1 1/2"	82.91	82.91	84.20	88.92	94.30	94.30	94.30
2"	82.91	82.91	84.20	88.92	94.30	94.30	94.30

Volumetric Charges:

Volumetric Rate (\$ per kgal), Exc. Cost of Purchased Water

0-3,000 gal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,000-15,000 gal	3.32	3.32	3.38	3.60	3.60	3.60	3.60
15,000-30,000 gal	4.49	4.49	4.57	4.87	4.87	4.87	4.87
30,000-50,000 gal	6.05	6.05	6.16	6.56	6.56	6.56	6.56
50,000+ gal	8.17	8.17	8.32	8.86	8.86	8.86	8.86

Frenship Volumetric Rate (\$ per kgal), Exc. Cost of Purchased Water

0-3,000 gal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,001+ gal	1.89	1.89	1.92	2.05	2.05	2.05	2.05

<i>Cost of Water (\$ per kgal)</i>	\$ 4.47	\$ 4.47	\$ 4.47	\$ 4.35	\$ 6.15	\$ 6.15	\$ 6.15
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Total Volumetric Rate (\$ per kgal)

0-3,000 gal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,000-15,000 gal	7.79	7.79	7.85	7.95	9.75	9.75	9.75
15,000-30,000 gal	8.96	8.96	9.04	9.22	11.02	11.02	11.02
30,000-50,000 gal	10.52	10.52	10.63	10.91	12.71	12.71	12.71
50,000+ gal	12.64	12.64	12.79	13.21	15.01	15.01	15.01

Frenship Total Volumetric Rate (\$ per kgal)

0-3,000 gal	-	-	-	-	-	-	-
3,001+ gal	6.36	6.36	6.39	6.40	8.20	8.20	8.20

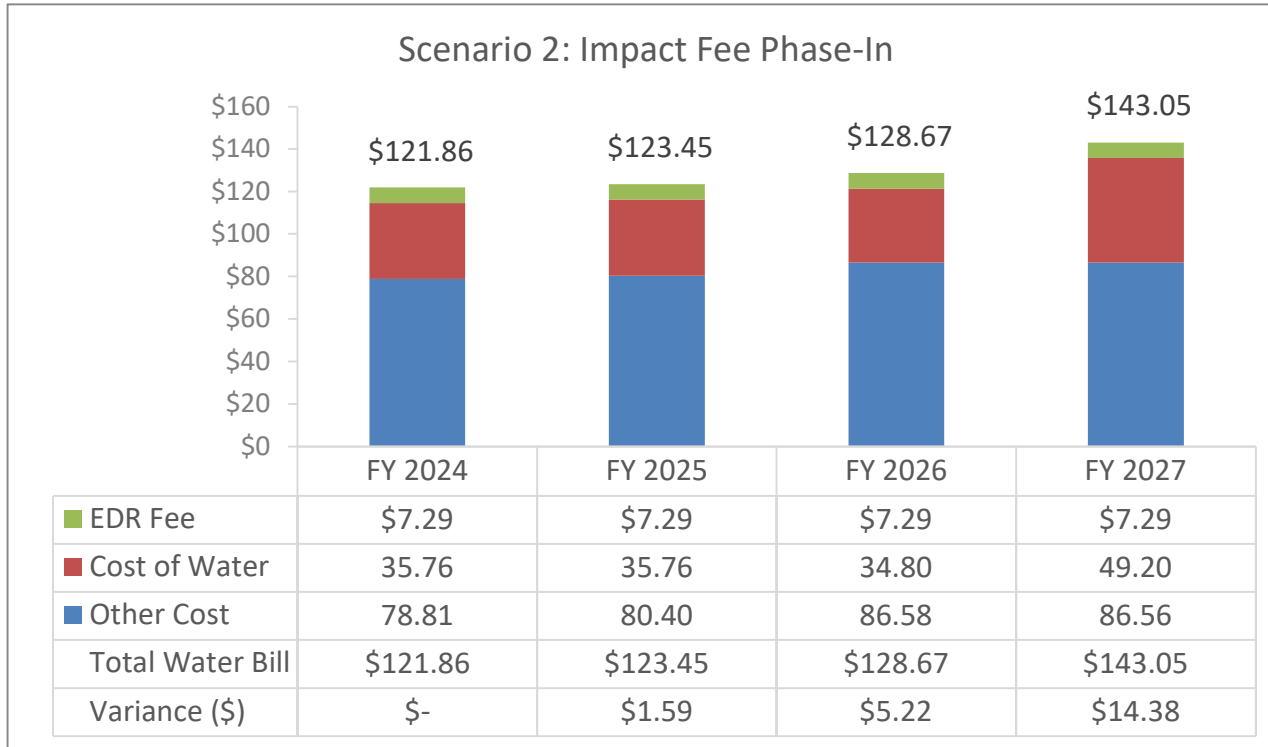
Annual Changes:

Fixed Charge Rate Increase %*	0.00%	1.71%	6.14%	6.59%	0.00%	0.00%
Volumetric Charge Rate Increase %*	0.00%	1.81%	6.51%	0.00%	0.00%	0.00%

* Excluding the EDR fee and cost of purchased water



Residential Customer Bill Impact - 5/8" (8,000 gallons)





Water Fund Balance Summary Under Projected Rates

FINANCIAL SUMMARY	2024	2025	2026	2027	2028	2029
REVENUES						
Water Sales	\$ 4,647,096	\$ 5,337,398	\$ 6,211,208	\$ 7,603,180	\$ 8,330,914	\$ 9,058,648
Impact Fees	-	625,018	1,303,482	1,421,000	1,775,032	1,775,032
Other Revenues	334,927	367,062	400,977	436,754	474,474	514,226
TOTAL REVENUES	\$ 4,982,023	\$ 6,329,477	\$ 7,915,668	\$ 9,460,933	\$ 10,580,421	\$ 11,347,907
EXPENSES						
O&M	\$ 2,768,964	\$ 2,918,739	\$ 3,075,573	\$ 3,219,186	\$ 3,370,903	\$ 3,533,519
Water Purchases	1,339,550	1,381,528	1,662,291	2,569,206	2,820,780	3,074,518
Cash Capital Outlays	-	-	-	-	-	-
Existing Debt Service	1,106,967	1,076,440	1,079,761	1,083,765	1,080,866	1,078,883
Projected Debt Service	-	766,248	1,807,071	1,996,285	1,996,285	1,996,285
TOTAL EXPENSES	\$ 5,215,482	\$ 6,142,955	\$ 7,624,695	\$ 8,868,442	\$ 9,268,833	\$ 9,683,205
CHANGE IN NET POSITION	\$ (233,458)	\$ 186,523	\$ 290,972	\$ 592,492	\$ 1,311,587	\$ 1,664,701
Beginning Fund Balance	\$ 1,317,259	\$ 1,083,801	\$ 1,270,323	\$ 1,561,296	\$ 2,153,787	\$ 3,465,375
Change in Fund Balance	(233,458)	186,523	290,972	592,492	1,311,587	1,664,701
Ending Fund Balance	\$ 1,083,801	\$ 1,270,323	\$ 1,561,296	\$ 2,153,787	\$ 3,465,375	\$ 5,130,076
KEY FINANCIAL STATISTICS						
Debt Service Coverage:						
Total Revenues	\$ 4,982,023	\$ 6,329,477	\$ 7,915,668	\$ 9,460,933	\$ 10,580,421	\$ 11,347,907
Less: O&M Expense	4,108,514	4,300,267	4,737,864	5,788,392	6,191,682	6,608,036
Available for Debt Service Requirements	\$ 873,509	\$ 2,029,210	\$ 3,177,804	\$ 3,672,542	\$ 4,388,738	\$ 4,739,870
Total Debt Service Requirements	1,106,967	1,842,688	2,886,831	3,080,050	3,077,151	3,075,169
Actual Debt Service Coverage	0.79	1.10	1.10	1.19	1.43	1.54
DSC Target	1.10	1.10	1.10	1.10	1.10	1.10
Additional Funds to Meet Target DSC	\$ 344,155	\$ -	\$ -	\$ -	\$ -	\$ -
Days Cash on Hand:						
Operating Expenditures	\$ 4,108,514	\$ 4,300,267	\$ 4,737,864	\$ 5,788,392	\$ 6,191,682	\$ 6,608,036
Daily O&M Requirement	11,256	11,782	12,980	15,859	16,964	18,104
Ending Fund Balance	\$ 1,083,801	\$ 1,270,323	\$ 1,561,296	\$ 2,153,787	\$ 3,465,375	\$ 5,130,076
Days of Operating Expenses	96	108	120	136	204	283
Fund Balance Requirement (\$)	\$ 1,013,058	\$ 1,060,340	\$ 1,168,240	\$ 1,427,275	\$ 1,526,716	\$ 1,629,379
Over (Short of) Requirement	70,742	209,984	393,055	726,513	1,938,659	3,500,697

Notes:

[1] Assuming 5% uncollectible revenue