



Water Capital Improvement Plan and Funding

Project Description	Cost Estimate>>>					
	2024	2025	2026	2027	2028	2029
Elevated Storage Tank - Alcove	\$ 6,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Water Distribution Improvements for Elevated Tank	1,500,000	-	-	-	-	-
EDR Plant #2	250,000	14,750,000	-	-	-	-
Lubbock North Connection and Ground Storage	2,000,000	-	-	-	-	-
Loop 88 East Connection and Ground Storage	1,000,000	-	-	-	-	-
Loop 88 North Connection and Ground Storage	-	250,000	2,750,000	-	-	-
Harvest Wells	500,000	-	-	-	-	-
Overlook Wells	1,000,000	-	-	-	-	-
Water Distribution Improvements	-	1,000,000	-	-	-	-
TOTAL	\$12,750,000	\$ 16,000,000	\$ 2,750,000	\$ -	\$ -	\$ -
Total CIP Funding						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Debt	12,750,000	16,000,000	2,750,000	-	-	-
Existing Funds	-	-	-	-	-	-
TOTAL	\$12,750,000	\$ 16,000,000	\$ 2,750,000	\$ -	\$ -	\$ -



Water Impact Fee Fund

	2024	2025	2026	2027	2028	2029
Impact Fee Fund						
Beginning Balance	\$ -	\$ -	\$ 186,982	\$ -	\$ -	\$ -
Revenues						
Impact Fee Revenue	\$ -	\$ 812,000	\$ 1,055,600	\$ 1,299,200	\$ 1,542,800	\$ 1,775,032
Total Impact Fee Revenue Available	\$ -	\$ 812,000	\$ 1,242,582	\$ 1,299,200	\$ 1,542,800	\$ 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	\$ 1,242,582	\$ 1,299,200	\$ 1,542,800	\$ 1,775,032
Impact Fee Ending Balance	\$ -	\$ 186,982	\$ -	\$ -	\$ -	\$ -
Impact Fee Revenue						
Connections at Start of Year	3,424	3,830	4,236	4,642	5,048	5,454
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	\$ 2,600	\$ 3,200	\$ 3,800	\$ 4,372
Impact Fee Phase In	0%	46%	59%	73%	87%	100%
Projected Revenue	\$ -	\$ 812,000	\$ 1,055,600	\$ 1,299,200	\$ 1,542,800	\$ 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)	328,874	368,116	406,189	442,910	482,017	521,124
Share of Consumption Charged	100%	100%	100%	100%	100%	100%
Water Consumption Charged (kgal)	328,874	368,116	406,189	442,910	482,017	521,124
Effective Rate of Purchased Water (\$ / kgal)						
Loop 88 LLC	\$ -	\$ -	\$ -	\$ 0.82	\$ 1.14	\$ 1.40
Lubbock, TX	\$ 4.07	\$ 3.75	\$ 4.09	\$ 4.98	\$ 4.72	\$ 4.50
Total Effective Rate	\$ 4.07	\$ 3.75	\$ 4.09	\$ 5.80	\$ 5.85	\$ 5.90



Water Fund Balance Summary Under Current Rates

FINANCIAL SUMMARY	2024	2025	2026	2027	2028	2029
REVENUES						
Water Sales ¹	\$ 4,902,113	\$ 5,707,400	\$ 6,315,529	\$ 6,923,659	\$ 7,531,788	\$ 8,139,917
Impact Fees	-	-	-	-	-	-
Other Revenues	331,115	343,951	371,544	400,616	431,234	463,467
TOTAL REVENUES	\$ 5,233,228	\$ 6,051,352	\$ 6,687,073	\$ 7,324,275	\$ 7,963,022	\$ 8,603,384
EXPENSES						
O&M	\$ 2,753,987	\$ 3,426,466	\$ 3,569,935	\$ 3,701,337	\$ 3,839,028	\$ 3,986,276
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	-	602,536	2,004,945	2,031,111	2,132,476	2,128,276
TOTAL EXPENSES	\$ 5,200,504	\$ 6,486,970	\$ 8,316,932	\$ 9,385,419	\$ 9,873,149	\$ 10,267,953
CHANGE IN NET POSITION	\$ 32,724	\$ (435,618)	\$ (1,629,859)	\$ (2,061,144)	\$ (1,910,127)	\$ (1,664,570)
Beginning Fund Balance	\$ 1,317,259	\$ 1,349,983	\$ 914,365	\$ (715,494)	\$ (2,776,638)	\$ (4,686,765)
Change in Fund Balance	32,724	(435,618)	(1,629,859)	(2,061,144)	(1,910,127)	(1,664,570)
Ending Fund Balance	\$ 1,349,983	\$ 914,365	\$ (715,494)	\$ (2,776,638)	\$ (4,686,765)	\$ (6,351,334)
KEY FINANCIAL STATISTICS						
Debt Service Coverage:						
Total Revenues	\$ 5,233,228	\$ 6,051,352	\$ 6,687,073	\$ 7,324,275	\$ 7,963,022	\$ 8,603,384
Less: O&M Expenses	4,093,537	4,807,994	5,232,226	6,270,543	6,659,807	7,060,794
Available for Debt Service Requirements	\$ 1,139,691	\$ 1,243,358	\$ 1,454,847	\$ 1,053,732	\$ 1,303,215	\$ 1,542,590
Total Debt Service Requirements	1,106,967	1,678,976	3,084,706	3,114,876	3,213,342	3,207,159
Actual Debt Service Coverage	1.03	0.74	0.47	0.34	0.41	0.48
DSC Target	1.10	1.10	1.10	1.10	1.10	1.10
Additional Funds to Meet Target DSC	\$ 77,973	\$ 603,515	\$ 1,938,329	\$ 2,372,632	\$ 2,231,461	\$ 1,985,286
Days Cash on Hand:						
Operating Expenditures	\$ 4,093,537	\$ 4,807,994	\$ 5,232,226	\$ 6,270,543	\$ 6,659,807	\$ 7,060,794
Daily O&M Requirement	11,215	13,173	14,335	17,180	18,246	19,345
Ending Fund Balance	\$ 1,349,983	\$ 914,365	\$ (715,494)	\$ (2,776,638)	\$ (4,686,765)	\$ (6,351,334)
Days of Operating Expenses	120	69	(50)	(162)	(257)	(328)
Fund Balance Requirement (\$)	\$ 1,009,365	\$ 1,185,533	\$ 1,290,138	\$ 1,546,161	\$ 1,642,144	\$ 1,741,018
Over (Short of) Requirement	340,617	(271,168)	(2,005,632)	(4,322,799)	(6,328,909)	(8,092,352)

Notes:

[1] Assuming 5% uncollectible revenue



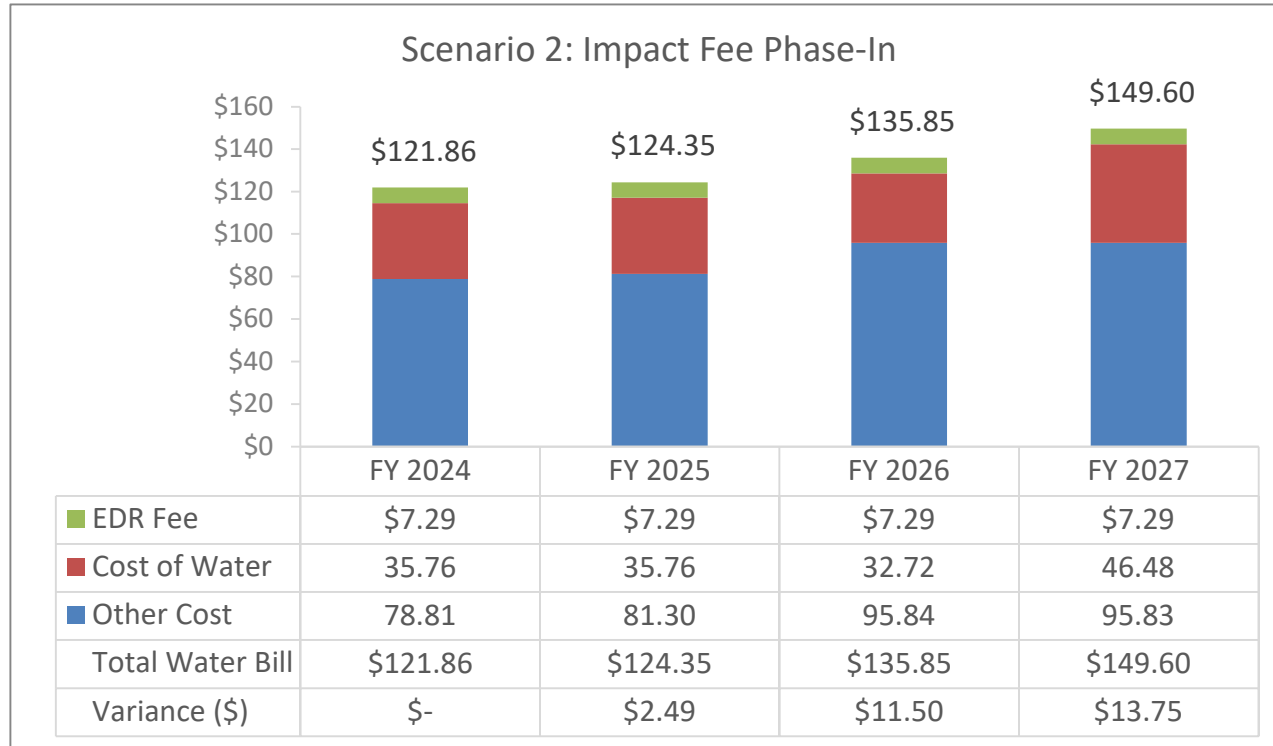
Projected Water Rates

FY	Current	2024	2025	2026	2027	2028	2029
Inside City Water & Outside City Water							
Fixed Charges:							
<i>EDR Fee (\$ per month)</i>							
EDR Fee	\$ 7.29	\$ 7.29	\$ 7.29	\$ 7.29	\$ 7.29	\$ 7.29	\$ 7.29
<i>Minimum Monthly Fee (\$ per month)</i>							
5/8"	\$ 75.62	\$ 75.62	\$ 77.66	\$ 87.12	\$ 91.11	\$ 91.11	\$ 91.11
3/4"	75.62	75.62	77.66	87.12	91.11	91.11	91.11
1"	75.62	75.62	77.66	87.12	91.11	91.11	91.11
1 1/2"	75.62	75.62	77.66	87.12	91.11	91.11	91.11
2"	75.62	75.62	77.66	87.12	91.11	91.11	91.11
<i>Total Fixed Monthly Fee (\$ per month)</i>							
5/8"	\$ 82.91	\$ 82.91	\$ 84.95	\$ 94.41	\$ 98.40	\$ 98.40	\$ 98.40
3/4"	82.91	82.91	84.95	94.41	98.40	98.40	98.40
1"	82.91	82.91	84.95	94.41	98.40	98.40	98.40
1 1/2"	82.91	82.91	84.95	94.41	98.40	98.40	98.40
2"	82.91	82.91	84.95	94.41	98.40	98.40	98.40
Volumetric Charges:							
<i>Volumetric Rate (\$ per kgal), Exc. Cost of Purchased Water</i>							
0-3,000 gal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,000-15,000 gal	3.32	3.32	3.41	3.83	3.83	3.83	3.83
15,000-30,000 gal	4.49	4.49	4.61	5.18	5.18	5.18	5.18
30,000-50,000 gal	6.05	6.05	6.21	6.98	6.98	6.98	6.98
50,000+ gal	8.17	8.17	8.39	9.43	9.43	9.43	9.43
<i>Frenship Volumetric Rate (\$ per kgal), Exc. Cost of Purchased Water</i>							
0-3,000 gal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,001+ gal	6.36	6.36	6.36	6.36	6.36	6.36	6.36
<i>Cost of Water (\$ per kgal)</i>	\$ 4.47	\$ 4.47	\$ 4.47	\$ 4.47	\$ 5.80	\$ 5.80	\$ 5.80
<i>Total Volumetric Rate (\$ per kgal)</i>							
0-3,000 gal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,000-15,000 gal	7.79	7.79	7.88	8.30	9.63	9.63	9.63
15,000-30,000 gal	8.96	8.96	9.08	9.65	10.98	10.98	10.98
30,000-50,000 gal	10.52	10.52	10.68	11.45	12.78	12.78	12.78
50,000+ gal	12.64	12.64	12.86	13.90	15.23	15.23	15.23
<i>Frenship Total Volumetric Rate (\$ per kgal)</i>							
0-3,000 gal	-	-	-	-	-	-	-
3,001+ gal	6.36	6.36	6.36	6.36	6.36	6.36	6.36
Annual Changes:							
Fixed Charge Rate Increase %*		0.00%	2.70%	12.18%	4.58%	0.00%	0.00%
Volumetric Charge Rate Increase %*		0.00%	2.71%	12.32%	0.00%	0.00%	0.00%

* Excluding the EDR fee and cost of purchased water



Residential Customer Bill Impact - 1" (8,000 gallons)





Water Fund Balance Summary Under Projected Rates

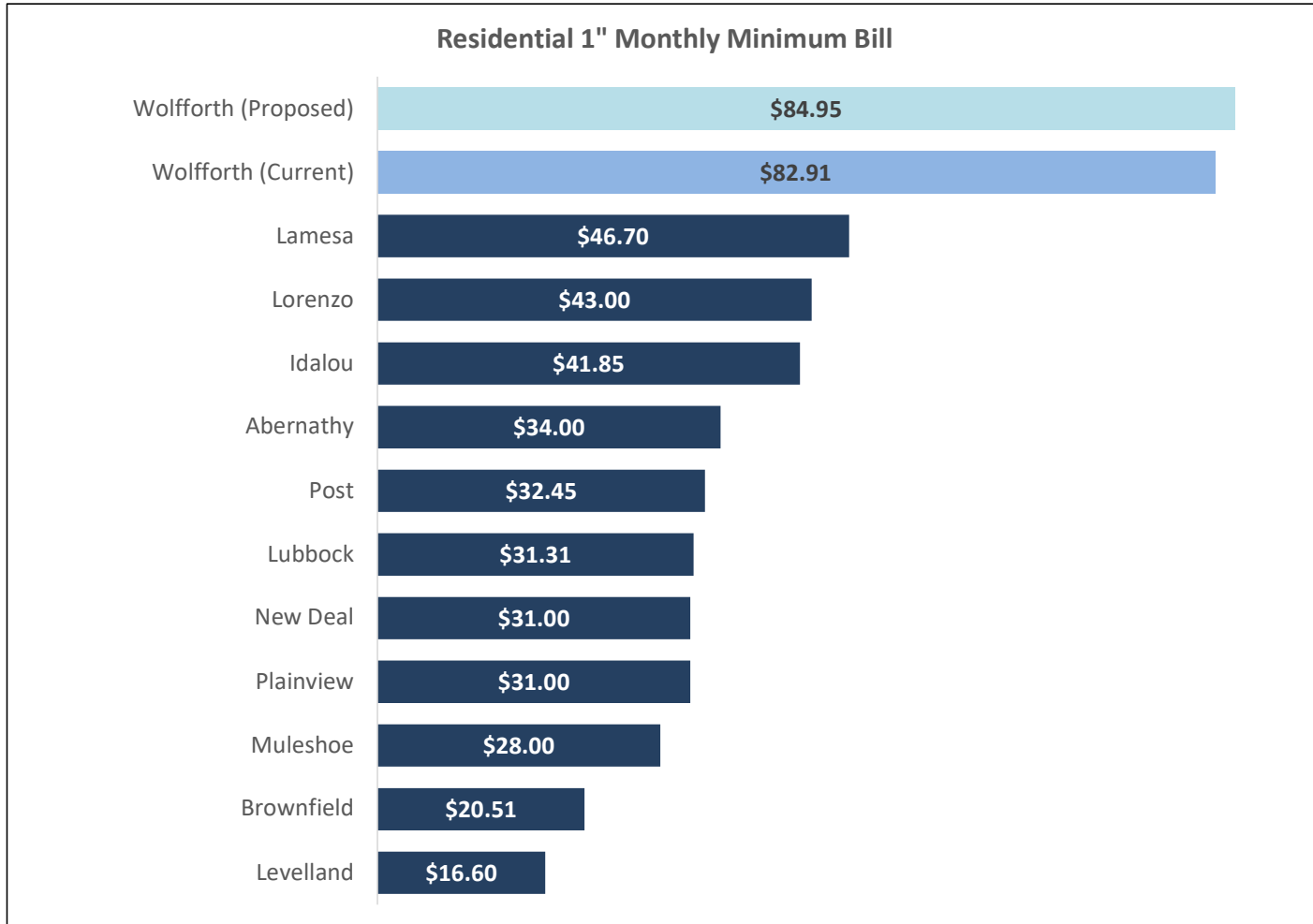
FINANCIAL SUMMARY	2024	2025	2026	2027	2028	2029
REVENUES						
Water Sales	\$ 4,902,113	\$ 5,819,217	\$ 7,014,293	\$ 8,261,418	\$ 8,987,755	\$ 9,714,092
Impact Fees	-	625,018	1,242,582	1,299,200	1,542,800	1,775,032
Other Revenues	331,115	343,951	371,544	400,616	431,234	463,467
TOTAL REVENUES	\$ 5,233,228	\$ 6,788,186	\$ 8,628,419	\$ 9,961,234	\$ 10,961,789	\$ 11,952,591
EXPENSES						
O&M	\$ 2,753,987	\$ 3,426,466	\$ 3,569,935	\$ 3,701,337	\$ 3,839,028	\$ 3,986,276
Water Purchases	1,339,550	1,381,528	1,662,291	2,569,206	2,820,780	3,074,518
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Projected Debt Service	-	602,536	2,004,945	2,031,111	2,132,476	2,128,276
TOTAL EXPENSES	\$ 5,200,504	\$ 6,486,970	\$ 8,316,932	\$ 9,385,419	\$ 9,873,149	\$ 10,267,953
CHANGE IN NET POSITION	\$ 32,724	\$ 301,216	\$ 311,487	\$ 575,815	\$ 1,088,640	\$ 1,684,638
Beginning Fund Balance	\$ 1,317,259	\$ 1,349,983	\$ 1,651,199	\$ 1,962,686	\$ 2,538,502	\$ 3,627,142
Change in Fund Balance	32,724	301,216	311,487	575,815	1,088,640	1,684,638
Ending Fund Balance	\$ 1,349,983	\$ 1,651,199	\$ 1,962,686	\$ 2,538,502	\$ 3,627,142	\$ 5,311,780
KEY FINANCIAL STATISTICS						
Debt Service Coverage:						
Total Revenues	\$ 5,233,228	\$ 6,788,186	\$ 8,628,419	\$ 9,961,234	\$ 10,961,789	\$ 11,952,591
Less: O&M Expense	4,093,537	4,807,994	5,232,226	6,270,543	6,659,807	7,060,794
Available for Debt Service Requirements	\$ 1,139,691	\$ 1,980,192	\$ 3,396,193	\$ 3,690,691	\$ 4,301,982	\$ 4,891,797
Total Debt Service Requirements	1,106,967	1,678,976	3,084,706	3,114,876	3,213,342	3,207,159
Actual Debt Service Coverage	1.03	1.18	1.10	1.18	1.34	1.53
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Additional Funds to Meet Target DSC	\$ 77,973	\$ -	\$ -	\$ -	\$ -	\$ -
Days Cash on Hand:						
Operating Expenditures	\$ 4,093,537	\$ 4,807,994	\$ 5,232,226	\$ 6,270,543	\$ 6,659,807	\$ 7,060,794
Daily O&M Requirement	11,215	13,173	14,335	17,180	18,246	19,345
Ending Fund Balance	\$ 1,349,983	\$ 1,651,199	\$ 1,962,686	\$ 2,538,502	\$ 3,627,142	\$ 5,311,780
Days of Operating Expenses	120	125	137	148	199	275
Fund Balance Requirement (\$)	\$ 1,009,365	\$ 1,185,533	\$ 1,290,138	\$ 1,546,161	\$ 1,642,144	\$ 1,741,018
Over (Short of) Requirement	340,617	465,667	672,549	992,341	1,984,998	3,570,762

Notes:

[1] Assuming 5% uncollectible revenue



Regional Bill Comparison - Water

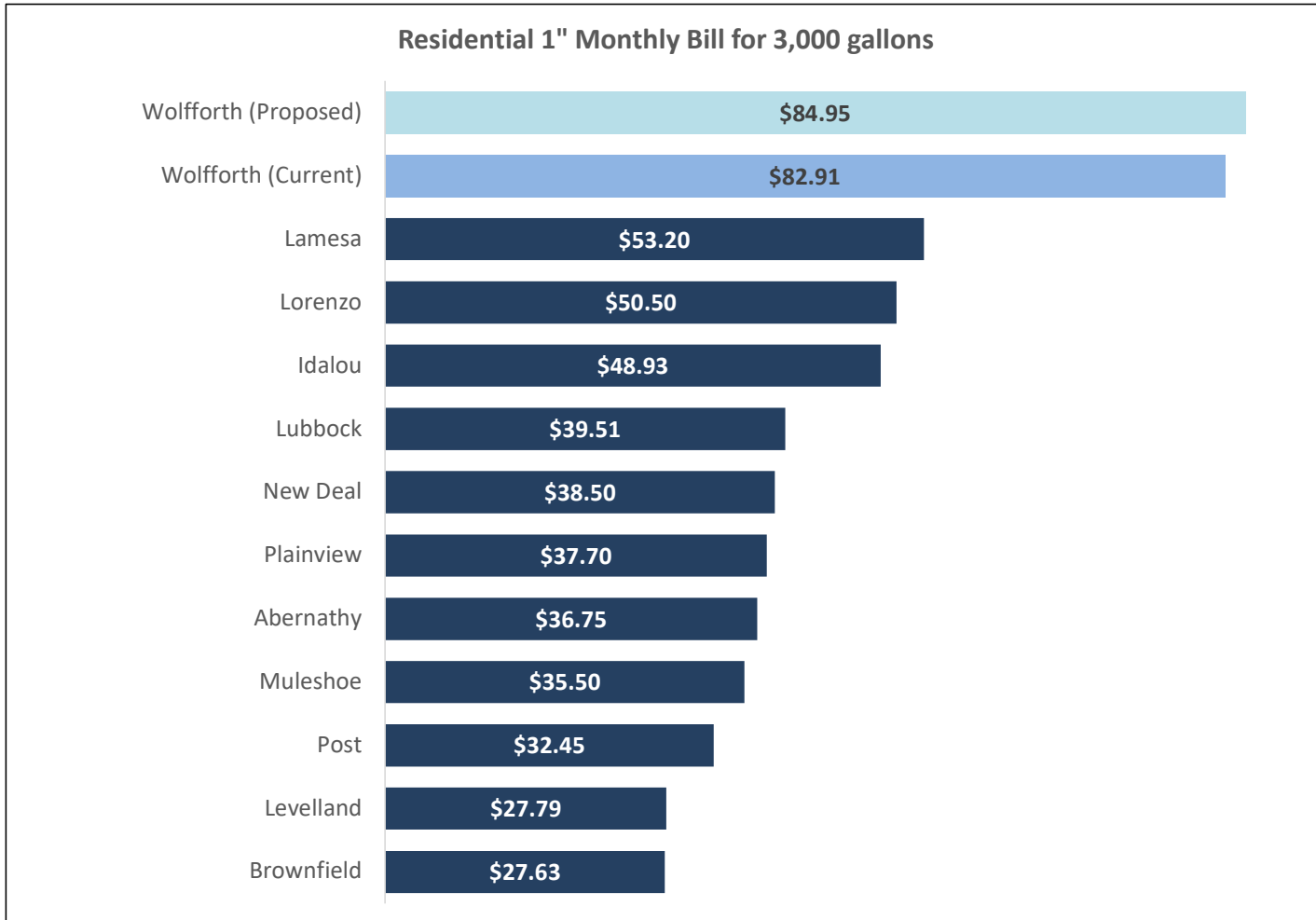


Notes:

[1] Includes the EDR Fee



Regional Bill Comparison - Water



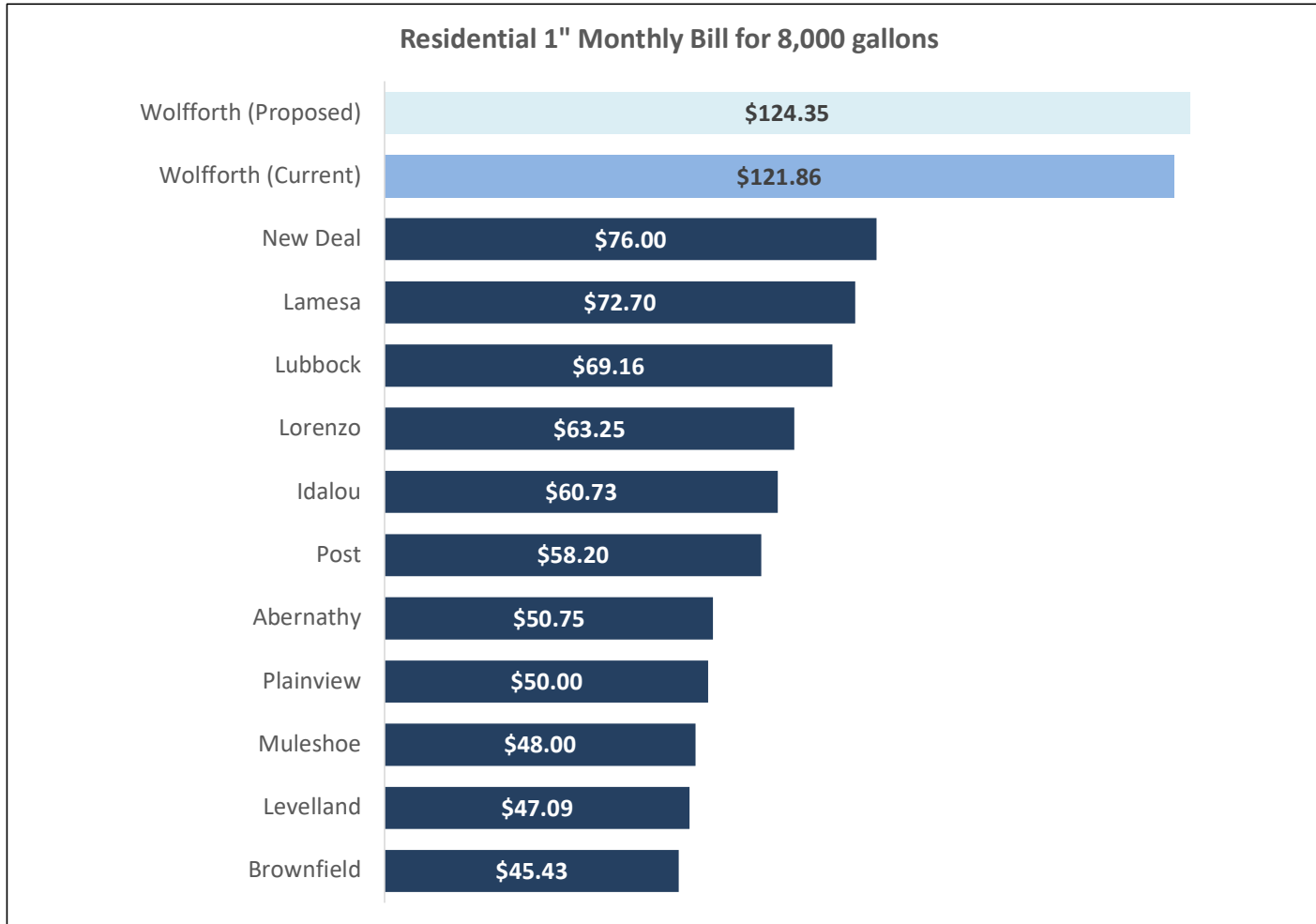
Notes:

[1] Includes the EDR Fee

[2] 3,000 gallons = first volumetric tier



Regional Bill Comparison - Water



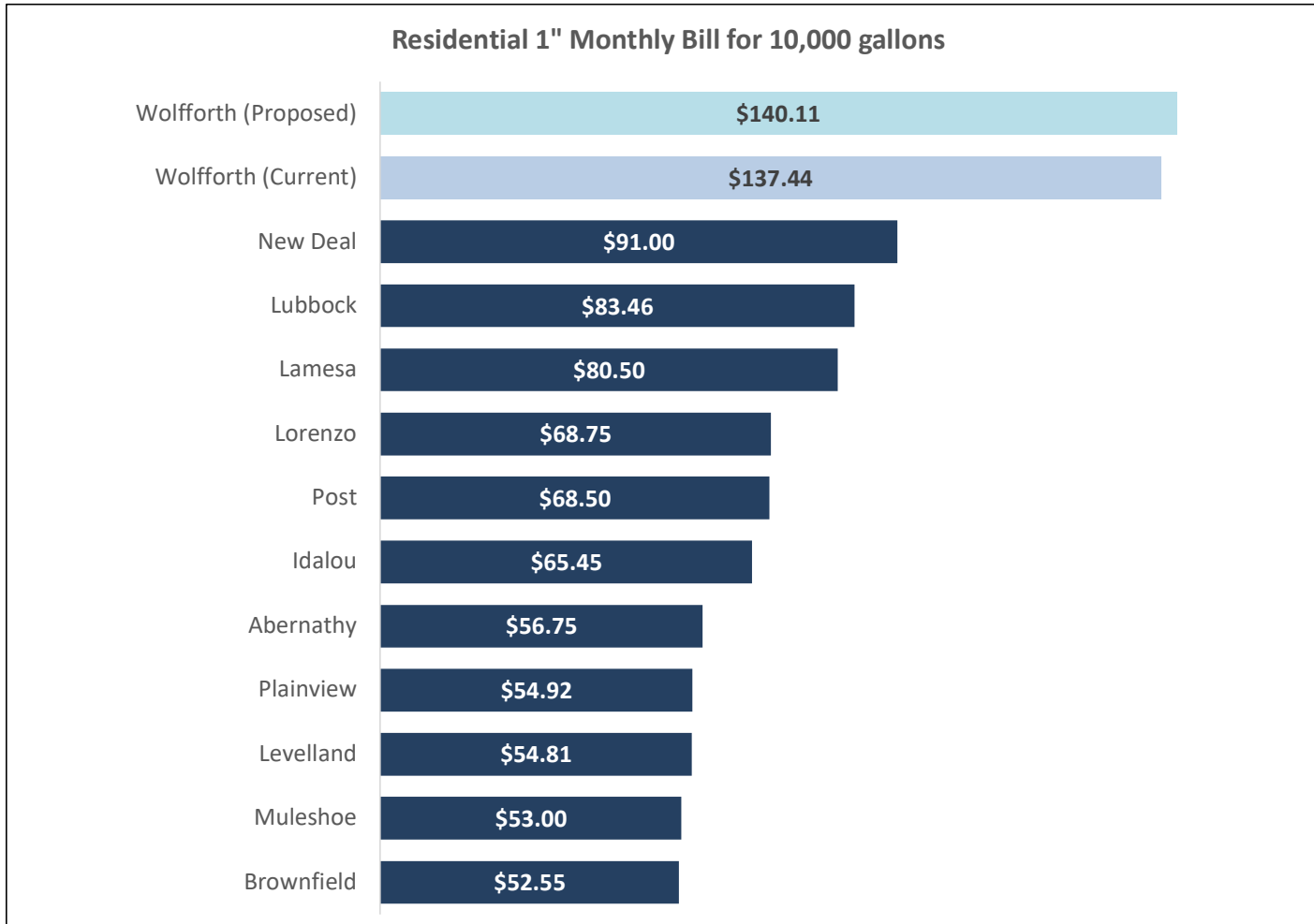
Notes:

[1] Includes the EDR Fee

[2] 8,000 gallons = annual average



Regional Bill Comparison - Water



Notes:

[1] Includes the EDR Fee