



July 22, 2025

# CITY OF WYLIE, TEXAS WATER & WASTEWATER RATE STUDY



# KEY POINTS

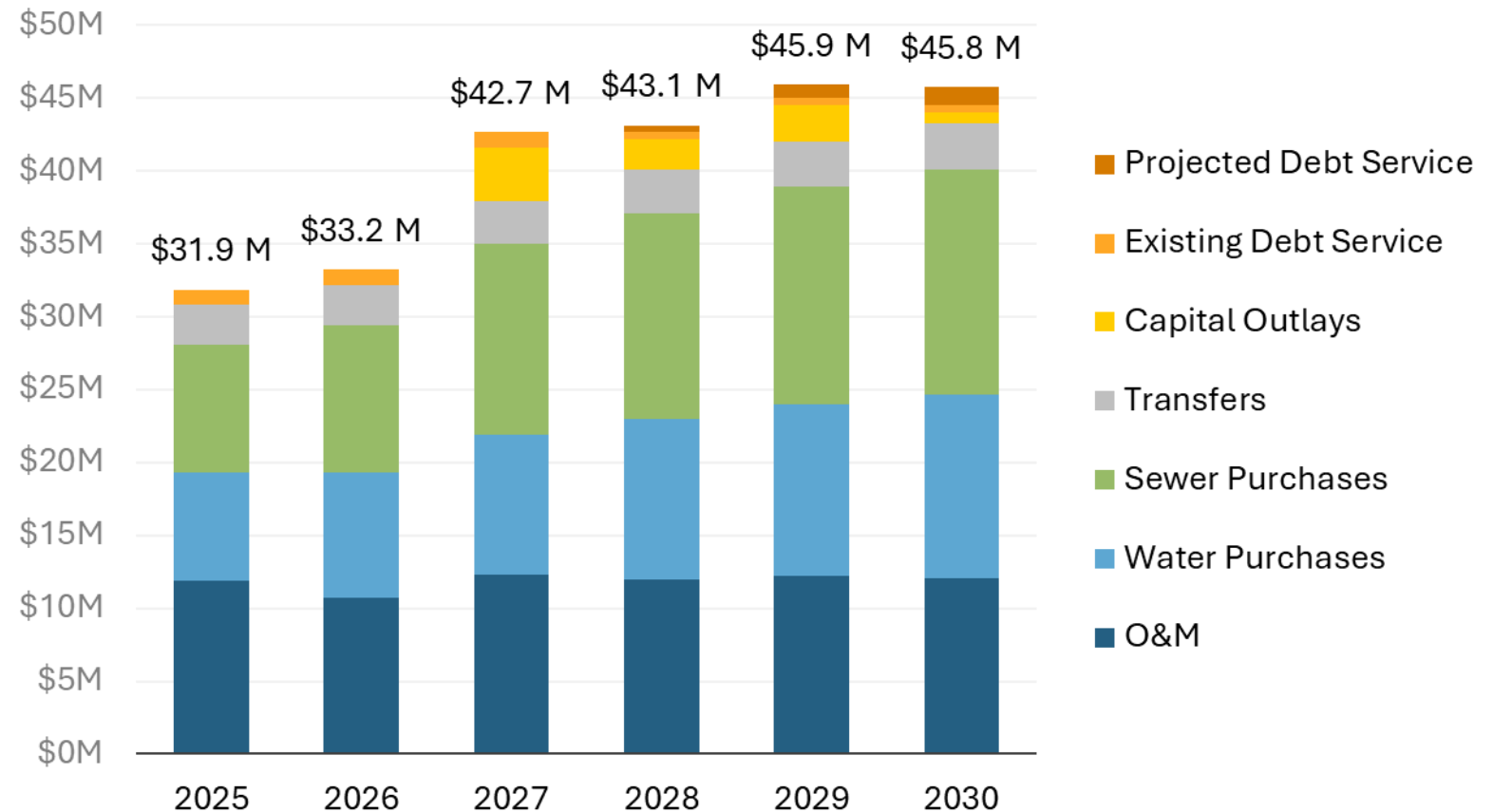
Summary of findings  
from this rate study

- City of Wylie's water & sewer expenses are projected to increase at an average annual rate of 7.4% over the next five years.
- Cost increases primarily reflect:
  - Rising wholesale water costs from NTMWD
  - Rising wholesale sewer costs from NTMWD, especially Muddy Creek
  - Cash capital project expenditures
  - General inflation (forecasts of 2.5% to 3.6% per year)
- Revenue adjustments include:
  - Setting city accounts to pay for water consumption at cost
  - Providing rate increase alternatives with water and wastewater increasing either at the same percentage or with wastewater rates increasing more rapidly consistent with wholesale cost forecasts

# MAIN COST DRIVERS

Water and Sewer  
FY 2025 to FY 2030

- Most of the rising costs are due to wholesale water and wastewater costs (56%-61% of total expenses)
- O&M only increasing 3.1% per year on average



# CAPITAL COSTS

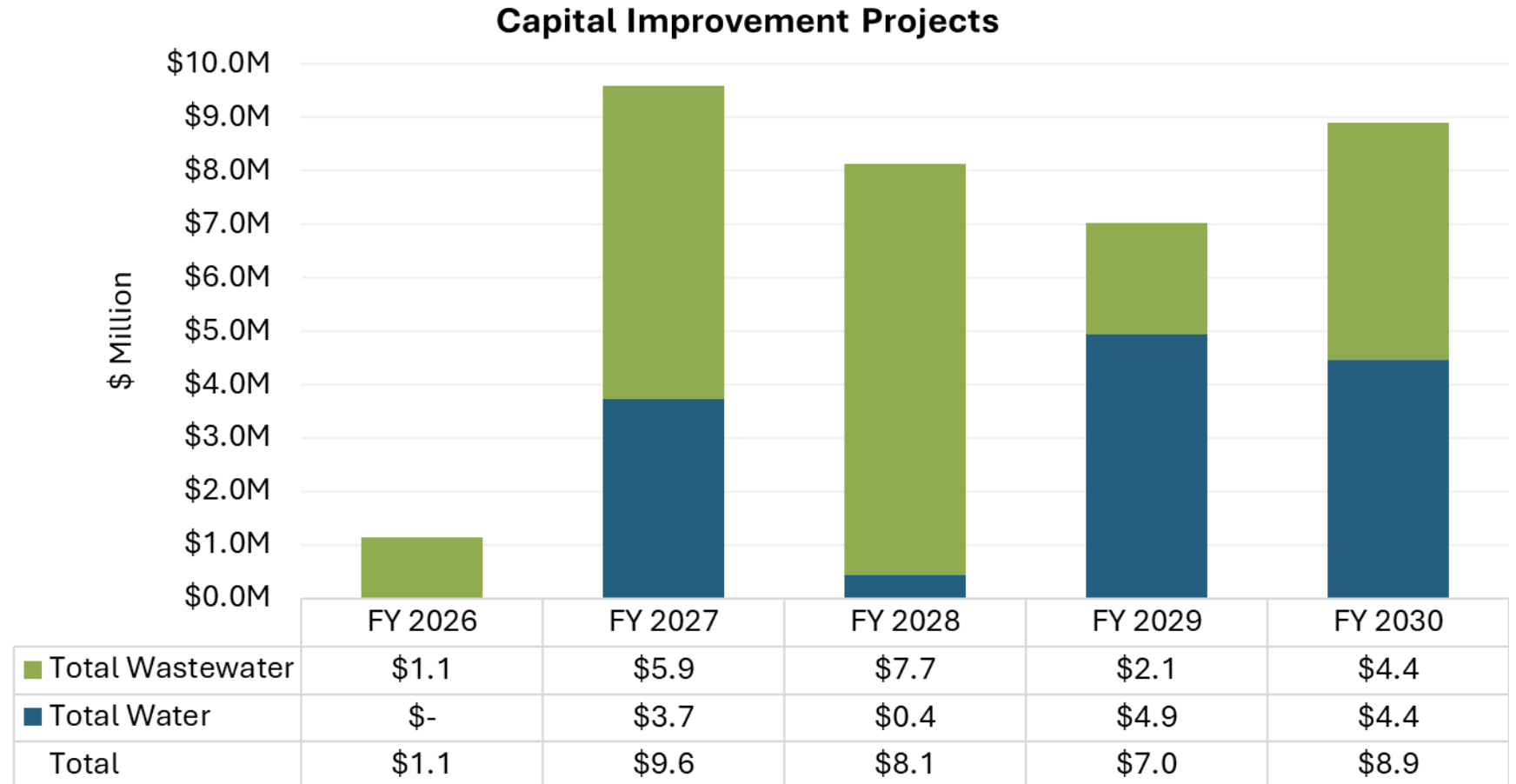
## Projected Capital Improvement Projects

### Funding Sources:

- Cash – \$9.0M
- New Debt – \$24.6M
- Impact Fees - \$1.1M

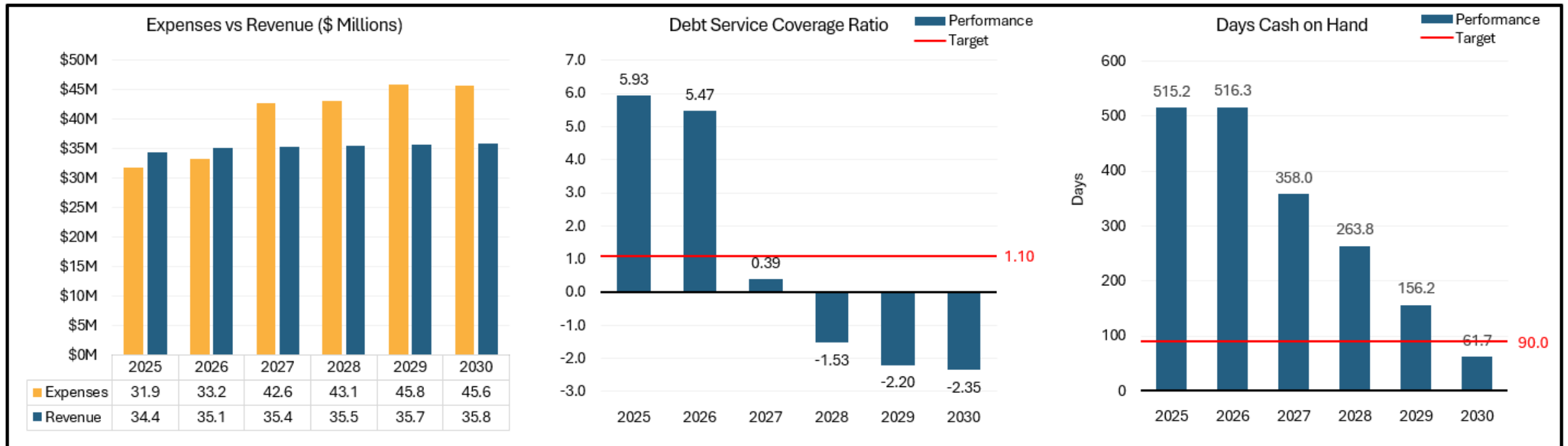
Amounts shown with inflation

- The City plans to continue investment in water and sewer infrastructure
- Planned capital projects totaling \$34.78 million by FY 2030



# FINANCIAL PERFORMANCE UNDER CURRENT RATES

- Current water and sewer rates would be insufficient to meet financial targets from FY 2027 onward



# PROJECTED RATE CHANGES

Annual change in  
water & sewer rates

Scenario 1  
Level increases for  
water and  
wastewater

- The rate increases needed to meet these targets were identified as 5.15% in FY 2026-2030.

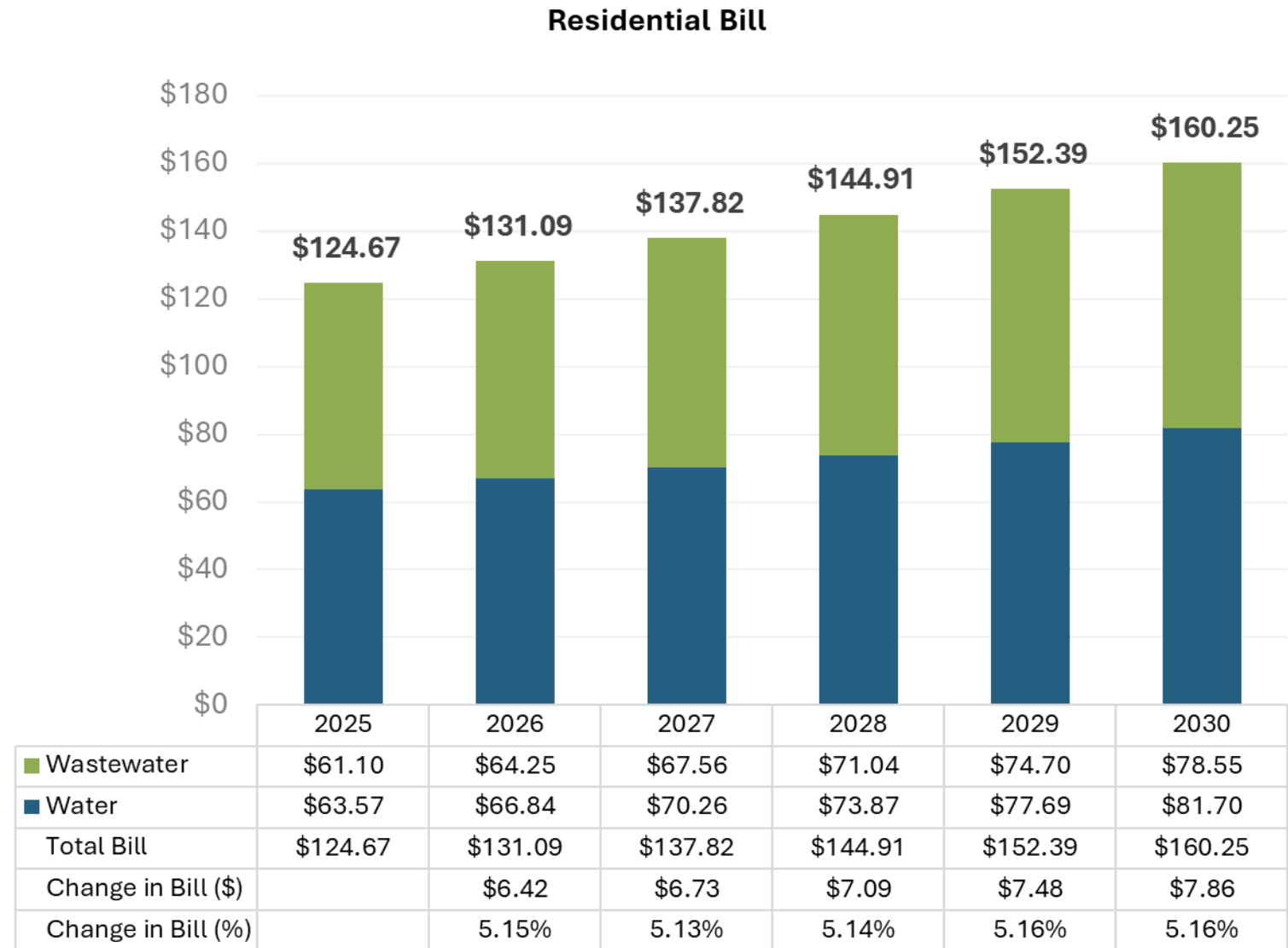
## Baseline Rate Increases

	2026	2027	2028	2029	2030
Water	5.15%	5.15%	5.15%	5.15%	5.15%
Sewer	5.15%	5.15%	5.15%	5.15%	5.15%

# RESIDENTIAL BILL IMPACT

Impact of projected  
rates on a typical  
Residential customer  
(7,000 gal. water use,  
flat sewer rate)

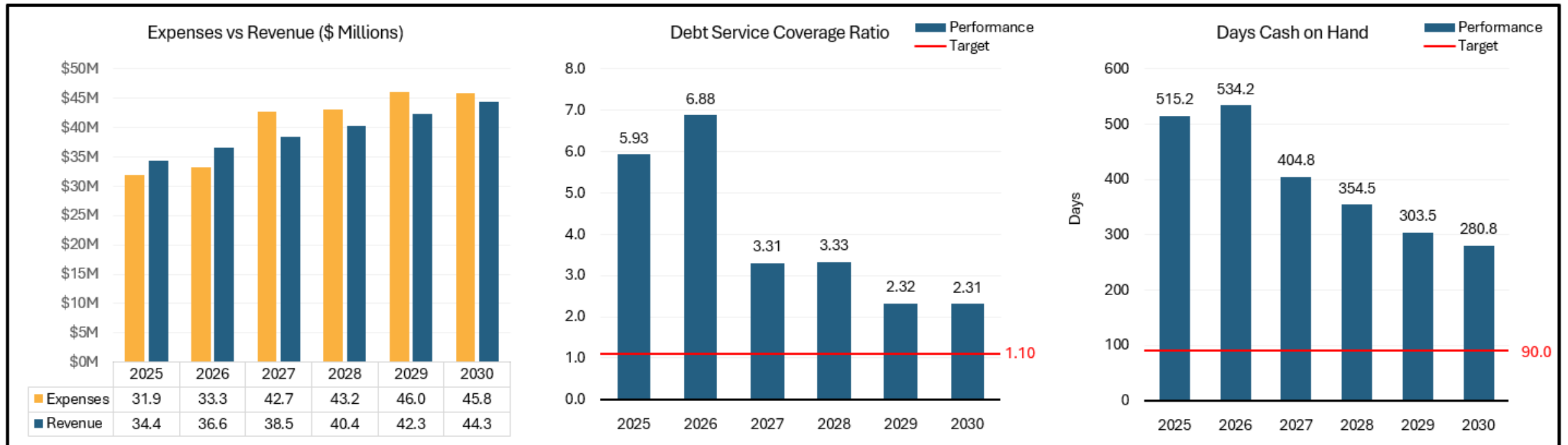
## Scenario 1





# FINANCIAL PERFORMANCE UNDER PROJECTED RATES

- Key financial targets would be met under these projected rates for Scenario 1:





# PROJECTED RATE CHANGES

Annual change in  
water & sewer rates

Scenario 2 – higher  
increases in sewer  
rates to balance net  
position

- The rate increases needed to meet these targets were identified as 3.5% in FY 2026-2030 for water and 6.5% for wastewater in FY 2026-2030.

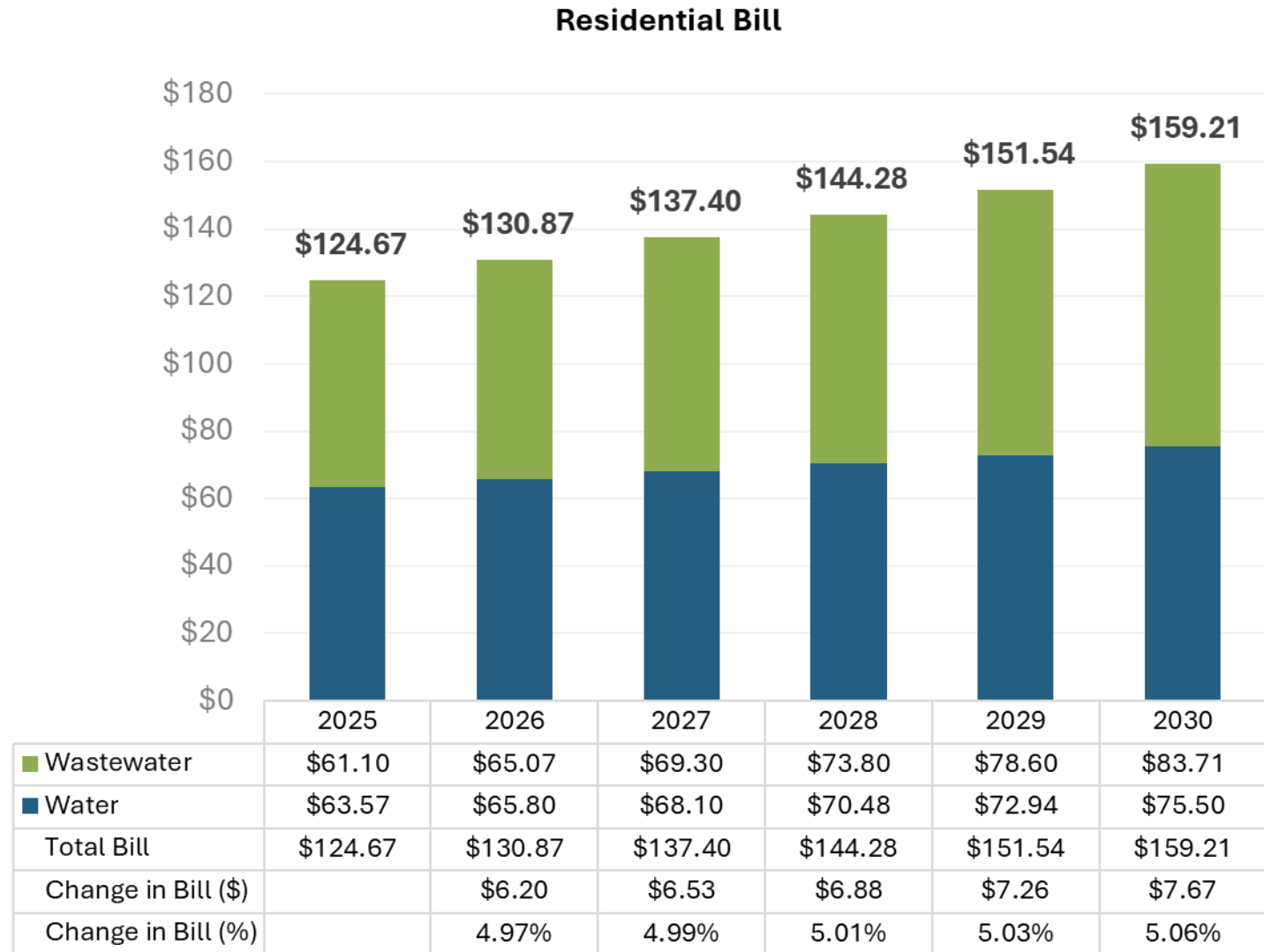
## Baseline Rate Increases

	2026	2027	2028	2029	2030
Water	3.50%	3.50%	3.50%	3.50%	3.50%
Sewer	6.50%	6.50%	6.50%	6.50%	6.50%

# RESIDENTIAL BILL IMPACT

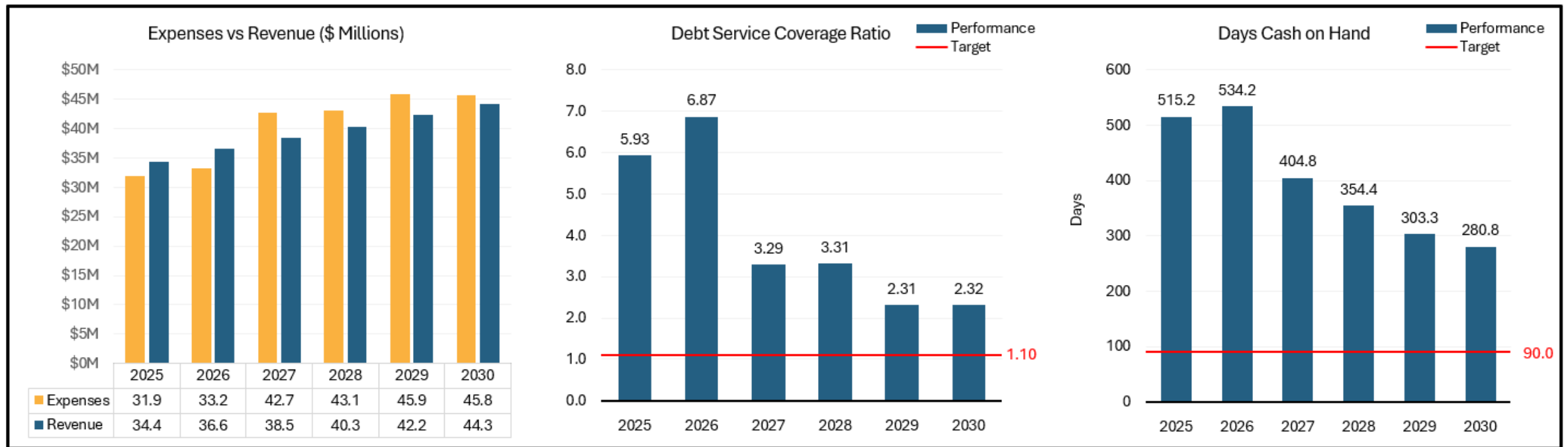
Impact of projected  
rates on a typical  
Residential customer  
(7,000 gal. water use,  
flat sewer rate)

## Scenario 2



# FINANCIAL PERFORMANCE UNDER PROJECTED RATES

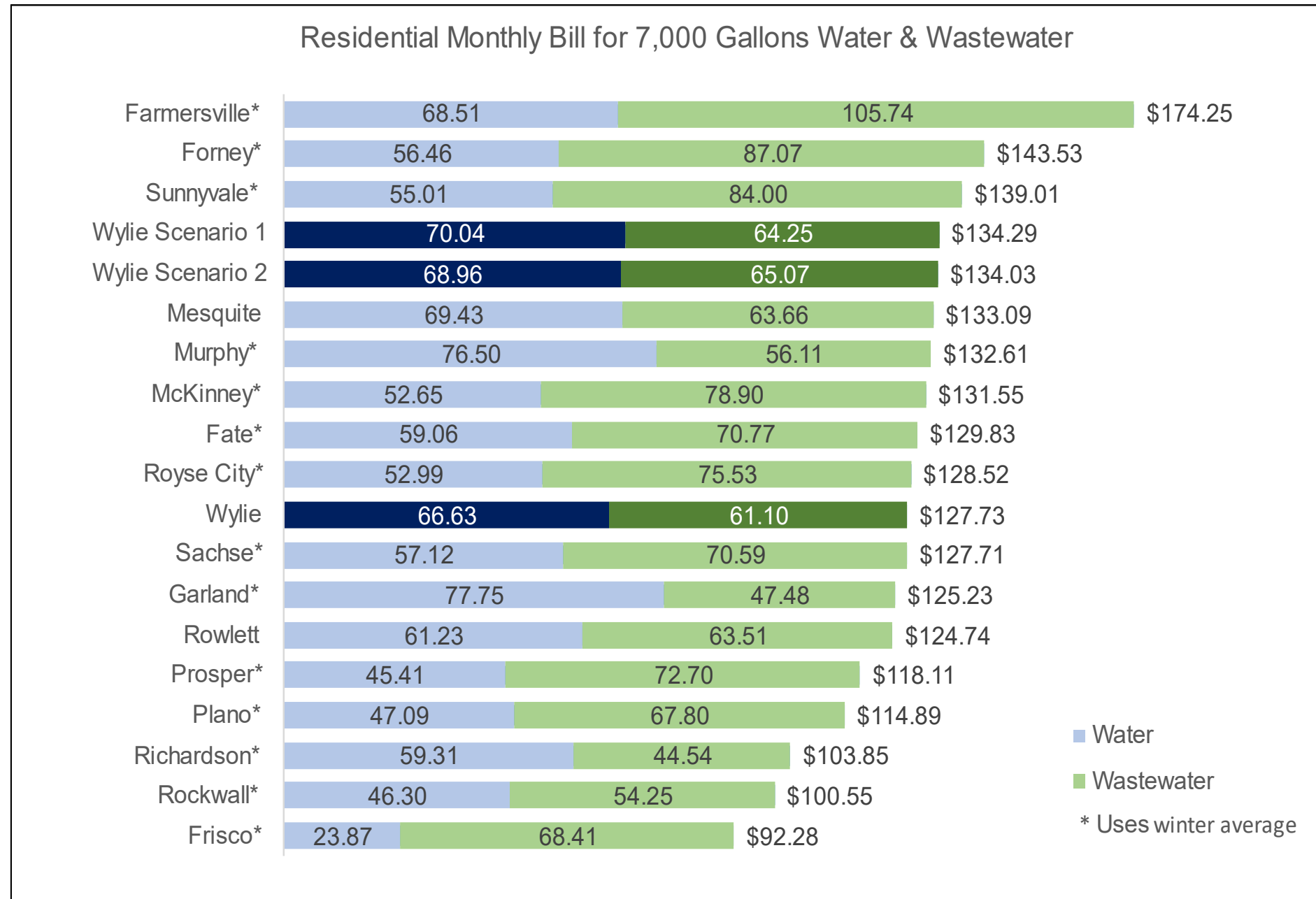
- Key financial targets would be met under these projected rates under Scenario 2:



# BILL COMPARISON

Bill for typical household with 7,000 gallons of water and flat wastewater rate

Bill comparisons are based on publicly available data and NewGen's understanding and interpretation of this data (compiled in May 2025).



## NEXT STEPS

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- Council consideration, direction and possibly action on FY 2026 rates
- New rates would be implemented October 1<sup>st</sup>
- Longer term: continue to review water and sewer rate plan and update as necessary, particularly following changes to wholesale water and sewer costs







# QUESTIONS AND DISCUSSION

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