



July 26, 2022

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# CITY OF WYLIE, TEXAS

## WATER AND WASTEWATER RATES REVIEW

### RATE SUFFICIENCY AND RECOMMENDATIONS



# AGENDA

Introduction

Current Study  
Considerations

2020 Rate Plan Sufficiency

Discussion

# NEWGEN STRATEGIES AND SOLUTIONS, LLC

## OUR FIRM

*Be a consulting company that makes a difference for our clients, our employees and in our communities.*

**2012** established management and economic consulting firm created by consultants who are dedicated to our client's mission and recognized as experts in our respective fields of service



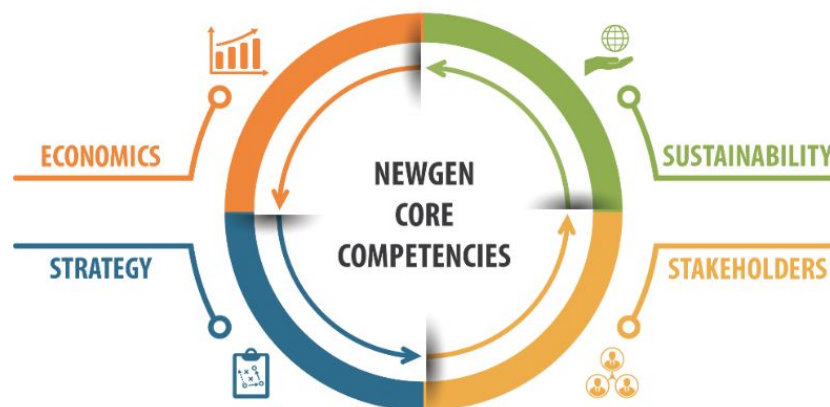
**12**

Locations nationwide



**52**

employees



## OUR CLIENTS

Over  
**3,000**  
complete or active projects

in  
**33**  
states



## OUR PEOPLE

Industry Authors and Presenters



# Current Study Considerations

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# KEY CONSIDERATIONS

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- Wholesale Costs
- Customer Growth Forecast
- Cash Capital Funding



# NORTH TEXAS MUNICIPAL WATER DISTRICT (NTMWD)

## FY 2023 RATES

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- Member City Water Rate for FY 2023 is expected to be \$3.39 per 1,000 gallons
  - This represents a **13.4% increase** compared to the FY 2022 rate of \$2.99
- Expected **20.8%** increase in Wastewater costs from FY 2022 to FY 2023
  - Primary Increases at Muddy Creek WWTP
    - Will fund \$61M in FY 2023 for improvements for Peak Flow, UV and Filter Upgrades
    - Expansions to 12.5 MGD planned for 2024

# WATER AND SEWER WHOLESALE COSTS

Projections Per  
NTMWD

Strategic Financial Plan  
Forecasts

Water	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Regional Water Cost	\$ 6,246,171	\$ 7,042,234	\$ 7,520,383	\$ 8,058,706	\$ 8,740,584
% Change per Year	11.6%	12.4%	6.8%	7.2%	8.5%

Sewer	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Sewer Cost	\$ 7,820,639	\$ 9,361,054	\$ 11,020,159	\$ 12,698,253	\$ 12,727,494
% Change per Year	20.8%	19.7%	17.7%	17.3%	0.3%

Total	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Total NTMWD	\$ 14,084,810	\$ 16,403,288	\$ 18,540,542	\$ 20,990,806	\$ 21,711,393
% Change per Year	16.5%	16.5%	13.0%	13.2%	3.4%

# WYLIE CUSTOMER GROWTH FORECAST

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- Historical Trends and Estimated Annual Customer Growth
  - 100 Annual Residential Water Accounts
  - 300 Annual Residential Wastewater Accounts
- Forecasted Growth

Residential Growth	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Water Annual Growth	100	100	75	50	25
Sewer Annual Growth	400	400	350	300	250



# WYLIE ANNUAL CASH CAPITAL NEEDS PROJECT HIGHLIGHTS

## Water

Fiscal Year	Project Description	Cost
2023		
2024	8" Water Line on Dogwood From Stone to Butler	\$ 1,300,000
2025		
2026	Repaint Decker Court Elevated Storage Tank	\$ 1,200,000
2027		

Not Shown but Included is \$500,000 for Annual Water Line Repair/Rehabilitation

## Wastewater

Fiscal Year	Project Description	Cost
2023		
2024		
2025		
2026	Treatment Plant Demolition (split FY)	\$ 1,000,000
2027	Treatment Plant Demolition (split FY)	\$ 2,000,000

# 2020 Rate Plan Sufficiency

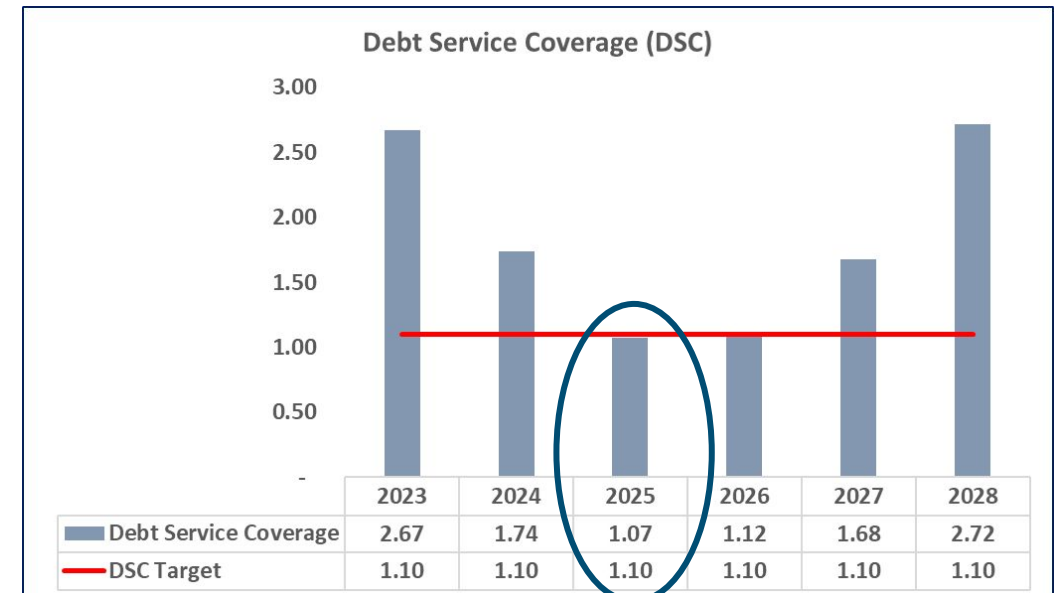
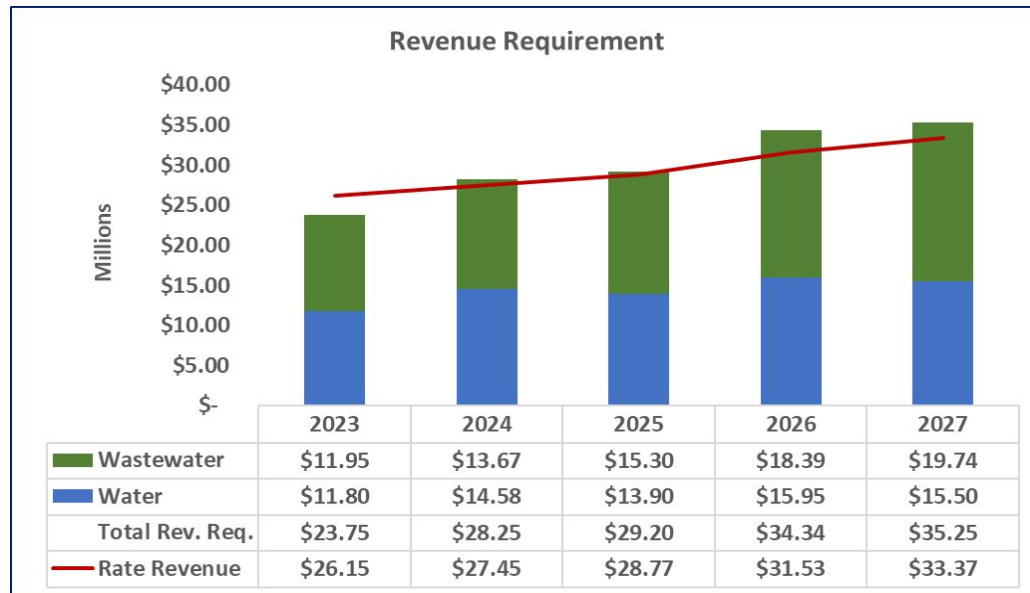
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**FY 2023 RATES WORK AS PLANNED**

**FUTURE YEARS SHOULD BE REVIEWED AND POSSIBLY REVISED**

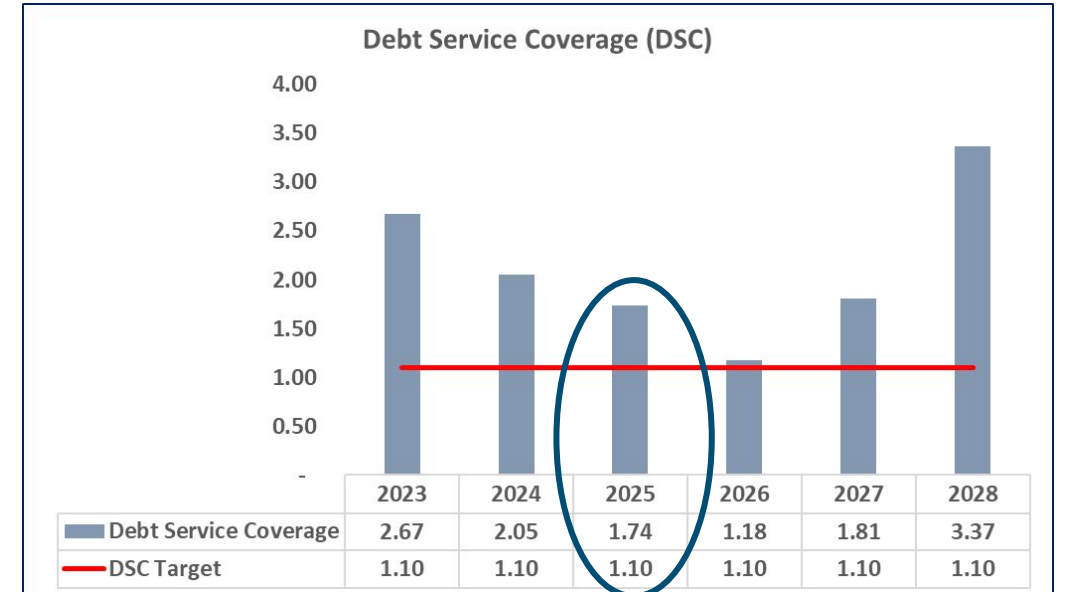
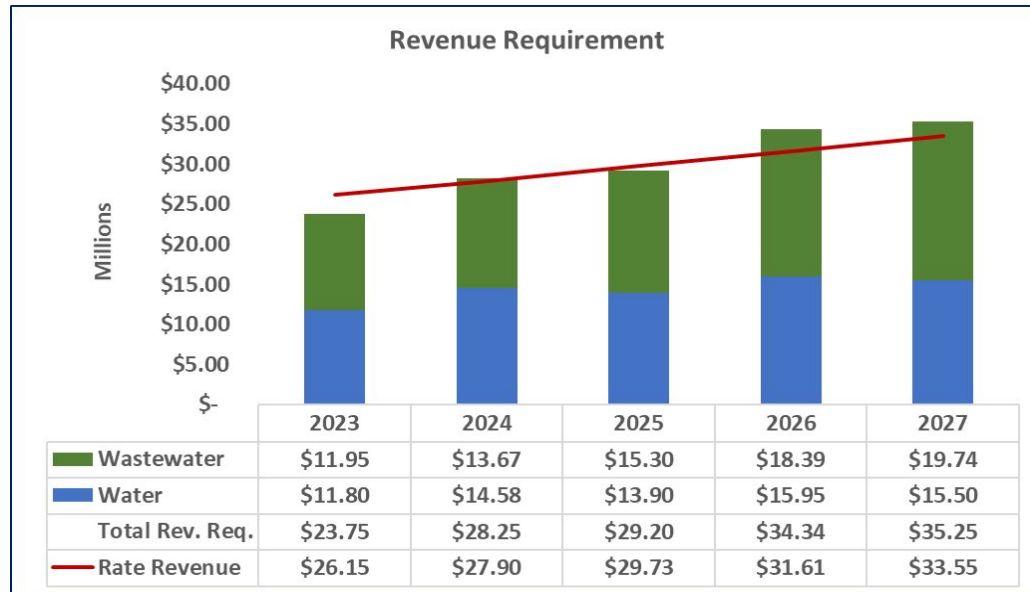
# COMBINED UTILITY PERFORMANCE UNDER RATE PLAN FY 2023-2025 AND PROJECTED FY 2026-2027

Fiscal Year	2023*	2024*	2025*	2026**	2027**
Water Rate Increase (%)	7.00%	6.00%	5.85%	5.50%	5.00%
Wastewater Rate Increase (%)	2.75%	1.50%	1.50%	11.25	5.00%
	* 2020 Rate Plan			** Projected Future Rate Changes Needed	



# COMBINED UTILITY PERFORMANCE UNDER RATE PLAN FY 2023 AND REVISED PROJECTIONS FY 2024-2027

Fiscal Year	2023*	2024**	2025**	2026**	2027**
Water Rate Increase (%)	7.00%	5.00%	5.00%	5.00%	5.00%
Wastewater Rate Increase (%)	2.75%	5.50%	5.50%	5.50%	5.50%
	* 2020 Rate Plan	** Alternative, Smoothed Rate Changes Recommended			

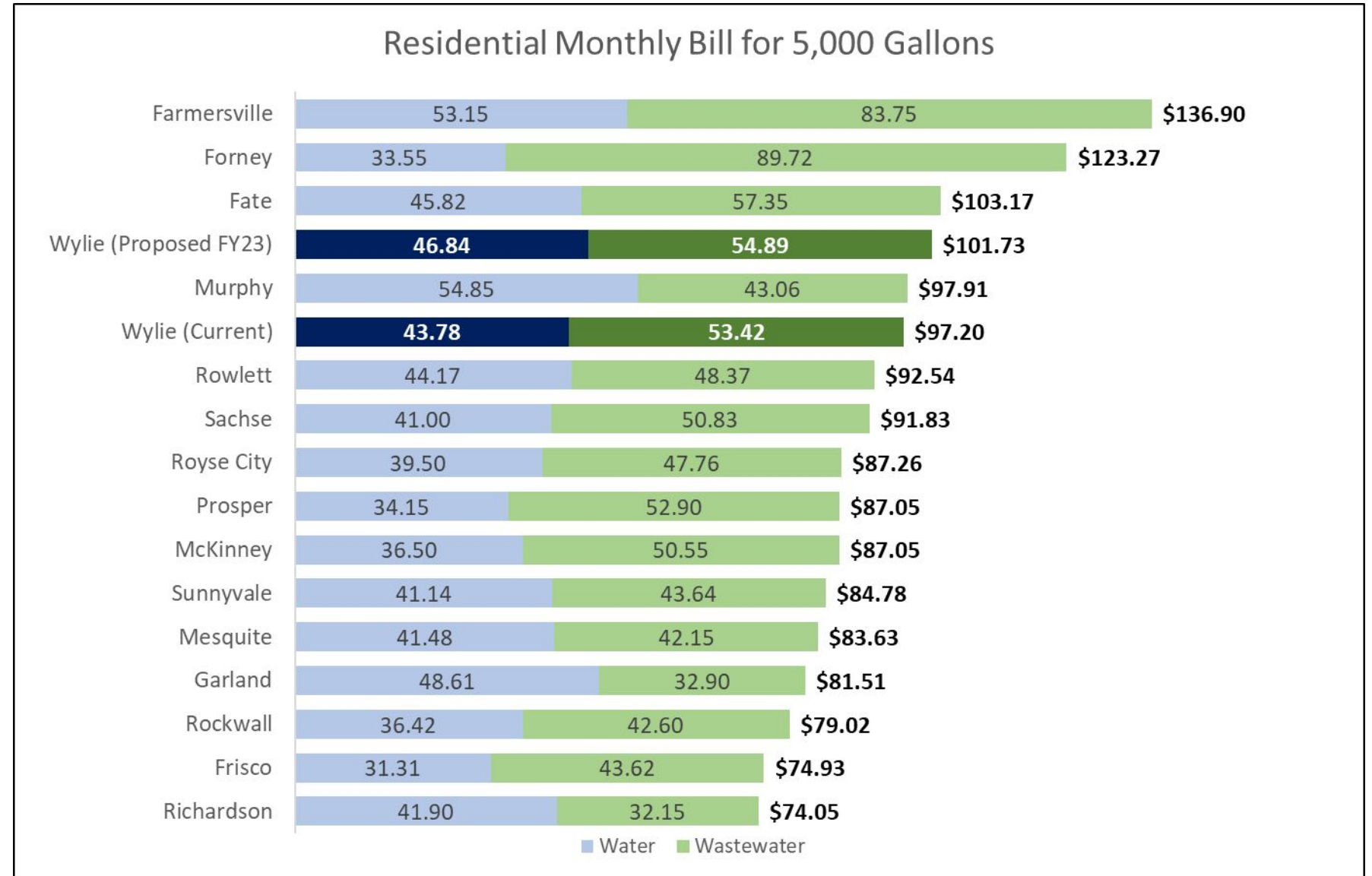


# COMMUNITY RATE COMPARISONS

- Comparisons between communities are very common, but may not tell the whole story
- Each system is unique in geography, age of infrastructure, capital maintenance efforts, and typical usage patterns

# RESIDENTIAL COMPARISONS

5,000 Gallons

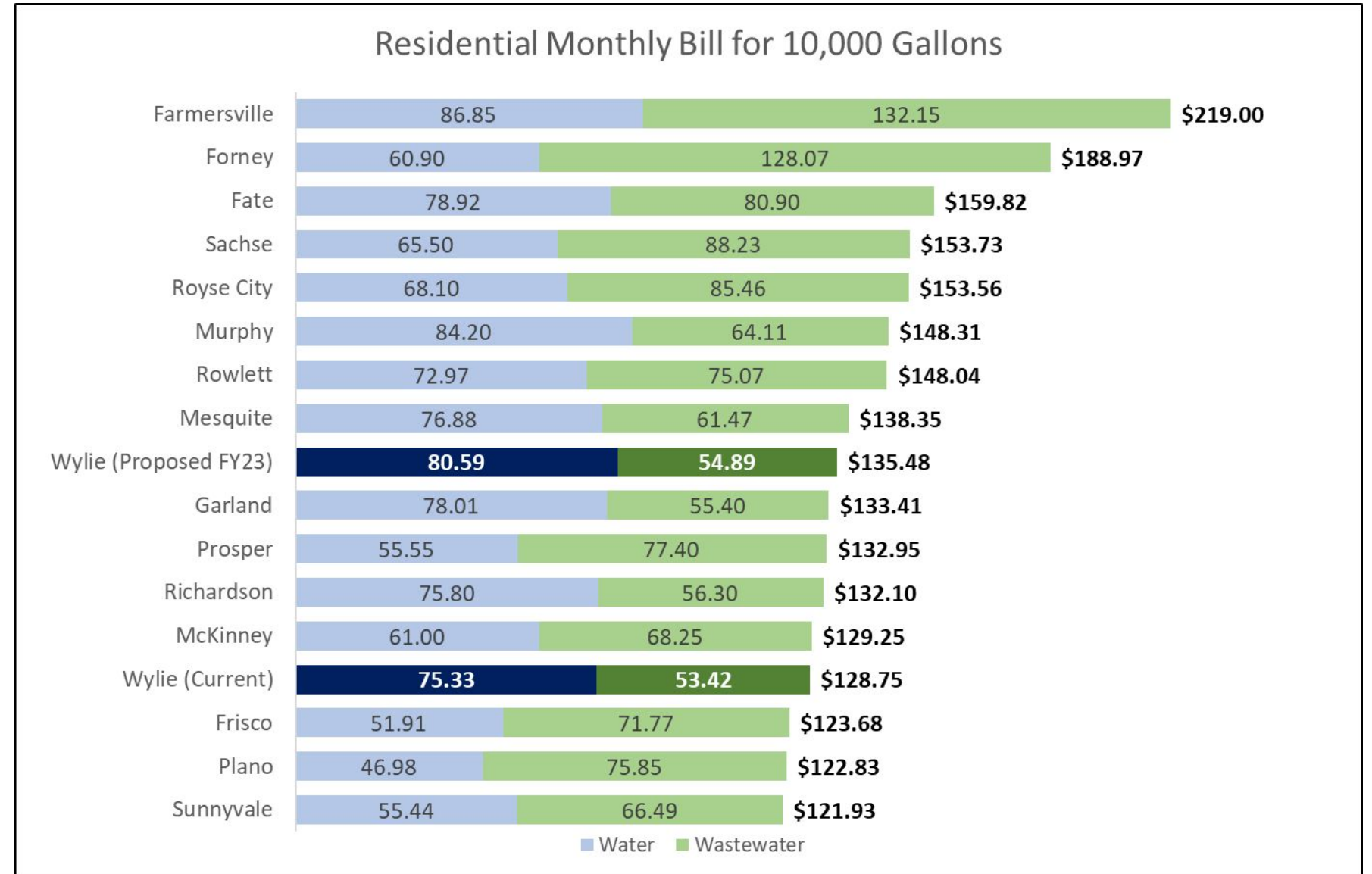


\* Assumes ¾" Meter and Sewer is billed for 5,000 Gallons



# RESIDENTIAL COMPARISONS

10,000 Gallons



\* Assumes ¾" Meter and Sewer is billed for 10,000 Gallons



# Thank you!

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