



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

## OUR FIRM

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



12



52

employees

in  
33  
states



## 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

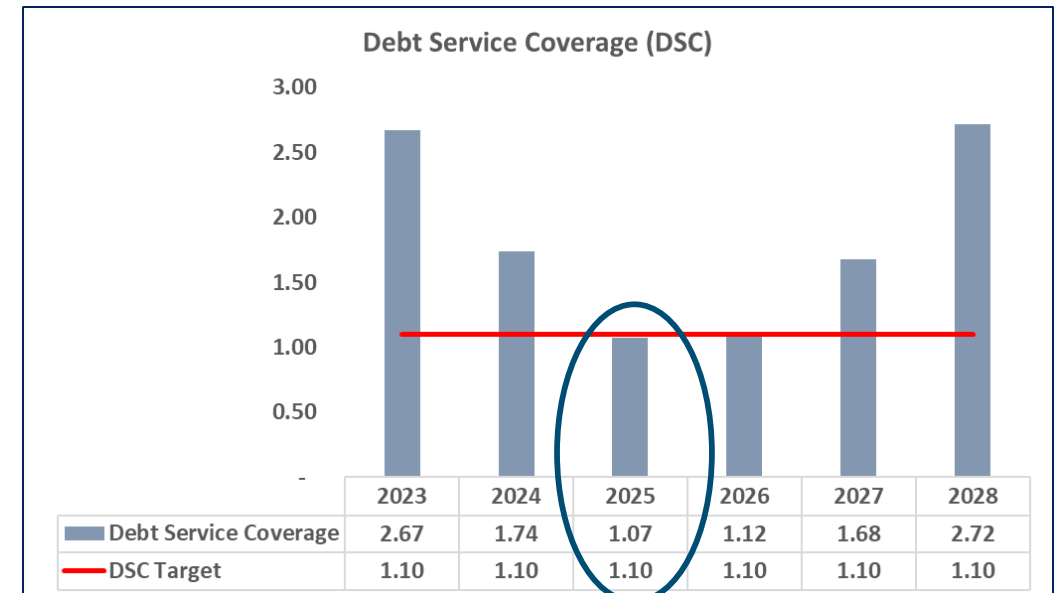
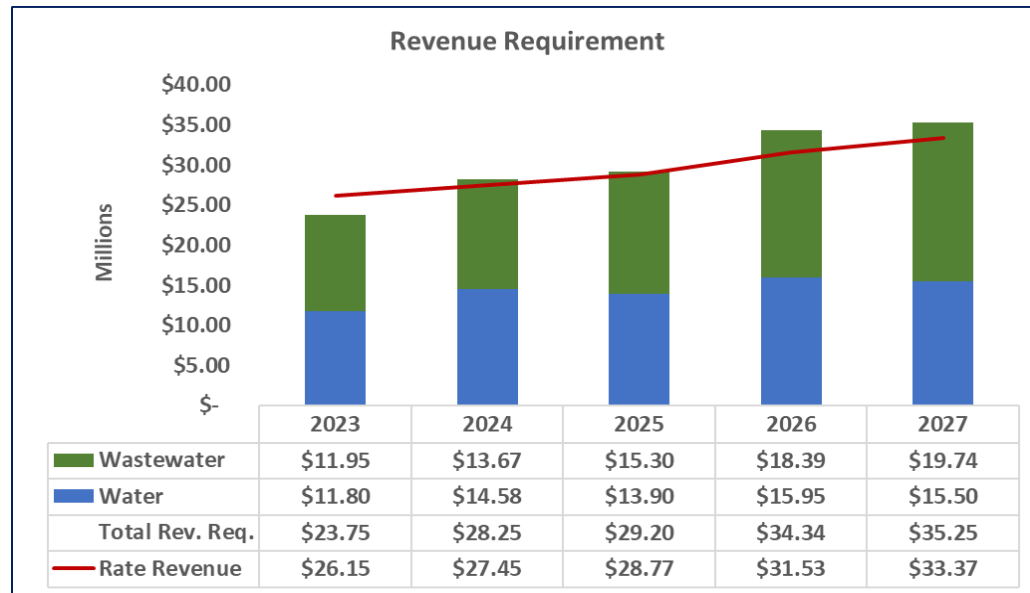
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**FY 2023 RATES WORK AS PLANNED**

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

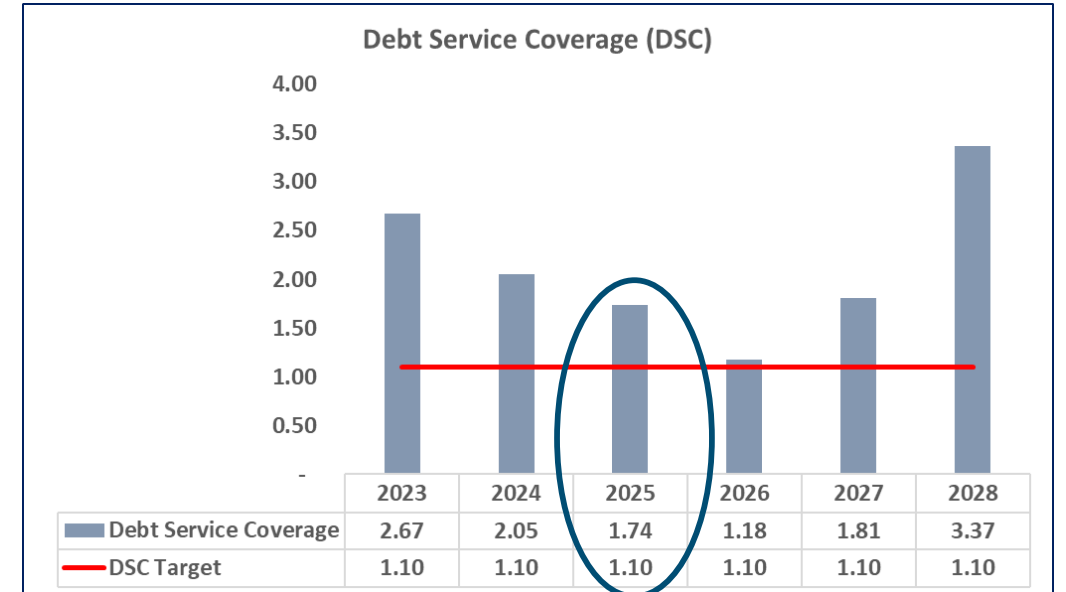
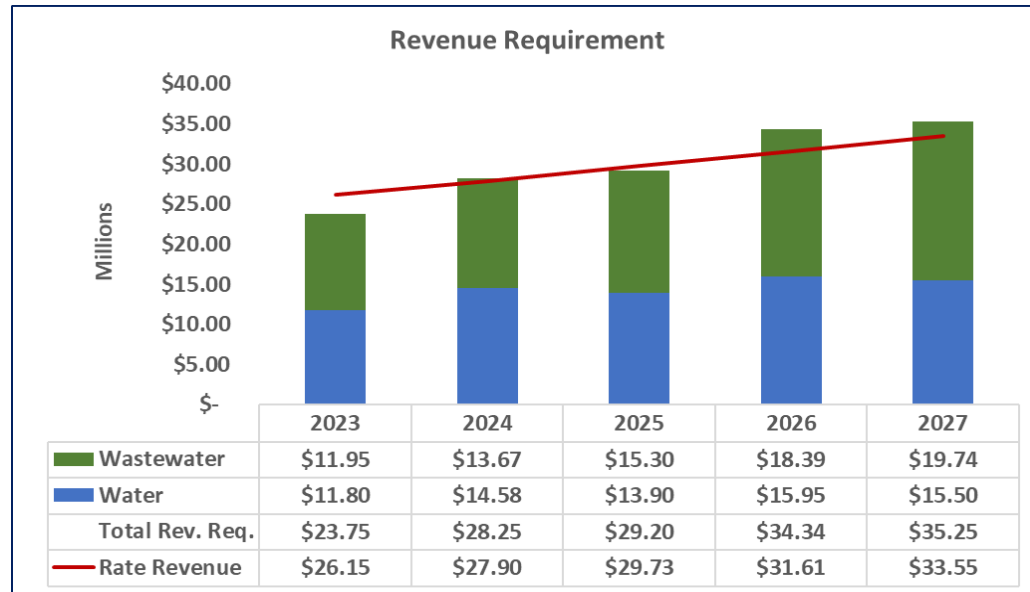
# COMBINED UTILITY PERFORMANCE UNDER RATE PLAN FY 2023-2025 AND PROJECTED FY 2026-2027

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			

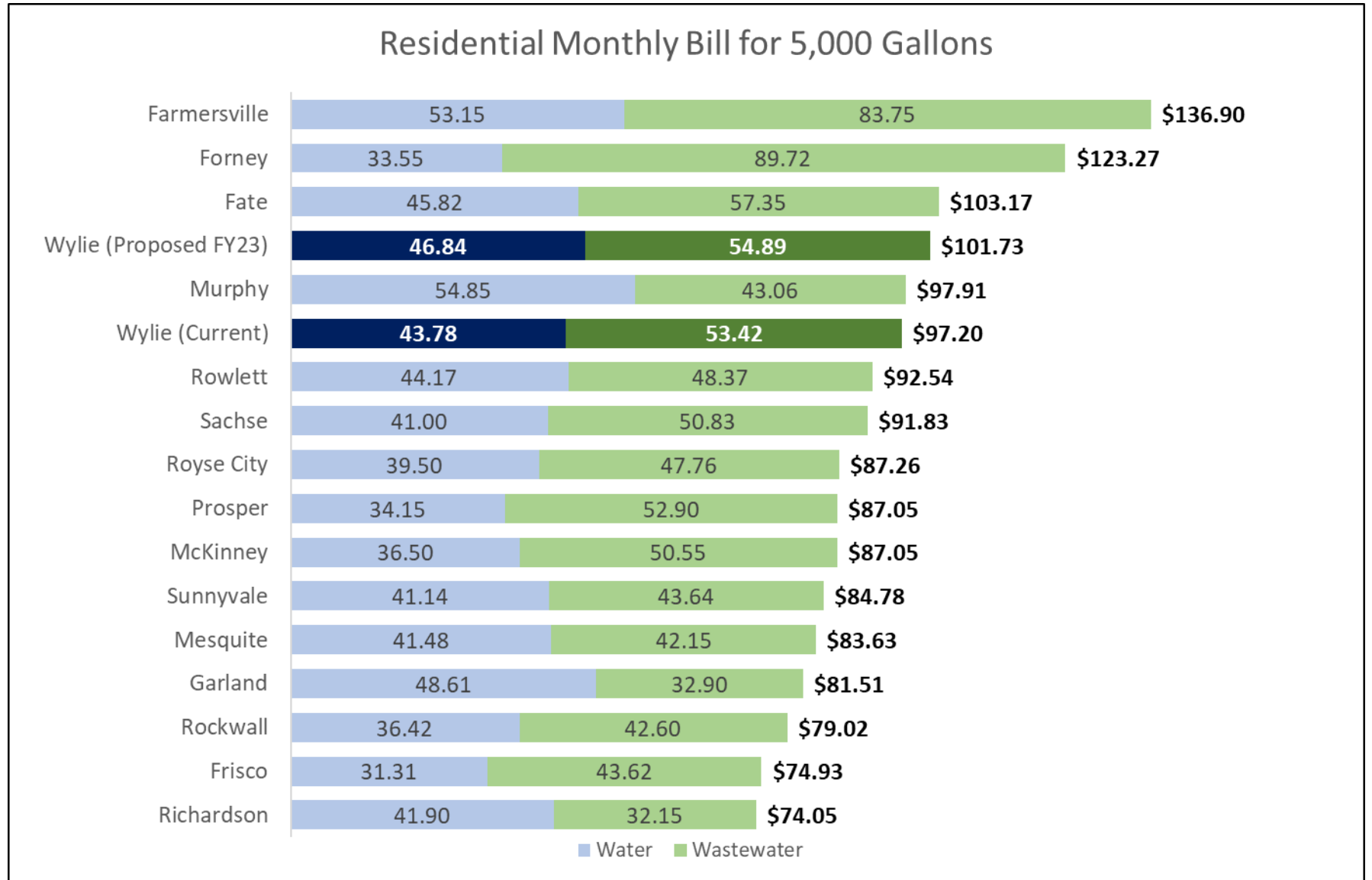


# COMMUNITY RATE COMPARISONS

- 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

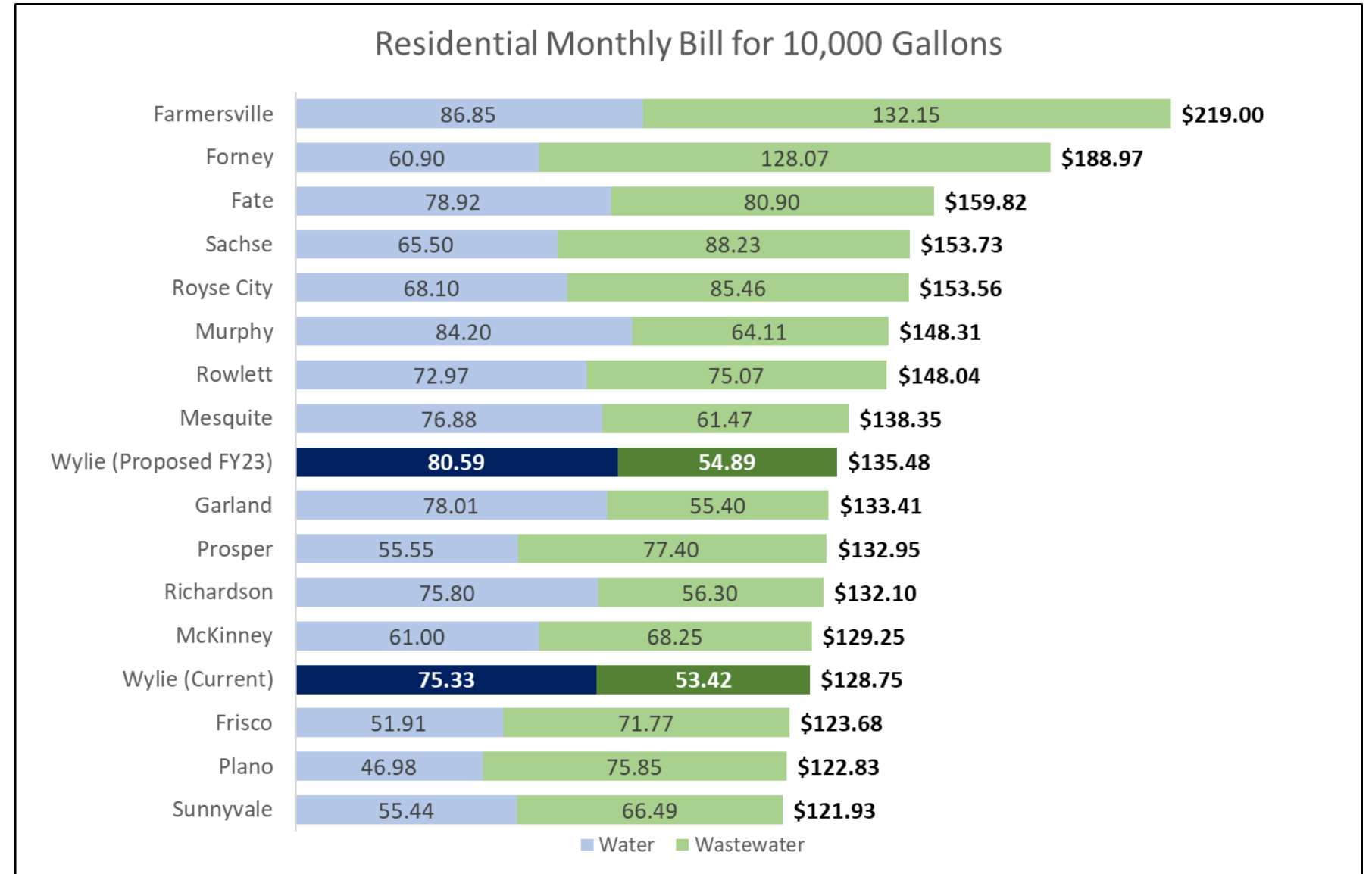
5,000 Gallons



\* 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!

**NEWGEN STRATEGIES AND SOLUTIONS**  
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