



February 21, 2023

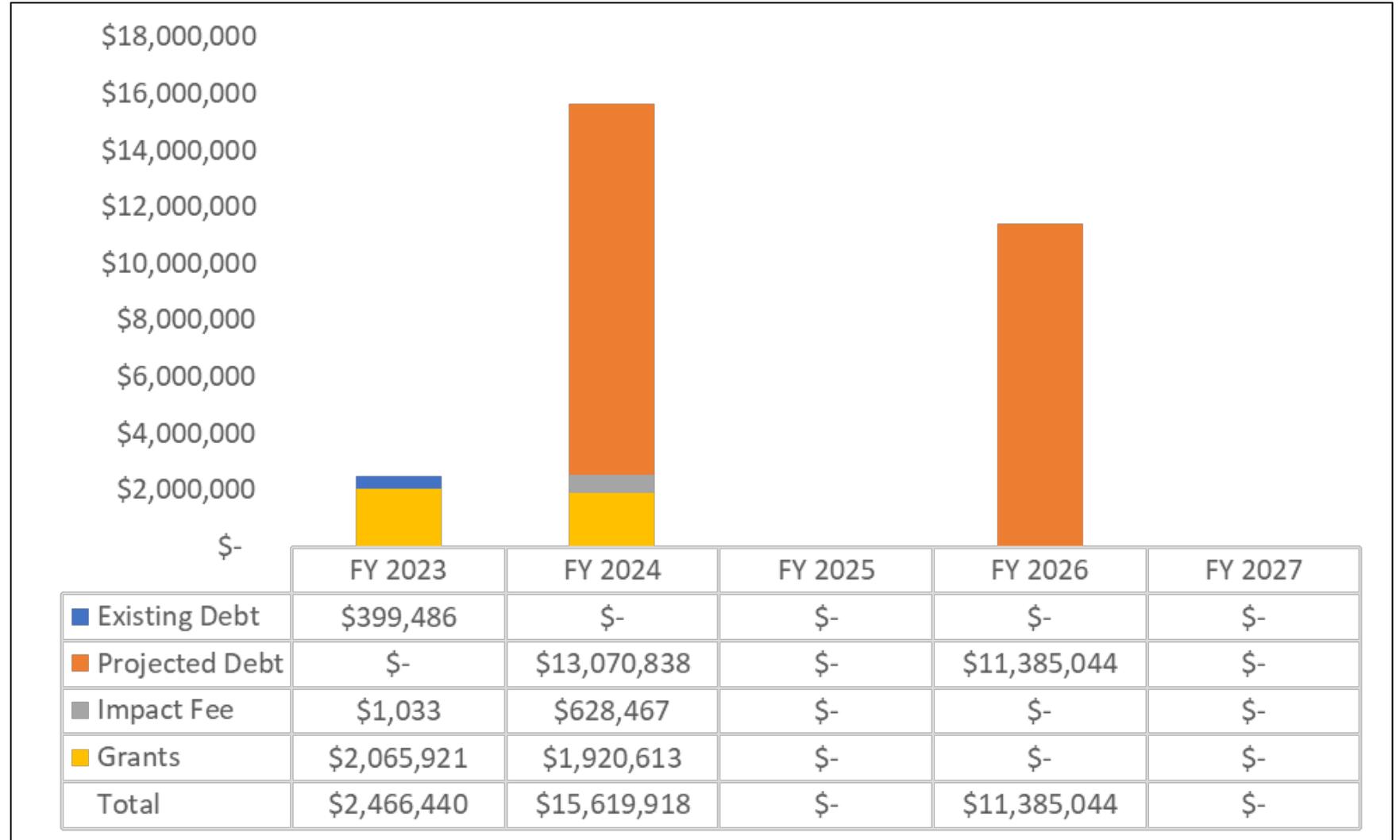
GLENN HEIGHTS, TEXAS WATER & WASTEWATER RATE STUDY



MAIN COST DRIVERS

- Capital Projects
 - \$29.5 Million Total Projects over Next 5-Years
 - Dramatic Construction Cost Escalation
- Wholesale Costs
 - Approximately 79% of Total Expenses
 - TRA Capital Plan of \$154.5 Million Total Projects over Next 5-Years
- Inflation
 - Adjusting for Current Trends
 - Later Years Returning to Normal Trends
- Last Rate Change = October 2010
 - Small Modification to 2nd Tier in 2021

CAPITAL FUNDING



WHOLESALE

City of Dallas	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Projected Cost	\$ 2,100,000	\$ 2,153,677	\$ 2,208,640	\$ 2,264,919	\$ 2,322,549
<i>Increase, \$</i>	428,962	53,677	54,962	56,280	57,630
<i>Increase, %</i>	25.7%	2.6%	2.6%	2.5%	2.5%

Trinity River Authority	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Projected Cost	\$ 4,812,500	\$ 5,071,147	\$ 5,628,908	\$ 6,628,974	\$ 8,331,014
<i>Increase, \$</i>	425,191	258,647	557,760	1,000,066	1,702,040
<i>Increase, %</i>	9.7%	5.4%	11.0%	17.8%	25.7%

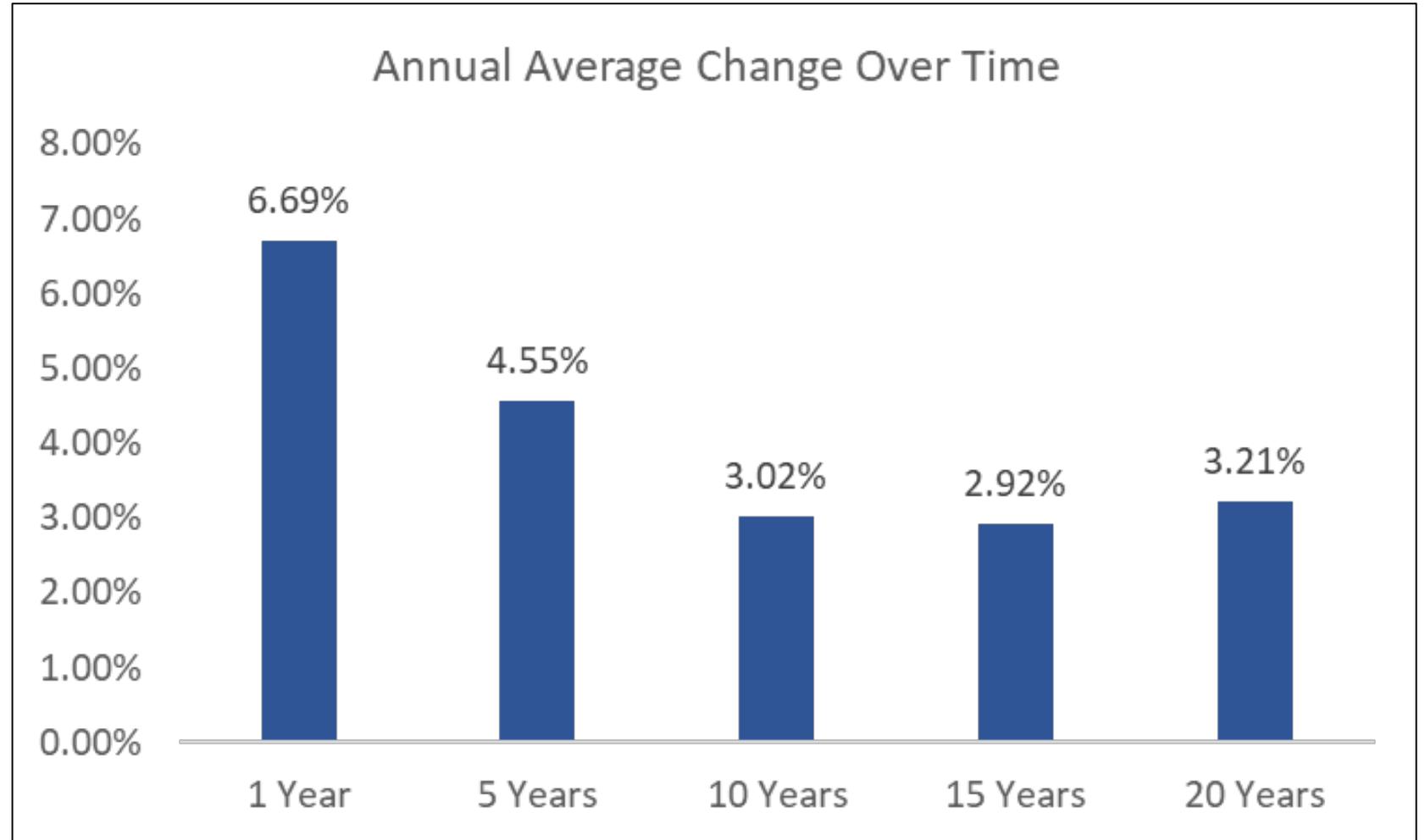
WHOLESALE – TRA

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Debt					
Projected Rate/1,000 gal	\$ 6.314	\$ 6.699	\$ 7.644	\$ 9.391	\$ 12.403
Annual Debt Cost	\$ 3,500,000	\$ 3,713,415	\$ 4,237,251	\$ 5,205,654	\$ 6,875,277
<i>Increase, %</i>	<i>1.6%</i>	<i>6.1%</i>	<i>14.1%</i>	<i>22.9%</i>	<i>32.1%</i>
O&M					
Projected Rate/1,000 gal	\$ 1.741	\$ 1.801	\$ 1.846	\$ 1.888	\$ 1.931
Annual O&M Cost	\$ 1,312,500	\$ 1,357,733	\$ 1,391,657	\$ 1,423,320	\$ 1,455,737
<i>Increase, %</i>	<i>38.0%</i>	<i>3.4%</i>	<i>2.5%</i>	<i>2.3%</i>	<i>2.3%</i>
% of Total Expenses					
Debt Portion	40%	41%	39%	44%	47%
O&M Portion	15%	15%	13%	12%	10%
Total Portion	55%	56%	52%	56%	57%

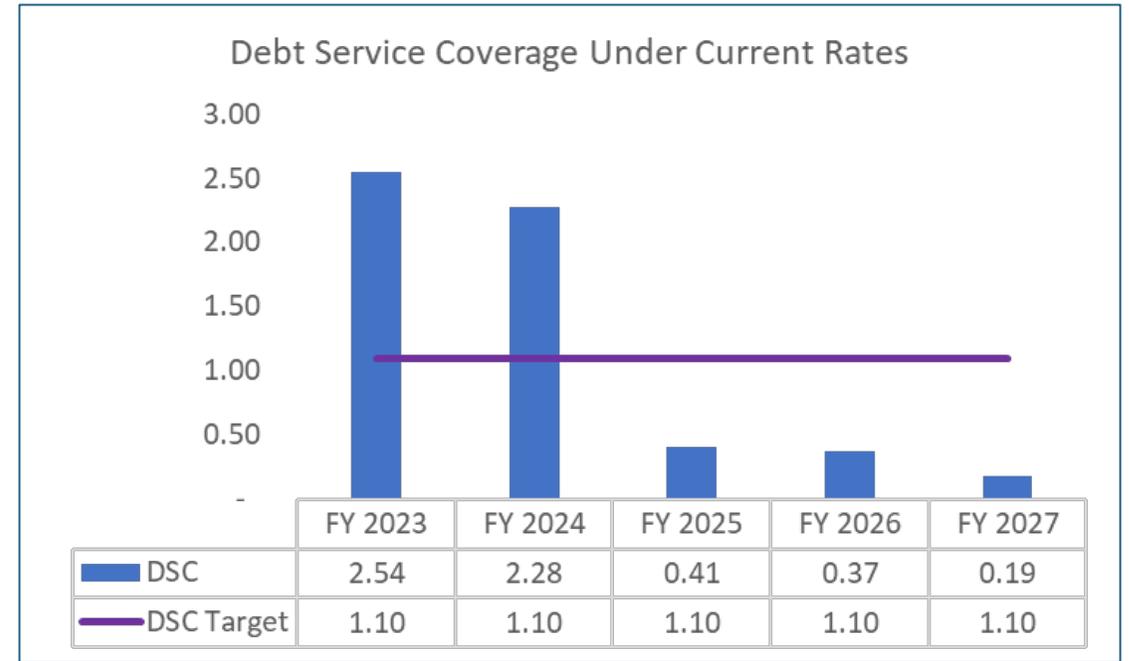
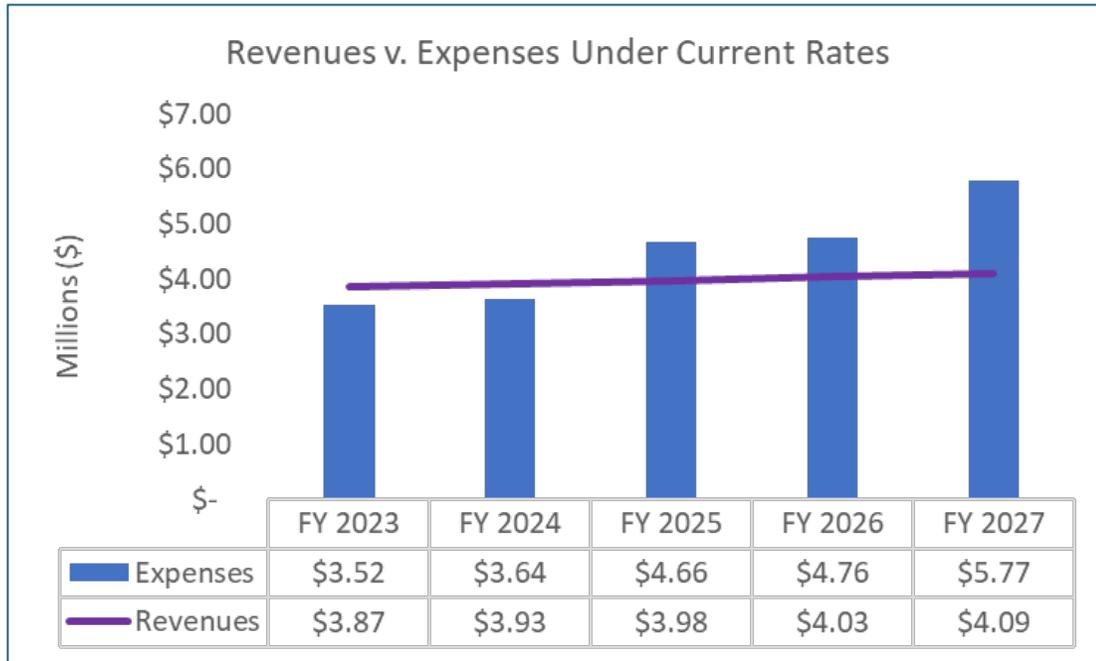
MUNICIPAL COST INDEX

Source:
American City and
County

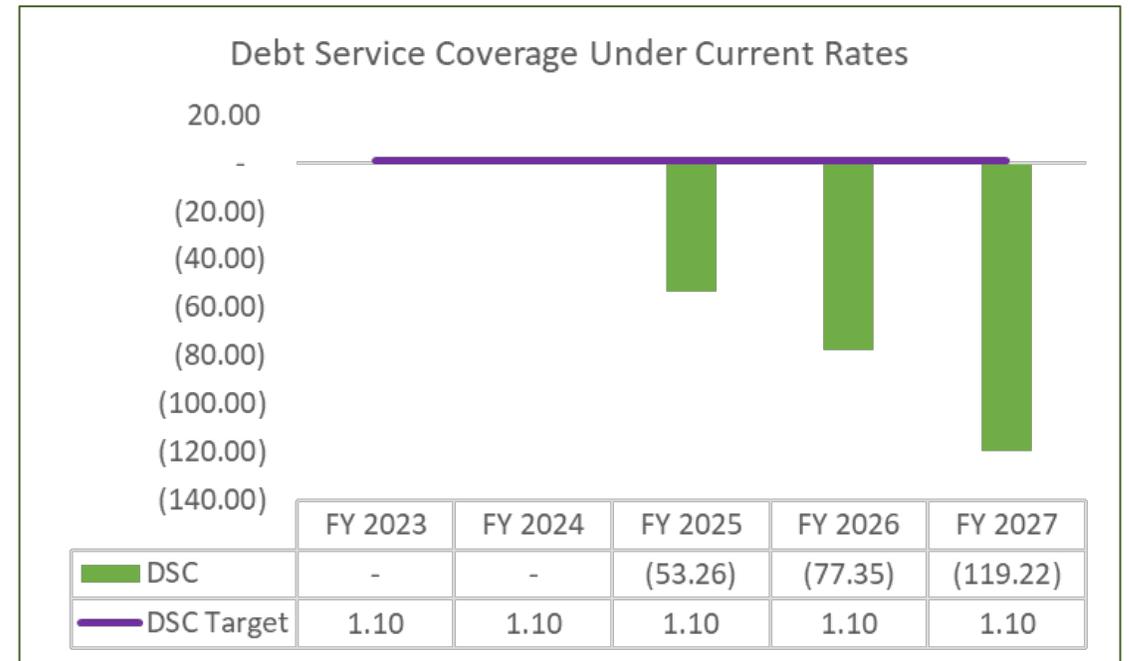
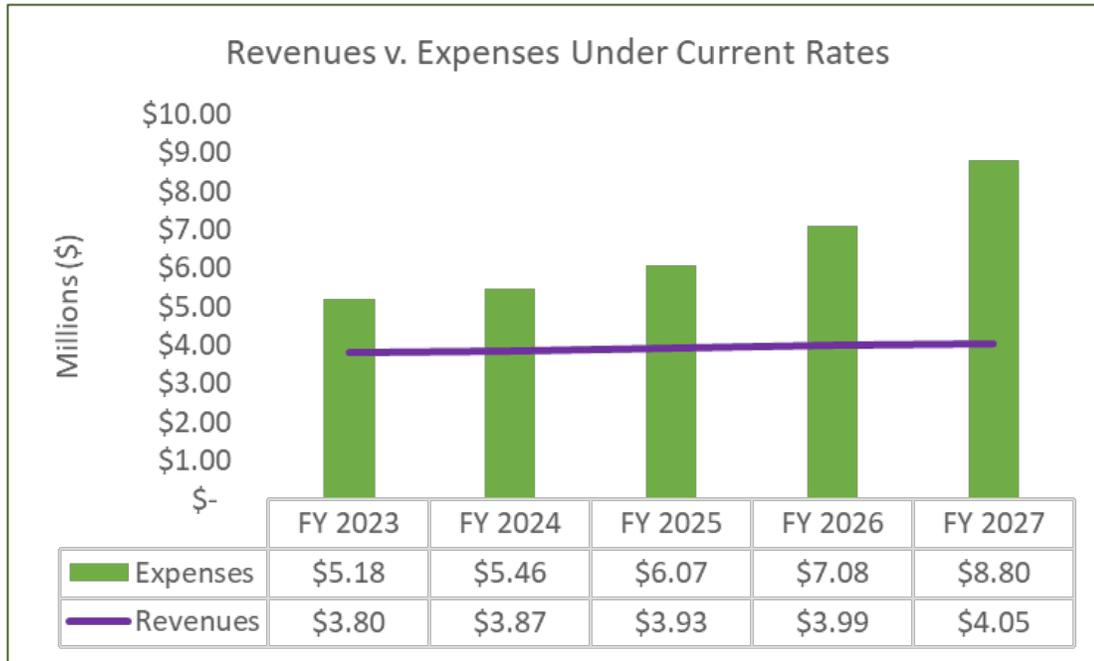
December 2022



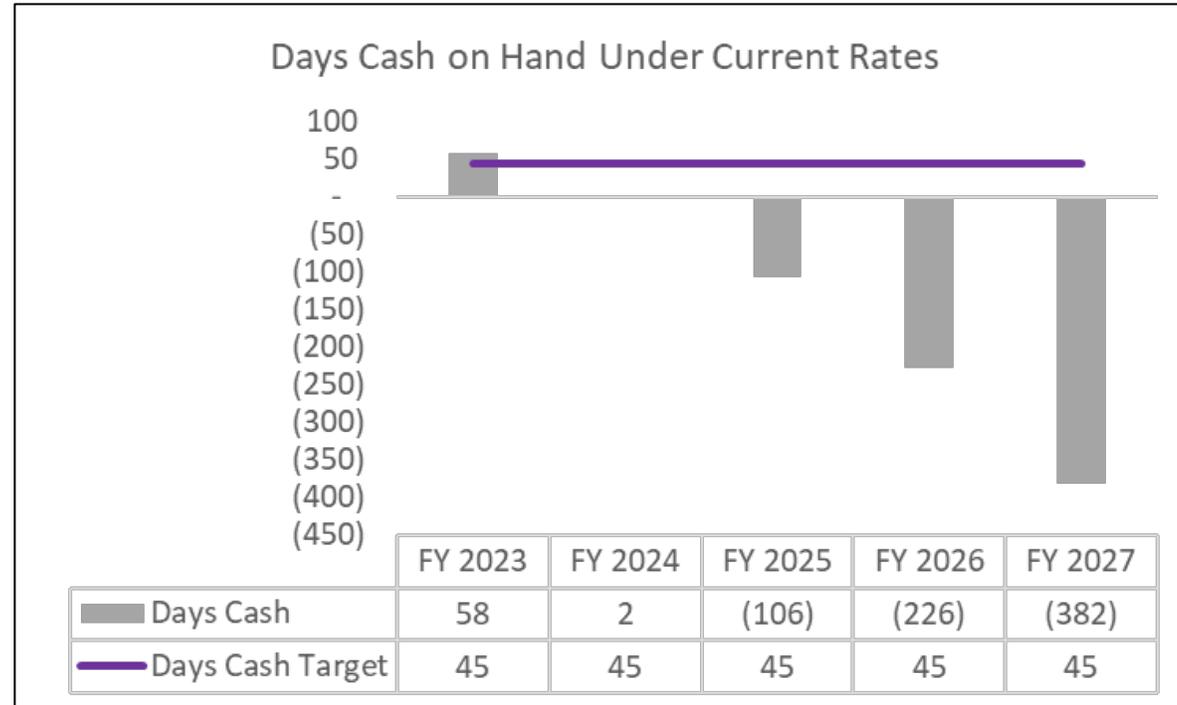
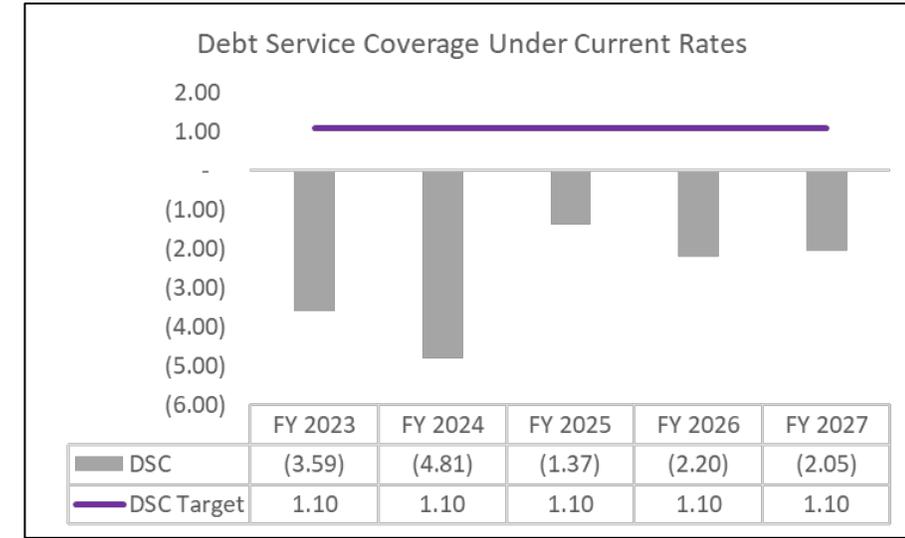
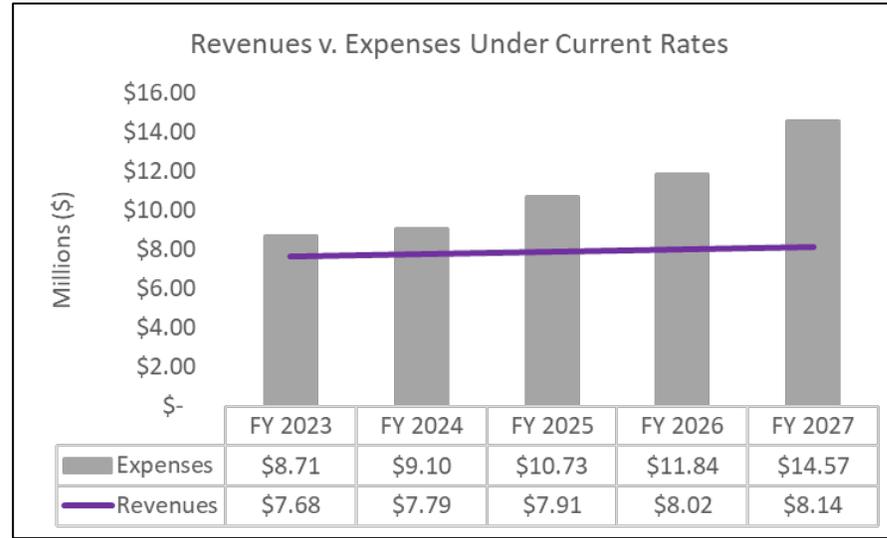
FINANCIAL PERFORMANCE UNDER CURRENT RATES - WATER



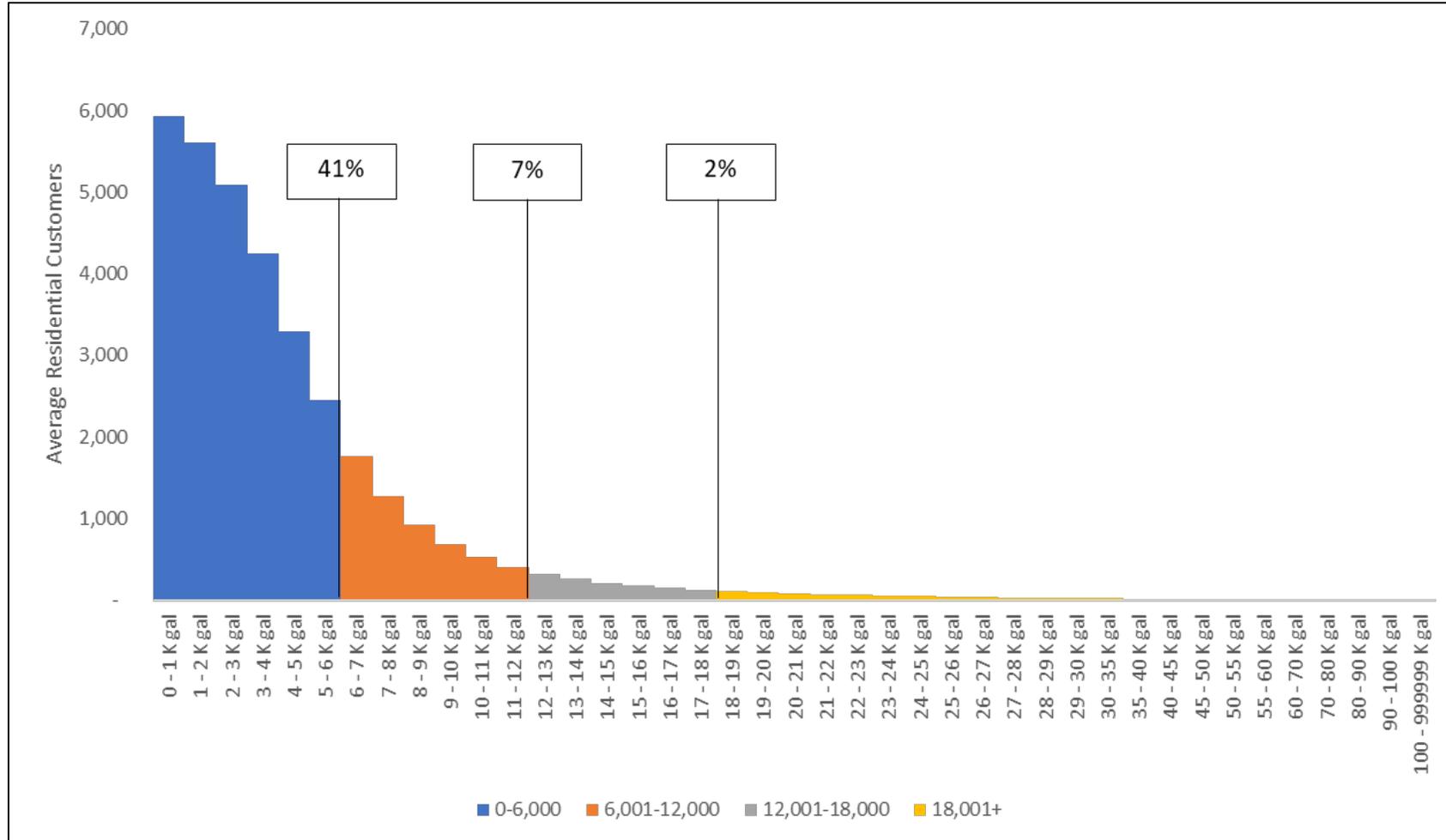
FINANCIAL PERFORMANCE UNDER CURRENT RATES - WASTEWATER



FINANCIAL PERFORMANCE UNDER CURRENT RATES - COMBINED



RESIDENTIAL FREQUENCY DISTRIBUTION – CURRENT TIERS



PROPOSED RESIDENTIAL RATES

FY 2023

Water

Volumetric Charge is
per 1,000 gallons

	Current	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Minimum Charge						
3/4" or Less	\$ 12.61	\$ 12.61	\$ 16.65	\$ 18.85	\$ 12.61	\$ 18.41
1"	31.53	31.53	41.63	47.13	31.53	46.03
1 1/2"	63.06	63.06	83.26	94.26	63.06	92.06
2"	100.89	100.89	133.21	150.81	100.89	147.29
3"	189.17	189.17	249.78	282.78	189.17	276.18
4"	315.25	315.25	416.25	471.25	315.25	460.25
Volumetric Charge						
0-2,000	\$ 2.24	\$ 3.36	\$ 2.96	\$ 2.24	\$ 3.40	\$ 2.24
2,001-5,000					5.10	3.40
5,001-6,000						
6,001-10,000	2.80	4.70	4.14	3.36	7.65	5.10
10,001-12,000						
12,001-15,000	3.51	6.57	5.79	5.04		
15,001-18,000						
18,001+	4.38					6.36

PROPOSED RESIDENTIAL RATES

FY 2023

Wastewater

Volumetric Charge is
per 1,000 gallons

	Current	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Minimum Charge						
3/4" or Less	\$ 26.72	\$ 26.72	\$ 32.40	\$ 33.67	\$ 31.53	\$ 31.86
1"	66.79	66.79	80.99	84.16	78.81	79.64
1 1/2"	133.58	133.58	161.98	168.32	157.63	159.28
2"	213.73	213.73	259.16	269.32	252.20	254.84
3"	400.74	400.74	485.93	504.97	472.88	477.83
4"	668.00	668.00	810.00	841.75	788.25	796.50
Volumetric Charge						
All	\$ 4.95	\$ 7.77	\$ 6.00	\$ 6.24	\$ 5.84	\$ 5.90

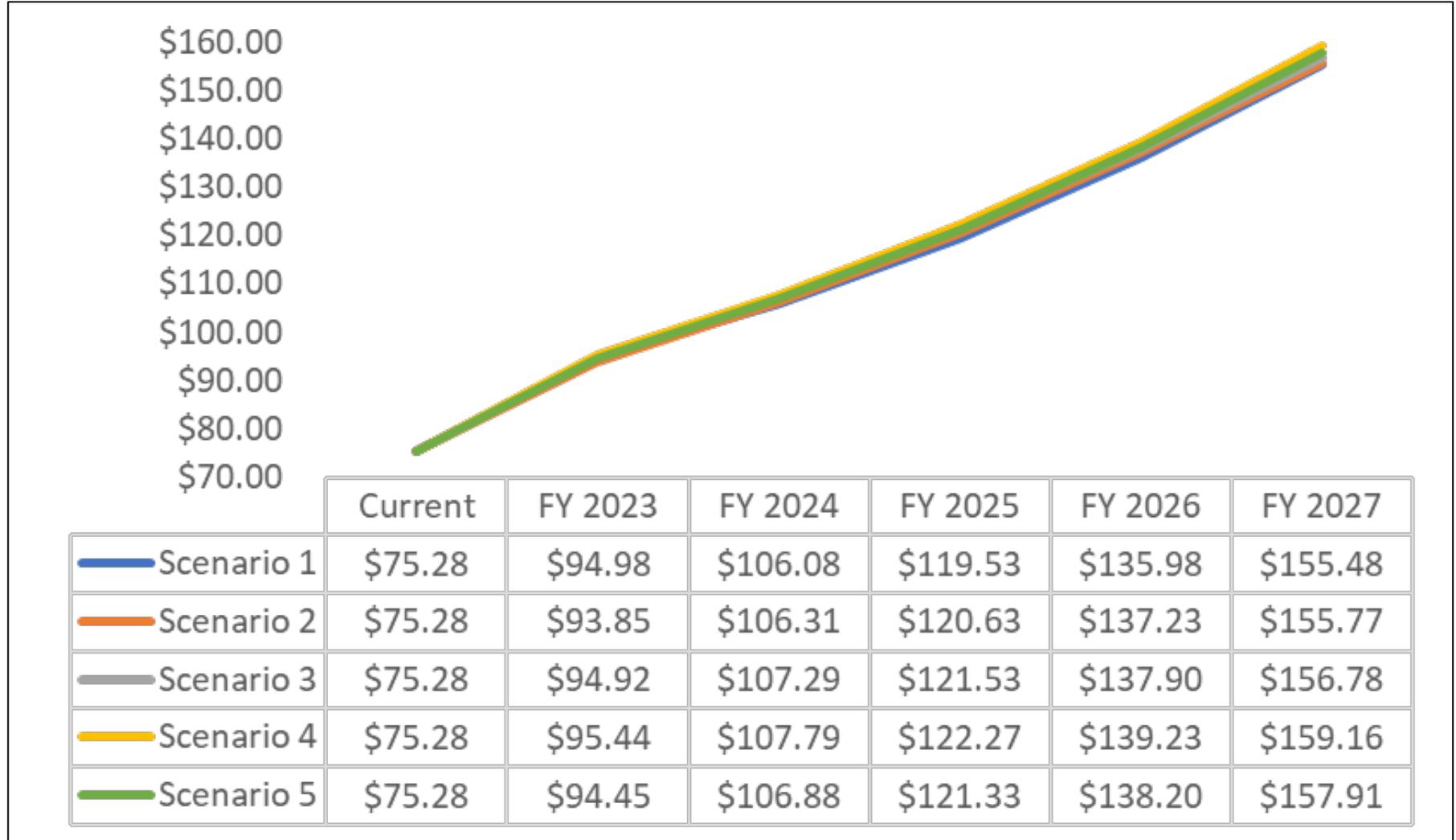
TOTAL RATE REVENUES BY SCENARIO

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
Revenue Requirement	\$ 8,297,961	\$ 8,687,441	\$ 10,319,831	\$ 11,430,061	\$ 14,159,008	\$ 52,894,301
Current Rates	\$ 7,264,931	\$ 7,379,906	\$ 7,494,881	\$ 7,609,857	\$ 7,724,832	\$ 37,474,407
Scenario 1	8,230,884	9,868,344	11,103,836	12,598,119	14,378,372	56,179,555
Scenario 2	8,206,360	9,932,891	11,214,388	12,699,824	14,387,499	56,440,963
Scenario 3	8,192,977	9,948,319	11,218,376	12,689,573	14,397,601	56,446,847
Scenario 4	8,229,109	9,884,994	11,144,904	12,628,333	14,379,893	56,267,234
Scenario 5	8,203,499	9,921,334	11,183,274	12,661,695	14,397,320	56,367,122

SCENARIO BILL COMPARISON

Water and
Wastewater Bill

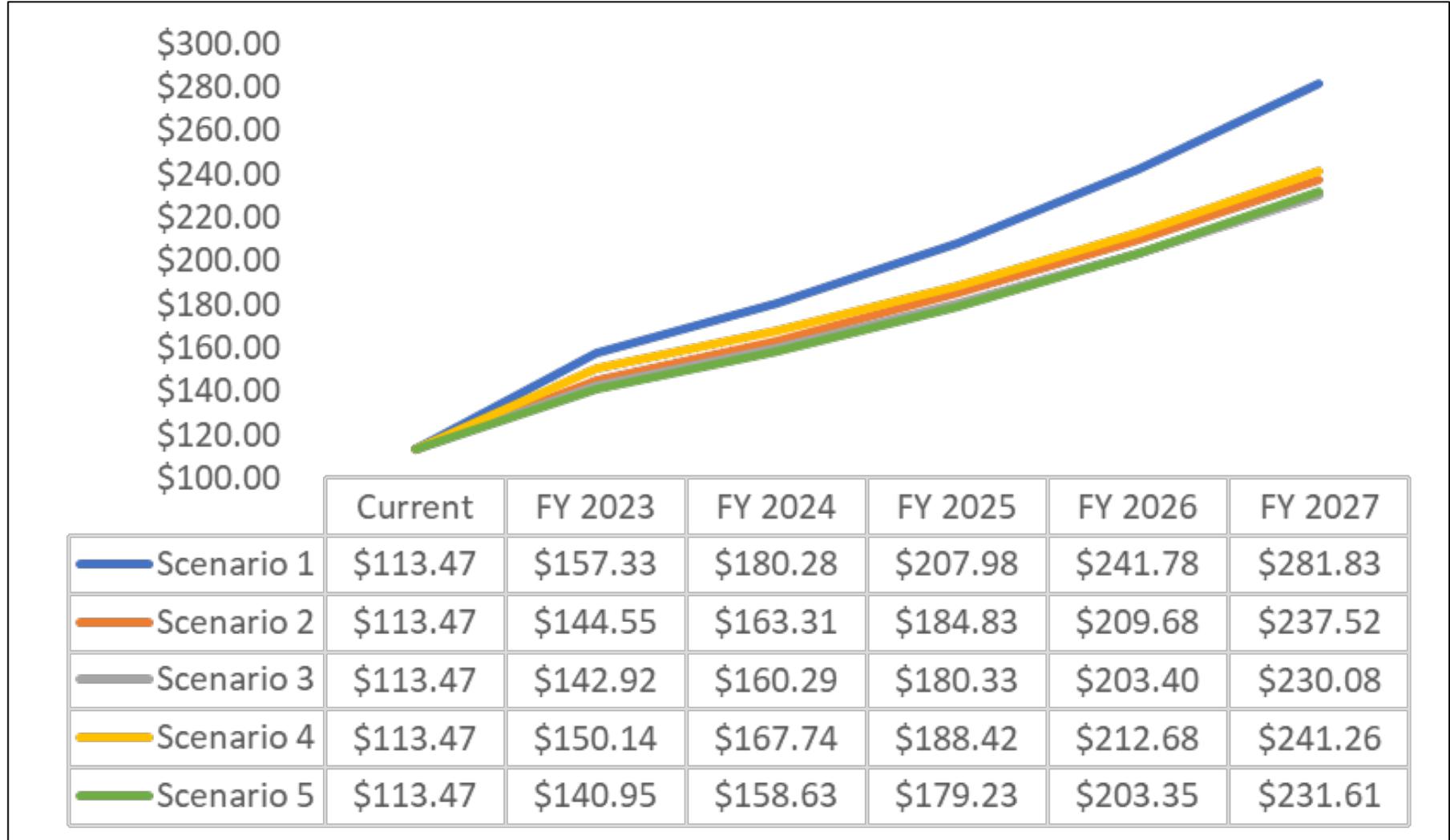
5,000 Gallons



SCENARIO BILL COMPARISON

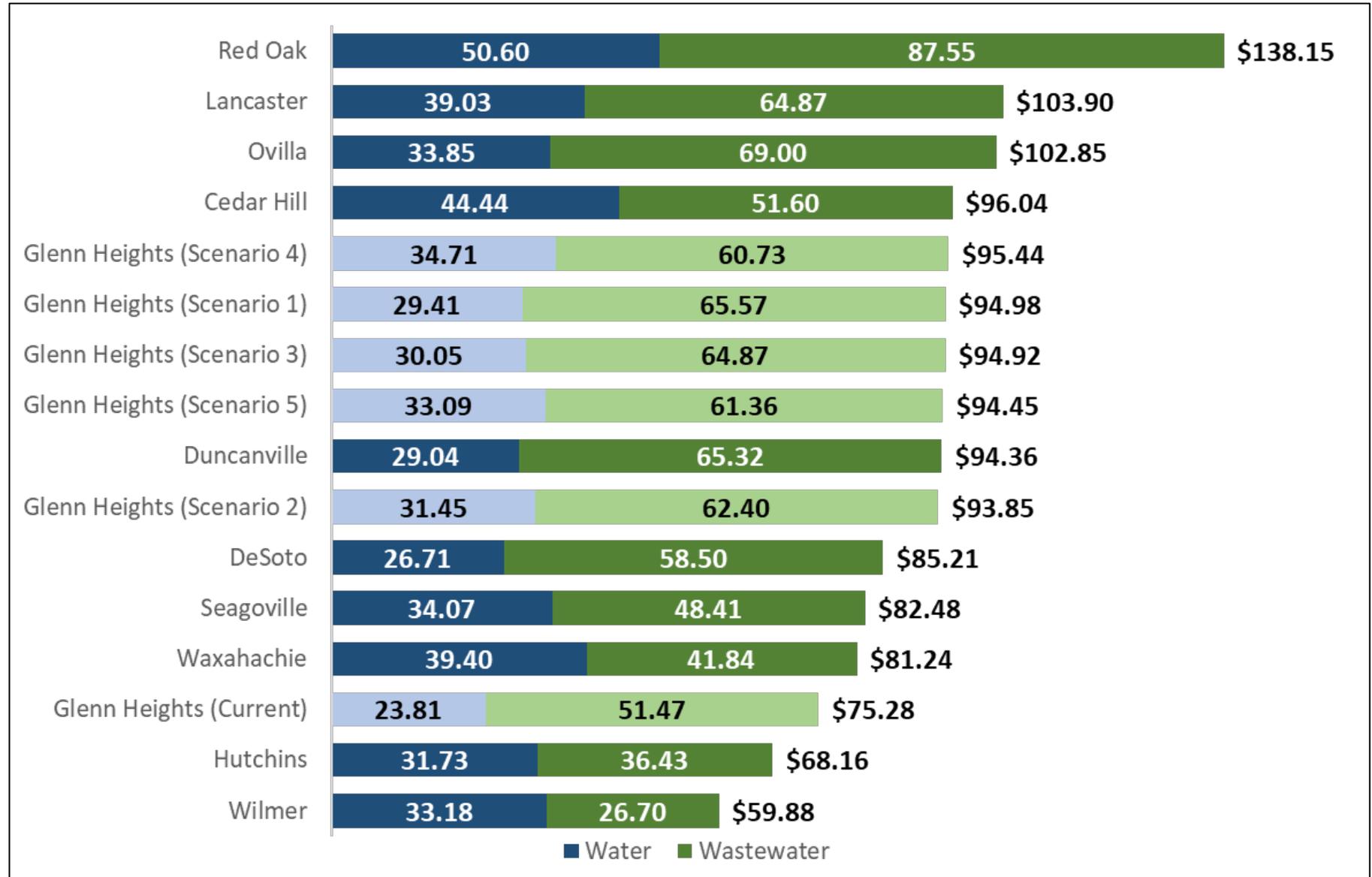
Water and
Wastewater Bill

10,000 Gallons



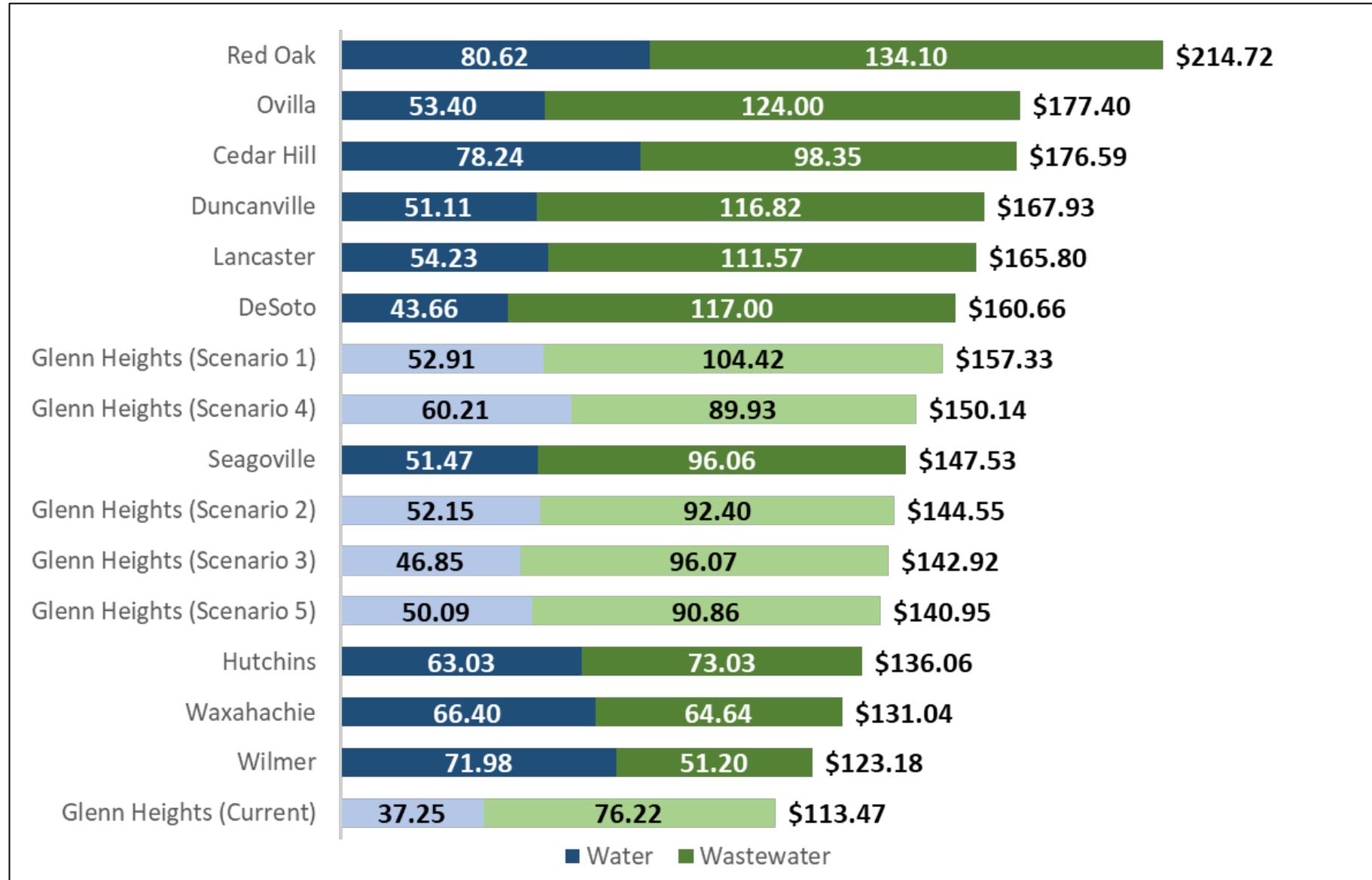
WATER & WASTEWATER RESIDENTIAL BILL IMPACT

Bill for household using 5,000 gallons of water and wastewater



WATER & WASTEWATER RESIDENTIAL BILL IMPACT

Bill for household using 10,000 gallons of water and wastewater



PATH FORWARD



- Next Steps
 - Discuss Scenarios
 - Come Back for Adoption



QUESTIONS AND DISCUSSION

NEWGEN STRATEGIES AND SOLUTIONS
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SCENARIO DESCRIPTION

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Water Tiers	0-5,000 5,001-15,000 15,001+	0-5,000 5,001-15,000 15,001+	0-5,000 5,001-15,000 15,001+	0-2,000 2,001-10,000 10,001+	0-2,000 2,001-10,000 10,001-18,000 18,001+
Water Tier Differential	40%	40%	50%	50%	50%
Water Increase	Volumetric Only	Minimum & Volumetric	Minimum Only	Minimum Only in FY 2024 and Later	Minimum Only
Wastewater Increase	Volumetric Only	Minimum & Volumetric	Minimum & Volumetric	Minimum & Volumetric	Minimum & Volumetric
Other Notes	N/A	N/A	N/A	First Tier Match Effective Cost of Water	Second Tier Match Effective Cost of Water

- Note: All Scenarios Meet Financial Metrics