



April 18, 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 2<sup>nd</sup> Tier in 2021

# WHOLESALE

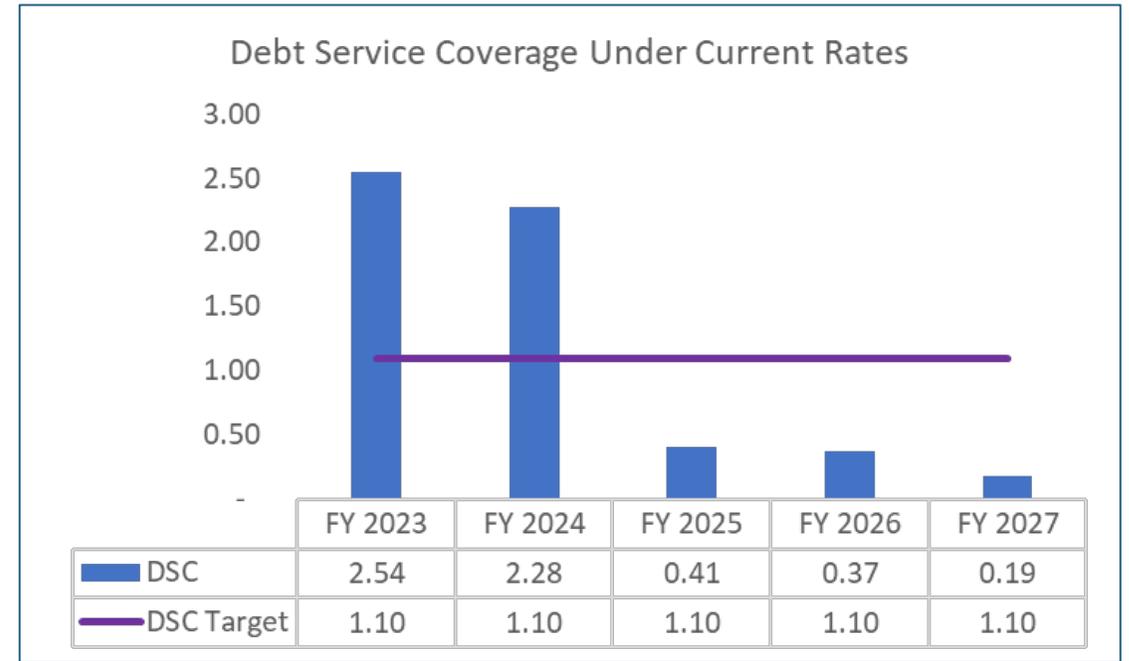
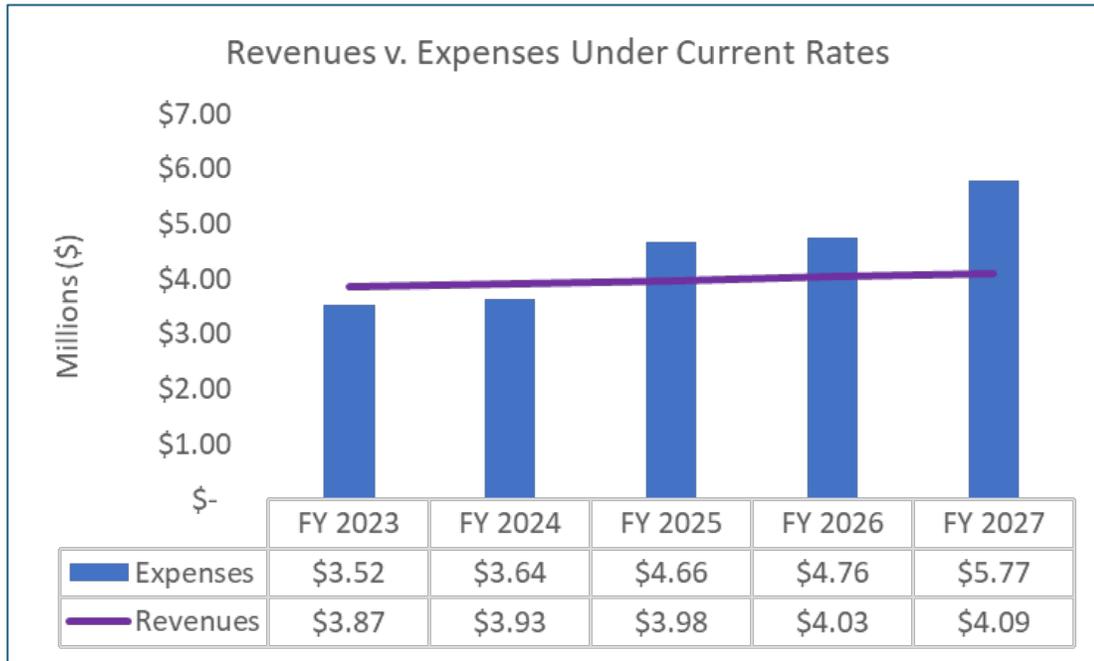
City of Dallas	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Projected Cost	\$ 2,100,000	\$ 2,153,677	\$ 2,208,640	\$ 2,264,919	\$ 2,322,549
<i>Increase, \$</i>	428,962	53,677	54,962	56,280	57,630
<i>Increase, %</i>	25.7%	2.6%	2.6%	2.5%	2.5%

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%

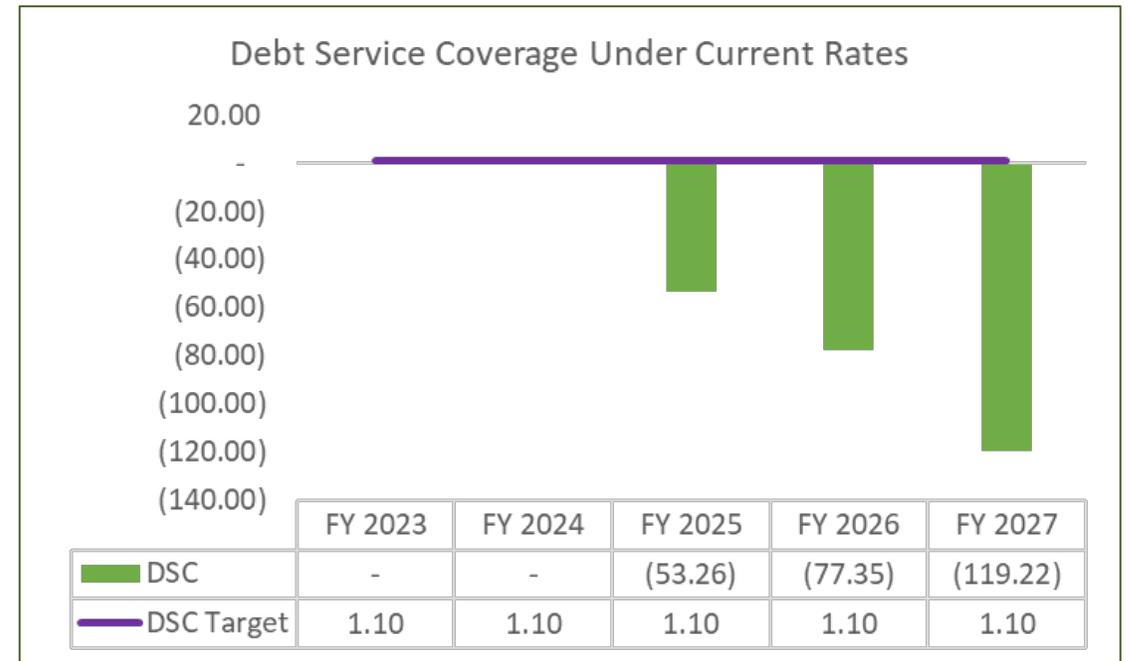
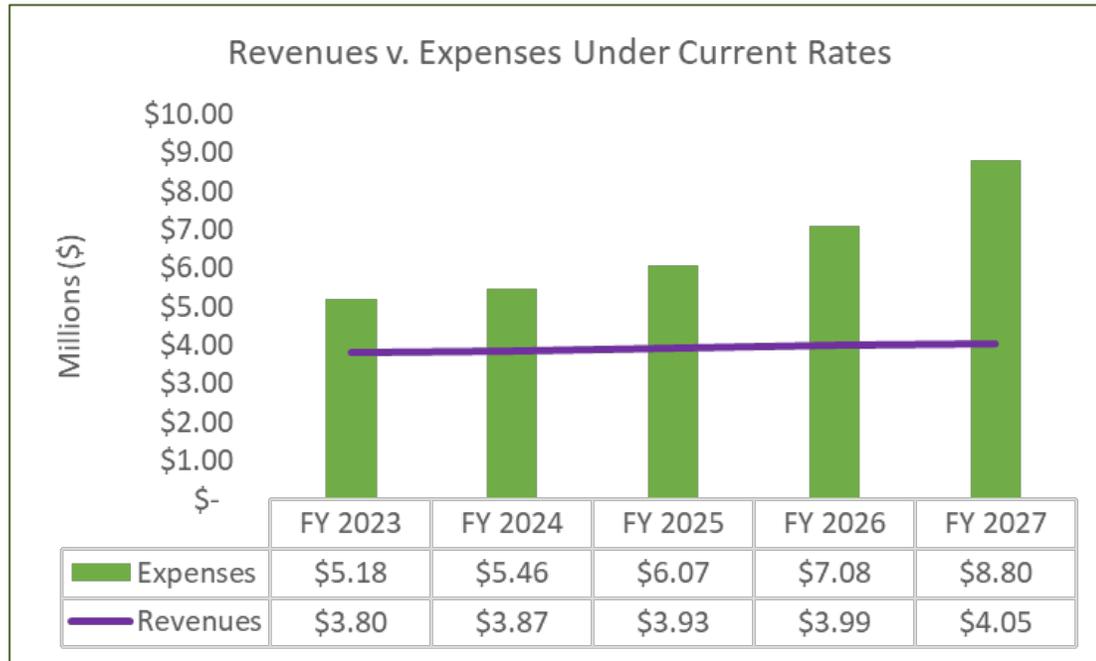
# WHOLESALE – TRA

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<b>Debt</b>					
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>
<b>O&amp;M</b>					
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>
<b>% of Total Expenses</b>					
Debt Portion	40%	41%	39%	44%	47%
O&M Portion	15%	15%	13%	12%	10%
<b>Total Portion</b>	<b>55%</b>	<b>56%</b>	<b>52%</b>	<b>56%</b>	<b>57%</b>

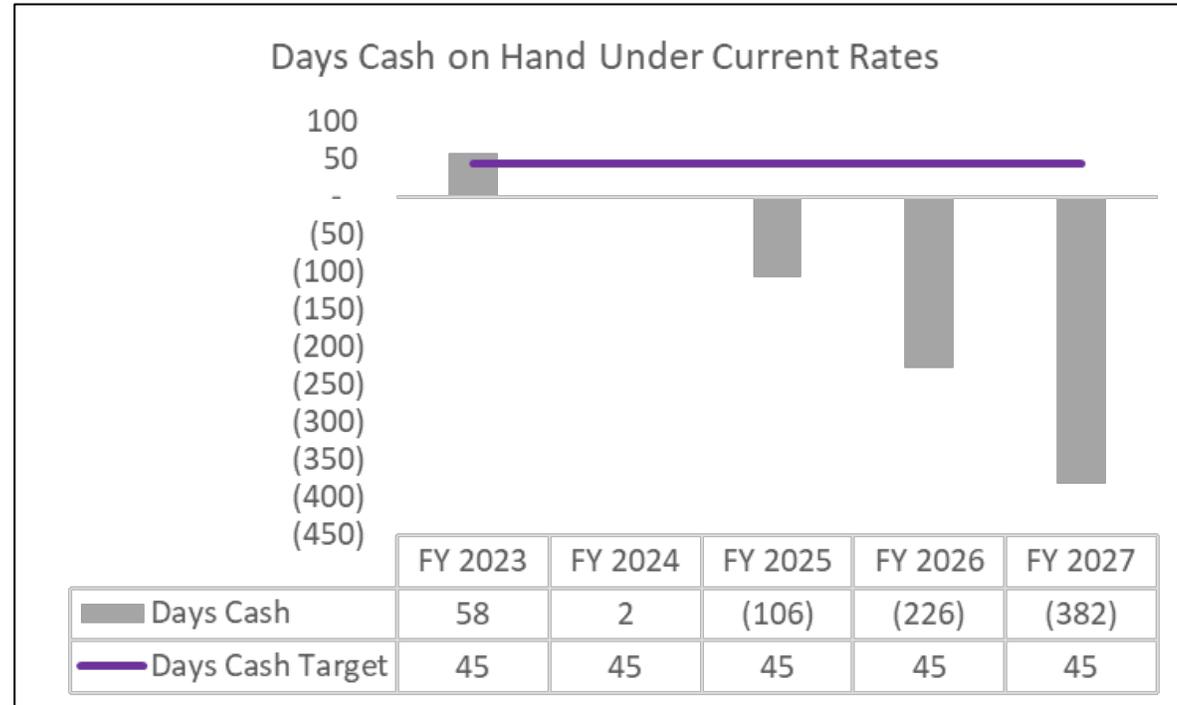
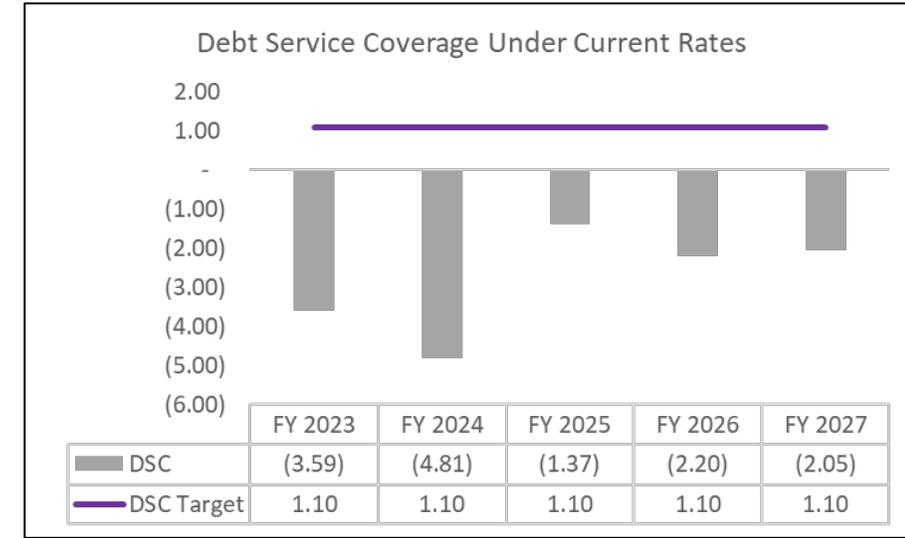
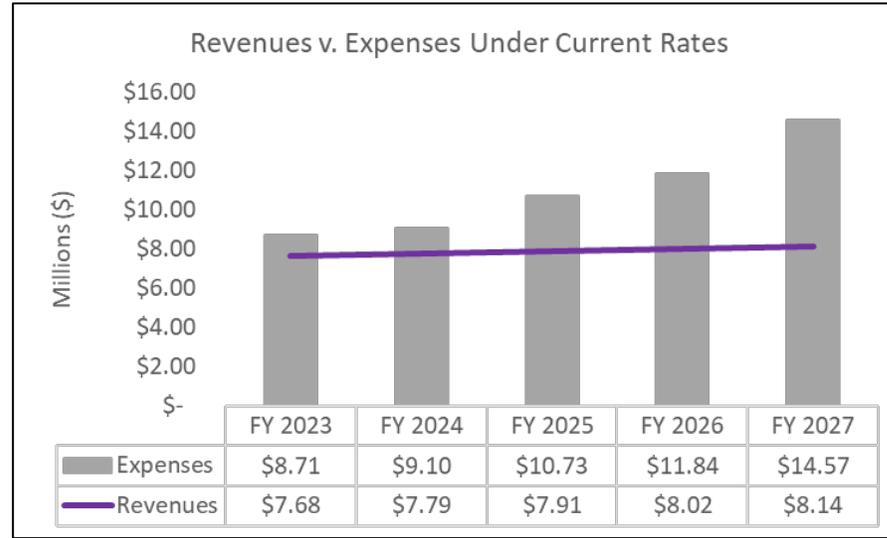
# FINANCIAL PERFORMANCE UNDER CURRENT RATES - WATER



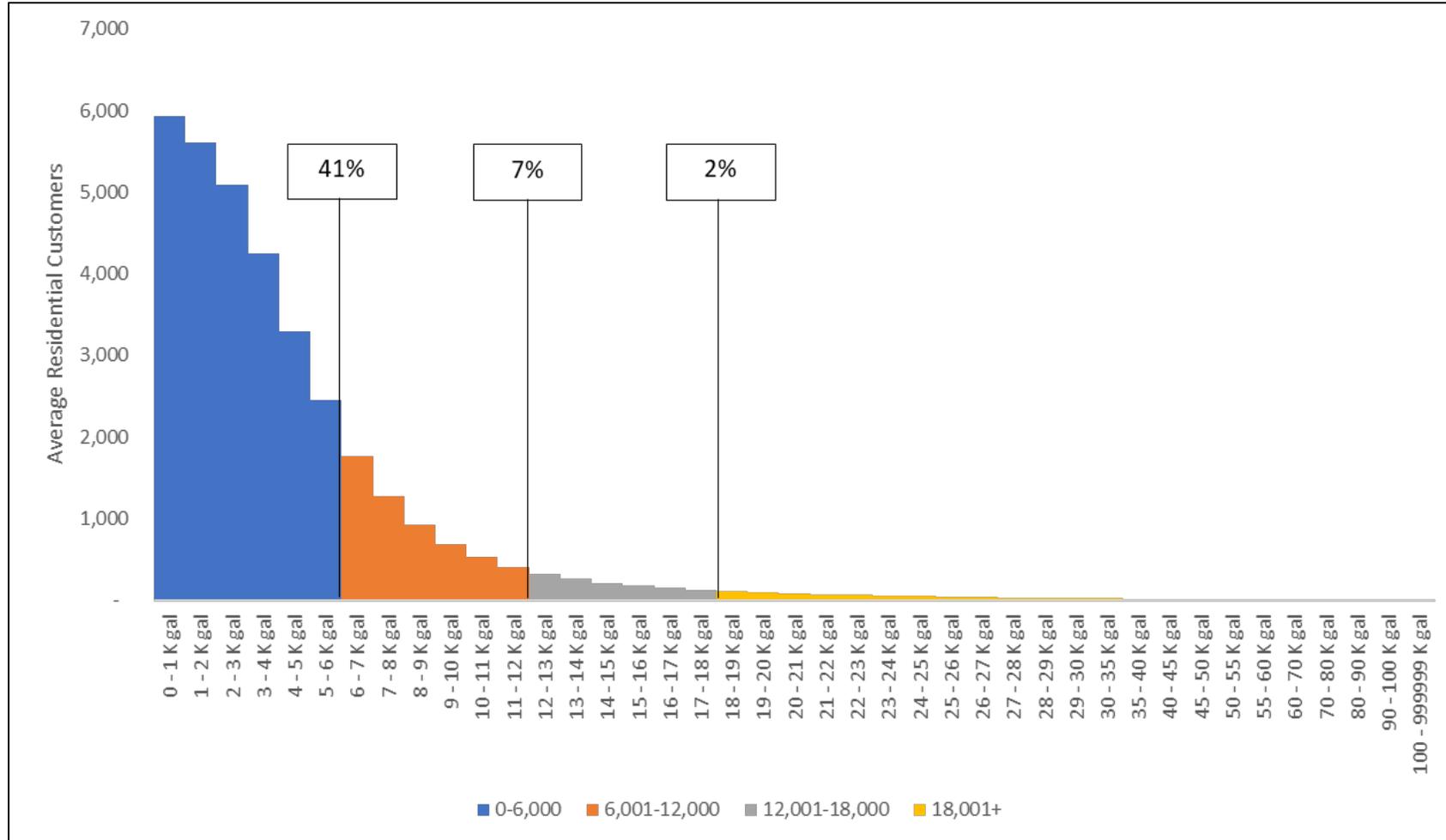
# FINANCIAL PERFORMANCE UNDER CURRENT RATES - WASTEWATER



# 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
<b>Minimum Charge</b>						
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
<b>Volumetric Charge</b>						
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						
10,001-12,000	2.80	4.70	4.14	3.36	7.65	5.10
12,001-15,000						
15,001-18,000		3.51	6.57	5.79	5.04	6.36
18,001+						

# PROPOSED RESIDENTIAL RATES

FY 2023

Wastewater

Volumetric Charge is  
per 1,000 gallons

	Current	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
<b>Minimum Charge</b>						
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
<b>Volumetric Charge</b>						
All	\$ 4.95	\$ 7.77	\$ 6.00	\$ 6.24	\$ 5.84	\$ 5.90

# TOTAL RATE REVENUES BY SCENARIO

	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>Total</b>
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

# SAMPLE BILL IMPACT

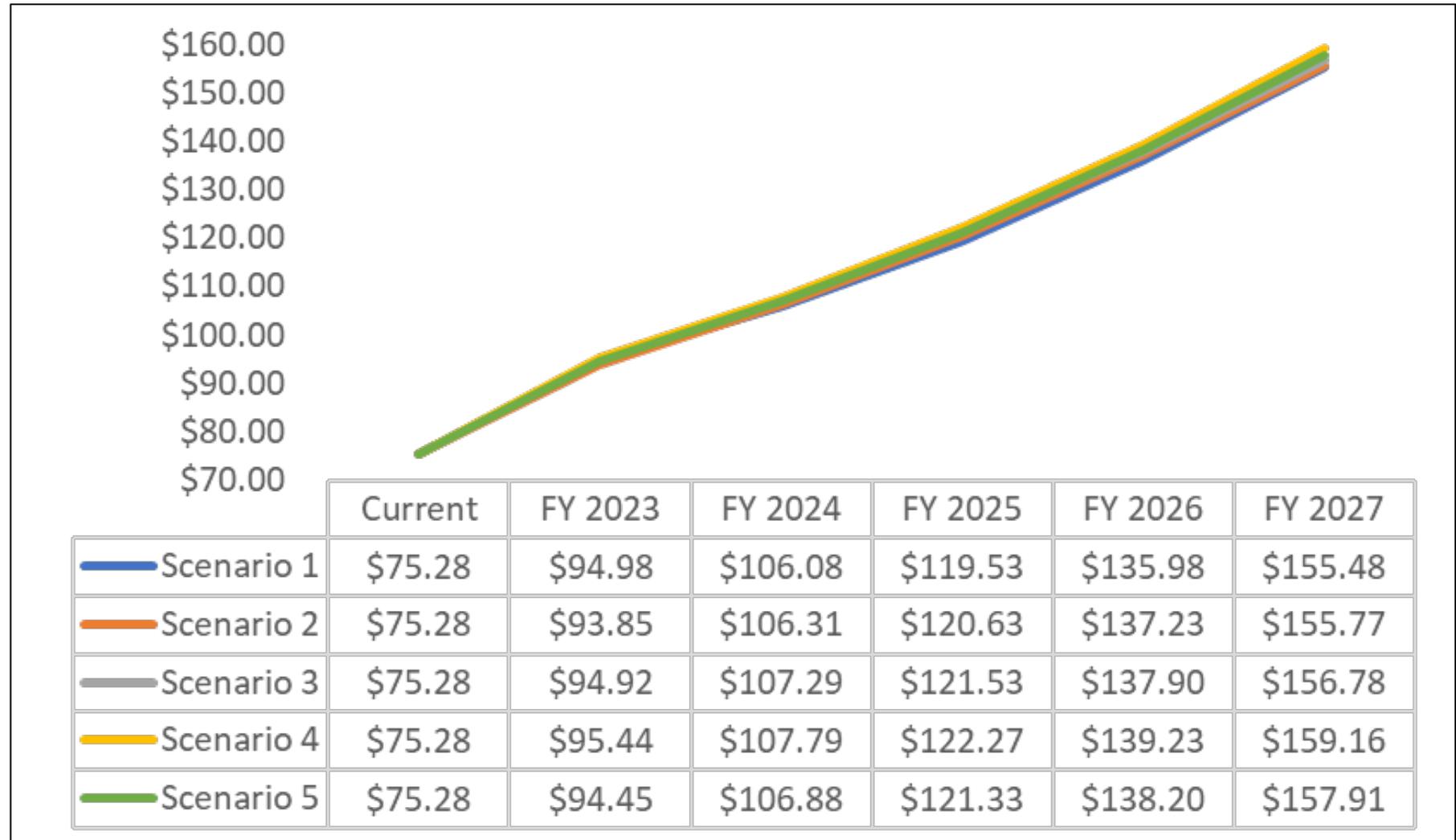
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**Fiscal Impact each scenario has on average bills**

# SCENARIO BILL COMPARISON

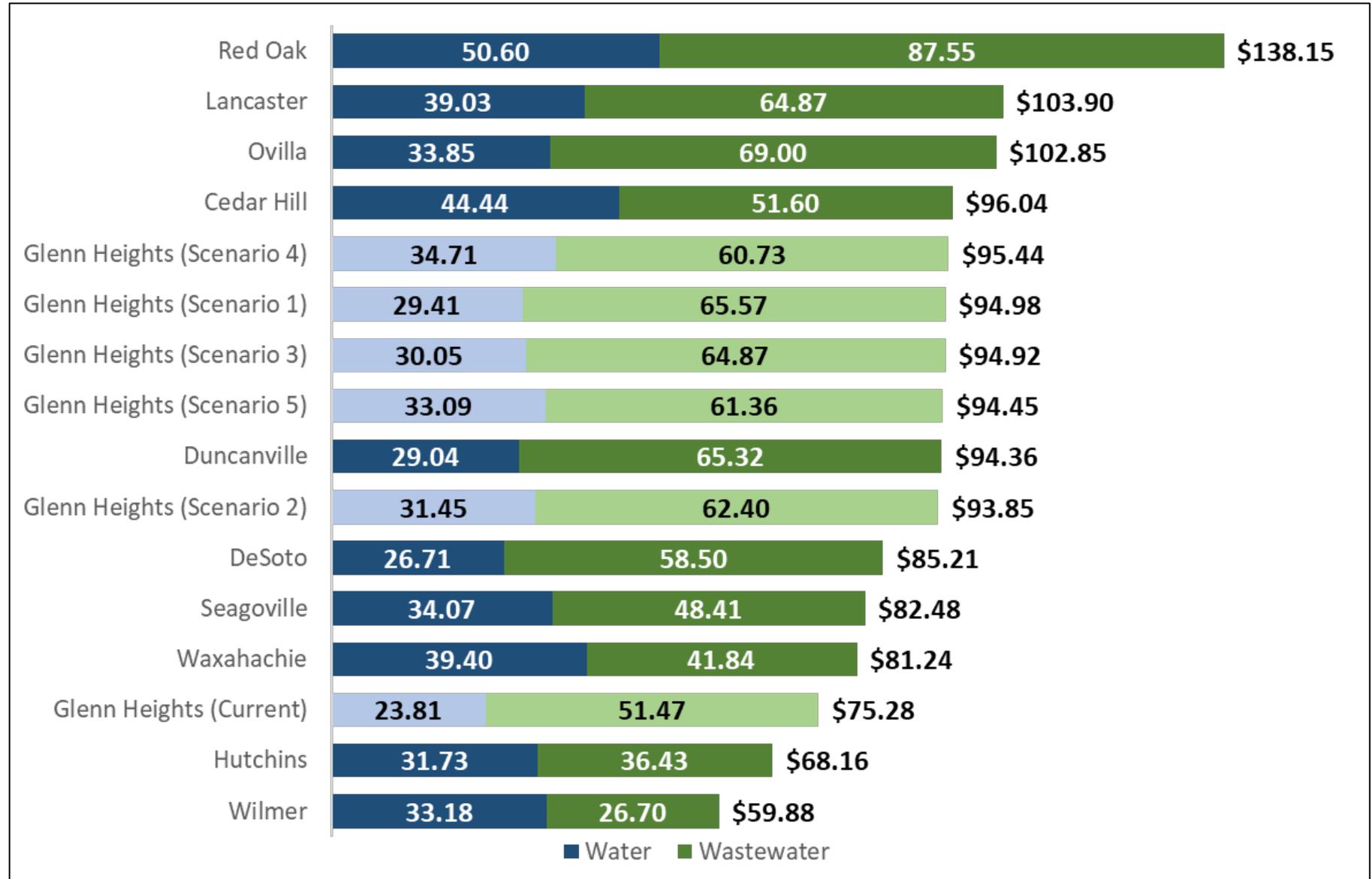
Water and  
Wastewater Bill

5,000 Gallons



# WATER & WASTEWATER RESIDENTIAL BILL IMPACT

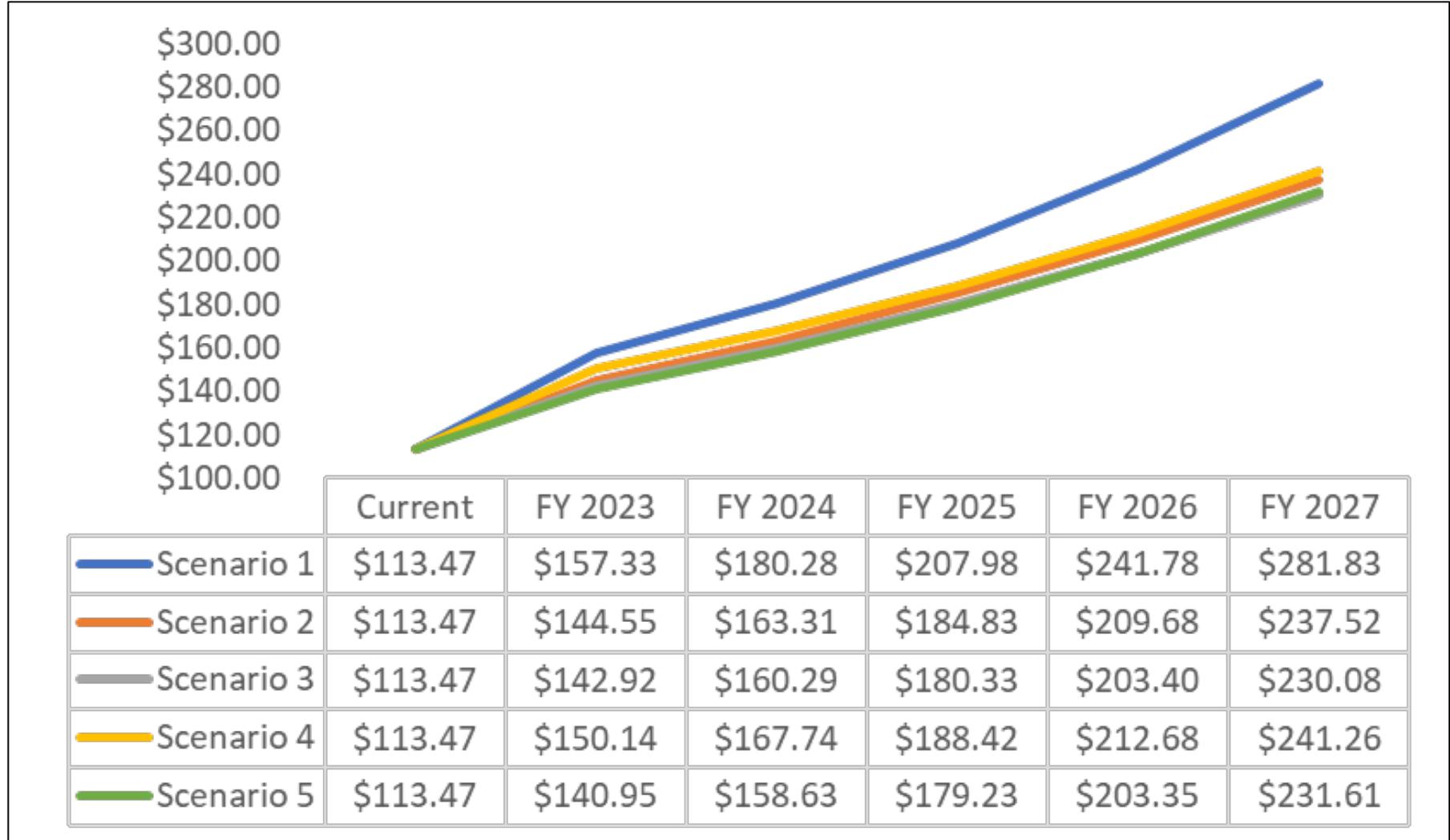
Bill for household using 5,000 gallons of water and wastewater



# SCENARIO BILL COMPARISON

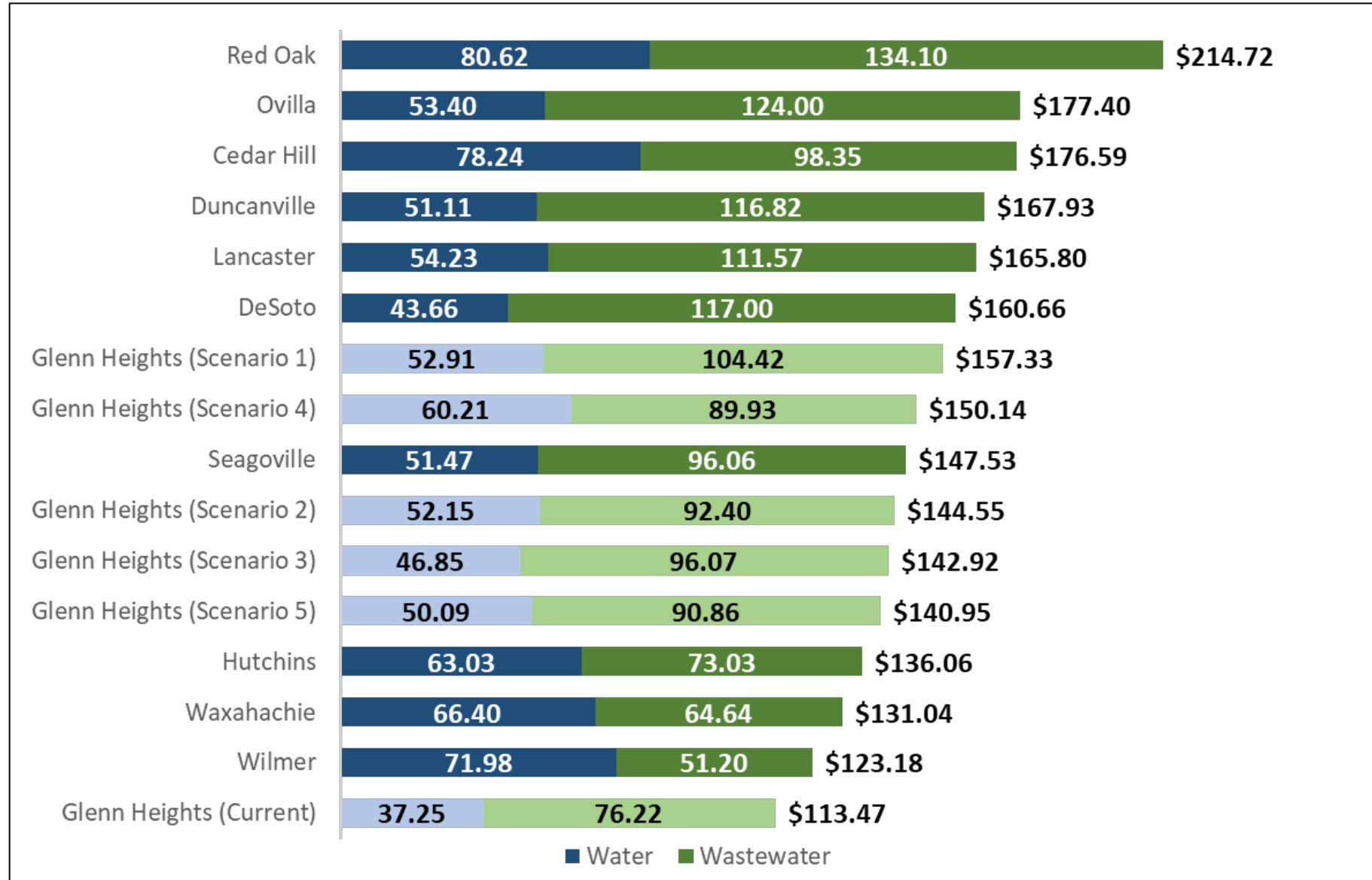
Water and  
Wastewater Bill

10,000 Gallons



# WATER & WASTEWATER RESIDENTIAL BILL IMPACT

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



# FISCAL IMPACT

Of Each Scenario  
Using the average  
consumption of  
March Bills

<b>Total Avg Bill</b>	<b>CURRENT BILL</b>	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>	<b>Scenario 4</b>	<b>Scenario 5</b>
<b>Residential INSIDE</b>						
Base Charge Water	\$12.61	\$12.61	\$16.65	\$18.85	\$12.61	\$18.41
5000 gallons Water	\$11.20	\$16.80	\$14.80	\$11.20	\$22.10	\$14.68
Base Charge Irrigation	\$6.31	\$6.31	\$8.33	\$9.43	\$6.31	\$9.21
1000 gallons Irrigation	\$3.67	\$5.51	\$4.84	\$3.67	\$5.57	\$3.67
Base Charge Sewer	\$26.72	\$26.72	\$32.40	\$33.67	\$31.53	\$31.86
5000 gallons Sewer	\$24.75	\$38.85	\$30.00	\$31.20	\$29.20	\$29.50
Drainage fee	\$5.08	\$5.08	\$5.08	\$5.08	\$5.08	\$5.08
Sanitation	\$15.11	\$15.11	\$15.11	\$15.11	\$15.11	\$15.11
Tax	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25
<b>Total Bill</b>	<b>\$106.70</b>	<b>\$128.24</b>	<b>\$128.46</b>	<b>\$129.46</b>	<b>\$128.76</b>	<b>\$128.77</b>
	Difference	\$21.54	\$21.76	\$22.76	\$22.06	\$22.07

# FISCAL IMPACT

Of Each Scenario  
Using the average  
consumption of  
August Bills

<b>Avg Summer Bill</b>	<b>CURRENT BILL</b>	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>	<b>Scenario 4</b>	<b>Scenario 5</b>
<b>Residential INSIDE</b>						
Base Charge Water	\$12.61	\$12.61	\$16.65	\$18.85	\$12.61	\$18.41
10000 gallons Water	\$22.40	\$40.30	\$35.50	\$28.00	\$47.60	\$31.68
Base Charge Irrigation	\$6.31	\$6.31	\$8.33	\$9.43	\$6.31	\$9.21
10000 gallons Irrigation	\$40.38	\$66.05	\$58.05	\$45.90	\$78.02	\$51.90
Base Charge Sewer	\$26.72	\$26.72	\$32.40	\$33.67	\$31.53	\$31.86
10000 gallons Sewer	\$49.50	\$77.70	\$60.00	\$62.40	\$58.40	\$59.00
Drainage fee	\$5.08	\$5.08	\$5.08	\$5.08	\$5.08	\$5.08
Sanitation	\$15.11	\$15.11	\$15.11	\$15.11	\$15.11	\$15.11
Tax	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25
<b>Total Bill</b>	<b>\$179.36</b>	<b>\$251.13</b>	<b>\$232.37</b>	<b>\$219.69</b>	<b>\$255.91</b>	<b>\$223.50</b>
	<i>Difference</i>	<i>\$71.77</i>	<i>\$53.01</i>	<i>\$40.33</i>	<i>\$76.55</i>	<i>\$44.14</i>

# WHAT ARE THE OPTIONS?

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- Adjust rates one-time (choose a scenario)
- Adjust rates with a commitment to review rates in the future
- Adjust rates plus adopt a five-year plan to approve annual increases
- Do nothing – leave rates as they are currently



# QUESTIONS AND DISCUSSION

**NEWGEN STRATEGIES AND SOLUTIONS**  
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