Regional System Overview

Population Served:
- Fort Worth Retail: 958,692 (270k+ accounts)
- Wholesale Water: 430,796 (33 entities)
- Wholesale Wastewater: 350,006 (23 entities)

Water, Wastewater & Reclaimed Services:
- 3,800 miles of water distribution
- 3,712 miles of sewer collection
- 11.5 miles of reclaimed distribution

Service Area:
- CCN: 450+ sq miles
- City: 357+ sq miles
- ETJ: 380+ sq miles

- 5 Water Treatment Plants: 500 MGD
- 1 Water Reclamation Facility: 166 MGD
- 287,000+ Metered Connections
- 1,002 Employees
FY 2023 UTILITY BUDGET COMPONENTS

- No Retail Rate Increases $0$
- Fund Partner Agency Increases
- Address Inflation
<table>
<thead>
<tr>
<th></th>
<th>FY2022 Adopted</th>
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<tbody>
<tr>
<td><strong>Water Revenue</strong></td>
<td>288,144,178</td>
<td>301,867,261</td>
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<td><strong>Reclaimed Revenue</strong></td>
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<td><strong>Wastewater Revenue</strong></td>
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<td>----------------</td>
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<td>Inflation</td>
<td>15,331,400</td>
<td>27,318,086</td>
<td>11,986,686</td>
</tr>
<tr>
<td>Growth and Capital Investment</td>
<td>102,861,666</td>
<td>106,958,313</td>
<td>4,096,647</td>
</tr>
<tr>
<td>Partner Agencies and Allocations</td>
<td>112,598,663</td>
<td>121,755,313</td>
<td>9,156,650</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>230,791,729</strong></td>
<td><strong>256,031,711</strong></td>
<td><strong>25,239,982</strong></td>
</tr>
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</table>
COMPLETED MAJOR INITIATIVES

MYH20 BENEFITS

Reduces Operating Expense
New metering and communications network eliminate manual processes resulting in reduced labor and contractual expenses

Improves Billing Accuracy and Revenue Recovery
Meter exchanges enable accurate meter reads that fully recover the cost of services provided and systems automate manual billing processes, eliminating human error

Enhances Customer Experience and Improves Transparency
Promotes self service through updated platforms and processes; provides information, education, and granular use data to customers and utility to help manage use

Reduces Water Loss
Enables the identification of real and apparent losses both before and after the meter through enhanced data analytics
COMPLETED MAJOR INITIATIVES

BIOSOLIDS

Facility Fully Operational

- New biosolids processing facility undergoing startup testing and verification

Partnering with Synagro for Distribution

- Currently producing a pelletized product for marketing and distribution

Reduces Operating Expense

- New facility is more efficient, reducing long-term costs of biosolids processing
**ONGOING MAJOR INITIATIVES**

### Water Distribution System
Condition Score by Pipe Type (Miles of Main)

<table>
<thead>
<tr>
<th>Pipe Type</th>
<th>0-2</th>
<th>2-4</th>
<th>4-6</th>
<th>6-8</th>
<th>8-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>PVC</td>
<td>1598</td>
<td>274</td>
<td>21</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Ductile Iron</td>
<td>2</td>
<td>454</td>
<td>79</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>Unknown</td>
<td>2</td>
<td>10</td>
<td>292</td>
<td>111</td>
<td>261</td>
</tr>
<tr>
<td>Concrete</td>
<td>43</td>
<td>328</td>
<td>5</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Cast Iron</td>
<td>1</td>
<td>2</td>
<td>156</td>
<td>100</td>
<td>95</td>
</tr>
<tr>
<td>Other</td>
<td>11</td>
<td>17</td>
<td>10</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>

**CAST IRON REPLACEMENT**

1940s and 1950s vintage pipeline becomes brittle and has a high break rate; Risk modeling is identifying needed replacements and the Utility is prioritizing this work.
ONGOING MAJOR INITIATIVES

WEATHERIZATION (SB3)

Utility has identified critical facilities and developed an emergency preparedness plan that includes approx. $82M in capital improvements.
ONGOING MAJOR INITIATIVES

LEAD LINE REPLACEMENT

Inventory of system complete; Utility has applied for EPA grant to replace identified Lead Service Lines
MARY'S CREEK WRF

Final draft issued by TCEQ in March 2020. Settlement agreement with TRWD executed. Anticipate final permit from TCEQ in next few weeks.

Plant design engineering will begin in 2023, construction anticipated to start in early 2025, with plant operational for summer 2028.

FY 2023 MAJOR INITIATIVES
SCADA REPLACEMENT

$51.8M debt issuance in 2021 following feasibility assessment; RFP is expected in October 2022

Engineering/design is expected to begin in fiscal year 2023 with system replacement in fiscal years 2024 through 2026.

FY 2023 MAJOR INITIATIVES
# Rate Projections

<table>
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<tr>
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<th>FY 2022</th>
<th>FY 2023</th>
<th>FY 2024</th>
<th>FY 2025</th>
<th>FY 2026</th>
<th>FY 2027</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Water System Rate Increase</strong></td>
<td>0.00%</td>
<td>0.00%</td>
<td>2.47%</td>
<td>1.59%</td>
<td>3.72%</td>
<td>2.58%</td>
</tr>
<tr>
<td><strong>Average Sewer System Rate Increase</strong></td>
<td>0.00%</td>
<td>0.00%</td>
<td>2.69%</td>
<td>2.97%</td>
<td>1.51%</td>
<td>2.75%</td>
</tr>
</tbody>
</table>

**Average Water Rate Increases**

- 2017: 1.38%
- 2018: 3.46%
- 2019: 0.00%
- 2020: 1.98%
- 2021: 0.00%
- 2022: 0.00%

**Average Wastewater Rate Increases**

- 2017: 1.10%
- 2018: 3.04%
- 2019: 0.00%
- 2020: 2.93%
- 2021: 0.00%
- 2022: 0.00%