

FORT WORTH WATER UTILITY



FY2024 RECOMMENDED BUDGET

AUGUST 24, 2023



Mission Statement

Enable Our Community to Thrive
with Clean Water Done Right
Every Time.

Vision Statement

To Be the Premier Water Utility
Focused on Exceeding Customer
Expectations through Value-
Driven, Innovative Services

FY2024 RECOMMENDED BUDGET OUTLINE

- OVERVIEW OF UTILITY SERVICE AREA AND FINANCING
- BUDGET SUMMARY
- SIGNIFICANT CHANGES
- DECISION PACKAGES
- 5-YEAR CIP
- RATE IMPACTS

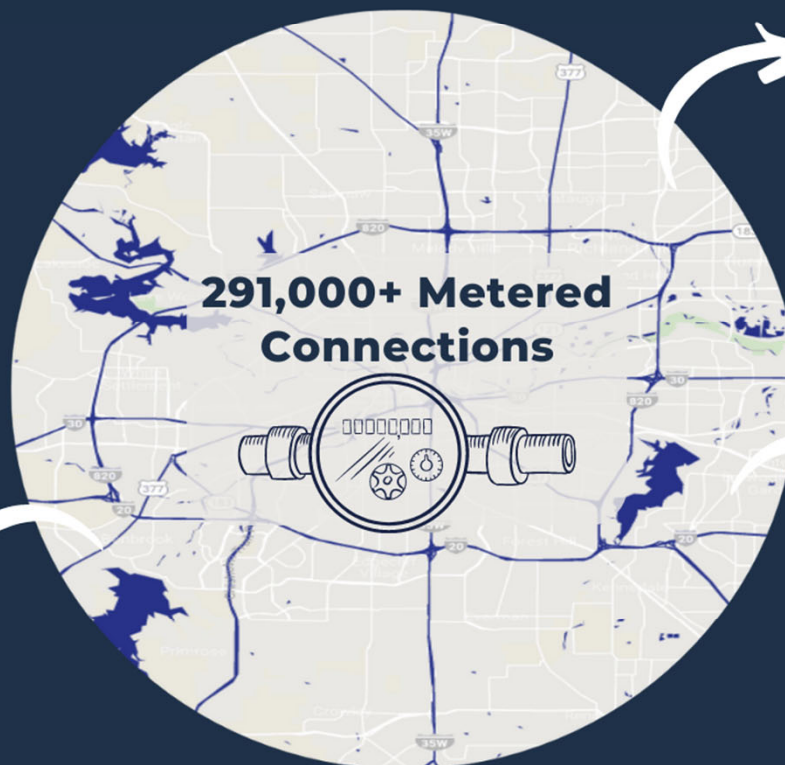
REGIONAL SYSTEM OVERVIEW

Water, Wastewater & Reclaimed Services:

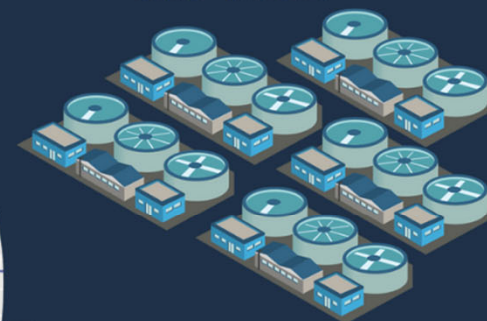
- 3,914 miles of water distribution
- 3,788 miles of sewer collection
- 11.5 miles of reclaimed distribution



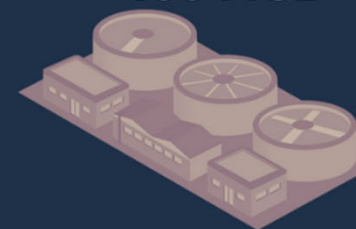
1,002 Employees



**5 Water
Treatment Plants
510 MGD**

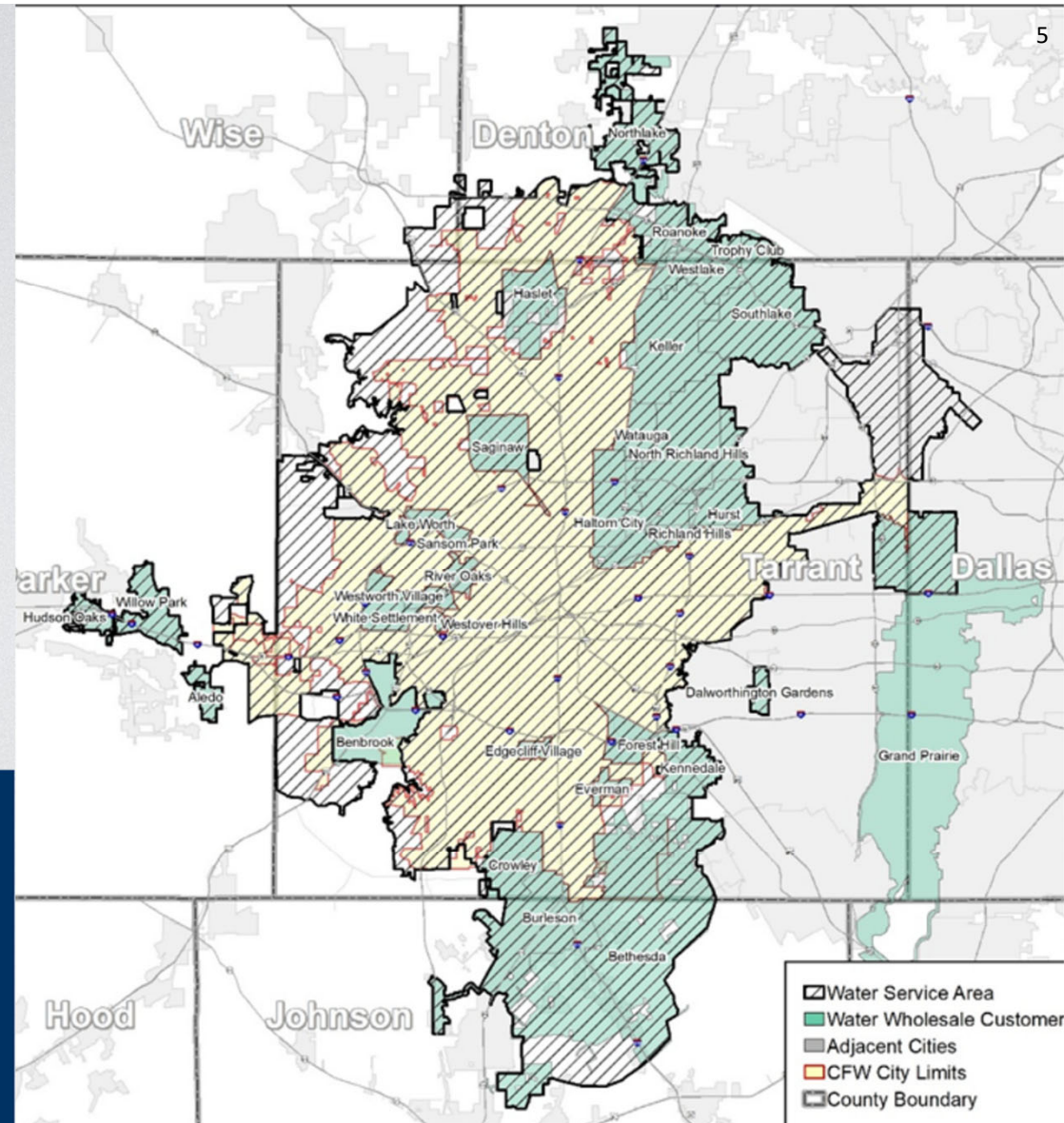


**1 Water
Reclamation Facility
166 MGD**



REGIONAL WATER SYSTEM

- **Service Area**
 - CCN: 450.3 Square Miles
 - City Limits: 359.4 Square Miles
 - ETJ: 273.1 Square Miles
- **Population Served**
 - Fort Worth: 955,900
 - Wholesale: 430,796
 - 33 Wholesale Contracts (Exp. 2031)



Aledo	Forest Hill	Lake Worth	Southlake
Benbrook	Grand Prairie	Northlake	TRA
Bethesda	Haltom City	NRH	Trophy Club MUD 1
Burleson	Haslet	Richland Hills	Westlake
Crowley	Hudson Oaks	River Oaks	Westover Hills
DFW	Hurst	Roanoke	Westworth Village
DWG	Keller	Saginaw	White Settlement
Edgecliff Village	Kennedale	Sansom Park	Willow Park
Everman			

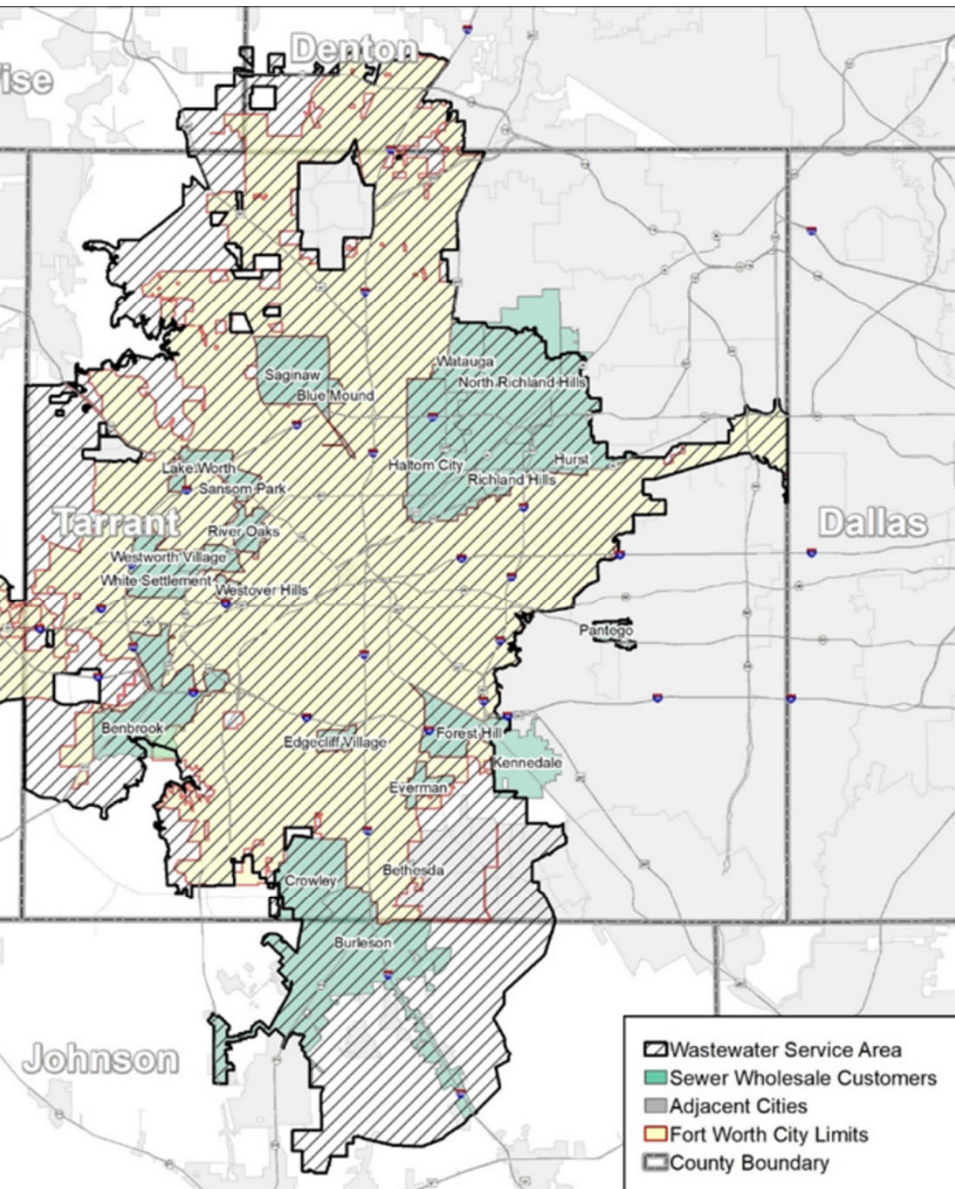
REGIONAL WASTEWATER SYSTEM

- **Service Area**

- City Limits: 359.4 Square Miles
- ETJ: 273.1 Square Miles

- **Population Served**

- Fort Worth: 955,900
- Wholesale: 350,006
- 23 Wholesale Contracts (Exp. 2037)



Benbrook
Bethesda
Blue Mound
Burleson
Crowley
Edgcliff Village

Everman
Forest Hill
Haltom City
Hurst
Kennedale
Lake Worth

NRH
Pantego
Richland Hills
River Oaks
Saginaw
Sansom Park

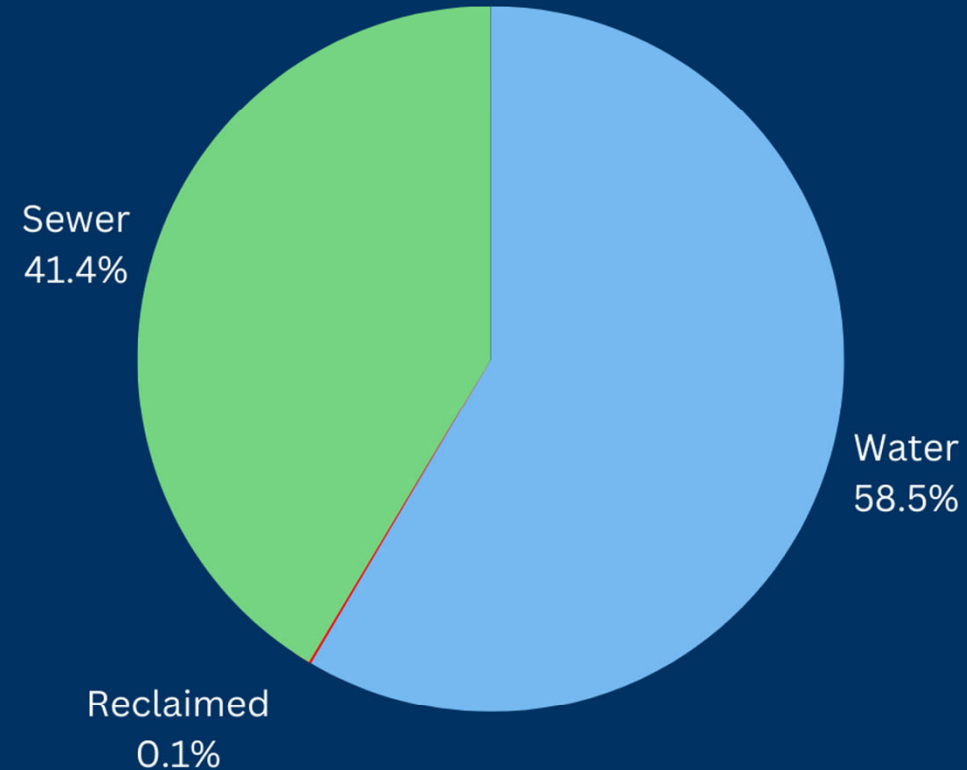
TRA
Watauga
Westover Hills
Westworth Village
White Settlement

WATER & SEWER SYSTEM OVERVIEW

The Utility Provides Water, Wastewater and Reclaimed Services

- **2022 Statistics**

- Treated/Distributed 80,266 MG Potable Water
- Collected and Treated 38,114 MG Wastewater
- 36,991 MG Returned to Watershed
- 932 MG Reclaimed Water
- \$296M Appropriated for Capital Projects
- 3.35M Billing Statements Processed for Multiple City Services



UTILITY COLLECTS REVENUES TO COVER OPERATIONS & CAPITAL INVESTMENT

Retail Water/Wastewater Rates

Wholesale Water/Wastewater Rates

Reclaimed Rates

Industrial Waste Charges

Water/Wastewater Taps

Water/Wastewater Development Charges

Miscellaneous Revenues & Service Fees

No Tax Revenue



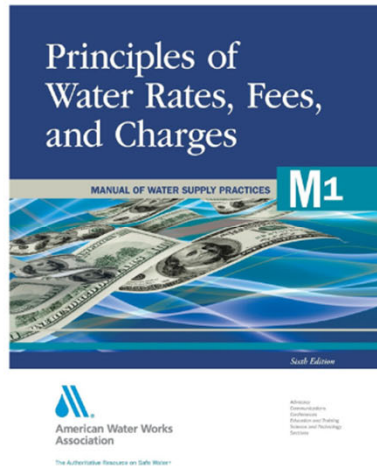
OPERATING BUDGET

- Labor
- Supplies
- Raw Water
- Contractual Services
- Transfers to Other Funds



CAPITAL BUDGET

- Debt Service
- Pay Go Cash
- Capital Equipment



AWWA BEST PRACTICE PROCESS

Cost of Service Studies Conducted Each Year to Maintain Cost of Service by Class and Ensure Class Equity

2024 RETAIL RATES UPDATE

2024 Cost of Service Study was Performed by Staff Using FY2024 Recommended Budget and Projected Usage



FY2024 UTILITY BUDGET COMPONENTS



**KEEP PACE WITH
GROWTH AND
CAPITAL
INVESTMENT**



**FUND CORPORATE
DECISIONS AND
PARTNER AGENCY
INCREASES**

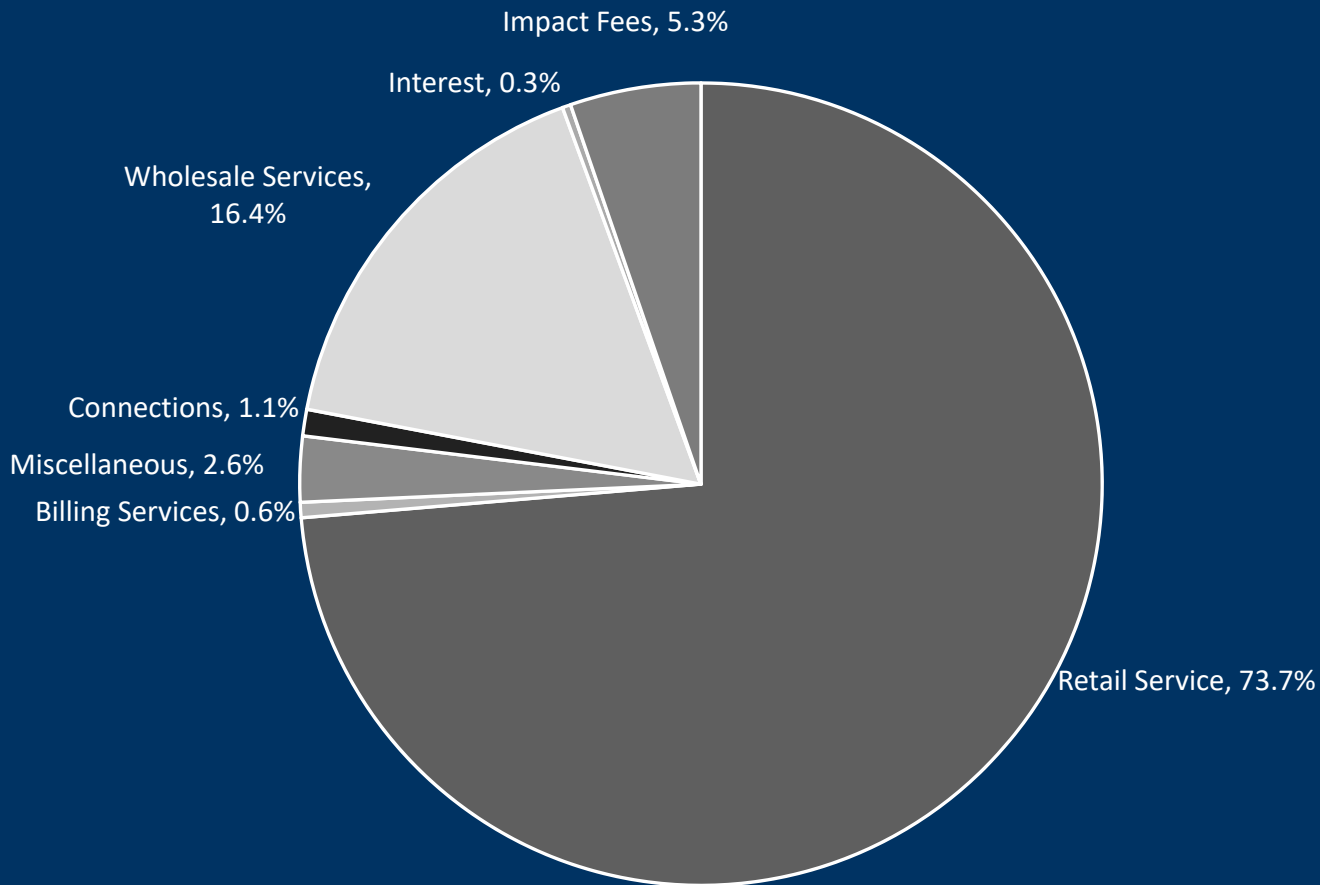


**ADDRESS
INFLATION AND
SUPPLY CHAIN
ISSUES**

FY2024 RECOMMENDED BUDGET SUMMARY

+11.5%

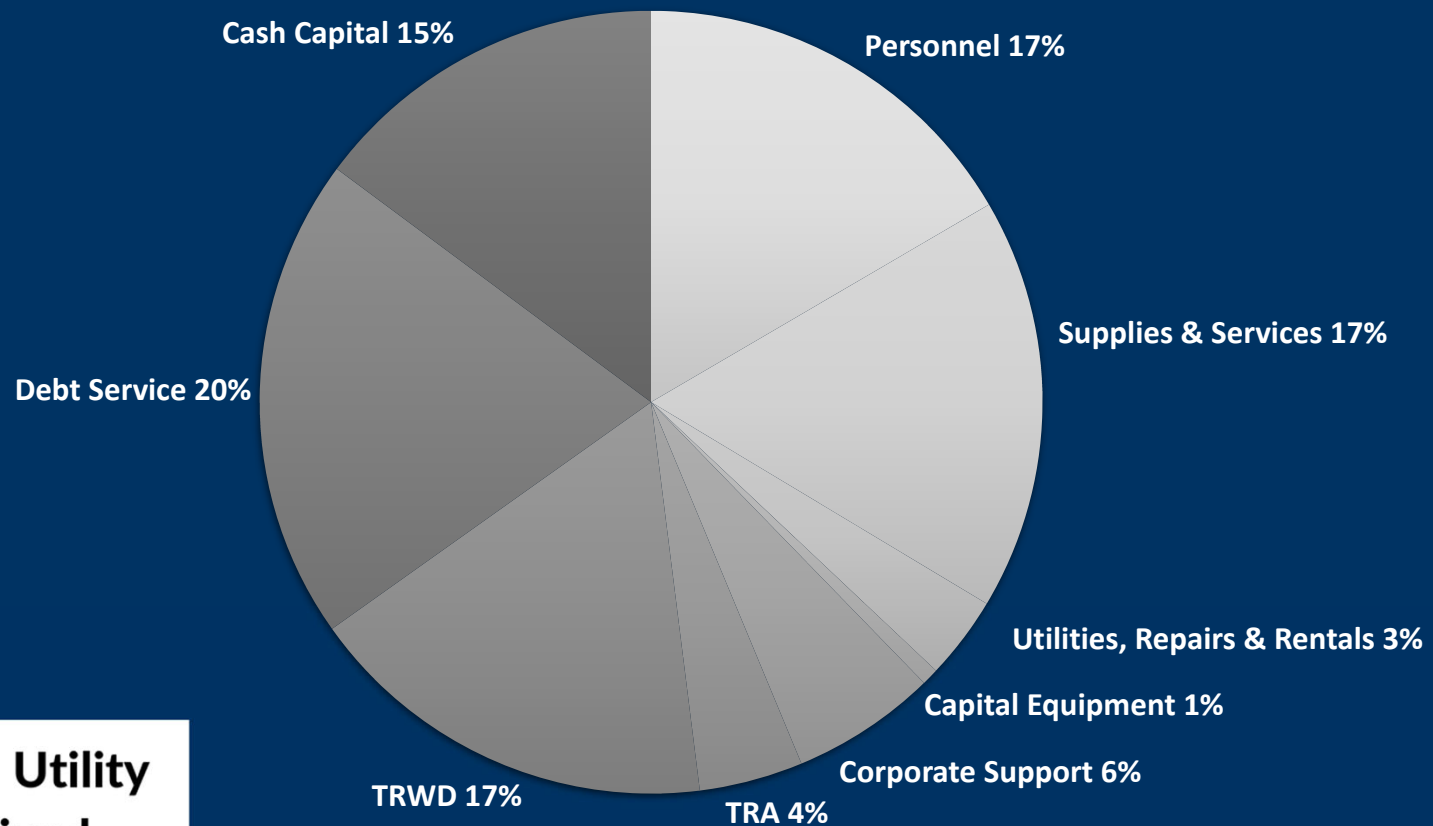
	FY2023 Adopted	FY2024 Recommended	Change
Water	\$301,867,261	\$331,111,712	\$29,244,451
Reclaimed	\$700,000	\$800,000	\$100,000
Sewer	\$212,884,199	\$242,932,165	\$30,047,966
	\$515,451,460	\$574,843,877	\$59,392,417



**FY2024
RECOMMENDED
REVENUE
\$574.8**

FY2024 EXPENSES BY CATEGORY

RECOMMENDED EXPENDITURES \$574.8M



**62% of Costs in Utility
Budget are Fixed**

FY2024 SIGNIFICANT CHANGES BY CATEGORY

	FY2023 Adopted	FY2024 Recommended	Change	% Change
TRA/TRWD	\$107,548,733	\$123,382,294	\$15,833,561	14.7%
Debt Transfer	\$100,472,611	\$114,865,880	\$14,393,269	14.3%
Pay-Go	\$74,102,103	\$84,505,035	\$10,402,932	14.0%
Personnel Costs	\$90,313,535	\$96,442,001	\$6,128,466	6.8%
Other Contractual	\$29,490,289	\$34,824,334	\$5,334,045	18.1%
Allocations/Corporate Support	\$43,692,857	\$48,113,115	\$4,420,258	10.1%
Chemicals/Electricity	\$23,280,009	\$24,754,928	\$1,474,919	6.3%
Total Changes	\$468,900,137	\$526,887,587	\$57,987,450	12.4%

FY2024 DECISION PACKAGES

Additional Personnel

+\$729,191

+6 APs

Decision Package Goals

- Address Capacity Issues
- Meet State & Federal Regulations
- Meet Established Goals
- Detect Leaks Proactively



STAFFING

Addition of Two Utility Line Technicians

\$271,328 2 APs



Decrease water investigation response times, mitigate risks of main breaks and allow a focused effort on proactively identifying leaks to minimize water loss, reduce the length of water outages and improve customer confidence.

Addition of Sr. Professional & Graduate Engineer

\$249,708 2 APs



To consistently meet water and sewer study review times related to development, while improving our ability to cross-train employees with respect to hydraulic modeling, system planning, and wholesale growth as well as improving communications with customers related to status of ongoing studies.

**Package will be fully offset by the implementation of new study/loading review fees.*



Addition of Customer Service Representative II

\$66,396 1 AP

To maintain compliance with Federal and State water regulations with increased sample handling due to Lead and Copper Rule Revisions and PFAS testing.



Addition of Cross Connection Technician

\$141,759 1 AP

To consistently meet backflow permitting demands and complete inspections within the 48 hour established goal and increase redundancy to account for volumetric permitting fluctuations affecting the cross connection control program.

**Package will be largely offset by same day request fees of \$300 (Approx. 300 requests per year = \$90,000)*



CAPITAL IMPROVEMENT PLAN

WATER UTILITY CAPITAL IMPROVEMENT PLAN



Projected System Capital Funding for Fiscal years 2024-2028*

CIP By Improvement Type	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	5 Year Total
Water Treatment Plants	\$ 19,480,000	\$ 2,800,000	\$ 12,700,000	\$ 5,000,000	\$ 60,000,000	\$ 99,980,000
Wastewater Treatment Plants	\$ 86,500,000	\$ 208,000,000	\$ 14,000,000	\$ 16,000,000	\$ 150,000	\$ 324,650,000
Trinity River Vision, IH35 & IH820	\$ 44,072,100	\$ 11,094,400	\$ 450,000	\$ 8,150,000	\$ 10,921,030	\$ 74,687,530
Major Transmission Mains	\$ 19,350,000	\$ 8,700,000	\$ 21,532,550	\$ 15,500,000	\$ 33,306,024	\$ 98,388,574
Miscellaneous Facilities	\$ 60,092,000	\$ 22,780,000	\$ 70,800,000	\$ 19,500,000	\$ 12,000,000	\$ 185,172,000
Major Wastewater Collectors	\$ 61,975,000	\$ 40,000,000	\$ 71,300,000	\$ 40,500,000	\$ 53,391,090	\$ 267,166,090
Community Facility Agreements	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 40,000,000
Rehab and Replacement	\$ 24,480,000	\$ 17,780,000	\$ 18,600,000	\$ 18,700,000	\$ 18,200,000	\$ 97,760,000
TPW Maintenance, Street CIP, and Arterials Program	\$ 40,865,011	\$ 54,127,425	\$ 59,607,425	\$ 62,280,347	\$ 69,995,347	\$ 286,835,555
Sanitary Sewer Overflow Initiative	\$ 12,500,000	\$ 12,500,000	\$ 12,500,000	\$ 17,500,000	\$ 18,025,000	\$ 73,025,000
Total CIP	\$ 377,314,111	\$ 385,781,825	\$ 289,489,975	\$ 211,130,347	\$ 283,948,491	\$ 1,547,664,749
Total Cash Funding	47%	31%	31%	47%	40%	39%
Total Bond Funding	53%	69%	69%	53%	60%	61%

FY2024 MAJOR INITIATIVE CAPITAL BUDGET IMPACTS



LAKE ARLINGTON FORCE MAIN

The force main will increase the sanitary sewer capacity to handle projected growth which includes the Tarleton campus along with wholesale cities of Burleson and Crowley.

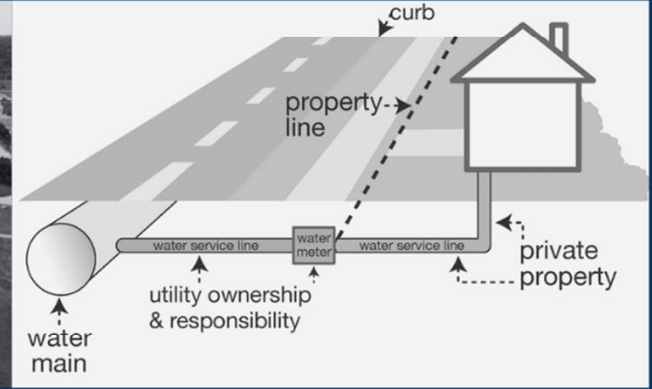
Funded by Revenue Bonds & Impact Fees



PRIMARY CLARIFIER REPLACEMENT

Clarifiers 1-12 are past their useful life and need to be replaced to maintain the quality of effluent to sustain public health.

Funded by SRF



LEAD LINE REPLACEMENT







The Utility has replaced approximately 1,900 public side lead service lines. Recent regulations require replacement of lead and galvanized pipes downstream of lead on the private side of the meter.

Funded by SRF and Applying for EPA Grant

ONGOING MAJOR INITIATIVES

Water Distribution System

Condition Score by Pipe Type (Miles of Main)

	0-2	2-4	4-6	6-8	8-10
 PVC	1598	274	21	2	0
 Ductile Iron	2	454	79	15	2
 Unknown	2	10	292	111	261
 Concrete	43	328	5	1	0
 Cast Iron	1	2	156	100	95
 Other	11	17	10	3	0



CAST IRON REPLACEMENT

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

WEATHERIZATION (SB-3)

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



RATE IMPACTS

WATER & WASTEWATER COST OF SERVICE

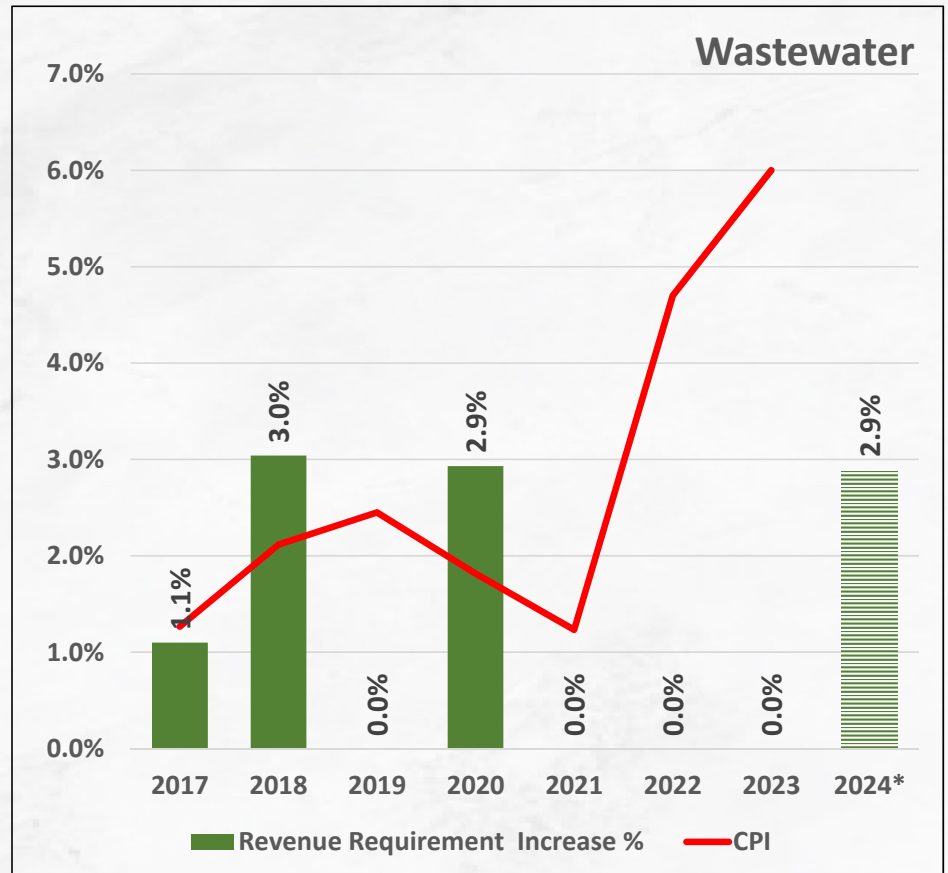
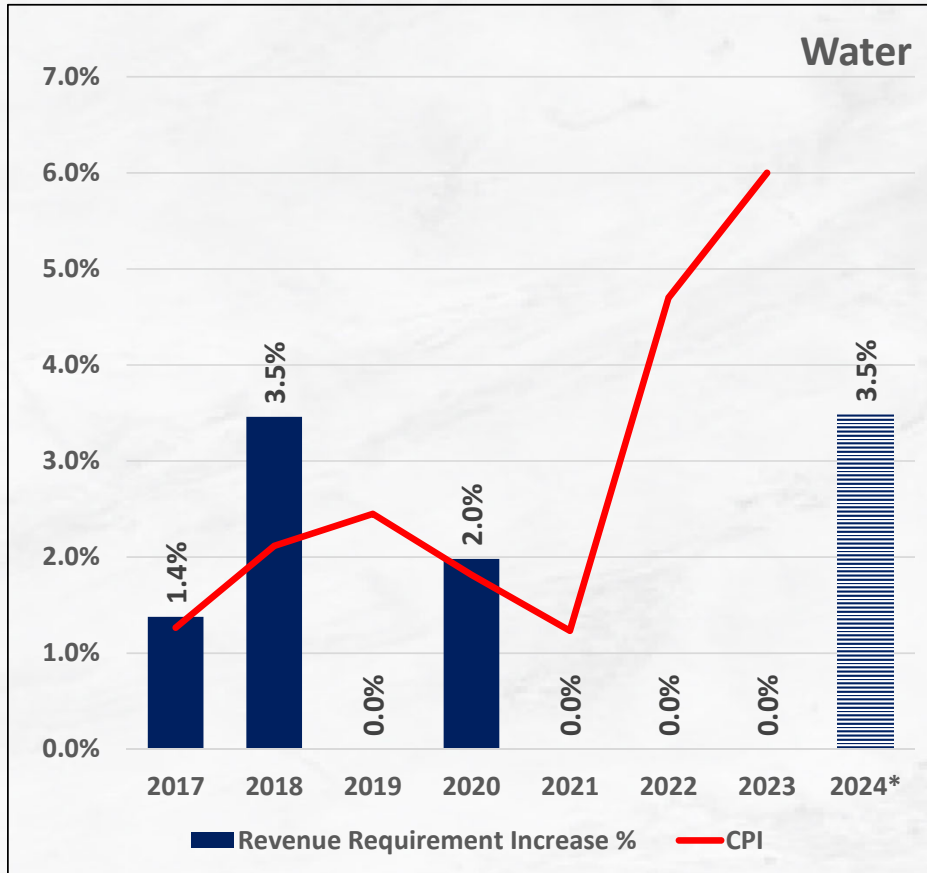


+3.5%
**Water
System**



+2.9%
**Wastewater
System**

WATER AND WASTEWATER REVENUE REQUIREMENT HISTORY



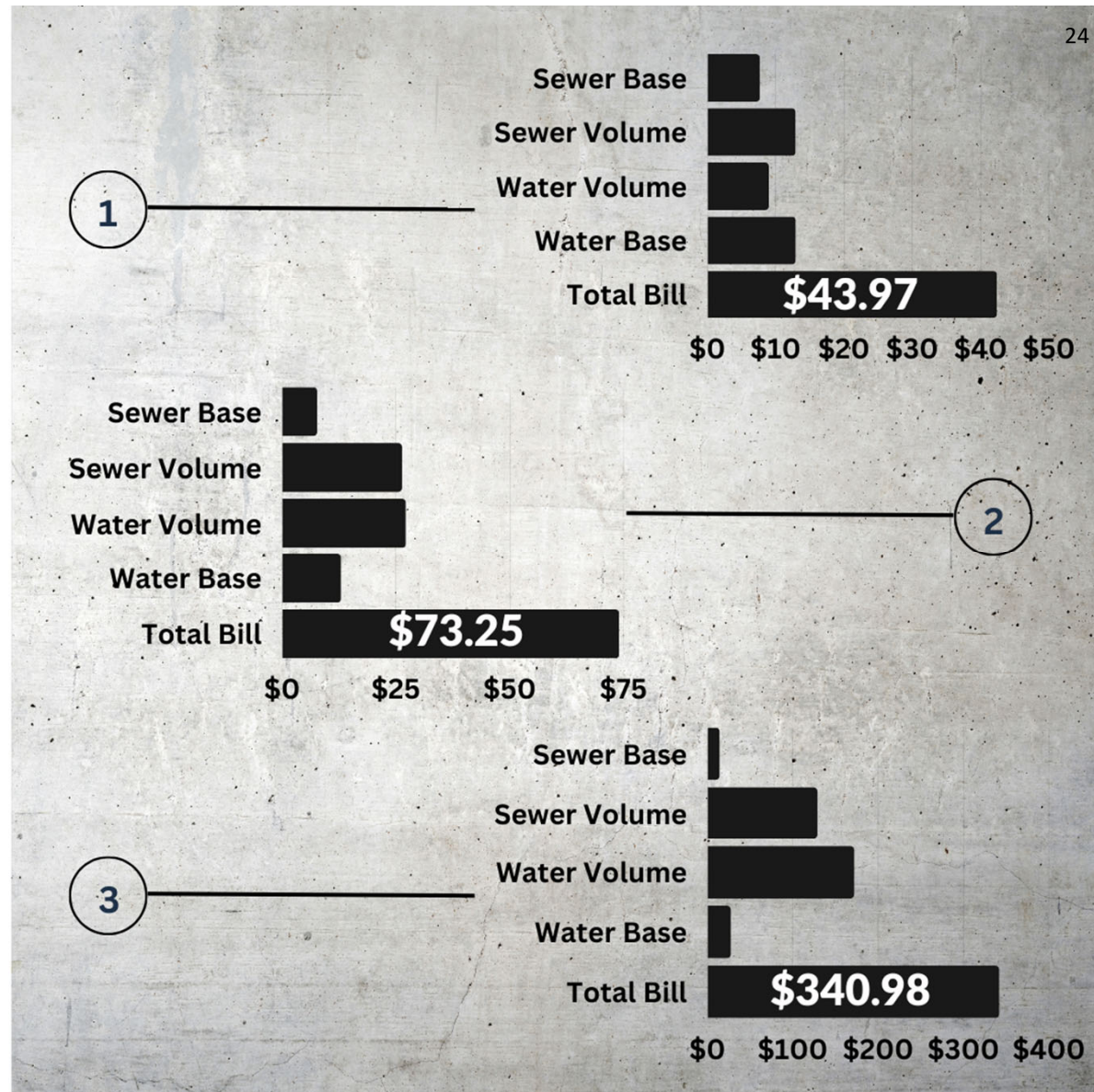
*Revenue Requirement Increase

RESIDENTIAL BILL IMPACT

1. EFFICIENT: +\$1.56/MO

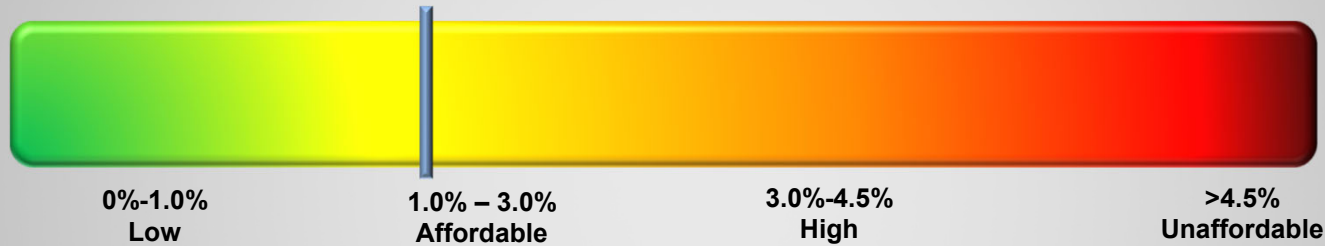
2. TYPICAL: +\$2.18/MO

3. LARGE: +\$9.76/MO



FY2024 RATE AFFORDABILITY

Water and Wastewater 1.29%

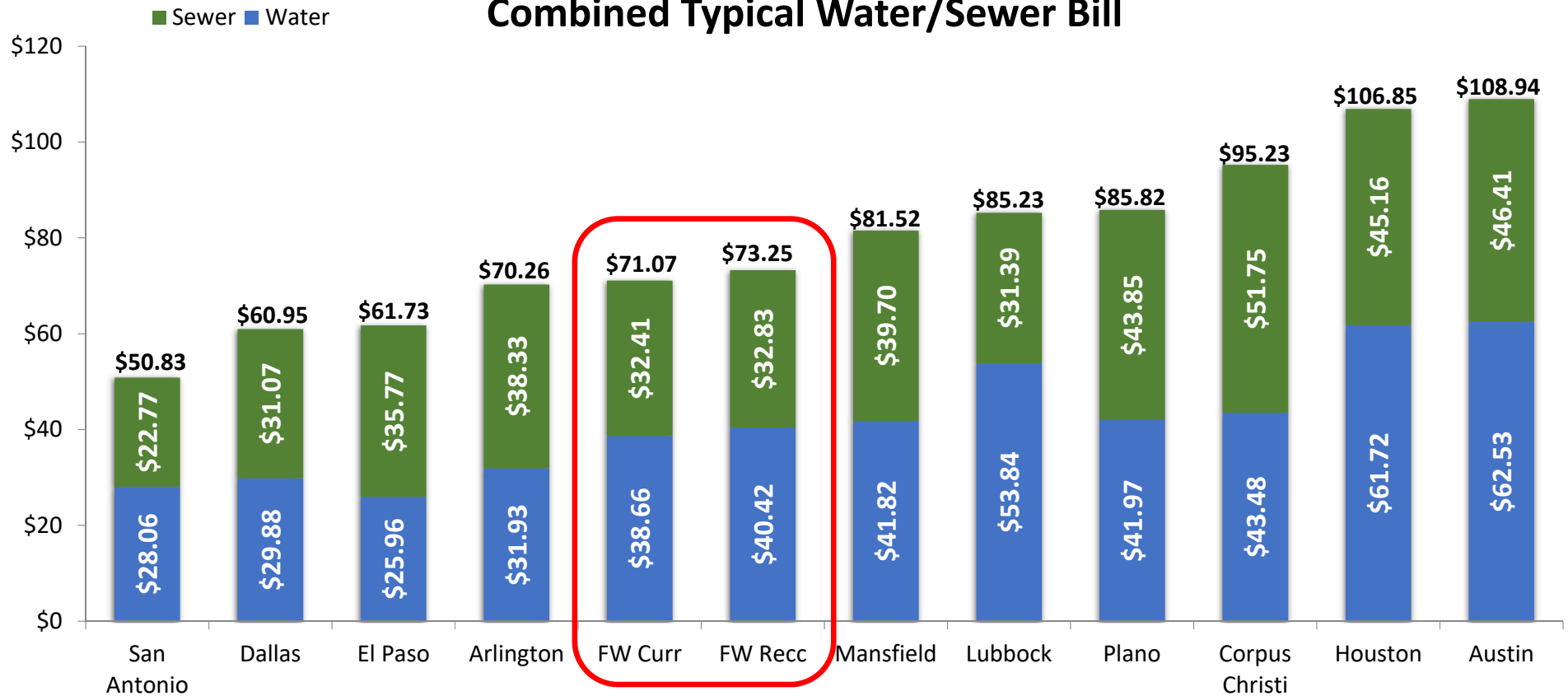


***Average Water/Wastewater Bill as a % of
Median Household Income**

Benchmark Established by EPA and Supported by AWWA

TYPICAL COMBINED WATER/WASTEWATER BILL

Combined Typical Water/Sewer Bill





QUESTIONS