



November 1, 2018

City of Pflugerville, Texas
Water and Wastewater Cost of Service and Rate Design Study



ECONOMICS

STRATEGY

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Revenue Requirement Drivers

- Capital projects (FY 2019 – FY 2022)
 - Approx. \$17.5 million water
 - Approx. \$97.0 million wastewater
- New staff positions (FY 2019 – FY 2022)
- Using annual 5.5% retail customer growth
 - Higher than 4.0% used last year

Projected Revenue Under Current Rates

Water	FY 2019	FY 2020	FY 2021	FY 2022
Revenue Requirement	\$ 13,135,306	\$ 14,074,402	\$ 14,761,571	\$ 15,253,424
Revenue Under Current Rates	15,373,459	16,183,359	17,046,928	17,948,367
Over / (Under) Recovery	\$ 2,238,153	\$ 2,108,957	\$ 2,285,357	\$ 2,694,944

Wastewater	FY 2019	FY 2020	FY 2021	FY 2022
Revenue Requirement	\$ 8,858,457	\$ 11,237,959	\$ 12,772,781	\$ 13,447,151
Revenue Under Current Rates	8,495,360	8,753,715	9,235,169	9,743,103
Over / (Under) Recovery	\$ (363,098)	\$ (2,484,244)	\$ (3,537,612)	\$ (3,704,048)

Projection assumes 5.5% annual customer growth

Proposed Water Rates

Fixed Charge (Meter Size)	Current Rates	Proposed Rates	
5/8-inch (97% of customers)	\$ 15.50	\$ 15.70	Increased \$0.20
3/4-inch	23.25	23.55	Increased \$0.30
1-inch	38.80	39.30	Increased \$0.50
1 ½-inch	77.50	78.50	Increased \$1.00
2-inch	124.00	125.60	Increased \$1.60
3-inch	248.00	251.20	Increased \$3.20
4 -inch	387.50	392.50	Increased \$5.00
Volumetric Rate (per 1,000 gallons)	Current Rates	Proposed Rates	
0 – 3,000	\$ 3.40	\$ 3.40	
3,001 – 10,000	4.30	4.30	
10,001 – 25,000	5.40	5.40	
> 25,000	6.80	6.80	

Proposed Wastewater Rates

Fixed Charge⁽¹⁾	Current Rates	FY 2019	FY 2020	FY 2021	FY 2022
All Customers	\$ 22.50	\$ 23.50	\$ 24.50	\$ 25.50	\$ 26.50
Volumetric Rate (per 1,000 gallons)	Current Rates	FY 2019	FY 2020	FY 2021	FY 2022
All Customers					
All Volumes	\$ 1.55	\$ 2.20	\$ 2.80	\$ 3.40	\$ 3.70

(1) Retail rates for customers outside the City Limits of Pflugerville and not in a District include an additional \$5.00 per month on the fixed charge under both the current and proposed rates.

Projected Revenue Under Proposed Rates

Water	FY 2019	FY 2020	FY 2021	FY 2022
Revenue Requirement	\$ 13,135,306	\$ 14,074,402	\$ 14,761,571	\$ 15,253,424
Revenue Under Proposed Rates	15,414,875	16,227,053	17,093,026	17,997,000
Over / (Under) Recovery	\$ 2,279,570	\$ 2,152,651	\$ 2,331,455	\$ 2,743,577

Wastewater	FY 2019	FY 2020	FY 2021	FY 2022
Revenue Requirement	\$ 8,858,457	\$ 11,237,959	\$ 12,772,781	\$ 13,447,151
Revenue Under Proposed Rates	9,411,974	10,628,115	12,169,938	13,450,824
Over / (Under) Recovery	\$ 553,516	\$ (609,844)	\$ (602,842)	\$ 3,672

Projection assumes 5.5% annual customer growth

Proposed Change in Monthly Customer Bill (5/8-inch meter)

	Current	FY 2019	FY 2020	FY 2021	FY 2022
Water Minimum Bill	\$ 15.50	\$ 15.70	\$ 15.70	\$ 15.70	\$ 15.70
Water Volumetric Charge ⁽¹⁾	27.40	27.40	27.40	27.40	27.40
Water Total	\$ 42.90	\$ 43.10	\$ 43.10	\$ 43.10	\$ 43.10
Wastewater Minimum Bill	\$ 22.50	\$ 23.50	\$ 24.50	\$ 25.50	\$ 26.50
Wastewater Volumetric Charge ⁽²⁾	7.75	11.00	14.00	17.00	18.50
Wastewater Total	\$ 30.25	\$ 34.50	\$ 38.50	\$ 42.50	\$ 45.00
Total Water and Wastewater	\$ 73.15	\$ 77.60	\$ 81.60	\$ 85.60	\$ 88.10
% change year to year	6.6% ⁽³⁾	6.1%	5.2%	4.9%	2.9%

- (1) Assumed 7,000 gallons for water consumption
- (2) Assumed 5,000 gallons for wastewater consumption (winter average)
- (3) Increase based on the rates implemented last year

Bulk Water

- Increase bulk water rate



Questions and Discussion

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