



September 8, 2020

PFLUGERVILLE WATER/WASTEWATER PROPOSED RATES

NewGen
Strategies & Solutions

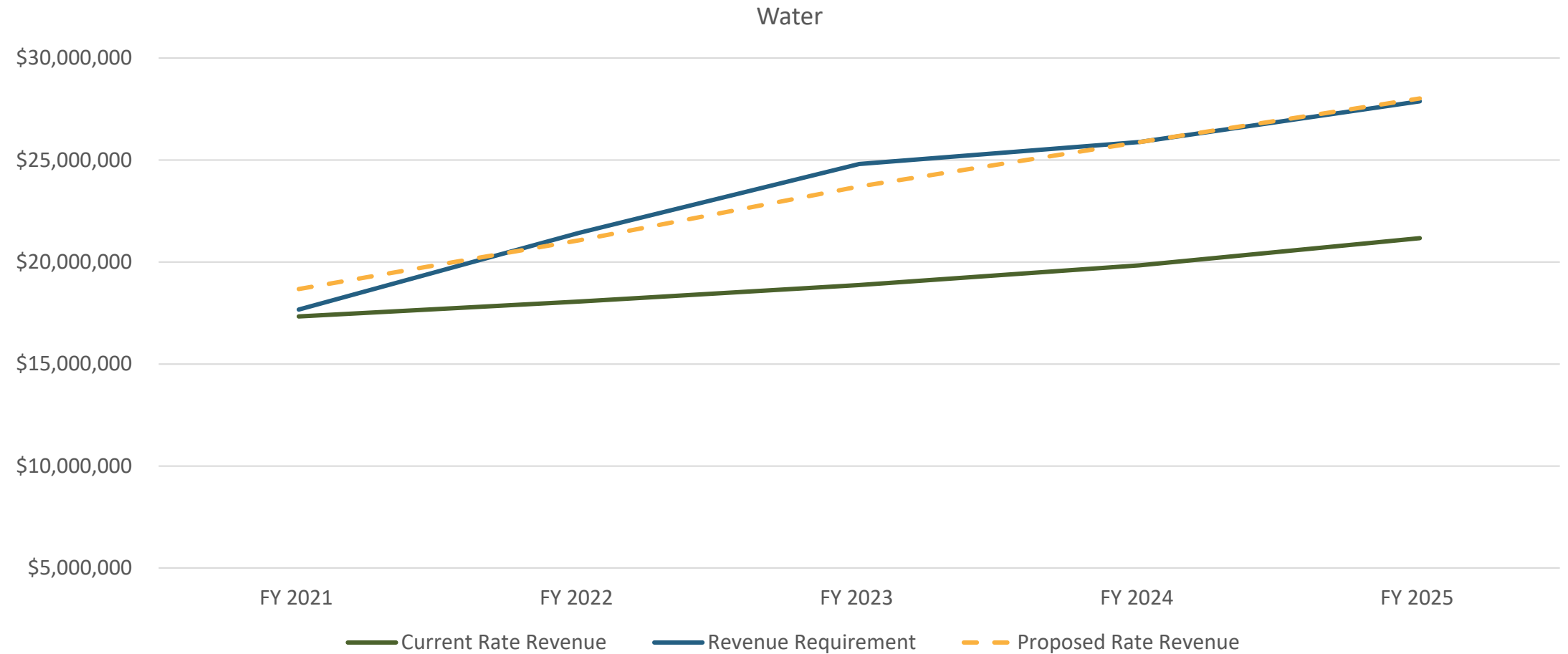
WATER AND WASTEWATER COST OF SERVICE

- Cash basis
- Embedded cost of service
- Significant capital improvement plan
- Additional utility staffing
- Impact fees moderate what is proposed

WATER REVENUE REQUIREMENT FORECAST

	Year 1	Year 2	Year 3	Year 4	Year 5
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
O&M	\$ 13,011,539	\$ 13,717,526	\$ 14,325,559	\$ 14,961,251	\$ 15,568,591
Capital Outlay	743,361	758,972	774,910	791,183	807,798
Debt Service	6,140,627	9,183,767	11,942,796	12,074,028	13,754,847
Reserve Contributions	0	0	0	0	0
Total Cost	19,895,527	23,660,264	27,043,265	27,826,461	30,131,236
Less: Impact Fee Offset for Debt	(2,000,000)	(2,000,000)	(2,000,000)	(1,700,000)	(2,000,000)
Less: Revenue Offsets	(227,000)	(232,000)	(237,250)	(242,763)	(248,551)
Net Revenue Requirement	\$ 17,668,527	\$ 21,428,264	\$ 24,806,015	\$ 25,883,699	\$ 27,882,685

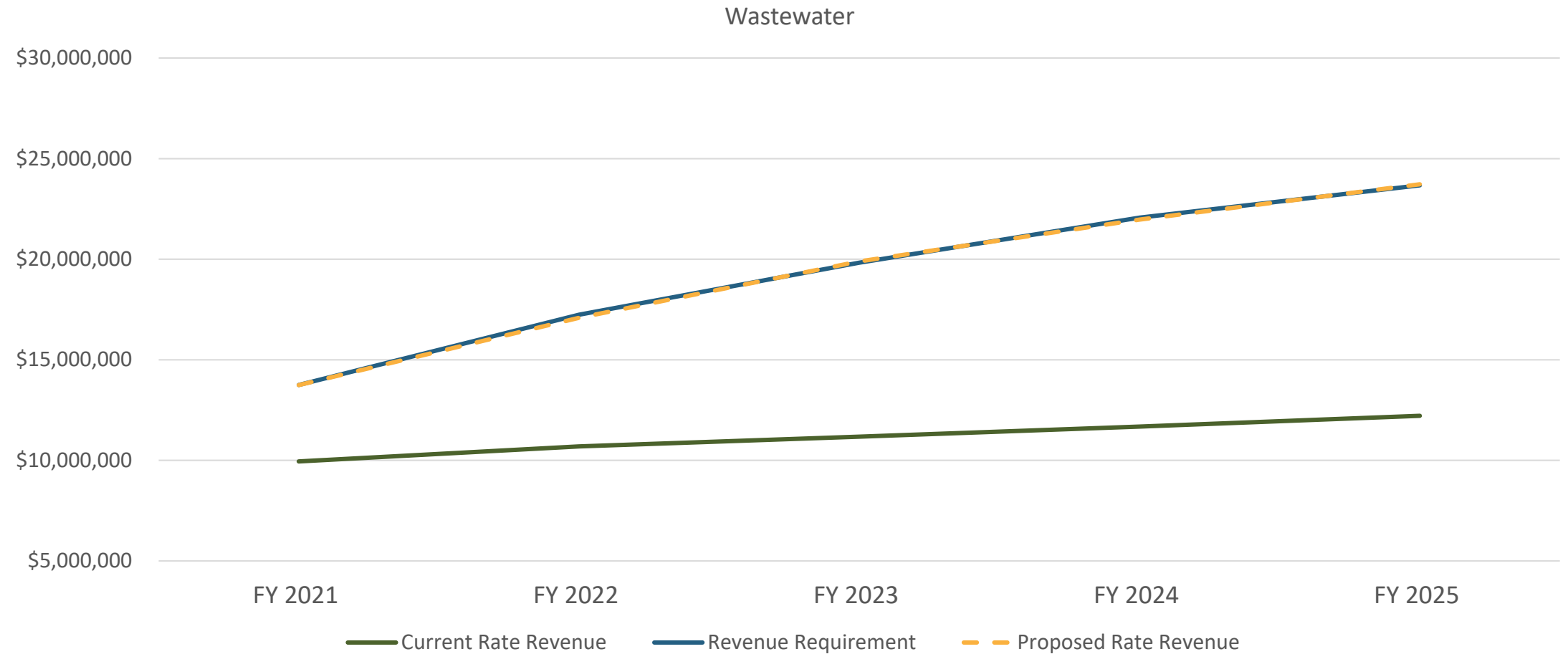
CURRENT RATE, PROPOSED RATE, AND REVENUE REQUIREMENT - WATER



WASTEWATER REVENUE REQUIREMENT FORECAST

	Year 1	Year 2	Year 3	Year 4	Year 5
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
O&M	\$ 6,534,141	\$ 7,424,403	\$ 7,768,196	\$ 8,223,879	\$ 8,511,498
Capital Outlay	286,391	292,405	298,545	304,815	311,216
Debt Service	8,332,623	11,636,872	13,876,085	15,661,339	16,981,374
Reserve Contributions	0	0	0	0	0
Total Cost	15,153,154	19,353,680	21,942,826	24,190,033	25,804,088
Less: Impact Fee Offset for Debt	(1,300,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Less: Revenue Offsets	(105,680)	(110,680)	(115,930)	(121,443)	(127,231)
Net Revenue Requirement	\$ 13,747,474	\$ 17,243,000	\$ 19,826,896	\$ 22,068,590	\$ 23,676,857

CURRENT RATE, PROPOSED RATE, AND REVENUE REQUIREMENT - WASTEWATER



WATER AND WASTEWATER REVENUE REQUIREMENT

	Year 1	Year 2	Year 3	Year 4	Year 5
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
O&M	\$ 19,545,680	\$ 21,141,929	\$ 22,093,755	\$ 23,185,129	\$ 24,080,089
Capital Outlay	1,029,751	1,051,376	1,073,455	1,095,998	1,119,014
Debt Service	14,473,250	20,820,638	25,818,881	27,735,367	30,736,221
Reserve Contributions	0	0	0	0	0
Total Cost	35,048,681	43,013,943	48,986,091	52,016,494	55,935,323
Less: Impact Fee Offset for Debt	(3,300,000)	(4,000,000)	(4,000,000)	(3,700,000)	(4,000,000)
Less: Revenue Offsets	(332,680)	(342,680)	(353,180)	(364,205)	(375,781)
Net Revenue Requirement	\$ 31,416,001	\$ 38,671,263	\$ 44,632,911	\$ 47,952,289	\$ 51,559,542

PROPOSED RATES - WATER

	Current	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
5/8"	\$ 15.70	\$ 17.00	\$ 19.00	\$ 21.00	\$ 23.00	\$ 25.00
3/4"	23.55	26.18	30.02	34.02	38.18	42.50
1"	39.30	43.22	49.06	55.05	61.19	67.50
1 1/2"	78.50	79.22	82.08	83.58	83.72	82.50
2"	125.60	131.58	142.12	151.62	160.08	167.50
3"	251.20	290.02	344.28	402.78	465.52	532.50
4"	392.50	453.22	538.08	629.58	727.72	832.50
6"	785.00	906.78	1,076.92	1,260.42	1,457.28	1,667.50
8"	1,570.00	1,994.78	2,558.92	3,192.42	3,895.28	4,667.50

	Current	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
0 - 3,000	\$ 3.40	\$ 3.80	\$ 4.20	\$ 4.60	\$ 4.80	\$ 4.80
3,001 - 10,000	4.30	4.80	5.30	5.80	6.00	6.00
10,001 - 25,000	5.40	6.00	6.60	7.30	7.50	7.50
> 25,000	6.80	7.50	8.30	9.10	9.40	9.40

COUNT OF WATER CUSTOMERS BY METER SIZE

FY 2019	Residential	All Others	Total
Meter Size	Charged Pflugerville Rates *		
5/8"	13,348	179	13,527
3/4"	10	54	64
1"	6	139	145
1 1/2"	3	117	120
2"	-	186	186
3"	-	14	14
4"	-	13	13
6"	-	9	9
8"	-	4	4
	13,367	715	14,082

* Does not include Lakeside or Kelly Lane water customers

5-YEAR BILL IMPACT – RESIDENTIAL WATER

				FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
			Current	Proposed	Proposed	Proposed	Proposed	Proposed
Retail Fixed Charges								
Meter Size	5/8"		\$ 15.70	\$ 17.00	\$ 19.00	\$ 21.00	\$ 23.00	\$ 25.00
Volumetric Charges								
Monthly Volume	8,000		\$ 31.70	\$ 35.40	\$ 39.10	\$ 42.80	\$ 44.40	\$ 44.40
Total Water Bill			\$ 47.40	\$ 52.40	\$ 58.10	\$ 63.80	\$ 67.40	\$ 69.40
Year-Over-Year Change (in dollars)								
	Retail Fixed Charges			\$ 1.30	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
	Volumetric Charges			3.70	3.70	3.70	1.60	-
				\$ 5.00	\$ 5.70	\$ 5.70	\$ 3.60	\$ 2.00

5-YEAR BILL IMPACT – COMMERCIAL WATER

				FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
			Current	Proposed	Proposed	Proposed	Proposed	Proposed
Retail Fixed Charges								
Meter Size	1"		\$ 39.30	\$ 43.22	\$ 49.06	\$ 55.05	\$ 61.19	\$ 67.50
Volumetric Charges								
Monthly Volume	12,000		\$ 51.10	\$ 57.00	\$ 62.90	\$ 69.00	\$ 71.40	\$ 71.40
Total Water Bill			\$ 90.40	\$ 100.22	\$ 111.96	\$ 124.05	\$ 132.59	\$ 138.90
Year-Over-Year Change (in dollars)								
	Retail Fixed Charges			\$ 3.92	\$ 5.84	\$ 5.99	\$ 6.14	\$ 6.31
	Volumetric Charges			5.90	5.90	6.10	2.40	-
				\$ 9.82	\$ 11.74	\$ 12.09	\$ 8.54	\$ 6.31

PROPOSED RATES – WASTEWATER

	Current	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Inside City Limits – Base Charge	\$ 23.50	\$ 28.50	\$ 30.50	\$ 32.50	\$ 34.50	\$ 34.50
Outside City Limits* – Base Charge	\$ 28.50	\$ 33.50	\$ 35.50	\$ 37.50	\$ 39.50	\$ 39.50
All Customers Per 1,000 Gal	\$ 2.20	\$ 4.20	\$ 6.20	\$ 7.45	\$ 8.00	\$ 8.55

* Outside City Limits includes customers in Villages of Hidden Lake, Sorento, Boulder Ridge and Pflugerville Estates. It does not included customers in districts that set their own rates.

5-YEAR BILL IMPACT – RESIDENTIAL WASTEWATER

				FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
			Current	Proposed	Proposed	Proposed	Proposed	Proposed
Retail Fixed Charges								
Meter Size	5/8"		\$ 23.50	\$ 28.50	\$ 30.50	\$ 32.50	\$ 34.50	\$ 34.50
Volumetric Charges								
Monthly Volume	5,000		11.00	21.00	31.00	37.25	40.00	42.75
Total Wastewater Bill			\$ 34.50	\$ 49.50	\$ 61.50	\$ 69.75	\$ 74.50	\$ 77.25
Year-Over-Year Change (in dollars)								
	Retail Fixed Charges			\$ 5.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ -
	Volumetric Charges			10.00	10.00	6.25	2.75	2.75
				\$ 15.00	\$ 12.00	\$ 8.25	\$ 4.75	\$ 2.75

5-YEAR BILL IMPACT – COMMERCIAL WASTEWATER

				FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
			Current	Proposed	Proposed	Proposed	Proposed	Proposed
Retail Fixed Charges								
Meter Size	1"		\$ 23.50	\$ 28.50	\$ 30.50	\$ 32.50	\$ 34.50	\$ 34.50
Volumetric Charges								
Monthly Volume	12,000		\$ 26.40	\$ 50.40	\$ 74.40	\$ 89.40	\$ 96.00	\$ 102.60
Total Wastewater Bill			\$ 49.90	\$ 78.90	\$ 104.90	\$ 121.90	\$ 130.50	\$ 137.10
Year-Over-Year Change (in dollars)								
	Retail Fixed Charges			\$ 5.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ -
	Volumetric Charges			24.00	24.00	15.00	6.60	6.60
				\$ 29.00	\$ 26.00	\$ 17.00	\$ 8.60	\$ 6.60

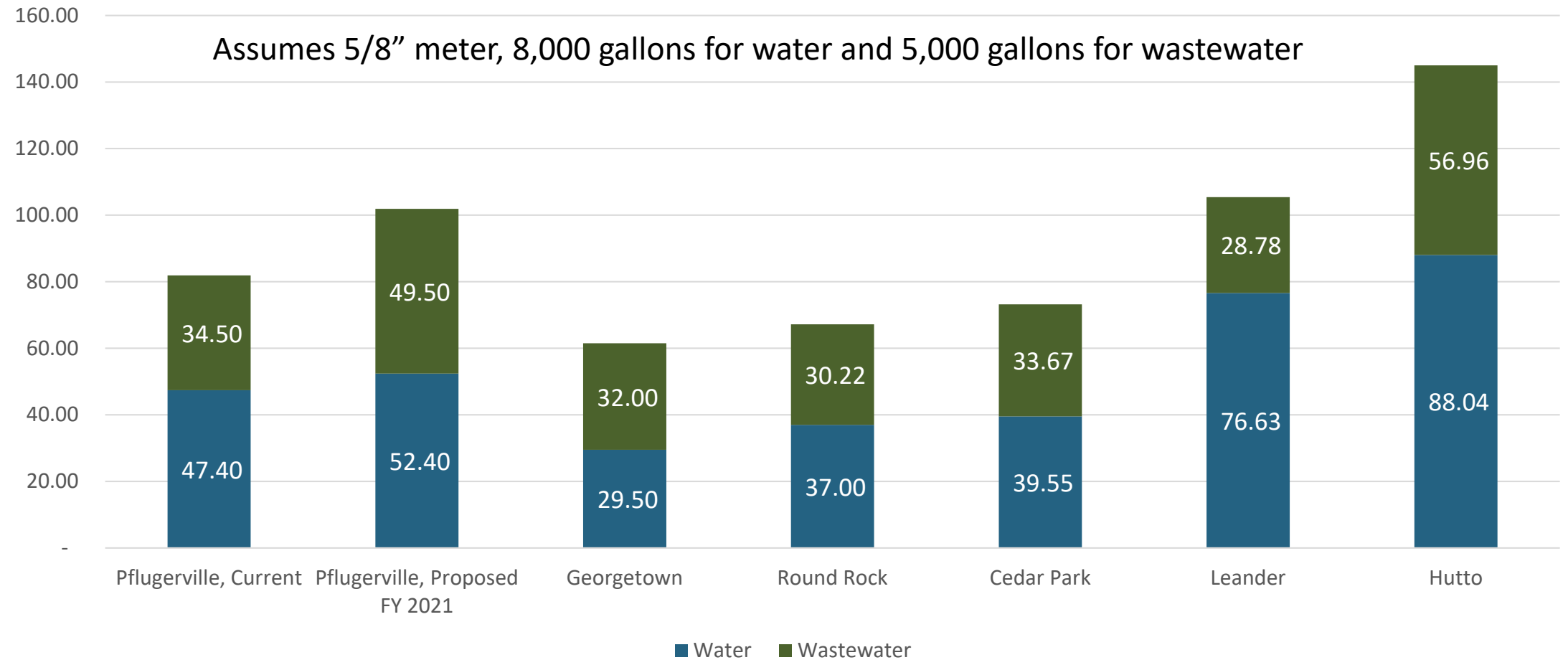
5-YEAR BILL IMPACT – RESIDENTIAL TOTAL

				Current	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Combined Water and Wastewater					Proposed	Proposed	Proposed	Proposed	Proposed
		Retail Fixed Charges		\$ 39.20	\$ 45.50	\$ 49.50	\$ 53.50	\$ 57.50	\$ 59.50
		Volumetric Charges		42.70	56.40	70.10	80.05	84.40	87.15
				\$ 81.90	\$ 101.90	\$ 119.60	\$ 133.55	\$ 141.90	\$ 146.65
Year-Over-Year Change (in dollars)									
		Retail Fixed Charges			\$ 6.30	\$ 4.00	\$ 4.00	\$ 4.00	\$ 2.00
		Volumetric Charges			13.70	13.70	9.95	4.35	2.75
					\$ 20.00	\$ 17.70	\$ 13.95	\$ 8.35	\$ 4.75

5-YEAR BILL IMPACT – COMMERCIAL TOTAL

				Current	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Combined Water and Wastewater					Proposed	Proposed	Proposed	Proposed	Proposed
		Retail Fixed Charges		\$ 62.80	\$ 71.72	\$ 79.56	\$ 87.55	\$ 95.69	\$ 102.00
		Volumetric Charges		77.50	107.40	137.30	158.40	167.40	174.00
				\$ 140.30	\$ 179.12	\$ 216.86	\$ 245.95	\$ 263.09	\$ 276.00
Year-Over-Year Change (in dollars)									
		Retail Fixed Charges			\$ 8.92	\$ 7.84	\$ 7.99	\$ 8.14	\$ 6.31
		Volumetric Charges			29.90	29.90	21.10	9.00	6.60
					\$ 38.82	\$ 37.74	\$ 29.09	\$ 17.14	\$ 12.91

BENCHMARKING – RESIDENTIAL TOTAL BILL



BENCHMARKING – RESIDENTIAL TOTAL BILL

	Water	Wastewater	Total
Pflugerville, Current	\$ 47.40	\$ 34.50	\$ 81.90
Pflugerville, Proposed FY 2021	52.40	49.50	101.90
Georgetown	29.50	32.00	61.50
Round Rock	37.00	30.22	67.22
Cedar Park	39.55	33.67	73.22
Leander	76.63	28.78	105.41
Hutto	88.04	56.96	145.00

Assumes 5/8" meter, 8,000 gallons for water and 5,000 gallons for wastewater