



August 9, 2022

PFLUGERVILLE WATER/WASTEWATER RATE UPDATE

NewGen
Strategies & Solutions

WATER AND WASTEWATER COST OF SERVICE

- Cash basis, embedded cost of service
- Significant changes to the capital improvement plan (see table)
- Modest (0.25%) increase in assumed cost of debt for future debt issues (may not be enough)
- If impact fees are increased, and more of the relevant capital costs are recovered from impact fees, it *could* reduce the impact in the future years of the forecast
- Assumes no changes to District rates (yet)

	Five-Year Total
WATER	
2021 Study	\$ 202,605,543
Current Update	274,869,618
Increase	\$ 72,264,075
WASTEWATER	
2021 Study	\$ 206,792,061
Current Update	217,379,823
Increase	\$ 10,587,762

WATER REVENUE REQUIREMENT FORECAST

	Year 1	Year 2	Year 3	Year 4	Year 5
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
O&M	\$ 17,525,857	\$ 18,238,001	\$ 19,110,398	\$ 20,052,873	\$ 20,870,288
Capital Outlay	728,681	743,984	759,607	775,559	791,846
Debt Service	10,411,198	12,283,064	17,369,309	17,431,063	18,019,558
Reserve Contributions	0	0	0	0	0
Total Cost	\$ 28,665,736	\$ 31,265,049	\$ 37,239,314	\$ 38,259,495	\$ 39,681,692
Less: Impact Fee Offset for Debt	(1,000,000)	(1,000,000)	(500,000)	0	0
Less: Revenue Offsets	(293,229)	(299,479)	(306,042)	(312,932)	(320,167)
Net Revenue Requirement	\$ 27,372,507	\$ 29,965,570	\$ 36,433,272	\$ 37,946,563	\$ 39,361,524

WATER REVENUE REQUIREMENT INCREASE

	2021 Study	Current Update	Difference
	FY 2023	FY 2023	FY 2023
O&M	\$ 16,110,087	\$ 17,525,857	\$ 1,415,770
Capital Outlay	743,984	728,681	(15,303)
Debt Service	9,070,207	10,411,198	1,340,991
Reserve Contributions	0	0	0
Total Cost	\$ 25,924,278	\$ 28,665,736	\$ 2,741,458
Less: Impact Fee Offset for Debt	(1,000,000)	(1,000,000)	0
Less: Revenue Offsets	(248,250)	(293,229)	(44,979)
Net Revenue Requirement	\$ 24,676,028	\$ 27,372,507	\$ 2,696,479

- Key O&M increases:
 - LCRA water
 - Salaries
 - Other professional fees

WASTEWATER REVENUE REQUIREMENT FORECAST

	Year 1	Year 2	Year 3	Year 4	Year 5
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
O&M	\$ 10,339,458	\$ 10,850,158	\$ 11,380,390	\$ 12,010,939	\$ 12,397,909
Capital Outlay	281,110	287,013	293,041	299,194	305,478
Debt Service	7,294,040	9,272,845	13,266,884	13,969,633	14,558,464
Reserve Contributions	0	0	0	0	0
Total Cost	\$ 17,914,608	\$ 20,410,016	\$ 24,940,315	\$ 26,279,766	\$ 27,261,851
Less: Impact Fee Offset for Debt	0	0	0	0	0
Less: Revenue Offsets	(134,680)	(140,930)	(147,493)	(154,383)	(161,618)
Net Revenue Requirement	\$ 17,779,928	\$ 20,269,086	\$ 24,792,823	\$ 26,125,383	\$ 27,100,232

WASTEWATER REVENUE REQUIREMENT INCREASE

	2021 Study	Current Update	Difference
	FY 2023	FY 2023	FY 2023
O&M	\$ 9,093,671	\$ 10,339,458	\$ 1,245,787
Capital Outlay	287,013	281,110	(5,903)
Debt Service	7,214,332	7,294,040	79,708
Reserve Contributions	0	0	0
Total Cost	\$ 16,595,016	\$ 17,914,608	\$ 1,319,592
Less: Impact Fee Offset for Debt	0	0	0
Less: Revenue Offsets	(136,930)	(134,680)	2,250
Net Revenue Requirement	\$ 16,458,086	\$ 17,779,928	\$ 1,321,842

- Key O&M increases:
 - Salaries
 - Other professional fees

FORECAST RATES – WATER

	Current	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
5/8"	\$ 19.00	\$ 24.00	\$ 27.00	\$ 29.00	\$ 31.00	\$ 33.00
3/4"	30.02	38.88	44.82	49.30	52.70	56.10
1"	49.06	62.91	71.84	78.30	83.70	89.10

Note: There are increasing fixed charges for larger water meters (i.e., meters larger than 1-inch)

	Current	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
0 - 3,000	\$ 4.20	\$ 5.20	\$ 5.70	\$ 6.20	\$ 6.40	\$ 6.60
3,001 - 10,000	5.30	6.50	7.10	7.80	8.00	8.30
10,001 - 25,000	6.60	8.10	8.90	9.80	10.00	10.40
> 25,000	8.30	10.10	11.10	12.30	12.50	13.00

5-YEAR BILL IMPACT – RESIDENTIAL WATER

				FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
			Current	Proposed	Forecast	Forecast	Forecast	Forecast
Retail Fixed Charges								
Meter Size	5/8"		\$ 19.00	\$ 24.00	\$ 27.00	\$ 29.00	\$ 31.00	\$ 33.00
Volumetric Charges								
Monthly Volume	8,000 gallons		39.10	48.10	52.60	57.60	59.20	61.30
Total Water Bill			\$ 58.10	\$ 72.10	\$ 79.60	\$ 86.60	\$ 90.20	\$ 94.30
Year-Over-Year Change (in dollars)								
	Retail Fixed Charges			\$ 5.00	\$ 3.00	\$ 2.00	\$ 2.00	\$ 2.00
	Volumetric Charges			9.00	4.50	5.00	1.60	2.10
				\$ 14.00	\$ 7.50	\$ 7.00	\$ 3.60	\$ 4.10

5-YEAR BILL IMPACT – COMMERCIAL WATER

				FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
			Current	Proposed	Forecast	Forecast	Forecast	Forecast
Retail Fixed Charges								
Meter Size	1"		\$ 49.06	\$ 62.91	\$ 71.84	\$ 78.30	\$ 83.70	\$ 89.10
Volumetric Charges								
Monthly Volume	12,000 gallons		62.90	77.30	84.60	92.80	95.20	98.70
Total Water Bill			\$ 111.96	\$ 140.21	\$ 156.44	\$ 171.10	\$ 178.10	\$ 187.80
Year-Over-Year Change (in dollars)								
	Retail Fixed Charges			\$ 13.85	\$ 8.93	\$ 6.46	\$ 5.40	\$ 5.40
	Volumetric Charges			14.40	7.30	8.20	2.40	3.50
				\$ 28.25	\$ 16.23	\$ 14.66	\$ 7.80	\$ 8.90

FORECAST RATES – WASTEWATER

	Current	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Inside City Limits Base Charge	\$ 29.00	\$ 31.00	\$ 31.50	\$ 32.00	\$ 32.50	\$ 33.00
Outside City Limits* Base Charge	\$ 34.00	\$ 36.00	\$ 36.50	\$ 37.00	\$ 37.50	\$ 38.00
All Customers Per 1,000 Gal	\$ 4.20	\$ 5.20	\$ 5.70	\$ 6.20	\$ 6.70	\$ 7.20

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

If District rates remain unadjusted, the rates shown here will need to be increased further

5-YEAR BILL IMPACT – RESIDENTIAL WASTEWATER

				FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
			Current	Proposed	Forecast	Forecast	Forecast	Forecast
Retail Fixed Charges								
Meter Size	5/8"		\$ 29.00	\$ 31.00	\$ 31.50	\$ 32.00	\$ 32.50	\$ 33.00
Volumetric Charges								
Monthly Volume	5,000 gallons		21.00	26.00	28.50	31.00	33.50	36.00
Total Wastewater Bill			\$ 50.00	\$ 57.00	\$ 60.00	\$ 63.00	\$ 66.00	\$ 69.00
Year-Over-Year Change (in dollars)								
	Retail Fixed Charges			\$ 2.00	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
	Volumetric Charges			5.00	2.50	2.50	2.50	2.50
				\$ 7.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00

5-YEAR BILL IMPACT – COMMERCIAL WASTEWATER

				FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
			Current	Proposed	Forecast	Forecast	Forecast	Forecast
Retail Fixed Charges								
Meter Size	1"		\$ 29.00	\$ 31.00	\$ 31.50	\$ 32.00	\$ 32.50	\$ 33.00
Volumetric Charges								
Monthly Volume	12,000 gallons		50.40	62.40	68.40	74.40	80.40	86.40
Total Wastewater Bill			\$ 79.40	\$ 93.40	\$ 99.90	\$ 106.40	\$ 112.90	\$ 119.40
Year-Over-Year Change (in dollars)								
	Retail Fixed Charges			\$ 2.00	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
	Volumetric Charges			12.00	6.00	6.00	6.00	6.00
				\$ 14.00	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50

BENCHMARKING – RESIDENTIAL RATE COMPARISON

	Water	Wastewater	Total
Pflugerville, Current FY 2022	58.10	50.00	108.10
Pflugerville, Proposed FY 2023	72.10	57.00	129.10
Round Rock	37.00	28.72	65.72
Georgetown (2021)	32.20	34.85	67.05
Cedar Park	41.83	34.15	75.98
Leander	73.75	28.78	102.53
Austin	52.39	50.57	102.96
Hutto	70.68	56.96	127.64
Windermere Utility Company, Inc. (SWWC Utilities, Inc.)	65.79	65.83	131.62

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



QUESTIONS?

COUNT OF WATER CUSTOMERS BY METER SIZE

FY 2023 Est.	Residential	All Others	Total
Meter Size	Charged Pflugerville Rates *		
5/8"	15,504	996	16,500
3/4"	11	62	74
1"	7	164	171
1 1/2"	3	135	139
2"	-	223	223
3"	-	15	15
4"	-	15	15
6"	-	11	11
8"	-	6	6
	15,526	1,628	17,154

* Does not include Lakeside or Kelly Lane water customers
Any difference in totals is due to rounding