



August 10, 2021

PFLUGERVILLE WATER/WASTEWATER PROPOSED RATES

NewGen
Strategies & Solutions

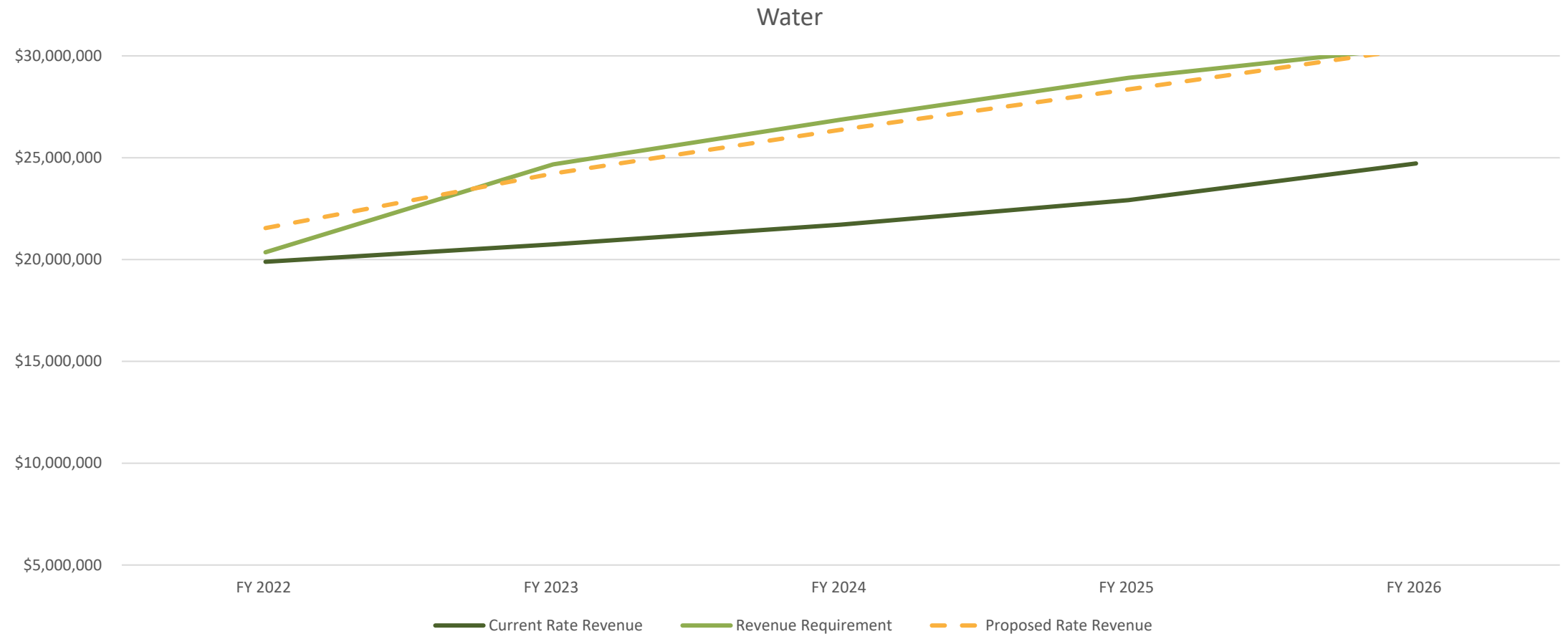
WATER AND WASTEWATER COST OF SERVICE

- Cash basis
- Embedded cost of service
- Significant capital improvement plan
- Additional utility staffing
- Impact fees moderate what is proposed
- Better debt terms, augmented capital plan, and higher customer growth than projected a year ago allow for reduced rates from what was projected previously for wastewater

WATER REVENUE REQUIREMENT FORECAST

	Year 1	Year 2	Year 3	Year 4	Year 5
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
O&M	\$ 15,844,861	\$ 16,110,087	\$ 16,562,315	\$ 17,191,962	\$ 18,127,172
Capital Outlay	728,682	743,984	759,608	775,559	791,846
Debt Service	5,026,451	9,070,207	10,804,130	11,718,810	11,789,487
Reserve Contributions	0	0	0	0	0
Total Cost	21,599,993	25,924,278	28,126,053	29,686,332	30,708,505
Less: Impact Fee Offset for Debt	(1,000,000)	(1,000,000)	(1,000,000)	(500,000)	0
Less: Revenue Offsets	(242,000)	(248,250)	(254,813)	(261,703)	(268,938)
Net Revenue Requirement	20,357,993	24,676,028	26,871,240	28,924,629	30,439,566

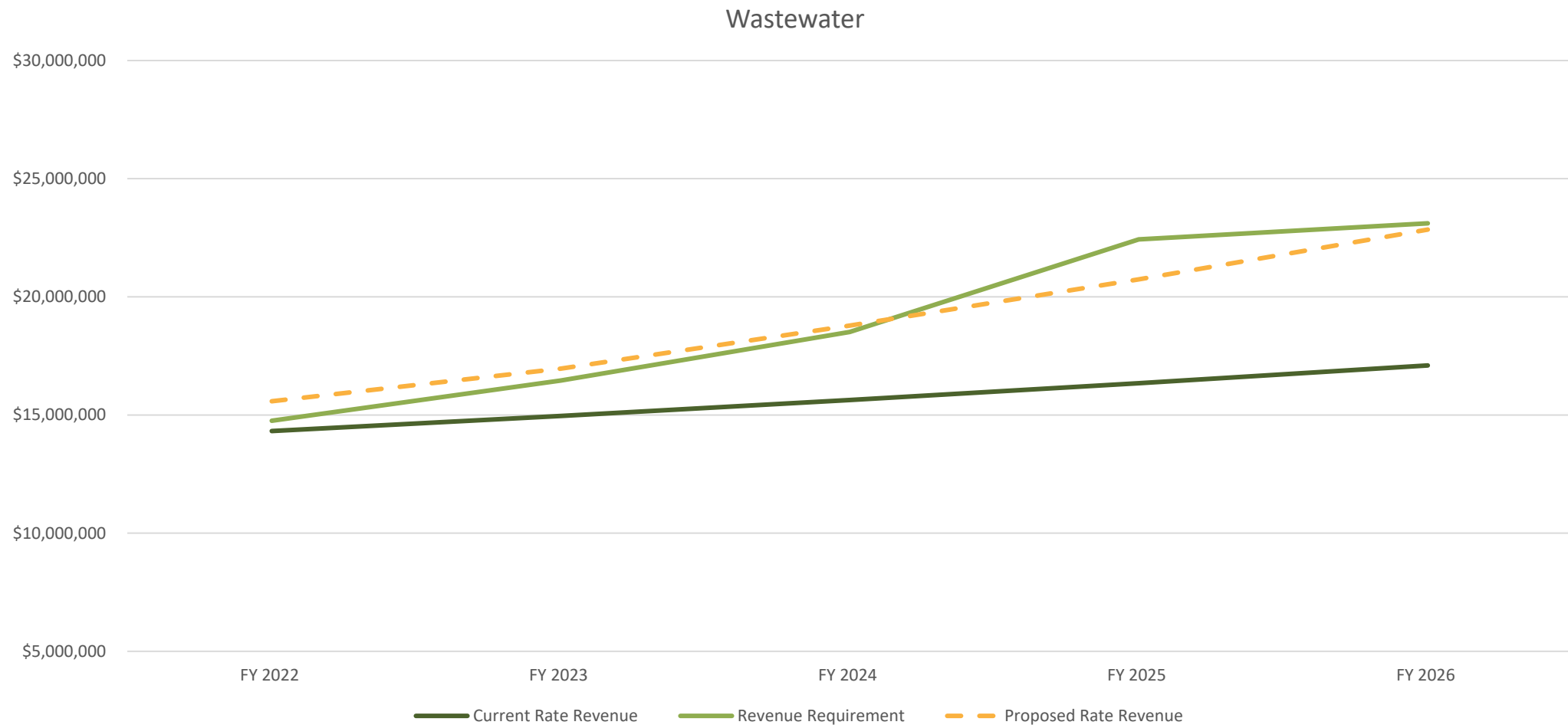
CURRENT RATE, PROPOSED RATE, AND REVENUE REQUIREMENT - WATER



WASTEWATER REVENUE REQUIREMENT FORECAST

	Year 1	Year 2	Year 3	Year 4	Year 5
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
O&M	\$ 9,064,695	\$ 9,093,671	\$ 9,359,706	\$ 9,671,024	\$ 10,275,743
Capital Outlay	281,110	287,013	293,041	299,195	305,478
Debt Service	5,538,871	7,214,332	9,003,434	12,613,048	12,685,921
Reserve Contributions	0	0	0	0	0
Total Cost	14,884,676	16,595,016	18,656,181	22,583,266	23,267,141
Less: Impact Fee Offset for Debt	0	0	0	0	0
Less: Revenue Offsets	(130,680)	(136,930)	(143,493)	(150,383)	(157,618)
Net Revenue Requirement	14,753,996	16,458,086	18,512,689	22,432,883	23,109,523

CURRENT RATE, PROPOSED RATE, AND REVENUE REQUIREMENT - WASTEWATER



WATER AND WASTEWATER REVENUE REQUIREMENT

	Year 1	Year 2	Year 3	Year 4	Year 5
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
O&M	\$ 24,909,555	\$ 25,203,758	\$ 25,922,021	\$ 26,862,986	\$ 28,402,914
Capital Outlay	1,009,792	1,030,997	1,052,648	1,074,754	1,097,324
Debt Service	10,565,322	16,284,538	19,807,564	24,331,858	24,475,408
Reserve Contributions	0	0	0	0	0
Total Cost	36,484,669	42,519,294	46,782,234	52,269,598	53,975,646
Less: Impact Fee Offset for Debt	(1,000,000)	(1,000,000)	(1,000,000)	(500,000)	0
Less: Revenue Offsets	(372,680)	(385,180)	(398,305)	(412,086)	(426,557)
Net Revenue Requirement	35,111,989	41,134,114	45,383,929	51,357,512	53,549,089

PROPOSED RATES - WATER

	Current	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
5/8"	\$ 17.00	\$ 19.00	\$ 21.00	\$ 23.00	\$ 25.00	\$ 25.00
3/4"	26.18	30.02	34.02	38.18	42.50	42.50
1"	43.22	49.06	55.05	61.19	67.50	67.50

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

	Current	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
0 - 3,000	\$ 3.80	\$ 4.20	\$ 4.60	\$ 4.80	\$ 4.80	\$ 4.80
3,001 - 10,000	4.80	5.30	5.80	6.00	6.00	6.00
10,001 - 25,000	6.00	6.60	7.30	7.50	7.50	7.50
> 25,000	7.50	8.30	9.10	9.40	9.40	9.40

COUNT OF WATER CUSTOMERS BY METER SIZE

FY 2020	Residential	All Others	Total
Meter Size	Charged Pflugerville Rates *		
5/8"	13,684	671	14,354
3/4"	10	56	66
1"	6	149	154
1 1/2"	3	122	125
2"	-	202	202
3"	-	14	14
4"	-	13	13
6"	-	10	10
8"	-	5	5
	13,703	1,242	14,942

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

5-YEAR BILL IMPACT – RESIDENTIAL WATER

				FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
			Current	Proposed	Proposed	Proposed	Proposed	Proposed
Retail Fixed Charges								
Meter Size	5/8"		\$ 17.00	\$ 19.00	\$ 21.00	\$ 23.00	\$ 25.00	\$ 25.00
Volumetric Charges								
Monthly Volume	8,000		35.40	39.10	42.80	44.40	44.40	44.40
Total Water Bill			\$ 52.40	\$ 58.10	\$ 63.80	\$ 67.40	\$ 69.40	\$ 69.40
Year-Over-Year Change (in dollars)								
	Retail Fixed Charges			\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ -
	Volumetric Charges			3.70	3.70	1.60	-	-
				\$ 5.70	\$ 5.70	\$ 3.60	\$ 2.00	\$ -

5-YEAR BILL IMPACT – COMMERCIAL WATER

				FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
			Current	Proposed	Proposed	Proposed	Proposed	Proposed
Retail Fixed Charges								
Meter Size	1"		\$ 43.22	\$ 49.06	\$ 55.05	\$ 61.19	\$ 67.50	\$ 67.50
Volumetric Charges								
Monthly Volume	12,000		57.00	62.90	69.00	71.40	71.40	71.40
Total Water Bill			\$ 100.22	\$ 111.96	\$ 124.05	\$ 132.59	\$ 138.90	\$ 138.90
Year-Over-Year Change (in dollars)								
	Retail Fixed Charges			\$ 5.84	\$ 5.99	\$ 6.14	\$ 6.31	\$ -
	Volumetric Charges			5.90	6.10	2.40	-	-
				\$ 11.74	\$ 12.09	\$ 8.54	\$ 6.31	\$ -

PROPOSED RATES – WASTEWATER

	Current	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Inside City Limits – Base Charge	\$ 28.50	\$ 29.00	\$ 29.50	\$ 30.00	\$ 30.50	\$ 31.00
Outside City Limits* – Base Charge	\$ 33.50	\$ 34.00	\$ 34.50	\$ 35.00	\$ 35.50	\$ 36.00
All Customers Per 1,000 Gal	\$ 4.20	\$ 4.20	\$ 4.45	\$ 4.95	\$ 5.45	\$ 5.95

* 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.

PREVIOUSLY PROJECTED RATES – WASTEWATER

	FY 2022	FY 2023	FY 2024	FY 2025
Inside City Limits – Base Charge				
2020 Model Projected Rates	\$ 30.50	\$ 32.50	\$ 34.50	\$ 34.50
Current Projected Rates	\$ 29.00	\$ 29.50	\$ 30.00	\$ 30.50
Percent Change	-4.92%	-9.23%	-13.04%	-11.59%
Outside City Limits* – Base Charge				
2020 Model Projected Rates	\$ 35.50	\$ 37.50	\$ 39.50	\$ 39.50
Current Projected Rates	\$ 34.00	\$ 34.50	\$ 35.00	\$ 35.50
Percent Change	-4.22%	-8.00%	-11.40%	-10.13%
Volumetric Charge per 1,000 gallons				
2020 Model Projected Rates	\$ 6.20	\$ 7.45	\$ 8.00	\$ 8.55
Current Projected Rates	\$ 4.20	\$ 4.45	\$ 4.95	\$ 5.45
Percent Change	-32.26%	-40.27%	-38.13%	-36.26%

5-YEAR BILL IMPACT – RESIDENTIAL WASTEWATER

				FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
			Current	Proposed	Proposed	Proposed	Proposed	Proposed
Retail Fixed Charges								
Meter Size	5/8"		\$ 28.50	\$ 29.00	\$ 29.50	\$ 30.00	\$ 30.50	\$ 31.00
Volumetric Charges								
Monthly Volume	5,000		21.00	21.00	22.25	24.75	27.25	29.75
Total Wastewater Bill			\$ 49.50	\$ 50.00	\$ 51.75	\$ 54.75	\$ 57.75	\$ 60.75
Year-Over-Year Change (in dollars)								
	Retail Fixed Charges			\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
	Volumetric Charges			-	1.25	2.50	2.50	2.50
				\$ 0.50	\$ 1.75	\$ 3.00	\$ 3.00	\$ 3.00

5-YEAR BILL IMPACT – COMMERCIAL WASTEWATER

				FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
			Current	Proposed	Proposed	Proposed	Proposed	Proposed
Retail Fixed Charges								
Meter Size	1"		\$ 28.50	\$ 29.00	\$ 29.50	\$ 30.00	\$ 30.50	\$ 31.00
Volumetric Charges								
Monthly Volume	12,000		50.40	50.40	53.40	59.40	65.40	71.40
Total Wastewater Bill			\$ 78.90	\$ 79.40	\$ 82.90	\$ 89.40	\$ 95.90	\$ 102.40
Year-Over-Year Change (in dollars)								
	Retail Fixed Charges			\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
	Volumetric Charges			-	3.00	6.00	6.00	6.00
				\$ 0.50	\$ 3.50	\$ 6.50	\$ 6.50	\$ 6.50

5-YEAR BILL IMPACT – RESIDENTIAL TOTAL

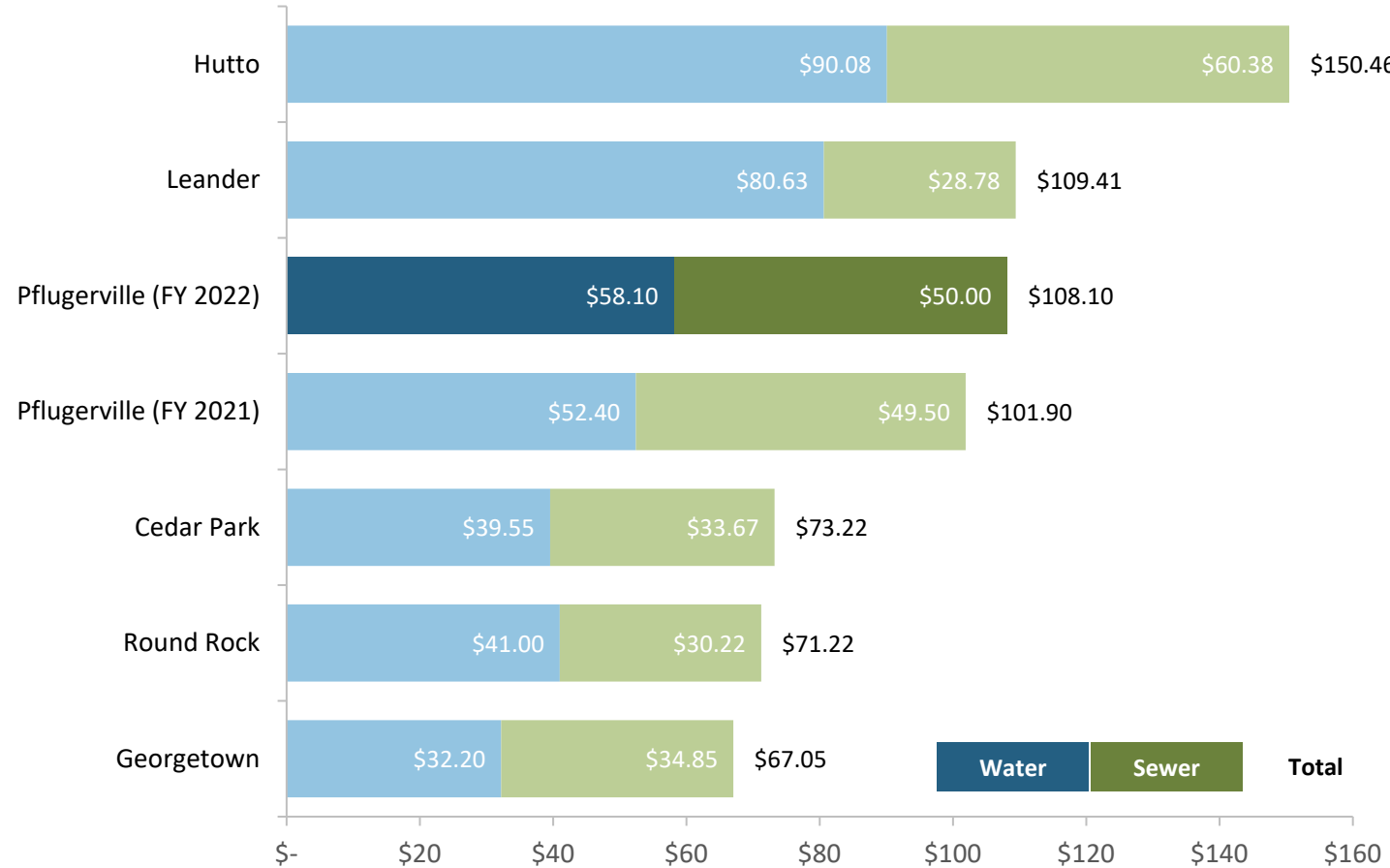
				Current	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Combined Water and Wastewater					Proposed	Proposed	Proposed	Proposed	Proposed
		Retail Fixed Charges		\$ 45.50	\$ 48.00	\$ 50.50	\$ 53.00	\$ 55.50	\$ 56.00
		Volumetric Charges		56.40	60.10	65.05	69.15	71.65	74.15
				\$ 101.90	\$ 108.10	\$ 115.55	\$ 122.15	\$ 127.15	\$ 130.15
Year-Over-Year Change (in dollars)									
		Retail Fixed Charges			\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 0.50
		Volumetric Charges			3.70	4.95	4.10	2.50	2.50
					\$ 6.20	\$ 7.45	\$ 6.60	\$ 5.00	\$ 3.00

5-YEAR BILL IMPACT – COMMERCIAL TOTAL

				Current	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Combined Water and Wastewater					Proposed	Proposed	Proposed	Proposed	Proposed
		Retail Fixed Charges		\$ 71.72	\$ 78.06	\$ 84.55	\$ 91.19	\$ 98.00	\$ 98.50
		Volumetric Charges		107.40	113.30	122.40	130.80	136.80	142.80
				\$ 179.12	\$ 191.36	\$ 206.95	\$ 221.99	\$ 234.80	\$ 241.30
Year-Over-Year Change (in dollars)									
		Retail Fixed Charges			\$ 6.34	\$ 6.49	\$ 6.64	\$ 6.81	\$ 0.50
		Volumetric Charges			5.90	9.10	8.40	6.00	6.00
					\$ 12.24	\$ 15.59	\$ 15.04	\$ 12.81	\$ 6.50

BENCHMARKING – RESIDENTIAL TOTAL BILL

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



BENCHMARKING – RESIDENTIAL TOTAL BILL

	Water	Wastewater	Total
Pflugerville, FY 2021	\$ 52.40	\$ 49.50	\$ 101.90
Pflugerville, Proposed FY 2022	58.10	50.00	108.10
Georgetown	32.20	34.85	67.05
Round Rock	41.00	30.22	71.22
Cedar Park	39.55	33.67	73.22
Leander	80.63	28.78	109.41
Hutto	90.08	60.38	150.46

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