

**CITY OF HEATH**

**Water and Wastewater Rate Study  
City Council Presentation**

SEPTEMBER 18, 2025



# AGENDA

- **Background on Rates**
- **Customers and Volumes**
- **Wholesale Water & Wastewater**
- **Current and Forecast Cost of Service**
- **Preliminary Rate Plan**



A blue-tinted photograph of an industrial facility, likely a water treatment plant. The image shows large pipes, valves, and machinery. The text "BACKGROUND ON RATES" is overlaid in white, bold, uppercase letters in the center of the image.

# BACKGROUND ON RATES

# 21<sup>ST</sup> CENTURY WATER & WASTEWATER RATE FACTS

- American Water Works Association (AWWA) forecasts that water and wastewater rates across the U.S. will **triple** over the next 15 years
- Rate adjustments are primarily due to reasons beyond a utility's direct control – inflation, necessary Capital Improvement Plans, wholesale costs, and other indirect expenses
- Average utility has been increasing rates 5-6% per year, a trend that is expected to continue and may accelerate
- Notably, 30-40% of utilities charge rates that **do not cover their full costs**



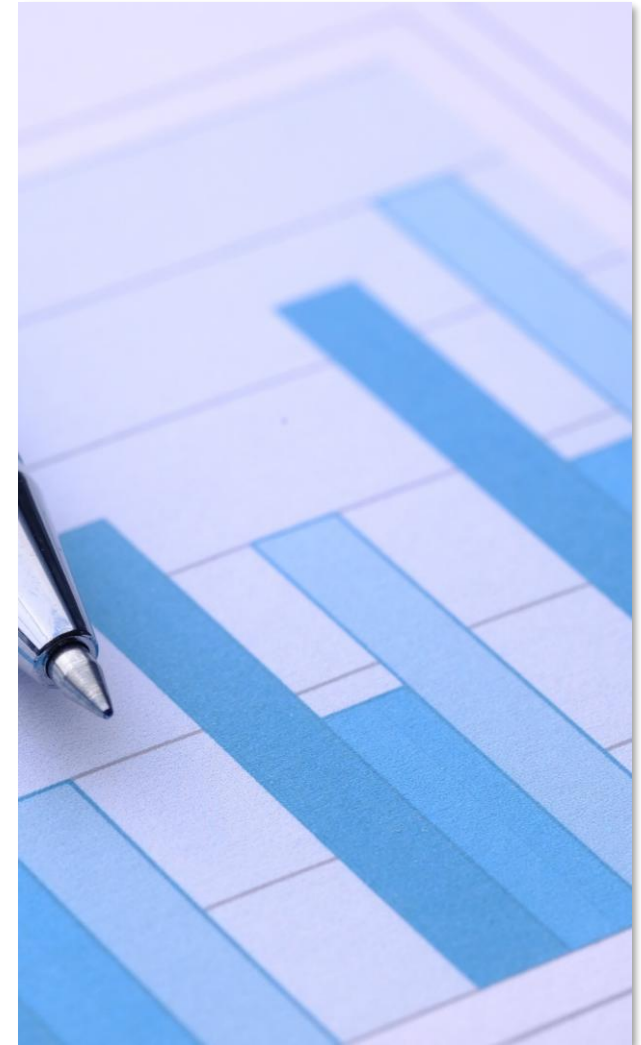
# 21<sup>ST</sup> CENTURY WATER & WASTEWATER RATE FACTS

- Water is becoming a relatively scarcer resource both regionally and nationally
- As costs for supply and treatment increase, many utilities are attempting to curb peak use through enacting policy alternatives:
  - More aggressive conservation rate structures
  - More aggressive enforcement of restrictions
  - Water “budgets” and maximum allowable use per person/lot/acre, etc.
  - Elimination of potable water irrigation systems



# WATER AND WASTEWATER RATE BACKGROUND

- Current water and wastewater rates were adopted in September 2024
- General inflationary pressure tends to drive up utility operating and capital costs annually
- Water and wastewater wholesale costs are forecast to increase at rates greater than normal annual inflation
- City has developed a Capital Improvement Plan to secure new water sources while maintaining wholesale water purchases
- Combination of above factors results in need to implement a new long-term rate plan



# CURRENT WATER AND WASTEWATER RATE STRUCTURE



WATER RATE STRUCTURE	
Base Charge by Meter Size (includes 2,000 gal)	
5/8" to 3/4"	\$33.49
1"	51.81
1 1/2"	82.34
2"	118.99
3"	235.03
4"	387.71

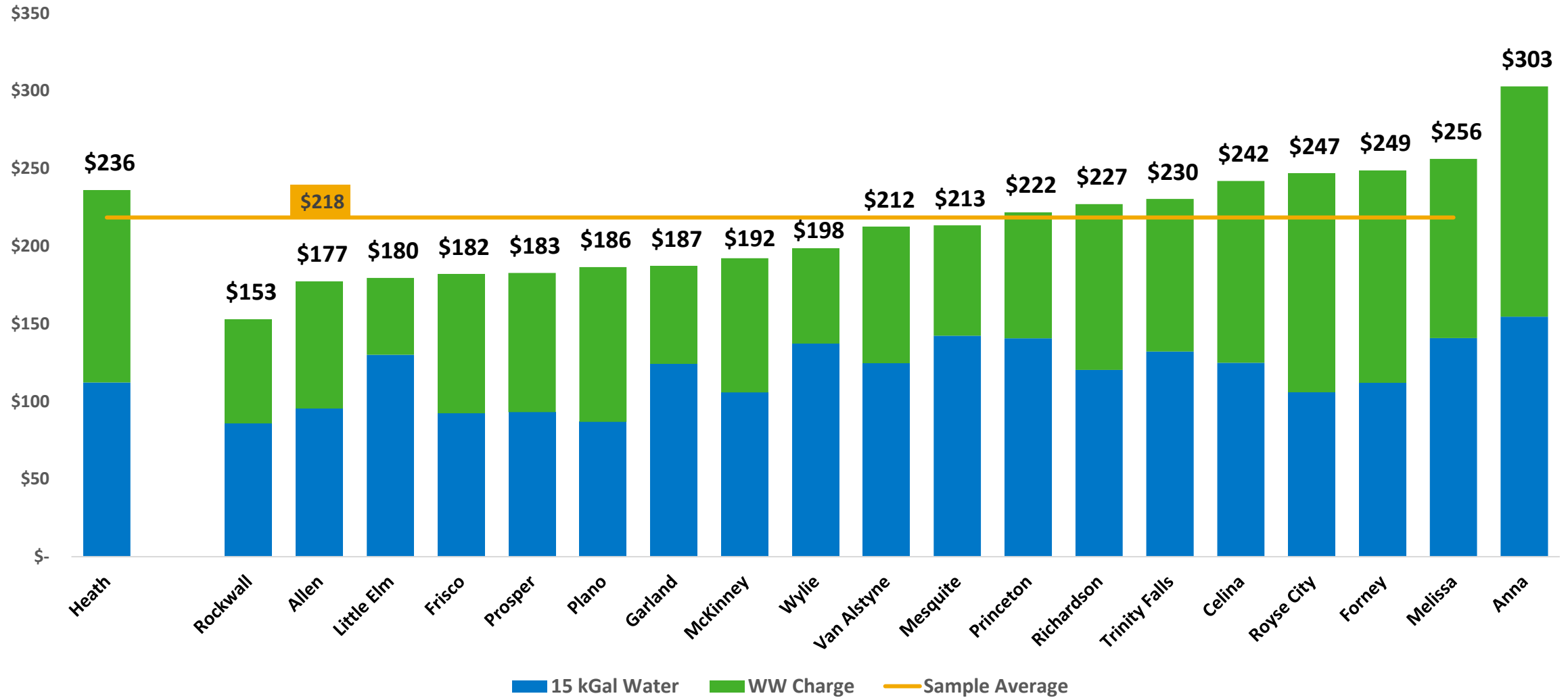
WATER RATE STRUCTURE	
Volume Rate per 1,000 Gal	
2,001 - 10,000	\$6.00
10,001 - 20,000	6.15
20,001 - 30,000	7.62
30,001 - 50,000	9.11
50,001 - 100,000	10.88
100,001 - Above	13.00

WW RATE STRUCTURE		
Base Charge by Meter Size	RES	NON-RES
All Meter Sizes:	\$60.09	--

WW RATE STRUCTURE		
Volume Rate per 1,000 Gal	RES	NON-RES
All gallons	\$6.38	\$10.85

\*Residential wastewater billing units are based on winter averaging

# CURRENT MONTHLY CHARGES | 15K GAL WATER & WW CHARGE



Heath's average residential use: 16,873 gal. of water/mo. | \*Rates as of May 2025



# CUSTOMERS & VOLUMES

# WATER AND WASTEWATER ACCOUNTS | TEST YEAR 2025



## RATE MODEL CUSTOMER CLASS

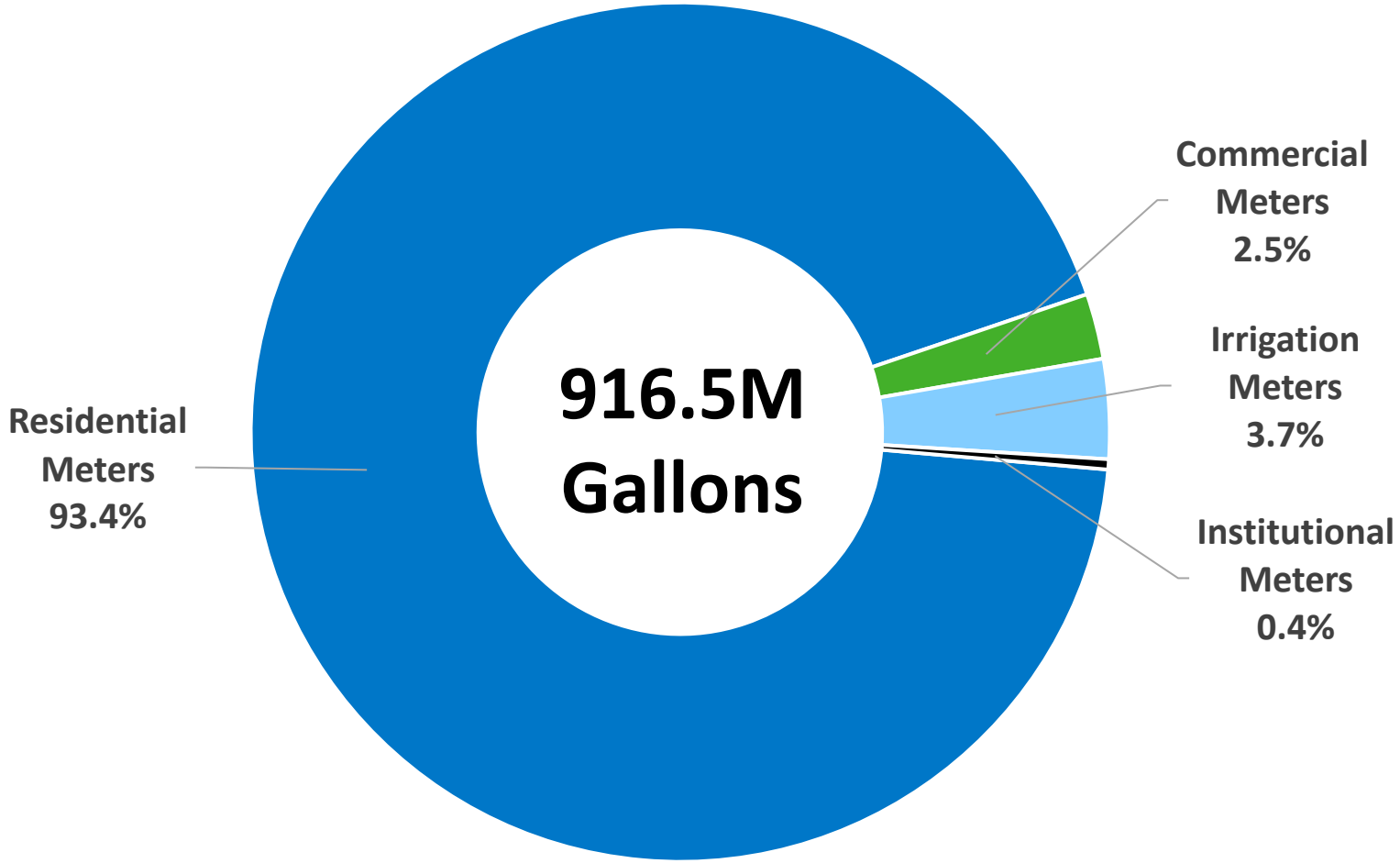
### WATER Customer Accounts

Residential	4,228
Commercial	99
Irrigation Meters	231
Institutional	11
<b>Total Accounts</b>	<b>4,569</b>

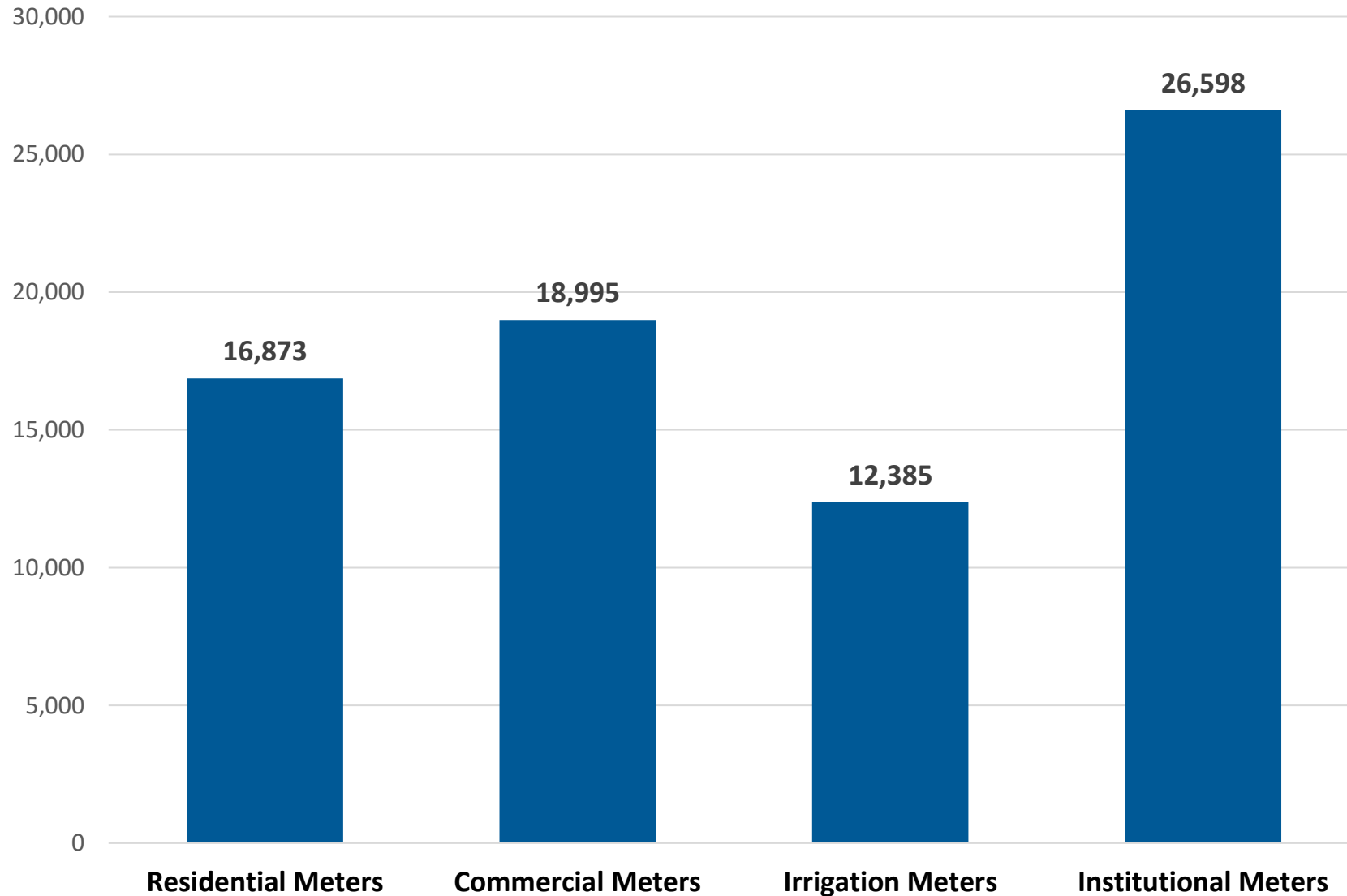
### WASTEWATER Customer Accounts

Residential	3,241
CM-Comm Sewer-Mult	2
COM - Commercial W Wtr Mtr	52
SC - Sewer School Rate	10
<b>Total Accounts</b>	<b>3,305</b>

# BILLED WATER CONSUMPTION BY CUSTOMER CLASS | TEST YEAR 2025

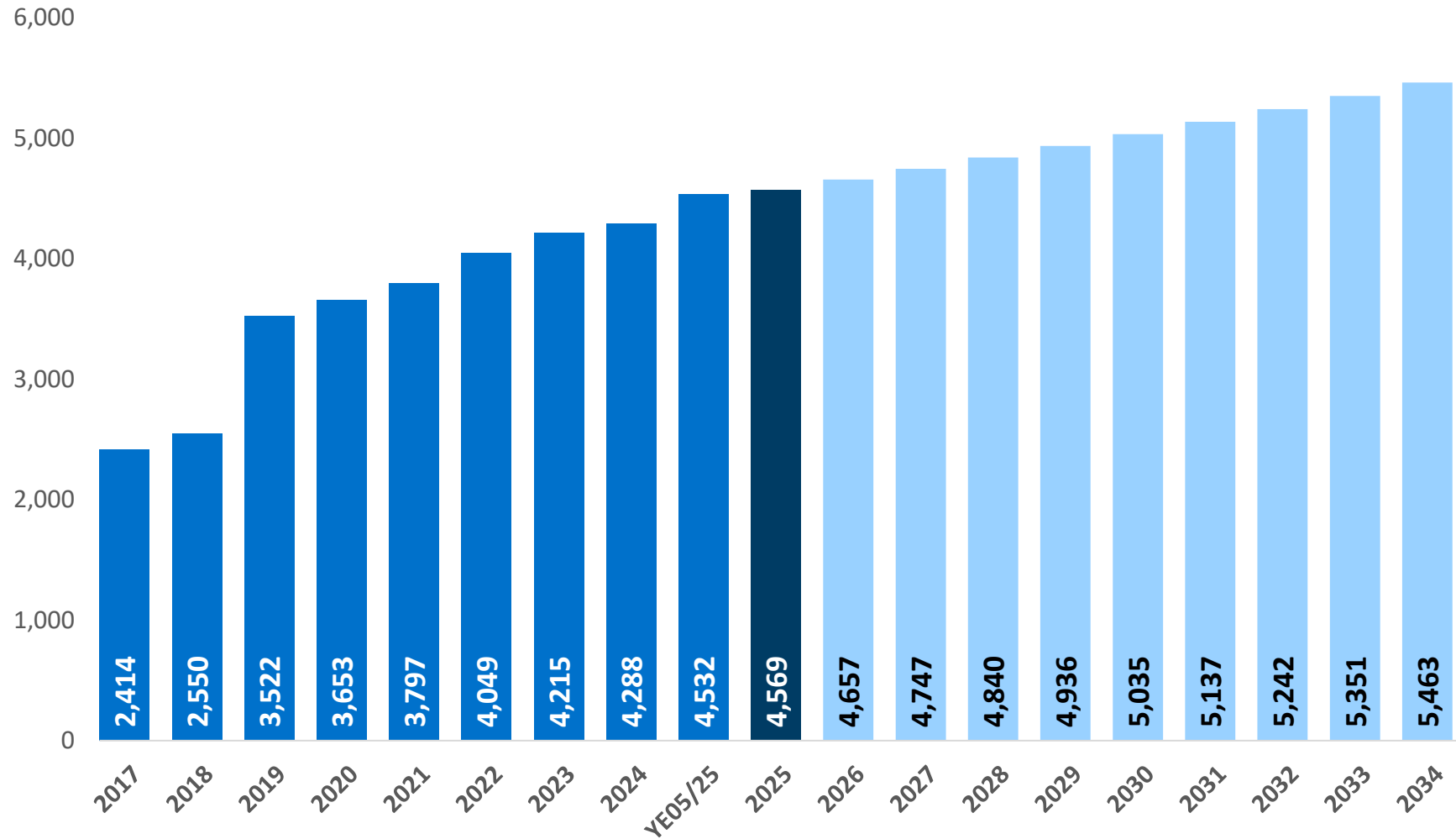


# AVERAGE MONTHLY WATER CONSUMPTION (GALLONS)



Monthly water usage varies considerably with weather patterns; the model is based on the overall trend.

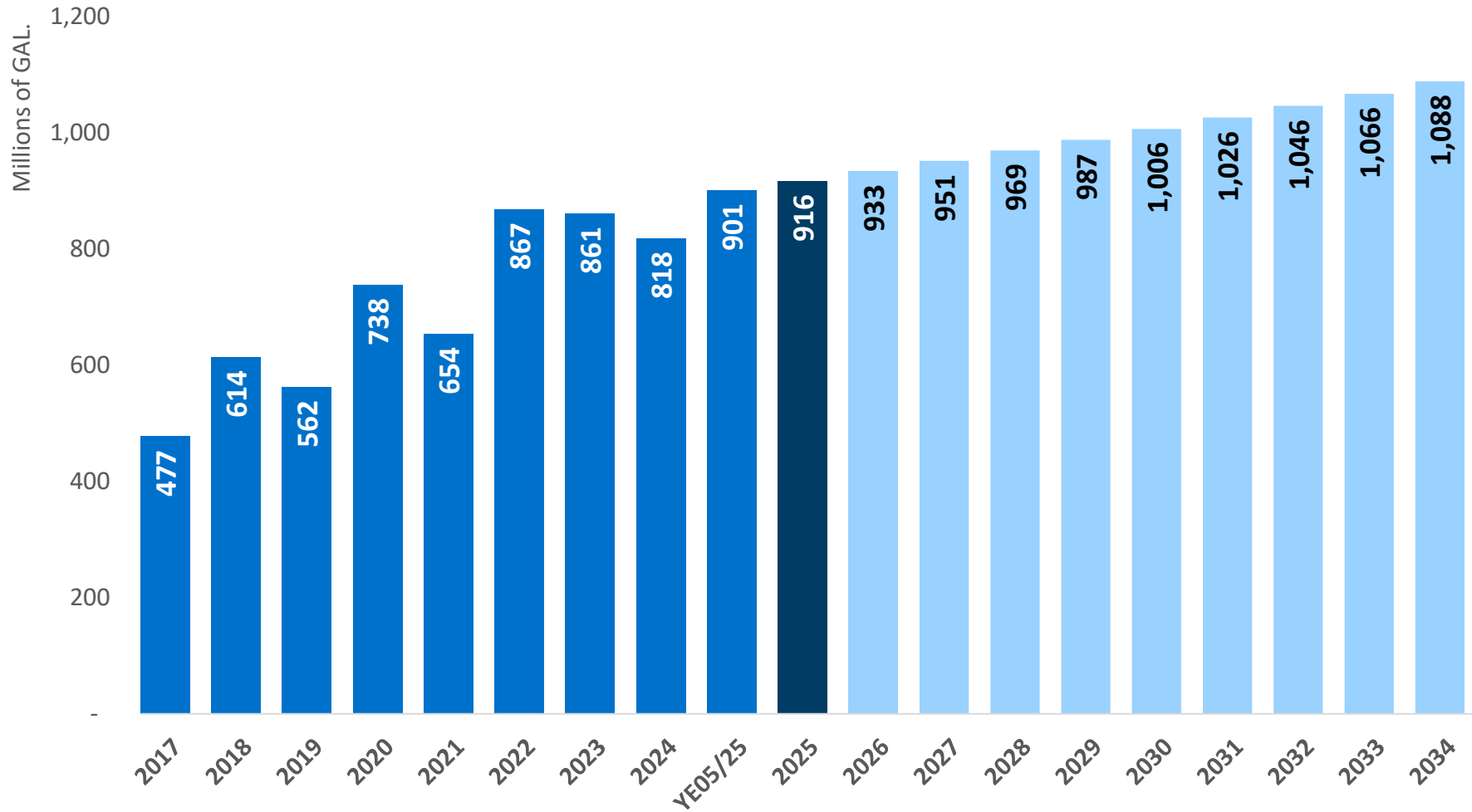
# HISTORICAL AND FORECAST WATER ACCOUNTS



Project team estimates that on average 70 new Residential, 6 new Commercial, and 23 new Irrigation accounts will be added to the system each year (on average 99 new accounts total)

Average annual account growth: 2.0%

# HISTORICAL AND FORECAST WATER CONSUMPTION



Forecast water consumption will increase at the rate of 2.4% per year.

Actual water use may vary considerably with weather patterns.

The model is based on the overall trend.

The background of the slide is a blue-tinted photograph of a water treatment plant. It shows various pieces of industrial machinery, including large pipes, tanks, and pumps, arranged in a facility with windows in the background.

# **WATER & WASTEWATER CURRENT AND FORECAST COST OF SERVICE**

# RATE PLAN KEY PRIMARY ASSUMPTIONS

- Heath will continue to purchase water from Rockwall (up to the take-or-pay volume of **983.8 MGY**)
- All wastewater flows will continue to be treated by NTMWD
- Most operating expenses will increase at +/- 3% per year; certain expenses increase at a higher rate (e.g. insurance, chemicals, etc.)
- **Alternative 1** assumes that **\$62M** (Including Issuance Costs) Tax & Revenue CO Water and Wastewater Bonds will be issued in FY2026 to fund water wells and associated infrastructure (single issuance)
- **Alternative 2** assumes that the Bond will be issued in 2 phases: **\$40.5M** in FY2026 and **\$23.5M** in FY2027

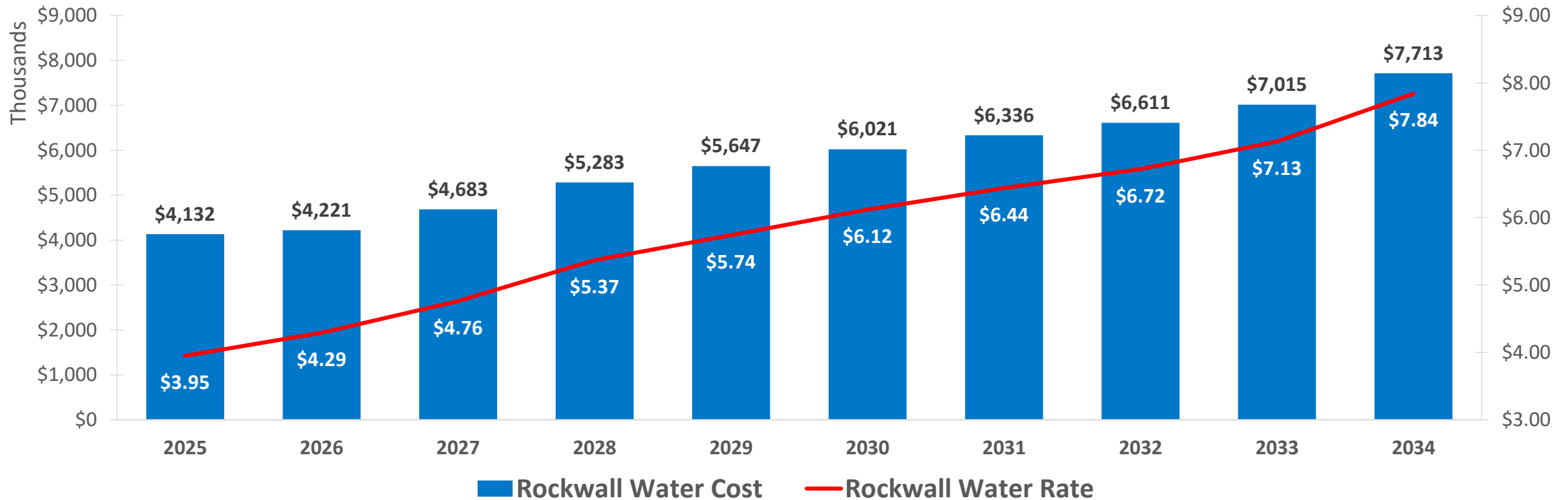


# FORECAST COST OF WATER PURCHASES



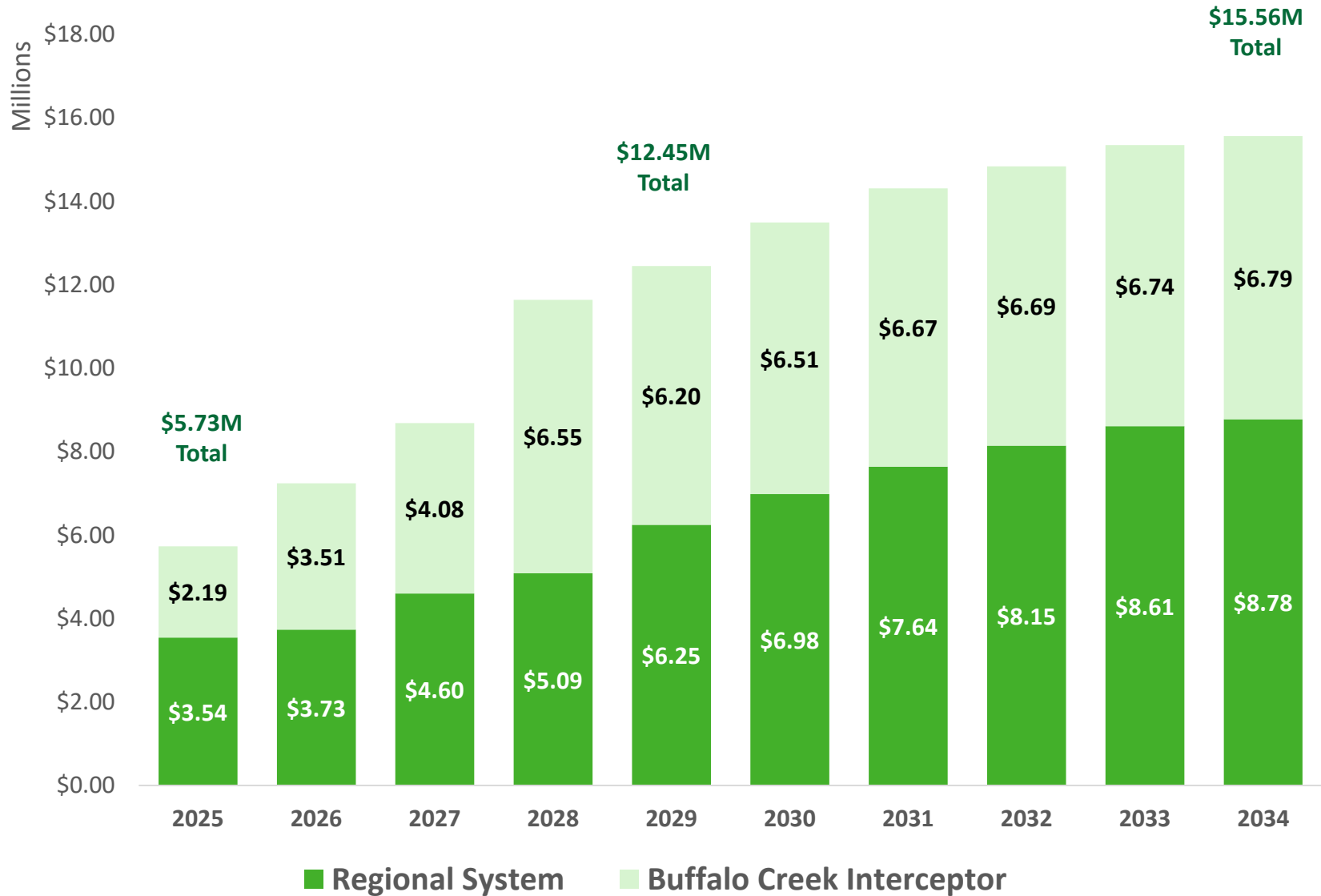
## KEY ASSUMPTIONS

- Rockwall's wholesale water rate = NTMWD rate + \$0.10
- 10-year rate projections are based on the latest forecast from NTMWD
- Forecast water purchases will remain flat at **983.8 MGY** (current take-or-pay volume)
- Average Cost Increase is 7.9%



PRELIMINARY & SUBJECT TO CHANGE

# WASTEWATER WHOLESALE TREATMENT COST FORECAST



**Combined NTMWD wastewater cost (Regional System + Buffalo Creek Interceptor) is forecast to increase on average at 11.7% annually:**

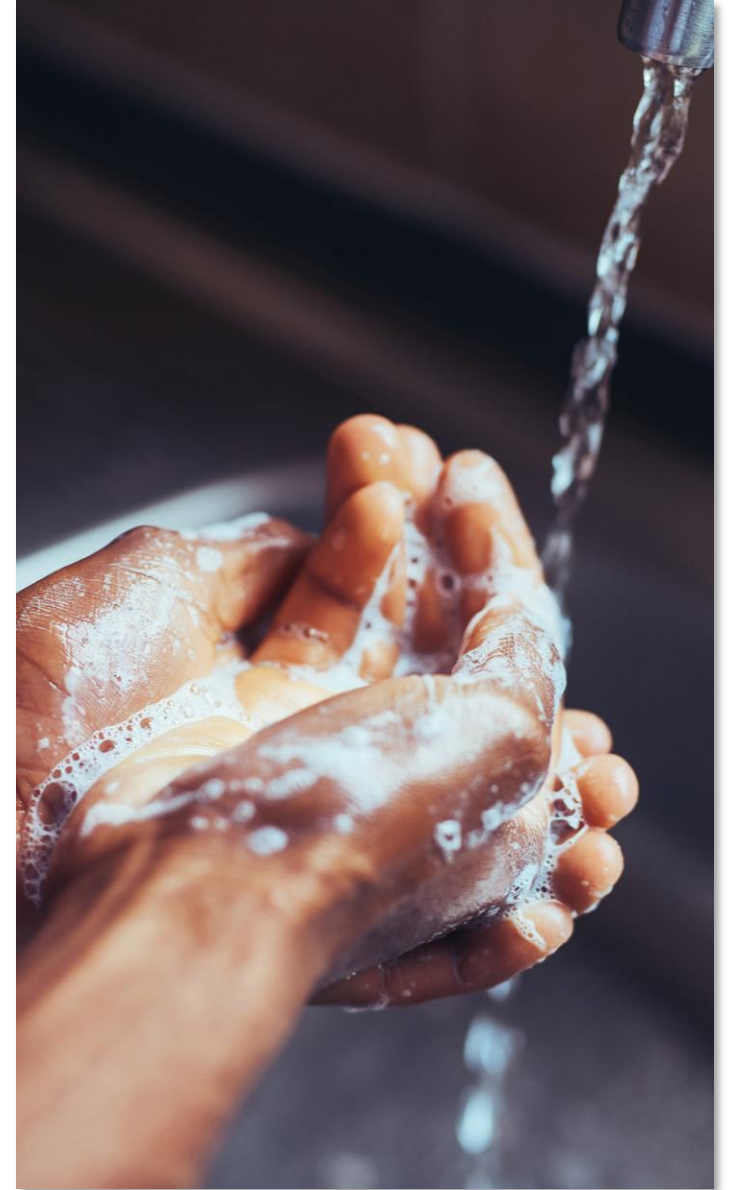
**10.6% for Regional System, and**

**13.4% for Buffalo Creek Interceptor**

PRELIMINARY & SUBJECT TO CHANGE

# CAPITAL IMPROVEMENT PLAN ASSUMPTIONS

- Heath will build a total of **6 new wells**
- Total CIP for FY2025-2034:
  - \$90.0 million Water
  - \$9.0 million Wastewater
- CIP will be funded through a combination of fund reserves, rate revenues, long-term debt, and impact fees



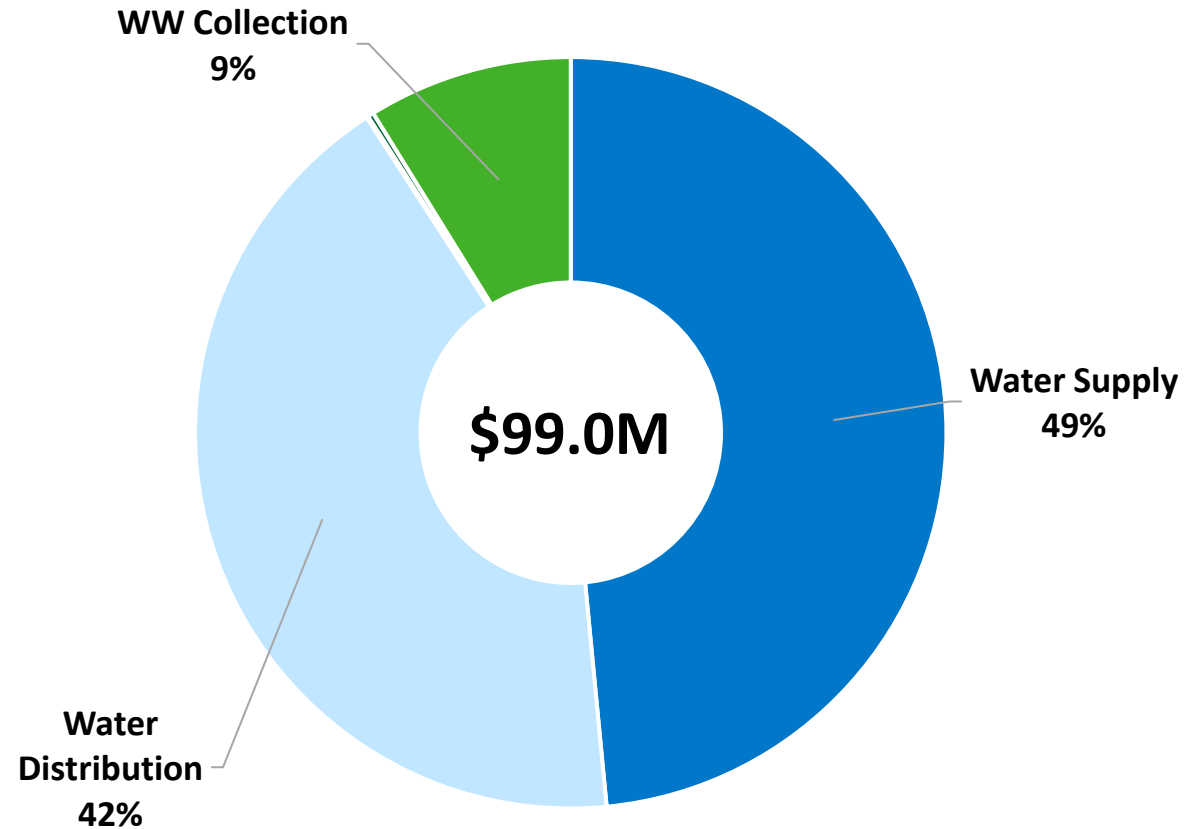
# CAPITAL IMPROVEMENT PLAN PROJECTS



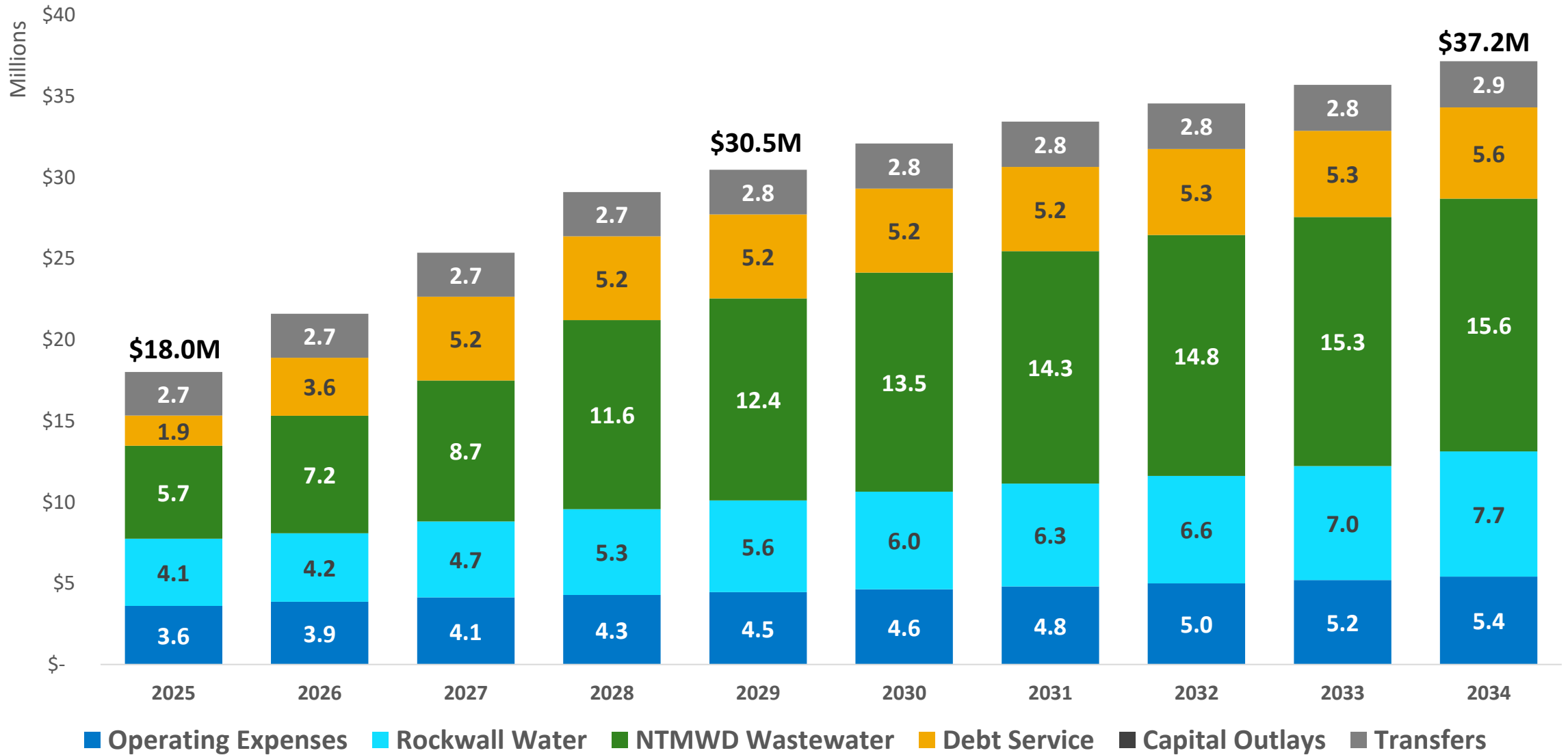
WATER PROJECTS	COST
Water Supply	\$ 48,000,000
Water Distribution	41,963,000
Water System	80,000
<b>Water Total</b>	<b>\$ 90,043,000</b>

WASTEWATER PROJECTS	COST
WW System	\$ 250,000
WW Collection	8,725,000
<b>WW Total</b>	<b>\$ 8,975,000</b>

<b>CIP Total</b>	<b>\$ 99,018,000</b>
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# WATER AND WASTEWATER COST OF SERVICE (ALTERNATIVE 1)



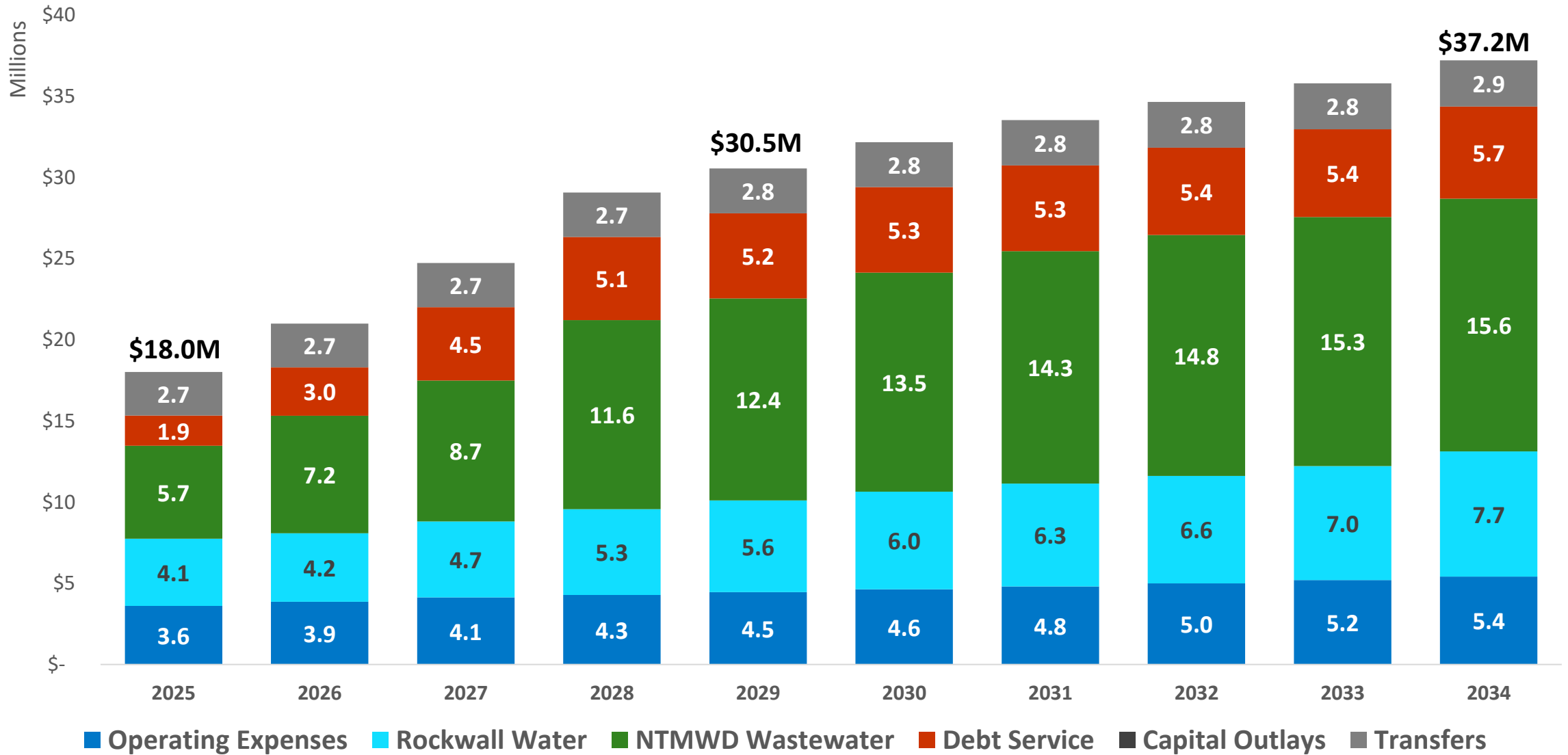
PRELIMINARY & SUBJECT TO CHANGE

# WATER AND WASTEWATER COST OF SERVICE (ALTERNATIVE 1)



	Operating Expenses	Rockwall Water	NTMWD Wastewater	Debt Service	Capital Outlays	Transfers & Contingencies	Total Cost of Service
<b>WATER Cost of Service</b>							
<b>2025</b>	\$ 2,152,691	\$ 4,132,200	\$ -	\$ 930,214	\$ -	\$ 2,261,253	\$ 9,476,358
<b>2026</b>	2,353,228	4,220,673	-	2,643,693	-	2,270,737	<b>11,488,331</b>
<b>2027</b>	2,557,481	4,683,077	-	4,229,693	-	2,280,505	<b>13,750,757</b>
<b>2028</b>	2,652,866	5,283,220	-	4,289,157	-	2,290,567	<b>14,515,809</b>
<b>2029</b>	2,752,977	5,647,240	-	4,295,526	-	2,300,930	<b>14,996,674</b>
<b>2030</b>	2,857,353	6,021,100	-	4,306,154	-	2,311,605	<b>15,496,211</b>
<b>2031</b>	2,966,627	6,335,928	-	4,316,510	-	2,322,599	<b>15,941,664</b>
<b>2032</b>	3,081,086	6,611,403	-	4,428,519	-	2,333,923	<b>16,454,931</b>
<b>2033</b>	3,201,618	7,014,778	-	4,435,115	-	2,345,588	<b>16,997,098</b>
<b>2034</b>	3,327,371	7,713,304	-	5,081,718	-	2,357,602	<b>18,479,994</b>
<b>WASTEWATER Cost of Service</b>							
<b>2025</b>	\$ 1,455,335	\$ -	\$ 5,731,969	\$ 930,214	\$ -	\$ 422,747	\$ 8,540,265
<b>2026</b>	1,512,406	-	7,238,053	928,773	-	429,613	<b>10,108,845</b>
<b>2027</b>	1,572,265	-	8,685,272	921,493	-	436,685	<b>11,615,715</b>
<b>2028</b>	1,635,081	-	11,637,607	871,702	-	443,969	<b>14,588,359</b>
<b>2029</b>	1,701,289	-	12,446,415	874,809	-	451,472	<b>15,473,986</b>
<b>2030</b>	1,770,566	-	13,489,863	873,558	-	459,200	<b>16,593,187</b>
<b>2031</b>	1,843,381	-	14,307,713	873,879	-	467,159	<b>17,492,132</b>
<b>2032</b>	1,919,959	-	14,839,141	872,697	-	475,358	<b>18,107,154</b>
<b>2033</b>	2,000,955	-	15,349,534	872,786	-	483,802	<b>18,707,077</b>
<b>2034</b>	2,085,772	-	15,563,508	539,957	-	492,500	<b>18,681,736</b>

# WATER AND WASTEWATER COST OF SERVICE (ALTERNATIVE 2)



PRELIMINARY & SUBJECT TO CHANGE

# WATER AND WASTEWATER COST OF SERVICE (ALTERNATIVE 2)



	Operating Expenses	Rockwall Water	NTMWD Wastewater	Debt Service	Capital Outlays	Transfers & Contingencies	Total Cost of Service
<b>WATER Cost of Service</b>							
<b>2025</b>	\$ 2,152,691	\$ 4,132,200	\$ -	\$ 930,214	\$ -	\$ 2,261,253	\$ 9,476,358
<b>2026</b>	2,353,228	4,220,673	-	2,049,003	-	2,270,737	<b>10,893,641</b>
<b>2027</b>	2,557,481	4,683,077	-	3,587,918	-	2,280,505	<b>13,108,982</b>
<b>2028</b>	2,652,866	5,283,220	-	4,253,672	-	2,290,567	<b>14,480,324</b>
<b>2029</b>	2,752,977	5,647,240	-	4,372,886	-	2,300,930	<b>15,074,034</b>
<b>2030</b>	2,857,353	6,021,100	-	4,391,720	-	2,311,605	<b>15,581,777</b>
<b>2031</b>	2,966,627	6,335,928	-	4,409,893	-	2,322,599	<b>16,035,047</b>
<b>2032</b>	3,081,086	6,611,403	-	4,514,330	-	2,333,923	<b>16,540,742</b>
<b>2033</b>	3,201,618	7,014,778	-	4,523,764	-	2,345,588	<b>17,085,747</b>
<b>2034</b>	3,327,371	7,713,304	-	5,138,047	-	2,357,602	<b>18,536,324</b>
<b>WASTEWATER Cost of Service</b>							
<b>2025</b>	\$ 1,455,335	\$ -	\$ 5,731,969	\$ 930,214	\$ -	\$ 422,747	\$ 8,540,265
<b>2026</b>	1,512,406	-	7,238,053	928,773	-	429,613	<b>10,108,845</b>
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<b>2028</b>	1,635,081	-	11,637,607	871,702	-	443,969	<b>14,588,359</b>
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<b>2033</b>	2,000,955	-	15,349,534	872,786	-	483,802	<b>18,707,077</b>
<b>2034</b>	2,085,772	-	15,563,508	539,957	-	492,500	<b>18,681,736</b>

The background of the slide is a photograph of a water treatment plant, showing various pieces of machinery, pipes, and tanks. The image is overlaid with a semi-transparent blue filter. The text is centered in the middle of the slide.

# **WATER & WASTEWATER PRELIMINARY RATE PLAN**

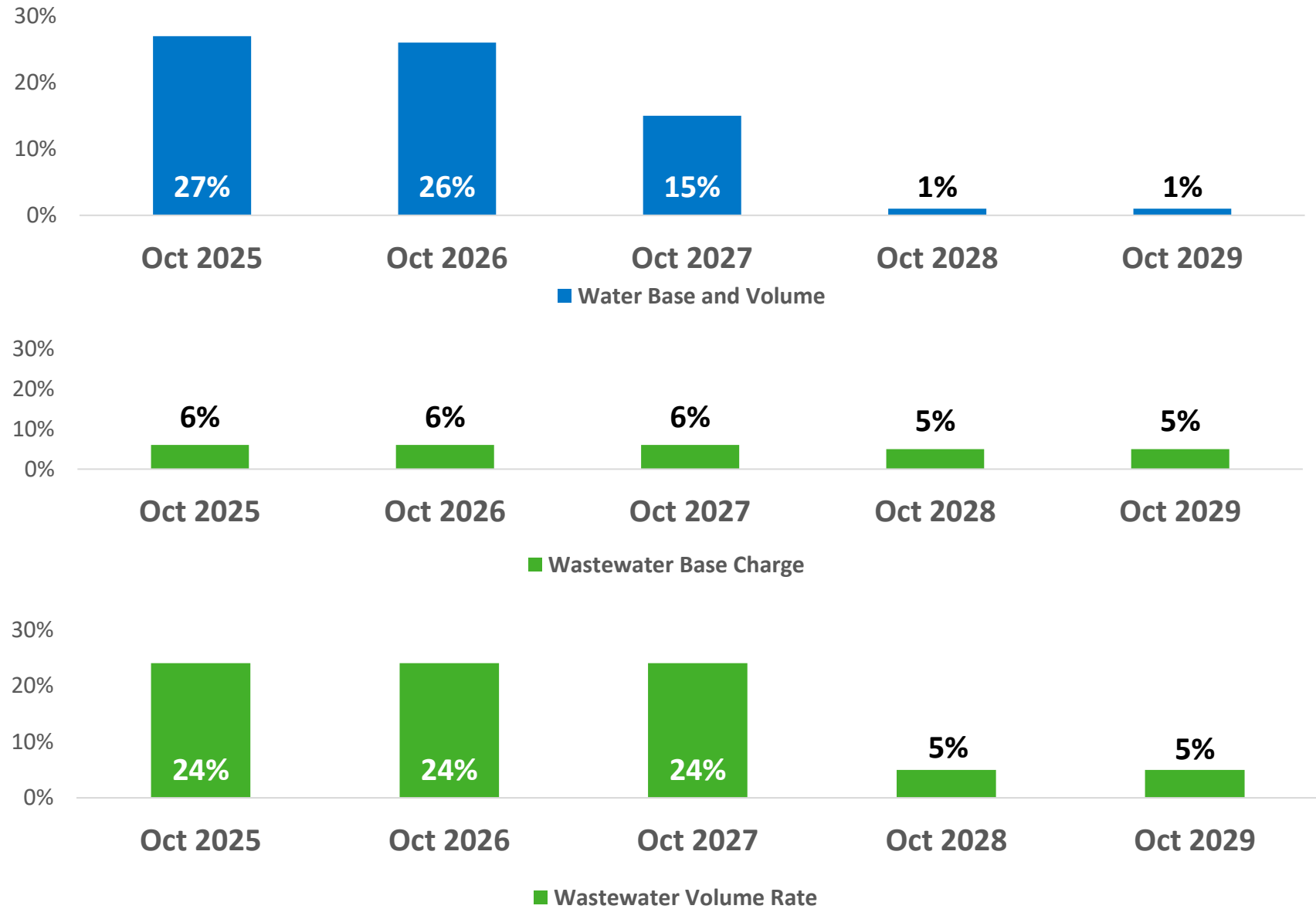
# **WATER & WASTEWATER ALTERNATIVE 1**

# ALTERNATIVE 1 | RATE PLAN



## KEY ASSUMPTIONS

- Annual adjustments in October of each year
- No changes to the existing rate structure
- **Uniform percentage adjustments for water rates**
- **Independent rate increases for wastewater base charge and volume rate resulting in a “blended” rate increase**



# ALTERNATIVE 1 | RATE SCHEDULE



		Effective					
Water Rates		Current	Oct-25	Oct-26	Oct-27	Oct-28	Oct-29
<b>Monthly Minimum Charge</b>							
5/8" to 3/4"		\$ 33.49	\$ 42.53	\$ 53.59	\$ 61.63	\$ 62.25	\$ 62.87
1"		51.81	65.80	82.91	95.34	96.30	97.26
1 1/2"		82.34	104.57	131.76	151.52	153.04	154.57
2"		118.99	151.12	190.41	218.97	221.16	223.37
3"		235.03	298.49	376.10	432.51	436.83	441.20
4"		387.71	492.39	620.41	713.48	720.61	727.82
	% Adjustment		27.00%	26.00%	15.00%	1.00%	1.00%
<b>Volume Rate Per KGal</b>							
2,001	10,000	\$ 6.00	\$ 7.62	\$ 9.60	\$ 11.04	\$ 11.15	\$ 11.26
10,001	20,000	6.15	7.81	9.84	11.32	11.43	11.54
20,001	30,000	7.62	9.68	12.19	14.02	14.16	14.30
30,001	50,000	9.11	11.57	14.58	16.76	16.93	17.10
50,001	100,000	10.88	13.82	17.41	20.02	20.22	20.42
100,001	Above	13.00	16.51	20.80	23.92	24.16	24.40
	% Adjustment		27.00%	26.00%	15.00%	1.00%	1.00%
<b>Wastewater Rates - Residential</b>							
<b>Monthly Minimum Charge</b>		\$ 60.09	\$ 63.70	\$ 67.52	\$ 71.57	\$ 75.15	\$ 78.90
	% Adjustment		6.00%	6.00%	6.00%	5.00%	5.00%
<b>Volume Rate/1,000 Gal</b>		\$ 6.38	\$ 7.91	\$ 9.81	\$ 12.16	\$ 12.77	\$ 13.41
	% Adjustment		24.00%	24.00%	24.00%	5.00%	5.00%
<b>Wastewater Rates - Non-Residential</b>							
<b>Monthly Minimum Charge</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Volume Rate/1,000 Gal</b>		\$ 10.85	\$ 13.45	\$ 16.68	\$ 20.69	\$ 21.72	\$ 22.81
	% Adjustment		24.00%	24.00%	24.00%	5.00%	5.00%

- Significant rate increases for both water and wastewater for the next 3 years.
- Wastewater Base Charge increasing at a different (slower) pace than Wastewater Volume Charges
- Wastewater rate increases driven directly by wholesale treatment cost increases by NTMWD
- Both Alternatives offer nearly identical rates by FY2030

PRELIMINARY & SUBJECT TO CHANGE

# ALTERNATIVE 1 | COMBINED IMPACT ON MONTHLY BILL



		Effective					
		Current	Oct-25	Oct-26	Oct-27	Oct-28	Oct-29
<b>Combined Residential Monthly Charges -- 3/4"</b>							
5,000 Water	5,000 WW	\$ 143.48	\$ 168.64	\$ 198.96	\$ 227.14	\$ 234.71	\$ 242.62
	Increase -- \$		\$ 25.16	\$ 30.32	\$ 28.18	\$ 7.57	\$ 7.91
	Increase -- %		17.5%	18.0%	14.2%	3.3%	3.4%
10,000 Water	10,000 WW	205.38	246.30	296.02	343.17	354.33	365.99
	Increase -- \$		\$ 40.92	\$ 49.72	\$ 47.15	\$ 11.16	\$ 11.66
	Increase -- %		19.9%	20.2%	15.9%	3.3%	3.3%
15,000 Water	10,000 WW	236.13	285.35	345.22	399.76	411.48	423.71
	Increase -- \$		\$ 49.22	\$ 59.87	\$ 54.54	\$ 11.73	\$ 12.23
	Increase -- %		20.8%	21.0%	15.8%	2.9%	3.0%
20,000 Water	10,000 WW	266.88	324.40	394.43	456.35	468.64	481.44
	Increase -- \$		\$ 57.52	\$ 70.02	\$ 61.92	\$ 12.29	\$ 12.80
	Increase -- %		21.6%	21.6%	15.7%	2.7%	2.7%
30,000 Water	10,000 WW	343.08	421.18	516.36	596.57	610.26	624.48
	Increase -- \$		\$ 78.10	\$ 95.19	\$ 80.21	\$ 13.69	\$ 14.22
	Increase -- %		22.8%	22.6%	15.5%	2.3%	2.3%
<b>Commercial Monthly Charges -- 1 1/2"</b>							
20,000 Water	20,000 WW	408.84	512.72	640.64	766.77	790.98	816.27
	Increase -- \$		\$ 103.88	\$ 127.92	\$ 126.13	\$ 24.22	\$ 25.29
	Increase -- %		25.4%	25.0%	19.7%	3.2%	3.2%
40,000 Water	40,000 WW	793.14	994.27	1,242.01	1,488.38	1,536.36	1,586.48
	Increase -- \$		\$ 201.13	\$ 247.75	\$ 246.36	\$ 47.98	\$ 50.12
	Increase -- %		25.4%	24.9%	19.8%	3.2%	3.3%

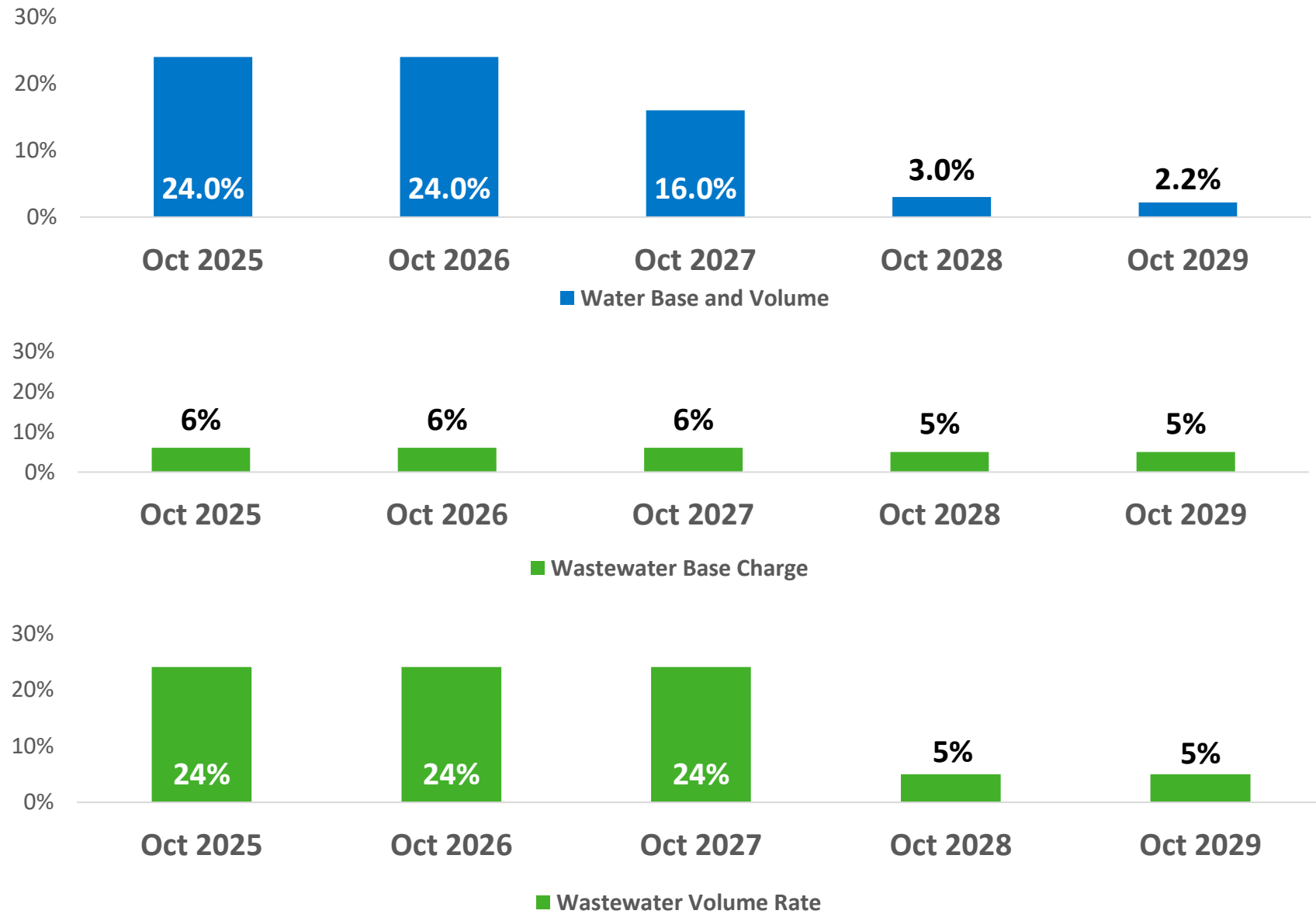
# **WATER & WASTEWATER ALTERNATIVE 2**

# ALTERNATIVE 2 | RATE PLAN



## KEY ASSUMPTIONS

- Annual adjustments in October of each year
- No changes to the existing rate structure
- **Uniform percentage adjustments for water rates**
- **Independent rate increases for wastewater base charge and volume rate resulting in a “blended” rate increase**



# ALTERNATIVE 2 | RATE SCHEDULE



## Effective

Water Rates		Current	Oct-25	Oct-26	Oct-27	Oct-28	Oct-29
<b>Monthly Minimum Charge</b>							
5/8" to 3/4"		\$ 33.49	\$ 41.53	\$ 51.49	\$ 59.73	\$ 61.53	\$ 62.87
1"		51.81	64.24	79.66	92.41	95.18	97.26
1 1/2"		82.34	102.10	126.61	146.86	151.27	154.57
2"		118.99	147.55	182.96	212.23	218.60	223.36
3"		235.03	291.44	361.38	419.20	431.78	441.19
4"		387.71	480.76	596.14	691.53	712.27	727.80
	% Adjustment		24.00%	24.00%	16.00%	3.00%	2.18%
<b>Volume Rate Per KGal</b>							
2,001	10,000	\$ 6.00	\$ 7.44	\$ 9.23	\$ 10.70	\$ 11.02	\$ 11.26
10,001	20,000	6.15	7.63	9.46	10.97	11.30	11.54
20,001	30,000	7.62	9.45	11.72	13.59	14.00	14.30
30,001	50,000	9.11	11.30	14.01	16.25	16.74	17.10
50,001	100,000	10.88	13.49	16.73	19.41	19.99	20.42
100,001	Above	13.00	16.12	19.99	23.19	23.88	24.40
	% Adjustment		24.00%	24.00%	16.00%	3.00%	2.18%
<b>Wastewater Rates - Residential</b>							
<b>Monthly Minimum Charge</b>		\$ 60.09	\$ 63.70	\$ 67.52	\$ 71.57	\$ 75.15	\$ 78.90
	% Adjustment		6.00%	6.00%	6.00%	5.00%	5.00%
<b>Volume Rate/1,000 Gal</b>		\$ 6.38	\$ 7.91	\$ 9.81	\$ 12.16	\$ 12.77	\$ 13.41
	% Adjustment		24.00%	24.00%	24.00%	5.00%	5.00%
<b>Wastewater Rates - Non-Residential</b>							
<b>Monthly Minimum Charge</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Volume Rate/1,000 Gal</b>		\$ 10.85	\$ 13.45	\$ 16.68	\$ 20.69	\$ 21.72	\$ 22.81
	% Adjustment		24.00%	24.00%	24.00%	5.00%	5.00%

- Significant rate increases for both water and wastewater for the next 3 years.
- Wastewater Base Charge increasing at a different (slower) pace than Wastewater Volume Charges
- Wastewater rate increases driven directly by wholesale treatment cost increases by NTMWD
- Both Alternatives offer nearly identical rates by FY2030

PRELIMINARY & SUBJECT TO CHANGE

# ALTERNATIVE 1 | COMBINED IMPACT ON MONTHLY BILL



		Effective					
		Current	Oct-25	Oct-26	Oct-27	Oct-28	Oct-29
<b>Combined Residential Monthly Charges -- 3/4"</b>							
5,000 Water	5,000 WW	\$ 143.48	\$ 167.10	\$ 195.74	\$ 224.23	\$ 233.60	\$ 242.62
	Increase -- \$		\$ 23.62	\$ 28.64	\$ 28.49	\$ 9.37	\$ 9.01
	Increase -- %		16.5%	17.1%	14.6%	4.2%	3.9%
10,000 Water	10,000 WW	205.38	243.86	290.92	338.56	352.58	365.99
	Increase -- \$		\$ 38.47	\$ 47.06	\$ 47.64	\$ 14.02	\$ 13.41
	Increase -- %		18.7%	19.3%	16.4%	4.1%	3.8%
15,000 Water	10,000 WW	236.13	281.99	338.20	393.40	409.07	423.71
	Increase -- \$		\$ 45.85	\$ 56.21	\$ 55.21	\$ 15.67	\$ 14.64
	Increase -- %		19.4%	19.9%	16.3%	4.0%	3.6%
20,000 Water	10,000 WW	266.88	320.12	385.48	448.25	465.56	481.43
	Increase -- \$		\$ 53.24	\$ 65.36	\$ 62.77	\$ 17.31	\$ 15.87
	Increase -- %		19.9%	20.4%	16.3%	3.9%	3.4%
30,000 Water	10,000 WW	343.08	414.60	502.64	584.16	605.55	624.47
	Increase -- \$		\$ 71.52	\$ 88.04	\$ 81.52	\$ 21.39	\$ 18.92
	Increase -- %		20.8%	21.2%	16.2%	3.7%	3.1%
<b>Commercial Monthly Charges -- 1 1/2"</b>							
20,000 Water	20,000 WW	408.84	506.96	628.63	755.91	786.86	816.26
	Increase -- \$		\$ 98.12	\$ 121.67	\$ 127.27	\$ 30.95	\$ 29.40
	Increase -- %		24.0%	24.0%	20.2%	4.1%	3.7%
40,000 Water	40,000 WW	793.14	983.49	1,219.53	1,468.04	1,528.63	1,586.46
	Increase -- \$		\$ 190.35	\$ 236.04	\$ 248.51	\$ 60.59	\$ 57.83
	Increase -- %		24.0%	24.0%	20.4%	4.1%	3.8%

# ALTERNATIVE COMPARISON



RESIDENTIAL CUSTOMERS		Current	Oct-25	Oct-26	Oct-27	Oct-28	Oct-29
10,000 Water	10,000 WW						
Alternative 1		205.38	246.30	296.02	343.17	354.33	365.99
Alternative 2		205.38	243.86	290.92	338.56	352.58	365.99
15,000 Water	10,000 WW						
Alternative 1		236.13	285.35	345.22	399.76	411.48	423.71
Alternative 2		236.13	281.99	338.20	393.40	409.07	423.71
20,000 Water	10,000 WW						
Alternative 1		266.88	324.40	394.43	456.35	468.64	481.44
Alternative 2		266.88	320.12	385.48	448.25	465.56	481.43
<b>COMMERCIAL CUSTOMERS</b>							
20,000 Water	20,000 WW						
Alternative 1		408.84	512.72	640.64	766.77	790.98	816.27
Alternative 2		408.84	506.96	628.63	755.91	786.86	816.26
40,000 Water	40,000 WW						
Alternative 1		793.14	994.27	1,242.01	1,488.38	1,536.36	1,586.48
Alternative 2		793.14	983.49	1,219.53	1,468.04	1,528.63	1,586.46



## QUESTIONS & DISCUSSION

# Disclosure



*Willdan Financial Services ("Willdan") is registered as a "municipal advisor" pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the United States Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB"). The MSRB has made available on its website ([www.msrb.org](http://www.msrb.org)) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority. As part of its SEC registration Willdan is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving Willdan. Pursuant to MSRB Rule G-42, Willdan is required to disclose any legal or disciplinary event that is material to Client's evaluation of Willdan or the integrity of its management or advisory personnel. Willdan has determined that no such event exists. Copies of Willdan's filings with the United States Securities and Exchange Commission can currently be found by accessing the SEC's EDGAR system Company Search Page which is currently available at: <https://www.sec.gov/edgar/searchedgar/companysearch.html> and searching for either Willdan Financial Services or for our CIK number which is 0001782739.*

*For the avoidance of doubt and without limiting the foregoing, in connection with any revenue projections, cash-flow analyses, feasibility studies and/or other analyses Willdan may provide the municipality with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the municipality, (A) any such projections, studies and analyses shall be based upon assumptions, opinions or views (including, without limitation, any assumptions related to revenue growth) established by the municipality, in conjunction with such of its municipal, financial, legal and other advisers as it deems appropriate; and (B) under no circumstances shall Willdan be asked to provide, nor shall it provide, any advice or recommendations or subjective assumptions, opinions or views with respect to the actual or proposed structure, terms, timing, pricing or other similar matters with respect to any municipal financial products or municipal securities issuances, unless formally engaged to provide such information.*



## ADDITIONAL DETAILS

# CAPITAL IMPROVEMENT PLAN PROJECTS



WATER PROJECTS	Cost
Water Well #1 - Towne Center Park	\$ 8,000,000
Water Well #2 - Fulton Academy	\$ 8,000,000
Water Well #3 - City Rockwall Pump Station No. 1	\$ 8,000,000
Water Well #4	\$ 8,000,000
Water Well #5	\$ 8,000,000
Water Well #6	\$ 8,000,000
AMI System Implementation Phase No. 2	\$ 800,000
3-MG Ground Storage Tank #2 - Pump Station No. 1	\$ 10,000,000
Elevated Storage Tank #3	\$ 15,000,000
Fire Flow Improvements No. 1 - Darr Estates (ARPA)	\$ 2,060,000
Fire Flow Improvements No. 2 - Candlelite Park	\$ 3,228,000
Fire Flow Improvements No. 3 - Twin Park	\$ 748,000
Fire Flow Improvements No. 4 - Myers Road	\$ 1,499,000
Fire Flow Improvements No. 5 - Sunny Estates & Halford	\$ 669,000
Fire Flow Improvements No. 6 - Las Lomas Loop	\$ 332,000
Fire Flow Improvements No. 7 - K & K Subdivision	\$ 626,000
Fire Flow Improvements No. 8 - Moraine	\$ 1,040,000
Fire Flow Improvements No. 9 - Hilltop Estates	\$ 387,000
Fire Flow Improvements No. 10 - Kyser Springs Road	\$ 334,000
Fire Flow Improvements No. 11 - Dwyer Ct & Serenity Ln	\$ 240,000
Shared Ground Storage Tank with Rockwall	\$ 5,000,000
Water Impact Fee Update	\$ 80,000
<b>Total Water Projects</b>	<b>\$ 90,043,000</b>

WASTEWATER PROJECTS	Cost
Comprehensive Sewer System Assessment	\$ 250,000
Rush Creek Sewer Line Improvement Phase No. 1	\$ 375,000
Rush Creek Sewer Line Improvement Phase No. 2	\$ 225,000
Rush Creek Sewer Line Improvement Phase No. 3	\$ 225,000
Rush Creek Sewer Line Improvement Phase No. 4	\$ 375,000
King Pass/ Singature Court Sewer Gravity Line	\$ 450,000
Shepherd's Glen Sewer Line Improvements Phase No. 1	\$ 565,000
Shepherd's Glen Sewer Line Improvements Phase No. 2	\$ 350,000
Shepherd's Glen Sewer Line Improvements Phase No. 3	\$ 375,000
Shepherd's Glen Sewer Line Improvements Phase No. 4	\$ 1,450,000
Shepherd's Glen Sewer Line Improvements Phase No. 5	\$ 1,350,000
Eastshore Sewer Line Improvements	\$ 225,000
Eastshore/Sunset Sewer Line Improvements	\$ 235,000
Sunset Sewer Line Improvements	\$ 250,000
Pintail Point Sewer Line Improvements	\$ 775,000
Stillwaters Sewere Line Improvements	\$ 500,000
Decomission of Antigua Bay Lift Station	\$ 1,000,000
<b>Total Wastewater Projects</b>	<b>\$ 8,975,000</b>
<b>Total Water and Wastewater Projects</b>	<b>\$ 99,018,000</b>