

WCID Point Venture - Townhall

April 19th, 2025 & April 29th, 2025
Review & Discussion

Agenda

- 2023-2024 Analysis & Results
- 2024-2025 Analysis
- Unfunded Projects & Priorities
- Cost of delaying capital improvements
- Plans with Bond Approval
- Plans without Bond Approval
- Summary
- Voting information
- Q&A

2024 Rate Tables in review

(Analysis done in Dec '23)

- Water Revenue \$568K, M&O \$859K, Shortfall \$291K or 51%
- Sewer Revenue \$396K, M&O \$859K, Shortfall \$463K or 117%
- Board agreed to adjust rates over 3 years to align Service Revenue to M&O Expenses
- Breakeven analysis – Water Base \$48, Sewer Base \$67
- To do that – 3 year plan for Base Rate and Usage increase
 - Water base rate increase \$7/yr for 3 years, 1st year \$27 to \$34
 - Sewer base rate increase \$12/yr for 3 years, 1st year \$32 to \$44

Usage	2023	2024	Increase '23 -> '24
2,001 to 5,000 gallons	\$4.00 per 1,000 gallons	\$4.40 per 1,000 gallons	10%
5,001 to 10,000 gallons	\$5.25 per 1,000 gallons	\$5.80 per 1,000 gallons	10%
10,001 to 15,000 gallons	\$6.75 per 1,000 gallons	\$7.75 per 1,000 gallons	15%
15,001 to 25,000 gallons	\$8.50 per 1,000 gallons	\$10.00 per 1,000 gallons	17.5%
25,001 to 50,000 gallons	\$11.00 per 1,000 gallons	\$13.20 per 1,000 gallons	20%
50,001 or more gallons	\$15.00 per 1,000 gallons	\$18.75 per 1,000 gallons	25%

'23-'24 Financials

WCID Point Venture			
Forecasted (in Dec '23) for FY Oct '23- Sept '24			
Revenue		Expenses	
Property Tax	\$1,939,866	Water LCRA	\$ 36,491
Service Revenue		Utilities	\$ 68,223
Water	\$ 600,108	Water Maintenance & Taps	\$ 392,190
Sewer	\$ 477,054	Sewer Maintenance & Taps	\$ 342,710
Penalty	\$ 17,168	Sludpe Hauling	\$ 37,424
Taps	\$ 30,000	General	\$ 8,086
Interest	\$ 167,728	Operation & Maintenance	\$ 590,908
Other	\$ 92,250	Admin	\$ 155,429
		Engineering	\$ 54,330
		Capital Outlay	\$ 157,383
Total Service Rev	\$1,384,308	Total	\$1,843,174
Total- PropTax & Service	\$3,324,174		
Service Rev - M&O Expenses	\$ (458,866)		
Subsidized by Property Tax			

'23-'24 How Did We Do?

- Water Revenue \$608.7K, M&O \$747.4K, Shortfall \$138.7K
- Sewer Revenue \$485.6K, M&O \$707.6K, Shortfall \$222K
- With 930 meters
 - \$7 increase in Water for '24 will add \$78K
 - \$12 increase in Sewer for '24 will add \$134K
- If financials are similar in '25 than the increases in '26 are:
 - \$5.5 increase in Water for '24 will add \$61K
 - \$8 increase in Sewer for '24 will add \$89.3K
- Breakeven in '26 – Revenue equal M&O expenses
 - Water Revenue \$747.7K (608.7+78+61), M&O \$747.4K
 - Sewer Revenue \$708.9K (485.6+134+89.3), M&O \$707.6K

'23-'24 How Did We Do?

(another view - same data)

How Did We Do in 2024				
	2023	2024	2025	2026
Water				
Revenue	\$ 568,000	\$ 608,700	\$686,820	\$748,200
M&O Expe	\$ 859,000	\$ 747,400	\$747,400	\$747,400
Shortfall	\$(291,000)	\$(138,700)	\$ (60,580)	\$ 800
Rate Increase		\$ 7	\$ 5.50	
Meters		930	\$ 930	
Sewer				
Revenue	\$ 396,000	\$ 485,600	\$619,520	\$708,800
M&O Expe	\$ 859,000	\$ 707,600	\$707,600	\$707,600
Shortfall	\$(463,000)	\$(222,000)	\$ (88,080)	\$ 1,200
Rate Increase		\$ 12	\$ 8.00	
Meters		930	\$ 930	

Projects

- WWTP .15MGD, two Lift Stations \$12MM (\$11M Construction, \$922K in Construction Management)
 - Completed planned for May 2026
- Water Master Plan (Table 7-9) \$13.5M
 - Estimated Start January 2026
 - Priority 1 – August Standpipe replacement \$7.5M
 - Engineering Contract assigned, award expected Feb 2025
 - Priority 2 – August Pump Station Rehab \$1.65M
 - Priority 3 – 6” Waterline (Nicklaus to Champions) \$861K
 - Priority 4 – PRV Assembly \$233K
 - Priority 5 – Augusta EST Rehab \$960.7K
 - Priority 6 – 6” Waterline for LUE Reallocation \$500K
 - Priority 7 – 2” Waterline replacement \$755K
- Underground Irrigations for Effluent during winter \$2M

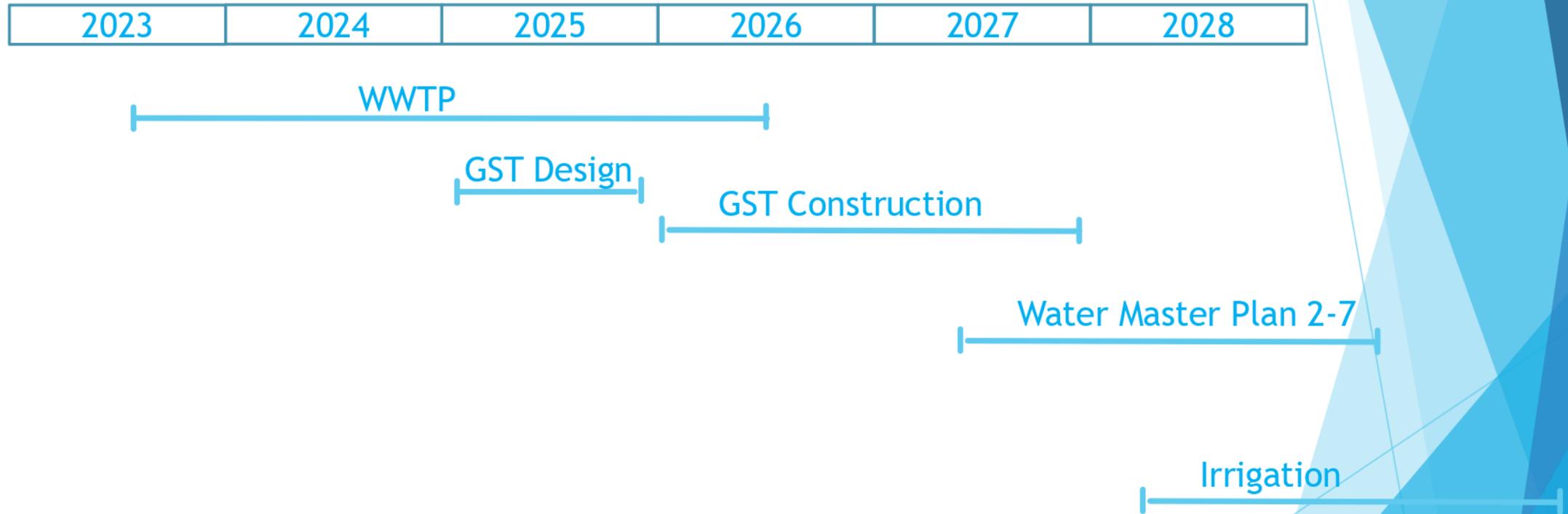
Capital Plans

- Augusta Standpipe replacement \$7.5M
- Augusta Pump Station Rehab \$1.65M
- 6" Waterline form Nicklaus dr to Champions Cir \$861K
- PRV Assembly \$233K
- Augusta Elevated Rehab \$960K
- 6" waterline for LUE Reallocation \$500K
- 2" waterline replacement \$754K
- Irrigation \$2.1M (\$1.1M from bond, \$1M operating)

- Total - \$13.6M 2025 Bond, \$1M Operating

- Funding Options
 - 1) Bond Proceeds
 - 2) Cash

Projects timing



Delaying Cost \$ - Example from qualification submissions

- 2003 – 1M gallon Standpipe \$641K
 - 2007 – 200K gallon Elevated tank \$665K
 - 2009 – 500K gallon Composite \$1.398M
 - 2011 – 300K gallon Elevated tank \$1.13M
 - 2013 – 1M gallon Composite \$1.4M
 - 2023 – 300K gallon Elevated tank \$4.2M
 - Estimated 2026 – 300K gallon Elevated tank \$6.5M
- 70% increase over 4 years
17.5% per year
- 271% increase over 12 years
22.5% per year
- 55% increase over 3 years
18.3% per year
-
- The diagram consists of a list of project entries on the left and three summary statistics on the right. Blue arrows point from the summary statistics to the corresponding entries in the list. The first summary statistic, '70% increase over 4 years (17.5% per year)', has arrows pointing to the 2007 and 2009 entries. The second, '271% increase over 12 years (22.5% per year)', has arrows pointing to the 2011 and 2013 entries. The third, '55% increase over 3 years (18.3% per year)', has an arrow pointing to the 2023 entry.
- | Year | Capacity | Material | Cost |
|----------------|-------------|---------------|----------|
| 2003 | 1M gallon | Standpipe | \$641K |
| 2007 | 200K gallon | Elevated tank | \$665K |
| 2009 | 500K gallon | Composite | \$1.398M |
| 2011 | 300K gallon | Elevated tank | \$1.13M |
| 2013 | 1M gallon | Composite | \$1.4M |
| 2023 | 300K gallon | Elevated tank | \$4.2M |
| Estimated 2026 | 300K gallon | Elevated tank | \$6.5M |

WCID PV - Debt Schedule

- Debt Series 2016 - \$7.08M
 - Remaining balance \$5.26M
 - Last Payment 2036
- Debt Series 2020 - \$14.5M
 - Remaining balance \$12.89M
 - Last Payment 2040
- Combined Payment in 2025 is \$1,252,981
- Payment increase each year in 2040 is \$1,499,400

Plan with Bond Approval

- Continue with WWTP Construction
- 2025 Get residents approval on a Bond Election for \$13.6M
 - \$13.6M bond will cost approximately \$925K/yr
 - Allows Capital programs to be paid over 30 years
- 2025 Apply for Texas Water Development Board DFUND for \$6.5M
- 2025 Award Augusta Tank Replacement Engineering
- Once Bond is approved and TWDB DFUND is approved
 - Begin engineering for Priorities 2-7
 - Award Augusta Tank replacement Construction early 2026
 - Lower Property Taxes by \$400K-500K over 3 years, Approx 7-8% decrease per year (Ave. \$400-\$500/yr/resident)
- 2026 Rate Tables increase \$5.5 water, \$8 sewer
 - Can tradeoff Property tax verses Rate Tables

Plan without Bond approval

- Continue with WWTP Construction
- 2025 Award Ground Storage Tank Replacement Engineering
- Pay Cash for Projects
 - Reserve Requirement is approximately \$2.5M, Stretched \$1.5M
- Raise Property Taxes by \$500K, 7-8% per year for 3 years (Ave \$500/yr/resident)
- When we have \$6.5M in the bank award Augusta Replacement Construction
- 2026 Rate Tables increase \$5.5 water, \$8 sewer
- Continue with projects as the cash allows
 - Pushing out schedule
 - Likely costing more (history is 17%-22% per year)

Summary

- 7 unfunded projects
- Funding options
 - 1) Bond Proceeds (Requiring Voter Approval)
 - 2) Cash (Voter don't approve bond)
- Kicking the can down the road cost lots of \$
 - Historically 17%-22% per year delayed
- Using Bond Proceeds, project can be paid from existing property taxes including a property tax reduction of \$400K-500K or an average of approximately \$400-\$500/resident/year
- Using Cash to fund projects, cash is needed near term and it's projected to have property tax increase over 3 years of \$400K-\$500K or an average of \$400-\$500/resident/year

Bond Election - Dates

- Early Voting starts Tuesday, April 22nd
- Election Day: Saturday May 3rd

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. These shapes are primarily located on the left and right sides of the frame, leaving a large white central area.

Questions?