



Scenario Descriptions

Scenario 2A - 1.25x DSC. Turkey Peak Project Cancelled.

- 1) Assumes District does not move forward with Turkey Peak debt issuances (\$100M in FY 2026, \$40M in FY 2027).
Water Purchase expense is decreased to \$8.13M in FY 2026.
- 2) Assumes an \$8.0 million payment from PPCMWD for a RO capital project in FY 2026 that the City will finance.
The City will then use the \$8.0 million from PPCMWD as beginning FY 2026 fund balance.
- 3) Removed all debt funded projects aside from the Hilltop WTP, Brazos Pump Station, and RO project.
- 4) Cash funding approximately \$2.0M annually (\$1.25M in FY26) with a \$250k contribution from the EDC.
- 5) Added \$930k in Industrial Surcharges.
- 6) Rate Design
 - Water:
 - Phasing in Meter Equivalencies over 2 years
 - Target a 1.25x DSC each year on a combined basis.
 - Reserve target of 25% operating expenses
 - Sewer:
 - Target a 1.25x DSC each year for the sewer utility
 - Reserve target of 25% operating expenses



Revenue Requirement Summary

Scenario 2A - 1.25x DSC. Turkey Peak Project Cancelled.

DEPARTMENT	BUDGET FY 2026	ADJUSTMENTS	ADJUSTED FY 2026	2027	2028	2029	2030
REVENUES							
WATER SALES	\$ 27,840,000	\$ (27,840,000)	\$ -	\$ -	\$ -	\$ -	\$ -
SEWER SALES	4,077,698	(4,077,698)	-	-	-	-	-
RAW WATER SALES	12,000	-	12,000	12,000	12,000	12,000	12,000
INDUSTRIAL SURCHARGES	-	913,313	913,313	913,313	913,313	913,313	913,313
LOAN PROCEEDS	1,336,045	(1,336,045)	-	-	-	-	-
EDC FUNDING	-	250,000	250,000	250,000	250,000	250,000	250,000
OTHER NON-RATE REVENUES	444,700	-	444,700	455,790	467,166	478,835	437,303
TOTAL REVENUES	\$ 33,710,443	\$ (32,090,430)	\$ 1,620,013	\$ 1,631,103	\$ 1,642,478	\$ 1,654,148	\$ 1,612,615
EXPENSES							
PUBLIC WORKS ADMINISTRATION	\$ 3,170,903	\$ (833,786)	\$ 2,337,116	\$ 2,395,124	\$ 2,492,117	\$ 2,549,430	\$ 2,607,949
WATER PURCHASES	14,087,509	(5,956,333)	8,131,176	8,158,918	10,124,319	9,992,900	10,009,234
WATER DISTRIBUTION	3,314,315	(767,000)	2,547,315	2,208,949	2,272,358	2,337,594	2,404,708
HILLTOP WATER TREATMENT PLANT	2,389,519	(159,545)	2,229,974	2,293,117	2,357,990	2,424,642	2,493,121
WASTEWATER TREATMENT PLANT OPERATION	2,349,048	(429,000)	1,920,048	1,977,463	2,036,593	2,097,491	2,160,210
FACILITY MAINTENANCE	959,356	(135,000)	824,356	847,861	872,035	896,897	922,467
CITY UTILITY BILLING	724,885	-	724,885	737,674	750,672	763,885	777,319
EXISTING DEBT	438,136	(11,086)	427,050	405,249	408,049	405,549	344,000
DEPRECIATION EXPENSE	1,200,000	(1,200,000)	-	-	-	-	-
PROJECTED DEBT	-	3,292,106	3,292,106	3,810,538	3,808,088	3,814,132	3,813,594
CASH CAPITAL - CIP	-	1,232,045	1,232,045	2,001,332	2,010,434	2,002,877	1,963,200
TOTAL EXPENSES	\$ 28,633,670	\$ (4,967,600)	\$ 23,666,070	\$ 24,836,224	\$ 27,132,655	\$ 27,285,396	\$ 27,495,802
TOTAL REVENUE REQUIREMENT	\$ (5,076,773)	\$ 27,122,830	\$ 22,046,058	\$ 23,205,122	\$ 25,490,176	\$ 25,631,247	\$ 25,883,186



Revenue Requirement Summary

Scenario 2A - 1.25x DSC. Turkey Peak Project Cancelled.

DEPARTMENT	BUDGET FY 2026	ADJUSTMENTS	ADJUSTED FY 2026	2027	2028	2029	2030
Projected Revenue Under <u>Current</u> Rates							
Revenues (Current Rates)			\$ 21,999,987	\$ 22,355,395	\$ 22,710,803	\$ 23,066,211	\$ 23,421,619
Over/ (Under) Recovery (\$)			(46,070)	(849,726)	(2,779,373)	(2,565,036)	(2,461,567)
Over/ (Under) Recovery (%)			-0.2%	-3.8%	-12.2%	-11.1%	-10.5%
Projected Revenue Under <u>Projected</u> Rates							
Revenues (Projected Rates)			\$ 22,193,470	\$ 22,652,308	\$ 24,534,273	\$ 24,917,921	\$ 25,301,569
Over/ (Under) Recovery (\$)			147,412	(552,814)	(955,903)	(713,326)	(581,617)
Over/ (Under) Recovery (%)			0.7%	-2.4%	-3.9%	-2.9%	-2.3%

Adjustments:

- 1 Removed all Water and Sewer sales revenue as that's what the model is projecting (\$31.9M)
- 2 Added Industrial Surcharge revenue (\$913k)
- 3 Adjusted out Loan Proceeds from Non-Rate Revenues. Financed project costs are accounted for in projected debt (\$1.3M).
- 4 Added revenues from the Economic Development (\$250k).
- 5 Adjusted Transfer to General Fund (4% Franchise Fee) in PW Admin based on model's projected water and sewer sales revenue (\$114k).
- 6 Adjusted Water Purchases to equal the provided PPCMWD revised budget with Turkey Peak debt service removed (-\$5.96M).
- 7 Adjusted out all capital expenditures from O&M budget to include as either cash capital outlay or projected debt service (\$2.1M).
- 8 Adjusted debt to equal P&I schedules including leases. 2024 Master Lease debt payment miscalculated in budget (\$11k).
- 9 Removed depreciation expense. Model operates on a cash basis (\$1.2M).



Capital Improvement Plan

Scenario 2A - 1.25x DSC. Turkey Peak Project Cancelled.

Project Description	2026	2027	2028	2029	2030	Total
NW 1st Avenue Sewer Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000
Hilltop WTP - Pump Replacement	50,000	51,983	54,044	-	-	156,027
Hilltop WTP - Facility Improvements	40,000	41,586	43,235	-	-	124,821
New (Hilltop) WTP & Brazos Pump Station	72,401,660	-	-	-	-	72,401,660
New Public Works Complex	-	3,118,959	3,242,635	3,371,215	-	9,732,808
Water Main @ Airport	-	155,948	-	-	-	155,948
Water Main @ NW 1st Avenue - Hydrants	-	103,965	-	-	-	103,965
East Plant Tank	-	207,931	-	-	-	207,931
National Guard Tank Rehab	-	-	-	730,430	-	730,430
Re-Use Water Line	-	415,861	-	-	-	415,861
Meter Replacement / Upgrades	-	103,965	108,088	112,374	116,830	441,257
Water Main @ SW 4th Avenue & 17th to 23rd	-	259,913	-	-	-	259,913
Water Main @ SE 21st St	-	-	432,351	-	-	432,351
Water Main @ West Hubbard to NW 10th	-	-	-	-	373,855	373,855
Ram Water Tank - Inside rehab (Engineering Fees)	100,000	-	-	-	-	100,000
Ram Water Tank - Inside rehab (Construction)	-	519,826	-	-	-	519,826
NE 9th Street Booster Station	25,000	-	-	-	-	25,000
Welcome Mountain Tank Rehab	-	-	648,527	-	-	648,527
Fire Hydrant Repair & Replacement	120,000	124,758	129,705	134,849	140,196	649,508
Pollard Creek WWTP - Land Acquisition	-	171,543	-	-	-	171,543
Pollard Creek WWTP - Engineering Study	-	155,948	-	-	-	155,948
Pollard Creek WWTP - Headworks	-	-	162,132	-	-	162,132
Pollard Creek WWTP - Contact chambers rehab	-	-	216,176	-	-	216,176
Pollard Creek WWTP - Chlorine Building - expansion	-	-	108,088	-	-	108,088
Pollard Creek WWTP - Aeration system in both units	-	-	-	674,243	700,979	1,375,222
Pollard Creek WWTP - Disinfection Equipment	-	-	108,088	-	-	108,088
Pollard Creek WWTP - Sludge handling	-	-	-	561,869	-	561,869
Pollard Creek WWTP - Filter Rehab (2 filters)	-	-	-	-	700,979	700,979
Willow Creek WWTP - Garver Study	110,000	-	-	-	-	110,000
Willow Creek WWTP - Garver Study Improvements	-	519,826	540,439	561,869	584,149	2,206,284
South Main @ MLK	-	415,861	-	-	-	415,861
South Main @ SE 21st St	-	-	324,263	-	-	324,263
South Main @ Lamar Street	-	-	-	168,561	-	168,561
South Main @ SE 12/13th Street	-	-	-	224,748	-	224,748
South Main @ SE 13/14th Street	-	-	-	-	257,026	257,026
Parkview A Lift Station	-	-	108,088	-	-	108,088
Parkview B Lift Station	-	31,190	-	-	-	31,190
NW 9th Street Lift Station	-	31,190	-	-	-	31,190
SW 22nd Street Lift Station	-	-	-	123,611	-	123,611
SW 25th Street Lift Station	-	-	-	140,467	-	140,467
Murco Lift Station (2)	-	-	-	123,611	-	123,611
Various Lift Stations (6)	-	-	-	-	233,660	233,660
Inspection Camera	-	93,569	-	-	-	93,569
Dump Truck	-	207,931	-	-	-	207,931
Equipment for Hydrant Crew	-	103,965	-	-	-	103,965
Backhoe	-	-	216,176	-	-	216,176
Dump Truck	-	-	-	252,841	-	252,841
Backhoe / Excavator	-	-	-	-	116,830	116,830
PW Admin - Plotter	16,500	-	-	-	-	16,500
PW Admin - 3/4-Ton Truck (Utility Inspection Vehicle)	50,000	-	-	-	-	50,000
Dist./Collection - Loader	96,000	-	-	-	-	96,000
Dist./Collection - Shoring Box	51,000	-	-	-	-	51,000
Dist./Collection - Two 1/2-Ton Trucks (\$50,000 x 2)	100,000	-	-	-	-	100,000
Dist./Collection - 3/4-Ton Truck for new Water Crew	50,000	-	-	-	-	50,000
Hilltop WTP - Mini Excavator	40,545	-	-	-	-	40,545
Hilltop WTP - Large Mower Attachment	19,000	-	-	-	-	19,000
Hilltop WTP - Two 1/2-Ton Trucks (\$50,000 x 2)	100,000	-	-	-	-	100,000
WWTP Op. - Security Fencing & Gate Repairs	6,000	-	-	-	-	6,000
WWTP Op. - Mini Excavator	48,000	-	-	-	-	48,000
WWTP Op. - Two 1/2-Ton Trucks (\$50,000 x 2)	100,000	-	-	-	-	100,000
Facility Maint. - SW 28th St. and SW 7th Ave. Lift Stations	40,000	-	-	-	-	40,000
Facility Maint. - 1-Ton Truck	70,000	-	-	-	-	70,000
Reverse Osmosis District Project	8,000,000	-	-	-	-	8,000,000
TOTAL	\$ 81,633,705	\$ 6,835,718	\$ 6,442,034	\$ 7,180,687	\$ 3,224,502	\$ 105,816,646



Capital Improvement Plan

Scenario 2A - 1.25x DSC. Turkey Peak Project Cancelled.

Project Description	2026	2027	2028	2029	2030	Total
Total CIP Funding						
Cash	\$ 1,232,045	\$ 2,001,332	\$ 2,010,434	\$ 2,002,877	\$ 1,963,200	\$ 9,709,887
Bond	70,401,660	-	-	-	-	70,401,660
Other ¹	10,000,000	4,834,386	4,431,601	5,177,810	1,261,302	25,705,099
TOTAL	\$ 81,633,705	\$ 6,835,718	\$ 6,442,034	\$ 7,180,687	\$ 3,224,502	\$ 105,816,646
Total Debt to be Issued						
Principal						
Water - Hilltop WTP & Brazos PS - Low Interest Loan	\$ 49,000,000	\$ -	\$ -	\$ -	\$ -	\$ 49,000,000
Water - Hilltop WTP & Brazos PS - Open Market	13,401,660	-	-	-	-	13,401,660
Water - Other Projects	8,000,000	-	-	-	-	8,000,000
Wastewater	-	-	-	-	-	-
Total	\$ 70,401,660	\$ -	\$ -	\$ -	\$ -	\$ 70,401,660
Water - Hilltop WTP & Brazos PS - Low Interest Loan						
Principal	\$ 49,000,000	\$ -	\$ -	\$ -	\$ -	
Interest Rate	3.00%	0.00%	0.00%	0.00%	0.00%	
Term	30	30	30	30	30	
Annual P&I	\$ 2,494,458	\$ 2,492,350	\$ 2,490,100	\$ 2,491,875	\$ 2,492,600	
Cumulative P&I	\$ 2,494,458	\$ 2,492,350	\$ 2,490,100	\$ 2,491,875	\$ 2,492,600	
Water - Hilltop WTP & Brazos PS - Open Market						
Principal	\$ 13,401,660	\$ -	\$ -	\$ -	\$ -	
Interest Rate	4.25%	4.25%	4.25%	4.25%	4.25%	
Term	30	30	30	30	30	
Annual P&I	\$ 797,648	\$ 795,044	\$ 794,844	\$ 799,113	\$ 797,850	
Cumulative P&I	\$ 797,648	\$ 795,044	\$ 794,844	\$ 799,113	\$ 797,850	
Other Projects						
Principal	\$ 8,000,000	\$ -	\$ -	\$ -	\$ -	
Interest Rate	4.55%	5.05%	5.55%	6.05%	6.55%	
Term	30	30	30	30	30	
Annual P&I	\$ -	\$ 523,144	\$ -	\$ -	\$ -	
Cumulative P&I	\$ -	\$ 523,144	\$ 523,144	\$ 523,144	\$ 523,144	
Total Cumulative P&I	\$ 3,292,106.00	\$ 3,810,537.50	\$ 3,808,087.50	\$ 3,814,131.50	\$ 3,813,593.50	

Notes:

[1] Assumes loan forgiveness.

[2] Amortization schedules provided.

[3] Assumes P&I payments will start year after issuance



Water Purchase Cost Revisions

Scenario 2A - 1.25x DSC. Turkey Peak Project Cancelled.

FY	2026	2027	2028	2029	2030
Originally Budgeted Water Purchase Cost	\$ 14,087,509	\$ 16,730,969	\$ 18,696,370	\$ 18,564,951	\$ 18,581,285
Reduction of Turkey Peak Debt Service					
Less: FY 2026 \$100M Issuance P&I	\$ (5,956,333)	\$ (5,956,333)	\$ (5,956,333)	\$ (5,956,333)	\$ (5,956,333)
Less: FY 2027 \$40M Issuance P&I		\$ (2,615,718)	\$ (2,615,718)	\$ (2,615,718)	\$ (2,615,718)
Revised Water Purchase Cost	\$ 8,131,176	\$ 8,158,918	\$ 10,124,319	\$ 9,992,900	\$ 10,009,234

Notes:

[1] Revised Water Purchase cost for FY 2026 provided by PPCMWD.

[2] P&I for FY 2027 debt issuance of \$40M calculated with 5.05% interest and 30 year term.



Fund Balance Summary Under Current Rates

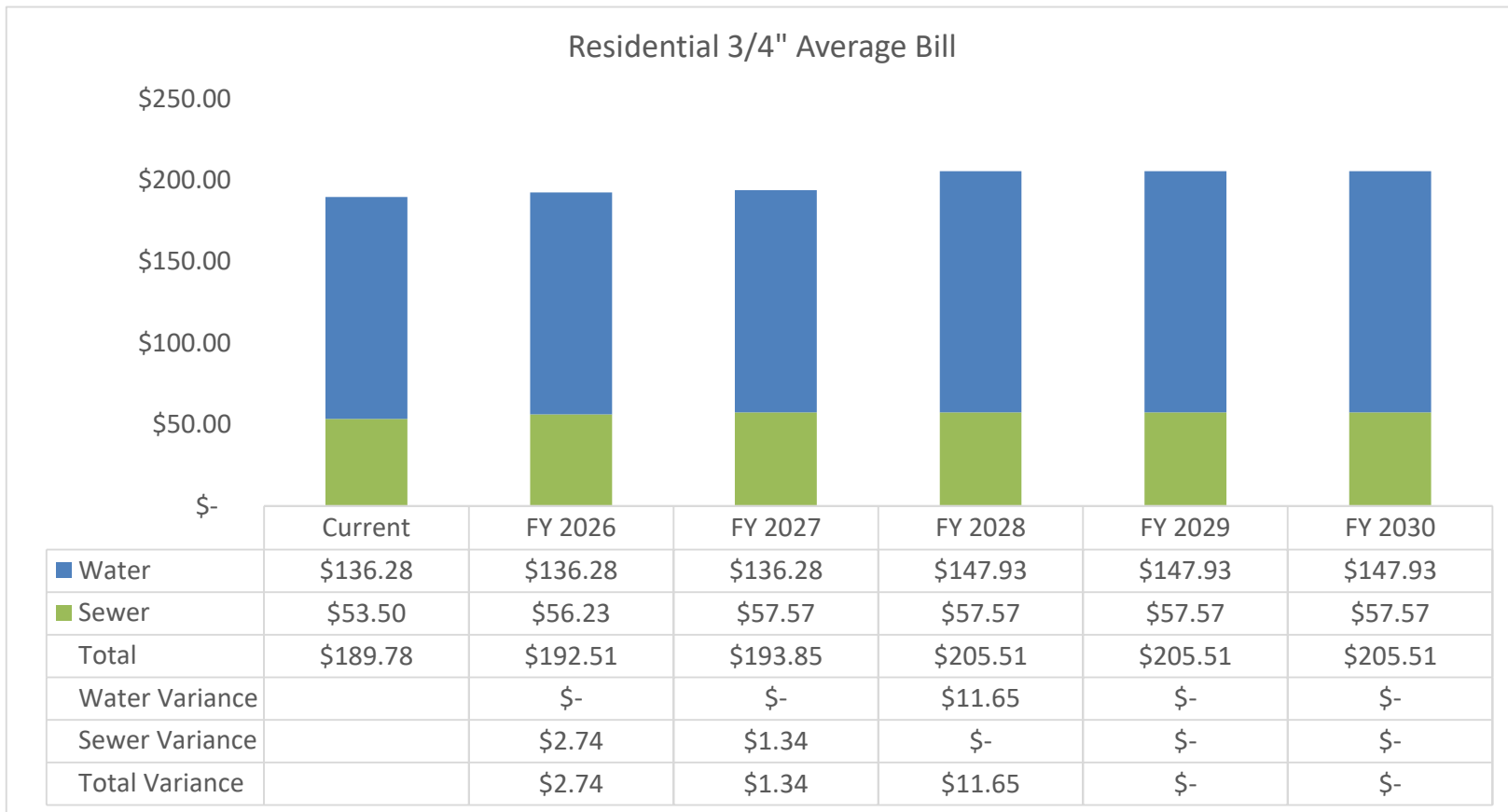
Scenario 2A - 1.25x DSC, Turkey Peak Project Cancelled.

FINANCIAL SUMMARY	2026	2027	2028	2029	2030
BEGINNING FUND BALANCE	\$ 8,000,000	\$ 7,953,930	\$ 7,104,204	\$ 4,324,831	\$ 1,759,795
REVENUES					
RETAIL WATER SALES	\$ 12,534,472	\$ 12,797,803	\$ 13,061,134	\$ 13,324,465	\$ 13,587,796
WHOLESALE WATER SALES	5,757,929	5,757,929	5,757,929	5,757,929	5,757,929
RAW WATER SALES	12,000	12,000	12,000	12,000	12,000
SEWER SALES	3,707,586	3,799,663	3,891,740	3,983,817	4,075,894
INDUSTRIAL SURCHARGES	913,313	913,313	913,313	913,313	913,313
OTHER NON-RATE REVENUES	694,700	705,790	717,166	728,835	687,303
TOTAL REVENUES	\$ 23,620,000	\$ 23,986,498	\$ 24,353,282	\$ 24,720,360	\$ 25,034,235
EXPENSES					
PUBLIC WORKS ADMINISTRATION	\$ 2,337,116	\$ 2,395,124	\$ 2,492,117	\$ 2,549,430	\$ 2,607,949
WATER PURCHASES	8,131,176	8,158,918	10,124,319	9,992,900	10,009,234
WATER DISTRIBUTION	2,547,315	2,208,949	2,272,358	2,337,594	2,404,708
HILLTOP WATER TREATMENT PLANT	2,229,974	2,293,117	2,357,990	2,424,642	2,493,121
WASTEWATER TREATMENT PLANT OPERATION	1,920,048	1,977,463	2,036,593	2,097,491	2,160,210
FACILITY MAINTENANCE	824,356	847,861	872,035	896,897	922,467
CITY UTILITY BILLING	724,885	737,674	750,672	763,885	777,319
EXISTING DEBT	427,050	405,249	408,049	405,549	344,000
PROJECTED DEBT	3,292,106	3,810,538	3,808,088	3,814,132	3,813,594
CASH CAPITAL - CIP	1,232,045	2,001,332	2,010,434	2,002,877	1,963,200
TOTAL EXPENSES	\$ 23,666,070	\$ 24,836,224	\$ 27,132,655	\$ 27,285,396	\$ 27,495,802
CHANGE IN NET ASSETS	\$ (46,070)	\$ (849,726)	\$ (2,779,373)	\$ (2,565,036)	\$ (2,461,567)
Ending Fund Balance	\$ 7,953,930	\$ 7,104,204	\$ 4,324,831	\$ 1,759,795	\$ (701,772)
KEY FINANCIAL STATISTICS	2026	2027	2028	2029	2030
Debt Service Coverage:					
Total Revenues	\$ 23,620,000	\$ 23,986,498	\$ 24,353,282	\$ 24,720,360	\$ 25,034,235
Less: O&M Expenses	18,714,870	18,619,106	20,906,085	21,062,839	21,375,008
Available for Debt Service Requirements	\$ 4,905,131	\$ 5,367,392	\$ 3,447,197	\$ 3,657,521	\$ 3,659,226
Total Debt Service Requirements	3,719,156	4,215,786	4,216,136	4,219,680	4,157,594
Actual Debt Service Coverage	1.32	1.27	0.82	0.87	0.88
DSC Target	1.25	1.25	1.25	1.25	1.25
Additional Funds to Meet Target DSC	\$ -	\$ -	\$ 1,822,974	\$ 1,617,079	\$ 1,537,766
Fund Balance Requirement					
Total Operating Expenses	\$ 18,714,870	\$ 18,619,106	\$ 20,906,085	\$ 21,062,839	\$ 21,375,008
Fund Balance Policy (25%)	25%	25%	25%	25%	25%
Fund Balance Requirement (\$)	\$ 4,678,717	\$ 4,654,777	\$ 5,226,521	\$ 5,265,710	\$ 5,343,752
Ending Fund Balance (\$)	\$ 7,953,930	\$ 7,104,204	\$ 4,324,831	\$ 1,759,795	\$ (701,772)
Over (Short of) Requirement	3,275,213	2,449,427	(901,691)	(3,505,915)	(6,045,524)



Customer Bill Impact

Scenario 2A - 1.25x DSC. Turkey Peak Project Cancelled.

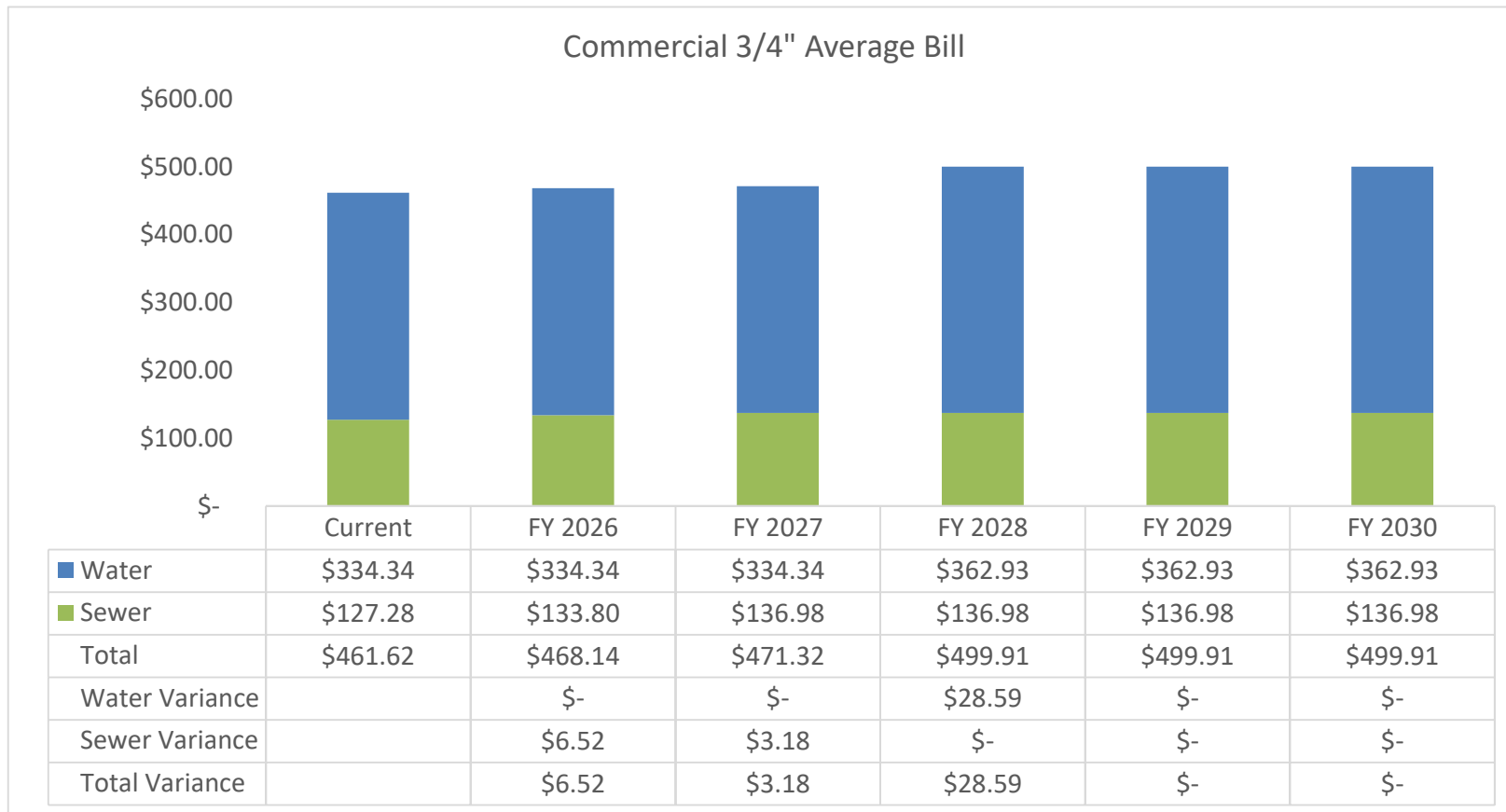


Average Bill = 5,000 gallons water / 4,800 gallons sewer



Customer Bill Impact

Scenario 2A - 1.25x DSC. Turkey Peak Project Cancelled.

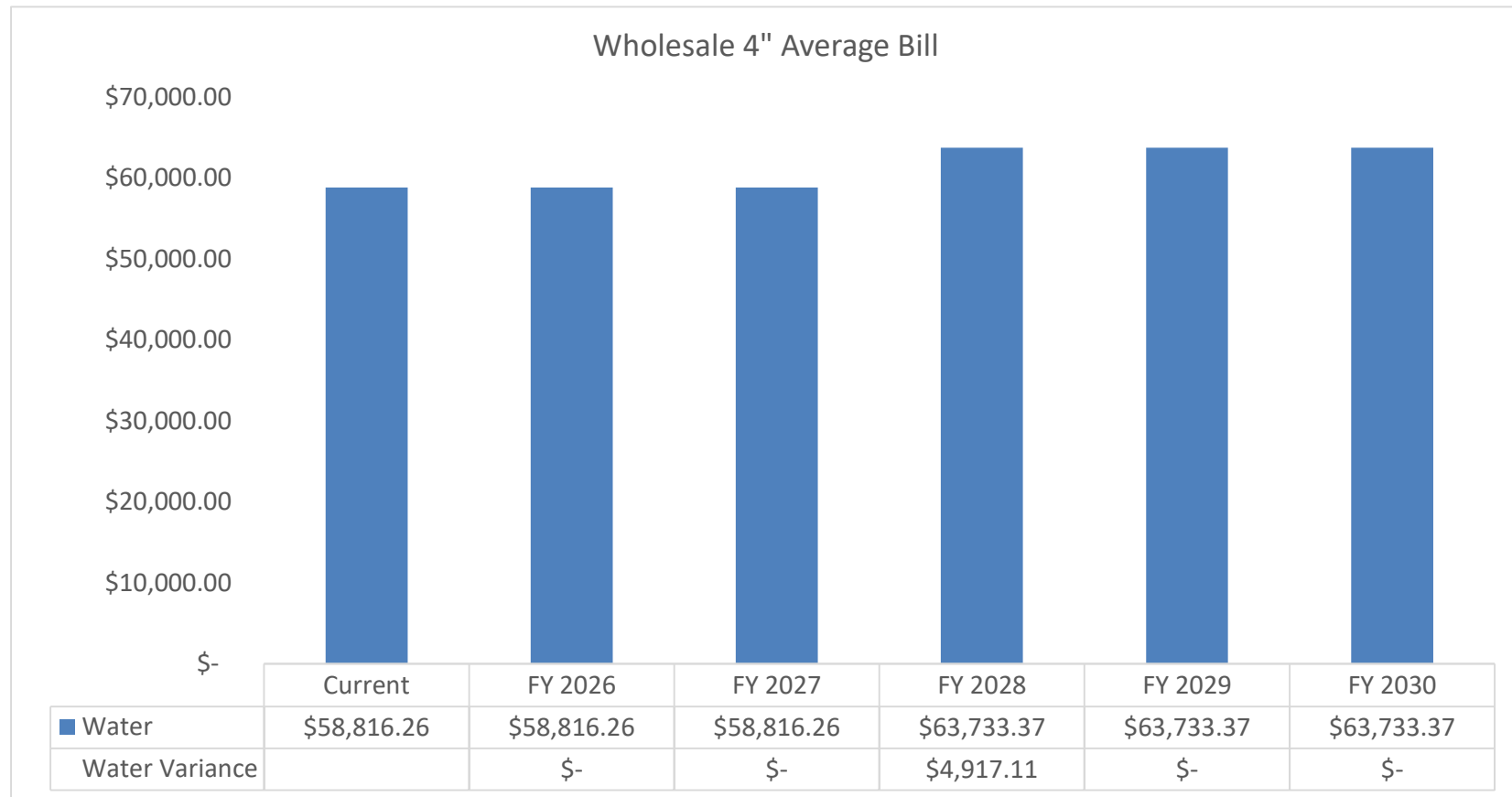


Average Bill = 14,000 gallons



Customer Bill Impact

Scenario 2A - 1.25x DSC. Turkey Peak Project Cancelled.



Average Bill = 3,000,000 gallons



Projected Water Rates

Scenario 2A - 1.25x DSC. Turkey Peak Project Cancelled.

FY	# Accts	Current	2026	2027	2028	2029	2030
Residential							
<i>Minimum Monthly Fee</i>							
3/4"	5,350	\$ 65.96	\$ 65.96	\$ 65.96	\$ 71.60	\$ 71.60	\$71.60
1"	156	108.42	109.18	109.93	119.33	119.33	119.33
1.5"	4	213.64	216.75	219.87	238.67	238.67	238.67
2"	5	356.68	356.68	356.68	381.86	381.86	381.86
3"	1	751.73	751.73	751.73	751.73	751.73	751.73
4"	-	1,306.26	1,306.26	1,306.26	1,306.26	1,306.26	1,306.26
6"	-	2,859.96	2,859.96	2,859.96	2,859.96	2,859.96	2,859.96
8"	-	4,990.67	4,990.67	4,990.67	4,990.67	4,990.67	4,990.67
<i>Volumetric Rates (per kGal.)</i>							
0-2,000		\$ 12.90	\$ 12.90	\$ 12.90	\$ 14.00	\$ 14.00	\$14.00
2,001-7,000		14.84	14.84	14.84	16.11	16.11	16.11
7,001-15,000		17.08	17.08	17.08	18.54	18.54	18.54
15,001-30,000		19.62	19.62	19.62	21.30	21.30	21.30
30,001+		22.57	22.57	22.57	24.50	24.50	24.50
Residential No Minimum							
<i>Minimum Monthly Fee</i>							
All	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
<i>Volumetric Rates (per kGal.)</i>							
0-2,000		\$ 12.90	\$ 12.90	\$ 12.90	\$ 14.00	\$ 14.00	\$ 14.00
2,001-7,000		14.84	14.84	14.84	16.11	16.11	16.11
7,001-15,000		17.08	17.08	17.08	18.54	18.54	18.54
15,001-30,000		19.62	19.62	19.62	21.30	21.30	21.30
30,001+		22.57	22.57	22.57	24.50	24.50	24.50
Irrigation							
<i>Minimum Monthly Fee</i>							
3/4"	32	\$ 65.96	\$ 65.96	\$ 65.96	\$ 71.60	\$ 71.60	\$71.60
1"	29	108.42	109.18	109.93	119.33	119.33	119.33
1.5"	3	213.64	216.75	219.87	238.67	238.67	238.67
2"	10	356.68	356.68	356.68	381.86	381.86	381.86
3"	-	751.73	751.73	751.73	751.73	751.73	751.73
4"	-	1,306.26	1,306.26	1,306.26	1,306.26	1,306.26	1,306.26
6"	-	2,859.96	2,859.96	2,859.96	2,859.96	2,859.96	2,859.96
8"	-	4,990.67	4,990.67	4,990.67	4,990.67	4,990.67	4,990.67
<i>Volumetric Rates (per kGal.)</i>							
0-2,000		\$ 18.78	\$ 18.78	\$ 18.78	\$ 20.39	\$ 20.39	\$ 20.39
2,001-7,000		21.58	21.58	21.58	23.43	23.43	23.43
7,001-15,000		24.83	24.83	24.83	26.95	26.95	26.95
15,001-30,000		28.53	28.53	28.53	30.97	30.97	30.97
30,001+		32.81	32.81	32.81	35.62	35.62	35.62



Projected Water Rates

Scenario 2A - 1.25x DSC. Turkey Peak Project Cancelled.

FY	# Accts	Current	2026	2027	2028	2029	2030
General Service							
<i>Minimum Monthly Fee</i>							
3/4"	505	\$ 65.96	\$ 65.96	\$ 65.96	\$ 71.60	\$ 71.60	\$ 71.60
1"	131	108.42	109.18	109.93	119.33	119.33	119.33
1.5"	14	213.64	216.75	219.87	238.67	238.67	238.67
2"	125	356.68	356.68	356.68	381.86	381.86	381.86
3"	15	751.73	751.73	751.73	751.73	751.73	751.73
4"	10	1,306.26	1,306.26	1,306.26	1,306.26	1,306.26	1,306.26
6"	1	2,859.96	2,859.96	2,859.96	2,859.96	2,859.96	2,859.96
8"	-	4,990.67	4,990.67	4,990.67	4,990.67	4,990.67	4,990.67
<i>Volumetric Rates (per kGal.)</i>							
All Volumes		\$ 19.17	\$ 19.17	\$ 19.17	\$ 20.81	\$ 20.81	\$ 20.81
General Service No Minimum							
<i>Minimum Monthly Fee</i>							
All	16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Volumetric Rates (per kGal.)</i>							
All Volumes		\$ 19.17	\$ 19.17	\$ 19.17	\$ 20.81	\$ 20.81	\$ 20.81
Wholesale							
<i>Minimum Monthly Fee</i>							
3/4"	-	\$ 65.96	\$ 65.96	\$ 65.96	\$ 71.60	\$ 71.60	\$ 71.60
1"	-	108.42	109.18	109.93	119.33	119.33	119.33
1.5"	-	213.64	216.75	219.87	238.67	238.67	238.67
2"	1	356.68	356.68	356.68	381.86	381.86	381.86
3"	-	751.73	751.73	751.73	751.73	751.73	751.73
4"	7	1,306.26	1,306.26	1,306.26	1,306.26	1,306.26	1,306.26
6"	2	2,859.96	2,859.96	2,859.96	2,859.96	2,859.96	2,859.96
8"	-	4,990.67	4,990.67	4,990.67	4,990.67	4,990.67	4,990.67
<i>Volumetric Rates (per kGal.)</i>							
All Volumes		\$ 19.17	\$ 19.17	\$ 19.17	\$ 20.81	\$ 20.81	\$ 20.81
Senior Discount							
<i>Monthly Bill Discount</i>							
3/4"	1,046	\$ (7.67)	\$ (7.67)	\$ (7.67)	\$ (7.67)	\$ (7.67)	\$ (7.67)
1"	-	(7.67)	(7.67)	(7.67)	(7.67)	(7.67)	(7.67)
1.5"	-	(7.67)	(7.67)	(7.67)	(7.67)	(7.67)	(7.67)
2"	-	(7.67)	(7.67)	(7.67)	(7.67)	(7.67)	(7.67)
3"	-	(7.67)	(7.67)	(7.67)	(7.67)	(7.67)	(7.67)
4"	-	(7.67)	(7.67)	(7.67)	(7.67)	(7.67)	(7.67)
6"	-	(7.67)	(7.67)	(7.67)	(7.67)	(7.67)	(7.67)
8"	-	(7.67)	(7.67)	(7.67)	(7.67)	(7.67)	(7.67)



Projected Wastewater Rates

Scenario 2A - 1.25x DSC. Turkey Peak Project Cancelled.

FY	# Accts	Current	2026	2027	2028	2029	2030
<u>Residential</u>							
<i>Minimum Monthly Fee</i>							
All Connections	5,261	\$15.00	\$15.77	\$16.14	\$16.14	\$16.14	\$ 16.14
<i>Volumetric Rates (per kGal.)</i>							
0-12,000		\$ 8.02	\$ 8.43	\$ 8.63	\$ 8.63	\$ 8.63	\$ 8.63
12,000+		-	-	-	-	-	-
<u>Commercial</u>							
<i>Minimum Monthly Fee</i>							
All Connections	663	\$15.00	\$15.77	\$16.14	\$16.14	\$16.14	\$ 16.14
<i>Volumetric Rates (per kGal.)</i>							
All Volumes		\$ 8.02	\$ 8.43	\$ 8.63	\$ 8.63	\$ 8.63	\$ 8.63



Fund Balance Summary Under Projected Rates

Scenario 2A - 1.25x DSC. Turkey Peak Project Cancelled.

FINANCIAL SUMMARY	2026	2027	2028	2029	2030
BEGINNING FUND BALANCE	\$ 8,000,000	\$ 8,147,412	\$ 7,594,599	\$ 6,638,695	\$ 5,925,369
REVENUES					
RETAIL WATER SALES	\$ 12,538,126	\$ 12,805,111	\$ 14,110,992	\$ 14,395,545	\$ 14,680,098
WHOLESALE WATER SALES	5,757,929	5,757,929	6,234,918	6,234,918	6,234,918
RAW WATER SALES	12,000	12,000	12,000	12,000	12,000
SEWER SALES	3,897,415	4,089,268	4,188,363	4,287,458	4,386,553
INDUSTRIAL SURCHARGES	913,313	913,313	913,313	913,313	913,313
OTHER NON-RATE REVENUES	694,700	705,790	717,166	728,835	687,303
TOTAL REVENUES	\$ 23,813,483	\$ 24,283,411	\$ 26,176,751	\$ 26,572,069	\$ 26,914,185
EXPENSES					
PUBLIC WORKS ADMINISTRATION	\$ 2,337,116	\$ 2,395,124	\$ 2,492,117	\$ 2,549,430	\$ 2,607,949
WATER PURCHASES	8,131,176	8,158,918	10,124,319	9,992,900	10,009,234
WATER DISTRIBUTION	2,547,315	2,208,949	2,272,358	2,337,594	2,404,708
HILLTOP WATER TREATMENT PLANT	2,229,974	2,293,117	2,357,990	2,424,642	2,493,121
WASTEWATER TREATMENT PLANT OPERATION	1,920,048	1,977,463	2,036,593	2,097,491	2,160,210
FACILITY MAINTENANCE	824,356	847,861	872,035	896,897	922,467
CITY UTILITY BILLING	724,885	737,674	750,672	763,885	777,319
EXISTING DEBT	427,050	405,249	408,049	405,549	344,000
PROJECTED DEBT	3,292,106	3,810,538	3,808,088	3,814,132	3,813,594
CASH FUNDED CIP	1,232,045	2,001,332	2,010,434	2,002,877	1,963,200
TOTAL EXPENSES	\$ 23,666,070	\$ 24,836,224	\$ 27,132,655	\$ 27,285,396	\$ 27,495,802
CHANGE IN NET ASSETS	\$ 147,412	\$ (552,814)	\$ (955,903)	\$ (713,326)	\$ (581,617)
Ending Fund Balance	\$ 8,147,412	\$ 7,594,599	\$ 6,638,695	\$ 5,925,369	\$ 5,343,752
KEY FINANCIAL STATISTICS	2026	2027	2028	2029	2030
Debt Service Coverage:					
Total Revenues	\$ 23,813,483	\$ 24,283,411	\$ 26,176,751	\$ 26,572,069	\$ 26,914,185
Less: O&M Expenses	18,714,870	18,619,106	20,906,085	21,062,839	21,375,008
Available for Debt Service Requirements	\$ 5,098,613	\$ 5,664,304	\$ 5,270,666	\$ 5,509,231	\$ 5,539,176
Total Debt Service Requirements	3,719,156	4,215,786	4,216,136	4,219,680	4,157,594
Actual Debt Service Coverage	1.37	1.34	1.25	1.31	1.33
DSC Target	1.25	1.25	1.25	1.25	1.25
Additional Funds to Meet Target DSC	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance Requirement					
Total Operating Expenses	\$ 18,714,870	\$ 18,619,106	\$ 20,906,085	\$ 21,062,839	\$ 21,375,008
Fund Balance Policy (25%)	25%	25%	25%	25%	25%
Fund Balance Requirement (\$)	\$ 4,678,717	\$ 4,654,777	\$ 5,226,521	\$ 5,265,710	\$ 5,343,752
Ending Fund Balance (\$)	\$ 8,147,412	\$ 7,594,599	\$ 6,638,695	\$ 5,925,369	\$ 5,343,752
Over (Short of) Requirement	3,468,695	2,939,822	1,412,174	659,659	-

[1] Beginning fund balance of \$8M in FY 2026 from PPCMWD's payment to City.



Regional Bill Comparison

Residential Bill (3/4")

5000 Water / 4800 Wastewater

