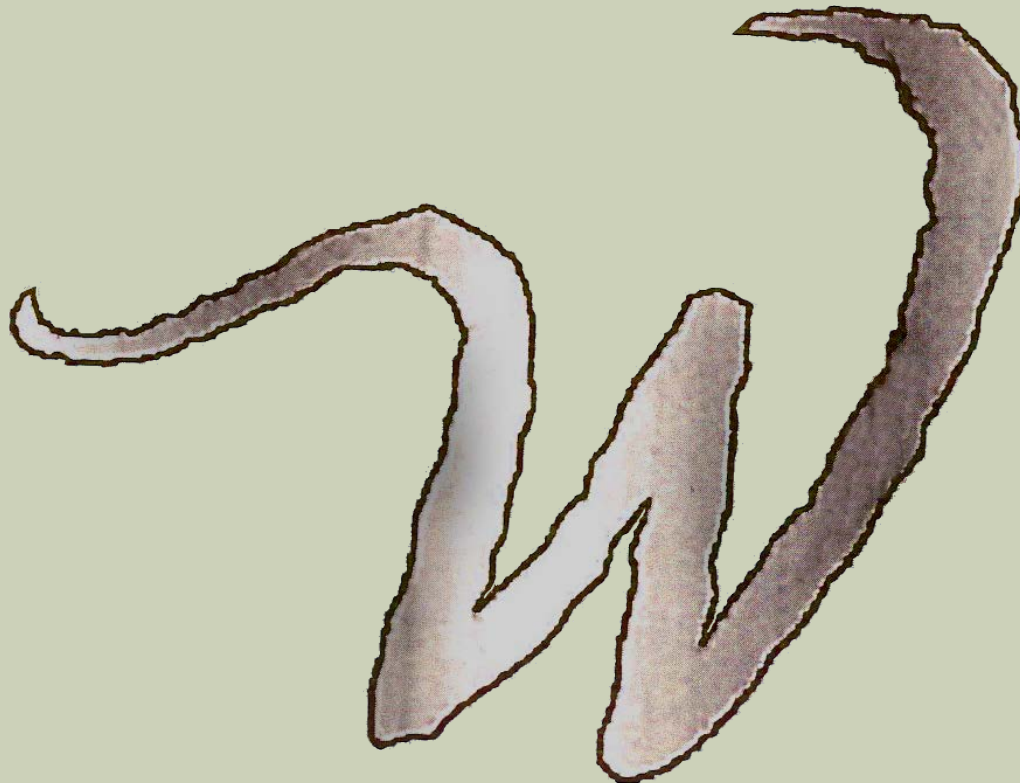


WESTLAKE UTILITY RATE WORKSHOP

February 26, 2018



WESTLAKE UTILITY RATE WORKSHOP

Key Drivers When Evaluating Rates:

- Council Financial Policy
- Revenue Requirement Projections
 - How much money is needed?
 - Capital Projects
- Cost of Service Analysis
 - From whom should the money be collected?
- Design of recommended rates
 - How should services be priced?

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Customer's Perspective of Rates

- Are the existing or proposed rates fair and equitable?
- Are the existing or proposed rates affordable?
- Are the existing or proposed rates easy to understand?
- Are they competitive with neighboring communities?

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2018 Water Rate Drivers

- **Current Water Revenue underperforming (revenues < expenditures) by approximately 5%.**
- **3% rate increase from City of Fort Worth.**
- **Phase 2 Fort Worth Waterline project cash payment \$899,000 this FY with remaining balance to be paid when TWDB funding is received in November.**
- **Phase 2 Fort Worth Waterline project cost is estimated to be \$2.1 M**

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2018 Sewer Rate Drivers

- Current Sewer Revenue overperforming (revenues > expenditures) by approximately 10%.
- The Town's wholesale wastewater provider, Trinity River Authority, did not increase rates

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PROPOSED RATE IMPACT

- **Staff recommends maintaining existing rates for the remainder of CY 2018.**
- **Current rate study will be updated during FY 18/19 budget preparation to determine rate recommendations to be implemented January 2019**