Financial Policies - DRAFT

April 17, 2024

Bonds on Ballot

- Proposition A = $3.0M
  - Water Wells
  - 2 or 3 new wells
- Proposition B = $11M
  - Replacement of West Wastewater Treatment Plant
- Proposition C = $3.5M
  - Repair of I/I – Old Clay Pipes
  - Manhole Replacement/Repairs

Tax Rate(s) Estimates

Project/Proposition	Tax Rate	$300,000 home/month	$400,000 home/month
Water Wells (Prop. A)	.0725	$20	$28
Wastewater Plant (Prop. B)	.2664	$65	$84
I & I (Sewer Lines – Prop. C)	.0848	$22	$29
All Three (3) Projects	.4237	$107	$141

Systems Wide Overview

- Water System
  - Ground storage tanks
  - Water wells
  - Elevated Tank
  - Water Lines
- Wastewater Systems (East/West)
  - I/I – sewer lines
  - Manhole covers
- Roadway Systems (City, State, County)
- Storm Drainage

Study / Reports Completed for System(s)

- Capital Improvement Plan (by Jacob/Martin) - 2016
- Drought Contingency Plan – 2019
- Water and Wastewater Impact Fee Study – 2020
- Long-term Water Supply Study – 2020

- Water and Wastewater Rate Study – 2021
- Water System Master Plan – 2019 & 2020
- Wastewater System Master Plan – 2018, 2019 & 2020
- West Wastewater Plant Master Plan – 2019 & 2020
- East Wastewater Plant Master Plan – 2018
- Water & Wastewater Land Use Assumptions & CIP – 2019

Water System Assets

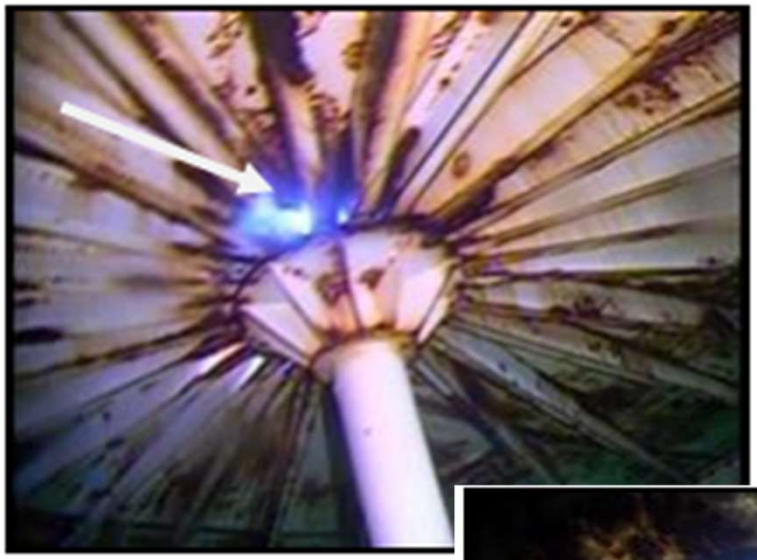
- System likely originally constructed in 1940-1950
  - Approaching 70 to 80 years old in some areas
- 17.5 miles of supply and distribution line
- Connections = 660
- Current Loss Rate = ~ 19%
- Current Water Source
  - Walnut Creek Special Utility District
  - City Wells

Water System

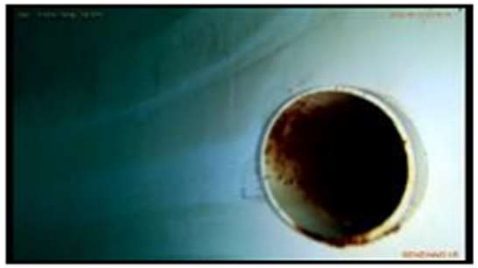
Immediate Needs	Approx. Costs
Re-drill at current or new well sites	$750,000 each site
Rehab Ground Storage Tanks at well sites	$160,000
Bobo Pump Station	$210,000
FM 3433 Pump Station	$155,000
Elevated Water Tank	$25,000
Sub-Total	$550,000

Bobo Pump Station Tank - Exterior

Bobo Pump Station Tank - Interior



FM 3433 Pump Station



Elevated Storage Tank (EST)

Installed – 2007/2008

Elevated Storage Tank (EST)

Inspection done in 2018.

Recommended:

- Interior Coatings – renovation 6-8 years
- Exterior Coatings – overcoat in 4-6 years
- Interior Cleaning/Condition Assessment – every two (2) years with sediment removal (TCEQ every five (5) years)
- Repair hole that existed in roof of tank
- Move electrical cable from dry interior access ladder
- Install a screen/flapper combo at overflow termination point

Elevated Storage Tank (EST)

Ground Storage Tank
Well #3

- Installed: Unknown
- Currently pumps approx. 40 GPM
- Needs immediate attention

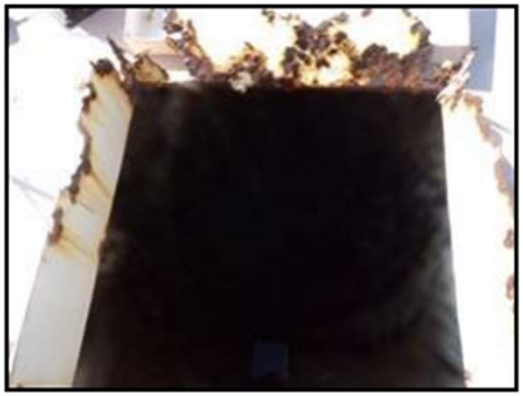
Ground Storage Tank Well #4

- Installed: Unknown
- Currently pumps approx. 40 GPM
- Needs immediate attention

Ground Storage Tank Well #4

- Interior photos of the tank
- Significant rust and paint rehab needed

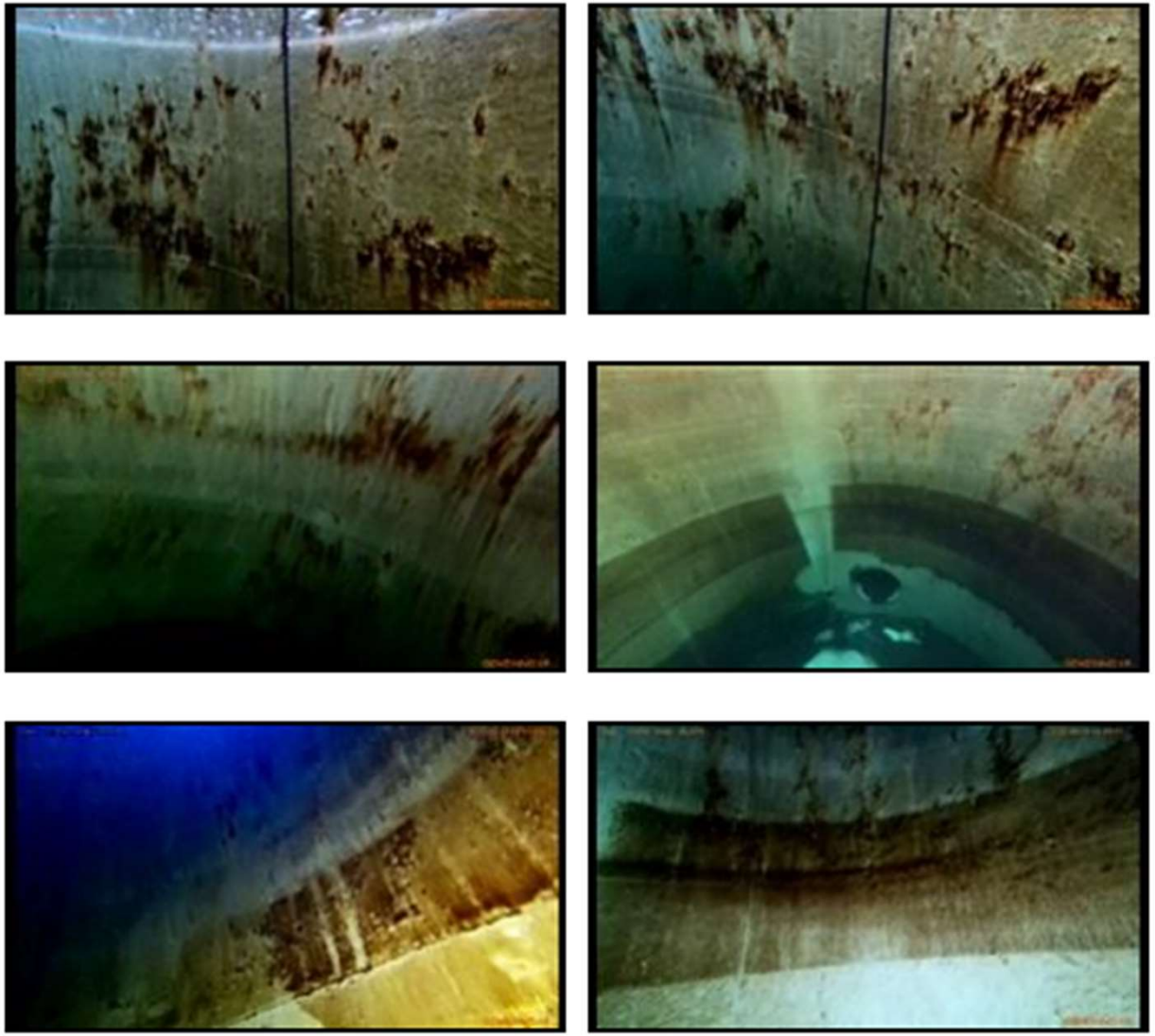
Ground Storage Tank Well #5



- Installed: 1981
- Currently pumps approx. 10 GPM
- Needs immediate attention

Ground Storage Tank Well #5

- Interior photos of the tank
- Significant rust and paint rehab needed



Ground Storage Tank Well #5

- Interior photos of the tank
- Significant rust and paint rehab needed

Ground Storage Tank
Well #6

- Installed: 1999/2003
- Currently offline due to rehab

Potential Solutions

- Review cash on hand from Utility Fund
- Vendor maintenance/replacement program
- Longer term finance option with Government Capital
- Seek grants from Texas Water Dev. Board

Wastewater Systems

East Wastewater Treatment Plant

Originally built in 1991

Flow = .10 MGD (can be expanded)

East Wastewater Treatment Plant

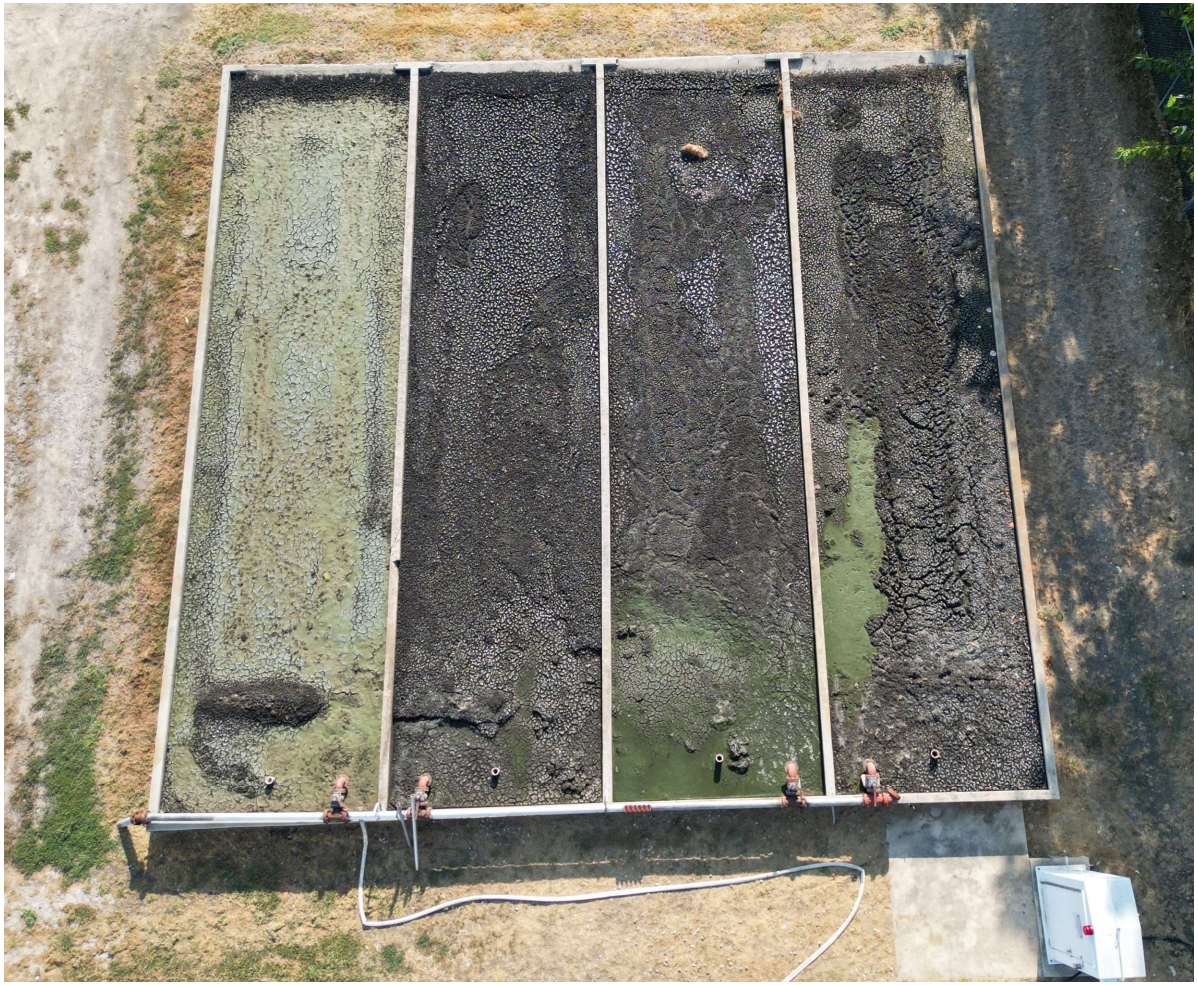
West Wastewater Treatment Plant

- Originally built in 1998
- Flow = .15MGD

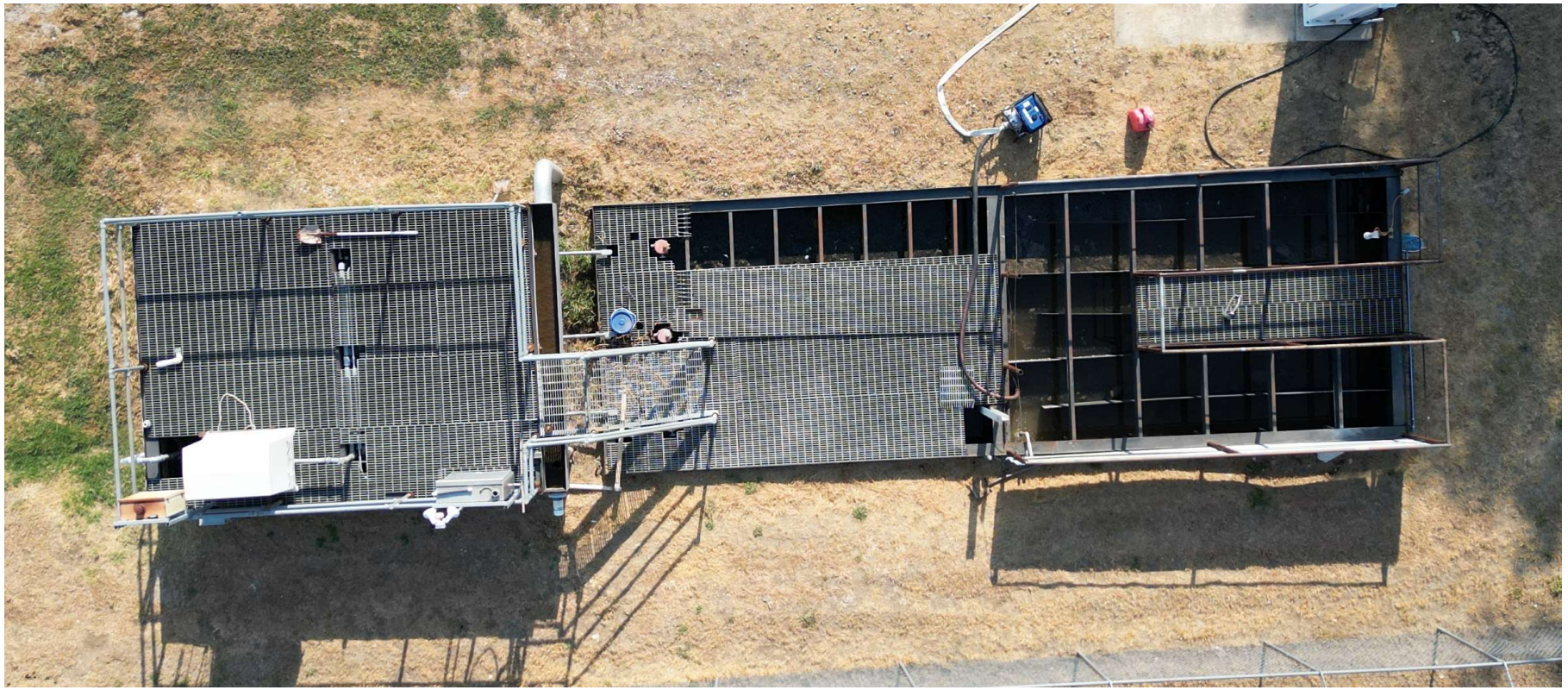
West Wastewater Treatment Plant

West Wastewater Treatment Plant – at Capacity

West Wastewater Treatment Plant



West Wastewater Treatment Plant

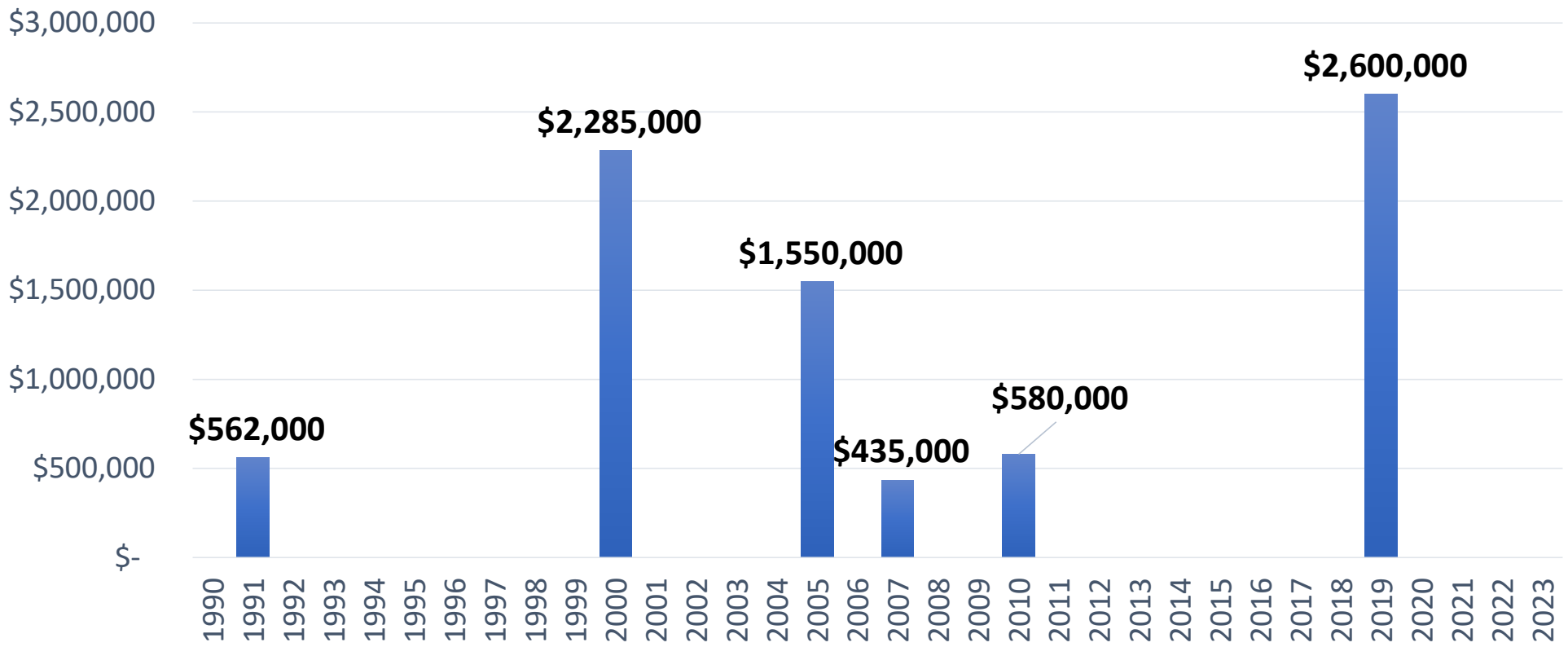


West Wastewater Treatment Plant

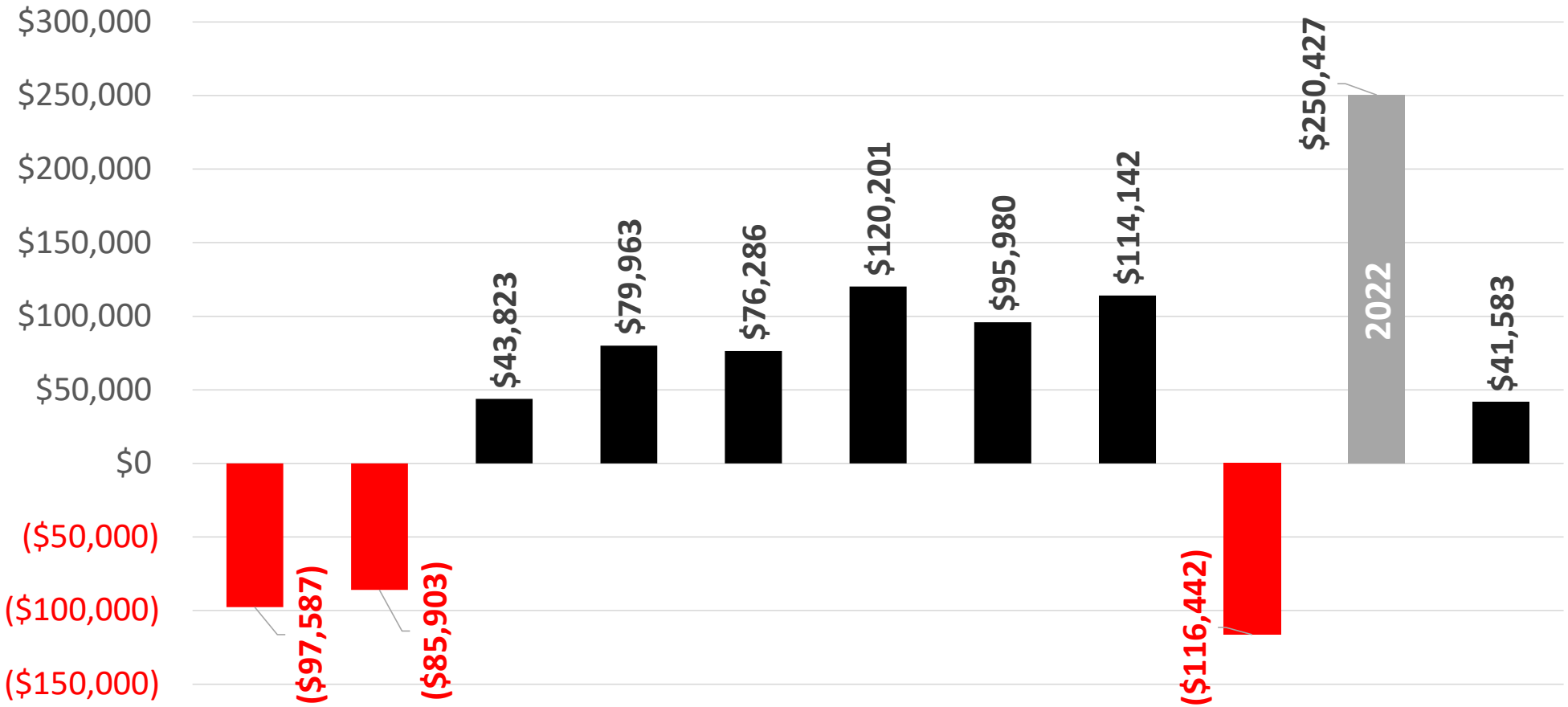
Wastewater (Sewer) System Needs

Immediate Needs	Project Estimates
Rehab/replacement of WWWTP	$5M to $12.7M
Replace clay pipes in Old Town area	$3.5M

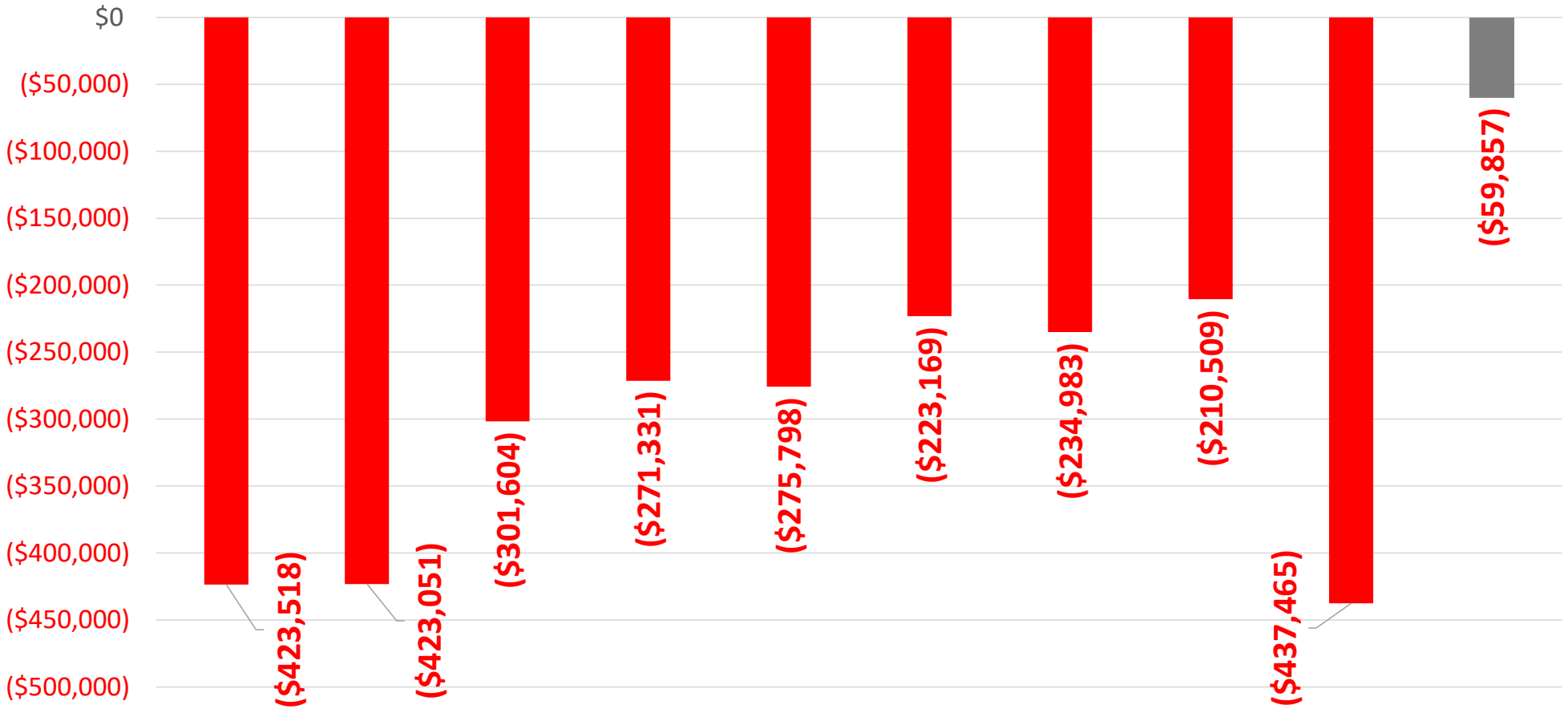
Investments in the Water/Sewer Systems



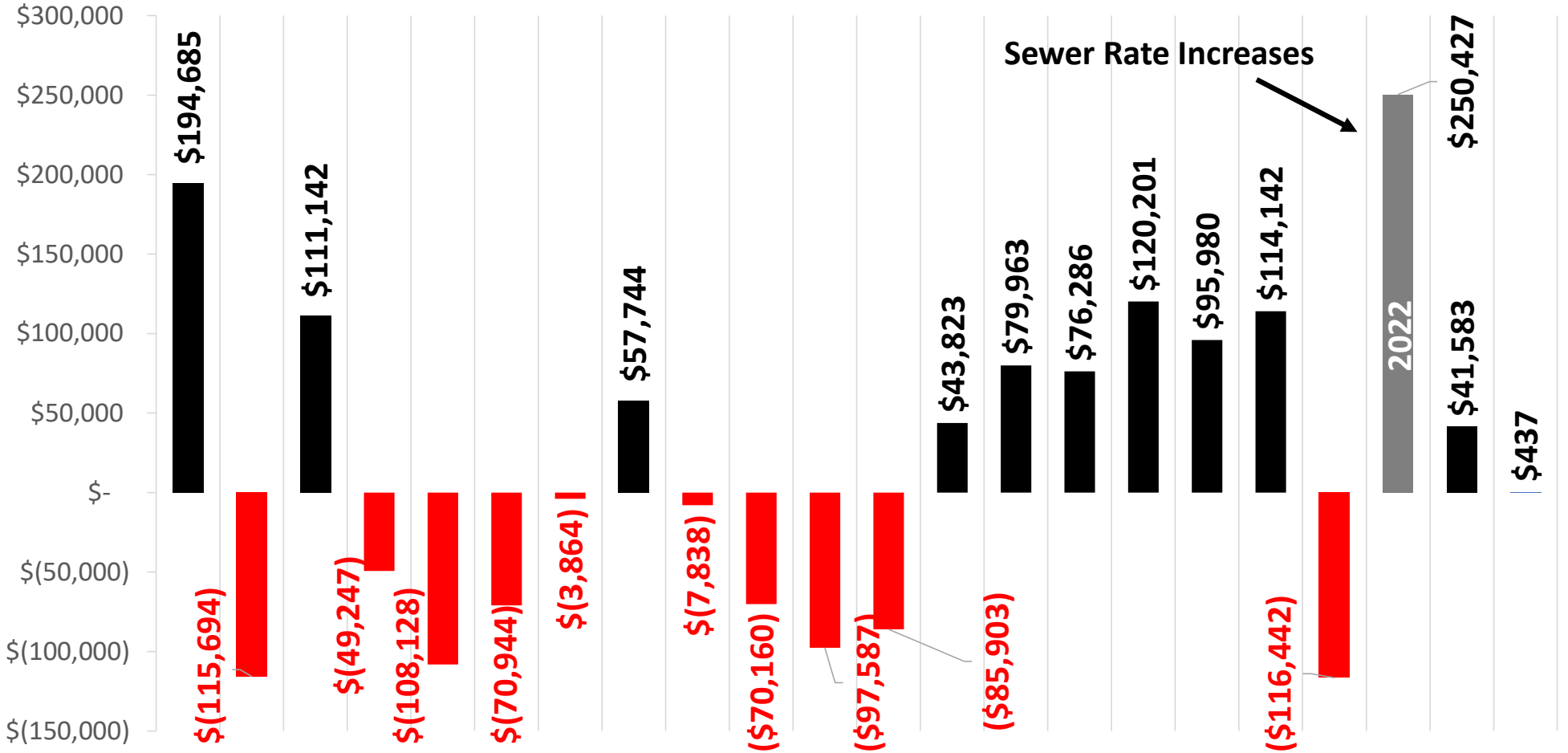
Revenue vs. Expenditures
FY 2013 to 2023



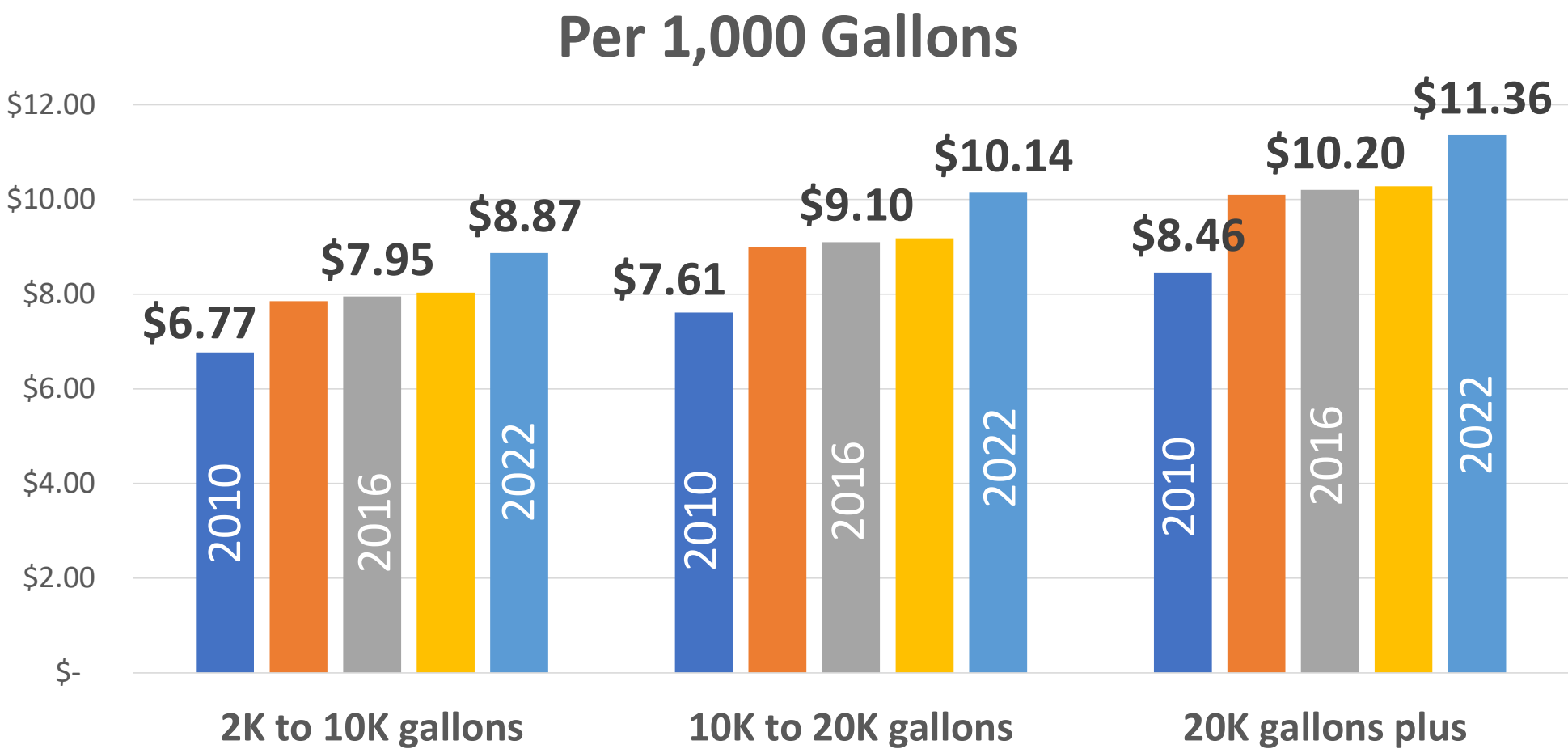
Rev. vs. Expend. w/Depreciation
FY 2013 to 2022



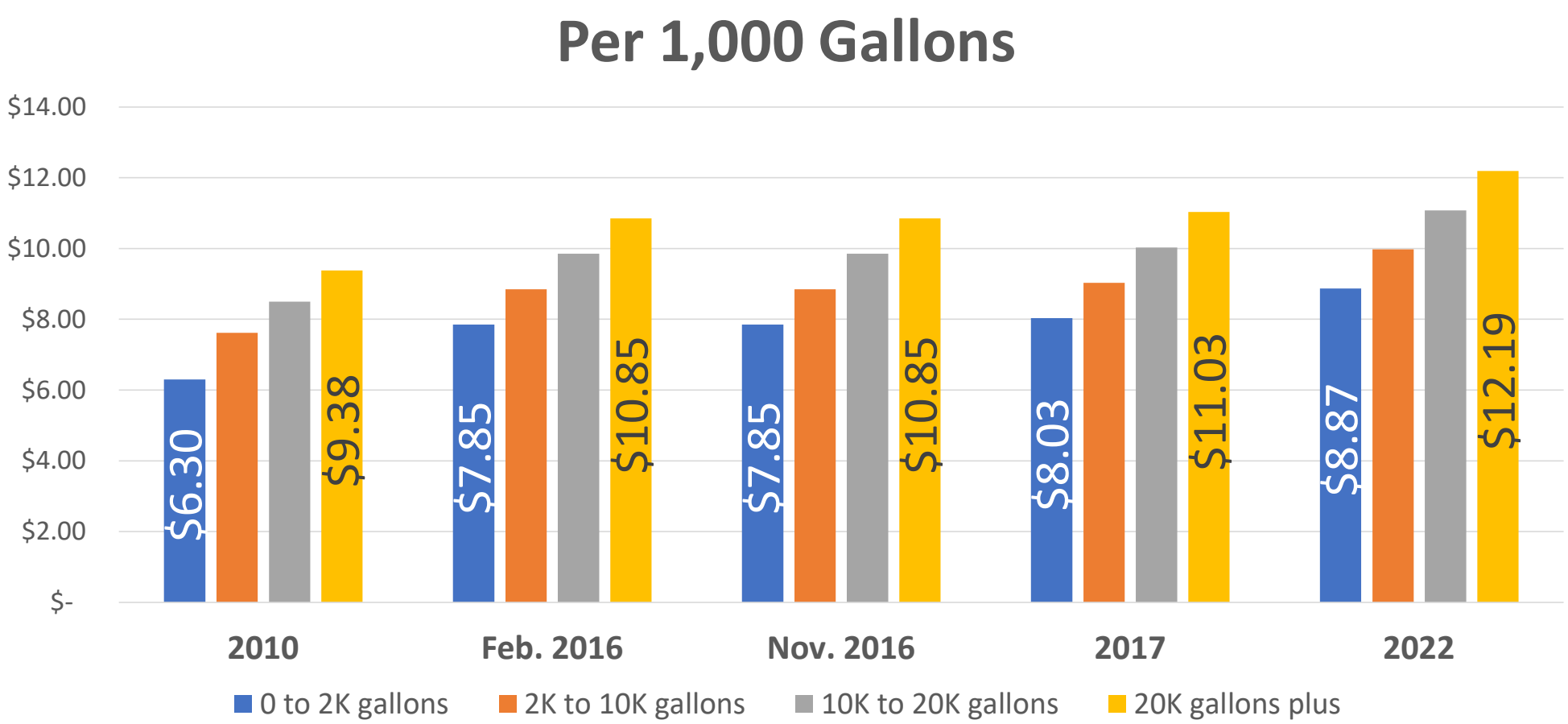
Fund Performance – FY 2003 to 2024



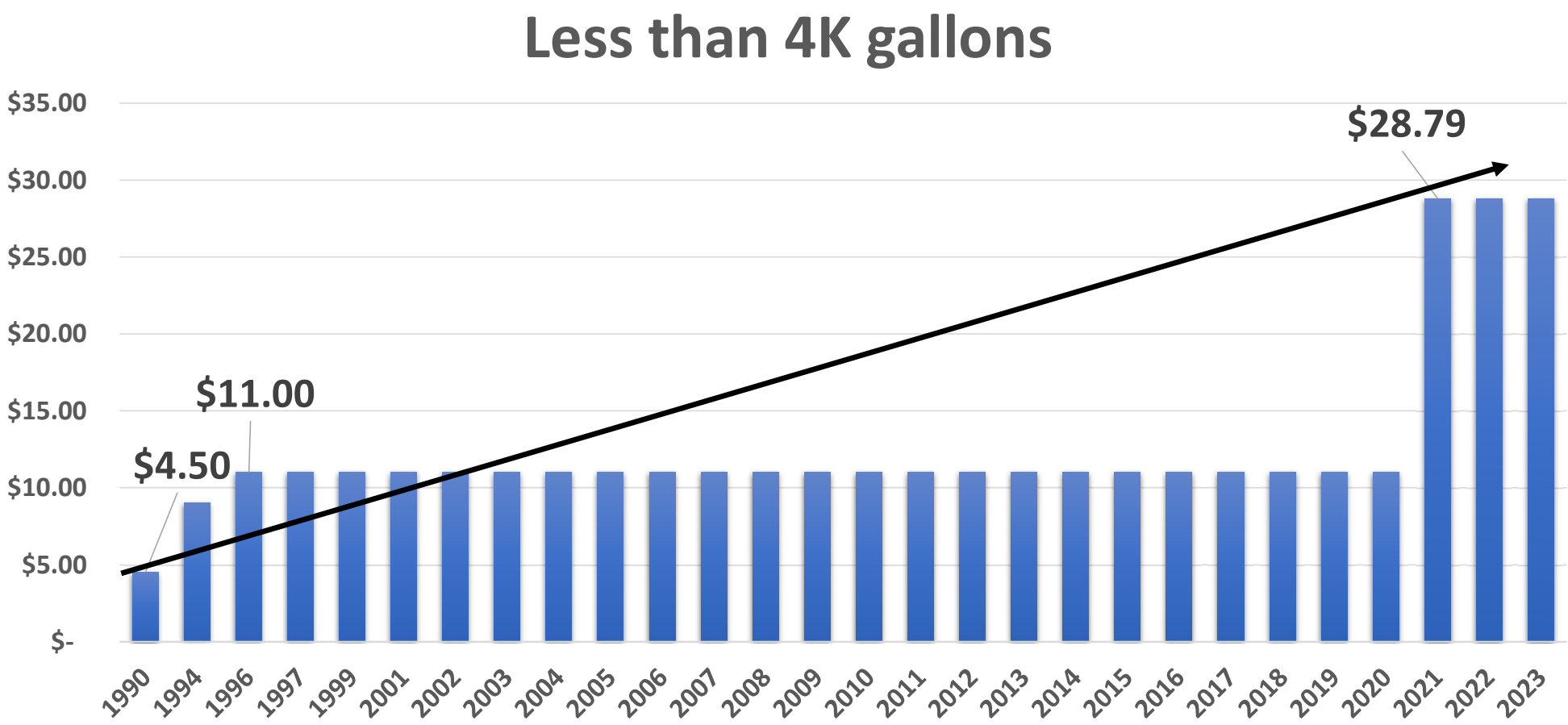
Water Rate Review – Resident



Water Rate Review – Commercial



Wastewater Rate Review – Residential



Wastewater Rate Review – Commercial