



July 5, 2022

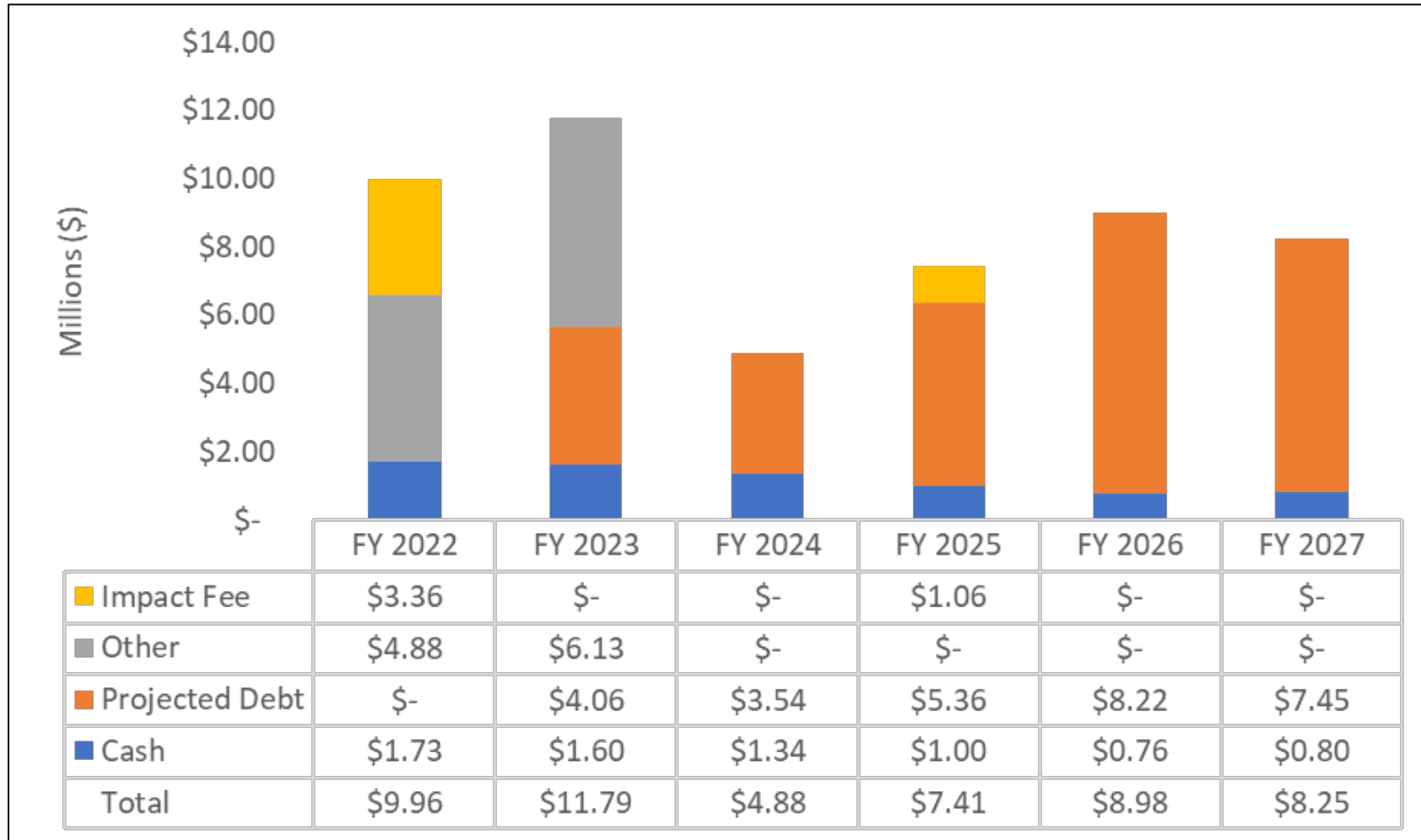
KELLER, TEXAS WATER & WASTEWATER RATE STUDY



MAIN COST DRIVERS

- Capital Projects
 - \$41.3 Million Total Projects over Next 5-Years
 - Lead-Copper Rule Compliance Requiring Additional Projects
 - Dramatic Construction Cost Escalation
- Wholesale Costs
 - Approximately 48% of Total Expenses
 - Still Waiting on Projections for FY 2023 from Providers
- Inflation
 - Adjusting for Current Trends
 - Later Years Returning to Normal Trends

CAPITAL FUNDING



WHOLESALE

Fort Worth	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Projected Cost	\$9,370,292	\$9,889,956	\$10,441,498	\$11,023,470	\$11,637,535	\$12,285,449
<i>Increase</i>		\$ 519,664	\$ 551,542	\$ 581,972	\$ 614,065	\$ 647,913
Increase/Projected Billed Volume (\$/kgal)		\$ 0.13	\$ 0.13	\$ 0.14	\$ 0.15	\$ 0.15

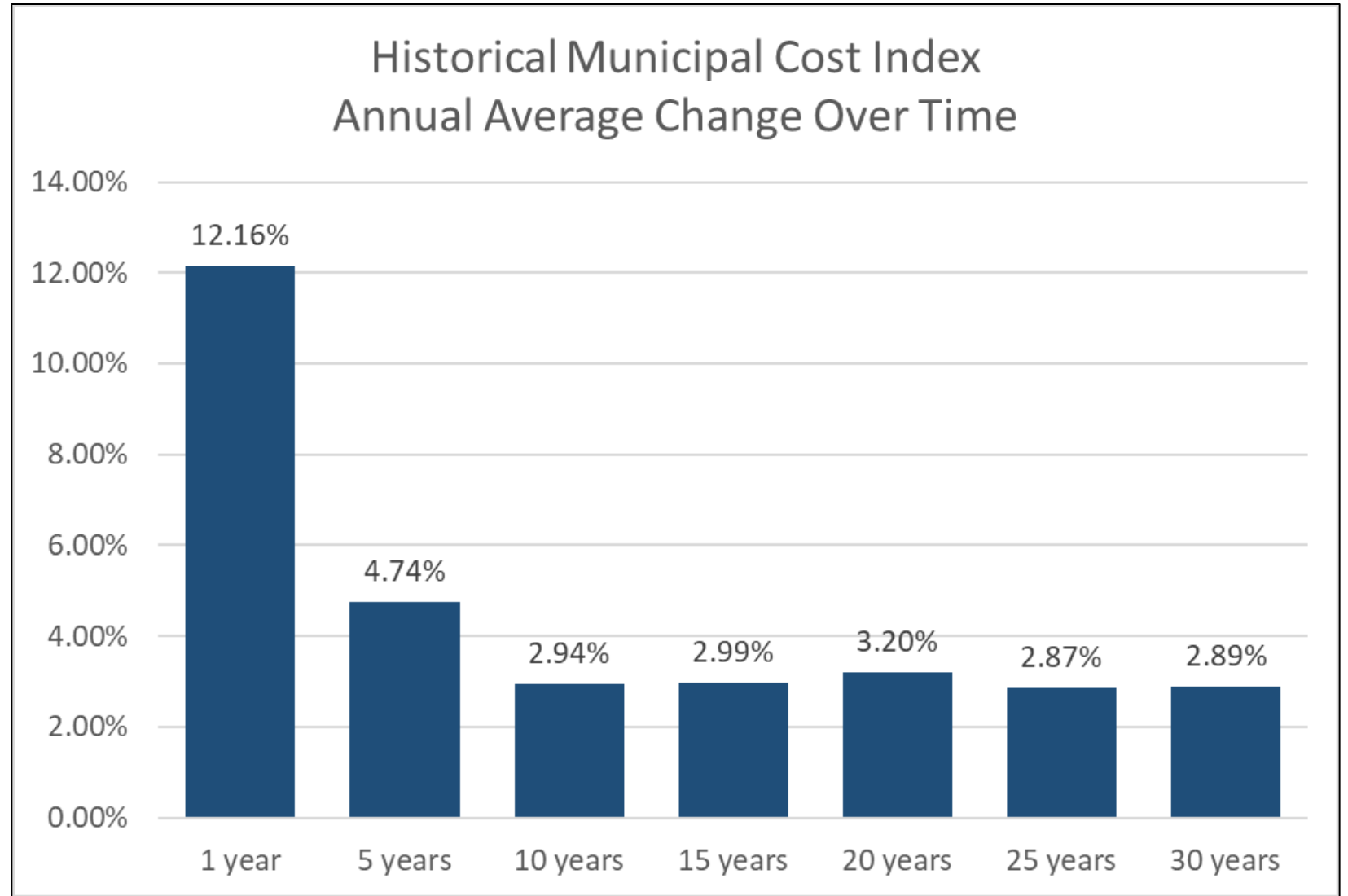
Trinity River Authority	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Projected Cost	\$ 4,015,793	\$ 4,065,877	\$ 4,171,809	\$ 4,279,663	\$ 4,332,933	\$ 4,431,211
Increase		\$ 50,084	\$ 105,931	\$ 107,855	\$ 53,270	\$ 98,277
Increase/Projected Billed Volume (\$/kgal)		\$ 0.04	\$ 0.09	\$ 0.09	\$ 0.04	\$ 0.08

Note: These projections are still pending updated data from the providers.

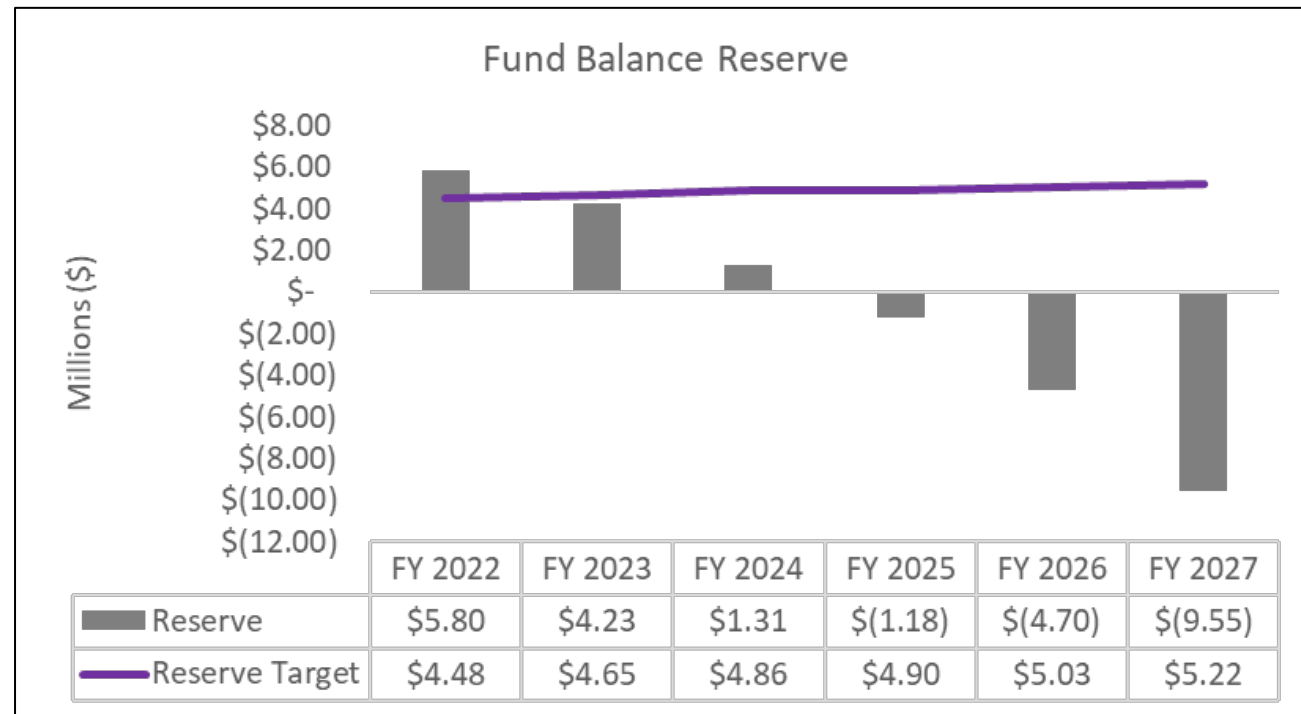
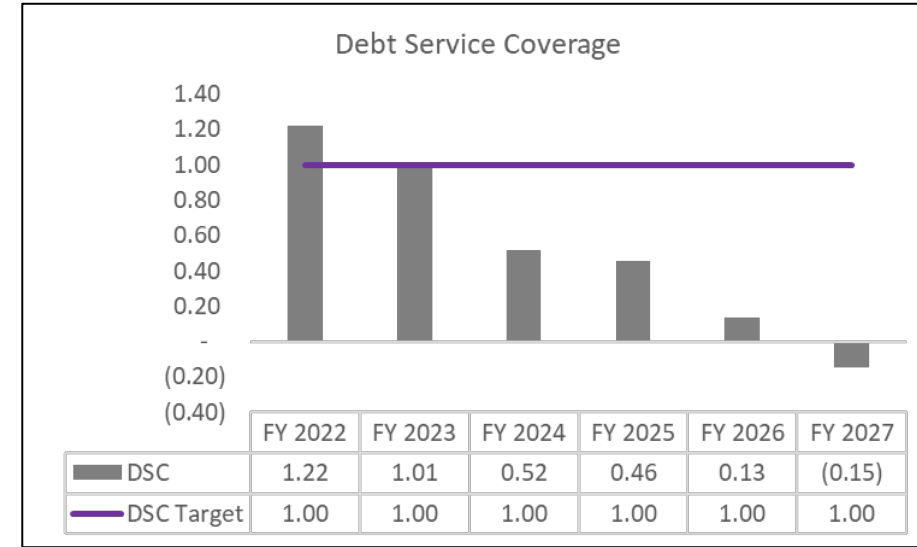
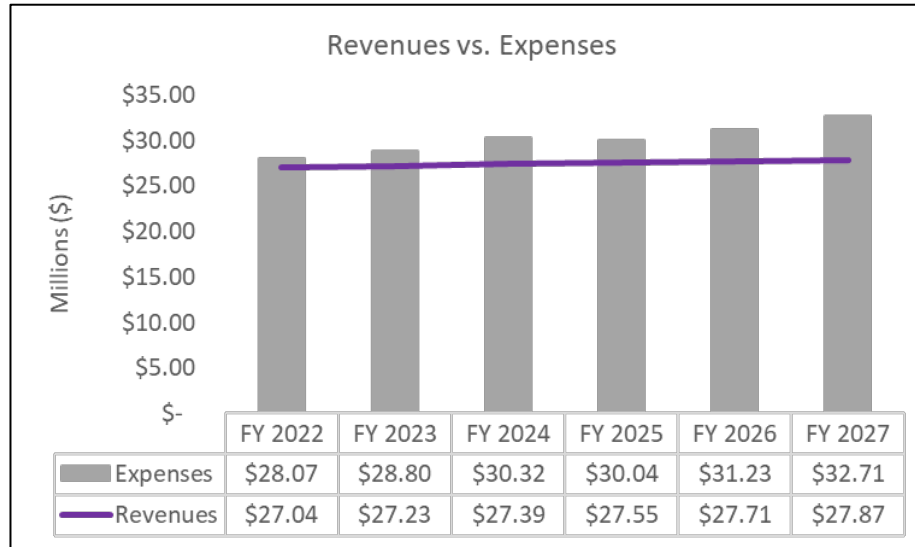
MUNICIPAL COST INDEX

Source:
American City and
County

March 2022



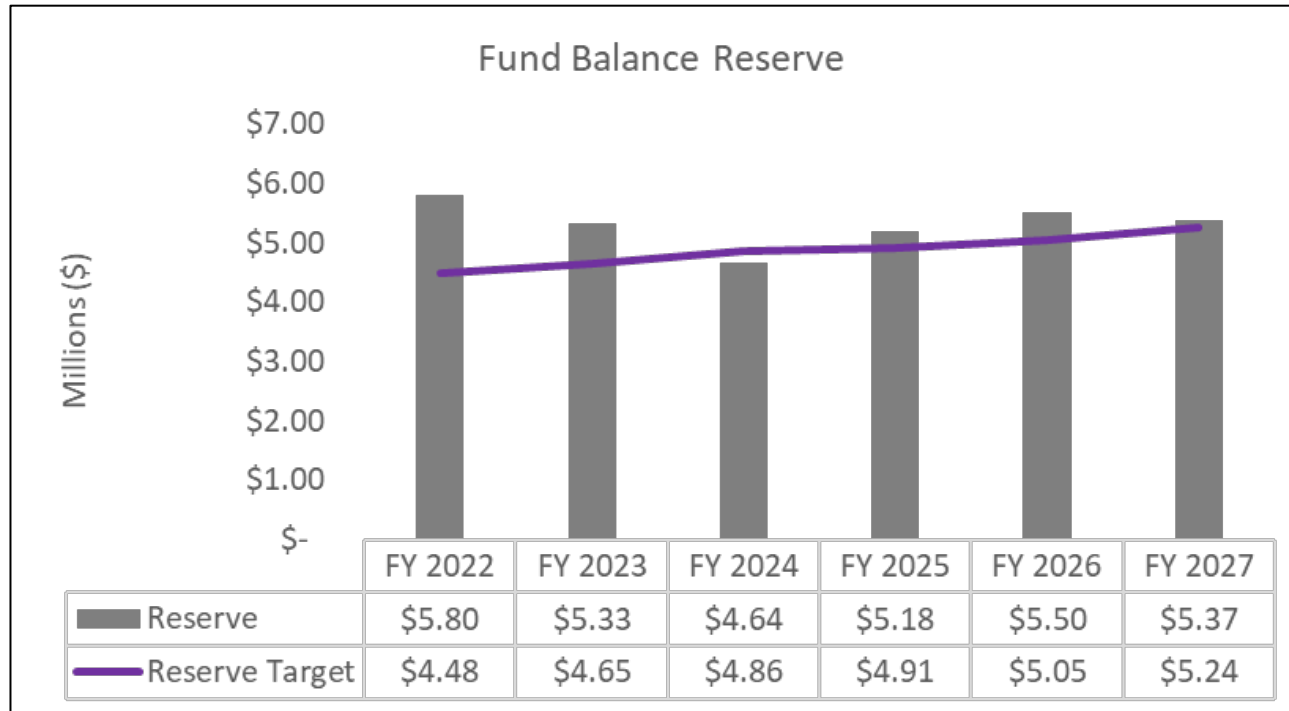
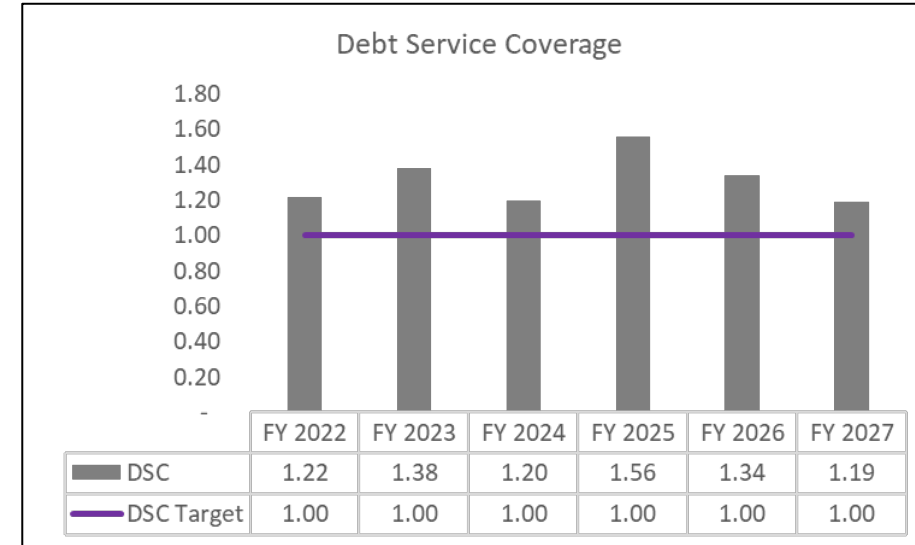
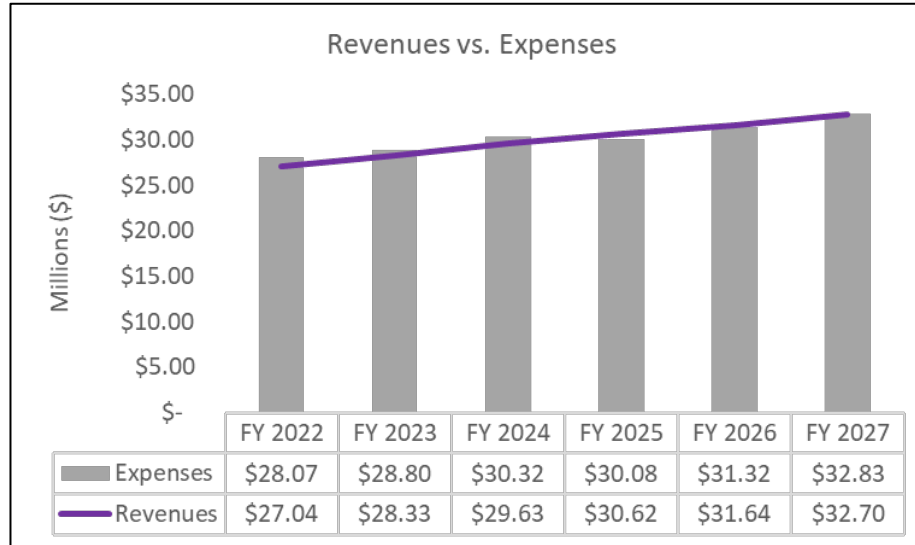
FINANCIAL PERFORMANCE UNDER CURRENT RATES - COMBINED



WHAT HAPPENS
IF FUND
BALANCE
CONTINUES TO
DECREASE

- Rating Agencies Take Notice
 - Future Debt Issuances Carry Higher Interest Costs – Rating Decreases
- Financial Policies - Cash Reserves
 - Non-Compliance Sends Wrong Message to Both Rating Agencies and Bond Holders
 - Less Resilient to Withstand the Next Significant Event (Winter Storm/Prolonged Drought/Pandemic)
- Both GFOA and AWWA Recommend Cash Reserve Policies & Compliance

FINANCIAL PERFORMANCE UNDER PROPOSED RATES - COMBINED



	Water	Sewer
2023	3.75%	7.00%
2024	3.75%	7.00%
2025	3.75%	2.75%
2026	3.75%	2.75%
2027	3.75%	2.75%

AVERAGE RESIDENTIAL BILL IMPACT – 5,000 GALLONS OF WATER AND WASTEWATER

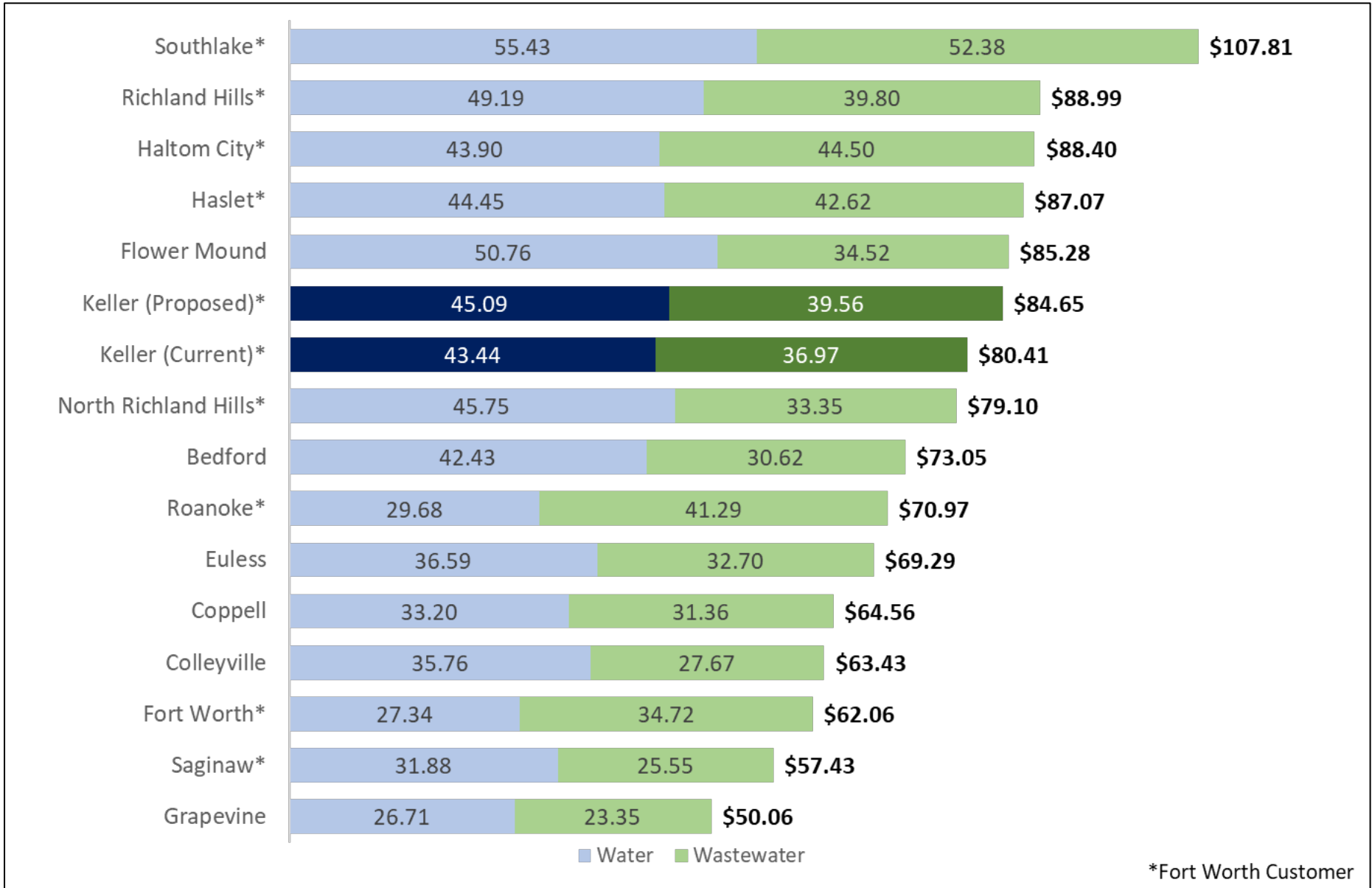


RESIDENTIAL BILL IMPACT – 20,000 GALLONS OF WATER AND 9,000 GALLONS OF WASTEWATER



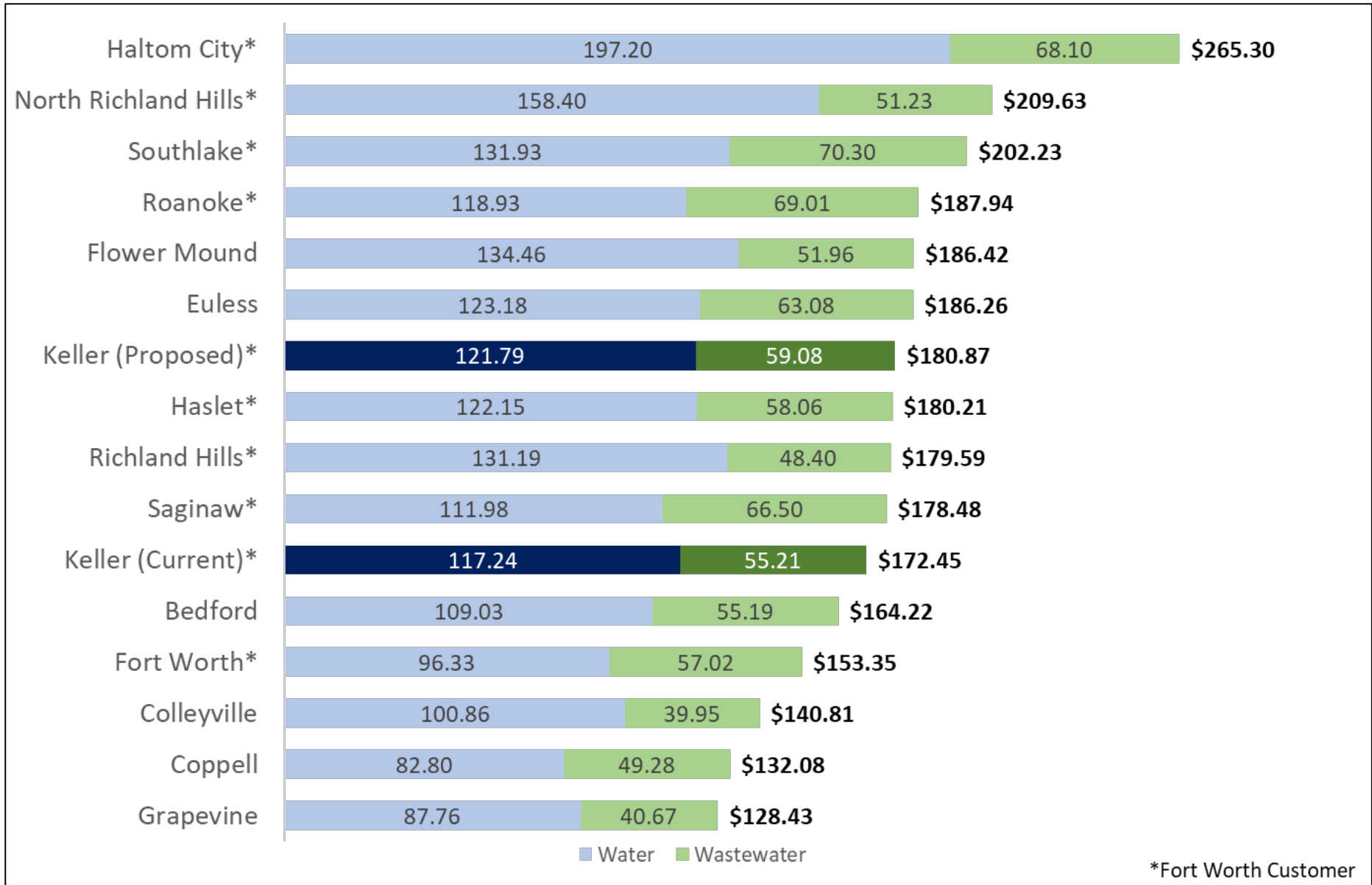
AVERAGE WATER & WASTEWATER RESIDENTIAL BILL IMPACT

Bill for household using 5,000 gallons of water and wastewater



WATER & WASTEWATER RESIDENTIAL BILL IMPACT

Bill for household using 20,000 gallons of water and 9,000 gallons of wastewater



PATH FORWARD



- Next Steps
 - Review Final Fort Worth Water & TRA Rate Adjustments and Make Adjustments If Significant Changes Unexpectedly Occur



QUESTIONS AND DISCUSSION

NEWGEN STRATEGIES AND SOLUTIONS
275 W. CAMPBELL ROAD, SUITE 440
RICHARDSON, TEXAS 75080

MATTHEW GARRETT, MANAGING PARTNER
(972) 675-7699
MGARRETT@NEWGENSTRATEGIES.NET

ANDY MCCARTNEY, PRINCIPAL
(469) 501-5892
AMCCARTNEY@NEWGENSTRATEGIES.NET