



KENNEDALE TEXAS



▶ 2024 Water and Wastewater Rate Study



**CITY OF KENNEDALE, TEXAS
WATER AND WASTEWATER RATE STUDY
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Acknowledgements

During the course of this rate study, several City of Kennedale employees expended considerable time and effort in assisting the project team. These employees included the Mayor and Council, City Manager, Darrell Hull, Director of Finance, Jonathan Horton, Public Works Director, Kristian Sugrim, and Accounting Associate II, BRigete Davenport. The project team owes a debt of gratitude to the hard work, dedication and professionalism of these and other staff members, without whom this project would not have been successfully completed.

The project team has relied upon the extensive data supplied by the City of Kennedale. Thus, the integrity of the study is largely dependent upon the accuracy of this financial and customer data. Every effort has been made by the project team to validate and confirm the information contained herein prior to the preparation of the final study documents. **This report presents no assurance or guarantee that the forecast contained herein will be consistent with actual results or performances.** These represent forecasts based on a series of assumptions about future behavior and are not guarantees. Any changes in assumptions or actual events may result in significant revisions to the forecast and its conclusions. The cash flow projections and debt service coverage calculations are not intended to present overall financial positions, results of operations, and/or cash flows for the periods indicated, which is in conformity with guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants.

Executive Summary

Background



In July 2023, the City of Kennedale, Texas (the “City”) engaged **Willdan Financial Services** to conduct a water and wastewater rate study and long-term financial plan. The City was interested in developing an updated comprehensive water and wastewater rate plan for FY 2024 and beyond. The objective is to develop a long-term rate plan that will enable the City to recover sufficient funds to meet operating expenses, capital outlays, debt service and coverage requirements, while at the same time minimizing the impact on ratepayers.

The City identified numerous objectives for this study, including but not limited to the following:

- A comprehensive analysis and evaluation of the water and wastewater systems’ current cost of service and revenue requirements.
- A forecast of operating expenses over the next decade, taking into consideration salient factors such as cost of water and wastewater treatment, inflation, system growth, and increases in staffing levels.
- A thorough review of the water and wastewater systems’ known capital improvement needs, as well as a determination of the need for funding capital requirements through the issuance of long-term debt for the existing identified capital improvements.
- An estimate of current and forecast accounts, volumes, and billing units for the ten-year forecast period.
- An analysis of alternative rate structures for water and wastewater rates that will recover sufficient revenues and will distribute costs equitably.
- A detailed analysis and comparison of the City’s current and proposed rates to rates in other surrounding communities.

Water and Wastewater Rate Comparison

Tables ES-1 compares Kennedale’s current monthly water and wastewater charges to those of nearby cities in the region. A billing volume of 10,000 gallons for water and 5,000 gallons for wastewater was used for the residential comparison as it represents typical usage levels for an average household in the City. The rate data is based on published rates and ordinances posted by each municipality on their websites as of October 2023 and Texas Municipal League (TML) 2023 water and wastewater rate survey. These rates do not include

sales tax, activation or other charges beyond the basic minimum and volume charges. The table reveals that the City’s rates are midrange when compared to most other cities in the region.

TABLE ES-1

CITY OF KENNEDALE				
MONTHLY RESIDENTIAL CHARGES 10,000 GALLONS WATER; 5,000 GALLONS WASTEWATER				
	Water	Wastewater	Total	
Kennedale	\$ 60.55	\$ 44.50	\$ 105.05	
Arlington	39.28	42.97	82.25	
Cedar Hill	78.51	51.60	130.11	
Cleburne	82.87	36.38	119.25	
Coppell	48.45	31.36	79.81	
Eules*	76.83	35.46	112.29	
Ft Worth	49.92	35.14	85.06	
Bedford	69.40	32.44	101.84	
Hurst	82.25	36.78	119.03	
Keller	67.78	42.90	110.68	
Mansfield	49.89	43.72	93.61	
North Richland Hills	86.60	36.95	123.55	
The Colony	65.95	37.08	103.03	
* Eules bills WW at 90% of metered w ater. No Winter Average.				
Sample Average	\$ 66.48	\$ 38.56	\$ 105.04	
State Average	\$ 70.96	\$ 45.66	\$ 116.62	
Source: Cities' Website				

Water and Wastewater Customers and Meters – Test Year & Forecast

The majority of the water and wastewater accounts served by Kennedale are residential accounts. **Table ES-2** presents total water and wastewater connections (customers) by customer class for the City for the test year and forecast period. As shown, overall water accounts are forecast to increase from **3,233** in the test year to **4,241** in FY 2033, an average annual increase of 3.1%. Similarly, wastewater accounts are forecast to increase from **2,993** in the test year to **4,002** in FY 2033. The addition of these new connections will result in both non-recurring connection fees and increasing monthly water and wastewater revenues.

TABLE ES-2

CITY OF KENNEDALE									
HISTORICAL & FORECAST TOTAL CUSTOMERS									
WATER Customer Classes									
Fiscal Year	Residential Inside	Senior & Disabled	Commercial Inside	Industrial	Apartment & Duplex	Fire	Institutional	Construction	Total
WATER Total Customers									
2021	1,652	72	170	22	52	3	20	6	1,996
2022	2,600	59	258	32	77	4	30	14	3,073
2023	2,612	61	267	32	77	4	29	12	3,094
2024	2,737	61	280	32	78	4	29	12	3,233
2025	2,837	61	290	32	80	4	29	12	3,344
2026	2,937	61	301	32	82	4	29	12	3,457
2027	3,038	61	311	32	83	4	29	12	3,570
2028	3,138	61	321	32	85	4	29	12	3,681
2029	3,237	61	332	32	86	4	29	12	3,793
2030	3,338	61	342	32	87	4	29	12	3,905
2031	3,438	61	352	32	89	4	29	12	4,017
2032	3,538	61	363	32	90	4	29	12	4,129
2033	3,638	61	373	32	92	4	29	12	4,241
WASTEWATER Total Customers									
Residential Inside	Senior & Disabled	Commercial Inside	Industrial	Apartment & Duplex	Institutional	Builder	Other	Total	
2021	1,579	66	110	20	46	16	1	-	1,839
2022	2,485	56	167	30	71	24	1	-	2,832
2023	1,874	42	132	23	54	16	1	-	2,142
2024	2,623	56	188	30	73	22	1	-	2,993
2025	2,723	56	198	30	74	22	1	-	3,105
2026	2,824	56	209	30	76	22	1	-	3,218
2027	2,925	56	219	30	77	22	1	-	3,330
2028	3,024	56	230	30	79	22	1	-	3,442
2029	3,124	56	240	30	80	22	1	-	3,553
2030	3,224	56	250	30	82	22	1	-	3,666
2031	3,324	56	261	30	83	22	1	-	3,777
2032	3,425	56	271	30	85	22	1	-	3,890
2033	3,525	56	282	30	86	22	1	-	4,002

Net Revenue Requirement

Table ES-3 presents the City's forecast Net Revenue Requirement for the ten-year period FY 2024 through FY 2033. The table reveals that the total revenue requirement is expected to increase from **\$5,318,866** in FY 2024 to **\$11,428,252** in FY 2033. Detailed calculations are presented in the rate model contained in **Appendix A** of this report. These net revenue requirements must be raised from rates in the test year FY 2024 and the forecast period.

TABLE ES-3

CITY OF KENNEDALE									
CURRENT AND FORECAST NET REVENUE REQUIREMENT									
	City O&M Expenses	Arlington Operation	Treated W/WW Payments	Capital Outlays	Debt Service	Transfers & Contingencies	Total Cost of Service	Less Non-Rate Revenues	Net Revenue Requirement
WATER Revenue Requirement									
2024	\$ 261,242	\$ 1,090,459	\$ 1,065,849	\$ 365,000	\$ 221,484	\$ 346,218	\$ 3,350,252	\$ 517,103	\$ 2,833,149
2025	269,534	1,134,078	1,560,639	379,600	290,681	356,604	3,991,136	217,103	3,774,033
2026	278,095	1,179,441	2,111,513	394,784	314,365	367,302	4,645,500	217,103	4,428,397
2027	286,477	919,964	2,710,404	406,628	328,909	378,321	5,030,702	217,103	4,813,600
2028	295,114	947,563	2,902,156	418,826	202,943	389,671	5,156,273	217,103	4,939,170
2029	304,013	975,990	3,104,798	431,391	203,355	401,361	5,420,908	217,103	5,203,805
2030	313,183	1,005,269	3,319,763	444,333	202,766	413,402	5,698,716	217,103	5,481,613
2031	322,632	1,035,427	3,546,471	457,663	203,021	425,804	5,991,018	217,103	5,773,916
2032	332,369	1,066,490	3,786,503	471,393	203,002	438,578	6,298,335	217,103	6,081,232
2033	342,402	1,098,485	4,039,786	485,535	203,473	451,735	6,621,416	217,103	6,404,313
WASTEWATER Revenue Requirement									
2024	244,608	1,009,753	1,078,412	250,000	73,828	346,218	3,002,819	517,103	2,485,717
2025	252,395	1,050,143	1,161,333	260,000	764,786	356,604	3,845,262	217,103	3,628,159
2026	260,434	1,092,149	1,249,392	270,400	884,357	367,302	4,124,035	217,103	3,906,932
2027	268,284	851,876	1,342,792	278,512	956,409	378,321	4,076,194	217,103	3,859,092
2028	276,372	877,433	1,441,240	286,867	1,089,445	389,671	4,361,027	217,103	4,143,925
2029	284,705	903,756	1,545,352	295,473	1,091,658	401,361	4,522,305	217,103	4,305,203
2030	293,293	930,868	1,655,885	304,338	1,088,497	413,402	4,686,282	217,103	4,469,179
2031	302,141	958,794	1,772,530	313,468	1,089,866	425,804	4,862,604	217,103	4,645,501
2032	311,259	987,558	1,896,122	322,872	1,089,761	438,578	5,046,150	217,103	4,829,047
2033	320,654	1,017,185	2,026,619	332,558	1,092,290	451,735	5,241,041	217,103	5,023,939
TOTAL Revenue Requirement									
2024	505,850	2,100,213	2,144,261	615,000	295,312	692,435	6,353,071	1,034,205	5,318,866
2025	521,929	2,184,221	2,721,972	639,600	1,055,468	713,208	7,836,397	434,205	7,402,192
2026	538,529	2,271,590	3,360,905	665,184	1,198,723	734,604	8,769,535	434,205	8,335,330
2027	554,761	1,771,840	4,053,196	685,140	1,285,318	756,642	9,106,896	434,205	8,672,691
2028	571,486	1,824,995	4,343,396	705,694	1,292,388	779,342	9,517,300	434,205	9,083,095
2029	588,719	1,879,745	4,650,150	726,865	1,295,013	802,722	9,943,213	434,205	9,509,008
2030	606,476	1,936,137	4,975,648	748,670	1,291,263	826,804	10,384,997	434,205	9,950,792
2031	624,773	1,994,222	5,319,001	771,131	1,292,888	851,608	10,853,622	434,205	10,419,417
2032	643,628	2,054,048	5,682,626	794,264	1,292,763	877,156	11,344,485	434,205	10,910,280
2033	663,057	2,115,670	6,066,405	818,092	1,295,763	903,471	11,862,457	434,205	11,428,252

As shown in these charts, Arlington charges for treated water, wastewater treatment, utility operations and billing are by far the largest annual expense paid by Kennedale’s water and wastewater utilities. The project team utilized Arlington’s most recent rate forecast as the basis for its cost estimates. **Any changes in Arlington forecast rate and cost estimates used in determining the City’s water and wastewater revenue requirement for this rate study could require significant changes to the rate plan presented in this report.**

One of the key assumptions used in the development of the long-term revenue requirement is the City’s Capital Improvement Plan. The City’s CIP over the next five years is estimated to be **\$2,744,606** for the water system and **\$14,669,098** for the wastewater system. The City anticipates financing a small portion of the CIP with impact fee revenue. The balance of the funding of these CIP projects comes from grants and left over proceeds from a Series 2023 bond issue.

It should be noted that if the City materially revises its CIP, the rate plan may be subject to potentially significant revision.

Water and Wastewater Rate Design

The City last increased its water and wastewater rate in 2018. The water and wastewater rates developed in this study are designed, in part, to make up for revenue erosion occurring since the last rate adjustment and to recover the test year and forecast revenue requirement while providing funding for the current identified capital, transfers, and debt service. The following is notable regarding this rate proposal:

- While the rate model presents a forecast of rates for ten years, **the project team recommends that the City adopt a 5-year rate plan**, with rates to be automatically implemented annually on October 1, 2024, through October 1, 2028.
- Given the growth in the City and potential for unexpected events, the project team recommends that the City not commit itself to a rate plan beyond five years. Further, the project team recommends that the City periodically review these rates during the next five years, to incorporate any changes to costs, volumes or growth assumptions that may occur during that time.
- The most significant impact on rates will be the cost of Arlington and Fort Worth treated water, wastewater treatment, and Arlington charges for utility operations and billing. Should Arlington make material changes to its rate forecasts and costs, the City should undertake an immediate review of its rate plan.
- Rate Plan Features:
 - Percentage annual adjustments for all customer classes
 - Restructure multi-family rate to implement **base charge by meter size** and inclining tiered rate per 1,000 gallons that mirrors the residential rates (pending Arlington billing system verification)
 - Continuation of Senior/Disabled credit of **\$7.50 off** the base charge
- Uniform adjustments are applied to the existing base and volumetric rates for each rate class.
- The project team recommends a 28% change to water rates in October 2024, 6% - 9% water rate adjustments are recommended for October 2025 through October 2028.
- Because wastewater rates are recovering nominally less revenues than the cost of service, the project team recommends that the City implement a 44% wastewater rate adjustment for October 2024, 15% wastewater increase in October 2025, 5% increase in October 2026 and October 2027 and 2% increase in October 2028.

Table ES-4 presents a summary of the rate plan proposed City Residential and Senior customers. **Table ES-5** presents a summary of the rate plan proposed for non-residential customers and **Table ES-6** is the proposed rate plan for wastewater customers. **Table ES-7** presents the customer rate impact assuming the rate plan structure is adopted by City Council.

TABLE ES-4

CITY OF KENNEDALE PROPOSED WATER AND WASTEWATER RATE PLAN		Current	Forecast				
			FY 2025 Oct-24	FY 2026 Oct-25	FY 2027 Oct-26	FY 2028 Oct-27	FY 2029 Oct-28
WATER							
Residential & Multifamily							
<u>Monthly Minimum Charge</u>							
3/4"	\$	20.00	\$ 25.60	\$ 27.90	\$ 30.42	\$ 32.24	\$ 34.17
1"		43.34	55.48	60.47	65.91	69.86	74.06
1 1/2"		86.58	110.82	120.80	131.67	139.57	147.94
2"		138.58	177.38	193.35	210.75	223.39	236.80
3"		260.00	332.80	362.75	395.40	419.12	444.27
4"		433.42	554.78	604.71	659.13	698.68	740.60
<u>Volume Rate Per 1,000 Gal</u>							
-	5,000	2.75	3.52	3.84	4.18	4.43	4.70
5,001	20,000	5.36	6.86	7.48	8.15	8.64	9.16
20,001	50,000	6.70	8.58	9.35	10.19	10.80	11.45
50,001	Above	6.70	8.58	9.35	10.19	10.80	11.45
Senior & Disabled							
<u>Monthly Minimum Charge</u>							
Senior/Disability Credit Applied to Minimum		-\$7.50	-\$7.50	-\$7.50	-\$7.50	-\$7.50	-\$7.50
3/4"	\$	20.00	\$ 25.60	\$ 27.90	\$ 30.42	\$ 32.24	\$ 34.17
1"		43.34	55.48	60.47	65.91	69.86	74.06
1 1/2"		86.58	110.82	120.80	131.67	139.57	147.94
2"		138.58	177.38	193.35	210.75	223.39	236.80
3"		260.00	332.80	362.75	395.40	419.12	444.27
4"		433.42	554.78	604.71	659.13	698.68	740.60
<u>Volume Rate Per 1,000 Gal</u>							
-	5,000	2.75	3.52	3.84	4.18	4.43	4.70
5,001	20,000	5.36	6.86	7.48	8.15	8.64	9.16
20,001	50,000	6.70	8.58	9.35	10.19	10.80	11.45
50,001	Above	6.70	8.58	9.35	10.19	10.80	11.45

TABLE ES-5

CITY OF KENNEDALE PROPOSED WATER AND WASTEWATER RATE PLAN		Current	Forecast				
			FY 2025 Oct-24	FY 2026 Oct-25	FY 2027 Oct-26	FY 2028 Oct-27	FY 2029 Oct-28
WATER							
Commercial, Fire, Industrial, Institutional & Construction							
<u>Monthly Minimum Charge</u>							
3/4"	\$	26.00	\$ 33.28	\$ 36.28	\$ 39.54	\$ 41.91	\$ 44.43
1"		43.34	55.48	60.47	65.91	69.86	74.06
1 1/2"		86.58	110.82	120.80	131.67	139.57	147.94
2"		138.58	177.38	193.35	210.75	223.39	236.80
3"		260.00	332.80	362.75	395.40	419.12	444.27
4"		433.42	554.78	604.71	659.13	698.68	740.60
6"		433.42	554.78	604.71	659.13	698.68	740.60
8"		433.42	554.78	604.71	659.13	698.68	740.60
10"		433.42	554.78	604.71	659.13	698.68	740.60
12"		433.42	554.78	604.71	659.13	698.68	740.60
<u>Volume Rate Per 1,000 Gal</u>							
-	5,000	2.75	3.52	3.84	4.18	4.43	4.70
5,001	20,000	5.36	6.86	7.48	8.15	8.64	9.16
20,001	50,000	6.70	8.58	9.35	10.19	10.80	11.45
50,001	Above	8.38	10.73	11.69	12.74	13.51	14.32

TABLE ES-6

CITY OF KENNEDALE PROPOSED WATER AND WASTEWATER RATE PLAN		Current	Forecast				
			FY 2025 Oct-24	FY 2026 Oct-25	FY 2027 Oct-26	FY 2028 Oct-27	FY 2029 Oct-28
WASTEWATER							
Residential, Multifamily & Builder							
Monthly Minimum Charge	\$	30.00	\$ 43.20	\$ 49.68	\$ 52.16	\$ 54.77	\$ 55.87
Volume Rate/1,000 Gal		2.90	4.18	4.80	5.04	5.29	5.40
Senior & Disabled							
Senior/Disability Credit Applied to Minimum		-\$7.50	-\$7.50	-\$7.50	-\$7.50	-\$7.50	-\$7.50
Monthly Minimum Charge		30.00	43.20	49.68	52.16	54.77	55.87
Volume Rate/1,000 Gal		2.90	4.18	4.80	5.04	5.29	5.40
Commercial & Institutional							
Monthly Minimum Charge		55.00	79.20	91.08	95.63	100.42	102.42
Volume Rate/1,000 Gal		6.72	9.68	11.13	11.68	12.27	12.51
Industrial							
Monthly Minimum Charge		55.00	79.20	91.08	95.63	100.42	102.42
Volume Rate/1,000 Gal		4.50	6.48	7.45	7.82	8.22	8.38

TABLE ES-7

CITY OF KENNEDALE Scenario: 2023 08 03 -- Status Quo		IMPACT OF RATE PLAN ON MONTHLY CHARGES		Current	EFFECTIVE								
					FY 2025 Oct-24	FY 2026 Oct-25	FY 2027 Oct-26	FY 2028 Oct-27	FY 2029 Oct-28				
Residential Monthly Charges -- 3/4"													
5,000 Water	5,000 WW	\$	78.25	\$	107.28	\$	120.78	\$	128.70	\$	135.65	\$	140.54
	Increase -- \$				29.03		13.50		7.92		6.95		4.89
	Increase -- %				37.1%		12.6%		6.6%		5.4%		3.6%
10,000 Water	5,000 WW		105.05		141.58		158.17		169.46		178.85		186.33
	Increase -- \$				36.53		16.59		11.29		9.39		7.48
	Increase -- %				34.8%		11.7%		7.1%		5.5%		4.2%
30,000 Water	5,000 WW		225.65		295.95		326.43		352.86		373.26		392.41
	Increase -- \$				70.30		30.48		26.43		20.40		19.15
	Increase -- %				31.2%		10.3%		8.1%		5.8%		5.1%
Commercial Monthly Charges -- 1 1/2"													
20,000 Water	20,000 WW		370.13		504.07		565.80		604.18		637.13		661.53
	Increase -- \$				133.94		61.73		38.38		32.96		24.40
	Increase -- %				36.2%		12.2%		6.8%		5.5%		3.8%
Commercial Monthly Charges -- 2"													
40,000 Water	40,000 WW	\$	690.53	\$	935.69	\$	1,047.87	\$	1,120.73	\$	1,182.35	\$	1,229.64
	Increase -- \$				245.16		112.19		72.86		61.61		47.29
	Increase -- %				35.5%		12.0%		7.0%		5.5%		4.0%

SECTION I

Introduction and Demographic Profile

Background



In July 2023, the City of Kennedale, Texas (the “City”) engaged **Willdan Financial Services** to conduct a water and wastewater rate study and long-term financial plan. The City was interested in developing an updated comprehensive water and wastewater rate plan for FY 2024 and beyond. The objective of this study is to develop a long-term rate plan that will enable the City to recover sufficient funds to meet operating expenses, capital outlays, debt service and coverage requirements, while at the same time to the best extent possible minimizing the impact of any adjustments on ratepayers.

The City identified numerous objectives for this study, including but not limited to the following:

- A comprehensive analysis and evaluation of the water and wastewater systems’ current cost of service and revenue requirements.
- A forecast of operating expenses over the next decade, taking into consideration such factors as inflation, system growth, and increases in staffing levels.
- A thorough review of the water and wastewater systems’ known capital improvement needs, as well as a determination of the need for funding capital requirements through the issuance of long-term debt for the existing identified capital improvements.
- An estimate of current and forecast accounts, volumes, and billing units for the ten-year forecast period.
- A detailed analysis and comparison of the City’s current and proposed rates to rates in other surrounding communities.

Report Organization

This report is organized into the following sections:

Section I – Introduction and Demographic Profile - outlines the background, objectives and scope of this rate study and long-term financial plan. It also presents the City’s current rate structure and a community profile of the City of Kennedale. This includes a comparison of the City’s water and wastewater charges with other local cities.

Section II – Water and Wastewater Test Year and Forecast Volumes – analyzes the City’s customer base, total accounts and current volumes of treated water and wastewater. This section presents totals for the current year and a forecast ten years into the future.

Section III – Water and Wastewater Test Year and Forecast Revenue Requirement – outlines the process of analyzing the City’s current water and wastewater utility cost structure. The total current or “test year” revenue requirements are developed, and costs are functionalized between treatment, distribution/collection, administration, and customer billing. Using the test year as a basis, costs are forecast for a ten-year period.

Section IV – Water and Wastewater Rate Design – presents rate recommendations for the City of Kennedale City Council and Staff to consider which would enable it to meet its revenue requirements over the next decade. This section also presents an analysis of the impact of the proposed plan.

Appendix A – presents a hard copy printout of the interactive Microsoft Excel spreadsheet model summary developed for the City of Kennedale to calculate water and wastewater current and future revenue requirements. The model automatically generates all calculations based on a set of defined user inputs and *has an executive dashboard for users to develop real-time “what-if” scenarios.*

Community Overview



The City of Kennedale, Texas is located in fast growing Tarrant County. The City is approximately 6.6¹ square miles and has an estimated 2022 population of [9,329](#)².

The City of Kennedale has a Council-Manager form of government in which the elected Mayor and City Council Members establish policy. Those policies are then implemented by the City Manager who is appointed by, and reports to, the City Council. The Kennedale City Council consists of five Council Members and a Mayor.

The City Manager operates in much the same way as a Chief Executive Officer of a corporation. The City Manager’s Office is responsible for the day-to-day administration of Kennedale’s City government, including managing the City’s budget, the City’s departments and operations, and programs for communicating with residents and employees.

Water and Wastewater Current Rates

Table I-1 summarizes the City of Kennedale’s current water and wastewater rate structure.

¹ Wikipedia - https://en.wikipedia.org/wiki/Kennedale,_Texas

² <https://www.cityofkennedale.com/DocumentCenter/View/7572/City-of-Kennedale-Comprehensive-Plan-DRAFT-070824>

TABLE I-1

CITY OF KENNEDALE					
CURRENT WATER AND WASTEWATER RATES					
Water Rates		Wastewater Rates			
Residential Water Rates		Residential Wastewater Rates			
Minimum Charge by Meter Size	3/4" \$	20.00	Minimum Charge \$	30.00	
	1"	43.34	Volume Rate (per 1,000 Gallons)	\$ 2.90	
	1 1/2"	86.58			
	2"	138.58			
	3"	260.00			
	4"	433.42			
Volume Rate (per 1,000 Gallons)					
-	5,000	2.75			
5,001	20,000	5.36			
20,001	50,000	6.70			
50,001	Above	6.70			
Commercial & Industrial Water Rates		Senior/Disabled Wastewater Rates			
Minimum Charge by Meter Size	3/4" \$	26.00	Minimum Charge \$	22.50	
	1"	43.34	(Includes \$7.50 Credit)		
	1 1/2"	86.58	Volume Rate (per 1,000 Gallons)	2.90	
	2"	138.58			
	3"	260.00			
	4"	433.42			
Volume Rate (per 1,000 Gallons)					
-	5,000	\$ 2.75			
5,001	20,000	\$ 5.36			
20,001	50,000	\$ 6.70			
50,001	Above	\$ 8.38			
Senior/Disabled Water Rates		Commercial Wastewater Rates			
Minimum Charge by Meter Size	3/4" \$	12.50	Minimum Charge \$	55.00	
(Includes \$7.50 Credit)	1"	35.84	Volume Rate (per 1,000 Gallons)	\$ 6.72	
	1 1/2"	79.08			
	2"	131.08			
	3"	252.50			
	4"	425.92			
Volume Rate (per 1,000 Gallons)					
-	5,000	2.75			
5,001	20,000	5.36			
20,001	50,000	6.70			
50,001	Above	6.70			
Multiple Res/Comm Base		Industrial Wastewater Rates			
Per Rate Schedule - Per Unit		\$	26.00	Minimum Charge \$	55.00
Volume Rate (per 1,000 Gallons)				Volume Rate (per 1,000 Gallons)	\$ 4.50
-	5,000	2.75			
5,001	20,000	5.36			
20,001	Above	6.70			

The table reveals that the water rate structure assesses a base charge by customer class for all rate classes. The base charge increases based on meter size except for multifamily accounts that have a flat base charge per unit. Water customers are billed based on tiered rates per 1,000 gallons for metered use. Wastewater base and volume charge is a uniform rate per 1,000 gallons.

The City of Kennedale last adjusted its rates in 2018,

Water and Wastewater Rate Comparison

Chart I-2 and Table I-3 compare the City’s monthly water and wastewater charges to surrounding cities in Texas. Volumes of 10,000 gallons for water and 5,000 gallons for wastewater were used for the residential comparison as it represents typical usage levels for an average household. The comparison is based on inside residential rates for Cities. The rate data is based on published rates and ordinances posted by each municipality on their website and the 2023 TML water and wastewater rate survey. These rates do not include sales tax, activation or other charges beyond the basic minimum and volume charges.

The following points are also notable:

- Many cities do not assess rates that recover the full cost of service, choosing instead to subsidize their water and wastewater utilities with other revenues or to defer needed repairs and maintenance at the expense of system reliability and integrity.
- Some cities use tax bonds to fund water/wastewater system construction. This results in lower rates but higher ad valorem taxes.



CHART I-2

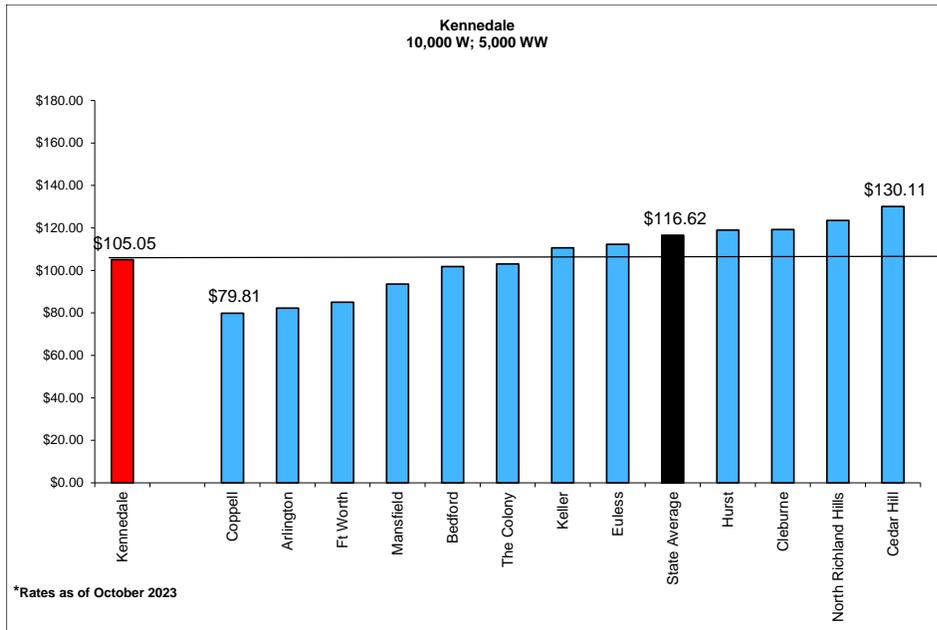


TABLE I-3

CITY OF KENNEDALE			
MONTHLY RESIDENTIAL CHARGES			
10,000 GALLONS WATER; 5,000 GALLONS WASTEWATER			
	Water	Wastewater	Total
Kennedale	\$ 60.55	\$ 44.50	\$ 105.05
Arlington	39.28	42.97	82.25
Cedar Hill	78.51	51.60	130.11
Cleburne	82.87	36.38	119.25
Coppell	48.45	31.36	79.81
Eules*	76.83	35.46	112.29
Ft Worth	49.92	35.14	85.06
Bedford	69.40	32.44	101.84
Hurst	82.25	36.78	119.03
Keller	67.78	42.90	110.68
Mansfield	49.89	43.72	93.61
North Richland Hills	86.60	36.95	123.55
The Colony	65.95	37.08	103.03
* Eules bills WW at 90% of metered water. No Winter Average.			
Sample Average	\$ 66.48	\$ 38.56	\$ 105.04
State Average	\$ 70.96	\$ 45.66	\$ 116.62
Source: Cities' Website			

Section II

SECTION II

Water & Wastewater Test Year and Forecast Volumes



In order to accurately forecast future revenues and expenses, it is necessary to examine current water and wastewater utility conditions. The first step in developing cost of service rates is to analyze patterns of usage, both for the system as a whole, and for specified customer classes.

For the City of Kennedale, monthly water and wastewater records were reviewed for the period February 2021 through June 2023. These records provided summary information on the monthly water volumes distributed system wide as well as the number of accounts for each period by defined customer class and

the associated revenues. Additionally, these records provided the number of accounts and revenues monthly for all classifications of wastewater customers.

According to standard utility ratemaking methodology, in order to allocate revenue requirements equitably among system users, customers must be classified into relatively homogeneous groups with similar usage characteristics or service demands. Costs are then allocated to the customer classes in proportion to the usage characteristics of each class. For the water system, costs are typically allocated to customers based on their average and peak water demands. For the wastewater system, costs are allocated to customers based on their estimated wastewater flows, and in some cases, based on wastewater strengths.

After thoroughly examining volume and customer data, the project team made no revisions to the City's existing rate classifications. The project team finds these customer class distinctions to be reasonable and appropriate, meeting the criteria of homogenous groups with similar usage patterns.

In this section, the City's functional customer classes and test year usage patterns will be thoroughly analyzed. A ten-year projection of customers and usage will also be presented. These forecasts, along with the revenue requirements, will form the basis of the proposed rate designs.

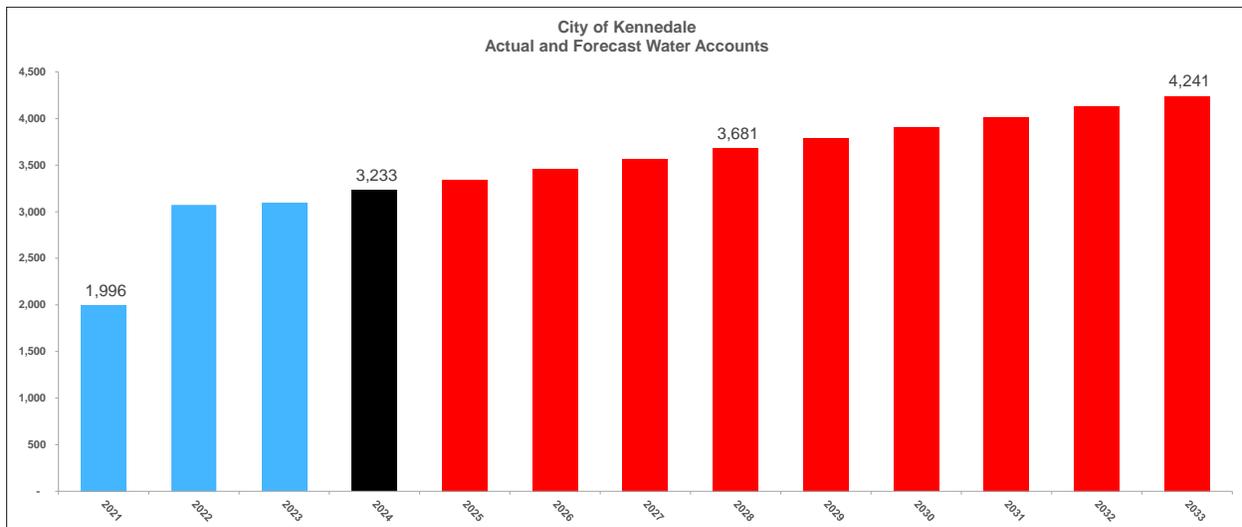
Water and Wastewater Customers and Meters – Test Year & Ten-Year Forecast

The majority of the water accounts served by Kennedale are residential accounts, with the balance being non-residential, institutional, apartment and construction customers. **Table II-1** and **Chart II-2** present total water accounts for the City for the test year and forecast period.

TABLE II-1

CITY OF KENNEDALE									
FORECAST TOTAL CUSTOMERS									
WATER Customer Classes									
Fiscal Year	Residential Inside	Senior & Disabled	Commercial Inside	Industrial	Apartment & Duplex	Fire	Institutional	Construction	Total
WATER Total Customers									
2021	1,652	72	170	22	52	3	20	6	1,996
2022	2,600	59	258	32	77	4	30	14	3,073
2023	2,612	61	267	32	77	4	29	12	3,094
2024	2,737	61	280	32	78	4	29	12	3,233
2025	2,837	61	290	32	80	4	29	12	3,344
2026	2,937	61	301	32	82	4	29	12	3,457
2027	3,038	61	311	32	83	4	29	12	3,570
2028	3,138	61	321	32	85	4	29	12	3,681
2029	3,237	61	332	32	86	4	29	12	3,793
2030	3,338	61	342	32	87	4	29	12	3,905
2031	3,438	61	352	32	89	4	29	12	4,017
2032	3,538	61	363	32	90	4	29	12	4,129
2033	3,638	61	373	32	92	4	29	12	4,241
WATER Annual New Customers									
2022	948	(13)	88	10	25	1	9	8	1,077
2023	12	2	9	0	0	(0)	(1)	(2)	21
2024	125	-	13	-	1	-	-	-	139
2025	100	-	10	-	2	-	-	-	112
2026	100	-	10	-	2	-	-	-	112
2027	101	-	10	-	2	-	-	-	113
2028	100	-	10	-	1	-	-	-	112
2029	100	-	10	-	1	-	-	-	111
2030	100	-	10	-	1	-	-	-	112
2031	100	-	10	-	1	-	-	-	112
2032	100	-	10	-	1	-	-	-	112
2033	100	-	10	-	1	-	-	-	112

CHART II-2



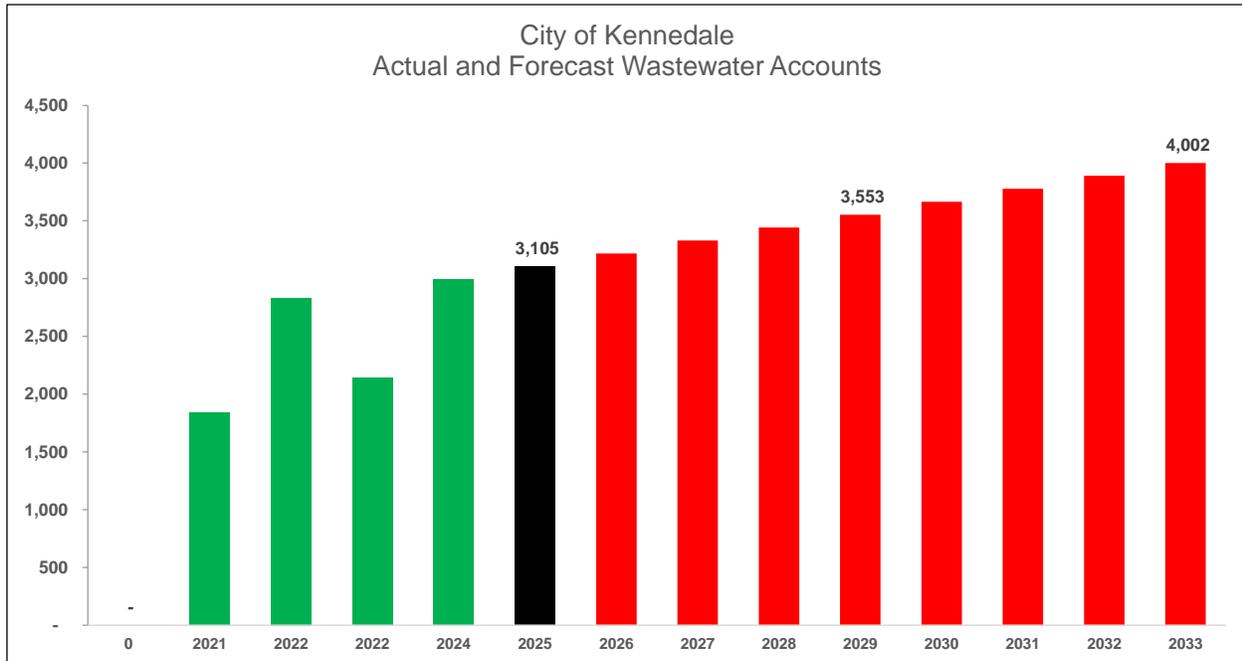
For each of the historical years, the average number of accounts for the year is shown and the growth reflects the difference from one fiscal year end to the next. Overall water accounts are forecast to increase from **3,233** in the test year to **4,241** in FY 2033, an average annual increase of 3.1% for all customer classes except municipal. As displayed in Table II-1, the number of new accounts has decreased in Fiscal Year Ending 2023. The City expects the growth to be approximately 100 per year levels during the financial planning period.

Table II-3 and **Chart II-4** present the project team’s ten-year forecast of wastewater account growth. Wastewater accounts are forecast to increase **2,993** in the test year to **4,002** in FY 2033.

TABLE II-3

CITY OF KENNEDALE								
FORECAST TOTAL CUSTOMERS								
WASTEWATER Customer Classes								
	Residential Inside	Senior & Disabled	Commercial Inside	Industrial	Apartment & Duplex	Institutional	Builder	Total
WASTEWATER Total Customers								
2021	1,579	66	110	20	46	16	1	1,839
2022	2,485	56	167	30	71	24	1	2,832
2023	1,874	42	132	23	54	16	1	2,142
2024	2,623	56	188	30	73	22	1	2,993
2025	2,723	56	198	30	74	22	1	3,105
2026	2,824	56	209	30	76	22	1	3,218
2027	2,925	56	219	30	77	22	1	3,330
2028	3,024	56	230	30	79	22	1	3,442
2029	3,124	56	240	30	80	22	1	3,553
2030	3,224	56	250	30	82	22	1	3,666
2031	3,324	56	261	30	83	22	1	3,777
2032	3,425	56	271	30	85	22	1	3,890
2033	3,525	56	282	30	86	22	1	4,002
WASTEWATER Annual New Customers								
2021	1,579	66	110	20	46	16	1	1,839
2022	905	(10)	57	10	25	7	(0)	993
2023	(611)	(13)	(35)	(7)	(17)			(683)
2024	750	14	56	7	19	(2)	-	844
2025	100	-	10	-	2	-	-	112
2026	100	-	10	-	2	-	-	112
2027	101	-	10	-	2	-	-	113
2028	100	-	10	-	1	-	-	112
2029	100	-	10	-	1	-	-	111
2030	100	-	10	-	1	-	-	112
2031	100	-	10	-	1	-	-	112
2032	100	-	10	-	1	-	-	112
2033	100	-	10	-	1	-	-	112

CHART II-4



Historical and Forecast Water Consumption

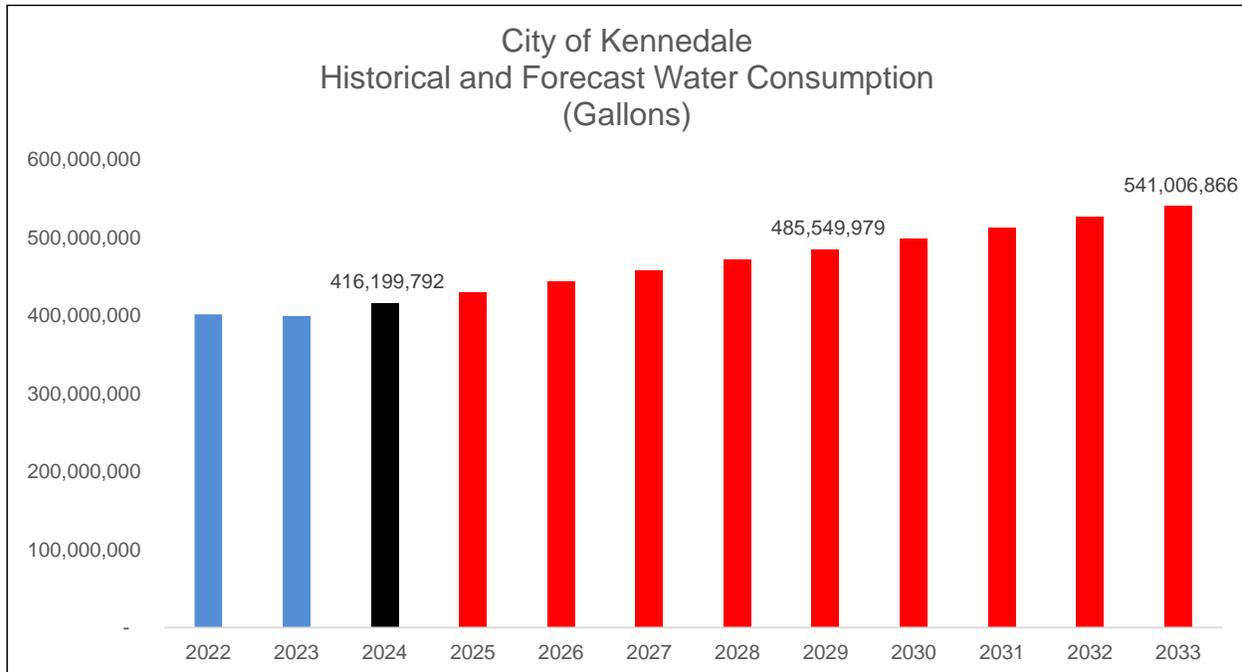
Total water system consumption data was analyzed over the same time period as customer data. A combination of consumption over the past 12 months and historical trends was used as the basis for the development of the forecast water and wastewater usage within the rate model.

The project team prepared a ten-year forecast of water usage based on the same principles on which customer accounts were projected. The results of this forecast for water usage are presented in **Table II-5** and **Chart II-6**. Water usage is expected to increase at an average annual rate of approximately 3% over the next decade. By FY 2033 water usage is expected to reach **541,006,866** gallons.

TABLE II-5

CITY OF KENNEDALE								
FORECAST BILLED CONSUMPTION								
WATER Customer Classes								
	Residential Inside	Senior & Disabled	Commercial Inside	Industrial	Apartment & Duplex	Fire	Institutional	Total
WATER Historical Volume								
2022	323,093,000	4,004,000	29,329,000	4,814,000	19,801,000	-	14,749,000	401,814,000
2023	317,270,667	4,060,000	35,156,000	5,822,000	17,461,000	23,000	13,914,000	399,144,667
WATER Forecast Volume								
2024	332,455,906	4,060,000	36,800,341	5,822,000	17,686,546	23,000	13,914,000	416,199,792
2025	344,590,546	4,060,000	38,161,953	5,822,000	18,040,277	23,000	13,914,000	430,049,776
2026	356,790,774	4,060,000	39,531,586	5,822,000	18,390,258	23,000	13,914,000	443,969,618
2027	369,032,266	4,060,000	40,906,494	5,822,000	18,735,995	23,000	13,914,000	457,931,755
2028	381,154,976	4,060,000	42,268,680	5,822,000	19,073,243	23,000	13,914,000	471,753,899
2029	393,258,552	4,060,000	43,629,309	5,822,000	19,405,117	23,000	13,914,000	485,549,979
2030	405,459,399	4,060,000	45,001,451	5,822,000	19,735,004	23,000	13,914,000	499,452,854
2031	417,594,799	4,060,000	46,366,795	5,822,000	20,058,658	23,000	13,914,000	513,277,252
2032	429,788,567	4,060,000	47,739,252	5,822,000	20,379,597	23,000	13,914,000	527,164,416
2033	441,946,211	4,060,000	49,108,175	5,822,000	20,695,481	23,000	13,914,000	541,006,866

CHART II-6



Peaking Factors

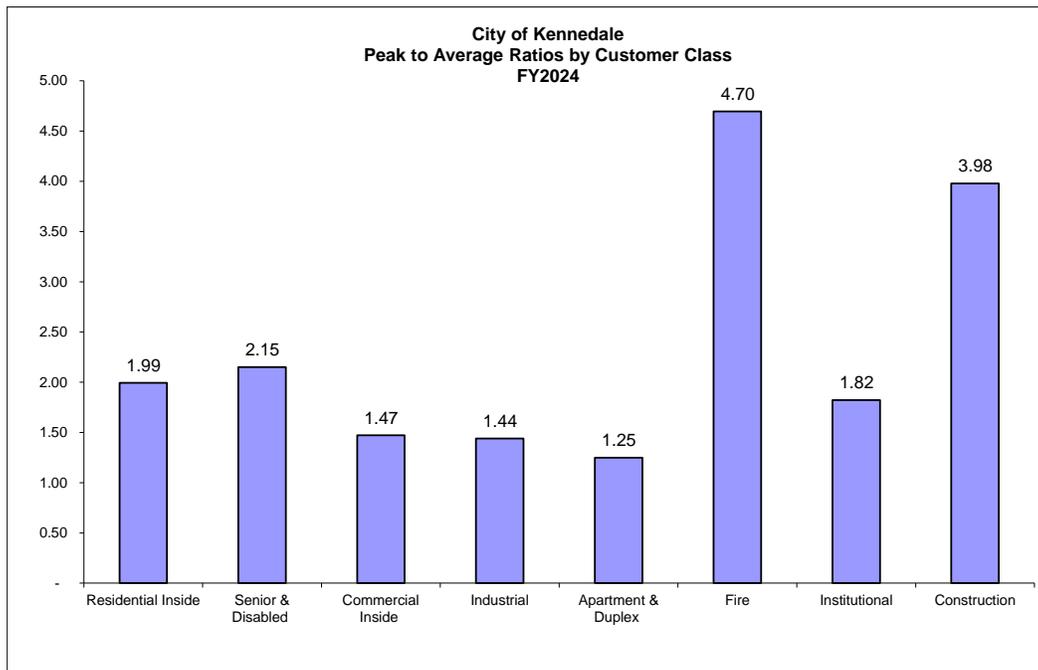
The cost of providing water to customers depends not only on the amount of water each class uses, but also on how that usage occurs over time. The maximum-day and maximum-hour peaking requirements of a water utility’s customers are an important influence on the utility’s costs. Because water utilities attempt to meet all

of the demands of their customers, water systems are sized to meet customers’ peak requirements. Therefore, during off-peak periods, there are usually significant costs associated with the unused capacity of the system. These costs must be allocated to customers in proportion to the contribution of each customer class to the system peak, in order to develop equitable cost-based rates. Thus, it is necessary to determine the peak rate of use relative to the average rate of use for each class. This ratio is called a **Peaking Factor**.

The calculation of peaking factors for individual classes relies on available pumping and consumption information as well as professional judgment. If customer meters could record daily flow rates for each customer, more refined information could be obtained on peaking factors. This is not feasible because of the enormous cost that would be imposed on the utility. Therefore, it is accepted practice in the water industry to develop peaking factor estimates based on standard formulas using system peak day information and monthly customer class usage records. This is a conservative methodology, since customer class peaking factors based on peak months will inevitably be lower than the system-wide peaking factor, which is based on the peak day.

Based on AWWA guidelines, the customer class peaking factors calculated in this study are for non-coincidental peaks. The peaking factors developed for this analysis are based on the annualized water consumption by customer class for Test Year End 2024. The calculations of the peaking factors by class are presented graphically in **Chart II-7**.

CHART II-7



Section III

SECTION III

Water & Wastewater Forecast Revenue Requirement



In this section of the water and wastewater rate study and long-term financial plan, the City of Kennedale's test year and forecast water and wastewater utility revenue requirements are developed. The test year consists of the City's fiscal year, October 1, 2023, through September 30, 2024. The estimates presented in this section are based on the City's proposed budget for FY 2024.

The calculation of a revenue requirement differs from a utility's budget in that it represents only that amount that must be raised through the City's user rates. This means that non-rate revenue (such as reconnection fees, late

payment charges and interest) must be subtracted from the budgeted operating and capital expenditures to determine the net revenue requirement to be raised from rates.

As is typical for publicly owned utilities, the City of Kennedale's system revenue requirements were developed using the cash basis of ratemaking. Under the cash basis, as defined by the AWWA Manual M-1, system revenue requirements consist of cash expenditures and other financial commitments (such as debt service coverage or reserves) that must be met through system operating revenues and other revenue sources.

All data used in the development of the revenue requirements was obtained from the financial statements, budgets, and other information provided by the City. Detailed calculations are presented in the rate model contained in **Appendix A** of this report. For rate design purposes, revenue requirements are developed separately for the water and wastewater systems.

The assumptions utilized in this expense forecast will be thoroughly detailed in this section of the report. These assumptions are critical to the development of both the revenue requirement and the ultimate rate recommendation. The project team reviewed these assumptions with the City staff and considers all to be consistent with staff recommendations.

In this section, current and forecast Operating Costs, Capital Outlays, Transfers, and Debt Service will be examined first. Non-rate revenues will be subtracted from the total to yield the Net Revenue Requirement.

Operating Expenses and Capital Outlays – Test Year

Table III-1 on the following page summarizes the test year FY 2024 water system operating expenses and capital outlays in detail by expense category item. **Table III-2** presents the test year FY 2024 operating expenses and capital outlays in detail by expense category item for the wastewater system.

The following is noteworthy about these tables:

There are six (6) divisions within the City's Water Fund, each with their own budget: Transfers, Utility Billing, Interlocal Agreement -Arlington, Water Capital Projects, Non-Departmental and Water Debt Service.

- **Interlocal Agreement – Arlington**, includes the Operation/Maintenance of the water and wastewater system, which is provided by the City of Arlington. It captures the primary operating expenses associated with the day-to-day management and maintenance of the water and wastewater operations.
- **Utility Billing** includes purchased water and fees charged for conveyance and treatment of wastewater from Arlington and Fort Worth, as well as Arlington's charge for monthly utility billing.
- **Non-Department**, which includes insurance, special services and telephone services.
- **Water Capital Projects**, includes capital projects funded through the water and wastewater utility budgets.
- **Water Debt Service**, these expenses include such items as debt service payments on outstanding fund debt.
- **Transfers**, includes transfers to the General Fund for administrative charges and the franchise fee.

Kennedale has contractual arrangements with Arlington to provide the following utility services:

1. Supply treated water
2. Collect and treat wastewater
3. Operate the Kennedale water and wastewater utility systems
4. Provide monthly billing for Kennedale utility services

Currently, Kennedale is in negotiations with Arlington regarding the operations contract. Once the contract is finalized, the rate plan may need to be revised.

Tables III-1 and **III-2** also allocate total budget expenses between the water and wastewater functions based on function and general ratemaking principles. As the tables show, total operating expenses, transfers, and capital outlays in the test year are **\$6,057,759** of which \$3,128,768 is for the water utility and \$2,928,991 is for the wastewater utility.

TABLE III-1

CITY OF KENNEDALE		WATER Operating Expenses, Transfers, Capital Outlays				
SCEN: 2024 07 23 -- Status Quo						
	Net Budget	Treatment	Distribution	Admin	Customer Billing	
Operating & Maintenance						
Personnel Svcs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual	165,005	-	78,557	36,500	49,948	
Supplies	2,336	-	-	-	2,336	
Operations	2,596	-	2,596	-	-	
Utilities	91,304	-	91,304	-	-	
Fort Worth - Water	209,335	209,335	-	-	-	
Arlington Operation Contract	1,090,459	-	1,090,459	-	-	
Arlington Water Purchases	856,514	856,514	-	-	-	
Total Operating & Maintenance	2,417,550	1,065,849	1,262,916	36,500	52,285	
Transfers	346,218	-	-	346,218	-	
Capital Outlays	365,000	-	365,000	-	-	
Total	\$ 3,128,768	\$ 1,065,849	\$ 1,627,916	\$ 382,718	\$ 52,285	

TABLE III-2

CITY OF KENNEDALE		WASTEWATER Operating Expenses, Transfers, Capital Outlays				
SCEN: 2024 07 23 -- Status Quo						
	Net Budget	Treatment	Collection	Admin	Customer Billing	
Operating & Maintenance						
Personnel Svcs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual	155,495	-	72,743	36,500	46,252	
Supplies	2,164	-	-	-	2,164	
Operations	2,404	-	2,404	-	-	
Utilities	84,546	-	84,546	-	-	
Fort Worth - Wastewater	27,540	27,540	-	-	-	
Arlington Operation Contract	1,009,753	-	1,009,753	-	-	
Arlington Wastewater Treatment	1,050,872	1,050,872	-	-	-	
Total Operating & Maintenance	2,332,774	1,078,412	1,169,446	36,500	48,415	
Transfers	346,218	-	-	346,218	-	
Capital Outlays	250,000	-	250,000	-	-	
Total	\$ 2,928,991	\$ 1,078,412	\$ 1,419,446	\$ 382,718	\$ 48,415	

Cost of Service – Ten Year Forecast

Table III-3 presents the water and wastewater utility operating expense, transfers and capital outlay forecast for the ten-year period FY 2024 – FY 2033. Details behind these calculations can be found in the rate model contained in Appendix A. This forecast is based on the following set of assumptions:

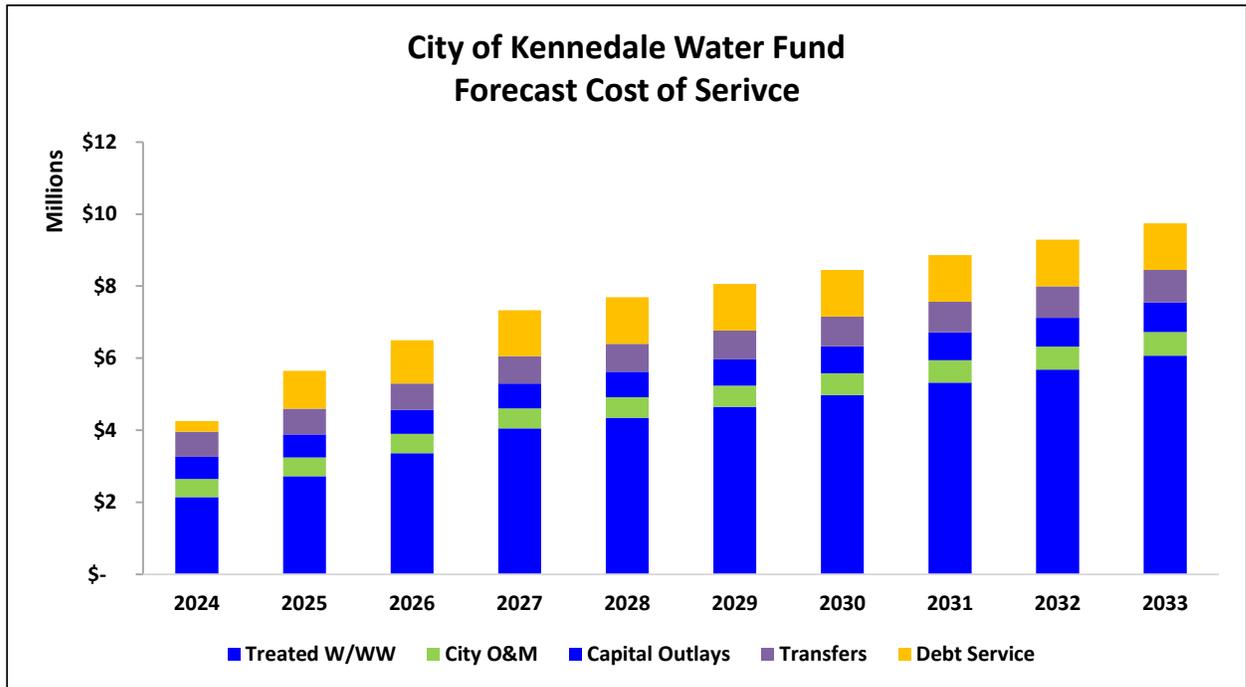
- Most operating costs are expected to increase at an annual rate of 3% - 4%, which is approximately equivalent to the rate of inflation.
- Certain expenses will increase at above-inflation rates, to reflect the rapid rate of increase of these costs. These expenses include chemicals, workers compensation, Medicare, and insurance.
- Arlington forecast is based on most recent estimated increases provided by Arlington staff.

TABLE III-2

CITY OF KENNEDALE							
FORECAST OPERATING EXPENSES AND CAPITAL OUTLAYS							
SCENARIO:							
2024 07 23 – Status Quo							
	City O&M Expenses	Arlington Operation	Treated W/WW Payments	Capital Outlays	Transfers & Contingencies	Debt Service	Total Cost of Service
WATER Revenue Requirement							
2024	\$ 261,242	\$ 1,090,459	\$ 1,065,849	\$ 365,000	\$ 346,218	\$ 221,484	\$ 3,350,252
2025	269,534	1,134,078	1,560,639	379,600	356,604	290,681	3,991,136
2026	278,095	1,179,441	2,111,513	394,784	367,302	314,365	4,645,500
2027	286,477	919,964	2,710,404	406,628	378,321	328,909	5,030,702
2028	295,114	947,563	2,902,156	418,826	389,671	202,943	5,156,273
2029	304,013	975,990	3,104,798	431,391	401,361	203,355	5,420,908
2030	313,183	1,005,269	3,319,763	444,333	413,402	202,766	5,698,716
2031	322,632	1,035,427	3,546,471	457,663	425,804	203,021	5,991,018
2032	332,369	1,066,490	3,786,503	471,393	438,578	203,002	6,298,335
2033	342,402	1,098,485	4,039,786	485,535	451,735	203,473	6,621,416
WASTEWATER Revenue Requirement							
2024	\$ 244,608	\$ 1,009,753	\$ 1,078,412	\$ 250,000	\$ 346,218	\$ 73,828	\$ 3,002,819
2025	252,395	1,050,143	1,161,333	260,000	356,604	764,786	3,845,262
2026	260,434	1,092,149	1,249,392	270,400	367,302	884,357	4,124,035
2027	268,284	851,876	1,342,792	278,512	378,321	956,409	4,076,194
2028	276,372	877,433	1,441,240	286,867	389,671	1,089,445	4,361,027
2029	284,705	903,756	1,545,352	295,473	401,361	1,091,658	4,522,305
2030	293,293	930,868	1,655,885	304,338	413,402	1,088,497	4,686,282
2031	302,141	958,794	1,772,530	313,468	425,804	1,089,866	4,862,604
2032	311,259	987,558	1,896,122	322,872	438,578	1,089,761	5,046,150
2033	320,654	1,017,185	2,026,619	332,558	451,735	1,092,290	5,241,041
TOTAL Revenue Requirement							
2024	\$ 505,850	\$ 2,100,213	\$ 2,144,261	\$ 615,000	\$ 692,435	\$ 295,312	\$ 6,353,071
2025	521,929	2,184,221	2,721,972	639,600	713,208	1,055,468	7,836,397
2026	538,529	2,271,590	3,360,905	665,184	734,604	1,198,723	8,769,535
2027	554,761	1,771,840	4,053,196	685,140	756,642	1,285,318	9,106,896
2028	571,486	1,824,995	4,343,396	705,694	779,342	1,292,388	9,517,300
2029	588,719	1,879,745	4,650,150	726,865	802,722	1,295,013	9,943,213
2030	606,476	1,936,137	4,975,648	748,670	826,804	1,291,263	10,384,997
2031	624,773	1,994,222	5,319,001	771,131	851,608	1,292,888	10,853,622
2032	643,628	2,054,048	5,682,626	794,264	877,156	1,292,763	11,344,485
2033	663,057	2,115,670	6,066,405	818,092	903,471	1,295,763	11,862,457

Chart III-4 the total water and wastewater annual cost of service through FY 2033. This includes operating expenses, capital outlays, transfers, and debt service.

CHART III-4



As shown in these charts, Arlington and Fort Worth charges for water and wastewater treatment are the largest annual expense paid by Kennedale’s water and wastewater utilities.

Additionally, Arlington and Fort Worth is likely to undergo significant financial challenges in the coming decade, including but not limited to the expansion of facilities to meet the needs of growth, etc. This makes it exceedingly difficult to forecast the overall impact on Kennedale.

The project team utilized Arlington’s most recent five-year rate forecast as the basis for its cost estimates. However, it should be noted that these are estimates and not guarantees. **Any changes in Arlington forecast rate estimates used in determining the City’s water and wastewater revenue requirement for this rate study could require significant changes to the rate plan presented in this report.**

Capital Improvement Plan

The City has developed a comprehensive long-term capital improvements plan for water and wastewater system that is intended to cover its needs over the next five years. The purpose of the CIP is to rehabilitate and maintain the existing system, expand the system and to service new growth.

The capital improvement plan is an integral part of any long-term rate and financing plan. The City finances its capital improvements through a combination of impact fees, grants and revenue-funded long-term debt. Only the revenue bonds impact the City’s rate plan.

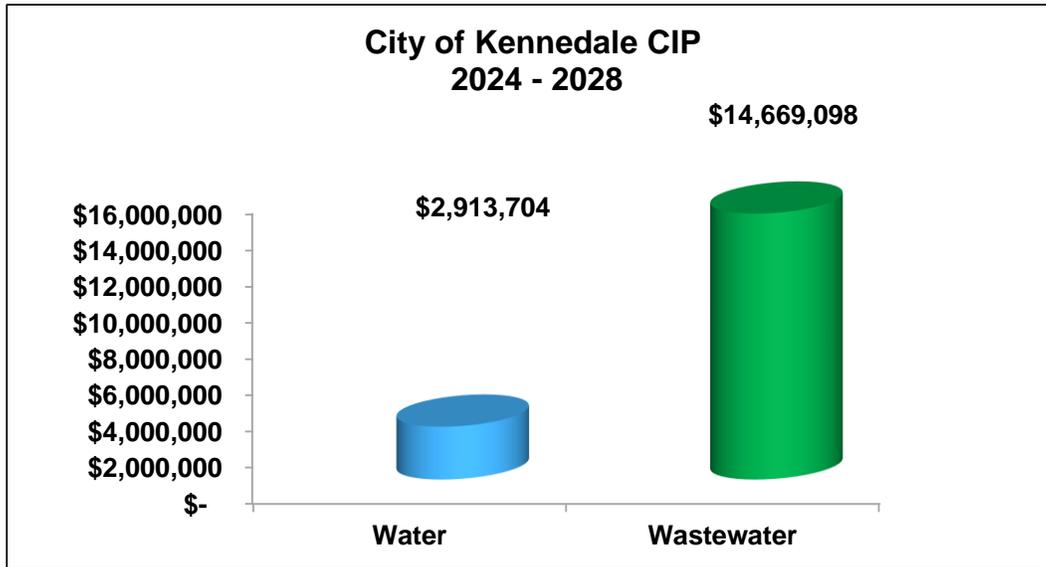
Table III-5 summarizes the City’s CIP. The CIP involves repairs and upgrades to pumps and distribution system and SCADA installation. The wastewater CIP includes wastewater collection system construction and SCADA installation.

Chart III-6 reveals that the City’s CIP over the next five years is estimated to be **\$2,913,704** for the water system and **\$14,669,098** for the wastewater system. The City intends to fund the CIP projects with impact fees and grants.

Table III-5

CITY OF KENNEDALE	
Capital Improvement Program	
	<u>Cost</u>
WATER PROJECTS	
Water Tank - 750,000 gallon	\$ 1,400,000
Elevated Water Tank refurbishing	900,000
3rd Street Water Improvements (County) - ARPA	275,506
SCADA	\$ 169,098
New Hope Rd Emergency Waterline - ARPA	120,924
Other Project Spending - ARPA	38,013
CDBG 3rd Street Water Rehab - ARPA	10,163
TOTAL WATER PROJECTS	\$ 2,913,704
WASTEWATER PROJECTS	
Sewer Line Installation - Per Capital Project Plan three phases	\$ 13,000,000
SB3 Requirement - (2) generators	1,500,000
SCADA	169,098
TOTAL WASTEWATER PROJECTS	\$ 14,669,098

Chart III-6



Existing and Forecast Debt Service

Table III-7 presents current and forecast debt service assumes that the City does not issue any new water and/or wastewater revenue bonds annually from FY 2024 through FY 2033. The City currently has three bond issues outstanding in the Test Year that were issued to fund both water and wastewater system improvements. Debt service on these issues is currently being paid from Utility System Revenue. For FY 2024 forward, it is projected that bonds will be repaid entirely with Utility System Revenues

These assumptions are preliminary in nature and subject to change. Should the City Council choose to issue more debt than assumed in this study, then the rate plans contained in this study may require revision.

Table III-7

CITY OF KENNEDALE						
CURRENT AND FORECAST DEBT SERVICE						
SCENARIO: 2024 07 23 -- Status Quo						
Year	Water		Wastewater		Total	
	Current	Forecast	Current	Forecast		
2024	\$ 221,484	\$ -	\$ 73,828	\$ -	\$ 295,312	
2025	290,681	-	764,786	-	1,055,468	
2026	314,365	-	884,357	-	1,198,723	
2027	328,909	-	956,409	-	1,285,318	
2028	202,943	-	1,089,445	-	1,292,388	
2029	203,355	-	1,091,658	-	1,295,013	
2030	202,766	-	1,088,497	-	1,291,263	
2031	203,021	-	1,089,866	-	1,292,888	
2032	203,002	-	1,089,761	-	1,292,763	
2033	203,473	-	1,092,290	-	1,295,763	

Non-Rate Revenues

Although rate revenues constitute the majority of the revenue received by the City of Kennedale for water and wastewater service, a certain amount of revenue is accrued from non-rate sources. These revenues include transfers from the general fund, other general revenues, miscellaneous charges, and investment income. These non-rate revenues are subtracted from the overall budget to determine the revenue requirement to be raised from rates. Non-rate revenues are conservatively not forecasted to increase during the next ten years. Annual non-rate revenue totals are presented in **Table III-8**.

Table III-8

CITY OF KENNEDALE					
FORECAST NON-RATE REVENUES					
SCENARIO:					
2024 07 23 -- Status Quo					
	Water		Wastewater		Total Water & WW
2024	\$	517,103	\$	517,103	\$ 1,034,205
2025		217,103		217,103	434,205
2026		217,103		217,103	434,205
2027		217,103		217,103	434,205
2028		217,103		217,103	434,205
2029		217,103		217,103	434,205
2030		217,103		217,103	434,205
2031		217,103		217,103	434,205
2032		217,103		217,103	434,205
2033		217,103		217,103	434,205

Net Revenue Requirement

Table III-9 presents the test year and ten-year forecast for the City’s net revenue requirement to be raised from rates for the water and wastewater utility for the test year 2024 and forecast period. The water and wastewater net revenue requirement is expected to increase from **\$5,318,866** in FY 2024 to **\$11,428,252** in FY 2033.

Table III-9

CITY OF KENNEDALE									
CURRENT AND FORECAST NET REVENUE REQUIREMENT									
	City O&M Expenses	Arlington Operation	Treated W/WW Payments	Capital Outlays	Debt Service	Transfers & Contingencies	Total Cost of Service	Less Non-Rate Revenues	Net Revenue Requirement
WATER Revenue Requirement									
2024	\$ 261,242	\$ 1,090,459	\$ 1,065,849	\$ 365,000	\$ 221,484	\$ 346,218	\$ 3,350,252	\$ 517,103	\$ 2,833,149
2025	269,534	1,134,078	1,560,639	379,600	290,681	356,604	3,991,136	217,103	3,774,033
2026	278,095	1,179,441	2,111,513	394,784	314,365	367,302	4,645,500	217,103	4,428,397
2027	286,477	919,964	2,710,404	406,628	328,909	378,321	5,030,702	217,103	4,813,600
2028	295,114	947,563	2,902,156	418,826	202,943	389,671	5,156,273	217,103	4,939,170
2029	304,013	975,990	3,104,798	431,391	203,355	401,361	5,420,908	217,103	5,203,805
2030	313,183	1,005,269	3,319,763	444,333	202,766	413,402	5,698,716	217,103	5,481,613
2031	322,632	1,035,427	3,546,471	457,663	203,021	425,804	5,991,018	217,103	5,773,916
2032	332,369	1,066,490	3,786,503	471,393	203,002	438,578	6,298,335	217,103	6,081,232
2033	342,402	1,098,485	4,039,786	485,535	203,473	451,735	6,621,416	217,103	6,404,313
WASTEWATER Revenue Requirement									
2024	244,608	1,009,753	1,078,412	250,000	73,828	346,218	3,002,819	517,103	2,485,717
2025	252,395	1,050,143	1,161,333	260,000	764,786	356,604	3,845,262	217,103	3,628,159
2026	260,434	1,092,149	1,249,392	270,400	884,357	367,302	4,124,035	217,103	3,906,932
2027	268,284	851,876	1,342,792	278,512	956,409	378,321	4,076,194	217,103	3,859,092
2028	276,372	877,433	1,441,240	286,867	1,089,445	389,671	4,361,027	217,103	4,143,925
2029	284,705	903,756	1,545,352	295,473	1,091,658	401,361	4,522,305	217,103	4,305,203
2030	293,293	930,868	1,655,885	304,338	1,088,497	413,402	4,686,282	217,103	4,469,179
2031	302,141	958,794	1,772,530	313,468	1,089,866	425,804	4,862,604	217,103	4,645,501
2032	311,259	987,558	1,896,122	322,872	1,089,761	438,578	5,046,150	217,103	4,829,047
2033	320,654	1,017,185	2,026,619	332,558	1,092,290	451,735	5,241,041	217,103	5,023,939
TOTAL Revenue Requirement									
2024	505,850	2,100,213	2,144,261	615,000	295,312	692,435	6,353,071	1,034,205	5,318,866
2025	521,929	2,184,221	2,721,972	639,600	1,055,468	713,208	7,836,397	434,205	7,402,192
2026	538,529	2,271,590	3,360,905	665,184	1,198,723	734,604	8,769,535	434,205	8,335,330
2027	554,761	1,771,840	4,053,196	685,140	1,285,318	756,642	9,106,896	434,205	8,672,691
2028	571,486	1,824,995	4,343,396	705,694	1,292,388	779,342	9,517,300	434,205	9,083,095
2029	588,719	1,879,745	4,650,150	726,865	1,295,013	802,722	9,943,213	434,205	9,509,008
2030	606,476	1,936,137	4,975,648	748,670	1,291,263	826,804	10,384,997	434,205	9,950,792
2031	624,773	1,994,222	5,319,001	771,131	1,292,888	851,608	10,853,622	434,205	10,419,417
2032	643,628	2,054,048	5,682,626	794,264	1,292,763	877,156	11,344,485	434,205	10,910,280
2033	663,057	2,115,670	6,066,405	818,092	1,295,763	903,471	11,862,457	434,205	11,428,252

Again, the City is currently in negotiations with Arlington regarding the operation and billing services provided by Arlington. The financial implications of this new contract will need to be further analyzed once the contract is finalized.

Water Utility Cost Functionalization

Once the total water and wastewater system costs have been identified, the next step in the rate development process is to isolate the costs associated with each system function. Some of these expenditures are a function of base water demand; others are based on the peak demands placed on the system. Certain costs

are associated with serving customers regardless of the volume of water use or wastewater discharge. The basic steps used to allocate the City’s water revenue requirements include the following:

1. Each system’s costs (revenue requirements) are categorized by utility function (i.e., treatment, distribution, administrative, customer). This process is known as *functionalization*.
2. Functionalized costs are classified based on the service characteristics or the types of demand served by the utility (base and maximum day). This process is known as *classification*.
3. Costs by service characteristic are allocated to customer classes in proportion to the service demands demonstrated by each class.

This three-step process allows for the allocation of system costs in the same terms as customer classes. The approaches described in this section follow standard industry practices. Water system costs are allocated to the following functions:

Treatment – the process by which raw water is converted to potable water.

Distribution – the lines that carry water to individual customers’ properties.

Administration – miscellaneous overhead and other non-operating costs.

Customer Billing – the processes involved in billing and providing other services to customers.

The project team allocated operating budget line-item expenses individually to system functions based on general guidelines, specific research, and input from the City of Kennedale staff. The results of the allocation process for the test year are summarized in **Table III-10**.

TABLE III-10

CITY OF KENNEDALE			
TEST YEAR WATER COST FUNCTIONALIZATION			
SCENARIO: 2024 07 23 -- Status Quo			
Function	2024 Revenue Requirement	Percent	
Treatment	\$ 901,338	31.8%	
Distribution	1,563,950	55.2%	
Administration	323,646	11.4%	
Customer	<u>44,215</u>	<u>1.6%</u>	
Total	2,833,149	100.0%	

Water Utility Cost Classification

The allocation of functionalized water system costs to service characteristics follows the base-extra capacity cost allocation method recommended by AWWA. Using this method, costs are segregated into the following categories:

Base costs – capital costs and O&M expenses associated with service to customers under average demand conditions. This category does not include any costs attributable to variations in water use resulting from peaks in demand. Base costs tend to vary directly with the total quantity of water used.

Maximum Day/Extra Capacity costs – costs attributable to facilities that are designed to meet peaking requirements. These costs include capital and operating charges for additional plant and system capacity beyond that required for average usage.

Customer Billing costs – costs associated with any aspect of customer service, including billing, accounting, and meter services. These costs are independent of the amount of water used and the size of the customer’s meter and are not subject to peaking factors.

According to AWWA Manual M-1, in the base-extra capacity method, care must be taken in separating costs between those devoted to base capacity and those devoted to extra capacity. The peak to average factor is calculated by dividing the volume on the peak day of the year by the average daily volume. Facilities designed to meet maximum-day requirements, such as the treatment and distribution functions, are allocated 56% (1/1.80) to base, and 44% to extra capacity (Max Day). This means that facilities designed to meet maximum-day requirements, such as the treatment and distribution functions, are allocated 56% to base, and 44% to extra capacity.

All customer service-related costs are allocated 100% to customer billing. Administration costs are generally not directly assignable to individual classifications. Therefore, it is standard rate-making practice to allocate these costs on an indirect basis to service characteristics.

The system-wide costs by service characteristic are shown in **Table III-11**. As with cost functionalization, these percentages are not expected to change significantly in the forecast period.

TABLE III-11

CITY OF KENNEDALE			
TEST YEAR WATER COST CLASSIFICATION			
SCENARIO: 2024 07 23 – Status Quo			
Function	2024		Percent
	Revenue	Requirement	
Base	\$ 1,545,985		54.57%
Maximum Day		1,236,788	43.65%
Customer		<u>50,377</u>	<u>1.78%</u>
Total		2,833,149	100.0%

Water Utility Cost Allocation

Allocation of costs by service characteristic to customer classes is based on the proportionate use levels of each characteristic by each class. The total water utility costs by customer class for the test year are summarized in **Table III-12** and for the ten-year forecast period in **Table III-13**.

TABLE III-12

CITY OF KENNEDALE		
TEST YEAR WATER COST ALLOCATION		
SCENARIO: 2024 07 23 -- Status Quo		
Function	2024	
	Revenue Requirement	Percent
Residential Inside	\$ 2,333,031	82.3%
Senior & Disabled	30,984	1.1%
Commercial Inside	196,486	6.9%
Industrial	30,327	1.1%
Apartment & Duplex	81,022	2.9%
Fire	420	0.0%
Institutional	88,707	3.1%
Construction	72,172	2.5%
Total	2,833,149	100.0%

TABLE III-13

CITY OF KENNEDALE									
FORECAST WATER COST ALLOCATION									
SCENARIO 2024 07 23 -- Status Quo									
Year	Residential Inside	Senior & Disabled	Commercial Inside	Industrial	Apartment & Duplex	Fire	Institutional	Construction	Total
2024	\$ 2,333,031	\$ 30,984	\$ 196,486	\$ 30,327	\$ 81,022	\$ 420	\$ 88,707	\$ 72,172	\$ 2,833,149
2025	3,117,779	39,948	262,692	39,099	106,544	541	114,372	93,059	3,774,033
2026	3,669,392	45,408	309,301	44,441	123,450	615	130,005	105,787	4,428,397
2027	3,999,903	47,855	337,301	46,836	132,544	648	137,015	111,497	4,813,600
2028	4,115,109	47,667	347,156	46,651	134,395	645	136,479	111,067	4,939,170
2029	4,346,394	48,796	366,811	47,755	139,968	660	139,714	113,706	5,203,805
2030	4,589,289	49,973	387,459	48,905	145,775	676	143,084	116,453	5,481,613
2031	4,844,796	51,221	409,183	50,127	151,864	693	146,661	119,370	5,773,916
2032	5,113,501	52,528	432,035	51,405	158,226	711	150,405	122,421	6,081,232
2033	5,395,992	53,905	456,065	52,751	164,887	729	154,349	125,636	6,404,313

Wastewater Utility Cost Functionalization and Classification

Wastewater system costs are allocated to the following functions:

Treatment -- Volume – the costs associated with treating wastewater volume discharges.

Collection – the lines that transport wastewater from customers’ properties to the wastewater treatment plant.

Administration – miscellaneous overhead and other non-operating costs.

Customer Billing – the processes involved in billing and other services to customers.

As was the case for the water system, wastewater utility operating budget line-item expenses are allocated individually to functions. The results of the allocation process are presented on **Table III-14**. As with the water utility, these percentages are not forecast to change significantly during the next ten years.

TABLE III-14

CITY OF KENNEDALE			
TEST YEAR WASTEWATER COST FUNCTIONALIZATION			
SCENARIO: 2024 07 23 – Status Quo			
	2024		
Function	Revenue	Requirement	Percent
Treatment	\$	892,703	35.9%
Collection		1,236,124	49.7%
Administration		316,811	12.7%
Customer		<u>40,078</u>	<u>1.6%</u>
Total		2,485,717	100.0%

Wastewater Utility Cost Allocation

Allocation of wastewater utility costs by service characteristic to customer classes is performed in the same manner as described for the water utility. The total wastewater utility costs by customer class for the test year are summarized in **Table III-15** and for the ten-year forecast period in **Table III-16**.

TABLE III-15

CITY OF KENNEDALE			
TEST YEAR WASTEWATER COST ALLOCATION			
SCENARIO:			
2024 07 23 – Status Quo			
Function	2024		Percent
	Revenue	Requirement	
Residential Inside	\$	1,892,582	76.1%
Senior & Disabled		26,251	1.1%
Commercial Inside		278,192	11.2%
Industrial		77,229	3.1%
Apartment & Duplex		66,003	2.7%
Institutional		145,227	5.8%
Builder		<u>232</u>	<u>0.0%</u>
Total		2,485,717	100.0%

TABLE III-16

CITY OF KENNEDALE									
FORECAST WASTEWATER COST ALLOCATION									
SCENARIO:									
2024 07 23 – Status Quo									
Year	Residential Inside	Senior & Disabled	Commercial Inside	Industrial	Apartment & Duplex	Institutional	Builder	Total	
2024	\$ 1,892,582	\$ 26,251	\$ 278,192	\$ 77,229	\$ 66,003	\$ 145,227	\$ 232	\$ 2,485,717	
2025	2,767,145	36,887	414,303	109,113	95,052	205,336	324	3,628,159	
2026	2,985,995	38,381	453,877	113,585	100,994	213,764	337	3,906,932	
2027	2,955,097	36,661	455,567	108,589	98,469	204,387	321	3,859,092	
2028	3,178,995	38,130	496,375	112,989	104,420	212,680	334	4,143,925	
2029	3,308,598	38,424	522,600	113,827	107,169	214,248	336	4,305,203	
2030	3,440,432	38,716	549,311	114,655	109,927	215,799	339	4,469,179	
2031	3,581,844	39,101	577,629	115,763	112,948	217,875	343	4,645,501	
2032	3,728,982	39,519	607,014	116,967	116,086	220,133	346	4,829,047	
2033	3,884,998	40,008	637,961	118,383	119,447	222,791	351	5,023,939	

Section IV

SECTION IV

Water and Wastewater Rate Design



Rate design involves determining charges for each class of customers that will generate a desired level of revenue in accordance with AWWA and other industry cost of service rate-making principles.

The City last increased its water and wastewater rate in 2018. The water and wastewater rates developed in this study are designed, in part, to make up for revenue erosion occurring since the last rate adjustment and to recover the test year and forecast revenue requirement while providing funding for the current identified capital, transfers, and debt service.

The following is notable regarding both proposed rate plans to be presented:

- While the rate model presents a forecast of rates for ten years, **the project team recommends that the City adopt a 5-year rate plan**, with rates to be automatically implemented annually on October 1, 2024, through October 1, 2028.
- Given the growth in the City and potential for unexpected events, the project team recommends that the City not commit itself to a rate plan beyond five years. Further, the project team recommends that the City periodically review these rates during the next five years, to incorporate any changes to costs, volumes or growth assumptions that may occur during that time.
- The most significant impact on rates will be the cost of Arlington and Fort Worth treated water, wastewater treatment, and Arlington charges for utility operations and billing. Should Arlington make material changes to its rate forecasts and costs, the City should undertake an immediate review of its rate plan.
- Rate Plan Features:
 - Percentage annual adjustments for all customer classes
 - Restructure multi-family rate to implement **base charge by meter size** and inclining tiered rate per 1,000 gallons that mirrors the residential rates (pending Arlington billing system verification)
 - Continuation of Senior/Disabled credit of **\$7.50 off** the base charge
- Uniform adjustments are applied to the existing base and volumetric rates for each rate class.

- The project team recommends a 28% change to water rates in October 2024, 6% - 9% water rate adjustments are recommended for October 2025 through October 2028.
- Because wastewater rates are recovering nominally less revenues than the cost of service, the project team recommends that the City implement a 44% wastewater rate adjustment for October 2024, 15% wastewater increase in October 2025, 5% increase in October 2026 and October 2027 and 2% increase in October 2028.

Proposed Rate Plan

The rate plan and forecast revenues and expenses under this scenario is presented in **Appendix A**.

Table IV-1 presents a summary of the rate plan proposed for both City Residential and Senior customers.

Table IV-2 presents a summary of the rate plan proposed for non-residential customers.

Table IV-3 is the proposed rate plan for wastewater customers.

Table IV-4 presents the customer rate impact assuming the proposed rate structure is adopted by City Council.

The projected rate revenues developed are forecast to be sufficient to fund all operating and current scheduled capital obligations in each of the next ten years (FY 2024 through FY 2033). Forecast rate revenues by year are presented in Appendix A.

TABLE IV-1

CITY OF KENNEDALE PROPOSED WATER AND WASTEWATER RATE PLAN		Current	Forecast				
			FY 2025 Oct-24	FY 2026 Oct-25	FY 2027 Oct-26	FY 2028 Oct-27	FY 2029 Oct-28
WATER							
Residential & Multifamily							
<u>Monthly Minimum Charge</u>							
3/4"	\$	20.00	\$ 25.60	\$ 27.90	\$ 30.42	\$ 32.24	\$ 34.17
1"		43.34	55.48	60.47	65.91	69.86	74.06
1 1/2"		86.58	110.82	120.80	131.67	139.57	147.94
2"		138.58	177.38	193.35	210.75	223.39	236.80
3"		260.00	332.80	362.75	395.40	419.12	444.27
4"		433.42	554.78	604.71	659.13	698.68	740.60
<u>Volume Rate Per 1,000 Gal</u>							
-	5,000	2.75	3.52	3.84	4.18	4.43	4.70
5,001	20,000	5.36	6.86	7.48	8.15	8.64	9.16
20,001	50,000	6.70	8.58	9.35	10.19	10.80	11.45
50,001	Above	6.70	8.58	9.35	10.19	10.80	11.45
Senior & Disabled							
<u>Monthly Minimum Charge</u>							
Senior/Disability Credit Applied to Minimum		-\$7.50	-\$7.50	-\$7.50	-\$7.50	-\$7.50	-\$7.50
3/4"	\$	20.00	\$ 25.60	\$ 27.90	\$ 30.42	\$ 32.24	\$ 34.17
1"		43.34	55.48	60.47	65.91	69.86	74.06
1 1/2"		86.58	110.82	120.80	131.67	139.57	147.94
2"		138.58	177.38	193.35	210.75	223.39	236.80
3"		260.00	332.80	362.75	395.40	419.12	444.27
4"		433.42	554.78	604.71	659.13	698.68	740.60
<u>Volume Rate Per 1,000 Gal</u>							
-	5,000	2.75	3.52	3.84	4.18	4.43	4.70
5,001	20,000	5.36	6.86	7.48	8.15	8.64	9.16
20,001	50,000	6.70	8.58	9.35	10.19	10.80	11.45
50,001	Above	6.70	8.58	9.35	10.19	10.80	11.45

TABLE IV-2

CITY OF KENNEDALE PROPOSED WATER AND WASTEWATER RATE PLAN		Current	Forecast						
			FY 2025	FY 2026	FY 2027	FY 2028	FY 2029		
			Oct-24	Oct-25	Oct-26	Oct-27	Oct-28		
WATER									
Commercial, Fire, Industrial, Institutional & Construction									
Monthly Minimum Charge									
3/4"	\$ 28.00	\$ 33.28	\$ 36.28	\$ 39.54	\$ 41.91	\$ 44.43			
1"	43.34	55.48	60.47	65.91	69.86	74.06			
1 1/2"	86.58	110.82	120.80	131.67	139.57	147.94			
2"	138.58	177.38	193.35	210.75	223.39	236.80			
3"	260.00	332.80	362.75	395.40	419.12	444.27			
4"	433.42	554.78	604.71	659.13	698.68	740.60			
6"	433.42	554.78	604.71	659.13	698.68	740.60			
8"	433.42	554.78	604.71	659.13	698.68	740.60			
10"	433.42	554.78	604.71	659.13	698.68	740.60			
12"	433.42	554.78	604.71	659.13	698.68	740.60			
<u>Volume Rate Per 1,000 Gal</u>									
-	5,000	2.75	3.52	3.84	4.18	4.43	4.70		
5,001	20,000	5.36	6.86	7.48	8.15	8.64	9.16		
20,001	50,000	6.70	8.58	9.35	10.19	10.80	11.45		
50,001	Above	8.38	10.73	11.69	12.74	13.51	14.32		

TABLE IV-3

CITY OF KENNEDALE PROPOSED WATER AND WASTEWATER RATE PLAN		Current	Forecast						
			FY 2025	FY 2026	FY 2027	FY 2028	FY 2029		
			Oct-24	Oct-25	Oct-26	Oct-27	Oct-28		
WASTEWATER									
Residential, Multifamily & Builder									
Monthly Minimum Charge		\$ 30.00	\$ 43.20	\$ 49.68	\$ 52.16	\$ 54.77	\$ 55.87		
Volume Rate/1,000 Gal		2.90	4.18	4.80	5.04	5.29	5.40		
Senior & Disabled									
Senior/Disability Credit Applied to Minimum		-\$7.50	-\$7.50	-\$7.50	-\$7.50	-\$7.50	-\$7.50		
<u>Monthly Minimum Charge</u>		30.00	43.20	49.68	52.16	54.77	55.87		
Volume Rate/1,000 Gal		2.90	4.18	4.80	5.04	5.29	5.40		
Commercial & Institutional									
<u>Monthly Minimum Charge</u>		55.00	79.20	91.08	95.63	100.42	102.42		
Volume Rate/1,000 Gal		6.72	9.68	11.13	11.68	12.27	12.51		
Industrial									
<u>Monthly Minimum Charge</u>		55.00	79.20	91.08	95.63	100.42	102.42		
Volume Rate/1,000 Gal		4.50	6.48	7.45	7.82	8.22	8.38		

TABLE IV-4

		Current	EFFECTIVE				
			FY 2025 Oct-24	FY 2026 Oct-25	FY 2027 Oct-26	FY 2028 Oct-27	FY 2029 Oct-28
CITY OF KENNEDALE							
IMPACT OF RATE PLAN ON MONTHLY CHARGES							
Scenario: 2024 07 23 -- Status Quo							
Residential Monthly Charges -- 3/4"							
5,000 Water	5,000 WW	\$ 78.25	\$ 107.28	\$ 120.78	\$ 128.70	\$ 135.65	\$ 140.54
	Increase -- \$		29.03	13.50	7.92	6.95	4.89
	Increase -- %		37.1%	12.6%	6.6%	5.4%	3.6%
10,000 Water	5,000 WW	105.05	141.58	158.17	169.46	178.85	186.33
	Increase -- \$		36.53	16.59	11.29	9.39	7.48
	Increase -- %		34.8%	11.7%	7.1%	5.5%	4.2%
30,000 Water	5,000 WW	225.65	295.95	326.43	352.86	373.26	392.41
	Increase -- \$		70.30	30.48	26.43	20.40	19.15
	Increase -- %		31.2%	10.3%	8.1%	5.8%	5.1%
Commercial Monthly Charges -- 1 1/2"							
20,000 Water	20,000 WW	370.13	504.07	565.80	604.18	637.13	661.53
	Increase -- \$		133.94	61.73	38.38	32.96	24.40
	Increase -- %		36.2%	12.2%	6.8%	5.5%	3.8%
Commercial Monthly Charges -- 2"							
40,000 Water	40,000 WW	\$ 690.53	\$ 935.69	\$ 1,047.87	\$ 1,120.73	\$ 1,182.35	\$ 1,229.64
	Increase -- \$		245.16	112.19	72.86	61.61	47.29
	Increase -- %		35.5%	12.0%	7.0%	5.5%	4.0%

Notes on Rate Recommendations

The forecast and recommendations presented in this study represent a combination of the best information available from the City of Kennedale and the project team’s expertise. However, this forecast relies in part on assumptions about future events and events beyond the control of the project team (such as account growth rates within the City). The forecast and recommendations contained in this study may be subject to revision if any of the following events occurs:

- Actual growth in accounts and consumed volumes is less than (or significantly greater than) forecast.
- Capital improvement plan funding costs increase significantly due to the rising cost of materials or other factors.
- Unforeseen/unplanned significant operating cost increases such as Arlington and Fort Worth costs.
- An unforeseen event impacts the City, such as an extended recession, natural catastrophe, or terrorist attack.
- Significant and long-lasting changes in weather patterns.
- Increases or decreases in interest rates, coverage requirements, or reserve requirements for long-term debt.
- The City of Kennedale budget levels or priorities change significantly from those forecast in this study.

It should be noted that none of these events are foreseen by the project team or the City of Kennedale at this time.

If any of these events occur, the City may be compelled to consider further adjustments to its water and wastewater rates.



City of Kennedale

Ten Year Rate Analysis and Pro Forma

Fiscal Years 2024 - 2033



Utility System

Water
Sewer
Combined

Dashboard

Projections
Bill Comparison
Comparable Utilities

Customer Class

All Classes

Years

10
5

Total Net Revenues

Debt Service

Total Revenues

Debt Coverage

■ Water ■ Sewer **Combined Projections**

Future Debt Term: 20

Water Future Bond Issues		
Year	Alternative	Proposed
2024	\$ -	\$ -
2025	\$ -	\$ -
2026	\$ -	\$ -
2027	\$ -	\$ -
2028	\$ -	\$ -
2029	\$ -	\$ -
2030	\$ -	\$ -
2031	\$ -	\$ -
2032	\$ -	\$ -
2033	\$ -	\$ -
	\$ -	\$ -

Sewer Future Bond Issues		
Year	Alternative	Proposed
2024	\$ -	\$ -
2025	\$ -	\$ -
2026	\$ -	\$ -
2027	\$ -	\$ -
2028	\$ -	\$ -
2029	\$ -	\$ -
2030	\$ -	\$ -
2031	\$ -	\$ -
2032	\$ -	\$ -
2033	\$ -	\$ -
	\$ -	\$ -

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Water Rate Adjustments											
Meter Charge	0.00%	28.00%	9.00%	9.00%	6.00%	6.00%	5.00%	3.00%	2.00%	2.00%	
Volume Charge	0.00%	28.00%	9.00%	9.00%	6.00%	6.00%	5.00%	3.00%	2.00%	2.00%	
		146	76	38	31	39	57	83	112	140	166
Sewer Rate Adjustments											
Base Charge	0.00%	44.00%	15.00%	5.00%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Volume Charge Residential	0.00%	44.00%	15.00%	5.00%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Volume Charge Non-Residential	0.00%	44.00%	15.00%	5.00%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%	

Repay General Fund For Initial (2024) Payment of Series 2023
 Payment \$ 824,819 over

MASTER CONTROL	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Water Future Bond	0	0	0	0	0	0	0	0	0	0
Water Future Bond	-	-	-	-	-	-	-	-	-	-
Sewer Future Bond	0	0	0	0	0	0	0	0	0	0
Sewer Future Bond	-	-	-	-	-	-	-	-	-	-
W - Meter Charge	10000%	12800%	10900%	10900%	10600%	10600%	10500%	10300%	10200%	10200%
W - Volume Charge	10000%	12800%	10900%	10900%	10600%	10600%	10500%	10300%	10200%	10200%
W - Meter Charge	0.00%	28.00%	9.00%	9.00%	6.00%	6.00%	5.00%	3.00%	2.00%	2.00%
W - Volume Charge	0.00%	28.00%	9.00%	9.00%	6.00%	6.00%	5.00%	3.00%	2.00%	2.00%
WW - Meter Charge	10000%	14400%	11500%	10500%	10500%	10200%	10200%	10200%	10200%	10200%
WW - Volume Charge	10000%	14400%	11500%	10500%	10500%	10200%	10200%	10200%	10200%	10200%
WW - Meter Charge	0.00%	44.00%	15.00%	5.00%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%
WW - Volume Charge	0.00%	44.00%	15.00%	5.00%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%
WW - Meter Charge	10000%	14400%	11500%	10500%	10500%	10200%	10200%	10200%	10200%	10200%
WW - Volume Charge	0.00%	44.00%	15.00%	5.00%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Title Formula
2024 - 2033
Fiscal Years

Future Debt Term	15	2	20
	20		
	25		
	30		

10 Years 3.0%

**CITY OF KENNEDALE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current Effective Sep-18	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28	Effective Oct-29	Effective Oct-30	Effective Oct-31	Effective Oct-32
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**City Rate Plan -- 10 Year Summary
Scen: 2024 07 23 -- Status Quo**

1 Water Monthly Rates and Charges

CITY Water Rate and Charges

W1 Residential Inside

Monthly Minimum Charge

3/4"	\$	20.00	\$	25.60	\$	27.90	\$	30.42	\$	32.24	\$	34.17	\$	35.88	\$	36.96	\$	37.70	\$	38.45
1"		43.34		55.48		60.47		65.91		69.86		74.06		77.76		80.09		81.69		83.33
1 1/2"		86.58		110.82		120.80		131.67		139.57		147.94		155.34		160.00		163.20		166.46
2"		138.58		177.38		193.35		210.75		223.39		236.80		248.64		256.10		261.22		266.44
3"		260.00		332.80		362.75		395.40		419.12		444.27		466.48		480.48		490.09		499.89
4"		433.42		554.78		604.71		659.13		698.68		740.60		777.63		800.96		816.98		833.32

Volume Rate/1,000 Gal

-	5,000	\$	2.75	\$	3.52	\$	3.84	\$	4.18	\$	4.43	\$	4.70	\$	4.93	\$	5.08	\$	5.18	\$	5.29
5,001	20,000		5.36		6.86		7.48		8.15		8.64		9.16		9.62		9.91		10.10		10.31
20,001	50,000		6.70		8.58		9.35		10.19		10.80		11.45		12.02		12.38		12.63		12.88
50,001	Above		6.70		8.58		9.35		10.19		10.80		11.45		12.02		12.38		12.63		12.88

W2 Senior & Disabled

Monthly Minimum Charge

3/4"	\$	12.50	\$	18.10	\$	20.40	\$	22.92	\$	24.74	\$	26.67	\$	28.38	\$	29.46	\$	30.20	\$	30.95
1"		35.84		47.98		52.97		58.41		62.36		66.56		70.26		72.59		74.19		75.83
1 1/2"		79.08		103.32		113.30		124.17		132.07		140.44		147.84		152.50		155.70		158.96
2"		131.08		169.88		185.85		203.25		215.89		229.30		241.14		248.60		253.72		258.94
3"		252.50		325.30		355.25		387.90		411.62		436.77		458.98		472.98		482.59		492.39
4"		425.92		547.28		597.21		651.63		691.18		733.10		770.13		793.46		809.48		825.82

Volume Rate/1,000 Gal

-	5,000		2.75		3.52		3.84		4.18		4.43		4.70		4.93		5.08		5.18		5.29
5,001	20,000		5.36		6.86		7.48		8.15		8.64		9.16		9.62		9.91		10.10		10.31
20,001	50,000		6.70		8.58		9.35		10.19		10.80		11.45		12.02		12.38		12.63		12.88
50,001	Above		6.70		8.58		9.35		10.19		10.80		11.45		12.02		12.38		12.63		12.88

**CITY OF KENNEDALE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current Effective Sep-18	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28	Effective Oct-29	Effective Oct-30	Effective Oct-31	Effective Oct-32
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**City Rate Plan -- 10 Year Summary
Scen: 2024 07 23 -- Status Quo**

W3 Commercial Inside

Monthly Minimum Charge

3/4"	\$	26.00	\$	33.28	\$	36.28	\$	39.54	\$	41.91	\$	44.43	\$	46.65	\$	48.05	\$	49.01	\$	49.99
1"		43.34		55.48		60.47		65.91		69.86		74.06		77.76		80.09		81.69		83.33
1 1/2"		86.58		110.82		120.80		131.67		139.57		147.94		155.34		160.00		163.20		166.46
2"		138.58		177.38		193.35		210.75		223.39		236.80		248.64		256.10		261.22		266.44
3"		260.00		332.80		362.75		395.40		419.12		444.27		466.48		480.48		490.09		499.89
4"		433.42		554.78		604.71		659.13		698.68		740.60		777.63		800.96		816.98		833.32

Volume Rate/1,000 Gal

-	5,000	2.75	3.52	3.84	4.18	4.43	4.70	4.93	5.08	5.18	5.29
5,001	20,000	5.36	6.86	7.48	8.15	8.64	9.16	9.62	9.91	10.10	10.31
20,001	50,000	6.70	8.58	9.35	10.19	10.80	11.45	12.02	12.38	12.63	12.88
50,001	Above	8.38	10.73	11.69	12.74	13.51	14.32	15.04	15.49	15.80	16.11

W4 Industrial

Monthly Minimum Charge

3/4"	\$	26.00	\$	33.28	\$	36.28	\$	39.54	\$	41.91	\$	44.43	\$	46.65	\$	48.05	\$	49.01	\$	49.99
1"		43.34		55.48		60.47		65.91		69.86		74.06		77.76		80.09		81.69		83.33
1 1/2"		86.58		110.82		120.80		131.67		139.57		147.94		155.34		160.00		163.20		166.46
2"		138.58		177.38		193.35		210.75		223.39		236.80		248.64		256.10		261.22		266.44
3"		260.00		332.80		362.75		395.40		419.12		444.27		466.48		480.48		490.09		499.89
4"		433.42		554.78		604.71		659.13		698.68		740.60		777.63		800.96		816.98		833.32

Volume Rate/1,000 Gal

-	5,000	2.75	3.52	3.84	4.18	4.43	4.70	4.93	5.08	5.18	5.29
5,001	20,000	5.36	6.86	7.48	8.15	8.64	9.16	9.62	9.91	10.10	10.31
20,001	50,000	6.70	8.58	9.35	10.19	10.80	11.45	12.02	12.38	12.63	12.88
50,001	Above	8.38	10.73	11.69	12.74	13.51	14.32	15.04	15.49	15.80	16.11

**CITY OF KENNEDALE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current Effective Sep-18	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28	Effective Oct-29	Effective Oct-30	Effective Oct-31	Effective Oct-32
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**City Rate Plan -- 10 Year Summary
Scen: 2024 07 23 -- Status Quo**

W5 Apartment & Duplex

Monthly Minimum Charge

3/4"	\$	20.00	\$	25.60	\$	27.90	\$	30.42	\$	32.24	\$	34.17	\$	35.88	\$	36.96	\$	37.70	\$	38.45
1"		43.34		55.48		60.47		65.91		69.86		74.06		77.76		80.09		81.69		83.33
1 1/2"		86.58		110.82		120.80		131.67		139.57		147.94		155.34		160.00		163.20		166.46
2"		138.58		177.38		193.35		210.75		223.39		236.80		248.64		256.10		261.22		266.44
3"		260.00		332.80		362.75		395.40		419.12		444.27		466.48		480.48		490.09		499.89
4"		433.42		554.78		604.71		659.13		698.68		740.60		777.63		800.96		816.98		833.32

Volume Rate/1,000 Gal

-	5,000	2.75	3.52	3.84	4.18	4.43	4.70	4.93	5.08	5.18	5.29
5,001	20,000	5.36	6.86	7.48	8.15	8.64	9.16	9.62	9.91	10.10	10.31
20,001	50,000	6.70	8.58	9.35	10.19	10.80	11.45	12.02	12.38	12.63	12.88
50,001	Above	6.70	8.58	9.35	10.19	10.80	11.45	12.02	12.38	12.63	12.88

W6 Fire

Monthly Minimum Charge

3/4"	\$	26.00	\$	33.28	\$	36.28	\$	39.54	\$	41.91	\$	44.43	\$	46.65	\$	48.05	\$	49.01	\$	49.99
1"		43.34		55.48		60.47		65.91		69.86		74.06		77.76		80.09		81.69		83.33
1 1/2"		86.58		110.82		120.80		131.67		139.57		147.94		155.34		160.00		163.20		166.46
2"		138.58		177.38		193.35		210.75		223.39		236.80		248.64		256.10		261.22		266.44
3"		260.00		332.80		362.75		395.40		419.12		444.27		466.48		480.48		490.09		499.89
4"		433.42		554.78		604.71		659.13		698.68		740.60		777.63		800.96		816.98		833.32

Volume Rate/1,000 Gal

-	5,000	2.75	3.52	3.84	4.18	4.43	4.70	4.93	5.08	5.18	5.29
5,001	20,000	5.36	6.86	7.48	8.15	8.64	9.16	9.62	9.91	10.10	10.31
20,001	50,000	6.70	8.58	9.35	10.19	10.80	11.45	12.02	12.38	12.63	12.88
50,001	Above	8.38	10.73	11.69	12.74	13.51	14.32	15.04	15.49	15.80	16.11

CITY OF KENNEDALE										
WATER/WASTEWATER COST OF SERVICE MODEL										
Current	Effective									
Effective	Oct-24	Oct-25	Oct-26	Oct-27	Oct-28	Oct-29	Oct-30	Oct-31	Oct-32	Oct-32
Sep-18										

City Rate Plan -- 10 Year Summary
Scen: 2024 07 23 -- Status Quo

2 Wastewater Monthly Rates and Charges

Residential Inside																				
Monthly Minimum Charge																				
3/4"	\$	30.00	\$	43.20	\$	49.68	\$	52.16	\$	54.77	\$	55.87	\$	56.98	\$	58.12	\$	59.29	\$	60.47
1"		30.00		43.20		49.68		52.16		54.77		55.87		56.98		58.12		59.29		60.47
1 1/2"		30.00		43.20		49.68		52.16		54.77		55.87		56.98		58.12		59.29		60.47
2"		30.00		43.20		49.68		52.16		54.77		55.87		56.98		58.12		59.29		60.47
Volume Rate/1,000 Gal																				
-	Above	2.90		4.18		4.80		5.04		5.29		5.40		5.51		5.62		5.73		5.85
Senior & Disabled																				
Monthly Minimum Charge																				
3/4"		22.50		35.70		42.18		44.66		47.27		48.37		49.48		50.62		51.79		52.97
1"		22.50		35.70		42.18		44.66		47.27		48.37		49.48		50.62		51.79		52.97
1 1/2"		22.50		35.70		42.18		44.66		47.27		48.37		49.48		50.62		51.79		52.97
2"		22.50		35.70		42.18		44.66		47.27		48.37		49.48		50.62		51.79		52.97
3"		22.50		35.70		42.18		44.66		47.27		48.37		49.48		50.62		51.79		52.97
4"		22.50		35.70		42.18		44.66		47.27		48.37		49.48		50.62		51.79		52.97
Volume Rate/1,000 Gal																				
-	Above	2.90		4.18		4.80		5.04		5.29		5.40		5.51		5.62		5.73		5.85

**CITY OF KENNEDALE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current Effective Sep-18	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28	Effective Oct-29	Effective Oct-30	Effective Oct-31	Effective Oct-32
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**City Rate Plan -- 10 Year Summary
Scen: 2024 07 23 -- Status Quo**

Commercial Inside

Monthly Minimum Charge

3/4"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87
1"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87
1 1/2"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87
2"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87
3"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87
4"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87

Volume Rate/1,000 Gal

- Above	6.72	9.68	11.13	11.68	12.27	12.51	12.76	13.02	13.28	13.55
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Industrial

Monthly Minimum Charge

3/4"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87
1"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87
1 1/2"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87
2"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87
3"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87
4"	55.00	79.20	91.08	95.63	100.42	102.42	104.47	106.56	108.69	110.87

Volume Rate/1,000 Gal

- Above	4.50	6.48	7.45	7.82	8.22	8.38	8.55	8.72	8.89	9.07
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<div style="border: 1px solid black; padding: 5px; display: inline-block;"> CITY OF KENNEDALE WATER/WASTEWATER COST OF SERVICE MODEL </div>										
	Current									
	Effective									
	Sep-18	Oct-24	Oct-25	Oct-26	Oct-27	Oct-28	Oct-29	Oct-30	Oct-31	Oct-32

City Rate Plan -- 10 Year Summary
Scen: 2024 07 23 -- Status Quo

Apartment & Duplex

Monthly Minimum Charge

	3/4"	30.00	43.20	49.68	52.16	54.77	55.87	56.98	58.12	59.29	60.47
	1"	30.00	43.20	49.68	52.16	54.77	55.87	56.98	58.12	59.29	60.47
	1 1/2"	30.00	43.20	49.68	52.16	54.77	55.87	56.98	58.12	59.29	60.47
	2"	30.00	43.20	49.68	52.16	54.77	55.87	56.98	58.12	59.29	60.47
	3"	30.00	43.20	49.68	52.16	54.77	55.87	56.98	58.12	59.29	60.47
	4"	30.00	43.20	49.68	52.16	54.77	55.87	56.98	58.12	59.29	60.47

Volume Rate/1,000 Gal

	Above	2.90	4.18	4.80	5.04	5.29	5.40	5.51	5.62	5.73	5.85
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**CITY OF KENNEDALE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current Effective Sep-18	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28	Effective Oct-29	Effective Oct-30	Effective Oct-31	Effective Oct-32
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**City Rate Plan -- 10 Year Summary
Scen: 2024 07 23 -- Status Quo**

3 Residential Monthly Charges -- WATER

5,000 Gallons -- 3/4" Meter

Total	\$ 33.75	\$ 43.20	\$ 47.09	\$ 51.33	\$ 54.41	\$ 57.67	\$ 60.55	\$ 62.37	\$ 63.62	\$ 64.89
Dollar Inc	-	9.45	3.89	4.24	3.08	3.26	2.88	1.82	1.25	1.27
Percent Inc	0.0%	28.0%	9.0%	9.0%	6.0%	6.0%	5.0%	3.0%	2.0%	2.0%

10,000 Gallons -- 3/4" Meter

Total	60.55	77.50	84.48	92.08	97.61	103.46	108.64	111.90	114.13	116.42
Dollar Inc	-	16.95	6.98	7.60	5.52	5.86	5.17	3.26	2.24	2.28
Percent Inc	0.0%	28.0%	9.0%	9.0%	6.0%	6.0%	5.0%	3.0%	2.0%	2.0%

20,000 Gallons -- 3/4" Meter

Total	114.15	146.11	159.26	173.60	184.01	195.05	204.80	210.95	215.17	219.47
Dollar Inc	-	31.96	13.15	14.33	10.42	11.04	9.75	6.14	4.22	4.30
Percent Inc	0.0%	28.0%	9.0%	9.0%	6.0%	6.0%	5.0%	3.0%	2.0%	2.0%

30,000 Gallons -- 3/4" Meter

Total	181.15	231.87	252.74	275.49	292.02	309.54	325.01	334.76	341.46	348.29
Dollar Inc	-	50.72	20.87	22.75	16.53	17.52	15.48	9.75	6.70	6.83
Percent Inc	0.0%	28.0%	9.0%	9.0%	6.0%	6.0%	5.0%	3.0%	2.0%	2.0%

4 Commercial Monthly Charges -- WATER

20,000 Gallons -- 1 1/2" Meter

Total	180.73	231.33	252.15	274.85	291.34	308.82	324.26	333.99	340.67	347.48
Dollar Inc	-	50.60	20.82	22.69	16.49	17.48	15.44	9.73	6.68	6.81
Percent Inc	0.0%	28.0%	9.0%	9.0%	6.0%	6.0%	5.0%	3.0%	2.0%	2.0%

40,000 Gallons -- 1 1/2" Meter

Total	314.73	402.85	439.11	478.63	507.35	537.79	564.68	581.62	593.25	605.12
Dollar Inc	-	88.12	36.26	39.52	28.72	30.44	26.89	16.94	11.63	11.87
Percent Inc	0.0%	28.0%	9.0%	9.0%	6.0%	6.0%	5.0%	3.0%	2.0%	2.0%

**CITY OF KENNEDALE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current Effective Sep-18	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27	Effective Oct-28	Effective Oct-29	Effective Oct-30	Effective Oct-31	Effective Oct-32
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**City Rate Plan -- 10 Year Summary
Scen: 2024 07 23 -- Status Quo**

5 Residential Monthly Charges -- WASTEWATER

5,000 Gallons -- 3/4" Meter

Total 3/4"	\$ 44.50	\$ 64.08	\$ 73.69	\$ 77.38	\$ 81.25	\$ 82.87	\$ 84.53	\$ 86.22	\$ 87.94	\$ 89.70
Dollar Inc	-	19.58	9.61	3.68	3.87	1.62	1.66	1.69	1.72	1.76
Percent Inc	0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%

10,000 Gallons -- 3/4" Meter

Total 3/4"	59.00	84.96	97.70	102.59	107.72	109.87	112.07	114.31	116.60	118.93
Dollar Inc	-	25.96	12.74	4.89	5.13	2.15	2.20	2.24	2.29	2.33
Percent Inc	0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%

15,000 Gallons -- 3/4" Meter

Total 3/4"	73.50	105.84	121.72	127.80	134.19	136.88	139.61	142.41	145.25	148.16
Dollar Inc	-	32.34	15.88	6.09	6.39	2.68	2.74	2.79	2.85	2.91
Percent Inc	0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%

20,000 Gallons -- 3/4" Meter

Total 3/4"	88.00	126.72	145.73	153.01	160.67	163.88	167.16	170.50	173.91	177.39
Dollar Inc	-	38.72	19.01	7.29	7.65	3.21	3.28	3.34	3.41	3.48
Percent Inc	0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%

6 Commercial Monthly Charges -- WASTEWATER

20,000 Gallons -- 1 1/2" Meter

Total 1 1/2"	\$ 189.40	\$ 272.74	\$ 313.65	\$ 329.33	\$ 345.80	\$ 352.71	\$ 359.77	\$ 366.96	\$ 374.30	\$ 381.79
Dollar Inc	-	83.34	40.91	15.68	16.47	6.92	7.05	7.20	7.34	7.49
Percent Inc	0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%

40,000 Gallons -- 1 1/2" Meter

Total 1 1/2"	323.80	466.27	536.21	563.02	591.17	603.00	615.06	627.36	639.91	652.70
Dollar Inc	-	142.47	69.94	26.81	28.15	11.82	12.06	12.30	12.55	12.80
Percent Inc	0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%

CITY OF KENNEDALE										
WATER/WASTEWATER COST OF SERVICE MODEL										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Revenue Summary

Scenario: 2024 07 23 -- Status Quo

WATER Revenues -- Total

	W1 Residential Inside	\$	2,256,941	\$	2,939,744	\$	3,356,121	\$	3,783,683	\$	4,151,481	\$	4,540,310	\$	4,918,930	\$	5,226,211	\$	5,490,756	\$	5,758,997
	W2 Senior & Disabled		35,713		46,295		51,610		56,751		60,631		64,599		68,160		70,488		72,069		73,621
	W3 Commercial Inside		363,481		473,675		541,019		610,221		669,830		732,875		794,317		844,273		887,354		931,055
	W4 Industrial		59,026		74,176		81,787		89,147		94,702		100,384		105,483		108,815		111,080		113,301
	W5 Apartment & Duplex		141,135		180,907		203,337		225,805		244,192		263,348		281,427		295,080		306,040		316,999
	W6 Fire		1,311		1,648		1,817		1,980		2,104		2,230		2,343		2,417		2,468		2,517
	W7 Institutional		145,511		182,859		201,620		219,766		233,460		247,467		260,036		268,252		273,834		279,311
	Total Rate Revenue		3,065,747		3,978,006		4,524,088		5,081,940		5,556,880		6,057,723		6,542,615		6,930,991		7,261,459		7,596,016
	Non-Rate Revenue		517,103		217,103		217,103		217,103		217,103		217,103		217,103		217,103		217,103		217,103
	Total Revenue		3,582,849		4,195,109		4,741,190		5,299,043		5,773,982		6,274,825		6,759,718		7,148,094		7,478,561		7,813,119

Water Revenues -- Additional

	W1 Residential Inside				682,804		416,377		427,563		367,798		388,829		378,619		307,282		264,544		268,241
	W2 Senior & Disabled				10,581		5,315		5,141		3,880		3,969		3,561		2,328		1,582		1,552
	Total Rate Revenue				912,260		546,081		557,853		474,939		500,843		484,892		388,376		330,467		334,558
	Non-Rate Revenue				(300,000)		-		-		-		-		-		-		-		-
	Total Revenue				612,260		546,081		557,853		474,939		500,843		484,892		388,376		330,467		334,558

WASTEWATER Revenues -- Total

	WW1 Residential Inside	\$	1,341,382	\$	1,954,080	\$	2,364,955	\$	2,589,762	\$	2,812,037	\$	2,969,714	\$	3,126,494	\$	3,287,823	\$	3,454,841	\$	3,626,917
	WW2 Senior & Disabled		20,650		31,024		37,060		39,475		41,702		42,750		43,706		44,682		45,677		46,692
	WW3 Commercial Inside		260,847		386,201		474,434		526,735		579,188		618,826		658,636		699,652		742,194		786,082
	WW4 Industrial		45,274		63,534		74,158		78,409		82,330		84,173		85,856		87,574		89,325		91,112
	WW5 Apartment & Duplex		40,095		57,480		68,493		73,882		79,075		82,353		85,529		88,769		92,092		95,487
	WW6 Institutional		86,361		121,193		141,459		149,569		157,047		160,563		163,775		167,050		170,391		173,799
	WW7 Builder		406		570		666		704		739		756		771		786		802		818
	WW8 Other		-		-		-		-		-		-		-		-		-		-
	WW9 Other		-		-		-		-		-		-		-		-		-		-
	WW10 Other		-		-		-		-		-		-		-		-		-		-
	Total Rate Revenue		1,795,016		2,614,082		3,161,224		3,458,537		3,752,118		3,959,135		4,164,767		4,376,337		4,595,321		4,820,907
	Non-Rate Revenue		517,103		217,103		217,103		217,103		217,103		217,103		217,103		217,103		217,103		217,103
	Total Revenue		2,312,118		2,831,185		3,378,326		3,675,639		3,969,220		4,176,238		4,381,869		4,593,439		4,812,424		5,038,009

WASTEWATER Revenues -- Additional

	WW1 Residential Inside				612,698		410,875		224,807		222,275		157,677		156,779		161,330		167,017		172,077
	WW2 Senior & Disabled				10,374		6,036		2,415		2,227		1,047		956		976		995		1,015
	Total Rate Revenue				819,067		547,142		297,313		293,581		207,017		205,631		211,570		218,985		225,586
	Non-Rate Revenue				(300,000)		-		-		-		-		-		-		-		-
	Total Revenue				519,067		547,142		297,313		293,581		207,017		205,631		211,570		218,985		225,586

0											
WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Revenue and Expense Summary
Scen: SCENARIO 4 | METER EQUIVALENCY 10/1/24

1 TOTAL Revenues and Expenses -- CASH BASIS

	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Rate Revenues											
<u>Water Rate Revenue</u>											
W1 Residential	\$	2,703,907	\$ 2,786,741	\$ 2,875,178	\$ 2,962,370	\$ 3,051,833	\$ 3,143,999	\$ 3,238,947	\$ 3,336,764	\$ 3,437,534	\$ 3,541,347
W2 Residential Reduced		235,085	242,160	249,750	257,316	265,087	273,093	281,340	289,837	298,590	307,607
W3 Commercial		1,027,948	1,109,649	1,183,643	1,222,811	1,259,739	1,297,784	1,336,977	1,377,353	1,418,949	1,461,802
W4 Multi.		1,431,746	1,499,199	1,564,354	1,613,278	1,661,999	1,712,191	1,763,899	1,817,169	1,872,047	1,928,583
Total		5,398,685	5,637,750	5,872,926	6,055,774	6,238,658	6,427,066	6,621,163	6,821,122	7,027,120	7,239,339
<u>Wastewater Rate Revenue</u>											
WW1 Residential		2,428,210	2,567,208	2,724,949	2,892,356	3,070,017	3,230,000	3,305,608	3,374,897	3,476,905	3,584,866
WW2 Residential Reduced		261,010	275,857	292,708	310,587	329,557	346,618	354,617	361,935	372,758	384,213
WW3 Commercial		690,902	731,405	777,348	826,154	878,002	924,902	953,128	980,372	1,011,729	1,044,373
WW4 Multi.		1,277,688	1,351,117	1,434,440	1,522,884	1,616,762	1,701,362	1,746,804	1,789,688	1,844,650	1,902,300
Total		4,657,809	4,925,587	5,229,446	5,551,981	5,894,338	6,202,882	6,360,157	6,506,892	6,706,042	6,915,752
Non-Rate Revenues		1,199,928	1,201,605	1,203,332	1,205,112	1,206,944	1,208,832	1,210,776	1,212,778	1,214,841	1,216,965
Total Revenues		11,256,422	11,764,941	12,305,704	12,812,867	13,339,941	13,838,779	14,192,096	14,540,793	14,948,002	15,372,056
Cost of Service											
<u>Division Code</u>											
P Personnel		2,984,378	3,074,911	3,168,209	3,264,359	3,363,449	3,465,569	3,570,814	3,679,280	3,791,068	3,906,279
SU Supplies		150,360	155,793	161,472	167,408	173,614	180,103	186,889	193,987	201,411	209,177
M Maintenance		446,510	456,037	465,809	475,831	486,113	496,659	507,480	518,581	529,971	541,659
SE Services		842,785	872,414	903,297	935,491	969,056	1,004,055	1,040,554	1,078,622	1,118,331	1,159,757
SWH Sewer Wholesale Costs		4,290,000	4,464,335	4,645,725	4,834,454	5,030,818	5,235,125	5,447,696	5,668,863	5,898,974	6,138,389
Total		8,714,033	9,023,490	9,344,512	9,677,544	10,023,050	10,381,513	10,753,433	11,139,333	11,539,755	11,955,260
<u>Department Code</u>											
SEC Sewer Collection		693,874	714,708	736,240	758,494	781,497	805,278	829,863	855,283	881,569	908,752
SR Site Restoration		972,726	1,003,997	1,036,326	1,069,750	1,104,310	1,140,044	1,176,997	1,215,212	1,254,735	1,295,612
SWH Sewer Wholesale Costs		2,757,384	2,866,172	2,979,330	3,097,036	3,219,472	3,346,831	3,479,311	3,617,119	3,760,470	3,909,588
F Finance		600,934	620,853	641,473	662,819	684,918	707,799	731,491	756,025	781,432	807,746
UTB Utility Billing		325,951	335,119	344,597	354,398	364,533	375,015	385,858	397,075	408,680	420,689
WD Water Debt Services		20,400	22,420	22,491	23,616	24,796	26,036	27,338	28,705	30,140	31,647
WA Water Administration		687,797	709,138	731,164	753,900	777,368	801,594	826,602	852,420	879,074	906,593
WDI Water Distribution		764,967	786,483	808,666	831,538	855,122	879,441	904,520	930,384	957,600	984,573
WH Water Wholesale Purchases		1,890,000	1,965,600	2,044,224	2,125,993	2,211,033	2,299,474	2,391,453	2,487,111	2,586,596	2,690,059
Total		8,714,033	9,023,490	9,344,512	9,677,544	10,023,050	10,381,513	10,753,433	11,139,333	11,539,755	11,955,260
Total Operating Expenses		8,714,033	9,023,490	9,344,512	9,677,544	10,023,050	10,381,513	10,753,433	11,139,333	11,539,755	11,955,260
Net Revenues for Transfers,Capital Outlays and Debt Service		2,542,389	2,741,451	2,961,192	3,135,323	3,316,891	3,457,267	3,438,663	3,401,460	3,408,248	3,416,796
Capital Outlays		1,911,000	2,398,932	2,454,892	2,512,531	2,571,899	2,633,048	2,162,429	2,227,302	2,294,121	2,362,944
Contingencies & Transfers		870,184	896,290	923,178	950,874	979,400	1,008,782	1,039,045	1,070,217	1,102,323	1,135,393
Net Revenues for Debt Service and Coverage		(238,795)	(553,771)	(416,878)	(328,081)	(234,408)	(184,563)	237,189	103,941	11,804	(81,541)
Debt Service											
Debt Service -- Current		945,770	950,020	948,670	946,870	950,370	630,095	628,095	265,590	-	-
Debt Service -- Future		-	-	-	-	-	-	-	-	-	-
Total Debt Service		945,770	950,020	948,670	946,870	950,370	630,095	628,095	265,590	-	-
Total Cost of Service		12,440,987	13,268,732	13,671,252	14,087,818	14,524,718	14,653,437	14,583,002	14,702,442	14,936,198	15,453,597
Net Revenues		(1,184,565)	(1,503,791)	(1,365,548)	(1,274,951)	(1,184,778)	(814,658)	(390,906)	(161,649)	11,804	(81,541)
Percent of COS		-10.5%	-12.8%	-11.1%	-10.0%	-8.9%	-5.9%	-2.8%	-1.1%	0.1%	-0.5%
Debt Coverage											
1) Excludes Debt, Cap Outlays, G/F Transfers		2.69	2.89	3.12	3.31	3.49	5.49	5.47	12.81	-	-
2) All Inclusive		(0.25)	(0.58)	(0.44)	(0.35)	(0.25)	(0.29)	0.38	0.39	-	-

0 WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenue and Expense Summary											
Scen: SCENARIO 4 METER EQUIVALENCY 10/1/24											
2	WATER Revenues and Expenses -- CASH BASIS										
Water Revenues											
<u>Water Rate Revenue</u>											
W1	Residential	\$ 2,703,907	\$ 2,786,741	\$ 2,875,178	\$ 2,962,370	\$ 3,051,833	\$ 3,143,999	\$ 3,238,947	\$ 3,336,764	\$ 3,437,534	\$ 3,541,347
W2	Residential Reduced	235,085	242,160	249,750	257,316	265,087	273,093	281,340	289,837	298,590	307,607
W3	Commercial	1,027,948	1,109,649	1,183,643	1,222,811	1,259,739	1,297,784	1,336,977	1,377,353	1,418,949	1,461,802
W4	Multi.	1,431,746	1,499,199	1,564,354	1,613,278	1,661,999	1,712,191	1,763,899	1,817,169	1,872,047	1,928,583
		5,398,685	5,637,750	5,872,926	6,055,774	6,238,658	6,427,066	6,621,163	6,821,122	7,027,120	7,239,339
	Non-Rate Revenues	1,054,928	1,056,005	1,057,114	1,058,257	1,059,434	1,060,646	1,061,895	1,063,181	1,064,505	1,065,870
	Total Revenues	6,453,613	6,693,755	6,930,040	7,114,031	7,298,092	7,487,712	7,683,058	7,884,303	8,091,626	8,305,209
Water Cost of Service											
<u>Division Code</u>											
P	Personnel	1,673,480	1,724,199	1,776,465	1,830,326	1,885,831	1,943,031	2,001,979	2,062,728	2,125,333	2,189,853
SU	Supplies	76,546	79,527	82,648	85,916	89,340	92,925	96,682	100,617	104,740	109,059
M	Maintenance	263,198	268,894	274,739	280,737	286,892	293,210	299,694	306,349	313,181	320,194
SE	Services	454,705	470,420	486,789	503,842	521,610	540,125	559,421	579,534	600,501	622,360
WH	Water Wholesale Purchases	1,890,000	1,965,600	2,044,224	2,125,993	2,211,033	2,299,474	2,391,453	2,487,111	2,586,596	2,690,059
	Total	4,357,930	4,508,640	4,664,865	4,826,815	4,994,706	5,168,766	5,349,229	5,536,339	5,730,350	5,931,526
<u>Department Code</u>											
CM	City Managers Office	-	-	-	-	-	-	-	-	-	-
F	Finance	414,393	428,738	443,613	459,041	475,042	491,639	508,857	526,720	545,254	564,486
UTB	Utility Billing	357,384	367,437	377,829	388,575	399,687	411,180	423,069	435,367	448,092	461,258
UTM	Utility Meter Services	222,988	229,825	236,878	244,153	251,659	259,402	267,390	275,632	284,135	292,909
WD	Water Debt Services	20,400	21,420	22,491	23,616	24,796	26,036	27,338	28,705	30,140	31,647
WA	Water Administration	687,797	709,138	731,164	753,900	777,368	801,594	826,602	852,420	879,074	906,593
WDI	Water Distribution	764,967	786,483	808,666	831,538	855,122	879,441	904,520	930,384	957,060	984,573
WH	Water Wholesale Purchases	1,890,000	1,965,600	2,044,224	2,125,993	2,211,033	2,299,474	2,391,453	2,487,111	2,586,596	2,690,059
	Total	4,357,930	4,508,640	4,664,865	4,826,815	4,994,706	5,168,766	5,349,229	5,536,339	5,730,350	5,931,526
	Total Operating Expenses	4,357,930	4,508,640	4,664,865	4,826,815	4,994,706	5,168,766	5,349,229	5,536,339	5,730,350	5,931,526
	Net Revenues for Transfers,Capital Outlays and Debt Service	2,095,683	2,185,115	2,265,175	2,287,216	2,303,386	2,318,946	2,333,829	2,347,964	2,361,275	2,373,683
	Capital Outlays	761,000	783,830	807,345	831,565	856,512	882,208	908,674	935,934	964,012	992,932
	Total Contingencies & Transfers	507,076	522,288	537,957	554,096	570,719	587,840	605,475	623,640	642,349	661,619
	Net Revenues for Debt Service and Coverage	827,607	878,997	919,873	901,555	876,155	848,898	819,680	788,391	754,915	719,131
<u>Debt Service</u>											
	Debt Service -- Current	632,123	634,248	633,573	632,673	634,423	315,048	314,048	132,795	-	-
	Debt Service -- Future	-	-	-	-	-	-	-	-	-	-
	Total Debt Service	632,123	634,248	633,573	632,673	634,423	315,048	314,048	132,795	-	-
	Total Cost of Service	6,258,128	6,449,006	6,643,740	6,845,148	7,056,360	6,953,861	7,177,425	7,228,707	7,336,711	7,586,078
	Net Revenues	195,485	244,749	286,300	268,883	241,732	533,851	505,632	655,596	754,915	719,131
	Percent of COS	3.0%	3.7%	4.1%	3.8%	3.3%	7.1%	6.6%	8.3%	9.3%	8.7%
<u>Debt Coverage</u>											
	1) Excludes Debt, Cap Outlays, G/F Transfers	3.32	3.45	3.58	3.62	3.63	7.36	7.43	17.68	-	-
	2) All Inclusive	1.31	1.39	1.45	1.42	1.38	2.69	2.61	5.94	-	-

0											
WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Revenue and Expense Summary
Scen: SCENARIO 4 | METER EQUIVALENCY 10/1/24

3 WASTEWATER Revenues and Expenses – CASH BASIS

Wastewater Revenues											
<u>Wastewater Rate Revenue</u>											
WW1	Residential	\$ 2,428,210	\$ 2,567,208	\$ 2,724,949	\$ 2,892,356	\$ 3,070,017	\$ 3,230,000	\$ 3,305,608	\$ 3,374,897	\$ 3,476,905	\$ 3,584,866
WW2	Residential Reduced	261,010	275,857	292,708	310,587	329,557	346,618	354,617	361,935	372,758	384,213
WW3	Commercial	690,902	731,405	777,348	826,154	878,002	924,902	953,128	980,372	1,011,729	1,044,373
WW4	Multi.	1,277,688	1,351,117	1,434,440	1,522,884	1,616,762	1,701,362	1,746,804	1,789,688	1,844,650	1,902,300
		4,657,809	4,925,587	5,229,446	5,551,981	5,894,338	6,202,882	6,360,157	6,506,892	6,706,042	6,915,752
	Non-Rate Revenues	145,000	145,600	146,218	146,855	147,510	148,185	148,881	149,597	150,335	151,095
	Total Revenues	4,802,809	5,071,187	5,375,664	5,698,836	6,041,848	6,351,067	6,509,038	6,656,490	6,856,377	7,066,847
Wastewater Cost of Service											
<u>Division Code</u>											
P	Personnel	1,310,898	1,350,712	1,391,744	1,434,033	1,477,618	1,522,538	1,568,836	1,616,553	1,665,735	1,716,426
SU	Supplies	73,814	76,266	78,824	81,492	84,274	87,178	90,208	93,370	96,671	100,117
M	Maintenance	183,312	187,143	191,069	195,094	199,220	203,450	207,786	212,231	216,790	221,464
SE	Services	388,080	401,994	416,508	431,649	447,446	463,930	481,133	499,088	517,831	537,397
SWH	Sewer Wholesale Costs	2,400,000	2,498,735	2,601,501	2,708,461	2,819,785	2,935,651	3,056,243	3,181,752	3,312,378	3,448,330
	Total	4,356,103	4,514,850	4,679,646	4,850,729	5,028,343	5,212,747	5,404,205	5,602,995	5,809,405	6,023,734
<u>Department Code</u>											
SEC	Sewer Collection	693,874	714,708	736,240	758,494	781,497	805,278	829,863	855,283	881,569	908,752
SR	Site Restoration	558,333	575,260	592,713	610,710	629,268	648,405	668,140	688,492	709,480	731,126
SWH	Sewer Wholesale Costs	2,400,000	2,498,735	2,601,501	2,708,461	2,819,785	2,935,651	3,056,243	3,181,752	3,312,378	3,448,330
F	Finance	377,945	391,028	404,596	418,666	433,260	448,398	464,101	480,393	497,297	514,837
UTB	Utility Billing	325,951	335,119	344,597	354,398	364,533	375,015	385,858	397,075	408,680	420,689
	Total	4,356,103	4,514,850	4,679,646	4,850,729	5,028,343	5,212,747	5,404,205	5,602,995	5,809,405	6,023,734
	Total Operating Expenses	4,356,103	4,514,850	4,679,646	4,850,729	5,028,343	5,212,747	5,404,205	5,602,995	5,809,405	6,023,734
	Net Revenues for Transfers,Capital Outlays and Debt Service	446,705	556,336	696,017	848,107	1,013,505	1,138,321	1,104,834	1,053,495	1,046,972	1,043,113
	Capital Outlays	1,150,000	1,615,102	1,647,547	1,680,966	1,715,387	1,750,840	1,253,755	1,291,368	1,330,109	1,370,012
	Contingencies & Transfers	363,108	374,001	385,221	396,778	408,681	420,942	433,570	446,577	459,974	473,774
	Net Revenues for Debt Service and Coverage	(1,066,403)	(1,432,767)	(1,336,751)	(1,229,636)	(1,110,563)	(1,033,461)	(582,491)	(684,449)	(743,110)	(800,672)
Debt Service											
	Debt Service -- Current	313,648	315,773	315,098	314,198	315,948	315,048	314,048	132,795	-	-
	Debt Service -- Future	-	-	-	-	-	-	-	-	-	-
	Total Debt Service	313,648	315,773	315,098	314,198	315,948	315,048	314,048	132,795	-	-
	Total Cost of Service	6,182,859	6,819,726	7,027,512	7,242,670	7,468,359	7,699,576	7,405,577	7,473,734	7,599,487	7,867,520
	Net Revenues	(1,380,050)	(1,748,540)	(1,651,849)	(1,543,834)	(1,426,510)	(1,348,508)	(896,539)	(817,244)	(743,110)	(800,672)
	Percent of COS	-28.7%	-34.5%	-30.7%	-27.1%	-23.6%	-21.2%	-13.8%	-12.3%	-10.8%	-11.3%
Debt Coverage											
	1) Excludes Debt, Cap Outlays, G/F Transfers	1.42	1.76	2.21	2.70	3.21	3.61	3.52	7.93	-	-
	2) All Inclusive	(3.40)	(4.54)	(4.24)	(3.91)	(3.52)	(3.28)	(1.85)	(5.15)	-	-

**CITY OF KENNEDALE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Model Summary

Scenario: 2024 07 23 -- Status Quo

1 Water and Wastewater Rates

Water Rates -- Residential

Monthly Minimum Charge--3/4"	\$	20.00	\$	20.00	\$	25.60	\$	27.90	\$	30.42	\$	32.24	\$	34.17	\$	35.88	\$	36.96	\$	37.70	\$	38.45	
Volume Rate Per 1,000 Gal																							
- 5,000		2.75		2.75		3.52		3.84		4.18		4.43		4.70		4.93		5.08		5.18		5.29	
5,001 20,000		5.36		5.36		6.86		7.48		8.15		8.64		9.16		9.62		9.91		10.10		10.31	
20,001 50,000		6.70		6.70		8.58		9.35		10.19		10.80		11.45		12.02		12.38		12.63		12.88	
50,001 Above		6.70		6.70		8.58		9.35		10.19		10.80		11.45		12.02		12.38		12.63		12.88	

Wastewater Rates - Residential

Monthly Minimum Charge	\$	30.00	\$	30.00	\$	43.20	\$	49.68	\$	52.16	\$	54.77	\$	55.87	\$	56.98	\$	58.12	\$	59.29	\$	60.47
Volume Rate/1,000 Gal		2.90		2.90		4.18		4.80		5.04		5.29		5.40		5.51		5.62		5.73		5.85

2 Residential Standard Monthly Bill

5,000 Gal	Total	\$	78.25	\$	78.25	\$	107.28	\$	120.78	\$	128.70	\$	135.65	\$	140.54	\$	145.08	\$	148.59	\$	151.56	\$	154.59
Water & WW	Increase -- \$		-		29.03		13.50		7.92		6.95		4.89		4.54		3.51		2.97		3.03		3.03
	Increase -- %		0.0%		37.1%		12.6%		6.6%		5.4%		3.6%		3.2%		2.4%		2.0%		2.0%		2.0%
10,000 Gal	Total		105.05		105.05		141.58		158.17		169.46		178.85		186.33		193.16		198.11		202.08		206.12
Water; 5K WW	Increase -- \$		-		36.53		16.59		11.29		9.39		7.48		6.83		4.95		3.96		4.04		4.04
	Increase -- %		0.0%		34.8%		11.7%		7.1%		5.5%		4.2%		3.7%		2.6%		2.0%		2.0%		2.0%
15,000 Gal	Total		131.85		131.85		175.89		195.56		210.22		222.05		232.13		241.25		247.64		252.59		257.65
Water; 5K WW	Increase -- \$		-		44.04		19.67		14.65		11.84		10.07		9.12		6.39		4.95		5.05		5.05
	Increase -- %		0.0%		33.4%		11.2%		7.5%		5.6%		4.5%		3.9%		2.6%		2.0%		2.0%		2.0%
30,00 Gal	Total	\$	225.65	\$	225.65	\$	295.95	\$	326.43	\$	352.86	\$	373.26	\$	392.41	\$	409.54	\$	420.98	\$	429.40	\$	437.99
Water; 5K WW	Increase -- \$		-		70.30		30.48		26.43		20.40		19.15		17.13		11.44		8.42		8.59		8.59
	Increase -- %		0.0%		31.2%		10.3%		8.1%		5.8%		5.1%		4.4%		2.8%		2.0%		2.0%		2.0%



**CITY OF KENNEDALE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Model Summary
Scenario: 2024 07 23 -- Status Quo

3 Fund Balance, Revenues and Expenses																				
Beginning Fund Balance	\$	2,760,132	\$	2,302,029	\$	1,491,925	\$	841,907	\$	709,693	\$	935,596	\$	1,443,446	\$	2,200,035	\$	3,087,947	\$	4,034,447
Revenues and Expenses																				
Water Rate Revenues	\$	3,065,747	\$	3,978,006	\$	4,524,088	\$	5,081,940	\$	5,556,880	\$	6,057,723	\$	6,542,615	\$	6,930,991	\$	7,261,459	\$	7,596,016
WW Rate Revenues		1,795,016		2,614,082		3,161,224		3,458,537		3,752,118		3,959,135		4,164,767		4,376,337		4,595,321		4,820,907
Non-Rate Revenues		1,034,205		434,205		434,205		434,205		434,205		434,205		434,205		434,205		434,205		434,205
Total Revenues		5,894,967		7,026,294		8,119,517		8,974,682		9,743,203		10,451,063		11,141,587		11,741,533		12,290,985		12,851,128
Operating Expenses		4,750,324		5,428,122		6,171,024		6,379,797		6,739,877		7,118,614		7,518,261		7,937,996		8,380,301		8,845,131
Net Revenues for Transfers, Capital Outlays and Debt		1,144,644		1,598,172		1,948,493		2,594,885		3,003,326		3,332,449		3,623,326		3,803,538		3,910,684		4,005,997
Capital Outlays		615,000		639,600		665,184		685,140		705,694		726,865		748,670		771,131		794,264		818,092
Current Debt Service		295,312		1,055,468		1,198,723		1,285,318		1,292,388		1,295,013		1,291,263		1,292,888		1,292,763		1,295,763
Future Debt Service		-		-		-		-		-		-		-		-		-		-
Total Debt Service		295,312		1,055,468		1,198,723		1,285,318		1,292,388		1,295,013		1,291,263		1,292,888		1,292,763		1,295,763
Total Contingencies & Transfers		692,435		713,208		734,604		756,642		779,342		802,722		826,804		851,608		877,156		903,471
Total Cost of Service		6,353,071		7,836,397		8,769,535		9,106,896		9,517,300		9,943,213		10,384,997		10,853,622		11,344,485		11,862,457
Net Revenues		(458,103)		(810,104)		(650,018)		(132,214)		225,903		507,850		756,590		887,912		946,500		988,672
Percent of COS		-7.2%		-10.3%		-7.4%		-1.5%		2.4%		5.1%		7.3%		8.2%		8.3%		8.3%
Debt Coverage																				
Excluding Transfers, CO, Debt		3.88		1.51		1.63		2.02		2.32		2.57		2.81		2.94		3.03		3.09
All Inclusive		(0.55)		0.23		0.46		0.90		1.17		1.39		1.59		1.69		1.73		1.76
Ending Water & Sewer Combined Fund Balance		2,302,029		1,491,925		841,907		709,693		935,596		1,443,446		2,200,035		3,087,947		4,034,447		5,023,119
Unrestricted/Capital Fund Balance from CIP Funding		11,920,773		8,172,646		4,244,372		3,676,816		2,865,571		2,894,227		2,923,169		2,952,401		2,981,925		3,011,744
One Day Operating Expenditures (Op.Exp+Det Svc)		15,721		19,717		22,204		23,073		24,141		25,250		26,401		27,623		28,905		30,259
Days of Operating Expenditures		146		76		38		31		39		57		83		112		140		166
Fund Balance Goal Days		90																		
Over (Short) of Requirement		1,414,867		1,774,553		1,998,333		2,076,598		2,172,725		2,272,524		2,376,081		2,486,094		2,601,424		2,723,268
		887,162		(282,628)		(1,156,426)		(1,366,905)		(1,237,129)		(829,078)		(176,045)		601,853		1,433,023		2,299,851

**CITY OF KENNEDALE
WATER/WASTEWATER COST OF SERVICE MODEL**

Current 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033

Model Summary

Scenario: 2024 07 23 -- Status Quo

5 Total Accounts

Water Accounts

Total Accounts	3,233	3,344	3,457	3,570	3,681	3,793	3,905	4,017	4,129	4,241
New Accounts	-	112	112	113	112	111	112	112	112	112
Avg. Annual Growth Rate		3.46%	3.36%	3.26%	3.13%	3.03%	2.96%	2.86%	2.79%	2.71%

Wastewater Accounts

Total Accounts	2,993	3,105	3,218	3,330	3,442	3,553	3,666	3,777	3,890	4,002
New Accounts	-	112	112	113	112	111	112	112	112	112
Avg. Annual Growth Rate		3.74%	3.62%	3.50%	3.35%	3.24%	3.16%	3.05%	2.97%	2.88%

6 Annual Volume

Water Volume

Residential Inside	332,455,906	344,590,546	356,790,774	369,032,266	381,154,976	393,258,552	405,459,399	417,594,799	429,788,567	441,946,211
Senior & Disabled	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000
Commercial Inside	36,800,341	38,161,953	39,531,586	40,906,494	42,268,680	43,629,309	45,001,451	46,366,795	47,739,252	49,108,175
Industrial	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000
Apartment & Duplex	17,686,546	18,040,277	18,390,258	18,735,995	19,073,243	19,405,117	19,735,004	20,058,658	20,379,597	20,695,481
Fire	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Institutional	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000
Construction	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total System	416,199,792	430,049,776	443,969,618	457,931,755	471,753,899	485,549,979	499,452,854	513,277,252	527,164,416	541,006,866

Wastewater Billing Units

Residential Inside	136,880,031	142,091,835	147,331,809	152,589,506	157,796,187	162,994,649	168,234,889	173,447,020	178,684,219	183,905,904
Senior & Disabled	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000
Commercial Inside	20,344,065	21,463,655	22,589,840	23,720,363	24,840,426	25,959,207	27,087,455	28,210,114	29,338,622	30,464,223
Industrial	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000
Apartment & Duplex	4,794,909	4,898,277	5,000,550	5,101,581	5,200,133	5,297,114	5,393,514	5,488,093	5,581,878	5,674,186
Institutional	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000
Builder	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total System	180,291,005	186,725,768	193,194,199	199,683,451	206,108,745	212,522,970	218,987,858	225,417,226	231,876,719	238,316,313

CITY OF KENNEDALE												
WATER/WASTEWATER COST OF SERVICE MODEL												
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	

Water Summary

Scen: 2024 07 23 -- Status Quo

1 Water Monthly Rates and Charges

Residential Inside

Monthly Minimum Charge

Base Charge		\$	20.00	\$	20.00	\$	25.60	\$	27.90	\$	30.42	\$	32.24	\$	34.17	\$	35.88	\$	36.96	\$	37.70	\$	38.45
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Volume Rate/1,000 Gal

-	5,000	2.75	2.75	3.52	3.84	4.18	4.43	4.70	4.93	5.08	5.18	5.29
5,001	20,000	5.36	5.36	6.86	7.48	8.15	8.64	9.16	9.62	9.91	10.10	10.31
20,001	50,000	6.70	6.70	8.58	9.35	10.19	10.80	11.45	12.02	12.38	12.63	12.88
50,001	Above	6.70	6.70	8.58	9.35	10.19	10.80	11.45	12.02	12.38	12.63	12.88

Commercial

Monthly Minimum Charge

3/4"	\$	26.00	\$	26.00	\$	33.28	\$	36.28	\$	39.54	\$	41.91	\$	44.43	\$	46.65	\$	48.05	\$	49.01	\$	49.99
1"		43.34		43.34		55.48		60.47		65.91		69.86		74.06		77.76		80.09		81.69		83.33
1 1/2"		86.58		86.58		110.82		120.80		131.67		139.57		147.94		155.34		160.00		163.20		166.46
2"		138.58		138.58		177.38		193.35		210.75		223.39		236.80		248.64		256.10		261.22		266.44
3"		260.00		260.00		332.80		362.75		395.40		419.12		444.27		466.48		480.48		490.09		499.89
4"		433.42		433.42		554.78		604.71		659.13		698.68		740.60		777.63		800.96		816.98		833.32
6"		433.42		433.42		554.78		604.71		659.13		698.68		740.60		777.63		800.96		816.98		833.32

Volume Rate Per 1,000 Gal - Commercial

-	5,000	\$	2.75	\$	2.75	\$	3.52	\$	3.84	\$	4.18	\$	4.43	\$	4.70	\$	4.93	\$	5.08	\$	5.18	\$	5.29
5,001	20,000		5.36		5.36		6.86		7.48		8.15		8.64		9.16		9.62		9.91		10.10		10.31
20,001	50,000		6.70		6.70		8.58		9.35		10.19		10.80		11.45		12.02		12.38		12.63		12.88
50,001	Above		8.38		8.38		10.73		11.69		12.74		13.51		14.32		15.04		15.49		15.80		16.11

2.1 Residential Monthly Charge

5,000 Gallons	Total	\$	33.75	\$	33.75	\$	43.20	\$	47.09	\$	51.33	\$	54.41	\$	57.67	\$	60.55	\$	62.37	\$	63.62	\$	64.89
	Dollar Inc		-		9.45		3.89		4.24		3.08		3.26		2.88		1.82		1.25		1.27		1.27
	Percent Inc		0.0%		28.0%		9.0%		9.0%		6.0%		6.0%		5.0%		3.0%		2.0%		2.0%		2.0%
10,000 Gallons	Total		60.55		60.55		77.50		84.48		92.08		97.61		103.46		108.64		111.90		114.13		116.42
	Dollar Inc		-		16.95		6.98		7.60		5.52		5.86		5.17		3.26		2.24		2.28		2.28
	Percent Inc		0.0%		28.0%		9.0%		9.0%		6.0%		6.0%		5.0%		3.0%		2.0%		2.0%		2.0%
20,000 Gallons	Total		114.15		114.15		146.11		159.26		173.60		184.01		195.05		204.80		210.95		215.17		219.47
	Dollar Inc		-		31.96		13.15		14.33		10.42		11.04		9.75		6.14		4.22		4.30		4.30
	Percent Inc		0.0%		28.0%		9.0%		9.0%		6.0%		6.0%		5.0%		3.0%		2.0%		2.0%		2.0%
30,000 Gallons	Total		181.15		181.15		231.87		252.74		275.49		292.02		309.54		325.01		334.76		341.46		348.29
	Dollar Inc		-		50.72		20.87		22.75		16.53		17.52		15.48		9.75		6.70		6.83		6.83
	Percent Inc		0.0%		28.0%		9.0%		9.0%		6.0%		6.0%		5.0%		3.0%		2.0%		2.0%		2.0%

<div style="border: 1px solid black; padding: 5px; display: inline-block; background-color: white; color: black;"> CITY OF KENNEDALE WATER/WASTEWATER COST OF SERVICE MODEL </div>												
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	

Water Summary
Scen: 2024 07 23 -- Status Quo

2.2 Commercial Monthly Charge -- 1 1/2" Meter

10,000 Gallons	Total	127.13	127.13	162.73	177.37	193.34	204.94	217.23	228.09	234.94	239.63	244.43
	Dollar Inc		-	35.60	14.65	15.96	11.60	12.30	10.86	6.84	4.70	4.79
	Percent Inc		0.0%	28.0%	9.0%	9.0%	6.0%	6.0%	5.0%	3.0%	2.0%	2.0%
20,000 Gallons	Total	180.73	180.73	231.33	252.15	274.85	291.34	308.82	324.26	333.99	340.67	347.48
	Dollar Inc		-	50.60	20.82	22.69	16.49	17.48	15.44	9.73	6.68	6.81
	Percent Inc		0.0%	28.0%	9.0%	9.0%	6.0%	6.0%	5.0%	3.0%	2.0%	2.0%
40,000 Gallons	Total	314.73	314.73	402.85	439.11	478.63	507.35	537.79	564.68	581.62	593.25	605.12
	Dollar Inc		-	88.12	36.26	39.52	28.72	30.44	26.89	16.94	11.63	11.87
	Percent Inc		0.0%	28.0%	9.0%	9.0%	6.0%	6.0%	5.0%	3.0%	2.0%	2.0%

3 Total Accounts

Total Accounts		3,233	3,344	3,457	3,570	3,681	3,793	3,905	4,017	4,129	4,241	
New Accounts			112	112	113	112	111	112	112	112	112	
Avg. Annual Growth Rate			3.46%	3.36%	3.26%	3.13%	3.03%	2.96%	2.86%	2.79%	2.71%	

4 Annual Water Consumption

W.1 Residential Inside		332,455,906	344,590,546	356,790,774	369,032,266	381,154,976	393,258,552	405,459,399	417,594,799	429,788,567	441,946,211	
W.2 Senior & Disabled		4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000	
W.3 Commercial Inside		36,800,341	38,161,953	39,531,586	40,906,494	42,268,680	43,629,309	45,001,451	46,366,795	47,739,252	49,108,175	
W.4 Industrial		5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	5,822,000	
W.5 Apartment & Duplex		17,686,546	18,040,277	18,390,258	18,735,995	19,073,243	19,405,117	19,735,004	20,058,658	20,379,597	20,695,481	
W.6 Fire		23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	
W.7 Institutional		13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	13,914,000	
W.8 Construction		5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	5,438,000	
W.9 Other		-	-	-	-	-	-	-	-	-	-	
W.10 Other		-	-	-	-	-	-	-	-	-	-	
Total System		416,199,792	430,049,776	443,969,618	457,931,755	471,753,899	485,549,979	499,452,854	513,277,252	527,164,416	541,006,866	



CITY OF KENNEDALE											
WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Water Summary
Scen: 2024 07 23 -- Status Quo

5 Revenues and Expenses -- CASH BASIS

Water Revenues											
<u>Water Rate Revenue</u>											
W.1 Residential Inside	\$	2,256,941	\$ 2,939,744	\$ 3,356,121	\$ 3,783,683	\$ 4,151,481	\$ 4,540,310	\$ 4,918,930	\$ 5,226,211	\$ 5,490,756	\$ 5,758,997
W.2 Senior & Disabled		35,713	46,295	51,610	56,751	60,631	64,599	68,160	70,488	72,069	73,621
W.3 Commercial Inside		363,481	473,675	541,019	610,221	669,830	732,875	794,317	844,273	887,354	931,055
W.4 Industrial		59,026	74,176	81,787	89,147	94,702	100,384	105,483	108,815	111,080	113,301
W.5 Apartment & Duplex		141,135	180,907	203,337	225,805	244,192	263,348	281,427	295,080	306,040	316,999
W.6 Fire		1,311	1,648	1,817	1,980	2,104	2,230	2,343	2,417	2,468	2,517
W.7 Institutional		145,511	182,859	201,620	219,766	233,460	247,467	260,036	268,252	273,834	279,311
W.8 Construction		62,628	78,702	86,777	94,587	100,481	106,510	111,919	115,455	117,858	120,215
W.9 Other		-	-	-	-	-	-	-	-	-	-
W.10 Other		-	-	-	-	-	-	-	-	-	-
		3,065,747	3,978,006	4,524,088	5,081,940	5,556,880	6,057,723	6,542,615	6,930,991	7,261,459	7,596,016
Non-Rate Revenues		517,103	217,103	217,103	217,103	217,103	217,103	217,103	217,103	217,103	217,103
Total Revenues		3,582,849	4,195,109	4,741,190	5,299,043	5,773,982	6,274,825	6,759,718	7,148,094	7,478,561	7,813,119

Water Cost of Service											
<u>Cost Center Code</u>											
1002 Operating Agreement - Arlington	\$	172,457	\$ 177,721	\$ 183,147	\$ 188,681	\$ 194,384	\$ 200,261	\$ 206,319	\$ 212,562	\$ 218,997	\$ 225,629
1001 Utility Billing		52,285	53,853	55,469	57,133	58,847	60,612	62,431	64,304	66,233	68,220
FTW-W Fort Worth Water		209,335	159,372	105,792	39,618	40,701	41,856	43,093	44,411	45,820	47,322
1009 Non-Departmental		36,500	37,960	39,478	40,663	41,883	43,139	44,433	45,766	47,139	48,553
AR-W Arlington Water Purchases		856,514	1,401,267	2,005,721	2,670,785	2,861,456	3,062,942	3,276,670	3,502,060	3,740,684	3,992,464
AR-WW Arlington Wastewater Treatment		-	-	-	-	-	-	-	-	-	-
1003 Water Debt Service		-	-	-	-	-	-	-	-	-	-
AR-O&M Arlington Operation Contract		1,090,459	1,134,078	1,179,441	919,964	947,563	975,990	1,005,269	1,035,427	1,066,490	1,098,485
Total		2,417,550	2,964,250	3,569,048	3,916,844	4,144,833	4,384,801	4,638,215	4,904,530	5,185,363	5,480,673

<u>Budget Code</u>											
100 Personnel Svcs	\$	-	-	-	-	-	-	-	-	-	-
200 Contractual		165,005	170,354	175,881	181,197	186,675	192,321	198,141	204,138	210,320	216,692
300 Supplies		2,336	2,407	2,479	2,553	2,630	2,709	2,790	2,874	2,960	3,049
400 Operations		2,596	2,700	2,808	2,892	2,979	3,068	3,160	3,255	3,353	3,453
500 Utilities		91,304	94,073	96,927	99,835	102,830	105,915	109,092	112,365	115,736	119,208
FTW-W Fort Worth - Water		209,335	159,372	105,792	39,618	40,701	41,856	43,093	44,411	45,820	47,322
TW-W Fort Worth - Wastewater		-	-	-	-	-	-	-	-	-	-
AR-O&M Arlington Operation Contract		1,090,459	1,134,078	1,179,441	919,964	947,563	975,990	1,005,269	1,035,427	1,066,490	1,098,485
AR-W Arlington Water Purchases		856,514	1,401,267	2,005,721	2,670,785	2,861,456	3,062,942	3,276,670	3,502,060	3,740,684	3,992,464
Total		2,417,550	2,964,250	3,569,048	3,916,844	4,144,833	4,384,801	4,638,215	4,904,530	5,185,363	5,480,673

Total Operating Expenses **2,417,550** **2,964,250** **3,569,048** **3,916,844** **4,144,833** **4,384,801** **4,638,215** **4,904,530** **5,185,363** **5,480,673**

Net Revenues for Transfers, Capital Outlays and Debt Service **1,165,299** **1,230,858** **1,172,142** **1,382,199** **1,629,150** **1,890,025** **2,121,503** **2,243,564** **2,293,198** **2,332,446**

CITY OF KENNEDALE WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Water Summary											
Scen: 2024 07 23 -- Status Quo											
Capital Outlays		365,000	379,600	394,784	406,628	418,826	431,391	444,333	457,663	471,393	485,535
Debt Service											
Debt Service -- Current		221,484	290,681	314,365	328,909	202,943	203,355	202,766	203,021	203,002	203,473
Debt Service -- Future		-	-	-	-	-	-	-	-	-	-
Total Debt Service		221,484	290,681	314,365	328,909	202,943	203,355	202,766	203,021	203,002	203,473
Net Revenues for Contingencies & Transfers		578,815	560,577	462,992	646,662	1,007,381	1,255,279	1,474,404	1,582,880	1,618,804	1,643,438
Total Contingencies & Transfers		346,218	356,604	367,302	378,321	389,671	401,361	413,402	425,804	438,578	451,735
Total Cost of Service		3,350,252	3,991,136	4,645,500	5,030,702	5,156,273	5,420,908	5,698,716	5,991,018	6,298,335	6,621,416
Net Revenues		232,597	203,973	95,690	268,341	617,710	853,918	1,061,002	1,157,076	1,180,226	1,191,703
Percent of COS		6.5%	4.9%	2.0%	5.1%	10.7%	13.6%	15.7%	16.2%	15.8%	15.3%
Debt Coverage											
Excludes Capital Outlays, G/F Transfers		5.26	4.23	3.73	4.20	8.03	9.29	10.46	11.05	11.30	11.46
All Inclusive		2.05	1.70	1.30	1.82	4.04	5.20	6.23	6.70	6.81	6.86

CITY OF KENNEDALE											
WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Wastewater Summary
Scen: 2024 07 23 -- Status Quo

1 Wastewater Monthly Rates and Charges

Residential Inside

Monthly Minimum Charge	\$	30.00	\$	30.00	\$	43.20	\$	49.68	\$	52.16	\$	54.77	\$	55.87	\$	56.98	\$	58.12	\$	59.29	\$	60.47
Volume Rate/1,000 Gal		2.90		2.90		4.18		4.80		5.04		5.29		5.40		5.51		5.62		5.73		5.85

Commercial

Monthly Minimum Charge	\$	55.00	\$	55.00	\$	79.20	\$	91.08	\$	95.63	\$	100.42	\$	102.42	\$	104.47	\$	106.56	\$	108.69	\$	110.87
Volume Rate/1,000 Gal	\$	6.72	\$	6.72	\$	9.68	\$	11.13	\$	11.68	\$	12.27	\$	12.51	\$	12.76	\$	13.02	\$	13.28	\$	13.55

2.1 Residential Monthly Charge

5,000 Gallons	Total	\$	44.50	\$	44.50	\$	64.08	\$	73.69	\$	77.38	\$	81.25	\$	82.87	\$	84.53	\$	86.22	\$	87.94	\$	89.70
	Dollar Inc		-		19.58		9.61		3.68		3.87		1.62		1.66		1.69		1.72		1.76		1.76
	Percent Inc		0.0%		44.0%		15.0%		5.0%		5.0%		2.0%		2.0%		2.0%		2.0%		2.0%		2.0%
10,000 Gallons	Total	59.00	59.00	84.96	97.70	102.59	107.72	109.87	112.07	114.31	116.60	118.93											
	Dollar Inc	-	25.96	12.74	4.89	5.13	2.15	2.20	2.24	2.29	2.33												
	Percent Inc	0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%												
20,000 Gallons	Total	88.00	88.00	126.72	145.73	153.01	160.67	163.88	167.16	170.50	173.91	177.39											
	Dollar Inc	-	38.72	19.01	7.29	7.65	3.21	3.28	3.34	3.41	3.48												
	Percent Inc	0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%												
30,000 Gallons	Total	117.00	117.00	168.48	193.75	203.44	213.61	217.88	222.24	226.69	231.22	235.84											
	Dollar Inc	-	51.48	25.27	9.69	10.17	4.27	4.36	4.44	4.53	4.62												
	Percent Inc	0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%												

CITY OF KENNEDALE WATER/WASTEWATER COST OF SERVICE MODEL												
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Wastewater Summary												
Scen: 2024 07 23 -- Status Quo												
2.2 Commercial Monthly Bill -- 1 1/2" Meter												
10,000 Gallons	Total	122.20	122.20	175.97	202.36	212.48	223.11	227.57	232.12	236.76	241.50	246.33
	Dollar Inc		-	53.77	26.40	10.12	10.62	4.46	4.55	4.64	4.74	4.83
	Percent Inc		0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%
20,000 Gallons	Total	189.40	189.40	272.74	313.65	329.33	345.80	352.71	359.77	366.96	374.30	381.79
	Dollar Inc		-	83.34	40.91	15.68	16.47	6.92	7.05	7.20	7.34	7.49
	Percent Inc		0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%
40,000 Gallons	Total	323.80	323.80	466.27	536.21	563.02	591.17	603.00	615.06	627.36	639.91	652.70
	Dollar Inc		-	142.47	69.94	26.81	28.15	11.82	12.06	12.30	12.55	12.80
	Percent Inc		0.0%	44.0%	15.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%
3 Total Accounts												
	Total Accounts		2,993	3,105	3,218	3,330	3,442	3,553	3,666	3,777	3,890	4,002
	New Accounts			112	112	113	112	111	112	112	112	112
	Avg. Annual Growth Rate			3.74%	3.62%	3.50%	3.35%	3.24%	3.16%	3.05%	2.97%	2.88%
4 Annual Wastewater Billing Units												
WW.1 Residential Inside		136,880,031	142,091,835	147,331,809	152,589,506	157,796,187	162,994,649	168,234,889	173,447,020	178,684,219	183,905,904	
WW.2 Senior & Disabled		1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	1,876,000	
WW.3 Commercial Inside		20,344,065	21,463,655	22,589,840	23,720,363	24,840,426	25,959,207	27,087,455	28,210,114	29,338,622	30,464,223	
WW.4 Industrial		5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	5,673,000	
WW.5 Apartment & Duplex		4,794,909	4,896,277	5,000,550	5,101,581	5,200,133	5,297,114	5,393,514	5,488,093	5,581,878	5,674,186	
WW.6 Institutional		10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	10,707,000	
WW.7 Builder		16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	
WW.8 Other		-	-	-	-	-	-	-	-	-	-	
WW.9 Other		-	-	-	-	-	-	-	-	-	-	
WW.10 Other		-	-	-	-	-	-	-	-	-	-	
Total System		180,291,005	186,725,768	193,194,199	199,683,451	206,108,745	212,522,970	218,987,858	225,417,226	231,876,719	238,316,313	

CITY OF KENNEDALE											
WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Wastewater Summary
Scen: 2024 07 23 -- Status Quo

5 Revenues and Expenses -- CASH BASIS

	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Wastewater Revenues											
Wastewater Rate Revenue											
WW.1 Residential Inside		1,341,382	1,954,080	2,364,955	2,589,762	2,812,037	2,969,714	3,126,494	3,287,823	3,454,841	3,626,917
WW.2 Senior & Disabled		20,650	31,024	37,060	39,475	41,702	42,750	43,706	44,682	45,677	46,692
WW.5 Commercial Inside		260,847	386,201	474,434	526,735	579,188	618,826	658,636	699,652	742,194	786,082
WW.6 Industrial		45,274	63,534	74,158	78,409	82,330	84,173	85,856	87,574	89,325	91,112
WW.5 Apartment & Duplex		40,095	57,480	68,493	73,882	79,075	82,353	85,529	88,769	92,092	95,487
WW.6 Institutional		86,361	121,193	141,459	149,569	157,047	160,563	163,775	167,050	170,391	173,799
WW.7 Builder		406	570	666	704	739	756	771	786	802	818
WW.8 Other		-	-	-	-	-	-	-	-	-	-
WW.9 Other		-	-	-	-	-	-	-	-	-	-
WW.1C Other		-	-	-	-	-	-	-	-	-	-
		1,795,016	2,614,082	3,161,224	3,458,537	3,752,118	3,959,135	4,164,767	4,376,337	4,595,321	4,820,907
Non-Rate Revenues		517,103	217,103	217,103	217,103	217,103	217,103	217,103	217,103	217,103	217,103
Total Revenues		2,312,118	2,831,185	3,378,326	3,675,639	3,969,220	4,176,238	4,381,869	4,593,439	4,812,424	5,038,009
Wastewater Cost of Service											
Cost Center Code											
1002 Operating Agreement - Arlington	\$	159,693	\$ 164,567	\$ 169,592	\$ 174,717	\$ 179,997	\$ 185,440	\$ 191,049	\$ 196,830	\$ 202,789	\$ 208,930
1004 Water Capital Projects		-	-	-	-	-	-	-	-	-	-
1001 Utility Billing		48,415	49,868	51,364	52,905	54,492	56,126	57,810	59,545	61,331	63,171
FTW-W Fort Worth Water		-	-	-	-	-	-	-	-	-	-
TW-W Fort Worth Wastewater		27,540	29,419	31,422	33,556	35,821	38,230	40,797	43,525	46,428	49,514
1009 Non-Departmental		36,500	37,960	39,478	40,663	41,883	43,139	44,433	45,766	47,139	48,553
AR-W Arlington Water Purchases		-	-	-	-	-	-	-	-	-	-
AR-WW Arlington Wastewater Treatment		1,050,872	1,131,914	1,217,970	1,309,236	1,405,419	1,507,122	1,615,087	1,729,006	1,849,694	1,977,105
\R-O&M Arlington Operation Contract		1,009,753	1,050,143	1,092,149	851,876	877,433	903,756	930,868	958,794	987,558	1,017,185
Total		2,332,774	2,463,871	2,601,976	2,462,952	2,595,044	2,733,813	2,880,046	3,033,466	3,194,939	3,364,458
Budget Code											
100 Personnel Svcs	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
200 Contractual		155,495	160,556	165,786	170,796	175,959	181,280	186,765	192,417	198,243	204,248
300 Supplies		2,164	2,228	2,295	2,364	2,435	2,508	2,583	2,661	2,741	2,823
400 Operations		2,404	2,500	2,600	2,678	2,758	2,841	2,926	3,014	3,105	3,198
500 Utilities		84,546	87,111	89,753	92,446	95,219	98,076	101,018	104,049	107,170	110,385
TW-W Fort Worth - Wastewater		27,540	29,419	31,422	33,556	35,821	38,230	40,797	43,525	46,428	49,514
\R-O&M Arlington Operation Contract		1,009,753	1,050,143	1,092,149	851,876	877,433	903,756	930,868	958,794	987,558	1,017,185
AR-WW Arlington Wastewater Treatment		1,050,872	1,131,914	1,217,970	1,309,236	1,405,419	1,507,122	1,615,087	1,729,006	1,849,694	1,977,105
Total		2,332,774	2,463,871	2,601,976	2,462,952	2,595,044	2,733,813	2,880,046	3,033,466	3,194,939	3,364,458
Total Operating Expenses		2,332,774	2,463,871	2,601,976	2,462,952	2,595,044	2,733,813	2,880,046	3,033,466	3,194,939	3,364,458
Net Revenues for Transfers,Capital Outlays and Debt Service		(20,655)	367,314	776,351	1,212,687	1,374,177	1,442,425	1,501,824	1,559,974	1,617,485	1,673,552

CITY OF KENNEDALE WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Wastewater Summary											
Scen: 2024 07 23 -- Status Quo											
Capital Outlays		250,000	260,000	270,400	278,512	286,867	295,473	304,338	313,468	322,872	332,558
Debt Service											
Debt Service -- Current		73,828	764,786	884,357	956,409	1,089,445	1,091,658	1,088,497	1,089,866	1,089,761	1,092,290
Debt Service -- Future		-	-	-	-	-	-	-	-	-	-
Total Debt Service		73,828	764,786	884,357	956,409	1,089,445	1,091,658	1,088,497	1,089,866	1,089,761	1,092,290
Net Revenues for Contingencies & Transfers		(344,483)	(657,473)	(378,406)	(22,234)	(2,136)	55,294	108,989	156,640	204,852	248,704
Total Contingencies & Transfers		346,218	356,604	367,302	378,321	389,671	401,361	413,402	425,804	438,578	451,735
Total Cost of Service		3,002,819	3,845,262	4,124,035	4,076,194	4,361,027	4,522,305	4,686,282	4,862,604	5,046,150	5,241,041
Net Revenues		(690,701)	(1,014,077)	(745,709)	(400,555)	(391,807)	(346,067)	(304,412)	(269,164)	(233,726)	(203,032)
Percent of COS		-29.9%	-35.8%	-22.1%	-10.9%	-9.9%	-8.3%	-6.9%	-5.9%	-4.9%	-4.0%
Debt Coverage											
Excludes Debt, Cap Outlays, G/F Transfers		(0.28)	0.48	0.88	1.27	1.26	1.32	1.38	1.43	1.48	1.53
All Inclusive		(8.36)	(0.33)	0.16	0.58	0.64	0.68	0.72	0.75	0.79	0.81



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