



# Financial Operating Plan for Fiscal Year 2023

Budget and Forecasted  
Fiscal Years 2023-2027

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# INTRODUCTION

New Braunfels Utilities (NBU) is a municipally owned, nonprofit, utility responsible for providing electric, water, and wastewater services within its certificated territories. Dedicated to strengthening our community by providing resilient essential services, NBU has identified strategic themes, including financial soundness, responsibility, and serving as a community partner.

Supported with revenue as opposed to taxes, ownership of NBU resides with its customers, who benefit from the rates that are set locally for electric, water, and wastewater services. Governed by a Board of Trustees comprised of local residents, appointed by the New Braunfels City Council, our customers have a voice in how NBU is maintained and operated.

New Braunfels Utilities' planning process is deliberate, with a focus on sustaining financial strength, maintaining and expanding infrastructure, and meeting customer needs. The process is multifaceted and incorporates the impact of changing variables such as customer demands, regulatory compliance, and the economic climate.





## FINANCIAL SUMMARY

New Braunfels has continued to experience dramatic growth over the past several years. Many factors that influenced last year's Budget and Financial Operating Plan (FOP) are still relevant today. The increased growth has rapidly consumed capacity in our infrastructure, strained our workforce, and changed customer expectations. The fiscal year 2023 Budget and FOP seeks to address each of these challenges by reinforcing NBU's resiliency to adapt to changing conditions and customer expectations.

The fiscal year 2023 budget was prepared as a proactive plan that provides safe and reliable electric, water, and wastewater services while maintaining customer expectations and financial safeguards.

## INCOME AND CASH FLOW

The FOP sets an operating budget of \$215.2 million for NBU in fiscal year 2023, which began on August 1, 2022. This amount is \$41.9 million greater than the fiscal year 2022 operating budget and is primarily attributable to an increase in purchased power of \$29.5 million, an increase of \$9.2 million in depreciation expense, and an increase of \$3.1 million in purchased water from last year's plan. The operations and maintenance budget was constructed to ensure NBU's commitment to providing and maintaining high quality service and anticipating customer expectations while being attentive to costs.

Total operating revenues of \$249.0 million are projected to increase by \$54.7 million compared to last year's budget. Operating revenues consist of a \$33.1 million increase in electric revenue, a \$7.5 million increase in water revenue, and a \$6.2 million increase in wastewater revenue. The Power Stabilization Fund will be partially funded with \$20.0 million of electric revenue.

In fiscal year 2022, NBU adopted a financial recovery plan to recover the high power costs experienced from the Winter Storm Uri in February of 2021 with a strategy to fill the Power Stabilization Fund to 365 days cost of power.

Overall, the fiscal year 2023 budget is projected to generate a change in net position after contributions (CNPAC) of \$32.6 million. This amount is \$19.7 million more than the fiscal year 2022 budget CNPAC of \$12.9 million. This projected change in CNPAC from the previous year's budget is estimated to result primarily from a projected increase of \$54.7 million in operating revenues that are offset by a projected increase of \$1.6 million in interest expense, \$29.5 million in purchased power, \$3.1 million in purchased water, and \$9.2 million in depreciation expense. The cost of purchased power has been influenced by the after-effects of Winter Storm Uri, volatility in the ERCOT market from regulatory changes, and global impacts.

The items projected to contribute to the \$12.8 million increase in net operating income are primarily due to a total increase of \$22.2 million in gross margins from the electric, water, and wastewater lines of business and an increase in depreciation expense of \$9.2 million. The net change in the electric gross margin (electric revenue less purchased power cost) is projected to increase by \$11.4 million. Water gross margin (water revenue less purchased water cost) is projected to increase by \$4.5 million. Wastewater revenues are projected to increase by \$6.3 million to arrive at a total estimated net gross margin change of \$22.2 million. The change in all three lines of business comes from an increase in growth projections compared to fiscal year 2022 and from a projected increase in rates for year three of an approved three-year rate plan.

The largest portion of the operating budget, approximately \$126.8 million, or 59 percent, will fund the cost for purchased power and purchased water. The other \$88.4 million will fund electric, water, and wastewater operations and general and administrative functions.

New Braunfels Utilities' capital plan for fiscal year 2023 is budgeted at \$135.3 million. The capital budget includes electric extensions, multiple water storage and distribution projects, expansion projects, rehabilitation and upgrades for two wastewater treatment plants, replacement of aging infrastructure and technology, capital expenditures for the Headwaters at the Comal, and construction of the new NBU headquarters, to consolidate locations and accommodate a growing workforce.

Approximately 37 percent, or \$57.9 million, of the fiscal year 2023 capital plan is projected to be financed with the issuance of new debt. Another \$60.0 million, or approximately 39 percent will be financed from NBU's Commercial Paper Program. The remainder of the capital plan will be funded with impact fees (12 percent) and other third-party funding sources (12 percent). After including the effect of the projected issuance of approximately \$57.9 million of debt in fiscal year 2023, NBU's fiscal year 2023 debt service coverage ratio is projected to be 5.07x as compared to the fiscal year 2022 budgeted debt service coverage ratio of 3.42x. A total of \$600.0 million in new debt is estimated over the five-year plan. New Braunfels Utilities' debt to capitalization ratio is projected to increase from the forecasted 43 percent at the end of fiscal year 2022 to 45 percent at the end of fiscal year 2023 and increase to 54 percent by the end of fiscal year 2027. Increases in debt-to-capitalization ratios in the five-year plan are primarily due to the financing of a significant capital expenditure program. Another contributing factor unique to this plan is the repayment of a liquidity note utilized in response to significant purchased power expenses as a result of the February 2021 winter storm event. Although the debt ratios do fluctuate over the five-year period, the leverage ratios remain modest and in compliance with NBU's financial policy. When combined with the favorable debt service coverage ratios, NBU should continue to be in a good position to issue new debt at attractive rates.

## REVENUE

Residential electric and water consumption is significantly influenced by weather. Due to the potential for wide fluctuations in estimating weather patterns, NBU analyzes long-term historical consumption patterns in concert with anticipated customer growth to determine potential high, low, and average revenue projections. For fiscal year 2023, residential electric revenue is estimated to be approximately \$62.9 million. This estimate was based on the average consumption per customer over the past four years, adjusted for estimated customer growth, forecasted electric prices, and projected residential kWh sales. After the inclusion of projected commercial and industrial kWh sales, NBU's total electric sales in fiscal year 2023 are projected to be approximately \$147.3 million.

Development of water usage projections is more challenging because in addition to weather, other factors such as water usage restrictions may be established due to drought conditions. For purposes of projecting customer usage, NBU utilized 12 years of historical usage data and applied an average of the four lowest water consumption volumes per customer by rate class.



These volumes were then applied to the appropriate monthly rates to arrive at projected revenue. Projected wastewater revenue was based on a three-year historical average of the monthly rate per rate class and then adjusted for any projected rate changes.

Another primary driver of revenue for NBU is customer growth. For fiscal year 2023, NBU is forecasting net growth of 6.4 percent, 7.0 percent, and 4.8 percent for the electric, water, and wastewater lines of business, respectively. These rates are in-line with the last five-year averages of approximately 5.8 percent for electric, 7.1 percent for water, and 5.1 percent for wastewater. The result of these assumptions is that NBU is projected to realize an overall net growth in service connections of 8,463 or 6.5 percent, for fiscal year 2023 when compared to the estimated year-end fiscal year 2022 connections. Customer growth in New Braunfels and Comal County is forecasted to continue over the next five years. The Fiscal Year 2023 Budget and Five-Year FOP initiatives and programs are in place to ensure that NBU has sufficient capacities of its system to meet customer demand and expectations. In addition, NBU performs sensitivity analysis to its assumed customer growth projections by line of business to determine the magnitude of change and its resulting net financial impact to NBU.

## OPERATING EXPENSES

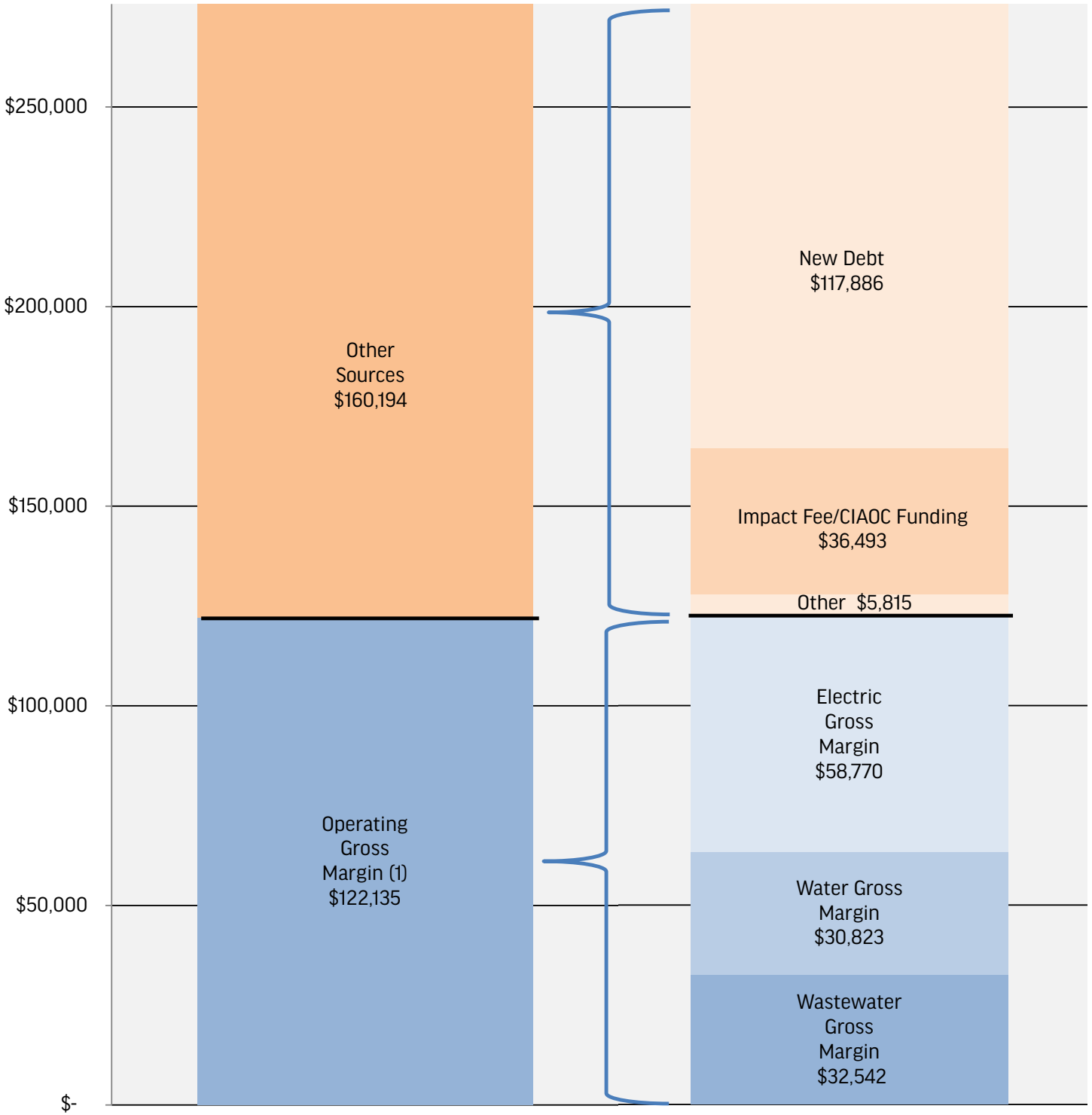
New Braunfels Utilities' fiscal year 2023 net operating expenses (i.e., operating expense after capitalizing costs related to capital projects) of \$49.2 million are budgeted at slightly the same amount as in the fiscal year 2022 budget of \$49.1 million. New Braunfels Utilities considered many cost savings in the operating plan to remain within the approved rate plan for fiscal year 2023 while maintaining operational efficiencies.

Combined Operating Budget \$ in Thousands	Budget FY 2023	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027
<b>Volumes/Rates</b>					
kWh (.000)	1,904,484	1,991,232	2,049,680	2,113,531	2,177,374
Rate per kWh	\$ 0.08959	\$ 0.08235	\$ 0.08175	\$ 0.08245	\$ 0.08384
Gal (.000)	4,525,581	4,796,963	5,081,832	5,373,274	5,597,847
Rate per gal (.000)	\$ 9.01	\$ 9.98	\$ 11.05	\$ 12.22	\$ 13.50
<b>Operating Revenues</b>					
Electric Services	\$ 150,627	\$ 148,977	\$ 152,555	\$ 159,252	\$ 167,547
Water Services	40,758	47,857	56,135	65,679	75,569
Sewer Services	32,277	35,898	39,987	44,479	48,763
PCA - Power Stabilization Fund	20,000	15,000	15,000	15,000	15,000
Electric Other	1,220	1,303	1,391	1,486	1,587
Transmission Cost of Service	1,747	1,834	1,926	2,022	2,123
Transmission Lease	856	856	856	856	856
Pole Attachments	434	434	434	434	434
Water Other	585	613	643	675	691
Water Antenna Lease	160	170	180	190	200
Sewer Other	265	278	292	306	314
<b>Total Operating Revenues</b>	<b>\$ 248,929</b>	<b>\$ 253,221</b>	<b>\$ 269,399</b>	<b>\$ 290,379</b>	<b>\$ 313,084</b>
<b>Operating Expenses</b>					
Purchased Power	\$ 116,114	\$ 111,051	\$ 111,095	\$ 114,149	\$ 118,537
Purchased Water	10,681	15,425	16,345	17,209	18,738
Operating Expenses	49,216	58,318	66,737	70,574	76,343
Depreciation	39,181	42,047	44,942	51,256	62,180
<b>Total Operating Expenses</b>	<b>\$ 215,192</b>	<b>\$ 226,841</b>	<b>\$ 239,120</b>	<b>\$ 253,189</b>	<b>\$ 275,798</b>
<b>Net Operating Income</b>	<b>\$ 33,737</b>	<b>\$ 26,379</b>	<b>\$ 30,280</b>	<b>\$ 37,190</b>	<b>\$ 37,286</b>
<b>Non-Operating Revenue/(Expense)</b>					
Interest Income	\$ 1,439	\$ 1,317	\$ 1,720	\$ 2,619	\$ 2,976
Interest Expense	(14,415)	(21,275)	(29,045)	(36,307)	(40,444)
Intergovernmental Expense	(10,772)	(11,824)	(12,178)	(12,932)	(13,624)
Impact Fees	18,051	23,029	28,493	39,852	45,470
Capital Participation Fee	551	796	2,016	1,224	1,224
Services & Jobbing	4,962	5,190	5,429	5,680	5,944
Contingency Expense	-	-	-	-	-
Other/G&A/Dev Fee	(952)	238	178	1,826	(952)
<b>Total Nonoperating Rev/(Exp)</b>	<b>\$ (1,136)</b>	<b>\$ (2,530)</b>	<b>\$ (3,386)</b>	<b>\$ 1,963</b>	<b>\$ 595</b>
<b>Change in Net Position</b>	<b>\$ 32,601</b>	<b>\$ 23,849</b>	<b>\$ 26,894</b>	<b>\$ 39,153</b>	<b>\$ 37,881</b>
<b>Add Back</b>					
Depreciation	\$ 39,181	\$ 42,047	\$ 44,942	\$ 51,256	\$ 62,180
Interest Expense	14,415	21,275	29,045	36,307	40,444
Intergovernmental Expense	10,772	11,824	12,178	12,932	13,624
<b>Net Available for Debt Service</b>	<b>\$ 96,969</b>	<b>\$ 98,994</b>	<b>\$ 113,058</b>	<b>\$ 139,649</b>	<b>\$ 154,129</b>
<b>Minus</b>					
Debt Service	\$ (24,594)	\$ (30,361)	\$ (40,532)	\$ (49,533)	\$ (54,988)
Liquidity Note Payoff	(35,000)	-	-	-	-
Restricted Funds	(18,051)	(23,029)	(28,493)	(39,852)	(45,470)
Intergovernmental Expense	(10,772)	(11,824)	(12,178)	(12,932)	(13,624)
Power Stabilization Fund	(20,000)	(15,000)	(15,000)	(15,000)	(15,000)
Contingency Reserve	(185)	(3,040)	(3,338)	(1,466)	(2,310)
<b>Net Revenues Available for Capital</b>	<b>\$ (11,633)</b>	<b>\$ 15,741</b>	<b>\$ 13,518</b>	<b>\$ 20,867</b>	<b>\$ 22,737</b>
<b>Capital Expenditures</b>					
Electric Projects	\$ 22,362	\$ 26,191	\$ 30,093	\$ 35,569	\$ 31,404
Water Projects	54,129	73,005	32,340	42,278	71,369
Wastewater Projects	16,100	49,444	89,481	77,652	34,476
Support Projects	41,722	68,139	66,475	8,475	465
<b>Total Capital Projects</b>	<b>\$ 134,313</b>	<b>\$ 216,779</b>	<b>\$ 218,389</b>	<b>\$ 163,974</b>	<b>\$ 137,714</b>
<b>Total Capital Equipment</b>	<b>1,009</b>	<b>4,638</b>	<b>3,649</b>	<b>3,095</b>	<b>2,657</b>
<b>Total Capital Expenditures</b>	<b>\$ 135,322</b>	<b>\$ 221,417</b>	<b>\$ 222,038</b>	<b>\$ 167,069</b>	<b>\$ 140,371</b>
<b>Capital Expenditures - Funding</b>					
New Debt Requirement & CP Funding	\$ 117,886	\$ 154,915	\$ 143,006	\$ 103,333	\$ 80,882
Impact Fees - Capital Projects	13,225	19,526	17,758	25,055	30,265
Impact Fees - Debt Service	4,827	-	7,407	6,618	3,373
CIAOC & Grants	18,442	31,235	40,348	11,197	3,113
Revenue & Prior Year Excess Funds	(19,057)	15,741	13,518	20,867	22,737
<b>Total Capital Funding</b>	<b>\$ 135,322</b>	<b>\$ 221,417</b>	<b>\$ 222,038</b>	<b>\$ 167,070</b>	<b>\$ 140,370</b>
<b>Excess Funds Utilized to Fund Capital</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,330)</b>	<b>\$ -</b>
<b>Debt Service Excluding Commercial Paper</b>	<b>\$ 19,116</b>	<b>\$ 28,757</b>	<b>\$ 38,928</b>	<b>\$ 47,754</b>	<b>\$ 53,689</b>
<b>Debt Service Coverage</b>	<b>5.07</b>	<b>3.44</b>	<b>2.90</b>	<b>2.92</b>	<b>2.87</b>
<b>Debt Service Including Extraordinary Event</b>	<b>1.79</b>	<b>3.44</b>	<b>2.90</b>	<b>2.92</b>	<b>2.87</b>
<b>Adj. DSC Including Extraordinary Event</b>	<b>1.59</b>	<b>3.03</b>	<b>2.59</b>	<b>2.65</b>	<b>2.62</b>

# SOURCES OF NET FUNDS AVAILABLE

## Major Components

## Detailed Components



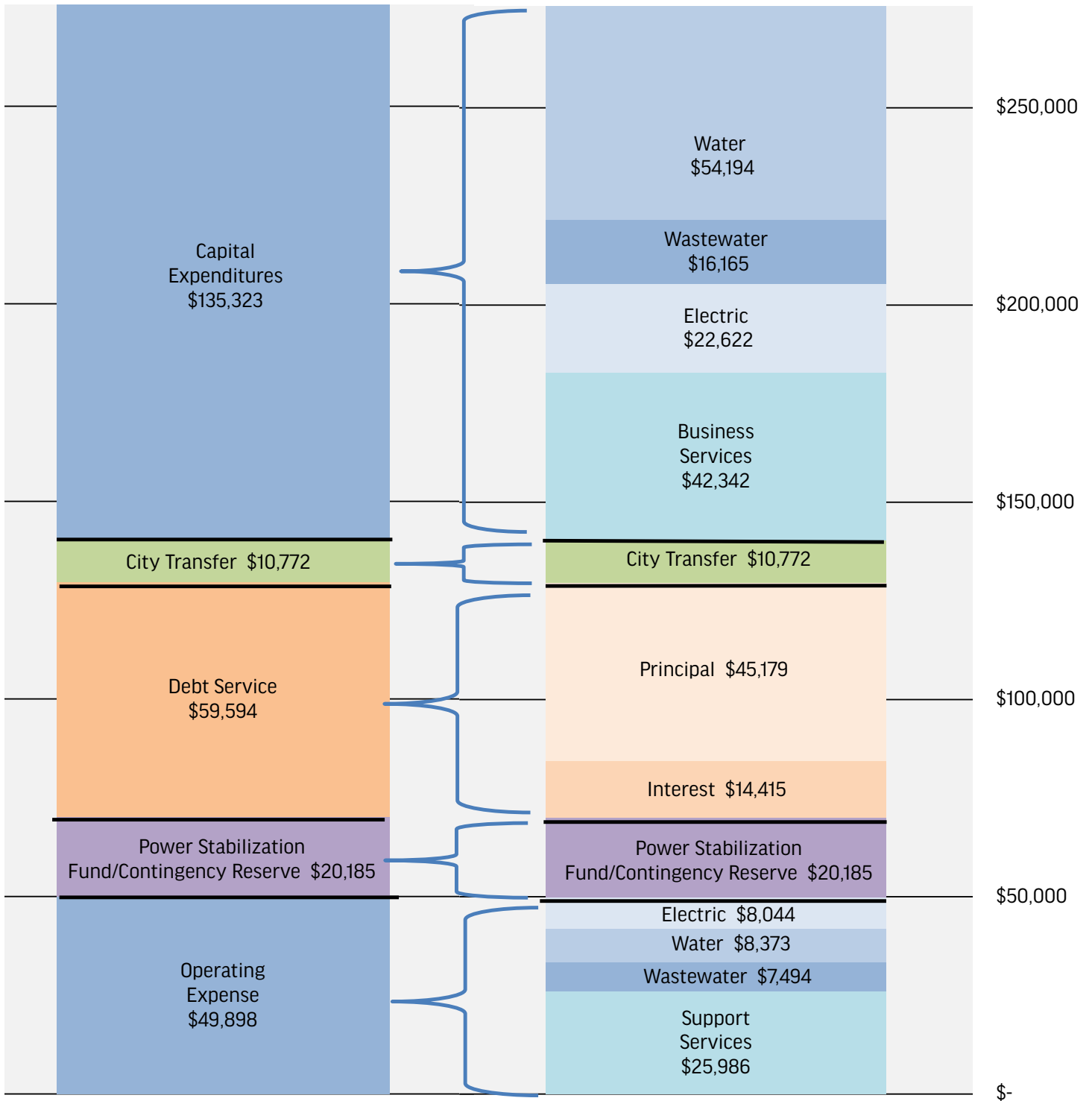
(1) Operating Gross Margin is total gross revenue less purchased power and purchased water costs.



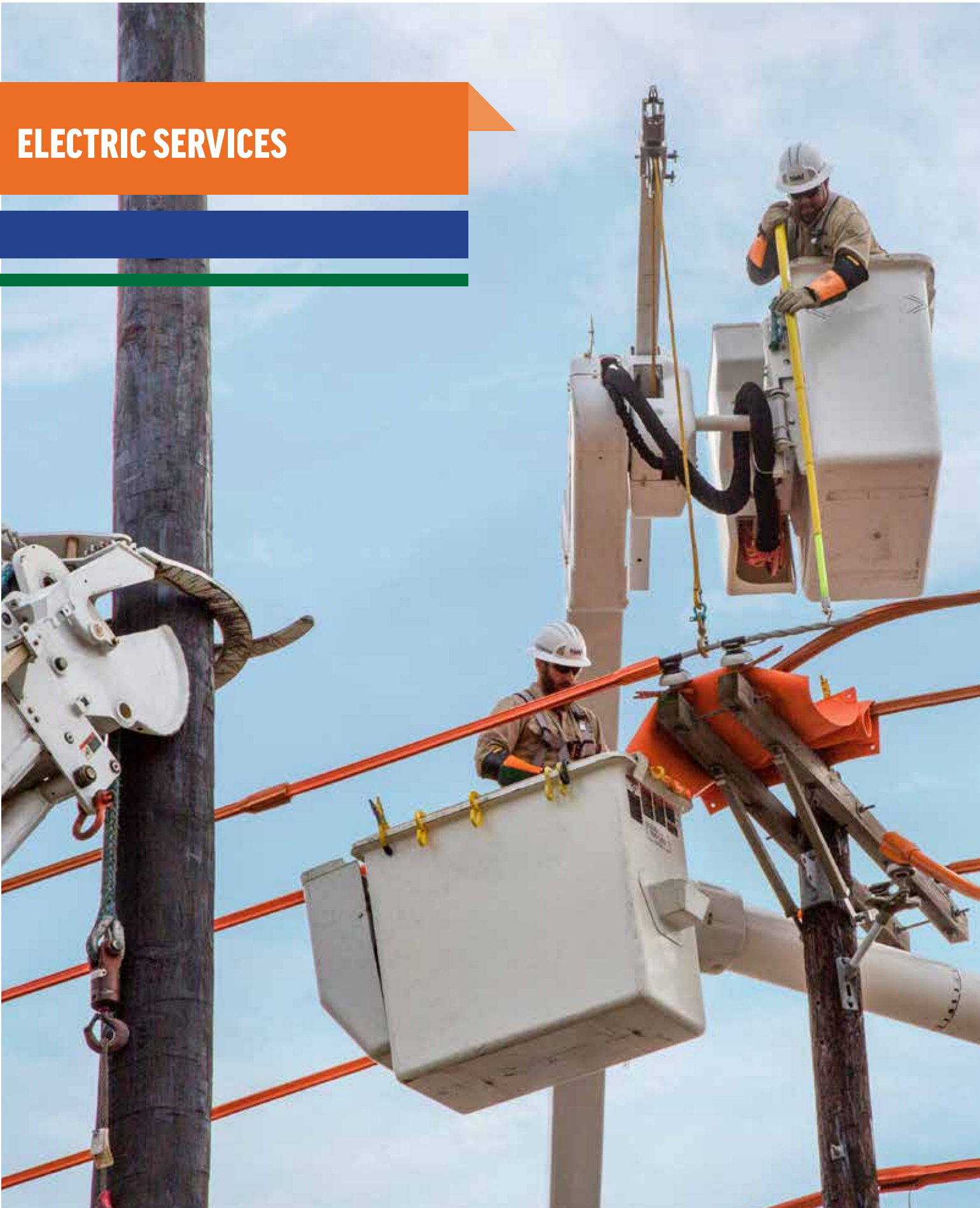
# USES OF NET FUNDS AVAILABLE

## Major Components

## Detailed Components



# ELECTRIC SERVICES

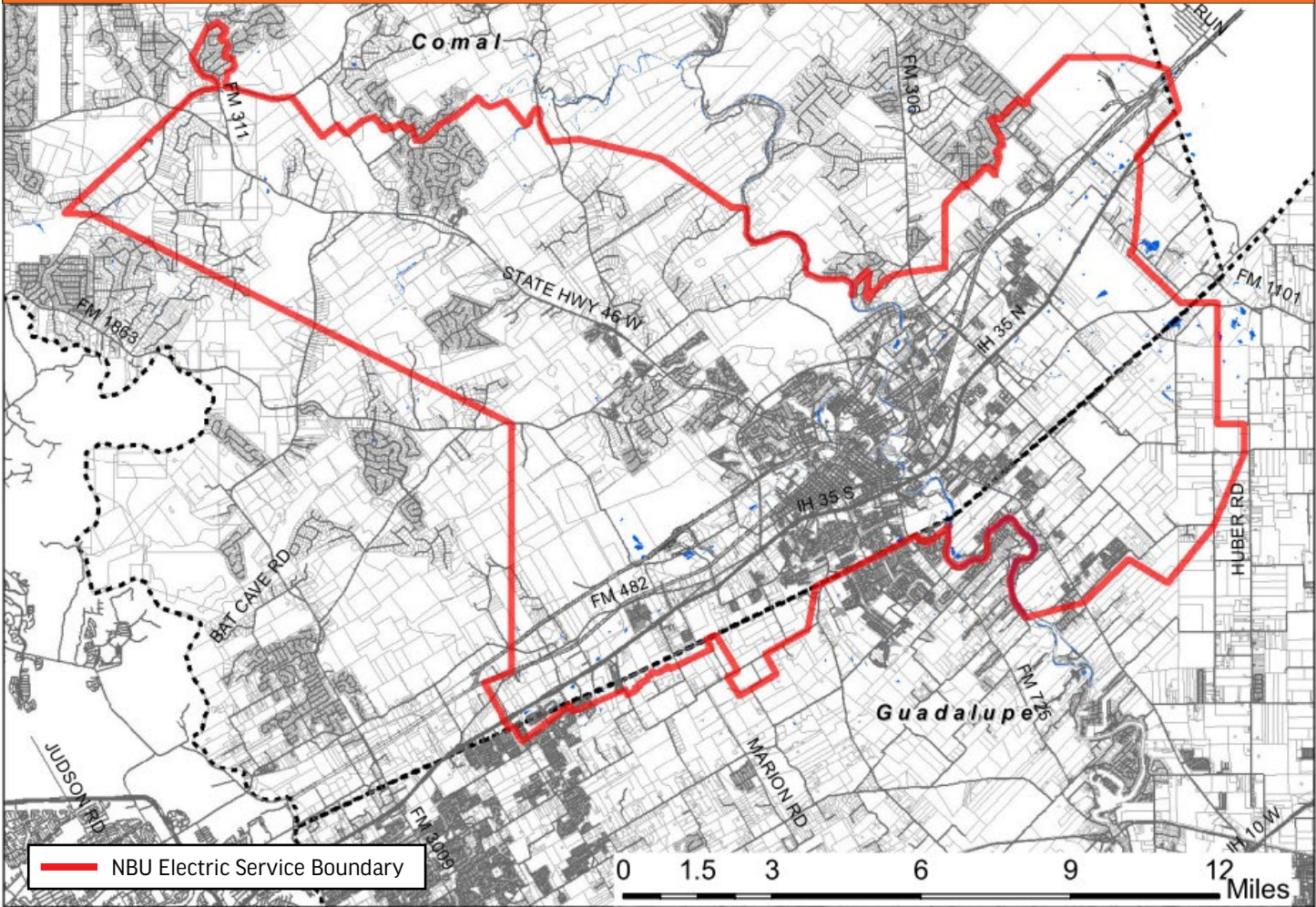


## ELECTRIC STATISTICS

### Fiscal Year 2022

Megawatt-hours Sold (in Thousands)	1,765
Active Electric Meters	50,753
Residential Electric Meters	44,764
Miles of Overhead Distribution	625.3 miles
Miles of Underground Distribution	408.6 miles
Number of Substations	11
System Average Interruption Duration Index (SAIDI)	62.8 minutes
Customer Average Interruption Duration Index (CAIDI)	105.5 minutes
Coincident Peak Demand	336.4 MW
Non-Coincident Peak Demand	388.6 MW

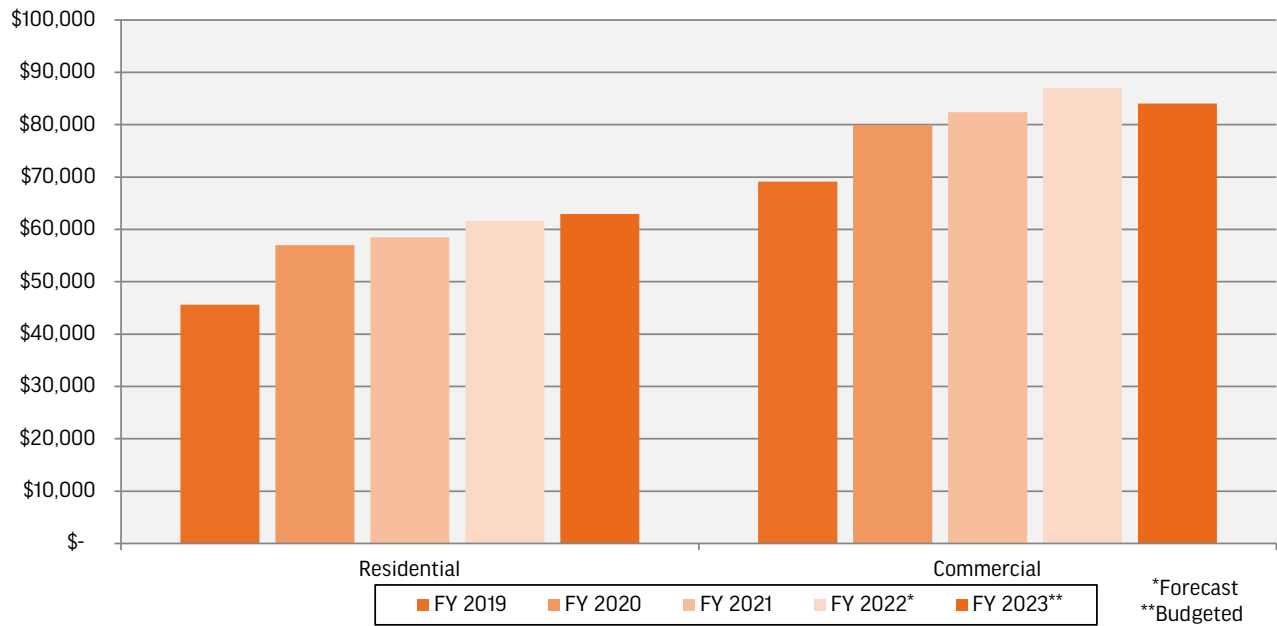
## ELECTRIC SERVICE AREA



Electric Operating Budget \$ in Thousands	Budget FY 2023	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027
<b>Operating Revenues</b>					
Electric Services	\$ 150,627	\$ 148,977	\$ 152,555	\$ 159,252	\$ 167,547
PCA - Power Stabilization Fund	20,000	15,000	15,000	15,000	15,000
Electric Other	1,220	1,303	1,391	1,486	1,587
Transmission Cost of Service	1,747	1,834	1,926	2,022	2,123
Transmission Lease	856	856	856	856	856
Pole Attachment Lease	434	434	434	434	434
<b>Total Operating Revenues</b>	<b>\$ 174,884</b>	<b>\$ 168,404</b>	<b>\$ 172,162</b>	<b>\$ 179,050</b>	<b>\$ 187,547</b>
<b>Operating Expenses</b>					
Purchased Power	\$ 116,114	\$ 111,051	\$ 111,095	\$ 114,149	\$ 118,537
Operating Expenses	8,044	9,480	10,888	11,989	13,335
Depreciation	13,129	14,489	16,482	19,495	21,237
<b>Total Operating Expenses</b>	<b>\$ 137,288</b>	<b>\$ 135,020</b>	<b>\$ 138,465</b>	<b>\$ 145,634</b>	<b>\$ 153,109</b>
<b>Net Operating Income</b>	<b>\$ 37,596</b>	<b>\$ 33,384</b>	<b>\$ 33,697</b>	<b>\$ 33,416</b>	<b>\$ 34,438</b>
<b>Non-Operating Revenue/(Expense)</b>					
Services	\$ 3,402	\$ 3,572	\$ 3,750	\$ 3,938	\$ 4,135
Jobbing	375	375	375	375	375
Merchandise	9	9	9	9	9
Miscellaneous	769	769	769	769	769
<b>General &amp; Administrative</b>					
Bad Debt	(179)	(179)	(179)	(179)	(179)
Interest Expense	(8,090)	(11,085)	(13,386)	(15,988)	(18,065)
<b>Total Non-Operating Revenue/(Expense)</b>	<b>\$ (3,714)</b>	<b>\$ (6,539)</b>	<b>\$ (8,662)</b>	<b>\$ (11,076)</b>	<b>\$ (12,957)</b>
<b>Net Income Before Allocation</b>	<b>\$ 33,882</b>	<b>\$ 26,845</b>	<b>\$ 25,035</b>	<b>\$ 22,340</b>	<b>\$ 21,481</b>
Income Allocation	\$ 890	\$ 836	\$ 1,015	\$ 1,413	\$ 1,571
Expense Allocation	(20,754)	(22,932)	(24,970)	(25,877)	(27,859)
<b>Change in Net Position</b>	<b>\$ 14,018</b>	<b>\$ 4,748</b>	<b>\$ 1,079</b>	<b>\$ (2,124)</b>	<b>\$ (4,807)</b>
<b>Add Back</b>					
Depreciation	\$ 13,129	\$ 14,489	\$ 16,482	\$ 19,495	\$ 21,237
Interest Expense	8,090	11,085	13,386	15,988	18,065
Intergovernmental Expense	8,794	9,475	9,435	9,771	10,020
<b>Net Available for Debt Service</b>	<b>\$ 44,031</b>	<b>\$ 39,797</b>	<b>\$ 40,382</b>	<b>\$ 43,130</b>	<b>\$ 44,515</b>
<b>Minus</b>					
Debt Service	\$ (15,048)	\$ (15,617)	\$ (18,675)	\$ (21,976)	\$ (24,557)
Liquidity Note Payoff	(35,000)	-	-	-	-
Intergovernmental Expense	(8,794)	(9,475)	(9,435)	(9,771)	(10,020)
Power Stabilization Fund	(20,000)	(15,000)	(15,000)	(15,000)	(15,000)
Contingency Reserve	(64)	(525)	(732)	(613)	(416)
<b>Net Revenues Available for Capital</b>	<b>\$ (34,875)</b>	<b>\$ (821)</b>	<b>\$ (3,460)</b>	<b>\$ (4,230)</b>	<b>\$ (5,477)</b>
<b>Capital Expenditures</b>					
Projects	\$ 22,362	\$ 26,191	\$ 30,093	\$ 35,569	\$ 31,404
Equipment	260	260	260	260	260
Support Services Allocated Capital	10,980	17,831	17,400	2,359	281
<b>Total Capital Expenditures</b>	<b>\$ 33,602</b>	<b>\$ 44,282</b>	<b>\$ 47,752</b>	<b>\$ 38,187</b>	<b>\$ 31,945</b>
<b>Capital Expenditures - Funding</b>					
New Debt Requirement	\$ 70,344	\$ 41,834	\$ 47,859	\$ 37,729	\$ 34,680
CIAOC & Grant Funding	4,443	3,270	3,353	4,688	2,743
Revenue & Prior Year Excess Funds	(41,186)	(821)	(3,460)	(4,230)	(5,477)
<b>Total Capital Funding</b>	<b>\$ 33,602</b>	<b>\$ 44,282</b>	<b>\$ 47,752</b>	<b>\$ 38,187</b>	<b>\$ 31,945</b>
<b>Debt Service Excluding Commercial Paper</b>	<b>\$ 10,188</b>	<b>\$ 15,169</b>	<b>\$ 18,096</b>	<b>\$ 21,289</b>	<b>\$ 23,797</b>
<b>Debt Service Coverage</b>	<b>4.32</b>	<b>2.62</b>	<b>2.23</b>	<b>2.03</b>	<b>1.87</b>
<b>Adjusted Debt Service Coverage</b>	<b>2.34</b>	<b>1.94</b>	<b>1.66</b>	<b>1.52</b>	<b>1.40</b>



## ELECTRIC REVENUE BY RATE CLASS

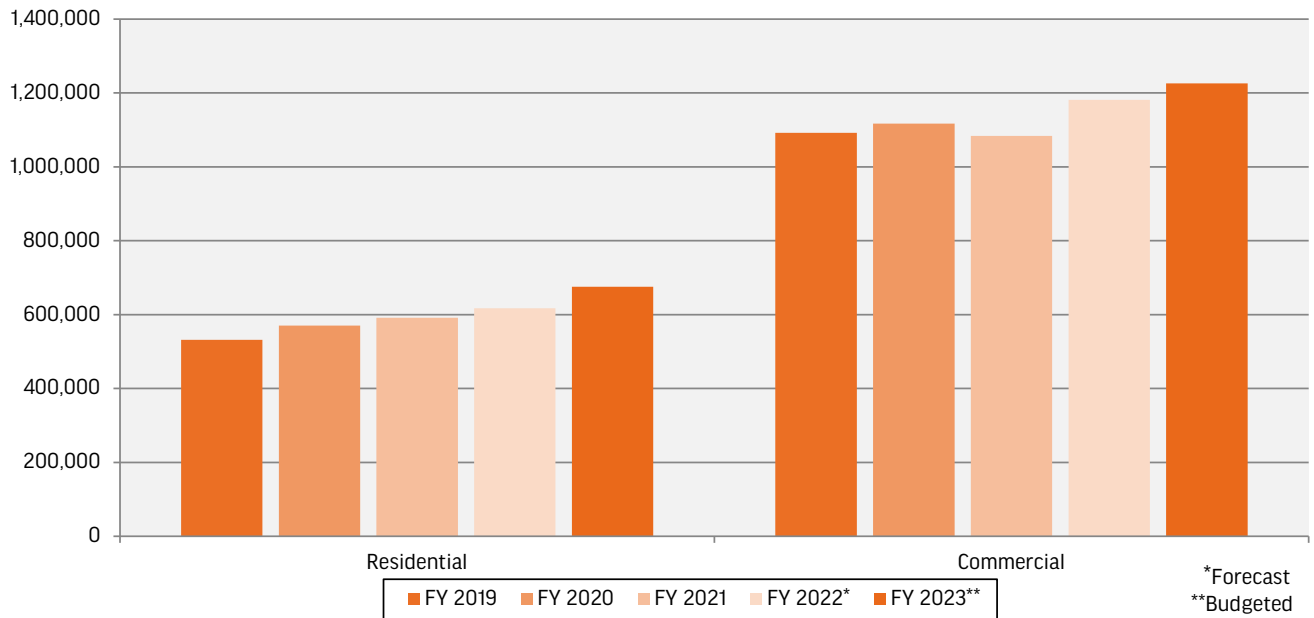


ELECTRIC REVENUE BY RATE CLASS \$ IN THOUSANDS	Actual FY 2019*	Actual FY 2020*	Actual FY 2021*	Forecast FY 2022	Budget FY 2023**
Residential	\$ 45,625	\$ 57,006	\$ 58,469	\$ 61,589	\$ 62,925
Commercial	69,125	79,945	82,392	86,984	84,064
Other	280	272	225	235	259
<b>TOTAL</b>	<b>\$ 115,030</b>	<b>\$ 137,223</b>	<b>\$ 141,086</b>	<b>\$ 148,808</b>	<b>\$ 147,249</b>

\*Note: Does not include energy cost recovery of (\$6.4) million, (\$4.2) million, and \$49.7 million for FY 2019 through 2021, respectively.

\*\*Note: FY 2023 Budget does not include an estimate for the energy cost recovery factor.

## ELECTRIC VOLUME BY RATE CLASS



ELECTRIC VOLUME BY RATE CLASS kWh IN THOUSANDS	Actual FY 2019	Actual FY 2020	Actual FY 2021	Forecast FY 2022	Budget FY 2023
Residential	531,456	570,647	591,218	617,550	675,335
Commercial	1,091,934	1,117,175	1,084,172	1,181,063	1,226,332
Other	3,289	3,105	3,090	3,212	2,817
<b>TOTAL</b>	<b>1,626,679</b>	<b>1,690,927</b>	<b>1,678,480</b>	<b>1,801,824</b>	<b>1,904,484</b>

PURCHASED POWER \$ IN THOUSANDS	Budget	Forecast			
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<b>PURCHASED POWER</b>					
Generation	\$ 93,898	\$ 86,762	\$ 85,217	\$ 86,779	\$ 89,616
Transmission	22,216	24,289	25,879	27,370	28,921
<b>TOTAL PURCHASED POWER COSTS</b>	<b>\$ 116,114</b>	<b>\$ 111,051</b>	<b>\$ 111,095</b>	<b>\$ 114,149</b>	<b>\$ 118,537</b>

## Top Five Financial Investments, High-Level Overview

### System Extensions / Meters / Transformers – \$67.2M

These annual expenditures provide general on-site service and extensions to accommodate system growth. Between FY 2023 and FY 2027, NBU estimates electric meter connections to increase by a total of 30.9 percent, ultimately exceeding 66,000 meters. It is estimated that ten miles of distribution overhead primary will be added and 150 miles of underground distribution will be added. Specific system extensions include those within Veramendi, Solms Landing, Mayfair, and many other developments.



System Extensions / Meters / Transformers

### Aging Electric Infrastructure, Distribution and Substation – \$16.8M

This pair of ongoing projects consists of replacing aging infrastructure within the system. Utility poles, overhead wire, pad-mounted equipment, and underground cable are included and bring NBU infrastructure up to current standards upon completion. In particular, newer and technologically superior materials are anticipated to have a greater lifespan and duty cycle. For example, new underground cable is designed for a minimum 40-year service life. Critical utility poles are designed for a minimum 80-year service life. NBU's Aging Infrastructure replacement program is now expanded to include substation equipment as well, including replacement of substation switches, breakers, battery banks, and other critical equipment. Previously, substation equipment was replaced as needed only through Operation and Maintenance.



Pad-Mounted Equipment

### Kohlenberg Substation and Feeders – \$12.3M

New Braunfels Utilities has identified the need for additional transformer and distribution feeder capacity along FM 1101, near Kohlenberg Road. Growth within the region includes that of Creekside Terrace subdivision, the Mayfair Project, and adjacent industrial load including Continental Automotive Systems. The substation requires a 3.2 mile transmission extension, and a backside transmission extension at a later time in order to provide looped redundancy. Two power transformers and six distribution feeders are proposed to be constructed and energized initially, in essence building straight to the master plan.



Additional Transformation and Distribution Feeder Capacity

### Hueco Springs Substation and Feeders – \$7.5M

To serve the anticipated growth of the Veramendi development, NBU has identified the need to construct an additional distribution substation along River Road, at Edwards Boulevard. The proposed substation site is adjacent to an existing Lower Colorado River Authority Transmission Services Corporation (LCRA TSC) looped transmission line, and will not require lengthy transmission extension. The substation is master planned for two power transformers and up to six distribution feeders. It will also create several switching ties to other adjacent substations for system resiliency. The substation land site is procured.



Hueco Springs Substation and Feeders

### E.C. Mornhinweg T2 and Feeders 21 and 22 – \$4.8M

To serve new commercial and industrial growth along the northwest side of the IH-35 corridor from FM 1103 to Loop 337, NBU is adding a second power transformer at the E.C. Mornhinweg Substation. The substation 138kV side will be upgraded to a ring bus. Three new feeders are to be immediately extended from E.C. Mornhinweg. One feeder is extended North to serve the load growth of Cemex Quarry, the largest distribution customer of NBU. The second feeder will extend straight to IH-35, to split load from and relieve existing circuit EC12. The third feeder will extend along FM 482, to split load from and relieve the existing circuit, EC12. The expanded substation and additional feeders will also help serve five specific projects within the City of Schertz.



T2 Feeders

ELECTRIC SERVICES CAPITAL PROJECTS	Budget	Forecast				Total
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	5-Yr. Plan
System Extensions - Electric	\$ 6,893,269	\$ 7,474,592	\$ 7,716,225	\$ 7,392,253	\$ 8,321,853	\$ 37,798,192
Distribution Transformers	3,639,355	3,880,185	4,005,620	3,837,441	4,320,012	19,682,613
Electric Aging Infrastructure, Distribution	2,134,838	2,430,617	2,634,651	2,650,235	3,132,686	12,983,027
Electric Meters	1,777,631	1,927,543	1,989,855	1,906,309	2,146,034	9,747,371
Hueco Springs Substation	1,745,413	5,710,935	-	-	-	7,456,348
E.C. Mornhinweg T2 & Feeders	1,727,359	-	-	-	-	1,727,359
CO14 Kentucky Rd. Feeder	1,440,726	-	-	-	-	1,440,726
HE23 IH-35 Stolte Feeder	1,392,489	-	-	-	-	1,392,489
HE11 Conrads Rd. Feeder	414,377	124,886	2,013,122	-	-	2,552,386
EC23 FM 482 Feeder	294,269	780,540	-	-	-	1,074,809
Fiber Optic Extensions	245,887	-	275,242	-	-	521,130
Transmission Access & Wildlife Protection	176,879	191,796	197,996	189,683	213,536	969,889
Electric Technology Upgrades	150,606	163,307	168,586	161,508	181,818	825,824
Electric Aging Infrastructure, Substation	116,836	126,689	1,175,326	1,125,979	1,267,574	3,812,404
Freiheit Breaker Additions & Control House	105,937	1,450,310	-	-	-	1,556,247
System Equipment Additions	105,937	-	118,584	-	127,891	352,412
Three-Phase Extensions	-	1,049,046	1,009,187	790,469	880,295	3,728,997
Distribution Feeder Breaker Addition & Replacements	-	530,886	170,300	978,414	-	1,679,600
Comal T3 Replacement & Feeder CO33	-	224,796	2,387,669	-	-	2,612,465
FR24 Kowald Ln. Feeder	-	124,886	1,450,707	-	-	1,575,593
Kohlenberg Rd. Substation	-	-	4,211,809	5,922,172	2,193,498	12,327,480
HW14 to FM 3009 Extension Phase 2	-	-	441,519	1,596,381	-	2,037,901
Sheriff's Posse to Marion, T-340 Upgrade	-	-	126,148	3,074,512	-	3,200,660
HW23 Fallen Oak Feeder	-	-	-	2,897,136	-	2,897,136
TxDOT Road Widening	-	-	-	1,655,506	5,520,979	7,176,485
Industrial Substation PWT Replacement (TXI T1)	-	-	-	1,305,581	-	1,305,581
GPI Substation Improvements	-	-	-	85,140	1,209,680	1,294,821
Residential OH to UD Conversion	-	-	-	-	1,887,961	1,887,961
<b>TOTAL CAPITAL PROJECTS - ELECTRIC</b>	<b>\$ 22,361,808</b>	<b>\$ 26,191,013</b>	<b>\$ 30,092,549</b>	<b>\$ 35,568,717</b>	<b>\$ 31,403,817</b>	<b>\$ 145,617,906</b>



ELECTRIC SERVICES CAPITAL EQUIPMENT	Budget	Forecast					Total
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	5-Yr Plan	
GPS Unit Replacement	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ 30,000	
Replace Unit 427	-	-	-	55,000	-	55,000	
<b>Total Electric Engineering</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,000</b>	<b>\$ 55,000</b>	<b>\$ -</b>	<b>\$ 85,000</b>	
Flat Bed Trailer	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000	
Replace Units 1113 & 521 (2000 Sterling Cab & Chassis w/Pressure Digger)	-	650,000	-	-	-	650,000	
Excavation combo unit	-	650,000	-	-	-	650,000	
1139 Replacement (2009 aerial unit)	-	300,000	-	-	-	300,000	
1118 Replacement (2011 aerial unit)	-	300,000	-	-	-	300,000	
Addition Bucket Truck for Added FY24 Personnel request	-	300,000	-	-	-	300,000	
Replace Unit 1110 (2013 F-350 4X4 Service Truck)	-	90,000	-	-	-	90,000	
1112 Replacement (2011 F550)	-	90,000	-	-	-	90,000	
1124 Replacement (2012 F350)	-	90,000	-	-	-	90,000	
1110 Replacement	-	90,000	-	-	-	90,000	
Addition URD Service Truck for Added FY24 Personnel request	-	90,000	-	-	-	90,000	
Additional Service Truck for FY24 Lead Journeyman request	-	90,000	-	-	-	90,000	
Additional Service Truck for FY24 Lead Journeyman request	-	90,000	-	-	-	90,000	
Assistant Manager Truck	-	55,000	-	-	-	55,000	
1107 Replacement (2006 F250)	-	55,000	-	-	-	55,000	
1106 Replacement (2013 F150)	-	55,000	-	-	-	55,000	
New Truck for Presonnel request FY24 Supervisor	-	55,000	-	-	-	55,000	
Locator Unit	-	45,000	-	-	-	45,000	
Locator Unit (for proposed position)	-	45,000	-	-	-	45,000	
Locator position FY24	-	45,000	-	-	-	45,000	
Replacement Dump Trailers	-	25,000	-	-	-	25,000	
1140 Replacement (2014 aerial unit)	-	-	300,000	-	-	300,000	
Addition Service Truck for Added FY25 Personnel Request (Service Bucket)	-	-	165,000	-	-	165,000	
Addition to URD Service Truck	-	-	90,000	-	-	90,000	
907 and 1141 Replacement Pressure digger w/cab and chassis	-	-	-	650,000	-	650,000	
1142 Replacement (Dual tandum digger derrick)	-	-	-	300,000	-	300,000	
504 Replacement (Shermin Riely Puller)	-	-	-	225,000	-	225,000	
Replace 1143 (F250)	-	-	-	90,000	-	90,000	
1144 Replacement (F550)	-	-	-	90,000	-	90,000	
1145 Replacement	-	-	-	90,000	-	90,000	
1146 Replacement	-	-	-	90,000	-	90,000	
Addition Service Truck for Added FY26 Personnel request	-	-	-	90,000	-	90,000	
606 Replacement (2015 1/2 ton)	-	-	-	55,000	-	55,000	
597 Replacement (Rodeo Trailer)	-	-	-	25,000	-	25,000	
594 Replacement (Cargo Trailer)	-	-	-	15,000	-	15,000	
1149 Replacement (Service Bucket)	-	-	-	-	165,000	165,000	
519 Replacement (Bullwheel tensioning trailer)	-	-	-	-	120,000	120,000	
Addition Service Truck for Added FY27 Personnel request	-	-	-	-	90,000	90,000	
1102 Replacement	-	-	-	-	55,000	55,000	
1147 Replacement	-	-	-	-	55,000	55,000	
<b>Total Electric Operations</b>	<b>\$ 25,000</b>	<b>\$ 3,210,000</b>	<b>\$ 555,000</b>	<b>\$ 1,720,000</b>	<b>\$ 485,000</b>	<b>\$ 5,995,000</b>	
Substations Service Truck	\$ 188,500	\$ -	\$ -	\$ -	\$ -	\$ 188,500	
Manager Vehicle	46,430	-	-	-	-	46,430	
Meter Service Truck	-	61,393	-	-	-	61,393	
Substations Service Truck	-	-	188,500	-	-	188,500	
Relay Service Truck	-	-	46,430	-	-	46,430	
Technical Supervisor Vehicle	-	-	-	35,203	-	35,203	
Assistant Manager Vehicle	-	-	-	-	46,430	46,430	
<b>Total Electric Substation</b>	<b>\$ 234,930</b>	<b>\$ 61,393</b>	<b>\$ 234,930</b>	<b>\$ 35,203</b>	<b>\$ 46,430</b>	<b>\$ 612,884</b>	
<b>TOTAL CAPITAL EQUIPMENT - ELECTRIC</b>	<b>\$ 259,930</b>	<b>\$ 3,271,393</b>	<b>\$ 819,930</b>	<b>\$ 1,810,203</b>	<b>\$ 531,430</b>	<b>\$ 6,692,884</b>	

# WATER SERVICES

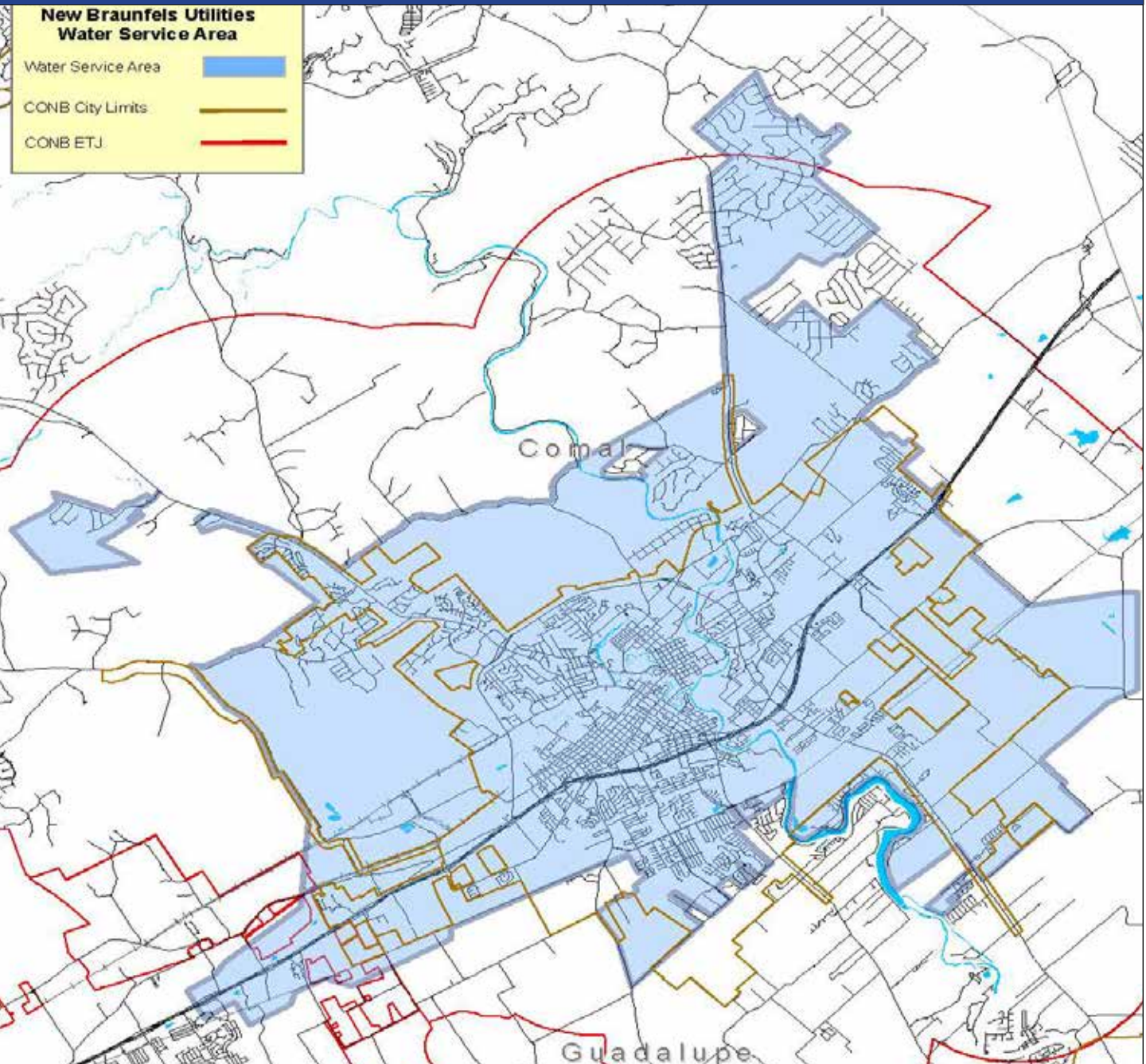


## WATER STATISTICS

### Fiscal Year 2022

Gallons of Water Sold (in Millions)	3,761
Number of Water Meters	50,326
Raw Water Supply	37,819 acre feet
Miles of Water Main	636.6 miles
Peak Annual Usage	4.9 billion gallons in FY22
Treatment Capacity	8 MGD surface / 25.0 MGD wells / 1.8 MGD purchased
Storage Capacity	26.1 million gallons

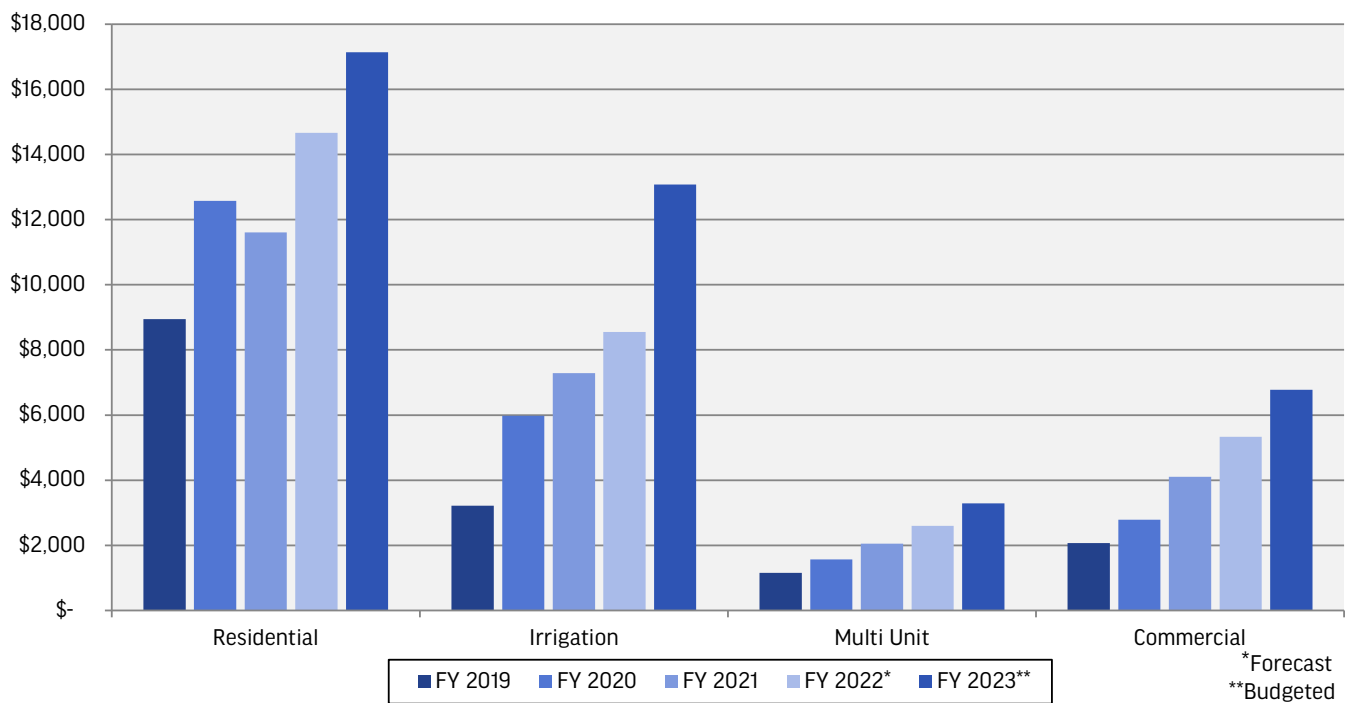
## WATER SERVICE AREA



Water Operating Budget \$ in Thousands	Budget FY 2023	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027
<b>Operating Revenues</b>					
Water Services	\$ 40,758	\$ 47,857	\$ 56,135	\$ 65,679	\$ 75,569
Water Other	585	613	643	675	691
Water Antenna Lease	160	170	180	190	200
<b>Total Operating Revenues</b>	<b>\$ 41,503</b>	<b>\$ 48,641</b>	<b>\$ 56,958</b>	<b>\$ 66,544</b>	<b>\$ 76,460</b>
<b>Operating Expenses</b>					
Purchased Water	\$ 10,681	\$ 15,425	\$ 16,345	\$ 17,209	\$ 18,738
Operating Expenses	8,373	10,570	11,626	12,405	12,128
Depreciation	10,833	11,420	15,303	17,367	19,216
<b>Total Operating Expenses</b>	<b>\$ 29,887</b>	<b>\$ 37,415</b>	<b>\$ 43,275</b>	<b>\$ 46,981</b>	<b>\$ 50,082</b>
<b>Net Operating Income</b>	<b>\$ 11,617</b>	<b>\$ 11,225</b>	<b>\$ 13,683</b>	<b>\$ 19,563</b>	<b>\$ 26,379</b>
<b>Non-Operating Revenue/(Expense)</b>					
Impact Fees	\$ 11,142	\$ 15,164	\$ 19,698	\$ 28,473	\$ 32,810
Services	1,154	1,212	1,272	1,336	1,403
Jobbing	26	26	26	26	26
Dev Fee/Misc	189	1,379	1,319	2,967	189
<b>General &amp; Administrative</b>					
Bad Debt	(48)	(48)	(48)	(48)	(48)
Interest Expense	(3,090)	(5,891)	(8,985)	(9,896)	(10,126)
<b>Total Non-Operating Revenue/(Expense)</b>	<b>\$ 9,373</b>	<b>\$ 11,841</b>	<b>\$ 13,282</b>	<b>\$ 22,858</b>	<b>\$ 24,254</b>
<b>Net Income Before Allocation</b>	<b>\$ 20,990</b>	<b>\$ 23,066</b>	<b>\$ 26,965</b>	<b>\$ 42,421</b>	<b>\$ 50,632</b>
Income Allocation	\$ 525	\$ 493	\$ 598	\$ 833	\$ 926
Expense Allocation	(10,255)	(11,612)	(13,454)	(14,128)	(15,764)
<b>Change in Net Position</b>	<b>\$ 11,260</b>	<b>\$ 11,947</b>	<b>\$ 14,109</b>	<b>\$ 29,126</b>	<b>\$ 35,794</b>
<b>Add Back</b>					
Depreciation	\$ 10,833	\$ 11,420	\$ 15,303	\$ 17,367	\$ 19,216
Interest Expense	3,090	5,891	8,985	9,896	10,126
Intergovernmental Expense	997	1,170	1,370	1,592	1,859
<b>Net Available for Debt Service</b>	<b>\$ 26,180</b>	<b>\$ 30,429</b>	<b>\$ 39,767</b>	<b>\$ 57,982</b>	<b>\$ 66,995</b>
<b>Minus</b>					
Debt Service	\$ (4,587)	\$ (8,229)	\$ (12,454)	\$ (13,828)	\$ (14,283)
Restricted Funds - Impact Fees	(11,142)	(15,164)	(19,698)	(28,473)	(32,810)
Intergovernmental Expense	(997)	(1,170)	(1,370)	(1,592)	(1,859)
Contingency Reserve	(65)	(1,352)	(1,401)	(459)	(1,019)
<b>Net Revenues Available for Capital</b>	<b>\$ 9,389</b>	<b>\$ 4,513</b>	<b>\$ 4,844</b>	<b>\$ 13,629</b>	<b>\$ 17,024</b>
<b>Capital Expenditures</b>					
Projects	\$ 54,129	\$ 73,005	\$ 32,340	\$ 42,278	\$ 71,369
Equipment	65	1,873	1,546	1,060	939
Support Services Allocated Capital	16,000	25,982	25,353	3,437	410
<b>Total Capital Expenditures</b>	<b>\$ 70,193</b>	<b>\$ 100,860</b>	<b>\$ 59,240</b>	<b>\$ 46,775</b>	<b>\$ 72,717</b>
<b>Capital Expenditures - Funding</b>					
New Debt Requirement	\$ 38,888	\$ 78,848	\$ 36,513	\$ 10,017	\$ 25,957
Impact Fees - Capital Projects	11,142	11,661	8,963	13,677	29,547
Impact Fees - Debt Service	-	-	7,407	6,618	-
CIAOC & Grant Funding	12,547	5,838	1,511	2,834	189
Revenue & Prior Year Excess Funds	7,616	4,513	4,844	13,629	17,024
<b>Total Capital Funding</b>	<b>\$ 70,193</b>	<b>\$ 100,860</b>	<b>\$ 59,239</b>	<b>\$ 46,775</b>	<b>\$ 72,717</b>
<b>Debt Service Excluding Commercial Paper</b>	<b>\$ 4,114</b>	<b>\$ 7,424</b>	<b>\$ 12,118</b>	<b>\$ 13,828</b>	<b>\$ 14,063</b>
<b>Debt Service Coverage</b>	<b>6.36</b>	<b>4.10</b>	<b>3.28</b>	<b>4.19</b>	<b>4.76</b>
<b>Adjusted Debt Service Coverage</b>	<b>5.49</b>	<b>3.56</b>	<b>3.08</b>	<b>4.08</b>	<b>4.56</b>



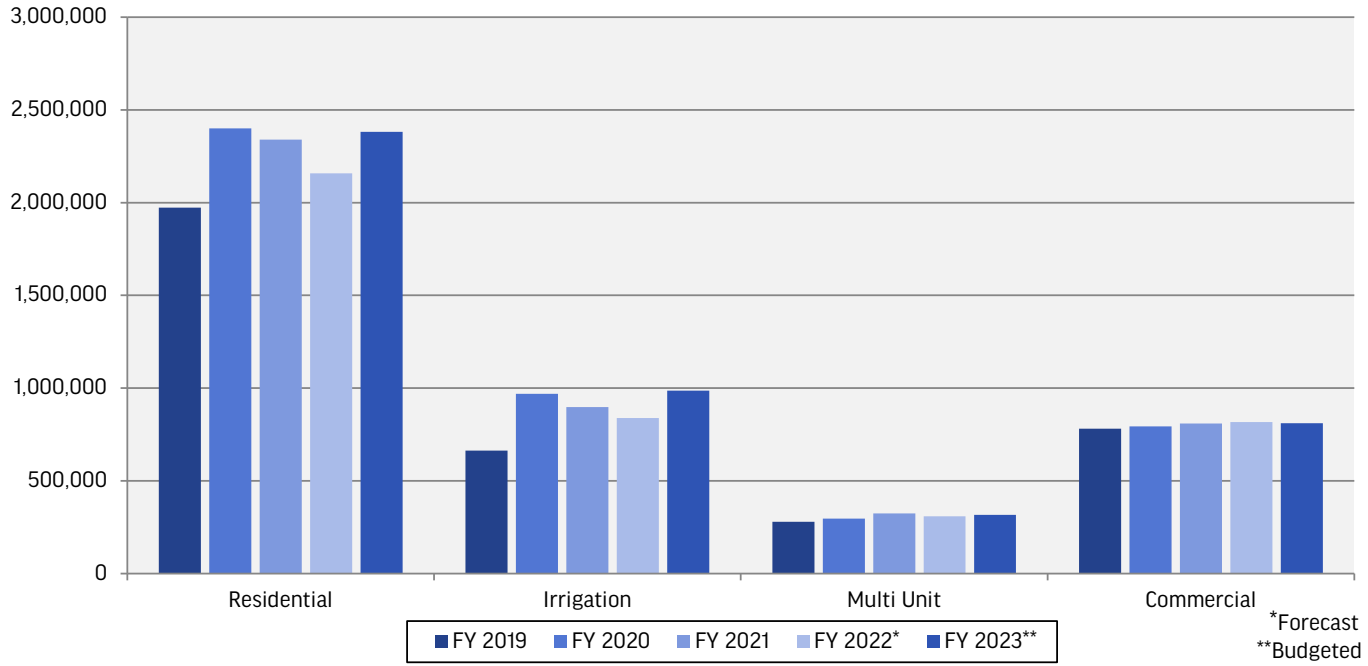
## WATER REVENUE BY RATE CLASS



WATER REVENUE BY RATE CLASS \$ IN THOUSANDS	Actual FY 2019	Actual FY 2020	Actual FY 2021	Forecast FY 2022	Budget FY 2023
Residential	\$ 8,942	\$ 12,579	\$ 11,606	\$ 14,665	\$ 17,140
Irrigation	3,220	5,982	7,285	8,550	13,075
Multi Unit	1,152	1,571	2,055	2,602	3,289
Commercial	2,067	2,786	4,105	5,328	6,773
Other Services	269	351	739	763	481
<b>TOTAL</b>	<b>\$ 15,650</b>	<b>\$ 23,268</b>	<b>\$ 25,791</b>	<b>\$ 31,909</b>	<b>\$ 40,758</b>



### WATER VOLUME BY RATE CLASS



WATER VOLUME BY RATE CLASS GALLONS IN THOUSANDS	Actual FY 2019	Actual FY 2020	Actual FY 2021	Forecast FY 2022	Budget FY 2023
Residential	1,973,203	2,401,044	2,339,856	2,158,022	2,381,475
Irrigation	663,750	968,635	898,462	839,467	986,772
Multi Unit	279,641	296,146	324,778	308,963	316,942
Commercial	780,940	794,053	809,867	817,403	811,519
Other	53,650	79,017	89,825	68,858	28,873
<b>TOTAL</b>	<b>3,751,185</b>	<b>4,538,895</b>	<b>4,462,788</b>	<b>4,192,712</b>	<b>4,525,581</b>

PURCHASED WATER \$ IN THOUSANDS	Budget FY 2023	Forecast			
		FY 2024	FY 2025	FY 2026	FY 2027
<b>PURCHASED WATER</b>					
<b>Surface Water:</b>					
Guadalupe-Blanco River Authority (GBRA)	\$ 6,423	\$ 10,505	\$ 11,208	\$ 11,935	\$ 12,693
Guadalupe-Blanco River Authority (GBRA) - Lower Basin	-	\$ -	\$ -	\$ -	\$ 631
<b>Ground Water:</b>					
City of Seguin	2,131	2,730	2,798	2,868	2,941
Edward's Aquifer Authority (EAA)	491	506	521	537	553
Green Valley	987	1,013	1,039	1,065	1,092
TCEQ and EARIP Fees	400	414	429	444	460
Interim Seguin Interconnect	165	173	182	191	200
Comal Trinity Groundwater Conservation District	84	84	168	168	168
<b>TOTAL PURCHASED WATER COSTS</b>	<b>\$ 10,681</b>	<b>\$ 15,425</b>	<b>\$ 16,345</b>	<b>\$ 17,209</b>	<b>\$ 18,738</b>

## Top Eight Financial Investments, High-Level Overview

### SWTP Expansion - Water Supply Facilities - \$61.6M

The current surface water treatment plant (SWTP) has a design capacity of 8.0 million gallons per day (MGD). This project will double the plant size for a total capacity of 16.0 MGD. This plant expansion will allow NBU to treat all its Canyon Reservoir water and will increase NBU's ability to divert and treat a greater amount of our run of river rights. This project is needed to meet peak demand and to serve future growth in the community.



### Trinity Expansion - Water Supply Facilities - \$35.4M

This project will increase the production and treatment capacity of NBU's Trinity Wellfield and Trinity Water Treatment Plant. It includes the drilling of four new Trinity Aquifer production wells, an expansion of the existing Treatment Plant from 3.75 to 7.5 MGD, a new 1.5 million-gallon (MG) ground storage tank, and an upgrade to the existing pump station. This project is needed to serve current customers as well as future growth.



### FM 1044 Elevated Storage Tank - \$13.3M

This project will include a new 2.0 MG elevated storage tank near the intersection of FM 1044 and Old Marion Road, and approximately 1,500 linear feet of 24-inch water main to connect to the existing 18-inch water main within Old Marion Road. This is needed to maintain compliance with the Texas Commission of Environmental Quality for elevated storage in NBU's Morningside Pressure Zone.



### Goodwin Lane Water Main - \$12.7M

This project replaces approximately 12,000 linear feet of existing 12-inch water main with 24-inch water main, from the intersection of Goodwin Lane and Pebble Creek Run to the Country Hills Pump Station off of Hoffman Lane, routed along Goodwin Lane, Conrads Lane, FM 1102, and Hoffman Lane. This project will occur prior to the City of New Braunfels' Goodwin Conrads Lane Project. The project will increase reliability, serve future growth in the Kohlenberg Pressure Zone, and increase transmission capacity to the Country Hills Pump Station. The additional transmission capacity will also enable more efficient operation of Country Hills Pump Station that feeds the Kohlenberg Pressure Zone.





## Water Meters - \$12.1M

The purpose of this project is to replace water meters that have reached the end of their useful life. This project replaces NBU's existing water meters system-wide and will allow the replacement of all meters every seven to ten years.

## Landa Pump Station Phase 2 / Well 5 - \$11.9M

The project includes (i) construction of approximately 110 linear feet of 12-inch ductile iron pipe at the Texas Tank Site; (ii) one 8-inch pressure reducing valve and vault at Moonglow Avenue and Fredericksburg Road; (iii) Well #5 pump and discharge line improvements; (iv) rehabilitation of the Landa Ground Storage Tank; (v) construction of two bulk chemical storage tanks at Landa Park; (vi) erection of one prefabricated building with plumbing, electrical, and chemical equipment at Landa Park; (vii) installation of two 1.25 MGD horizontal split case pumps (including 100 HP motor and associated suction/discharge piping); (viii) installation of three 5 MGD horizontal split case pumps (including 250 HP motor and associated suction/discharge piping); (ix) storm water pollution prevention; (x) site paving at Landa Park (site entrance, access road, cart path); (xi) relocation and replacement of all electrical items at Landa Park; and (xii) all other appurtenances necessary to complete the project.

## Conrads Lane Elevated Storage Tank - \$11.8M

This project is for a new 2.00 MG elevated storage tank on FM 1102 to provide additional elevated storage capacity to the Kohlenberg pressure zone.

## Mission/Westpointe Connection Waterlines - \$6.7M

This project will include approximately 9,000 linear feet of 16-inch and 24-inch water line connecting the Mission and Westpointe Pressure Zones from the future 24-inch main at the end of Westpointe Drive near the Trinity Plant Site to the existing 12-inch main at intersection of Lark Lane and Chaparral Drive. The additional supply from the Trinity Treatment Plant Expansion will provide capacity and flexibility directly into the Mission Pressure Zone.



Water Meter



Landa Pump Station Phase 2



Conrads Lane Elevated Storage Tank



Mission/Westpointe Waterlines

WATER SERVICES CAPITAL PROJECTS	Budget	Forecast				Total
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	5-Yr. Plan
Landa Pump Station Phase 2 / Well 5	\$ 9,665,353	\$ -	\$ -	\$ -	\$ -	\$ 9,665,353
30/24-Inch SWTP Discharge Line (Downtown)	9,454,255	-	-	-	-	9,454,255
FM 306 Pump Station and Discharge Pipeline	5,789,343	-	-	-	-	5,789,343
Water Meters	4,208,172	1,824,688	2,176,300	2,016,292	1,876,711	12,102,162
Trinity Expansion Well Field	3,865,506	8,411,484	-	-	-	12,276,990
Trinity Expansion Treatment Plant	3,024,113	16,612,815	-	-	-	19,636,928
Goodwin Lane Water Main	2,837,431	8,739,541	-	-	-	11,576,972
Well 4 to Grandview Pump Station and Discharge Line Upgrades	2,728,284	-	-	-	-	2,728,284
Castell Ave Rehabilitation (CNB)-W	2,468,137	-	-	-	-	2,468,137
Conrads EST	2,408,843	5,935,060	-	-	-	8,343,903
Aging Infrastructure-W	1,167,362	2,341,490	2,135,586	1,978,570	1,841,601	9,464,609
GBRA Interconnect Metering Station	864,918	62,807	-	-	-	927,725
Aquifer Strg & Recovery Project	864,647	909,049	3,932,388	5,622,444	3,399,879	14,728,408
Staff Augmentation-W	-	-	-	-	-	-
Mission/Westpointe Connection Waterlines	769,903	5,322,068	-	-	-	6,091,971
Klein Road Reconstruction Phase 2	683,185	296,681	-	-	-	979,865
Western Downtown to Morningside PZ Conversion	663,493	627,286	65,710	6,241,050	-	7,597,539
City Widening Street Projects-W	489,736	-	-	-	-	489,736
Senate Bill 3 EPP Generators	466,574	9,581,927	4,954,559	3,007,427	1,826,868	19,837,355
I-35 Water Line (Downtown)	466,574	8,917,494	-	-	-	9,384,069
FM 1044 EST	325,194	81,263	8,627,766	3,938,877	-	12,973,100
System Extensions-W	250,149	247,922	295,696	273,956	385,320	1,453,043
Wood Meadows Water Line River Crossing	161,735	113,466	6,365	-	2,274,120	2,555,686
Tank Decommission	130,633	793,352	-	-	-	923,985
Garden Street Bridge Water Line	119,938	242,413	-	-	-	362,351
Technology Upgrades-W	119,516	71,622	85,423	79,143	73,664	429,368
Goodwin/Conrads Adjustments (CNB)-W	71,339	302,951	619,421	143,470	-	1,137,182
1.00MG Solms Ground Storage Tank and Flow Control Valve	64,747	786,476	2,814,082	-	-	3,665,305
SWTP Expansion - Water Supply Facilities	-	550,939	262,841	2,556,922	31,314,585	34,685,287
Water Tank Rehabilitations	-	232,179	4,015,327	4,050,890	4,367,036	12,665,431
Hwy 46 Water Line (Mission) Phase 2	-	-	788,524	1,826,373	2,833,232	5,448,129
Downtown to Loop PZ Conversion	-	-	584,822	1,126,263	2,323,251	4,034,336
Central Downtown to Morningside PZ Conversion	-	-	508,933	1,231,903	3,388,768	5,129,604
Rio to Keuhler River Crossing	-	-	367,978	1,156,703	-	1,524,681
AC Pipe Replacement - Solms	-	-	59,139	1,271,905	-	1,331,045
Infrastructure Replacement Package 3	-	-	26,284	882,747	-	909,031
Infrastructure Replacement Package 1	-	-	13,142	492,414	-	505,556
FM 1101 Discharge Line	-	-	-	2,313,405	2,833,232	5,146,638
FM 1101 Pump Station & GST	-	-	-	1,619,384	2,153,257	3,772,640
Downtown to Kerlick PZ Conversion	-	-	-	219,165	232,325	451,490
Downtown to Kohlenberg PZ Conversion	-	-	-	152,198	169,994	322,192
AC Pipe Replacement - Balcones Phase 2	-	-	-	54,791	1,246,622	1,301,413
Infrastructure Replacement Package 2	-	-	-	21,551	753,555	775,106
Altgelt EST	-	-	-	-	2,294,918	2,294,918
River Chase EST	-	-	-	-	1,779,270	1,779,270
County Line Pump Station Expansion	-	-	-	-	1,133,293	1,133,293
Bretzke to Hoffman Discharge Line	-	-	-	-	1,042,630	1,042,630
County Line Pump Station Discharge Line	-	-	-	-	1,019,964	1,019,964
Bretzke Pump Station for Hoffman Pressure Zone	-	-	-	-	453,317	453,317
Downtown to Walnut PRV PZ Conversion Phase 2	-	-	-	-	237,992	237,992
Downtown to Morningside PZ Conversion	-	-	-	-	113,329	113,329
<b>TOTAL CAPITAL PROJECTS - WATER</b>	<b>\$ 54,129,081</b>	<b>\$ 73,004,972</b>	<b>\$ 32,340,287</b>	<b>\$ 42,277,844</b>	<b>\$ 71,368,733</b>	<b>\$ 273,120,916</b>



WATER SERVICES CAPITAL EQUIPMENT	Budget	Forecast				Total
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	5-Yr Plan
Proposed F-150 Extended Cab Truck for Water Engineering	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Proposed F-150 Extended Cab Truck for Water Engineering	-	-	50,000	-	-	50,000
Proposed F-150 Extended Cab Truck for Water Engineering	-	-	-	50,000	-	50,000
<b>Total Water Engineering</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ 150,000</b>
Proposed F-550 Truck for PdM Staff	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Proposed F-150 Extended Cab Truck for Water Production	-	50,000	-	-	-	50,000
Proposed Ford Explorer for New Backflow Prevention Specialist	-	35,715	-	-	-	35,715
Replace Unit 226 (2009 Ford F-550 Ext Cab Pickup)	-	-	100,000	-	-	100,000
Replace Unit 227 (2012 Ford F-350 Ext Cab Pickup)	-	-	100,000	-	-	100,000
Replace Unit 242 (2016 Ford F-350 Ext Cab Pickup)	-	-	100,000	-	-	100,000
Replace Unit 218 (2014 Ford F-150 Ext Cab Pickup)	-	-	50,000	-	-	50,000
Replace #422 w/Ford Explorer for Laboratory	-	-	-	35,715	-	35,715
Replace Unit 255 (2016 Ford F-350 Ext Cab Pickup)	-	-	-	-	100,000	100,000
<b>Total Water Treatment &amp; Compliance</b>	<b>\$ -</b>	<b>\$ 185,715</b>	<b>\$ 350,000</b>	<b>\$ 35,715</b>	<b>\$ 100,000</b>	<b>\$ 671,430</b>
<b>TOTAL CAPITAL EQUIPMENT - WATER</b>	<b>\$ -</b>	<b>\$ 235,715</b>	<b>\$ 400,000</b>	<b>\$ 85,715</b>	<b>\$ 100,000</b>	<b>\$ 821,430</b>

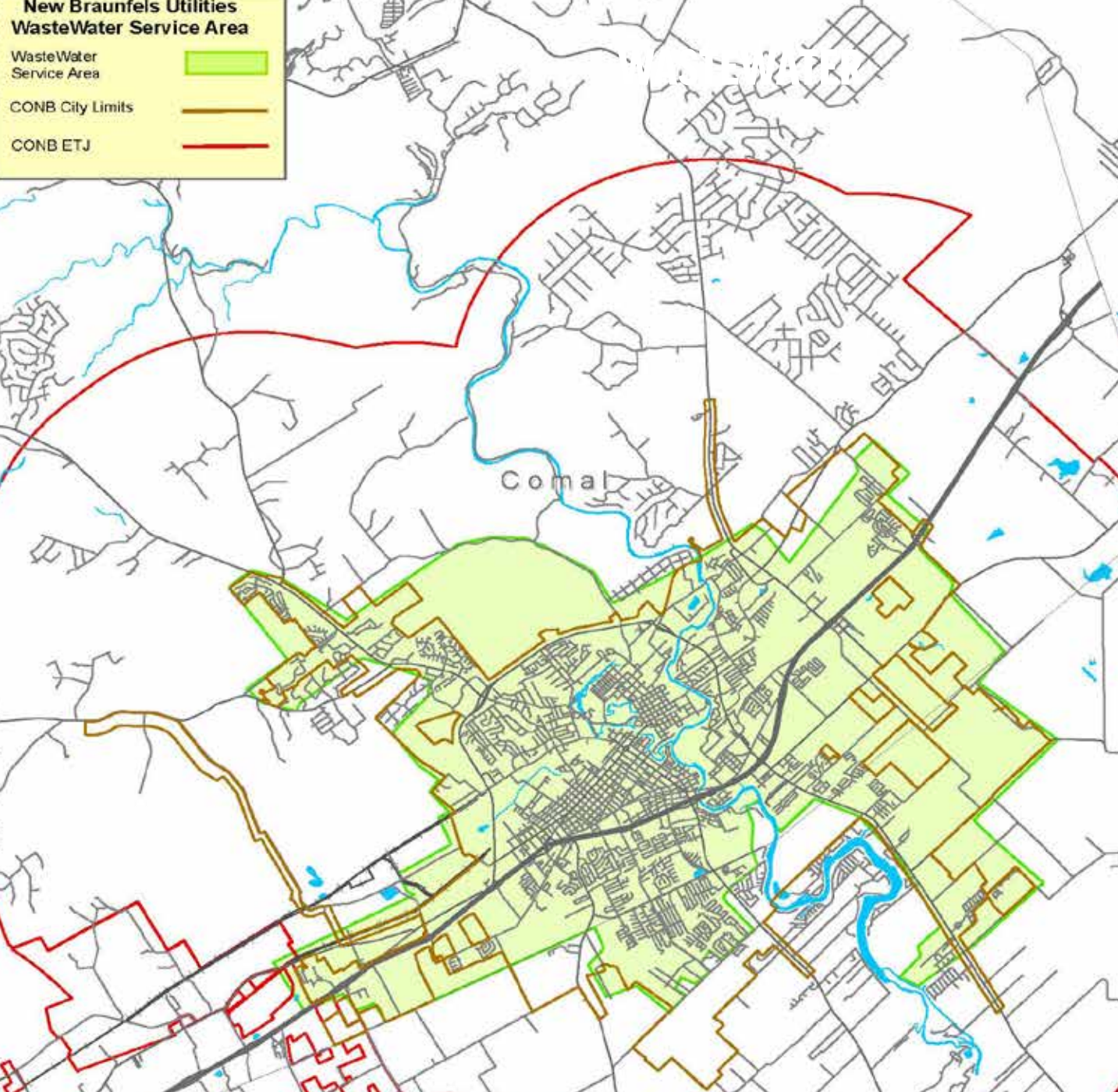
# WASTEWATER SERVICES



## WASTEWATER STATISTICS

Fiscal Year 2022	
Number of Accounts	33,554
Miles of Sewer Main	458.73
Number of Water Reclamation Facilities	4
Treatment Capacity	12.3 MGD
Total Reuse Water Output	33.0 MGD

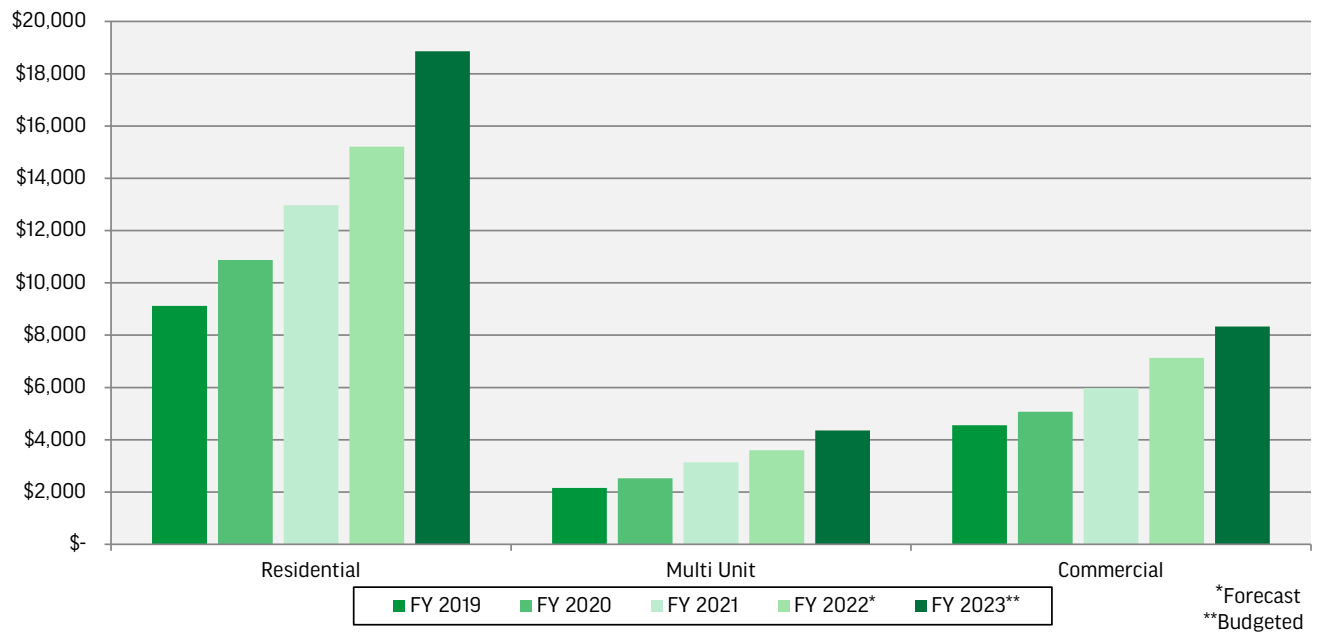
## WASTEWATER SERVICE AREA



Wastewater Operating Budget \$ in Thousands	Budget FY 2023	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027
<b>Operating Revenues</b>					
Sewer Services	\$ 32,277	\$ 35,898	\$ 39,987	\$ 44,479	\$ 48,763
Sewer Other	265	278	292	306	314
<b>Total Operating Revenues</b>	<b>\$ 32,542</b>	<b>\$ 36,176</b>	<b>\$ 40,279</b>	<b>\$ 44,785</b>	<b>\$ 49,077</b>
<b>Operating Expenses</b>					
Operating Expenses	\$ 7,494	\$ 8,737	\$ 9,770	\$ 10,377	\$ 10,973
Depreciation	15,219	16,138	13,157	14,394	21,727
<b>Total Operating Expenses</b>	<b>\$ 22,713</b>	<b>\$ 24,874</b>	<b>\$ 22,928</b>	<b>\$ 24,771</b>	<b>\$ 32,700</b>
<b>Net Operating Income</b>	<b>\$ 9,829</b>	<b>\$ 11,302</b>	<b>\$ 17,351</b>	<b>\$ 20,015</b>	<b>\$ 16,376</b>
<b>Non-Operating Revenue/(Expense)</b>					
Impact Fees	\$ 6,909	\$ 7,865	\$ 8,795	\$ 11,378	\$ 12,660
Capital Participation Fee	551	796	2,016	1,224	1,224
Services & Jobbing	5	5	6	6	6
<b>General &amp; Administrative</b>					
Bad Debt	(40)	(40)	(40)	(40)	(40)
Interest Expense	(3,235)	(4,299)	(6,673)	(10,424)	(12,252)
<b>Total Non-Operating Revenue/(Expense)</b>	<b>\$ 4,190</b>	<b>\$ 4,327</b>	<b>\$ 4,104</b>	<b>\$ 2,145</b>	<b>\$ 1,598</b>
<b>Net Income Before Allocation</b>	<b>\$ 14,019</b>	<b>\$ 15,629</b>	<b>\$ 21,454</b>	<b>\$ 22,159</b>	<b>\$ 17,974</b>
Income Allocation	\$ 593	\$ 557	\$ 676	\$ 941	\$ 1,046
Expense Allocation	(7,969)	(9,031)	(10,425)	(10,950)	(12,127)
<b>Change in Net Position</b>	<b>\$ 6,643</b>	<b>\$ 7,154</b>	<b>\$ 11,705</b>	<b>\$ 12,151</b>	<b>\$ 6,894</b>
<b>Add Back</b>					
Depreciation	\$ 15,219	\$ 16,138	\$ 13,157	\$ 14,394	\$ 21,727
Interest Expense	3,235	4,299	6,673	10,424	12,252
Intergovernmental Expense	980	1,178	1,373	1,568	1,745
<b>Net Available for Debt Service</b>	<b>\$ 26,077</b>	<b>\$ 28,769</b>	<b>\$ 32,909</b>	<b>\$ 38,537</b>	<b>\$ 42,619</b>
<b>Minus</b>					
Debt Service	\$ (4,960)	\$ (6,514)	\$ (9,403)	\$ (13,728)	\$ (16,148)
Restricted Funds - Impact Fees	(6,909)	(7,865)	(8,795)	(11,378)	(12,660)
Intergovernmental Expense	(980)	(1,178)	(1,373)	(1,568)	(1,745)
Contingency Reserve	(56)	(1,162)	(1,204)	(394)	(875)
<b>Net Revenues Available for Capital</b>	<b>\$ 13,172</b>	<b>\$ 12,049</b>	<b>\$ 12,133</b>	<b>\$ 11,468</b>	<b>\$ 11,190</b>
<b>Capital Expenditures</b>					
Projects	\$ 16,100	\$ 49,444	\$ 89,481	\$ 77,652	\$ 34,476
Equipment	65	1,885	1,224	1,155	839
Support Services Allocated Capital	15,362	24,946	24,342	3,300	394
<b>Total Capital Expenditures</b>	<b>\$ 31,526</b>	<b>\$ 76,275</b>	<b>\$ 115,047</b>	<b>\$ 82,107</b>	<b>\$ 35,708</b>
<b>Capital Expenditures - Funding</b>					
New Debt Requirement	\$ 8,653	\$ 34,233	\$ 58,635	\$ 55,586	\$ 20,245
Impact Fees - Capital Projects	2,082	7,865	8,795	11,378	719
Impact Fees - Debt Service	4,827	-	-	-	3,373
CIAOC & Grant Funding	1,451	22,127	35,483	3,675	181
Revenue & Prior Year Excess Funds	14,513	12,049	12,133	11,468	11,190
<b>Total Capital Funding</b>	<b>\$ 31,526</b>	<b>\$ 76,275</b>	<b>\$ 115,047</b>	<b>\$ 82,107</b>	<b>\$ 35,708</b>
<b>Debt Service Excluding Commercial Paper</b>	<b>\$ 4,815</b>	<b>\$ 6,163</b>	<b>\$ 8,714</b>	<b>\$ 12,637</b>	<b>\$ 15,830</b>
<b>Debt Service Coverage</b>	<b>5.42</b>	<b>4.67</b>	<b>3.78</b>	<b>3.05</b>	<b>2.69</b>
<b>Adjusted Debt Service Coverage</b>	<b>5.06</b>	<b>4.24</b>	<b>3.35</b>	<b>2.69</b>	<b>2.53</b>



### WASTEWATER REVENUE BY RATE CLASS



WASTEWATER REVENUE BY RATE CLASS \$ IN THOUSANDS	Actual FY 2019	Actual FY 2020	Actual FY 2021	Forecast FY 2022	Budget FY 2023
Residential	\$ 9,114	\$ 10,875	\$ 12,971	\$ 15,209	\$ 18,855
Multi Unit	2,155	2,521	3,137	3,593	4,359
Commercial	4,550	5,065	5,979	7,131	8,335
Other	80	161	17	354	728
<b>TOTAL</b>	<b>\$ 15,899</b>	<b>\$ 18,622</b>	<b>\$ 22,103</b>	<b>\$ 26,287</b>	<b>\$ 32,277</b>

## Top Eight Financial Investments, High-Level Overview

### McKenzie Water Reclamation Facility Expansion - \$77.4M

This project includes expansion of the plant's treatment capacity from 2.5 million gallons per day (MGD) to 5 MGD, including: construction of a new flow splitter box, expansion of headworks facilities, construction of new biological treatment basins, construction of new secondary clarifiers, expansion of tertiary filters, expansion of ultraviolet (UV) disinfection equipment, expansion of aerobic digestions, expansion of solids dewatering system, and construction of new electrical equipment, site piping, and miscellaneous site civil improvements. The project will increase treatment capacity to serve current and future growth in the area.



### Gruene Water Reclamation Facility Expansion - \$59.7M

This project includes expansion of the Plant's treatment capacity from 2.5 MGD to 5 MGD including: construction of a new flow splitter box, expansion of the headworks facilities, construction of new biological treatment basins, construction of new secondary clarifiers, expansion of tertiary filters, expansion of ultraviolet disinfection equipment, expansion of aerobic digestions, expansion of solids dewatering system, and construction of new electrical equipment, site piping, and miscellaneous site civil improvements. This project will increase treatment capacity to serve current and future growth in the area.



### McKenzie Interceptor Upgrade - \$48.6M

This project includes approximately 35,000 feet of new 30-inch wastewater main that will replace existing 21-inch and 24-inch interceptors conveying flow to the McKenzie Water Reclamation Facility. The existing lines are near their maximum capacity and must be replaced. This project will increase transmission capacity to serve current and future growth in the area.



### North and South Kuehler Rehabilitation - \$45.5M

The project includes replacing existing aeration equipment, walkways, and gates in all aerations basins except the new basins at South Kuehler, replacing the existing clarifiers including the addition of a submerged effluent launder system at South Kuehler, replacing all existing blowers at North and South Kuehler, replacing the existing microcrystalline cellulose (MCC) in the sludge pump buildings, replacing the MCCs in the admin building at South Kuehler, rehabilitation of the existing buried Return Activated Sludge (RAS) piping at South Kuehler, replacing the existing drain return pumps at North Kuehler, addition of a new digester blower at North Kuehler, replacing the existing screening and grit treatment structures at both plants with a new common headworks with screens, aerated grit chambers, lift station, and elevated flow split structure, and constructing a new access road from FM-725 and a private vehicular traffic bridge across the North tributary. This project is needed to upgrade equipment that has reached the end of its service life in order to maintain adequate treatment processes, reduce maintenance activities, increase safety, and increase reliability.





### I-35 Interceptor Upgrade - \$11.9M

This project includes approximately 7,500 linear feet of new 36, 30, 15, 12, and 8-inch diameter wastewater main that will replace existing interceptors conveying flow to the Rio Lift Station. The existing lines are near their end of life and must be replaced. The project will increase transmission capacity to serve current and future growth in the area.



### North Kuehler Interceptor Segment 3 - \$10M

The project includes replacement of approximately 5,200 linear feet of 18-inch and 21-inch wastewater main with a 27-inch interceptor along the Dry Comal Creek from Loop 337 to the connection of the recently completed North Kuehler 30/33 Interceptor Upgrade project. This segment of the North Kuehler Interceptor has been determined to be the cause of inflow and infiltration into the NBU wastewater system.



### South Kuehler Interceptor Phase 1 - \$6.6M

The existing wastewater mains located just upstream of the South Kuehler headworks runs through an area of the existing WWTP site that is required for the expansion. The project includes relocating the existing 36-inch and 27-inch diameter wastewater mains within the proposed limits of the North and South Kuehler Wastewater Treatment Plant expansion and constructing parallel 36-inch wastewater mains approximately 5,000 linear feet upstream to address model predicted Sanitary Sewage Overflows (SSOs).



### Saengerhalle North Interceptor - \$5.3M

The existing 10-inch interceptor that conveys flow to the Saengerhalle Lift Station will be replaced with a 15-inch and 18-inch interceptor in order to increase the capacity in the McKenzie Wastewater Basin to serve new growth and address model predicted SSOs.



WASTEWATER SERVICES CAPITAL PROJECTS	Budget	Forecast				Total
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	5-Yr. Plan
Castell Ave Rehabilitation (CNB)-WW	\$ 2,162,420	\$ -	\$ -	\$ -	\$ -	\$ 2,162,420
McKenzie Interceptor Upgrade	1,899,688	2,250,830	18,684,733	25,466,082	-	48,301,333
I-35 Interceptor Upgrade	1,829,781	1,730,461	12,849	4,802,006	3,230,436	11,605,532
McKenzie WRF Expansion	1,447,502	21,764,355	38,608,259	10,419,047	-	72,239,163
Aging Infrastructure-WW	1,433,081	2,361,982	1,739,950	1,758,019	2,004,120	9,297,151
Manhole Rehabilitation	990,873	806,964	816,224	865,935	1,036,514	4,516,510
Kuehler WRF Clarifier Rehabilitation	910,180	2,989,991	-	-	-	3,900,171
Gruene WW & Inverted Siphon Improvements-Odor Control	693,618	-	-	-	-	693,618
Gruene WRF Collector Apartment Complex Relocate	596,267	-	-	-	-	596,267
Technology Upgrades-WW	589,443	405,705	390,820	394,878	450,156	2,231,001
South Kuehler Interceptor Phase 1	439,431	277,880	53,537	2,504,501	2,855,100	6,130,448
Schmidt I-35 N Sewer Main Replacement	425,662	-	-	-	-	425,662
Sewer Infrastructure Replacement Package 2	371,821	666,912	1,177,812	2,461,226	-	4,677,772
Gruene Rd Sewer Main Rehabilitation/Relocation	316,572	-	10,707	2,031,348	-	2,358,627
Kuehler WRF Rehabilitation	296,002	10,998,054	21,989,756	7,256,453	-	40,540,264
North Kuehler Manhole Rehabilitation - Segment 3	268,705	611,336	-	-	-	880,042
Saengerhalle North Interceptor	264,065	-	53,537	4,606,550	-	4,924,152
Kuehler WRF Access Road - Courtyard Dr.	253,540	2,475,981	-	-	-	2,729,521
Dove Crossing Lift Station	227,760	111,152	-	-	-	338,912
System Extensions-WW	204,726	166,728	160,611	162,279	295,993	990,336
Saengerhalle Lift Station Expansion & Force Main	186,877	-	-	-	-	186,877
Gruene WRF Spoils & Materials Yard	171,377	422,378	-	-	-	593,755
Goodwin/Conrads Adjustments (CNB)-WW	120,848	128,770	212,649	53,714	-	515,981
Solms Lift Station Expansion	-	1,274,395	-	-	-	1,274,395
Gruene WRF Expansion	-	-	3,435,828	3,471,508	12,703,037	19,610,373
North Kuehler Interceptor - Segment 3	-	-	938,390	948,136	8,126,870	10,013,396
Sewer Infrastructure Replacement Package 1	-	-	551,430	3,651,270	-	4,202,700
Gruene Lift Station Improvements	-	-	428,295	1,783,983	-	2,212,279
Sewer Rehabilitation Package 1	-	-	114,046	857,448	-	971,494
Infrastructure Replacement Package 3	-	-	39,617	1,497,940	-	1,537,558
Infrastructure Replacement Package 2	-	-	35,334	1,288,455	-	1,323,789
Infrastructure Replacement Package 1	-	-	26,768	1,371,666	-	1,398,434
Solms LS and Force Main	-	-	-	-	1,504,632	1,504,632
South Kuehler Interceptor Phase 3	-	-	-	-	1,196,305	1,196,305
South Kuehler Interceptor Phase 2	-	-	-	-	1,072,975	1,072,975
<b>TOTAL CAPITAL PROJECTS - WASTEWATER</b>	<b>\$ 16,100,238</b>	<b>\$ 49,443,875</b>	<b>\$ 89,481,153</b>	<b>\$ 77,652,444</b>	<b>\$ 34,476,137</b>	<b>\$ 267,153,846</b>

WASTEWATER SERVICES CAPITAL EQUIPMENT	Budget	Forecast				Total
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	5-Yr. Plan
Proposed F-150 Extended Cab Truck for Wastewater Engineering	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Proposed F-150 Extended Cab Truck for Wastewater Engineering	-	-	27,500	-	-	27,500
Proposed F-150 Extended Cab Truck for Wastewater Engineering	-	-	-	30,000	-	30,000
<b>Total Wastewater Engineering</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 27,500</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ 107,500</b>
Replace Unit 354 (2000 Ford F-150 Ext Cab Pickup)	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Proposed F-150 Extended Cab Truck for Wastewater Staff	-	50,000	-	-	-	50,000
Proposed F-150 Extended Cab, 4WD for WW Supervisor	-	50,000	-	-	-	50,000
Proposed Ford Explorer for Lab Staff	-	35,715	-	-	-	35,715
Small Utility Vehicle	-	12,000	-	-	-	12,000
Replace Unit 353 (2014 Ford F-150 Extended Cab Pickup)	-	-	50,000	-	-	50,000
Replace Unit 305 (2009 Ford F-150 Ext Cab Pickup)	-	-	-	50,000	-	50,000
Replace Unit 351 (2011 Ford F-150 Super Cab Pickup)	-	-	-	50,000	-	50,000
Replace Unit 355 (2010 Ford F-150 Super Cab Pickup)	-	-	-	50,000	-	50,000
<b>Total Wastewater Treatment &amp; Compliance</b>	<b>\$ -</b>	<b>\$ 197,715</b>	<b>\$ 50,000</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ 397,715</b>
<b>TOTAL CAPITAL EQUIPMENT - WASTEWATER</b>	<b>\$ -</b>	<b>\$ 247,715</b>	<b>\$ 77,500</b>	<b>\$ 180,000</b>	<b>\$ -</b>	<b>\$ 505,215</b>

SHARED WATER/WASTEWATER SERVICES CAPITAL EQUIPMENT	Budget	Forecast				Total
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	5-Yr Plan
Trackstar Pan and Tilt Camera	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Leica GPS Units	40,000	-	-	-	-	40,000
Replacement Ground Mics	21,000	-	-	-	-	21,000
Lateral Line Sewer Camera (2)	18,000	-	-	-	-	18,000
Replace Unit 525 (2001 John Deere 120 Excavator)	-	250,000	-	-	-	250,000
New 4 Door Service Truck	-	150,000	-	-	-	150,000
Replace Unit 220 (2004 Isuzu Pipe Hunter)	-	150,000	-	-	-	150,000
Replace Unit 212 (2007 Ford F-550 4X2 Crewcab Service Body)	-	150,000	-	-	-	150,000
Proposed New Repair Crew Truck	-	150,000	-	-	-	150,000
Proposed New Repair Crew Truck	-	150,000	-	-	-	150,000
Proposed New Repair Crew Truck	-	150,000	-	-	-	150,000
Replace Unit 208 (2006 Freightliner M2-70, 4 Door Crew Cab)	-	140,000	-	-	-	140,000
Proposed New Backhoe	-	115,000	-	-	-	115,000
Proposed New Backhoe	-	115,000	-	-	-	115,000
Replacement of Unit 207 (1998 GMC Dump Truck)	-	110,000	-	-	-	110,000
Replace Unit 588 (2000 John Deere 410E Backhoe/L)	-	110,000	-	-	-	110,000
Replace Unit 234 (1992 International 4900 6x4 Dump Truck)	-	110,000	-	-	-	110,000
Replace Unit 235 (1999 Freightliner FL80 Dump Truck)	-	110,000	-	-	-	110,000
Replace Unit 548 (2007 John Deere 310J Backhoe/L)	-	110,000	-	-	-	110,000
Replace Unit 599 (2006 John Deere 410G Backhoe/L)	-	110,000	-	-	-	110,000
Replace Unit 524 (2014 Volvo Backhoe/Loader)	-	110,000	-	-	-	110,000
Proposed New Dump Truck	-	110,000	-	-	-	110,000
Proposed New Dump Truck	-	110,000	-	-	-	110,000
Replace Unit 224 (2008 Ford F-550 4x2 Crew Cab)	-	100,000	-	-	-	100,000
Replace Unit 225 (2009 Ford F-550 Crew Cab)	-	100,000	-	-	-	100,000
Proposed New Water Operations Supervisor Vehicle	-	75,000	-	-	-	75,000
Replace Unit 520 (2011 EH Wachs Valve Exerciser)	-	60,000	-	-	-	60,000
Replace Unit 576 (1996 BobCat Backhoe Loader)	-	60,000	-	-	-	60,000
1500' of 8" Bypass Pumping Hose	-	60,000	-	-	-	60,000
Replace Unit 513 (2009 EH Wachs Mini ERV Valve Exerciser)	-	45,000	-	-	-	45,000
Replace Unit 1108 (2005 Ford F250 SD 4x4 Pickup)	-	45,000	-	-	-	45,000
Proposed New Water Utility Locator Vehicle	-	45,000	-	-	-	45,000
Proposed New Utility Inspector Vehicle	-	45,000	-	-	-	45,000
Trailer Mounted High Pressure Sewer Cleaner	-	40,000	-	-	-	40,000
Scorpion Towable Attenuator	-	35,000	-	-	-	35,000
Replace Unit 549 (2000 Ingersoll-Rand P185WJD Air Compressor)	-	20,000	-	-	-	20,000
Replace Unit 550 (1984 LeRoi Air Compressor)	-	15,000	-	-	-	15,000
Replace Unit 559 (1986 18SQ Sullair Air Compressor)	-	15,000	-	-	-	15,000
Replace Unit 545 (1997 DTS Trailer 18x82 HPT)	-	5,000	-	-	-	5,000
Proposed New Combo Unit	-	-	550,000	-	-	550,000
Proposed New CCTV Van	-	-	250,000	-	-	250,000
Replace Unit 203 (2013 Ford F450 Camera Van)	-	-	200,000	-	-	200,000
Replace Unit 512 (2014 Volvo L50GS Compact Wheel Loader)	-	-	150,000	-	-	150,000
Replace Unit 228 (2014 Ford F350 Service Truck)	-	-	150,000	-	-	150,000
Proposed New Repair Crew Truck	-	-	150,000	-	-	150,000
Proposed New Repair Crew Truck	-	-	150,000	-	-	150,000
Replace Unit 219 (2003 Freightliner FL80 Dump Truck)	-	-	107,000	-	-	107,000
Proposed New Potholing Machine	-	-	100,000	-	-	100,000
Proposed New Mini Excavator	-	-	100,000	-	-	100,000
Proposed New Water Operations Supervisor Vehicle	-	-	75,000	-	-	75,000
Replace Unit 202 (2008 Chevrolet 2500 Silverado 4WD)	-	-	60,000	-	-	60,000
Replace Unit 202 (2008 Chevrolet Silverado 2500, 4WD, 4 door pickup)	-	-	60,000	-	-	60,000
Replace Unit 223 (2008 Chevrolet Silverado 2500, 4WD, 4 door pickup)	-	-	60,000	-	-	60,000
Replace Unit 201 (3012 F150 ECO Boost 4x2 Supercab)	-	-	50,000	-	-	50,000
Proposed New Water Utility Locator Vehicle	-	-	45,000	-	-	45,000
Proposed New Tilt Trailer (2)	-	-	20,000	-	-	20,000
Proposed New Equipment and Material Trailer	-	-	15,000	-	-	15,000
Replace Unit 229 (2015 Freightliner Vactor Unit)	-	-	-	525,000	-	525,000
Proposed New Lateral Jetter Truck	-	-	-	175,000	-	175,000
Replace Unit 238 (2015 Ford F250 SRW 4x4 Crew Cab)	-	-	-	150,000	-	150,000
Proposed New Service Crew Truck	-	-	-	150,000	-	150,000
Proposed New Repair Crew Truck	-	-	-	150,000	-	150,000
Proposed New Repair Crew Truck	-	-	-	150,000	-	150,000
Proposed New Backhoe	-	-	-	115,000	-	115,000
Proposed New Backhoe	-	-	-	115,000	-	115,000
Proposed New Dump Truck	-	-	-	110,000	-	110,000
Proposed New Dump Truck	-	-	-	110,000	-	110,000
Unit 909 Replacement	-	-	-	75,000	-	75,000
Proposed New Water Operations Supervisor Vehicle	-	-	-	75,000	-	75,000
Replace Unit 556 (2000 Terex Amida Light Tower #AL4000)	-	-	-	12,000	-	12,000
Replace Unit 591 (2002 Big Tex 10' Dump Trailer)	-	-	-	10,000	-	10,000
Replace Unit 592 (2002 Big Tex 10' Dump Trailer)	-	-	-	10,000	-	10,000
New Lateral Line Inspection Camera	-	-	-	10,000	-	10,000
Unit 908 Replacement	-	-	-	7,500	-	7,500
Proposed New Repair Crew Truck	-	-	-	-	150,000	150,000
Proposed New Repair Crew Truck	-	-	-	-	150,000	150,000
Proposed New Repair Crew Truck	-	-	-	-	150,000	150,000
Proposed New Backhoe	-	-	-	-	115,000	115,000
Proposed New Backhoe	-	-	-	-	115,000	115,000
Unit 911 Replacement	-	-	-	-	110,000	110,000
Proposed New Dump Truck	-	-	-	-	110,000	110,000
Proposed New Dump Truck	-	-	-	-	110,000	110,000
Proposed New Potholing Machine	-	-	-	-	100,000	100,000
Proposed New Mini Valve Exercising Machine	-	-	-	-	85,000	85,000
Proposed New Trench Box	-	-	-	-	80,000	80,000
Unit 241 Replacement	-	-	-	-	75,000	75,000
Proposed New Water Operations Supervisor Vehicle	-	-	-	-	75,000	75,000
Proposed New Water Operations Assistant Manager Vehicle	-	-	-	-	75,000	75,000
Proposed New Water Operations Manager Vehicle	-	-	-	-	75,000	75,000
Unit 910 Replacement	-	-	-	-	65,000	65,000
Unit 914 Replacement	-	-	-	-	37,000	37,000
<b>Total Shared Water / Wastewater Operations</b>	<b>\$ 129,000</b>	<b>\$ 3,275,000</b>	<b>\$ 2,292,000</b>	<b>\$ 1,949,500</b>	<b>\$ 1,677,000</b>	<b>\$ 9,322,500</b>
<b>TOTAL CAPITAL EQUIPMENT - SHARED WATER / WASTEWATER</b>	<b>\$ 129,000</b>	<b>\$ 3,275,000</b>	<b>\$ 2,292,000</b>	<b>\$ 1,949,500</b>	<b>\$ 1,677,000</b>	<b>\$ 9,322,500</b>

# SUPPORT SERVICES



Support Services Operating Budget \$ in Thousands	Budget FY 2023	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027
<b>Operating Expenses</b>					
Operating Expenses	\$ 25,305	\$ 29,532	\$ 34,452	\$ 35,803	\$ 39,906
<b>Total Operating Expenses</b>	<b>\$ 25,305</b>	<b>\$ 29,532</b>	<b>\$ 34,452</b>	<b>\$ 35,803</b>	<b>\$ 39,906</b>
<b>Non-Operating Revenue/(Expense)</b>					
Interest Income	\$ 1,439	\$ 1,317	\$ 1,720	\$ 2,619	\$ 2,976
Other Income	568	568	568	568	568
<b>General &amp; Administrative Expense</b>					
Credit Card Processing	(855)	(855)	(855)	(855)	(855)
Property & Liability Insurance	(525)	(525)	(525)	(525)	(525)
Community Assistance	(250)	(250)	(250)	(250)	(250)
Low Income Discount Program	(166)	(166)	(166)	(166)	(166)
Rebates	(424)	(424)	(424)	(424)	(424)
Intergovernmental Expense	(10,772)	(11,824)	(12,178)	(12,932)	(13,624)
<b>Total Non-Operating Revenue/(Expense)</b>	<b>\$ (10,985)</b>	<b>\$ (12,159)</b>	<b>\$ (12,109)</b>	<b>\$ (11,964)</b>	<b>\$ (12,300)</b>
<b>Net Income Before Allocation</b>	<b>\$ (36,290)</b>	<b>\$ (41,691)</b>	<b>\$ (46,561)</b>	<b>\$ (47,767)</b>	<b>\$ (52,206)</b>
Income Allocation	\$ (2,007)	\$ (1,885)	\$ (2,288)	\$ (3,187)	\$ (3,544)
Expense Allocation	38,297	43,576	48,850	50,954	55,750
<b>Change in Net Position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Capital Expenditures</b>					
Projects	\$ 41,722	\$ 68,139	\$ 66,475	\$ 8,475	\$ 465
Equipment	620	620	620	620	620
<b>Total Capital Expenditures</b>	<b>\$ 42,342</b>	<b>\$ 68,759</b>	<b>\$ 67,095</b>	<b>\$ 9,095</b>	<b>\$ 1,085</b>
<b>Capital Expenditures - Funding</b>					
Grants & Other Proceeds	\$ 4,000	\$ 1,000	\$ 4,000	\$ 7,500	\$ 500
Other Funding Sources	38,342	67,759	63,095	1,595	585
<b>Total Capital Funding</b>	<b>\$ 42,342</b>	<b>\$ 68,759</b>	<b>\$ 67,095</b>	<b>\$ 9,095</b>	<b>\$ 1,085</b>
<b>Excess Revenue</b>	<b>\$ (42,342)</b>	<b>\$ (68,759)</b>	<b>\$ (67,095)</b>	<b>\$ (9,095)</b>	<b>\$ (1,085)</b>

SUPPORT SERVICES CAPITAL PROJECTS		Budget	Forecast				Total
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	5-Yr. Plan
Headwaters at the Comal		\$ 7,500,000	\$ 500,000	\$ 3,362,038	\$ 3,362,038	\$ -	\$ 14,724,076
	<b>Total Headwaters at the Comal</b>	<b>\$ 7,500,000</b>	<b>\$ 500,000</b>	<b>\$ 3,362,038</b>	<b>\$ 3,362,038</b>	<b>\$ -</b>	<b>\$ 14,724,076</b>
Physical Security Systems		\$ 145,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 345,000
	<b>Total Safety</b>	<b>\$ 145,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 345,000</b>
New Braunfels Headquarters, Maintenance, and Support Facility		\$ 24,000,000	\$ 55,826,993	\$ 61,500,000	\$ -	\$ -	\$ 141,326,993
Backup Operations Center		3,500,000	3,500,000	-	-	-	7,000,000
536 Lake Front		27,000	-	-	-	-	27,000
Hueco Rd House		21,000	-	-	-	-	21,000
Weltner Road House		14,000	-	-	-	-	14,000
Future Facilities Rehab Projects		-	150,000	150,000	150,000	-	450,000
Personnel Workstation		-	60,000	60,000	60,000	60,000	240,000
Loop 337 Substation Control House		-	42,000	-	-	-	42,000
Sherrifs Posse Control House Recondition		-	35,000	-	-	-	35,000
	<b>Total Fleet / Facilities</b>	<b>\$ 27,562,000</b>	<b>\$ 59,613,993</b>	<b>\$ 61,710,000</b>	<b>\$ 210,000</b>	<b>\$ 60,000</b>	<b>\$ 149,155,993</b>
Kerlick Tower Deconstruction		\$ 800,000	\$ -	\$ -	\$ -	\$ -	800,000
Fiber Network Distribution Expansion		650,000	650,000	-	-	-	1,300,000
Upgrade or Replace all NBU Radios		600,000	-	-	-	-	600,000
SCADA Nodes		500,000	-	-	-	-	500,000
Multi-Factor Authentication		200,000	-	-	-	-	200,000
Cyber Security System		150,000	325,000	325,000	325,000	325,000	1,450,000
Pioneer Upgrade		87,500	-	-	-	-	87,500
Customer Bill Pay Portal		80,000	-	-	-	-	80,000
Software Replacement and Enhancements		65,000	125,000	125,000	125,000	-	440,000
Tele-Communications Enhancements		52,000	-	-	-	-	52,000
OT Security		50,000	-	-	-	-	50,000
Secureworks Incident Response Team		30,000	30,000	30,000	30,000	30,000	150,000
Northstar Replacement/HTML Upgrade		-	3,000,000	-	-	-	3,000,000
BDAP Nodes		-	500,000	-	-	-	500,000
Network Virtualization		-	350,000	-	-	-	350,000
802.1 x		-	100,000	-	-	-	100,000
Data Center Relocation		-	75,000	-	-	-	75,000
Fleet AVL		-	75,000	-	-	-	75,000
Smartsheet Control Center		-	73,000	73,000	73,000	-	219,000
Innovyze Upgrade		-	62,000	-	-	-	62,000
ArcGIS Indoors		-	50,000	-	-	-	50,000
Device Encryption		-	10,000	-	-	-	10,000
	<b>Total Information Technology</b>	<b>\$ 3,264,500</b>	<b>\$ 5,425,000</b>	<b>\$ 553,000</b>	<b>\$ 553,000</b>	<b>\$ 355,000</b>	<b>\$ 10,150,500</b>
Water SCADA Replacement and Integration		\$ 1,400,000	\$ 1,400,000	\$ -	\$ -	\$ -	\$ 2,800,000
Water/Wastewater SCADA Aging Infrastructure		500,000	500,000	500,000	500,000	-	2,000,000
System Technology Upgrades - Monitoring		300,000	300,000	300,000	300,000	-	1,200,000
	<b>Total Systems Control</b>	<b>\$ 2,200,000</b>	<b>\$ 2,200,000</b>	<b>\$ 800,000</b>	<b>\$ 800,000</b>	<b>\$ -</b>	<b>\$ 6,000,000</b>
Data Strategy Upgrades - BDAP (Analytical Model Creation)		\$ 720,000	\$ -	\$ -	\$ -	\$ -	\$ 720,000
GIS Utility Network Migration		-	350,000	-	-	-	350,000
Water Only Area AMI		-	-	-	3,500,000	-	3,500,000
	<b>Total Data Strategy</b>	<b>\$ 720,000</b>	<b>\$ 350,000</b>	<b>\$ -</b>	<b>\$ 3,500,000</b>	<b>\$ -</b>	<b>\$ 4,570,000</b>
Laserfiche Development		\$ 330,164	\$ -	\$ -	\$ -	\$ -	\$ 330,164
	<b>Total Finance</b>	<b>\$ 330,164</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 330,164</b>
	<b>TOTAL CAPITAL PROJECTS - SUPPORT</b>	<b>\$ 41,721,664</b>	<b>\$ 68,138,993</b>	<b>\$ 66,475,038</b>	<b>\$ 8,475,038</b>	<b>\$ 465,000</b>	<b>\$ 185,275,733</b>

SUPPORT SERVICES CAPITAL EQUIPMENT	Budget	Forecast				Total
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	5-Yr Plan
Vehicle for Security Administrator	\$ -	\$ 38,000	\$ -	\$ -	\$ -	\$ 38,000
Replace Unit 409 Vehicle for Senior Safety Officer (emphasis on electric	-	-	50,000	-	-	50,000
Replace Unit 431 Vehicle for Senior Safety Officer (emphasis on water)	-	-	38,000	-	-	38,000
<b>Total Safety</b>	<b>\$ -</b>	<b>\$ 38,000</b>	<b>\$ 88,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 126,000</b>
Replace Unit 498 (2002 Ford F350 Flatbed Pickup)	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000
Forklift Replacement 539	-	-	-	75,000	-	75,000
Forklift Replacement 905	-	-	-	75,000	-	75,000
Forklift Replacement 913	-	-	-	75,000	-	75,000
Ford Escape Replacement 497	-	-	-	30,000	-	30,000
<b>Total Purchasing</b>	<b>\$ -</b>	<b>\$ 60,000</b>	<b>\$ -</b>	<b>\$ 255,000</b>	<b>\$ -</b>	<b>\$ 315,000</b>
Budget for Units Needed for Jobs Added	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 800,000
Fleet Service Truck Replace 230	-	185,000	-	-	-	185,000
Facilities Service Truck Replace 614	-	100,000	-	-	-	100,000
Facilities Service Truck Replace 608	-	100,000	-	-	-	100,000
Fleet Pool Vehicle Replacement 1131	-	50,000	-	-	-	50,000
Fleet Pool Vehicle Replacement 1126	-	50,000	-	-	-	50,000
Facilities Supervisor Truck Replacement 601	-	50,000	-	-	-	50,000
Asset Management Supervisor	-	38,000	-	-	-	38,000
Fleet and Facilities Fork Lift	-	-	56,000	-	-	56,000
Wheel and Tire Mount and Balancer	-	-	20,000	-	-	20,000
Ford Expedition Replace 424	-	-	-	75,000	-	75,000
Fleet Service Truck Replace 240	-	-	-	-	185,000	185,000
<b>Total Fleet / Facilities</b>	<b>\$ -</b>	<b>\$ 773,000</b>	<b>\$ 276,000</b>	<b>\$ 275,000</b>	<b>\$ 385,000</b>	<b>\$ 1,709,000</b>
Solar Array + Battery Storage Kit	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Level 2 EV Chargers (8)	50,000	-	-	-	-	50,000
Ford F-150 Lightning Pro EV	-	40,000	-	-	-	40,000
Replace 2007 Toyota Prius #403	-	-	38,000	-	-	38,000
<b>Total Conservation and Customer Solutions</b>	<b>\$ 100,000</b>	<b>\$ 40,000</b>	<b>\$ 38,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 178,000</b>
PC Replacements	\$ 200,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 1,800,000
Dell Nodes	200,000	400,000	400,000	400,000	400,000	1,800,000
Network Equipment Replacements	100,000	150,000	150,000	150,000	150,000	700,000
Copier and HighEnd Printer and Plotter Replacements	15,000	37,000	37,500	37,500	37,500	164,500
UPS Replacements	5,000	10,000	10,000	10,000	10,000	45,000
IT to Purchase Unit	-	50,000	-	-	-	50,000
<b>Total Technology</b>	<b>\$ 520,000</b>	<b>\$ 1,047,000</b>	<b>\$ 997,500</b>	<b>\$ 997,500</b>	<b>\$ 997,500</b>	<b>\$ 4,559,500</b>
Vehicle Replacement 481	\$ -	\$ 27,000	\$ -	\$ -	\$ -	\$ 27,000
Vehicle Replacement 499	-	27,000	-	-	-	27,000
Vehicle Replacement 613	-	27,000	-	-	-	27,000
Vehicle Replacement 252	-	27,000	-	-	-	27,000
Vehicle Replacement 484	-	27,000	-	-	-	27,000
Vehicle Replacement 615	-	-	-	27,000	-	27,000
Vehicle Replacement 616	-	-	-	27,000	-	27,000
<b>Total System Control</b>	<b>\$ -</b>	<b>\$ 135,000</b>	<b>\$ -</b>	<b>\$ 54,000</b>	<b>\$ -</b>	<b>\$ 189,000</b>
<b>TOTAL CAPITAL EQUIPMENT - SUPPORT SERVICES</b>	<b>\$ 620,000</b>	<b>\$ 2,093,000</b>	<b>\$ 1,399,500</b>	<b>\$ 1,581,500</b>	<b>\$ 1,382,500</b>	<b>\$ 7,076,500</b>







## MISSION

Strengthening our community by providing resilient essential services

## VISION

Be a trusted community partner dedicated to excellence in service

## CORE VALUES

Safety, Team, Integrity, Culture, and Stewardship

