

# TOWN OF ARGYLE WASTEWATER SYSTEM HISTORY, CONTEXT, NEEDS, RATES



Town Council  
Briefing  
August 28, 2018

# FACTS

	<b>1991</b>	<b>1996</b>	<b>2001</b>	<b>2006</b>	<b>2011</b>	<b>2016</b>	<b>2018</b>
<b>Miles of Line</b>	<b>3.27</b>	<b>9.64</b>	<b>13.29</b>	<b>14.47</b>	<b>15.1</b>	<b>17.65</b>	<b>31.26*</b>
<b>No. of Lift Stations</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>6</b>
<b>Manholes</b>	<b>3</b>	<b>128</b>	<b>207</b>	<b>215</b>	<b>228</b>	<b>271</b>	<b>554*</b>

**\*Includes Harvest Townside Phase 1 & 2 and excludes proposed additional Canyon Falls phases**

# FUTURE SYSTEM NEEDS

- **SCADA System – allows employees to check lift stations remotely by computer or smart phone including: resetting alarms, setting pumps and receiving data in real time**
  - **Currently installed on LS 6; will be installed on LS 7**
  - **In design for LS 2**
  - **Needed for LS 5 – approximately \$35,000**
  - **Not planned for LS 3 which is proposed to be taken offline**

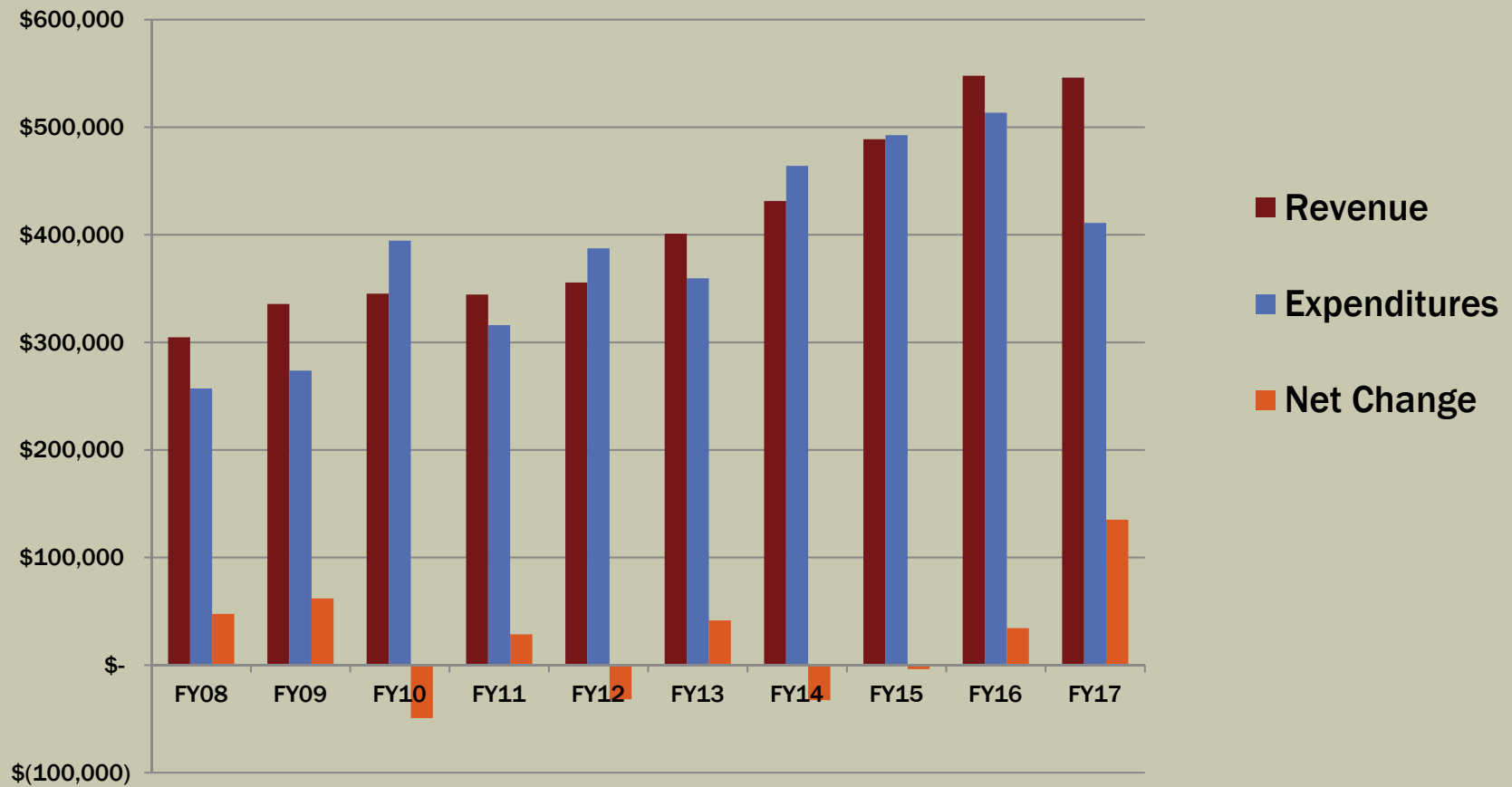
## **FUTURE SYSTEM NEEDS (CONT.)**

- **Meter for Corral City – approximately \$35,000**
  - Meter incoming wastewater flow to provide actual measurement of flow
  - Currently taking readings off water meter which is not as accurate, but have relatively small flows at this time. This will become more urgent as flows increase.
  
- **Take LS 3 offline and direct flows to TRA – approximate cost of \$380,000**
  - Provide for connection to the S-1 Sewer line from the Frenchtown lift station directing more flows to TRA and eliminating maintenance costs associated with a lift station.

# OTHER CONSIDERATIONS

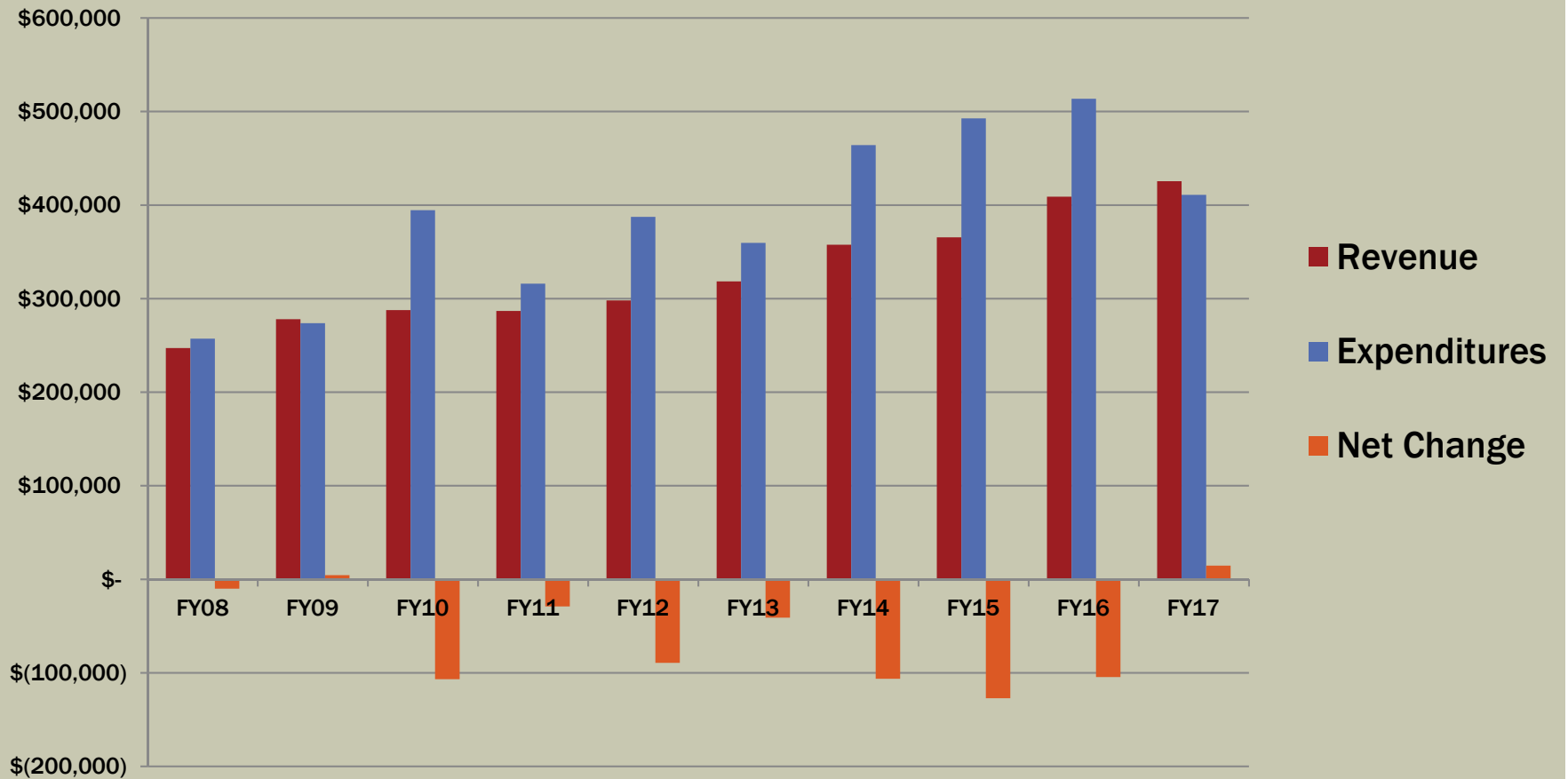
- **Emergency Generators – approximately \$75,000 each**
  - **Installed on LS 4, 5, 6 and 7**
  - **LS 2 will utilize the emergency generator that is removed from LS 4 when it is taken offline**
  - **Not planned for LS 3 as it is proposed to be taken offline**

# WASTEWATER ACTUAL (WITH SUPPORTING TRANSFERS) FY08-FY17



Note: FY17 Salaries and related expenditures were transferred to the General Fund.

# WASTEWATER ACTUAL (TRANSFERS REMOVED) FY08-FY17



Note: FY17 Salaries and related expenditures were transferred to the General Fund.

# HISTORY OF RATE STUDIES

Council Date	Findings/Action	Year	Rec.	Rate if adjusted per consultant			Equiv. Rate per 5,000/gal	
			Increase	Base Rate	Base	Volume		
Pre-Feb, 2009				\$ 33.81				
Feb-09	The wastewater enterprise fund was in good financial condition as of 9/30/17. However, due to planned system improvements, the financial conditions will deteriorate without rate increases starting on or about 1/1/09. The WW fund ending FY07 with \$77,044 in operating reserves (136 days). We have incorporated two planned debt issues, one for \$580,000, and another for \$742,400 to fund the design and construction of the Town's proportional share of Segment B of the TRA Regional wastewater improvements. These bond sales will necessitate rate increases over the next four years.	2009	6%	\$ 35.84	\$ 37.99	\$ 2.60		
		2010	6%	\$ 37.99	\$ 40.27	\$ 2.76		
		2011	6%	\$ 40.27	\$ 42.69	\$ 2.92		
		2012	7%	\$ 42.69	\$ 45.67	\$ 3.13	\$ 55.05	
		*recommended rates for 2010-2012 were never implemented						
Mar-12	Engaged McClain for Adequacy Review. Got stalled. Trent helped resurrect when interest in S-1 raised following EDC New Horizon seminar.							
Nov-12	Council received presentation from Bob that included scenario for S-1 costs as prepared by Trent. A specific request for rate increases was not made; presentation was information only.	2013	1%	\$ 35.84	\$ 36.20	\$ 2.60		
		2014	1%	\$ 36.20	\$ 36.56	\$ 2.63		
		2015	1%	\$ 36.56	\$ 36.93	\$ 2.65		
		2016	1%	\$ 36.93	\$ 37.30	\$ 2.68		
		2017	1%	\$ 37.30	\$ 37.67	\$ 2.71		
		2018	2%	\$ 37.67	\$ 38.42	\$ 2.76		
		2019	3%	\$ 38.42	\$ 39.38	\$ 2.83	\$ 47.87	
		*recommended rates for 2010-2019 were never implemented						
Apr-17	NewGen reviews findings of rate study at Council meeting, no action taken or direction provided (4 of 6 new Council Members/Mayor at May 2017 meeting) Options provided included \$1 increase in base bill; \$0.10 increase on volume rate; commercial bill all volumes and increase of tax rate by one-half penny.							
Aug-18	Staff presents proposed wastewater increase.				\$ 36.90	\$ 3.45	\$ 47.25	

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# PROPOSED CHANGES - NEW

	Residential			
	5,000 gal	6,200 gal (avg)	Increase over avg	
Current (adopted 2009)	\$ 43.64	\$ 46.76	\$ -	
Initial Proposed (8/14/18)	\$ 47.25	\$ 51.39	\$ 4.63	
Option A (8/24/18)	\$ 49.50	\$ 53.52	\$ 6.76	
Option B (8/24/18)	\$ 51.30	\$ 55.32	\$ 8.56	
	Commercial			
	10,000 gal	50,000 gal	Increase over current	
Current (adopted 2009)	\$ 200.00	\$ 200.00	\$ -	
Initial Proposed (8/14/18)	\$ 263.46	\$ 263.46	\$ 63.46	
Option A (8/24/18)	\$ 277.25	\$ 277.25	\$ 77.25	
Option B (8/24/18)	\$ 289.25	\$ 289.25	\$ 89.25	

New

# CURRENT RATES (2009)

## RESIDENTIAL, ALL AREAS

Residential monthly service fee\* \$35.84

- (inclusive of first 2,000 gallons from Argyle Water Supply Corp.)

Gallonage charge per 1,000 gallons thereafter \$2.60

Flat monthly rate with private water source: \$43.60

\*Water use averaged for months of December, January & February

## COMMERCIAL, ALL AREAS

Commercial monthly service fee\* \$35.84

- (inclusive of first 2,000 gallons from Argyle Water Supply Corp.) \$3.42

Flat monthly rate with private water source: \$67.82

\*Water use averaged for months of December, January & February

# RESIDENTIAL

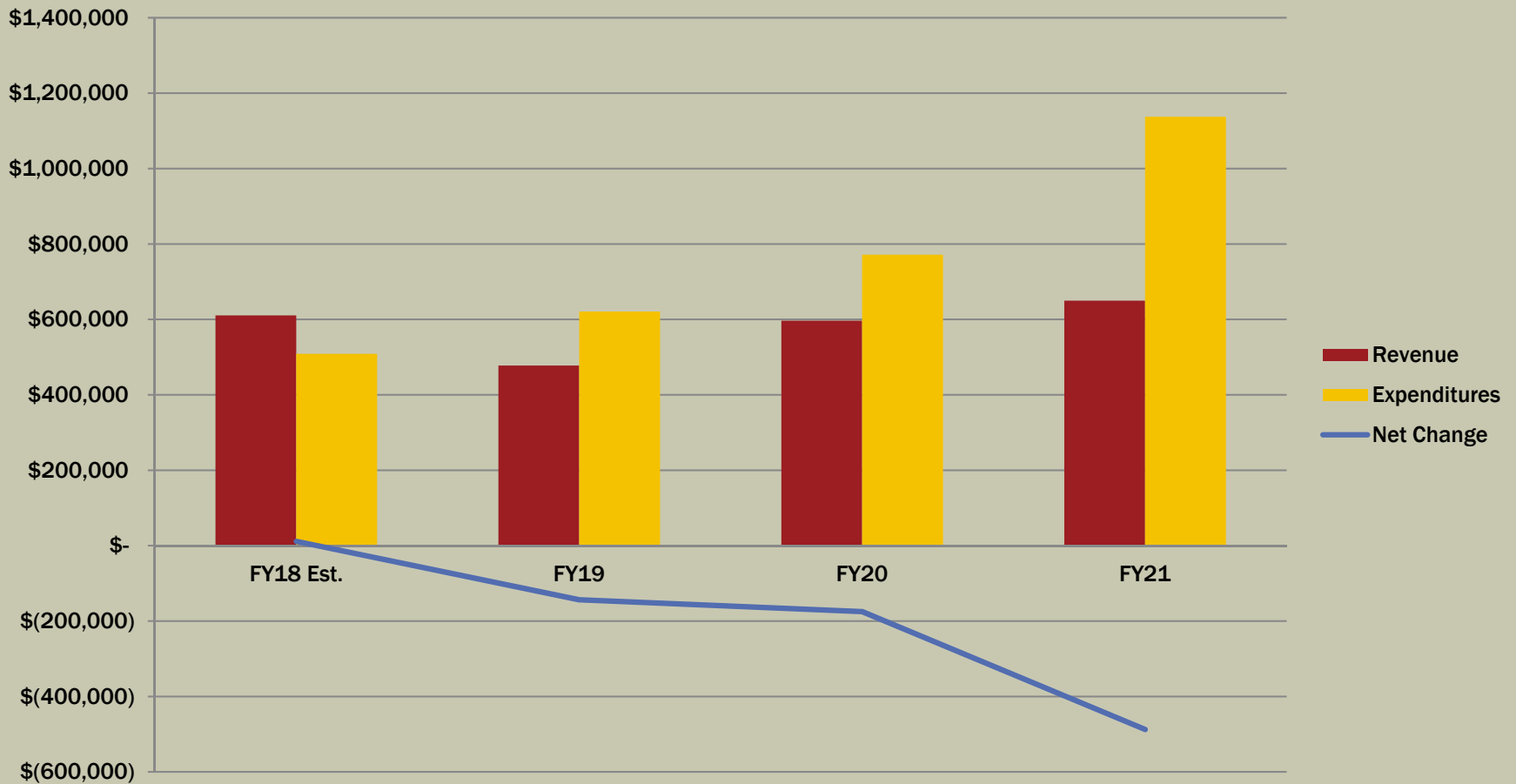
<b>RESIDENTIAL, INSIDE TOWN LIMITS OR UTILITY DISTRICT</b>	<b>Option A</b>	<b>Option B</b>
<b>Residential monthly service fee*</b>	<b>\$39.45</b>	<b>\$41.25</b>
• (inclusive of first 2,000 gallons)		
<b>Gallonage charge per 1,000 gallons thereafter</b>	<b>\$3.35</b>	<b>\$3.35</b>
<b>Private water sources require the installation of a meter.</b>		
<b>*Water use averaged for months of Dec, Jan &amp; Feb</b>		
<b>RESIDENTIAL, OUTSIDE TOWN LIMITS AND UTILITY DISTRICT</b>	<b>Option A</b>	<b>Option B</b>
<b>Residential monthly service fee*</b>	<b>\$59.18</b>	<b>\$61.88</b>
• (inclusive of first 2,000 gallons)		
<b>Gallonage charge per 1,000 gallons thereafter</b>	<b>\$5.03</b>	<b>\$5.03</b>
<b>Private water sources require the installation of a meter.</b>		
<b>*Water use averaged for months of Dec, Jan &amp; Feb</b>		

# COMMERCIAL

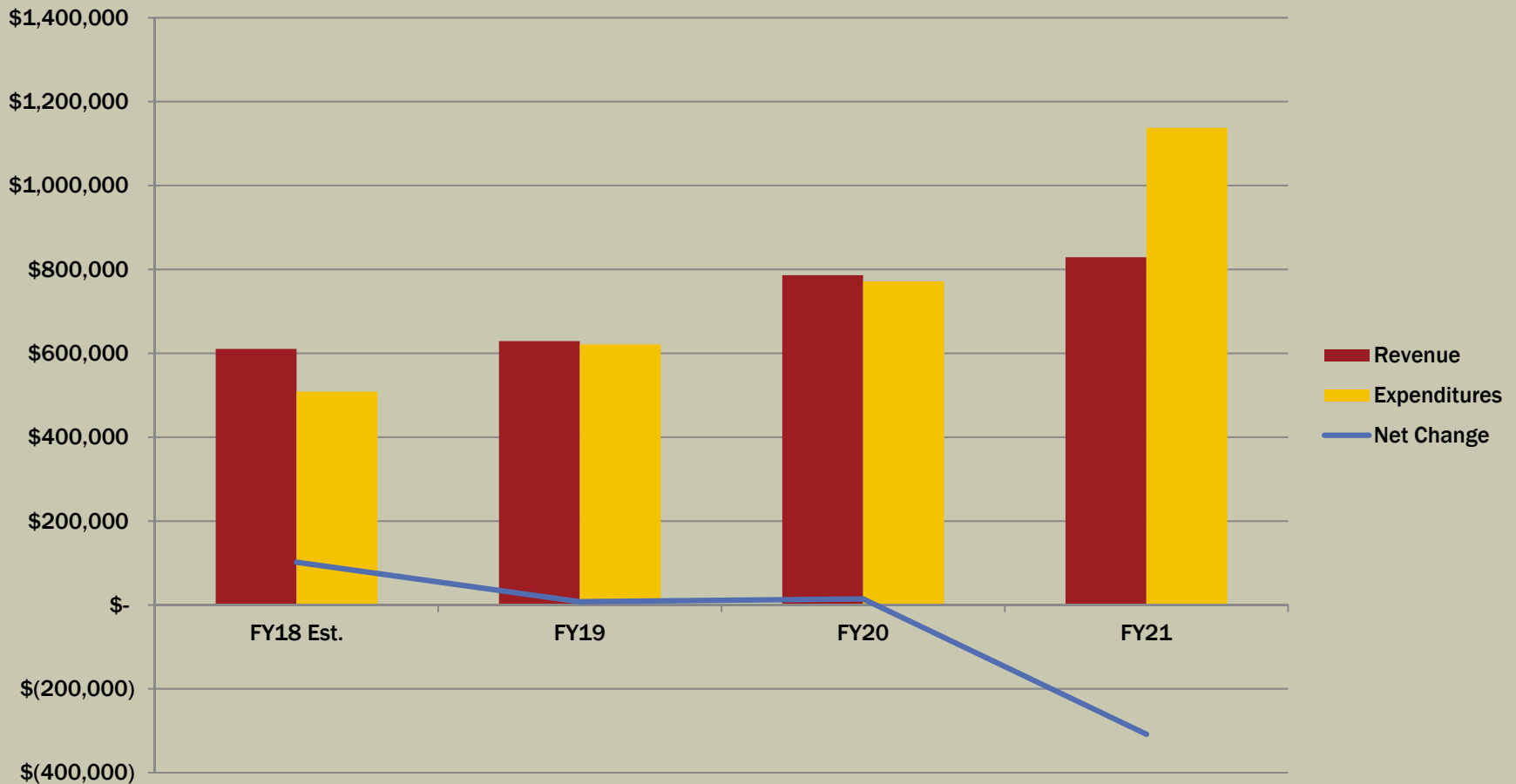
<b>COMMERCIAL, INSIDE TOWN LIMITS OR UTILITY DISTRICT</b>	<b>Option A</b>	<b>Option B</b>
Residential monthly service fee*	\$44.45	\$49.25
• (inclusive of first 2,000 gallons)		
Gallonage charge per 1,000 gallons thereafter	\$4.85	\$5.00
Private water sources require the installation of a meter.		
*No winter averaging		
<b>COMMERCIAL, OUTSIDE TOWN LIMITS AND UTILITY DISTRICT</b>	<b>Option A</b>	<b>Option B</b>
Residential monthly service fee*	\$66.68	\$73.88
• (inclusive of first 2,000 gallons)		
Gallonage charge per 1,000 gallons thereafter	\$7.28	\$7.50
Private water sources require the installation of a meter.		
*No winter averaging		

New

# FORECAST WITH NO RATE CHANGES

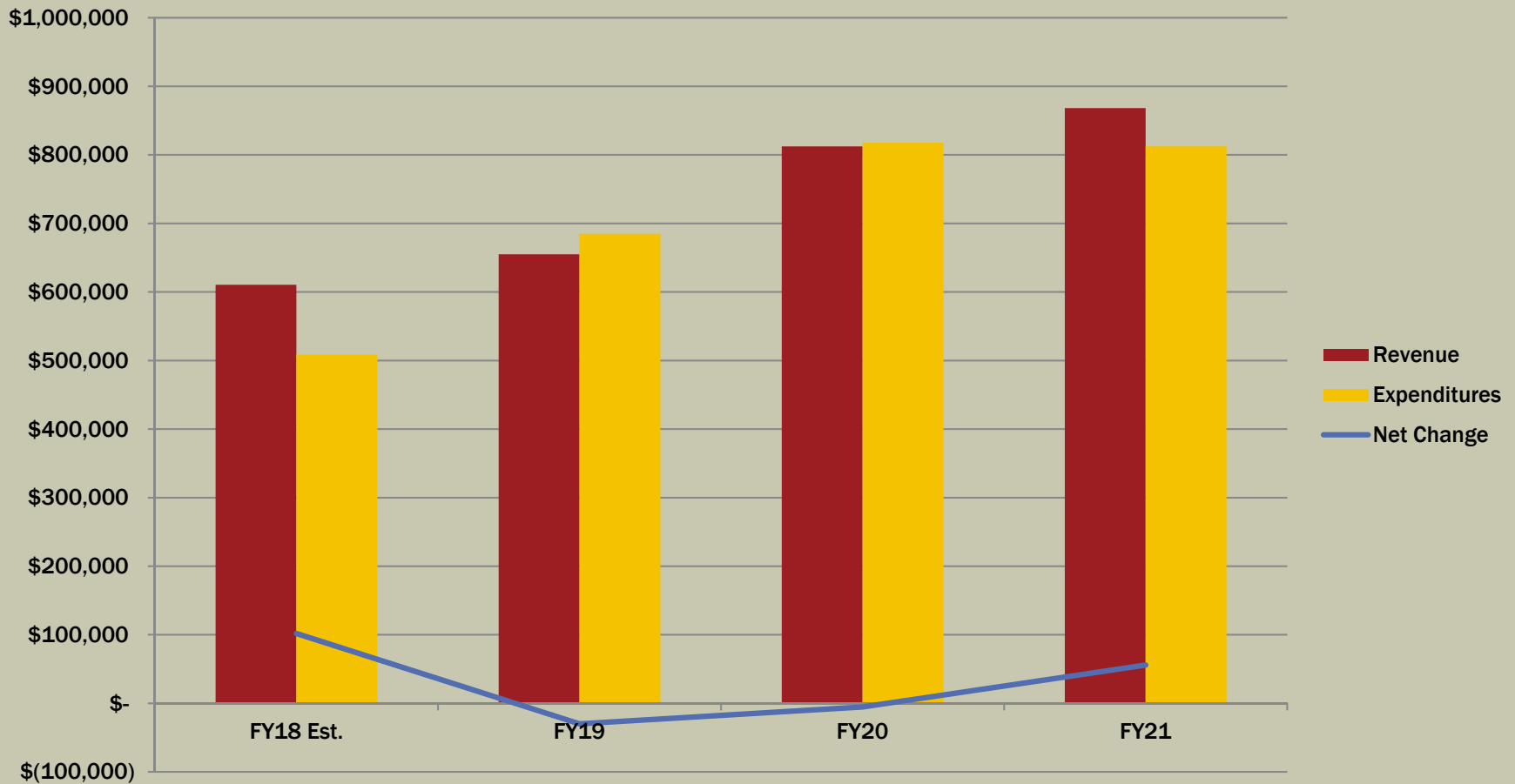


# FORECAST WITH 8/14 PROPOSED CHANGES



**Assumes transfer of 1 FTE and \$380,000 in construction costs in FY21**

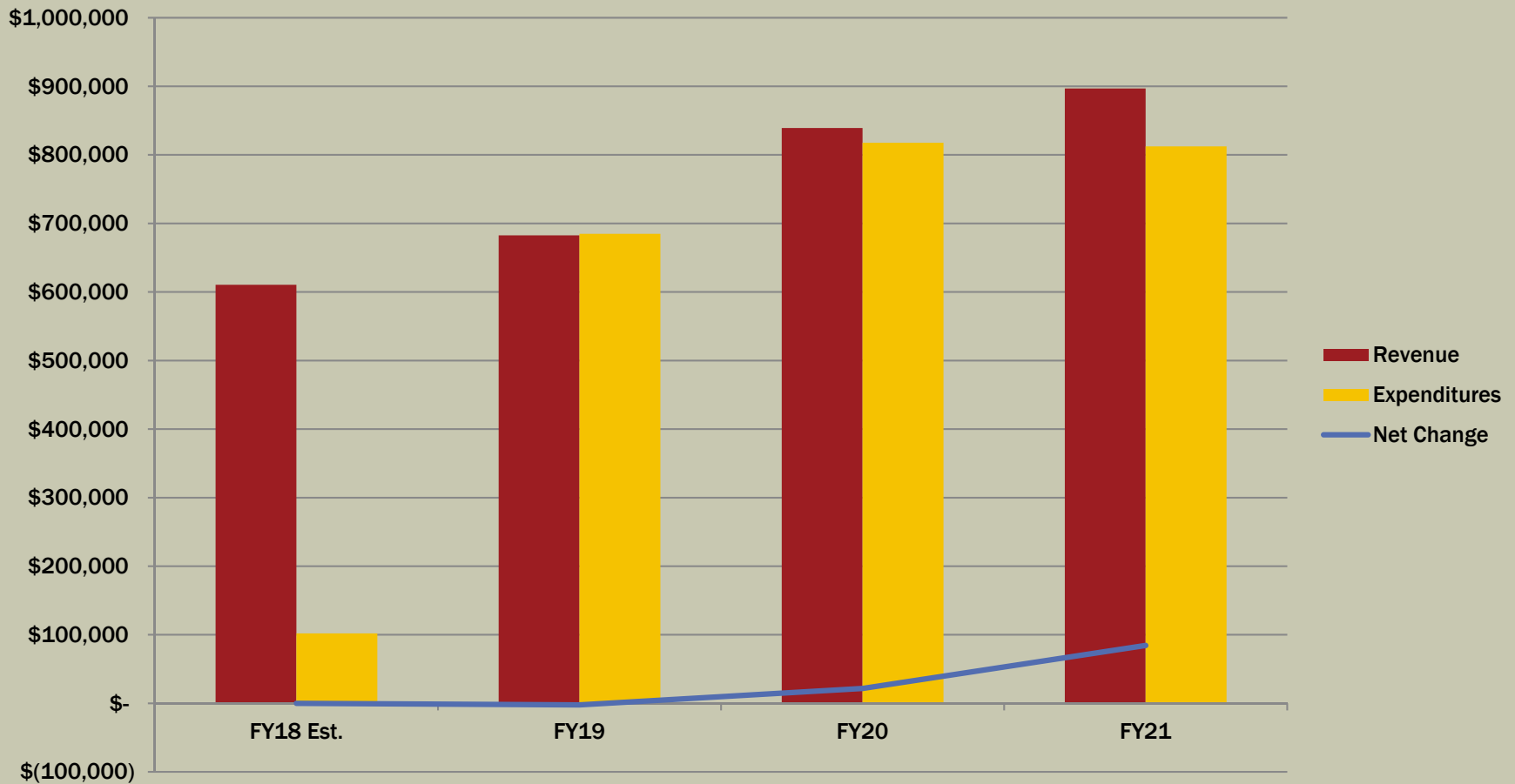
# FORECAST WITH OPTION A



**Assumes transfer of 1.4 FTE's and amortization of \$380,000 over 5 years beginning in FY21**

New

# FORECAST WITH OPTION B



**Assumes transfer of 1.4 FTE's and amortization of \$380,000 over 5 years beginning in FY21**

**New**

17

# HISTORICAL INCREASE BY ENTITY

Entity	% increase since 2009		Entity	% increase since 2009
Argyle (current)	0%		Lantana	73.3%*
Aubrey	53.8%		Mustang SUD	63.8%*
Denton	45.2%		Pilot Point	37.8%
Flower Mound	26.2%		Ponder	27.5%
Haslet	103.2%		Prosper	58.3%
Highland Village	44.1%		Roanoke	158.1%
Justin	6.5%		Sanger	79.6%
Keller	25.6%		Southlake	22.9%
Lake Cities MUA	66.2%*		Westlake	50.3%

\*Indicates increase since 2012, no 2009 data was available

# STAFF RECOMMENDATIONS

- Recommend adoption of Option A under the Consent Agenda.
- Staff will send mailers to customers by the first week of September advising of increase and reasons an increase is needed.
- Educational material to be posted on website and social media.
- Start with October 1, 2018 usage.

**QUESTIONS???**