

MUNICIPAL UTILITY SYSTEM

BUDGET



FISCAL YEAR 2026



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FY26 Adopted Budget

City Manager's Message

August 28, 2025

To: Board of Trustees of the Weatherford Municipal Utility System

In accordance with Article IX, Section 4 of the Weatherford City Charter, the FY26 adopted budget is hereby submitted for review and consideration. The budget that follows will provide for operations and maintenance of the Weatherford Municipal Utility System from October 1, 2025 through September 30, 2026. It has been developed under the principles and guidance of sound budgeting practices. Said practices assure that revenues are realistically estimated to cover the cost of essential utility services while leaving a prudent amount of working capital for emergency or unforeseen circumstances.

This budget proposal reflects our commitment to fiscal responsibility, operational excellence, and strategic planning for the future needs of our community. Key highlights of this year's budget include:

1. Balanced revenue projections based on updated rate structures
2. Continued investment in infrastructure maintenance and improvement
3. Allocation of resources for essential utility services
4. Maintenance of prudent working capital reserves

The following sections will provide detailed breakdowns of revenue projections, operational expenses, capital improvement plans, and our financial reserves strategy. Each component has been carefully considered to ensure the continued self-sufficiency and financial strength of our utility systems.

Revenue Projections

Estimated revenues from the operation of the utility system for FY26 are as follows:

- Electric: \$51.8 million
- Water: \$19.5 million
- Wastewater: \$9.3 million

This total of \$80.6 million in operating revenues represents an increase of 1.75% from FY25 projected revenue. This growth reflects several factors:

1. An expected increase in customer count, consistent with historical averages and recent new development.
2. The implementation of rate increases for water and wastewater services, scheduled to take effect on January 1, 2025.

It's important to note that, as in previous fiscal years, each of the City's utilities - electric, water, and wastewater - remains a self-sustaining entity. Each system is capable of meeting its full operating costs through its separate utility charges, ensuring financial independence and stability across our operations.

Financial Stability and Reserve Funds

Maintaining adequate working capital and reserve funds is crucial for the financial health and stability of our utility systems. The Municipal Utility Board has determined that normal system working capital balances should be no less than 90 days of operating expenditures. We are pleased to report that the budget submitted herein exceeds this requirement:

- Projected ending working capital balance (September 30, 2026): \$19,258,158
- This represents 150 days of operations
- Includes the mandated 90-day target reserve of \$11,522,621

In addition to the working capital, the Utility Fund has the following reserve balances at its disposal at the start of FY26:

- Rate Mitigation Reserve: \$13,566,145
- Substation Reserve: \$1,620,269
- Electric Vehicle Reserve: \$2,050,200
- Tarrant Regional Water District Pumping Reserves: \$3,793,207

These reserves provide additional financial flexibility and security for our operations.

Budget Overview

The total adopted budget for the Weatherford Municipal Utility for FY26 is \$76.3 million. This includes \$785K in various non-recurring expenses for one-time projects and vehicle and equipment replacements

This document provides a comprehensive breakdown of the fund's operational departments, including:

- Organizational charts
- Objectives
- Performance measures
- Budget detail by expense category

These details offer transparency into our operations and demonstrate our commitment to efficient and effective utility management.

Rate Adjustments and Capital Improvements

The Weatherford Municipal Utility has recently completed a comprehensive year-long project to update its cost-of-service model and redesign rates for the electric, water, and wastewater utility systems. The

study concluded that rate adjustments are necessary for both water and wastewater services to ensure the continuation of planned capital improvements.

Key findings and policy decisions from the cost-of-service study include:

- A Cash-to-Bond ratio of 24%/76% for water and 21%/79% for wastewater capital improvements
- A 30-year debt term on new debt issuances
- Maintenance of a 2% rehabilitation schedule for water and wastewater infrastructure

The cost-of-service study recommends the following rate increases, as a result of rising operational and capital costs:

- Water: Approximately 2% increase annually for the next five years
- Wastewater: Approximately 8% increase annually for the next five years

The FY26 budget incorporates these policy decisions, as well as factors in the second tranche of additional revenue from the increased water and wastewater rates. It also includes increased capital expenses to maintain the systems' capital improvement plans and rehabilitation schedule.

Conclusion

In conclusion, I extend my sincere gratitude to Assistant City Managers Dawn Brooks and Chad Marbut and Budget Manager Ashley Esquivel as well as the Utilities department directors and supervisors who dedicated considerable time and effort to the preparation of this budget. The Weatherford Municipal Utility continues to achieve remarkable milestones, building on its strong performance over recent years.

Under the guidance of the Municipal Utility Board, each utility maintains its self-sufficiency, contributing to the overall financial strength of the Utility System. This robust financial position ensures our ability to provide reliable, high-quality services to our customers both now and in the future.

The commitment of our team, combined with prudent financial management and forward-thinking policies, positions us well to meet the evolving needs of our community. We remain dedicated to sustainable operations, infrastructure improvement, and excellent customer service as we move forward.

Sincerely,



James Hotopp, City Manager

Utilities System Budget-in-Brief

The adopted FY26 Budget includes \$80.6 million in operating revenues and \$76.3 million in total expenses. A breakdown of those revenues and expenses are as follows:

Electric Revenues:

Service Charges:	\$ 50,850,000
All Other Revenues	<u>983,026</u>
	\$ 51,833,026

Water Revenues:

Service Charges:	\$ 18,000,000
All Other Revenues	<u>1,462,125</u>
	\$ 19,462,125

Electric Expenses:

Personnel:	\$ 4,858,100
Supplies:	756,346
Contractual:	41,487,122
Capital	<u>2,479,650</u>
	\$ 49,581,218

Water Expenses:

Personnel:	\$ 3,207,545
Supplies:	1,486,193
Contractual:	11,731,369
Capital	<u>601,691</u>
	\$ 17,026,798

Effect on Fund Balance \$ 2,251,808

Effect on Fund Balance: \$ 2,435,327

Wastewater Revenues:

Service Charges:	\$ 9,150,000
All Other Revenues	<u>161,450</u>
	\$ 9,311,450

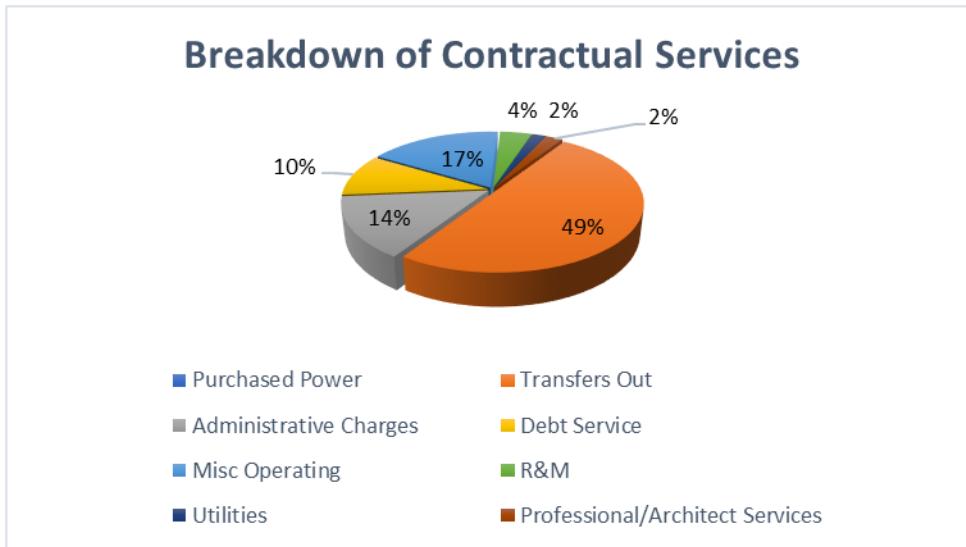
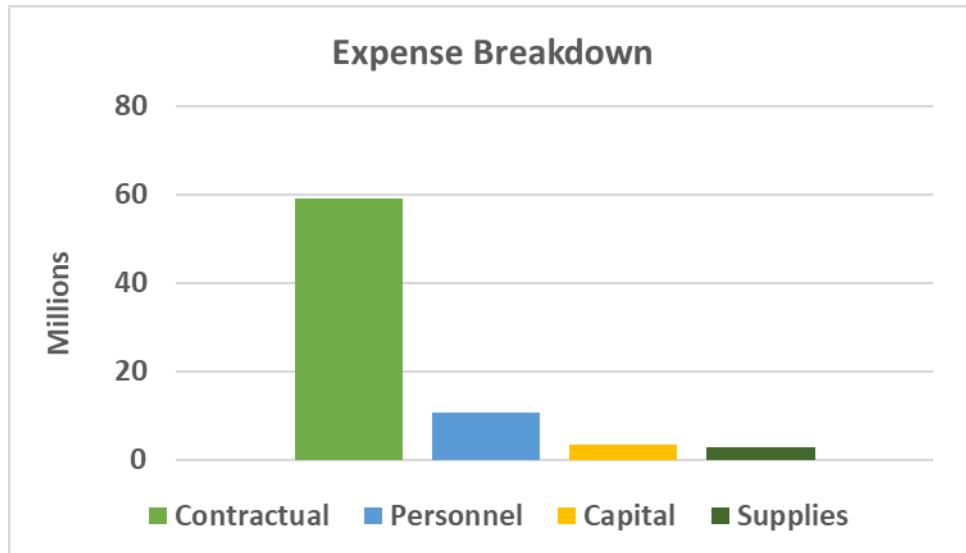
Wastewater Expenses:

Personnel:	\$ 2,721,245
Supplies:	640,081
Contractual:	5,914,628
Capital	<u>433,985</u>
	\$ 9,709,939

Effect on Fund Balance \$ (398,489)

Utilities System Budget-in-Brief

The majority of the expenses are in the contractual category, which includes the cost to purchase power (\$29,098,971), transfers out to the City for gross receipts and return-on-investment (\$8,386,968), and administrative charges (\$5,774,152). While large, long-term capital improvements are expensed from a different fund, some smaller, routine maintenance and rehabilitation expenses do come out of the operating fund.





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UTILITY FUNDS SUMMARIES

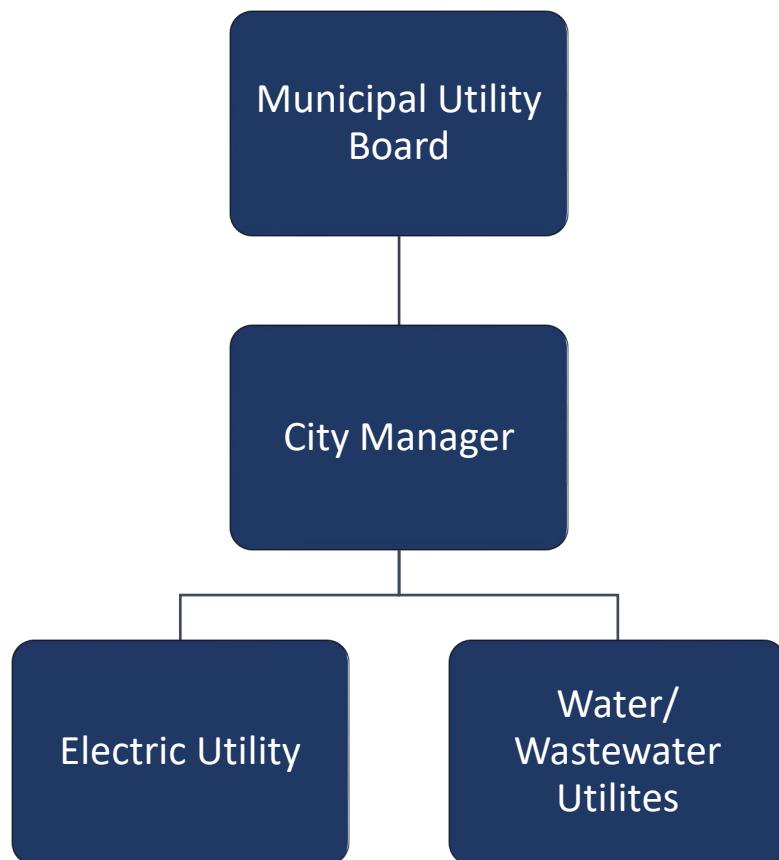
UTILITY FUND SUMMARY

The Municipal Utility Fund has more budgeted expenditures than any other fund. Enterprise funds are accounting units that operate similarly to private business entities. The intent of the governing body is to finance the provision of goods or services to the public on a continuing basis through user charges. Funding for utility system operations comes from monthly billing to customers for the utility services delivered.

In addition to the three utilities (Electric, Water, and Wastewater), this fund also includes operational costs for utility billing services and internal administrative services.

The governing board is responsible for providing oversight and recommending service rates such that ongoing operations, capital repair and expansion, and reserves are all maintained at an adequate level.

Organizational Chart



UTILITY FUND OPERATING SUMMARY

FY26 Allocation of Administrative Functions

Shared or administrative functions are allocated to each utility for the purpose of showing the total cost of operating each utility. These allocated functions include Customer Service.

Administrative Function	Solid Waste	Electric	Water	Wastewater
Customer Service	13%	40%	28%	19%

The Water & Wastewater Utilities are tightly connected, sharing resources and personnel. Some of the costs for these two utilities are located in the same cost center. In order to correctly account for the total cost of providing each utility, portions of those cost centers are allocated to both utility. The FY26 allocations for these cost centers is below.

Water/Wastewater Administration *Organization Code - 673730*

Water is allocated 50% of Personnel, 50% of Supplies, 50% of Contractual Services and 65% of Capital expenses

Wastewater is allocated 50% of Personnel, 50% of Supplies, 50% of Contractual Services and 35% of Capital expenses

Water/Wastewater Maintenance *Organization Code - 673732*

Water is allocated 50% of Personnel, 57% of Supplies, 50% of Contractual Services and 52% of Capital expenses

Wastewater is allocated 50% of Personnel, 43% of Supplies, 50% of Contractual Services and 48% of Capital expenses

Water/Wastewater Rehabilitation *Organization Code - 673733*

Water is allocated 50% of Personnel, 50% of Supplies, 50% of Contractual Services and 63% of Capital expenses

Wastewater is allocated 50% of Personnel, 50% of Supplies, 50% of Contractual Services and 37% of Capital expenses

Engineering *Organization Code - 673731*

Water is allocated 50% of Personnel, 50% of Supplies, 50% of Contractual Services and 50% of Capital expenses

Wastewater is allocated 50% of Personnel, 50% of Supplies, 50% of Contractual Services and 50% of Capital expenses

UTILITY FUND OPERATING SUMMARY

	Actual FY23	Actual FY24	Adopted FY25	Projected FY25	Adopted FY26
Beginning Working Capital	\$ 14,026,906	\$ 23,565,977	\$ 29,104,174	\$ 29,104,174	\$ 21,256,796
Revenues					
Electric					
Sale of Power	51,506,822	50,528,295	52,815,000	49,603,790	50,850,000
Interest & Other	668,212	1,042,847	1,134,000	2,290,425	983,026
Total Electric	52,175,034	51,571,141	53,949,000	51,894,215	51,833,026
Water					
Sale of Water - Retail	18,590,832	17,573,826	20,015,660	17,147,729	18,000,000
Sale of Water - Wholesale	405,606	397,854	-	224,610	-
Lake Lot License	808,242	853,541	1,178,750	1,232,582	1,270,000
Water Taps	22,345	16,600	11,706	-	10,000
Interest & Other	1,105,343	773,721	297,313	126,183	182,125
Total Water	20,932,368	19,615,542	21,503,429	18,731,104	19,462,125
Wastewater					
Service Fees - Retail	7,292,057	7,660,954	8,422,150	8,355,896	9,150,000
Wastewater tap fees	18,450	15,510	6,450	5,504	6,450
Interest & Other	259,751	308,651	195,000	231,752	155,000
Total Wastewater	7,570,258	7,985,115	8,623,600	8,593,152	9,311,450
Total Revenues	\$ 80,677,660	\$ 79,171,799	\$ 84,076,029	\$ 79,218,471	\$ 80,606,601
Expenditures					
Electric					
Administration	301,719	348,135	346,344	337,545	357,844
Fiber	205,345	144,439	328,871	315,672	286,105
Distribution	8,763,004	12,056,611	15,157,925	11,408,353	9,171,904
Warehouse	406,345	453,150	475,645	413,680	490,345
Non Departmental	32,546,271	32,850,689	52,038,415	42,493,032	39,275,020
Total Electric	42,222,685	45,853,024	68,347,200	54,968,283	49,581,218
Water					
Administration	600,583	669,817	720,935	684,465	709,447
Water Treatment Plant	4,342,080	2,869,797	3,948,300	3,108,696	3,892,969
Water/WW Maintenance	1,284,886	1,808,312	1,841,608	1,652,664	1,896,521
Water/WW Rehabilitation	926,203	1,554,716	1,351,055	1,213,710	648,500
Engineering	279,965	441,357	462,676	434,208	489,576
Non Departmental	2,514,665	2,867,202	5,605,793	5,634,927	9,389,786
Total Water	9,948,382	10,211,201	13,930,366	12,728,671	17,026,798
Wastewater					
Administration	586,269	659,464	720,935	684,465	709,447
Water/WW Maintenance	1,155,578	1,653,078	1,713,254	1,551,512	1,765,086
Water/WW Rehabilitation	603,275	973,963	925,038	826,806	513,774
Engineering	279,965	441,357	462,676	434,208	489,576
Wastewater Treatment Plant	1,444,435	1,378,878	1,806,768	1,814,321	1,464,929
Non Departmental	1,695,646	1,935,771	2,660,304	2,712,983	4,767,127
Total Wastewater	5,765,167	7,042,511	8,288,974	8,024,296	9,709,939
Total Expenditures	\$ 57,936,234	\$ 63,106,736	\$ 90,566,541	\$ 75,721,249	\$ 76,317,955
Over/(Under)	22,741,426	16,065,063	(6,490,512)	3,497,221	4,288,646

UTILITY FUND OPERATING SUMMARY

	Actual FY23	Actual FY24	Adopted FY25	Projected FY25	Adopted FY26
Other Adjustments					
Contribution to Water Capital	(7,372,305)	(7,250,000)	(7,585,170)	(7,585,170)	(4,005,204)
Contribution to Wastewater Capital	(2,129,371)	(1,866,280)	(2,034,430)	(2,034,430)	(557,080)
Contributions to Electric Vehicle Reserves	(100,000)	(125,000)	(250,000)	(250,000)	(250,000)
Contributions to Substation Reserves	(148,000)	(675,000)	(675,000)	(675,000)	(675,000)
Contribution to TRWD Reserves	(610,585)	(610,585)	(800,000)	(800,000)	(800,000)
ERCOT Storm Reserve	(2,842,094)	-	-	-	-
Ending Fund Balance	\$ 23,565,977	\$ 29,104,174	\$ 11,269,063	\$ 21,256,796	\$ 19,258,158
Ending Days	262	279	108	194	150
Non-Operating Expenses				785,082	
Non-Operating Revenues				-	
Ongoing Revenues				80,606,601	
Ongoing Expenses				75,532,873	
Operating Surplus/(Loss)				5,073,728	
Daily Cost				128,029	
90 day Target Reserve				11,522,621	
Available Working Capital				\$7,735,537	
Ending Days				150	
Target Reserve				90	
Available Working Capital - Days				60	
Substation Reserve Balance (through 2026)				\$2,295,269	
Electric Vehicle Reserve Balance (through 2026)				\$2,325,200	
Tarrant Regional Water District Reserve Available (through 2026)				\$5,393,207	

ELECTRIC OPERATING SUMMARY

	Actual FY23	Actual FY24	Adopted FY25	Projected FY25	Adopted FY26
Revenue					
Sale of Power	\$ 51,506,822	\$ 50,528,295	\$ 52,815,000	\$ 49,603,790	\$ 50,850,000
Interest & Other	668,212	1,042,847	1,134,000	2,290,425	983,026
Total Revenues	52,175,034	51,571,141	53,949,000	51,894,215	51,833,026
 Expenditures					
Administration	301,719	348,135	346,344	337,545	357,844
Fiber	205,345	144,439	328,871	315,672	286,105
Distribution	8,763,004	12,056,611	15,157,925	11,408,353	9,171,904
Warehouse	406,345	453,150	475,645	413,680	490,345
Non Departmental	32,546,271	32,850,689	52,038,415	42,493,032	39,275,020
Total Expenditures	42,222,685	45,853,024	68,347,200	54,968,283	49,581,218
 Over/(Under)	\$ 9,952,349	\$ 5,718,117	\$ (14,398,200)	\$ (3,074,068)	\$ 2,251,808
 Non-Operating Expenses 463,828					
Non-Operating Revenues -					
Ongoing Revenues 51,833,026					
Ongoing Expenses 49,117,390					
Operating Surplus/(Loss) 2,715,636					

WATER OPERATING SUMMARY

	Actual FY23	Actual FY24	Adopted FY25	Projected FY25	Adopted FY26
Revenue					
Sale of Water - Retail	\$ 18,590,832	\$ 17,573,826	\$ 20,015,660	\$ 17,147,729	\$ 18,000,000
Sale of Water - Wholesale	405,606	397,854	-	224,610	-
Lake Lot License	808,242	853,541	1,178,750	1,232,582	1,270,000
Water Taps	22,345	16,600	11,706	-	10,000
Interest & Other	1,105,343	773,721	297,313	126,183	182,125
Total Revenue	20,932,368	19,615,542	21,503,429	18,731,104	19,462,125
Expenditures					
Water Treatment Plant	4,342,080	2,869,797	3,948,300	3,108,696	3,892,969
Non Departmental	2,514,665	2,867,202	5,605,793	5,634,927	9,389,786
Water/Wastewater					
Administration	600,583	669,817	720,935	684,465	709,447
Water/WW Maintenance	1,284,886	1,808,312	1,841,608	1,652,664	1,896,521
Water/WW Construction	926,203	1,554,716	1,351,055	1,213,710	648,500
Engineering	279,965	441,357	462,676	434,208	489,576
Total Expenditures	9,948,382	10,211,201	13,930,366	12,728,671	17,026,798
Over/(Under)*	\$ 10,983,986	\$ 8,793,756	\$ 6,773,063	\$ 5,202,433	\$ 2,435,327
			Non-Operating Expenses	60,284	
			Non-Operating Revenues	-	
			Ongoing Revenues	19,462,125	
			Ongoing Expenses	16,966,514	
			Operating Surplus/(Loss)	2,495,611	

*Operating Summary does not include annual transfer to Water Capital in the amount of approximately \$4,005,204

WASTEWATER OPERATING SUMMARY

	Actual FY23	Actual FY24	Adopted FY25	Projected FY25	Adopted FY26
Revenue					
Service Fees - Retail	\$ 7,292,057	\$ 7,660,954	\$ 8,422,150	\$ 8,355,896	\$ 9,150,000
Wastewater tap fees	18,450	15,510	6,450	5,504	6,450
Interest & Other	259,751	308,651	195,000	231,752	155,000
Total Revenue	7,570,258	7,985,115	8,623,600	8,593,152	9,311,450
Expenditures					
Wastewater Treatment Plant	1,444,435	1,378,878	1,806,768	1,814,321	1,464,929
Non Departmental	1,695,646	1,935,771	2,660,304	2,712,983	4,767,127
Water/Wastewater					
Administration	586,269	659,464	720,935	684,465	709,447
Water/WW Maintenance	1,155,578	1,653,078	1,713,254	1,551,512	1,765,086
Water/WW Construction	603,275	973,963	925,038	826,806	513,774
Engineering	279,965	441,357	462,676	434,208	489,576
Total Expenditures	5,765,167	7,042,511	8,288,974	8,024,296	9,709,939
Over/(Under)*	\$ 1,805,091	\$ 942,605	\$ 334,626	\$ 568,856	\$ (398,489)
			Non-Operating Expenses	260,970	
			Non-Operating Revenues	-	
			Ongoing Revenues	9,311,450	
			Ongoing Expenses	9,448,969	
			Operating Surplus/(Loss)	(137,519)	

*Operating Summary does not include annual transfer to Wastewater Capital in the amount of approximately \$557,080

UTILITY INTERNAL SERVICES OPERATING SUMMARY

	Actual FY23	Actual FY24	Adopted FY25	Projected FY25	Adopted FY26
Beginning Fund Balance	\$ 369,224	\$ 305,522	\$ (38,585)	\$ (38,585)	\$ (429,930)
Revenues					
Interest Income	(1,198)	585	6,000	9,590	4,953
Transfer - From Inter-Fund	1,574,410	1,710,478	2,142,111	2,142,111	2,140,514
Transfer - Electric	718,985	775,557	973,889	973,889	900,432
Transfer - Water	406,366	443,608	577,876	577,876	615,499
Transfer - Wastewater	323,188	350,353	445,567	445,567	431,183
Transfer - Solid Waste	125,871	140,960	144,778	144,778	193,400
Total Revenues	1,573,212	1,711,063	2,148,111	2,151,701	2,145,467
Expenditures					
Utility Billing					
Personnel	488,834	452,634	502,500	479,870	508,600
Supplies	4,366	6,531	10,175	3,814	10,175
Contractual Services	660,955	1,051,789	1,029,676	1,544,854	1,029,676
Capital	-	-	-	-	-
Total Utility Expenditures	1,154,155	1,510,954	1,542,351	2,028,538	1,548,451
Information Technology					
Personnel	243,294	163,003	252,400	120,862	252,400
Supplies	4,146	3,716	5,000	3,055	5,000
Contractual Services	235,319	377,496	339,616	390,592	339,616
Capital	-	-	-	-	-
Total IT Expenditures	482,758	544,215	597,016	514,508	597,016
Total Expenditures	1,636,914	2,055,170	2,139,367	2,543,046	2,145,467
Over/(Under)	(63,702)	(344,107)	8,744	(391,345)	-
Ending Fund Balance	\$ 305,522	\$ (38,585)	\$ (29,841)	\$ (429,930)	\$ (429,930)

ELECTRIC SYSTEM REVENUES

	Actual FY23	Actual FY24	Adopted FY25	Projected FY25	Adopted FY26
Sale - Electric Utility	\$ 51,506,822	\$ 50,528,295	\$ 52,815,000	\$ 49,603,790	\$ 50,850,000
Fee - Late Payment	211,140	176,832	175,000	164,548	175,000
Fee - Returned Check	17,598	-	-	-	-
Fee - Service Initiation	106,731	137,127	110,000	190,426	130,000
Fee - Pole Attachment- Make Ready	1,875	57,017	-	430,355	-
Fee - Pole Attachment	109,928	109,748	110,000	140,104	110,000
Fee - Fiber Lease	108,480	97,108	90,000	90,409	90,000
Reimbursement - Eng Charges	14,137	61,548	-	100,363	-
Miscellaneous	20,386	26,898	20,000	8,526	20,000
Interest Income	6,000	45,000	629,000	816,389	458,026
Net Chg In Fair Value - Invest	8,840	56,650	-	56,650	-
Proceeds from Insurance	34,387	16,696	-	15,262	-
Reimbursement - Const Charges	21,138	258,223	-	231,704	-
Total Revenue	\$ 52,175,034	\$ 51,571,141	\$ 53,949,000	\$ 51,894,215	\$ 51,833,026

WATER SYSTEM REVENUES

	Actual FY23	Actual FY24	Adopted FY25	Projected FY25	Adopted FY26
Grants - State	93,882	93,882.00	-	-	-
Sale - Water Utility	\$ 18,590,231	\$ 17,556,387	\$ 20,015,660	\$ 17,134,396	\$ 18,000,000
Sale - Wholesale Water	405,606	397,854	-	224,610	-
Sale - TRWD	600	600.46	-	17,439.37	-
Sale - Salvage	1,025	1,102	-	655	-
Rent - Lake Lot Leases	808,242	853,541	1,178,750	1,232,582	1,270,000
Rental - Lake Concessions	27,823	29,249	30,750	16,388	17,500
Fee - Inspection Service	147,113	-	100,000	-	-
Fee - Water Tower License	34,995	16,845	46,125	-	46,125
Fee - Water Connection	59,475	98,925	71,750	70,331	71,000
Fee - Water Taps	22,345	16,600	11,706	-	10,000
Lake Lot Transfers	7,900	5,650	7,688	9,200	7,500
Miscellaneous	52,676	24,734	41,000	20,766	40,000
Proceeds from Insurance	123,039	9,963	-	8,843	-
Interest Income	574,055.00	557,416.75			
Total Revenue	\$ 20,855,124	\$ 19,662,748	\$ 21,503,429	\$ 18,735,210	\$ 19,462,125

WASTEWATER SYSTEM REVENUES

	Actual FY23	Actual FY24	Adopted FY25	Projected FY25	Adopted FY26
Sale - Sewer Utility	\$ 7,292,057	\$ 7,660,954	\$ 8,422,150	\$ 8,355,896	\$ 9,150,000
Sale - Salvage	1,025	1,192	-	573	-
Fee - Inspection Service	111,312	2,227	50,000	8,475	10,000
Fee - Sewer Taps	18,450	15,510	6,450	5,504	6,450
Miscellaneous	147,415	273,597	145,000	222,703	145,000
Total Revenue	\$ 7,570,258	\$ 7,985,115	\$ 8,623,600	\$ 8,593,152	\$ 9,311,450
Total System Revenue	\$ 80,600,416	\$ 79,219,005	\$ 84,076,029	\$ 79,222,577	\$ 80,606,601

Electric Revenue Worksheet

The following calculations were utilized to project revenue for the Electric Utility in conjunction with an updated cost of service model provided by NewGen Consulting.

Base Rate (not including \$.015 of PP)

Industrial	\$ 940,725
All Other	24,199,515
Subtotal	25,140,240

Fuel & Purchase Power (includes \$.015 of PP)

Industrial	2,395,035
All Other	23,314,725
Subtotal	25,709,760

Total Revenues

Industrial	3,335,760
All Others	47,514,240
Total Retail Sales Revenue	\$ 50,850,000

Water Revenue Worksheet

The following calculations were utilized to project retail water sales for the Water Utility in conjunction with an updated cost of service model provided by NewGen.

Projected Consumption (2025)	1,534,890
Five-Year Average Consumption	1,361,430
	<hr/>
FY26 Projected Water Consumption (000s gallons)	1,580,023
	<hr/>
*FY26 Effective Rate per 1000 gallons (\$)	\$ 11.39
	<hr/>
FY26 Total Projected Retail Revenue	18,000,000
	<hr/>

Wastewater Revenue Worksheet

The following calculations were utilized to project revenue for the Water Utility in conjunction with an updated cost of service model provided by NewGen.

<u>Revenues</u>	<u>Sewer Fees Projected</u>
Oct 2025	832,650
Nov 2025	785,985
Dec 2025	787,815
Jan 2026	724,680
Feb 2026	719,190
Mar 2026	749,385
Apr 2026	723,765
May 2026	704,550
Jun 2026	759,450
Jul 2026	768,600
Aug 2026	764,025
Sep 2026	829,905
Total Projected FY26	\$ 9,150,000

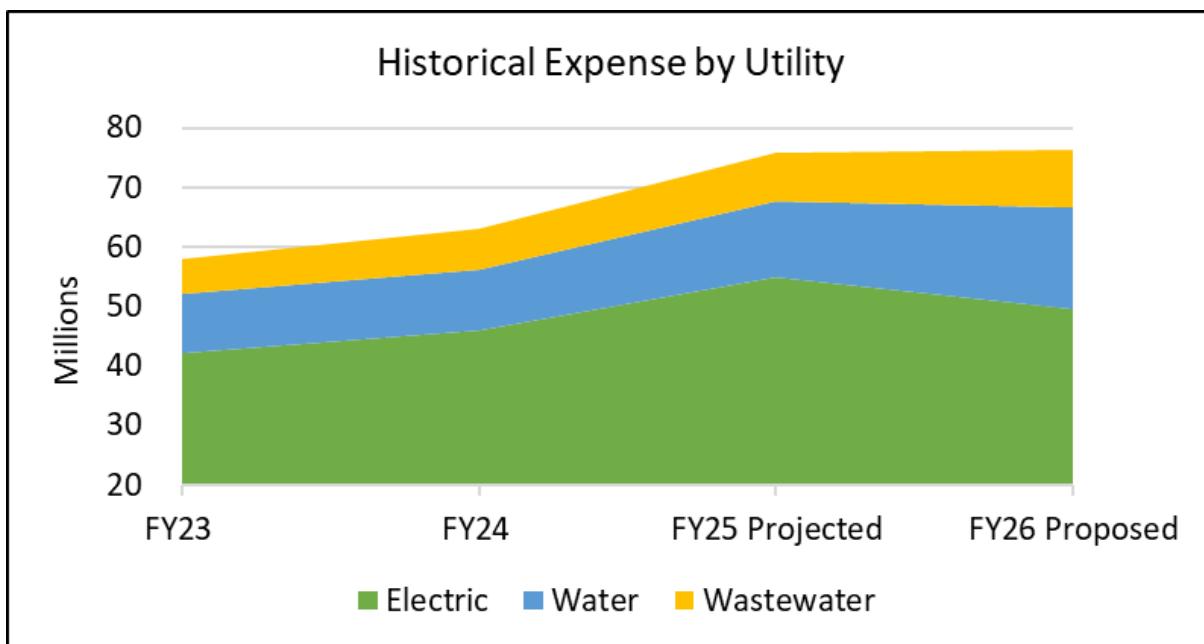
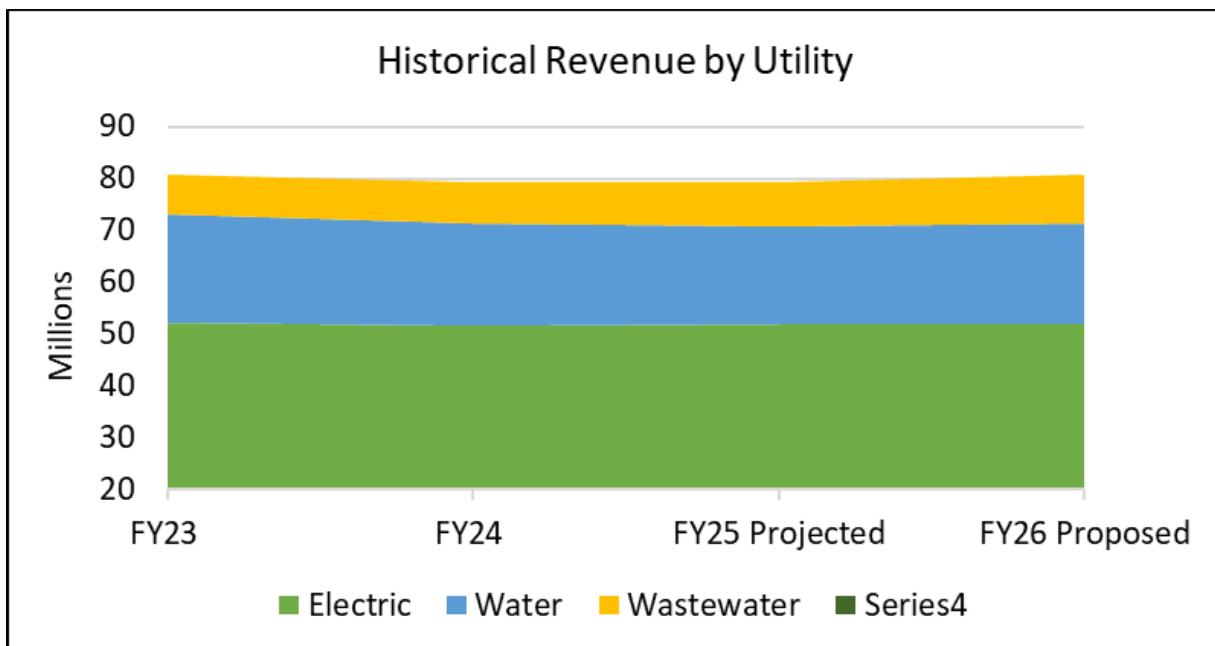
* Projected revenue

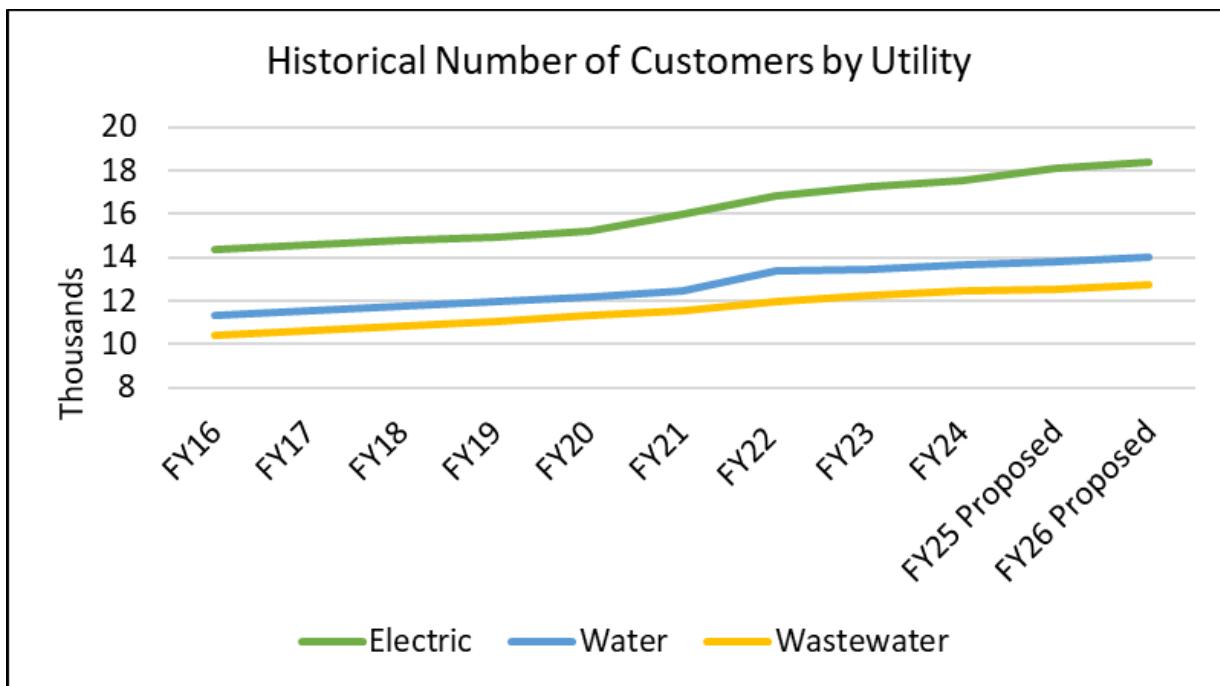
Note: Wastewater revenue tends to be relatively stable. All revenue growth is coming from anticipated growth in customers.



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STATISTICAL GRAPHS & CHARTS

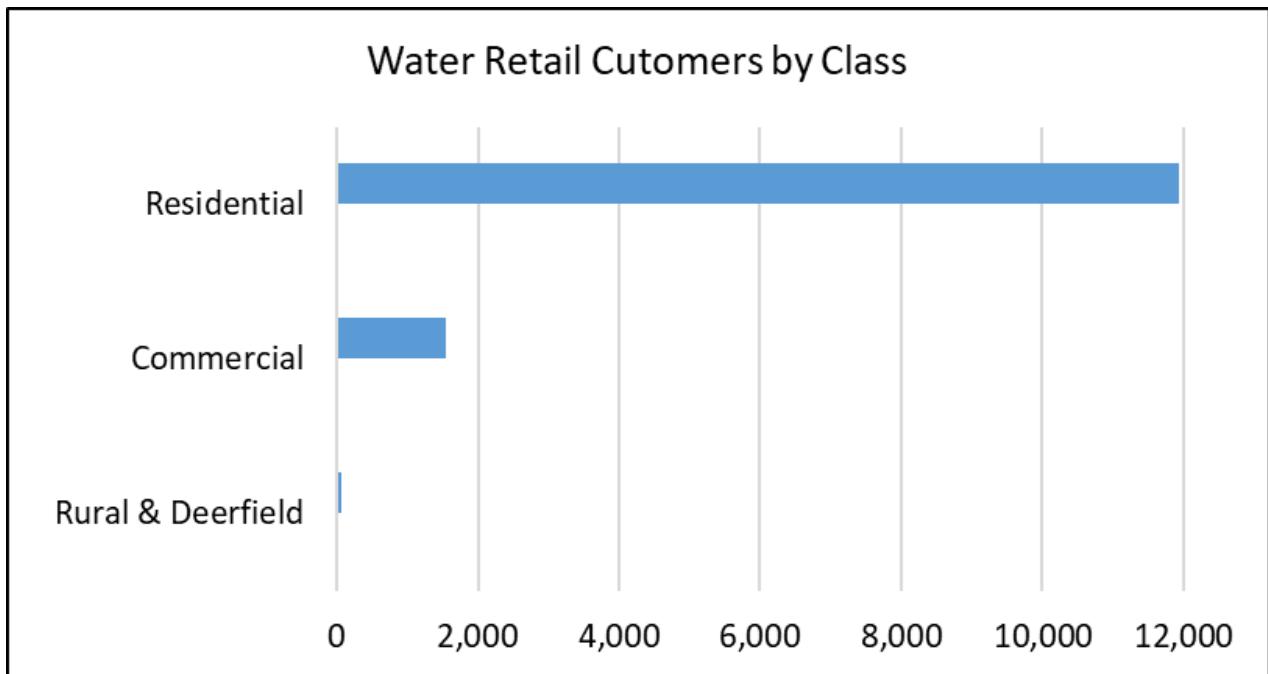
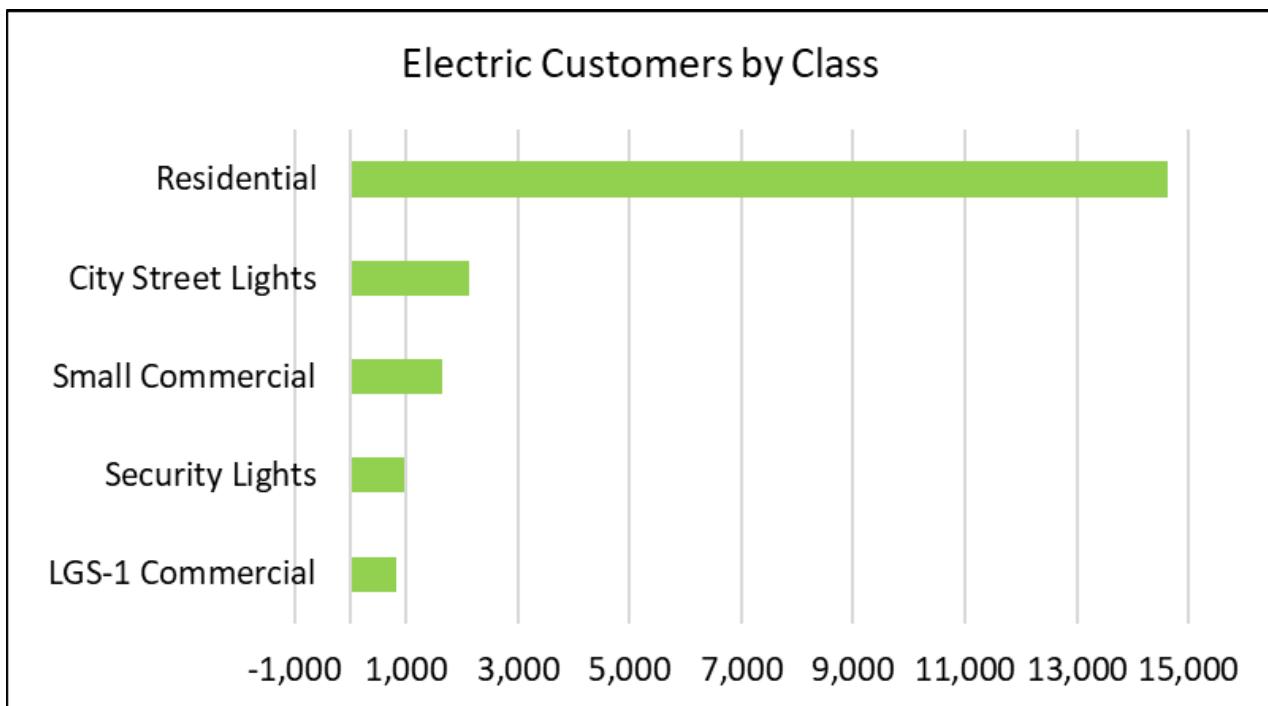


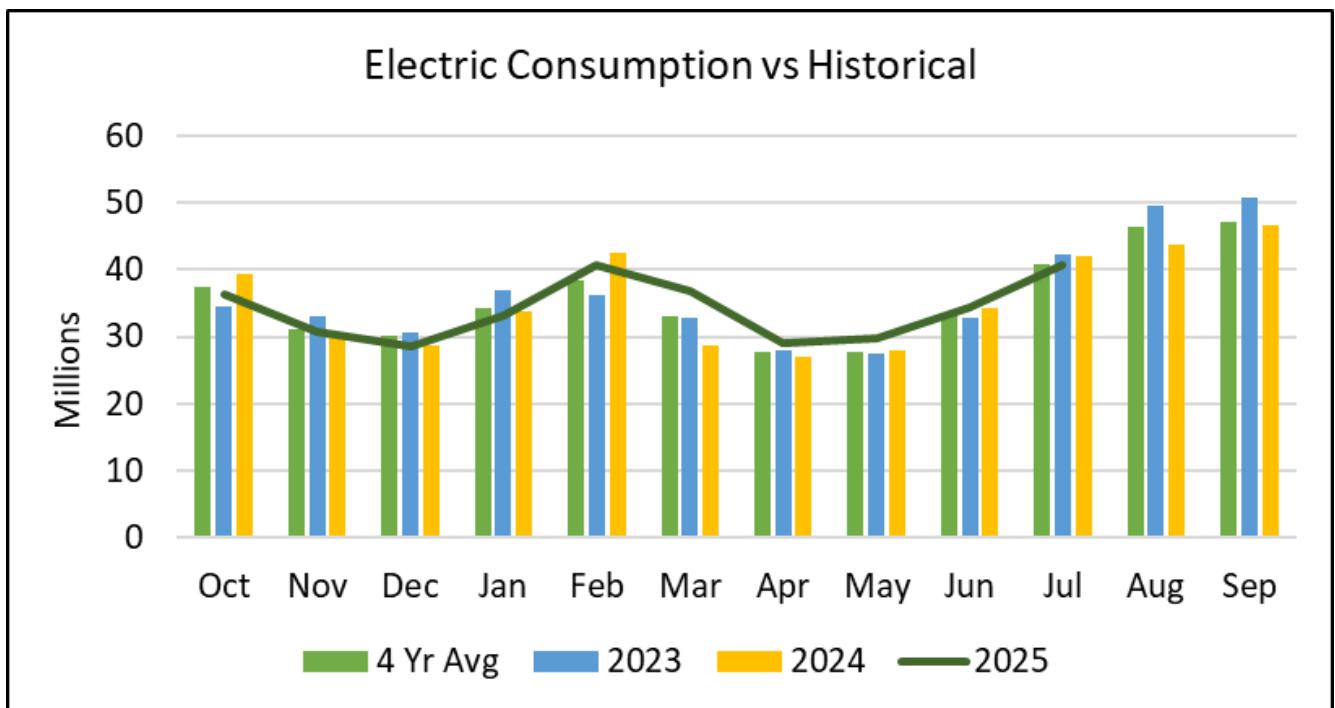
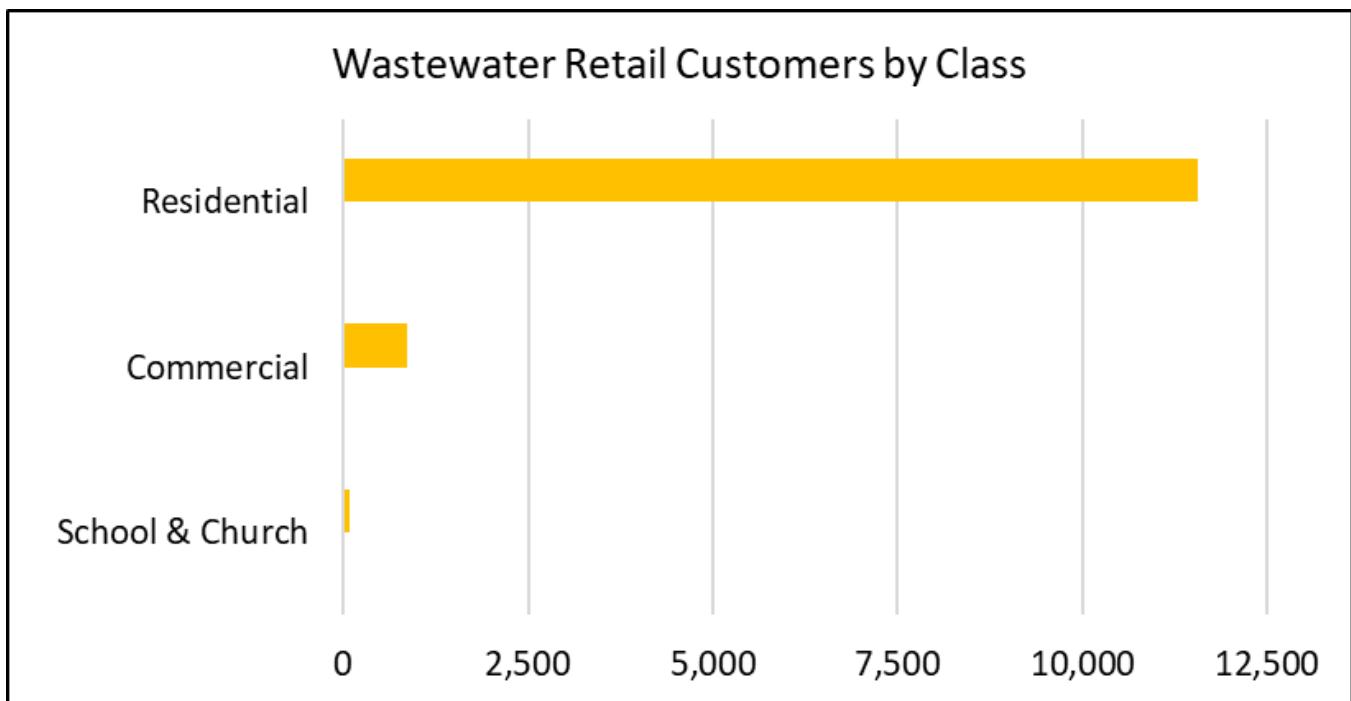


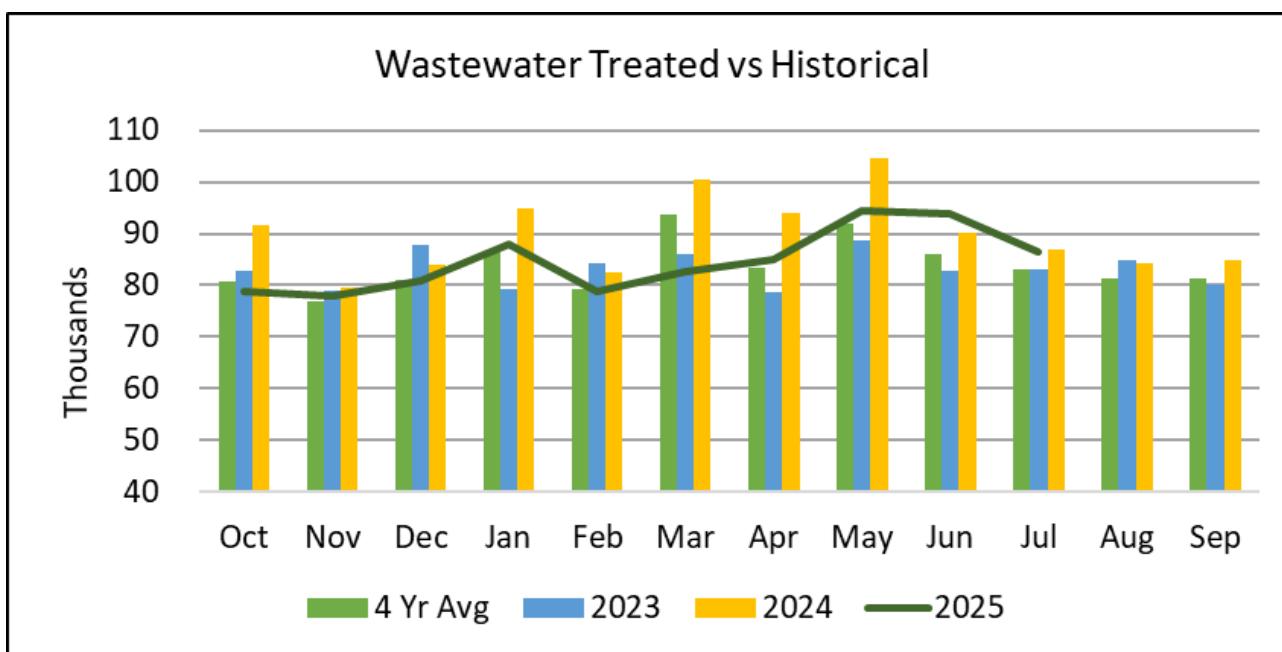
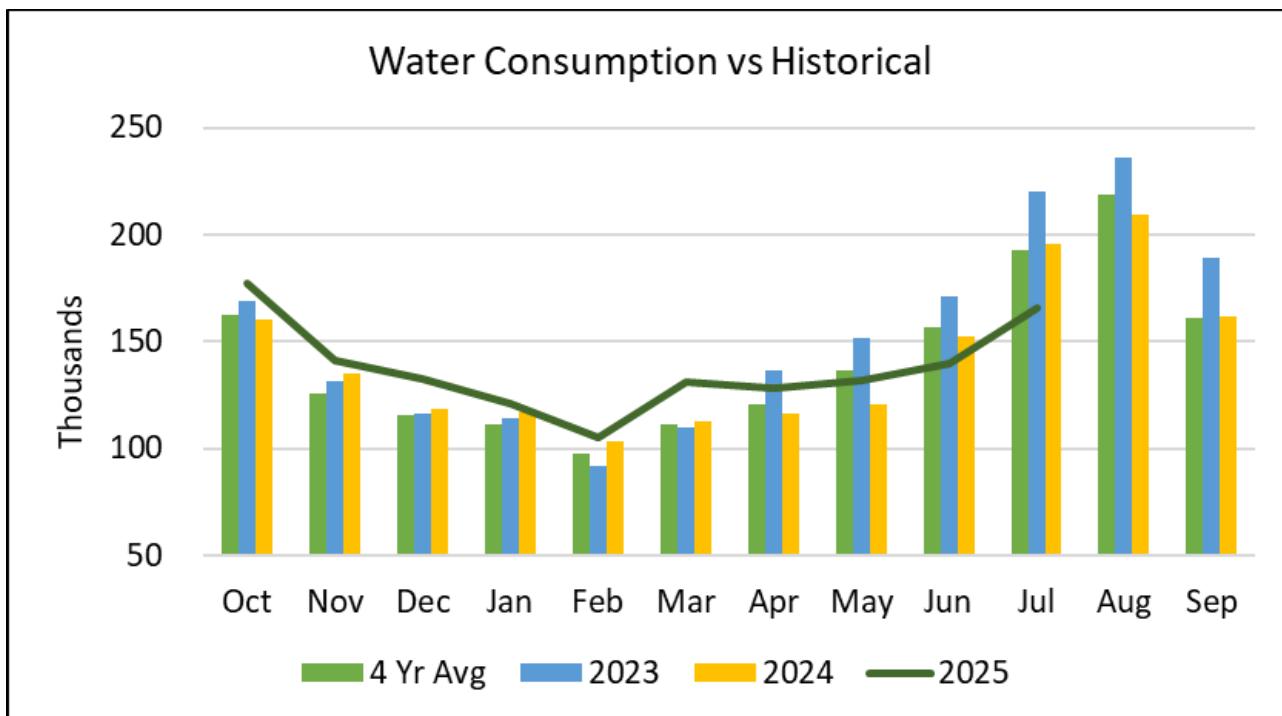
The chart above shows the difference between the cost of purchased power and the revenue from power sold. The difference between these two items represents the bulk of the available operating revenue for the Electric Utility. Historically, this data has been shown in a manner that emphasized the percent margin between the costs and revenues. However, the percent margin is highly dependent upon a variety of factors that do not affect revenue available for operations, most notably the price of natural gas.

The Weatherford Electric Utility buys power from wholesale power suppliers as it is currently more cost effective to operate as a pass-through entity. As such, the electric rate is comprised primarily of two components: one portion represents the pass-through cost of purchased power, and the other represents the operational costs of running and maintaining the utility.

The portion of the rate that acts as a pass-through fluctuates depending on the cost of purchased power. As the purchase cost increases or decreases, the rate passes those costs or savings to the customer with no additional fees.







DEPARTMENT SUMMARIES



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DEPARTMENTAL SUMMARY

ELECTRIC

Division	Organization Code	Positions	FY26 Adopted	
			Budget	
Administration	670700	10	\$	357,844
Distribution	670701	28		9,171,904
Fiber	670702	1		286,105
Warehouse	670704	3		490,345
Non-Departmental	670709	0		39,275,020
Total Electric		42	\$	49,581,218

WATER

Division	Organization Code	Positions	FY26 Adopted	
			Budget	
Water Treatment Plant	671714	10	\$	3,892,969
Water Non-Departmental	671719	0		9,389,786
Water/Wastewater Shared Expenses:				
Administration	673730	9		709,447
Maintenance	673732	20		1,896,521
Construction	673733	6		648,500
Engineering	673731	6		489,576
Total Water/Wastewater		51	\$	17,026,798

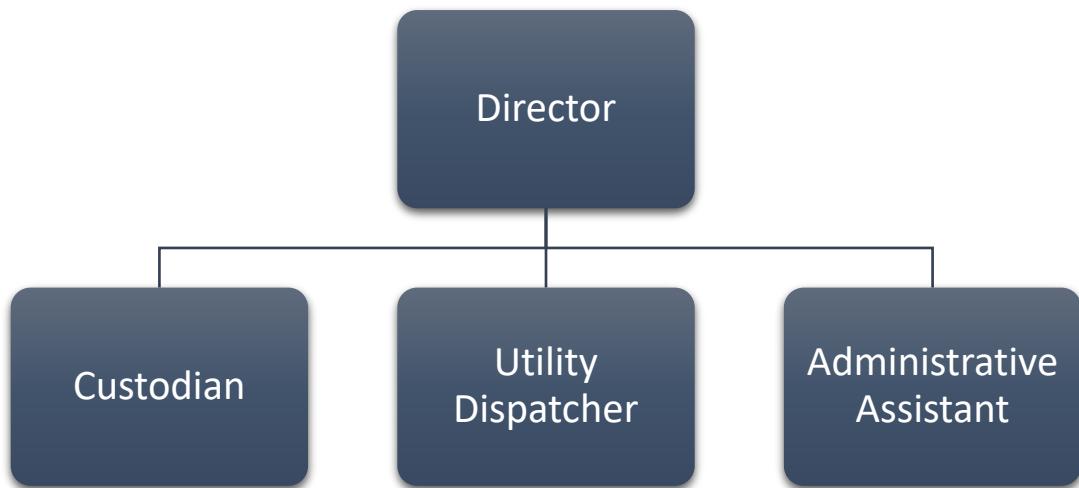
WATER/WASTEWATER

Division	Organization Code	Positions	FY26 Adopted	
			Budget	
Wastewater Treatment Plant	672724	6	\$	1,464,929
Wastewater Non-Departmental	672729	0		4,767,127
Water/Wastewater Shared Expenses:				
Administration	673730	9		709,447
Maintenance	673732	20		1,765,086
Construction	673733	6		513,774
Engineering	673731	6		489,576
Total Water/Wastewater		47	\$	9,709,939

INTERNAL SERVICES

Division	Organization Code	Positions	FY26 Adopted	
			Budget	
Utility Billing	676111	7	\$	1,548,451
Information Technology	677113	2		597,016
Total Internal Services		9	\$	2,145,467
Total Utility Operations		108	\$	78,463,422

Electric Admin



Positions Within the Department

	FY23	FY24	FY25	FY26
Utility Board Member	7	7	7	7
Custodian	1	1	1	1
Utility Dispatcher	1	1	1	1
Administrative Assistant	1	1	1	1
Total	10	10	10	10

Core Responsibilities

- Provide reliable electricity at a competitive price with exceptional customer service.

Key Objectives

Objective	Target Completion Date	City Focus Area
Create a master plan for the Service Center	9/30/26	Infrastructure
Replace wholesale power supply agreement	9/30/26	Infrastructure

Electric Admin

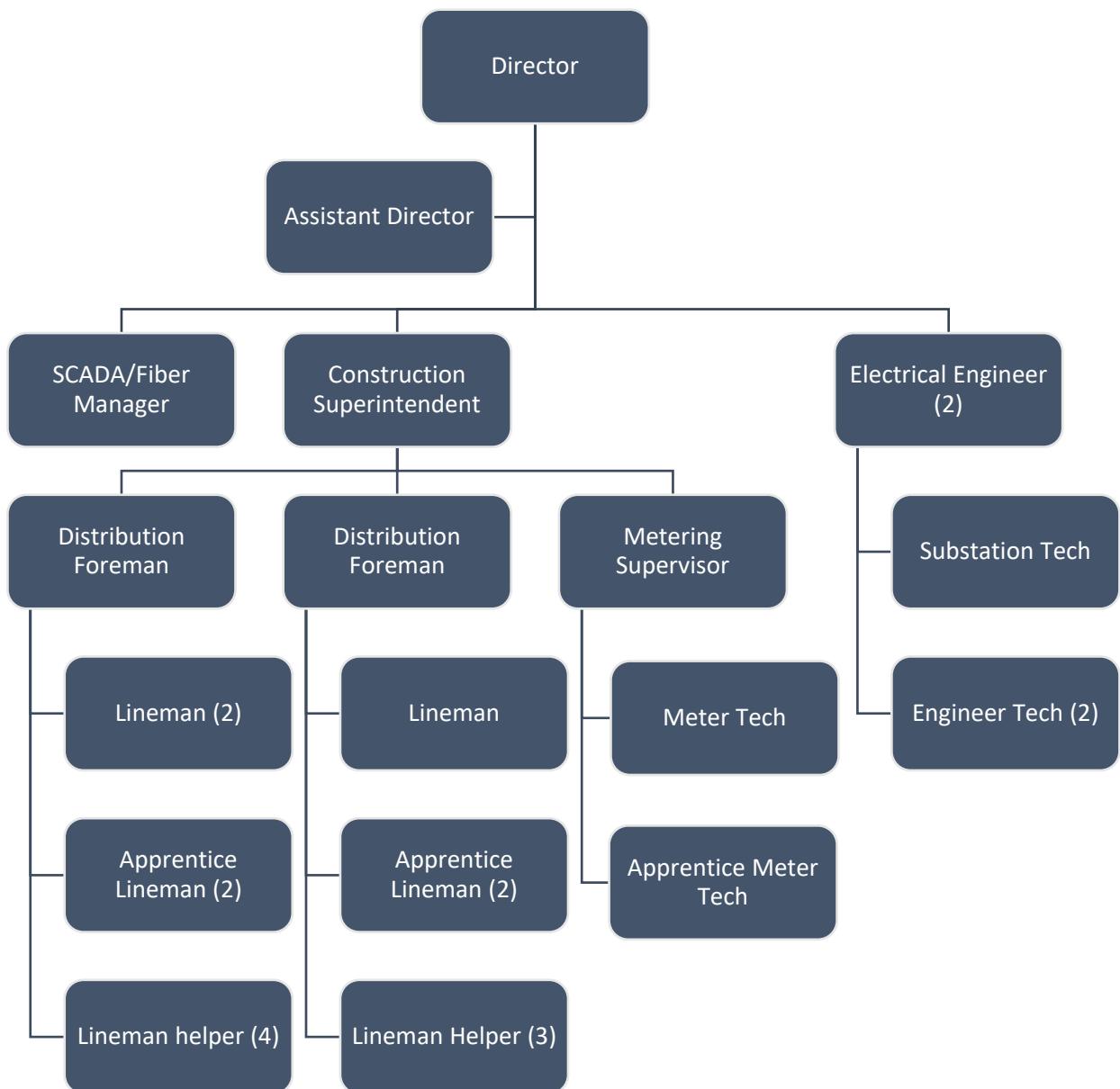
Recent Accomplishments

- Completed removal of all wallpaper, application of texture, and painting at the Service Center.
- Transitioned to GovBuilt software for all inspections and locate permits.
- Completed a fiber optic cost of service and rate study.
- Received the Certificate of Excellence in Reliability from the American Public Power Association.

Expenditure Breakdown

	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projection	FY26 Adopted
Personnel	\$ 270,614	241,397	228,700	226,844	240,200
Supplies	12,946	14,876	15,770	11,825	15,800
Contractual	18,159	18,209	101,874	98,876	101,844
Capital	-	73,653	-	-	-
Total	\$ 301,719	\$ 348,135	\$ 346,344	\$ 337,545	\$ 357,844

Electric Distribution



Electric Distribution

Positions Within the Department

	FY23	FY24	FY25	FY26
Director of Electric	1	1	1	1
Assistant Director of Electric	1	1	1	1
Construction Superintendent	1	1	1	1
SCADA/Fiber Manager	1	1	1	1
Distribution Foreman	2	2	2	2
Senior Lineman	2	2	2	2
Lineman	3	3	3	3
Apprentice Lineman	2	2	2	2
Lineman Helper	7	7	7	7
Engineer Tech	2	2	2	2
Electrical Engineer	1	1	2	2
Substation Tech	0	0	0	1
Substation Tech (PT)	1	1	1	0
Meter Tech Supervisor	1	1	1	1
Meter Services Supervisor	1	1	0	0
Meter Tech	1	1	1	1
Apprentice Meter Tech	2	2	2	1
Total	29	29	29	28

Core Responsibilities

The function of Electric Distribution is to provide electricity to residential, commercial, and industrial customers. Electric Distribution is charged with constructing, operating, and maintaining the electric system to ensure that its customers are provided the highest quality service at the most economical cost.

Strategic Goals:

- Provide electricity at the most economical cost to our customers
- Provide reliable electric service with minimal outages
- Construct new infrastructure and maintain existing infrastructure according to industry standards

Electric Distribution

Key Objectives

Objective	Target Completion Date	City Focus Area
Install substation security measures	9/30/26	Infrastructure
Install distribution feeder on N Hwy 51 from North Wfd Substation to East Loop	9/30/26	Infrastructure
Install distribution feeder on S Hwy 51 from BB Fielder to Airport Rd	9/30/26	Infrastructure
Convert overhead utilities to underground on Palo Pinto St from Santa Fe to Bowie	9/30/26	Infrastructure
Continue plan to replace the Live Oak West and Lake East substation transformers	9/30/28	Infrastructure
Start replacement of street and security lighting control system	9/30/28	Infrastructure

Performance Measures

Measure	FY21	FY22	FY23	FY24
System Peak – Summer	91.6	105.7	107.7	106.8
Purchased Power (MWh)	415,996	433,173	447,013	432,061
Avg Residential Rate (¢/kWh)	10.3	11.7	13.0	13.0
Avg System Outages (minutes)	28	31	99	39

Recent Accomplishments

- Received the Certificate of Excellence in Reliability from the American Public Power Association
- Completed installation of new automated metering system base station at Quanta Hill
- Relocated overhead utilities underground in the northwest quadrant of the downtown square

Electric Distribution

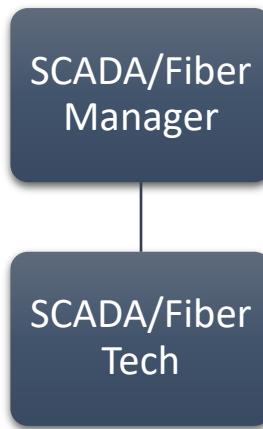
Expenditure Breakdown

	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projection	FY26 Adopted
Personnel	\$ 2,104,346	\$ 2,673,047	\$ 3,668,100	\$ 3,600,538	\$ 4,172,000
Supplies	483,278	721,964	714,861	802,415	667,861
Contractual	1,726,505	1,986,779	2,647,377	2,094,862	1,907,393
Capital	4,449,005	6,675,471	8,127,587	4,910,537	2,406,650
Total	\$ 8,763,133	\$ 12,057,261	\$ 15,157,925	\$ 11,408,353	\$ 9,153,904

Budget Package

Description	Ongoing	One-Time	Total
Install animal guards throughout the substations	60,000	-	60,000
Replace automated metering system collector at the Park Street location	-	60,000	60,000
Replace existing fiber optic mapping software	6,500	2,100	8,600
Add money for energy management of Axpo contract with SEnergy	20,000		20,000
Install roadway lighting on CenterPoint Road		90,000	90,000
Park remodel will require electric for sports lighting, parking, etc.		15,000	15,000
Total	\$86,500	\$167,100	\$253,600

Electric Fiber



Positions Within the Department

	FY23	FY24	FY25	FY26
SCADA/Fiber Tech	1	1	1	1
Total	1	1	1	1

Core Responsibilities

The function of the Fiber Division is to provide dark fiber to the City, Utilities Department, WISD, and Parker County. The Fiber Division is charged with constructing, operating, and maintaining the fiber optic system to ensure that its customers are provided the highest quality service at the most economical cost.

Strategic Goals and Priorities

- Provide dark fiber service at the most economical cost to our customers
- Provide reliable dark fiber service with minimal outages
- Construct all new infrastructure and maintain existing infrastructure according to industry standards to ensure the long-term reliability of the fiber optic system

Electric Fiber

Key Objectives

Objective	Target Completion Date	City Focus Area
Integrate outage management system with SCADA	9/30/26	Infrastructure
Complete fiber cost of service and rate study	9/30/26	Growth
Renegotiate all dark fiber lease contracts	9/30/26	Growth
Connect all field devices to SCADA system	Ongoing	Infrastructure
Complete fiber loop to eastern most extent of electric service territory	Ongoing	Infrastructure

Recent Accomplishments

- Installed approximately 0.25 miles of new fiber and completed 54 splices at various locations
- Replaced generator on fiber splicing trailer

Expenditure Breakdown

	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projection	FY26 Adopted
Personnel	\$ 118,451	\$ 129,150	\$ 133,600	\$ 133,312	\$ 133,600
Supplies	3,210	6,769	10,600	6,330	11,200
Contractual	50,563	4,497	52,605	32,855	52,605
Capital	33,121	4,024	132,066	143,176	73,000
Total	\$ 205,345	\$ 144,439	\$ 328,871	\$ 315,672	\$ 270,405

Electric Warehouse



Positions Within the Department

	FY23	FY24	FY25	FY26
Warehouse Manager	1	1	1	1
Assistant Warehouse Manager	1	1	1	1
Warehouse Attendant I	1	1	1	1
Total	3	3	3	3

Core Responsibilities

The Warehouse maintains the utility inventory of materials and supplies. They requisition, obtain quotes, issue purchase orders, receive, store, and issue material to the electric, water, and wastewater departments.

Strategic Goals and Priorities

- Ensure warehouse is stocked to meet internal and external customer needs

Electric Warehouse

Key Objectives

Objective	Target Completion Date	City Focus Area
Integrate CityWorks software with Munis software	9/30/26	Infrastructure
Create a master plan for the Service Center	9/30/26	Infrastructure
Upgrade CityWorks Storeroom software	9/60/26	Infrastructure
Integrate recloser and wire databases into CityWorks software	9/30/26	Infrastructure

Performance Measures

Measure	FY21	FY22	FY23	FY24
Total Year-End Inventory	\$3,088,235	\$4,324,284	\$4,708,582	5,898,346
Annual Inventory Turns	0.62	0.59	0.47	0.60
Annual Inventory Loss	0.03%	0.004%	0.003%	0.02%

Recent Accomplishments

- Updated warehouse material scanning hardware and replaced material identification labels
- Completed replacement of transformer containment bins
- Toured other warehouse operations seeking improvements for our operations

Expenditure Breakdown

	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projection	FY26 Adopted
Personnel	\$ 268,051	\$ 280,944	\$ 291,500	\$ 285,685	\$ 305,200
Supplies	28,032	62,518	61,485	46,838	61,485
Contractual	101,889	108,122	122,660	81,157	123,660
Capital	8,372	1,565	-	-	-
Total	\$ 406,345	\$ 453,150	\$ 475,645	\$ 413,680	\$ 490,345

Electric Non-Departmental

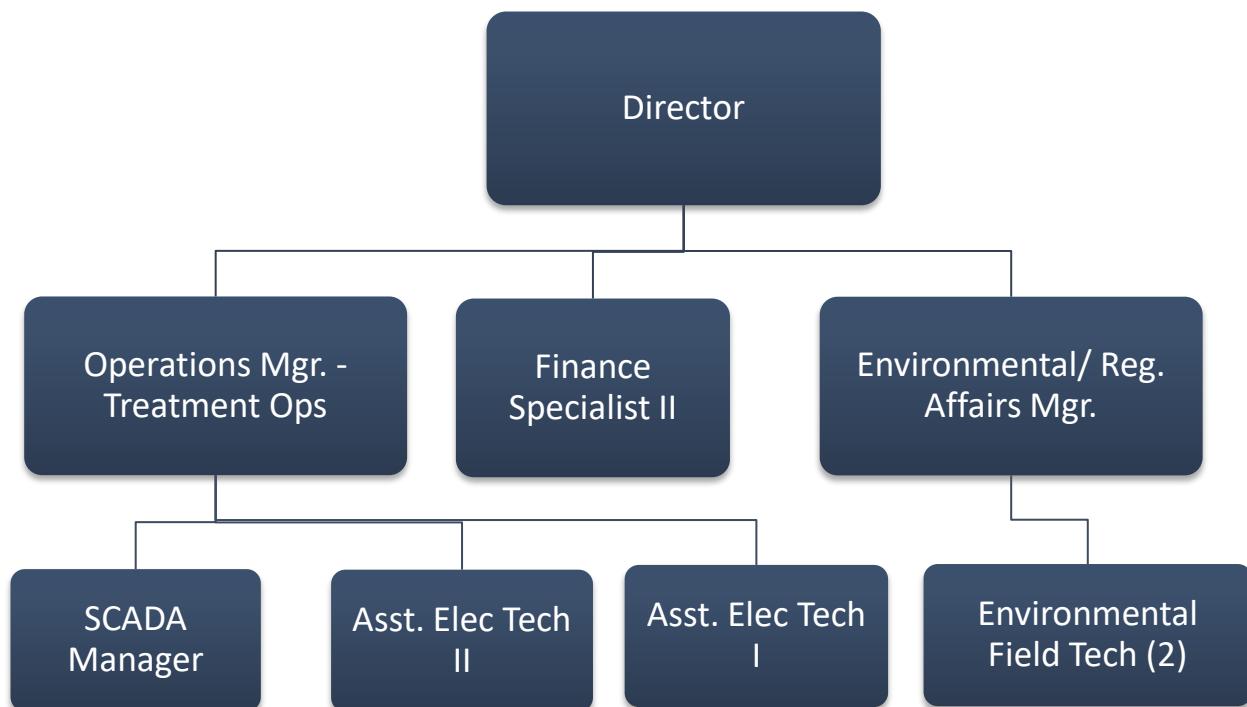
Core Responsibility

This department houses transfers to other funds, administrative overhead costs, including Utility Billing, Finance, and Human Resources, principle and interest payments for debt service, and other general expenses for the Electric Utility.

Expenditure Breakdown

	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projection	FY26 Adopted
Purchased Power	\$ 22,442,808	\$ 21,900,594	\$ 28,150,000	\$ 19,211,224	\$ 29,052,243
Contractual	(22,978)	(29,531)	8,865	3,845	8,865
Transfers	10,126,444	10,979,626	23,838,249	23,738,249	10,213,912
Total	\$ 32,546,274	\$ 32,850,689	\$ 51,997,114	\$ 42,953,318	\$39,275,020

Water/Wastewater Admin



Positions Within the Department

	FY23	FY24	FY25	FY26
Director of Water and WW	1	1	1	1
Operations Manager W/WW	1	1	1	1
Administrative Assistant	1	1	1	1
W/WW Utility Construction Inspector	1	0	0	0
Elec/Elect Tech SCADA	1	1	1	1
Assist Elec/Elect Tech I	1	1	1	1
Assist Elec/Elect Tech II	1	1	1	1
Environmental Regulatory Affairs	1	1	1	1
Environmental Tech	2	2	2	2
Total	10	9	9	9

Water/Wastewater Admin

Core Responsibilities

The Water Utility is divided into five divisions – Administration, Water Treatment, Wastewater Treatment, Maintenance, and Rehabilitation / Construction. The Administration Division is responsible for the overall management of the water and wastewater systems. Additionally, this division includes regulatory compliance staff who monitor drinking water quality in the distribution system, administer the wastewater pretreatment program for industrial customers, and submit all required reports to TCEQ, the Texas Water Development Board, and Homeland Security. The electrical/SCADA staff monitor and ensure proper operation of the Water Utility's electrical equipment and SCADA system. All staff participate in providing a public outreach program to keep customers informed of environmental issues and water conservation procedures, at various events throughout the city.

Strategic Goals and Priorities

- **Regulatory Compliance**
 - Monitor, and ensure, the Water Utility remains compliant with TCEQ and EPA regulations for drinking water and wastewater treatment programs.
 - Monitor and prepare for future and upcoming regulations regarding PFAS for both water and wastewater operations.
 - Prepare for, and comply with, new regulations regarding Lead Service Lines.
- **Plan for Future Needs**
 - Develop capital improvement plans to ensure sufficient capacity in the water and wastewater systems to accommodate future growth in the City of Weatherford.
- **Operational Resiliency & Efficiency**
 - Maintain and upgrade SCADA equipment to ensure continuous and reliable operation of equipment and monitoring
- **Public Outreach**
 - Educate customers on environmental protection, water conservation and other aspects through community outreach programs

Water/Wastewater Admin

Key Initiatives & Objectives

Objective	City Focus Area	Performance Measure		FY24 Actual	FY25 Trend	FY26 Goal
Provide reliable and exceptional quality utility services at economical rates for the City's customers	Sustain	Comparison of utility rates to other suppliers in our area, or of similar size and infrastructure	W	-7%	-7%	< 0%
			WW	-29%	-33%	< 0%
Manage the design and construction of the Dr. Paul Phillips Water Purification Plant expansion	Growth	Complete construction of WPP Expansion – Phase II in FY26		Design	Design / Const.	Const.
Monitor and prepare for future federal PFAS regulations	Sustain	Conduct quarterly sampling	W	4	2	4
		Conduct monthly sampling (<i>pending TWDB grant funding</i>)	WW	2	0	6
Provide public education to customers on environmental protection, water conservation, etc.	Communicate	Number of Community Outreach Events		*New metric		6
		Number of customer interactions		*New metric		15,000
Ensure safe drinking water quality through distribution system monitoring	Sustain	Water quality tests performed (routine distribution system monitoring and construction sampling)		1285	1134	880
Ensure proper maintenance and operation of the City's wastewater collection system	Sustain	Conduct grease/grit trap inspections		585	608	600
		Non-compliant notices		31	12	0
Ensure compliance with State and Federal regulations	Sustain	State and Local reports submitted in relation to water, wastewater, pretreatment, and misc. programs		337	295	250

Water/Wastewater Admin

Recent Accomplishments

- Maintained compliance with EPA's new Lead and Copper Rule Revisions (LCRR) and Lead and Copper Rule Improvements (LCRI); and accelerated compliance with future requirements.
- Received \$546,000 grant from Texas Water Development Board to study and evaluate PFAS in wastewater.
- Received \$15m loan (51% loan forgiveness/grant) from the Texas Water Development Board for identification and removal of lead service lines, and certain galvanized service lines, in the water distribution system.
- Processed and re-issued 4 Industrial User Permits (Medical City-Weatherford, Petro, Hamilton's & Blue Beacon)
- Replaced 3 Motor Control Centers at Benbrook Pump Station to ensure reliability
- Installed new AMI metering Base Station at Harberger Communication Tower
- Replaced pole lights at the Wastewater Treatment Plant with LED fixtures to reduce electric consumption and improve visibility.

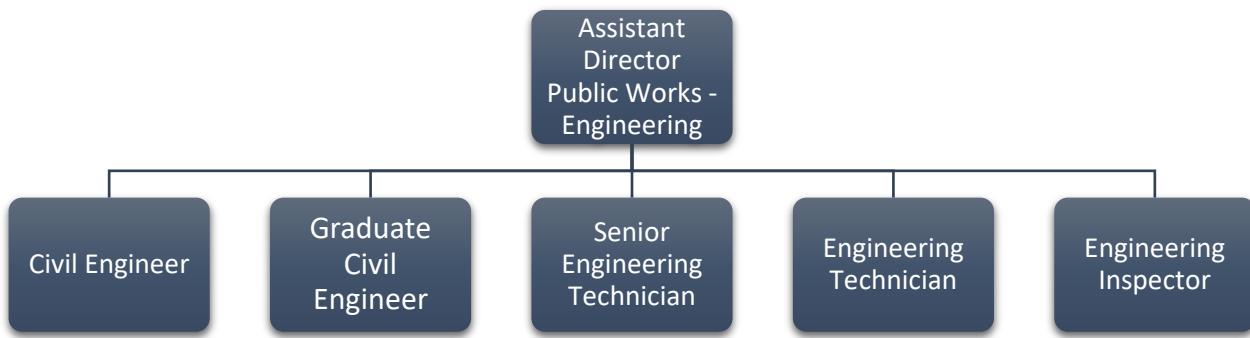
Expenditure Breakdown

	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projection	FY26 Adopted
Personnel	\$ 1,045,865	\$ 1,042,676	\$ 1,137,000	\$ 1,103,831	\$ 1,186,790
Supplies	51,960	51,787	52,113	48,424	53,805
Contractual	41,312	200,307	252,757	216,676	178,299
Capital	47,715	34,511	-	-	-
Total	\$ 1,186,852	\$ 1,329,280	\$ 1,441,870	\$ 1,368,930	\$ 1,418,894

Budget Package

Description	Ongoing	One-Time	Total
Tuition Reimbursement		3,990	3,990
Total	\$ -	\$ 3,990	\$ 3,990

Engineering



Positions Within the Department

	FY23	FY24	FY25	FY26
Assistant Director PW Engineering	0	1	1	1
City Engineer	1	0	0	0
Senior Engineering Tech	1	1	1	1
Graduate Civil Engineer	0	0	1	1
Engineering Tech	0	1	1	1
Engineering Inspector	1	1	1	1
Civil Engineer	2	2	1	1
Total	5	6	6	6

Core Responsibilities

The Public Works Department combines engineering and construction expertise to deliver reliable infrastructure and services that enhance quality of life, support economic growth, and strengthen Weatherford. The department has two divisions—Engineering and Operations—focused on people, integrity, service, and innovation. The Engineering Division oversees planning, design, construction, inspection, and review of public infrastructure projects, while also maintaining design standards and City Engineer authorities. Public Works staff represent Weatherford regionally and lead strategic planning, capital improvements, and development efforts.

Strategic Goals and Priorities

- Develop and retain multi-capable Engineers and Inspectors
- Deliver capital infrastructure projects on schedule and budget
- Plan, design, and build the infrastructure for our future
- Seek innovation and leverage sensible engineering judgment
- Facilitate development with professional assistance and oversight
- Provide exceptional customer service and communication
- Provide effective technical assistance to other City Departments
- Effectively manage development in the floodplain
- Strengthen inter-agency relationships and regional representation

Engineering

Key Initiatives & Objectives

Objective	City Focus Area	Performance Measure	FY24 Actual	FY25 Target	FY26	Goal
Implement new project management system	Infrastructure	Acquisition and implementation	N/A	System acquisition	Full implementation	
Complete Development Reviews	Growth	Quantity/ % reviews completed on time	1,550/98%	1,480/98%	1,600/100%	
Complete In-house Design Plans	Infrastructure	In-house designs completed	8	9	8	
Manage CIP Projects	Infrastructure	Quantity/Budget	30/\$39M	45/\$95M	50/\$100M	
Complete CIP Projects	Infrastructure	Quantity/Budget	13/\$16M	17/\$32M	20/\$30M	
Update Roadway, Water and Wastewater Impact Fees	Infrastructure	Complete Update	N/A	N/A	Complete Update	
Progress key TxDOT projects	Infrastructure	Quantity	1	3	3	
Complete Active Transportation Plan (ATP)	Infrastructure	Complete ATP	N/A	N/A	Complete ATP	

Recent Accomplishments

- Master Planning:** Updated Water & Wastewater Master Plan and completed the Green Ribbon Master Plan.
- Safety & Recognition:** Completed Comprehensive Safety Action Plan (Safe Streets for All grant) and received APWA Project of the Year for NW Downtown Rehabilitation.
- Major Projects:** Delivered Town Creek Trail Phase 3, South Holland Lake Creek Stabilization (on time and under budget), and Substation Security Walls.

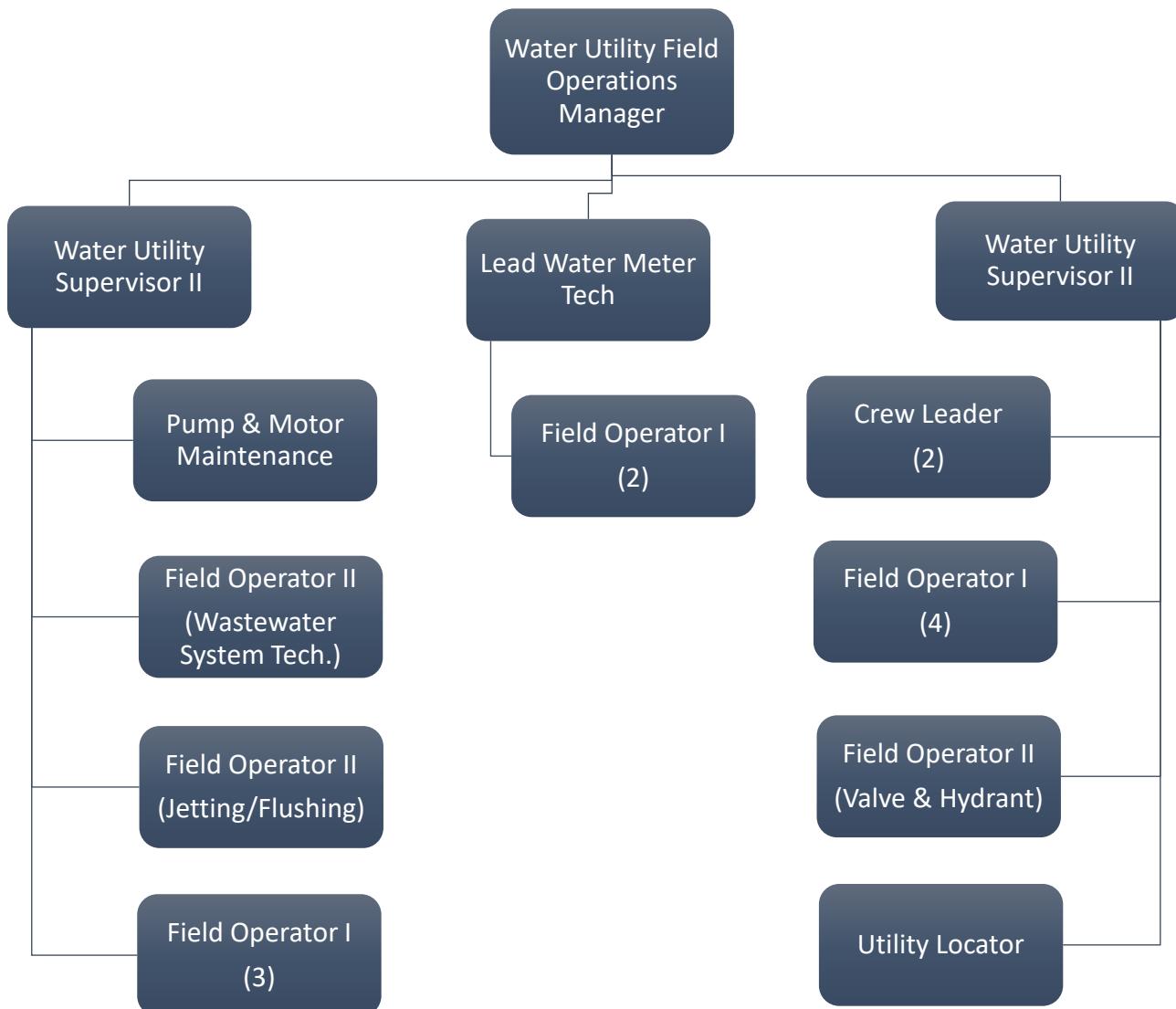
Expenditure Breakdown

	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projection	FY26 Adopted
Personnel	\$ 400,191	\$ 682,182	\$ 700,400	\$ 695,948	\$ 734,200
Supplies	4,388	9,202	11,614	9,322	8,625
Contractual	155,350	191,329	208,448	163,147	231,326
Capital	-	-	4,889	-	5,000
Total	\$ 559,930	\$ 882,713	\$ 925,351	\$ 868,416	\$ 979,151

Budget Package

Description	Ongoing	One-Time	Total
Project Management Software	15,000	5,000	20,000
Total	\$ 15,000	\$ 5,000	\$ 20,000

Water/Wastewater - Maintenance



Positions Within the Department

	FY23	FY24	FY25	FY26
Water Utility Supervisor II	2	2	2	2
Water Utility Manager	1	1	1	1
Lead Water Meter Tech	1	1	1	1
Water Meter Technician	2	2	0	0
Pump & Motor Maintenance	1	1	1	1
Maintenance Worker	7	0	0	0
Crew Leader	2	2	2	2
Field Operator I	1	8	10	10
Field Operator II	2	2	2	2
Utility Locator	1	1	1	1
Total	20	20	20	20

Water/Wastewater - Maintenance

Core Responsibilities

The Maintenance Division is responsible for maintaining the water distribution system – consisting of 307 miles of pipelines, 11 water storage tanks, 4 distribution pump stations, over 4,000 valves and over 1,900 fire hydrants. The Maintenance Division also maintains the wastewater collection system, consisting of 225 miles of pipelines, 23 lift stations, and over 400 grinder pumps. The division's water meter shop is responsible for installation, repair and testing of over 13,600 residential and commercial water meters.

Strategic Goals and Priorities

- **Regulatory Compliance**
 - Ensure delivery of a safe and adequate supply of potable water for customers' use and fire protection.
 - Ensure environmentally safe collection of wastewater and conveyance to treatment facility.
- **Operational Resiliency & Efficiency**
 - Ensure proper and efficient operation of the water distribution and wastewater collection systems through preventative maintenance of equipment and facilities to meet TCEQ regulations.
 - Conduct preventative maintenance at pump stations and rebuild pumps to extend service life and reliability
 - Ensure reliable performance by cross-training staff members across all functions within the maintenance department.
- **Customer Service**
 - Ensure the citizens/customers receive quality and timely customer service.
 - Proactively notify customers of water leaks
- **Public Education**
 - Continue to build a strong community by educating citizens on efficient water usage and proper disposal of wastes.

Water/Wastewater - Maintenance

Key Initiatives & Objectives

Objective	City Focus Area	Performance Measure	FY24 Actual	FY25 Trend	FY26 Goal
Maintain and repair wastewater collection system to fix deficiencies and reduce inflow and infiltration (I&I), and to reduce the number of sanitary sewer overflows (SSO's).	Infrastructure	Annual average daily (AAD) wastewater flow (MGD)	2.94	2.78	N/A
		Peak 2-Hr wastewater flow (MGD)	8.16	7.21	N/A
		Peak Hr-to-AAD ratio < 2.7	2.8	2.6	< 2.7
		Sanitary Sewer Stop-Ups	26	25	< 20
		Sanitary Sewer Overflows	0	1	0
Maintain and repair water distribution system to ensure reliable and cost-effective performance	Infrastructure	Reduce non-revenue water to < 10%	11.8%	13.9%	< 10%
		Maintain less than 40 main breaks per year (incl. hit utilities)	54	40	< 40
Test and confirm water meter accuracy to ensure accurate billing of customers	Infrastructure	Meter accuracy within +/- 1.5% (AWWA Standard)	99.3%	99.6%	98.5% – 101.5%

Accomplishments

- Integrated a new 20" water supply line to the Harberger Hill ground storage tank to improve distribution system operation
- Replaced discharge piping at Lift Station #16 to ensure continued reliability at the pump station
- Replaced a failed 24" transmission line valve to facilitate pipeline maintenance while minimizing impact to customers
- Installed 1 new pump at Lift Station #12, #13 and #14 to ensure reliability at the three pump stations
- Completed investigation and identification of public and private water services to identify any lead and galvanized pipe materials, in compliance with new EPA regulations

Water/Wastewater - Maintenance

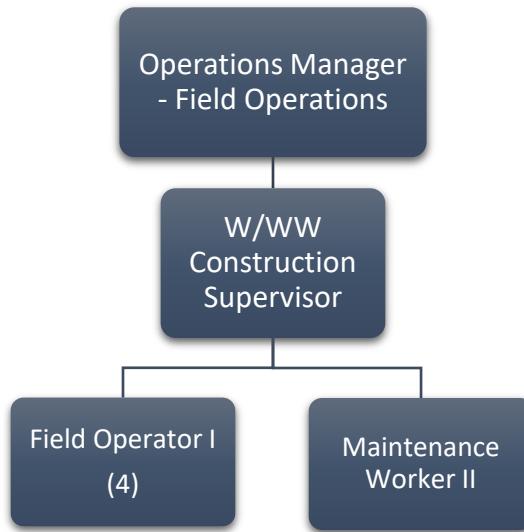
Budget Expenditures

	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projection	FY26 Adopted
Personnel	\$ 481,858	\$ 1,154,242	\$ 1,841,400	\$ 1,773,555	\$ 1,910,800
Supplies	698,354	805,110	780,576	607,799	796,102
Contractual	471,775	439,075	444,069	410,940	455,205
Capital	788,477	1,062,964	493,616	418,283	499,500
Total	\$ 2,440,464	\$ 3,461,391	\$ 3,559,661	\$ 3,210,577	\$ 3,661,607

Budget Package

Description	Ongoing	One-Time	Total
COSI for increased manhole rehab/lining	50,000	-	50,000
Data loggers for leak detection program	50,000	12,552	62,552
Total	\$ 100,000	\$ 12,552	\$ 112,552

Water/Wastewater - Construction



Positions Within the Department

	FY23	FY24	FY25	FY26
W/WW Construction Supervisor	1	1	1	1
W/WW Construction Maint I	4	4	0	0
W/WW Construction Maint II	1	1	1	1
W/WW Field Operator I	0	0	4	4
Total	6	6	6	6

Core Responsibilities

The Construction Division is responsible for replacement (or rehabilitation) of the water and wastewater infrastructure in the distribution and collection systems once they have reached the end of their useful life.

Water/Wastewater - Construction

Strategic Goals and Priorities

- **Operational Resiliency & Efficiency**
 - Replace aged wastewater mains to reduce inflow and infiltration (I&I), or areas more prone to stop-ups.
 - Replace aged water mains, aiming to mitigate water loss, minimize emergency repairs, and enhance the overall conveyance capacity of the water system.
 - Improve the wastewater collection system through rehabilitation of wastewater lift stations.
- **Operational Efficiency**
 - Continue rehabilitation and replacement of the water and wastewater systems while achieving significant cost savings compared to contracting services.
- **Specific Project Goals for FY26**
 - Replace wastewater collector along Town Creek (E. Columbia St.)
 - Replace water and wastewater pipelines in 1000-1300 blks of Bois d'Arc St.
 - Replace water and wastewater pipelines in 100-200 blk of E 4th St.
 - Construct a new Lift Station #8 (along Tin Top Rd.) – *start in FY25*
 - Construct a new Lift Station #9 (near I-20 and Clear Lake Rd.)

Key Initiatives & Objectives

Objective	City Focus Area	Performance Measure	FY24 Actual	FY25 Trend	FY26 Goal
Replace water and wastewater infrastructure at an overall unit cost below contractor pricing (<75% on per project basis; <90% on annual basis)	Infrastructure	Unit cost per project (\$/LF)	\$101	\$106	<75%
		Annual Unit Cost (\$/LF)	\$185	TBD	<90%
		Contractor Unit Cost (\$/LF)	\$195	\$152	-
Replace aging water and wastewater pipelines to ensure a well maintained and operating system	Infrastructure	Replace >8,000 linear feet of pipelines per year (*less if also replacing lift stations)	7,579	10,521	>5,000
Replace/Rehab and/or expand capacity of lift stations to ensure reliable operation and adequate lift station capacity	Infrastructure	Number of wastewater lift stations replaced or rehabbed	1	.5	1.5

Water/Wastewater - Construction

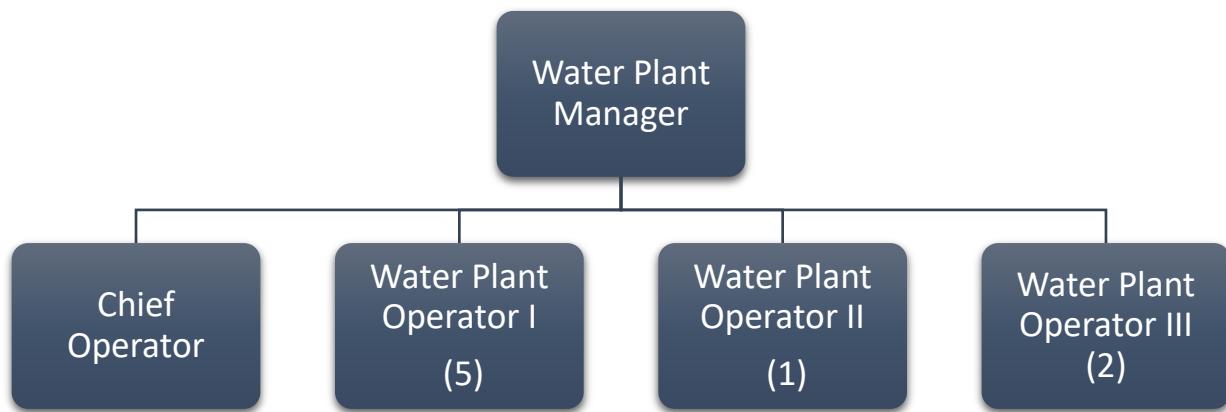
Recent Accomplishments

- Replaced water main and services in the 200-300 blks of Allen Street, 1600 blk of Madison Street and 100 blk of Mimosa Street
- Replaced sewer main and services in the 1600 block of Madison Street, 400 blk of Garner Road, and 100 blk of Mimosa Street
- Replaced 4830' of chlorine dioxide line for the WTP plant; and installed parallel line for future use
- Started construction of the new Lift Station #8 to expand capacity

Budget Expenditures

	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projection	FY26 Adopted
Personnel	\$ 133,401	\$ 145,299	\$ 477,100	\$ 447,399	\$ 483,700
Supplies	85,350	109,612	103,200	65,609	99,100
Contractual	68,693	40,106	57,264	39,416	61,298
Capital	1,242,034	2,233,663	1,638,529	1,488,093	518,176
Total	\$ 1,529,478	\$ 2,528,679	\$ 2,276,093	\$ 2,040,517	\$ 1,162,274

Water Treatment Plant



Positions Within the Department

	FY23	FY24	FY25	FY26
Water Plant Manager	1	1	1	1
Chief Operator	1	1	1	1
Water Plant Operator III	1	1	2	2
Water Plant Operator II	3	2	1	1
Water Plant Operator I	2	3	5	5
Total	8	8	10	10

Core Responsibilities

The Water Treatment Plant, also known as the Water Purification Plant (WPP) is responsible for treating and providing safe drinking water to the City's customers. The WPP conducts continuous online monitoring at the treatment facility and throughout the distribution system, along with over 200 daily laboratory analysis, to ensure compliance with state and federal guidelines. WPP staff also monitor the SCADA system to ensure the 6 pressure planes in the water distribution system have adequate supply and quality is maintained appropriately. The WPP is staffed and operated 24 hours per day, 365 days per year.

Water Treatment Plant

Strategic Goals and Priorities

- **Regulatory Compliance**
 - Maintain plant operations, treatment processes and equipment to ensure TCEQ and EPA compliance while providing customers with safe drinking water.
 - Monitor future state and federal regulations, and water quality, related to new PFAS regulations
- **Plan for Future Needs**
 - Ensure sufficient treatment plant capacity to provide water for future growth.
- **Employee Safety & Training**
 - Provide a safe workplace for staff and follow proper procedures when working with equipment and chemicals.
 - Continue training and education for plant operators to advance TCEQ licensing.
- **Operational Resiliency & Efficiency**
 - Maintain plant equipment to ensure TCEQ compliance and prevent interruption of service to customers.

Key Initiatives & Objectives

Objective	City Focus Area	Performance Measure	FY24 Actual	FY25 Trend	FY26 Goal
Treat and deliver potable drinking water in accordance with TCEQ regulations with no violations	Marketability	Volume of water treated (MG)	1,704	1,700	>1,850
		Violations	0	0	0
Provide drinking water at an affordable cost (below the 4-yr CPI-adjusted average of \$1.42)	Marketability	Cost of water treatment per 1,000 gallons	\$1.63	\$1.62	< \$1.42
Maximize production of water through efficient treatment practices	Sustain	(Volume of water delivered) / (Volume of raw water) > 90%	89.5%	87.2%	> 90%
Recover water resources to maximize water availability	Growth	Volume of reclaimed water pumped from WPP Lagoons to Lake Weatherford (MG)	89	206	>180

Water Treatment Plant

Accomplishments

- Completed construction of GAC contactors to improve treatment capability
- Completed training and implemented Operational Procedures for new GAC contactors
- Replaced 1 Raw Water, 1 Backwash and 1 High Service Pump
- Rebuilt 1 High Service Pump
- Operated the WPP with zero TCEQ violations

Expenditure Breakdown

	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projection	FY26 Adopted
Personnel	\$ 772,813	\$ 827,145	\$ 960,900	\$ 814,735	\$ 1,049,800
Supplies	860,281	861,179	978,933	867,166	951,650
Contractual	2,708,986	880,925	1,783,236	1,192,700	1,878,519
Capital	-	301,693	225,231	202,630	13,000
Total	\$ 4,342,080	\$ 2,870,942	\$ 3,948,300	\$ 3,077,230	\$ 3,892,969

Budget Package

Description	Ongoing	One-Time	Total
Increase to cover operation of Water Purification Plant and Lagoon Pump station	68,000	-	68,000
Purchase Yamaha golf cart		13,000	13,000
Total	\$ 68,000	\$ 13,000	\$ 81,000

Water Non-Departmental

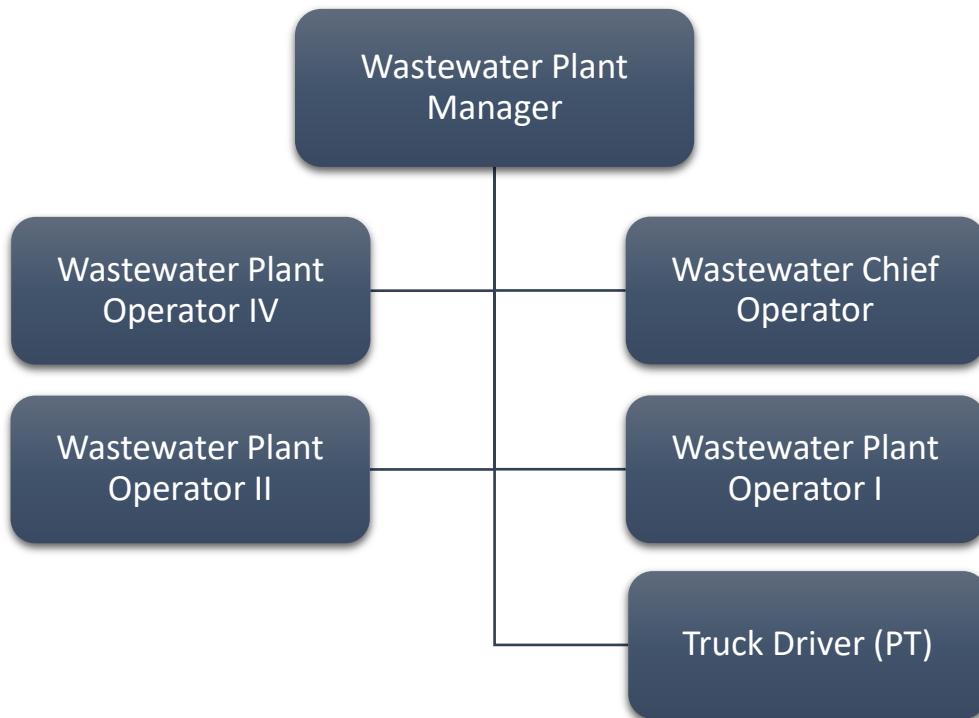
Core Responsibilities

Water Non-Departmental Division is a function of the financial administration of the Utility. It houses transfers to other funds, administrative overhead costs, including Utility Billing, Finance, and Human Resources, principle and interest payments for debt service, and other general expenses for the Water Utility.

Expenditure Breakdown

	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projection	FY26 Adopted
Contractual	\$ (130,968)	\$ (130,968)	\$ 3,700	\$ 3,700	3,700
Transfers	2,645,633	2,998,170	5,602,093	5,552,093	9,436,086
Total	\$ 2,514,665	\$ 2,867,202	\$ 5,605,793	\$ 5,555,793	\$ 9,684,386

Wastewater Treatment Plant



Positions Within the Department

	FY23	FY24	FY25	FY26
Wastewater Plant Manager	1	1	1	1
Chief Operator	0	0	0	1
Wastewater Plant Operator II	1	1	1	1
Wastewater Plant Operator III	2	2	2	1
Wastewater Plant Operator IV	1	1	1	1
Truck Driver (PT)	1	1	1	1
Total	6	6	6	6

Core Responsibilities

The Wastewater Treatment Plant, or Water Reclamation Facility (WRF) is responsible for treating wastewater after it has been used by residential, commercial, and industrial customers so that it is safe to release back into the environment. The facility has a certified lab and is operated by state-certified staff, who perform 736 monthly chemical and biological tests to ensure compliance with TCEQ regulations and requirements. A portion of the treated effluent is discharged to Town Creek, and the majority is pumped to Lake Weatherford authorized under a reclaimed water permit from TCEQ. The remaining sludge is hauled to a landfill for disposal.

Wastewater Treatment Plant

Strategic Goals and Priorities

- **Regulatory Compliance**
 - Maintain plant operation, treatment processes and equipment to ensure TCEQ and EPA compliance while ensuring water quality is safe to return to the natural environment.
 - Complete all pretreatment, sampling, monitoring, and lab analysis to protect waterways, public health, and plant operations.
 - Conduct a TWDB-funded PFAS study in FY26 and perform testing to identify sources of PFAS contamination and treatment strategies
- **Employee Development, Safety & Training**
 - Provide a safe workplace for staff and follow proper procedures when working with equipment and chemicals.
 - Continue training and education for plant operators to advance TCEQ licensing
 - Upgrade one operator position to Chief Operator
- **Operational Resiliency & Efficiency**
 - Maintain plant equipment to ensure TCEQ compliance and prevent interruption of service to customers.
 - Maximize use of reclaimed water permit to supplement water availability in Lake Weatherford.
 - Conduct a WRF facility evaluation in FY26 to increase efficiency and reliability of treatment operations

Key Initiatives & Objectives

Objective	City Focus Area	Performance Measure	FY24 Actual	FY25 Trend	FY26 Goal
Collect and treat wastewater in accordance with TCEQ regulations with 0 violations	Marketability	Volume of water treated (MG)	1,075	1,015	>1,075
		Violations	0	0	0
Operate the water reclamation facility at a cost below the 4-yr CPI-adjusted average of \$1.39	Marketability	Cost of wastewater treatment per 1,000 gallons	\$1.39	\$1.60	< \$1.39
Recover water resources to maximize water availability	Growth	Volume of reclaimed water pumped from WRF to Lake Weatherford (MG)	784	770	>720

Wastewater Treatment Plant

Recent Accomplishments

- Plant staff continues to optimize the operation of the plant equipment to improve microorganism activity to consume and capture phosphorus in accordance with permitting requirements, allowing water to be recycled and pumped to Lake Weatherford.
- Returned over 2.1 million gallons of water per day to Lake Weatherford in FY24 and FY25
- Retained State Certification for lab testing (annual testing certification)
- Operated the WRF with zero TCEQ violations

Expenditure Breakdown

	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projection	FY26 Adopted
Personnel	\$ 538,742	\$ 558,036	\$ 613,300	\$ 568,903	\$ 563,500
Supplies	321,972	317,195	374,324	363,546	372,422
Contractual	577,816	636,557	632,583	664,249	684,437
Capital	5,904	60	224,446	224,446	-
Total	\$ 1,444,434	\$ 1,511,847	\$ 1,844,653	\$ 1,821,145	\$ 1,620,359

Budget Package

Description	Ongoing	One-Time	Total
Replace leaking slide gate on sand filter bridge		27,392	27,392
PFAS Testing	-	23,000	23,000
Total	\$ -	\$ 50,392	\$ 50,392

Wastewater Non-Departmental

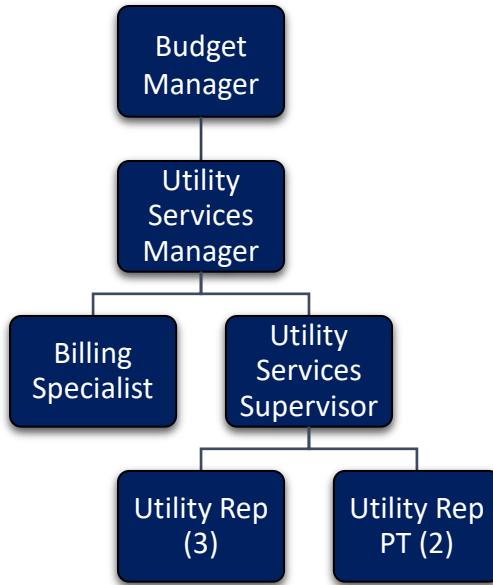
Core Responsibilities

Wastewater Non-Departmental Division is a function of the financial administration of the Utility. It houses transfers to other funds, administrative overhead costs, including Utility Billing, Finance, and Human Resources, principle and interest payments for debt service, and other general expenses for the Wastewater Utility.

Expenditure Breakdown

	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projection	FY26 Adopted
Contractual	\$ (33,830)	\$ (33,830)	\$ 41,400	\$ 40,000	41,400
Transfers	1,729,476	1,969,601	2,618,904	2,672,983	4,767,127
Total	\$ 1,695,646	\$ 1,935,771	\$ 2,660,304	\$ 2,712,983	\$ 5,053,127

Internal Services - Utility Billing



Position Summary

	FY23	FY24	FY25	FY26
Utility Services Manager	1	1	1	1
Utility Services Supervisor	1	1	1	1
Utility Rep	4	4	3	3
Utility Rep PT	0	0	2	2
Billing Specialist	1	1	1	1
Total	7	7	8	8

Core Responsibilities

The Utility Billing Department is responsible for billing and collecting revenues for the City's electric, water, wastewater, and solid waste services. The department manages customer accounts, processes payments, handles service connections and disconnections, and provides customer service to over 20,000 utility customers across all service areas.

Internal Services - Utility Billing

Department Goals

- Ensure accurate and timely billing for all utility services to maintain consistent revenue flow.
- Provide exceptional customer service through multiple channels including in-person, phone, and online services.
- Maintain high collection rates while implementing fair and consistent collection procedures.
- Leverage technology to improve billing accuracy, customer convenience, and operational efficiency.
- Support the City's growth by efficiently processing new service connections and account transfers.
- Ensure compliance with regulatory requirements and maintain transparent utility rate structures.

Key Initiatives and Objectives

Objective	City Focus Area	Performance Measure	FY24	FY25 Target	FY26 Target
Maintain billing accuracy	Communicate	Billing error rate (%)	N/A	<0.5%	<0.3%
Enhance customer service	Communicate	Customer service response time (hours)	N/A	<24 hours	<12 hours
Optimize collection rates	Re-align Funding	Overall collection rate %	N/A	98.5%	99.0%
Expand digital payment options	Communicate	Online/automated payment adoption rate (5)	N/A	65%	75%

Accomplishments

- Successfully managed billing operations for over 20,000 electric customers, 13,800 water customers, and 12,500 wastewater customers during a period of significant city growth.
- Processed annual utility revenues exceeding \$84 million across electric, water, wastewater, and solid waste services, maintaining consistent cash flow for essential city operations.
- Maintained strong collection performance with minimal bad debt expense, supporting the City's financial stability and credit rating.
- Enhanced customer service capabilities through expanded payment options and improved response times to customer inquiries.
- Implemented electronic billing options and online payment portal to improve customer convenience and reduce operational costs.

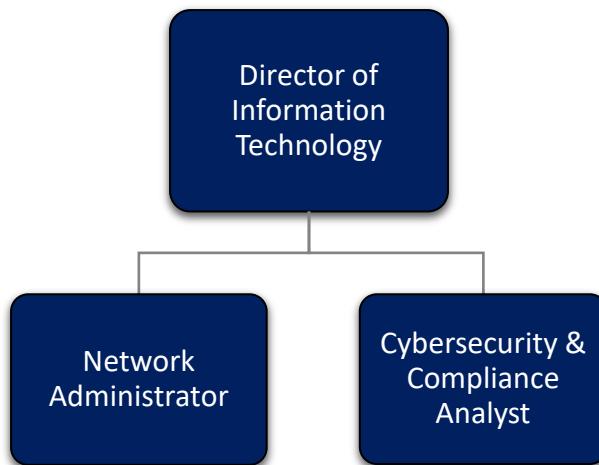
Internal Services - Utility Billing

- Successfully managed seasonal billing variations while maintaining consistent service quality across all utility services.

Expenditure Breakdown

	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projection	FY26 Adopted
Personnel	\$ 488,834	\$ 452,634	\$ 502,500	\$ 478,791	\$ 502,500
Supplies	4,366	6,531	10,175	3,891	10,175
Contractual	660,955	1,051,789	1,029,676	1,812,738	1,029,676
Capital	-	-	-	-	-
Total	\$ 1,154,155	\$ 1,510,954	\$ 1,542,351	\$ 2,295,420	\$ 1,542,351

Internal Services – Information Technology



Positions Within the Department

	FY23	FY24	FY25	FY26
Network Administrator	1	1	1	1
Cybersecurity/Compliance Analyst	0	1	1	1
Total	1	2	2	2

Core Responsibilities

The Information Technology Department provides comprehensive technology services and support to all City departments and citizens. The department manages the City's technology infrastructure, implements digital solutions, maintains cybersecurity protocols, provides GIS services, and supports the City's digital transformation initiatives to enhance operational efficiency and citizen services.

Strategic Goals and Priorities

- Advance technology adoption to make organizational processes more efficient and citizen services more accessible.
- Provide exceptional customer service with timely response, effective problem-solving, and comprehensive knowledge of each departments' business processes.
- Enhance data-driven decision-making capabilities through systems integrations that leverage technologies such as data analytics, business intelligence, and artificial intelligence.
- Maintain a secure and resilient IT environment that is responsive to cyber threats and fosters the trust and confidence of the organization and citizens.
- Stay informed of technology trends through continuous learning and skill development.

Internal Services – Information Technology

Key Initiatives and Objectives

Objective	City Focus Area	Performance Measure	FY24	FY25 Target	FY26 Goal
Complete physical security and camera systems at Electric Substations	Infrastructure	Substation security implementation completion	N/A	75%	100% Dec 2025
HMI (SCADA Control) Upgrades	Infrastructure	HMI Upgrades for Water and Wastewater Treatment Plants	N/A	N/A	100% Phase 2 August 2026
Support Treatment Plant Expansions (Multiple Phases)	Infrastructure	Provide technical support for Plant expansion projects	N/A	GAC Project	Multiple Phases

Recent Accomplishments

- Completed a proof-of-concept installation of security, monitoring, and alerting technologies to ensure Substation security.
- Upgraded network infrastructure at the Wastewater Treatment Plant. Added a system to extend operational control.
- Maintained and advanced the Milsoft Electric Outage Management System and Interactive Voice Recognition Systems.
- Upgraded SCADA servers to ensure stability, reliability, and security for Electric, Water, and Wastewater.
- Redesigned and upgraded field-communications network to improve reliability and reduce costs.

Expenditure Summary

	FY23 Actual	FY24 Actual	FY25 Budget	FY25 Projection	FY26 Adopted
Personnel	\$ 243,294	\$ 163,003	\$ 252,400	\$ 131,508	\$ 229,100
Supplies	4,146	3,716	5,000	3,055	5,000
Contractual	235,319	377,496	339,616	383,304	339,616
Capital	-	-	-	-	-
Total	\$ 482,759	\$ 544,215	\$ 597,016	\$ 517,867	\$ 573,716

Budget Package

Description	Ongoing	One-Time	Total
Software COSI	55,000		55,000
Total	\$ 55,000	\$ -	\$ 55,000

CAPITAL IMPROVEMENT SUMMARIES

ELECTRIC CAPITAL PROJECTS FUND

	Actual FY23	Actual FY24	Adopted FY25	Projected FY25	Adopted FY26
Beginning Fund Balance	\$ 589,583	\$ 594,583	\$ 3,099,583	\$ 3,099,583	\$17,344,818
Revenues					
Interest Income	5,000	5,000	17,000	245,235	17,000
Transfer - From Inter-Fund	-	2,500,000	14,000,000	14,000,000	-
Total Revenues	5,000	2,505,000	14,017,000	14,245,235	17,000
Expenditures					
Capital	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Over/(Under)	5,000	2,505,000	14,017,000	14,245,235	17,000
Ending Fund Balance	\$ 594,583	\$ 3,099,583	\$ 17,116,583	\$17,344,818	\$17,361,818

WATER CAPITAL PROJECTS FUND

	Actual FY23	Actual FY24	Adopted FY25	Projected FY25	Adopted FY26
Beginning Fund Balance	\$ 27,105,395	\$ 32,681,496	\$ 30,820,077	\$ 30,820,077	\$ 11,935,020
Revenues					
Interest Income	175,000	750,000	514,000	1,372,578	750,000
Net Chg In Fair Value - Invest	194,580	116,050	-	(49,950)	-
Transfer - From Inter-Fund	10,549,850	7,250,000	7,585,170	7,585,170	4,005,204
Legal Settlements	-	-	-	456,853	-
Total Revenues	10,919,430	8,116,050	8,099,170	9,364,651	4,755,204
Expenditures					
Contractual Services	660,199	2,424,514	6,913,400	11,381,167	621,000
Capital	4,683,130	7,552,955	27,726,995	16,868,541	11,000,000
Total Expenditures	5,343,329	9,977,469	34,640,395	28,249,708	11,621,000
Over/(Under)	5,576,101	(1,861,419)	(26,541,225)	(18,885,057)	(6,865,796)
Ending Fund Balance	\$ 32,681,496	\$ 30,820,077	\$ 4,278,852	\$ 11,935,020	\$ 5,069,224

WASTEWATER CAPITAL PROJECTS FUND

	Actual FY23	Actual FY24	Adopted FY25	Projected FY25	Adopted FY26
Beginning Fund Balance	\$ 7,542,898	\$ 7,675,739	\$ 5,084,716	\$ 5,084,716	\$ 3,882,084
Revenues					
Reimbursement - Eng Charges	-	237,586	-	-	-
Interest Income	96,000	275,000	91,000	222,547	155,992
Transfer - From Inter-Fund	2,129,371	1,866,280	2,034,430	2,034,430	557,080
Total Revenues	2,225,371	2,378,866	2,125,430	2,256,977	713,072
Expenditures					
Contractual Services	241,263	627,340	4,175	239,204	-
Capital	1,851,267	4,342,549	5,209,000	3,220,404	3,750,000
Total Expenditures	2,092,530	4,969,889	5,213,175	3,459,608	3,750,000
Over/(Under)	132,841	(2,591,023)	(3,087,745)	(1,202,631)	(3,036,928)
Ending Fund Balance	\$ 7,675,739	\$ 5,084,716	\$ 1,996,971	\$ 3,882,084	\$ 845,156

WATER IMPACT FEE FUND

	Actual FY23	Actual FY24	Adopted FY25	Projected FY25	Adopted FY26
Beginning Fund Balance	\$ 1,865,680	\$ 2,262,300	\$ 2,716,250	\$ 2,716,250	\$ 3,119,883
Revenues					
Fee - Water Impact	405,620	388,950	350,000	311,823	350,000
Interest Income	16,000	65,000	62,000	119,310	85,964
Total Revenues	421,620	453,950	412,000	431,132	435,964
Expenditures					
Contractual Services	25,000	-	-	27,500	50,000
Capital	-	-	1,265,000	-	-
Total Expenditures	25,000	-	1,265,000	27,500	50,000
Over/(Under)	396,620	453,950	(853,000)	403,632	385,964
Ending Fund Balance	\$ 2,262,300	\$ 2,716,250	\$ 1,863,250	\$ 3,119,883	\$ 3,505,847

WASTEWATER IMPACT FEE FUND

	Actual FY23	Actual FY24	Adopted FY25	Projected FY25	Adopted FY26
Beginning Fund Balance	2,513,408	2,655,835	2,498,702	2,498,702	1,664,701
Revenues					
Fee - Wastewater Impact	321,519	333,467	350,000	223,973	250,000
Interest Income	24,000	100,000	86,000	97,698	86,000
Total Revenues	345,519	433,467	436,000	321,671	336,000
Expenditures					
Contractual Services	53,501	282,580	-	337,127	50,000
Capital	149,591	308,021	2,145,545	818,545	-
Total Expenditures	203,092	590,601	2,145,545	1,155,671	50,000
Over/(Under)	142,427	(157,133)	(1,709,545)	(834,001)	286,000
Ending Fund Balance	2,655,835	2,498,702	789,157	1,664,701	1,950,701

WATER BOND PROJECTS FUND

	Actual FY23	Actual FY24	Adopted FY25	Projected FY25	Adopted FY26
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 55,176,045
Revenues					
Interest Income	-	-	-	123,000	500,000
Net Chg In Fair Value - Invest	-	-	-	-	-
Proceeds from Bonds	-	-	55,055,631	55,053,045	-
Total Revenues	-	-	55,055,631	55,176,045	500,000
Expenditures					
Capital	-	-	-	-	48,435,000
Total Expenditures	-	-	-	-	48,435,000
Over/(Under)	-	-	55,055,631	55,176,045	(47,935,000)
Ending Fund Balance	\$ -	\$ -	\$ 55,055,631	\$ 55,176,045	\$ 7,241,045

WASTEWATER BOND PROJECTS FUND

	Actual FY23	Actual FY24	Adopted FY25	Projected FY25	Adopted FY26
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 25,084,874
Revenues					
Interest Income	-	-	-	57,000	228,000
Net Chg In Fair Value - Invest	-	-	-	-	-
Proceeds from Bonds	-	-	25,025,287	25,027,874	-
Total Revenues	-	-	25,025,287	25,084,874	228,000
Expenditures					
Capital	-	-	-	-	17,294,000
Total Expenditures	-	-	-	-	17,294,000
Over/(Under)	-	-	25,025,287	25,084,874	(17,066,000)
Ending Fund Balance	\$ -	\$ -	\$ 25,025,287	\$ 25,084,874	\$ 8,018,874

DEBT SERVICE SUMMARY



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Utility Debt Summary

The Municipal Utility currently maintains 223 miles of sanitary sewer, 303 miles of water mains, and 390 miles of electric distribution lines. This widespread infrastructure network depreciates over time, and must be repaired and replaced when necessary. While routine repairs are budgeted on an annual basis, large-scale improvements carry a much higher price tag, and it is not possible for the Municipal Utility to pay for those through the operating fund. For these expenses, the fund will issue revenue bonds.

Bonds are a debt-financing instrument whereby the principle of the bonds are amortized over a period of time (typically 20 years), during which time interest is charged annually. For utility revenue bonds, the annual principle and interest payments are covered through Water, Wastewater, and Electric utility fees, which are set by the Municipal Utility Board. All principle and interest payments are made out of the Utility Debt Service Fund. Limitations on the amount of debt allowed to be outstanding at any one time for the utility are governed by the availability of service charge revenue. Each bond issue carries with it a legally binding coverage ratio, whereby the utility's net revenue must be able to meet a coverage requirement for its annual debt principle and interest payments before it can issue additional debt. The utility's coverage ratio for its outstanding debt is 1.25 times the average annual debt requirement, and 1.10 times the maximum annual requirement. A summary of the FY26 debt service fund can be found below, and a detailed summary of each bond issue still outstanding follows.

Utility System Bonds

Utility Debt Service Fund Summary

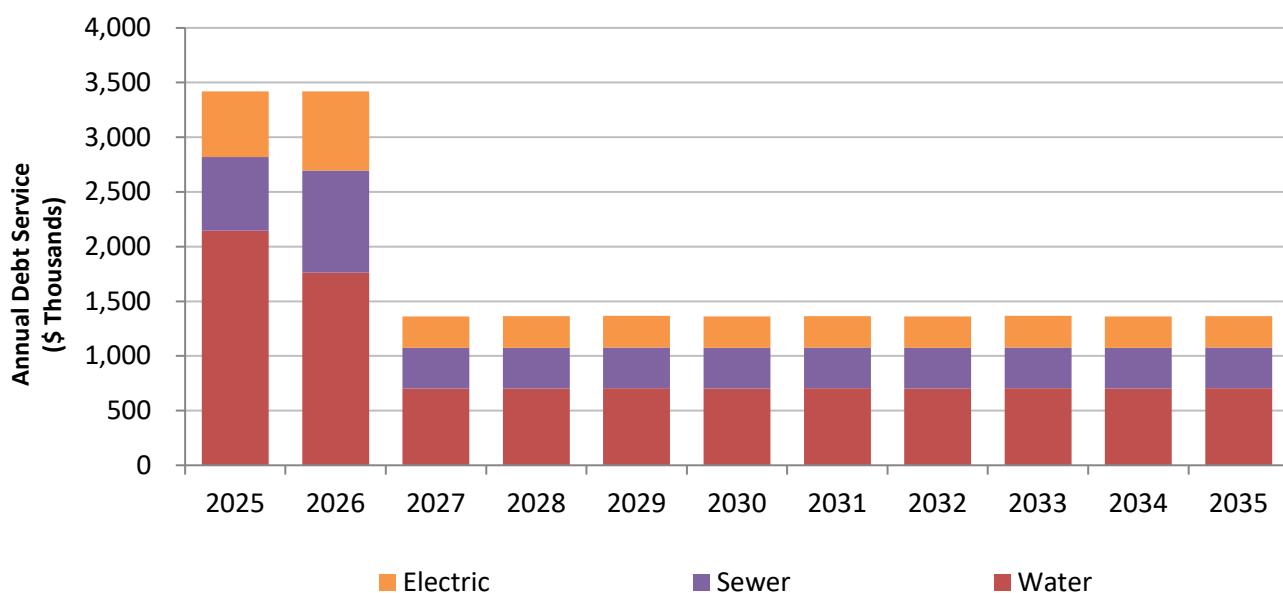
Fund Balance 9/30/2024	\$	835,713
Revenues Projected FY25		4,093,322
Expenses Projected FY25		4,063,657
Projection Fund Balance FY25		865,379
Revenues Projected FY26		10,088,628
Expenses Projected FY26		10,069,628
Projected Year-End Fund Balance FY26	\$	884,379

Utility System Revenue Refunding Bonds - Series 2015

Future Debt Requirements

Year Ending 09/30	Principal	Interest	Interest	Total
	Due 09/01	Due 03/01	Due 09/01	Requirement
2026	\$ 2,835,000	\$ 292,094	\$ 292,094	\$ 3,419,188
2027	920,000	221,219	221,219	1,362,438
2028	950,000	206,269	206,269	1,362,538
2029	985,000	190,238	190,238	1,365,475
2030	1,015,000	173,000	173,000	1,361,000
2031	1,070,000	147,625	147,625	1,365,250
2032	1,120,000	120,875	120,875	1,361,750
2033	1,180,000	92,875	92,875	1,365,750
2034	1,235,000	63,375	63,375	1,361,750
2035	1,300,000	32,500	32,500	1,365,000
	\$ 12,610,000	\$ 1,540,070	\$ 1,540,070	\$ 15,690,139

Total Debt Service by Utility

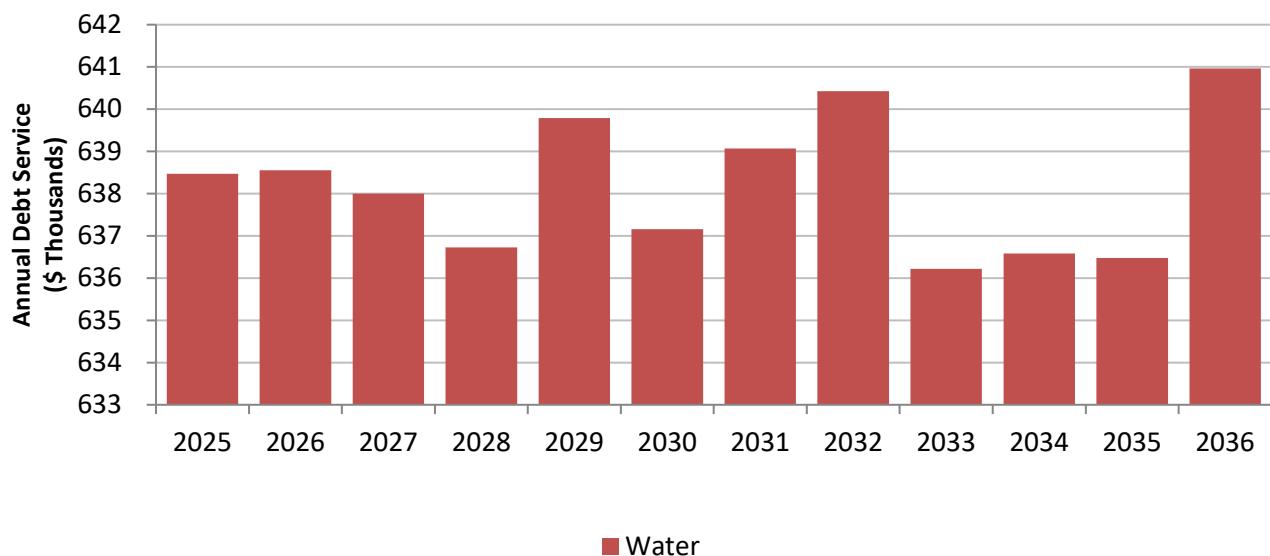


Tax & Utility System Revenue Certificates of Obligations - Series 2016

Future Debt Requirements

Year Ending 09/30	Principal		Interest		Interest		Total Requirement
	Due 09/01	Due 03/01	Due 09/01	Due 03/01	Due 09/01	Due 03/01	
2026	\$ 545,000	\$ 46,778	\$ 46,778	\$ 46,778	\$ 638,555		
2027	550,000	43,998		43,998		637,996	
2028	555,000	40,863		40,863		636,726	
2029	565,000	37,394		37,394		639,789	
2030	570,000	33,581		33,581		637,161	
2031	580,000	29,534		29,534		639,067	
2032	590,000	25,213		25,213		640,425	
2033	595,000	20,611		20,611		636,221	
2034	605,000	15,791		15,791		636,582	
2035	615,000	10,739		10,739		636,479	
2036	630,000	5,481		5,481		640,962	
	\$ 6,400,000	\$ 309,981	\$ 309,981	\$ 309,981	\$ 7,019,962		

Total Debt Service by Utility



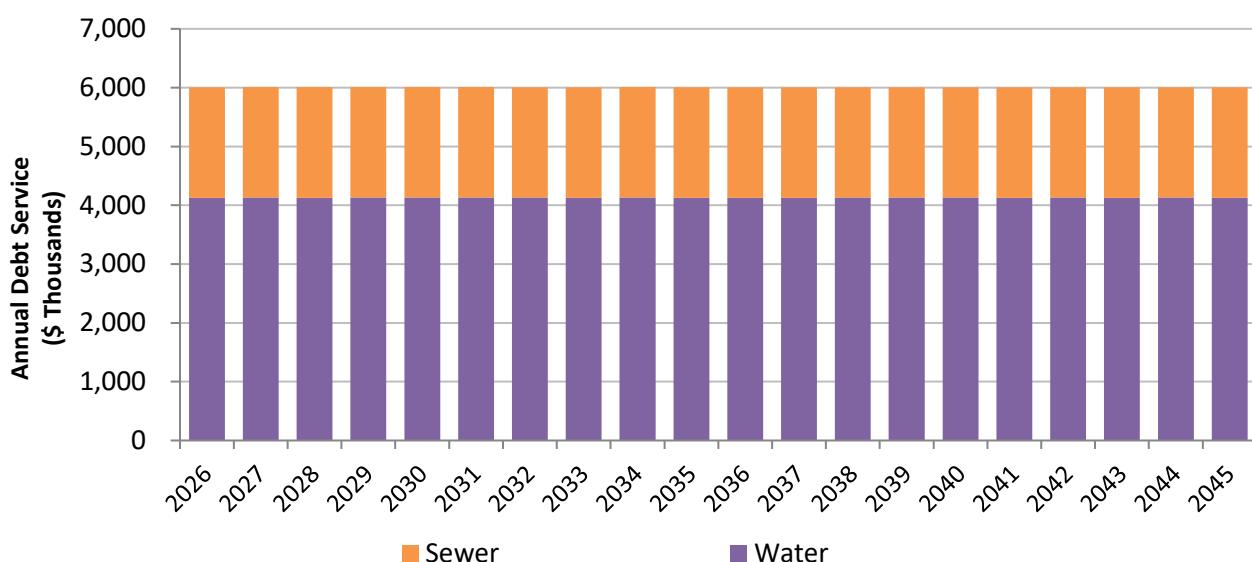
■ Water

Utility System Revenue Certificate of Obligations - Series 2025

Future Debt Requirements

Year Ending 09/30	Principal		Interest		Total Requirement
	Due 03/01	Due 09/01	Due 03/01	Due 09/01	
2026	\$ 1,965,000	\$ 2,235,597	\$ 1,805,288	\$ 6,005,885	
2027	2,460,000	1,805,288	1,743,788	6,009,075	
2028	2,585,000	1,743,788	1,679,163	6,007,950	
2029	2,720,000	1,679,163	1,611,163	6,010,325	
2030	2,860,000	1,611,163	1,539,663	6,010,825	
2031	3,005,000	1,539,663	1,464,538	6,009,200	
2032	3,155,000	1,464,538	1,385,663	6,005,200	
2033	3,315,000	1,385,663	1,302,788	6,003,450	
2034	3,490,000	1,302,788	1,215,538	6,008,325	
2035	3,665,000	1,215,538	1,123,913	6,004,450	
2036	3,855,000	1,123,913	1,027,538	6,006,450	
2037	4,050,000	1,027,538	926,288	6,003,825	
2038	4,260,000	926,288	819,788	6,006,075	
2039	4,480,000	819,788	707,788	6,007,575	
2040	4,690,000	707,788	608,125	6,005,913	
2041	4,895,000	608,125	501,047	6,004,172	
2042	5,120,000	501,047	385,847	6,006,894	
2043	5,355,000	385,847	265,359	6,006,206	
2044	5,605,000	265,359	135,744	6,006,103	
2045	5,870,000	135,744	-	6,005,744	
	\$ 77,400,000	\$ 22,484,619	\$ 20,249,022	\$ 120,133,641	

Total Debt Service by Utility

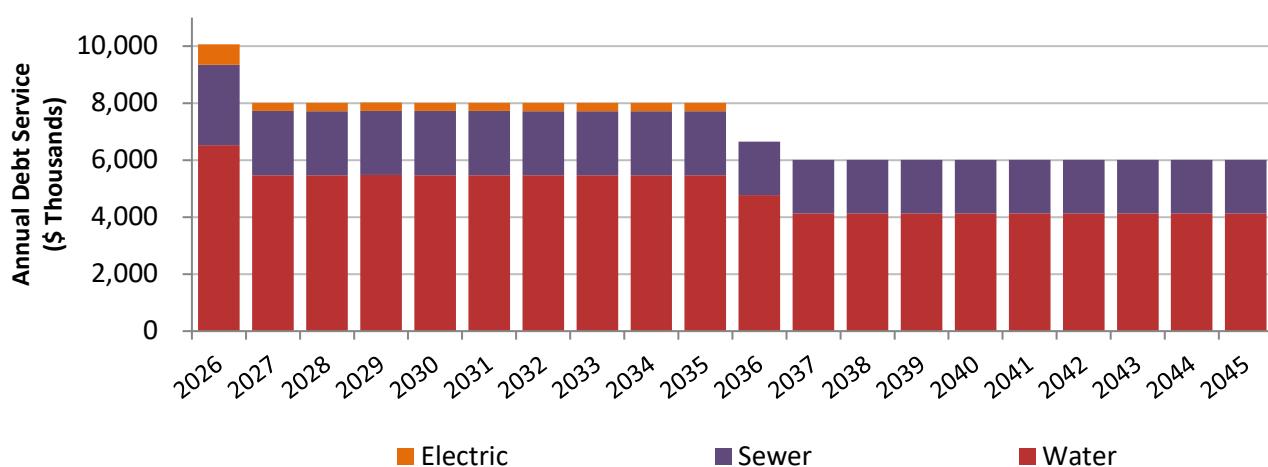


Total Utility System Debt Service

Future Debt Requirements

Year Ending 09/30	Principal	Interest	Interest	Total
	Due 09/01	Due 03/01	Due 09/01	Requirement
2026	\$ 5,345,000	\$ 2,574,469	\$ 2,144,159	\$ 10,063,628
2027	3,930,000	2,070,505	2,009,005	8,009,509
2028	4,090,000	1,990,920	1,926,295	8,007,214
2029	4,270,000	1,906,794	1,838,794	8,015,589
2030	4,445,000	1,817,743	1,746,243	8,008,986
2031	4,655,000	1,716,821	1,641,696	8,013,517
2032	4,865,000	1,610,625	1,531,750	8,007,375
2033	5,090,000	1,499,148	1,416,273	8,005,421
2034	5,330,000	1,381,954	1,294,704	8,006,657
2035	5,580,000	1,258,777	1,167,152	8,005,929
2036	4,485,000	1,129,394	1,033,019	6,647,412
2037	4,050,000	1,027,538	926,288	6,003,825
2038	4,260,000	926,288	819,788	6,006,075
2039	4,480,000	819,788	707,788	6,007,575
2040	4,690,000	707,788	608,125	6,005,913
2041	4,895,000	608,125	501,047	6,004,172
2042	5,120,000	501,047	385,847	6,006,894
2043	5,355,000	385,847	265,359	6,006,206
2044	5,605,000	265,359	135,744	6,006,103
2045	5,870,000	135,744	-	6,005,744
	\$ 96,410,000	\$ 24,334,670	\$ 22,099,073	\$ 142,843,742

Total Debt Service by Utility





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SUPPLEMENTAL PACKAGE REQUESTS



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2026 Funded Package Requests

ELECTRIC UTILITY

Package Title	GL Account	Ongoing Cost	One-Time Cost	Total Cost
Substation Animal Guards	670701-53019	60,000	-	60,000
AMS Collector	670701-53019	-	60,000	60,000
Energy Management	670701-52030	20,000	-	20,000
CenterPoint Rd Lighting	670701-53020	-	90,000	90,000
McGratton Park	670701-53022	-	15,000	15,000
Fiber Software	670702-52030	6,500	2,100	8,600
Total		\$ 86,500	\$ 167,100	\$ 253,600

WATER AND WASTEWATER UTILITY

Package Title	GL Account	Ongoing Cost	One-Time Cost	Total Cost
COSI Utilities	671714-52219	68,000	-	68,000
Purchase Yamaha golf cart	671714-53006	-	13,000	13,000
Replace Sand Filter Bridge Gate	672724-51021	-	27,392	27,392
Regulatory Testing & Monitoring	672724-52201	-	23,000	23,000
Tuition Reimbursement	673730-50005	-	3,990	3,990
COSI - Manhole rehab/lining	673732-52030	50,000	-	50,000
Leak detection equipment	673732-51051		12,552	12,552
Total		\$ 118,000	\$ 79,934	\$ 197,934

ENGINEERING

Package Title	GL Account	Ongoing Cost	One-Time Cost	Total Cost
Project Management Software	673731-52030	15,000	5,000	20,000
Total		\$ 15,000	\$ 5,000	\$ 20,000

INFORMATION TECHNOLOGY

Package Title	GL Account	Ongoing Cost	One-Time Cost	Total Cost
Software COSI	677130-52110	55,000	-	55,000
Total		\$ 55,000	\$ -	\$ 55,000



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APPENDIX

Appendix: Transfer Calculations and Sample Ordinance

Transfer Calculations

Return on Investment Transfer Calculations

	Est Volume	Unit Rate	Transfer
Electric kWh Sales	431,865,312	0.0085	3,670,855
Water Sales (1,000 gallons)	1,580,023	0.3754	593,141
Wastewater Treated (1,000 gallons)	939,894	0.4130	388,176
Total			4,652,172

Gross Receipts Charge Transfer Calculations

	Est Volume	Unit Rate	Transfer
Electric kWh Sales	431,865,312	0.0067	2,893,498
Water Sales (1,000 gallons)	1,580,023	0.338	534,048
Wastewater Treated (1,000 gallons)	939,894	0.3003	282,250
Total			3,709,796

Water Transfer Calculations

	Est Volume	Unit Rate	Transfer
Commercial/Industrial Water (cu ft)	2,500,000	0.01	25,000

Administrative Transfer Calculations

Department	Adopted Budget	Percent Allocated	Amount Allocated	Transfer Allocation Based on System Costs & Direct Expenditures		
				Electric	Water	Wastewater
City Attorney	441,990	30%	115,986	53,630	36,664	25,692
Information Technology	3,971,310	44%	1,528,469	706,739	483,161	338,569
Emergency Management	514,266	45%	202,428	93,599	63,989	44,840
Finance	921,188	45%	362,603	167,662	114,621	80,320
Human Resources	637,074	40%	222,905	103,068	70,462	49,375
Economic Development	750,686	45%	295,489	136,629	93,406	65,453
360 Agreements*	1,000,000	62%	542,328	250,763	171,434	120,130
Marketing/Comms	281,469	45%	110,793	51,229	35,023	24,542
City Manager's Office	1,759,995	45%	692,778	320,329	218,992	153,456
City Council	24,843	15%	3,260	1,507	1,030	722
Engineering	(250,000)		(250,000)		(200,000)	(50,000)
Total	10,052,821		3,827,037	1,885,156	1,088,783	853,099

*These are considered non-recurring

Summary of All Transfers

Type	Actual FY23	Actual FY24	Projected FY25	Adopted FY26	Increase / (Decrease)
Gross Receipts Fee	3,162,177	3,418,822	3,348,929	3,709,796	360,867
Return on Investment	2,520,726	4,311,809	4,237,334	4,652,172	414,838
Street Maintenance Transfer	56,788	39,833	28,893	25,000	(3,893)
Administrative Services	3,878,049	3,764,774	3,870,556	3,827,037	(43,519)
	9,617,740	11,535,238	11,485,712	12,214,005	728,293