

Memorandum



CITY OF DALLAS


DATE August 22, 2008

TO Honorable Mayor and Members of the City Council

SUBJECT Water Utilities: Overview and Recommended FY09 Budget

Attached is a briefing that will be presented to the Council on Monday, August 25, 2008, which will provide an overview of Dallas Water Utilities, its water and wastewater operations, and its Recommended FY08-09 Budget.

Please let me know if you have any questions or need additional information.



Ramon F. Miguez, P.E.
Assistant City Manager

Attachment

C: Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Thomas P. Perkins, City Attorney
Deborah Watkins, City Secretary
Craig Kinton, City Auditor
Ryan S. Evans, First Assistant City Manager
David O. Brown, Interim Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
David K. Cook, Chief Financial Officer
Jeanne Chipperfield, Director of Budget & Management Services
Jo M. Puckett, P.E., Director, Dallas Water Utilities

Water Utilities: Overview and Recommended FY09 Budget

August 25, 2008



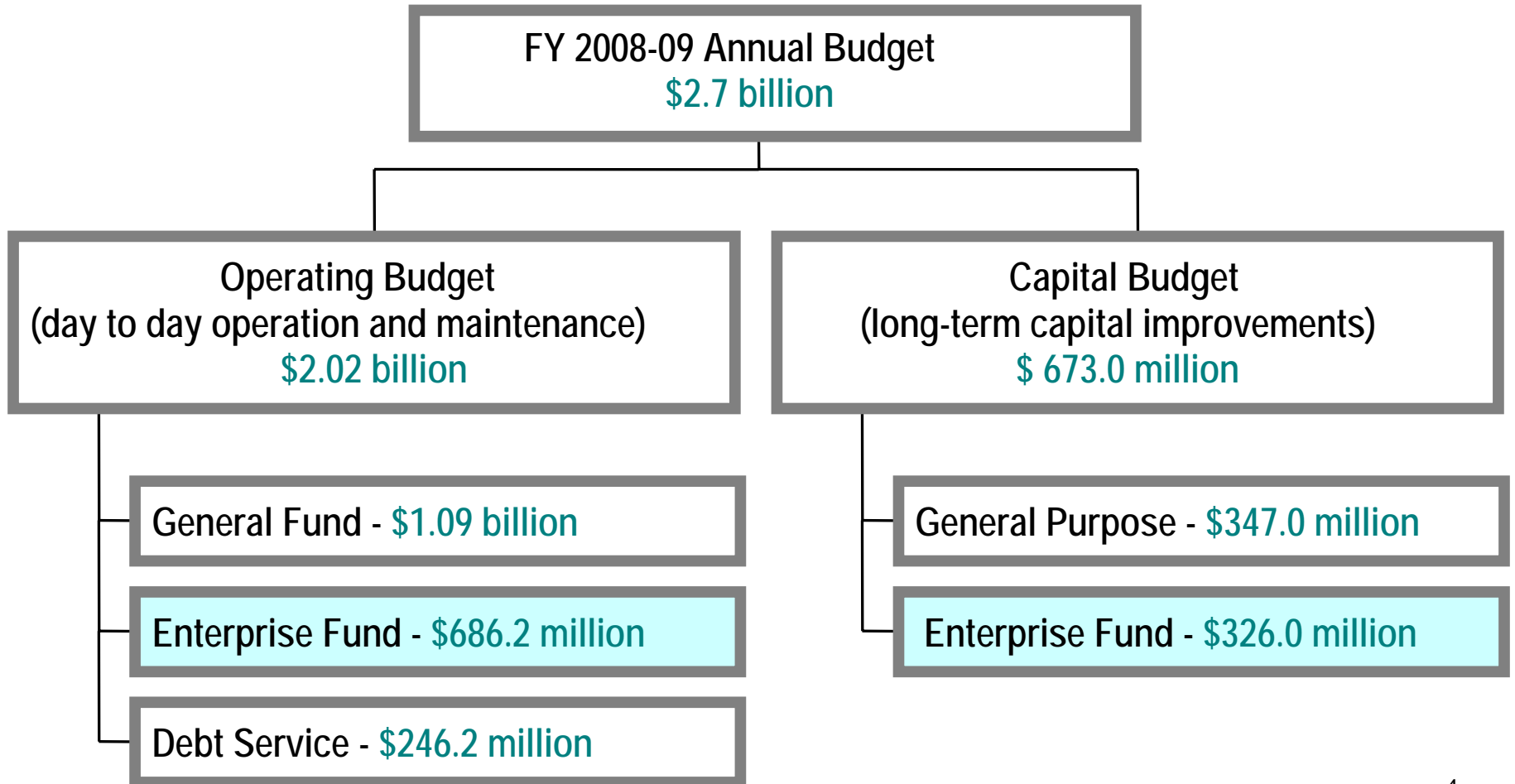
This Page Left Blank



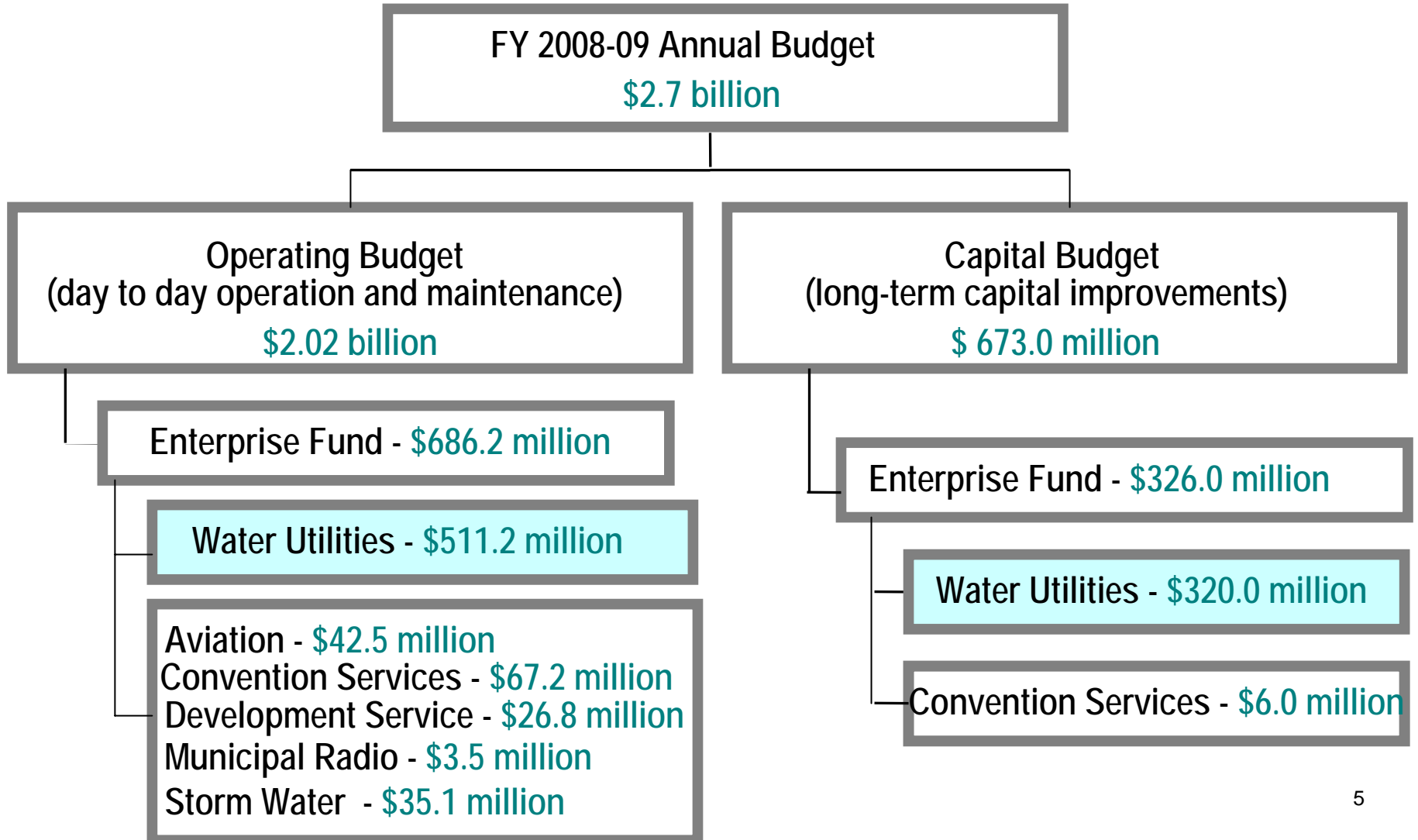
Purpose

This briefing provides an overview of Dallas Water Utilities, its water and wastewater operations, and recommended FY 08-09 Budget

FY 2008-09 Recommended Budget



FY 2008-09 Recommended Budget





Outline

- Background
- Recommended Operating Budget
- Capital Improvement Program
- Future Outlook
- Summary
- Appendix

Background

Department Mission

- We provide services vital to the health and safety of Dallas citizens and our customers
- We strive to provide excellent response to the needs of our customers at a fair and reasonable cost
- We value and respect our employees
- We look toward the future

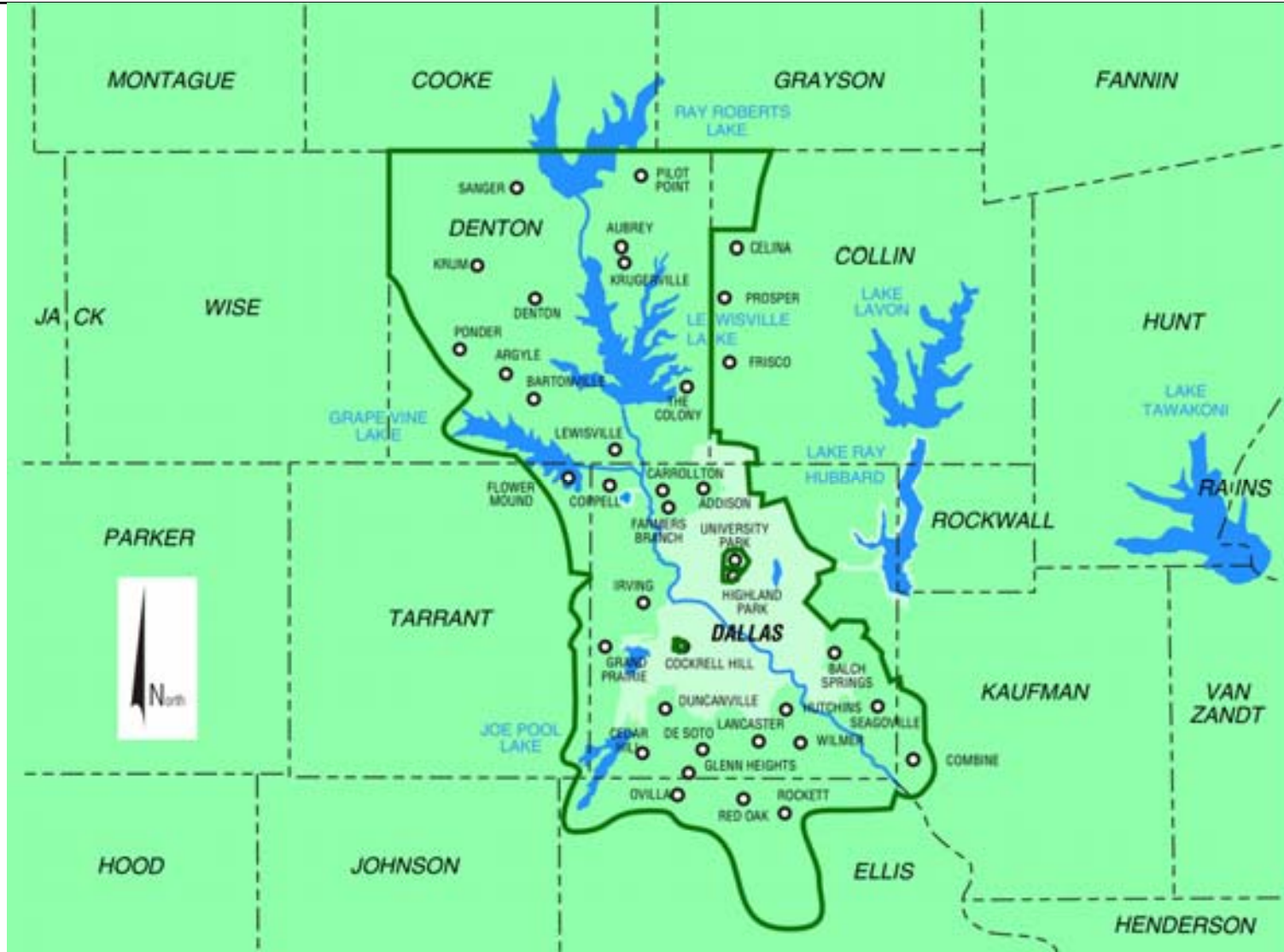
Management Approach

- Capital intensive operation with assets of \$2.9 billion
 - Water Supply - \$0.5 billion
 - Treatment Plants - \$1.1 billion
 - Water/Wastewater Pipeline - \$1.3 billion
- Utilize 5 year budget forecast and 10 year capital improvement program (CIP) supported by system master planning
- Use Financial Management Performance Criteria (FMPC), including:
 - Dallas Water Utilities funds solely for use of the utility
 - Short-term debt used for interim financing of capital projects
 - Long-term debt used only for capital infrastructure (30 year debt)
 - Debt service coverage should be at least 1.3 times at all times and 1.5 times at fiscal year-end
 - Customer cities rates based on 1979 agreement and contractual agreement
- Strict adherence to TCEQ/EPA regulations

City of Dallas Water Utilities Fact Sheet

- The department is funded from water and wastewater revenues, and receives no tax dollars
- Approximately 1,500 employees
- Population served (treated water)
 - 1.3 million - City of Dallas
 - 960,000+ wholesale customer cities
- 699 square mile service area
- 306,000 retail customer accounts
- 4,850 miles of water mains
- 4,200 miles of wastewater mains
- 3 water treatment plants
- 2 wastewater treatment plants
- Wholesale customers
 - 24 treated water, 3 untreated water, 11 wastewater ¹⁰

City of Dallas Customer Cities



FY2008-09 Recommended Operating Budget

Budget Approach

- Conservation of Resources
- Environmental Compliance
- Technology Improvements Unique to Water Utilities
- Infrastructure Driven
- Shift Resources from Engineering to Leak Detection and Main Rehabilitation
- Risk Assessment of Infrastructure Scheduling

FY09 Budget Focus:

Maintaining Infrastructure

- Meet Environmental Management System requirements in environmental compliance
- Increase large wastewater main assessment and replacement in support of Sanitary Sewer Initiative
- Address TCEQ requirements for water quality control
- Carbon fiber for pipeline maintenance extending life of pipes by 50 years
- Water Utilities capital program continues to invest in improvements for system renewal and growth¹⁴

FY09 Budget Focus: Conserving Resources

- Reduction of gallons per capita per day (GPCD) from 199 to 197 by expanding the following programs:
 - Rebate Program for residential and commercial customers
 - Enhance Minor Plumbing Repair (MPR) Program
 - Expand toilet replacement program to large commercial and institutional facilities
 - Reduce water loss by expanding leak detection to survey system every 2.5 years instead of 5 years
- Update the Water Conservation 5 Year Strategic Plan
- Update Drought Management and Water Conservation Plan to meet State required updates
- Electric Truck Pilot Study for Central WWTP

Budget Provides the following Services

- 163.0BG of water treated and delivered
- 73BG of wastewater treated
- 135 miles of water/wastewater mains replaced
- Water distribution system evaluated for leaks every 2.5 years (currently 5 years)
- Increased miles of large wastewater mains assessed, inspected and replaced
- Enhanced conservation initiatives projected to reduce GPCD from 199 to 197
- Payment of debt service obligations to maintain AAA bond rating

Major Components of FY09 Budget

- Recommended Expenditures of \$511.2M:
 - An increase of 4.5% over FY08 budgeted expenditures
- Major drivers for increases are:
 - Labor - \$1.6M
 - Materials, supplies and services - \$7.6M
 - Power, fuel and chemicals - \$4.6M
 - Increase in Payment in Lieu of Taxes (PILOT) in support of economic development - \$3.0M (for a total of \$6.0M)
 - Enhancements to continue focus on maintaining infrastructure and conserving resources - \$2.4M
 - Costs to fund capital program - \$1.3M
- FMPC Requirements
 - 1.50 bond coverage requirement
 - 20% equity funding for capital program

Services by Key Focus Areas

Service Number		FY08 Budget	FY08 Estimate	FY09 Proposed Budget
ECONOMIC VIBRANCY				
2.77	Water Capital Funding	\$ 247,269,453	\$ 235,303,564	\$ 248,789,750
2.78	Water Production & Delivery	\$ 97,209,945	\$ 92,601,733	\$ 106,180,553
2.79	Water Utilities Capital Program Management	\$ 12,919,764	\$ 11,317,535	\$ 12,957,878
CLEAN, HEALTHY ENVIRONMENT				
3.50	Wastewater Collection	\$ 15,118,390	\$ 15,766,192	\$ 16,183,933
3.51	Wastewater Treatment	\$ 45,812,512	\$ 41,987,415	\$ 45,737,133
3.52	Water Conservation	\$ 3,654,812	\$ 3,606,571	\$ 4,955,102
E3 GOVERNMENT				
6.77	CIS Support for Water	\$ 4,338,408	\$ 4,338,408	\$ 9,566,908
6.78	Water Planning, Financial and Rate Services	\$ 2,813,871	\$ 2,509,393	\$ 2,746,546
6.79	Water Utilities Customer Account Services	\$ 16,325,010	\$ 16,886,415	\$ 18,046,142
6.80	Water's Price of Doing Business	\$ 43,723,130	\$ 41,881,375	\$ 45,994,771
Totals		\$ 489,185,295	\$ 466,198,601	\$ 511,158,717

FY09 Retail Revenue Requirement

FY08 Budgeted Revenues	\$489,185,295
Adjustments:	
Interest Income	(\$4,300,000)
Wholesale Revenues	\$5,686,795
Conservation/class usage	<u>(\$3,964,923)</u>
Total	\$486,607,167
FY09 Expenses	<u>(\$511,158,717)</u>
FY09 Revenue Requirement	(\$24,551,550)
= 6.3% Retail Rate Increase	

Fiscal Year 2008-09 Revenue Projection

- Projected FY09 pumpage of 163.0BG
 - FY08 budgeted pumpage of 163.5BG
 - FY08 Year end projection of 155.0BG
- Reduction of 0.5 BG in budgeted pumpage to reflect:
 - Current weather trends
 - Impact of enhanced conservation program
- 6.3% proposed retail revenue increase
 - Residential revenues would increase by 5.9%
 - Commercial revenues would increase by 7.4%
 - Industrial revenues would increase by 7.2%
- Wholesale revenues increased by \$5.7M (9.2%)

Components of Water Utilities Revenues

Other Fees & Charges **\$ 4.0M**

Includes full cost recovery for miscellaneous fees and charges such as permits and cross connection fees

Interest Income **\$ 10.2M**

Interest earned on cash in various department funds

Wholesale Sales **\$ 78.9M**

Revenue earned from sales to wholesale customers for treated water, untreated water and wastewater services

Retail Sales **\$418.1M**

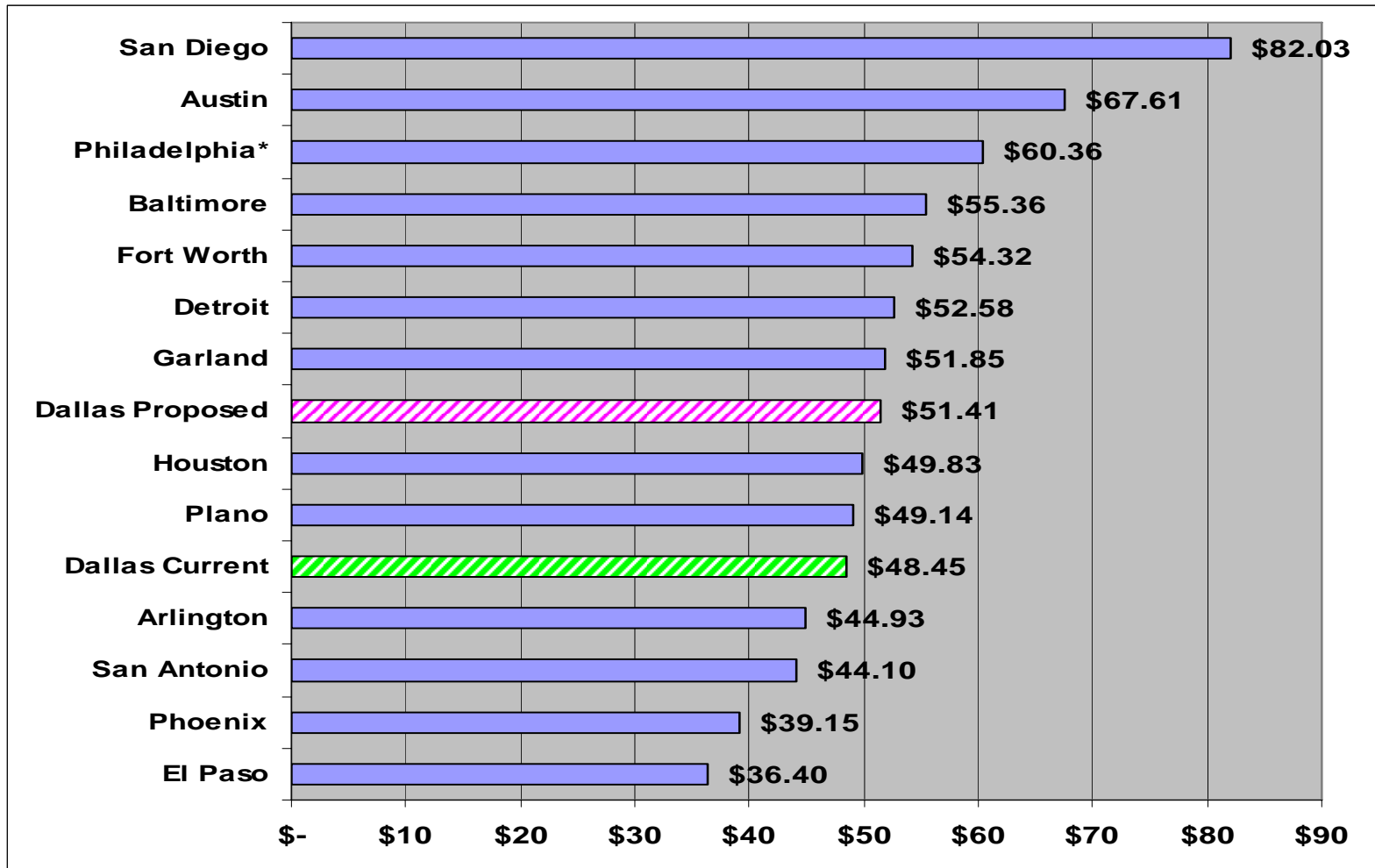
Revenue from sales to retail customers for water and wastewater services including residential, commercial, industrial and municipal

Total Revenues **\$511.2M**

Impact of Proposed 6.3% Retail Rate Increase

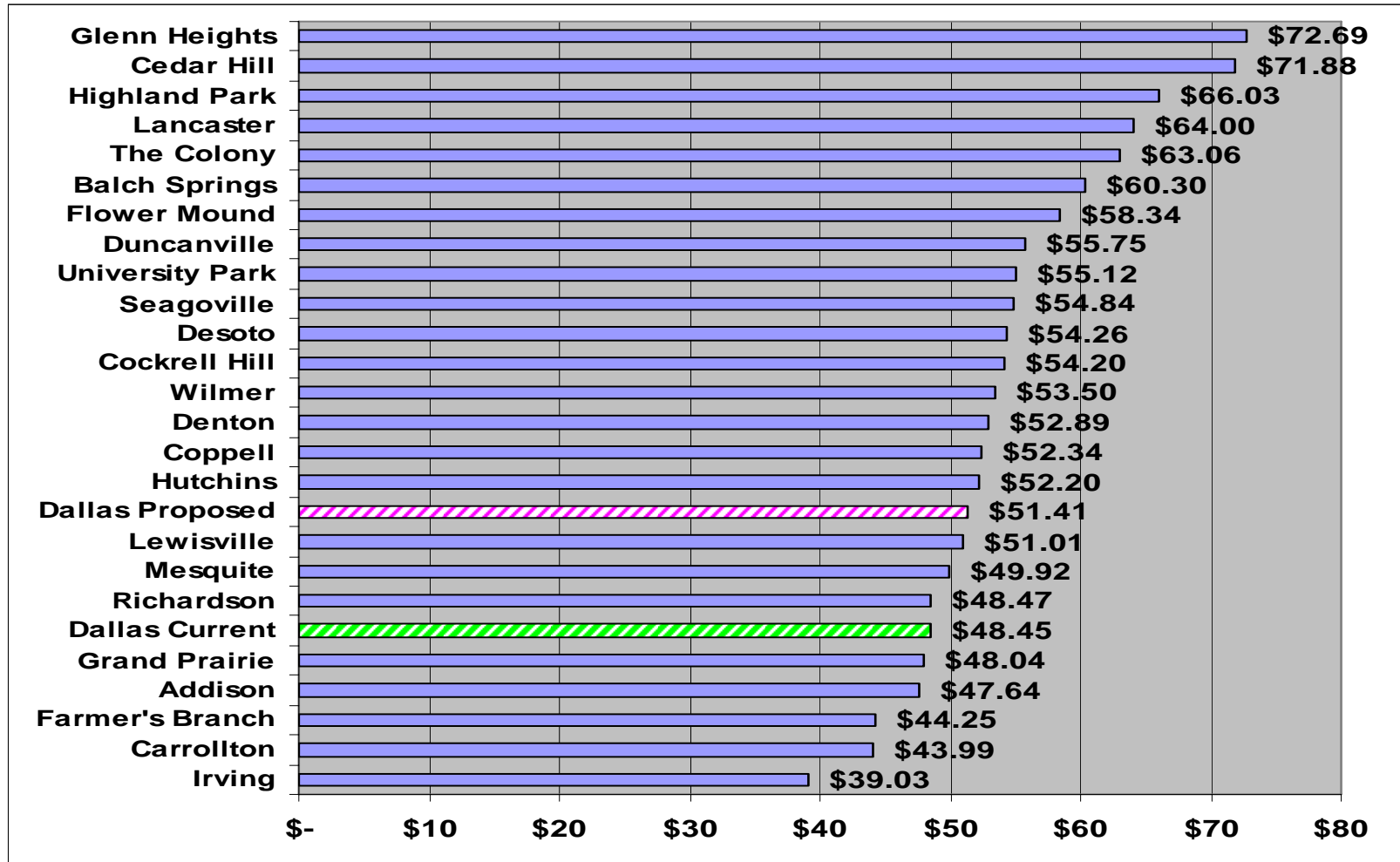
- Typical monthly residential water and wastewater bill would increase from \$48.45 to \$51.41
- US EPA affordability guideline for water and wastewater bills is 2% of median income
 - Dallas' water and wastewater bills would be 1.6% of median income

Index Cities Comparison of Average Monthly Water & Sewer Residential Bills



Note: Bill comparison based on rates effective August 2008; water consumption of 8,300 gallons; and, 6,200 gallon Winter Months Average for sewer

Customer Cities Comparison of Average Monthly Water & Sewer Residential Bills



Note: Bill comparison based on rates effective August 2008; water consumption of 8,300 gallons; and, 6,200 gallon Winter Months Average for sewer

Capital Improvement Program

Infrastructure Categories and Associated Drivers (Capital Improvements Program (CIP))

□ **Regulatory**

Wastewater - EPA and TCEQ mandates affecting treatment plant effluent standards, sludge quality, plant and pipeline capacity, security and safety

Water - EPA and TCEQ mandates effecting treatment methods and processes, water quality, security and safety

□ **Growth**

Water & Wastewater - Growth patterns requiring facilities expansion

□ **Rehab & Replacement**

Wastewater – Replacement of old, inefficient and nuisance causing treatment processes, improvements to sludge quality and handling, hydrologic improvements, replacement of deteriorated structures, and replacement of deteriorated, aging pipeline system

Water - Upgrade treatment processes, improvements to machinery, replacement of deteriorated structures and replacement of deteriorated, aging pipeline system

□ **Work for Others**

Expansion of roadways by TxDOT, improvements to roadways by Dallas County, and pipeline relocation improvements in conjunction with COD bond program

FY 08-09 Capital Budget

- Proposed Capital Budget (CIP) of \$320.0M
 - \$251.7M commercial paper
 - \$68.3M cash
- Recommended budget assumes expansion of current commercial paper program authorization of \$300M to \$600M
 - Eliminates the need for a revenue bond sale for FY09
 - Allows reduction in originally proposed retail revenue increase of approximately 2.5%
- Update Financial Management Performance Criteria (FMPC)
 - Change from 10% to 20% of tax-exempt commercial paper to the 10-year capital improvement program

Recommended FY 2009 Capital Improvement Program

- Major FY 2009 projects include:
 - Water/wastewater main replacements including support of GO Bond Program - \$144.3M
 - East Side Water Treatment Plant Improvements - \$49.0M
 - Southside Wastewater Treatment Plant Improvements - \$39.0M
 - Water Quality Improvement Construction Projects - \$2.5M

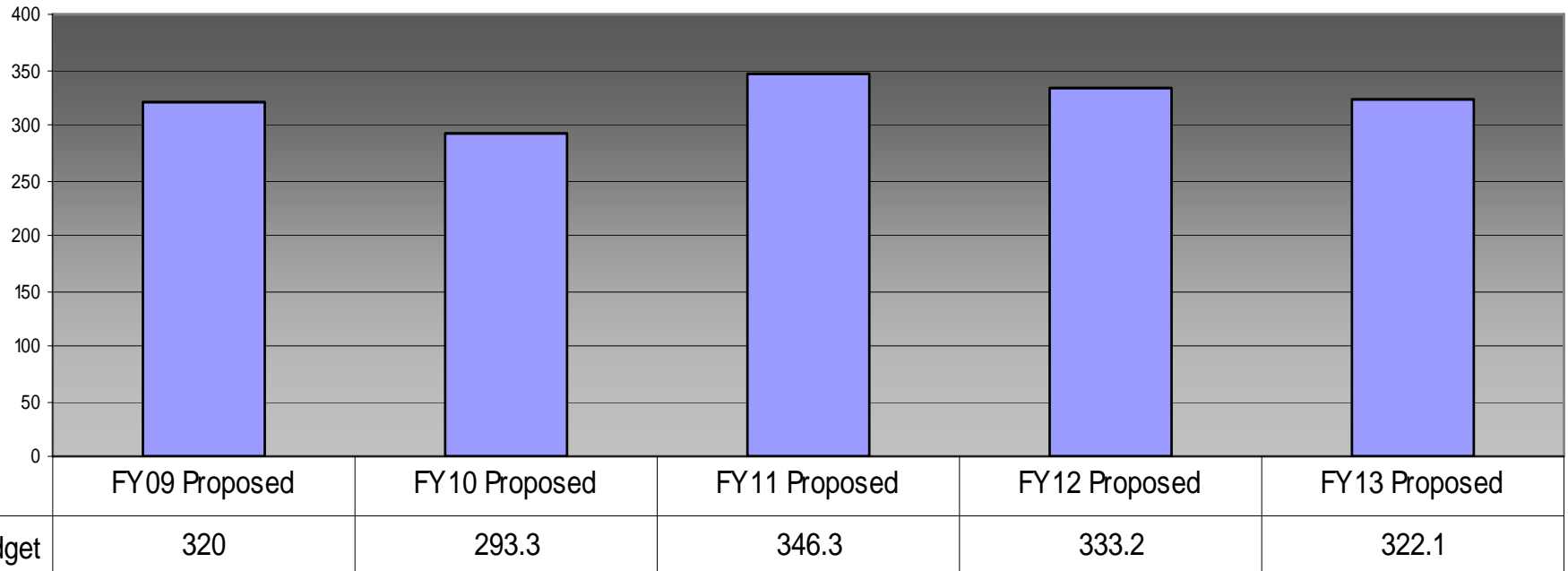
- CIP includes four categories
 - Regulatory \$ 2.62M
 - Growth \$88.93M
 - Rehab and Replacement \$204.77M
 - Work for Others \$23.68M
 - \$320.00M

- Approximately 2/3 of \$320M CIP addresses maintenance of existing infrastructure

Future Outlook

Future Outlook: Capital Improvement Program

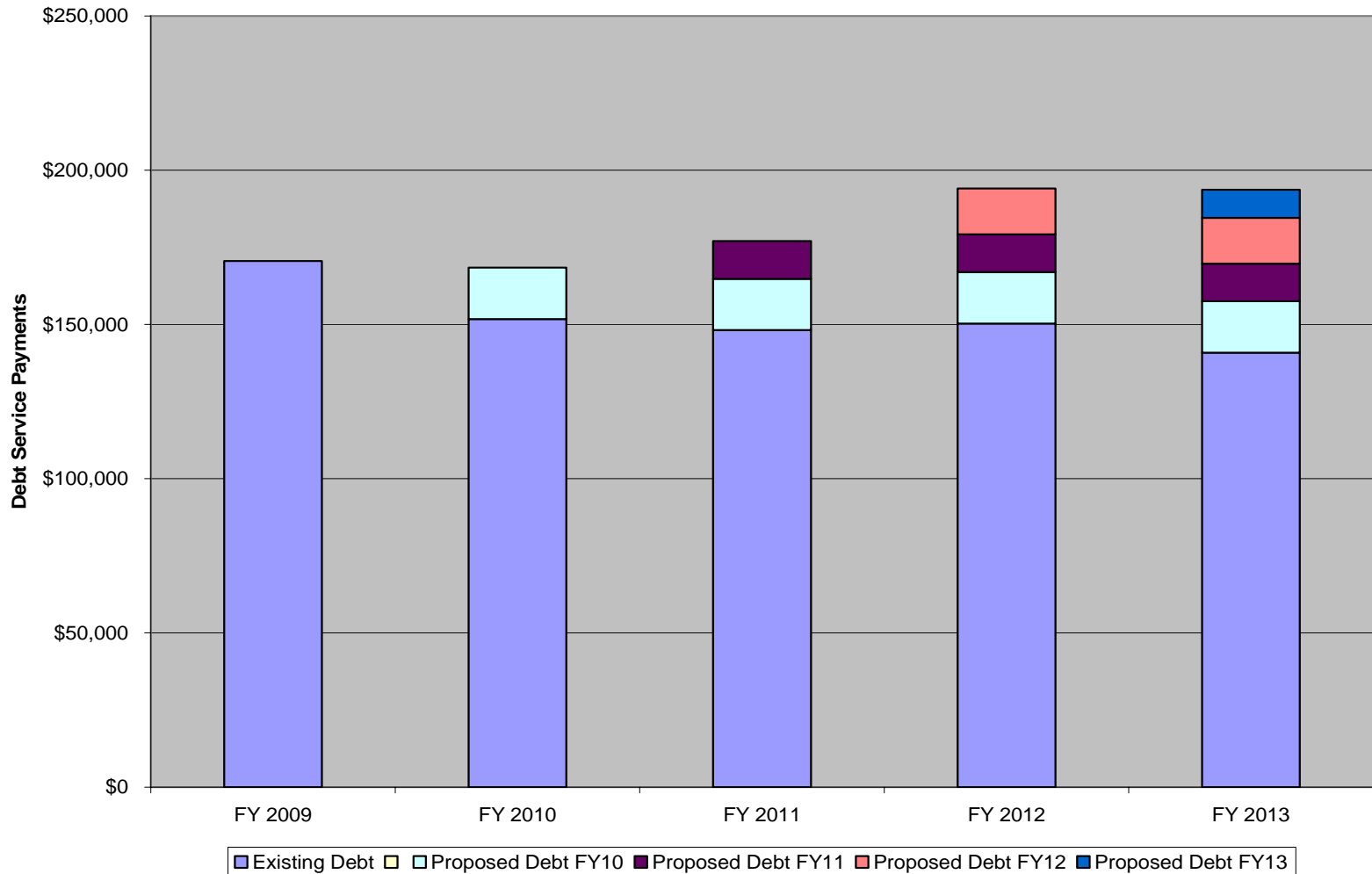
(Amounts in Million Dollars)



Note: Does not include cost of future water supply acquisitions

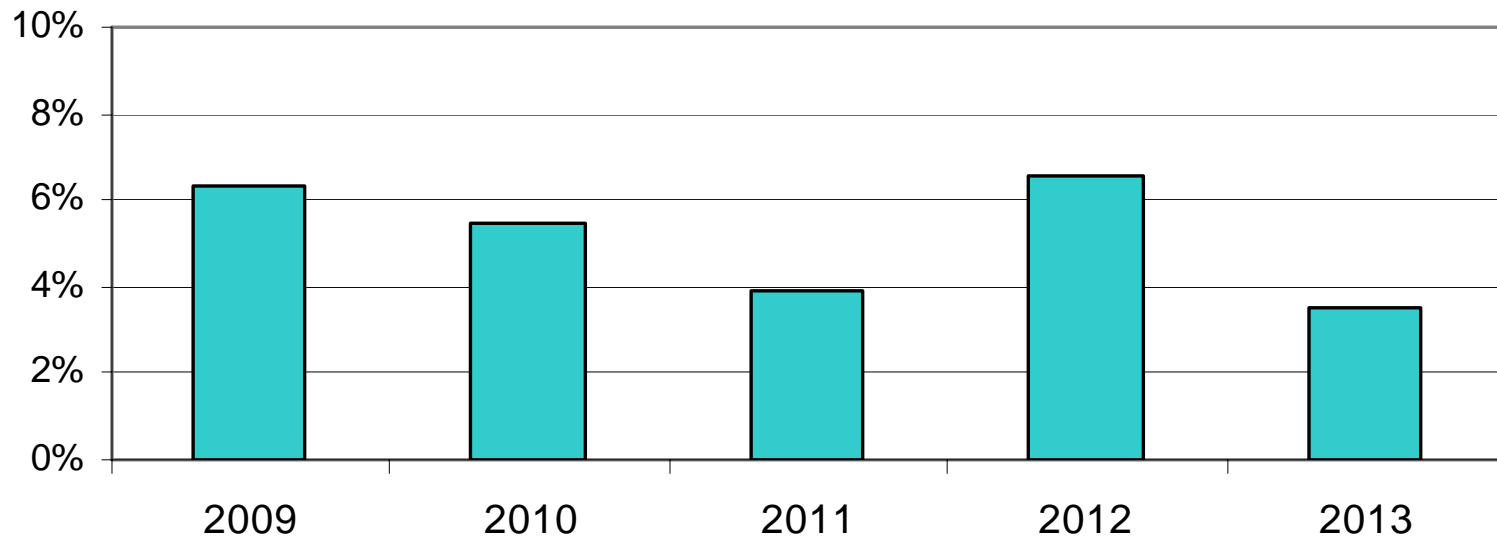
Future Outlook: Debt Service

(Amounts in Thousand Dollars)



Note: Does not include cost of future water supply acquisitions

Future Outlook: Retail Rate Increases



Assumptions include: 1) O&M annual increases of 3%; 2) debt costs cover existing debt payment schedule and amount for bonds to be sold to refinance and refund outstanding commercial paper; and, 3) cash transfers to meet FMPC recommended 20% equity and bond ordinance coverage of 1.50 times max year P&I for year end and maintain 1.30 at any point during the year.

Note: Does not include cost of future water supply acquisitions

Long Range Water Supply Initiatives

Long Range Water Supply Project	FY09	FY10	FY11	FY12	FY13
Lake Fork connection					
Water Conservation 5 Year Strategic Plan					
Evaluate Sabine River water supply possibilities					
Lake Ray Hubbard Yield Enhancement Permit					
<i>Update Trinity River Water Availability Model</i>					
5 Party Bay and Estuary Study					
Partnership with Tarrant Regional on Palestine water					
<i>Lake Palestine connection</i>					
Expand Balancing Reservoir					
Evaluate Alternative Water Supply Projects					
<i>Review Lake O' the Pines feasibility</i>					
<i>Review Lake Texoma feasibility</i>					
NTMWD Reuse Swap Agreement					
Update the Long Range Water Supply Study					
Sulphur River Basin Study					
Multi Source Water Supply Optimization Model					
Construct SW Dallas pipeline					
Reuse Master Plan					
New Water Treatment Plant					
Wright Patman Study					

Summary

- Dallas Water Utilities is a large, municipally owned regional water/wastewater supplier
 - Self-supporting
 - Costs are driven by infrastructure requirements for both growth and renewal
 - Responsibility for planning for water requirements for service area

- What We've Accomplished
 - Standard & Poor's Ratings Services upgraded Dallas Water Utilities' waterworks and sewer system revenue bonds from a AA+ rating to AAA, the firm's highest rating
 - Recognition by numerous agencies for the Utilities' good work



Appendix

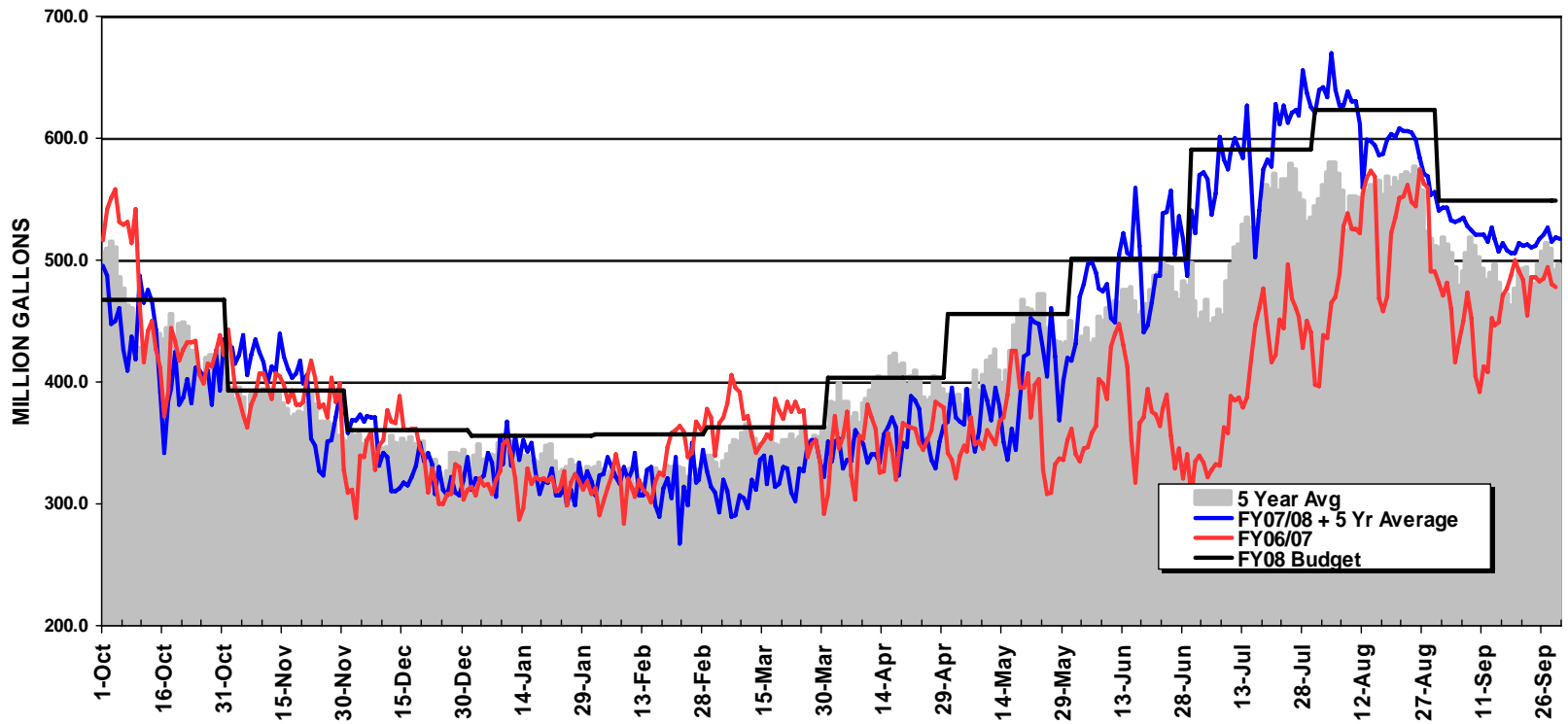
FY2008-09 Proposed Budget Submission Analysis

	<u>FY 2008 Adopted</u>	<u>FY 2008 Estimate*</u>	<u>FY 2009 Proposed</u>	<u>(Decrease)/ Increase</u>	<u>Percent Change</u>
Salaries and Benefits	\$ 82,473,248	\$ 77,523,859	\$ 83,886,079	\$ 1,412,831	1.7%
Power and Light; Fuel	46,495,026	42,246,526	47,718,442	\$ 1,223,416	2.6%
Chemicals	16,796,522	17,026,828	20,125,859	\$ 3,329,337	19.8%
Other Supplies	23,727,486	23,978,227	25,795,516	\$ 2,068,030	8.7%
Professional & Contractual Svcs	4,139,020	4,346,101	9,102,500	\$ 4,963,480	119.9%
General Fund: CIS, City Forces, GFICR	21,694,188	20,399,383	26,131,620	\$ 4,437,432	20.5%
Payment in Lieu of Taxes	3,000,000	3,000,000	6,000,000	\$ 3,000,000	100.0%
Street Rental	16,244,000	15,043,188	16,734,000	\$ 490,000	3.0%
Other Services	26,519,554	25,476,593	23,499,058	\$ (3,020,496)	-11.4%
Non-fleet Equipment	1,016,425	1,117,876	1,879,288	\$ 862,863	84.9%
Reimbursements	(3,778,969)	(3,339,168)	(2,389,823)	\$ 1,389,146	-36.8%
Equipment	2,083,342	1,761,329	2,361,227	\$ 277,885	13.3%
Debt Service	179,425,289	178,707,307	181,507,077	\$ 2,081,788	1.2%
Transfer for Pension Obligation Bonds	5,322,665	5,322,665	5,532,874	\$ 210,209	3.9%
Transfers to Construction	<u>64,027,499</u>	<u>53,587,887</u>	<u>63,275,000</u>	<u>\$ (752,499)</u>	<u>-1.2%</u>
	\$ 489,185,295	\$ 466,198,601	\$ 511,158,717	\$ 21,973,422	

*Estimate as of June FTA

Dallas Water Utilities System

Daily Water Consumption (FY07 and FY08)



Projected to year end for FY08 using five year average = 155BG

Recognitions

- The National Association of Clean Water Agency awarded Dallas Water Utilities the National Environmental Achievement Award for excellence in the Public Information & Educational Category for its Grease Abatement Program
- **Water Treatment Plant (WTP) Awards**
 - Elm Fork, East Side and Bachman WTP received AWWA Partnership for Safe Water Director's awards for meeting optimization goals
 - Elm Fork is one of only 3 plants in the U.S. to receive a 10 year Director's award for meeting the standards for 10 consecutive years
 - All three plants are recognized for attaining optimized treatment in the TCEQ Texas Optimization Program
- **Wastewater Treatment Plants (WWTP)**
 - Southside received the Environmental Protection Agency (EPA) Clean Water Act Recognition Award for Exemplary Biosolids Management.
 - Central and Southside WWTP received Municipal Wastewater Treatment Plant of the Year Award from The Texas Water Environment Federation
 - Central and Southside WWTP received the Platinum Peak Performance Award from the National Association of Clean Water Agencies for consistent environmental compliance
- **Conservation Program**
 - Received Water Mark Awards from Texas American Water Works Association & Water Environment Federation for the following:
 - 2006 – The “Dew” Mascot Program (his development and election)
 - 2007 – The Environmental Education Initiative Program (School program in DISD and Richardson ISD for Dallas school kids)
 - 2007 – The “Dew” television spot (concept and artwork developed by a DISD student and production donated by Janimation, Inc.) video “DEW Helps Kids Save Water”

Retail Rates

Proposed Rate Adjustment Impact to Residential Water and Sewer Bills

Customer Usage in Range	Average Bill at Current Rates	Proposed Increase	% Increase	Number of Customers Impacted	% of Customers in Range
0 to 4,000 gallons	\$15.93	\$0.53 ^a	3.3%	61,659	24.4%
4,001 to 10,000 gallons	\$41.10	\$2.21 ^b	5.4%	96,791	38.3%
10,001 to 15,000 gallons	\$55.66	\$3.52 ^c	6.3%	36,764	14.5%
Above 15,000 gallons (Includes conservation tier rate)	\$132.49	\$11.93 ^d	9.0%	<u>57,655</u>	<u>22.8%</u>
Total				252,869	100.0%

Data based on January 2006 through December 2006 usage

^a Average water and sewer use: 1,575 gallons

^b Average water and sewer use: 5,851 gallons

^c Average water use 10,813 gallons and sewer use: 6,200 gallons

^d Average water use 28,719 gallons and sewer use: 6,200 gallons

The FY09 overall revenue requirement is 6.3% increase; however, the residential water and wastewater rates are projected to increase 5.9% based on the cost of service study. 77% of residential customers will see an average monthly bill increase of \$3.52 or less

Dallas Water Utilities Monthly Payment Rates

Customer Charge		Current	Proposed	Current	Proposed	Combined	Proposed
		Water	Water	Sewer	Sewer		Combined
5/8	Inch Meter	\$3.90	\$3.90	\$3.49	3.49	\$7.39	\$7.39
3/4	Inch Meter	4.57	4.57	4.09	4.09	\$8.66	\$8.66
1	Inch Meter	6.64	6.64	5.93	5.93	\$12.57	\$12.57
1 1/2	Inch Meter	12.50	12.50	11.17	11.17	\$23.67	\$23.67
2	Inch Meter	19.53	19.53	17.44	17.44	\$36.97	\$36.97
3	Inch Meter	46.88	46.88	41.86	41.86	\$88.74	\$88.74
4	Inch Meter	78.13	78.13	69.76	69.76	\$147.89	\$147.89
6	Inch Meter	156.26	156.26	139.51	139.51	\$295.77	\$295.77
8	Inch Meter	261.74	261.74	233.69	233.69	\$495.43	\$495.43
10	Inch Meter or larger	398.47	398.47	355.76	355.76	\$754.23	\$754.23

Usage Charge per 1,000 gallons

	Current	Proposed	Current	Proposed
	Water	Water	Sewer	Sewer
Residential				
Up to 4,000 gallons	1.41	1.50	3.93	4.19
4,001 to 10,000 gallons	2.57	2.80	3.93	4.19
10,001 to 15,000 gallons	3.55	3.92	3.93	4.19
Above 15,000 gallons	4.52	5.02	3.93	4.19
General Services				
Up to 10,000 gallons	1.70	1.95	2.45	2.62
Above 10,000 gallons	2.20	2.39	2.45	2.62
Above 10,000 gallons for use more than 1.4 times annual monthly average	3.30	3.52	2.45	2.62
Optional General Services				
1st million gallons or less (minimum)	1,450.00	1,548.12	2.36	2.55
Above 1 million gallons (per 1,000 gallons)	1.85	1.97	2.36	2.55

Proposed rates effective Oct. 1, 2008

Recommended Fee Changes for FY09

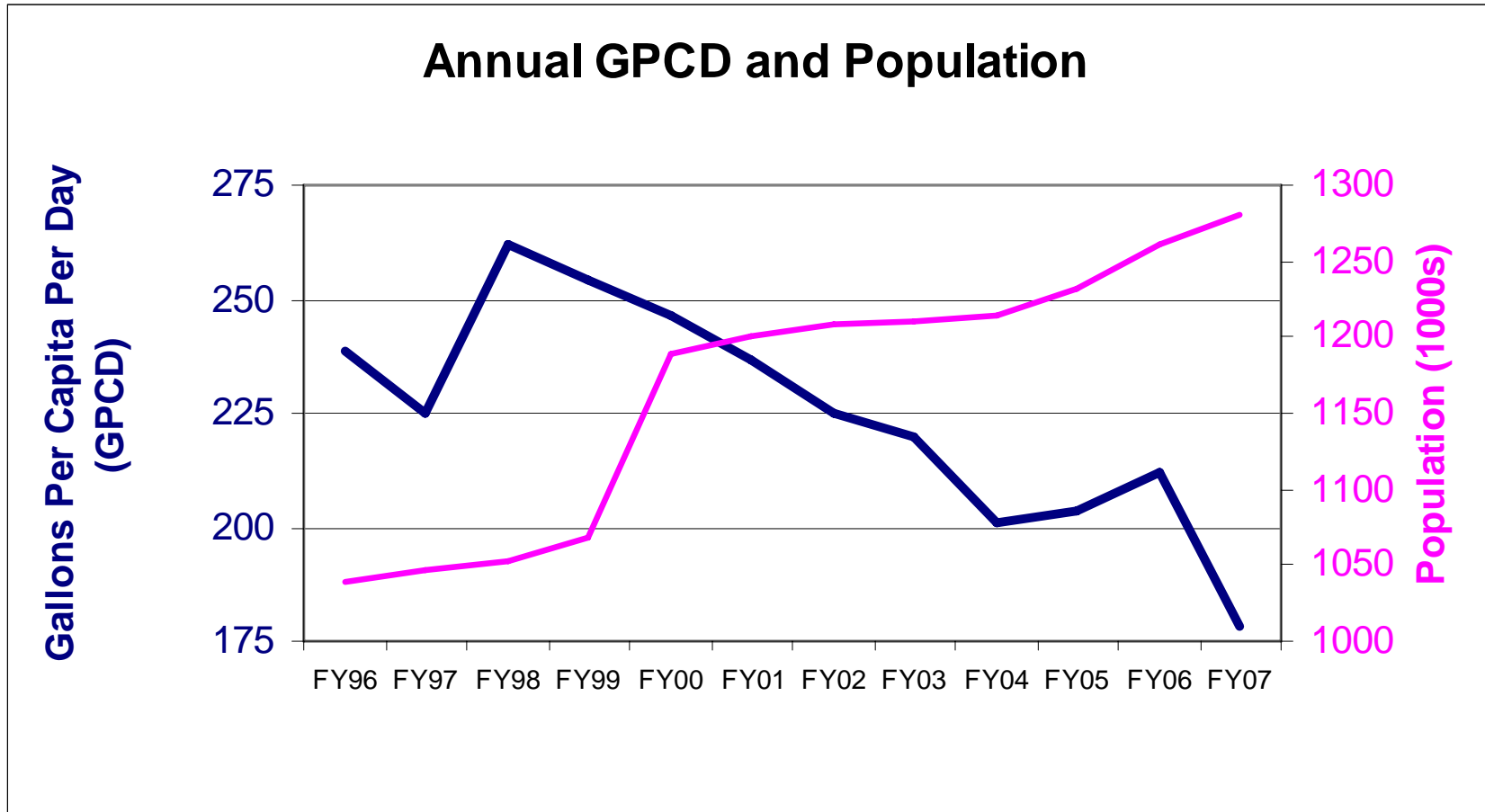
	<u>Existing Fee</u>	<u>Proposed Fee</u>
<u>Surcharge Rates</u>		
1. Biochemical Oxygen Demand	\$2.00160	\$2.21010
2. Total Suspended Solids	\$1.20680	\$1.33440
<u>Untreated Water Contracts</u>		
3. Short term contracts	\$63.00	\$225.00
4. Long-term contracts	\$365.00	\$385.00
<u>Backflow Prevention Devices</u>		
5. Backflow device inspection	\$45.00	\$50.00
6. Each additional device at site	\$40.00	\$45.00
<u>Discontinuance Charges</u>		
7. Temporary discontinuance charge	\$4.50	\$25.00
<u>Fire Flow Test Fee</u>		
8. Fire flow test	N/A	\$150.00
<u>Development Review Fees</u>		
9. Design review for >100 ft. of construction	\$700.00	\$1,050.00
10. Design review for <100 ft. of construction	\$200.00	\$300.00
11. Each additional design review	\$200.00	\$300.00

Conservation

Conservation Efforts

- Conservation measures adopted by the Council in Oct 2001 have been positive
 - Dallas saved over 70 billion gallons of water since 2001
 - GPCD has been reduced approximately 24.5% from FY01 to FY07
 - As a result, Dallas has been able to mitigate the impact of drought weather conditions on water supply
- Five Year Strategic Plan adopted in April 2005
 - Goals designed to achieve an average 1% per year reduction in gallons per capita per day over five years
- Dallas continues to aggressively pursue conservation strategies
 - Time-of-day watering restrictions extended from April 1 to October 31 annually
 - Previously, time-of-day watering restrictions were June 1 – Sep 30 annually
 - Over 3,900 toilets replaced in FY08 through rebate program resulting in 18 million gallons of water saved annually
- 25% of future water will be met by conservation and reuse

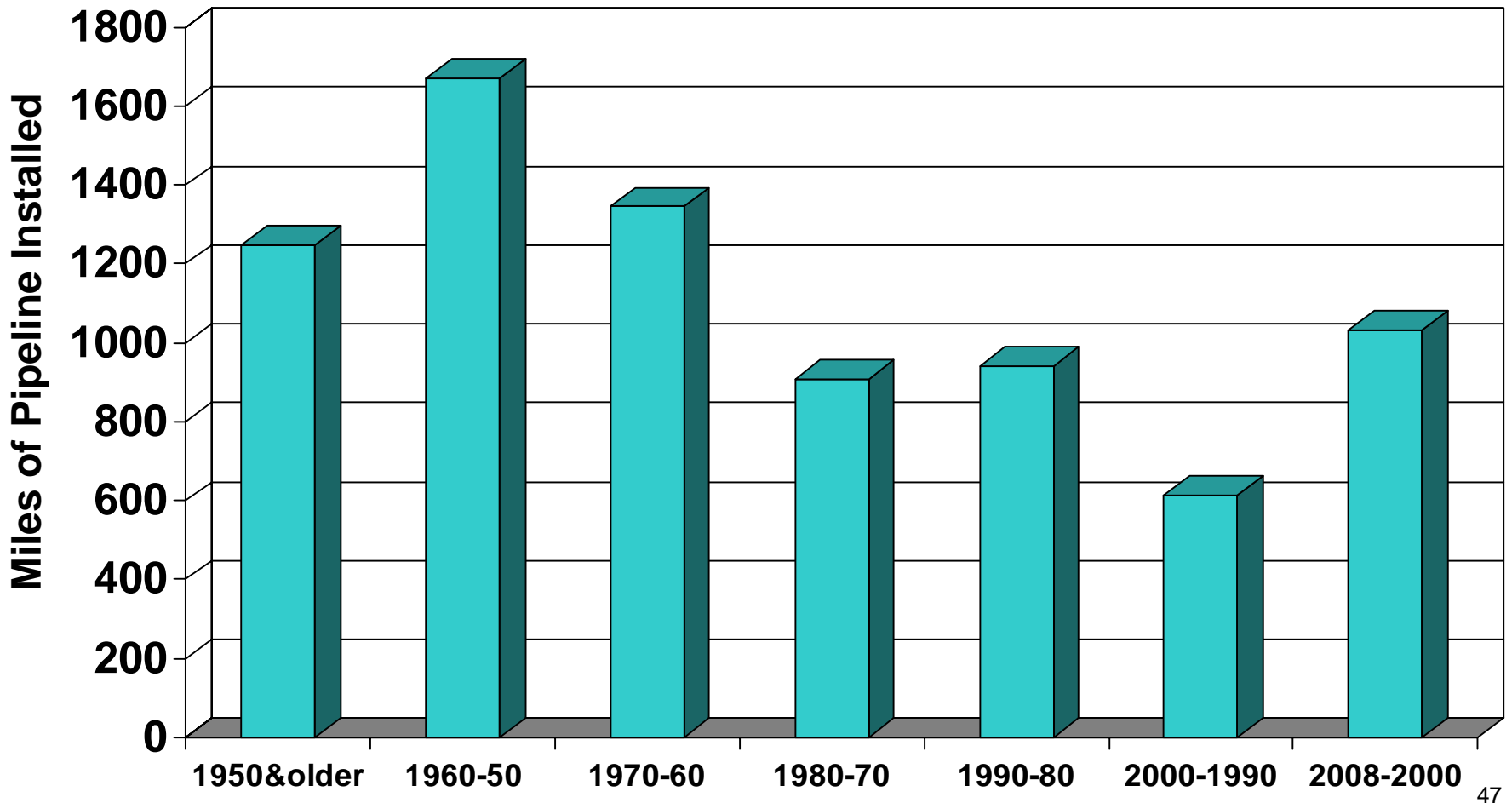
Dallas' GPCD and Population



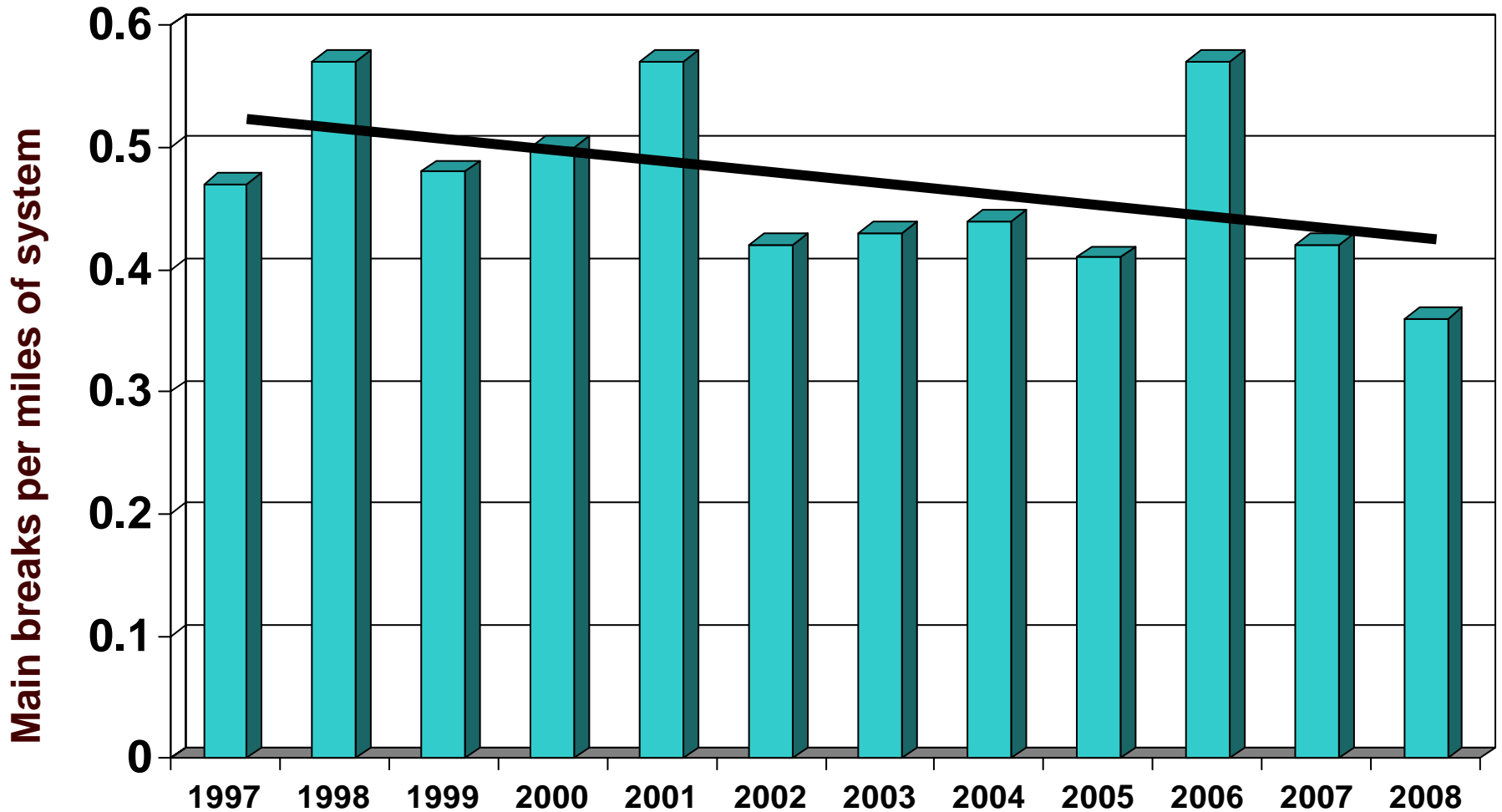
While Dallas has made strides with conservation, additional work is needed.

Water & Wastewater Pipeline System

Age of Dallas Water & Wastewater Pipeline System (9,000 Miles Combined)

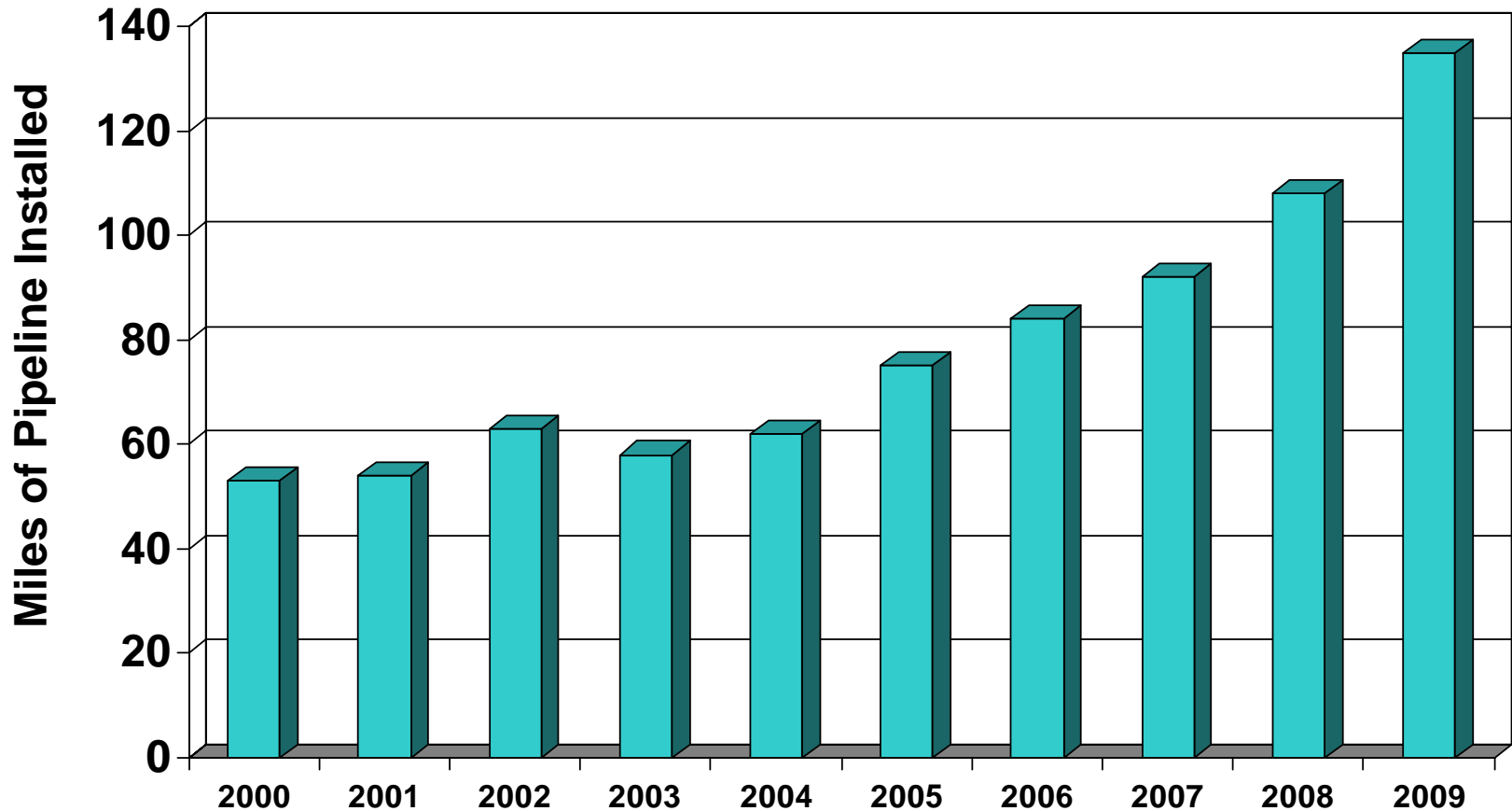


Trends in Main Breaks

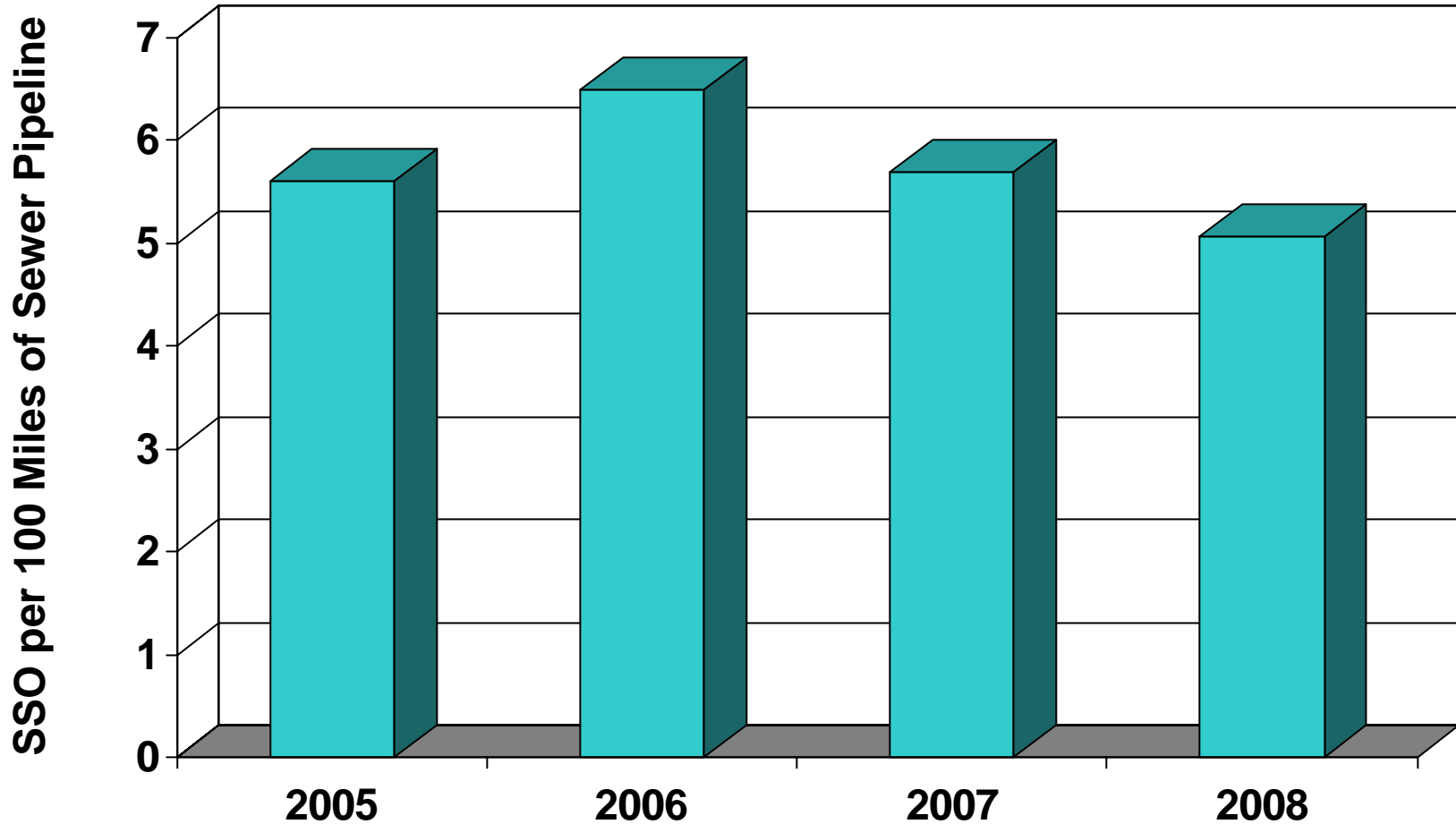


Note: 2008 is projected to year end

Water and Wastewater Pipeline Replacement Rate



Sanitary Sewer Overflows per 100 Miles



Note: 2008 is projected to year end

**CITY OF DALLAS WATER UTILITIES DEPARTMENT
CAPITAL IMPROVEMENT NEEDS
FISCAL YEAR 2008-09**

	FY 09
Rehabilitation and Replacement of Deteriorated Infrastructure	
Provides for rehabilitation and replacement of water and wastewater facilities and infrastructure	
Water Main Replacements Design and Construction	\$71,425,000
Sewer Main Replacements Design and Construction	\$57,995,000
Water Facilities Maintenance	
Bachman Water Treatment Plant - Sludge Handling and Disposal Lagoon	\$2,000,000
Customer Cities Meter Assessments and Improvement	\$500,000
Elm Fork Water Treatment Plant - Misc Improvements - Design & Construction	\$600,000
Elm Fork Water Treatment Plant - Pump Station A Improvements and Ozone	\$1,000,000
Elm Fork Water Treatment Plant - Rehab Pump Station 1	\$650,000
Geotechnical / Material Testing	\$120,000
Highlands Elevated Tank Rehab	\$1,000,000
Iron Bridge Pump Station Rehab	\$1,200,000
Lone Star Pump Station Demolition	\$500,000
SAP - Work Order System Implementation - Water	\$2,500,000
Water Facilities Repairs and Rehabilitation	\$3,500,000
Water Facilities Security Improvements	\$200,000
White Rock Pump Station Control Center SCADA Replacement	\$7,000,000
Wastewater Facilities Maintenance	
Central Wastewater Treatment Plant - Complex A Modifications Pilot	\$250,000
Central Wastewater Treatment Plant - Electrical Improvements	\$3,000,000
Southwest Service Center Rehabilitation	\$250,000
Southside Wastewater Treatment Plant - Maintenance Facility	\$600,000
Southside Wastewater Treatment Plant - Misc. Improvements	\$4,000,000
Southside Wastewater Treatment Plant - Rough Screens	\$550,000
Southside Wastewater Treatment Plant - Dewatering Facility Improvement	\$39,000,000
Wastewater Treatment Plant Security Improvements	\$500,000
SAP - Work Order System Implementation - Waste Water	\$2,500,000
Geotechnical / Material Testing	\$430,000
Wastewater Facilities Repairs and Rehabilitation	\$3,500,000
Total	\$204,770,000
Regulatory	
Compliance with new and revised state and federal requirements	
Bachman Water Treatment Plant - Water Quality Improvements	\$700,000
Eastside Water Treatment Plant - Water Quality Improvements	\$1,000,000
Elm Fork Water Treatment Plant - Water Quality Improvements	\$800,000
Wastewater Treatment Plants Risk Management Plans and Stormwater Updates	\$100,000
Wastewater Treatment Plant Permits Renewal	\$20,000
Total	\$2,620,000
Utility Relocations	
Supports GO Bond Program by providing for relocations and replacement of water and wastewater mains in advance of paving projects	
Total	\$23,680,000
Customer Usage	
Provides for water and wastewater system enhancements to meet increase in customer demand, improve system efficiency, provide new customer extensions and promote development activities	
Homeowners Extensions and Development Support	\$1,320,000
Bachman Water Treatment Plant Improvements	\$8,300,000
Direct Reuse Expanded Customers	\$2,000,000
East Side Pipeline to Southwest City	\$10,000,000
Eastside Water Treatment Plant - Construction Management Services and Change Orders	\$2,300,000
Eastside Water Treatment Plant - Headworks & Chemical Improvements	\$49,000,000
Lake Palestine Right of Way	\$250,000
Multi Source Water Supply Option - Initial Model Development	\$50,000
Right of Way for Third Tawakoni Pipeline	\$500,000
Sabine Basin Long Range Water Supply Alternatives	\$375,000
Shady Trail Wastewater Relief Improvements	\$6,000,000
Update to the Long Range Water Supply Study	\$500,000
Water Planning and Hydrologic Studies	\$450,000
Wintergreen Pump Station	\$2,000,000
Water and Wastewater Service Pipeline Installations	\$5,000,000
Customer Growth and Development Improvements	\$885,000
Total	\$88,930,000
Proposed Capital Improvements	\$320,000,000