DATE: July 26, 2024

TO: Peter Zanoni, City Manager

FROM: Eddie Houlihan, Director of the Office of Management and Budget
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FY 2025 Budget Workshop: Including Water and Wastewater

STAFF PRESENTER(S):

Name	Title/Position	Department
1. Drew Molly	Chief Operating Officer	Corpus Christi Water

ISSUE:

This is the first of five City Council workshops to discuss the FY 2025 Proposed Operating and Capital Budget. The topics for the first workshop include Water and Wastewater.

BACKGROUND INFORMATION:

A briefing on the FY 2025 Proposed Budget was presented to the Mayor and City Council on July 30, 2024. The FY 2025 Proposed Budget focuses on City Council and community priorities including public safety, street reconstruction/maintenance, and maintaining equitable and competitive wages plus affordable healthcare benefits for employees.

A series of five City Council budget workshops are scheduled to be held from August 1 to August 29. At these sessions, City staff will review in detail the budget proposals with the Mayor and City Council. Additionally, there will be seven public input sessions to be held from August 5 to August 21. The budget is scheduled to be adopted on September 10, 2024, for the City's fiscal year which begins on October 1.

The first budget workshop will be held on Thursday, August 1, 2024, at approximately 11:00 am. At the workshop, the City Council will be presented with the FY 2025 Proposed Budget for Water and Wastewater, to include rate recommendations.

Water and Wastewater:

The focus of Corpus Christi Water (CCW) is 24-hour daily utility operations to provide clean and dependable water and wastewater services to customers. This entails reliable delivery of safe potable water and raw water to customers in addition to the collection, treatment, and disposal of wastewater.

Rate changes are proposed for Water and Wastewater in FY 2025. The proposed rate changes achieve the City's goal of establishing a more equitable rate structure. A typical water residential customer using 6000-gallons of water a month will see a monthly decrease of $1.77. The monthly increase for a typical residential Wastewater customer with a 5000-gallon winter quarter average will be $4.68. The net impact of these two is an increase of $2.91 per month.

The FY 2025 combined Proposed Operating and Capital Budget for the Water and Wastewater Departments is $988.8 million and includes funding from the Water Fund, Wastewater Fund and Capital Improvement Program. Below is a summary of the funding and position counts that would be authorized by the FY 2025 proposed budget.

FUND	FY 2024 PROPOSED BUDGET	AUTHORIZED POSITIONS
Water Fund	$175,478,101	330
Wastewater Fund	113,489,674	260
Capital Projects (includes street support)	699,858,216	-
Total	$988,825,991	590

The FY 2025 budget reflects Corpus Christi Water's (CCW) focus on maintaining its commitment to provide the highest level of service while minimizing inflationary impacts. CCW has requested no new positions in the proposed budget.

Water FY 2025 Proposed Capital Budget includes $293 million for the maintenance and expansion of our water sources and supply which includes the first year of design-build funding for the new drought-resistant Inner Harbor Desalination Plant, $116 million for significant improvements to the O.N. Stevens Water Treatment Plant to increase treatment capacity and improve operational resiliency. Also included is $108 million in infrastructure and facility improvement programs that will continue to focus on pipe replacement and upgrades to existing assets.

Wastewater FY 2025 Proposed Capital Budget includes $85 million for continued expansion and improvements to the six wastewater treatment plants, $40 million for the repairs and improvements at over 100 lift stations and operation facilities and $58 million for collection system infrastructure.

LIST OF SUPPORTING DOCUMENTS:

PowerPoint - not attached
- Water and Wastewater