

FISCAL YEAR
2024-2025
PROPOSED
OPERATING
BUDGET

PRESENTED TO CITY COUNCIL
ON JULY 30, 2024



CITY OF CORPUS CHRISTI
CITY MANAGER
PETER ZANONI

CCW Corpus
Christi WaterSM
Serving the Coastal Bend

FY2024-2025 PROPOSED BUDGET

Presented by
Drew Molly, P.E.
Chief Operating Officer

August 1, 2024

FY2024-2025 Proposed Budget

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NewGen**

WATER

- FY 2024 Achievements ----- Drew Molly

- Proposed Water Fund Budget

- Capital Improvement Projects

**Proposed Water Rates ----- Andy McCartney
NewGen**

Corpus Christi Water

An Enterprise Fund

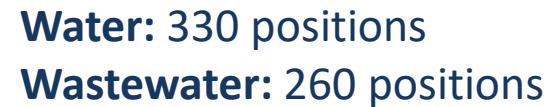


- An Enterprise Fund is a fund used to account for continuing operations which provide services to the general public that are similar to a private business enterprise in nature
- Self-sustainability is a key characteristic of an enterprise fund. These funds are designed to account for financially independent services that cover their operating expenses and capital costs primarily through user fees
- Corpus Christi Water is not supported by The City's General Fund

Mission Statement

For 130 years, the City of Corpus Christi has been vital as the water supplier of the region. Our commitment to 500,000 residents across the Coastal Bend is to plan, produce and deliver water that is affordable, drought-proof, sustainable, and reliable.





Surface Water Sources

Volume and Infrastructure



Choke Canyon Reservoir	662,821 acre-ft
Lake Corpus Christi	256,339 acre-ft
Lake Texana	31,440 acre-ft
Lower Colorado River	35,000 acre-ft
Mary Rhodes Pipeline	141 Miles



Inner Harbor Seawater Desalination Treatment Plant



- Total Project funding of \$757M secured through the Texas Water Development Board (TWBD) State Water Implementation Fund (SWIFT)
- Received a Water Rights Permit in Oct 2022, a Draft Discharge Permit in Dec 2023, and continuing to advance the United States Army Corps of Engineers Permit
- Will receive a technical and cost proposal through an RFP process from the following firms:
 - Kiewit
 - Corpus Christi Desal Partners: Acciona and Mas Tec
 - Corpus Christi Desalination Team: CDM Smith and PLW Waterworks
- Property secured through an agreement with Flint Hills Resources
- Site power has been established through an agreement with AEP
- Pursuing up to \$180,000,000 of grant funding through the Bureau of Reclamation
- Inner Harbor Seawater Desalination Plant set to be completed by 2028



About Corpus Christi Water

A Superior-Rated Water System



- 4 Surface Water Sources
- 1 Water Treatment Plant (ONSWTP)
- 1 Water Quality Laboratory
- 7 Elevated Storage Tanks
- 3 Repump Stations
- 1,821 Miles of Water Distribution Pipelines
- 100,000 Water Connections
- 1,512 Miles of Water Service Lines
- 6 Wastewater Treatment Plants (WWTP)
- 1,268 Miles of Wastewater Pipelines
- 107 Lift Stations
- 95,000 Wastewater Connections
- 1,381 Miles of Wastewater Service Lines



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Christi Water
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WASTEWATER FUND

August 1, 2024

FY 2024 Achievements

Wastewater



- **\$111M process upgrades to Oso WWTP to modernize ammonia removal process, lower operation costs, and increase plant capacity to 18MGD**
- **Substantial completion achieved on \$21M project to upgrade the Allison WWTP**
- **Substantial completion achieved on \$15M project to upgrade Whitecap WWTP**
- **\$1.6M City-wide SCADA ongoing upgrade**
- **Continued inspection, cleaning, and preventative maintenance of the collection system**



Consent Decree



OVERVIEW

- 15-year program, started in Jan 2021
- EPA sued the City of Corpus Christ for failure to comply with the Clean Water Act

FY 2024 GOALS MET

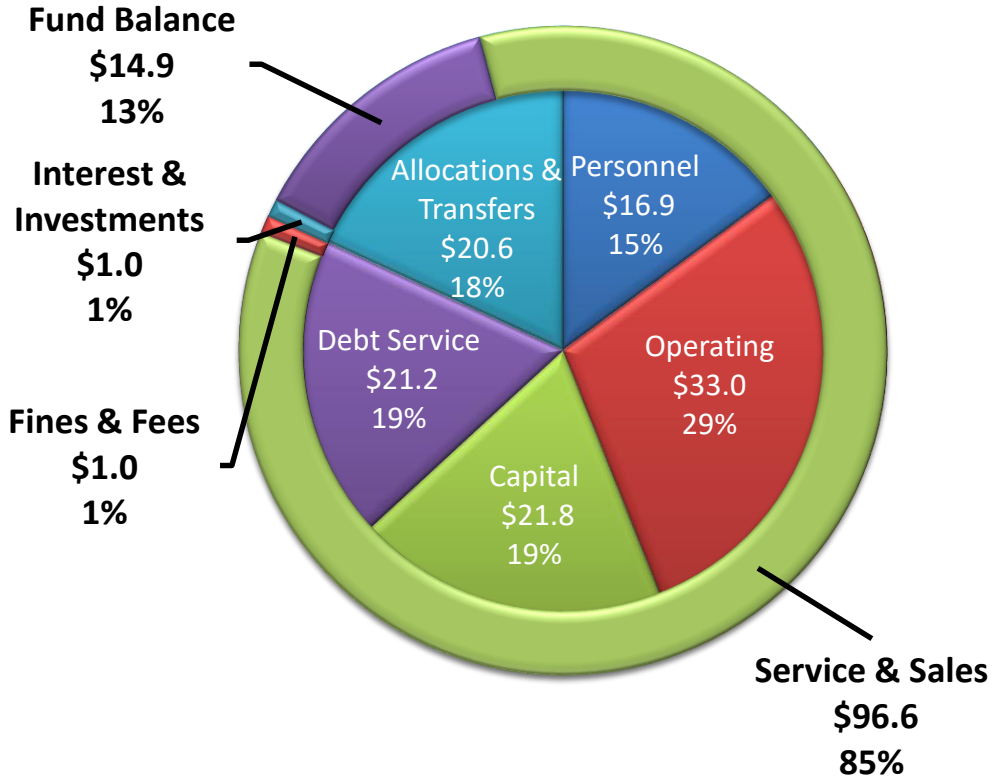
- Initiate pre-design and design for large capacity constraint projects (Hewitt & Santa Fe and Blucher Park)
- Continue to manage and design infrastructure improvements through various IDIQ contracts
- Replacement of 49,604 feet of wastewater gravity line by pipe bursting with 19,000 linear feet scheduled for the remainder of the fiscal year
- 341 manholes were rehabilitated by CCW crews and our IDIQ contractors

Consent Decree Actions	Total to Date	4-Year Goal	% of goal
Sewer Line Cleaning	782 Miles	596 Miles	131%
Sewer Line Inspection	490 Miles	450 Miles	109%
Force Mains Inspection	138	138	100%
Air Relief Valve Inspection	508	251	202%
Lift Station Inspection	196	102	192%

FY 2025 PROPOSED BUDGET WASTEWATER FUND: \$113.5M



\$ in Millions



Fund 4200 Wastewater	FY24 Budget	FY25 Budget	Variance FY24 vs FY25
Revenues	\$85.7	\$98.6	\$12.9
Expenditures	\$85.3	\$113.5	\$28.2



Positions	FY24	FY25	FY24 to FY25
Wastewater	260	260	----

Year-Over-Year Costs

(\$ in Millions)



Wastewater	FY 2024	FY 2025	Variance	% Increase	Notes
Personnel	\$16.7	\$16.9	\$0.2	1.2%	Annual Salary Costs
Operating	\$31.6	\$33.0	\$1.4	4.4%	Chemicals, Materials and Electricity Costs
Capital	\$8.4	\$21.8	\$13.4	159.5%	\$6M Additional cash funding for capital projects \$7.4M Developer Trust Fund contribution
Debt	\$20.0	\$21.2	\$1.2	6.0%	FY24 new debt issuance costs
Allocations & Transfers	\$8.6	\$20.6	\$12.0	139.5%	Transfer to Water to support 100% of legacy Storm Water debt service payment for FY25
TOTAL (Less One-Time)	\$85.3	\$88.1	\$2.8	3.3%*	Less: \$12M legacy Storm Water debt \$6M additional CIP cash funding \$7.4M Developer Trust Fund
TOTAL	\$85.3	\$113.5	\$28.2	33.1%	



*CPI increase for Water & Sewerage maintenance
(June 2023 to June 2024): 5.0%

Wastewater Services

(\$ in Millions)



Wastewater	FY 2024	FY 2025	% Change
Treat Wastewater	\$26.3	\$27.4	4.2%
Maintain and Repair Wastewater Collection	\$20.0	\$20.1	0.5%
Manage Lift Stations	\$6.4	\$6.6	3.1%
Debt Service	\$20.0	\$21.2	6.0%
Utility Business Office and Support Services	\$7.3	\$7.2	-1.4%
Transfer to Other Funds (General Fund, CIP, Developer Trust, Water)	\$5.3	\$31.0	484.9%
TOTAL	\$85.3	\$113.5	33.1%



Wastewater FY 2024 CIP Progress



Wastewater	# of Projects	Adopted Budget	# of Projects On Schedule	# of Projects Delayed	% of Projects On Schedule	Budget of Projects On Schedule	Budget of Projects Delayed	% of Budget On Schedule
Wastewater Treatment Plants Projects	11	52,867,328	10	1	91%	46,537,328	6,330,000	88%
Wastewater Lift Stations Projects	6	14,160,000	6	0	100%	14,160,000	-	100%
Wastewater System Maintenance Projects	10	31,579,000	6	4	60%	23,379,000	8,200,000	74%
Wastewater Other Projects	5	27,669,565	3	2	60%	18,660,788	9,008,777	67%
TOTAL	32	\$126,275,893	25	7	78%	\$102,737,116	\$23,538,777	81%



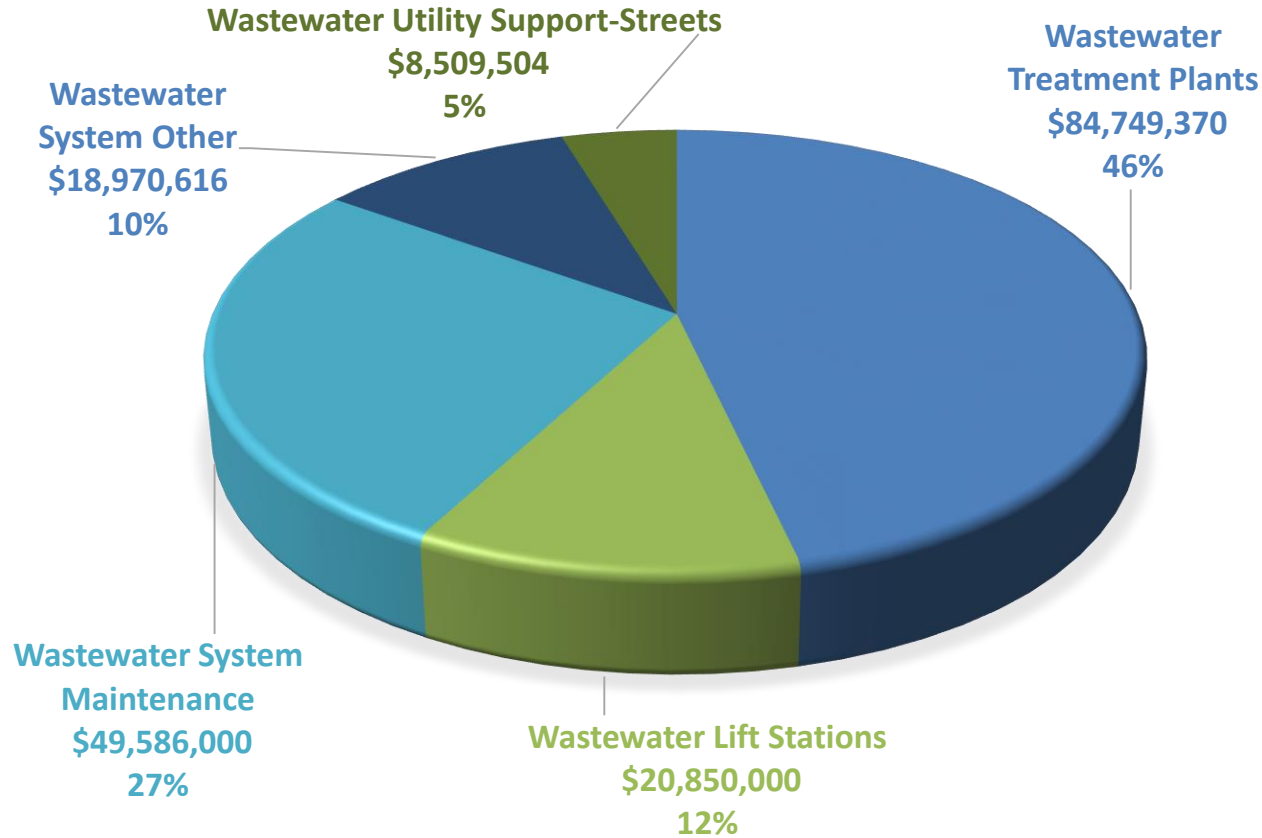
Wastewater FY 2024 CIP Progress

Delays



Wastewater	Status	Notes
Broadway WWTP Third Clarifier	Delayed	Projected bid in Sept. 2024 with construction agreement going to council in first quarter of FY25.
Wastewater Backup Generators	Delayed	Delay due to grant funding of CDBG-MIT
Water Street WW Line Improvements	Delayed	Project moved back one year to utilize TIF funding and to align with the coordinating water project.
Up River Rd WW Force Main Improvements	Delayed	Project moved to Long-Range to coordinate with the Public Works Department and a future street reconstruction project.
Twin 36-inch Wastewater Main Rehabilitation	Delayed	The scope was re-defined to include additional work including the Cured-in-Place-Pipe (CIPP) lining of a wastewater line on McBride. The additional scope will result in increased competition and more competitive pricing for the overall project. Project to bid in FY25.
Williams Lift Station Force Main	Delayed	Changes on the Lift Station Rehabilitation project delayed the bidding of this force main project but will result in a more effective construction schedule. Project expected to bid Fall 2024.
WWTP Operation & Control Centers	Delayed	Additional review and design required due to cost escalation and value engineering. Project to bid early 2025.

FY 2025 Wastewater Proposed CIP: \$182.7M



**Continuation of Strategic Plan
to Upgrade Wastewater
Treatment Plants, Lift
Stations, and the Collection
System**

Wastewater FY 2025 Proposed CIP



Wastewater	# of Projects	# of Projects from Long-Range moving to Short - Range	# of New Projects	# of Projects from FY24 (Delayed)	# of Project from FY24 (On Schedule)	FY25 Proposed CIP Budget
Wastewater Treatment Plants Projects	7	-	-	1	6	84,749,370
Wastewater Lift Stations Projects	4	-	-	1	3	20,850,000
Wastewater System Maintenance Projects	11	2	-	3	6	49,586,000
Wastewater Other Projects	7	-	2	2	3	27,480,120
TOTAL	29	2	2	7	18	\$182,665,490

New Projects in FY25 Proposed Short-Range Plan	Status
Allison Basin Trunk Main Replacement (Not scheduled until FY27)	From Long-Range
Laguna Shores Force Main Rehabilitation/Replacement (Not scheduled until FY27)	From Long-Range
Wastewater - Old Broadway Plant Site Improvements	New
Wastewater - Developer Trust Fund Projects	New



Stakeholder Engagement



- **Regional Wholesale Customer (RWC) Quarterly Meetings**
 - SPMWD, Violet, Port Aransas, STWA, Mathis, Alice, Beeville
 - March 2024
 - June 2024
- **Coastal Bend Industrial Association (CBIA) Quarterly Meetings**
 - Feb 2024
 - May 2024
- **Budget & Drought Contingency Meetings**
 - Week of July 17 - RGC and CBIA
 - Week of July 26 - RGC and CBIA

FY25 Proposed Water and Wastewater Rates



FY24 Recommendations	FY24 Adopted	FY25 Proposed
Water Volume rates OCL=ICL	Water Volume rates OCL = ICL	NO ACTION NEEDED
Meter Equivalency Units - AWWA standard	Meter Equivalency Units - AWWA standard	ACTION NEEDED
Wastewater Volume rates RES=COMM	Wastewater Volume rates RES=COMM	Wastewater Volume rates OCL=ICL
Water Minimums OCL=ICL	NOT RECOMMENDED IN FIRST YEAR	Water Minimums OCL=ICL
Cost of Service methodology for rate study	FY24 revenue by customer class moves closer to cost of service	FY25 Proposed revenue by customer class moves even closer to cost of service
Increase cash funding ('PayGo') for CIP projects related to repair and replacement	\$2.5m budgeted for Water and Wastewater CIP cash funding	\$16m budgeted for Water and Wastewater CIP cash funding
Legacy Storm Water debt paid from Water Fund Balance	Legacy Storm water debt paid from Water Fund Balance	Legacy Storm water debt paid 50% from WW Fund Balance, 50% from WW ICL Minimum Charge
Desalination costs	Desalination costs offset by Drought Surcharge Exemption Fund \$521,000	Desalination costs offset by Drought Surcharge Exemption Fund \$6.2m



August 1, 2024

CORPUS CHRISTI WATER WATER AND WASTEWATER COS/RATE STUDY PROPOSED RESULTS FOR CORPUS CHRISTI CITY COUNCIL



AGENDA



2025 Project Team



Approach



Draft COS/Rate Study Results

2025 Project Team



Andy McCartney,
CPA, MBA

Principal

Project Manager

- Main point of contact
- Chair of AWWA's R&C
- Project Management
- Technical expertise



Richard Campbell

Managing Director – W/WW

**Project Director and QA/QC
Advisor**

- QA/QC of Deliverables
- Presentations to Staff/
Committees / Council



Aidan Oates, MEM

Consultant

Project Consultant

- Analysis/Model
development
- Rate design
- Bill impacts



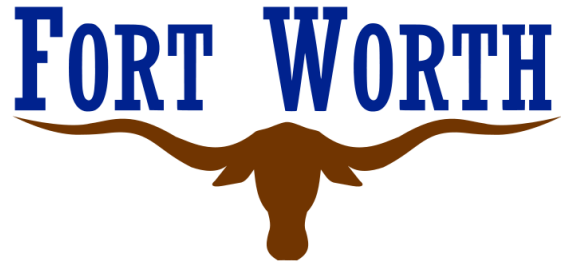
Tia Carnes, MBA

Senior Consultant

Assistant Project Manager

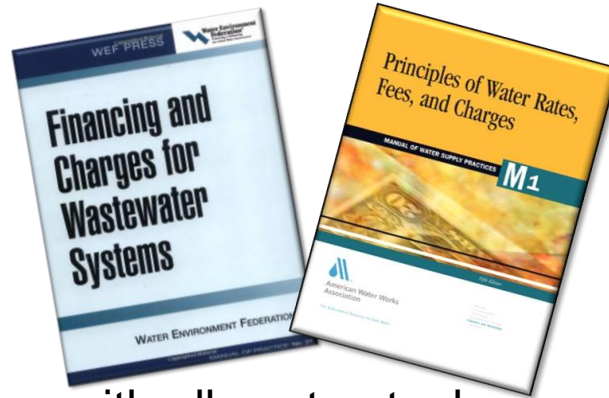
- Analysis/Model
development
- Data management
- Utility billing analysis
- Rate design
- Bill Impacts

Current Clients



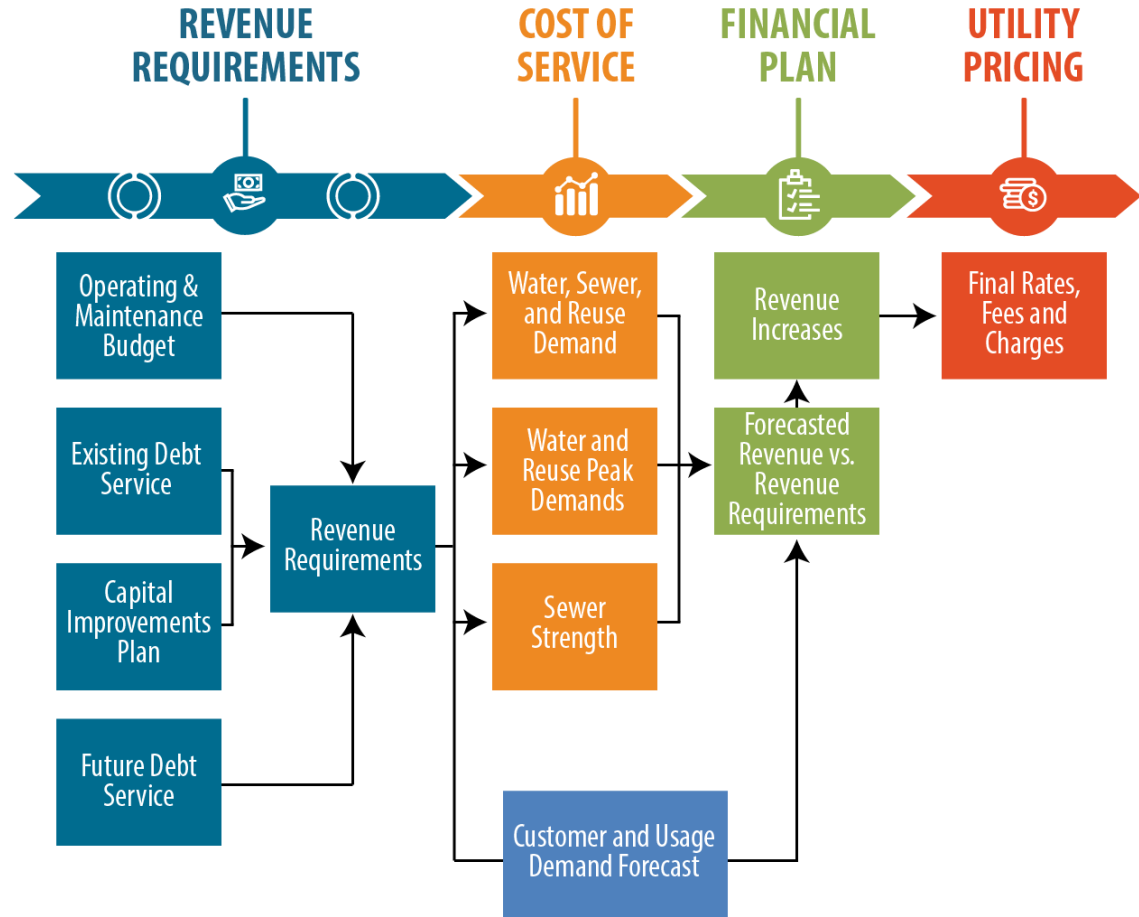
APPROACH TO FY 2025 RATES

- NewGen utilizes the methodologies laid out in the:
 - American Water Works Association M1: Principles of Water Rates, Fees, and Charges
 - Water Environment Federation Manual Of Practice No. 27: Financing and Charges for Wastewater Systems



- Compliance with all contractual agreements and bondholder commitments

APPROACH TO FY 2025 RATES



APPROACH TO FY 2025 RATES

- NewGen utilized the same methodology and same model dynamics as last year's study.
- Net retail revenue requirements allocated to customer classes based on proven cost of service methodology (functionalization / classification / distribution).
- Proposed retail rates for 2025 presented today builds on NewGen's proposed changes last year regarding monthly minimums and volumetric rates.
- Continued phase-in plan moving customer classes towards their cost of service.

FY 2025 DRAFT COS/RATE STUDY RESULTS

WASTEWATER

FY 2025 PROPOSED RATES

WASTEWATER RATE STRUCTURE

Minimum charge

- Includes first 2,000 gallons of water usage

Volume charge per 1,000 gallons

- Residential customer is based on Winter Quarter Average (WQA)
- Commercial and multi-family customers are based on monthly usage

Customer Class	Minimum Charge	Volume Charge	Actual Water Usage	WQA
Residential	X	X		X
Multi-family	X	X	X	
Commercial	X	X	X	

FY 2025 PROPOSED WASTEWATER RATES

- **Volume Charge increase for all customers to cover increasing operating and capital costs**
- **Monthly Minimum Charge increase for Inside City Limit customers to recover a portion of legacy storm water debt**
- **Proposed revenue meets business needs and debt service coverage requirements for FY 2025**

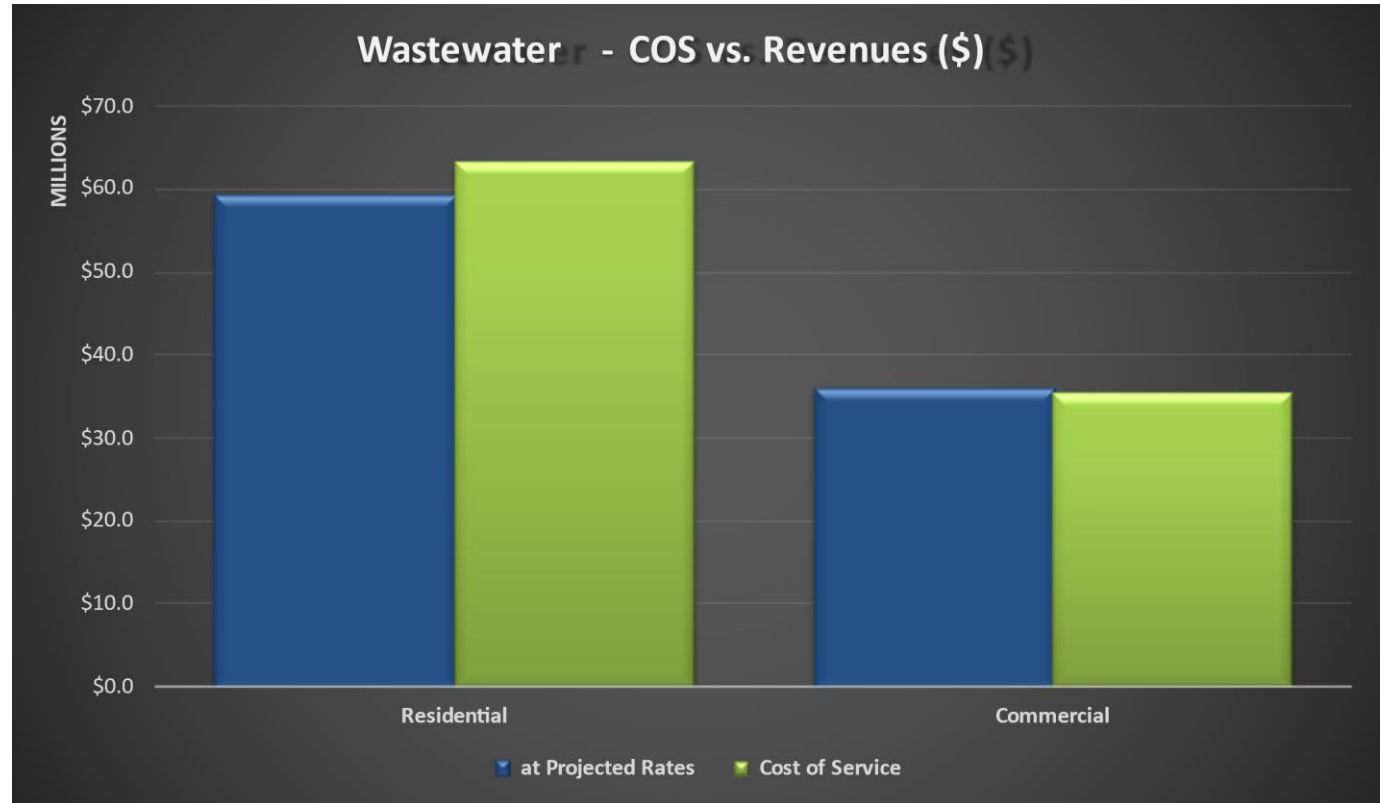
FY 2025 RESULTS FOR TOTAL WASTEWATER SYSTEM

FY 2025 Analysis

	2025 Revenues at Projected Rates	2025 Wastewater Cost of Service	\$ Difference	% Difference
Residential	\$ 59,110,448	\$ 63,329,978	\$ (4,219,529)	-6.66%
Commercial	35,921,997	35,363,042	558,955	1.58%
Totals	\$ 95,032,445	\$ 98,693,019	\$ (3,660,574)	-3.71%

- Commerical class closer to cost of service.
- Phasing in residential class closer to cost of service (using fund balance).

FY 2025 RESULTS FOR TOTAL WASTEWATER SYSTEM



FY 2025 PROPOSED RATES

INSIDE CITY LIMIT – Residential

Charges	Current FY 2024	Proposed FY 2025
Monthly Minimum Charges		
All Meter Sizes	\$ 33.58	\$ 35.11
Volumetric Rate (\$/1,000 Gallons)		
0–2,000 gallons	Free	Free
2,001–25,000 gallons	\$ 7.02	\$ 8.07
25,001+ gallons	\$ -	\$ -

FY 2025 PROPOSED RATES

INSIDE CITY LIMIT – Commercial

Charges	Current FY 2024	Proposed FY 2025
Monthly Minimum Charges		
All Meter Sizes	\$ 46.10	\$ 46.10
Volumetric Rate (\$/1,000 Gallons)		
0–2,000 gallons	Free	Free
2,001+ gallons	\$ 7.02	\$ 8.07

FY 2025 PROPOSED RATES

OUTSIDE CITY LIMIT – Residential

Charges	Current FY 2024	Proposed FY 2025
Monthly Minimum Charges		
All Meter Sizes	\$ 41.99	\$ 30.05
Volumetric Rate (\$/1,000 Gallons)		
0–2,000 gallons	Free	Free
2,001–25,000 gallons	\$ 11.06	\$ 8.07
25,001+ gallons	\$ -	\$ -

FY 2025 PROPOSED RATES

OUTSIDE CITY LIMIT – Commercial

Charges	Current FY 2024	Proposed FY 2025
Monthly Minimum Charges		
All Meter Sizes	\$ 57.63	\$ 39.45
Volumetric Rate (\$/1,000 Gallons)		
0–2,000 gallons	Free	Free
2,001+ gallons	\$ 11.06	\$ 8.07

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WATER FUND

August 1, 2024

FY 2024 Achievements

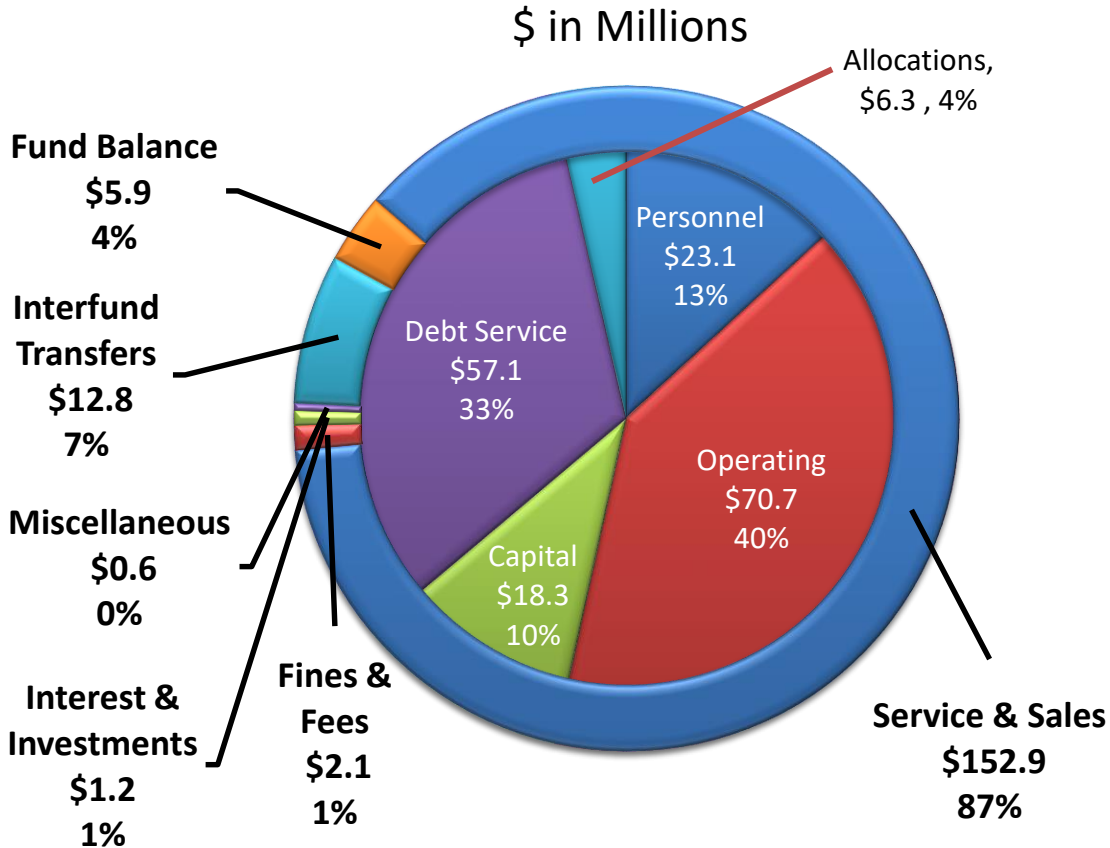
Water



- Awarded \$535 million of SWIFT funding through TWDB for the Inner Harbor Seawater Desalination Plant
- Conducted condition assessment of MRP, leading to increased flow and additional analysis of pumping operations
- Began construction on \$36 million clearwell at ONSWTP
- Began construction on a \$87M Raw Water Effluent project at ONSWTP to increase reliable treatment capacity and resiliency
- Construction of a 3 MG capacity, elevated storage tank in Flour Bluff
- Replaced approximately 60,000 feet of waterline across all projects, including CCW crews, IDIQ contractors, and Capital Projects



FY 2025 PROPOSED BUDGET WATER FUND: \$175.5M



Fund 4010 Water	FY24 Budget	FY25 Budget	Variance FY24 vs FY25
Revenues	\$157.7	\$169.6	\$11.9
Expenditures	\$160.6	\$175.5	\$14.9



Positions	FY24	FY25	FY24 to FY25
Water	330	330	----

Year-Over-Year Costs

(\$ in Millions)



Water	FY 2024	FY 2025	Variance	% Increase	Notes
Personnel	\$22.6	\$23.1	\$0.5	2.2%	Annual Salary Costs
Operating	\$66.5	\$70.7	\$4.2	6.3%	Contractual Obligations, Materials, and Electricity Costs
Capital	\$10.6	\$18.3	\$7.7	72.6%	\$7.5M Additional cash funding for capital projects \$1.8M Developer Trust Fund contribution -\$1.3M in vehicle purchase -\$0.3M in contracted repairs and consultant costs
Debt	\$53.6	\$57.1	\$3.5	6.5%	\$2.6M escrow for SWIFT \$0.9M FY24 new debt issuance costs
Allocations & Transfers	\$7.3	\$6.3	-\$1.0	-13.7%	Decrease in internal allocations
TOTAL (Less One-Time)	\$160.6	\$166.2	\$5.6	3.5%*	Less: \$7.5M additional CIP cash funding \$1.8M Developer Trust Fund
TOTAL	\$160.6	\$175.5	\$14.9	9.3%	



*CPI increase for Water & Sewerage maintenance
(June 2023 to June 2024): 5.0%

Water Services

(\$ in Millions)



Water	FY 2024	FY 2025	% Change
Water resource planning	\$1.9	\$2.0	5.3%
Manage raw water storage	\$17.3	\$18.3	5.8%
Treat water	\$34.8	\$33.9	-2.6%
Maintain & repair water distribution	\$28.6	\$29.6	3.5%
Utility Billing & Customer Service	\$4.5	\$4.3	-4.4%
Utility Engineering & Support Services	\$10.7	\$11.2	4.7%
Debt Service	\$53.6	\$57.1	6.5%
Transfer to Other Funds (General Fund, Streets, CIP, Developer Trust)	\$9.2	\$19.1	107.6%
TOTAL	\$160.6	\$175.5	9.3%



Drought Surcharge Exemption Fund



Drought Surcharge Exemption Fee

- Established in 2018 as a non-mandatory fee to develop a drought-proof water supply
- In addition to utility bill charges, 9 large volume customers using over 100,000 gallons per day pay an optional \$0.25 per 1,000 gallons of water per month
- Annual collections equal \$5 million
- FY25 includes a proposed fee increase from \$0.25 per 1,000 gallons to \$0.31 per 1,000 gallons of water per month, generating additional \$1 million in revenue per year as outlined in City Code Section 55-159.1
- Fund balance at the end of FY24 is estimated at \$24 million
- The fee is projected to generate over \$200 million in the next 30-years for debt repayment support of the Inner Harbor Desalination Plant



Water FY 2024 CIP Progress



Water	# of Projects	Adopted Budget	# of Projects On Schedule	# of Projects Delayed	% of Projects On Schedule	Budget of Projects On Schedule	Budget of Projects Delayed	% of Budget On Schedule
Water Sources projects	4	16,996,326	4	0	100%	16,996,326	-	100%
Water Supply Lines projects	4	14,908,500	4	0	100%	14,908,500	-	100%
Water Treatment projects	16	95,339,000	13	3	81%	85,304,000	10,035,000	89%
Water Distribution Lines projects	18	73,235,442	15	3	83%	61,100,442	12,135,000	83%
Water Facilities and Other projects	8	21,719,071	4	4	50%	13,368,071	8,351,000	62%
TOTAL	50	\$222,198,339	40	10	80%	\$191,818,339	\$30,521,000	86%



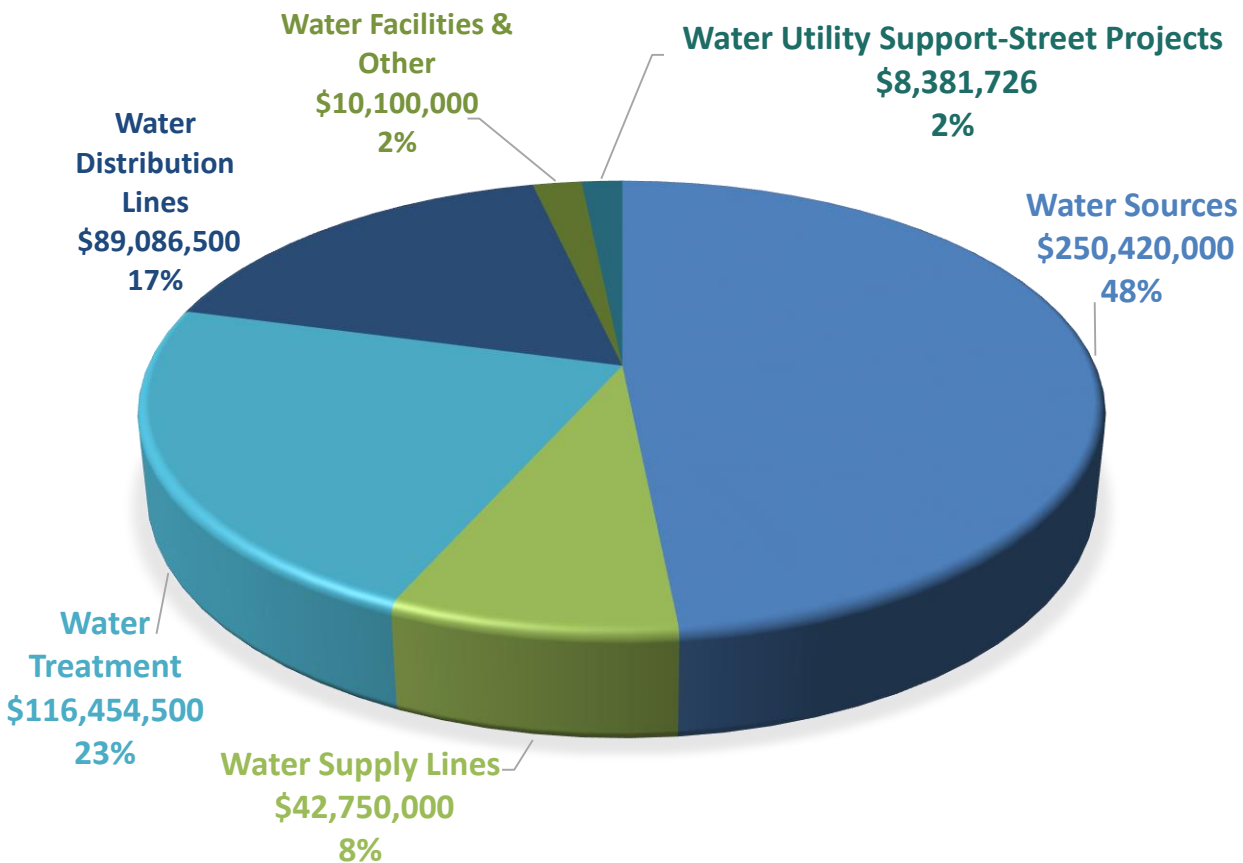
Water FY 2024 CIP Progress

Delays



Water	Status	Notes
Wesley Seale Boat Ramp and Pier - (Sunrise Beach)	Delayed	Awaiting necessary Army Corps of Engineering permits to bid the project.
ONSWTP Electrical Reliability Upgrades	Delayed	The project will go out on another RFQ as the quality of the applicants was not sufficient for the project scope.
ONSWTP Navigation Pump Station Improvements	Delayed	Design modified to investigate tank floor and foundation, upgrading electrical to accommodate larger pumps, and further requirements for water distribution from the new water plant.
ONSWTP Site Infrastructure Improvements	Delayed	Design scope has increased to add pressure sustaining valve(s) to large diameter water lines. Project to bid in early FY25.
CC Water Warehouse	Delayed	Project expected to bid in first quarter of FY25 as a result of value engineering due to cost escalations.
Sunrise Beach Facility Improvements	Delayed	Escalating costs resulted in review of scope.
Flour Bluff 18" Line Extension	Delayed	Engineering at 60% design and will not bid until FY25 first quarter.
Leopard Street & Up River Road Water Line Replacement	Delayed	Engineering at 90% design but not expected to bid until FY 25 first quarter.
Up River Road Water Line Improvements	Delayed	Project moved to Long-Range to coordinate with the Public Works Department and a future street reconstruction project..
CC Water Wash Rack	Cancelled	Project was cancelled and became part of Civitan Service Center master plan improvements.

Water FY 2025 Proposed CIP: \$517.2M



Continuation of the five-year strategic plan to improve system resiliency, reliability, and capacity.

Water FY 2025 Proposed CIP



Water	# of Projects	# of Projects from Long-Range moving to Short - Range	# of New Projects	# of Projects from FY24 (Delayed)	# of Project from FY24 (On Schedule)	FY25 Proposed CIP Budget
Water Sources projects	7	1	2	-	4	250,420,000
Water Supply Lines projects	5	-	1	-	4	42,750,000
Water Treatment projects	15	-	-	3	12	116,454,500
Water Distribution Lines projects	17	-	-	2	15	89,086,500
Water Facilities and Other projects	9	1	1	3	4	18,481,726
TOTAL	53	2	4	8	39	\$517,192,726

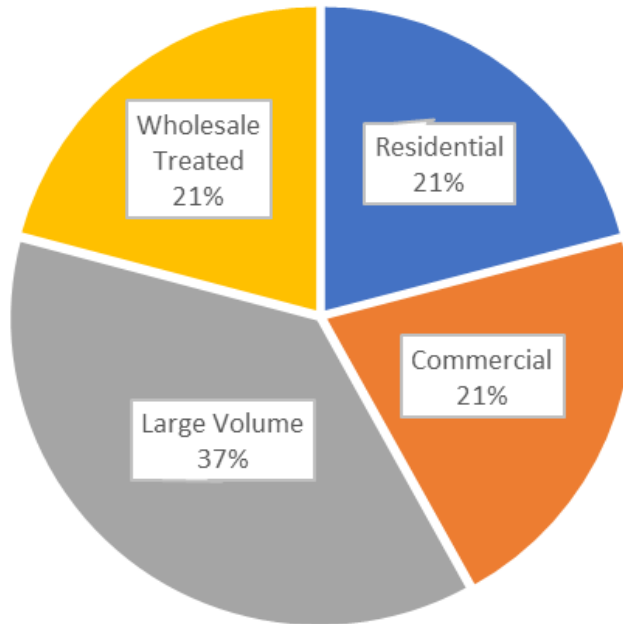
New Projects in FY25 Proposed Short-Range Plan	Status
Reclaimed Water Infrastructure	From Long-Range
Water Meter Capital Replacement Program (Not scheduled until FY27)	From Long-Range
Choke Canyon Dam Sluice Gate No. 3 Replacement	New
Lake Texana Dam and Channel Repairs (Project managed by LNRA)	New
Nueces River Raw Water Pump Station Piping and System Upgrades	New
Water - Developer Trust Fund Projects	New



Water FY 2023 Annual Billed Usage



TREATED WATER



TREATED	MG
Residential	5,744
Commercial	5,778
Large Volume	10,215
Wholesale Treated	5,727
Total	27,464

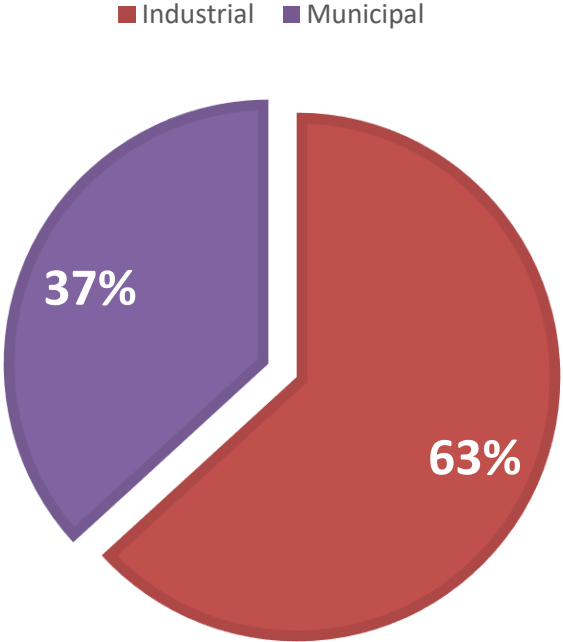
Municipal: 2,378

Industrial: 3,349

Estimated FY2023 Raw Water Allocation



RAW WATER



MUNICIPAL	INDUSTRIAL
San Patricio Municipal Water District (est. 27%)	San Patricio Municipal Water District (est 73%)
Alice Water Authority	Flint Hills Resources
Beeville Water Supply District	Celanese
Mathis	-

Large Volume Customers



FY23

Largest Retail Water Customers by Billed Usage

	Gallons Per Day	Gallons Per Year
Valero	9,135,422	3,334,429,000
Flint Hills Resources	6,898,921	2,518,106,000
Lyondell	5,098,255	1,860,863,000
Citgo	4,669,696	1,704,439,000
Epic Crude	2,307,737	842,324,000
Calpine	1,668,027	608,830,000
Javelina Company	880,430	321,357,000
Air Liquide	691,912	252,548,000
Total	31,350,400	11,442,896,000




FY 2025 DRAFT COS/RATE STUDY RESULTS

WATER

FY 2025 PROPOSED RATES

WATER RATE STRUCTURE

- **Raw water charge per 1,000 gallons**
Includes \$0.05 per 1,000 Water Supply Development Fee
- **Minimum Charge** 
 - Based on meter size
 - Includes first 2,000 gallons
- **Large Volume Charge**
Includes the first 10 million gallons
- **Volume charge per 1,000 gallons**

Meter Size
5/8" X 3/4"
1"
1- 1/2"
2"
3"
4"
6"
8"
10" or larger

FY 2025 PROPOSED RATES

WATER SYSTEM FUNCTIONALIZATION

Customer Class		Raw Water	Diversion (Pumping)	Treatment	Transmissio (Network)	Distribut
Residential	ICL	X	X	X	X	X
Residential	OCL	X	X	X	X	X
Commercial	ICL	X	X	X	X	X
Commercial	OCL	X	X	X	X	X
Large Volume		X	X	X	X	X
Large Volume		X	X	X	X	X
OCL Network		X	X	X	X	
OCL Wholesale		X	X	X		
Raw water-customers		X				

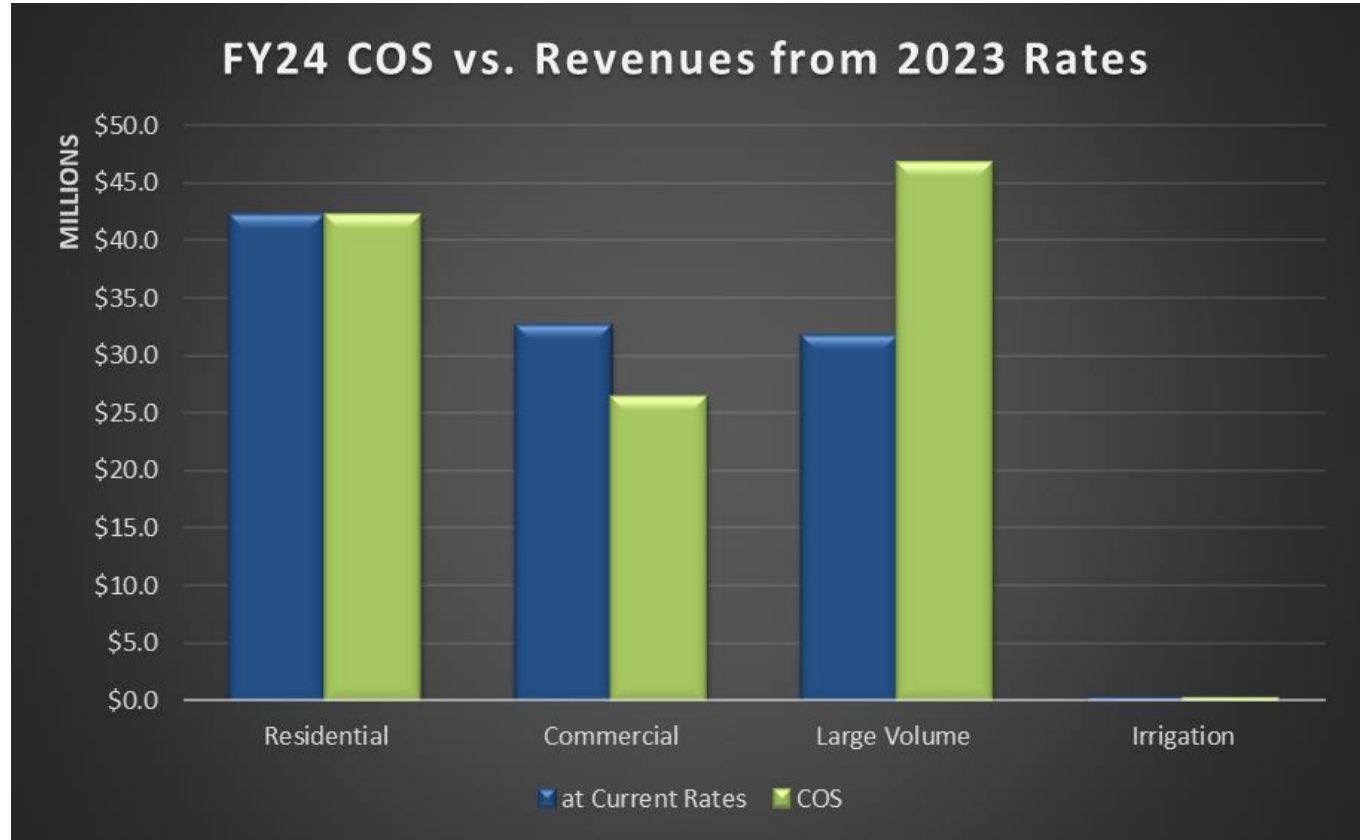
STARTING POINT LAST YEAR FOR RETAIL WATER

FY 2024 Analysis

	Revenues at FY 2023 Rates	FY 2024 Cost of Service	\$ Differen ce	% Differen ce
Residential	\$ 42,184,326	\$ 42,276,154	\$ (91,828)	-0.22%
Commercial	35,831,981	26,401,646	9,430,335	35.72%
Large Volume	31,729,289	46,749,534	(15,020,245)	-32.13%
Irrigation	32,809	342,336	(309,527)	-90.42%
Totals	\$ 109,778,405	\$ 115,769,670	\$ (5,991,265)	-5.18%

- Commercial Class was over-recovering its cost of service.
- Large Volume was under-recovering its cost of service.

STARTING POINT LAST YEAR FOR RETAIL WATER

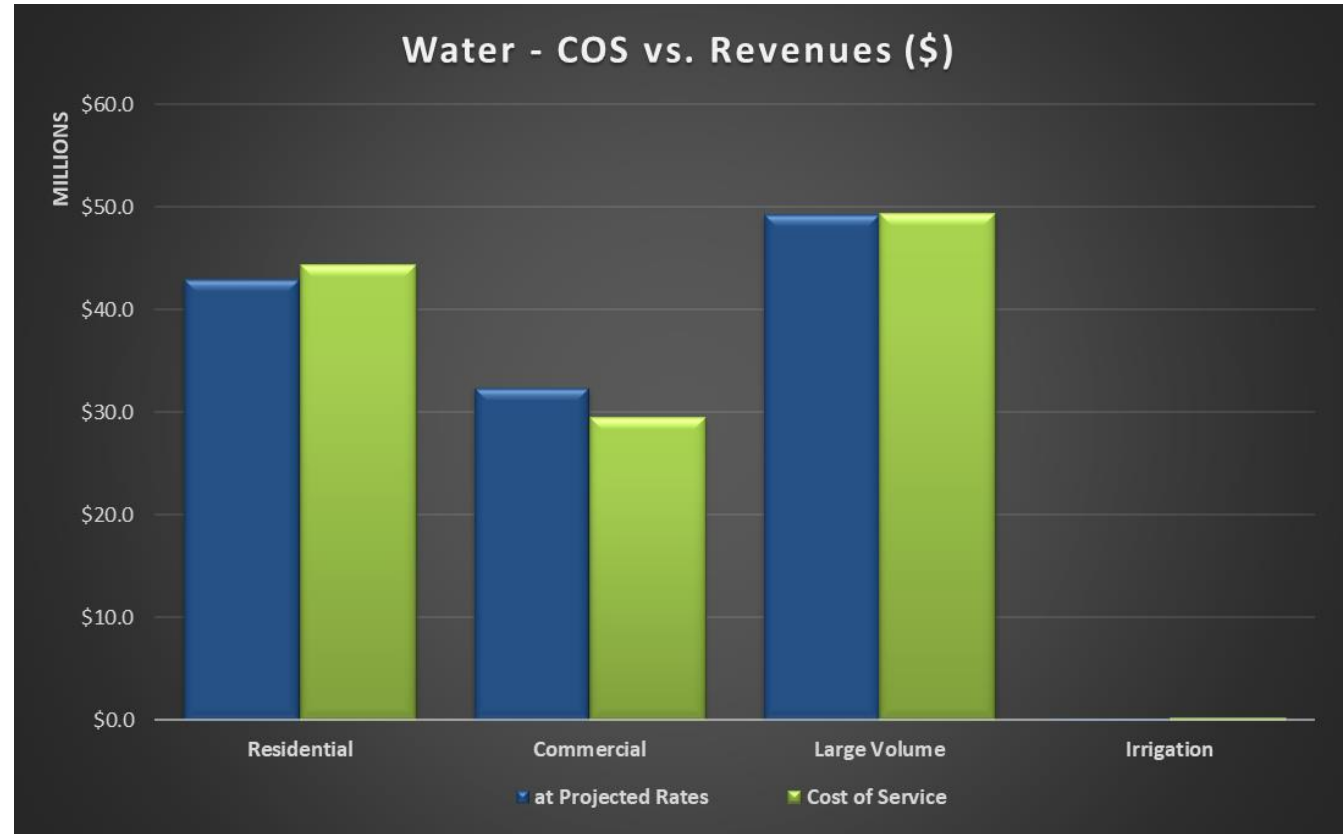


FY 2025 RESULTS FOR RETAIL WATER SYSTEM

FY 2025 Analysis

	2025 Revenues at Projected Rates	2025 Water Cost of Service	\$ Difference ce	% Difference ce
Residential I	\$ 43,055,563	\$ 44,361,555	\$ (1,305,992) (1,305,992))	-2.94%
Commercial	32,371,947	29,549,993	2,821,953	9.55%
Large Volume Volume	49,284,016	49,399,132	(115,116)	-0.23%
Irrigation	279,398	254,888	24,510	9.62%
Totals	\$ 124,990,922	\$ 123,565,568	\$ 1,425,355 1,425,355	1.15%

FY 2025 RESULTS FOR RETAIL WATER SYSTEM



FY 2025 PROPOSED WATER RATES

- **Monthly Minimum Charges and Volumetric Rates are equal for ICL and OCL customers**
- **Residential volume rates adjusted, lowering Tier 2 and adding a higher Tier 5**
- **Proposed revenue meets business needs and debt service coverage requirements for FY 2025**

FY 2025 PROPOSED RETAIL RATES

INSIDE CITY LIMIT Minimum Charge

	Current FY 2024	Proposed FY 2025
5/8"	\$ 12.02	\$ 15.83
3/4"	12.02	15.83
1"	32.30	39.58
1 1/2"	64.60	79.15
2"	103.36	126.64
3"	193.80	237.45
4"	323.00	395.75
6"	710.60	870.65
8"	1,162.80	1,424.70
10"	1,938.00	2,374.50
Residential / Commercial / Irrigation / Large Volume Customers		

FY 2025 PROPOSED RETAIL RATES

OUTSIDE CITY LIMIT Minimum Charge

	Current FY 2024	Proposed FY 2025
5/8"	\$ 18.49	\$ 15.83
3/4"	18.49	15.83
1"	48.45	39.58
1 1/2"	96.90	79.15
2"	155.04	126.64
3"	290.70	237.45
4"	484.50	395.75
6"	1,065.90	870.65
8"	1,744.20	1,424.70
10"	2,907.00	2,374.50
Residential / Commercial / Irrigation / Large Volume Customers		

FY 2025 PROPOSED RETAIL RATES

INSIDE and OUTSIDE CITY LIMIT Volume Charges

Charges	Current FY 2024	Proposed FY 2025
Raw Water Charge		
All Gallons	\$ 1.12	\$ 0.95
Residential (\$/1,000 Gallons)		
Tier 1: 0-2,000 gallons	Free	Free
Tier 2: 2,001–6,000 gallons	\$ 5.08	\$ 3.94
Tier 3: 6,001–15,000 gallons	\$ 5.83	\$ 5.91
Tier 4: 15,001–25,000 gallons	\$ 6.36	\$ 7.88
Tier 5: 25,001+ gallons	\$ 6.36	\$ 11.82

FY 2025 PROPOSED RETAIL RATES

INSIDE and OUTSIDE CITY LIMIT Volume Charges

Charges	Current FY 2024	Proposed FY 2025
Commercial & Other (\$/1,000 Gallons)		
Tier 1: 0–2,000 gallons	Free	Free
Tier 2: 2,001+ gallons	\$ 5.56	\$ 3.94
Large Volume Users		
Large User Charge 0–10,000,000 gallons	\$ 24,202	\$35,092.90
10,000,001+ gallons	\$ 3.94	\$ 3.94
Irrigation		
Tier 1: 0–2,000 gallons	Free	Free
Tier 2: 2,001+ gallons	\$ 6.36	\$ 7.88

FY 2025 PROPOSED RATES

PUBLIC AGENCY (Wholesale) Treated Water

Volumetric Rates in \$/1,000 Gallons	Current FY 2024	Proposed FY 2025
Wholesale Treated (SPMWD & STWA)		
Raw Water Charge	\$1.02	\$1.14
Volume Charge	\$ 1.74	\$ 2.09
Wholesale Treated & Delivered (Violet & Port A)		
Raw Water Charge	\$1.02	\$1.14
Volume Charge	\$ 2.41	\$ 2.49

FY 2025 PROPOSED RATES

WHOLESALE Raw Water Only

Volumetric Rates in \$/1,000 Gallons	Current FY 2024	Proposed FY 2025
SPMWD (All Gallons)	\$ 1.00	\$ 1.17
Celanese (All Gallons)	\$ 1.00	\$ 1.17
Koch/Flint Hills (All Gallons)	\$ 1.00	\$ 1.17

FY 2025 PROPOSED RATES

MUNICIPAL (WHOLESALE) Raw Water Only

- Composite Raw Water Rates apply to Alice, Beeville, and Mathis.
- Rates by contract utilize audited actual costs.
- CCW and Finance Department performs update in December for billing in January.
- Current rates are:
 - Beeville: \$0.956/1,000 gallons
 - Alice: \$1.00/1,000 gallons
 - Mathis: \$1.00/1,000 gallons

RESIDENTIAL

6,000 gallons Water; 5,000 gallons Wastewater (WQA)

Water Charges	FY 2024	FY 2025
Monthly Bill (5/8" Meter)	\$ 39.06	\$ 37.29
Decrease (\$)		\$ (1.77)
Decrease (%)		(4.5%)

Wastewater Charges	FY 2024	FY 2025
Monthly Bill (5/8" Meter)	\$ 54.64	\$ 59.32
Increase (\$)		\$ 4.68
Increase (%)		8.6%

Total Impact for Water and Wastewater Charges \$2.91

FY 2025 PROPOSED RATES

Sample Utility Bill
Charges

COMMERCIAL (Typical Restaurant)

20,000 gallons Water; 20,000 gallons Wastewater

Water Charges	FY 2024	FY 2025
Monthly Bill (2" Meter)	\$225.84	\$216.53
Decrease (\$)		\$ (9.31)
Decrease (%)		(4.1%)

Wastewater Charges	FY 2024	FY 2025
Monthly Bill (2" Meter)	\$172.46	\$191.36
Increase (\$)		\$18.90
Increase (%)		10.9%

Total Impact for Water and Wastewater Charges \$9.59

FY 2025 PROPOSED RATES

Sample Utility Bill
Charges

IRRIGATION

15,000 gallons Water

Water Charges	FY 2024	FY 2025
Monthly Bill (1" Meter)	\$127.81	\$195.84
Increase (\$)		\$ 68.03
Increase (%)		53%

FY 2025 PROPOSED RATES

Sample Utility Bill
Charges

LARGE VOLUME

90,000,000 gallons Water

Water Charges	FY 2024	FY 2025
Monthly Bill (10" Meter)	\$443,109	\$438,167
Decrease (\$)		\$ (4,942)
Decrease (%)		(1.12%)

FY 2025 PROPOSED RATES

Sample Utility Bill
Charges

WHOLESALE-TREATED

50,000,000 gallons of water

Water Charges	FY 2024	FY 2025
Monthly Bill (16" Meter)	\$140,907	\$163,875
Increase (\$)		\$22,968
Increase (%)		16.3%

FY 2025 PROPOSED RATES

Sample Utility Bill
Charges



THANK YOU!

NEWGEN STRATEGIES AND SOLUTIONS
275 W. CAMPBELL ROAD, SUITE 440
RICHARDSON, TEXAS 75080

ANDY MCCARTNEY, PRINCIPAL
469-501-5892
AMCCARTNEY@NEWGENSTRATEGIES.NET

FISCAL YEAR
2024-2025
PROPOSED
OPERATING
BUDGET

PRESENTED TO CITY COUNCIL
ON JULY 30, 2024



CITY OF CORPUS CHRISTI
CITY MANAGER
PETER ZANONI

CCW Corpus
Christi WaterSM
Serving the Coastal Bend

FY2024-2025 PROPOSED BUDGET

Presented by
Drew Molly, P.E.
Chief Operating Officer

August 1, 2024