



CITY OF

Denton, Texas

Wastewater Budget & Rates FY 2025-26

**Public Utilities Board
July 28, 2025**



Fiscal Year 2025-26

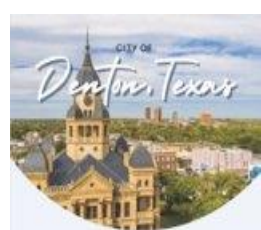
Wastewater Budget Overview

Revenue Projections

- Wastewater - \$44,563,965
 - +12% vs FY25 Budget
 - 11% Rate Increase
- Drainage - \$5,862,607
 - +3.6% vs FY25 Budget
 - No proposed rate increase
 - Cost of Service study kicked off with Raftelis 6/27

Expense Projections

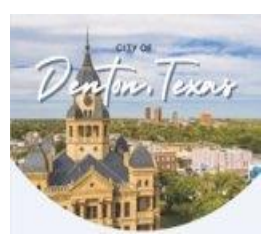
- Wastewater - \$44,186,354
- Drainage - \$7,175,224
- All Vehicle Replacements budgeted to be revenue funded



Fiscal Year 2025-26

Wastewater 5-Year Preliminary Forecast

	2023-24 ACTUALS	2024-25 MOD BUDGET	2024-25 EOY ESTIMATE	2025-2026 PROPOSED	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected
Beginning Fund Balance	\$17,245,883	\$ 15,861,672	\$ 16,612,556	\$ 16,810,057	\$ 17,187,668	\$ 17,761,337	\$ 18,324,450	\$ 19,898,445
Residential Sales	\$14,788,925	\$ 17,083,964	\$ 16,497,020	\$ 19,270,543	\$ 22,685,283	\$ 26,460,114	\$ 30,577,308	\$ 34,674,667
Commercial Sales	16,381,807	18,487,168	17,946,269	20,933,470	24,642,881	28,743,456	33,215,938	37,666,873
Non-rate Revenues	4,091,650	3,428,701	3,789,339	3,889,010	4,005,681	4,121,250	4,240,287	4,362,894
Interest Income	643,509	523,269	523,269	470,942	485,070	499,622	514,611	530,049
Interfund Transfers	235,000	249,311	507,000	-	-	-	-	-
Total Revenue	\$36,140,891	\$ 39,772,413	\$ 39,262,897	\$ 44,563,965	\$ 51,818,914	\$ 59,824,443	\$ 68,548,143	\$ 77,234,484
Purchased Power	\$ 1,129,571	\$ 1,200,000	\$ 1,200,000	\$ 1,236,000	\$ 1,273,080	\$ 1,311,272	\$ 1,350,611	\$ 1,391,129
Fuel	25,822	21,000	31,142	35,000	36,050	37,132	38,245	39,393
Personnel Services	6,578,816	7,522,635	6,423,800	8,479,393	8,733,775	8,995,788	9,265,662	9,543,632
Materials and Supplies	1,807,280	2,011,870	2,005,175	2,624,461	2,703,195	2,784,291	2,867,819	2,953,854
Maintenance and Repair	2,638,109	2,488,625	2,194,007	2,293,205	2,362,001	2,432,861	2,505,847	2,581,022
Insurance	342,431	389,088	389,088	371,051	382,183	393,648	405,457	417,621
Administrative Cost	2,833,659	3,023,547	3,116,225	3,514,469	4,022,894	4,692,303	5,422,426	6,149,031
Miscellaneous Expense	3,838	7,898	7,898	4,238	4,365	4,496	4,631	4,770
Operations	1,716,848	1,588,051	1,538,011	2,237,929	2,305,067	2,374,219	2,445,446	2,518,809
Debt Service Transfers	8,656,914	9,785,287	10,193,589	9,663,657	15,322,426	21,801,605	27,890,779	33,969,143
Capital Transfers	2,100,000	888,538	888,538	2,830,000	2,830,000	2,830,000	2,830,000	2,830,000
Interfund Transfers	8,940,930	11,077,923	11,077,923	10,896,951	11,270,210	11,603,715	11,947,225	12,301,041
Total Expenditures	\$36,774,218	\$ 40,004,462	\$ 39,065,397	\$ 44,186,354	\$ 51,245,245	\$ 59,261,330	\$ 66,974,148	\$ 74,699,445
Ending Fund Balance	\$16,612,556	\$ 15,629,623	\$ 16,810,057	\$ 17,187,668	\$ 17,761,337	\$ 18,324,450	\$ 19,898,445	\$ 22,433,484
Change in Fund Balance	\$ (633,327)	\$ (232,049)	\$ 197,500	\$ 377,610	\$ 573,670	\$ 563,112	\$ 1,573,995	\$ 2,535,039
Rate Increases								
Rate Increase - Residential	11.0% 9.0% 8.0% 7.0% 5.0%							
Rate Increase - Commercial	11.0% 9.0% 8.0% 7.0% 5.0%							
Working Capital (8%) & Op Reserves (>20%)	\$10,296,781	\$ 11,201,249	\$ 10,938,311	\$ 12,372,179	\$ 14,348,669	\$ 16,593,172	\$ 18,752,762	\$ 20,915,845
Working Capital (8%) & Op Reserves (>31%)	\$14,341,945	\$ 15,601,740	\$ 15,235,505	\$ 17,232,678	\$ 19,985,646	\$ 23,111,919	\$ 26,119,918	\$ 29,132,784
Ending Fund Balance Minimum Target Met	YES	YES	YES	YES	YES	YES	YES	YES
Use of Impact Fees	\$ 2,990,345	\$ 2,990,345	\$ 2,990,345	\$ 9,300,000	\$ 11,300,000	\$ 14,700,000	\$ 15,600,000	\$ 13,200,000
Debt Service Coverage Ratio (DSCR)	1.50	1.38	1.41	1.70	1.48	1.37	1.35	1.34



Fiscal Year 2025-26

Drainage 5-Year Preliminary Forecast

	2023-24 ACTUALS	2024-25 MOD BUDGET	2024-25 EOY ESTIMATE	2025-2026 PROPOSED	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected
Beginning Fund Balance	\$ 1,000,000	\$ 1,000,000	\$ 2,312,617	\$ 2,312,617	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Residential Fees	\$ 2,291,080	\$ 2,325,204	\$ 2,238,873	\$ 2,365,364	\$ 2,436,325	\$ 2,509,414	\$ 2,584,697	\$ 2,662,238
Nonresidential Fees	3,169,539	2,720,632	3,160,692	3,169,207	3,264,284	3,362,212	3,463,079	3,566,971
Watershed Inspection Fee	25,538	26,941	17,378	18,370	18,921	19,488	20,073	20,675
Non-rate Revenues	-	195,415	-	-	-	-	-	-
Interfund Transfers	378,166	389,511	389,511	309,666	318,956	328,525	338,380	348,532
Total Revenue	\$ 5,864,322	\$ 5,657,703	\$ 5,806,454	\$ 5,862,607	\$ 6,038,485	\$ 6,219,640	\$ 6,406,229	\$ 6,598,416
Personnel Services	\$ 2,465,156	\$ 2,821,257	\$ 2,578,150	\$ 2,797,128	\$ 2,881,042	\$ 2,967,473	\$ 3,056,497	\$ 3,148,192
Materials and Supplies	100,372	122,630	61,190	94,295	97,124	100,038	103,039	106,130
Maintenance and Repair	288,358	331,247	196,455	381,157	392,592	404,369	416,501	428,996
Insurance	65,794	74,395	74,395	70,940	73,068	75,260	77,518	79,844
Miscellaneous Expense	7,132	18,200	12,664	6,275	6,463	6,657	6,857	7,063
Operations	566,687	697,213	446,424	838,863	864,029	889,950	916,648	944,148
Capital Transfers	449,050	1,036,457	1,880,872	1,834,157	537,186	553,302	569,901	586,998
Interfund Transfers	609,157	556,304	556,304	1,152,409	1,186,981	1,222,591	1,259,268	1,297,046
Total Expenditures	\$ 4,551,706	\$ 5,657,703	\$ 5,806,454	\$ 7,175,224	\$ 6,038,485	\$ 6,219,640	\$ 6,406,229	\$ 6,598,416
Ending Fund Balance	\$ 2,312,617	\$ 1,000,000	\$ 2,312,617	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000

Change in Fund Balance \$ 1,312,617 \$ - \$ - \$ (1,312,617) \$ - \$ - \$ - \$ -

Rate Increases

Rate Increase - Residential
Rate Increase - Commercial

0.0%	0.0%	0.0%	0.0%	0.0%
0.0%	0.0%	0.0%	0.0%	0.0%



Fiscal Year 2025-26

Wastewater & Drainage 5-Year Preliminary Forecast

	2023-24 ACTUALS	2024-25 MOD BUDGET	2024-25 EOY ESTIMATE	2025-2026 PROPOSED	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected
Beginning Fund Balance	\$18,245,883	\$ 16,861,672	\$ 18,925,173	19,122,673	\$ 18,187,668	\$ 18,761,338	\$ 19,324,450	\$ 20,898,446
Residential Sales	\$17,080,005	\$ 19,409,168	\$ 18,735,893	\$ 21,635,907	\$ 25,121,608	\$ 28,969,528	\$ 33,162,005	\$ 37,336,905
Commercial Sales	19,551,346	21,207,800	21,106,961	24,102,677	27,907,164	32,105,668	36,679,016	41,233,844
Watershed Inspection Fee	25,538	26,941	17,378	18,370	18,921	19,488	20,073	20,675
Non-rate Revenues	4,091,650	3,624,116	3,789,339	3,889,010	4,005,681	4,121,250	4,240,287	4,362,894
Interest Income	643,509	523,269	523,269	470,942	485,070	499,622	514,611	530,049
Operating Transfers In	613,166	638,822	896,511	309,666	318,956	328,525	338,380	348,532
Total Revenue	\$42,005,214	\$ 45,430,116	\$ 45,069,351	\$ 50,426,572	\$ 57,857,400	\$ 66,044,082	\$ 74,954,372	\$ 83,832,900
Purchased Power	\$ 1,129,571	\$ 1,200,000	\$ 1,200,000	\$ 1,236,000	\$ 1,273,080	\$ 1,311,272	\$ 1,350,611	\$ 1,391,129
Fuel	25,822	21,000	31,142	35,000	36,050	37,132	38,245	39,393
Personnel Services	9,043,972	10,343,892	9,001,951	11,276,521	11,614,817	11,963,261	12,322,159	12,691,824
Materials and Supplies	1,907,652	2,134,500	2,066,365	2,718,756	2,800,319	2,884,328	2,970,858	3,059,984
Maintenance and Repair	2,926,467	2,819,872	2,390,462	2,674,362	2,754,593	2,837,231	2,922,348	3,010,018
Insurance	408,225	463,483	463,483	441,991	455,251	468,908	482,975	497,465
Administrative Cost	2,833,659	3,023,547	3,116,225	3,514,469	4,022,894	4,692,303	5,422,426	6,149,031
Miscellaneous Expense	10,970	26,098	20,562	10,513	10,828	11,153	11,488	11,832
Operations	2,283,535	2,285,264	1,984,435	3,076,792	3,169,096	3,264,169	3,362,094	3,462,957
Debt Service Transfers	8,656,914	9,785,287	10,193,589	9,663,657	15,322,426	21,801,605	27,890,779	33,969,143
Capital Transfers	2,549,050	1,924,995	2,769,410	4,664,157	3,367,186	3,383,302	3,399,901	3,416,998
Internal Transfers	9,550,087	11,634,227	11,634,226	12,049,360	12,457,191	12,826,306	13,206,494	13,598,088
Total Expenditures	\$41,325,924	\$ 45,662,165	\$ 44,871,850	\$ 51,361,577	\$ 57,283,730	\$ 65,480,970	\$ 73,380,377	\$ 81,297,861
Ending Fund Balance	\$18,925,173	\$ 16,629,623	\$ 19,122,673	\$ 18,187,668	\$ 18,761,338	\$ 19,324,450	\$ 20,898,446	\$ 23,433,485
Change in Fund Balance	\$ 679,290	\$ (232,049)	\$ 197,500	\$ (935,005)	\$ 573,670	\$ 563,113	\$ 1,573,995	\$ 2,535,039
Rate Increases								
Rate Increase - Residential (w/w)				11.0%	9.0%	8.0%	7.0%	5.0%
Rate Increase - Commercial (w/w)				11.0%	9.0%	8.0%	7.0%	5.0%
Rate Increase - Residential (Drainage)				0.0%	0.0%	0.0%	0.0%	0.0%
Rate Increase - Commercial (Drainage)				0.0%	0.0%	0.0%	0.0%	0.0%
Working Capital (8%) & Op Reserves (>20%)	\$11,571,259	\$ 12,785,406	\$ 12,564,118	\$ 14,381,242	\$ 16,039,444	\$ 18,334,672	\$ 20,546,506	\$ 22,763,401
Working Capital (8%) & Op Reserves (>31%)	\$16,117,110	\$ 17,808,244	\$ 17,500,022	\$ 20,031,015	\$ 22,340,655	\$ 25,537,578	\$ 28,618,347	\$ 31,706,166
Ending Fund Balance Minimum Target Met	YES	YES	YES	YES	YES	YES	YES	YES



Fiscal Year 2025-26

Preliminary Rate Changes

	Current FY25	Proposed FY26	Change	% Change
Residential Service*				
Facility Charge	\$ 13.55	\$ 15.04	\$ 1.49	11.0%
Volume Charge (1,000 gal. effluent)	\$ 4.68	\$ 5.19	\$ 0.51	11.0%
<u><i>Outside City of Denton Limits:</i></u>				
Facility Charge	\$ 15.71	\$ 17.44	\$ 1.73	11.0%
Volume Charge (1,000 gal. effluent)	\$ 5.42	\$ 6.02	\$ 0.60	11.0%

*11% proposed rate change also applies to accounts without City of Denton water service.



Fiscal Year 2025-26

Preliminary Rate Changes

	Current FY25	Proposed FY26	Change	% Change
Mobile Home Park Service*				
Facility Charge	\$ 32.66	\$ 36.25	\$ 3.59	11.0%
Volume Charge (1,000 gal. effluent)	\$ 4.68	\$ 5.19	\$ 0.51	11.0%
<u><i>Outside City of Denton Limits:</i></u>				
Facility Charge	\$ 37.58	\$ 41.71	\$ 4.13	11.0%
Volume Charge (1,000 gal. effluent)	\$ 5.42	\$ 6.02	\$ 0.60	11.0%

*11% proposed rate change also applies to accounts without City of Denton water service.



Fiscal Year 2025-26

Preliminary Rate Changes

	Current FY25	Proposed FY26	Change	% Change
Commercial & Industrial*				
Facility Charge	\$ 32.66	\$ 36.25	\$ 3.59	11.0%
Volume Charge (1,000 gal. effluent)	\$ 5.97	\$ 6.63	\$ 0.66	11.0%
<u><i>Outside City of Denton Limits:</i></u>				
Facility Charge	\$ 37.58	\$ 41.71	\$ 4.13	11.0%
Volume Charge (1,000 gal. effluent)	\$ 6.78	\$ 7.53	\$ 0.75	11.0%

*11% proposed rate change also applies to accounts without City of Denton water service.



Fiscal Year 2025-26

Preliminary Rate Changes

	Current FY25	Proposed FY26	Change	% Change
Commercial & Industrial (Metered, Sub-Metered)				
Facility Charge	Varies	Varies	-	11.0%
Volume Charge (1,000 gal. effluent)	Varies	Varies	-	11.0%
Septage & Chemical Toilet Disposal				
Facility Charge	\$ 7.15	\$ 7.94	\$ 0.79	11.0%
Volume Charge (1,000 gal. effluent)	\$ 45.83	\$ 50.87	\$ 5.04	11.0%
Restaurant & Food Establishments				
Facility Charge	\$ 32.66	\$ 36.25	\$ 3.59	11.0%
Volume Charge (1,000 gal. effluent)	\$ 8.31	\$ 9.22	\$ 0.91	11.0%



Fiscal Year 2025-26

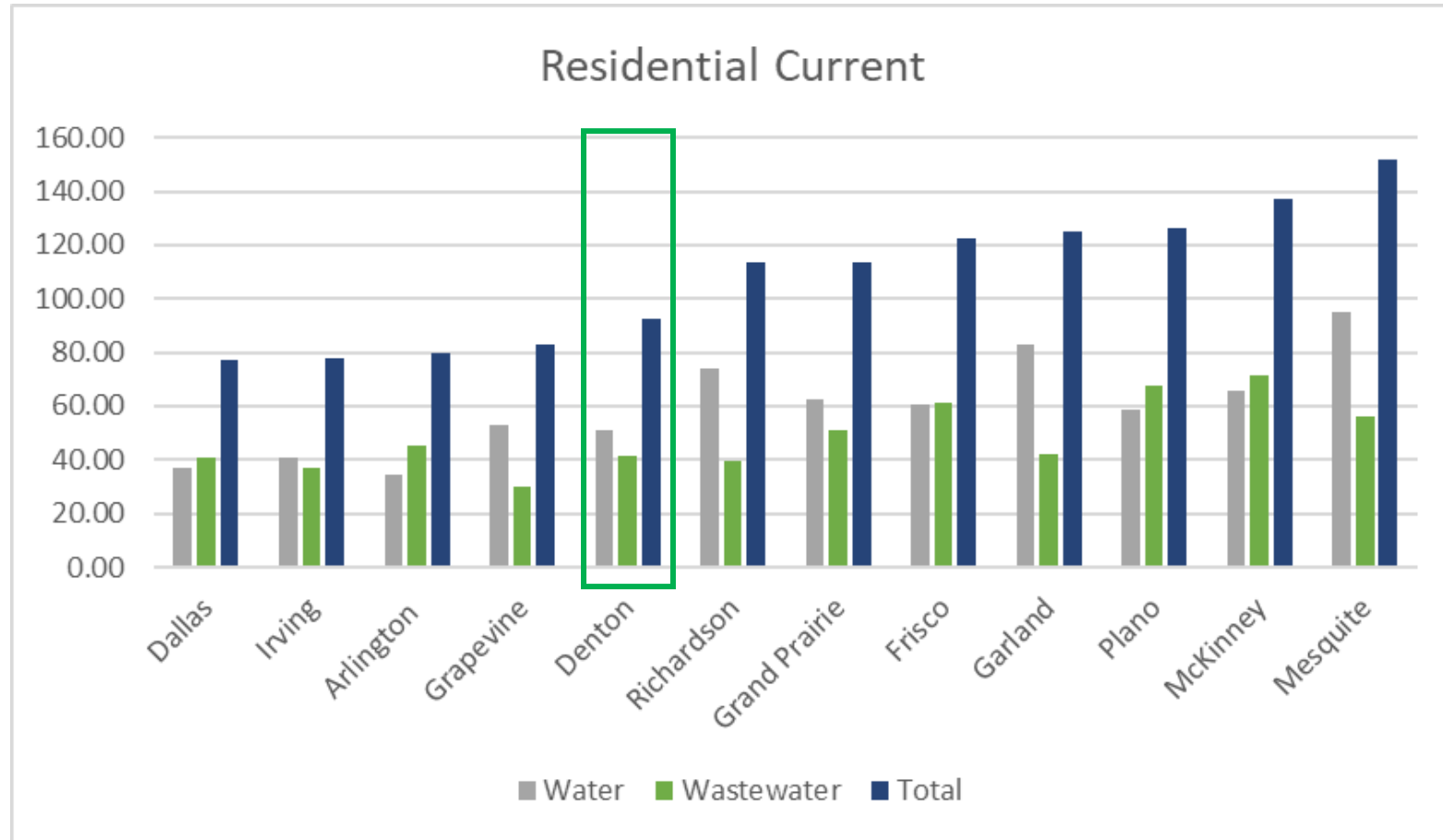
Preliminary Rate Changes

	Current FY25	Proposed FY26	Change	% Change
Sale of Treated Effluent				
Facility Charge	\$ 2.50	\$ 2.78	\$ 0.28	11.0%
Volume Charge (1,000 gal. effluent)	Varies	Varies	-	11.0%
Wholesale Wastewater Treatment				
Facility Charge	Varies	Varies	-	11.0%
Volume Charge (1,000 gal. effluent)	Varies	Varies	-	11.0%
Dyno Dirt Products				
Compost, Wood Mulch, Dyno Mulch	Varies	Varies	-	11.0%



Fiscal Year 2025-26

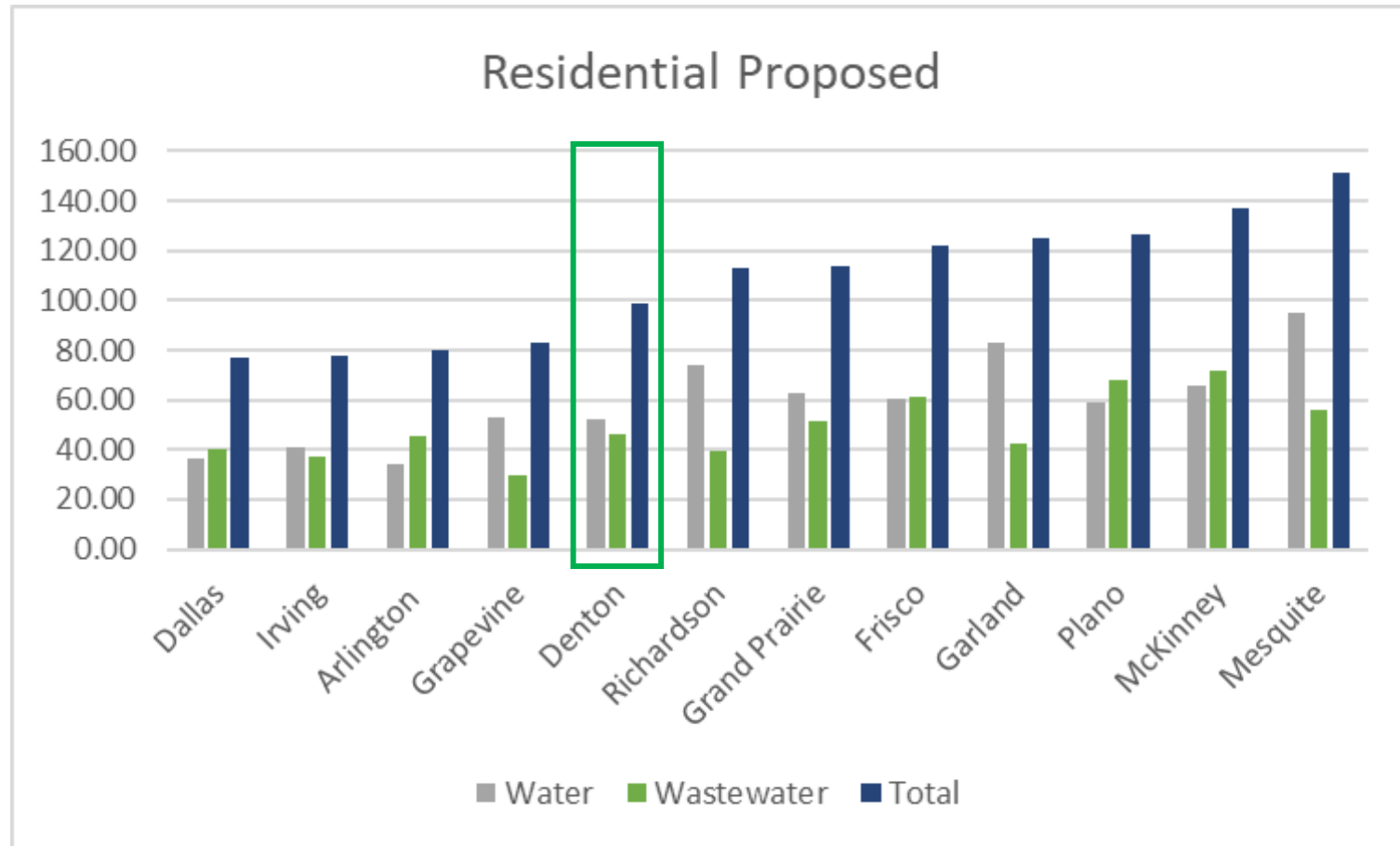
Preliminary Rate Changes





Fiscal Year 2025-26

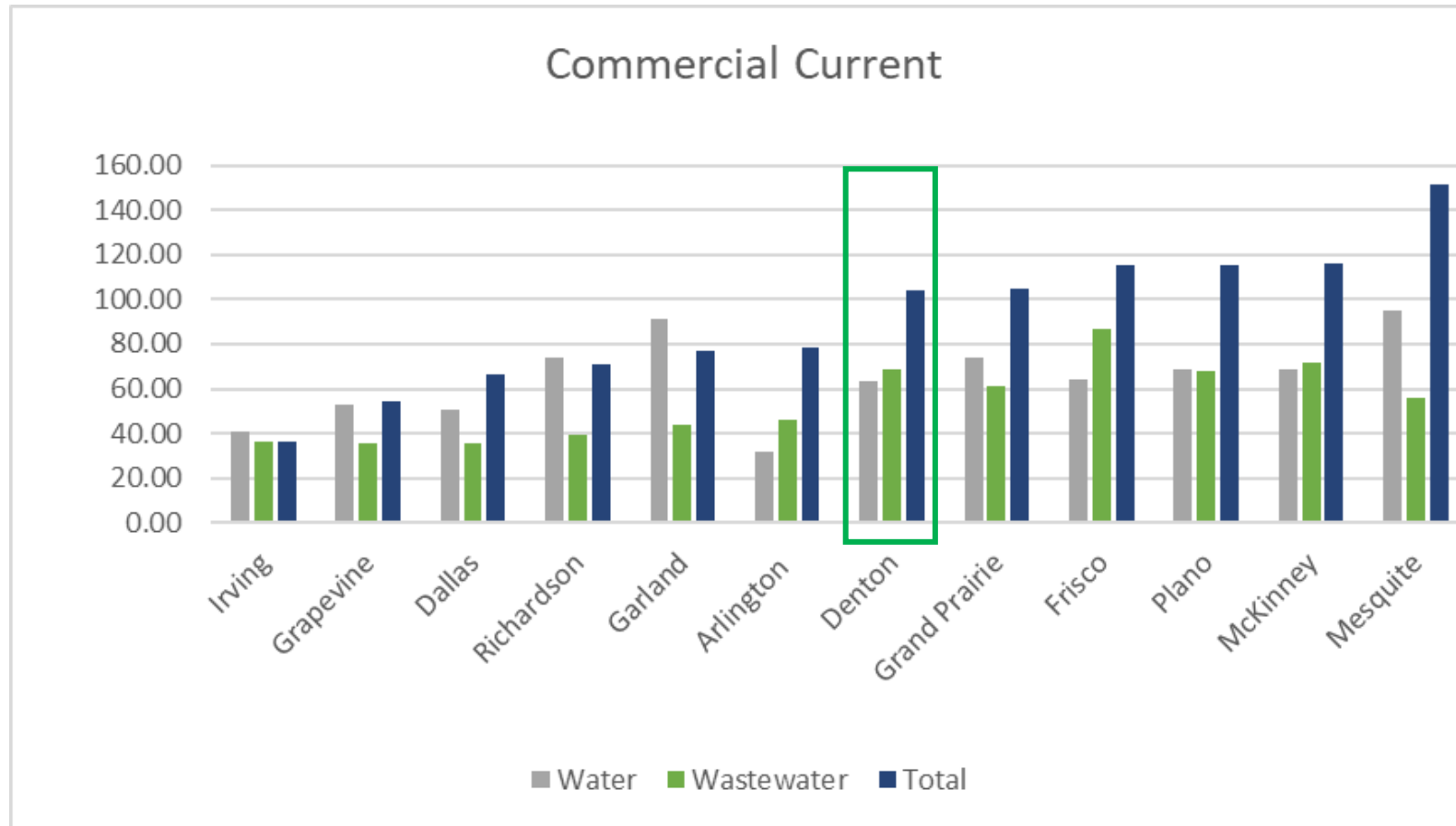
Preliminary Rate Changes





Fiscal Year 2025-26

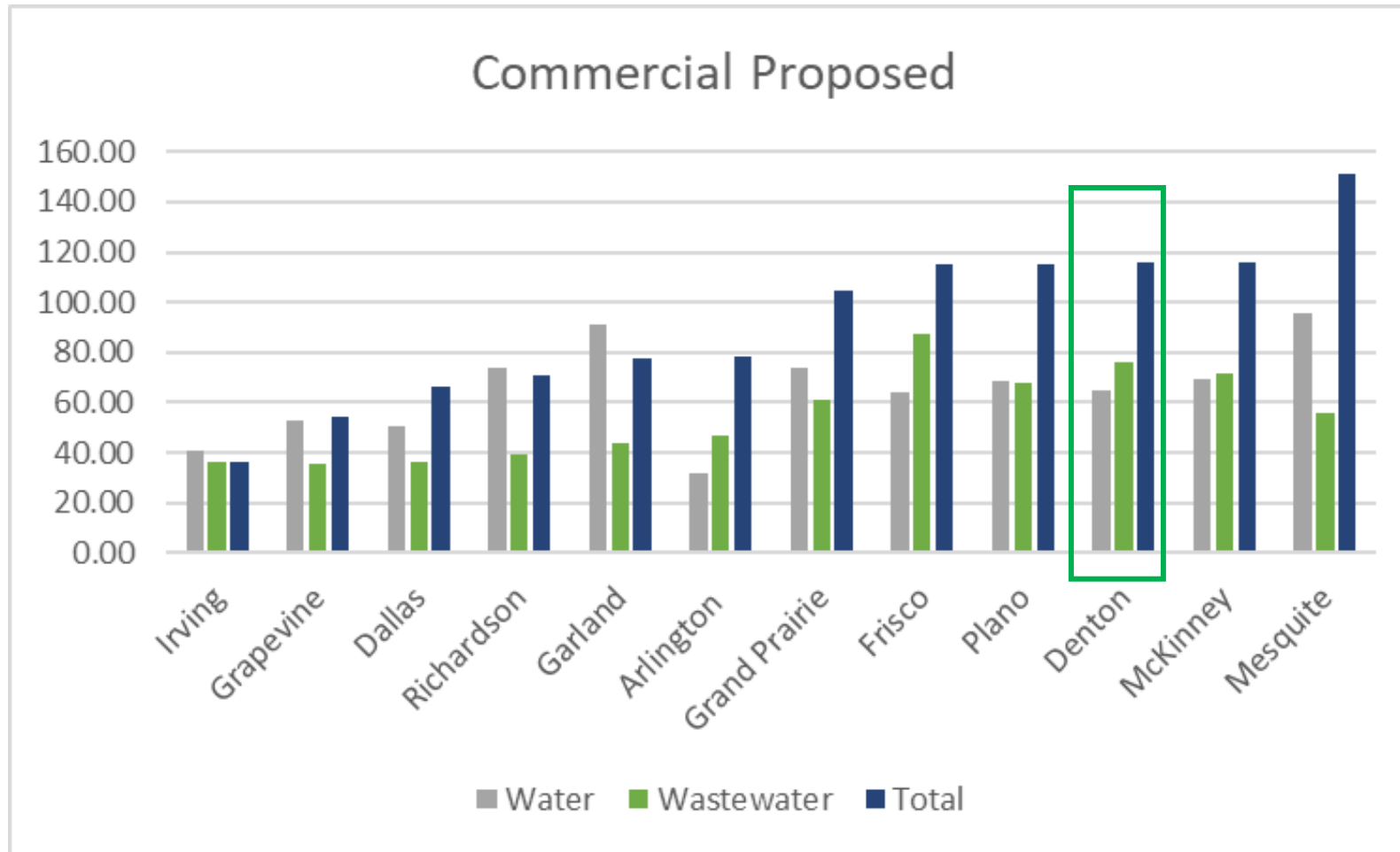
Preliminary Rate Changes





Fiscal Year 2025-26

Preliminary Rate Changes





Fiscal Year 2025-26

Wastewater 5-Year Capital Plan

Projects	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Lift Station Improvements	\$ 28,350,000	\$ 19,700,000	\$ 8,450,000	\$ 450,000	\$ 500,000	\$ 57,450,000
Replace Lines	74,858,000	58,593,000	25,686,000	10,479,000	3,050,000	172,666,000
Collection System Upgrade	10,413,000	9,230,000	6,667,000	2,500,000	-	28,810,000
Facility Improvements	3,025,000	25,000	25,000	25,000	25,000	3,125,000
Oversize Lines	8,520,000	2,840,000	1,690,000	30,000	-	13,080,000
Taps, Fire Hydrants, & Meters	251,000	255,000	260,000	265,000	270,000	1,301,000
Plant Improvements	114,750,000	229,000,000	202,200,000	118,500,000	70,000,000	734,450,000
Vehicle Replacements	\$2,830,000	\$2,830,000	\$2,830,000	\$2,830,000	\$2,830,000	\$14,150,000
Total	\$ 242,997,000	\$ 322,473,000	\$ 247,808,000	\$ 135,079,000	\$ 76,675,000	\$ 1,025,032,000

Funding Source	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Debt Funding (includes TWDB)	\$ 141,892,454	\$ 182,425,214	\$ 129,790,601	\$ 67,446,990	\$ 37,660,950	\$ 559,216,210
WIFIA Funding	98,274,546	137,217,786	115,187,399	64,802,010	36,184,050	451,665,790
Revenue Funding	2,830,000	2,830,000	2,830,000	2,830,000	2,830,000	14,150,000
Total	\$ 242,997,000	\$ 322,473,000	\$ 247,808,000	\$ 135,079,000	\$ 76,675,000	\$ 1,025,032,000

Questions?
