



City of Dallas

Dallas Water Utilities- Budget Overview and Future Projects

**City Council
November 3, 2021**

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Dallas Water Utilities
City of Dallas

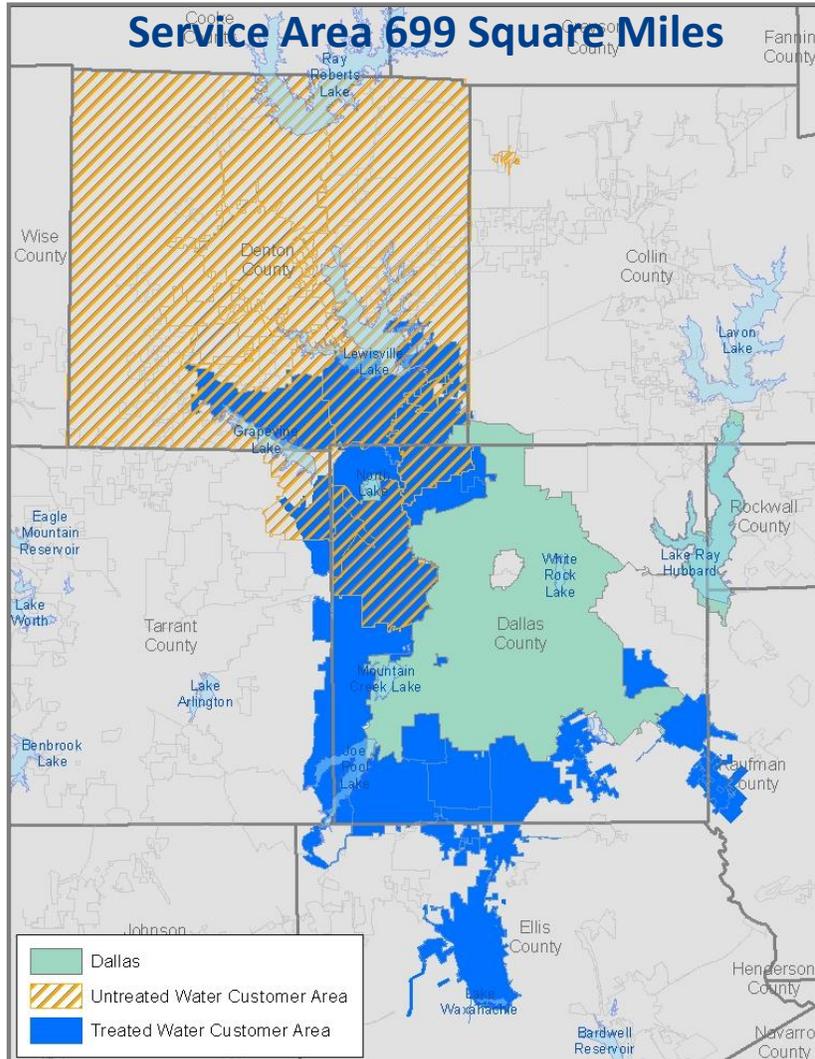
Purpose



- Provide an overview of Dallas Water Utilities (DWU) operating budgets and revenues
- Provide information on future projects
 - Long Range Water Supply Plan
 - Stormwater Assessment
 - Automated Metering System
 - Billing System Update
 - Laboratory Information Management System (LIMS)
 - DWU Five Year Capital Funding Plan



Dallas Water Utilities Fact Sheet



- Established by City Charter in 1881
- Enterprise Funds of the City of Dallas
 - Operates under Dallas City Codes, 49, 51, 19
- Regional provider of water, wastewater, stormwater and flood control services
- Fiscal Year 2020 net capital water and wastewater assets of \$5.5B
- Funded from wholesale and retail water and wastewater revenues and stormwater fees (receives no tax dollars)
- Approximately 1,600 employees
- Combined operating and capital budgets of \$1.1B



City of Dallas One Water



	ASSETS	CUSTOMERS
 A collage of three images: a close-up of water filtration membranes, a large white water tower, and an outdoor swimming pool.	WATER <ul style="list-style-type: none">• 7 reservoirs, (6 connected)• 5,001 miles of water mains• 3 water treatment plants (900 MGD capacity)• 23 pump stations, 10 elevated and 12 ground storage tanks	2.5 million treated water customers <ul style="list-style-type: none">• 1.3 million – Retail (City of Dallas)• 1.2 million – Wholesale• 23 wholesale treated water• 4 wholesale untreated water
 An aerial view of a large wastewater treatment plant facility with several circular tanks and rectangular basins.	WASTEWATER <ul style="list-style-type: none">• 2 wastewater treatment plants (280 MGD capacity)• 4,046 miles of wastewater main• 15 wastewater pump stations	300,000+ retail customer accounts <ul style="list-style-type: none">• 11 wholesale wastewater
 A large, white, cylindrical stormwater pump station under construction or maintenance, with various pipes and structures around it.	STORMWATER <ul style="list-style-type: none">• 8 storm water pump stations (5.7 BGD capacity)• 1,963 miles of storm sewers• 30 miles of levees• 39,000 acres of floodplain	300,000 storm water accounts <ul style="list-style-type: none">• 265,979 Residential• 29,470 Commercial





DWU Operating Budgets



DWU Budget Goals – Water and Wastewater



Mission: Provide water and wastewater services vital to the health and safety of City of Dallas residents and customers

Budget Goals:

- Provide high-quality water to meet the demands of retail and wholesale customers and ensure adequate pressure for fire protection
- Provide wastewater collection and treatment services for retail and wholesale customers while meeting federal and state regulatory requirements
- Continue enhancing the customer service experience and improving water conservation with the development of the Advanced Metering Infrastructure project
- Provide planning, design, and construction of capital projects
- Ensure accountability of funds and prudent management of DWU's financial resources
- Continue addressing unserved water and wastewater needs within the City of Dallas
- Continue efforts to connect Lake Palestine to Dallas' Bachman Water Treatment Plant



DWU Budget Goals – Stormwater



Mission: Enhance the quality of life for Dallas residents through management of the Trinity River watershed, associated neighborhood and systemwide flood control, floodplain and surface water quality activities

Budget Goals:

- Meet state and federal stormwater regulations
- Ensure public/private infrastructure and development are designed to minimize flooding
- Plan and implement drainage infrastructure projects to improve drainage system efficiency and function
- Monitor and respond to floodway and neighborhood drainage issues during rainfall events
- Maintain pump stations uptime at 92% or greater



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Budget Development



- Budget focus maintains infrastructure and conserves resources
- Fiscal Year 2022 Water and Wastewater Operating Budget of \$722.4M. Services include:

Water Production & Delivery	Wastewater Treatment
Water Utilities Customer Account Services	Wastewater Collection
Water Utilities Capital Program Management	Water Capital Funding
Water Planning, Financial and Rate Services	DWU General Expense

- Fiscal Year 2022 Stormwater Operating Budget of \$69.3M. Services include:

Floodplain and Drainage Management	Floodway Operations
Neighborhood Drainage Operations	DWU-SDM General Expense

- Ensure accountability of funds and prudent management of DWU's financial resources



Water and Wastewater Budget



Category	Budget (Millions)	Percent
Personnel	\$ 111.7	16%
Power, Chemicals and Fuel	\$ 51.0	7%
Reservoir O&M	\$ 26.0	4%
Other Supplies	\$ 22.3	3%
Integrated Pipeline Project (IPL)	\$ 38.0	5%
Capital Funding (Cash Transfer)	\$ 90.0	12%
Capital Funding (Debt Service)	\$ 220.6	31%
Street Rental & PILOT, City Forces & GFICR	\$ 82.1	11%
Contractual Services	\$ 81.9	11%
Equipment	\$ 8.0	1%
Reimbursements	<u>\$ -9.1</u>	-1%
TOTAL	\$ 722.4	



Stormwater Drainage Management Budget



Category	Budget (Millions)	Percent
Personnel	\$ 18.0	26%
Supplies	\$ 3.9	5%
Capital Funding	\$ 13.0	19%
Street Rental, City Forces & GFICR	\$ 24.7	36%
Contractual Services	\$ 9.8	14%
Equipment	\$ 0.1	1%
Reimbursements	<u>\$ -0.2</u>	-1%
TOTAL	\$69.3	



Revenue Overview



- Rates and Connection Charges
 - “defray the costs of proper maintenance, operation, expansion, and extension of the water or municipal and industrial waste water or stormwater systems and facilities, treatment plants, reservoirs, appurtenances, facilities, and land owned and operated by the water utilities department” [Dallas City Charter, Article V-d Section 2-51 (6)]
- Annual Cost of Service Studies
 - Retail Water and Wastewater Cost of Service Rate Studies
 - Wholesale Treated Water, Untreated Water and Wastewater Cost of Service Studies
 - Review and update of Dallas County Appraisal District (DCAD) data and impervious layers for development of stormwater rates
- Rate Design
 - Wholesale rates are developed in accordance with the 2010 Memorandum of Agreement adopted by City Council and all treated water wholesale customers
 - Retail water and wastewater rates are developed based on cost of service studies with a focus on affordability
 - Stormwater rates are developed based on customer class and impervious surface to cover Stormwater expenses
- Revenue projections reviewed annually by the City Auditor's Office



Water and Wastewater Revenues



Category	Budget (Millions)	Percent
Interest Income	\$ 3.8	0.5 %
Retail Water	\$ 332.5	46.7%
Retail Wastewater	\$ 253.6	35.5%
Wholesale Water	\$ 105.2	14.7%
Wholesale Wastewater	\$ 14.0	2.0%
Miscellaneous	\$ 3.7	0.5%
Contributions	<u>\$ 0.9</u>	0.1%
TOTAL	\$713.7	

NOTE: \$8.7M in expenses are funded with SRA Escrow Fund from the SRA Rate Dispute Settlement Agreement



Stormwater Drainage Management Revenue



Category	Budget (Millions)	Percent
Residential	\$ 25.5	37%
Commercial	<u>\$ 43.8</u>	63%
TOTAL	\$ 69.3	





DWU Future Projects



Long Range Water Supply Plan (LRWSP)



- Dallas periodically updates its LRWSP to identify water management strategies that will allow Dallas to meet its retail and wholesale customer's future water supply needs
- Dallas developed a LRWSP in 1959 with successive updates in 1979, 1989, 2000, 2005 and 2014
- Dallas will begin the process of updating its LRWSP in Fiscal Year 2022
- The LRWSP update will evaluate:
 - Changes in population and demand projections
 - Changed conditions associated with current water supplies and recommended and alternate water management strategies
- The Updated LRWSP will be incorporated into the 2026 Region C Water Plan



Billing System Update



- Current SAP (Billing and Collections System) implemented in 2008 will not be supported after 2027
- Evaluating current market offerings for utility customer portals and billing systems
 - Evaluate 5 billing systems and 5 customer portals
 - Opportunity to offer online services to customers
 - Field Mobility will be included in the new selection offering real time updates to the call center and customers
 - Limited customization to streamline processes
- The selected billing system will be coordinated with Automated Water Metering Technology
 - An opportunity to offer daily/hourly usage to customers
 - Proactive leak detection with customized notifications
 - A focus on water conservation
 - Integrated data with the new customer portal

UTILITY

Service from 3/24/21 to 4/20/21 for 28 days

Service Provided	Meter Number	Meter Size	Previous Read	4/20/21 Read	Usage in 100 GALS	Usage Charge	Base Charge
Water	1183696	5/8"	4,317	4,421	104	\$34.46	\$5.38
Sewer					46	\$24.89	\$4.83

Sanitation (S F RES + 1 ADDITIONAL CAN)
Sales Tax

Sanitation Charges
Storm Water Charges

Total Utility Charges

WATER USE HISTORY

Sewer Average 46 (100 gallons)

For more information on how to calculate your water bill visit www.dfwcalculator.com

Residential Usage Rates. (Per 1,000 Gallons). Effective October 1, 2020

Gallons	Water	Sewer
Tier 1 (0 to 4,000)	\$1.88	\$5
Tier 2 (4,001 to 10,000)	\$4.05	
Tier 3 (10,001 to 20,000)	\$6.59	
Tier 4 (20,001 to 30,000)	\$9.40	
Tier 5 (Above 30,000)	\$10.86	

Usage in 100 gallons X 100 = volume for rate calculation

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Address Change

CONTACT US?
Phone: (214) 651-1441
Email: WaterSpecialtyUnit@dallascityhall.com
Mail: 1500 Marilla, 3ANorth, Dallas, TX 75201

As provided in Section 106.001, Texas Water Code, you are notified that you may be subject to a utility usage charge if you do not pay your utility bill on time.

Payments may be made by check, credit card, or online at www.dallaswater.com. For a Fidei disconner, please call (214) 651-1441.

In the 'checked' box, please indicate how you would like to receive your bill.

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Keep this portion for your records.
Please return this portion with your payment to: Dallas Water Utilities, PO Box #60025, Dallas TX 75266-0025

INVOICE SUMMARY
Balance Forward
Current Charges (See back for details)
Water Charges
Sewer Charges
Sanitation Charges
Storm Water Charges
Total Current Charges
Total Amount Due

WATER CONSERVATION TIP
Remember, it's not a good idea to water between 10 am and 6 pm when lots of water is lost to evaporation and wind. It's also prohibited in Dallas from April 1 to October 31. For more information and watering tips, visit SaveDallasWater.com.

BE A GOOD NEIGHBOR
Operation WaterShare
temporary financial setback programs to help teens achieve their dreams, ranging from college entry, but all



Automated Water Metering Technology



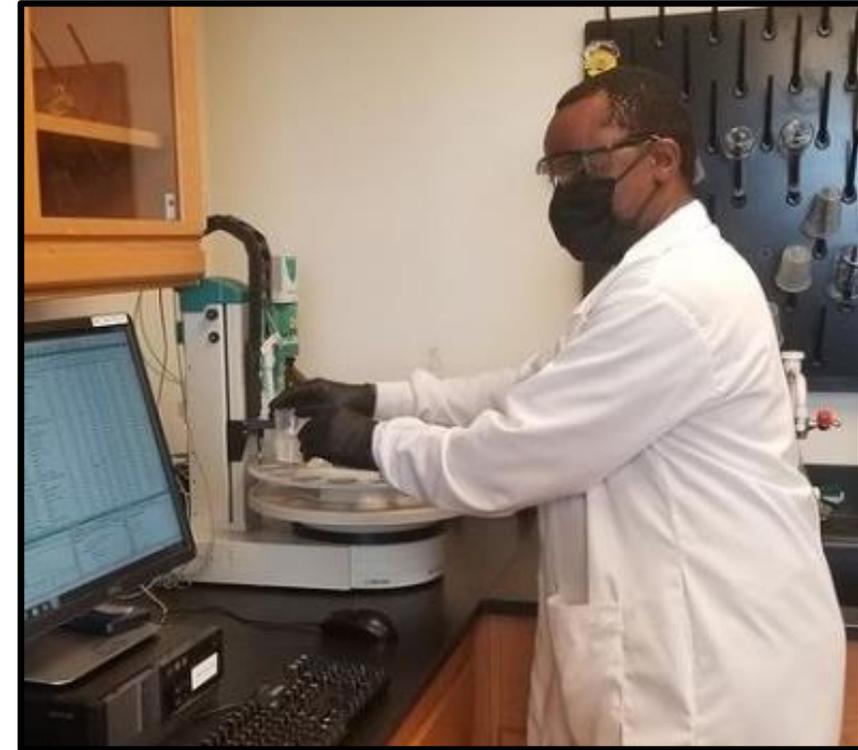
- The Enhancing Customer Service through Advanced Metering Technology Study was awarded in April 2021 and scheduled to be completed by Spring of 2022
- The feasibility study includes the following tasks:
 - Review current technologies available in the market
 - Assess DWU current infrastructure and operations
 - Develop a preliminary system layout
 - Develop a customer engagement vision for the project
 - Provide a recommended implementation strategy
 - Develop a business case which will include a detailed benefit analysis and overall project economics
- Project recommendations will be presented to the Transportation and Infrastructure Committee in Spring of 2022



Laboratory Information Management System (LIMS)



- DWU has three drinking water labs, two wastewater process labs and a wastewater operations analytical laboratory
- Benefits of LIMS are:
 - Improve laboratory productivity and efficiency
 - Ability to track sample data and laboratory workflows
 - Integration of laboratory equipment to LIMS
 - Provide reagents / consumables inventory for better inventory control
 - Generate reports for better data analysis and regulatory compliance with reporting parameters
- LIMS will assist in maintaining DWU's National Environmental Laboratory Accreditation Program certification and will help to improve regulatory reporting overall
- LIMS software is expected to be on-line by May 2022



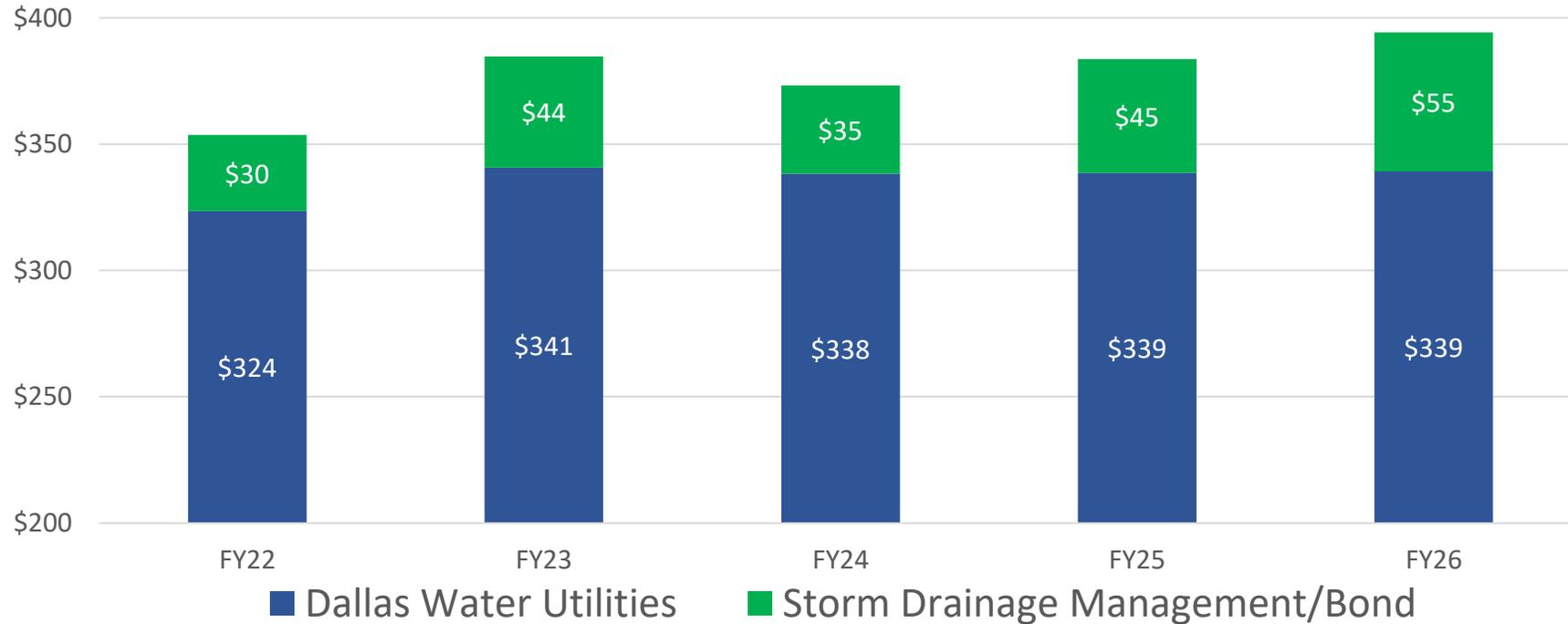
Stormwater Assessment



- Provides a framework for improvements and efficiencies in the operations, maintenance, and capital investments related to storm drainage management across the City.
- Two Phase Study
 - Phase I –
 - Review of existing organizational structure, regulatory requirements, and current operational business process
 - Benchmarking of similar utilities
 - Phase II –
 - Risk and condition-based recommendations for capital improvement program
 - Assessment and recommendations for water quality improvements - Total Daily Maximum Load (TMDL) reduction plan
- Phase I to be complete in Fall of 2021 and Phase II in Fall of 2023



DWU Five Year Capital Funding Plan



- Focus on rehabilitation/replacement of existing infrastructure, some growth and regulatory
- 2017 stormwater bond funding included through FY23
- FY 23 includes start of debt issuance to ramp up stormwater CIP to \$50-55M by FY26 and 27



In Summary



- Dallas Water Utilities provides services vital to the health, safety and quality of life of our residents and customers
- These services are provided through the annual budget process and development of revenues and rates
- DWU plans for the future needs of our customers with projects to:
 - Improve the customer service experience
 - Implement technology projects focused on efficiency and conservation of resources
 - Provide water and wastewater infrastructure for unserved areas
 - Plan for future water demands





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