



WATER DELIVERY SERVICE 10 YEAR BUDGET HISTORY

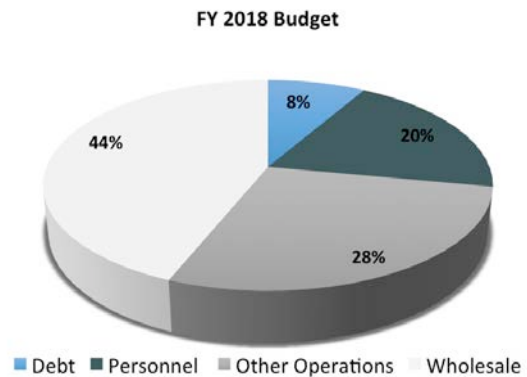
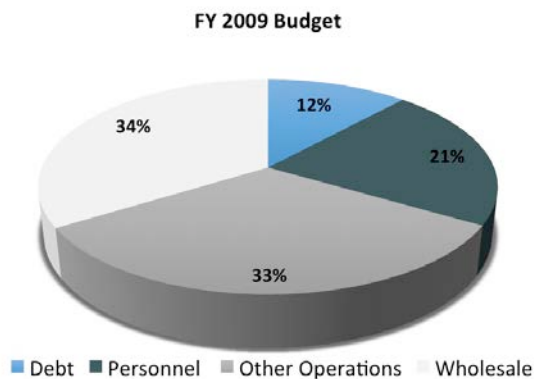
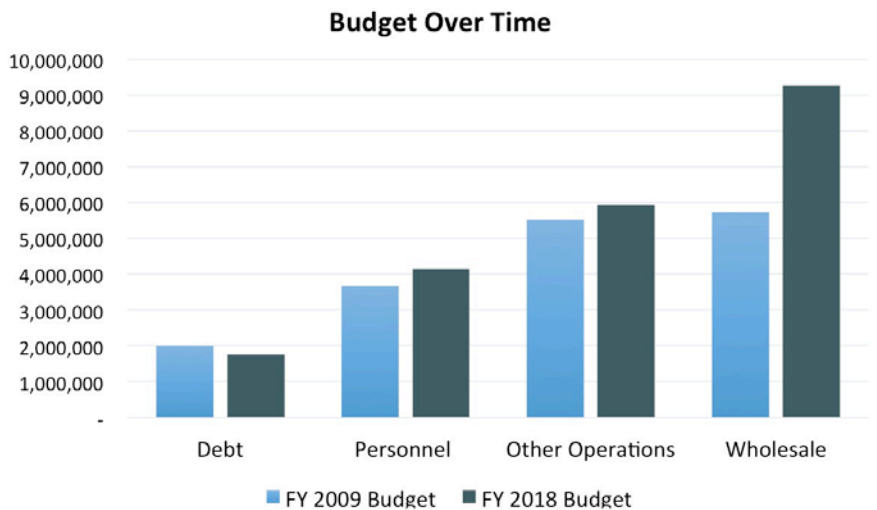
DID YOU KNOW:

- The City purchases raw water from the City of Fort Worth, and returns wastewater back to the Fort Worth system to be treated
- 95% of City of Hurst drinking water is supplied by the City of Fort Worth while 5% is supplied by city-owned water wells
- Since 2003, Wholesale Cost increased 42% and Consumption Dropped 11%
- Of the 2.5% water rate increase for Fiscal Year 2017/2018, 2.075% is to cover Wholesale Increases by the City of Fort Worth. Only 0.425% is to cover Hurst Operations
- Hurst costs include maintenance and operations of approximately 204 miles of water lines, 1,321 fire hydrants, 4,413 water system valves, 12,816 water meters, ten ground storage tanks, three elevated storage tanks, two water supply connections with the City of Fort Worth and six City owned water wells
- The Public Works SCADA (supervisory control and data acquisition) Center not only monitors the water system, but answers calls 24 hours a day, 7 days a week concerning water, sewer, street, drainage, and traffic issues (817-788-7212)
- The cost for a gallon of water from the City is approximately 1 penny or 100x the value of a gallon purchased at the store for \$1
- Utility Billing processes approximately 120,000 paper water bills and 24,000 E-Bills annually
- Utility Billing staff reads approximately 144,000 meters per year with an 99% accuracy rate

IMPACT OF WHOLESALE COSTS

Wholesale costs continue to present a challenge to our utility customers. Our wholesale providers have access to the water rights and treatment facilities to supply treated culinary water to our city and also have the facilities to treat our wastewater. These facilities, when done on a regional basis, are able to achieve economies of scale by serving a broad base of customers; however, the Hurst system is not growing while the wholesale providers must consider their entire service area. As a result, Hurst (like all other wholesale customers) is tied to the rates necessary to ensure the entire regional system is able to provide water wastewater services to all its customers. When those rates increase, we have to adjust our local operations to fund the increase in wholesale costs. The charts below help illustrate the changes in wholesale costs over time.

The chart on the right illustrates how the dollars are spent in our Utility Fund. Looking back 10 years you can see the dramatic increase in wholesale costs. Operations have increased only slightly in comparison while debt has actually decreased.



The charts above show the percentage of budget spent on various activities in the Utility Fund. Wholesale costs are consuming a greater share of the annual budget while all other activities are consuming less (on a percentage basis) than they were 10 years ago.