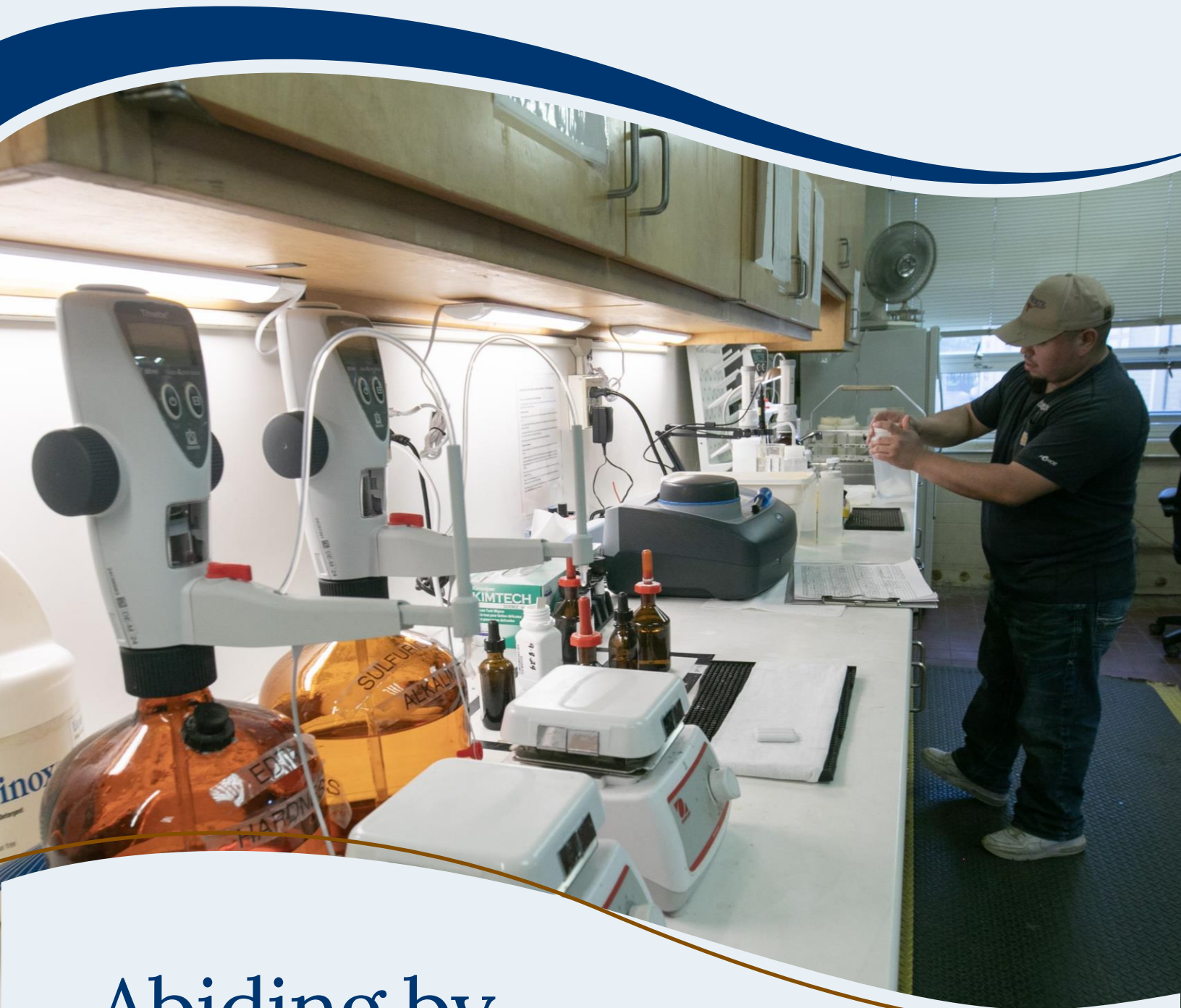




Abiding by Regulatory Changes

FORT WORTH WATER





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Director's Message

We are committed to providing high quality water and wastewater services while operating efficiently and in a cost-conscious manner.

Chris Harder

Water Director



Fort Worth's water utility is regulated by the Environmental Protection Agency and at the state level by the Texas Commission on Environmental Quality. We report operating data, water quality testing and monitoring results, asset records, and maintenance activities to these agencies.

We are required to share water quality data with our customers, which we do annually with a Water Quality Report. In addition to a published copy, the report is available online on the [website](#).

Our management team is responsible for both regulatory compliance and preparing our Utility to meet future regulations. In 2024, new rules were finalized covering lead and PFAS, commonly referred to as 'forever chemicals.'

The EPA Lead and Copper Rule Revision (LCRR) obligates Fort Worth to inventory all retail water service line connections within the distribution system, submit that inventory list to the TCEQ, make the inventory information publicly available, and provide written notice to those customers that have lead, unknown, or galvanized requiring replacement (GRR) service line materials.

Fort Worth has complied with all of these provisions.

The EPA also announced the final Lead and Copper Rule Improvements (LCRI). This rule builds on the previous LCRR to require utilities to replace lead and GRR service lines within a 10-year timeframe and

lowers the maximum lead level threshold. This rule incorporates significant public communications requirements on the Utility related to testing and service line replacement.

On April 10, 2024, the EPA announced the Final National Primary Drinking Water Regulation for six PFAS compounds. This rule establishes maximum levels in drinking water for five PFAS compounds and establishes a hazard index for four PFAS compounds. This rule requires water utilities to complete their initial monitoring for these compounds by 2027, and implement treatment solutions to achieve compliance with the maximum PFAS levels by 2029.

Fort Worth has compliance strategies and schedules in place for both the LCRI, as well as the PFAS rule finalized in 2024. These regulations add substantial costs to our operations. When coupled with the City's large population growth and the continued reinvestment in our existing infrastructure, we face significant rate pressure over the next few years.

We are committed to providing high quality water and wastewater services while operating efficiently and in a cost-conscious manner.

You can do your part by being good stewards of the water you use, especially related to irrigation during the summer.

Water Utility Mission, Vision and Goals



Mission

Clean Water Done Right Every Time

The Water Utility enables the Fort Worth community to thrive with clean water done right every time. The Utility is responsible for providing drinking water, wastewater and reclaimed water service that keeps the community healthy and protects the environment.



Vision

Exceed Expectations

To be the premier water utility focused on exceeding customer expectations through value-driven innovative services.



Goals

Performance Excellence, Meeting Long-Term Community Needs

Fort Worth Water's strategic plan is structured around the Effective Utility Management framework designed by the American Water Works Association, the Environmental Protection Agency, and nine other association partners representing the U.S. water and wastewater sector.

The program is designed to help water and wastewater utility managers make informed decisions and practical, systematic changes to achieve excellence in utility performance in the face of everyday challenges and plan for long-term needs of the Utility.

The goal is to improve in product quality, customer satisfaction, employee and leadership development, operational optimization, financial viability, infrastructure strategy and performance, enterprise resiliency, community sustainability, water resource sustainability, and stakeholder understanding and support.

Fort Worth has four key focus areas to help in its strategic efforts:



Workforce

Recruit, retain and develop the Utility's workforce throughout their career.



Data Analytics & Technology

Use data to optimize operations and better inform decisions.



Equity & Affordability

Maintain cost through efficient operations and ensure equitable access through infrastructure investment.



Stewardship

Provide best value while protecting, restoring and enhancing the natural environment.

Utility History

• 1873

Fort Worth incorporates.



• 1878-1882

Artesian wells provide service to Fort Worth. Wells continued to provide service until Lake Worth finalized and filled in 1914.

• 1882

Captain B.B. Paddock creates a private water company to build a private water system.

• 1884

City of Fort Worth buys the private system.

• 1911-1914

Construction of Lake Worth begins in order to serve as the City's water supply. Lake filled in 1914. North Holly sand filtration plant and laboratory placed into service in 1912.

• 1892

Holly Pump Station built.

• 1958

A new modern wastewater treatment plant, Village Creek Water Reclamation Facility, opened in east Fort Worth. The Riverside wastewater treatment plant closed in 1979.

• 2024

Significant progress made in the Eagle Mountain Water Treatment Plant expansion project.

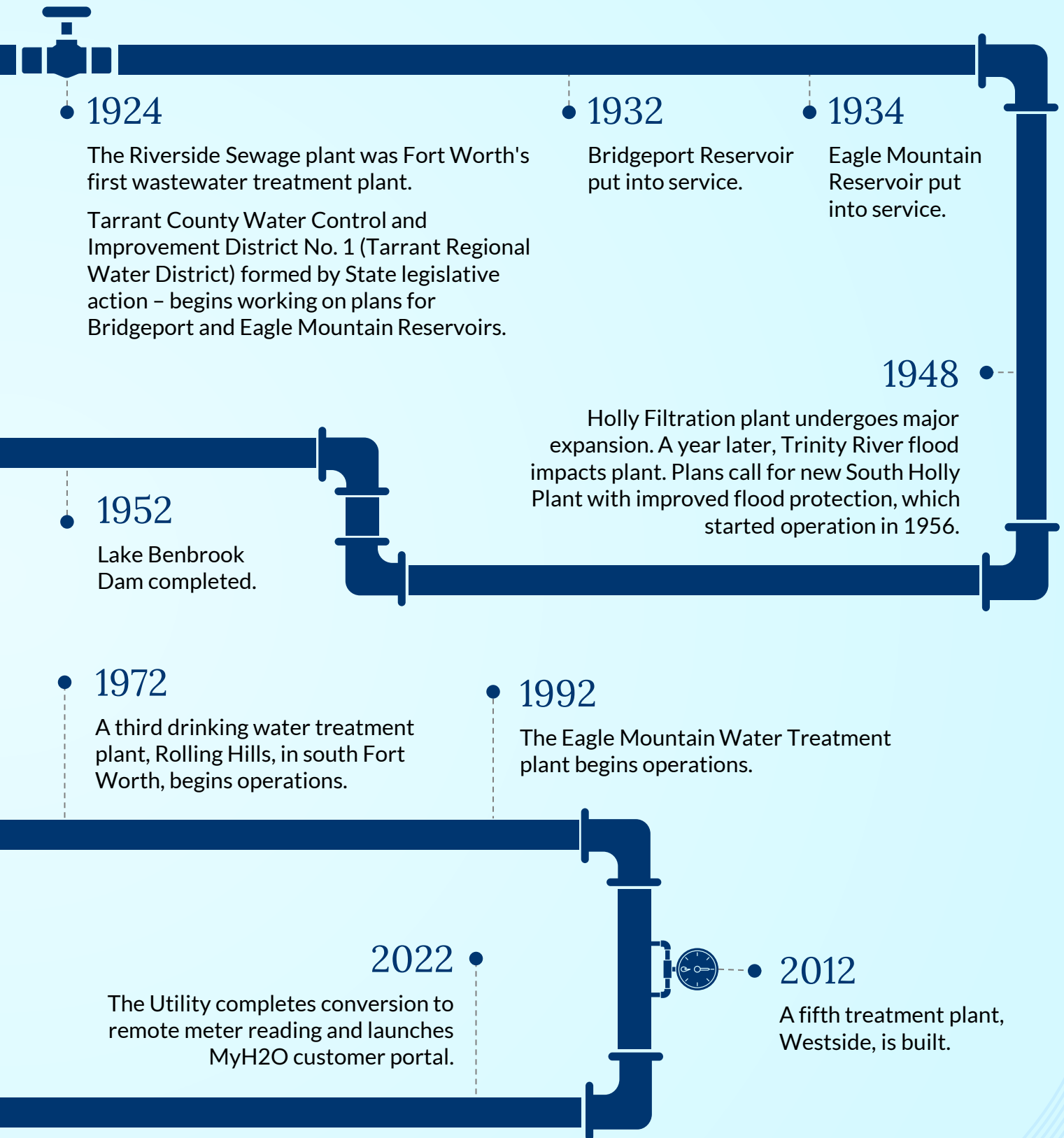
The Utility's Fiscal Year 2024 budget represents

23%

of the City's overall operating budget

The Utility employs a staff of

1,021 employees



Governance Structure

The Fort Worth Water Utility is an Enterprise Fund of the City of Fort Worth. It receives no tax dollars and operates on its revenues and fees.

The Utility is owned and operated by the City of Fort Worth. Under its Council-Manager form of government, the mayor and city council oversee general administration, make policy and set the budget and rates.

The city manager, appointed by the City Council, carries out the daily administrative functions, including the Water Utility.

The water director oversees the executive management staff, which oversees the Utility's operations. Water and wastewater divisions include strategic operations, field operations, customer care, plant operations, management services, financial services, and capital delivery.

Mayor &
City Council



City Manager



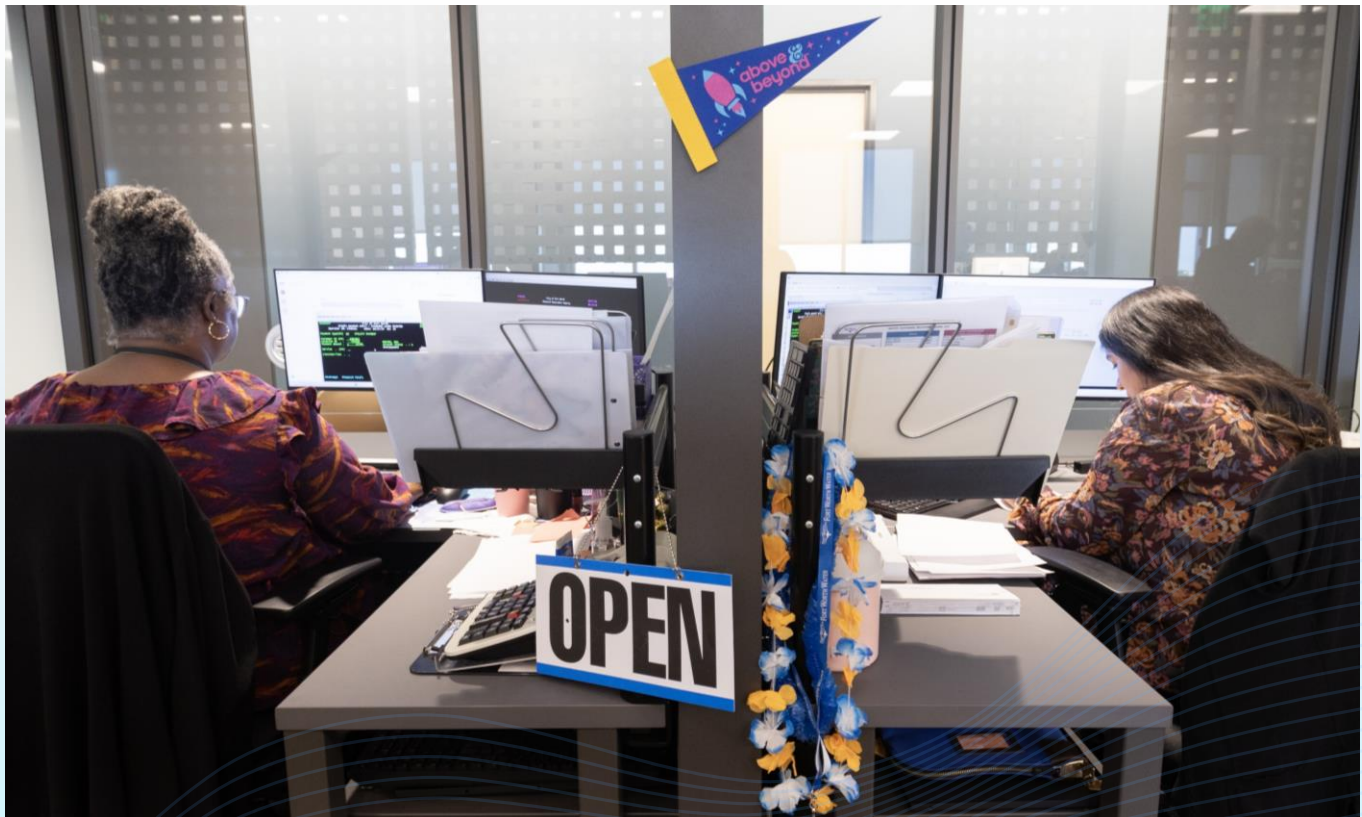
Water Director



Executive
Management Staff



Utility
Operations



Management Team



1 Laura Wilson
Deputy Water Director, Infrastructure Services

2 Jerry Pressley
Assistant Water Director, Customer Care

3 Shela Chowdhury
Assistant Water Director, Strategic Operations

4 Mary Gugliuzza
Media Relations & Communications Coordinator

5 Jan Hale
Deputy Water Director, Business Services

6 Shane Zondor
Assistant Water Director, Management Services

7 Chris Harder
Water Director

8 Brian Brown
Assistant Water Director, Financial Services

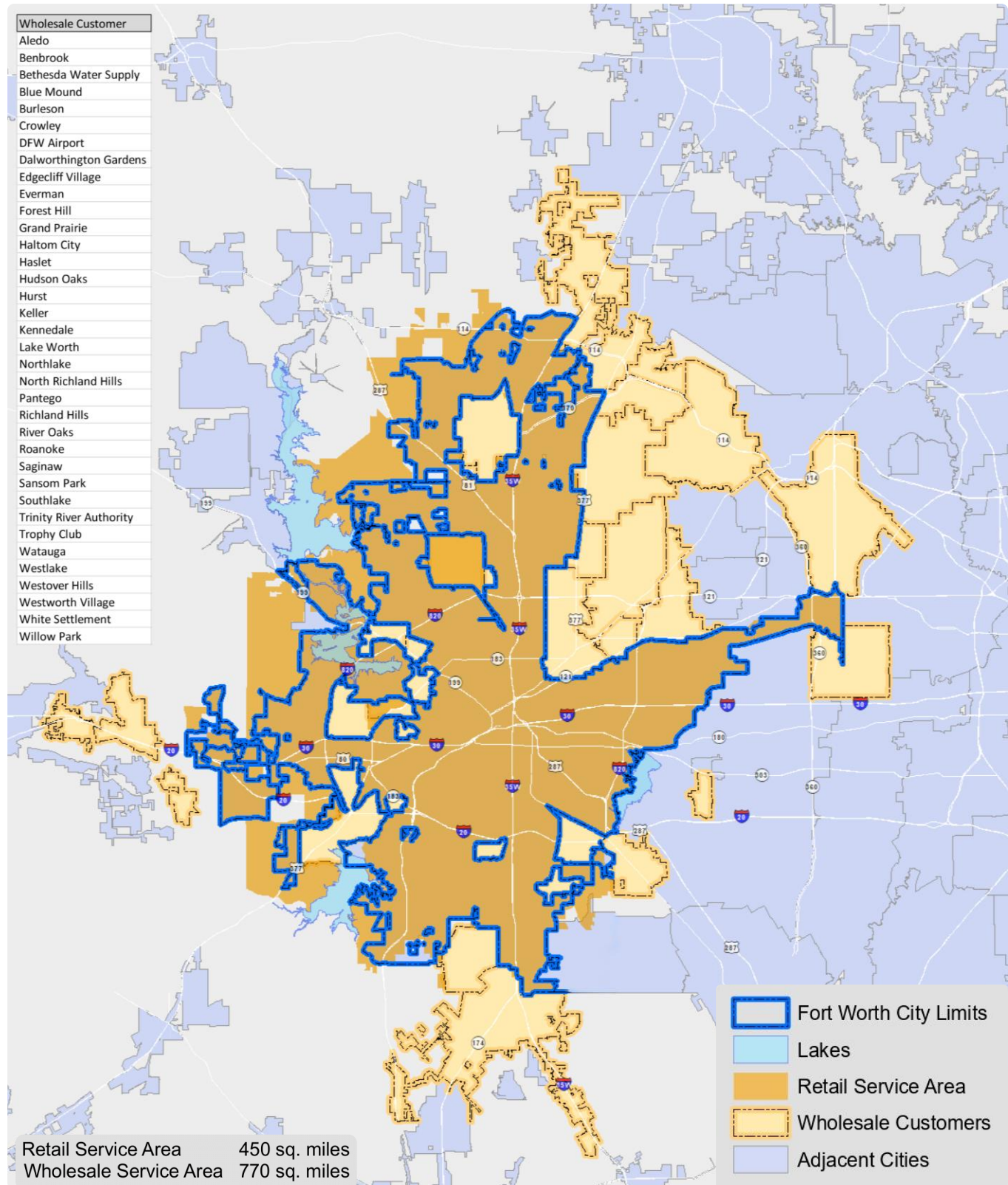
9 Roy Teal
Assistant Water Director, Field Operations

10 Tony Sholola
Assistant Water Director, Capital Delivery

11 Shannon Dunne
Assistant Water Director, Plant Operations

Customer Service Areas

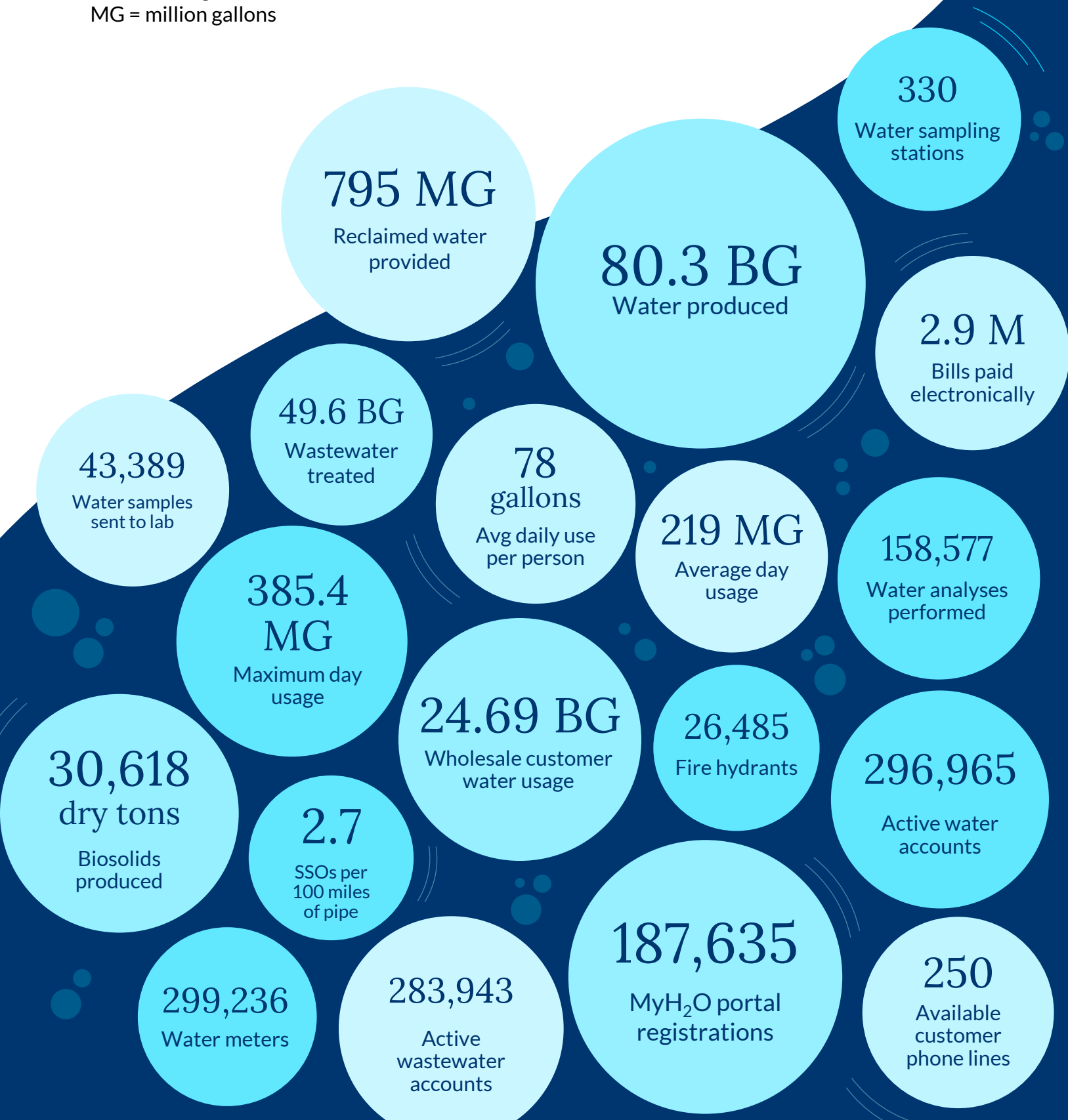
Retail, Wholesale Service areas of our customer cities



Fiscal Year-End Operational Performance

BG = billion gallons

MG = million gallons



Year-End Financial Performance

Revenues and Expenses

Operational efficiencies and sound financial management are ways Fort Worth Water keeps its water and wastewater rates low. Water and wastewater rate increases were approved for Fiscal Year 2024, with new wholesale rates taking effect on Oct. 1. New retail rates took effect on Jan. 1, 2024 – the first rate increase in four years.

The Water Utility is funded solely by the rates and fees it assesses and collects and operates independently as an Enterprise Fund, separate from the General Fund, of the City of Fort Worth. No property tax dollars are used to fund water and wastewater operations.

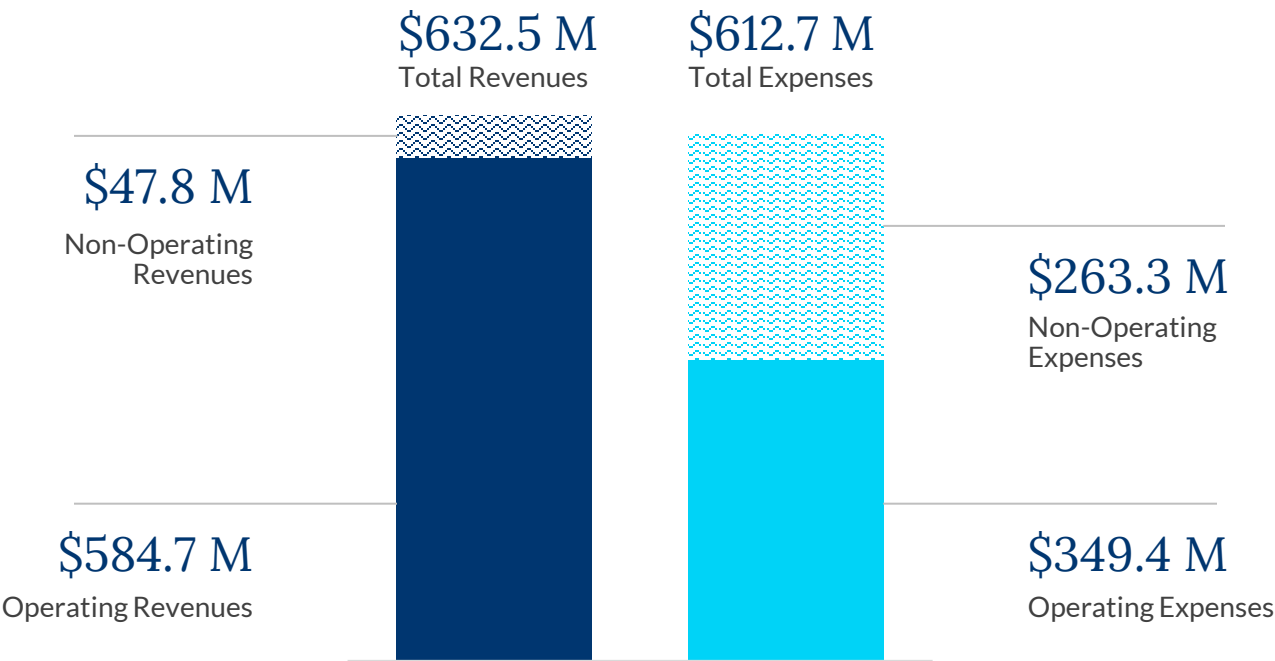
Water and wastewater rates have two components –

a volume charge and a fixed monthly service charge based on water meter size.

The following is a summary of revenues and expenses for Fiscal Year 2024.

Operating revenues include such things as the sale of treated water and account setup fees. Non-operating revenues are interest earned and transfers in from other City departments. Operating expenses include such things as the cost to buy and treat water. Non-operating expenses include debt service payments.

For more details visit the City website at <https://fortworthtexas.gov/departments/the-fwlab/budget/fy2024>



\$19.8 M

Reserve Contribution

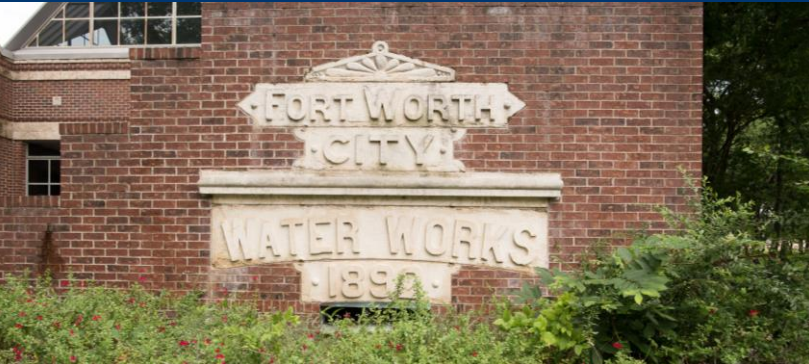
Includes water, reclaimed water and wastewater

Distribution of Expenses

Where Does Your Dollar Go?



By the Numbers



Fort Worth Water

Provides water for

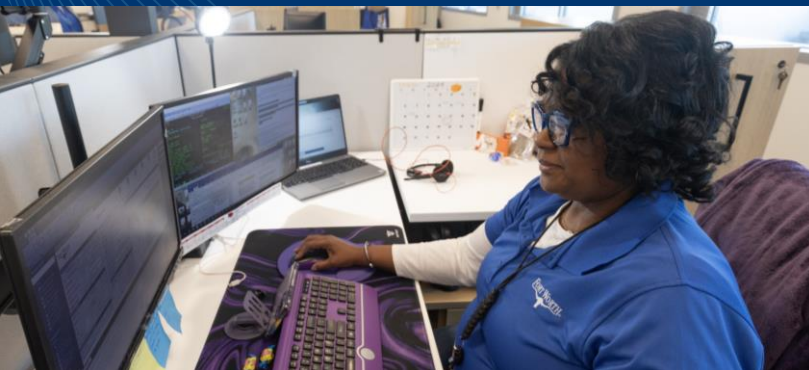
1.4M people

Utility Maintains

4,040 miles of pipe for distribution

3,926 miles of pipe for collection

12.2 miles of pipe for reclaimed water



Fort Worth Water has the capacity to daily treat

 **535M** gallons of drinking water

 **166M** gallons of wastewater

Fort Worth Water has

5 drinking water treatment plants

23 booster pump stations

30 storage tanks

1 water reclamation facility, with a second reclamation facility in the works



Capital Improvement Plan and Progress

A Capital Investment Trends

Fort Worth Water is in the midst of an aggressive \$2 billion capital improvement plan that addresses growth, new regulations, and critical infrastructure needs through Fiscal Year 2029.

During Fiscal Year 2024, Fort Worth Water spent \$359 million on water and wastewater projects. The amount was a 10% increase from the prior fiscal year. This trend will continue into fiscal years 2025 and 2026, with capital expenditures anticipated to exceed \$500 million.

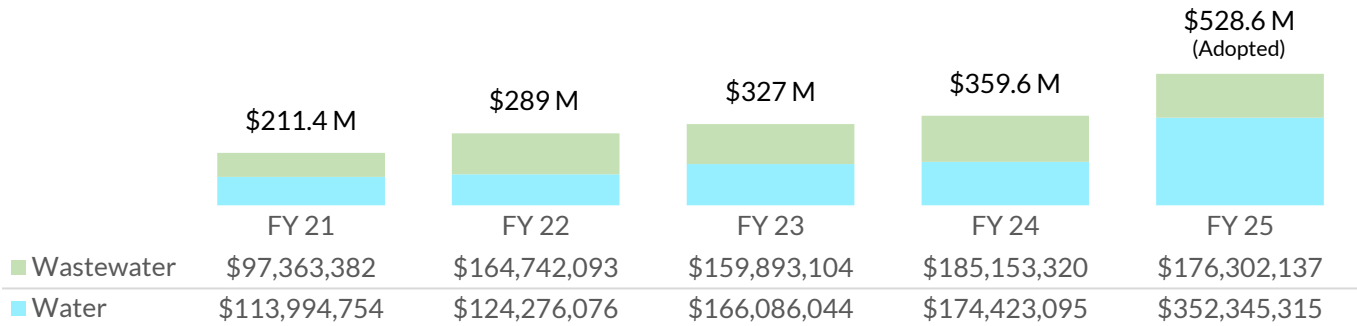
Some of the 2024 highlights include the approval of \$98 million to construct the primary clarifier replacements at the Village Creek Water Reclamation Facility, \$63 million for the construction of the Lake Arlington wastewater force main, funding for the engineering designs of the Eagle Mountain Water Treatment Plant expansion, Mary’s Creek Water Reclamation Facility, Holly Water Treatment Plant PFAS removal project, and tens of millions of dollars of infrastructure replacement projects located in the City’s 10 council districts.

Replacing cast iron water pipes continues to be a high priority for the Utility. Beginning in Fiscal Year 2021, Fort Worth Water established a goal to replace 20 miles of cast iron pipe annually. We significantly increased the investment in engineering work to prepare the design packages necessary to meet the replacement goal, with priority given to the larger diameter pipelines. Those design packages are now moving toward construction.

With 800 miles of cast iron water pipe in our inventory, this is a long-term commitment. Cast iron water pipes account for more than 80% of the main breaks within our water system.

City Council approved expenditures to replace just under 17 miles of cast iron pipe in Fiscal Year 2024. About 2 miles of that is in downtown Fort Worth. Our goal is to replace several critical cast iron transmission mains downtown prior to the World Cup in 2026, when Fort Worth will host media events and teams competing at AT&T Stadium.

B Capital Spending Growth



Bond Ratings

The Standard and Poor’s, Moody’s and Fitch ratings are at AA+, Aa1, and AA, respectively. All outlooks are stable. Bond ratings are an assessment of credit worthiness and can affect the City’s ability to borrow money.

S&P Global Ratings

MOODY’S

FitchRatings



Making Our Water Equitable and Affordable

Each year, Fort Worth Water reviews its water and wastewater rates as well as its rate affordability.

Rate affordability is an industry index established by the U.S. Environmental Protection Agency. It measures how average water and wastewater bills compare to the median household income to show costs as a percent of income.

For 2024, Fort Worth’s rate affordability is 1.17%, which is at the low end of the EPA’s affordable range. The EPA benchmarks low, affordable, high and unaffordable rates, or those that take greater than 4.5% of household income to pay.

At Fort Worth Water, equity means rates must be fair for all customer classes—residential, commercial, industrial and irrigation. Rates should be based on the actual cost of providing service to that class.

Rate and fee revenue, though, must meet operational and debt obligations.

The task of setting rates is not taken lightly. The Utility’s Retail Rate Structure Stakeholders Group meets several times annually to discuss rates and their impact to each customer class.

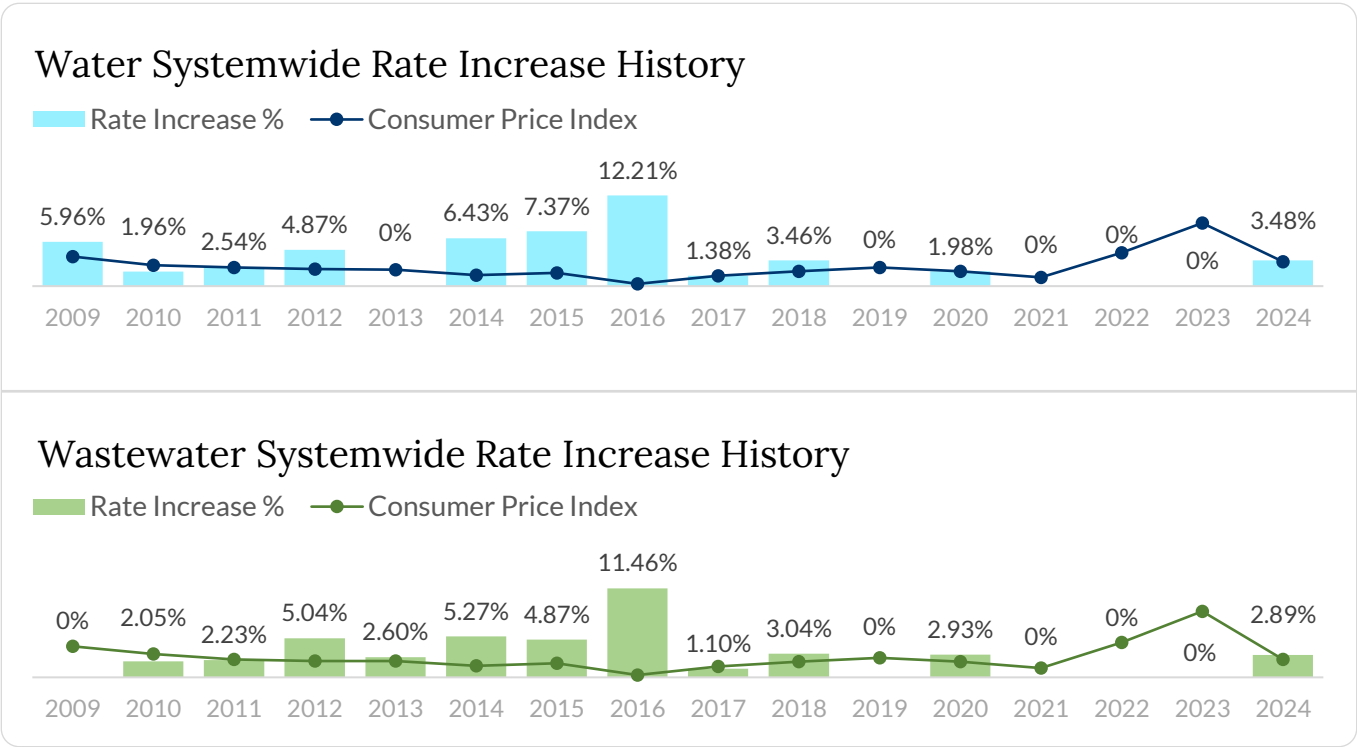
In September 2023, the City Council increased systemwide water rates 3.48% and wastewater rates 2.89%, effective Jan. 1, 2024. That equates to a \$2.18 monthly increase for an average residential user.

The new rates, in part, help the Utility to cover costs of meeting increased capital investment and new regulatory requirements related to lead and Per- and polyfluoroalkyl substances, or PFAS, known as “forever chemicals.”

Rate Increase History

The Utility’s largest source of revenue is the rates paid by our customers. Rates are based on the cost to provide water and wastewater services and are developed using industry standards. The Utility strives to maintain equitable and affordable rates.

With increased costs for raw water, chemicals, employee salaries and regulatory changes, rates increased on Jan 1, 2024. This was the first rate increase for water and sewer service in four years.



Key Priorities

Customer Focus



Improving our customer experience was a key component when the Utility transitioned to remote-read meters and began to offer data from those readings on a portal. The idea was to let our customers play a role in decision making about their water use as well as how they stay connected to us.

Under the program name MyH2O, in the last two years our customers have experienced significant upgrades in their ability to view usage data and change habits – all designed to help the Utility reduce water loss and customers repair leaks before they become too costly.

A major change to the portal in 2024 now enables customers to select having continuous usage

notifications emailed, texted or sent by push notification. This alert is triggered when usage is greater than 1 cf, or about 7.5 gallons, for 72 consecutive hours.

This can be a valuable tool for customers to monitor and alter their water consumption on a more real-time and regular basis. Commercial customers received access to the portal in late 2023. These customers can manage multiple accounts under one login.

By the end of Fiscal Year 2024, just under 188,000 customers were registered on the portal.

Water Supply and Conservation



Irrigation is a significant factor in how our customers use water.

Through MyH2O, Fort Worth Water has data at its fingertips that is being used to promote efficient water use through the City's water conservation programs and irrigation ordinance.

To promote water conservation, the City adopted an irrigation ordinance in 2007 that prohibits irrigation between 10 a.m. and 6 p.m., the time of day when evaporation is at its highest. In 2014, the ordinance was strengthened to include no more than twice-a-week watering for all customers.

From remote meter readings, the Utility collects usage data, and can track daily and hourly usage trends.

Analysis of the data from the summer months found that about 18,800 customers each week were not following the ordinance, either by watering on the wrong day, more than twice a week, or during prohibited hours. Furthermore, the data indicated that 31% of the violations were on commercial irrigation meters.

The Utility began sending water advisory postcards, emails and text messages to customers using more than 500 gallons of water per hour during restricted times, an amount pointing to irrigation system use and not hand-held hose watering. The notice reminds them of the City ordinance requirements.

About 79,000 post cards were mailed, and 4,000 emails and 16,000 text messages were sent during the first few months of the effort. It paid off -- between July and September, the number of violations dropped 43%. Irrigation typically falls off during the fall and winter months.

For customers with repeated violations, the City's irrigation ordinance allows the Utility to charge fees to their water bill. The fines are \$25 for the first offense, \$50 for the second offense and \$75 for the third offense. After the third violation, the Utility will lock out service with additional fees to turn water back on.

This proactive approach will help ensure the Utility can meet future demand and promote more sustainable water usage well into the future.

Workforce



Hiring and retaining good job candidates is a constant activity for Fort Worth Water.

For Water Customer Relations, some success has come in hiring through a partnership with Workforce Solutions for Tarrant County. The program, which is under the direction of the Texas Workforce Commission, is setup to respond to the needs of employers and workers at the local level.

Fort Worth Water became a program partner in 2021, and their services have been used by field operations and meter services staff. In April 2023, the Utility's Contact Center sought their help in recruiting customer service representatives.

Essentially, Workforce Solutions finds potential job candidates, performs background checks and refers

them to the Utility for interviews, selection and training. Workforce Solutions pays for their 12-week training and other employment costs. If successful in completing training and a job vacancy is available, Fort Worth Water will, at minimum, offer an entry level customer service representative position.

In the first six months of the program, 28 applicants were offered to participate in customer service training and 19 accepted. Three of the workers were employed as senior customer service representatives, while two had their training program extended until budgets were approved for their hiring. Another two were in training at a later time.

Emergency Preparedness



In the months following the February 2021 winter storm, the Utility briefed City Council on the investment needed to improve water system reliability in the event of regional power disruption and curtailments.

That briefing was incorporated into the Texas Commission on Environmental Quality-mandated Emergency Preparedness Plan for the Utility. In 2022, the TCEQ approved Fort Worth's emergency preparedness plan, required of utilities statewide.

Work to implement our plan continues, with most of the projects either completed or in construction. The Utility moved quickly to improve our ability to operate when the power is disrupted. Most projects were completed ahead of schedule.

Completed projects include adding backup generator power to the Westside Water Treatment Plant, fully enclosing the outdoor high service pump stations at the Westside and Eagle Mountain water plants, and replacing the backup generator for the SCADA Control Center.

Projects in construction include the backup generator power supply for the North and South Holly water



treatment plants, installation of backup power generation at four critical pump stations, and installation of a new transmission-supplied substation by Oncor at the Eagle Mountain plant. These projects are slated to be completed in 2025 and 2026.

A critical fuel storage and distribution station is in design for the Field Operations service center at the Holly plants, which will provide fuel storage for emergency generator use, as well as for the Utility's fleet should the fuel supply be disrupted by power outages.

Major Initiatives

Northside Water Supply



North Fort Worth is the fastest growing area of the City. Growth is also occurring in our northern wholesale customers in the neighboring cities of Haslet, Keller, Lake Worth, Northlake, Roanoke, Saginaw, Southlake, Trophy Club, and Westlake.

Taken together, the peak water demand from this growth has stressed our existing treatment and pumping facilities. Accordingly, the Utility recently completed an update to the master plan for this area, primarily north of Loop 820, and has developed projects necessary to ensure adequate water supply for both retail and wholesale customers over the next 20 years.

Projects needed to make this possible include expanding the Eagle Mountain Water Treatment Plant, installing new transmission mains, tanks, and pump stations, and replacing cast iron transmission mains necessary to move water from the downtown Holly treatment plants to the north.

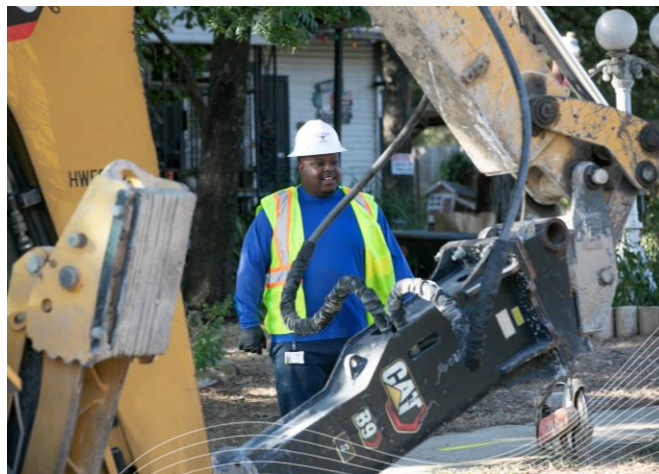
Planning included updating population projections. During the next two decades, the retail customer population is expected to increase by 150,000 people, to about 550,000 people, while the wholesale customer population is expected to grow by 60,000 people.

These population figures were used to determine anticipated peak water usage estimates.

The Eagle Mountain plan expansion will increase the facility treatment capacity by 35 million gallons a day in a few years.

These projects are expected to cost \$350 million. Construction should begin in 2025 and be completed by 2029.

This investment to increase capacity, and improve reliability and redundancy for our customers to the north, will put stress on our rates. Customers are reminded that the effects of future rate increases can be minimized by being wise stewards of their water use.



Health Safety and Regulatory



The Water Utility has extensive regulatory oversight. We are committed to preparing for, and complying with, future regulations for drinking water rules. Rules related to lead and PFAS are some of the most urgent.

Fort Worth Water continues to monitor and meet new, urgent regulations related to PFAS, commonly referred to as “forever chemicals,” and recent

revisions to the Lead and Copper Rule established years ago by the Environmental Protection Agency.

Our focus in 2024 was transparency in meeting the new rules as well as increased public outreach, particularly when it comes to the Lead and Copper Rule Revisions and the Lead and Copper Rule Improvements. The required public outreach is unlike any seen in previous EPA rulemaking.

A Lead and Copper Rule Revisions

The EPA wants to eliminate lead in all drinking water and released new guidance for public water systems in April 2024. Some rules required compliance by Oct. 16, 2024, which included making public an inventory of existing service lines and notifying customers with service lines classified as lead, galvanized-requiring-replacement or unknown materials. Fort Worth Water met those expectations.

The EPA defines the service line as the pipe connecting the water main to the building entry point. In Fort Worth, this means ownership of the service line is shared. The city owns the portion from the main to the meter, including the meter. The property-owner is responsible for the portion from the water meter to the house.

Fort Worth began inventorying lines in 2016 and no service lines are classified as unknown. Over the years, as lead service lines on the city-side were found they were replaced. In all, 1,910 lead service lines on the city-side were replaced. Of that, only a few hundred had a galvanized service line on the private side of the meter.

The inventory is dynamic and is updated as new connections are added or as further investigations reveal data inconsistencies.

Fort Worth will next conduct lead and copper sampling in 2025. The testing involves 50 homes. At least 45 samples from those homes must register lead levels less than 10 ppb for Fort Worth to be in compliance.



B PFAS

EPA has stated their commitment to reduce PFAS in the water cycle, starting with establishing PFAS limits in drinking water.

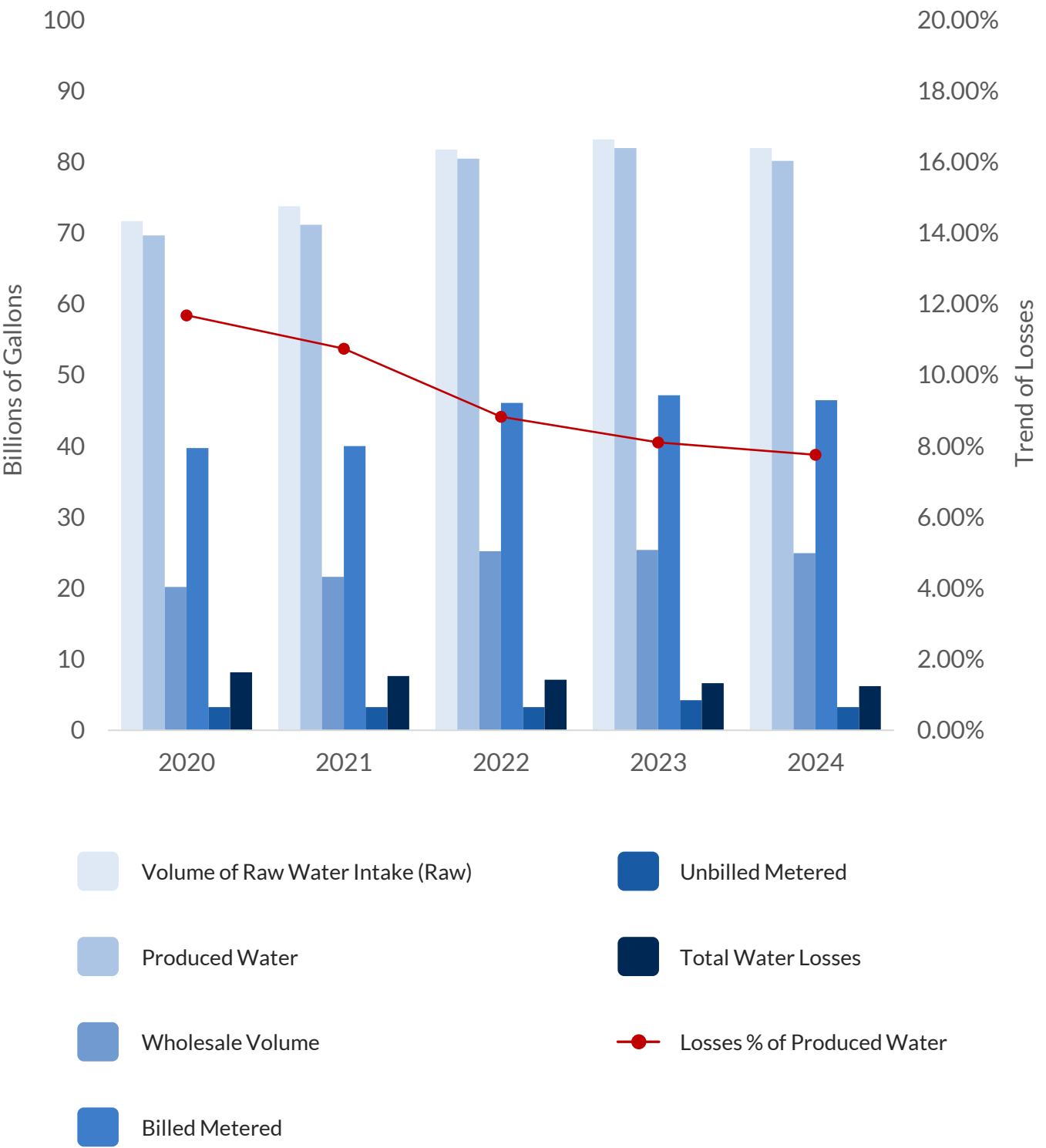
Ahead of the anticipated rulemaking, Fort Worth Water tested water from January 2023 through January 2024 at various stages in the water treatment process at its five water plants. It also purchased testing equipment that can detect these contaminants at levels below the EPA's requirements.

In April 2024, the EPA released final regulations for monitoring six PFAS chemicals in drinking water. As a result, in June the City began evaluating treatment options to remove the PFAS from the North and South Holly water treatment plants. The plants treat water originating from Lake Worth.

The three EPA-approved treatment solutions being evaluated are granular activated carbon, ion exchange and reverse osmosis.

In an effort to remove PFAS from the drinking water cycle, the Council in April approved a change to the City's wastewater pretreatment ordinance that establishes PFAS discharge limits for industrial companies. To begin, about 130 industrial customers would be regulated under this ordinance. The Utility's pretreatment division is site testing the PFAS concentrations in the wastewater discharges at those locations before it is conveyed to the wastewater collection system.

Water Audit Snapshot



Employee Spotlight



There was a plethora of paper everywhere and no space to take the paper with us. We've accomplished so much.

Renee Kizer
Records Administrator

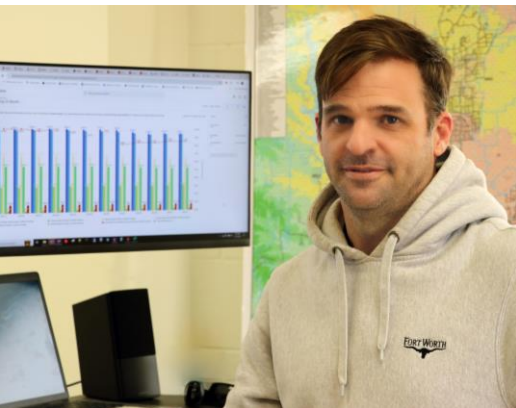
Renee Kizer, records administrator since 2023, has been fulfilling the unenviable but important task of sifting through thousands of boxes of documents stored in the basement of “old” City Hall closets, vaults, file cabinets and Utility offices.

As part of the move to the “new” City Hall, departments were directed to go paperless. The Water Utility is slated to move in the first half of 2025. As that approaches, and staff continues to pack up, she receives even more records to store electronically.

With aplomb, and the help of a few temporary workers, Kizer has overseen the process of getting nearly 4.6 million documents imaged and deciding which records could be destroyed.

Some records dated back to 1908. Those with historical value are given to the City’s archivist, she said. There hasn’t been a month since she started that Kizer says she didn’t face a challenge. In the end, the Utility will move with no backlog.

Kizer, a Certified Information Professional and Certified Records Analyst, joined the Utility after 20 years as records administrator for Pier 1 Imports, ironically the downtown building the City bought for its new City Hall.



Anthropological principles such as participant observation and holistic examination translate well to the utility.

Joshua Peterson
Senior Business Process Analyst

Joshua Peterson may be a **senior business process analyst** by job title, but he relates his work to that of a ‘libero,’ the team player whose role is to orchestrate a defensive strategy and fill in the gaps.

Peterson is immersed in the data environment as a problem solver and big picture seer. His work impacts every aspect of the Utility.

He says he’s always asking, “What are we trying to achieve?” Peterson rolls up his sleeves and heads to the field to see how things are done. Then, he says, he knows what data is needed and goes about getting that done.

Peterson admits he’s had a compulsion to ask why. “Early on I wanted to know what other people knew that I didn’t,” he said.

Peterson earned an anthropology degree from the University of Texas at Arlington. He chose the field after working alongside cultural anthropologists while deployed as a Marine in Iraq.

Peterson joined Fort Worth Water in 2013 as a water systems mechanic, working on pumps, motors, and chemical feed equipment, before moving into information management. One of his first tasks was participating in the implementation of the Maximo work order system. He used his perspective to help shape how information from the field gets represented in the digital environment.

More recently, he’s been focused on water loss, an area of critical concern for the Utility. He’s identifying our data strengths and weaknesses to aid in setting priorities for reducing water loss.





Water Utility Administrative Office

100 Fort Worth Trail
Fort Worth, TX 76102

www.FortWorthTexas.gov/water

Water Customer Service

 817-392-4477

7 a.m. - 7 p.m. Monday to Friday
24 Hour Emergencies (Select Option 1)



@FortWorthWater
@FortWorthAgua



@SaveFWwater



@FWWater
@FWAgua



bit.ly/fwwyoutube