Weatherford Municipal Utility Board

AGENDA REPORT

Meeting Date:	January 29, 2026	**Staff Contact:**	Rick Shaffer, Director of Water Utilities
Item Number:	2025-672-AR	**Phone:**	817-598-4473

SUBJECT: Receive an annual update and consider taking action to modify the Lake Benbrook Pumping Reserve Policy.

BACKGROUND/DISCUSSION

History:

The City of Weatherford utilizes Lake Weatherford as its primary source of water for the City's customers. During an average year, Lake Weatherford has sufficient water supplies to meet the City's current water demand. However, there are times – particularly during times of drought – when it becomes necessary to pump water from an alternative source. The City has a contract with the Tarrant Regional Water District (TRWD) to purchase water fron Lake Benbrook as an alternate source of water supply. Prior to 2015, when it was necessary to pump large volumes of water from Lake Benbrook, the City added a monthly surcharge to customers' water bills to pay for the purchase of, and the electrical cost to pump, water from Lake Benbrook to Lake Weatherford.

In fiscal year 2015, the Municipal Utility Board (Board) created the Lake Benbrook Pumping Reserve Fund and allocated up to $610,585 in the annual operating budget to be transferred into this reserve fund if those funds aren't spent during the fiscal year. The purpose of this reserve fund is to fund the additional cost of pumping water from Lake Benbrook, so that a surcharge to customers' water bills will be unnecessary, or at least minimal. If there are insufficient funds in the reserve fund, the Board has the ability to recover pumping charges through a TRWD pumping fee/surcharge administered on a customer's monthly water bill (see Utility Rate Ordinance).

In December 2016, the Board adopted the Lake Benbrook Pumping Reserve Fund Policy, which initially set a target reserve fund balance of $3,000,000.

Previous Updates:

1. In December 2019, the Board increased the target reserve fund balance to $3,200,000. This adjustment was based on an evaluation of current TRWD water rates and projected water demands for the current year and assumed that the target balance would be adjusted annually.
2. In December 2020, the Board increased the target reserve fund balance to $6,000,000. This new target reserve fund balance was based on updated TRWD rates and projected future water demands. Each year, the target reserve fund balance is evaluated based on current water demands and projected water demands 10 years into the future. The target balance of $6,000,000 was intended to strike a balance between the current and future needs for the reserve fund in order to plan for the future but not be overly conservative in the short

term. This alleviates the need to adjust the policy each year, but still meet the projected needs of the reserve fund.

3. In December 2023, the Board increased the annual allocation from $610,585 to $800,000, effective with the FY25 budget year.

Summary of Current Policy:
Effective with the FY25 budget year, the Board currently allocates $800,000 in annual operating budget for pumping related costs. These funds may be transferred into the reserve fund each year if those funds are available and are not spent on pumping costs throughout that year. The current target fund balance is $6,000,000. The target amount for the reserve fund balance, and the amount budgeted on an annual basis, shall be reviewed at least annually by the Director of Water Utilities and the Board.

FY25 Reserve Fund Status:
In FY25, the City transferred $800,000 from the annual operating budget into the Lake Benbrook Pumping Reserve Fund, bringing the total fund balance to approximately $4,593,207.

January 2026 Update:
Each year, the Director updates and evaluates the current and projected TRWD water rates, estimated pumping costs, current water demands, and projected water demands. The Director then develops recommendations for a target reserve fund balance and annual contributions for the Board to consider. The current and future TRWD water rates have been updated to reflect the new FY26 TRWD water rates. TRWD's projections for future years remain unchanged. Staff recommends to maintain the current target fund balance of $6,000,000 and the annual transfer of up to $800,000 from the operating budget into the Lake Benbrook Pumping Reserve Fund.

FINANCIAL IMPACT

In FY25, the City transferred $800,000 from the annual operating budget into the Lake Benbrook Pumping Reserve Fund, bringing the total fund balance to approximately $4,593,207.

SUGGESTED ACTION

Staff recommends that the Municipal Utility Board maintain the current Lake Benbrook Pumping Reserve Fund Policy. (No action required)

ATTACHMENTS

- Lake Benbrook Pumping Reserve Policy