



It's real.

MEMORANDUM

To: Mayor and City Council Members
Douglas Faseler, City Manager

From: Rick Cortes, Assistant City Manager

Subject: Proposed Water and Wastewater Rate Adjustment

Date: June 26, 2018





The City of Seguin has been working with Dan Jackson of Willdan Financial Services since March 3, 2015; on this date city staff was authorized to enter into an agreement with Willdan Financial Services to develop a water and wastewater (W/WW) rate study for the City of Seguin. These studies help ensure that rates charged for service will cover the costs of providing these services. One objective of these type of studies is to develop a long-term rate plan that will enable the City to recover sufficient funds to meet all operating and capital expenses, meet all debt service and coverage requirements, while at the same time minimizing the impact on the ratepayers.

City staff has once again reached out to Mr. Jackson to assist in determining if any W/WW rate adjustments are needed above the rates recommended/approved as part of the 2017 W/WW Study update presented to City Council. The review considered several items, such as the proposed wholesale water sales to NBU, to the loss of SSLGC Tier 2 water sales to SAWS, and necessary System improvements. Based on that review, the proposed wastewater rates are in accordance to the 2017 Water & Wastewater update. However, due to the projected sale of wholesale water to NBU, the proposed 5% water rates increase for this upcoming fiscal year will be reduced to 2%.

Attached for your review are the proposed water and wastewater rates for FY 2017-18. Staff recommends approval, and will be available to answer any questions at your convenience.

ASSISTANT CITY MANAGER'S OFFICE

2018 PROPOSED WATER RATE SCHEDULE

		Current	Effective October 2018	
			Jun 17	Jun 18
WATER Rates				
Base Charge				
	Residential	\$ 22.30	\$ 23.42	\$ 22.75
	Non-Residential	48.13	50.53	49.09
			5.0% 	2.0%
Volume Rate				
Residential				
	- 10,000	3.88	4.08	3.96
	10,001 35,000	4.43	4.65	4.52
	35,001 Above	4.99	5.24	5.09
			5.0% 	2.0%
Commercial/Multi Family				
	- 12,000,000	4.40	4.62	4.49
	12,000,001 Above	3.76	3.94	3.83
			5.0% 	2.0%
Surface -- Tyson/Rio Nogales/Niagra				
	- Above	3.30	3.47	3.37
			5.0% 	2.0%
Surface -- New Wholesale				
	- Above	3.19	na	3.19

ASSISTANT CITY MANAGER'S OFFICE

2018 PROPOSED WASTEWATER RATE SCHEDULE

		Current	Effective October 2018	
			Jun 17	Jun 18
WASTEWATER Rates				
Base Charge				
Residential		\$ 27.32	\$ 28.96	\$ 28.96
Non-Residential		45.07	47.77	47.77
			6.0%	6.0%
Volume Rate per 1,000 Gallons				
Residential				
	2,001	Above	4.10	4.34
			6.0%	6.0%
Commercial				
	-	8,000,000	4.23	4.47
	8,000,001	Above	3.28	3.49
			6.0%	6.0%
Metered Rate				
	-	8,000,000	4.10	4.34
	8,000,001	Above	3.14	3.31
			6.0%	6.0%

ASSISTANT CITY MANAGER'S OFFICE

2018 PROPOSED WATER & WASTEWATER MONTHLY IMPACT

Water	WW	Current	Effective October 2018	
			Jun 17	Jun 18
Residential				
5,000	5,000	\$ 81.32	\$ 85.81	\$ 84.53
			4.49	3.21
			5.5%	3.9%
Residential				
10,000	5,000	100.73	106.21	104.33
			5.49	3.60
			5.4%	3.6%
Commercial				
30,000	30,000	351.98	371.09	365.59
			19.11	13.62
			5.4%	3.9%