

UTILITY FUND BUDGET AMENDMENTS

OTHER

Amount	Account	Reason
\$25,000	Professional Services (Electric)	Increase appropriation for modeling services, wholesale power contract and data center analysis
\$3,000	L&I Maint.-Street Lights (Electric)	Increase appropriation due to higher demand
\$3,000	L&I Maint.-Security Lights (Electric)	Increase appropriation due to higher demand
\$50,000	Meters (Utility Services)	Increase appropriation for additional meters for Springs Hill replacement and new construction in Springs Hill area
\$90,000	V&E Maint.-Pumps & Motors (Water Plant)	Reappropriate funds from maintenance not complete until FY26
\$30,000	Overtime (Water/WW)	Increase appropriation due to numerous water and sewer projects
\$500	Water (Water/WW)	Increase appropriation due to a large leak
\$35,000	L&I Maint.-Water Systems	Increase appropriation due to multiple line breaks
\$8,000	L&S Maint.-Sewer Sytem	Increase appropriation due to unexpected equipment failure
\$20,000	L&I Maint.-Lift Station	Increase appropriation due to unexpected pump replacement at Burges LS
\$4,000	Safety Supplies (Water/WW)	Increase appropriation to replace AED batteries and fire extinguishers
\$8,000	Minor Tools (Water/WW)	Increase appropriation due to several critical pieces of equipment failed
\$3,500	Certification Fees (Water/WW)	Increase appropriation due to higher than usual license renewals
\$16,500	Fire Hydrants (Water/WW)	Increase appropriation due to higher than anticipated fire hydrant replacments
\$450	Uniforms (Utility Engineering)	Increase appropriation for the need for FR uniforms
\$46,789	Salaries & Benefits (Walnut Branch WWTP)	Move from Water/WW to fund Assistant Pre-Treatment Coordinator
\$35,000	Chemicals (Walnut Branch WWTP)	Increase appropriation due to chemicals ordered in FY25 but not received until FY26

Capital

Amount	Project	Reason
\$175,000	MEP-City Hall HVAC	Item requested in FY26 budget process but not funded
\$51,360	Enterprise Leases	Fund remaining FY26 and FY27
\$16,950	AED Replacments	Fund the AED Replacment and Maintenance Program
\$100,993	Vehicle Maintenance Software	Additional Funding needed for project
\$23,975	ROW & Utility Easements	ROW & Utility Easements TLU
\$94,881	Vac Truck	Appropriate funds for FY27 lease payments
\$103,995	Televising Van	Appropriate funds for FY27 lease payments
\$130,200	Vac Truck-Stormwater Drainage	Appropriate funds for FY27 lease payments (SWUF)
\$50,000	Washington Street Drainage	Additional Funding needed for project
\$1,900,000	Transfers to Utility Reserve	Transfers from Sewer Stabilization Fund
\$315,000	Recovery Expenses	To reappropriate funds from the FY25 July 4 flood and add appropriation for FY26 freeze

AN ORDINANCE AMENDING THE FISCAL YEAR 2026 UTILITY FUND BUDGET OF THE CITY OF SEGUIN, TEXAS.

NOW, THEREFORE, BE IT ORDAINED THAT THE FISCAL YEAR 2026 UTILITY FUND BUDGET OF THE CITY OF SEGUIN, TEXAS, IS AMENDED AS FOLLOWS:

Utility Fund

Amount	Increase:	Increase:
\$ 25,000	Utility Fund Electric Distribution Professional Services 002-4700-320500	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000

Reason requested: To appropriate additional funds due to unexpected modeling services, the wholesale power contract and a data center analysis.

Amount	Increase:	Increase:
\$ 3,000	Utility Fund Electric Distribution L&I Maint.-Street Lights 002-4700-434900	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000

Reason requested: To appropriate additional funds due to higher customer demand than usual.

Amount	Increase:	Increase:
\$ 3,000	Utility Fund Electric Distribution L&I Maint.-Security Lights 002-4700-435000	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000

Reason requested: To appropriate additional funds due to higher customer demand than usual.

Amount	Increase:	Increase:
\$ 50,000	Utility Fund Utility Services Meters 002-4800-703400	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000

Reason requested: To appropriate additional funds for additional meters for Springs Hill replacement and new construction in the new Springs Hill area.

Amount	Increase:	Increase:
\$ 90,000	Utility Fund Water Plant V&E Maint.-Pumps and Motors 002-5600-432500	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000
Reason requested:	To reappropriate funds budgeted in FY25 for repairs to pumps and motors at the Water Plant that were not completed until FY26.	

Amount	Increase:	Increase:
\$ 30,000	Utility Fund Water/WW Maintenance Overtime/On-Call 002-5700-112000	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000
Reason requested:	To appropriate additional funding for overtime due to numerous water and sewer projects including the Springs Hill meter swap phases 2 and 3 project and projects on Erkel, Zorn, and Krezdorn Streets.	

Amount	Increase:	Increase:
\$ 500	Utility Fund Water/WW Maintenance Water 002-5700-412000	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000
Reason requested:	To appropriate additional funding due to a large leak on the backwater valve.	

Amount	Increase:	Increase:
\$ 35,000	Utility Fund Water/WW Maintenance L&I Maint.-Water System 002-5700-434601	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000
Reason requested:	To appropriate additional funding due to multiple 16" water main breaks identified on both potable and recycled systems and a leak on a 24" main.	

Amount	Increase:	Increase:
\$ 8,000	Utility Fund Water/WW Maintenance L&I Maint.-Sewer System 002-5700-435600	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000
Reason requested:	To appropriate additional funding due to unexpected equipment failure, particularly the jetter hoses.	

Amount	Increase:	Increase:
\$ 20,000	Utility Fund Water/WW Maintenance L&I Maint.-Lift Station 002-5700-435700	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000
Reason requested:	To appropriate additional funding due to unexpected pump replacement at the Burgess Lift Station.	

Amount	Increase:	Increase:
\$ 4,000	Utility Fund Water/WW Maintenance Safety Supplies 002-5700-614300	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000
Reason requested:	To appropriate additional funding due to the need to replace AED batteries and related components which was not anticipated at the time of budget preparation. The battery life cycle did not align with our budget planning timeline, and the replacements became necessary during this fiscal year to ensure the units remain operational and compliant. In addition, fire extinguishers will need to be replaced. A total of 33 fire extinguishers will need to be replaced in Utilities.	

Amount	Increase:	Increase:
\$ 8,000	Utility Fund Water/WW Maintenance Minor Tools & Equipment 002-5700-618000	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000
Reason requested:	To appropriate additional funding due to several critical pieces of equipment failed. These items, including pumps, hoses, and battery-powered tools, are essential for emergency response and daily operational readiness. Replacement was necessary to maintain our ability to respond safely and effectively. The failures were not predictable at the time the original budget was developed.	

Amount	Increase:	Increase:
\$ 3,500	Utility Fund Water/WW Maintenance Certification Fees 002-5700-662000	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000
Reason requested:	To appropriate additional funding due to staff experiencing a higher-than-anticipated number of employee license renewals and promotions this year, requiring training hours beyond what was originally budgeted.	

Amount	Increase:	Increase:
\$ 16,500	Utility Fund Water/WW Maintenance Fire Hydrants 002-5700-703700	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000
Reason requested:	To appropriate additional funding due to several hydrants that require replacement because they operate opposite of the standard opening direction used throughout the city, creating inconsistencies in operation, maintenance, and fire-fighting response.	

Amount	Increase:	Increase:
\$ 450	Utility Fund Utility Engineering Uniforms 002-5800-616000	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000
Reason requested:	To appropriate additional funding due to the need for FR uniforms not originally included in the budget.	

Amount	Increase:	Decrease:
\$ 32,053	Utility Fund Walnut Branch WWTP Regular Salaries 002-6600-110100	Utility Fund Water/WW Maintenance Regular Salaries 002-5700-110100
\$ 2,473	Utility Fund Walnut Branch WWTP Payroll Taxes 002-6600-121000	Utility Fund Water/WW Maintenance Payroll Taxes 002-5700-121000
\$ 7,108	Utility Fund Walnut Branch WWTP Retirement 002-6600-122000	Utility Fund Water/WW Maintenance Retirement 002-5700-122000
\$ 4,502	Utility Fund Walnut Branch WWTP Health Insurance 002-6600-123000	Utility Fund Water/WW Maintenance Health Insurance 002-5700-123000
\$ 31	Utility Fund Walnut Branch WWTP Life Insurance 002-6600-123100	Utility Fund Water/WW Maintenance Life Insurance 002-5700-123100
\$ 349	Utility Fund Walnut Branch WWTP Workers' Compensation 002-6600-124000	Utility Fund Water/WW Maintenance Workers' Compensation 002-5700-124000

\$ 273	Utility Fund Walnut Branch WWTP Uniforms 002-6600-616000	Utility Fund Water/WW Maintenance Uniforms 002-5700-616000
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Reason requested: To appropriate funding for an Assistant Pretreatment Coordinator. As the City continues to experience a high and growing number of industrial users, it is becoming increasingly critical that we add an Assistant Pretreatment Coordinator position. The volume of permitting, sampling, inspections, data collection, and data entry required by the State has significantly increased. Maintaining compliance and ensuring timely and accurate reporting is essential, and the current workload warrants additional dedicated support. Adding this position will help ensure we continue to meet regulatory requirements, maintain program efficiency, and properly support our industrial users.

Amount	Increase:	Increase:
\$ 35,000	Utility Fund Walnut Branch WWTP Chemicals 002-6600-613300	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000

Reason requested: To appropriate additional funding due to expenses budgeted in FY25 but not received until FY26

Stormwater Drainage Fund

Amount	Increase:	Increase:
\$ 130,200	Stormwater Drainage Fund Non-Departmental Transfers to Utility Capital Projects 043-9000-823800	Stormwater Drainage Fund Non-Departmental Use of Retained Earnings 043-9800-960000

Reason requested: To appropriate funds for principal and interest payments for the Vac Truck for FY 27.

Amount	Increase:	Increase:
\$ 50,000	Stormwater Drainage Fund Non-Departmental Transfers to General Capital Projects 043-9000-823600	Stormwater Drainage Fund Non-Departmental Use of Retained Earnings 043-9800-960000

Reason requested: To appropriate additional funds to transfer to General Fund Capital Projects for the West Hampton Drainage project. Based on preliminary design, alternates are proposed to remediate drainage concerns. The original budget included securing a drainage easement on adjacent parcels in order to ensure positive drainage. The revised budget includes purchase of a vacant lot to be dedicated to the Glen Cove HOA for maintenance.

Utility Fund Capital Projects

Amount	Increase:	Increase:
\$ 175,000	Utility Fund Capital Projects Professional Services MEP-City Hall HVAC 038-9000-320500	Utility Fund Capital Projects Non-Departmental Use of Retained Earnings 038-9800-960000

Reason requested: To appropriate funds in order to hire a mechanical engineer to design the HVAC system at City Hall in order for it to be replaced the following year. This is the Utility Fund's portion with the other portion being funded in the General Fund. This was requested during the FY26 budget process but was unable to be funded.

Amount	Increase:	Increase:
\$ 23,975	Utility Fund Capital Projects Professional Services ROW and Utility Easements 038-9000-320500	Utility Fund Capital Projects Non-Departmental Use of Retained Earnings 038-9800-960000

Reason requested: To appropriate additional funds for professional services in order to survey to delineate rights-of-ways and utility easements through TLU's campus. This service is needed in order to distinguish between private and public roads, and determine City owned sanitary sewer and water locations.

Amount	Increase:	Increase:
\$ 51,360	Utility Fund Capital Projects Equipment Lease Enterprise Leases 038-9000-444000	Utility Fund Capital Projects Non-Departmental Use of Retained Earnings 038-9800-960000

Reason requested: To allocate funds for the Utility Fund portion of the Enterprise leases of 13 vehicles for FY27.

Amount	Increase:	Increase:
\$ 16,950	Utility Fund Capital Projects V&E Maint.-Machine & Tool AED Replacement/Maintenance 038-9000-432200	Utility Fund Capital Projects Non-Departmental Use of Retained Earnings 038-9800-960000

Reason requested: We currently have 39 AEDs in service and are working toward expanding that number to 71 AEDs as part of a broader program that supports our goal of rapid response to cardiac events. The additional AEDs would be strategically placed within the Police Department, Parks, Public Works, Water/Wastewater divisions, and two units for the new SSLGC plants. The CPR+ program allows dispatch, upon receiving a call involving a suspected cardiac event, to activate the closest AED. The activated AED provides location instructions and alerts responders to retrieve and deliver the unit to the incident. This technology helps initiate lifesaving care more quickly and bridges the gap until EMS arrives and assumes patient care. This mid-year request is to lease 71 AED units, including hard cases, rescue kits, and the CPR+ program itself. This initiative represents a significant step forward in serving our community and advancing the City's rapid response goals. Having AEDs readily available in parks and within PD units gives us a critical advantage in delivering timely assistance to residents and visitors. This is the Utility Fund's portion.

Amount	Increase:	Increase:
\$ 100,993	Utility Fund Capital Projects Mach. & Equip.-Office Equipment New Vehicle Maintenance Software 038-9000-706100	Utility Fund Capital Projects Non-Departmental Use of Retained Earnings 038-9800-960000

Reason requested: To increase appropriation for the purchase of a new vehicle maintenance software. The current system is not very functional and has caused large discrepancies in the vehicle maintenance inventory over the past several years. To increase appropriation for the purchase of a new vehicle maintenance software. The current system is not very functional and has caused large discrepancies in the vehicle maintenance inventory over the past several years. It has consistently fallen short due to its complexity, unintuitive design, difficult workflow development, awkward permissions model, costly and low-value training, known software bugs, dated architecture, and a lack of meaningful vendor partnership or proactive support. It requires significant internal effort to make functional, yet even with that effort it has not kept pace with modernization needs or delivered operational value commensurate with its lifespan. Given the ongoing modernization within Public Works, the city would benefit from transitioning to a more robust, modern fleet management platform. The new software we are considering is called Faster. The software offers improved asset lifecycle management, maintenance scheduling, consumables tracking, ticketing, and data visibility that can drive staffing efficiencies, financial insight, and operational improvements. While the upfront cost may be higher, the long-term gains in efficiency, usability, and partnership provide tangible value, and starting fresh with a more capable solution and engaged vendor better aligns with the city's goal of doing more with less. During the budget process, there was no appropriation in the Utility Fund Capital Projects for this software. It was only budgeted in the General Fund Capital Projects.

Amount	Increase:	Increase:
\$ 59,164	Utility Fund Capital Projects Principal Payments Vactor 2100i Payments 038-9300-930000	Utility Fund Capital Projects Non-Departmental Use of Retained Earnings 038-9800-960000
\$ 23,717	Utility Fund Capital Projects Interest Payments Vactor 2100i Payments 038-9300-940000	Utility Fund Capital Projects Non-Departmental Use of Retained Earnings 038-9800-960000
\$ 12,000	Utility Fund Capital Projects Mach. & Equip.-Heavy Equipment Vactor 2100i Payments 038-9300-706200	Utility Fund Capital Projects Non-Departmental Use of Retained Earnings 038-9800-960000
\$ 22,663	General Fund Capital Projects Capital Lease Interest Vac Truck-Stormwater Drainage 038-9000-940000	General Fund Capital Projects Intragovernmental Transfers Transfers from Stormwater Dr. Fund 036-391043
\$ 107,537	General Fund Capital Projects Capital Lease Principal Vac Truck-Stormwater Drainage 038-9000-930000	General Fund Capital Projects Intragovernmental Transfers Transfers from Stormwater Dr. Fund 036-391043

\$ 73,697	Utility Fund Capital Projects Principal Payments TV Van/Data Asset Management Payments 038-9300-930000	Utility Fund Capital Projects Non-Departmental Use of Retained Earnings 038-9800-960000
\$ 14,297	Utility Fund Capital Projects Interest Payments TV Van/Data Asset Management Payments 038-9300-940000	Utility Fund Capital Projects Non-Departmental Use of Retained Earnings 038-9800-960000
\$ 16,000	Utility Fund Capital Projects Mach. & Equip.-Heavy Equipment TV Van/Data Asset Management Payments 038-9300-706200	Utility Fund Capital Projects Non-Departmental Use of Retained Earnings 038-9800-960000

Reason requested: To provide funding for the principal, interest and service payments for all leased equipment for FY27.

Sewer Rate Stabilization Fund

Amount	Increase:	Increase:
\$1,900,000	Sewer Impact Fund Intragovernmental Transfers Transfers to Reserve Fund 022-9000-822600	Sewer Impact Fund Non-Departmental Use of Retained Earnings 022-9800-960000

Reason requested: With the issuance of the final bonds through the Texas Water Development Board, we are required to put \$11,381,163.78 in a reserve fund. This is the average annual payments over the life of the bonds. We have sixty months to build this fund to the required level, which will end in March of 2028. This continues the process that we began in FY23 towards establishing this required amount. Currently, there is \$6,294,592.20 in the Reserve Fund.

Emergency Fund

Amount	Increase:	Increase:
\$ 315,000	Emergency Fund Non-Departmental Recovery Expenses 039-9000-659500	Emergency Fund Non-Departmental Use of Retained Earnings 039-9800-960000

Reason requested: To reappropriate funds from the July 4 flood on projects still ongoing and appropriate additional funds for recovery efforts from the freeze last month.

Utility Reserve Fund

Amount	Increase:	Increase:
\$1,900,000	Utility Reserve Fund Intragovernmental Transfers Transfers from Sewer Rate Stabilization Fund 040-391025	Utility Reserve Fund Fund Balance 040-297020

Reason requested: With the issuance of the final bonds through the Texas Water Development Board, we are required to put \$11,381,163.78 in a reserve fund. This is the average annual payments over the life of the bonds. We have sixty months to build this fund to the required level, which will end in March of 2028. This continues the process that we began in FY23 towards establishing this required amount. Currently, there is \$6,294,592.20 in the Reserve Fund.

2026 Certificates of Obligation – Utility Portion

Amount	Increase:	Increase:
\$ 832,489	2026 Certificates of Obligation-UF Improvements Other than Buildings Substation Jim Briley 161-9000-703000	2026 Certificates of Obligation-UF Long Term Debt Proceeds Bond Proceeds 161-393000
\$ 750,000	2026 Certificates of Obligation-UF Improvements Other than Buildings Navarro Elementary Line 161-9000-703000	2026 Certificates of Obligation-UF Long Term Debt Proceeds Bond Proceeds 161-393000
\$1,892,300	2026 Certificates of Obligation-UF Improvements Other than Buildings Cordova Road 161-9000-703000	2026 Certificates of Obligation-UF Long Term Debt Proceeds Bond Proceeds 161-393000
\$1,915,302	2026 Certificates of Obligation-UF Improvements Other than Buildings Guadalupe Street 161-9000-703000	2026 Certificates of Obligation-UF Long Term Debt Proceeds Bond Proceeds 161-393000
\$6,000,000	2026 Certificates of Obligation-UF Improvements Other than Buildings Unity Lift Station Renewal 161-9000-703000	2026 Certificates of Obligation-UF Long Term Debt Proceeds Bond Proceeds 161-393000
\$2,000,000	2026 Certificates of Obligation-UF Improvements Other than Buildings 24" Geronimo Creek Interceptor (Eng) 161-9000-703000	2026 Certificates of Obligation-UF Long Term Debt Proceeds Bond Proceeds 161-393000

\$3,000,000	2026 Certificates of Obligation-UF Improvements Other than Buildings Walnut Branch Sewer Phase IV 161-9000-703000	2026 Certificates of Obligation-UF Long Term Debt Proceeds Bond Proceeds 161-393000
\$2,500,000	2026 Certificates of Obligation-UF Improvements Other than Buildings 1.5 MG Elevated Storage Tank (Eng) 161-9000-703000	2026 Certificates of Obligation-UF Long Term Debt Proceeds Bond Proceeds 161-393000
\$4,000,000	2026 Certificates of Obligation-UF Improvements Other than Buildings Surface Water/Ground Water Interconnect (Const) 161-9000-703000	2026 Certificates of Obligation-UF Long Term Debt Proceeds Bond Proceeds 161-393000
\$5,000,000	2026 Certificates of Obligation-UF Improvements Other than Buildings SH46 Upper Pressure Plane Transmission Line 161-9000-703000	2026 Certificates of Obligation-UF Long Term Debt Proceeds Bond Proceeds 161-393000
\$1,500,000	2026 Certificates of Obligation-UF Improvements Other than Buildings West Booster Pump Station Pumping Expansion 161-9000-703000	2026 Certificates of Obligation-UF Long Term Debt Proceeds Bond Proceeds 161-393000
\$1,000,000	2026 Certificates of Obligation-UF Professional Services Water/WW Master Plan 161-9000-320500	2026 Certificates of Obligation-UF Long Term Debt Proceeds Bond Proceeds 161-393000
\$ 609,909	2026 Certificates of Obligation-UF Improvements Other than Buildings Contingency Funds 161-9000-703000	2026 Certificates of Obligation-UF Long Term Debt Proceeds Bond Proceeds 161-393000

Reason requested: To appropriate funds to the various projects from the certificate of obligation proceeds from the 2026 Certificates of Obligation Bonds we will be receiving in April.

The Council finds that these budget adjustments are required because of changes and unforeseen conditions that could not have been anticipated in the original budget.

This ordinance shall become effective and applicable on the date of its approval and passage.

PASSED ON FIRST READING BY THE CITY COUNCIL OF THE CITY OF SEGUIN, TEXAS, on this the 17th day of March, 2026.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF SEGUIN, TEXAS, on this the 7th day of April, 2026.

Donna Dodgen, Mayor

ATTEST:

Kristin Mueller, City Secretary