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**Memorandum**

To: Mayor and City Council Members  
Steve Parker, City Manager

From: Tim Howe, Director – Water / Wastewater Utilities

Through: Rick Cortes, Deputy City Manager

Subject: Proposed Water and Wastewater Rate Adjustment

Date: August 6, 2024

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.

The initial 2015 study resulted in a scheduled set of rates for both water and wastewater customers through FY 2019-20. Rates were recommended based on projected SSLGC rates, direct and indirect costs, and a Capital Improvement Program that would allow the City to make much needed infrastructure improvements to the City’s water distribution, collection, and treatment systems.

Staff has continued to work with Mr. Jackson to help determine rates for the upcoming year and subsequent years. 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 approved during the FY 2023-24 budget process. Based on this analysis, which included a review of projected SSLGC charges and adjusted W/WW Capital Improvement Program, it was determined the recommended five percent increase for FY 2024-25 will be required. Details of this recommendation are included in the tables below.

I will be available at the August 6, 2024 Council meeting to address any questions or concerns. Staff recommends approval.

# WATER / WASTEWATER UTILITIES



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## PROPOSED WATER RATE SCHEDULE

		Current	Proposed Oct-24	Forecast Oct-25	Forecast Oct-26	Forecast Oct-27	Forecast Oct-28
<b>WATER Rates</b>							
<b>Base Charge</b>							
Residential		\$ 26.62	\$ 27.95	\$ 29.35	\$ 30.81	\$ 31.74	\$ 32.69
Non-Residential		57.44	60.31	63.32	66.49	68.48	70.54
			5.0%	5.0%	5.0%	3.0%	3.0%
<b>Volume Rate</b>							
<b>Residential</b>							
-	10,000	4.63	4.86	5.11	5.36	5.52	5.69
10,001	35,000	5.28	5.55	5.82	6.11	6.30	6.49
35,001	Above	5.96	6.26	6.58	6.90	7.11	7.32
			5.0%	5.0%	5.0%	3.0%	3.0%
<b>Commercial/Multi Family</b>							
-	12,000,000	5.25	5.51	5.79	6.08	6.26	6.45
12,000,001	Above	4.47	4.70	4.93	5.18	5.33	5.49
			5.0%	5.0%	5.0%	3.0%	3.0%
<b>Surface -- Tyson/Rio Nogales/Niagra</b>							
-	Above	3.95	4.15	4.35	4.57	4.71	4.85
			5.0%	5.0%	5.0%	3.0%	3.0%
<b>Surface -- NBU</b>							
-	Above	3.19	3.19	3.19	3.35	3.52	3.69
			0.0%	0.0%	5.0%	5.0%	5.0%

## PROPOSED WASTEWATER RATE SCHEDULE

		Current	Proposed Oct-24	Forecast Oct-25	Forecast Oct-26	Forecast Oct-27	Forecast Oct-28
<b>WASTEWATER Rates</b>							
<b>Base Charge</b>							
Residential		\$ 38.02	\$ 39.92	\$ 41.92	\$ 44.01	\$ 46.21	\$ 48.52
Residential Outside		47.52	49.90	52.39	55.01	57.76	60.65
Flat Rate		47.52	49.90	52.39	55.01	57.76	60.65
Commerical/Ind		62.71	65.84	69.13	72.59	76.22	80.03
			5.0%	5.0%	5.0%	5.0%	5.0%
<b>Volume Rate per 1,000 Gallons</b>							
<b>Residential</b>							
2,001	Above	5.70	5.99	6.29	6.60	6.93	7.28
			5.0%	5.0%	5.0%	5.0%	5.0%
<b>Residential Outside</b>							
2,001	Above	7.12	7.47	7.85	8.24	8.65	9.09
			5.0%	5.0%	5.0%	5.0%	5.0%
<b>Commercial</b>							
-	8,000,000	5.84	6.13	6.44	6.76	7.10	7.45
8,000,001	Above	4.62	4.85	5.09	5.35	5.62	5.90
			5.0%	5.0%	5.0%	5.0%	5.0%
<b>Metered Rate</b>							
-	8,000,000	5.70	5.99	6.29	6.60	6.93	7.28
8,000,001	Above	4.32	4.53	4.76	5.00	5.25	5.51
			5.0%	5.0%	5.0%	5.0%	5.0%



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## PROPOSED WATER & WASTEWATER MONTHLY IMPACT

Water	WW	Current	Proposed Oct-24	Forecast Oct-25	Forecast Oct-26	Forecast Oct-27	Forecast Oct-28
<b>Residential</b>							
5,000	5,000	\$ 104.90	\$ 110.14	\$ 115.65	\$ 121.43	\$ 126.35	\$ 131.48
			5.24	5.51	5.78	4.92	5.13
			5.0%	5.0%	5.0%	4.1%	4.1%
<b>Residential</b>							
10,000	8,000	145.15	152.41	160.03	168.03	174.74	181.74
			7.26	7.62	8.00	6.71	7.00
			5.0%	5.0%	5.0%	4.0%	4.0%
<b>Commercial</b>							
30,000	30,000	452.78	475.42	499.19	524.15	545.38	567.53
			22.64	23.77	24.96	21.23	22.14
			5.0%	5.0%	5.0%	4.1%	4.1%