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## **City of Seguin**

### **2021 Water/Wastewater Rate Analysis**

### **City Council Presentation**



**July 20 2021**

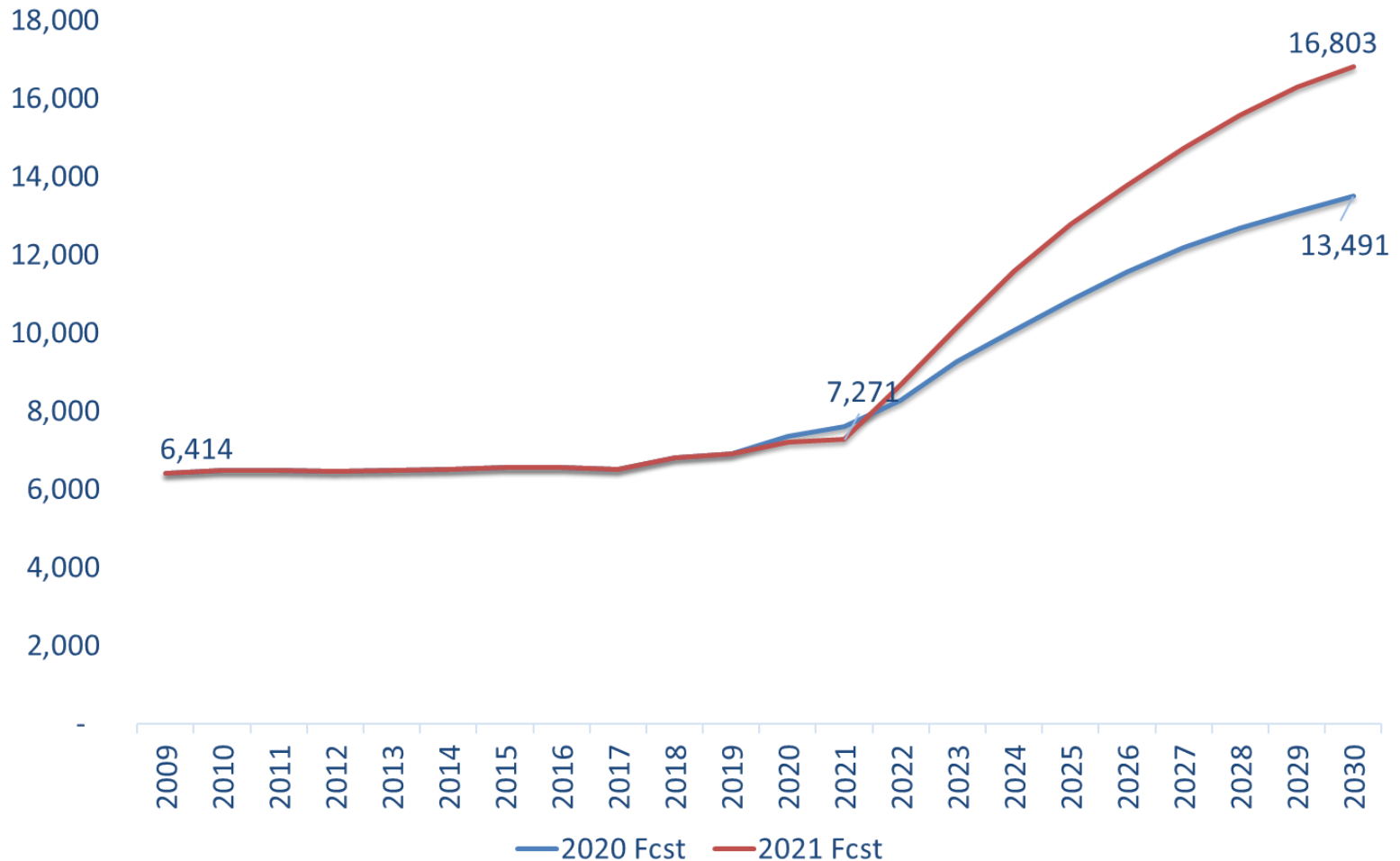
# Factors Impacting 2021 Rate Plan



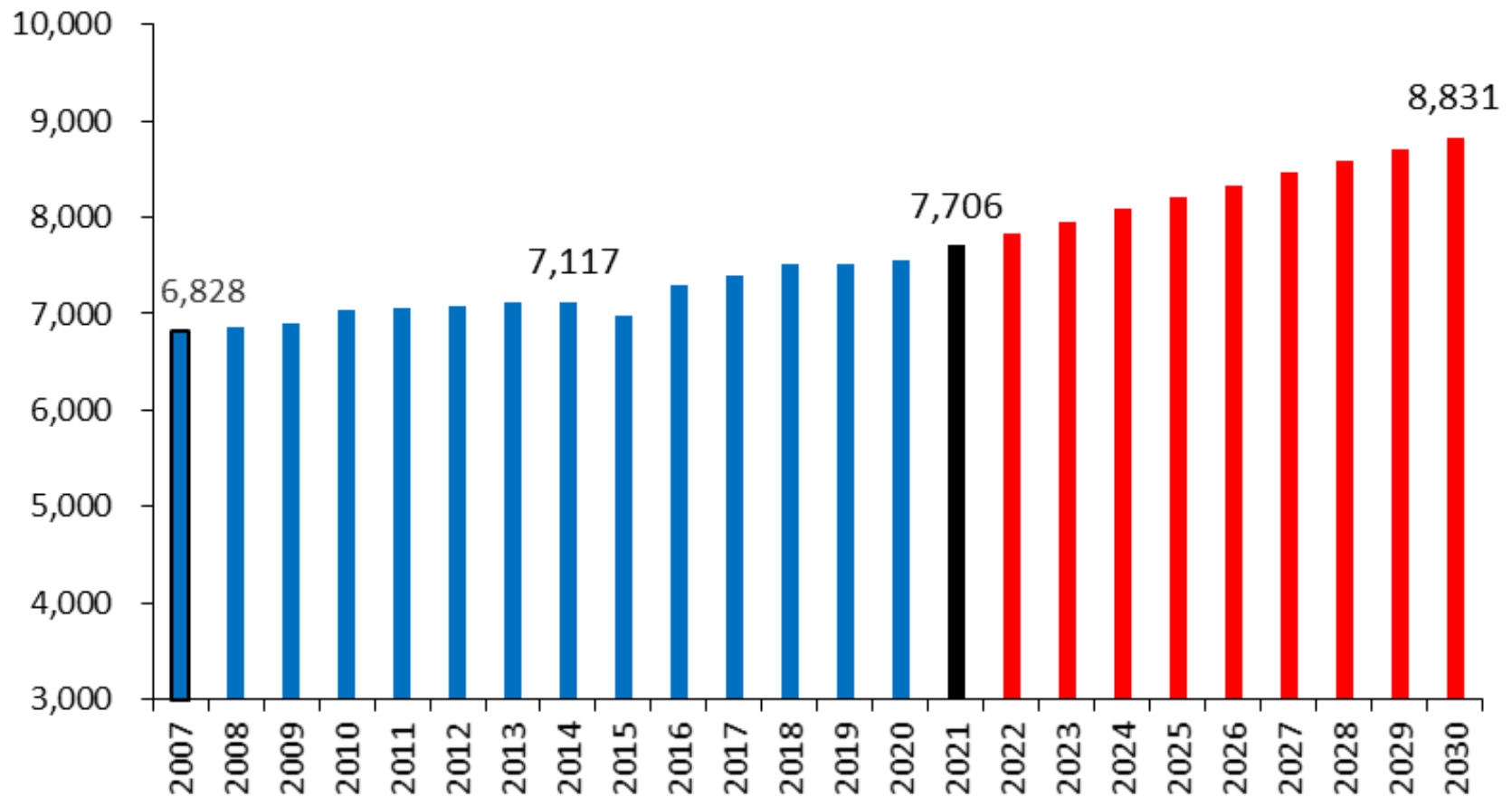
- ◆ SSLGC – For second year in a row, did not change its operating rate
- ◆ Operating expenses in general are below forecast
- ◆ Wastewater service area account growth is significantly exceeding expectations
- ◆ City has revised its estimates for \$197,000,000 GCWWTP related debt service



# Wastewater Accounts 2020 and 2021 Forecasts



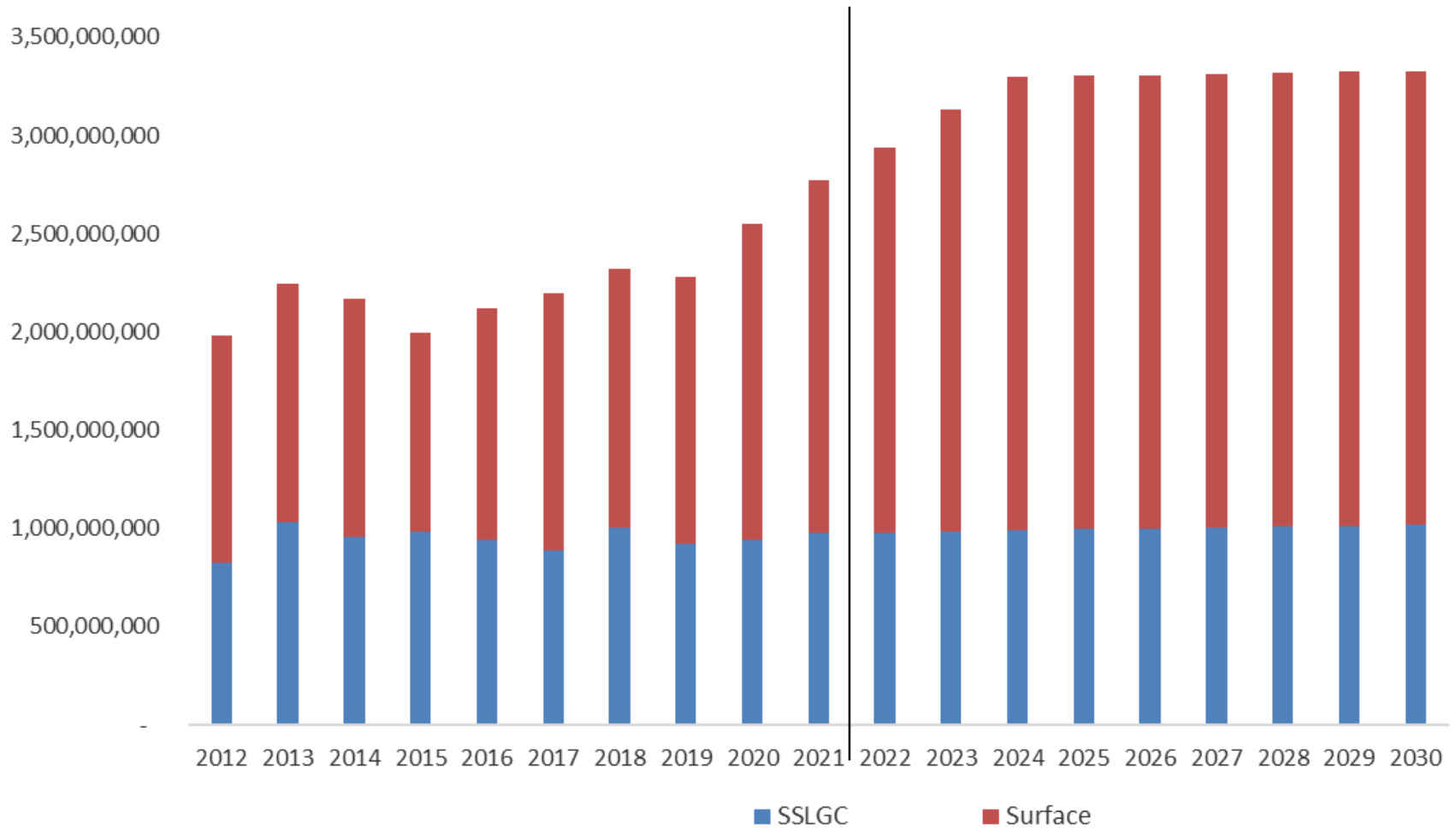
# Historical and Forecast Water Accounts



# Historical and Forecast Water Consumption



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# Proposed Wastewater Project Annual Debt Service



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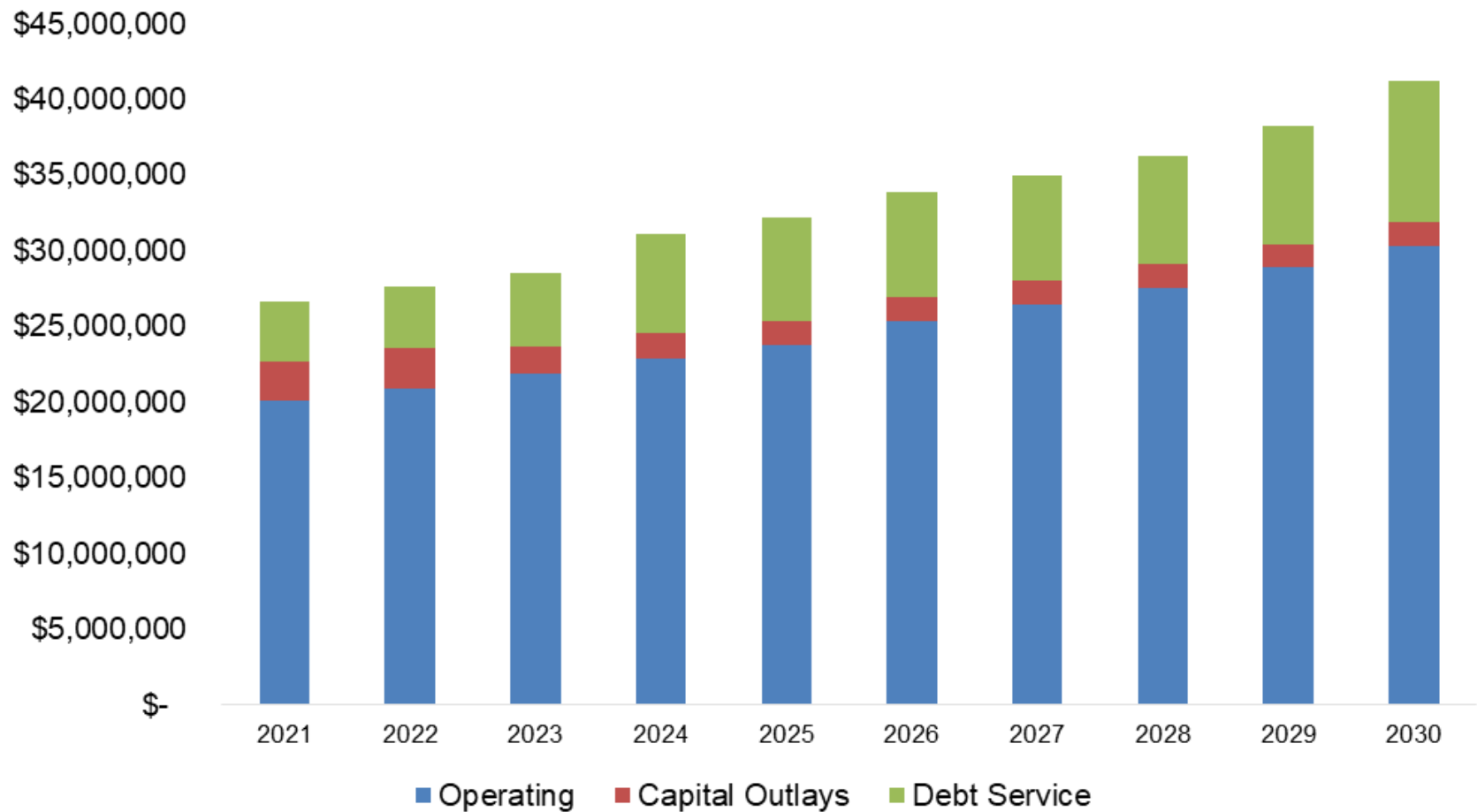
**Total Debt = \$197,000,000**

	2022	2023	2024	2025	2026	2027	2028	2029	2030
Impact Fee Revenue	\$ 7,248,032	\$ 7,601,088	\$ 7,471,288	\$ 6,416,533	\$ 5,810,043	\$ 5,583,651	\$ 5,282,230	\$ 4,797,553	\$ 3,520,635
WWTP Debt Service	1,348,909	4,879,268	5,830,334	6,181,374	6,457,221	6,584,543	6,902,950	7,166,320	7,425,040
Debt Service Eligible to be Paid by Impact Fees	1,052,149 <b>78.0%</b>	3,805,829	4,547,661	4,821,472	5,036,632	5,135,944	5,384,301	5,589,730	5,791,531
<b>Annual Debt Service Paid by:</b>									
Impact Fees	1,052,149	3,805,829	4,547,661	4,821,472	5,036,632	5,135,944	5,282,230	4,797,553	3,520,635
Rates	<b>296,760</b>	<b>1,073,439</b>	<b>1,282,673</b>	<b>1,359,902</b>	<b>1,420,589</b>	<b>1,448,599</b>	<b>1,620,720</b>	<b>2,368,767</b>	<b>3,904,405</b>

# Forecast Water/Wastewater Cost of Service



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# Forecast Water and Wastewater Cost of Service



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	2022	2023	2024	2025	2026
<b>WATER and WASTEWATER Utility</b>					
<b><u>Revenues</u></b>					
Water Rate Revenues	\$ 14,033,968	\$ 14,946,140	\$ 15,789,346	\$ 16,120,427	\$ 16,655,585
Wastewater Rate Revenues	10,475,173	11,866,355	13,335,944	14,464,857	15,498,934
Non-Rate Revenues	<u>2,548,226</u>	<u>2,549,474</u>	<u>2,550,772</u>	<u>2,551,447</u>	<u>2,552,135</u>
Total	27,057,367	29,361,969	31,676,061	33,136,730	34,706,653
<b><u>Cost of Service</u></b>					
Operating/Capital Outlays	23,531,714	23,682,766	24,538,509	25,348,191	26,930,921
Debt Service -- Current	3,800,022	3,815,046	3,800,367	3,939,281	3,901,061
Debt Service -- Future	<u>296,760</u>	<u>1,073,439</u>	<u>2,790,155</u>	<u>2,867,384</u>	<u>3,042,926</u>
Total	27,628,496	28,571,251	31,129,031	32,154,856	33,874,908
<b>Net Revenues</b>	<b>(571,130)</b>	<b>790,718</b>	<b>547,030</b>	<b>981,874</b>	<b>831,746</b>
Percent of Revenues	-2.1%	2.7%	1.7%	3.0%	2.4%



# Proposed Rate Plan -- Water Utility



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		Current	Effective Oct-21	Effective Oct-22	Effective Oct-23	Effective Oct-24	Effective Oct-25
<b>WATER Rates</b>							
<b>Base Charge</b>							
Residential		\$ 23.67	\$ <b>24.14</b>	\$ 24.63	\$ 25.12	\$ 25.62	\$ 26.39
Non-Residential		51.07	<b>52.09</b>	53.13	54.20	55.28	56.94
			<b>2.0%</b>	2.0%	2.0%	2.0%	3.0%
<b>Volume Rate</b>							
<b>Residential</b>							
-	10,000	4.12	<b>4.20</b>	4.29	4.37	4.46	4.59
10,001	35,000	4.70	<b>4.79</b>	4.89	4.99	5.09	5.24
35,001	Above	5.30	<b>5.41</b>	5.51	5.62	5.74	5.91
			<b>2.0%</b>	2.0%	2.0%	2.0%	3.0%
<b>Commercial/Multi Family</b>							
-	12,000,000	4.67	<b>4.76</b>	4.86	4.96	5.05	5.21
12,000,001	Above	3.98	<b>4.06</b>	4.14	4.22	4.31	4.44
			<b>2.0%</b>	2.0%	2.0%	2.0%	3.0%
<b>Surface -- Tyson/Rio Nogales/Niagra</b>							
-	Above	3.51	<b>3.58</b>	3.65	3.72	3.80	3.91
			<b>2.0%</b>	2.0%	2.0%	2.0%	3.0%
<b>Surface -- NBU</b>							
-	Above	3.19	<b>3.19</b>	3.19	3.19	3.19	3.29
			<b>0.0%</b>	0.0%	0.0%	0.0%	3.0%

# Proposed Rate Plan -- Wastewater Utility



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			Current	Effective Oct-21	Effective Oct-22	Effective Oct-23	Effective Oct-24	Effective Oct-25
<b>WASTEWATER Rates</b>								
<b>Base Charge</b>								
Residential			\$ 33.16	\$ <b>34.49</b>	\$ 35.87	\$ 37.30	\$ 38.05	\$ 38.81
Residential Outside			41.45	<b>43.11</b>	44.83	46.63	47.56	48.51
Commerical/Ind			54.69	<b>56.88</b>	59.15	61.52	62.75	64.00
				<b>4.0%</b>	4.0%	4.0%	2.0%	2.0%
<b>Volume Rate per 1,000 Gallons</b>								
<b>Residential</b>								
2,001	Above		4.97	<b>5.17</b>	5.38	5.59	5.70	5.82
				<b>4.0%</b>	4.0%	4.0%	2.0%	2.0%
<b>Residential Outside</b>								
2,001	Above			<b>6.46</b>	6.72	6.99	7.13	7.27
					4.0%	4.0%	2.0%	2.0%
<b>Commercial</b>								
-	8,000,000		5.11	<b>5.30</b>	5.52	5.74	5.85	5.97
8,000,001	Above		4.01	<b>4.18</b>	4.35	4.52	4.61	4.70
				<b>4.0%</b>	4.0%	4.0%	2.0%	2.0%
<b>Metered Rate</b>								
-	8,000,000		4.97	<b>5.17</b>	5.38	5.59	5.70	5.82
8,000,001	Above		3.78	<b>3.92</b>	4.08	4.24	4.33	4.41
				<b>4.0%</b>	4.0%	4.0%	2.0%	2.0%

# Impact on Monthly Charges



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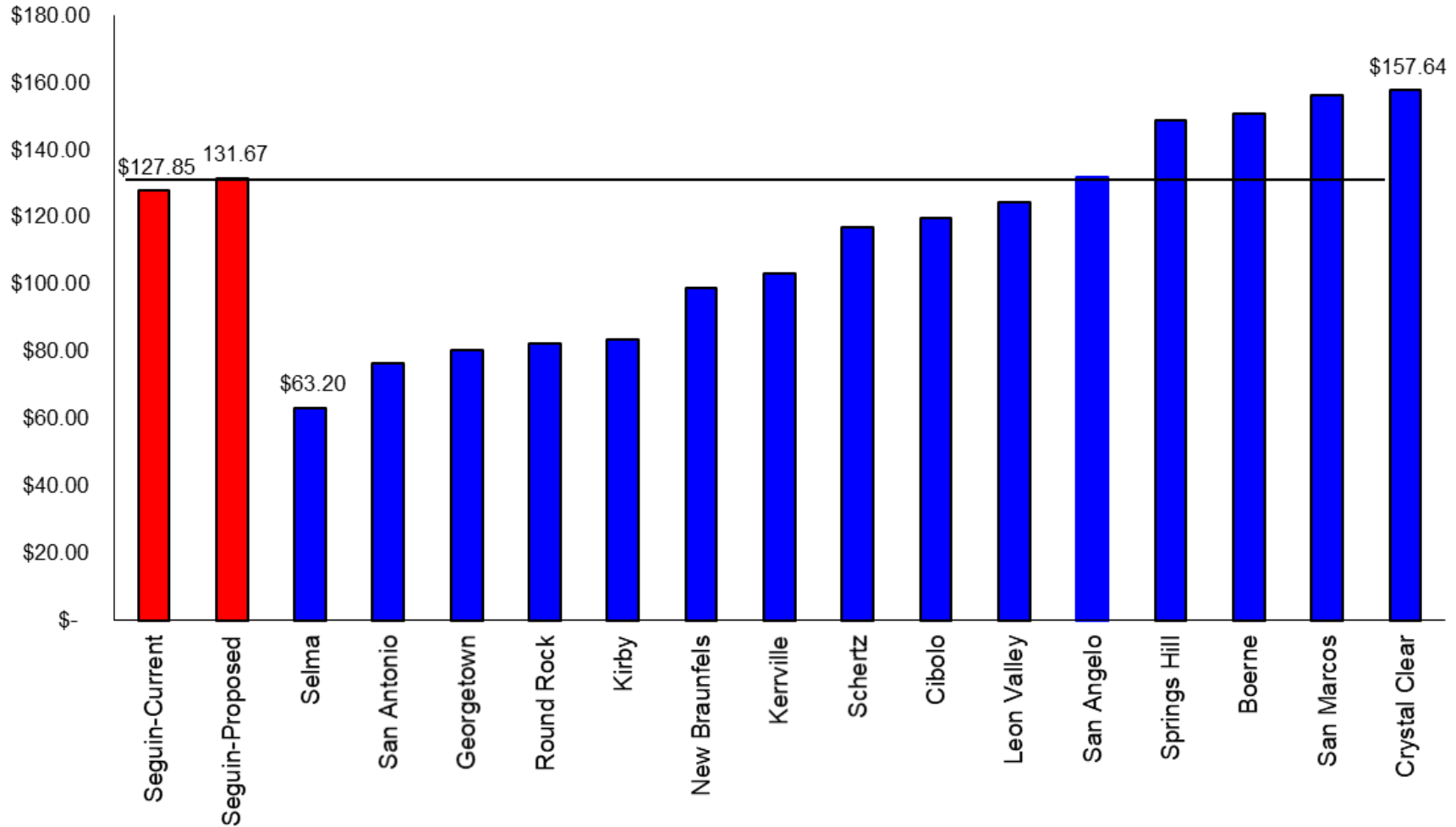
Water	WW	Current	Effective Oct-21	Effective Oct-22	Effective Oct-23	Effective Oct-24	Effective Oct-25
<b>Residential</b>							
5,000	5,000	\$ 92.34	\$ <b>95.15</b>	\$ 98.05	\$ 101.05	\$ 103.07	\$ 105.61
			<b>2.81</b>	<b>2.90</b>	<b>3.00</b>	<b>2.02</b>	<b>2.54</b>
			3.0%	3.1%	3.1%	2.0%	2.5%
<b>Residential</b>							
10,000	8,000	127.85	<b>131.67</b>	135.61	139.68	142.48	146.03
			<b>3.82</b>	<b>3.94</b>	<b>4.07</b>	<b>2.79</b>	<b>3.55</b>
			3.0%	3.0%	3.0%	2.0%	2.5%
<b>Commercial</b>							
30,000	30,000	399.16	<b>411.00</b>	423.54	436.51	445.24	456.21
			<b>11.84</b>	<b>12.54</b>	<b>12.96</b>	<b>8.73</b>	<b>10.97</b>
			3.0%	3.1%	3.1%	2.0%	2.5%

# Monthly Charge Comparison

## 10,000 Gal Water, 8,000 Gal WW



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# Presentation Summary

## Notes on Rate Proposal



- ◆ Rate plan is heavily dependent on:
  - ❖ Timing of debt issues
  - ❖ Continued increases in surface water sales to existing large customers
  - ❖ **Continued strong wastewater account growth**
- ◆ If any of these assumptions change, rate plan will require revision
- ◆ In particular, **if growth slows or stops, future wastewater rate adjustments will be higher**





**Questions?**

## **Detailed Schedules**