SEGUIN TEXAS

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Memorandum

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

From: Tim Howe, Assistant City Manager

Subject: Proposed Water and Wastewater Rates

Date: August 4, 2026

Historical Background

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 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, wastewater 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 2025-26 budget process.

Action Requested

Consider a recommended rate increase for water and wastewater based on this analysis, which included a review of projected SSLGC charges and adjusted W/WW Capital Improvement

Program. This review determined a proposed five percent increase in water rates and three percent increase in wastewater rates for FY 2026-27.

Staff Recommendation

Staff recommends approval and will be available at the August 4, 2026, Council meeting. Details of this recommendation are included in the tables below.

PROPOSED WATER RATE SCHEDULE

		Current	Proposed Oct-26	Forecast Oct-27	Forecast Oct-28	Forecast Oct-29	Forecast Oct-30
WATER RATES							
BASE CHARGE							
Residential		$ 29.35	**$ 30.81**	$ 32.36	$ 33.97	$ 35.67	$ 37.46
Non-Residential		63.33	**66.49**	69.82	73.31	76.97	80.82
			5.0%	**5.0%**	**5.0%**	**5.0%**	**5.0%**
VOLUME RATE							
Volume Rate Per 1,000 Gal							
Residential							
-	10,000	5.10	**5.36**	5.63	5.91	6.20	6.51
10,001	35,000	5.83	**6.12**	6.42	6.75	7.08	7.44
35,001	Above	6.57	**6.90**	7.25	7.61	7.99	8.39
Percent Change	**-**		**-**	-	-	-	-
Non-Residential (COM, MF, CITY, IND)							
-	12,000,000	5.79	**6.07**	6.38	6.70	7.03	7.38
12,000,001	Above	4.94	**5.18**	5.44	5.71	6.00	6.30
			5.0%	**5.0%**	**5.0%**	**5.0%**	**5.0%**
Surface Water (Tyson, Rio Nogales, Niagara)							
-	Above	4.36	**4.58**	4.80	5.04	5.30	5.56
			5.0%	**5.0%**	**5.0%**	**5.0%**	**5.0%**
Surface NBU							
-	Above	3.19	**3.19**	3.19	3.19	3.19	3.19
			0.0%	**0.0%**	**0.0%**	**0.0%**	**0.0%**

PROPOSED WASTEWATER RATE SCHEDULE

			Current	Proposed Oct-26	Forecast Oct-27	Forecast Oct-28	Forecast Oct-29	Forecast Oct-30
WASTEWATER RATES								
BASE CHARGE								
Residential			$ 41.12	**$ 42.35**	$ 43.62	$ 44.93	$ 46.28	$ 47.67
Residential Outside			51.40	**52.94**	54.53	56.16	57.85	59.58
Flat Rate			51.40	**52.94**	54.53	56.16	57.85	59.58
Non-Residential			67.82	**69.85**	71.95	74.10	76.33	78.62
				3.0%	**3.0%**	**3.0%**	**3.0%**	**3.0%**
VOLUME RATE								
Volume Rate Per 1,000 Gal								
Residential								
	2,001	8,000	6.17	**6.35**	6.55	6.74	6.94	7.15
				3.0%	**3.0%**	**3.0%**	**3.0%**	**3.0%**
Residential Outside								
	2,001	8,000	7.69	**7.92**	8.16	8.41	8.66	8.92
				3.0%	**3.0%**	**3.0%**	**3.0%**	**3.0%**
Non-Residential								
	-	8,000,000	6.31	**6.50**	6.70	6.90	7.11	7.32
	8,000,001	Above	5.00	**5.15**	5.30	5.46	5.62	5.79
				3.0%	**3.0%**	**3.0%**	**3.0%**	**3.0%**
Metered SEWER								
	-	8,000,000	6.17	**6.35**	6.55	6.74	6.94	7.15
	8,000,001	Above	4.67	**4.81**	4.95	5.10	5.25	5.41
				3.0%	**3.0%**	**3.0%**	**3.0%**	**3.0%**

PROPOSED WATER & WASTEWATER MONTHLY IMPACT

		Prior Rates	Proposed Oct-26	Forecast Oct-27	Forecast Oct-28	Forecast Oct-29	Forecast Oct-30
Residential Monthly Charges Inside -- 3/ 4"							
5,000 Water	Total	$ 114.49	$ 119.02	$ 123.74	$ 128.67	$ 133.80	$ 139.14
5,000 WW	Increase -- $		4.53	4.72	4.92	5.13	5.35
	Increase -- %		4.0%	4.0%	4.0%	4.0%	4.0%
10,000 Water	Total	$ 158.51	$ 164.88	$ 171.51	$ 178.43	$ 185.64	$ 193.17
8,000 WW	Increase -- $		6.36	6.63	6.92	7.21	7.52
	Increase -- %		4.0%	4.0%	4.0%	4.0%	4.1%
Commercial Monthly Charges Inside -- 2 "							
25,000 Water	Total	$ 433.63	$ 450.79	$ 468.68	$ 487.33	$ 506.77	$ 527.02
25,000 WW	Increase -- $		17.17	17.89	18.65	19.43	20.26
	Increase -- %		4.0%	4.0%	4.0%	4.0%	4.0%
50,000 Water	Total	$ 736.11	$ 765.25	$ 795.61	$ 827.25	$ 860.23	$ 894.61
50,000 WW	Increase -- $		29.14	30.36	31.64	32.98	34.38
	Increase -- %		4.0%	4.0%	4.0%	4.0%	4.0%