CITY OF SEGUIN

2026 Water and Wastewater Rate Update
City Council Presentation

August 2026

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TEXAS
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Updated: July 16 2026

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SEGUIN WATER AND WASTEWATER RATE BACKGROUND

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- City's rates have been reviewed and adjusted on an annual basis for the past decade
- This has enabled City to adapt to rapid changes in growth and other cost factors
- Has also allowed City to invest in capital improvements required to service growth and improve the quality of service
- Objective of today's presentation: to provide a new one-year rate plan for review and approval

CURRENT WATER AND WASTEWATER RATE STRUCTURE

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WATER RATE STRUCTURE			
Capacity Charge per Meter	RES	NON-RES*	SURFACE
All Meters	$29.35	$63.33	$63.33

WW RATE STRUCTURE				
Sewer Base Charge (RES includes 2,000 gal)	RES INSIDE	RES OUT	NON-RES	IND METER
All Meters	$41.12	$51.40	$67.82	$67.82

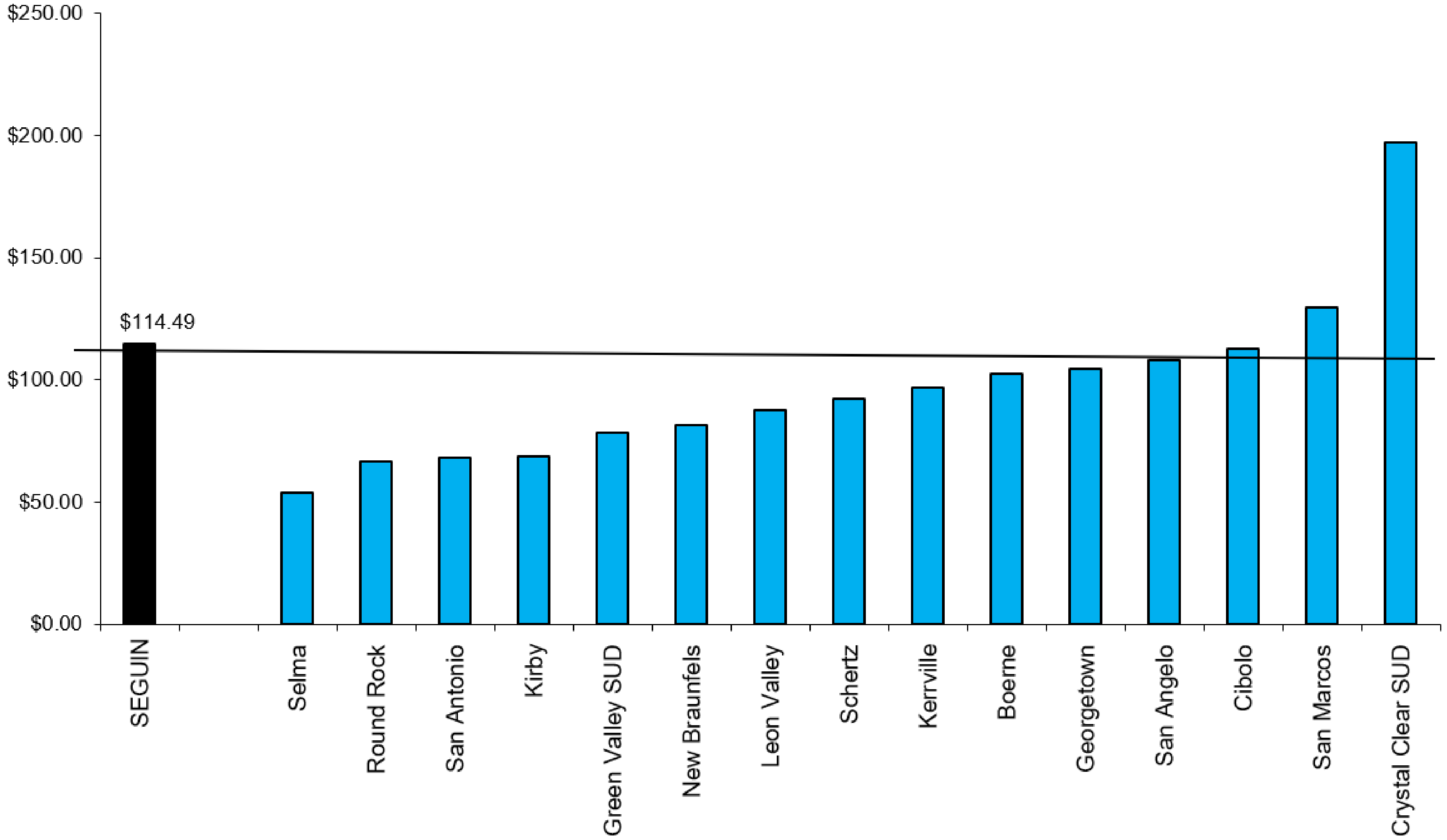
WATER RATE STRUCTURE	
Volume Rate per 1k Gal	RESIDENTIAL
1 – 10,000	$5.10
10,001 – 35,000	5.83
35,001 – Above	6.57
Volume Rate per 1k Gal	NON-RES
1 – 12,000,000	5.79
12,000,001 – Above	4.94
Volume Rate per 1k Gal	SURFACE WATER
All gallons	4.36
if ground water is used	4.94

WW RATE STRUCTURE	
Volume Rate per 1k Gal	RESIDENTIAL INSIDE
2,001 – 8,000**	$6.17
Volume Rate per 1k Gal	RESIDENTIAL OUTSIDE
2,001 – 8,000**	7.69
Volume Rate per 1k Gal	NON-RESIDENTIAL
1 – 8,000,000	6.31
8,000,001 - Above	5.00
Volume Rate per 1k Gal	INDUSTRIAL METERED
1 – 8,000,000	6.17
8,000,001 - Above	4.67

***NON-RES includes Commercial, Industrial, Governmental& Multifamily**

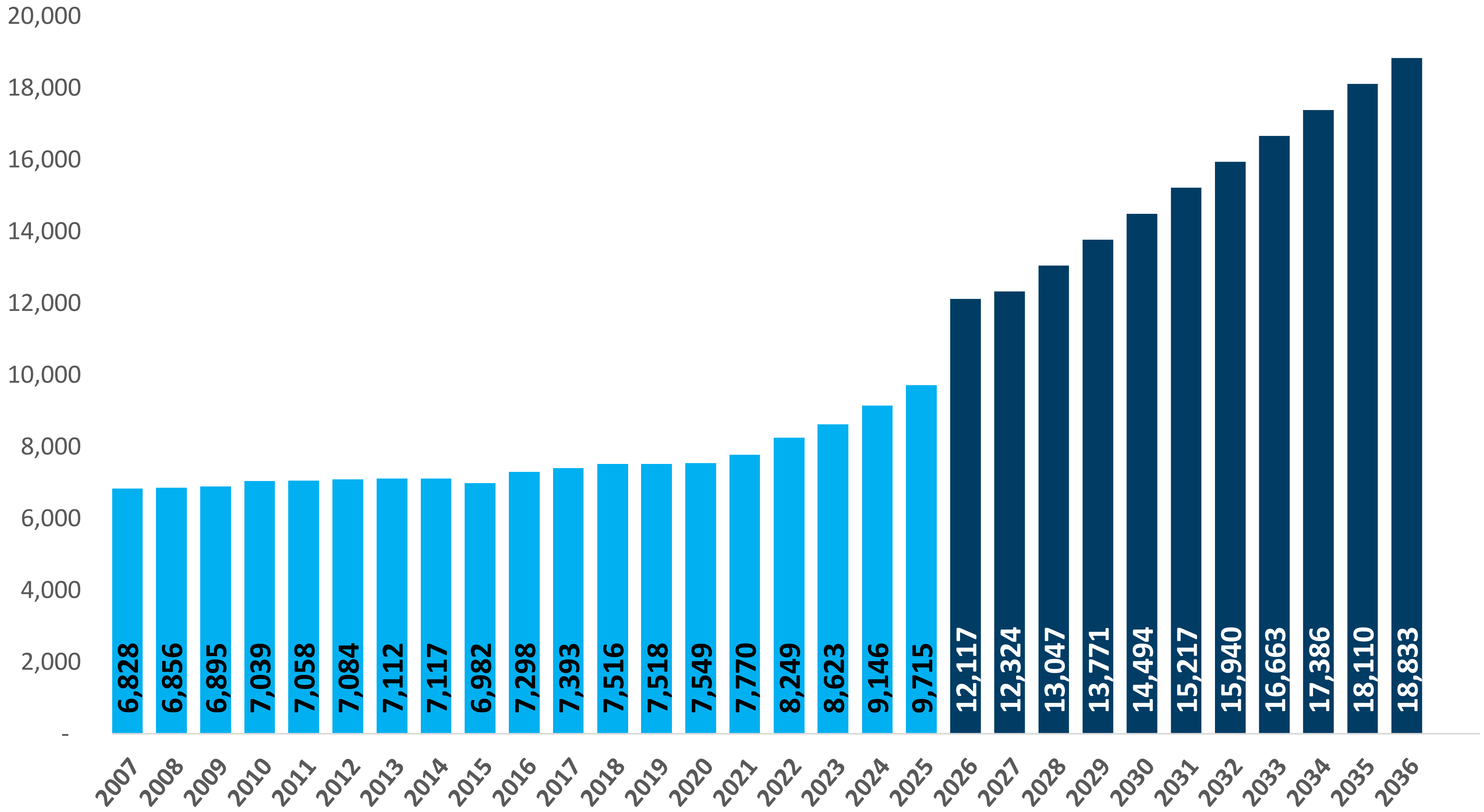
**** RES sewer is capped at 8,000 gal**

RESIDENTIAL MONTHLY CHARGES
5,000 GALLONS WATER AND WASTEWATER



CUSTOMERS & VOLUMES

HISTORICAL AND FORECAST WATER ACCOUNTS

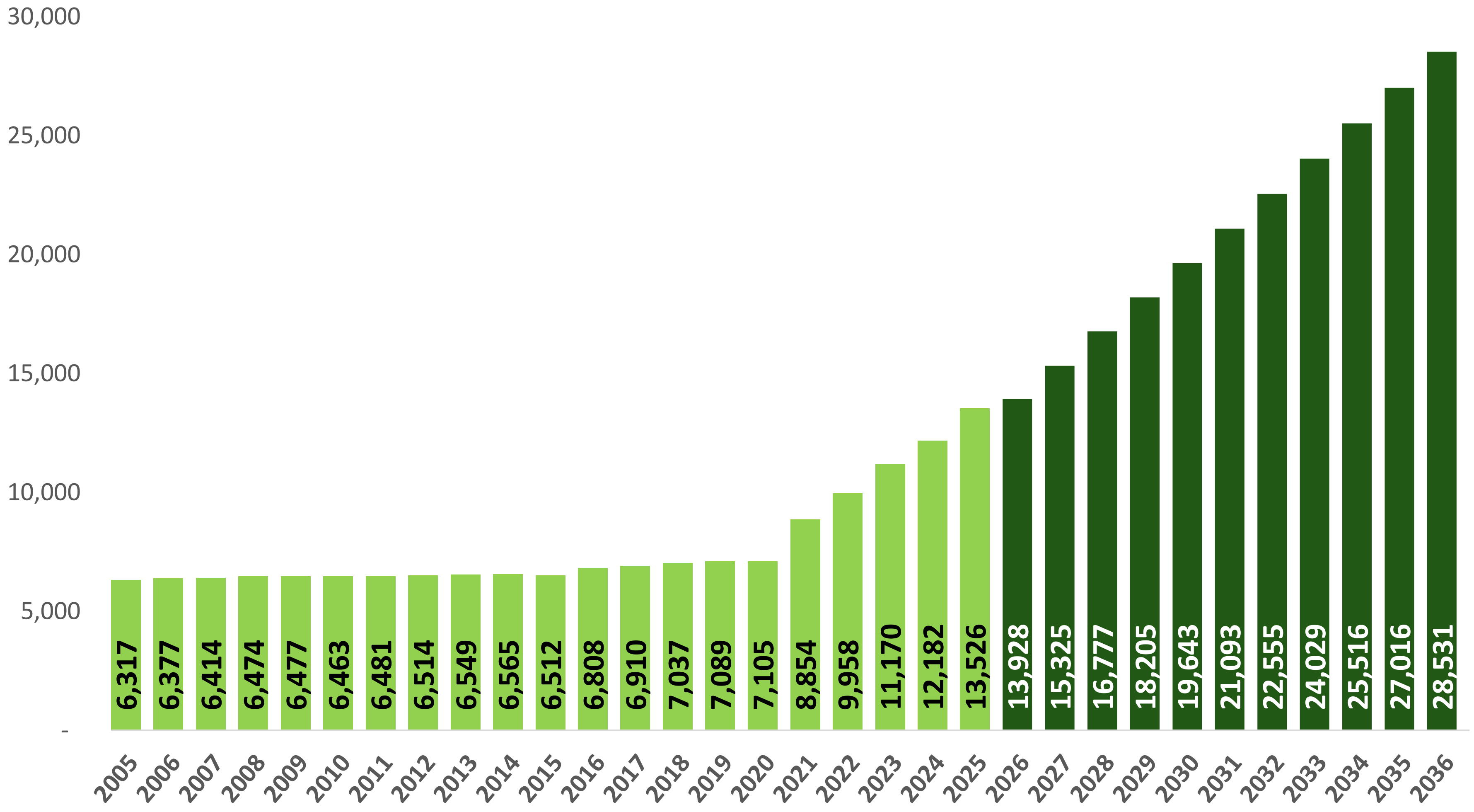


Project team estimates an average of 723 new water accounts per year (represents 75% of IF forecast)

Average annual account growth: 5.76%

2026 increase due to Springs Hill CCN acquisition

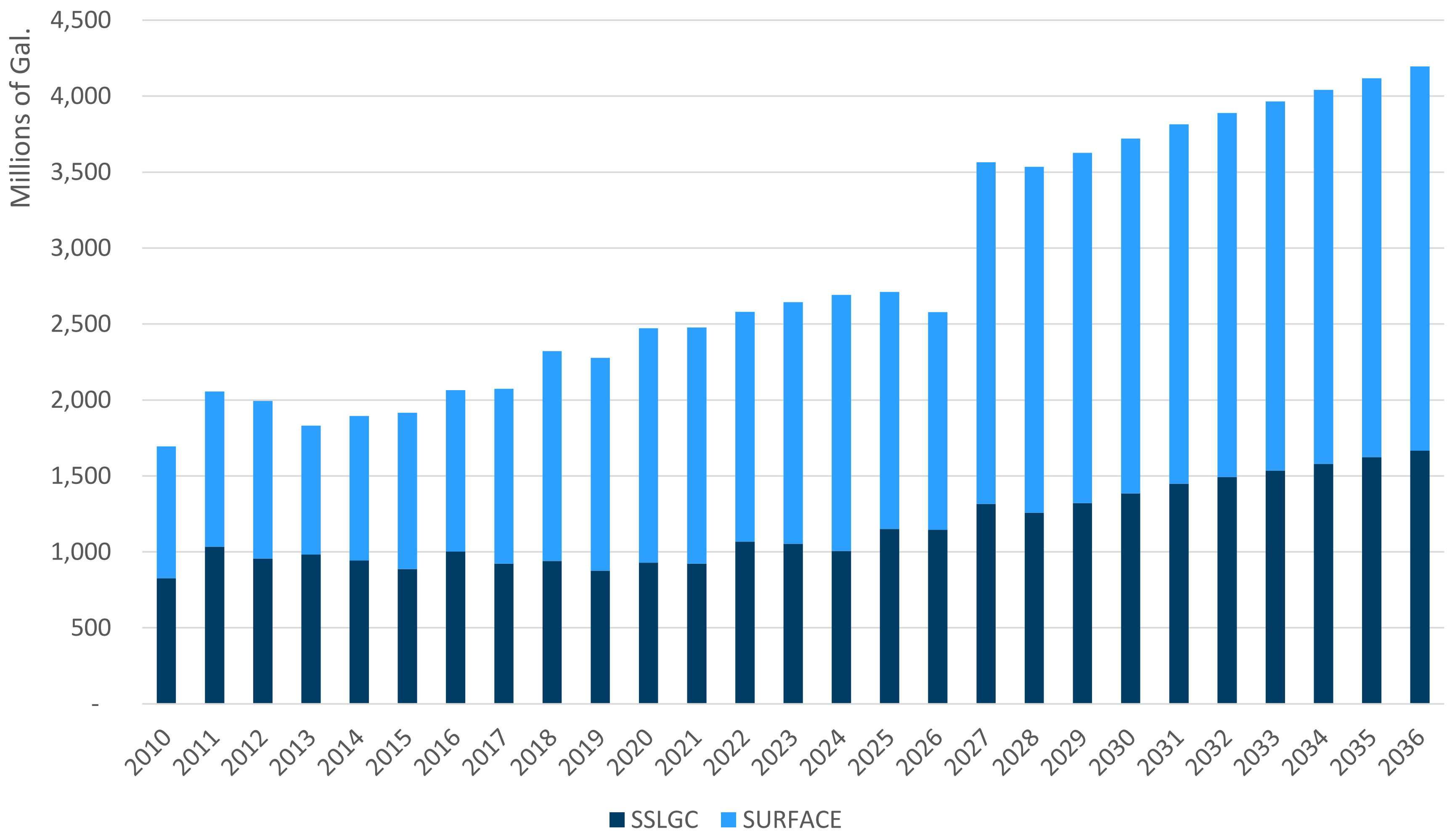
HISTORICAL AND FORECAST WASTEWATER ACCOUNTS



Project team estimates that on average 1,502 new sewer accounts will be added to the system each year (75% of IF forecast)

Average annual account growth: <u>7.85%</u>

HISTORICAL AND FORECAST WATER CONSUMPTION



Forecast water consumption increase at the rate of 1.4% per year.

Actual water use may vary considerably with weather patterns.

Assumes no actual purchases from NBU.

Spring Hills accounts converted to City accounts in 2027

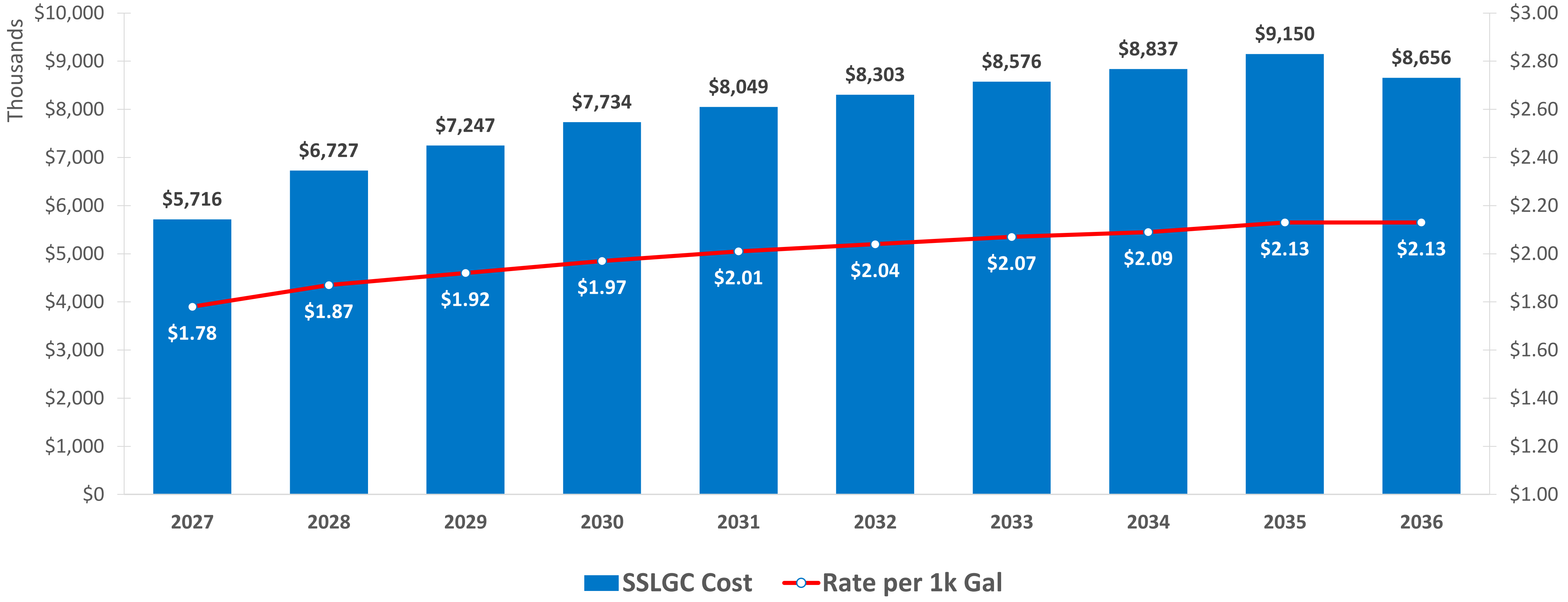
WATER & WASTEWATER
CURRENT AND FORECAST COST OF SERVICE

FACTORS DRIVING CITY'S COST OF SERVICE

- Inflation – most costs increase 3-4% per year
- Certain costs increase at a higher rate (chemicals, insurance, workers compensation)
- Growth is increasing both costs and revenues
- Two primary factors driving proposed rate plan:
  - SSLGC wholesale water costs
  - Debt required to repair/expand system

FORECAST COST OF WATER PURCHASES

- SSLGC costs forecast to increase by 4.7% annually (a combination of volume, rate increases and additional SSGLC debt issuances)

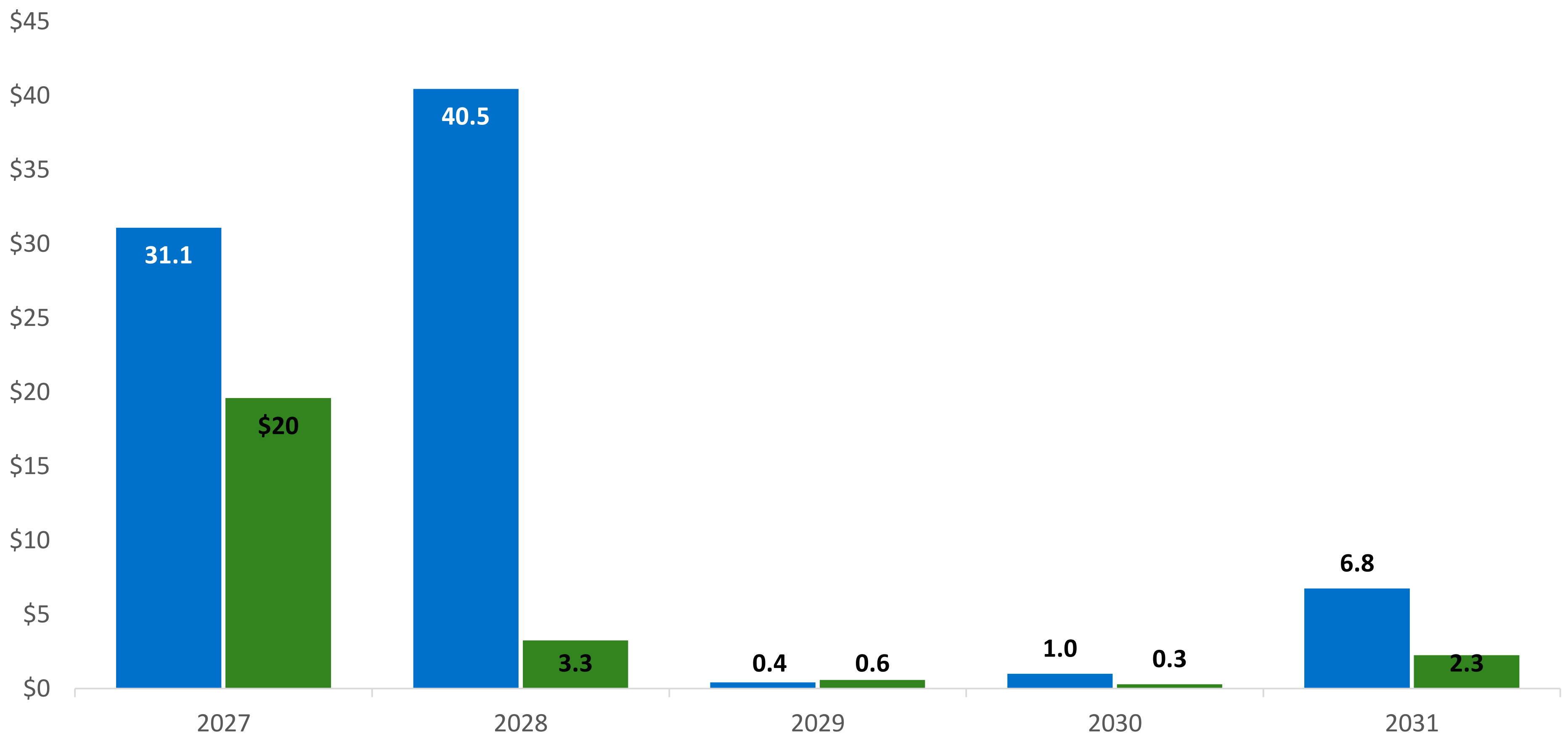


PROJECTED FUTURE BOND ISSUES (FY2027-2031)

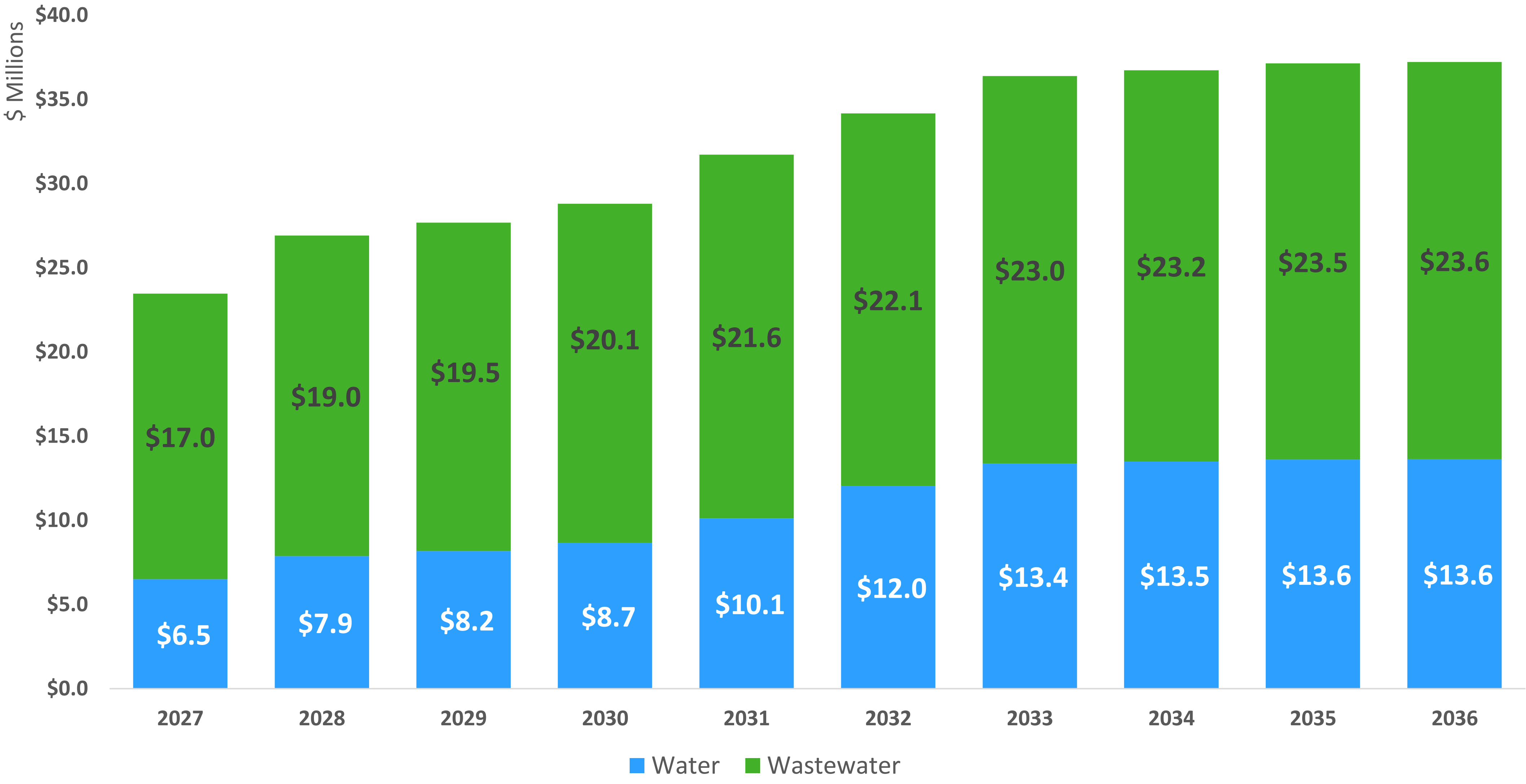
$ Millions

Water Bonds = $79,730,000

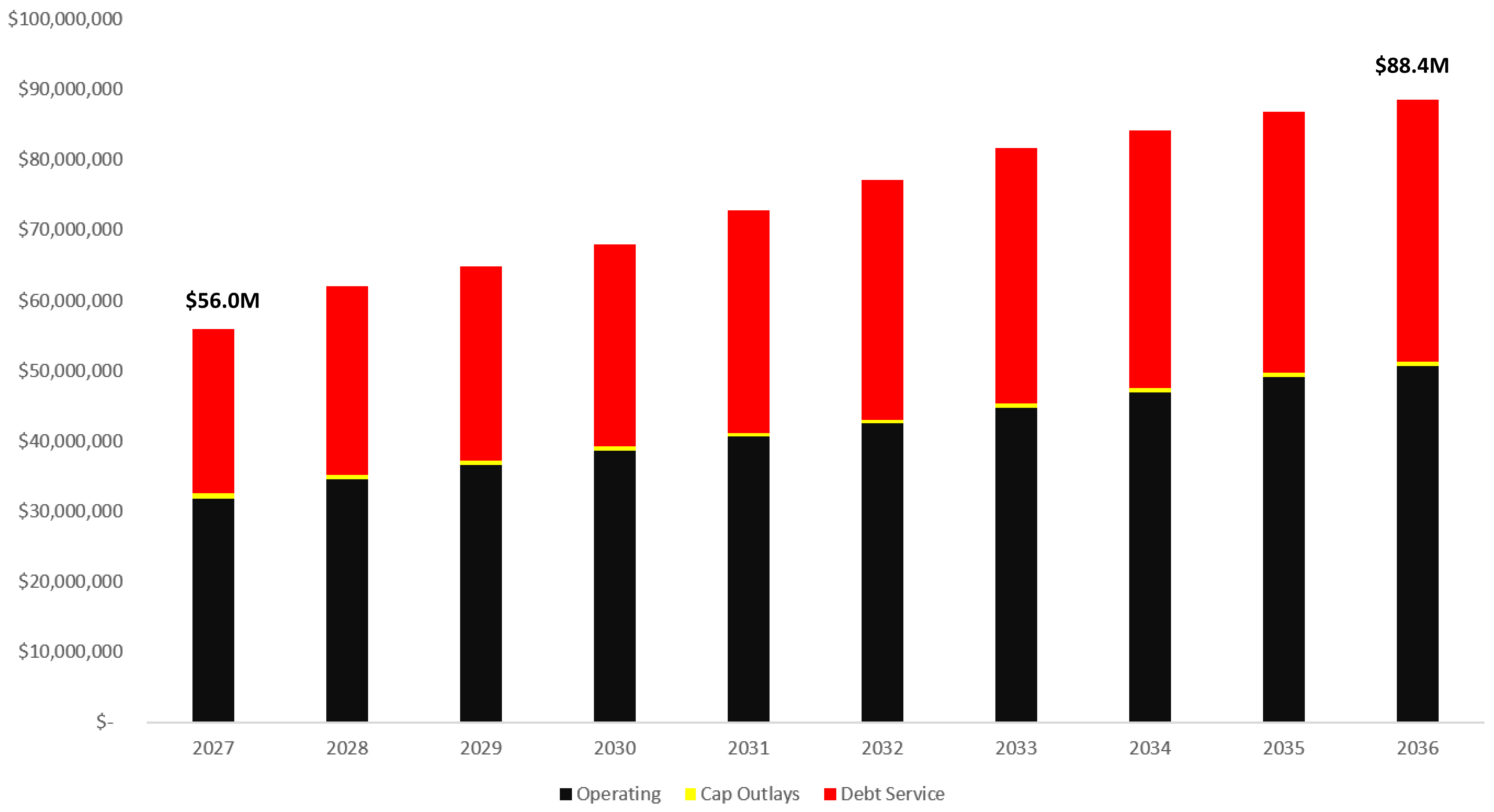
WW Bonds = $25,970,000



FORECAST DEBT SERVICE PAYMENTS



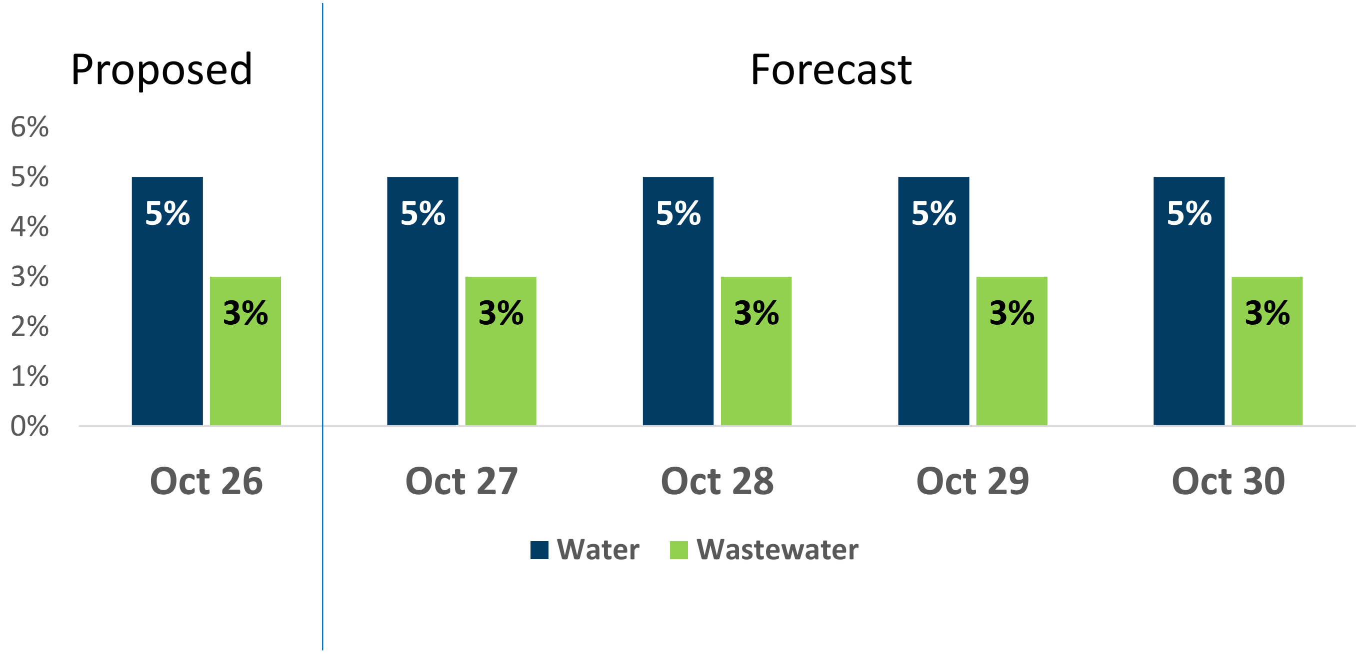
WATER AND WASTEWATER | COST OF SERVICE



WATER & WASTEWATER PROPOSED RATE PLAN

NOTES ON RATE PROPOSAL

- Rate plan remains same as 2025 forecast
- **Rate plan is heavily dependent on impact fee revenues funding eligible debt service**
  - If impact fee collections are less than forecast, revision to rate plan will be required
- Recommend continue annual rate plan updates



PROPOSED RATE SCHEDULE | WATER

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			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 RATE SCHEDULE | WASTEWATER

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			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%**

IMPACT ON MONTHLY CHARGES

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		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%

PRESENTATION SUMMARY

- Rate plan remains equivalent to prior year adjustments
- Current rate plan and forecast future adjustments remain highly dependent on:
  - Continued strong account growth
  - Favorable economic conditions (interest rates, general economy)
  - **Use of impact fees to fund portion of debt**
- Changes to any of these assumptions will require revision to future rate adjustments

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QUESTIONS & DISCUSSION

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