

Memorandum

Date: May 25, 2017

To: Seguin City Council

From: R. Alan Cockerell
SSLGC General Manager

Re: SSLGC FY2017-2018 ANNUAL OPERATIONS BUDGET
SSLGC FY2017-2018 WATER RATES

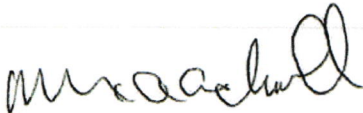
Resolutions SSLGC R17-03, SSLGC R17-04, and the supporting documents are attached. They represent the Schertz/Seguin Local Government Corporation's (SSLGC's) FY2017-2018 budget and water rates.

The FY2017-2018 O&M budget is lower than the FY2016-2017 O&M budget. This is due to reductions in the Rate Stabilization Contribution, Professional and Technical Services. Staff worked diligently to reduce a portion of its operational items. With the decrease in those line items, Staff was able to reduce the FY2017-2018 O&M budget by over \$630,000 from the current fiscal year's budget (\$9,574,754 to \$8,942,388).

There is a rate increase included for FY2017-2018 of \$0.01/1,000 gallons. This is a result of the reduction of future excess water sales. FY2017-2018 budget reductions have worked to minimize the impact of the phasing out of excess water sales.

The SSLGC Board unanimously approved this action at their regularly scheduled board meeting on May 18, 2017.

SSLGC Staff requests approval.



R. Alan Cockerell
SSLGC General Manager

cc: File

**SCHERTZ/SEGUIN LOCAL GOVERNMENT CORPORATION
STATE OF TEXAS
COUNTY OF GUADALUPE**

**A RESOLUTION ADOPTING THE SCHERTZ/SEGUIN LOCAL GOVERNMENT
CORPORATION FISCAL YEAR 2017-2018 WATER RATES**

WHEREAS, the Schertz/Seguin Local Government Corporation provides water to several entities; and

WHEREAS, expenses are incurred in providing the water; and

WHEREAS, it is necessary to set water rates to be assessed for the provision of the water in order to cover expenses; and

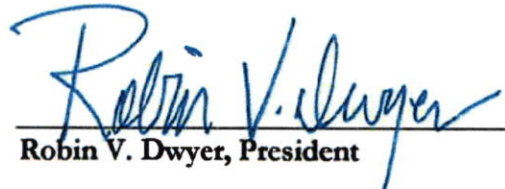
WHEREAS, the Schertz/Seguin Local Government Corporation has adopted a revenue requirement system using the AWWA cash basis of ratemaking and adopted a minimum debt coverage ratio requirement of 1.25 or greater; and

WHEREAS, the water rate schedule for the fiscal year 2017-2018 for the Schertz/Seguin Local Government Corporation is attached.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SCHERTZ/SEGUIN LOCAL GOVERNMENT CORPORATION:

The water rates for fiscal year 2017-2018 to be effective October 1, 2017 are hereby approved and adopted.

Passed and approved this the 18th day of May, 2017.


Robin V. Dwyer, President

Attest:


David Reiley, Secretary

OR

Korey Kirchner, Assistant Secretary