

**MEMORANDUM**

**To:** Mayor and City Council Members  
Douglas Faseler, City Manager

**From:** David Rabago, P.E., CFM, City Engineer

**Through:** Rick Cortes, Assistant City Manager

**Subject:** Proposed Water and Wastewater Rate Adjustment

**Date:** July 10, 2019

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.

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 that were recommended and approved as part of the 2018 W/WW Study update presented to City Council. The review considered several items, such as the proposed increase in wholesale water sales to NBU, SSLGC cost increases, significant forecast in new growth, and necessary System improvements. Based on that review, the proposed water and wastewater rates are in accordance to the 2018 Water & Wastewater update. The proposed plan recommends a 2.0% water rate adjustment and 7.0% wastewater rate adjustments; which is the same adjustments as recommended in 2018 update. In spite of the issuance of bonds for the major expansion of the Geronimo Creek WWTP, the Water & Wastewater Utility is able to recommend the same rates as recommended in 2018 update due to the utilization of system wide impact fees and projected revenues from the recently approved 758/Hwy 123 Bypass wastewater service agreement.

Attached for your review are the proposed water and wastewater rates for FY 2019-20. Staff recommends approval will be available to answer any questions at the Tuesday, July 16, 2019 City Council Meeting.

# CAPITAL PROJECTS/ENGINEERING

		Current	Effective Oct-19
<b>WATER Rates</b>			
<b>Base Charge</b>			
	Residential	\$ 22.75	\$ 23.21
	Non-Residential	49.09	50.07
			2.0%
<b>Volume Rate</b>			
<b>Residential</b>			
-	10,000	3.96	4.04
10,001	35,000	4.52	4.61
35,001	Above	5.09	5.19
			2.0%
<b>Commercial/Multi Family</b>			
-	12,000,000	4.49	4.58
12,000,001	Above	3.83	3.91
			2.0%
<b>Surface -- Tyson/Rio Nogales/Niagra</b>			
-	Above	3.37	3.44
			2.0%
<b>Surface -- NBU</b>			
-	Above	3.19	3.19

		<u>Current</u>	<u>Effective Oct-19</u>
<b>WASTEWATER Rates</b>			
<b>Base Charge</b>			
Residential		\$ 28.96	\$ 30.99
Non-Residential		47.77	51.11
			7.0%
<b>Volume Rate per 1,000 Gallons</b>			
<b>Residential</b>			
	2,001	Above	
		4.34	4.64
			7.0%
<b>Commercial</b>			
	-	8,000,000	
	8,000,001	Above	
		4.47	4.77
		3.49	3.74
			7.0%
<b>Metered Rate</b>			
	-	8,000,000	
	8,000,001	Above	
		4.34	4.64
		3.31	3.53
			7.0%