



**EDINBURG CITY COUNCIL**  
CITY OF EDINBURG, HIDALGO COUNTY, TEXAS

**Location:** City of Edinburg  
City Hall-Council Chambers  
415 West University Dr.  
Edinburg, Texas 78539

**WORK SESSION AGENDA**  
**DECEMBER 19, 2023**  
**5:00 PM**

- 1. CALL TO ORDER, ESTABLISH QUORUM**
- 2. CERTIFICATION OF PUBLIC NOTICE**
- 3. DISCLOSURE OF CONFLICT OF INTEREST**
- 4. PUBLIC COMMENTS**

*The Mayor and City Council allow for a specific portion of the City Council Meeting to be dedicated to public comments. Public Comments are limited to three (3) minutes. Please note that this public comment period is not interactive. The City Council may not respond to public comments.*

*If a resident desires to make a public comment in person, please complete the Public Comments Form which will be located outside of the City Council Chambers and submit the completed form to the City Secretary prior to the commencement of the City Council Meeting. We ask for everyone's cooperation in following this procedure.*

- 5. PRESENTATION AND REPORT**

**A.** Presentation Regarding the 2023 Water and Wastewater Rate Study. [Gerardo Carmona Jr., P.E., Director of Utilities]

- 6. ADJOURNMENT**

*I hereby certify this Notice of a City Council Work Session was posted in accordance with the Open Meetings Act, at the City Offices of the City of Edinburg, located at the 415 West University entrance outside bulletin board, visible and accessible to the general public during and after regular working hours. This notice was posted on December 15, 2023 at 6:40 p.m.*

By: /s/ Clarice Y. Balderas  
Clarice Y. Balderas, City Secretary  
City of Edinburg, Texas

Disability Access Statement

Persons with disabilities who plan to attend this meeting and who may need auxiliary aid or services are requested to contact the City Secretary Department at (956) 388-8204 at least two business days prior to the meeting so that appropriate arrangements can be made. The accessible entrance and accessible parking spaces are located at Edinburg City Hall, 415 West University.



**CITY OF EDINBURG - CITY COUNCIL**

Meeting Date: December 19, 2023

**PRESENTATION AND REPORT**

Agenda Item No: 5.A.

**1. Agenda Item:**

Presentation Regarding the 2023 Water and Wastewater Rate Study. [Gerardo Carmona Jr., P.E., Director of Utilities]

**2. Description:**

Wildan Financial Services, the City's Utility Rate Consultant, will present on the 2023 Water and Wastewater Rate Study.

**3. Staff's Recommendation:**

Present on the 2023 Water and Wastewater Rate Study.

**Reviewed by:**

**Prepared by:**

Gerardo Carmona, Director  
of Utilities

**Attachments:**

A. 2023 Water and Wastewater Rate Study Presentation

**City of Edinburg**

**2023 Water & Wastewater Rate Study**

**Rate Study Council Workshop Presentation**



December 2023



- Background on Rates
- Customers and Volumes
- Current and Forecast Cost of Service
- Rate Plan Scenarios
- Summary





# BACKGROUND ON RATES

# 21<sup>st</sup> Century Water & Wastewater Rate Facts

- Average utility has been increasing rates **5-6% per year**, a trend that is expected to continue and may accelerate
- American Water Works Association (AWWA) forecasts that water and wastewater rates across the U.S. will **triple** in the next 15 years
- Rate adjustments are primarily due to reasons beyond a utility's direct control – inflation, necessary Capital Improvement Plans, wholesale costs, and other indirect expenses
- 30-40% of utilities charge rates that **do not cover their costs**



# City of Edinburg

## Water and Wastewater Rate Background

- City has not changed its water and sewer rates since **2011**
- City's rates are among the lowest in the region
- Inflation is driving up utility operating and capital costs
- Utility needs to fund **\$260.7 million** in capital improvements over next five years
- Combination of above factors results in need to implement a new long-term rate plan



# Current Water and Wastewater Rate Structure

## CURRENT WATER AND WASTEWATER RATES

### Water Rates

#### Residential

Minimum Charge by Meter Size (Includes 3,000 Gallons in Base)	all meters	\$	10.78
Volume Rate (per 1,000 Gallons)	3,001 - Above	\$	2.49

#### Multi-Family and Commercial

Minimum Charge by Meter Size (Includes 3,000 Gallons in Base)	5/8"	\$	13.41
	1"		13.41
	1 1/2"		17.87
	2"		26.74
	3"		35.79
	4"		53.49
	6"		89.40
Volume Rate (per 1,000 Gallons)	3,001 - Above	\$	2.49

#### NAWSC

No Minimum Charge		\$	-
Volume Rate (per 1,000 Gallons)	0 - Above	\$	1.52

#### State Prison

Minimum Charge by Meter Size (Includes 3,000 Gallons in Base)	all meters	\$	36.48
Volume Rate (per 1,000 Gallons)	3,001 - Above	\$	2.37

\* Outside Customers are charged 1.25x times the inside city rates

### Wastewater Rates

#### All Users

Minimum Charge by Meter Size (Includes 3,000 Gallons in Base)	all meters	\$	8.05
Volume Rate (per 1,000 Gallons)**	3,001 - Above	\$	1.53

#### Calpine Energy

No Minimum Charge			
Volume Rate (per 1,000 Gallons)	0 - Above	\$	1.05

#### State Prison

No Minimum Charge			
Volume Rate (per 1,000 Gallons)	0 - Above	\$	1.46

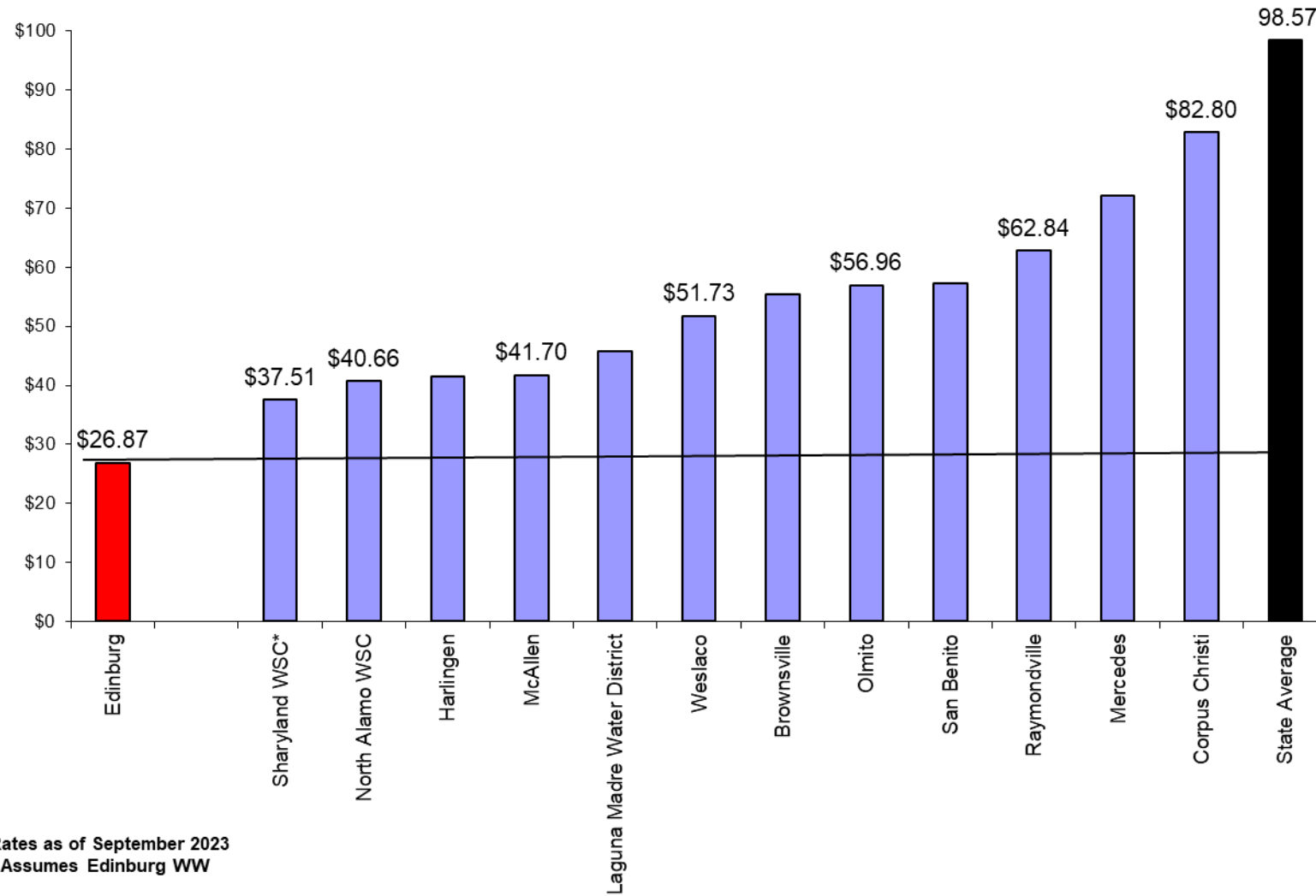
#### Lift Station

No Minimum Charge			
Volume Rate (per 1,000 Gallons)	0 - Above	\$	1.53

\* Outside Customers are charged 1.25x times the inside city rates

\*\* Maximum Residential Bill -- \$30.88 (inside) and \$38.60 (outside)

# Monthly Residential Charges | 5,000 Gal Water and 5,000 Gal WW





# CUSTOMERS & VOLUMES

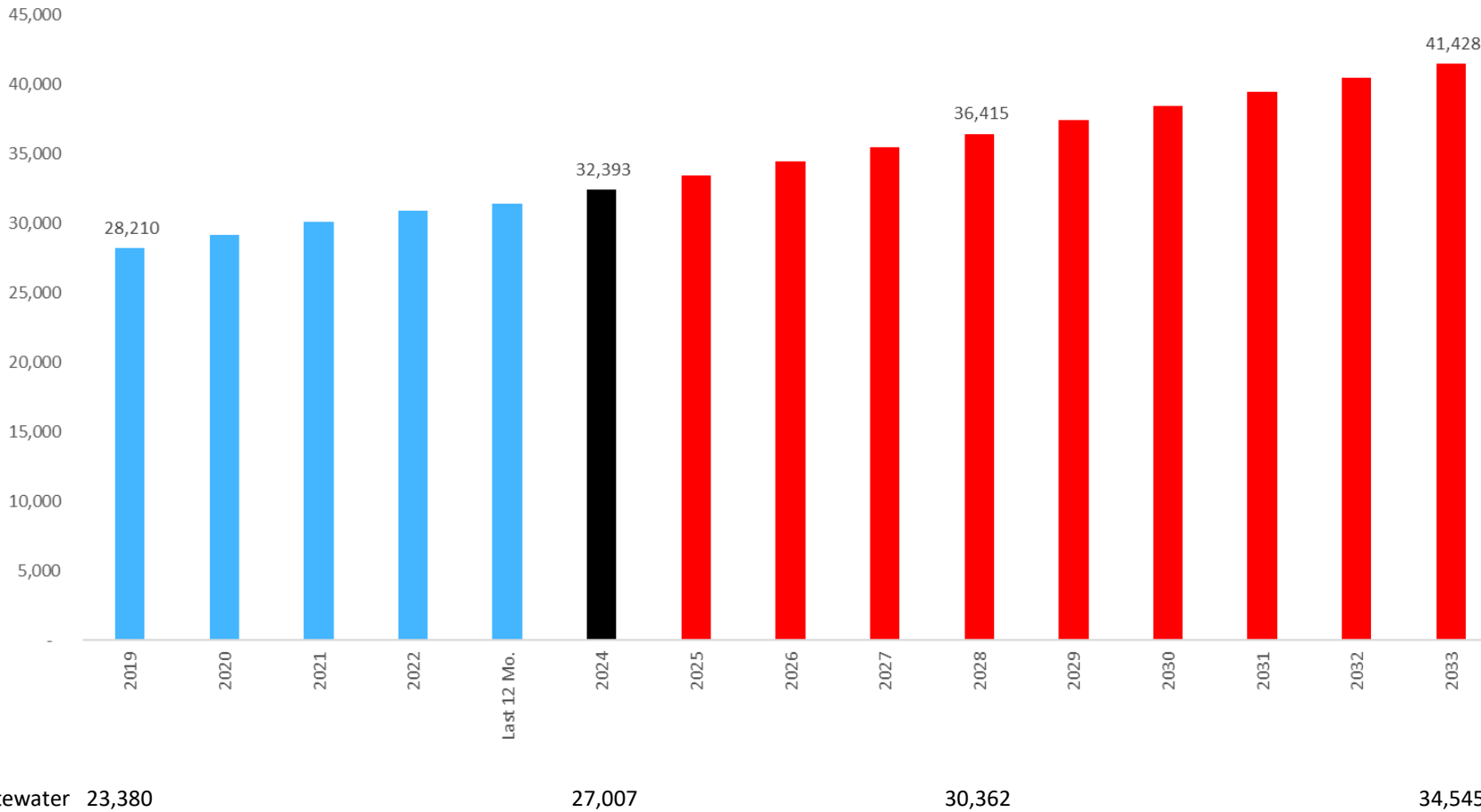
# Water and Wastewater Accounts | Test Year 2024

RATE MODEL CUSTOMER CLASS			
WATER Customer Accounts		WASTEWATER Customer Accounts	
Residential Inside	26,093	Residential Inside	24,178
Residential Outside	1,418	Residential Outside	213
Multi-Fam & Comm Inside	4,764	Multi Fam & Comm Inside	2,598
Multi-Fam & Comm Outside	101	Multi Fam & Comm Outside	10
North Alamo Water Supply Corp.	3	Calpine Energy	3
State Prison	2	State Prison	2
Zero Rate	<u>12</u>	Lift Station	<u>2</u>
<b>Total Accounts*</b>	<b>32,393</b>	<b>Total Accounts</b>	<b>27,007</b>

\*Includes 750 estimated new customers in FY2024

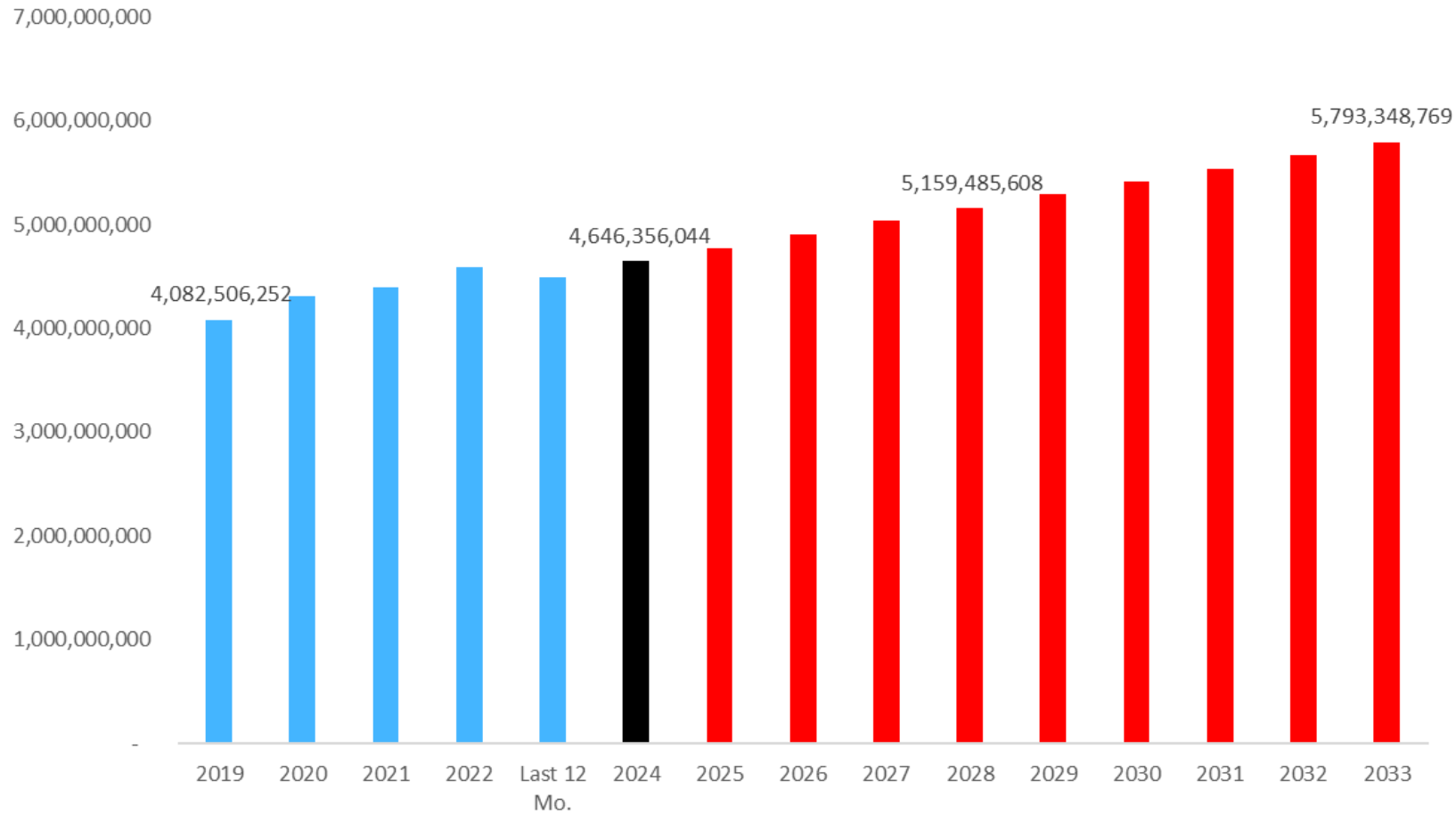
PRELIMINARY & SUBJECT TO CHANGE

# Historical and Forecast Water Accounts



Account growth over period 2024-2033 forecast to be on average 1,004 new accounts per year (annual growth rate of 2.77%).

# Historical and Forecast Water Consumption (gallons)



**Billed consumption average annual growth rate of 2.48%.**

**Water usage varies considerably with weather patterns, the model is based on the overall trend. Annual results may vary significantly.**

The background of the slide is a blue-tinted photograph of a water treatment plant. It shows various pieces of industrial machinery, including large pipes, valves, and what appear to be filtration or aeration tanks. The scene is brightly lit, suggesting an indoor facility with large windows.

# **WATER & WASTEWATER CURRENT AND FORECAST COST OF SERVICE**

# Key Assumptions for Forecast Financial and Rate Plan

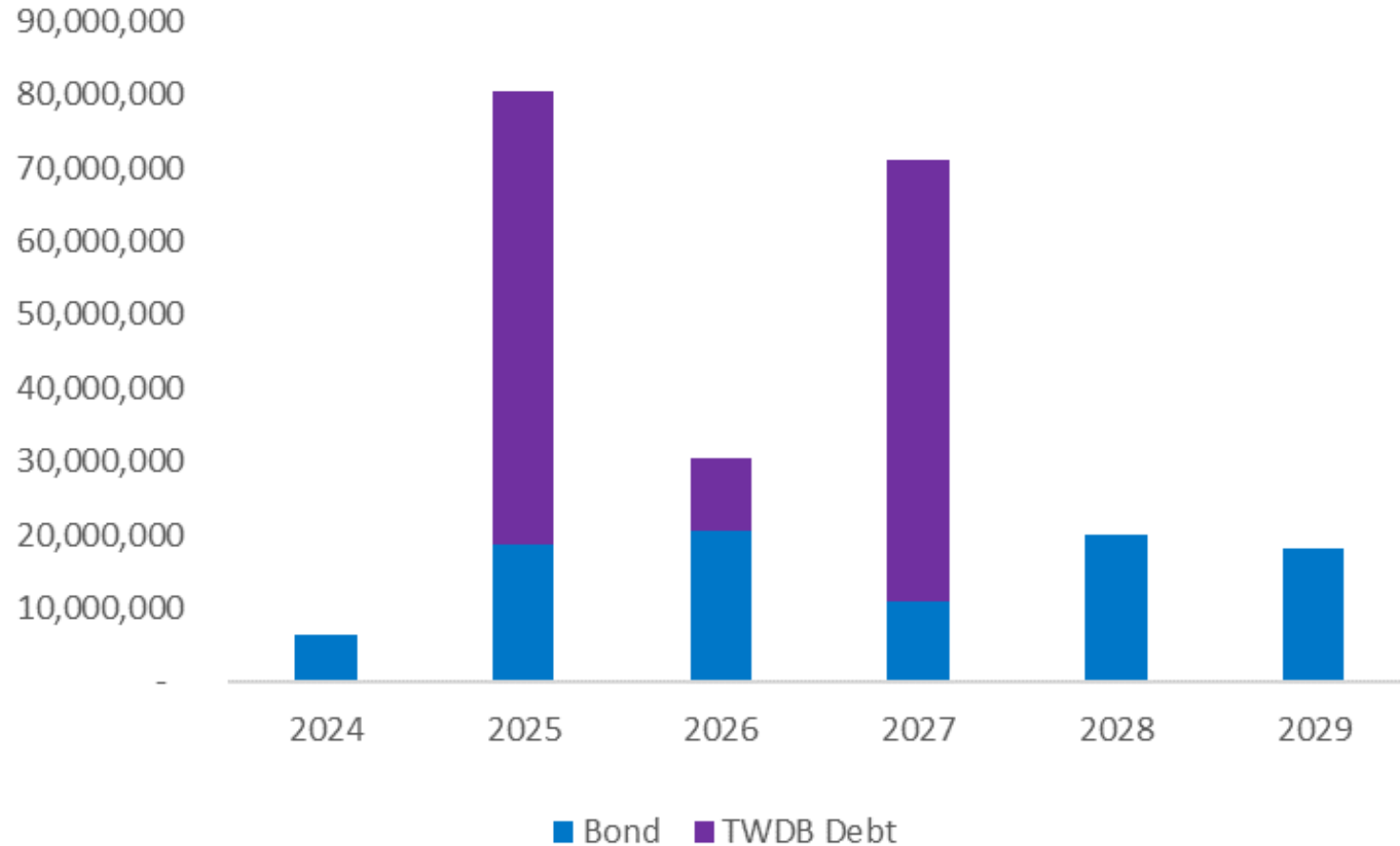
- Most operating expenses will increase 3-4% per year; certain expenses will increase at a higher rate
- Salaries, Benefits and Insurance are expected to increase at a higher rate
- City forecast to add 5 new employees each year for FY2024-2028
- 2 scenarios to be presented:
  - Scenario I -- uniform percentage increases
  - Scenario II – higher increases in the first year, lower increases in subsequent years



# CIP Table (Full)

CAPITAL IMPROVEMENT PLAN FY 2024 - FY 2033			
SCENARIO:	2023 11 08 -- STATUS QUO	Cost	Cost
WATER PROJECTS		WASTEWATER PROJECTS	
Reservoir Relining Project	\$	10,000,000	Lift Station 33 Rehab \$ 700,000
Rake replacement NE & NW Clarifiers @ DTWP		1,800,000	Lift Station 22 Rehab 700,000
Rehab of Chlorine Room @ DTWP		100,000	Lift Station 13 Rehab 700,000
New Chlorine Room @ PS1		250,000	Lift Station 18 Rehab 800,000
Rake Drives for Middle Section Basin @ DTWP		3,000,000	Lift Station 4 Upgrades 2,000,000
North Booster Station Upgrades		200,000	Upgrade Current WWTP and add a New 5 MGD WWT 60,000,000
New Raw Water Supply Line from East Canal to DTWP		6,000,000	Aesthetically Improve Lift Station Fencing 135,000
Replace VFD's High Service Pumps at DTWP CW2		100,000	Clarifier Launder Covers 1,000,000
Los Venados Tank		2,750,000	Paving Road at the Wastewater Treatment Plant 250,000
Purchase Municipal Water Rights		20,000,000	Basin Blower 65,000
New 10 MGD Water Plant		60,000,000	Rehab Clarifier ABC1 & ABC2 2,000,000
Air Scour system to North Section filters (10 - 13)		2,000,000	Annual UV Light Replacement 1,500,000
Rehabilitation of El Cibolo Water Tower		1,800,000	UV Actuated Valve Replacement 45,000
Canopy for Sec 3 filters @ DTP		350,000	Polymer Skid Unit 40,000
Chlorine Analyzer at WTR Towers		65,000	Filter Belt Press Motors, Gears Box & Equipment 60,000
Venturi Meters at DTP		90,000	LS Pump Replacement 1,500,000
SS Impeller wear ring HS#3		32,000	Air Release Valves Replacement 150,000
5 Self Contained Breathing Apparatus		55,000	H2S Gas Monitor 21,000
Maintenance Bldg Canopy		65,000	Electrical Panels for Lift Stations 600,000
DTP Sludge Pump Canopy		65,000	Upgrade Lift Station 12 1,500,000
DTP Recycle Pump Canopy		65,000	Upgrade Lift Station 24 1,500,000
DTP Hi-Service Pumps Generator		750,000	WWTP Scum Dewatering Bed 250,000
WTP Clarifier Structural Crack Repair		220,000	LS 19 Forcemain relocation 1,300,000
WTP Generator - Hazard Mitigation 25% Grant Match		80,000	Containment / Drain for UV Box 35,000
McCull Rd 24" Water Line Improvements (between Freddy & West Schunior Main and McColl Water Line Improvement	\$	2,500,000	North McColl Subdivision - 1st Time Sewer \$ 1,000,000
North Closner Waterline Extension to North Booster Station		3,000,000	Abdon Juarez Cruz Subdivision - 1st Time Sewer 250,000
Monte Cristo and Closner Elevated Water Tower		5,037,000	Anacua - 1st time Sewer 200,000
Seminary Waterline Improvement (between Monte Cristo ar Russell and Sugar 12" Waterline Loop		4,500,000	CIPP for 10" VCP line along Schunior between M Roar 550,000
Waterline bore at the intersection of Monte Cristo and Clos 1 MGD Water Tower (East of Town)		130,000	Annexation 2013 - 1st Time Sewer 3,200,000
Kuhn to Schunior on 8th Ave- water		400,000	Gwin Sewer Improvement 11,500,000
Extension of Waterline for Monte Cristo Golf Course and Ki Annexation 2014		2,500,000	Jackson Road (between Chapin and Russell Road) Se 1,200,000
FM 1017 Water Line Adjustments		3,500,000	Jackson Road between Rodgers & monte Cristo Sewe 1,200,000
North 281 Water Line Adjustments Phase 2		3,500,000	Trenton Terrace sewer Improvement no. 1 1,000,000
Water Master Plan	\$	500,000	Trenton & Veterans Sewer Adjustment 250,000
Asset Management Plan		500,000	Trenton Manor Phase 1 First Time Sanitary Sewer ( Ci 1,400,000
Water & Sewer and New Connect/Tap Fee Study		38,920	SH 107 Utility Relocations 1,500,000
Water Plant Assessment		200,000	Shalom Sewer Improvements 220,000
Alternate Water Source Study		450,000	East Owassa Sewer Improvements 3,000,000
Smart Water Meters 4,000 meters / year 5 year span	\$	6,000,000	Original Townsite Sewer Rehab Grant Match 10,000
Smart Meter Grant Match		100,000	West Owassa Rd. Sewer Improvements 1,900,000
			Airport Lift Station Improvements 2,500,000
<b>Total Water Projects</b>	<b>\$</b>	<b>152,442,920</b>	<b>Total Wastewater Projects \$ 108,231,000</b>
<b>Total Water and Wastewater Projects</b>	<b>\$</b>	<b>260,673,920</b>	

# New Debt Issues to Fund CIP



**CIP funding sources:  
a combination of fund  
reserves, grants, ARPA,  
and new debt of \$226.7  
million**

**New Debt Issues:**

**\$94.88 million in bonds.  
Term 30 years, 5.0%  
interest rate. Interest  
only first 2 years**

**AND**

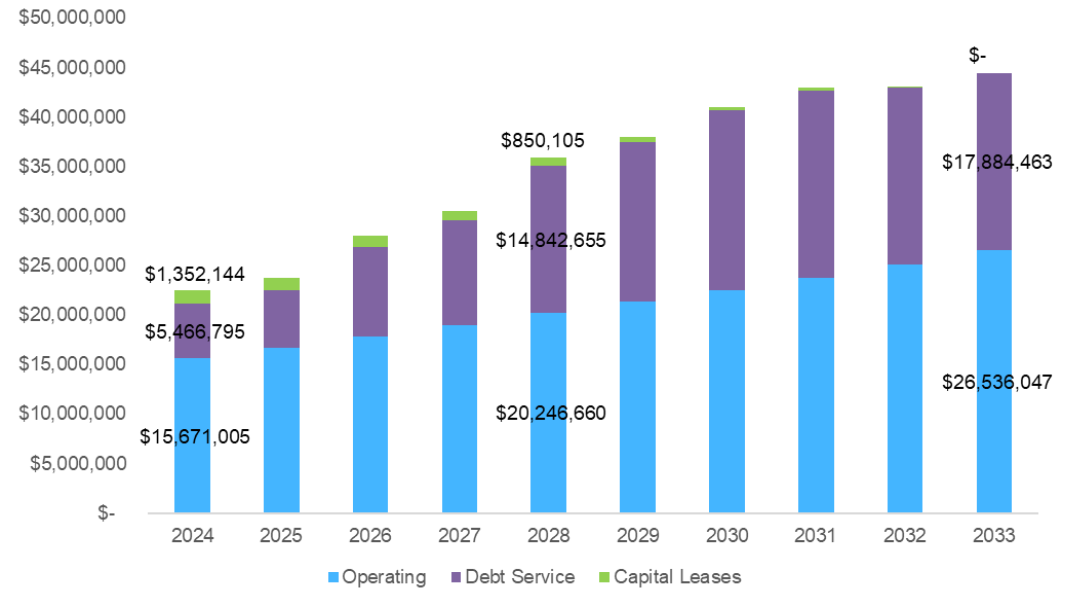
**\$131.8 million in TWDB  
debt. Term 30 years,  
3.5% interest rate.  
Interest only first 2 years**

# Forecast Cost of Service

## CURRENT AND FORECAST COST OF SERVICE

SCENARIO: 2023 11 13 -- STATUS QUO

	Operating Expenses	Capital Leases	Debt Service	Cost of Service
<b>TOTAL Revenue Requirement</b>				
2024	\$ 15,671,005	\$ 1,352,144	\$ 5,466,795	\$ 22,489,943
2025	16,715,167	1,297,748	5,796,285	23,809,200
2026	17,823,105	1,211,468	9,020,805	28,055,377
2027	18,998,574	949,463	10,531,735	30,479,772
2028	20,246,660	850,105	14,842,655	35,939,420
2029	21,357,091	511,451	16,118,315	37,986,858
2030	22,536,529	320,966	18,152,969	41,010,464
2031	23,789,385	288,699	18,914,507	42,992,591
2032	25,120,347	72,175	17,880,389	43,072,910
2033	26,536,047	-	17,884,463	44,420,510



**FY2024: \$22,489,943**  
**FY2028: \$35,939,420**  
**FY2033: \$44,420,510**

The background of the slide is a blue-tinted photograph of a water treatment plant. It shows various pieces of industrial machinery, including large pipes, valves, and what appear to be filtration or aeration tanks. The scene is brightly lit, likely from large windows on the right side of the frame.

# **WATER & WASTEWATER RATE PLAN SCENARIO I AND SCENARIO II**

# Recommended Rate Plan Water – Scenario I

Scenario: 2023 11 08 -- STATUS QUO

	Current	Effective Jan-24	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27
<b>Residential Inside</b>						
<u>Monthly Minimum Charge -- 1st 3,000 Gal</u> all meters	\$ 10.78	\$ 11.97	\$ 13.28	\$ 14.74	\$ 16.36	\$ 18.16
<u>Volume Rate Per 1,000 Gal</u> 3,001 Above	2.49	2.76	3.07	3.41	3.78	4.20
<b>Multi-Fam &amp; Comm Inside</b>						
<u>Monthly Minimum Charge -- 1st 3,000 Gal</u> 5/8"	\$ 13.41	\$ 14.89	\$ 16.52	\$ 18.34	\$ 20.36	\$ 22.60
1"	13.41	14.89	16.52	18.34	20.36	22.60
1 1/2"	17.87	19.84	22.02	24.44	27.13	30.11
2"	26.74	29.68	32.95	36.57	40.59	45.06
3"	35.79	39.73	44.10	48.95	54.33	60.31
4"	53.49	59.37	65.91	73.15	81.20	90.13
6"	89.40	99.23	110.15	122.27	135.72	150.64
8"	-	-	-	-	-	-
3,001 Above	2.49	2.76	3.07	3.41	3.78	4.20
<b>North Alamo Water Supply Corp.</b>						
<u>Monthly Minimum Charge</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- Above	1.52	1.69	1.87	2.08	2.31	2.56
<b>State Prison</b>						
<u>Monthly Minimum Charge</u> all meters	\$ 36.48	\$ 40.49	\$ 44.95	\$ 49.89	\$ 55.38	\$ 61.47
- Above	2.37	2.63	2.92	3.24	3.60	3.99

The rate plan recommends annual adjustments in January of each year 2024 – 2028.

The plan fully funds all aspects of the water and wastewater utility based on the existing market conditions and assumptions.

Outside customers are charged 1.25x inside City rates

# Recommended Rate Plan Water – Scenario I – Outside Rates

The rate plan recommends annual adjustments in January of each year 2024 – 2028.

The plan fully funds all aspects of the water and wastewater utility based on the existing market conditions and assumptions.

Outside customers are charged 1.25x inside City rates

Scenario: 2023 11 13 -- STATUS QUO

	Current	Effective Jan-24	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27
<b>Residential Outside</b>						
<u>Monthly Minimum Charge -- 1st 3,000 Gal</u>						
all meters	\$ 13.48	\$ 14.96	\$ 16.61	\$ 18.44	\$ 20.46	\$ 22.71
1"	13.48	14.96	16.61	18.44	20.46	22.71
1 1/2"	13.48	14.96	16.61	18.44	20.46	22.71
2"	13.48	14.96	16.61	18.44	20.46	22.71
3"	13.48	14.96	16.61	18.44	20.46	22.71
4"	13.48	14.96	16.61	18.44	20.46	22.71
6"	13.48	14.96	16.61	18.44	20.46	22.71
8"	13.48	14.96	16.61	18.44	20.46	22.71
3,001 Above	3.11	3.45	3.83	4.25	4.72	5.24
12,001 50,000	3.11	3.45	3.83	4.25	4.72	5.24
50,001 Above	3.11	3.45	3.83	4.25	4.72	5.24
<b>Multi-Fam &amp; Comm Outside</b>						
<u>Monthly Minimum Charge -- 1st 3,000 Gal</u>						
5/8"	\$ 16.76	\$ 18.60	\$ 20.65	\$ 22.92	\$ 25.44	\$ 28.24
1"	16.76	18.60	20.65	22.92	25.44	28.24
1 1/2"	22.34	24.80	27.53	30.55	33.91	37.64
2"	33.43	37.11	41.19	45.72	50.75	56.33
3"	44.74	49.66	55.12	61.19	67.92	75.39
4"	66.86	74.21	82.38	91.44	101.50	112.66
6"	111.75	124.04	137.69	152.83	169.64	188.31
8"	-	-	-	-	-	-
3,001 Above	3.11	3.45	3.83	4.25	4.72	5.24
12,001 50,000	3.11	3.45	3.83	4.25	4.72	5.24
50,001 Above	3.11	3.45	3.83	4.25	4.72	5.24

# Recommended Rate Plan WW – Scenario I

The rate plan fully funds all aspects of the water and wastewater utility based on the existing market conditions and assumptions.

Maximum Residential Bill includes 17,900 gallons of wastewater

Scenario: 2023 11 08 -- STATUS QUO

	Current	Effective Jan-24	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27
<b>Residential Inside &amp; Multi Fam &amp; Comm Inside</b>						
Monthly Minimum Charge -- 1st 3,000 Gal	\$ 8.05	\$ 8.94	\$ 9.92	\$ 11.01	\$ 12.22	\$ 13.56
Volume Rate/1,000 Gal	1.53	1.70	1.89	2.09	2.32	2.58
<b>Maximum Residential Bill</b>	<b>30.88</b>	<b>34.24</b>	<b>38.01</b>	<b>42.19</b>	<b>46.83</b>	<b>51.98</b>
<b>Residential Outside &amp; Multi Fam &amp; Comm Outside</b>						
Monthly Minimum Charge -- 1st 3,000 Gal	\$ 10.07	\$ 11.18	\$ 12.41	\$ 13.77	\$ 15.29	\$ 16.97
Volume Rate/1,000 Gal	1.92	2.13	2.37	2.63	2.91	3.24
<b>Maximum Residential Bill</b>	<b>38.60</b>	<b>42.93</b>	<b>47.66</b>	<b>52.90</b>	<b>58.72</b>	<b>65.17</b>
<b>Calpine Energy</b>						
Monthly Minimum Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Volume Rate/1,000 Gal	1.05	1.17	1.29	1.44	1.59	1.77
<b>State Prison</b>						
Monthly Minimum Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Volume Rate/1,000 Gal	1.46	1.62	1.80	2.00	2.22	2.46
<b>Lift Station (NAWSC)</b>						
Monthly Minimum Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Volume Rate/1,000 Gal	1.53	1.70	1.89	2.09	2.32	2.58

# Impact on Monthly Bills | Scenario I

Scenario: 2023 11 08 -- STATUS QUO

		Current	Forecast Jan-24	Forecast Oct-24	Forecast Oct-25	Forecast Oct-26	Forecast Oct-27
<b>Res Monthly Charges -- 5/8"</b>							
5,000 Water	5,000 WW	\$ 26.87	\$ 29.83	\$ 33.11	\$ 36.75	\$ 40.79	\$ 45.28
	Increase -- \$		<b>2.96</b>	<b>3.28</b>	<b>3.64</b>	<b>4.04</b>	<b>4.49</b>
10,000 Water	10,000 WW	46.97	52.14	57.87	64.24	71.30	79.15
	Increase -- \$		<b>5.17</b>	<b>5.74</b>	<b>6.37</b>	<b>7.07</b>	<b>7.84</b>
20,000 Water	20,000 WW	95.21	105.68	117.31	130.21	144.54	160.43
	Increase -- \$		<b>10.47</b>	<b>11.63</b>	<b>12.90</b>	<b>14.32</b>	<b>15.90</b>
<b>Comm Monthly Charges -- 2"</b>							
50,000 Water	50,000 WW	223.73	248.34	275.66	305.98	339.64	377.00
	Increase -- \$		<b>24.61</b>	<b>27.32</b>	<b>30.32</b>	<b>33.66</b>	<b>37.36</b>

\*Forecast monthly charges only include water and wastewater base and volume charges and do not include any sales tax, fees or additional service charges imposed by the City.

# Scenario I -- Forecast Rate Revenue

	2024	2025	2026	2027	2028
<b>WATER Revenue</b>					
<b><u>Total Revenue</u></b>					
Rate Revenue	\$ 14,084,563	\$ 16,493,908	\$ 18,817,143	\$ 21,449,623	\$ 24,435,051
Non-Rate Revenue	<u>1,492,000</u>	<u>1,512,375</u>	<u>1,531,980</u>	<u>1,551,929</u>	<u>1,571,651</u>
<b>Total</b>	<b>15,576,563</b>	<b>18,006,283</b>	<b>20,349,123</b>	<b>23,001,553</b>	<b>26,006,702</b>
<b><u>Additional Revenue</u></b>					
Rate Revenue		2,409,345	2,323,235	2,632,480	2,985,428
Non-Rate Revenue		<u>20,375</u>	<u>19,605</u>	<u>19,950</u>	<u>19,722</u>
<b>Total</b>		<b>2,429,720</b>	<b>2,342,840</b>	<b>2,652,430</b>	<b>3,005,149</b>

<b>WASTEWATER Revenue</b>					
<b><u>Total Revenue</u></b>					
Rate Revenue	\$ 6,386,414	\$ 7,492,413	\$ 8,562,931	\$ 9,777,864	\$ 11,157,916
Non-Rate Revenue	<u>1,418,000</u>	<u>1,556,267</u>	<u>1,712,366</u>	<u>1,888,510</u>	<u>2,087,500</u>
<b>Total</b>	<b>7,804,414</b>	<b>9,048,680</b>	<b>10,275,297</b>	<b>11,666,374</b>	<b>13,245,417</b>
<b><u>Additional Revenue</u></b>					
Rate Revenue		1,105,999	1,070,518	1,214,933	1,380,052
Non-Rate Revenue		<u>138,267</u>	<u>156,098</u>	<u>176,144</u>	<u>198,991</u>
<b>Total</b>		<b>1,244,267</b>	<b>1,226,616</b>	<b>1,391,077</b>	<b>1,579,043</b>

# Recommended Rate Plan Water – Scenario II

The rate plan recommends higher adjustments in Years 1-2 and more moderate adjustments in the later years.

Outside customers are charged 1.25x inside City rates

Scenario: 2023 11 08 -- HIGHER INCR FIRST YEAR

	Current	Effective Jan-24	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27
<b>Residential Inside</b>						
<u>Monthly Minimum Charge -- 1st 3,000 Gal</u>						
all meters	\$ 10.78	\$ 13.15	\$ 14.20	\$ 15.34	\$ 16.57	\$ 17.89
<u>Volume Rate Per 1,000 Gal</u>						
3,001 Above	2.49	3.04	3.28	3.54	3.83	4.13
<b>Multi-Fam &amp; Comm Inside</b>						
<u>Monthly Minimum Charge -- 1st 3,000 Gal</u>						
5/8"	\$ 13.41	\$ 16.36	\$ 17.67	\$ 19.08	\$ 20.61	\$ 22.26
1"	13.41	16.36	17.67	19.08	20.61	22.26
1 1/2"	17.87	21.80	23.55	25.43	27.46	29.66
2"	26.74	32.62	35.23	38.05	41.10	44.38
3"	35.79	43.66	47.16	50.93	55.00	59.40
4"	53.49	65.26	70.48	76.12	82.21	88.78
6"	89.40	109.07	117.79	127.22	137.39	148.39
8"	-	-	-	-	-	-
3,001 Above	2.49	3.04	3.28	3.54	3.83	4.13
<b>North Alamo Water Supply Corp.</b>						
<u>Monthly Minimum Charge</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- Above	1.52	1.85	2.00	2.16	2.34	2.52
<b>State Prison</b>						
<u>Monthly Minimum Charge</u>						
all meters	\$ 36.48	\$ 44.51	\$ 48.07	\$ 51.91	\$ 56.06	\$ 60.55
- Above	2.37	2.89	3.12	3.37	3.64	3.93

# Recommended Rate Plan Water – Scenario II – Outside Rates

The rate plan recommends higher adjustments in Years 1-2 and more moderate adjustments in the later years.

Outside customers are charged 1.25x inside City rates

Scenario: 2023 11 13 -- HIGHER INCR FIRST YEAR

	Current	Effective Jan-24	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27
<b>Residential Outside</b>						
<u>Monthly Minimum Charge -- 1st 3,000 Gal</u>						
all meters	\$ 13.48	\$ 16.45	\$ 17.76	\$ 19.18	\$ 20.72	\$ 22.37
1"	13.48	16.45	17.76	19.18	20.72	22.37
1 1/2"	13.48	16.45	17.76	19.18	20.72	22.37
2"	13.48	16.45	17.76	19.18	20.72	22.37
3"	13.48	16.45	17.76	19.18	20.72	22.37
4"	13.48	16.45	17.76	19.18	20.72	22.37
6"	13.48	16.45	17.76	19.18	20.72	22.37
8"	13.48	16.45	17.76	19.18	20.72	22.37
3,001 12,000	3.11	3.79	4.10	4.43	4.78	5.16
12,001 50,000	3.11	3.79	4.10	4.43	4.78	5.16
50,001 Above	3.11	3.79	4.10	4.43	4.78	5.16
<b>Multi-Fam &amp; Comm Outside</b>						
<u>Monthly Minimum Charge -- 1st 3,000 Gal</u>						
5/8"	\$ 16.76	\$ 20.45	\$ 22.08	\$ 23.85	\$ 25.76	\$ 27.82
1"	16.76	20.45	22.08	23.85	25.76	27.82
1 1/2"	22.34	27.25	29.44	31.79	34.33	37.08
2"	33.43	40.78	44.05	47.57	51.38	55.49
3"	44.74	54.58	58.95	63.67	68.76	74.26
4"	66.86	81.57	88.09	95.14	102.75	110.97
6"	111.75	136.34	147.24	159.02	171.74	185.48
8"	-	-	-	-	-	-
3,001 Above	3.11	3.79	4.10	4.43	4.78	5.16
12,001 50,000	3.11	3.79	4.10	4.43	4.78	5.16
50,001 Above	3.11	3.79	4.10	4.43	4.78	5.16

# Recommended Rate Plan WW – Scenario II

The rate plan fully funds all aspects of the water and wastewater utility based on the existing market conditions and assumptions.

Maximum Residential Bill includes 17,900 gallons of wastewater

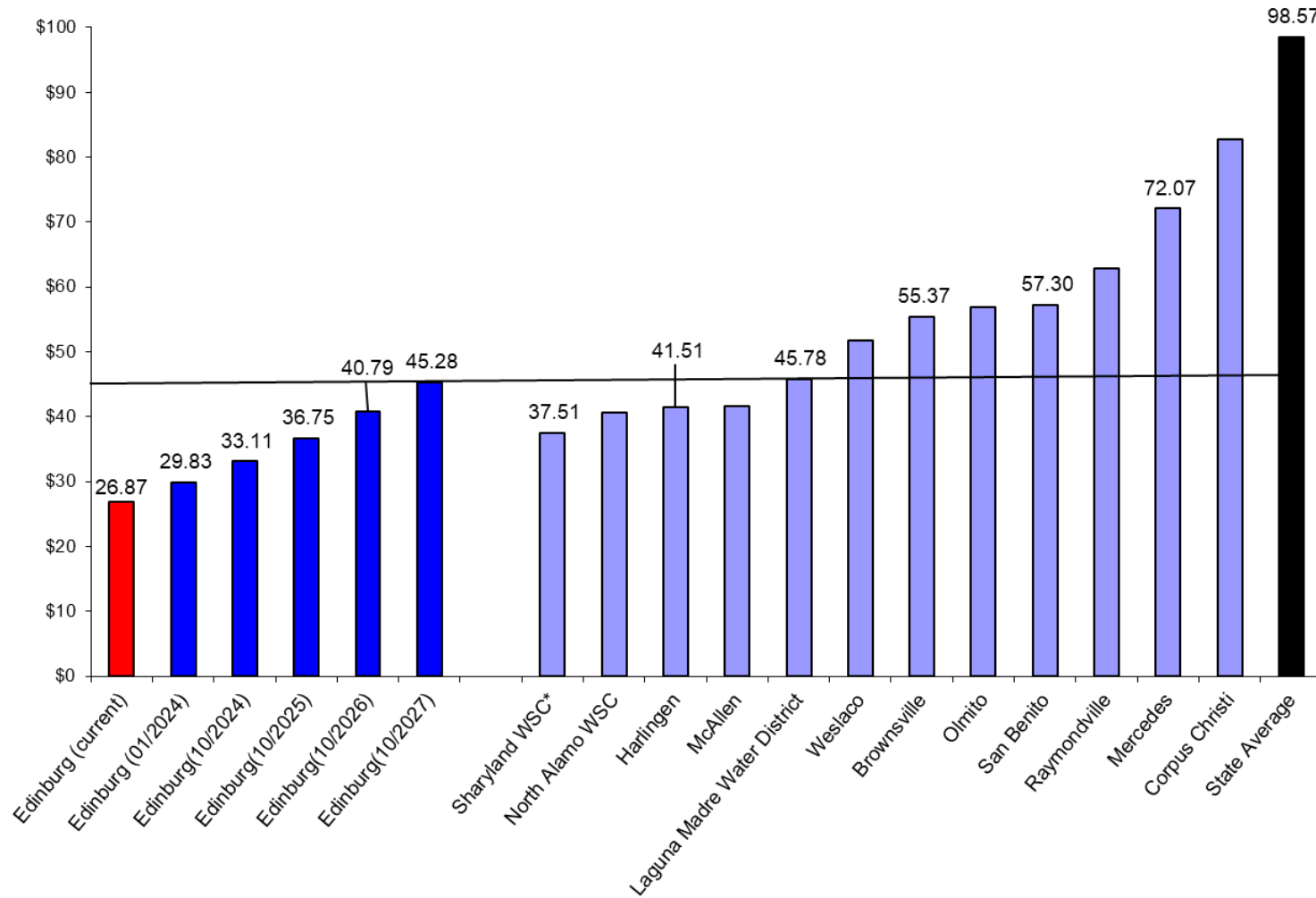
Scenario: 2023 11 08 -- HIGHER INCR FIRST YEAR

	Current	Effective Jan-24	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27
<b>Residential Inside &amp; Multi Fam &amp; Comm Inside</b>						
Monthly Minimum Charge -- 1st 3,000 Gal	\$ 8.05	\$ 9.82	\$ 10.61	\$ 11.46	\$ 12.37	\$ 13.36
Volume Rate/1,000 Gal	1.53	1.87	2.02	2.18	2.35	2.54
<b>Maximum Residential Bill</b>	<b>30.88</b>	<b>37.63</b>	<b>40.64</b>	<b>43.90</b>	<b>47.41</b>	<b>51.20</b>
<b>Residential Outside &amp; Multi Fam &amp; Comm Outside</b>						
Monthly Minimum Charge -- 1st 3,000 Gal	\$ 10.07	\$ 12.29	\$ 13.27	\$ 14.33	\$ 15.48	\$ 16.71
Volume Rate/1,000 Gal	1.92	2.34	2.53	2.73	2.95	3.19
<b>Maximum Residential Bill</b>	<b>38.60</b>	<b>47.19</b>	<b>50.96</b>	<b>55.04</b>	<b>59.44</b>	<b>64.20</b>
<b>Calpine Energy</b>						
Monthly Minimum Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Volume Rate/1,000 Gal	1.05	1.28	1.38	1.49	1.61	1.74
<b>State Prison</b>						
Monthly Minimum Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Volume Rate/1,000 Gal	1.46	1.78	1.92	2.08	2.24	2.42
<b>Lift Station (NAWSC)</b>						
Monthly Minimum Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Volume Rate/1,000 Gal	1.53	1.87	2.02	2.18	2.35	2.54

# Scenario Comparison

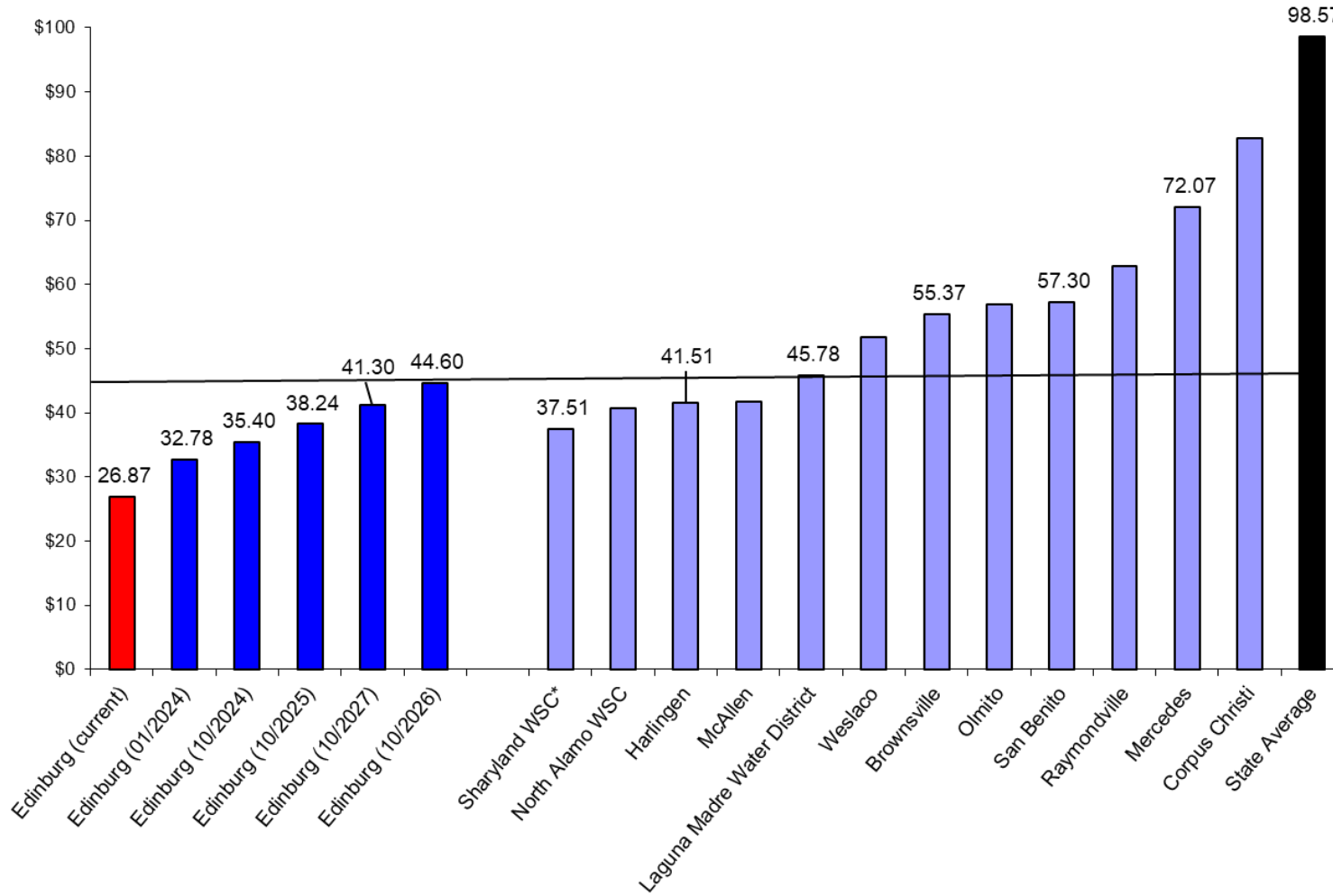
	Current	Effective Jan-24	Effective Oct-24	Effective Oct-25	Effective Oct-26	Effective Oct-27
<b>Residential Monthly Charges -- 5/8"</b>						
5,000 Water		5,000 WW				
<b>Scenario I</b>						
Monthly Charges	\$ 26.87	\$ 29.83	\$ 33.11	\$ 36.75	\$ 40.79	\$ 45.28
<b>Total Increase</b>		<b>2.96</b>	<b>3.28</b>	<b>3.64</b>	<b>4.04</b>	<b>4.49</b>
<b>Scenario II</b>						
Monthly Charges	26.87	32.78	35.40	38.24	41.30	44.60
<b>Total Increase</b>		<b>5.91</b>	<b>2.62</b>	<b>2.83</b>	<b>3.06</b>	<b>3.30</b>
<b>Difference in Monthly Charges</b>	-	<b>2.96</b>	<b>2.30</b>	<b>1.49</b>	<b>0.50</b>	<b>(0.68)</b>
<b>Commercial Monthly Charges -- 2"</b>						
50,000 Water		50,000 WW				
<b>Scenario I</b>						
Monthly Charges	\$ 223.73	\$ 248.34	\$ 275.66	\$ 305.98	\$ 339.64	\$ 377.00
<b>Total Increase</b>		<b>24.61</b>	<b>27.32</b>	<b>30.32</b>	<b>33.66</b>	<b>37.36</b>
<b>Scenario II</b>						
Monthly Charges	223.73	272.95	294.79	318.37	343.84	371.35
<b>Total Increase</b>		<b>49.22</b>	<b>21.84</b>	<b>23.58</b>	<b>25.47</b>	<b>27.51</b>
<b>Difference in Monthly Charges</b>	-	<b>24.61</b>	<b>19.13</b>	<b>12.39</b>	<b>4.20</b>	<b>(5.65)</b>

# Monthly Residential Charges with New Rates – Scenario I (5,000 gal. Water and 5,000 gal. Wastewater)



Rates as of September 2023  
\* Assumes Edinburg WW

# Monthly Residential Charges with New Rates – Scenario II (5,000 gal. Water and 5,000 gal. Wastewater)

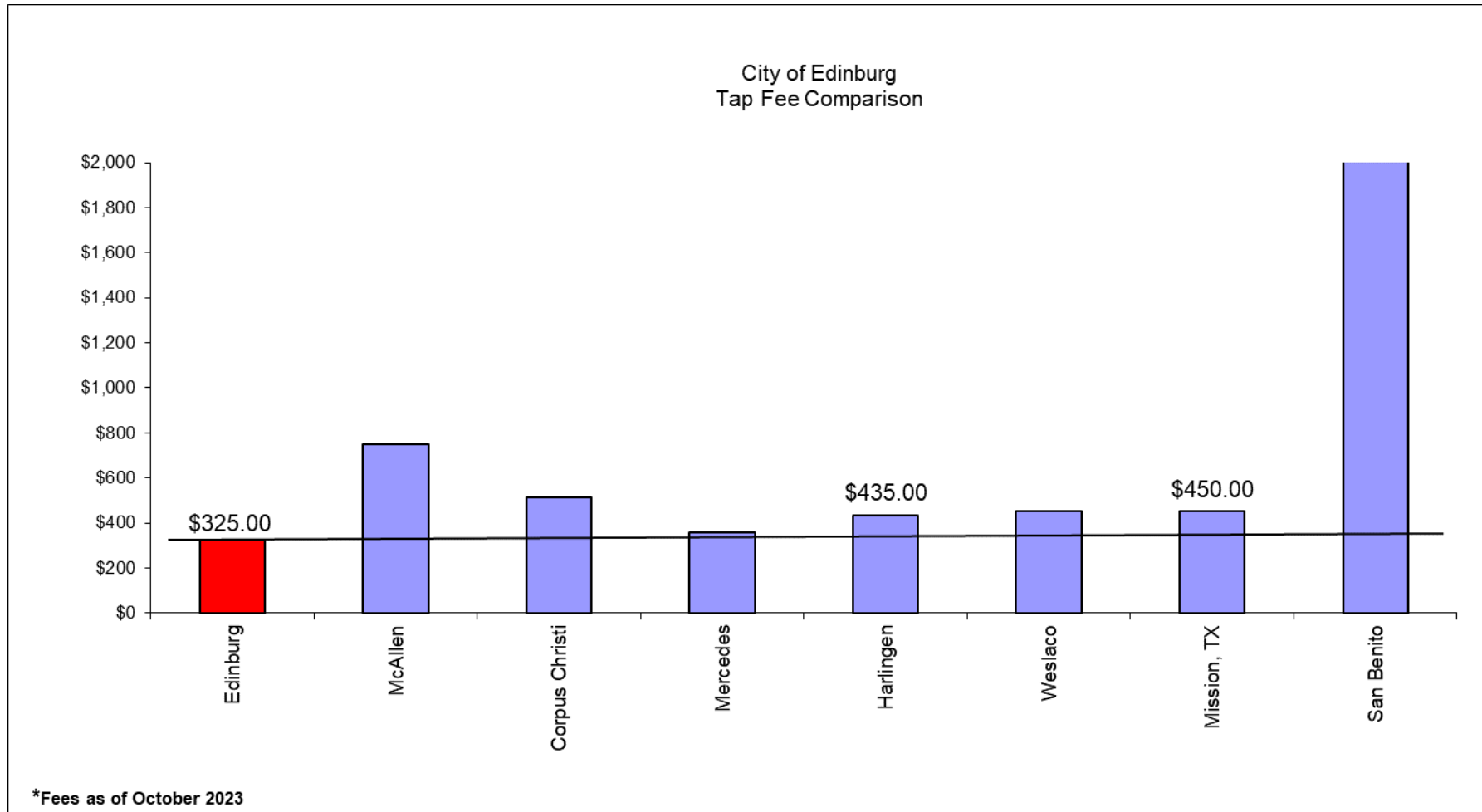


Rates as of September 2023  
\* Assumes Edinburg WW

The background of the slide is a photograph of a water treatment plant, showing various pieces of machinery, pipes, and tanks. The image is overlaid with a semi-transparent blue filter. The text "WATER TAP FEES" is centered in white, bold, uppercase letters.

# WATER TAP FEES

# Current Tap Fee Comparison



# Updated Tap Fees Chart

- Current cost of \$325 doesn't cover cost to do the work in almost all work order samples
- Proposed fee recommendation to recover costs of meter, material, labor, and other costs

Meter Size (inches)	Tap Fee (1)	Actual Service Deposit	Total Amount Paid
5/8" x 3/4"	\$325.00	\$100.00	\$425.00
1"	\$485.00	\$110.00	\$595.00
1½"	\$950.00	\$150.00	\$1,100.00
2" and above	Estimate to be provided based on materials & costs		
Meter Size (inches)	Tap Fee (1)	Actual Service Deposit	Total Amount Paid
5/8" x 3/4"	\$650.00	\$100.00	\$750.00
1"	\$950.00	\$125.00	\$1,075.00
1½"	\$2,800.00	\$150.00	\$2,950.00
2" and above	Estimate to be provided based on materials & costs		



# SUMMARY

# How Do Rate Plans Benefit Ratepayers & City?

- Proposed rate plans enable the utility to fully fund all water and wastewater CIP, maintenance, operating and construction costs
- Will provide for the Utility Fund to operate self-sufficient with no need for General Fund subsidies
- Enables the City to continually provide safe drinking water and effectively treat wastewater
- Recommend City proceed with CIP Water & Wastewater Master Plan and Impact Fee Study
  - Review and adopt updated Tap Fees due to increased costs





# QUESTIONS & DISCUSSION