



February 26, 2025

CITY OF ANGLETON, TEXAS 2025 WATER & WASTEWATER RATE STUDY KEY FINDINGS





OBJECTIVES OF THIS FY 2025 RATE STUDY

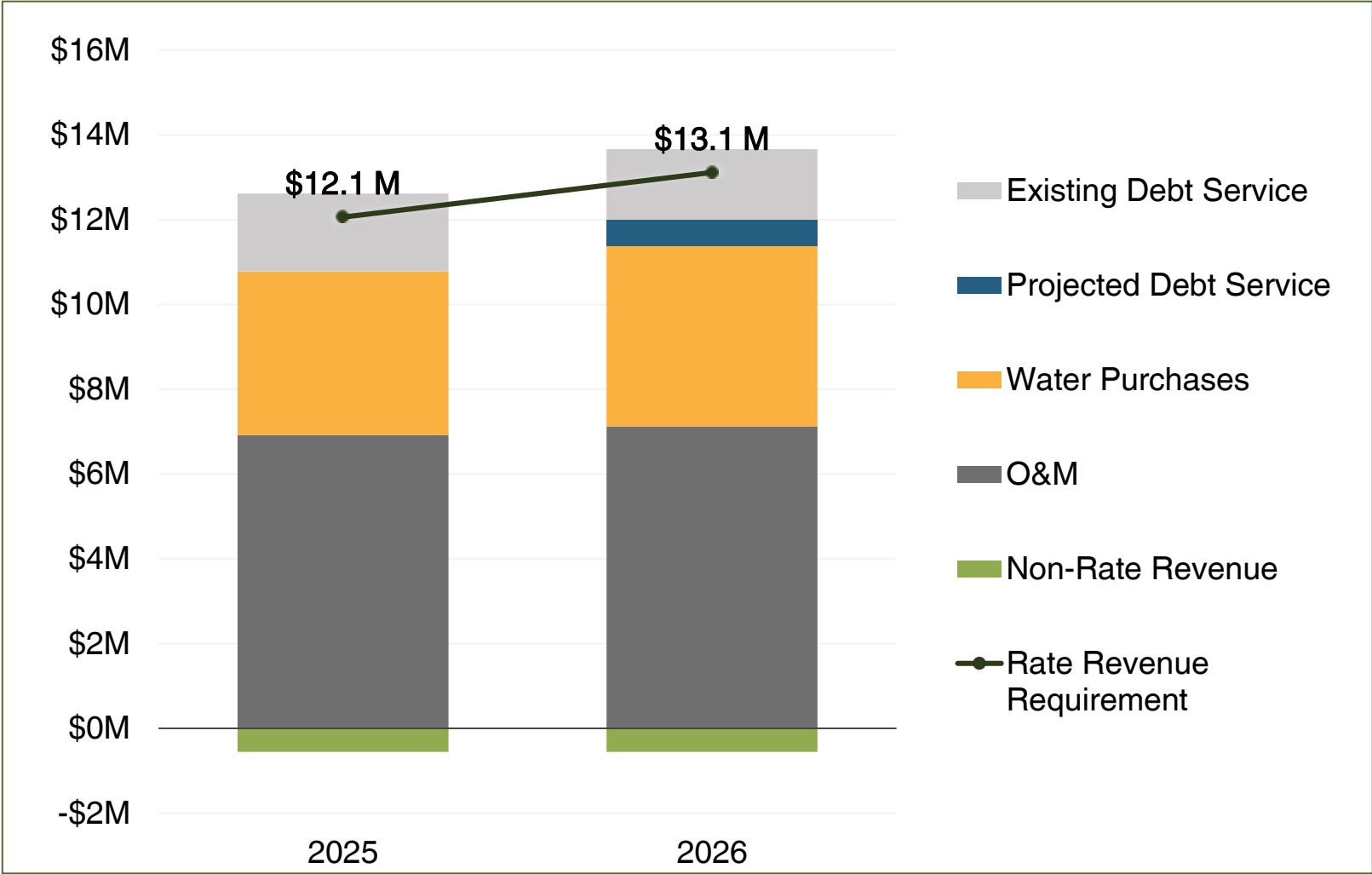
- Design a rate plan to meet capital project funding
 - Fund \$8 million Wastewater Treatment Plant Design Build Contract
- Provide an early/indicative rate plan for FY 2026
 - Future years expected to change as new capital is approved
- Generate revenues more closely aligned to key financial targets

KEY ASSUMPTIONS

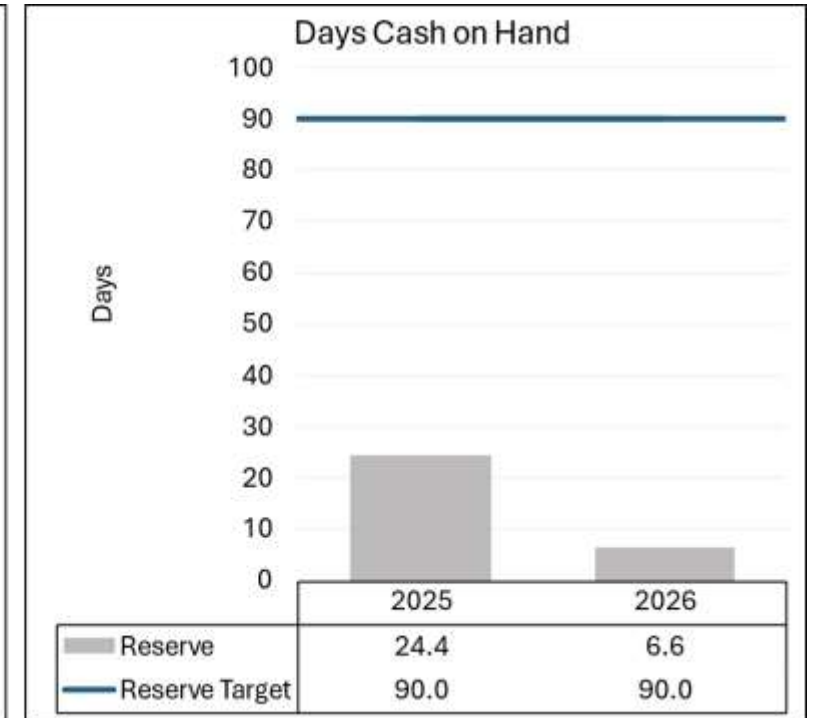
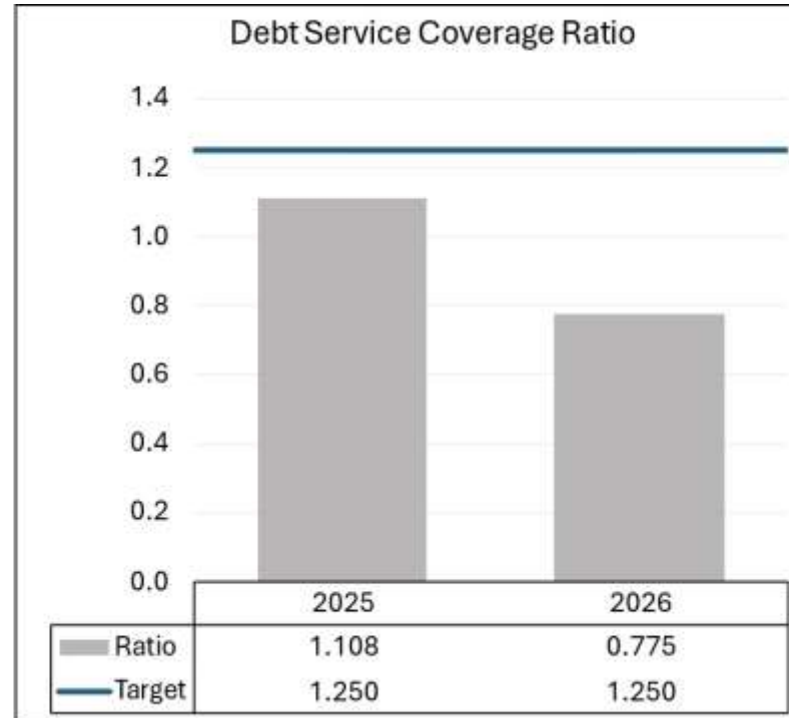
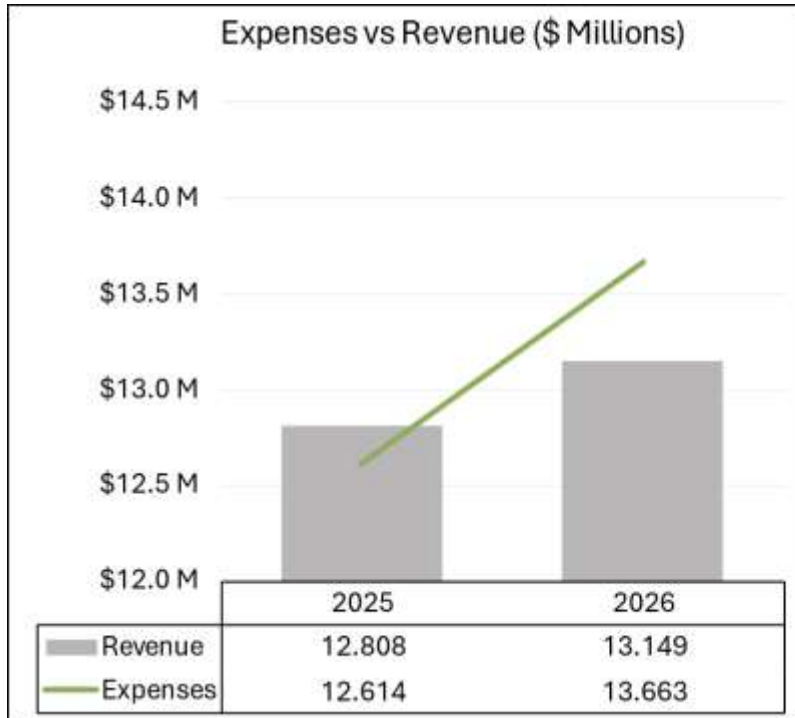
- Costs:
 - General inflation of 2.92% (Municipal Cost Index 20-year average)
 - Construction inflation of 3.22% (Construction Cost Index)
 - Salary increases of 2.00%
 - Brazosport Water Authority rates increasing 10.65% in FY 2026
 - New annual debt service payments approximately \$602,000
- Rates/Revenues:
 - Customer base growing by over 300 connections for both Water and Wastewater in FY 2026
 - Maintain the existing policy of charging outside-city customers 1.25x the inside-city rate
 - Near-term rate adjustments only on minimum rates to cover fixed cost associated with new and existing debt

RECAP OF
COST
PROJECTIONS
AND REVENUE
REQUIREMENT

Operating costs are projected to rise at an average rate of 5.7% in FY 2026, mostly reflecting wholesale water expenses

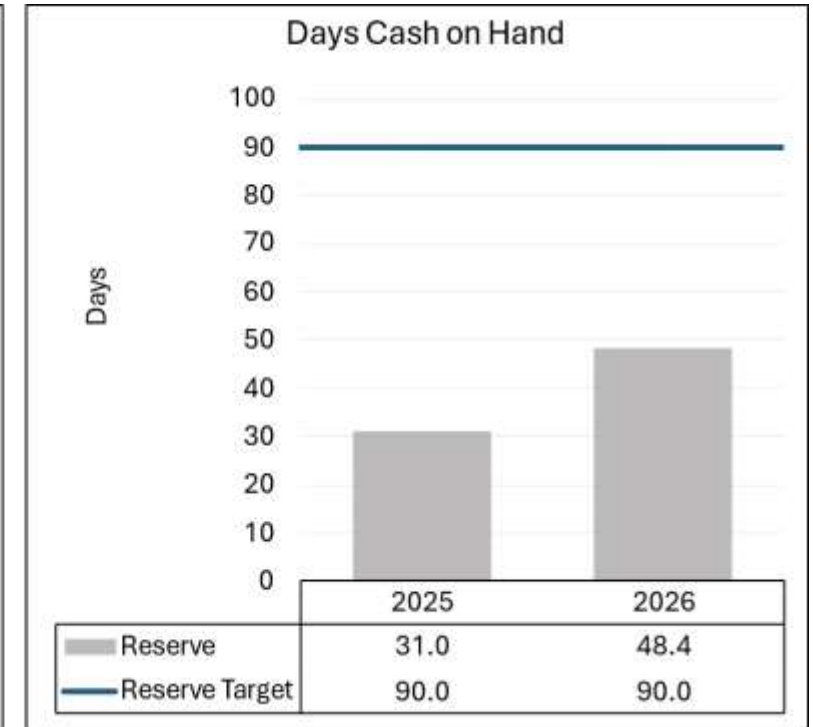
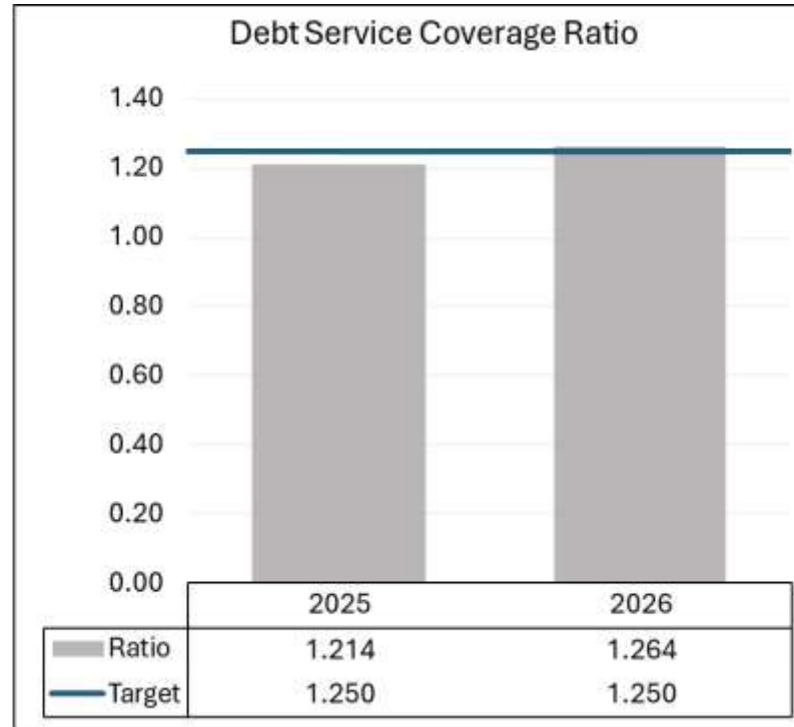
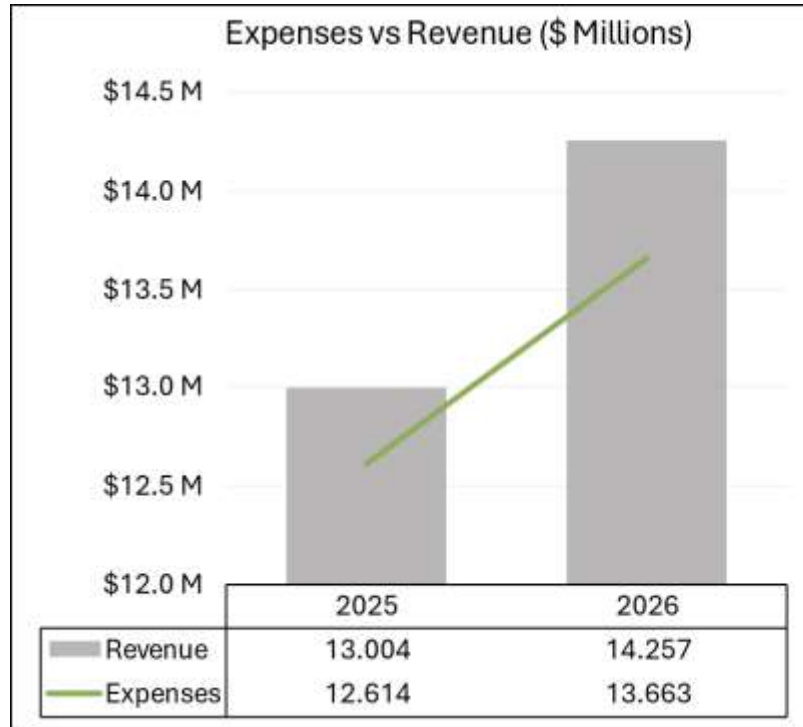


WATER & WASTEWATER FINANCIAL PLAN OUTCOMES *WITH NO RATE CHANGES*



- Under current rates, revenue is expected to be insufficient starting from FY 2025 to target financial metrics and is projected to be insufficient to cover expenses in FY 2026.

WATER & WASTEWATER FINANCIAL PLAN OUTCOMES *WITH PROPOSED RATE PLAN*



- Wastewater minimum rate increase of 25% effective March 2025
- Water minimum increase of 10% and Wastewater minimum increase of 25% October 2025

PROPOSED RESIDENTIAL WATER RATES

Water		
	Current Rates	10/1/2026
Minimum Rates (\$ per month)		
All Connections	\$33.61	\$36.97
Volumetric Rates (\$ per kgal)		
0 – 2,000 gal	\$0.00	\$0.00
2,001 – 10,000 gal	12.33	12.33
10,001 – 25,000 gal	12.90	12.90
25,001 – 50,000 gal	13.47	13.47
50,001+ gal	14.48	14.48

Note: No water rate increase is proposed for the March rate change

PROPOSED RESIDENTIAL WASTEWATER RATES

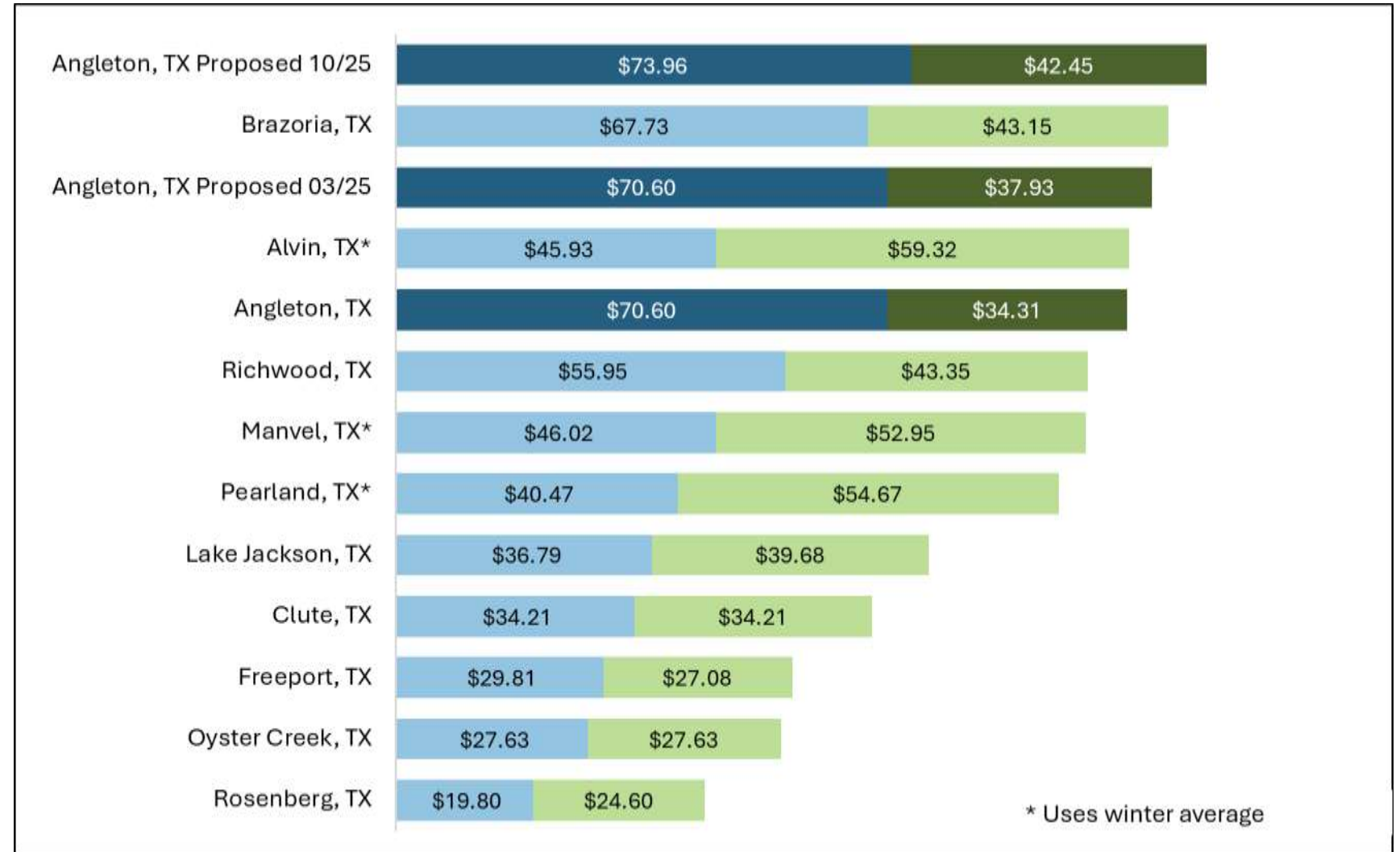
Wastewater			
	Current Rates	3/1/2025	10/1/2025
Minimum Rates (\$ per month)			
All Connections	\$14.46	\$18.08	\$22.60
Volumetric Rates (\$ per kgal)			
0 – 13,000 gal	\$3.97	\$3.97	\$3.97
13,001+ gal	0	0	0

REGIONAL BILL COMPARISON

5,000 Gallons
Water

5,000 Gallons
Wastewater

Bill calculations are derived from rates on city web sites as of January 2025, and do not include any increases that may be proposed for these communities for FY 2026.



Note: BWA provides water services to: Angleton, Brazoria, Clute, Freeport , Lake Jackson, Oyster Creek, Richwood, Rosenberg

NEXT STEPS



- Council consideration and possible action on Wastewater rate increases for March 1, 2025
- Council to consider and act on the WWTP Design Build Contract and funding plan/debt
- Additional increases expected in October for FY 2026
- Staff to work with consultants to adjust or confirm the needed rate changes during budget planning



THANK YOU AND YOUR STAFF TEAM FOR YOUR TIME

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