



STAFF REPORT

MEETING DATE: September 10, 2024

TITLE:

Consider and act on the first reading of Ordinance No. 2024-28, Amending the Bastrop Code of Ordinances, Appendix A, Fee Schedule, Article A13.02 "Water and Wastewater Rates and Charges", Sections A13.02.002 Wastewater Service Charge, and A13.02.004 Water Service Charge, as attached in Exhibit A; providing for: findings of fact, enactment, repealer, severability, providing for an effective date, codification, proper notice and meeting, and move to include on the September 17, 2024 agenda for a second reading.

AGENDA ITEM SUBMITTED BY:

Submitted by: Edi McIlwain, Chief Financial Officer

BACKGROUND/HISTORY:

The City Manager engaged NewGen Strategies and Solutions in May 2018 to perform a Water and Wastewater Rate Study and in 2022 for a Wholesale Rate Study update. Both studies were to evaluate revenue requirements forecasted out over five (5) years and review current water and wastewater rate ordinance along with billing methodology. The consultant provided city staff with a rate model tool to be used to forecast rate scenarios based on actual and projected revenue and expense assumptions.

The Water and Wastewater Rate Study recommended that the city use a phase-in approach to increasing the demand charge by meter size for water meters to reflect the American Waterworks Associations meter equivalency standards. This step increase will continue through FY 2025.

Demand Charge by Meter Size - Water

Meter Size	# of Units	Current Rate	FY 2022	FY 2023	FY 2024	FY 2025
1.5"	73	82.06	84.65	87.24	89.83	92.42
2"	97	124.19	130.10	136.01	141.92	147.83
3"	14	232.86	243.94	255.02	266.10	277.18
4"	4	296.46	337.85	379.24	420.63	462.02
6"	2	714.14	766.60	819.06	871.52	923.98

The last Wholesale Rate Study was performed in 2021/2022. These rates were due to be updated with the list of water and wastewater CIP projects.

Wholesale Water

Monthly Fixed Charge

Source Cost\$45,000.00 per MGD subscribed capacity

Transmission Cost \$4,977.71 per MGD subscribed capacity

Customer Charge\$1.75 per wholesale meter

Plus the following charges for consumption per 1,000 gallons

Volumetric Charge per 1,000 gallons \$2.24 per 1,000 gallons of actual consumption

Wholesale Water

Monthly Fixed Charge

Customer Charge....\$1.75 per wholesale meter

Plus the following charges per 1,000 gallons of metered contributed flow

Volumetric Charge per 1,000 gallons.....\$5.18 per 1,000 gallons of metered flow contributed

Article III, Section 3.01(13) states the City Council has the power and duty to provide for a sanitary sewer and water system. Section 3.14 (9) states that action requiring an ordinance includes the amending or repealing of a previously adopted ordinance.

FISCAL IMPACT:

Water and wastewater revenue

RECOMMENDATION:

Edi McIlwain, CFO recommends approval of the first reading of Ordinance No. 2024-28 of the City Council of the City of Bastrop, Texas, amending the Bastrop Code of Ordinances, Appendix A, Fee Schedule, Article A13.02 "Water and Wastewater Rates and Charges", Sections A13.02.002 Wastewater Service Charge, and A13.02.004 Water Service Charge, as attached in Exhibit A; providing for: findings of fact, enactment, repealer, severability, providing for an effective date, codification, proper notice and meeting, and move to include on the September 17, 2024 agenda for a second reading.

ATTACHMENTS:

- Ordinance 2024-28 (including Exhibit A)