



STAFF REPORT

MEETING DATE:	February 19, 2024
MEETING TYPE:	City Council
SUBMITTED BY:	Maria Joyner
AGENDA CAPTION:	Discuss and consider Resolution R2024-02-1173 OF THE CITY OF HUTCHINS, TEXAS, AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE AN AGREEMENT WITH NEWGEN STRATEGIES & SOLUTIONS LLC TO CONDUCT A WATER AND SEWER RATE STUDY. Presented by: Maria Joyner, Director of Finance

Background Information

The City of Hutchins wishes to evaluate its current Water and Wastewater Rates by entering into an agreement with NewGen Strategies and Solutions, LLC.

In order to achieve a rate structure that will assure adequate revenue for the Utility System's operations, debt service requirements, and to ensure the Utility System is operating on a self-supporting basis while considering the economic impact on our customers, staff requests the City Council to consider the proposal with NewGen Strategies & Solutions (NewGen) to conduct a water and wastewater rate design study which will include the preparation of a five-year forecast of water and wastewater revenue requirements and accompanying rate scenarios, which will meet the City's revenue recovery objectives.

These services would include:

- Data collection and assessment of financial and operating information;
- Benchmarking of City's current rate structure compared to other similar municipal providers;
- Conduct meetings with City staff to present analysis and results and discuss potential rate adjustments over the next five (5) years; and
- Prepare presentation and supporting material to present to City Council for consideration.

The cost to provide these services is not to exceed \$29,000. Draft results will be presented to City staff for discussion within 60 to 90 days from the notice to proceed. Funding for this item was approved in the Fiscal Year 2024 adopted budget.

NewGen has been selected through a competitive procurement process by HGACBuy. H-GAC's Cooperative Purchasing Program, known as HGACBuy, is a nationwide procurement service that was established pursuant to Texas' "Interlocal Cooperation Act." The "Act" allows local governments and certain non-profits to use contracts appropriately established by another government entity.

Budget Implications

Operational Impact

Legal Review

Staff Recommendation

Approval of proposal to Conduct a Water and Wastewater Rate Study by NewGen Strategies & Solutions.

Supporting Documentation and Attachments

Resolution

Proposal from NewGen Strategies & Solutions