

August 25, 2023

Ms. Lydia Collins
Finance Director
City of Manor
Via email: lcollins@manortx.gov

Subject: On-Call Services Amendment

Dear Lydia:

Over the past few months, Raftelis has continued to work with Manor on its water and wastewater systems. Our work has included:

- Working with GBA to refine your capital plan, which is ongoing. So far, this has included refining growth and flow assumptions, project sizing, and costs, and identifying opportunities to reduce nearly \$400 million of estimated capital investments to provide a more affordable short-term and long-term capital improvement plan for the City
- Assisted in contract negotiations with EPCOR
- Updated the financial plan considering various scenarios

Our work has allowed the City to determine the following:

- The City will not need additional water supply until mid-2027, versus GBA saying they needed it now.
- They need to discuss the water supply with EPCOR because EPCOR is not providing the supply they are supposed to but charging Manor anyway. This should result in a credit/refund to Manor from EPCOR
- Other water supplies besides EPCOR will be evaluated, including the City adding additional wells versus buying more water.
- The Cottonwood Creek WWTP expansion (\$4M) can be delayed for several years versus GBA saying they needed it now. Expansion timing will be tied to monitoring actual flows versus making design flow and future growth assumptions.
- The new WWTP (\$100M+) project will not be needed until at least 2028 (can be delayed for at least three years) and will be tied to monitoring actual flows versus making design flow and future growth assumptions.
- Master plans for future water demands and wastewater flows are being developed based on measured flows, not design flow assumptions.
- I/I removal projects will be added to the CIP because I/I is a significant problem. GBA did not have these projects in the CIP.

I hope you can see the benefit of having Raftelis on your team. Through this work, we have expended the current budget for the on-call services. This letter provides an estimate for an increase in funding.

Below are estimates for the work still left to complete:

Capital Improvement Plan - \$30,000

Brandon will continue to work with GBA on the CIP. He is estimating about 90 hours through the end of the calendar year. This includes the following:

- Complete review of Water and Wastewater basis of design memos. Provide comments to Manor staff. Work with Manor and GBA to address the comments and finalize the basis of design memos.
- Review design criteria and costs for the GBA proposed 3-year list of projects and cash flow spending plan. Provide comments to Manor staff. Work with Manor and GBA to address the comments and finalize the 3-year project list and needed funding.
- Review the Water Master Plan and Wastewater Master Plan. Review proposed projects, alternatives for water supply, schedules, and proposed costs. Provide comments to Manor staff. Work with Manor and GBA to address the comments and finalize the master plans.
- Work with Manor and GBA to develop a cost-effective and affordable 3 - 5 year projects spending plan, balancing new projects with ongoing asset management needs, that results in reasonable rates and impact fees to the City.

Rate Study Update - \$18,000

Update the rate study with the results of the Master Plan. We will run various scenarios to develop rate plans. This should result in 2 years of rates. We will complete another update in FY 2025.

Impact Fee Reconciliation

We will complete this reconciliation.

The total additional amount for the on-call services is \$48,000.

Please feel free to reach out with any questions or concerns. You can reach me at 512-790-2108 or aflores@raftelis.com.

Sincerely,



Angie Flores
Senior Manager