

From: [Grant Rabon](#)
To: [Craig Lindholm](#)
Cc: [Angie Pike](#); ["Kathy Lovier"](#)
Subject: RE: Incremental Revenue
Date: Wednesday, August 27, 2025 11:24:17 AM
Attachments: image006.png
image002.png
image008.png
PS-MACH-10-R900i-21-006448-12-21.pdf
Mt Vernon Additional Revenue - Revised DRAFT.xlsx

Craig,

If all the meters in your system (or nearly all meters) are the Neptune Mach 10, then I expect the Operating Characteristics listed on the second page of the attached would be appropriate.

If this is not the case, please let me know.

Standard Fixed Monthly Charge (without the extra \$5 per month)

Below is a table that suggest what the water fixed charge should be for each meter size if the ¾-meter is charged \$27 per month. Note: the minimum charge is rounded to the nearest \$0.10 for administrative ease.

	Max Flow	Meter	
Size	GPM	Factors	Minimum
3/4	35	1.00	\$ 27.00
1	55	1.57	\$ 42.40
1.5	125	3.57	\$ 96.40
2	160	4.57	\$ 123.40
3	500	14.29	\$ 385.70
4	1,250	35.71	\$ 964.30
6	2,000	57.14	\$ 1,542.90
8	4,000	114.29	\$ 3,085.70

Applying the same logic to the sewer bill results in the following table based on a ¾-meter being charged \$28 per month.

	Max Flow	Meter	
Size	GPM	Factors	Minimum
3/4	35	1.00	\$ 28.00
1	55	1.57	\$ 44.00
1.5	125	3.57	\$ 100.00
2	160	4.57	\$ 128.00
3	500	14.29	\$ 400.00
4	1,250	35.71	\$ 1,000.00
6	2,000	57.14	\$ 1,600.00
8	4,000	114.29	\$ 3,200.00

These rates reflect significant increases for customers with 3-inch meters or larger. Thus, phasing-in of these rates may be warranted if these are to be adopted.

Note: It was NewGen's recommendation that the city begin charging for the first 1,000 gallons of water and sewer service. Currently, there is no volumetric charge for the first 1,000 gallons of water/flow per month.

Incremental Charge

Using these same meter factors, I have also attached a revised version of the Excel file that identifies the incremental revenue that should be recovered if the rates shown in the attached are implemented. This is consistent with a \$10 per month bill increase for most residential customers. It suggests almost \$250,000 per year in incremental revenue. Note: this assumes that sprinkler customers do not pay the extra \$5 per month on their irrigation meter (i.e., they pay \$5 more for water and \$5 more for sewer). If you are going to start charging the irrigation customers a fixed charge for their irrigation meter (a fixed charge equal to half the charge for the primary meter was recommended by NewGen in our rate study), then maybe you do not want to also add an additional \$5 to the charge for irrigation meters.

Call me with any questions.

Grant Rabon | NewGen Strategies & Solutions

Partner

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From: Craig Lindholm <clindholm@comvtx.com>

Sent: Tuesday, August 26, 2025 8:17 AM

To: Grant Rabon <grabon@newgenstrategies.net>

Cc: Angie Pike <apike@comvtx.com>; 'Kathy Lovier' <klovier@comvtx.com>

Subject: RE: Incremental Revenue

Good morning, Grant,

Here is some additional information.

All meters 1" and smaller are simple meters. All meters 2" and above are ultrasonic meters.

I have attached an updated spreadsheet which has the water rates for surrounding cities. Sulphur Springs and Mt. Pleasant are significantly larger both have populations around 17k. The rates vary significantly, but all are much higher than Mount Vernon. I would recommend that council consider base rates of \$800 - \$1,000 for the 8-inch meter, \$600 - \$800 for the 6-inch meter, \$400 - \$600 for the 4-inch meter, and \$200 - \$400 for the 3-inch meter. I would also recommend that council add a base rate for sprinkler meters, currently they are only paying usage.

I also recommend that irrigation meters pay an incremental amount, simply for water, not for sewer.

Look over these and let's schedule another call soon. Thanks !

Craig

Craig Lindholm
City Administrator
EDC Director
903-277-5728



From: Grant Rabon <grabon@newgenstrategies.net>

Sent: Friday, August 22, 2025 11:30 AM

To: Craig Lindholm <clindholm@comvtx.com>

Subject: Incremental Revenue

Craig,

Per our conversation today, attached is the DRAFT file we were discussing.

Please let me know:

1. The specific type of 6-inch and 8-inch meters that are installed in your water system;
and
2. Whether or not irrigation meters should pay an incremental amount (e.g., \$5 per month)

to support the new debt.

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