
CITY OF PORT LAVACA

COUNCIL MEETING: AUGUST 10, 2026

AGENDA ITEM:

DATE: 8.05.2026

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: JODY WEAVER, CITY MANAGER

SUBJECT: CONSIDER APPROVAL OF ORDINANCE AMENDING APPENDIX A – FEES, RATES, AND CHANGES

Background:

Chapter 32 – Parks and Recreation:

These changes to the rates in Chapter 32 were discussed at a Council workshop on July 20.

- The maximum monthly stay for the Lighthouse Beach RV Park Hill sites will be edited to say: 6 months **plus up to two 90-day extensions, if approved.**
- We are adding an Annual day pass for disabled veterans as follows: **Annual day pass for disabled veterans upon presentation of appropriate documentation – FREE**
- We are adding an access card replacement fee as follows: **Annual Lighthouse Beach Park access card replacement fee: \$10.00**

Chapter 50 Utilities:

GBRA FEE:

The City of Port Lavaca has contracted with GBRA to provide an available committed volume 4,480 acre-feet of raw water annually (4.0 MGD). GBRA recently notified us that the cost per acre-foot is increasing from \$193.00 to \$202.00 effective September 1.

$\$202/\text{acre-foot} \times 4480 \text{ acre-foot} = \$904,960.00$

$\$904,960.00 / 4527 \text{ accounts} / 12 \text{ months} = \text{\textcolor{red}{\$16.66}}/\text{month}$

Therefore it is proposed that the GBRA rate be amended to increase approximately 5% from the current \$15.91 to a new rate of \$16.66 as a pass through cost to generate adequate revenue to pay for the City's contractual raw water supply.

WATER USER RATES:

At the Council Workshop on July 20, NewGen Strategies and Solutions, presented their findings and recommendations regarding the water and sewer rates for the City of Port Lavaca.

Utilities should operate like businesses, though the service being provided is a vital resource shared by all members of the community. The revenue generated must be adequate to fund day-to-day operations, pay

outstanding debt, pay for Capital Improvement projects for system upgrades and improvements and maintain a required 90-day minimum reserve fund balance.

Their report showed that the Water rates are under-recovering while the wastewater system is currently funding the majority of the combined operations for the water and wastewater systems. As a result, the recommendation is to leave the wastewater rates as is and amend the water service rates with the following recommendations:

- Consolidate small and large commercial into a single COMMERCIAL class
- Add a dedicated MULTIFAMILY class
- Transition to meter-size-based minimum charges (water only)
- Retain tiered volumetric rates
- Charge for the 1st tier 2,000 gallons of usage per customer class (currently the first 2,000 gallons are included in the Base rate, however the base rate is not sufficient to pay for this 2,000 gallons)

The rates as proposed will provide the required revenue for day-to-day operations, our required reserves and debt service payments for approximately \$3M/year capital improvement investment.

The rationale for transitioning to a meter-size-based base rate using American Water Works Association (AWWA) recommended meter equivalency factors is rooted in cost-of-service principle. The goal is to recover the fixed costs of maintain the water system in a way that reflects each customer's potential demand on the system, rather than only on the amount of water they happen to use.

- A water system must be capable of meeting the maximum demand that customers could place on it. A customer with a 2-inch meter has the ability to draw much more water at one time than a customer with a ¾" meter, even if both use the same amount of water over a month's time. The larger connection requires more system capacity to be available at all times.
- Larger meters create greater fixed costs since they generally require larger mains and service lines, larger valves and fittings, more storage and they cost more to purchase, maintain and replace.
- The AWWA developed meter equivalency factors are based upon the hydraulic capacity of the difference meter sized. A 5/8"(3/4") meter is set to 1.0 and the larger meters receive a proportionally larger factor because they can deliver substantially greater flow. These factors are widely used in utility rate design. Like some other cities, we have chosen to lessen the impact of this meter-size-based system by using meter factors which are **50%** of those established by AWWA, for all meters greater than ¾".
- The meter-size-based rate system promotes fairness among customers. Without meter-size-based charges, the residential customers effectively subsidize the fixed costs associated with maintaining capacity for larger users. The meter-size-based system better align fixed charges with the costs each customer class imposes on the system.
- The meter-size-based rate system encourages proper meter sizing. When larger meters carry higher base rates, customers have an incentive to install only the meter size they actually need. This is important because an incorrect sized meter can reflect inaccurate readings at high or low flows.

CITY OF PORT LAVACA

*note: The inspection fee for 50-52(b) was missing so we are adding it back in.

50-52(b)	Inspection fee	\$25.00
----------	----------------	---------

<i>Water table</i>		
50-67	<i>Water user rates:</i>	
50-67	<i>Residential:</i>	
	Base charge ~~0—2,000 gallons~~ 5/8 inch - 3/4 inch Meter	~~\$33.60~~ \$35.28 per month
	Base charge 1 inch Meter	\$44.10 per month
	Guadalupe-Blanco River Authority (GBRA) Raw Water fee	~~\$15.91~~ 16.66 per month
	0 – 2,000 gallons	\$3.75 per 1,000 gallons
	2,001—5,000 gallons	~~\$4.78~~ 5.02 per 1,000 gallons
	5,001—25,000 gallons	~~\$5.26~~ 5.52 per 1,000 gallons
	Over 25,000 gallons	~~\$5.97~~ 6.27 per 1,000 gallons
50-67	~~Small~~ Commercial:	
	Base charge ~~0—2,000 gallons~~ ¾ inch— ~~1½~~ 3/4 inch meter	~~\$36.10~~ 37.91 per month
	Base charge 1 inch Meter	\$47.38 per month
	Base charge 1-1/2 inch Meter	\$94.76 per month
	Base charge 2-inch Meter	\$151.62 per month
	Base charge 3-inch Meter	\$303.24 per month
	Base charge 4-inch Meter	\$473.81 per month
	Base charge 6-inch Meter	\$947.63 per month
	Guadalupe-Blanco River Authority (GBRA) Raw Water fee	~~\$15.91~~ 16.66 per month
	0-2,000 gallons	\$7.42 per 1,000 gallons
	2,001—5,000 gallons	~~\$4.95~~ 7.42 per 1,000 gallons
	5,001—25,000 gallons	~~\$5.26~~ 7.42 per 1,000 gallons
	Over 25,000 gallons	~~\$5.97~~ 7.42 per 1,000 gallons
50-67	~~Large commercial:~~ Multifamily:	
	Base charge ~~2—6~~ 5/8 inch – ¾ inch water meter	~~\$53.60~~ 37.91 per month
	Base charge 1 inch Meter	\$47.38 per month
	Base charge 1-1/2 inch Meter	\$94.76 per month
	Base charge 2-inch Meter	\$151.62 per month
	Base charge 3-inch Meter	\$303.24 per month
	Base charge 4-inch Meter	\$473.81 per month
	Base charge 6-inch Meter	\$947.63 per month
	Guadalupe-Blanco River Authority (GBRA) Raw Water fee	~~\$15.91~~ 16.66 per month
	0—5,000 gallons	~~\$4.95~~ 10.08 per 1,000 gallons
	5,001—25,000 gallons	~~\$5.26~~ 10.08 per 1,000 gallons
	Over 25,000 gallons	~~\$5.97~~ 10.08 per 1,000 gallons
50-67	<i>Outside city limits:</i>	
	For residential and commercial customers located outside the city limits, the charge for water shall be ~~1½ times~~ equal to the rate charged to customers inside the city limits	

Note 5) Mobile home parks and apartment complexes with one meter per multiple units shall be considered ~~commercial~~.
Multifamily.

Note 6) For residential customers located outside the city limits the rates for discharging normal wastewater into the sanitary sewer system shall be ~~1½ times~~ equal to the rate for customers inside the city limits.