
CITY OF PORT LAVACA

COUNCIL MEETING: DECEMBER 12, 2022

DATE: 01.04.2023
TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS
FROM: JODY WEAVER, INTERIM CITY MANAGER
SUBJECT: Increase to Water and Sewer Base Rates

BACKGROUND:

- 1) In Year 1 of Undine's contract, the City is projected to pay \$397,925.86 more for water treatment than under the previous GBRA contract. (Recall this would have been a great deal more if we had stayed with GBRA and funded the debt service for the construction of a new water plant.)

There are currently 4,545 water accounts. To distribute this additional revenue needed equally among all accounts, just as is done for the GBRA Storage costs, this would result in a monthly increase to all base rates of \$7.30.
$$\$7.30 \times 12 \times 4545 = \$398,926$$

- 2) As we have discussed, we are going to have to use some of the Series 2022 CO Bond funds to pay for the costs of the Ground Storage Tank/HSPS project and the WWTP improvement project above what the ARPA grant funds will pay. At the first reading, we shared a spreadsheet showing the additional revenue per 4,545 rate payers needed to cover these Public Utility Fund costs over the life of the bonds (20 years), based upon the engineer's construction cost estimates. Since the first reading, we have received bids on the WWTP improvement project and the low bid is about \$300,000 less than the engineer's estimate. Using the low bid dollar amount the increase in the rates to cover the overage over the available ARPA funds is reduced to 38 cents per month for water and 21 cents per month for sewer.
- 3) As we discuss under another agenda item, the Public Utility Fund must borrow funds from the General Fund to pay for the 30% engineering design on the WWTP expansion. To reimburse these costs to the General Fund over the next year, requires an additional \$9.07/month per rate payer.

RECOMMENDATIONS:

Approve the second and final reading of an ordinance to increase the monthly Water Use Base Rate by \$7.68 (instead of \$7.84 in the 1st reading) and the Sewer Use Base by \$9.27 (instead of \$9.44 in the 1st reading). This is a total increase to the utility base rates of \$16.95 or 55.7 cents a day (instead of \$17.28 or 57 cents approved in the 1st reading). This will result in a new residential Base Water rate of \$24.68 and a new residential Base Sewer Rate of \$25.27.

ATTACHMENTS:

- Justification for Water and Sewer Rate increase (\$16.95 total)
- Updated Water Rate Comparison Chart – comparing rates with Bay City, Edna, Victoria, Rockport, Palacios and Ingleside
- Water User Rate and Sewer User Rates Ordinance

City of Port Lavaca
Justification for Water and Sewer Rate Increase

Bond Proceeds to Supplement ARPA/CLFRF Grant for GST and WWTP Improvements

Split between Water/WW	Project	Bond	5%		20 years	12 mos	Customers
	Cost	Funding	Interest	Total			4,545
Water	2,292,315.83	392,688.79	19,634.44	412,323.23	20,616.16	1,718.01	0.38
WWTP	1,252,125.00	214,497.26	10,724.86	225,222.12	11,261.11	938.43	0.21
	3,544,440.83	607,186.05	30,359.30	637,545.35			

Loan from General Fund to Public Utility Fund

WWTP Expansion	Total	1 Year	12 mos.	Customers
494,588.00	494,588.00	494,588.00	41,215.67	9.07

Increase in Water Rates from Undine Budget

TOTAL INCREASE TO MONTHLY BASE

Increase to Water	Increase to WW
0.38	0.21
7.30	9.07
7.68	9.27

\$	16.95
----	-------

WATER RATE COMPARISONS - UPDATED 01/04/2023

Note: All of the below listed comparison cities except Edna, base their water base rates upon meter size. We are not yet proposing that change until all of the new meters are in and we conduct a new rate study.

proposed for 2nd reading adopted 10.2022

Port Lavaca		Bay City		Edna	Victoria		Rockport		Palacios		Ingleside	
Note Port Lavaca is only defined by Res, Sm or Lrg Commercial, not meter size		Base Rate	Factor		Base Rate	Factor	Base Rate	Factor	Base Rate	Factor	Base Rate	Factor
	\$ 24.68 Wtr Res. Base			\$ 26.46								
*assume residential	\$ 24.68 Base 3/4"	\$ 27.31	1.0		\$ 18.21	1.0	\$ 21.11	1.0	\$ 18.00	1.0	\$ 24.37	1.0
*assume Small comm.	\$ 27.18 Base 1"	\$ 34.22	1.3		\$ 45.55	2.5	\$ 25.49	1.2	\$ 22.00	1.2	\$ 41.19	1.7
*assume Small comm.	\$ 27.18 Base 1.5"	\$ 68.33	2.5		\$ 91.07	5.0	\$ 47.22	2.2	\$ 42.00	2.3		
*assume Large comm.	\$ 44.68 Base 2"	\$ 109.35	4.0		\$ 145.72	8.0	\$ 73.32	3.5	\$ 67.00	3.7	\$ 153.25	6.3
*assume Large comm.	\$ 44.68 Base 3"	\$ 205.11	7.5		\$ 291.44	16.0	\$ 142.92	6.8	\$ 122.00	6.8	\$ 344.86	14.2
*assume Large comm.	\$ 44.68 Base 4"	\$ 342.22	12.5		\$ 455.37	25.0	\$ 221.23	10.5	\$ 202.00	11.2	\$ 612.99	25.2
*assume Large comm.	\$ 44.68 Base 6"	\$ 683.32	25.0		\$ 910.73	50.0	\$ 221.23	10.5	\$ 402.00	22.3	\$ 1,379.45	56.604
Usage Rates gal												
	\$ - 0-1500	\$ -		\$ -	\$ -		\$ -		\$ -		\$ 4.26	
	\$ - 0-2000	\$ -		\$ -	\$ -		\$ -		\$ -			
	\$ - 0-2500	\$ -		\$ -	\$ -		\$ -		\$ -			
	\$ - >2500	\$ -		\$ -	\$ -		\$ -		\$ -			
	\$ 4.78 1501-10000	\$ 2.04		\$ 3.08	\$ 2.25		\$ 5.66		\$ 4.00		\$ 4.59	
	\$ 5.26 2001-5000	\$ 3.57		\$ 3.08	\$ 2.25				\$ 5.00		\$ 4.59	
	\$ 5.26 5000-10000			\$ 3.08	\$ 2.50							
	\$ 5.26 10001-15000						\$ 6.63		\$ 6.00			
	\$ 5.26 10001-50000										\$ 5.22	
	\$ 5.26 15001-20000								\$ 7.00			
	\$ 5.26 >10000	\$ 4.50										
	\$ 5.26 >15000						\$ 7.53					
	\$ 5.26 >20000								\$ 7.75			
	\$ 5.97 >25000			\$ 3.08	\$ 3.15							
Usage Rates gal												
	\$ 25.27 Sewer Base Res	\$ 25.68		\$ 25.68								
	\$ 25.27 Base 3/4"	\$ 26.22	1.0		\$ 22.68	1.0	\$ 22.36		\$ 18.00	1.0	\$ 22.83	1.0
	\$ 25.27 Base 1" >	\$ 39.22	1.5		\$ 56.71	2.5	\$ 25.50		\$ 22.00	1.2	\$ 40.62	1.8
	\$ 27.02 Base 1.5"	\$ 74.29	2.8		\$ 113.44	5.0			\$ 42.00	2.3		
	\$ 27.02 Base 2"	\$ 116.15	4.4		\$ 181.48	8.0			\$ 67.00	3.7	\$ 162.27	7.1
	\$ 27.02 Base 3"	\$ 228.85	8.7		\$ 362.97	16.0			\$ 122.00	6.8	\$ 365.15	16.0
	\$ 27.02 Base 4"	\$ 425.50	16.2		\$ 567.13	25.0			\$ 202.00	11.2	\$ 649.06	28.4
	\$ 27.02 Base 6"	\$ 880.90	33.6		\$ 1,134.25	50.0			\$ 402.00	22.3	\$ 1,460.59	63.977
Usage Rates gal												
	\$ - 0-1500			\$ -	\$ -		\$ -		\$ -			
	\$ - 0-2000			\$ -	\$ -		\$ -		\$ -			
	\$ - 0-2500			\$ -	\$ -		\$ -		\$ -			
	\$ 5.40 1501-5000			2.68			\$ 4.15					
	\$ 5.40 >2000	\$ 6.16										
	\$ 5.40 2001-5000	\$ 6.45										
	\$ 5.40 >2500											
	\$ 5.40 5001-10000						\$ 4.87					
	\$ 5.40 >5000								\$ 5.92 *			
	\$ 5.40 2001-12000											
	\$ 5.40 2001-10000				\$ 2.50							
	\$ 5.40 >10000	\$ 6.45										
	\$ 5.40 10001-25000				\$ 2.55							
	\$ 5.40 >25000				\$ 2.75							
	\$ 5.40 >0										\$ 2.54	

Yes - 1.5x Does the City charge more for out of city customers? No No Yes - 1.5x Yes 1.38x Yes - 1.5x Yes - 1.5x

Yes	Sewer averaging	No	Yes Dec-Feb	Yes Dec-Feb	No	No	No
-----	-----------------	----	-------------	-------------	----	----	----

	Port Lavaca		Bay City	Edna	Victoria	Rockport	Palacios	Ingleside
3/4" 5000 gal water/3000 swr	\$ 39.02		\$ 33.43	\$ 35.70	\$ 24.96	\$ 43.75	\$ 30.00	\$ 46.66
GBRA Storage	\$ 9.42							
Sewer	\$ 30.67		\$ 32.38	\$ 33.72	\$ 25.18	\$ 38.96	\$ 35.76	\$ 35.53
TOTAL Water & Sewer	\$ 79.11		\$ 65.81	\$ 69.42	\$ 50.14	\$ 82.71	\$ 65.76	\$ 82.19
6" 235000 gal	\$ 1,417.92		\$ 1,719.79	\$ 744.10	\$ 1,640.23	\$ 1,961.92	\$ 2,170.25	\$ 2,599.19
GBRA Storage	9.42							
Sewer	\$ 1,285.22		\$ 1,501.98	\$ 650.12	\$ 1,770.00	\$ 1,162.20	\$ 1,787.28	\$ 2,057.49
TOTAL Water & Sewer	\$ 2,712.56		\$ 3,221.77	\$ 1,394.22	\$ 3,410.23	\$ 3,124.12	\$ 3,957.53	\$ 4,656.68

* over 1,000 gal for Comm

ORDINANCE #G-12-22

AN ORDINANCE AMENDING THE ORDINANCE CODIFIED AND DESCRIBED IN THE CITY OF PORT LAVACA CODE OF ORDINANCES AS PART II, APPENDIX A – FEES, RATES AND CHARGES; AND PROVIDING AN EFFECTIVE DATE

ARTICLE I. GENERAL

WHEREAS, the City Council on March 12, 2012 approved and adopted Ordinance Number G-1-12 which is codified and described in the City of Port Lavaca Code of Ordinances as Part II, Appendix A – Fees, Rates and Charges; and

WHEREAS, the City of Port Lavaca staff has evaluated current fees, rates and charges and find the need to make some amendments and changes.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

ARTICLE II. FEES TO BE AMENDED

The fees, rates and charges to be amended are in the Chapters listed below and described in full in the attached Exhibit “A” marked in red or blue and highlighted in yellow:

Chapter 50: Utilities

Sec. 50-67	Water User Rates	Residential and Commercial
Sec. 50-122	Sewer Table Rates	Residential
Sec. 50-123	Sewer Table Rates	Commercial and Industrial

ARTICLE III.- EFFECTIVE DATE

This ordinance shall become effective upon adoption by City Council.

FIRST READING this 12th day of December, 2022

Jack Whitlow, Mayor

SECOND AND FINAL READING this 9th day of January, 2023

Jack Whitlow, Mayor

APPROVED AND ADOPTED this 9th day of January, 2023.

Jack Whitlow, Mayor

ATTEST:

Mandy Grant, City Secretary

APPROVED AS TO FORM:

Anne Marie Odefey, City Attorney

RECORD OF VOTE

	First Reading	Second and Final	Passed and Approved
Councilman Smith	Aye		
Councilman Dent	Aye		
Councilman Tippit	Aye		
Councilwoman Padron	Aye		
Councilman Ward	Aye		
Councilman Barr	Aye		

Record of approval by City Council: City Council Minute Records, Volume 3H, Page ____.

CITY OF PORT LAVACA - CODE OF ORDINANCES

Appendix A - FEES, RATES AND CHARGES

EXHIBIT A

CHAPTER 50 – UTILITIES		
<i>Water table</i>		
50-67	<i>Water user rates:</i>	
50-67	<i>Residential:</i>	
	Base charge 0—2,000 gallons	\$17.00 per month \$24.68 per month
	Guadalupe-Blanco River Authority (GBRA) fee	\$9.42 per month
	2,001—5,000 gallons	\$4.78 per 1,000 gallons
	5,001—25,000 gallons	\$5.26 per 1,000 gallons
	Over 25,000 gallons	\$5.97 per 1,000 gallons
50-67	<i>Small Commercial:</i>	
	Base charge 0—2,000 gallons	\$19.50 per month \$27.18 per month
	¾—1½-inch meter	
	Guadalupe-Blanco River Authority (GBRA) fee	\$9.42 per month
	2,001—5,000 gallons	\$4.95 per 1,000 gallons
	5,001—25,000 gallons	\$5.26 per 1,000 gallons
	Over 25,000 gallons	\$5.97 per 1,000 gallons
50-67	<i>Large commercial:</i>	
	Base charge	\$37.00 per month \$44.68 per month
	2—6-inch water meter	
	Guadalupe-Blanco River Authority (GBRA) fee	\$9.42 per month
	0—5,000 gallons	\$4.95 per 1,000 gallons
	5,001—25,000 gallons	\$5.26 per 1,000 gallons
	Over 25,000 gallons	\$5.97 per 1,000 gallons
<i>Sewer table</i>		
50-122	<i>Residential wastewater user rates:</i>	
	Base charge 0—2,000 gallons	\$16.00 per month \$25.27 per month
	Over 2,000 gallons	\$5.40 per 1,000 gallons
50-122	<i>Residential wastewater user rate for customer outside city limits:</i>	1½ times rate for customers inside city limits
50-123	<i>Commercial and industrial wastewater user rates:</i>	
	Base charge 0—2,000 gallons	\$17.75 per month \$27.02 per month
	Over 2,000 gallons	\$5.40 per 1,000 gallons
	<i>Commercial wastewater user rate for customers outside city limits:</i>	1½ times user rate for customers inside city limits