
CITY OF PORT LAVACA

COUNCIL MEETING: AUGUST 19, 2024

AGENDA ITEM:

DATE: 8.14.2024

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: JODY WEAVER, INTERIM CITY MANAGER

SUBJECT: UNDINE

In accordance with the Water Supply Contract with Undine, no later than July 30 each year they are to prepare a preliminary annual budget with estimated costs of operation, maintenance and repair of the Plant for the next Fiscal Year.

The annual revenue requirement is projected to increase by \$395,638 or \$32,970 per month. \$266,250 of this increase (or \$22,187.50/month) is due to our increased share of the Corporate Administration and General expense, which is based upon our Equivalent Residential Connections (ERC's) compared to the Corporate total ERC's. This number has essentially doubled so I have questions about how our allotted amount was calculated and am waiting on information/clarification from Undine so I can fully explain this increase and make sure there are no mistakes in the calculations. Because our actual ERC is greater than the assumed 5,000 used when we entered into a contract, I understand our share will increase, but I don't have all the information yet to understand why it doubled.

For perspective, this \$22,187.50/month equates to an additional \$4.90/month for each of our 4530 customers. As soon as I have this information, I will pass this along to Council prior to Monday's meeting.