

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: April 15, 2024

Topic:

Approve Resolution 2024-19, a Resolution of the City Council of the City of Tomball, Texas, approving and establishing the 2024 to 2028 Utility Rate Plan as approved in the Utility Rate Study; and Providing an Effective Date.

Background:

Funding was allocated in the FY 2022-2023 budget to complete a utility rate study for water, wastewater, and natural gas rates, and a contract was executed with Willdan Financial Services on April 17, 2023 to prepare the study and report. The study took into consideration all projects identified in the adopted Water and Wastewater Master Plan for capital improvement projects. A draft study was presented to City Council on November 20, 2023 for feedback. Based on discussions, a revised draft was presented on February 19, 2024 to seek final recommendation for implementation of the utility rate plan where direction was given to proportionally fund eligible capital improvement projects through utility rates and impact fees.

Based on Council’s recommendation, Resolution 2024-19 approves and establishing the 2024 to 2028 utility rate pan for water, wastewater, and natural gas to proportionally fund eligible capital improvement projects identified in the Water and Wastewater Master Plan. The proposed rate plan is outlined in the table below.

Water Rates				
Residential	Oct. 2024	Oct. 2025	Oct. 2026	Oct. 2027
Base Charge	\$12.50	\$12.90	\$13.30	\$13.70
Usage Charge up to 10,000	\$3.11	\$3.20	\$3.30	\$3.40
Usage Charge 10,001-15,000	\$3.88	\$4.00	\$4.12	\$4.24
Usage Charge 15,001 & above	\$4.86	\$5.01	\$5.16	\$5.31
Commercial	Oct. 2024	Oct. 2025	Oct. 2026	Oct. 2027
Base Charge	\$28.30	\$29.15	\$30.05	\$31.00
Usage Charge up to 5,000	\$3.77	\$3.88	\$4.00	\$4.12
Usage Charge 5,001-50,000	\$4.72	\$4.86	\$5.00	\$5.15
Usage Charge 50,001 & above	\$5.89	\$6.07	\$6.25	\$6.44
Residential Outside	Oct. 2024	Oct. 2025	Oct. 2026	Oct. 2027
Base Charge	\$18.70	\$19.30	\$19.90	\$20.50
Usage Charge up to 10,000	\$4.67	\$4.81	\$4.95	\$5.10
Usage Charge 10,001-15,000	\$5.82	\$6.00	\$6.18	\$6.36
Usage Charge 15,001 & above	\$7.29	\$7.51	\$7.74	\$7.97
HMW SUD Wholesale	Oct. 2024	Oct. 2025	Oct. 2026	Oct. 2027
Base Charge	\$95.10	\$98.00	\$100.95	\$104.00
Usage Charge	\$4.36	\$4.49	\$4.62	\$4.76
Bulk Water Sales	Oct. 2024	Oct. 2025	Oct. 2026	Oct. 2027
Base Charge	\$95.10	\$98.00	\$100.95	\$104.00
Usage Charge	\$5.12	\$5.12	\$5.12	\$5.12

Wastewater Rates				
Residential	Oct. 2024	Oct. 2025	Oct. 2026	Oct. 2027
Base Charge	\$12.30	\$14.80	\$17.80	\$19.60
Usage Charge	\$4.28	\$5.14	\$6.17	\$6.79
Commercial	Oct. 2024	Oct. 2025	Oct. 2026	Oct. 2027
Base Charge	\$29.95	\$35.95	\$43.15	\$47.50
Usage Charge up to 5,000	\$5.44	\$6.52	\$7.83	\$8.61
Usage Charge 5,001-50,000	\$6.78	\$8.14	\$9.76	\$10.74
Usage Charge 50,001 & above	\$8.48	\$10.18	\$12.22	\$13.44
Residential – Sewer Only	Oct. 2024	Oct. 2025	Oct. 2026	Oct. 2027
Base Charge	\$50.35	\$60.45	\$72.55	\$79.85
Commercial – Sewer Only	Oct. 2024	Oct. 2025	Oct. 2026	Oct. 2027
Base Charge	\$83.74	\$100.48	\$120.58	\$132.64

Based on Council’s direction at the Feb. 19 City Council meeting, the proposed rate plan is based on funding 50% of planned and eligible capital improvement projects through utility rates. As discussed with City Council, each year as part of the budget process, the proposed rates will be reviewed and any potential adjustments to the rates can be incorporated into the City’s Master Fee Schedule at that time.

Origination: Project Management

Recommendation:

Staff recommends approving Resolution 2024-19 approving and establishing the 2024 to 2028 utility rate plan as approved in the 2023 Water, Wastewater, and Natural Gas Rate Study and Long-Term Financial Plan.

Party(ies) responsible for placing this item on agenda: Meagan Mageo, Project Manager

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed Meagan Mageo
Staff Member _____ Date _____

Approved by _____
City Manager _____ Date _____