



AGENDA ITEM COMMENTARY

MEETING NAME:	City Council
MEETING DATE:	July 7, 2025
ITEM TITLE:	Consider and take appropriate action on Resolution No. 2025-027, authorizing execution of an agreement with Newgen Strategies for rate and fee structure analysis.
STAFF INITIATOR:	Randy Criswell, City Manager

BACKGROUND:

Roughly two years ago you approved a proposal from Newgen Strategies to provide analysis and recommendations for user fees. The most important project at the time was water rates and water impact fees as we worked on the implementation of our Capital Improvements Plan phase 1. As you may recall, the process of developing and implementing those water impact fees was an extensive process that took about a year longer than originally anticipated. Through that process, Newgen was a critical partner.

I've asked Newgen for a new proposal to provide continued analysis and recommendations for us for the following user fees:

- Water rates. As the Lubbock North Interconnect and the Loop 88 Water Supply projects approach completion sometime prior to the end of 2025, rates must be evaluated to ensure we're capable of meeting the costs of those additional supplies as well as the continued debt service that is associated with those projects.
- Sewer rates. I anticipate that sometime in FY 2026 we will start construction on some of our long-term sewer projects. These will be debt serviced projects with a commitment from sewer revenues to meet those debt requirements.
- Sanitation rates are also on my list, but we'll see a proposal for those at a later date.

A copy of the proposal is attached as an exhibit. The not-to-exceed cost for the Water-Wastewater fee study is \$27,500. I recommend we move forward. A Resolution has been prepared for this purpose.

EXHIBITS:

Resolution

COUNCIL ACTION/STAFF RECOMMENDATION:

Staff recommends approval of the Resolution