



AGENDA ITEM COMMENTARY

MEETING NAME:	City Council
MEETING DATE:	November 3, 2025
ITEM TITLE:	Consider and take appropriate action on report from NewGen Strategies pertaining to water rate analysis and recommendations.
STAFF INITIATOR:	Randy Criswell, City Manager

BACKGROUND:

As you know, we've been working with NewGen for the past few months to re-analyze and make necessary recommendations on our water rate structure going forward. The previous rate analysis was completed in the summer of 2024 and new water rates were implemented in October 2024. Since then, you implemented Impact Fees (October 1, 2025), also with an effect on water rates. This rate analysis was as complicated as any I've ever seen. Factors that had to be considered were:

- Purchase of additional Lubbock water coming online in 2026
- Purchase of Loop 88 water coming online in 2026
- Debt service for 2024 CO's
- Future debt service for 2025/2026 CO's to be issued (water projects)
- Water revenue and associated projections/actuals since 2024 rates were adjusted
- Frenship impact

Mr. Chris Ekrut with NewGen Strategies will present the results of the study and recommendations for water rates to be implemented January 1, 2026.

EXHIBITS:

COUNCIL ACTION/STAFF RECOMMENDATION:

Staff recommends approval of the study as presented with authorization to staff to prepare amended water rate ordinance for adoption at a future 2025 meeting.