



Wylie City Council

AGENDA REPORT

Department: Finance
Prepared By: Melissa Brown

Account Code: _____

Subject

Consider, and act upon, Ordinance No. 2024-23 amending Wylie's Code of Ordinances, Ordinance No. 2021-17, as amended, Appendix A (Wylie Comprehensive Fee Schedule), Section I (Water and Sewer Fees), Subsection B (Water Rates), and Subsection C (Sewage Collection and Treatment Rates).

Recommendation

Motion to approve the Item as presented.

Discussion

On July 28, 2020, Council approved the final version of the Water and Sewer Rate Study prepared by NewGen Strategies & Solutions. The study incorporated the Water and Sewer Capital Improvements Plan (CIP) for five years, outstanding debt service, the estimated wholesale water rate increases and sewer treatment increases from the North Texas Municipal Water District, the transfer to the General Fund, and future Utility Fund staffing needs. This study also incorporated the cash contribution of \$4 million for the Advanced Metering Infrastructure project as well as the \$3.3 million that is being financed over a 10-year period at a 2.1% interest rate. This study was reviewed by NewGen Strategies in July 2022 and it was determined that rates within the plan for budget year 2023 were still accurate; however, a recommendation was made to adjust the 2024 and 2025 rates to incorporate increasing inflationary costs at NTMWD, specifically for the expansion of Muddy Creek Wastewater Treatment Plant. The original rate study recommended a 6% increase in water rates for BY2024 and the revised 2023 study recommended 5%. The original rate recommendation for sewer was a 1.5% increase for BY2024, but was revised to a 5.5% increase in the most recent study. Both of these recommendations were adopted for the 2024 budget. Similarly, the original study recommended a 5.85% increase in water rates for 2025, but the revised recommendation is a bit lower at 5%. The original recommendation for sewer was a 1.5% increase for 2025, but was revised to 5.5%.

The FY2025 proposed budget is based on a water rate increase of 5.0% and a wastewater rate increase of 5.5%.