

1 The City Council of the City of Seabrook met in special teleconference session on Tuesday, June  
2 30, 2020 at 6:00 p.m. to discuss, consider and if appropriate, take action on the items listed below.

3  
4 THOSE PRESENT WERE:

|                    |                     |
|--------------------|---------------------|
| 5 THOM KOLUPSKI    | MAYOR               |
| 6 ED KLEIN         | COUNCIL PLACE NO. 1 |
| 7 LAURA DAVIS      | COUNCIL PLACE NO. 2 |
| 8 JEFF LARSON      | COUNCIL PLACE NO. 3 |
| 9 NATALIE PICHA    | MAYOR PRO TEM       |
| 10                 | COUNCIL PLACE NO. 4 |
| 11 BUDDY HAMMANN   | COUNCIL PLACE NO. 5 |
| 12 JOE MACHOL      | COUNCIL PLACE NO. 6 |
| 13 GAYLE COOK      | CITY MANAGER        |
| 14 SEAN LANDIS     | DEPUTY CITY MANAGER |
| 15 STEVE WEATHERED | CITY ATTORNEY       |
| 16 ROBIN LENIO     | CITY SECRETARY      |

17  
18 Mayor Kolupksi called the meeting to order at 6:00 p.m. and conducted roll call to establish a  
19 quorum of City Council members.

20  
21 **1. PRESENTATIONS**

22  
23 **1.1** Presentation on the FY 2019/2020 Strategic Plan accomplishments and updates. *Gayle Cook,*  
24 *City Manager*

25  
26 **2. PUBLIC COMMENTS AND ANNOUNCEMENTS**

27  
28 Pete Braccio, 1868 Dolphin Drive, asked why the City is going through the Water Rate  
29 Study exercise if the contract with the City of Pasadena is not completed. Mr. Braccio also asked  
30 why there would be a rate increase proposed now for Seabrook residents. Mr. Braccio further  
31 explained that everyone is going through a hard time now and something needs to be done to  
32 cushion the impact of the rate increase. Mr. Braccio suggested moving the base amount on  
33 monthly water bills from 2,000 to 3,000 gallons.

34  
35 **3.0 DISCUSSION ITEMS**

36  
37 **3.1** Discuss, consider, and take all appropriate action on the Five Year Water Rate Study by  
38 NewGen Solutions. *Matthew Garrett and Megan Kirkland, NewGen Solutions*

39  
40 Mr. Matthew Garrett with NewGen Solutions, presented the study as shown in Attachment  
41 A.

42  
43  
44  
45

46 *Motion was made by Mayor Pro Tem Picha and seconded by Councilmember Klein*

47  
48 *To approve the rates as proposed in the five year water rate study by NewGen Solutions which*  
49 *includes an increase of 22.35% for minimum base water rate with an increase of 17.00% for water*  
50 *volumetric and an increase of 6.25% on minimum base wastewater rate with an increase of*  
51 *17.00% on volumetric for wastewater*

52  
53 **MOTION CARRIED BY UNANIMOUS CONSENT**

54  
55 **3.2** Discuss, consider, and take all appropriate action on final goals, projects, and priorities for  
56 the Seabrook Strategic Plan for FY 2020/2021. *Gayle Cook, City Manager*

57  
58 Gayle Cook, City Manager, performed a SWOT analysis with City Council and City  
59 Department Directors to look at strengths, weaknesses, opportunities, and threats, both internal  
60 and external, to City planning, operations, staffing, and fiscal stability. Ms. Cook also reviewed  
61 Strategic Planning Focus Areas for possible modifications.

62  
63 After the SWOT analysis and review of focus areas, Council agreed that Ms. Cook will  
64 bring back a draft Strategic Plan for FY 2020-2021 to Council for review and consideration.

65  
66 **4. ROUTINE BUSINESS**

67  
68 **4.1** Establish future meeting dates and agenda items. *City Council*

69  
70 The next regular City Council teleconference meeting will be held on Tuesday, July 7, at  
71 6:00 p.m.

72  
73 Upon motion duly made and seconded, Mayor Kolupski adjourned the meeting at 9:19 p.m.

74  
75 Approved this 21st day of July, 2020.

76  
77  
78 *Thomas G. Kolupski*  
79  
80 \_\_\_\_\_  
81 Thomas G. Kolupski  
82 Mayor

81  
82 *Robin Lenio*  
83  
84 \_\_\_\_\_  
85 Robin Lenio, TRMC  
City Secretary



## ATTACHMENT A

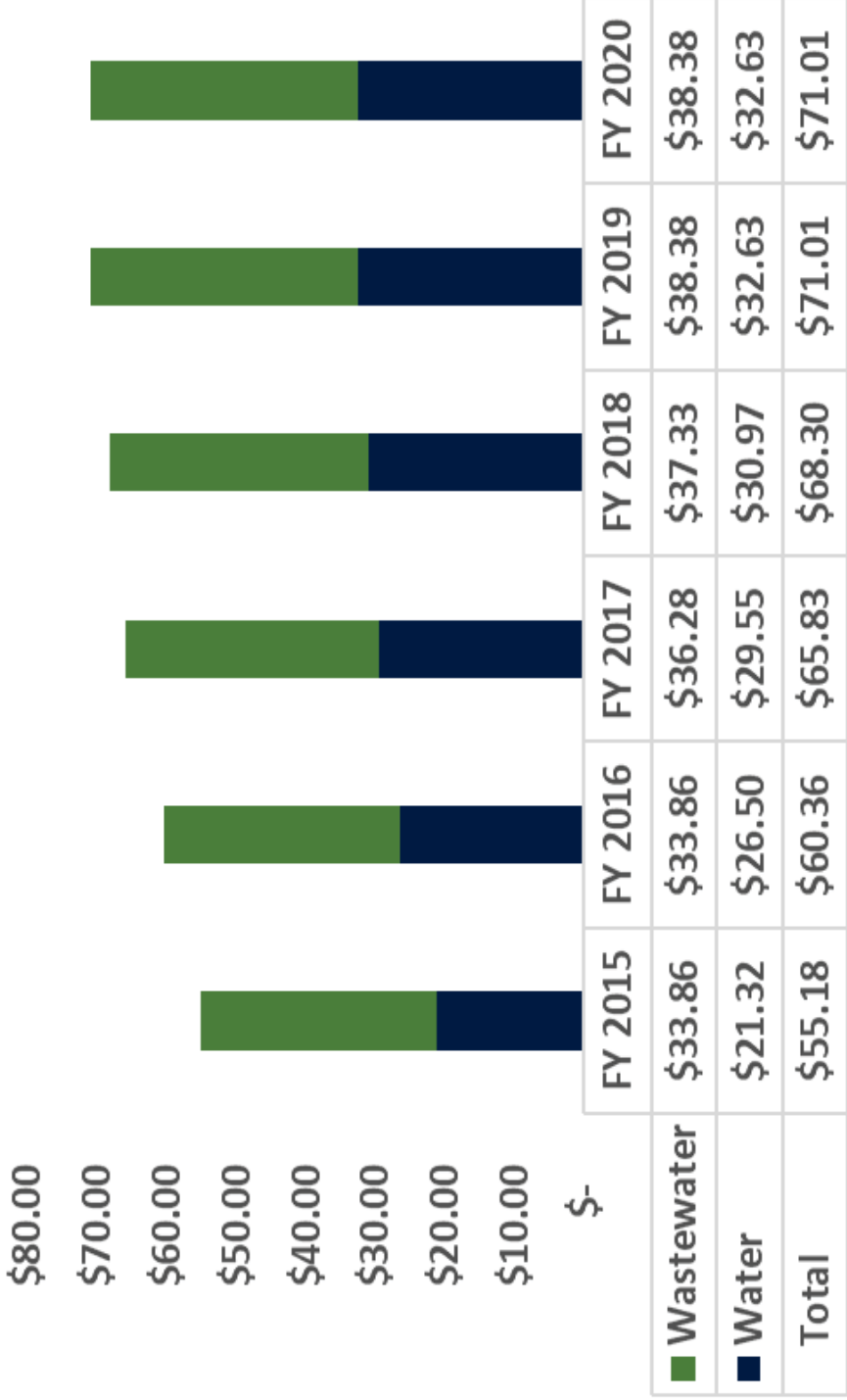


June 30, 2020

# WATER AND WASTEWATER RATE STUDY SEABROOK, TEXAS

# AGENDA

- Historical Background
- Current Issues
- Revenue Requirement
- Rate Design
- Regional Bill Comparisons
- Next Steps



# HISTORICAL BACKGROUND

- 5.17% Effective Annual Increase
- 6,100 Gallon Water and Wastewater Customer (Average)

# CURRENT ISSUES

- Pasadena Contract
  - Contract in negotiation
  - Rate restructure and increase pending
- Capital Improvement Projects
  - \$5 million for City Portion of Grant Funded Wastewater Treatment Plant

## PASADENA AND OTHER CONTRACTS

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- Current Water Contract – \$0.89/1,000 gallons
- New Water Contract in Negotiations
  - Assumptions for Model
    - 6 tier rate structure with lowest tier at \$3.00/1,000 gallons
    - From approximate annual cost of \$580,000 in FY 2020 to \$1,962,850 in FY 2021
- El Jardin wastewater increase from \$1.13 to \$1.39/1,000 gallons
- El Lago water increase: lowest Pasadena rate plus \$0.05/1,000

## FINANCIAL RESOURCES NEEDED FOR 2021

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- \$ 10,540,194 – Total Expenses
  - Includes \$ 2,504,067 in Sanitation Expenses
- \$ 7,317,147 – Net Revenue Requirement
  - Removes \$ 2,504,067 in Sanitation Revenues
  - Also Removes \$ 718,980 in Other Non-Rate Revenues
- \$ 4,145,202 – Water Allocation (57%)
- \$ 3,171,945 – Wastewater Allocation (43%)



# WATER EXPENSES



# WASTEWATER EXPENSES



## CAPITAL IMPROVEMENT PROJECTS

|   | Funding Method | FY 2021    | FY 2022    | FY 2023 | FY 2024 | FY 2025+  |
|---|----------------|------------|------------|---------|---------|-----------|
| East Meyer Pipe Bursting                  | Existing Debt  | \$ 871,951 |            |         |         |           |
| Pine Gully Wastewater Treatment Plant     | Grant          | 15,676,775 | 15,676,775 |         |         |           |
| Smart Water Meter Conversion              | Existing Debt  | 3,000,000  |            |         |         |           |
| Old SH 146 Interconnect                   | Impact Fees    |            | 124,588    | 622,938 |         |           |
| Repsdorff Water Tank Rehabilitation       | Cash           |            |            | 780,313 |         |           |
| Lift Station No. 5 Force Main Improvement | Developer      |            |            |         |         | 601,380   |
| Pine Gully Area Water Line Improvements   | Other Agency   |            |            |         |         | 1,179,750 |
| Red Acres Subdivision Water Line          | Debt           |            |            |         |         | 1,255,878 |
| Red Bluff Sanitary Sewer Extension        | Developer      |            |            |         |         | 640,800   |
| SCADA System Upgrades                     | Debt           |            |            |         |         | 550,000   |
| Shipyards Sewer Service Phase 1 & 2       | Developer      |            |            |         |         | 2,143,263 |
| Shipyards Water Service Phase 1 & 2       | Developer      |            |            |         |         | 1,536,900 |
| Taylor Lake Water Line Crossing           | Other Agency   |            |            |         |         | 2,093,800 |

## RATE STABILIZATION

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- Estimated FYE 2020 Balance of \$540,000
- Intend to use completely in FY 2021 to reduce rate increases

# CURRENT RATES

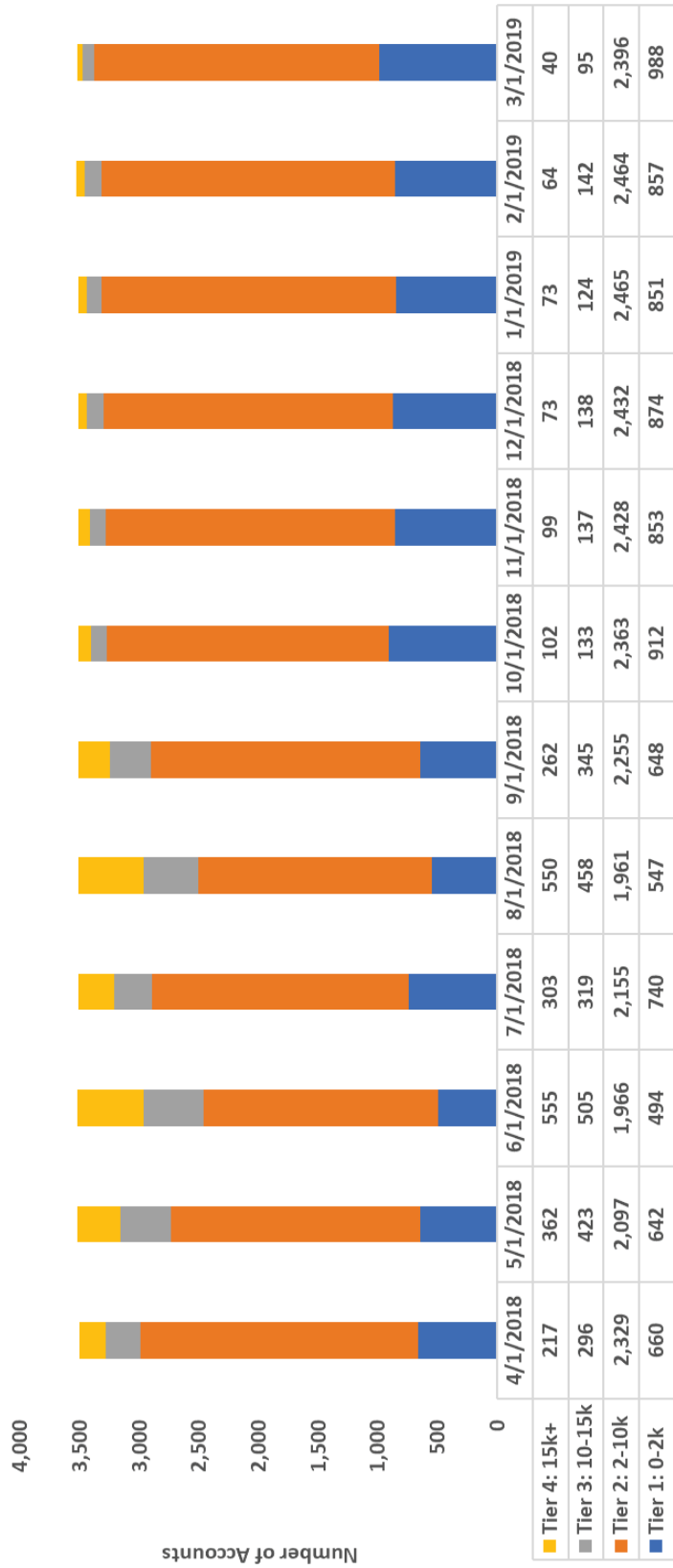
| Water                          | Current  |
|--------------------------------|----------|
| Base Minimum (5/8")            | \$ 14.71 |
| Volumetric (per 1,000 gallons) |          |
| Tier 1: 0-2,000                | \$ 0.00  |
| Tier 2: 2,001-10,000           | 4.37     |
| Tier 3: 10,001-15,000          | 5.20     |
| Tier 4: 15,001+                | 6.21     |

**Note:** The minimum charge increases with meter size. Multi-Family is charged based on number of units at the lowest meter size.

| Wastewater                     | Current  |
|--------------------------------|----------|
| Minimum Charge                 | \$ 21.65 |
| Volumetric (per 1,000 gallons) |          |
| 0-2,000                        | \$ 0.00  |
| 2,001+                         | 4.37     |

**Note:** Residential, Multi-Family, and Light Commercial customers maximum wastewater volumes is 16,000 gallons.

# RESIDENTIAL WATER USAGE BY TIER BREAKDOWN



**Note:** Each account is only counted in the highest tier it reached

## PROPOSED RATES

| Water                          | Current  | FY 2021  | FY 2022  | FY 2023  | FY 2024  | FY 2025  |
|--------------------------------|----------|----------|----------|----------|----------|----------|
| Base Minimum (5/8")            | \$ 14.71 | \$ 18.00 | \$ 19.00 | \$ 20.00 | \$ 20.00 | \$ 20.00 |
| Volumetric (per 1,000 gallons) |          |          |          |          |          |          |
| 0-2,000                        | \$ 0.00  | \$ 0.00  | \$ 0.00  | \$ 0.00  | \$ 0.00  | \$ 0.00  |
| 2,001-10,000                   | 4.37     | 5.11     | 5.98     | 7.00     | 7.00     | 7.00     |
| 10,001-15,000                  | 5.20     | 6.08     | 7.12     | 8.33     | 8.33     | 8.33     |
| 15,001+                        | 6.21     | 7.27     | 8.50     | 9.95     | 9.95     | 9.95     |

| Wastewater                     | Current  | FY 2021  | FY 2022  | FY 2023  | FY 2024  | FY 2025  |
|--------------------------------|----------|----------|----------|----------|----------|----------|
| Minimum Charge                 | \$ 21.65 | \$ 23.00 | \$ 24.00 | \$ 25.00 | \$ 25.00 | \$ 25.00 |
| Volumetric (per 1,000 gallons) |          |          |          |          |          |          |
| 0-2,000                        | \$ 0.00  | \$ 0.00  | \$ 0.00  | \$ 0.00  | \$ 0.00  | \$ 0.00  |
| 2,001+                         | 4.08     | 4.77     | 5.59     | 6.53     | 6.53     | 6.53     |

**Note:** Residential, Multi-Family, and Light Commercial customers maximum wastewater volumes is 16,000 gallons.

# MONTHLY RESIDENTIAL CUSTOMER BILL IMPACT

Note: Small differences below may be due to rounding

|                                  | Current         | FY 2021         | FY 2022         | FY 2023         | FY 2024         | FY 2025         |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>2,000 Gallons</b>             |                 |                 |                 |                 |                 |                 |
| Water                            | \$ 14.71        | \$ 18.00        | \$ 19.00        | \$ 20.00        | \$ 20.00        | \$ 20.00        |
| Wastewater                       | 21.65           | 23.00           | 24.00           | 25.00           | 25.00           | 25.00           |
| <b>Total</b>                     | <b>\$ 36.36</b> | <b>\$ 41.00</b> | <b>\$ 43.00</b> | <b>\$ 45.00</b> | <b>\$ 45.00</b> | <b>\$ 45.00</b> |
| <i>Monthly Increase per Year</i> |                 | \$ 4.64         | \$ 2.00         | \$ 2.00         | \$ 0.00         | \$ 0.00         |

|                                  |                 |                 |                 |                  |                  |                  |
|----------------------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
| <b>6,100 Gallons (Average)</b>   |                 |                 |                 |                  |                  |                  |
| Water                            | \$ 32.63        | \$ 38.96        | \$ 43.52        | \$ 48.70         | \$ 48.70         | \$ 48.70         |
| Wastewater                       | 38.38           | 42.57           | 46.90           | 51.79            | 51.79            | 51.79            |
| <b>Total</b>                     | <b>\$ 71.01</b> | <b>\$ 81.54</b> | <b>\$ 90.43</b> | <b>\$ 100.49</b> | <b>\$ 100.49</b> | <b>\$ 100.49</b> |
| <i>Monthly Increase per Year</i> |                 | \$ 10.53        | \$ 8.89         | \$ 10.07         | \$ 0.00          | \$ 0.00          |

|                                  |                  |                  |                  |                  |                  |                  |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>15,000 Gallons</b>            |                  |                  |                  |                  |                  |                  |
| Water                            | \$ 75.67         | \$ 89.32         | \$ 102.44        | \$ 117.64        | \$ 117.64        | \$ 117.64        |
| Wastewater                       | 74.69            | 85.06            | 96.61            | 109.95           | 109.95           | 109.95           |
| <b>Total</b>                     | <b>\$ 150.36</b> | <b>\$ 174.38</b> | <b>\$ 199.05</b> | <b>\$ 227.59</b> | <b>\$ 227.59</b> | <b>\$ 227.59</b> |
| <i>Monthly Increase per Year</i> |                  | \$ 24.02         | \$ 24.67         | \$ 28.53         | \$ 0.00          | \$ 0.00          |



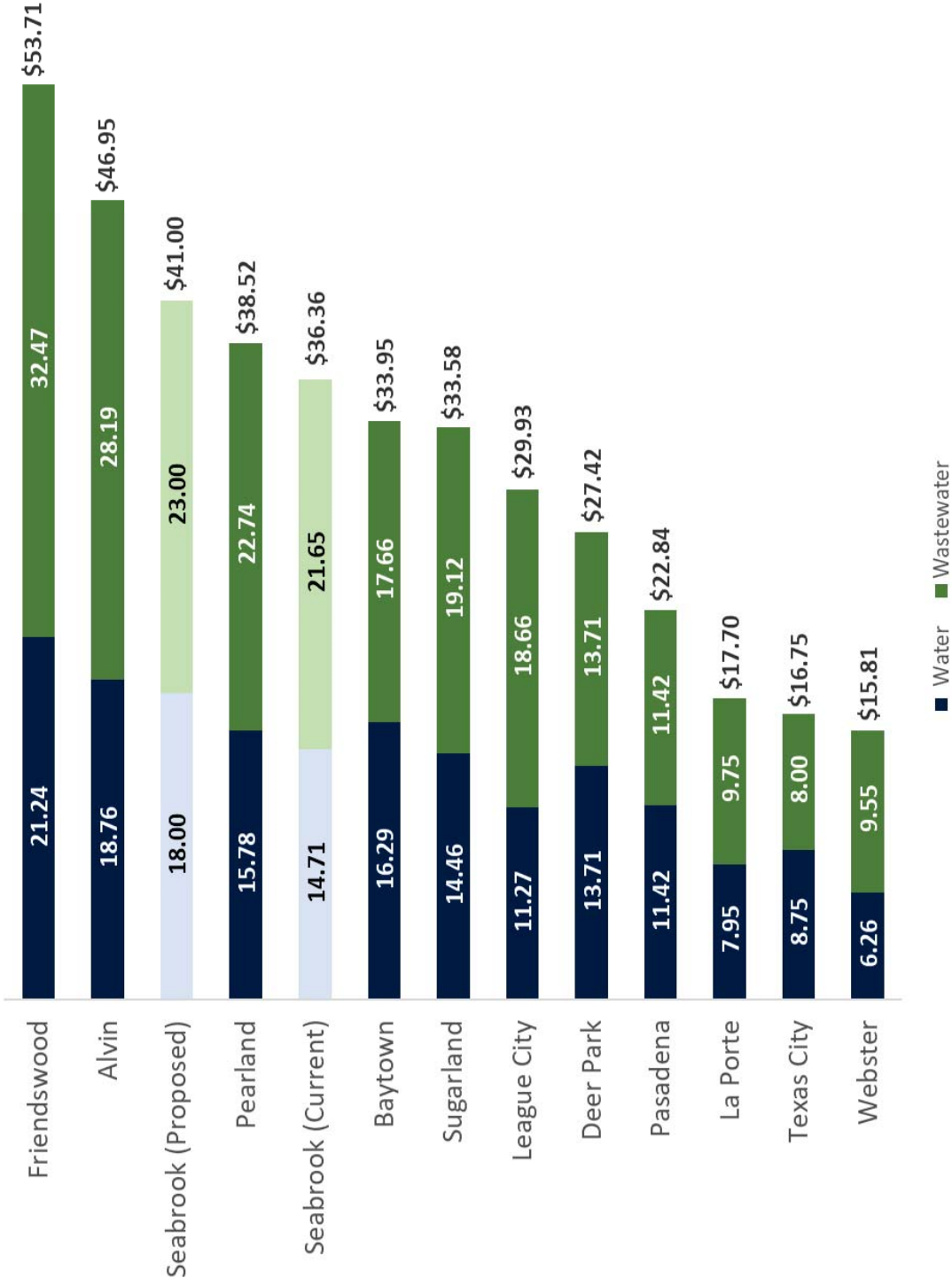
# FUTURE BUDGET ANALYSIS

- As part of the study, the Finance Department will be able to evaluate changes annually and update needed rate projections using the rate model
- Annual analysis will include:
  - CIP Changes
  - Personnel and Benefit Increases
  - Expenses for the projected budget
  - Other assumptions currently built in the model

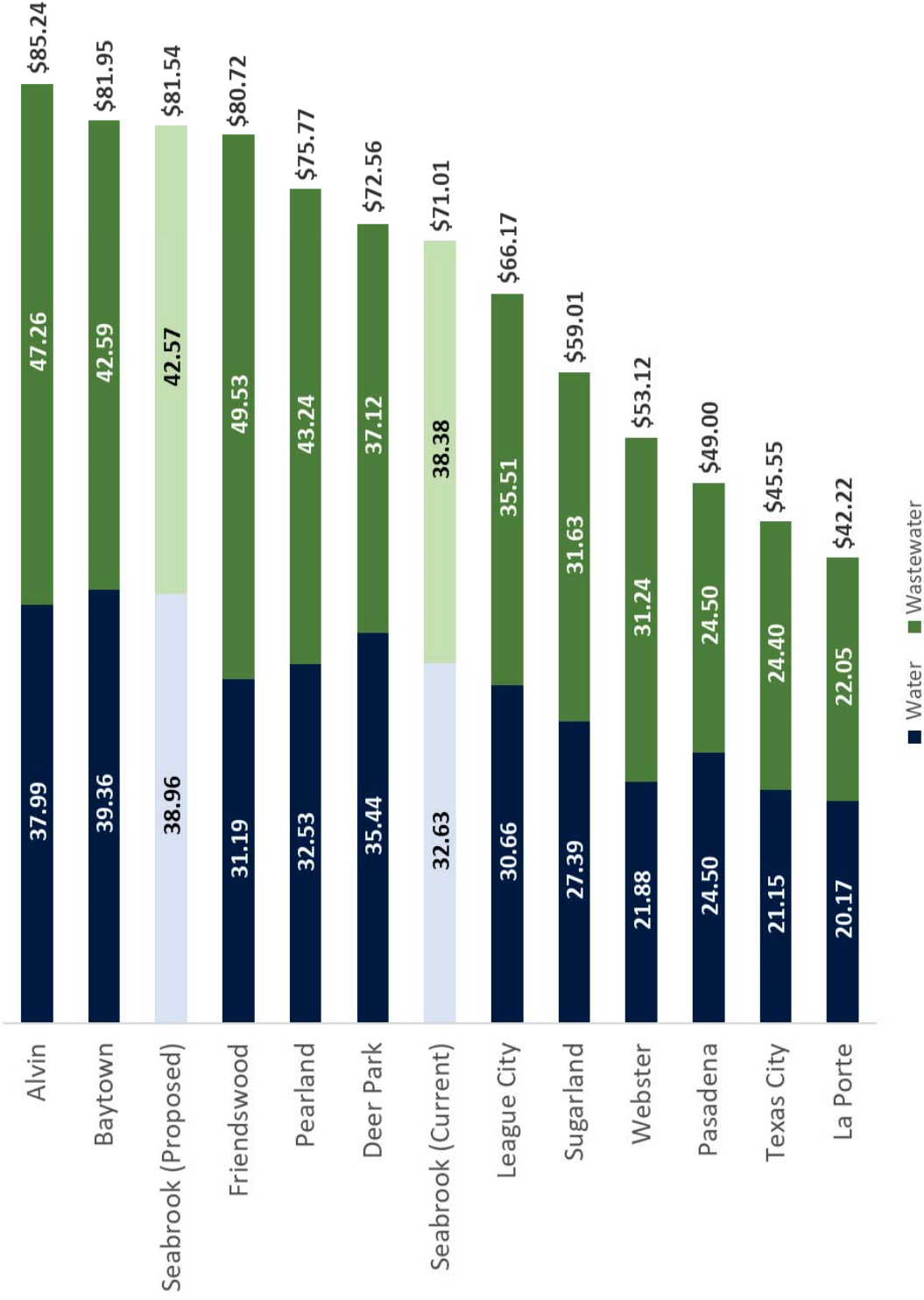
## COMMUNITY RATE COMPARISONS

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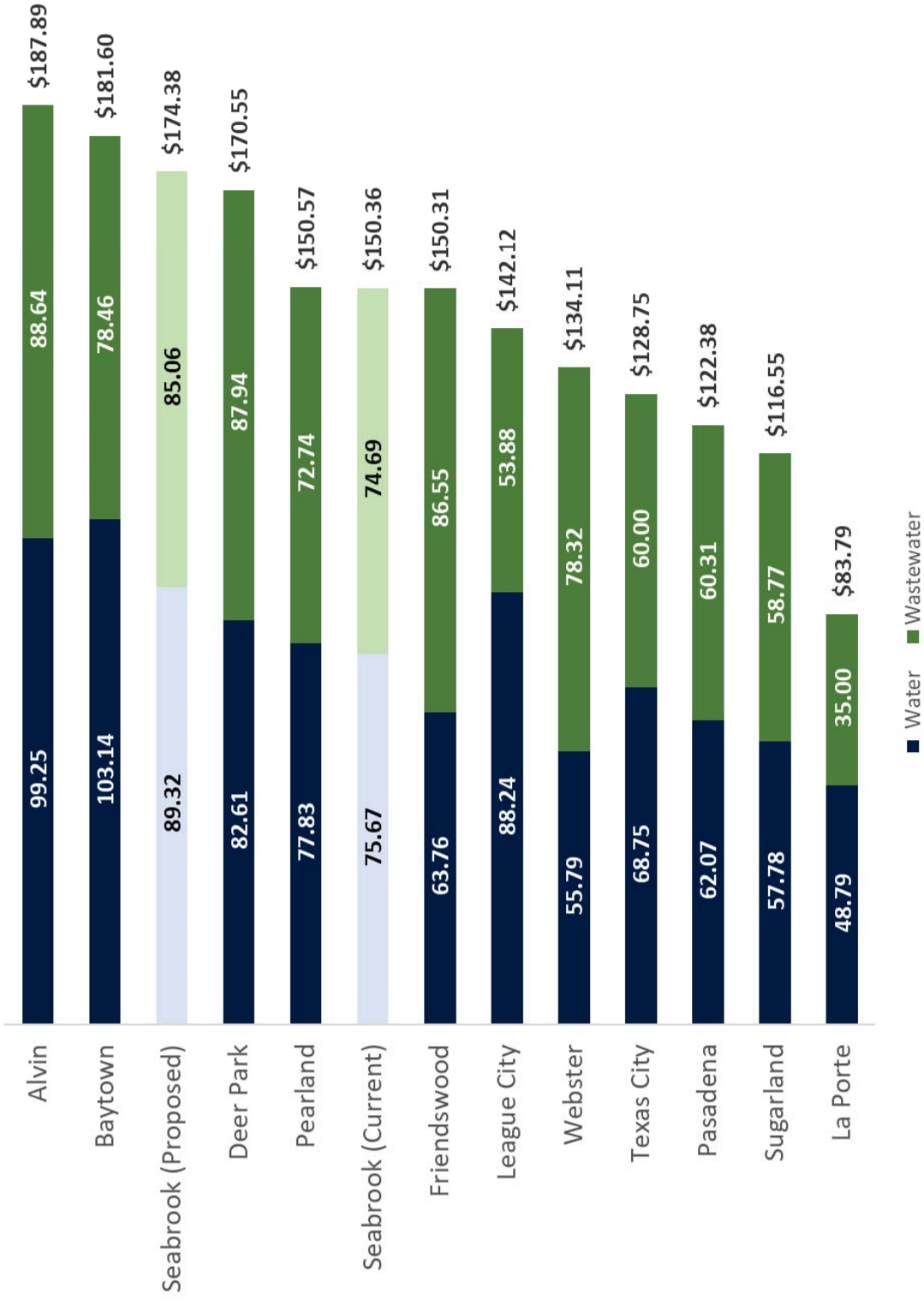
- Comparisons between communities are very common but may not tell the whole story.
- Each system is unique in geography, age of infrastructure, capital maintenance effort, and typical usage patterns.



# RESIDENTIAL RATE COMPARISON - 2,000



# RESIDENTIAL RATE COMPARISON - 6,100 (Average)



# RESIDENTIAL RATE COMPARISON - 15,000



# THANK YOU FOR YOUR TIME

**NEWGEN STRATEGIES AND SOLUTIONS**  
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