

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 Kolupski 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  
79

80 \_\_\_\_\_  
Thomas G. Kolupski  
81 Mayor  
82

83 \_\_\_\_\_  
84 Robin Lenio, TRMC  
85 City Secretary

## ATTACHMENT A



June 30, 2020

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# WATER AND WASTEWATER RATE STUDY SEABROOK, TEXAS

NewGen  
Strategies & Solutions

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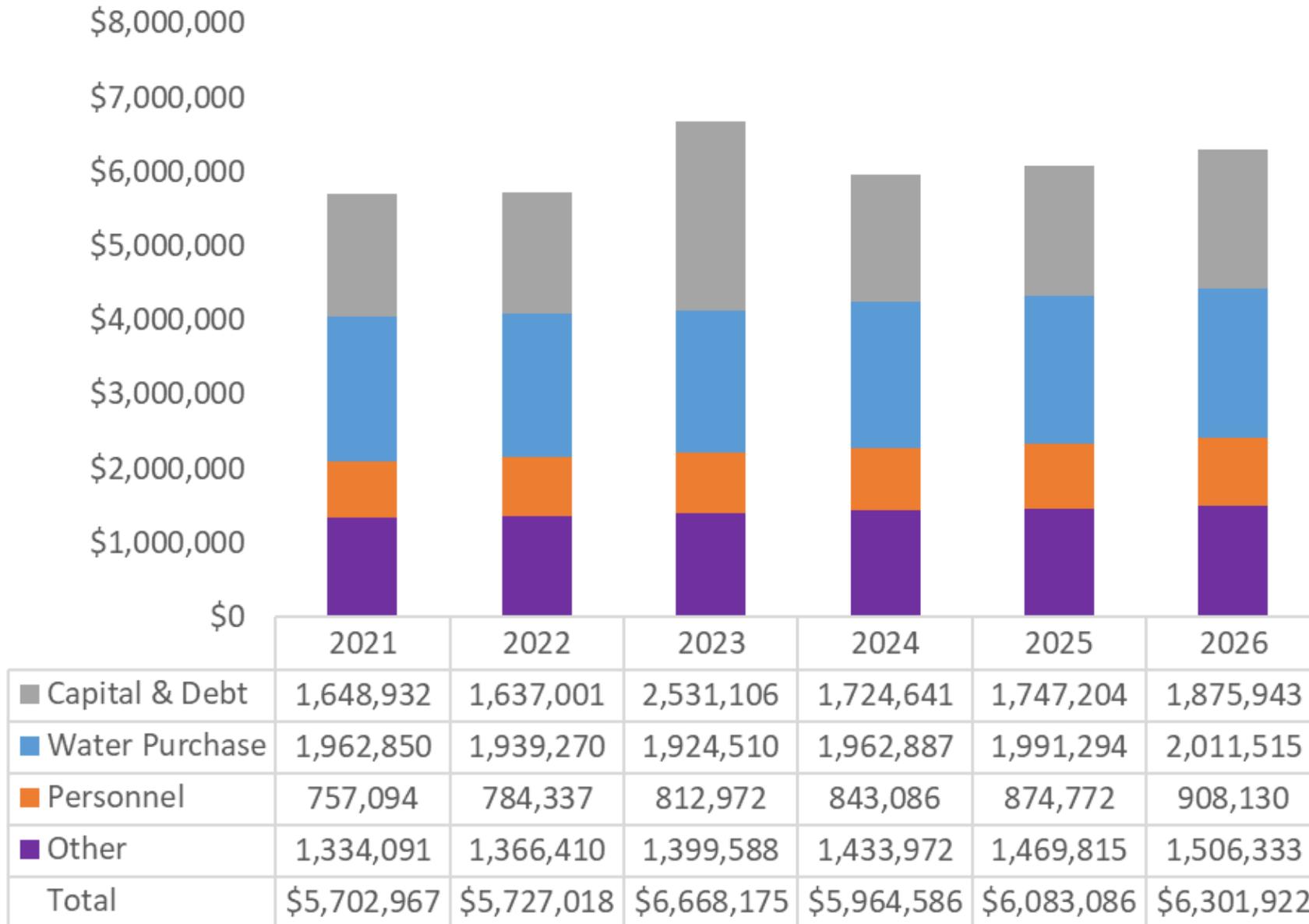
- Current Water Contract – \$0.89/1,000 gallons
- New Water Contract in Negotiations
  - Assumptions for Model
    - 6 tier rate structure with lowest tier at \$3.00/1,000 gallons
    - From approximate annual cost of \$580,000 in FY 2020 to \$1,962,850 in FY 2021
- El Jardin wastewater increase from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

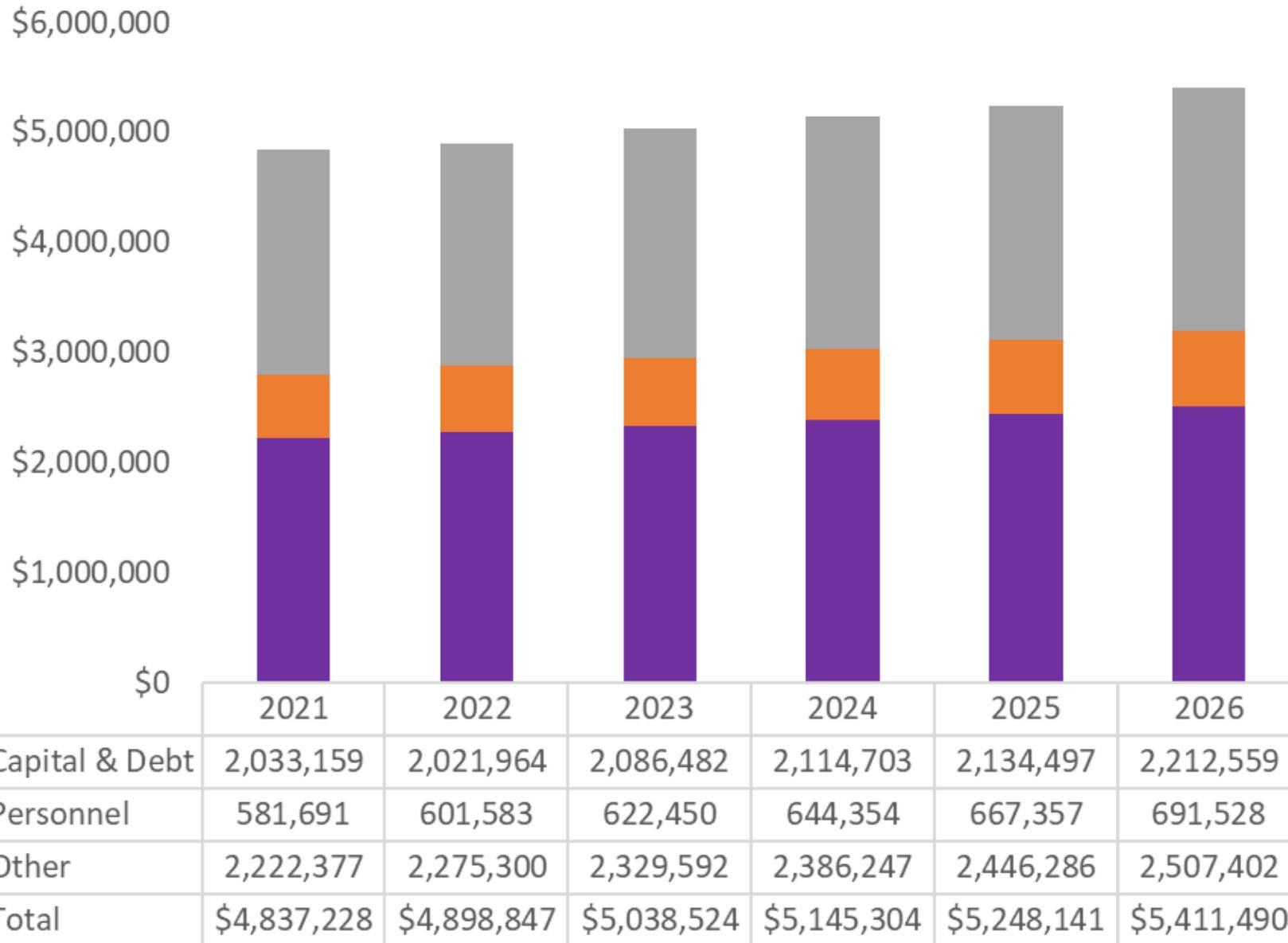
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- \$ 10,540,194 – Total Expenses
  - Includes \$ 2,504,067 in Sanitation Expenses
- \$ 7,317,147 – Net Revenue Requirement
  - Removes \$ 2,504,067 in Sanitation Revenues
  - Also Removes \$ 718,980 in Other Non-Rate Revenues
- \$ 4,145,202 – Water 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

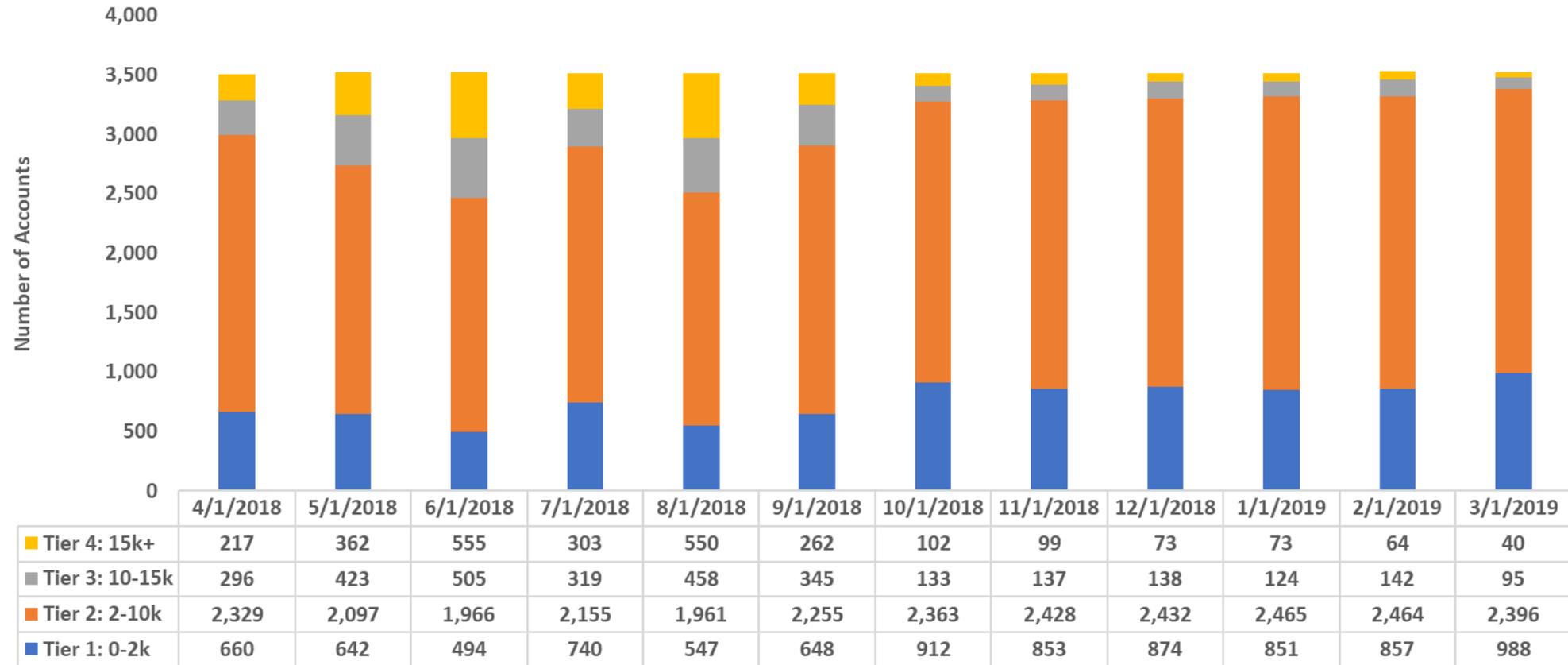
Water	Current
Base Minimum (5/8")	\$ 14.71
Volumetric (per 1,000 gallons)	
Tier 1: 0-2,000	\$ 0.00
Tier 2: 2,001-10,000	4.37
Tier 3: 10,001-15,000	5.20
Tier 4: 15,001+	6.21

**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

	<b>Current</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<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

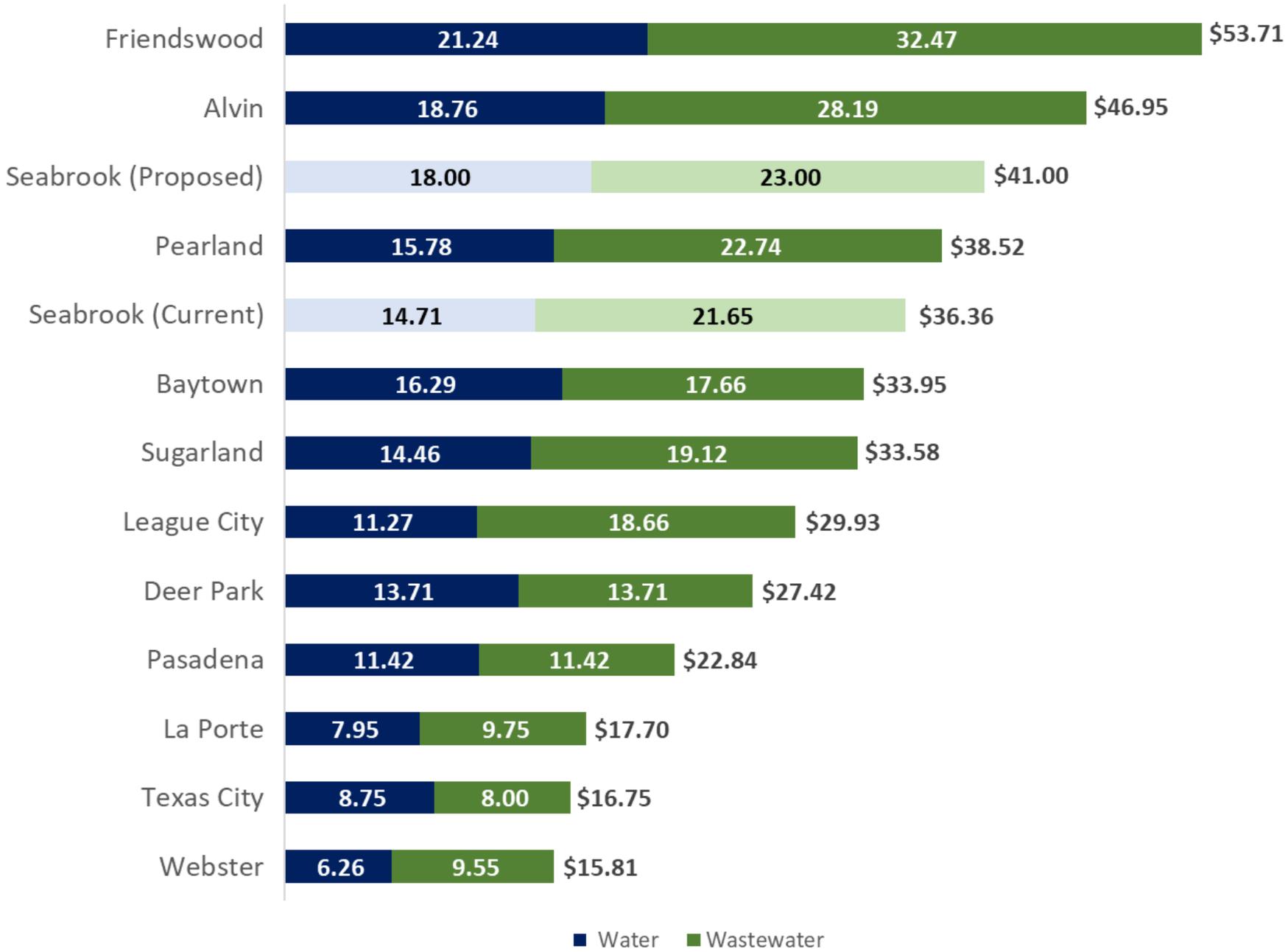
# FUTURE BUDGET ANALYSIS

- 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

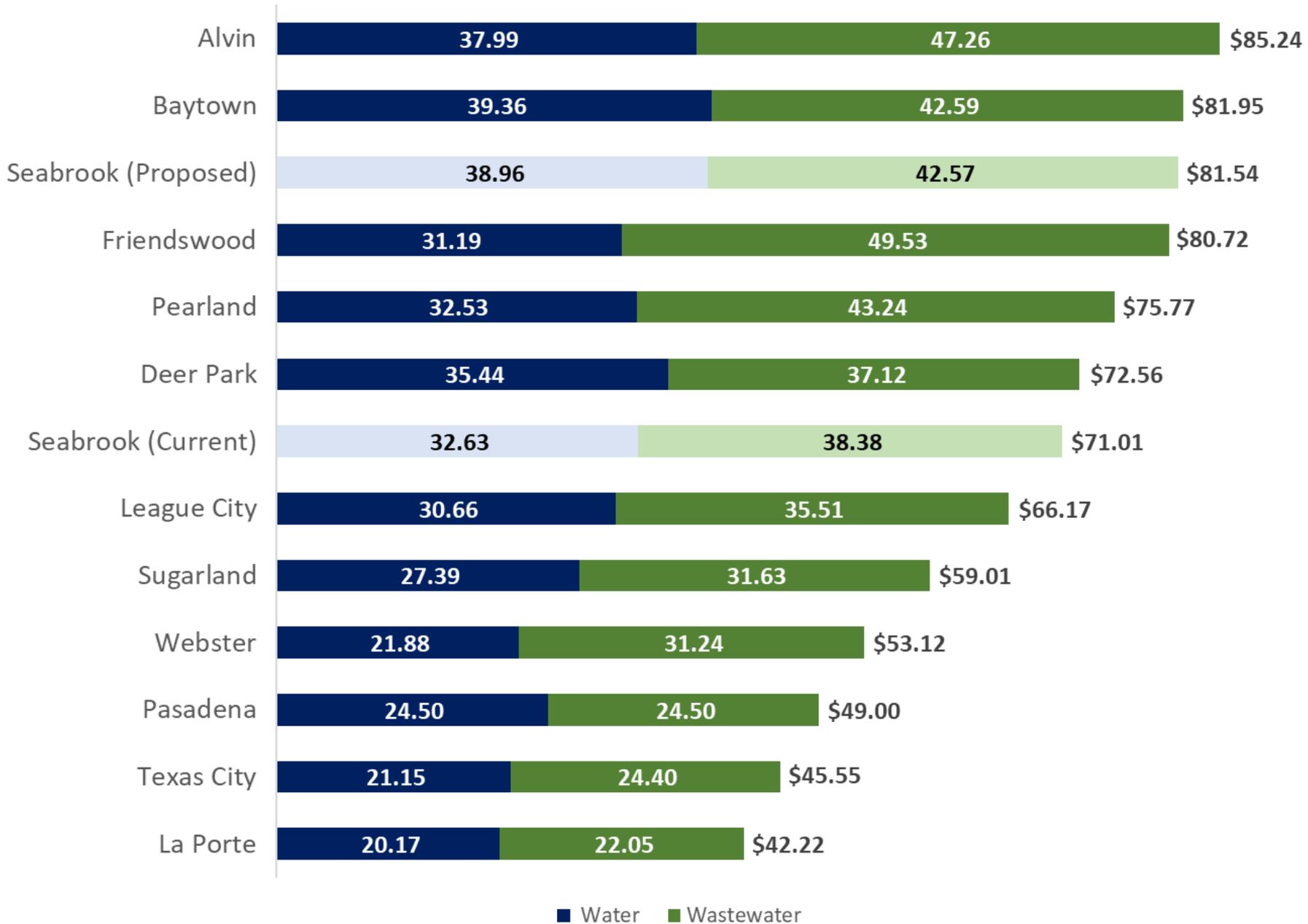
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- Comparisons between communities are very common but may not tell the whole story.
- Each system is unique in geography, age of infrastructure, capital maintenance effort, and typical usage patterns.



# RESIDENTIAL RATE COMPARISON

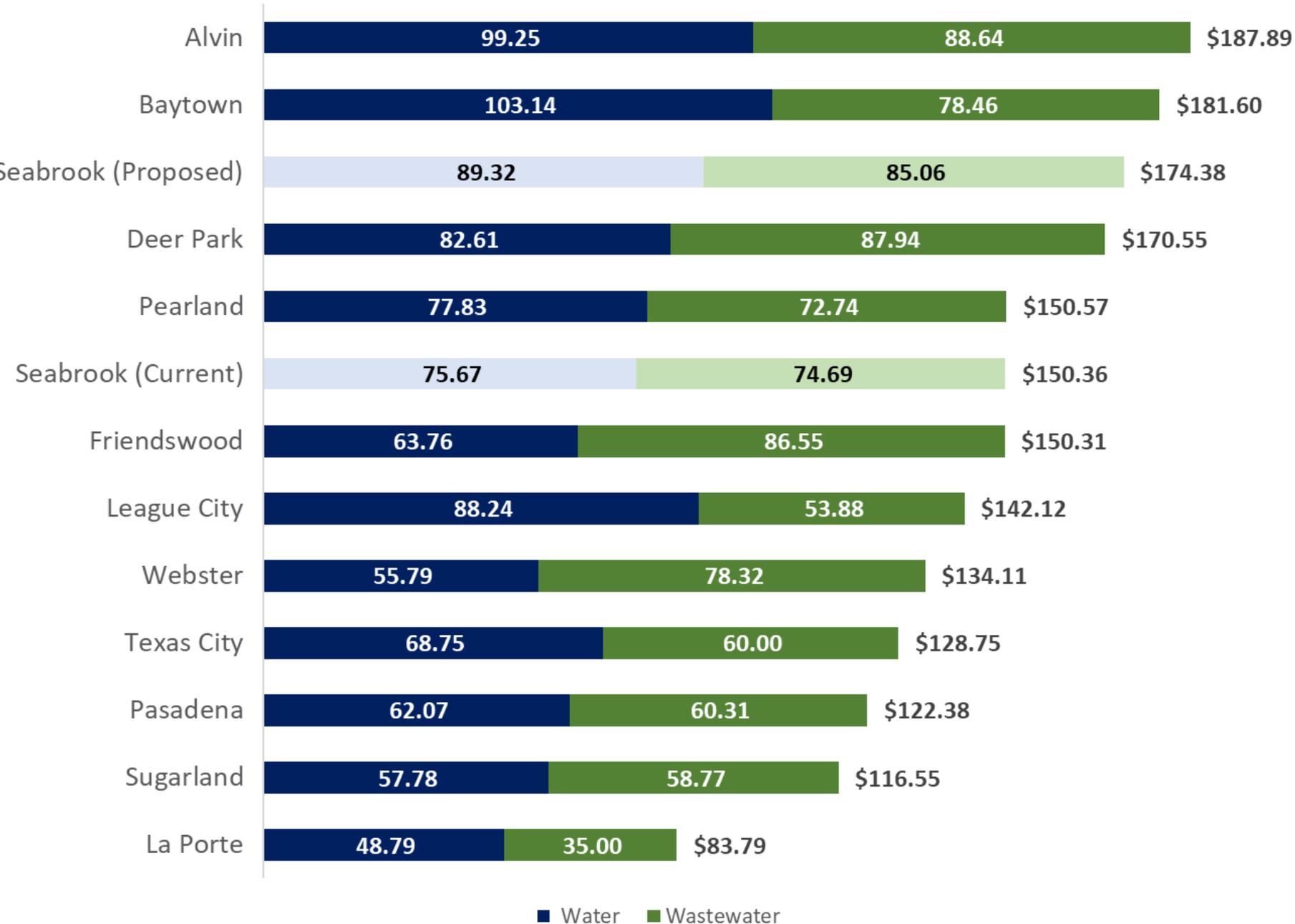
– 2,000



# RESIDENTIAL RATE COMPARISON

– 6,100  
(Average)

# RESIDENTIAL RATE COMPARISON – 15,000





THANK YOU FOR YOUR TIME

**NEWGEN STRATEGIES AND SOLUTIONS**  
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