



City of Pflugerville

Legislation Details (With Text)

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Title: Presentation of the 2021 Utility Rate Study.

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Attachments: 1. 2021 Cost of Service and Rate Study Report, 2. 2021 Cost of Service and Rate Study Presentation

Date	Ver.	Action By	Action	Result
8/10/2021	1	City Council		

Presentation of the 2021 Utility Rate Study.

Staff has worked with NewGen Strategies and Solutions (NewGen) on a cost of service and rate study analysis for the City of Pflugerville's water and wastewater rates. Historical data and future projections were considered as were assumptions related to customer growth, cost inflation, and interest rates on proposed debt. The 5 year capital improvement program, which includes infrastructure projects necessary to maintain the existing systems and add capacity for growth, is a large portion of the anticipated future spending on both the water and wastewater utility systems.

Grant Rabon of NewGen will be presenting the results of this study. This information was also presented to the Finance and Budget Committee on July 29, 2021. The Committee unanimously recommended the proposal to the City Council.

This item has been included as a presentation item on the agenda to allow for presentation and discussion, in which consideration of the recommended increases are included in the Master Fee Schedule Ordinance that is included on the same agenda for first reading.

Included in the attached presentation is an analysis of the proposed change in an average monthly residential customer bill for the next five years. This average bill assumes 8,000 gallons of water usage and 5,000 gallons of wastewater usage (due to winter averaging).

The wastewater bills shown are for customers inside the city limits. Customers outside the city limits are charged an additional \$5 per month.

Based on the study findings, staff concurs with the recommendation of a \$5.70 a month increase for FY22 for the average residential water customer. This breaks down to a monthly increase of \$2.00 on the fixed charge and \$3.70 on the volumetric charge. For wastewater, staff is recommending a \$0.50 increase per month for the average residential wastewater customer. This breaks down to a monthly increase of \$0.50 on the fixed charge and \$0 on the volumetric charge. The average residential customer has been determined to have a 5/8" meter, use 8,000 gallons of water per month and has

a winter wastewater average of 5,000 gallons. The overall effect to an average water/wastewater customer in the City of Pflugerville is a \$6.20 increase to the total bill.

The main driver for this rate increase is proposed water and wastewater infrastructure projects over the next five years, which are roughly \$412 million.

Deadline for City Council Action

The proposed water and wastewater rates are included in the Master Fee Schedule Ordinance, which will be presented at the August 24, 2021 Council meeting for second and final reading.

Funding Expected: Revenue Expenditure N/A

Budgeted Item: Yes No N/A

Amount: Rates vary, see documents

1295 Form Required? Yes No

Legal Review Required: N/A Required Date Completed: _____

Supporting documents attached:

Cost of Service and Rate Study

Cost of Service and Rate Study Presentation

Recommended Action

Presentation item. No action to be taken.