



Water and Wastewater Rate Advisory Committee AGENDA

City Hall
100 Main Street
Colleyville, Texas 76034
817.503.1000
www.colleyville.com

Monday, August 24, 2020
5:30 p.m.

Executive Conference Room
Third Floor – City Hall

1. CALL TO ORDER

2. REGULAR AGENDA ITEMS

- 2a Introduction of committee members and review of charge to the Committee
- 2b Review of the Capital Improvement Program budget and funding models
- 2c Discussion of recommendation to the City Council

3. ADJOURNMENT

I hereby certify this agenda was posted on City Hall bulletin boards Thursday, August 20, 2020 by 5:00 p.m.

Christine Loven, TRMC
City Secretary

A quorum of the City Council or any Colleyville Board, Commission, or Committee may be in attendance at this meeting.

Any matter on this agenda may, at the discretion of the governing body, be opened for public comment and discussion.

If you plan to attend this public meeting and have a disability that requires special accommodations, please advise the City Secretary at least 48 hours in advance at 817.503.1130, and reasonable accommodations will be made to assist you.



Water and Wastewater Rate Advisory Committee Agenda Briefing

City Hall
100 Main Street
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Agenda Number 2a	Agenda Date 8/24/2020	Number
Type Regular Agenda Items		
Department City Secretary		

Title

Introduction of committee members and review of charge to the Committee

Explanation

This item provides for the committee members to introduce themselves and review the committee charge as provided for in attached Resolution R.20-4526.

Attachments

1. Water and Wastewater Rate Advisory Committee Roster - August 2020
2. Resolution R-20-4526

WATER AND WASTEWATER RATE ADVISORY COMMITTEE
RE-ESTABLISHED AUGUST 18, 2020 – RESOLUTION R-20-4526

CHAIR

Tim Raine

3508 Fox Meadows Drive
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Timraine25@gmail.com

VICE CHAIR

Jeff Pistor

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Raymond Allee

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Thomas Bauch

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Claudia Bevill

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James Dove

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Jamesldove1@gmail.com

Anthony Seris

5000 Montclair Drive
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W: 817-915-6428
aseris@hotmail.com

CITY COUNCIL LIAISON

Mayor Richard Newton

1208 Holly Lane
H: 817-247-1642
rnewton@colleyville.com

CITY COUNCIL LIAISON

George Dodson

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H: 817-937-3198
gdodson@colleyville.com

RESOLUTION R-20-4526

A RESOLUTION RE-ESTABLISHING THE WATER AND WASTEWATER RATE ADVISORY COMMITTEE, PROVIDING A CHARGE, AND ESTABLISHING A DATE FOR THE FINAL REPORT SUBMITTAL

WHEREAS, the City Council approved Resolution R-17-4156 on July 18, 2017, and re-established the Water and Wastewater Rate Advisory Committee to review capital funding needs for the utility, identify capital funding options per the funding plan, and to develop a five year capital funding mechanism for the implementation of the capital funding plan; and

WHEREAS, the City Council approved the committee's final report on November 7, 2017, and the Committee's charge was complete.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEYVILLE, TEXAS:

- Sec. 1. THAT the City Council is re-establishing the Water and Wastewater Rate Advisory Committee.
- Sec. 2. THAT the following citizens are appointed to the Water and Wastewater Rate Advisory Committee:
- Ray Allee
 - Thomas Bauch
 - Claudia Bevill
 - James Dove
 - Jeff Pistor
 - Tim Raine
 - Anthony Seris
- Sec. 3. THAT Tim Raine is appointed as Chair, and Jeff Pistor is appointed as Vice Chair.
- Sec. 4. That Councilmember George Dodson and Mayor Richard Newton are appointed City Council Liaisons.
- Sec. 5. THAT the City Manager shall provide administrative support services to the Water and Wastewater Rate Advisory Committee.

- Sec. 6. Upon issuance of the final report, the work of the Committee will be completed, and the terms of the Committee members will be concluded.
- Sec. 7. THAT the Water and Wastewater Rate Advisory Committee's responsibilities shall include:
- a. Review and recommend any necessary adjustments to the City's five-year Water and Wastewater Capital Improvement Plan funding plan to ensure continued funding without incurring debt.
 - b. Providing a final report to the City Council by September 8, 2020.
- Sec. 8. THAT this resolution shall take effect immediately upon passage.

AND IT IS SO RESOLVED.

APPROVED BY A VOTE OF **7** AYES, **0** NAYS ON THIS THE 18TH DAY OF AUGUST 2020.

Mayor Richard Newton	<u>Aye</u>	Mayor Pro Tem Bobby Lindamood	<u>Aye</u>
Place 1, Tammy Nakamura	<u>Aye</u>	Place 3, Kathy Wheat	<u>Aye</u>
Place 4, George Dodson	<u>Aye</u>	Place 5, Chuck Kelley	<u>Aye</u>
Place 6, Callie Rigney	<u>Aye</u>		

ATTEST:



Christine Loven, TRMC
City Secretary

CITY OF COLLEYVILLE



Richard Newton
Mayor



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Agenda Number 2b	Agenda Date 8/24/2020	Number
Type Regular Agenda Items		
Department Finance		

Title

Review of the Capital Improvement Program budget and funding models

Explanation

This item provides for Finance Director Kyle Lester to review the current Capital Improvement Program budget and funding models, and answer questions of the Committee.

Attachments

1. CIP Rate Model Presentation Final

Capital Improvement Plan Rate

Water and Wastewater Rate Advisory Committee
August 24, 2020

Background



- Previously, Colleyville was operating with tiered rates with annual increases. Result was excess revenues
- 9/06/16: Colleyville City Council approves resolution to form the Citizens' Water and Wastewater Advisory Committee
- Objectives: review cost of service study and rate-setting strategy; make recommendation to City Council; educate community
- Colleyville utility costs are three-fold: maintain and operate distribution system; major repairs and replacements; purchase treated water from the Trinity River Authority (TRA)

- Committee Recommendation: fund three components with separate rates:
- Static base-rate (based on meter size) funds distribution system
- Separate base-rate funds capital items
- Volumetric charge (based on what TRA charges for usage) funds the cost to purchase water

Background

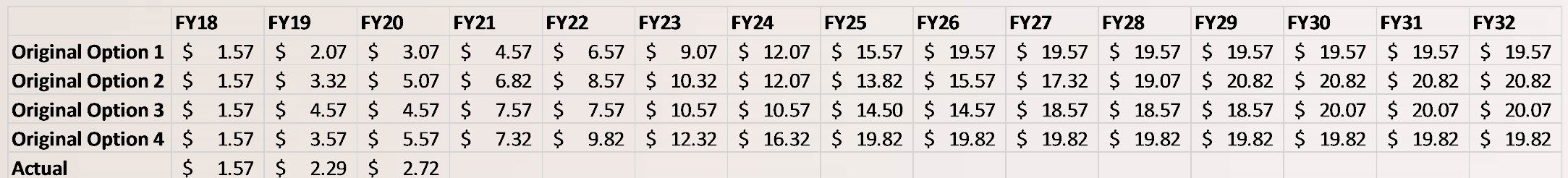
- Operating and TRA rates were implemented immediately
- Capital rates were delayed a year and kept low; have been using the build-up of cash for capital items
- FY 2017 – Capital Improvement Plan rate put into place to fund capital projects; Utility Capital Fund created
- Rate increased in FY20 while decreasing operations base rate by same amount, currently:

1" or less	\$ 2.72	← 96% of customers
1.5"	\$ 5.03	
2"	\$ 7.81	
3"	\$ 14.29	
4"	\$ 23.54	

10/2017

Fiscal Year	Original Option 1	Original Option 2	Original Option 3	Original Option 4
FY18	\$1.5	\$1.5	\$1.5	\$1.5
FY19	\$2.0	\$3.0	\$4.5	\$3.5
FY20	\$3.0	\$4.5	\$4.5	\$5.5
FY21	\$4.5	\$6.5	\$7.5	\$7.5
FY22	\$6.5	\$8.5	\$7.5	\$10.0
FY23	\$9.0	\$10.5	\$10.5	\$12.5
FY24	\$12.0	\$12.5	\$10.5	\$16.5
FY25	\$15.5	\$14.0	\$14.5	\$19.5
FY26	\$19.5	\$16.0	\$14.5	\$19.5
FY27	\$19.5	\$18.0	\$18.5	\$19.5
FY28	\$19.5	\$19.5	\$18.5	\$19.5
FY29	\$19.5	\$21.0	\$18.5	\$19.5
FY30	\$19.5	\$21.0	\$20.0	\$19.5
FY31	\$19.5	\$21.0	\$20.0	\$19.5
FY32	\$19.5	\$21.0	\$20.0	\$19.5

[illegible]



Objective

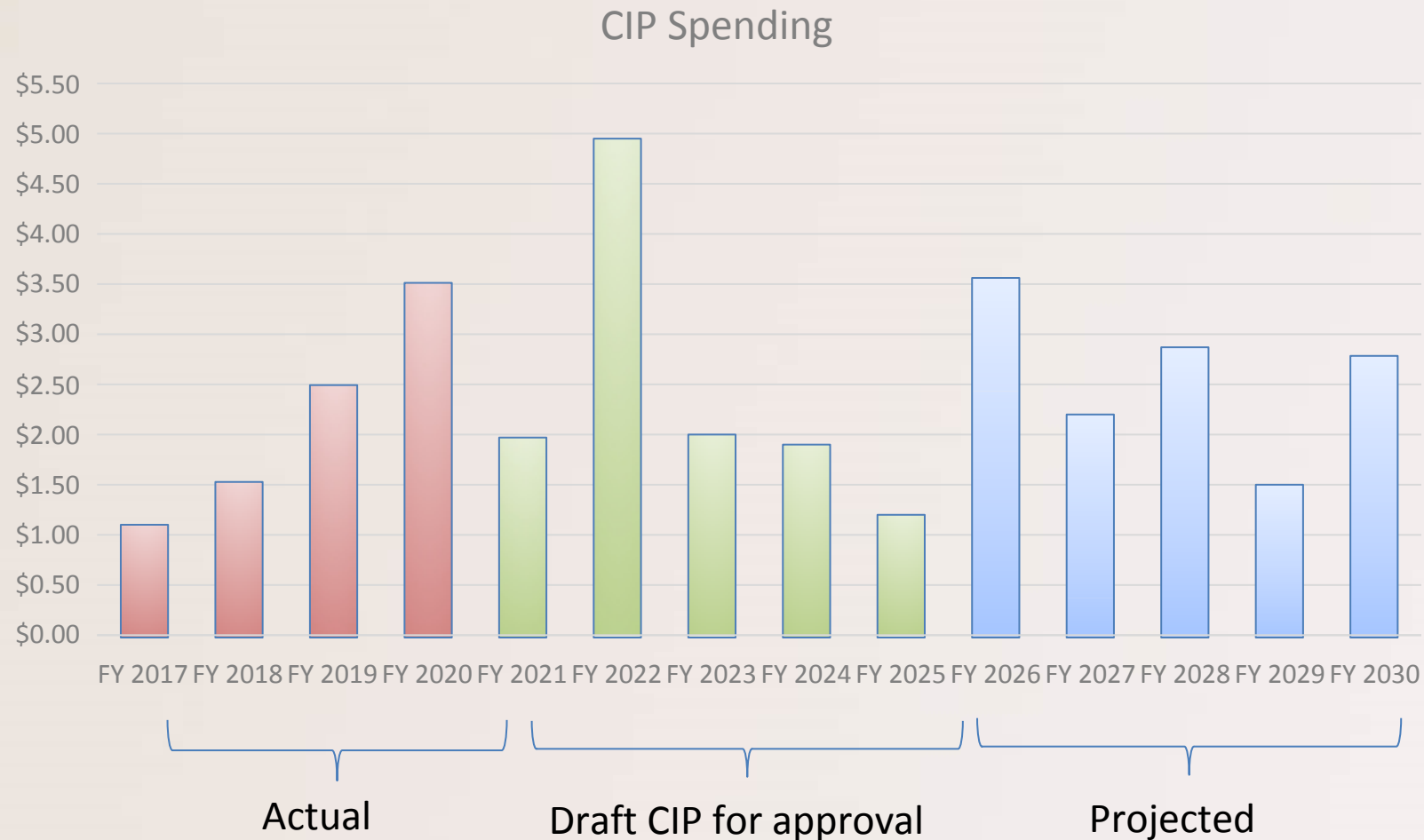


- To determine future strategy for setting this rate / establishing a policy going forward
- Recommended adjustments could be brought back for formal City Council approval

10-Year CIP



Avg. Annual Expense: \$2.4 million, per historical spending and draft CIP



Methodology



- Started with the current draft CIP; extended spending averages through 2030
- Mirrored our CIP process; looked at 5-year rolling increments
- Set rates to fund 5-year; roll forward and reassess annually
- Key metric is maintaining our minimum fund balance

MODEL OUTPUT

Model Output

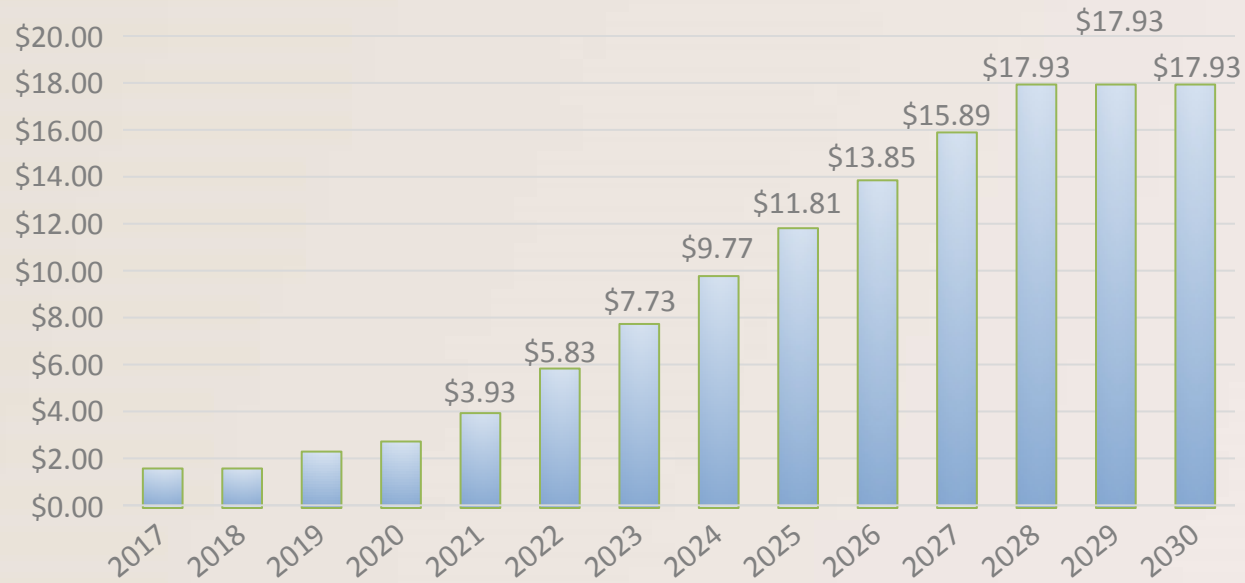


Rate Change Graph

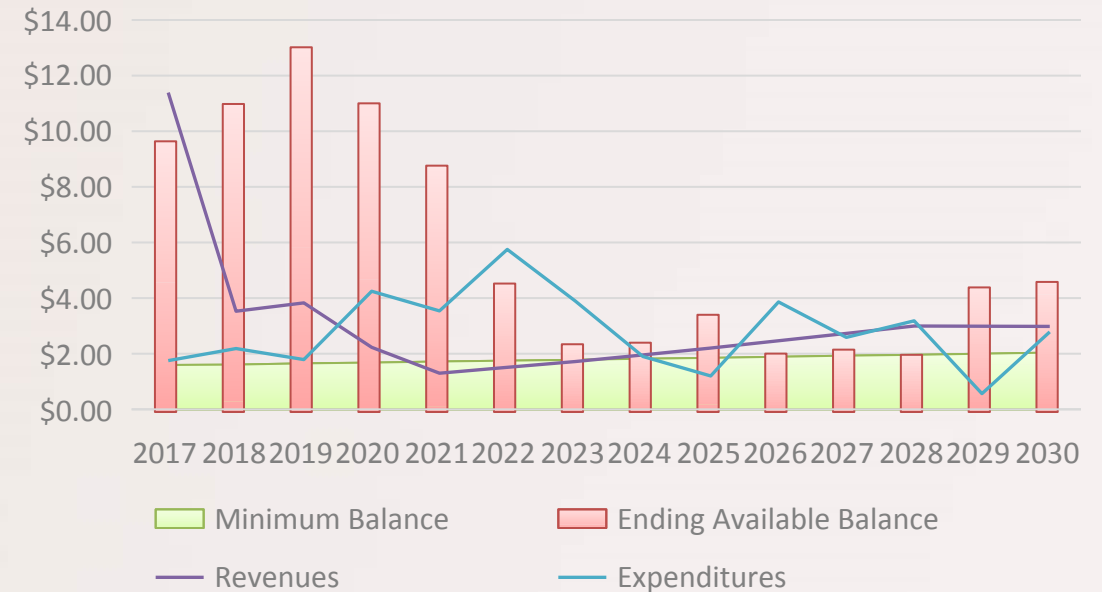


Model Output

Rate Change Graph



Fund Performance



Questions and Discussion



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Agenda Number 2c	Agenda Date 8/24/2020	Number
Type Regular Agenda Items		
Department City Secretary		

Title

Discussion of recommendation to the City Council

Explanation

This items provides for the Committee to formulate the recommendation(s) they will give to the City Council.

Attachments