

Special City Council Workshop of

9/12/2022 - Minutes

1. CALL MEETING TO ORDER

Mayor Bell called the meeting to order at 4:08 p.m.

2. ROLL CALL

PRESENT:

Keith Bell, Mayor

Joe Compian, Mayor Pro Tem / Dist. B

Kimberley Yancy, Dist. A

Casey McAuliffe, Dist. D (4101 Main St. La Marque Texas 77568)

ABSENT:

Michael Carlson, Dist. C

3. INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Bell gave the invocation and the pledge was recited by all in attendance in unison.

4. PRESENTATIONS

City Manager Cesar Garcia and Public Works Director Rick Sailler gave a brief introduction explaining the history relating to the current water rates, the last time rates were evaluated, the effects of inflation on water rates, and the current rate structure. The introduction also included the knowledge that Gulf Coast Water Authority will have a rate increase beginning October 1, 2022.

Mayor Pro Tem clarified questions regarding the current rate structure.

4.1. Waterworth

JP Joly, Rate Consultant, and Calvin Coles, Customer Success Manager presented 5 options to consider when discussing rates.

The first plan presented showed a very aggressive financial model, including borrowing funds for 5 years worth of capital projects. This plan increases rates by 180%, to \$12.82, in one year followed by 1.5% increases in subsequent years, to best address financial needs and prevent rate "swings" in the future.

The second plan presented showed a 140%, \$10.99, increase with a 4% increase in subsequent years.

Mayor Pro Tem Compian clarified that the rates being discussed did not include base rates, but the 1,000-gallon water rates.

Plan #3 is a 3 year plan, identifying a rate increase of 80% in year 1 , \$8.24, 50% in year 2, \$12.37, 10% in year 3, \$13.60 and an additional 2% in subsequent years.

Plan #4 is a 5-year plan, identifying a rate increase of 40% in year 1, \$6.41, 40% in year 2, \$8.98, 35% in year 3, \$12.12, 15% in year 4, \$13.94, 10% in year 5, \$15.33, and 2% in subsequent years.

Plan #5 is a 6-year plan, identifying increases of 25% over the first 5 years, concluding with 22% in year 6.

City Manager Garcia requested a visual of what would happen if the water rates remained the same. Mr. Joly assured the City Manager that based on the figures the current rate structure would not be sustainable even through the next year.

Preliminary considerations for potential sewer rates were shown just to identify that the City's sewer rates are not as critical as the current water rate structure, but can be addressed in the future if requested.

5. CITIZENS PARTICIPATION

There was no Citizen Participation.

6. NEW BUSINESS

6.I. Water Rates

Councilmember McAuliffe asked to review the 3-year plan some more as that is the plan that she is initially drawn to. The average bill for year one would be approximately \$45.

Mayor Pro Tem requested information regarding the actual base cost of providing water to the City, and then "almost like a menu" shows the add-ons after. He also identified additional funding sources that could assist with this process, as well as clarified what qualifies as "debt". He asked for more creative options to address this problem because he does not agree with over 100% rate increases when a portion of our population is elderly and/or on a fixed income.

Councilmember McAuliffe stated that she is ready to move forward with choosing how to address this issue.

Mayor Pro Tem requested that any community members contact him with their thoughts.

Councilmember Yancy stated that while she likes the 3-year plan she is leaning towards the 4-year plan and is excited to address this long-standing issue in our city.

Mayor Bell identified that this is the first time any of the Council has had the ability to see this information and is willing to support calling for a vote at the next meeting.

***Councilmember McAuliffe exited the meeting at 5: 43 p.m.*

6.II. Items For The Good Of The Order

There were no items for the good of the order.

7. EXECUTIVE SESSION

There was no executive session.

8. ACTIONS TAKEN FROM EXECUTIVE SESSION

There were no actions taken.

9. ADJOURNMENT

Councilmember Yancy made a motion to adjourn. Mayor Pro Tem Compian seconded the motion.

*** Meeting was adjourned at 5:49 P.M.*