AGENDA

BE IT KNOWN THAT, a City of Richwood City Council will meet Monday, April 12, 2021, beginning at 6:00 PM at Richwood City Hall located at 1800 Brazosport Blvd. N., Richwood, Texas 77531 with the following agenda:

I. CALL TO ORDER
II. INVOCATION
III. PLEDGES OF ALLEGIANCE
IV. ROLL CALL OF COUNCIL MEMBERS
V. PUBLIC COMMENTS
VI. PROCLAMATION
  A. Fair Housing Month, April 2021 — 3
  B. Rocky Martinez Day, April 13, 2021 — 4
VII. CONSENT AGENDA
  A. Approval of Minutes
    1. Special workshop held, February 22,2021 — 5
    2. Regular meeting held, March 8, 2021 — 7
    3. Special meeting held, March 15, 2021 — 11
    4. Special meeting held, March 22, 2021 — 13
  B. Budget Report, February 2021 — 16
VIII. PRESENTATION
  A. Utility Rate Study Presentation, Strand Associates — 21
IX. DISCUSSION AND ACTION ITEMS
  A. Discuss and consider a resolution to approve finished floor elevations for any and all residential construction in accordance with Richwood City Ordinances regardless of any deed or plat restrictions. — 59
  B. Discuss and consider futher pursuit of funding for Flood Mitigation Projects. — 60
  C. Discuss and consider a resolution to commit up to $1610 in City Funds toward the replacement of residential fencing along the project easement for the CDBG-DR Contract No. 20-065-080-C233 - Hurricane Harvey - Infrastructure Disaster Recovery Program. — 62
  D. Discuss and consider a resolution amending the FY 21 budget to fund cost of engineering for 2021 CDBG Water Line Replacement. — 64
  E. Discuss and consider authorizing staff to participate in the American Rescue Plan — 66
  F. Discuss and consider a resolution amending the FY 21 budget to show estimated depreciation for Enterprise Fund. — 67
  G. Discussion regarding the Richwood Farmer's Market — 69
  H. Discussion regarding the sale of drug paraphernalia within Richwood city limits.
  I. Approve items removed from consent agenda.
X. EXECUTIVE SESSION
  A. Pursuant to Chapter 551.0745, Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a

public officer or employee or to hear a complaint or charge against an officer or employee:
    1. Eric Foerster, City Manager
  B. Pursuant to Chapter 551.071, Consultation with Counsel on legal matters:
    1. Contractual Agreement with City Manager

XI. ACTION AS A RESULT OF EXECUTIVE SESSION
  A. Pursuant to Chapter 551.0745, Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee or to hear a complaint or charge against an officer or employee:
    1. Eric Foerster, City Manager
  B. Pursuant to Chapter 551.071, Consultation with Counsel on legal matters:
    1. Contractual Agreement with City Manager

XII. CAPITAL IMPROVEMENT PROJECTS UPDATE

XIII. CITY MANAGER'S REPORT

XIV. COUNCIL MEMBER COMMENTS & REPORTS

XV. MAYOR'S REPORT

XVI. FUTURE AGENDA ITEMS

XVII. ADJOURNMENT

The City Council may go into Executive Session on any item listed on the Agenda in accordance with Section 551.071 of the Government Code (attorney-client privilege).

I, Kirsten Garcia, do hereby certify that I did, on _____________at _____________ post this notice of meeting on the bulletin board at 1800 N. Brazosport Blvd., Richwood, TX, in compliance with the Texas Open Meetings Law.

____

Kirsten Garcia, City Secretary
City of Richwood

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (979) 265-2082 or FAX (979) 265-7345 for further information.

Proclamation

I, Steve Boykin, by the authority vested in me as Mayor of the City of Richwood, Texas, do hereby proclaim

The month of April
As
"Fair Housing Month"

WHEREAS, the Department of Housing and Urban Development has initiated the sponsorship of activities during the month of April of each year designed to reinforce the Department's commitment to the concept of Fair Housing and Equal Opportunity; and

WHEREAS, the City of Richwood affirmatively supports the efforts of the Federal Government and the State of Texas to assure equal access to all Americans to rental housing and homeownership opportunities; and

WHEREAS, the City of Richwood welcomes this opportunity to reaffirm its commitment to provide equal access to housing to all of its residents without regard to race, color, religion, sex, disability, familial status, national origin or source of income; and

WHEREAS, the City of Richwood affirmatively supports programs that will educate the public concerning their rights to equal housing opportunities and to participate in efforts with other organizations to assure every person their right to fair housing; and

WHEREAS, the City of Richwood is honored to join the Federal Government, the State of Texas, and local jurisdictions across America in celebrating the rich diversity of our people and the right of all citizens to live where they choose without fear of discrimination.

NOW, THEREFORE, WE, the City Council of the City of Richwood, do proclaim April as the month to celebrate and honor all efforts which guarantee the right to live free of discriminatory housing practices.

In Testimony whereof, witness my hand and the seal of the City of Richwood, this 12th day of April, A.D. 2021.

Steve Boykin, Mayor
City of Richwood

Proclamation

I, Steve Boykin, by virtue of the authority vested in me as Mayor of the City of Richwood, Texas, do hereby proclaim in memoriam of Rocky Martinez.

April 13, 2021
"Rocky Martinez Day"

in the City of Richwood, and urge each and every citizen to honor Rocky Martinez for his dedicated service to the City of Richwood.

WHEREAS; Rocky Martinez was a long-time resident of Richwood;

WHEREAS; Rocky was continually involved in the community of Richwood in many ways;

WHEREAS; Rocky served as Municipal Court Judge of Richwood from 1986-2006 with professionalism and dedication to the community; and

WHEREAS; it is the privilege of the City Council of Richwood to honor and remember Rocky Martinez; and

Now Therefore, We the Mayor and the City Council of the City of Richwood, do hereby proclaim April 13, 2021 as "**Rocky Martinez Day**" in the City of Richwood, Texas.

In Testimony whereof, witness my hand and the seal of the City of Richwood, this 12th day of April, A.D. 2021.

Steve Boykin, Mayor
City of Richwood

Minutes of the City Council Storm Water Workshop

The City Council Storm Water Workshop called Meeting of February 22, 2021

BE IT KNOWN THAT, a City Council Storm Water Workshop of City of Richwood was held February 22, 2021, beginning at 6:00 PM PM in the Richwood City Hall, located at 1800 Brazosport Blvd. N, Richwood, Texas 77531.

I. **CALL TO ORDER**
The meeting was called to order at 6:00 p.m.
II. **ROLL CALL OF COUNCIL MEMBERS**

Steve Boykin, Mayor:	Present
Mike Johnson, Position 1:	Present
Melissa Strawn, Position 2:	Present
Matthew Yarborough, Position 3:	Present
Rory Escalante, Position 4:	Present
Katie Johnson, Position 5:	Present

Others in attendance: Eric Foerster, City Manager; Kirsten Garcia, City Secretary; Patricia Ditto, Finance Director; Clif Custer, Public Works Director;

III. **PUBLIC COMMENTS**
There was no public comment.

IV. **STORMWATER MASTER PLAN WORKSHOP**
Presented by Ryan Tinsley and Mark Shuback with strand

Discussion held on drainage from Creekbend Subdivision
Discussion held on drainage on the north side of town, Brazos Crossing & Oakwood Shores

Council requested Strand take their input and bring back the plan with updates.

V. **COUNCIL MEMBER COMMENTS & REPORTS**
Mike Johnson thanked the city for the water distribution that was coordinated and their hard work during the freeze.
Melissa Strawn thanked Public Works, Police Department and Fire Department for their hard work. She also requested an after action report for next agenda.
Mark Brown II seconded Melissa's comment regarding an after actin report. He expressed thanks to Public Works and City Staff and to the Fire Department for all of their volunteer hours.
Matt Yarborough thanked staff, Public Works, Fire Department, and Police Department,

adding that it's been a very trying week, and we know you are steadily trying to tackle issues.

VI. **MAYOR'S REPORT**
Mayor reported that he echos was other members say, the Fire Department has worked hard and Police Department, too. He added that City staff did well under the circumstances and he has requested more water coming from Coca Cola.

VII. **ADJOURNMENT**
Being there no further business, the meeting was adjourned at 8:49 p.m.

These minutes were read and approved on this 12th day of April 2021.

____
Mayor

ATTEST:

____
City Secretary

Minutes of the City Council

The City Council called Meeting of March 8, 2021

BE IT KNOWN THAT, a City Council of City of Richwood was held March 8, 2021, beginning at 6:20 PM PM in the Richwood City Hall, located at 1800 Brazosport Blvd. N, Richwood, Texas 77531.

I. **CALL TO ORDER**
The meeting was called to order at 7:02p.m.

II. **ROLL CALL OF COUNCIL MEMBERS**

Steve Boykin, Mayor:	Present
Mike Johnson, Position 1:	Present
Melissa Strawn, Position 2:	Present
Matthew Yarborough, Position 3:	Present
Rory Escalante, Position 4:	Present
Mark Brown II, Position 5:	Present

Others in attendance: Eric Foerster, City Manager; Kirsten Garcia, City Secretary; Patricia Ditto, Finance Director; Clif Custer, Public Works Director; Matt Allen, City Attorney

III. **PUBLIC COMMENTS**
There were no public comments.

IV. **CONSENT AGENDA**

A. Approval of Minutes
   1. Regular meeting held February 8, 2021.
B. Budget Report, January 2021
C. Memorandum of Understanding with Richwood VFD
D. After Action Report, Winter Storm Uri
E. Racial Profiling Report, 2020

Motion to remove Item D and discuss separate and approve remaining items. This motion, made by Melissa Strawn and seconded by Mark Brown II, Passed.
Yea: 4, Nay: 0,
Abstain (With Conflict): Matthew Yarborough

V. **DISCUSSION AND ACTION ITEMS**

A. Final review and action of re-plat of lots 90 & 91; Block 1 of Oakwood Shores Subdivision Section 1, also known as 32710 Bayou Bend.

Motion to approve the replat. This motion, made by Matthew Yarborough and seconded by Mark Brown II, Passed.
Yea: 5, Nay: 0

B. Discuss and consider approving Draft Task Order Amendment to Task Order No. 19-04, increasing the orginal design costs from $283,000 to $365,000 for Geotechnical Engineering Services.
Clif Custer presented.

Jared Engelke presented on behalf of the engineers.

Motion to approve task order amendment. This motion, made by Rory Escalante and seconded by Matthew Yarborough, Passed.
Yea: 5, Nay: 0

C. Presentation of Financial Audit Report, FY 20
Clayton Rogers, from Patillo, Brown & Hill, presented.

Discussion held on possible recommendations for improvements.

D. Brazosport Water Authority update, presented by Jeremy Fountain

Council took a brief recess at 7:40 p.m.
Council reconvened at 7:47 p.m.

Jeremy Fountain presented updates from the Brazosport Water Authority.

E. Discuss and consider approval of disaster pay for employees who responded during the City Closure due to Winter Storm Uri, as per policy #502.

Kirsten Garcia presented information regarding hours worked by employees during the closure.

Discussion held on accountability for hours worked since administrative staff had to work remotely.

Motion to approve pay as per policy. This motion, made by Mike Johnson and seconded by Matthew Yarborough, Passed.
Yea: 5, Nay: 0

F. Set a date to hold workshop to reach resolution regarding Oakwood Shores drainage easements and maintenance.
Discussion held on including the HOA in deciding the date.

Council directed staff to check with the HOA for their availability and schedule it from there.

G. Discuss and consider a resolution amending the FY 21 budget to increase water line maintenance & repair for Oyster Creek Clute/Richwood Interconnect.
Eric presented.

Discussion held on mitigation and insulation for future freezes.

Motion to approve a resolution amending the FY 21 budget to increase waterline maintenance and repair for Oyster Creek Clute/Richwood interconnect. This motion, made by Rory Escalante and seconded by Matthew Yarborough, Passed.
Yea: 5, Nay: 0

H. Approve items removed from Consent Agenda.

Item D - Uri After Action Report

Discussion held on changes in plans that need to be made and possible funding for projects to be prepared.

Discussion held on generator at city hall and it being used for the wells.

Discussion held on standing up the EOC here at City Hall.

Discussion held on possible ability to be productive at City Hall during the emergency.

VI. **EXECUTIVE SESSION**

A. Pursuant to Chapter 551.0745, Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee or to hear a complaint or charge against an officer or employee:

1. Eric Foerster, City Manager

Motion to table annual review for March 15. This motion, made by Mike Johnson and seconded by Mark Brown II, Passed.
Yea: 4, Nay: 1
Rory Escalante: Nay

VII. **ACTION AS RESULT OF EXECUTIVE SESSION**
No action - itemed tabled to later date.
VIII. **CAPITAL IMPROVEMENT PROJECTS UPDATE**
Clif Custer reported updates.
IX. **CITY MANAGER'S REPORT**

Eric Foerster reported onthe many projects underway and their statuses, information recieved from a meeting with the General Land Office, and an update on debris removal in the aftermath of winter storm Uri.

X. **COUNCIL MEMBER COMMENTS & REPORTS**

Melissa Strawn expressed thanks to staff and volunteers in their efforts during Storm Uri.
Matt Yarborough seconded the sentiment, added that any negatives are only meant to improve for the future.
Mike Johnson expressed thanks to all.
Rory Escalante expressed thanks to KRB and their efforts during the event, also to the Yearsins for their efforts.
Mark Brown II echoed the comments, Staff did great and our Emergency Coordinator did great work. Thanks to KRB being active and there for the community. He also recognized Councilmembers for passing out water and helping their neighbors. He recognized the Yearsins for setting out flags for Presidents day. He added remarks about Servolution helping with the garden. Stated the farmer's market is a great thing for the community. He ended with thanks to the Fire Department and the Mayor for his efforts.

XI. **MAYOR'S REPORT**

Mayor acknowledged efforts during the storm, resident volunteers, fire department.

XII. **FUTURE AGENDA ITEMS**

Annual Review - 03/15/21
Drug Paraphernalia being sold at stores in Richwood.

XIII. **ADJOURNMENT**

Being there no futher business, the meeting was adjourned at 9:40 p.m.

These minutes were read and approved on this 12th day of April 2021.

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Mayor

ATTEST:

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City Secretary

Minutes of the City Council

The City Council called Meeting of March 15, 2021

BE IT KNOWN THAT, a City Council of City of Richwood was held March 15, 2021, beginning at 6:00 PM PM in the Richwood City Hall, located at 1800 Brazosport Blvd. N, Richwood, Texas 77531.

I. **CALL TO ORDER**
The meeting was called to order at 6:00 p.m.
II. **INVOCATION**
Patricia Ditto, Finance Director, led the invocation.
III. **PLEDGES OF ALLEGIANCE**
Mayor Boykin led the pledges.
IV. **ROLL CALL OF COUNCIL MEMBERS**

Steve Boykin, Mayor:	Present
Mike Johnson, Position 1:	Present
Melissa Strawn, Position 2:	Present
Matthew Yarborough, Position 3:	Present
Rory Escalante, Position 4:	Present
Mark Brown II, Position 5:	Present

Others in attendance: Eric Foerster, City Manager; Kirsten Garcia, City Secretary; Patricia Ditto, Finance Director; Phillip Knopp, City Attorney

V. **PUBLIC COMMENTS**
There were no public comments.

VI. **EXECUTIVE SESSION**
A. Pursuant to Chapter 551.0745, Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee or to hear a complaint or charge against an officer or employee:
1. Eric Foerster, City Manager

City Counncil recessed into executive session at 6:03 p.m.

VII. **ACTION AS RESULT OF EXECUTIVE SESSION**
City council reconvened at 8:26 p.m.

No action taken.
VIII. **CITY MANAGER'S REPORT**
No report.

IX. **COUNCIL MEMBER COMMENTS & REPORTS**
Matt Yarborough thanked Eric for a good year and looks forward to the future.
Mark Brown II expressed thanks to Eric, thinks hes done a great job. Staff looking forward to a good future.

X. **MAYOR'S REPORT**
Mayor Boykin reported that the Mayor of Lake Jackson is getting a Mayor's alliance together to work together on things that face the county and network. He added that he sat in on a weather call and emergency management meeting.

XI. **FUTURE AGENDA ITEMS**
Monday 3/22 for workshop
executive session for goals
executive session for contract terms

XII. **ADJOURNMENT**
Being there no further business, the meeting adjourned at 8:35 p.m.

These minutes were read and approved on this 12th day of April 2021.

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Mayor

ATTEST:

____
City Secretary

Minutes of the City Council

The City Council called Meeting of March 22, 2021

BE IT KNOWN THAT, a City Council of City of Richwood was held March 22, 2021, beginning at 7:00 PM PM in the Richwood City Hall, located at 1800 Brazosport Blvd. N, Richwood, Texas 77531.

I. **CALL TO ORDER**
The meeting was called to order at 7:00 p.m.
II. **INVOCATION**
Eric Foerster, City Manager, led the invocation.
III. **PLEDGES OF ALLEGIANCE**
Mayor Boykin led the pledges.
IV. **ROLL CALL OF COUNCIL MEMBERS**

Steve Boykin, Mayor:	Present
Mike Johnson, Position 1:	Present
Melissa Strawn, Position 2:	Present
Matthew Yarborough, Position 3:	Present
Rory Escalante, Position 4:	Present
Mark Brown II, Position 5:	Present

Others in attendance: Eric Foerster, City Manager; Kirsten Garcia, City Secretary; Stephen Mayer, Chief of Police; Chris Mayfield, Police Detective; Clif Custer, Public Works Director; Matt Allen, City Attorney.

V. **PUBLIC COMMENTS**
William Yearsin - 244 Briar Creek - Mr. Yearsin stated the council should come together for the greater good. That council is constantly bickering and arguing for each neighborhood. He hears about Oakwood Shores in every council meeting and they have the same access to information as he does. He doesn't think council does their research for the topics and community. He says the council is divided and the community will never feel as one as long as it's going on. He added that the infrastructure needs to be brought up, and so does business. He does not agree that because your home costs more that you should be entitled to more than any other residents.

VI. **WORKSHOP**

A. Discussion concerning drainage and detention maintenance in the Oakwood Shores subdivision.
Eric presented the topic at hand.

Clint Kocurek presented on behalf of the HOA, he stated that the HOA agrees with the attorneys that the drainage and detention maintenance in Oakwood Shores is the responsibility of the HOA.

Discussion held on finding a path to move forward.

VII. **CITY MANAGER'S REPORT**
No report.

VIII. **COUNCIL MEMBER COMMENTS & REPORTS**
Melissa - Thanked staff and Oakwood Shores HOA for their effort and coming out tonight. She appreciates everyone working together and making this happen. We are working together as a city.
Matt Yarborough - Thanks to residents showing up, we'd like to see it alot more often, not just every few months. Make public comment on agenda items, it helps council makes decision on items. Staff is always here to help residents.
Rory Escalante - Thanks to everyone who came out, hope to see you next month and every month. Your comments are valuable to our decision making process. Public works are doing great job, it is appreciated.
Mark Brown II - Thanked citizens coming out, your voice is welcomed and encouraged. I am always available to speak with residents. Inform your council on how you feel. I love the city staff, they are here for the city and they pour their hearts into this city. I know you have the best intentions and are always looking for the best solutions. Thanks to the mayor for his communications. The Police Department is all over the place and keeping the crime low and out on the highways working traffic. He enjoys seeing them interacting with the community. Hopes we can be forward thinking and not focused on the past and looking for bad.

IX. **MAYOR'S REPORT**
Mayor reported don't forget hurricane seasoin is coming up and we are in the midst of the spring storm season. Start looking at hurricane prep and if you see somewhere there are storms coming in, tie things down. Appreciate everyone coming out toinght and the comments.

Leslie Klug – resident - stood up and thanked the fire department.

X. **ADJOURNMENT**
Being there no further business, the meeting was adjourned at 7:40 p.m.

These minutes were read and approved on this 12th day of April 2021.

____

Mayor

ATTEST:

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City Secretary

City of Richwood
TEXAS

AGENDA MEMORANDUM-APRIL 12, 2021
ITEM # CONSENT

CONTACT: Patricia Ditto, Deputy Finance Director

SUBJECT: Monthly Budget Summary Report

SUMMARY: **Receive and/or approve the February 2021 Budget Report**

BACKGROUND INFORMATION:

The information provided is for the FY 2020-2021 budget period, month ending February 28, 2021. This summary highlights several key points related to the current month's activity for the General Fund and for the Water and Sewer Enterprise Fund. The attached report is unaudited and may include corrections from prior months.

DISCUSSION:

Attached is the budget report for February 2021, which is the fifth month of Fiscal Year 21. 41.7% of the year has passed.

10-General Fund

As of February 28, 2021, General Fund revenues total $1,944,562 or 72.04.% of the budget year to date. Of this year to date total, $273,649 was received in February. General Fund expenditures total $1,058,941, or 44.79% of the budget. For this period, the General Fund shows a gain of $568,621.

Revenue (GF)

- M & O (Maintenance and Operations) Property tax (including current, delinquent and penalties) received through the end of February is $1,630,415, 90.11% of its annual budgeted amount. $177,896 came in during the month of February. $178,966 is yet to be collected, approximately 10%, to bring us to 100% of budget.
- Sales Tax revenue collected year to date is $361,396.34. However, this differs from what the budget report shows as we don't show revenue until December. During the audit, 2 months of sales tax received was moved to FY 20 as accrued revenue, reducing the amount shown as revenue in our system. At the end of this fiscal year, the same entry will be made, bringing October and November 2021 receipts into the current year. This is done to reflect the sales tax revenue when it is actually earned on sales. The chart below demonstrates when the sales tax is earned and shown as revenue and when the city collects it, which is 2 months behind. Therefore, during the month of February, we collected the December sales tax. We are ahead of budget for collections this year by about $50,000 with 48.3% collected.

(979) 265 2082
info@richwoodtx.gov
1800 Brazosport Blvd. N.
Richwood, Texas 77531

Sales Tax Summary – Fiscal Year 2020-2021

Month Earned	Month Collected by City	General Fund	CCPD	Transportation	Total	Cumulative % of Budget Total $748,000
8/2020	10/2020	46,473.52	11,618.39	11,491.48	69,583.39	9.3%
9/2020	11/2020	45,907.53	11,470.69	11,476.89	68,855.11	18.5%
10/2020	12/2020	56,928.95	14,125.61	14,232.24	85,286.80	29.9%
11/2020	1/2021	42,914.79	10,640.34	10,728.70	64,283.83	38.5%
12/2020	2/2021	49,009.21	12,125.69	12,252.31	73,387.21	48.3%

- Permits and Licenses revenues total $10,162 for February, bringing the year to date total to $32,506. This is 45.62% of budget, and approximately $19,800 less than this same period of FY20. We are however a bit ahead of budget and activity has picked up recently.

  Not reflected on this budget report but of note is the revenue collected from Impact Fees. Impact fees on new construction went into effect during this fiscal year and through February, $12,070 has been collected on 5 permits. This revenue is booked to Fund 32 Utility Capital Improvements to build a reserve for infrastructure improvements needed due to new construction.
- Court fees year to date through February are $18,703. This figure is 24.94% of total annual budget.

Expenditures (GF)

Expenditures year to date for the General Fund are at $1,058,941, 44.79% of annual budget, a bit over budget with 41.7% of the year passed.

General Fund ended February $550,785 ahead of budget for the year.

30-Water, Sewer and Solid Waste Fund

Revenues received through February total $974,004, 47.05% of total budget. Total expense through February is $688,617, or 35.21% of budget. At the end of February, our enterprise fund was showing a Net Operating Income well ahead of budget, with operating revenues exceeding operating expenses by $285,388. This is about $131,442 ahead of the same period in FY20.

RECOMMENDATION: Council to approve February 2021 Budget Summary Report for General Fund and the Water & Sewer Enterprise Fund.

City of Richwood Operational Budget Report 10/1/2020 - 02/28/2021						
10 General Fund	**Prior YTD**	**Current Period**	**Current YTD**	**Annual Budget**	**Remaining Budget**	**% Earned/Used**
Revenue						**41.7% of year**
Taxes	1,918,491.01	254,261.62	1,861,996.80	2,500,381.00	638,384.20	74.47%
Property taxes, including delinquent & penalties	1,531,299.40	177,896.15	1,630,414.83	1,809,381.00		90.11%
Franchise Taxes	98,310.33	27,356.26	82,728.97	190,000.00		43.54%
Sales Tax	288,881.28	49,009.21	148,853.00	508,000.00		29.30%
Licenses and permits	52,255.61	10,162.30	32,505.64	71,250.00	38,744.36	45.62%
Intergovernmental revenue	0.00	0.00	10,966.08	1,000.00	(9,966.08)	
Charges for services	2,664.00	0.00	100.00	1,000.00	900.00	10.00%
Fines and forfeitures	33,882.98	3,484.63	18,702.54	75,000.00	56,297.46	24.94%
Special Revenues	1,184.64	1,085.95	1,166.96	2,688.00	1,521.04	43.41%
Interest	11,966.45	22.98	392.31	17,000.00	16,607.69	2.31%
Miscellaneous revenue	30,671.59	4,631.49	18,731.87	31,000.00	12,268.13	60.43%
Inspection Fees	12,650.00	2,530.00	12,625.00	25,000.00		
Miscellaneous Income	17,536.59	2,101.49	5,681.87	5,000.00		
Parks & Recreation - for KRB	485.00	0.00	425.00	1,000.00		
Total Revenue	**2,051,116.28**	**273,648.97**	**1,944,562.20**	**2,699,319.00**	**754,756.80**	**72.04%**
Expenditures						
General Government						
Administration						
Personnel & Benefits	95,695.55	31,964.44	162,441.40	424,981.00	262,539.60	38.22%
Supplies	16,313.35	841.71	5,866.46	22,820.00	16,953.54	25.71%
Maintenance & Repair	4,608.43	432.28	2,122.16	5,000.00	2,877.84	42.44%
Utilities	4,227.04	1,319.36	6,120.52	15,160.00	9,039.48	40.37%
Professional Services	38,267.77	14,584.18	128,732.67	121,870.00	(6,862.67)	Over Budget
Other Services	15,898.61	527.38	18,330.60	62,777.00	44,446.40	29.20%
Capital Equipment	1,347.06	69.67	6,304.70	6,800.00	495.30	92.72%
Total Administration	**176,357.81**	**49,739.02**	**329,918.51**	**659,408.00**	**329,489.49**	**50.03%**
Judicial						
Personnel & Benefits	19,634.62	5,165.80	25,112.19	67,345.00	42,232.81	37.29%
Supplies	1,137.88	100.13	699.75	3,300.00	2,600.25	21.20%
Utilities	144.93	0.00	0.00	500.00	500.00	0.00%
Professional Services	9,800.00	920.00	9,502.00	19,600.00	10,098.00	48.48%
Other Services	373.00	791.20	4,050.72	1,000.00	(3,050.72)	Over Budget
Total Judicial	**31,090.43**	**6,977.13**	**39,364.66**	**91,745.00**	**52,380.34**	**42.91%**
Permitting & Inspections						
Personnel & Benefits	47,739.68	337.50	11,797.50	20,000.00	8,202.50	58.99%
Supplies	932.87	0.00	175.00	1,725.00	1,550.00	10.14%
Professional Services	0.00	0.00	0.00	3,000.00	3,000.00	0.00%
Other Services	640.98	0.00	0.00	0.00	0.00	0.00%
Total Permitting & Inspections	**49,313.53**	**337.50**	**11,972.50**	**24,725.00**	**12,752.50**	**48.42%**
Special Revenue Expenditures						
Supplies	1,000.34	0.00	0.00	2,388.00	2,388.00	0.00%
Total Special Revenue Expenditures	**1,000.34**	**0.00**	**0.00**	**2,388.00**	**2,388.00**	0.00%
Total General Government	**257,762.11**	**57,053.65**	**381,255.67**	**778,266.00**	**397,010.33**	**48.99%**
Public Safety						
Police Department						
Personnel & Benefits	314,784.00	69,930.19	368,277.45	865,812.00	497,534.55	42.54%
Supplies	15,332.20	4,020.91	10,005.47	45,400.00	35,394.53	22.04%
Maintenance & Repair	14,503.29	(179.37)	14,863.80	22,400.00	7,536.20	66.36%
Utilities	6,316.45	1,176.81	5,758.01	16,000.00	10,241.99	35.99%
Professional Services	36,607.27	0.00	15,336.56	72,400.00	57,063.44	21.18%

10 General Fund	Prior YTD	Current Period	Current YTD	Annual Budget	Remaining Budget	% Earned/Used
Other Services	22,537.61	0.00	14,851.35	26,300.00	11,448.65	56.47%
Capital Equipment	3,541.50	187.10	3,311.50	7,600.00	4,288.50	43.57%
Total Police Department	**413,622.32**	**75,135.64**	**432,404.14**	**1,055,912.00**	**623,507.86**	**40.95%**
Fire Department						
Personnel & Benefits	731.96	0.00	3,407.30	28,400.00	24,992.70	12.00%
Supplies	375.00	0.00	1,091.27	15,400.00	14,308.73	7.09%
Maintenance & Repair	100,072.01	155.00	545.78	17,500.00	16,954.22	3.12%
Utilities	1,091.43	405.28	1,627.15	3,800.00	2,172.85	42.82%
Professional Services	69,750.00	0.00	52,500.00	107,131.00	54,631.00	49.01%
Other Services	10,548.27	0.00	10,294.06	18,800.00	8,505.94	54.76%
Capital Equipment	8,588.65	0.00	34,428.84	64,712.00	30,283.16	53.20%
Total Fire Department	**191,157.32**	**560.28**	**103,894.40**	**255,743.00**	**151,848.60**	**40.62%**
Code Enforcement						
Personnel & Benefits	10,179.94	0.00	(254.00)	1,000.00	1,254.00	-25.40%
Supplies	0.00	0.00	0.00	1,000.00	1,000.00	0.00%
Professional Services	840.00	0.00	0.00	3,000.00	3,000.00	0.00%
Other Services	0.00	0.00	736.00	1,150.00	414.00	64.00%
Total Code Enforcement	**11,019.94**	**0.00**	**482.00**	**6,150.00**	**5,668.00**	**7.84%**
Total Public Safety	**615,799.58**	**75,695.92**	**536,780.54**	**1,317,805.00**	**781,024.46**	**40.73%**
Public Works						
City Maintenance						
Personnel & Benefits	29,903.88	7,792.62	40,231.85	107,774.00	67,542.15	37.33%
Supplies	3,864.53	8,609.09	13,086.56	15,700.00	2,613.44	83.35%
Maintenance & Repair	13,601.70	1,935.29	10,537.42	29,000.00	18,462.58	36.34%
Utilities	11,464.45	2,320.70	9,299.86	31,700.00	22,400.14	29.34%
Other Services	3,181.17	0.00	2,540.73	4,375.00	1,834.27	58.07%
Capital Equipment	8,851.60	0.00	2,125.86	2,213.00	87.14	96.06%
Total City Maintenance	**70,867.33**	**20,657.70**	**77,822.28**	**190,762.00**	**112,939.72**	**40.80%**
Parks and Recreation						
Supplies	482.98	59.99	571.46	3,200.00	2,628.54	17.86%
Maintenance & Repair	18,839.77	161.06	17,315.09	23,000.00	5,684.91	75.28%
Utilities	592.09	245.32	871.40	2,000.00	1,128.60	43.57%
Other Services	2,571.09	71.70	6,116.45	12,450.00	6,333.55	49.13%
Total Parks and Recreation	**22,485.93**	**538.07**	**24,874.40**	**40,650.00**	**15,775.60**	**61.19%**
Miscellaneous	82,781.46	0.00	38,208.36	37,000.00	(1,208.36)	Over Budget
City Hall Promissory Note	10,694.32	0.00	0.00	0.00	0.00	
Development Agreements	72,087.14	0.00	38,208.36	37,000.00	1,208.36	
Total Expenditures	**1,049,696.41**	**153,945.34**	**1,058,941.25**	**2,364,483.00**	**1,305,541.75**	**44.79%**
Other Financing Sources and Uses						
Sources						
Transfers In					0.00	Over Budget
Total Sources	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00%**
Uses						
Transfers Out	0.00	0.00	317,000.00	317,000.00	0.00	100.00%
Total Uses	**0.00**	**0.00**	**317,000.00**	**317,000.00**	**0.00**	**100.00%**
Total Other Financing Sources and Uses	**0.00**	**0.00**	**(317,000.00)**	**(317,000.00)**	**0.00**	**100.00%**
Total - 10 GENERAL FUND	**1,001,419.87**	**119,703.63**	**568,620.95**	**17,836.00**	**(550,784.95)**	**Ahead of Budget**

City of Richwood
Operational Budget Report
10/1/2020 - 02/28/2021

30 Water & Sewer Enterprise Fund	Prior YTD	Current Period	Current YTD	Annual Budget	Remaining Budget	% Earned/Used
Net Operating Income (Loss)						
Operating income						**41.7% of year**
Sewer Department	344,769.60	71,881.60	363,608.58	820,000.00	456,391.42	44.34%
Water Department	429,784.26	93,802.04	479,030.48	967,000.00	487,969.52	49.54%
Solid Waste Department	125,346.28	26,135.40	131,365.30	283,000.00	151,634.70	46.42%
Total Operating income	**899,900.14**	**191,819.04**	**974,004.36**	**2,070,000.00**	**1,095,995.64**	**47.05%**
Operating expense						
Sewer Department						
Personnel & Benefits	42,810.53	11,458.18	61,483.51	177,247.00	115,763.49	34.69%
Supplies	571.15	489.52	2,144.42	14,940.00	12,795.58	14.35%
Maintenance & Repair	1,526.39	290.98	7,926.64	61,770.00	53,843.36	12.83%
Utilities	0.00	0.00	0.00	23,200.00	23,200.00	0.00%
Professional Services	281,723.39	2,786.33	252,165.28	558,080.00	305,914.72	45.18%
Other Services	1,127.25	0.00	5,358.66	13,900.00	8,541.34	38.55%
Total Sewer Department	**327,758.71**	**15,025.01**	**329,078.51**	**849,137.00**	**520,058.49**	**38.75%**
Water Department						
Personnel & Benefits	101,292.52	11,674.59	57,026.25	158,309.00	101,282.75	36.02%
Supplies	21,260.13	1,511.38	14,974.75	27,845.00	12,870.25	53.78%
Maintenance & Repair	29,537.34	4,352.12	33,618.92	100,914.00	67,295.08	33.31%
Utilities	21,369.27	5,944.21	23,302.98	58,400.00	35,097.02	39.90%
Professional Services	12,573.29	0.00	10,201.36	115,000.00	104,798.64	8.87%
Other Services	139,861.84	21,582.40	131,043.03	362,550.00	231,506.97	36.14%
Capital Equipment	2,018.66	300.77	1,503.85	3,600.00	2,096.15	41.77%
Total Water Department	**327,913.05**	**45,365.47**	**271,671.14**	**826,618.00**	**554,946.86**	**32.87%**
Solid Waste Department						
Professional Services	90,282.77	21,993.75	87,866.91	280,000.00	192,133.09	31.38%
Total Solid Waste Department	**90,282.77**	**21,993.75**	**87,866.91**	**280,000.00**	**192,133.09**	**31.38%**
Total Operating expense	**745,954.53**	**82,384.23**	**688,616.56**	**1,955,755.00**	**1,267,138.44**	**35.21%**
Total Net Operating Income (Loss)	**153,945.61**	**109,434.81**	**285,387.80**	**114,245.00**	**(171,142.80)**	**Ahead of Budget**
Non-Operating Items						
Non-operating income						
Interest income	2,810.11	0.00	0.64	1,750.00	1,749.36	0.04%
Grants	0.00	0.00	21,460.80	0.00	(21,460.80)	Ahead of Budget
Other income	127.96	14.13	1,146.37	0.00	(1,146.37)	Ahead of Budget
Transfers In	0.00	0.00	80,000.00	80,000.00	0.00	At Budget
Total Non-operating income	**2,938.07**	**14.13**	**102,607.81**	**81,750.00**	**20,857.81**	**125.51%**
Non-operating expense						
Debt Service	127,731.87	114,622.50	114,622.50	302,271.00	187,648.50	37.92%
Transfers Out	0.00	0.00	56,000.00	204,000.00	148,000.00	27.45%
Total Non-operating expense	**127,731.87**	**114,622.50**	**170,622.50**	**506,271.00**	**335,648.50**	**33.70%**
Total Non-Operating Items	**(124,793.80)**	**(114,608.37)**	**(68,014.69)**	**(424,521.00)**	**356,506.31**	**Ahead of Budget**
Total - 30 Water & Sewer Enterprise Fund	**29,151.81**	**(5,173.56)**	**217,373.11**	**(310,276.00)**	**527,649.11**	**Ahead of Budget**

MEMORANDUM

To: Richwood City Council

From: Clif Custer

Date: April 6th, 2021

Subject: Utility Rate Study

Richwood City Council approved Strand Associates to conduct a rate study for Richwood's current water and wastewater rates. The goal of staff was to have a rate study conducted to produce a proposed rate structure relative to the current O&M cost as well as debt obligation within the water and wastewater funds. In addition to the consideration of these costs, the rate study is reflective of a 3% annual O&M increase as well as a 10% established contingency by the year 2025.

The results of the rate study are representative of recommended rates through 2025. Richwood's current annual payments for the Series B General Obligation Bond will begin to decrease after 2025. At this time, it will be staff's recommendation to have the study reviewed and revised if necessary.

There is no action required as a result the rate study presentation.

EXCELLENCE IN ENGINEERING

STRAND ASSOCIATES®

Strand Associates, Inc.®
1906 Neibuhr Street
Brenham, TX 77833
(P) 979.836.7937

March 18, 2021

Mr. Clif Custer, Director of Public Works
City of Richwood
1800 Brazosport Boulevard North
Richwood, TX 77531

Re: Water and Sewer Rate Review
City of Richwood, Texas (City)

Dear Clif,

As requested, Strand Associates, Inc.® (Strand) has completed a review of the water and sewer rates for the City. The intent of the study is to review the existing water and sewer rates and provide recommendations to modify the rates, as necessary, to cover expenses for the system. This letter summarizes the existing and proposed rate schedules for both the water and sewer systems. All tables and figures are enclosed with this letter. The enclosures are divided into four parts: Enclosure A–Current Water Rates; Enclosure B–Current Sewer Rates; Enclosure C–Future Water Rates; and Enclosure D–Future Sewer Rates.

<u>Background</u>

The City sends monthly bills to its users for capital, debt service, and maintenance and operations (M&O) costs of the water and sewer utility.

The City's existing water rate structure includes volume charges for a categorical base water usage and two tiers of water usage. There is also a recreations vehicle (RV) park connected to the City's system that is charged a fixed amount. Enclosure A provides tables and figures used in developing the proposed current water rate structure. The existing water rates for the City are shown in Enclosure A–Table 1, with Enclosure A–Table 2 showing the approximate total number of water meters within the system. Enclosure A–Table 3 shows the total water sales for fiscal year (FY) 2018, 2019, 2020, and projected 2021 water sales. Enclosure A–Table 4 shows the projected total water volume billed at each tier rate. The billed water usage volumes for FY 2021 are based on the City's billing data obtained from July 2019 through June 2020, as shown in Enclosure A–Table 5. The trend for this time period is displayed in Enclosure A–Figures 1 through 6. Water usage during the April 2020 through June 2020 period of this billing data appears to have been impacted by COVID-19 for some user classifications. Comparing water usage before and after March 2020, water usage decreased in Apartments–124 Units, 200 Units, and 256 Units while increasing in Apartments–308 Units and Volunteer Fire Department and City Council (VFD/CC). For these classifications impacted, the average from July 2019 through March 2020 volumes were used for the 2021 projected water sales.

The City's proposed sewer rate structure is detailed in Enclosure B. The existing sewer rate structure has volume charges for several categories defined by the City, as shown in Enclosure B–Table 1. Enclosure B–Table 2 shows the projected total sewer meters in the system. Enclosure B–Table 3 summarizes the total volume billed for sewer services and Enclosure B–Table 4 shows the projected total sewer volume billed at each block rate for FY 2021. Volumes used to determine sewer rates are projected using billings from July 2019 through June 2020, provided by the City. Reviewing these volumes before and after March 2020, there was a significant decrease in Apartments–124 Units. Apartments–308 Units and the VFD/CC volumes increased from April 2020 through June 2020 compared to sewer usage before March 2020. These volume changes only used the time period of July 2019 through March 2020 and are depicted in Enclosure B–Table 5. The overall trend for this time period is displayed in Enclosure B–Figures 1 through 5.

Need for Rate Review

The City has a need for major water capital improvements to maintain Texas Commission of Environmental Quality (TCEQ) compliance. Historically, water and sewer capital improvements throughout the City have been funded by the City's General Fund because of the Enterprise Fund's insufficient water and sewer rate revenues. The City requested the rate study exclude existing water and sewer debt service to the General Fund.

Expenses

The rate study used the FY 2021 Annual Budget (Annual Budget) provided by the City to evaluate the projected FY 2021 revenue requirement. Water and sewer utility M&O historical budgets in the Annual Budget are shown in Enclosures A and B–Table 6. Enclosures A and B–Table 7 show the categories used in determining the revenue requirement. Reserves in this table are from the Annual Budget as well as historical revenues shown in Enclosures A and B–Table 8.

Rate Review

The following summary refers to both Enclosures A and B. The revenue that the base and tiered rates will acquire was determined by dividing the required revenue as shown in Enclosures A and B–Table 9. The base volume income will make up 75 percent and 76 percent of the water and sewer revenue requirement, while the tiered rates will acquire 25 percent and 24 percent of the water and sewer revenue, respectively. Enclosures A and B–Table 10 determines the number of equivalent units of service. The "Fixed" portion details the total units of service that pay for the base rate per year. The "Variable" portion details the equivalent units based on gallons used by each tier. These units of service are then part of Enclosures A and B–Table 11 to determine unit costs. Enclosure A and B–Table 12 compare existing costs and calculated costs. The larger of the two numbers is the proposed rate for each tier. The total projected revenue generated by the proposed rates are displayed in Enclosures A and B–Table 13.

As shown in Enclosure A–Table 12, water prices do not currently need to be increased to cover expense requirements. To reiterate, this assumes that there are no current debt services to the General Fund. Enclosure A–Table 14 shows the typical residential user impact based on average monthly use. The water utility projected revenue is estimated to provide a coverage ratio of 1.35 based on the debt service included in the revenue requirement. Enclosure A–Table 15 shows the typical residential water user charges for communities near the City arranged from largest to smallest charges. All monthly usage is estimated to be 5,000 gallons.

As shown in Enclosure B–Table 12, the sewer base rates increased but the tiered rates remain at the current rates. Enclosure B–Table 14 shows the typical user impacts based on average monthly use. The sewer utility projected revenue is estimated to provide a coverage ratio of 2.28 based on the debt service included in the revenue requirement. Enclosure B–Table 15 shows the typical residential sewer user charges for communities near the City.

Future Rate Increases

FY 2025 water and sewer revenue requirements, rates, and revenue projections can be found in Enclosures C and D, respectively. Debt Service Obligations were added to the future revenue requirements. Sewer debt service obligations include *Series 2004, Tax & Revenue Certificates of Obligation Bonds*. Water debt obligations include *Series 2011, Tax & Revenue Certificates of Obligation* and *Series 2019B, General Obligation Bonds.* To project the anticipated FY 2025 water and sewer revenue requirements, the FY 2021 M&O budget was increased by 5 percent each year as shown in Enclosures C and D–Table 1. The projected revenue requirements are shown in Enclosures C and D–Table 2. This projection is based on historical M&O changes in the Annual Budget. The units of service were assumed to increase 2 percent annually for the "Regular" category only, based on a historic two percent annual population increase according to the census data. Reserve requirements are planned to be 10 percent of the M&O budget for that year based on City staff input. Enclosures C and D–Tables 3 and 4 show the unit costs and Enclosures C and D–Table 5 displays the revenue projections for FY 2025 based on the assumptions described previously.

Summary and Conclusions

The total FY 2021 requires a sewer rate increase. Water rate increases are not proposed for FY 2021. The debt service obligations, increased M&O budgets, and increased reserves for FY 2025 will require an increase for water and sewer rates. The City should review revenues annually when yearly budgets are evaluated. Strand recommends the City review its coverage ratio requirements and annually review the actual coverage ratio with actual revenues. Rates should be reviewed and potentially increased if revenues are lower than projected, new connections at the start of the FY are less than projected, billing volumes do not increase, or expenses are more than projected. The water and sewer rates in Enclosures C and D–Table 4 are recommended to be effective before FY 2025. Enclosures C and D–Table 6 are example rates scheduled with annual rate increases up to the proposed FY 2025 rates. Strand recommends the City review its rates annually because the proposed rates assume the projected new connections and increases in billing volumes are generating revenues by the start of each FY.

If you have any questions, please call 979-836-7937.

Sincerely,

STRAND ASSOCIATES, INC.®

Morgan Ruiz

Enclosures

ENCLOSURE A
CURRENT WATER RATES

	Rate Start (gal/month)	Rate End (gal/month)	Existing Rate	
Regular				
Base Rate	--	2,000	$29.79	per month
Tier 1	2,001	20,000	$4.90	per 1,000 gal
Tier 2	20,001		$5.10	per 1,000 gal
Apartments				
124 Units				
Base Rate	--	248,000	$3,693.96	per month
Tier 1	248,001		$5.10	per 1,000 gal
200 Units				
Base Rate	--	400,000	$5,958.00	per month
Tier 1	400,001		$5.10	per 1,000 gal
256 Units				
Base Rate	--	512,000	$7,626.24	per month
Tier 1	512,001		$5.10	per 1,000 gal
308 Units				
Base Rate	--	616,000	$9,175.32	per month
Tier 1	616,001		$5.10	per 1,000 gal
Outside–RV Park				
Base Rate	--		$915.00	per month
Volunteer Fire Department/City Council				
Base Rate	--	4,000	$--	per month
Tier 1	4,001	20,000	$5.10	per 1,000 gal
Tier 2	20,001		$5.10	per 1,000 gal
Senior Discount				
Discount			($7.50)	per month

Table 1 Existing Rates

Total Water Meters	1,354 meters

Table 2 Meter Summary

2018	2019	2020	2021 (Budgeted)
$914,190.00	$976,411.00	$1,049,771.00	$967,000.00

Table 3 Total Annual Water Sales

	Rate Start (gal/month)	gallons/month	gallons/year
Regular			
Base Rate	--	2,187,133	26,245,600
Tier 1	2,001	3,027,325	36,327,900
Tier 2	20,001	178,108	2,137,300
Apartments			
124 Units			
Base Rate	--	481,467	5,777,600
Tier 1	248,001	806,200	9,674,400
200 Units			
Base Rate	--	124,778	1,497,333
Tier 1	400,001	--	--
256 Units			
Base Rate	--	474,604	5,695,244
Tier 1	512,001	587,711	7,052,533
308 Units			
Base Rate	--	616,000	7,392,000
Tier 1	616,001	96,456	1,157,467
Outside–RV Park			
Base Rate	--	71,875	862,500
Volunteer Fire Department/City Council			
Base Rate	--	54,522	654,267
Tier 1	4,001	29,611	355,333
Tier 2	20,001	11	133

Table 4 Projected FY 2021 Water Volumes Billed

	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Average	Maximum	Minimum
Regular															
Base Rate	2,023,300	2,064,100	2,103,500	2,065,800	2,125,900	2,186,400	2,214,500	2,223,900	2,252,200	2,313,900	2,306,200	2,365,900	2,187,133	2,365,900	2,023,300
Tier 1	2,759,400	3,471,200	3,190,700	2,534,000	2,652,100	2,663,800	2,642,900	2,678,800	2,696,900	3,607,000	3,684,700	3,746,400	3,027,325	3,746,400	2,534,000
Tier 2	142,300	188,100	233,600	180,000	164,500	396,600	128,500	184,600	152,400	95,900	102,500	168,300	178,108	396,600	95,900
Apartments															
124 Units															
Base Rate	496,000	496,000	496,000	496,000	496,000	496,000	496,000	496,000	432,300	476,800	439,500	461,000	481,467	496,000	432,300
Tier 1[1]	1,027,000	1,192,000	954,400	914,900	1,308,600	800,000	850,500	208,400	--	14,700	--	900	806,200	1,308,600	--
200 Units															
Base Rate[1]	237,000	114,000	116,000	117,000	107,000	113,000	102,000	105,000	112,000	46,000	63,000	89,000	124,778	237,000	46,000
Tier 1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
256 Units															
Base Rate	512,000	512,000	512,000	512,000	512,000	512,000	512,000	512,000	512,000	512,000	512,000	100,640	474,604	512,000	100,640
Tier 1[1]	671,100	718,200	795,300	659,000	606,500	457,000	451,600	457,900	472,800	429,600	363,200	--	587,711	795,300	--
308 Units															
Base Rate	616,000	616,000	616,000	616,000	616,000	616,000	616,000	616,000	616,000	616,000	616,000	616,000	616,000	616,000	616,000
Tier 1[2]	96,900	96,900	83,500	23,800	80,000	80,300	93,800	172,800	140,100	296,900	209,500	245,400	96,456	296,900	23,800
Outside–RV Park															
Base Rate	108,900	92,900	62,300	56,400	52,100	55,600	86,400	71,800	78,500	81,000	57,200	59,400	71,875	108,900	52,100
Volunteer Fire Department/City Council[2]															
Base Rate	50,200	49,300	51,500	51,500	54,500	61,000	59,800	56,000	56,900	61,100	57,800	60,100	54,522	61,100	49,300
Tier 1	27,000	29,300	24,200	20,200	30,400	28,100	35,600	38,400	33,300	41,300	6,100	48,900	29,611	48,900	6,100
Tier 2	--	--	--	--	--	--	--	100	--	--	3,800	10,600	11	10,600	--
TOTAL	8,767,100	9,640,000	9,239,000	8,246,600	8,805,600	8,465,800	8,289,600	7,821,700	7,555,400	8,592,200	8,421,500	7,972,540	8,484,753	9,640,000	7,555,400

[1]Volumes decreased during the COVID-19 pandemic; average calculated July 2019 through March 2020.

[2]Volumes increased during the COVID-19 pandemic; average calculated July 2019 through March 2020.

Table 5 Average Monthly Volumes

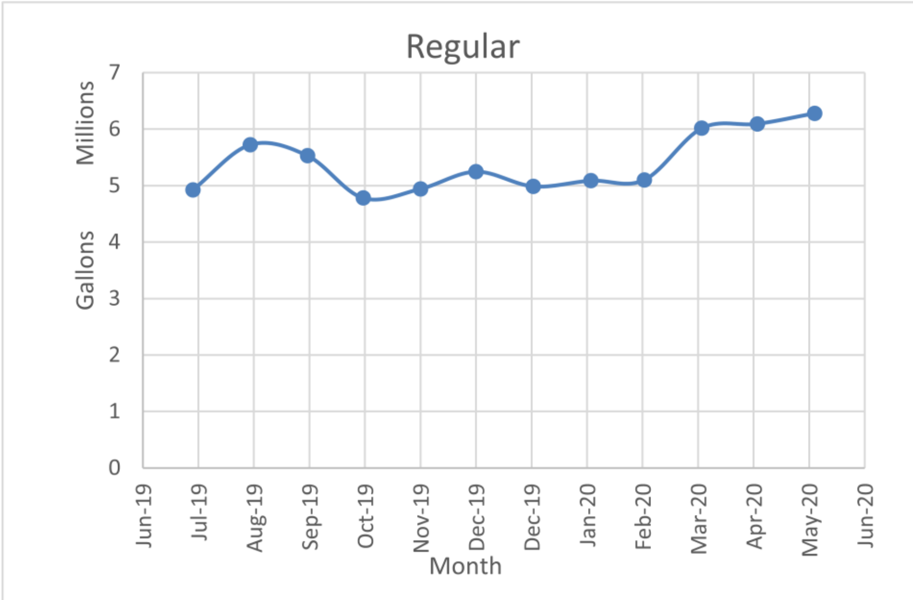


Figure 1 Regular Monthly Volumes

Figure 2 Apartments 124 Monthly Volumes

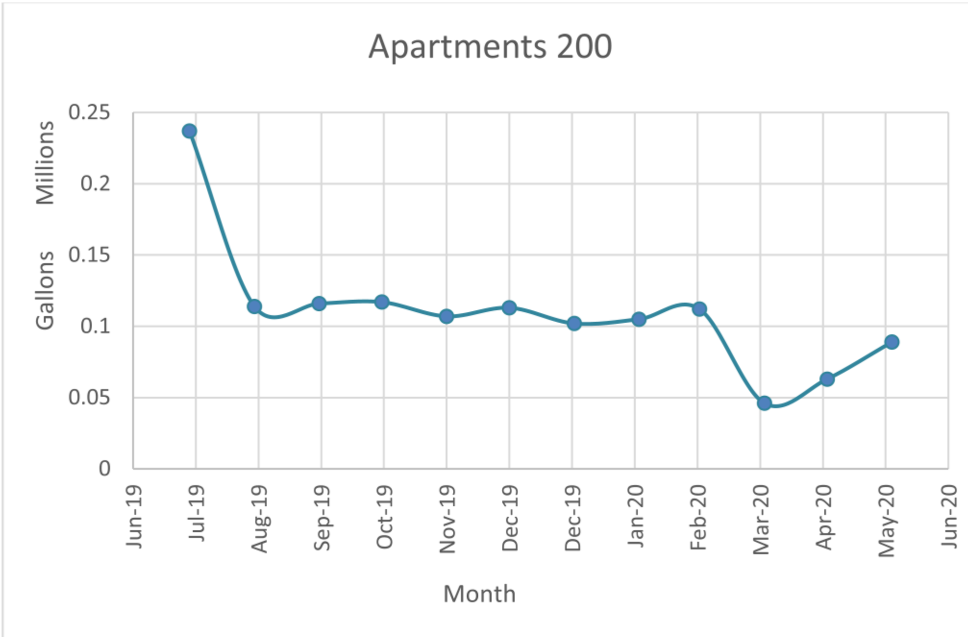


Figure 3 Apartments 200 Monthly Volumes

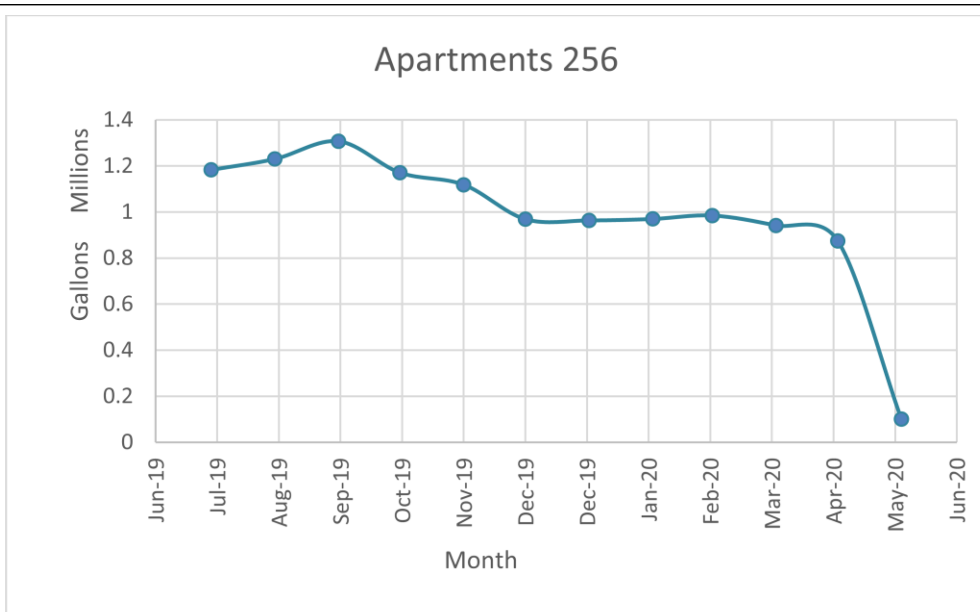


Figure 4 Apartments 256 Monthly Volumes

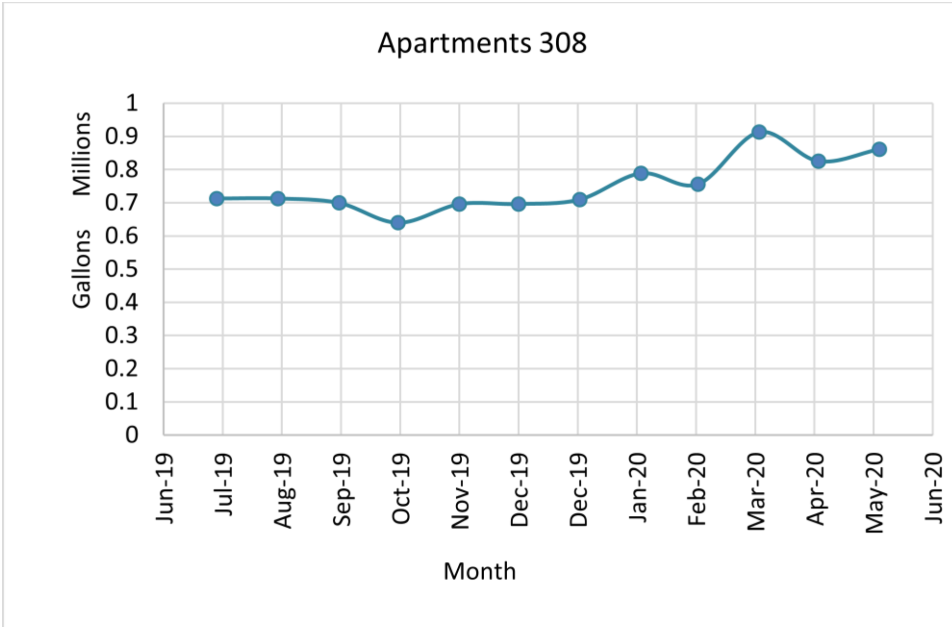


Figure 5 Apartments 308 Monthly Volumes

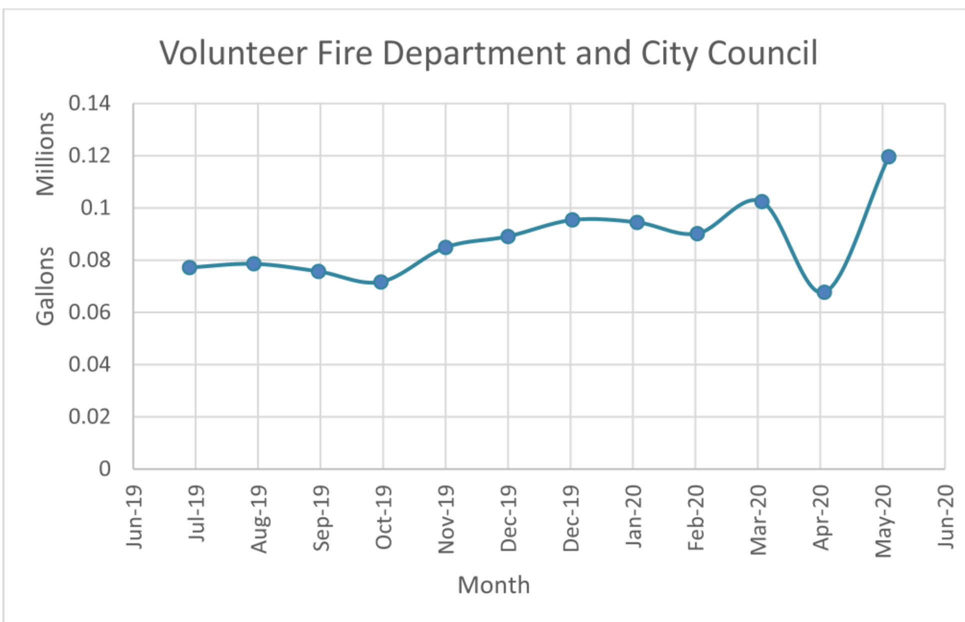


Figure 6 VFD/CC Monthly Volumes

Expenditures	Amount
FY 2018	$753,958.00
FY 2019	$882,488.00
FY 2020	$760,180.00 (projected)
FY 2021	$797,667.00 (budget)

Table 6 M&O Budget

M&O Budget	$797,667
Debt Obligation	$244,450
Reserve	$22,000
Senior Discount	$1,575
TOTAL REVENUE REQUIREMENT	**$1,065,692**

Table 7 Projected FY 2021 Revenue Requirement

Fiscal Year	Amount
2018	$914,190.00
2019	$976,411.00
2020	$1,049,771.00

Table 8 Historic Revenues

	Total	Fixed–Base	Volume
Allocation		75%	25%
M&O Budget	$797,667.00	$598,250.25	$199,416.75
Debt Obligation	$244,450.00	$183,337.50	$61,112.50
Reserve	$22,000.00	$16,500.00	$5,500.00
Senior Discount	$1,575.00	$1,181.25	$393.75
TOTAL	**$1,065,692.00**	**$799,269.00**	**$266,423.00**

Table 9 Revenue Requirement

FIXED	Meters	Months	Total Meters	Factor	Total Units
Regular	1,330	12	15,960	1	15,960
Apartments–124 Units	2	12	24	124	2,976
Apartments–200 Units	1	12	12	200	2,400
Apartments–256 Units	1	12	12	256	3,072
Apartments–308 Units	1	12	12	308	3,696
Outside–RV Park	1	12	12	30.72	369
VFD/City Council	17	12	204	--	--
TOTAL	**1,353**		**16,236**		**28,473**

VARIABLE	Volume (gallons)	Metered Volume (1,000 gal)	Price Differential	Units
Regular				
Base Rate	26,245,600	26,246	--	--
Tier 1	36,327,900	36,328	1.00	36,328
Tier 2	2,137,300	2,137	1.04	2,225
Apartments				
124 Units				
Base Rate	5,777,600	5,778	--	--
Tier 1	9,674,400	9,674	1.04	10,069
200 Units				
Base Rate	1,497,333	1,497	--	--
Tier 1	--	--	1.04	--
256 Units				
Base Rate	5,695,244	5,695	--	--
Tier 1	7,052,533	7,053	1.04	7,340
308 Units				
Base Rate	7,392,000	7,392	--	--
Tier 1	1,157,467	1,157	1.04	1,205
Outside–RV Park				
Base Rate	862,500	863	--	--
Volunteer Fire Department/City Council				
Base Rate	654,267	654	--	--
Tier 1	355,333	355	1.04	370
Tier 2	133	0	1.04	0
TOTAL	**104,829,610**	**104,830**		**57,537**

Table 10 Units of Service

	Revenue Requirement	Units	Unit Cost
Fixed–Base	$799,269	28,473	$28.07
Volume	$266,423	57,537	$4.63
TOTAL	**$1,065,692**		

	Tier 1 Unit Cost	Price Differential	Unit Cost
Volume–Tier 2	$4.63	1.04	$4.82

Table 11 Unit Costs

	Calculated Rate	Rounded	Existing Rate	Proposed Rate
Regular				
Base Rate	$28.07	$28.10	$29.79	$29.79
Tier 1	$4.63	$4.65	$4.90	$4.90
Tier 2	$4.82	$4.85	$5.10	$5.10
Apartments				
124 Units				
Base Rate	$3,480.87	$3,480.90	$3,693.96	$3,693.96
Tier 1	$4.82	$4.85	$5.10	$5.10
200 Units				
Base Rate	$5,614.31	$5,641.35	$5,958.00	$5,958.00
Tier 1	$4.82	$4.85	$5.10	$5.10
256 Units				
Base Rate	$7,186.31	$7,186.35	$7,626.24	$7,626.24
Tier 1	$4.82	$4.85	$5.10	$5.10
308 Units				
Base Rate	$3,480.87	$3,480.90	$9,175.32	$9,175.32
Tier 1	$4.82	$4.85	$5.10	$5.10
Outside–RV Park				
Base Rate	$862.22	$862.22	$915.00	$915.00
Volunteer Fire Department/City Council				
Base Rate	$--	$--	$--	$--
Tier 1	$4.82	$4.85	$5.10	$5.10
Tier 2	$4.82	$4.85	$5.10	$5.10
Senior Discount				
Discount	$--	$--	($7.50)	($7.50)

Table 12 Proposed Rates

	Proposed Block Rate	Meters per Block	Revenue Generated per Block
Regular			
Base Rate	$29.79	15,960	$475,448.40
Tier 1	$4.90	36,328	$178,006.71
Tier 2	$5.10	2,137	$10,900.23
Apartments			
124 Units			
Base Rate	$3,693.96	24	$88,655.04
Tier 1	$5.10	9,674	$49,339.44
200 Units			
Base Rate	$5,958.00	12	$71,496.00
Tier 1	$5.10	--	$--
256 Units			
Base Rate	$7,626.24	12	$91,514.88
Tier 1	$5.10	7,053	$35,967.92
308 Units			
Base Rate	$9,175.32	12	$110,103.84
Tier 1	$5.10	1,157	$5,903.08
Outside–RV Park			
Base Rate	$915.00	12	$10,980.00
Volunteer Fire Department/City Council			
Base Rate	$--	204	$--
Tier 1	$5.10	355	$1,812.20
Tier 2	$5.10	0	$0.68
Senior Discount			
Discount	($7.50)	210	($1,575.00)
TOTAL REVENUE			**$1,128,553.42**

Table 13 Revenue Projections

Rates	Typical Usage per Month (gal)	Fixed	Volume	Total	Percent Increase
Regular					
Existing	5,000	$29.79	$14.70	$44.49	
Proposed	5,000	$29.79	$14.70	$44.49	0%
Apartments					
124 Units					
Existing	543,800	$3,693.96	$1,508.58	$5,202.54	
Proposed	543,800	$3,693.96	$1,508.58	$5,202.54	0%
200 Units					
Existing	110,100	$5,958.00	$--	$5,958.00	
Proposed	110,100	$5,958.00	$--	$5,958.00	0%
256 Units					
Existing	984,600	$7,626.24	$2,410.26	$10,036.50	
Proposed	984,600	$7,626.24	$2,410.26	$10,036.50	0%
308 Units					
Existing	751,000	$9,175.32	$688.50	$9,863.82	
Proposed	751,000	$9,175.32	$688.50	$9,863.82	0%
Outside–RV Park					
Existing	36,000	$915.00	$--	$915.00	
Proposed	36,000	$915.00	$--	$915.00	0%
Volunteer Fire Department/City Council					
Existing	5,500	$--	$7.65	$7.65	
Proposed	5,500	$--	$7.65	$7.65	0%

Table 14 Typical Residential User Impact

Residential Rates	Typical Usage per Month (gal)	Fixed	Volume	Total
Brazoria	5,000	$23.28	$21.60	$44.88
Angleton	5,000	$20.52	$17.76	$38.28
West Columbia	5,000	$18.18	$13.95	$32.13
Clute	5,000	$13.15	$15.80	$28.95
Freeport	5,000	$14.04	$14.55	$28.59
Pearland	5,000	$15.78	$11.00	$26.78
Oyster Creek	5,000	$15.04	$11.64	$26.68
Lake Jackson	5,000	$13.50	$12.90	$26.40

Table 15 Rate Comparison to Nearby Cities

ENCLOSURE B
CURRENT SEWER RATES

	Rate Start (gal/month)	Rate End (gal/month)	Existing Rate	
Regular				
Base Rate	--	2,000	$24.65	per month
Tier 1	2,001		$4.35	per 1,000 gal
Apartments				
124 Units				
Base Rate	--	248,000	$3,056.60	per month
Tier 1	248,001		$4.35	per 1,000 gal
200 Units				
Base Rate	--	400,000	$4,930.00	per month
Tier 1	400,001		$4.35	per 1,000 gal
256 Units				
Base Rate	--	512,000	$6,310.40	per month
Tier 1	512,001		$4.35	per 1,000 gal
308 Units				
Base Rate	--	616,000	$7,592.20	per month
Tier 1	616,001		$4.35	per 1,000 gal
Outside–RV Park				
Base Rate	--		$840.00	per month
Volunteer Fire Department/City Council				
Base Rate	--	4,000	$--	per month
Tier 1	4,001		$4.35	per 1,000 gal
Senior Discount				
Discount			($7.50)	per month

Table 1 Existing Rates

Total Water Meters	1,247 meters

Table 2 Meter Summary

2018	2019	2020 (Projected)	2021 (Budgeted)
$762,082.00	$830,152.00	$837,773.00	$820,000.00

Table 3 Total Annual Water Sales

	Rate Start (gal per month)	Gallons per month	Gallons per year
Regular			
Base Rate	--	2,407,667	28,892,000
Tier 1	2,001	3,070,155	36,841,857
Apartments			
124 Units			
Base Rate	--	496,000	5,952,000
Tier 1	248,001	816,976	9,803,715
200 Units			
Base Rate	--	400,000	4,800,000
Tier 1	400,001	--	--
256 Units			
Base Rate	--	512,000	6,144,000
Tier 1	512,001	548,050	6,576,604
308 Units			
Base Rate	--	616,000	7,392,000
Tier 1	616,001	96,456	1,157,473
Outside–RV Park			
Base Rate	--	10,000	120,000
Volunteer Fire Department/City Council			
Base Rate	--	34,222	410,667
Tier 1	4,001	18,750	224,996

Table 4 Projected FY 2021 Sewer Volumes Billed

	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Average	Maximum	Minimum
Regular															
Base Rate	2,386,000	2,386,000	2,388,000	2,390,000	2,388,000	2,410,000	2,418,000	2,420,000	2,410,000	2,444,000	2,424,000	2,428,000	2,407,667	2,444,000	2,386,000
Tier 1	3,023,747	3,630,807	3,333,674	2,729,782	2,807,885	2,940,087	2,663,798	2,805,520	2,648,177	3,386,082	3,394,501	3,477,797	3,070,155	3,630,807	2,648,177
Apartments															
124 Units															
Base Rate	496,000	496,000	496,000	496,000	496,000	496,000	496,000	496,000	496,000	496,000	496,000	496,000	496,000	496,000	496,000
Tier 1[1]	1,027,002	1,192,000	954,402	914,901	1,308,602	80,002	850,501	208,400	--	14,701	--	901	816,976	1,308,602	--
200 Units															
Base Rate	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Tier 1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
256 Units															
Base Rate	512,000	512,000	512,000	512,000	512,000	512,000	512,000	512,000	512,000	512,000	512,000	512,000	512,000	512,000	512,000
Tier 1	671,101	718,200	795,301	659,000	606,501	457,000	451,600	457,901	472,800	429,600	363,200	494,400	548,050	795,301	363,200
308 Units															
Base Rate	616,000	616,000	616,000	616,000	616,000	616,000	616,000	616,000	616,000	616,000	616,000	616,000	616,000	616,000	616,000
Tier 1[2]	96,901	96,901	83,501	23,800	80,000	80,301	93,800	172,800	140,101	296,901	209,501	245,400	96,456	296,901	23,800
Outside–RV Park															
Base Rate	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Volunteer Fire Department/City Council[2]															
Base Rate	32,000	28,000	32,000	28,000	36,000	36,000	40,000	40,000	36,000	40,000	36,000	44,000	34,222	44,000	28,000
Tier 1	14,673	19,792	14,420	11,518	21,329	16,208	22,692	27,639	20,476	22,780	42,225	41,713	18,750	42,225	11,518
TOTAL	9,285,424	10,105,700	9,635,298	8,791,001	9,282,317	8,053,598	8,574,391	8,166,260	7,761,554	8,668,064	8,503,427	8,766,211	8,799,437	10,105,700	7,761,554

[1]Volumes decreased during the COVID-19 pandemic; average calculated July 2019 through March 2020.
[2]Volumes increased during the COVID-19 pandemic; average calculated July 2019 through March 2020.

Table 5 Average Monthly Volumes

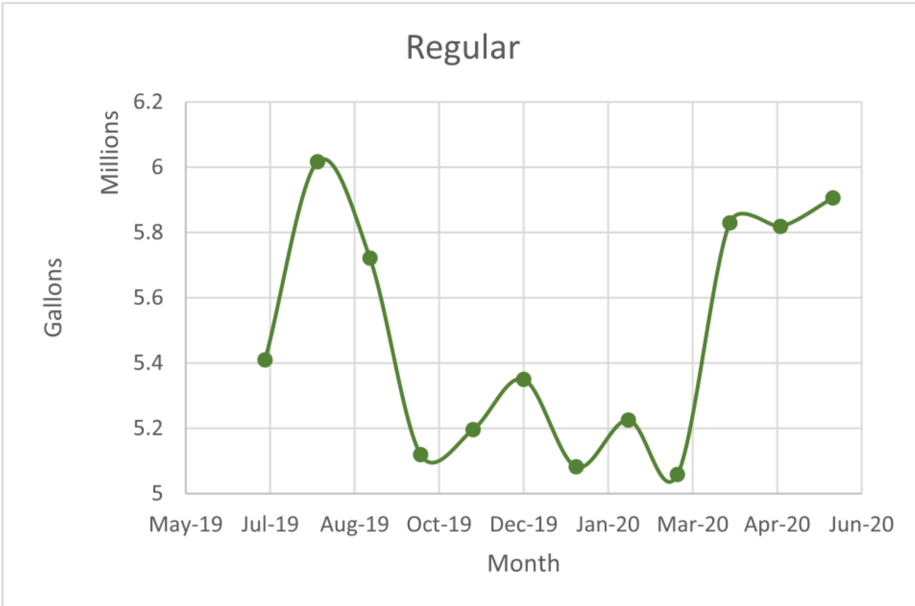


Figure 1 Regular Monthly Volumes

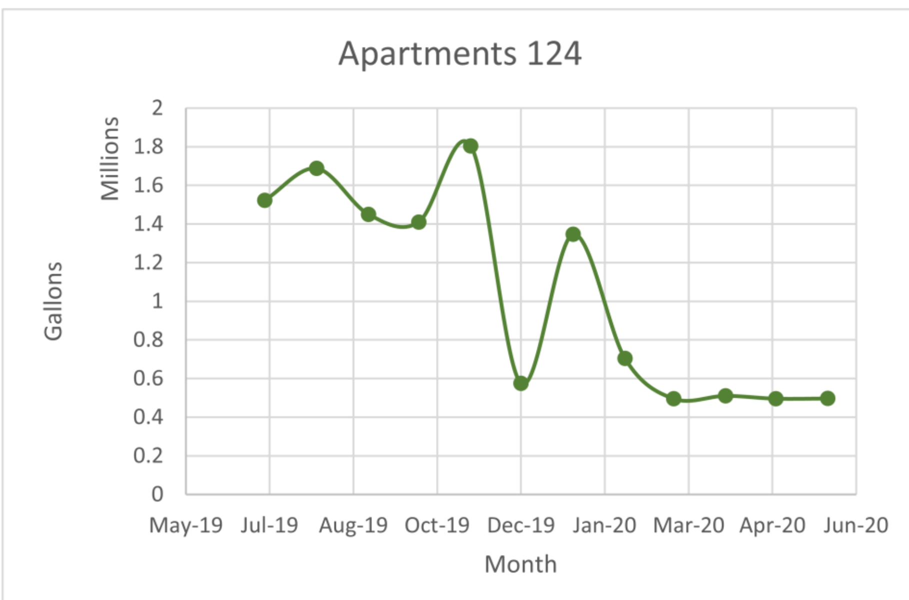


Figure 2 Apartments 124 Monthly Volumes

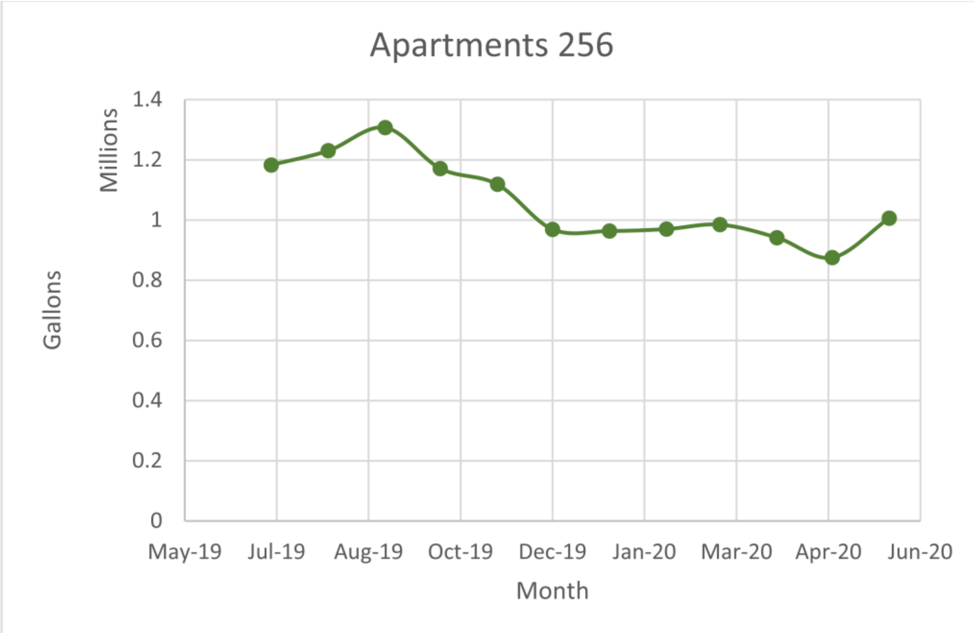


Figure 4 Apartments 256 Monthly Volumes

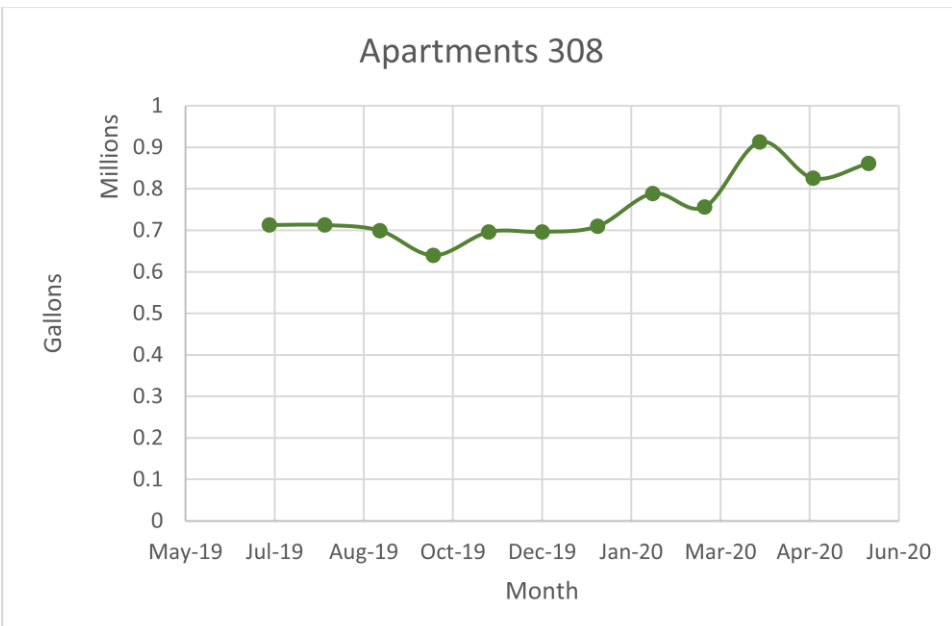


Figure 5 Apartments 308 Monthly Volumes

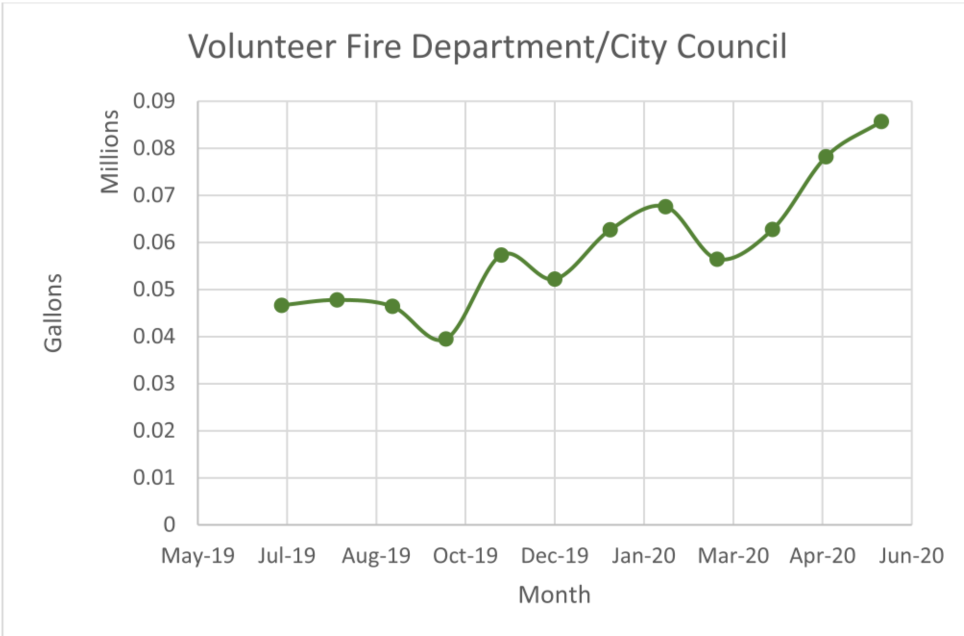


Figure 6 VFD/CC Monthly Volumes

Expenditures	Amount
FY 2018	$463,908.00
FY 2019	$537,564.00
FY 2020	$809,751.00 (projected)
FY 2021	$848,672.00 (budget)

Table 6 M&O Budget

M&O Budget	$848,672
Debt Obligation	$38,977
Reserve	$34,000
Senior Discount	$1,575
TOTAL REVENUE REQUIREMENT	**$923,224**

Table 7 Projected FY 2021 Revenue Requirement

Fiscal Year	Amount
2018	$762,082
2019	$830,152
2020	$837,773

Table 8 Historic Revenues

	Total	Fixed–Base	Volume
Allocation		76%	24%
M&O Budget	$848,672.00	$644,990.72	$203,681.28
Debt Obligation	$38,977.00	$29,622.52	$9,354.48
Reserve	$34,000.00	$25,840.00	$8,160.00
Senior Discount	$1,575.00	$1,197.00	$378.00
TOTAL	**$923,224.00**	**$701,650.00**	**$221,574.00**

Table 9 Revenue Requirement

FIXED	Meters	Months	Total Meters	Factor	Total Units
Regular	1,225	12	14,700	1	14,700
Apartments–124 Units	2	12	24	124	2,976
Apartments–200 Units	1	12	12	200	2,400
Apartments–256 Units	1	12	12	256	3,072
Apartments–308 Units	1	12	12	308	3,696
Outside–RV Park	1	12	12	34.08	409
VFD/City Council	15	12	180	--	--
TOTAL	**1,247**		**14,964**		**27,662**

VARIABLE	Volume (gallons)	Metered Volume (1,000 gal)	Price Differential	Units
Regular				
Base Rate	28,892,000	28,892	--	--
Tier 1	36,841,857	36,842	1.00	36,842
Apartments				
124 Units				
Base Rate	5,952,000	5,952	--	--
Tier 1	9,803,715	9,804	1.00	9,804
200 Units				
Base Rate	4,800,000	4,800	--	--
Tier 1	--	--	1.00	--
256 Units				
Base Rate	6,144,000	6,144	--	--
Tier 1	6,576,604	6,577	1.00	6,577
308 Units				
Base Rate	7,392,000	7,392	--	--
Tier 1	1,157,473	1,157	1.00	1,157
Outside–RV Park				
Base Rate	120,000	120	--	--
Volunteer Fire Department/City Council				
Base Rate	410,667	411	--	--
Tier 1	224,996	225	1.00	225
TOTAL	**108,315,312**	**108,315**		**54,605**

Table 10 Units of Service

	Revenue Requirement	Units	Unit Cost
Fixed–Base	$701,650	27,253	$25.75
Volume–Base	$221,574	54,605	$4.06
TOTAL	**$923,224**		

Table 11 Unit Costs

	Calculated Rate	Rounded	Existing Rate	Proposed Rate
Regular				
Base Rate	$25.75	$25.75	$24.65	$25.75
Tier 1	$4.06	$4.10	$4.35	$4.35
Apartments				
124 Units				
Base Rate	$3,192.49	$3,192.50	$3,056.60	$3,192.50
Tier 1	$4.06	$4.10	$4.35	$4.35
200 Units				
Base Rate	$5,149.17	$5,149.20	$4,930.00	$5,149.20
Tier 1	$4.06	$4.10	$4.35	$4.35
256 Units				
Base Rate	$6,590.94	$6,590.95	$6,310.40	$6,590.95
Tier 1	$4.06	$4.10	$4.35	$4.35
308 Units				
Base Rate	$7,929.73	$7,929.75	$7,592.20	$7,929.75
Tier 1	$4.06	$4.10	$4.35	$4.35
Outside–RV Park				
Base Rate	$877.34	$877.50	$840.00	$877.50
Volunteer Fire Department/City Council				
Base Rate	$--	$--	$--	$--
Tier 1	$4.06	$4.10	$4.35	$4.35
Senior Discount				
Discount	$--	$--	($7.50)	($7.50)

Table 12 Proposed Rates

	Proposed Block Rate	Meters per Block	Revenue Generated per Block
Regular			
Base Rate	$25.75	14,700	$378,525.00
Tier 1	$4.35	36,842	$160,262.08
Apartments			
124 Units			
Base Rate	$3,192.50	24	$76,620.00
Tier 1	$4.35	9,804	$42,646.16
200 Units			
Base Rate	$5,149.20	12	$61,790.40
Tier 1	$4.35	--	$--
256 Units			
Base Rate	$6,590.95	12	$79,091.40
Tier 1	$4.35	6,577	$28,608.23
308 Units			
Base Rate	$7,929.75	12	$95,157.00
Tier 1	$4.35	1,157	$5,035.01
Outside–RV Park			
Base Rate	$877.50	212	$10,530.00
Volunteer Fire Department/City Council			
Base Rate	$--	180	$--
Tier 1	$4.35	225	$978.73
Senior Discount			
Discount	($7.50)	210	($1,575.00)
TOTAL REVENUE			**$937,669.01**

Table 13 Revenue Projections

Rates	Typical Usage per Month (gal)	Fixed	Volume	Total	Percent Increase
Regular					
Existing	5,000	$24.65	$13.05	$37.70	
Proposed	5,000	$25.75	$13.05	$38.80	3%
Apartments					
124 Units					
Existing	550,976	$3,056.60	$1,317.94	$4,374.54	
Proposed	550,976	$3,192.50	$1,317.94	$4,510.44	3%
200 Units					
Existing	400,000	$4,930.00	$--	$4,930.00	
Proposed	400,000	$5,149.20	$--	$5,073.10	4%
256 Units					
Existing	1,060,050	$6,310.40	$2,384.02	$8,694.42	
Proposed	1,060,050	$6,590.95	$2,384.02	$8,877.57	3%
308 Units					
Existing	750,992	$7,592.20	$587.22	$8,179.42	
Proposed	750,992	$7,929.75	$587.22	$8,399.77	4%
Outside–RV Park					
Existing	10,000	$840.00	$--	$840.00	
Proposed	10,000	$877.50	$--	$877.50	4%
Volunteer Fire Department/City Council					
Existing	5,000	$--	$4.35	$4.35	
Proposed	5,000	$--	$4.35	$4.35	0%

Table 14 Typical Residential User Impact

Residential Rates	Typical Usage per Month (gal)	Fixed	Volume	Total
Pearland	5,000	$22.74	$15.00	$37.74
West Columbia	5,000	$23.49	$13.95	$37.44
Clute	5,000	$13.15	$15.80	$28.95
Brazoria	5,000	$19.00	$9.40	$28.40
Lake Jackson	5,000	$13.65	$13.80	$27.45
Freeport	5,000	$12.76	$13.23	$25.99
Angleton	5,000	$9.84	$13.50	$23.34
Oyster Creek	5,000	$12.03	$9.30	$21.33

Table 15 Rate Comparison to Nearby Cities

ENCLOSURE C
FUTURE WATER RATES

Expenditures	Amount*
FY 2021	$797,667 (budget)
FY 2025	$1,009,073 (projected)

*M&O Increase = 5% per year

Table 1 M&O Budget

FY 2025	Total	Fixed–Base	Volume–Tier 1
Allocation		75%	25%
M&O Budget	$1,009,073.00	$756,804.88	$252,268.29
Debt Obligation	$322,065.00	$241,548.75	$80,516.25
Reserve[1]	$100,907.00	$75,680.49	$25,226.83
Senior Discount[2]	$1,639.00	$1,229.21	$409.74
TOTAL	**$1,433,684.00**	**$1,075,263.00**	**$358,421.00**

[1]Reserve is based off 10% of M&O budget.
[2]Senior discount is increased 1 percent every year.

Table 2 Projected Revenue Requirement

FY 2025	Revenue Requirement	Units	Unit Cost
Fixed–Base	$1,075,263.00	31,213	$34.45
Volume	$358,421.00	64,813	$5.55
TOTAL	$1,433,684.00		

2% unit increase per year

	Tier 1 Unit Cost	Price Differential	Unit Cost
Volume–Tier 2	$5.55	1.04	$5.78

Table 3 Unit Costs

FY 2025	Rate Start [gallon (gal) per month]	Rate End (gal per month)	Proposed FY 2025 Rate
Regular			
Base Rate	--	2,000	$34.45
Tier 1	2,001	20,000	$5.55
Tier 2	20,001		$5.78
Apartments			
124 Units			
Base Rate	--	248,000	$4,271.80
Tier 1	248,001		$5.78
200 Units			
Base Rate	--	400,000	$6,890.00
Tier 1	400,001		$5.78
256 Units			
Base Rate	--	512,000	$8,819.20
Tier 1	512,001		$5.78
308 Units			
Base Rate	--	616,000	$10,610.60
Tier 1	616,001		$5.78
Outside–RV Park			
Base Rate	--		$1,058.13
Volunteer Fire Department/City Council			
Base Rate	--	4,000	$--
Tier 1	4,001	20,000	$5.78
Tier 2	20,001		$5.78
Senior Discount			
Discount			($7.50)

Table 4 Proposed Rates

FY 2025	Proposed Block Rate	Units per Block	Revenue Generated per Block
Regular			
Base Rate	$34.45	18,700	$644,215.00
Tier 1	$5.55	42,564	$236,230.20
Tier 2	$5.78	2,505	$14,467.32
Apartments			
124 Units			
Base Rate	$4,271.80	24	$102,523.20
Tier 1	$5.78	10,069	$58,165.47
200 Units			
Base Rate	$6,890.00	12	$82,680.00
Tier 1	$5.78	--	$--
256 Units			
Base Rate	$8,819.20	12	$105,830.40
Tier 1	$5.78	7,340	$42,402.00
308 Units			
Base Rate	$10,610.60	12	$127,327.20
Tier 1	$5.78	1,205	$6,959.05
Outside–RV Park			
Base Rate	$1,058.13	12	$12,697.58
Volunteer Fire Department/City Council			
Base Rate	$--	204	$--
Tier 1	$5.78	370	$2,136.37
Tier 2	$5.78	--	$--
Senior Discount			
Discount	($7.50)	219	($1,638.95)
		TOTAL REVENUE	**$1,433,995.64**

Table 5 Revenue Projections

CURRENT	Base	Tier 1	Tier 2
Amount	$29.79	$4.90	$5.10
Percent Increase Calculated	5.21%	4.42%	4.42%
Percent Increase Used	5.00%	4.30%	4.30%

RATE			
January 2022	$31.28	$5.11	$5.32
January 2023	$32.84	$5.33	$5.55
January 2024	$34.49	$5.56	$5.79

Table 6 Example Yearly Increase

ENCLOSURE D
FUTURE SEWER RATES

Expenditures	Amount*
FY 2021	$848,672.00 (budgeted)
FY 2025	$1,031,566.12 (projected)

*M&O Increase = 5% per year

Table 1 M&O Budget

FY 2025	Total	Fixed–Base	Volume–Tier 1
Allocation		76%	24%
M&O Budget	$1,031,566.00	$783,990.25	$247,575.87
Debt Obligation	$41,140.00	$31,266.40	$9,873.60
Reserve[1]	$103,157.00	$78,399.03	$24,757.59
Senior Discount[2]	$1,639.00	$1,245.60	$393.35
TOTAL	**$1,177,502.00**	**$894,901.00**	**$282,600.00**

[1]Reserve is based off 10% of M&O budget.
[2]Senior discount is increased 1 percent every year.

Table 2 Projected Revenue Requirement

FY 2025	Revenue Requirement	Units	Unit Cost
Fixed–Base	$894,901.00	32,161	$27.85
Volume–Base	$282,600.00	59,107	$4.80
TOTAL	**$1,177,502.00**		

2% unit increase per year

Table 3 Unit Costs

FY 2025	Rate Start (gal/month)	Rate End (gal/month)	Proposed FY 2026 Rate
Regular			
Base Rate	--	2,000	$27.85
Tier 1	2,001		$4.80
Apartments			
124 Units			
Base Rate	--	248,000	$3,453.40
Tier 1	248,001		$4.80
200 Units			
Base Rate	--	400,000	$5,570.00
Tier 1	400,001		$4.80
256 Units			
Base Rate	--	512,000	$7,129.60
Tier 1	512,001		$4.80
308 Units			
Base Rate	--	616,000	$8,577.80
Tier 1	616,001		$4.80
Outside–RV Park			
Base Rate	--		$949.08
Volunteer Fire Department/City Council			
Base Rate	--	4,000	$--
Tier 1	4,001		$4.80
Senior Discount			
Discount			($7.50)

Table 4 Proposed Rates

FY 2025	Proposed Block Rate	Units per Block	Revenue Generated per Block
Regular			
Base Rate	$27.85	15,912	$443,149.20
Tier 1	$4.80	39,879	$191,419.20
Apartments			
124 Units			
Base Rate	$3,453.40	24	$82,861.60
Tier 1	$4.80	10,612	$50,937.60
200 Units			
Base Rate	$5,570.00	12	$66,840.00
Tier 1	$4.80	--	$--
256 Units			
Base Rate	$7,129.60	12	$85,555.20
Tier 1	$4.80	7,119	$34,171.20
308 Units			
Base Rate	$8,577.80	24[1]	$205,867.20
Tier 1	$4.80	1,253	$6,014.40
Outside–RV Park			
Base Rate	$949.08	24	$11,388.56
Volunteer Fire Department/City Council			
Base Rate	$--	180	$--
Tier 1	$4.80	244	$1,171.20
Senior Discount			
Discount	($7.50)	219	($1,638.95)
TOTAL REVENUE			**$1,177,756.41**

[1]Increased for an additional 308 apartment units.

Table 5 Revenue Projections

CURRENT	Base	Tier 1
Amount	$25.40	$4.35
Percent Increase Calculated	2.72%	3.45%
Percent Increase Used	2.70%	3.40%

RATE		
January 2022	$26.45	$4.50
January 2023	$27.16	$4.65
January 2024	$27.90	$4.81

Table 6 Example Yearly Increase

RESOLUTION NO. 21-R-44

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF RICHWOOD, TEXAS, TO APPROVE FINISHED FLOOR ELEVATIONS FOR ANY AND ALL RESIDENTIAL CONSTRUCTION IN ACCORDANCE WITH RICHWOOD CITY ORDINANCES REGARDLESS OF ANY DEED OR PLAT RESTRICTIONS.

WHEREAS, beginning in December 2020, the Federal Emergency Management Agency ("FEMA") made effective updated floodplain maps, which directly impacted neighborhoods who had experienced little no impact from previous flood events;

WHEREAS, as a result of FEMA's new floodplain maps, base flood elevation requirements were increased, and some neighborhood's plat map restrictions or deed restrictions required finished floor elevations in excess of what is required by the City of Richwood;

WHEREAS, given that the City of Richwood requires residential construction, and any improvements thereon, be constructed to or above base flood elevation, the City of Richwood seeks to apply the same standard to all residential construction within its jurisdictional limits regardless of restrictions set forth in a plat map or homeowner association's deed restrictions; and

WHEREAS, as such, enforcement of any restrictive covenant regarding base flood elevations that imposes requirements for residential construction in excess of the City of Richwood's ordinances, shall be solely enforced by the homeowner's association, or those with rights to enforce same.

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

SECTION 1. That the statements and findings set out in the preamble to this resolution are hereby in all things approved and adopted.

SECTION 2. The City of Richwood is hereby authorized to approve any and all architectural plans for residential construction that comply with the City of Richwood's ordinances regarding base flood elevation requirements.

SECTION 3. The City of Richwood will not enforce the base flood elevation requirements for any residential construction that conflicts with plat map restrictions and/or the deed restrictions of homeowner's associations.

PASSED AND APPROVED this the 12th day of April 2021.

____

Steve Boykin, Mayor

ATTEST:

____

Kirsten Garcia, City Secretary

MEMORANDUM

To: Richwood City Council

From: Clif Custer

Date: April 5th, 2021

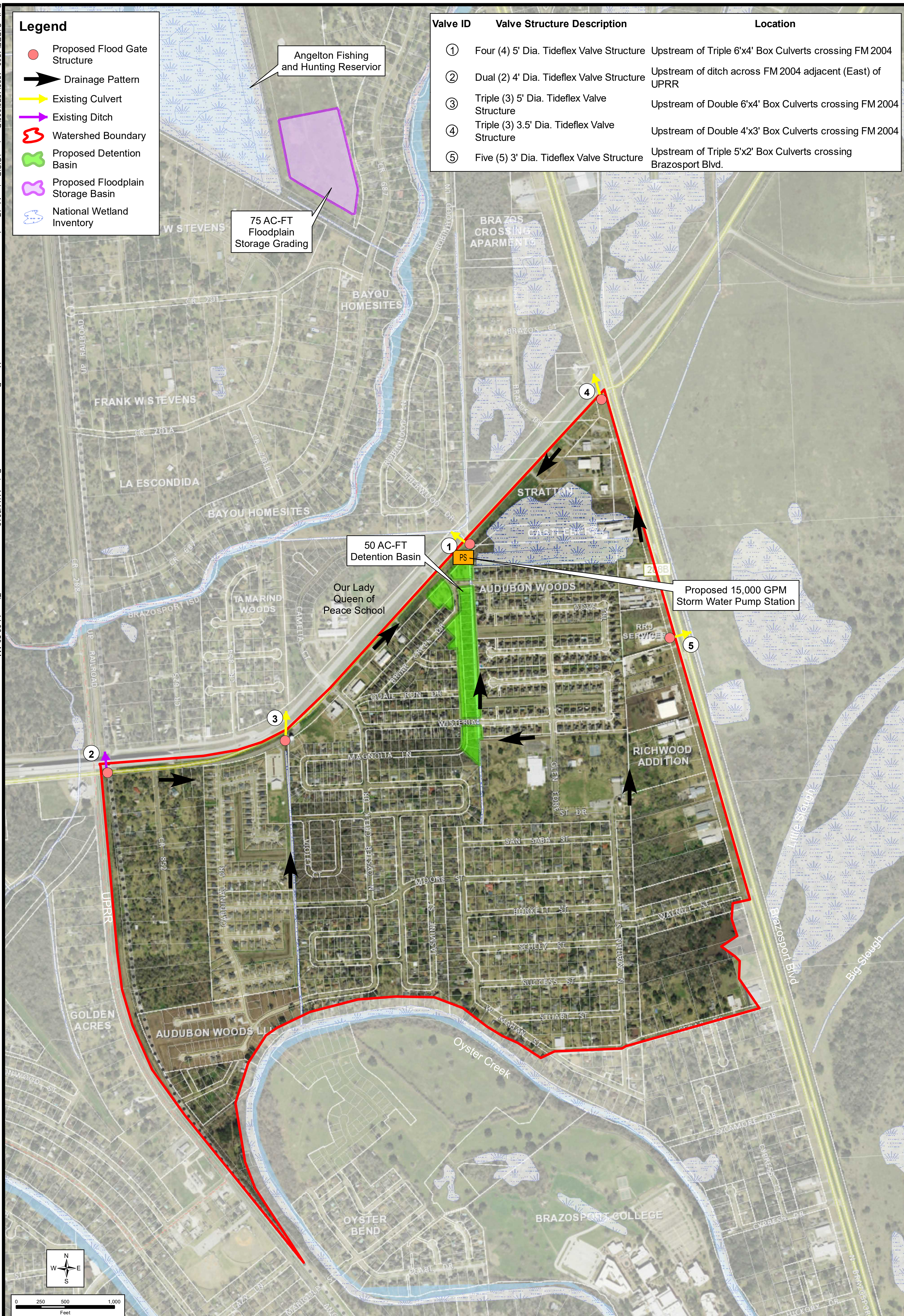
Subject: Flood Gate Project

In 2018 Strand Associates submitted a grant application to the Texas Department of Emergency Management for a flood gate project that involved a series of duck bill flood gates, a 75 acre/foot retention basin, and 15,000 gpm pump basin that became known as the Richwood Flood Gate Project. Richwood was selected as a secondary by TDEM at the end of the selection process.

Once again funding is available for Hurricane Harvey flood mitigation projects. The City of Richwood has been contacted by the Texas General Land Office informing Richwood that a second opportunity to apply for funding to fund Richwood's Flood Gate Project has presented itself. The current grant funds will be administered by the GLO under the CDBG umbrella. Since the funding serves Harvey flood mitigation projects, and the City of Richwood was already selected as a secondary recipient, the characteristics of the proposed Richwood Flood Gate Project must remain unchanged.

I am requesting of City Council a motion to either proceed with the pursuit of grant funding to fund the Richwood Flood Gate Project as designed by Strand Associates, or to abandon any effort to do so.

Path: S:\BRE\4500--4599\4570\003\Drawings\GIS\Basins 11x17.mxd
User: Danc
Date: 11/14/2018
Time: 11:06:59 AM



Valve ID	Valve Structure Description	Location
1	Four (4) 5' Dia. Tideflex Valve Structure	Upstream of Triple 6'x4' Box Culverts crossing FM 2004
2	Dual (2) 4' Dia. Tideflex Valve Structure	Upstream of ditch across FM 2004 adjacent (East) of UPRR
3	Triple (3) 5' Dia. Tideflex Valve Structure	Upstream of Double 6'x4' Box Culverts crossing FM 2004
4	Triple (3) 3.5' Dia. Tideflex Valve Structure	Upstream of Double 4'x3' Box Culverts crossing FM 2004
5	Five (5) 3' Dia. Tideflex Valve Structure	Upstream of Triple 5'x2' Box Culverts crossing Brazosport Blvd.

FIGURE 2
4570.003

STRAND ASSOCIATES®

PROJECT OVERVIEW MAP

BASTROP BAYOU FLOOD GATES AND DETENTION POND
CITY OF RICHWOOD
BRAZORIA COUNTY, TEXAS

MEMORANDUM

To: Richwood City Council

From: Clif Custer

Date: April 5th, 2021

Subject: CDBG-DR Project Fence Replacement

The CDBG-DR sewer rehabilitation project serving the Briar Creek/Quail Run area has a significant amount of back-side utility easements in which portions of fencing will require removal and reconstruction to compete the task of sewer line pipe bursting. The GLO has expressed to Grant Works, Strand Associates, and the City of Richwood that CDBG-DR funding may be used to reconstruct fencing if the fencing materials are a reuse of existing fencing material but will not fund new material for fence reconstruction.

There have been seven (7) identified properties in the project area in which fencing is in poor shape and cannot be used for the reconstruction of fencing. The estimated cost for reconstructing fences at the seven (7) identified properties in the project area is $1,610.00. To remain consistent with fence reconstruction standards on the project and since the CDBG-DR program will not fund new fencing material for fence reconstruction, Richwood Public Works' intention is to fund fence reconstruction at the identified properties with funds from operating budget line item 30205390, or "Sewer Lines Maintenance and Repair".

RESOLUTION 2021-R-43

A RESOLUTION OF THE CITY COUNCIL OF RICHWOOD COMMITTING LOCAL FUNDS FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY (CDBG-DR) PROJECT WITH THE GENERAL LAND OFFICE (GLO), CONTRACT NO. 20-065-080-C233.

WHEREAS, the City Council of Richwood desires to develop a viable community, including descent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-to-moderate income; and

WHEREAS, certain conditions exist related to the damages to the City's sewer system that occurred during Hurricane Harvey which represent a threat to the public health and safety; and

WHEREAS, it is necessary to include local funds in order to replace residential fencing along the project easement for the sewer improvements in the project area.

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

1. That the City commits up to $1,610.00 from its General Fund towards the replacement of residential fencing along the project easement for the CDBG-DR Contract No. 20-065-080-C233.
2. That the local funds committed to the CDBG-DR grant will be used in accordance with all applicable federal, state, local and programmatic requirements including but not limited to procurement, environmental review, labor standards, real property acquisition, and civil rights requirements.

PASSED AND APPROVED on this 12th day of April 2021

____
Steve Boykin, Mayor

ATTEST:

____
Kirsten Garcia, City Secretary

City of Richwood
TEXAS

AGENDA MEMORANDUM- APRIL 12, 2020
ITEM

CONTACT: Patricia Ditto, Deputy Finance Director
Clif Custer, Public Works Director
Eric Foerster, City Manager

SUBJECT: Budget Amendment to fund engineering cost for 2021 CDBG water main replacement

SUMMARY:
Public Works has requested council approve a budget amendment to increase the budget line item 30-21-5560 Water Engineering by no more than $45,000. By funding the engineering for this project, the amount allocated from CDBG remain adequate to fund the water main replacement project.

BACKGROUND INFORMATION:

Historically the City of Richwood has funded engineering for CDBG projects. With the City of Richwood's 2021 CDBG allocation of $200,000.00, it is the ambition of Public Works to have asbestos concrete water lines replaced with C-900 PVC water lines in areas that qualify as LMI (Low to Moderate Income). The benefits to funding engineering for CDBG projects are:

1. Richwood gets to use a competent Engineering Firm (Strand Associates) for project design without having to go through a lengthy procurement process.
2. Funding engineering in-house allows more CDBG funds to be applied to construction of a project in areas that are generally in need of infrastructure upgrades instead of engineering.

FISCAL IMPACT: Increase in Fund 30 expense, decreasing projected net income. Allow project cost to be covered by the amount allocated from CDBG.

RECOMMENDATION: We are requesting of Council a motion to approve a budget amendment not to exceed $45,000 for engineering services for design of water main infrastructure replacement in qualified LMI areas.

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info@richwoodtx.gov
1800 Brazosport Blvd. N.
Richwood, Texas 77531

RESOLUTION 2021-R-42

A RESOLUTION AMENDING THE FISCAL YEAR 2020-2021 BUDGET TO FUND COST OF ENGINEERING FOR 2021 CDBG WATER LINE REPLACEMENT

WHEREAS, the City of Richwood City Council adopted a budget for the City of Richwood, Texas, for the fiscal year 2020-2021 in September 2020;

WHEREAS, Public Works Director Clif Custer has requested that a budget amendment be approved not to exceed $45,000; this amount is to pay Strand Engineering the cost for engineering and designing a water main infrastructure replacement funded through a CDBG grant.

WHEREAS, staff asks that Council approve a budget amendment increasing account 30-21-5560 Water Engineering by an amount not to exceed $45,000 to

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF RICHWOOD, TEXAS HEREBY AMENDS THE FISCAL YEAR 2020-2021 BUDGET AS FILED WITH THE CITY SECRETARY AS FOLLOWS:

Water & Sewer Fund

Increase to Budget – Expenditures – not to exceed	$45,000

PASSED AND APPROVED on this 12th day of April 2021.

____
Steve Boykin, Mayor

ATTEST:

____
Kirsten Garcia, City Secretary

City of Richwood
TEXAS

AGENDA MEMORANDUM
ITEM

CONTACT: Eric Foerster- City Manager

SUBJECT: **Grant Administration for the American Rescue Plan (ARP)**

SUMMARY: Consider authorizing staff to participate in the American Rescue Plan

BACKGROUND INFORMATION:

The American Rescue Plan (ARP) Act of 2021 provides 27.6 Billion Dollars to Texas. The state government will receive 17.2 billion, our 254 counties will receive 5.7 Billion, and more than 1100 cities will divide 4.7 Billion.

The City of Richwood is projected to receive $ 869,539.20. The first allotment of approximately half the funds should reach us within the next 30 to 45 days. The second half is expected to follow a year later. While it is exciting to receive this money, it can be a significant burden on our existing staff to create programs, manage procurements, maintain programmatic compliance, and provide accurate routine reporting to the Treasury Department.

ISSUE:

City Staff is requesting the use of a grant administrator to facilitate the management of this grant and programs that result from this grant.

FISCAL IMPACT: None currently

RECOMMENDATION: Authorization of participation in the American Rescue Plan and to seek through RFQ's, a grant management firm to assist with the grant administration.

Thank you,

Eric Foerster- City Manager

AGENDA MEMORANDUM- APRIL 12, 2020
ITEM

CONTACT: Patricia Ditto, Finance Director
Eric Foerster, City Manager

SUBJECT: Budget Amendment to include expected depreciation expense in the current year budget for the enterprise fund

SUMMARY:
During the review of the recent financial audit, Finance staff was made aware that an estimate of depreciation expense should be included in the annual budget.

BACKGROUND INFORMATION:

In recent years, depreciation was not included in the budgeting process and the finance director, being new to government accounting, was not aware that it should be included.

FISCAL IMPACT: Depreciation Expense for the enterprise fund will be calculated at year end. It is a non-cash transaction that reduces the value of our depreciable assets. The amount included is an estimate.

RECOMMENDATION: Staff recommends that council approve the budget amendment to include depreciation in the current budget.

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RESOLUTION 21-R-41

A RESOLUTION AMENDING THE FISCAL YEAR 2020-2021 BUDGET TO SHOW ESTIMATED DEPRECIATION FOR ENTERPRISE FUND

WHEREAS, the City of Richwood City Council adopted a budget for the City of Richwood, Texas, for the fiscal year 2020-2021 in September 2020;

WHEREAS, Finance staff was made aware during the recent financial audit that depreciation expense should be estimated and included in the budget for the enterprise fund. On the advice of the auditors, a budget amendment should be approved for the current fiscal year;

WHEREAS, depreciation expense is calculated and expensed during the year end process. Although depreciation is a non-cash transaction, if not budgeted, depreciation expense will cause an "over budget" scenario reflected in the annual audit;

WHEREAS, staff asks that Council approve a budget amendment adding Depreciation Expense to the Fiscal Yar 2020-2021 Budget in the amount of $265,000.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF RICHWOOD, TEXAS HEREBY AMENDS THE FISCAL YEAR 2020-2021 BUDGET AS FILED WITH THE CITY SECRETARY AS FOLLOWS:

Water & Sewer Fund

Increase to Budget – Depreciation Expense	$265,000

PASSED AND APPROVED on this 12th day of April 2021.

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Steve Boykin, Mayor

ATTEST:

____
Kirsten Garcia, City Secretary

AGENDA MEMORANDUM
ITEM

CONTACT: Eric Foerster- City Manager

SUBJECT: Discussion of the Farmers Market

SUMMARY: Request from Council Member Strawn to discuss the Farmers Market and use of the park

BACKGROUND INFORMATION:
The use of the park for the Farmers Market

ISSUE:

Fee's Charged/waived
Optics
Legal Issues
Review of progress for the Farmers Market

FISCAL IMPACT: None currently

RECOMMENDATION: Discuss the listed issues, and more if warranted through discussion

Thank you,

Eric Foerster- City Manager

City of Richwood
TEXAS

AGENDA MEMORANDUM
ITEM # V.B.

CONTACT: Kimberly Mayer, Executive Director – KRB & Kirsten Garcia, City Secretary

SUBJECT: Farmer's Market at Ellis Park.

SUMMARY: Consider approving KRB to partner with Richwood resident, Lindsay Yearsin, to establish a monthly Farmer's Market at Ellis Park.

BACKGROUND INFORMATION:
Keep Richwood Beautiful has been approached by a resident to kick off a monthly Farmer's Market at Ellis Park. Executive Director, Kimberly Mayer, reached out to me to get buy in and assistance with the project. After speaking with Mrs. Yearsin, I feel this is an excellent opportunity for both the City and KRB.

ISSUE:
Mrs. Yearsin proposed hosting a vendor/farmer's market monthly at Ellis Park (formerly Municipal Park), beginning with 10 vendors due to social distancing needs. She would charge vendor's $30 for a 10X10 space to set up their shop. Mrs. Yearsin proposed splitting proceeds 60/40 (60% to KRB) and using her portion to advertise and promote the event monthly. Mrs. Yearsin stated she does not intend on using this event for any profit for herself. Current issues during the time of a pandemic are apparent. Mrs. Yearsin seems to have a great plan for social distancing and safety procedures. I feel the size of our park could easily hold 10 vendors while maintaining a safe distance for visitors.

I asked that the Yearsin's commit to an agreement lining out the details and also asked that she keep a deposit on file with the City for the use of the park. Her request was that the $100 fee be waived for the monthly event so that KRB benefits as much as possible and so that she profits enough to continue advertising and supplying sanitation stations.

I am happy to assist Kimberly and Lindsay in this endeavor. I also think the residents of Richwood would enjoy a local market to visit.

FISCAL IMPACT: $100 monthly.

RECOMMENDATION: Council to approve request for monthly farmer's market.

Thank you,

K. Garcia

Kirsten Garcia