



**CITY OF ROLLINGWOOD
UTILITY COMMISSION
AGENDA**

Tuesday, June 09, 2020

Notice is hereby given that the Utility Commission of the City of Rollingwood, Texas will hold a regular meeting, open to the public, in the Municipal Building at 403 Nixon Drive in Rollingwood, Texas on June 09, 2020 at 2:00 PM, where the following items will be discussed:

CALL UTILITY COMMISSION MEETING TO ORDER

1. Roll Call

PUBLIC COMMENTS

Citizens wishing to address the Utility Commission for items not on the agenda will be received at this time. Please limit comments to 3 minutes. In accordance with the Open Meetings Act, the Utility Commission is restricted from discussing or taking action on items not listed on the agenda.

Citizens who wish to address the Utility Commission with regard to matters on the agenda will be received at the time the item is considered.

CONSENT AGENDA

All Consent Agenda items listed are considered to be routine by the Utility Commission and may be enacted by one (1) motion. There will be no separate discussion of Consent Agenda items unless a Board Member has requested that the item be discussed, in which case the item will be removed from the Consent Agenda and considered in its normal sequence on the Regular Agenda.

2. Discussion and possible action on the minutes from the March 10, 2020 Utility Commission meeting.

REGULAR AGENDA

3. Presentation, discussion and possible action on the first phase of the wastewater rate study performed by Nelisa Heddin.
4. Discussion and possible action on a utility bill appeal for 3220 Park Hills Drive.
5. Update on the 2020 Default Winter Average Rate.

ADJOURNMENT OF MEETING

CERTIFICATION OF POSTING

I hereby certify that the above Notice of Meeting was posted on the bulletin board at the Rollingwood Municipal Building, in Rollingwood, Texas and to the City website at www.rollingwoodtx.gov on June 5, 2020 at 12:00 p.m.

- 1. Roll Call

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Ashley Wayman, City Secretary

NOTICE -

The City of Rollingwood is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Please contact the City Secretary, at (512) 327-1838 for information. Hearing-impaired or speech-disabled persons equipped with telecommunication devices for the deaf may call (512) 272-9116 or may utilize the stateside Relay Texas Program at 1-800-735-2988.

The Utility Commission will announce that it will go into executive session, if necessary, to deliberate any matter listed on this agenda for which an exception to open meetings requirements permits such closed deliberation, including but not limited to consultation with the city's attorney(s) pursuant to Texas Local Government Code section 551.071, as announced at the time of the closed session.

Consultation with legal counsel pursuant to section 551.071 of the Texas Local Government Code;
discussion of personnel matters pursuant to section 551.074 of the Texas Local Government Code;
real estate acquisition pursuant to section 551.072 of the Texas Local Government Code;
prospective gifts pursuant to section 551.073 of the Texas Local Government Code;
security personnel and device pursuant to section 551.076 of the Texas Local Government Code;
and/or economic development pursuant to section 551.087 of the Texas Local Government Code.
Action, if any, will be taken in open session.



CITY OF ROLLINGWOOD UTILITY COMMISSION MINUTES

Tuesday, March 10, 2020

The Utility Commission of the City of Rollingwood, Texas held a regular meeting, open to the public, in the Municipal Building at 403 Nixon Drive in Rollingwood, Texas on March 10, 2020 at 7:00 PM, where the following items were discussed:

CALL UTILITY COMMISSION MEETING TO ORDER

1. Roll Call

Chair William Teten called the meeting to order at 7:00 p.m.

Present Members: Chair William Teten, Clark Wilson, Jonathan Miller and Christopher Meakin.

Also Present: City Administrator Amber Lewis, Mayor Michael Dyson, Council Member Sara Hutson, Public Works Director David Brasich, and City Secretary Ashley Wayman.

PUBLIC COMMENTS

Mayor Michael Dyson discussed that the city is working on putting together a comprehensive infrastructure plan and that aging water lines are a high priority of the city. He urged the Commission to work with David Brasich, the Public Works Director, to spearhead that project. He answered questions from the Commission regarding what this plan would look like and how to make this an actionable plan.

Chairperson William Teten stated that it might be best to set up a sub-committee charged with looking at this issue. The discussion discussed the specifics of setting up meetings with David Brasich.

CONSENT AGENDA

2. Discussion and possible action on the minutes from the February 11, 2020 Utility Commission Meeting.

Christopher Meakin motioned to approve the consent agenda. Clark Wilson seconded the motion. The motion passed 4-0.

REGULAR AGENDA

3. Discussion and possible action on a recommendation to City Council regarding an amendment to the City's Water Adjustment Policy and Procedures, within the current Utility Bill Appeals Process Policy.

The Commission discussed the wording of the proposed policy. They discussed situations in which fewer than 12 months history is available the person requesting the appeal be required to pay the contested amount in order to delay the appeal until more information is available. They also discussed the process by which that information is collected once available and presented to the customer and ultimately included in the appeal.

Council Member Sara Hutson questioned what would be considered reasonable and how even waiting until a year's worth of history is available may not provide conclusive results.

The Commission discussed the other information that they asked for in a previous case in which sufficient history was not available and the appeal was delayed. They also discussed that this is generally a rare occurrence.

William Teten motioned to approve an amendment to the City's Water Adjustment Policy and Procedures, within the current Utility Bill Appeals Process Policy as discussed and to forward it on for City Council approval. Christopher Meakin seconded the motion. The motion passed 4-0.

4. Discussion and possible action on a list of potential locations for the placement of test Electronic Water Meters.

City Administrator Amber Lewis discussed that staff took the Utility Commission's suggestions into consideration when drafting this list of potential test locations.

Council Member Sara Hutson asked if Sam Attal had been contacted and City Administrator Amber Lewis stated that staff would contact him. She also asked if Jack DeLima had been contacted and City Administrator Amber Lewis stated that he refused to be a part of the test program.

Christopher Meakin expressed that he was happy to participate but if more homeowners contacted the city and want to participate that they could take the places of Utility Commission Members.

William Teten motioned to approve the list of potential locations for the placement of test Electronic Water Meters with Christopher Meakin's modification to allow more homeowners to take the place of Utility Commission Members if they express interest. Christopher Meakin seconded the motion. The motion passed 4-0.

5. Update on the testing and painting of fire hydrants by AWR.

City Administrator Amber Lewis gave an update on this project, stating that AWR will be working with David Brasich and LNV to complete it.

6. Discussion and possible action on an RFP for a capital improvement plan for the City's water and wastewater infrastructure.

City Administrator Amber Lewis stated that staff would gather documents and schedule a meeting with anyone who would like to be involved. She discussed that staff will try to get an understanding of the current water and wastewater infrastructure and decipher the costs associated with potential projects.

Clark Wilson stated that he would likely be out of town for the April meeting, and the Commission decided on a tentative date of April 21st for the next meeting.

ADJOURNMENT OF MEETING

The meeting was adjourned at 7:36 p.m.

Minutes Adopted on the _____ day of _____, 2020.

William Teten, Chair

ATTEST:

Ashley Wayman, City Secretary

City of Rollingwood, TX

Cost of Service and Rate Design Study Wastewater Utility

Nelisa Heddin Consulting, LLC
(512) 589-1028
nheddin@nelisaheddinconsulting.com



Overview

- Historical Financial Overview
- Policy Considerations:
 - Annual Debt Service
 - Reserve Funds
 - Fully Funded v. Status Quo
 - Rate Design



Historical Financial Overview

- FYE 2019 Actual Revenues = \$606,735
- FYE 2019 Actual O&M Expenses = \$579,717
- Unfunded Items:
 - Approximately \$725,000 annual debt service related to wastewater
 - Funding for vehicle replacement reserves
 - Funding for future CIP projects



Policy Consideration: Annual Debt Service

- Approximately \$725,000 Annual Debt Service Associated with the Wastewater Utility
- Currently Funded Through the General Fund
- Industry Best Management Practice = Fund Through Utility Rates



Policy Consideration: Annual Debt Service

- If Debt Were Funded Through Utility Rates:
 - Equitable allocate of cost based on burden placed on utility system
 - Relieves General Fund of \$725,000 annual expense, the City could either:
 - Reallocate funds to other City departments, or
 - Reduce property taxes by approximately \$.066



Policy Consideration: Reserve Funds

- FYE2019 Net Unreserved Funds = \$705,213
- Per City Policy, Required Funds = \$174,632 (3 Months O&M)
- *O&M Reserves Only*



Policy Consideration: Reserve Funds

- Other Reserve Funds to Consider:
 - Capital Replacement Reserves
 - Vehicle Replacement Reserves
 - Current Inventory = 3 trucks, 1 tractor, 1 trailer

Vehicle Replacement Reserve Fund	Total Inventory	Useful Life	Annual Contribution
Truck 1	\$30,000	7	\$4,285.71
Truck 2	\$30,000	7	\$4,285.71
Truck 3	\$30,000	7	\$4,285.71
Tractor	\$30,000	10	\$3,000.00
Trailer	\$30,000	10	\$3,000.00
			<u>\$16,857.14</u>



Policy Consideration: Status Quo v. Fully Funded

- FYE2019 Actual Revenues = \$606,735
- Annual O&M for FYE2021 = \$681,673 (approximately)
- “Fully Loaded” Annual Expense = \$1,424,165



Policy Consideration: Rate Design

- Current Rates:
 - Residential Customers
 - Base Fees = \$ 0
 - Volumetric Rate = \$ 7.81/thousand gallons
 - Gallons used based on 3 lowest months between December and March
 - Commercial Customers
 - Base Fees = \$ 78.00 per LUE
 - LUE based on square footage of building
 - Volumetric Rate = \$ 7.81/thousand gallons
 - Gallons used is the same as water use for connection



Policy Consideration: Rate Design

- Policy Considerations – Residential Rate Design:
 - Winter Averaging –
 - Standard Winter Average
 - Alternate Winter Average
 - Base Charge –
 - Zero Base Charge
 - Base Charge



Policy Consideration: Rate Design

- Residential Winter Averaging

Average [?] User [?] Per [?] Connection	Winter [?] Average	Alternate [?] Winter [?] Average
2017	XXXXXXXXX.82	XXXXXXXXX.68
2018	XXXXXXXXX.83	XXXXXXXXX.20
2019	XXXXXXXXX.67	XXXXXXXXX.66

- Standard Winter Average =*
 - Use in November, January and February
 - Results in lower rates

- Alternate Winter Average =*
 - Lowest 3 months between December and March
 - Results in higher rates



Policy Consideration: Rate Design

- Base Charge for Residential Customers – currently \$0
- Results in customers receiving free sewer service

Customers within Use Categories	Winter Average	Alternate Winter Average
0 Gallons	41	87
1,000 Gallons	26	41
2,000 Gallons	34	48
3,000 Gallons	59	84
4,000 Gallons	62	74
5,000 Gallons	58	46
6,000-10,000 Gallons	150	108
11,000-15,000 Gallons	58	32
16,000-20,000 Gallons	21	13
21,000-35,000 Gallons	24	6
Above 35,000 Gallons	8	1



Policy Considerations:

- Debt Funding
- Vehicle Replacement Reserves
- Capital Replacement Reserves
- Residential Winter Averaging
- Residential Base Fees





WATER PAYMENT APPEAL FORM

Name on Account: Steve Marcie

Service Address: 3220 Park Hills Dr

Account Number: <redacted>

Amount Due: more than \$400 (awaiting May, 2020 bill)

Telephone Number: - -<redacted>

Email Address: <redacted>

Reason for Appeal to the Rollingwood Utility Commission: 1) Please identify the months that you are contesting. 2) Please provide the reason for dispute. 3) Please provide 12 months of history. 4) Provide any other information to support appeal.

1) I am contesting the months of April and May, 2020. 2) We currently live at 3217 Pickwick Ln and have lived here since 2012. On 2/28/20, I purchased 3220 Park Hills Dr and had electric and water started in my name. We immediately began working with architects because we need to add another bedroom and living room to the home to plan for our growing family. We expect this build process to take 18 months, based on everything everyone has been telling us. During that time, 3220 Park Hills will be vacant, just as it has been since we closed on the property on 2/28/20. Since there is active construction going on next door (a brand new, 7,000 sq ft house, we are told), I make a visit every day or two over to 3220 Park Hills and go inside just to make sure everything is locked up tightly and that nothing is amiss inside. We have also made sure that the sprinkler system is turned off, since we are anticipating replacing the existing lawn with artificial turf once we rebuild. When we received our March bill, it showed usage of 0 gallons, as expected. When we received our April bill, it showed 32,000 gallons! The home is completely unoccupied and the irrigation system is off, so there should be no usage. We called David Brasich and he said he would have the meter tested. He did so and told us when they replaced the meter, it showed an additional 8,000 gallons used after the April read. For reference, our family of 4 averages usage of 2,000-3,000 gallons per month based on the wastewater averaging since we moved in to Pickwick. I am out of room on this form and will provide more info at the mtg.

Signature: Steve Marcie

Digitally signed by Steve Marcie
Date: 2020.06.03 15:58:14 -05'00'

Date: 6/3/20



By signing this form, you are promising to appear before the next Utility Commission meeting.