



Physical Address: 501 South Main Street

Mailing Address: PO Box 228

Rhome, Texas 76078

Telephone: 817-636-2462

www.cityofrhome.com | citysecretary@cityofrhome.com

Mayor
Patricia Mitchell

City Council

Place 1
Jimmy Johnson

**Mayor Pro-Tem,
Place 2**
Michelle Tye

Place 3
Randall Loftis

Place 4
Kristi King

Place 5
Kasey Shumake

**City
Administrator**
Amanda DeGan

City Attorney
Carvan Adkins

City Secretary
Shaina Odom

Fire Chief
Scott Estes

Police Chief
Eric Debus

**Public Works
Director**
Jesus Dominguez

NOTICE OF MEETING OF THE RHOME CITY COUNCIL

Meeting Date: Thursday, January 25, 2024

Regular Session: 6 p.m.

Meeting Location: Rhome Community Center, 261 North School Road, Rhome, TX 76078

LIVE Streaming: In an effort to be as accessible as possible, we *may*

Live Stream the meeting using GoToMeeting from your computer or phone.

By Computer

By Phone

GoToMeeting: Select Join: Select Meeting	Call 1 (646) 749-2073
Session ID: 646-749-2073	Access Code: 290-976-446
Access Code: 290-976-445	Toll Free Option: 1 (877) 309-2073

The Rhome City Council *may* conduct this meeting by videoconference call in accordance with Section 551.127 of the Texas Open Meetings Act. A quorum of the City Council will be physically present at the address listed above and the public may attend the meeting at the same location.

Regular Session: 6 p.m.

Call to Order and Establish a Quorum

Invocation Reverend Tiffany Danna

Pledge of Allegiance to the American Flag

Pledge of Allegiance to the Texas Flag

Honor the Texas Flag; I pledge allegiance to thee, Texas, One state under God, One and indivisible

Public Comments

1. The Council is not permitted to take action or discuss any comments made to the Council at this time concerning an item not listed on the agenda. However, they may make a statement of fact regarding the item or policy. They may also ask that the item be placed on a future agenda or direct the City Administrator to contact the individual to address.
2. Public Comments require the speaker to submit the sign-up form to the City Secretary prior to the meeting, are limited to 3 minutes, and the form must identify each subject the speaker plans to present.
3. There will be no yielding of time to another person. Engaging in verbal attacks, or comments intended to insult or slander any individual shall be cause for removal from Council Chambers.

Announcements from Mayor and Council Members

- February 6, 2024 Bulk Pick Up
- February 10, 2024, Council Capital Improvement Workshop
- February 20, 2024, Citizens Police Academy Begins
- February 19, 2024, City Hall Closed to Observe President's Day
- February 22, 2024, Council Meeting

Consent Agenda

All items under this section are recommended for approval for the Consent Agenda. These items are of a routine nature and require only brief deliberation by Council. Council reserves the right to remove any item on the Consent Agenda for further deliberation.

1. Approval of the Council Minutes from January 11, 2024 **(City Administrator)**
2. Racial Profiling Report **(Chief Debus)**
3. Renewal of Oncor Membership **(City Administrator)**

Regular Agenda

Discussion and any necessary action for the following:

1. Senior Center Update and Management Structure **(Council Member Loftis)**
2. Electric Providers for the City **(Mayor Mitchell and Mayor Pro-Tem Tye)**
3. Letter to TxDOT Supporting Light at By Well Development Intersection **(Council Member King)**
4. Traffic Congestion Discussion **(Council Member Tye)**
5. Council Calendar Update **(City Administrator)**
6. Capital Improvement Plan Overview **(City Administrator)**
7. Water and Wastewater System Overview **(City Administrator)**

Executive Session

Pursuant to the following designated section of the Texas Government Code, Annotated, Chapter 551 (Texas Open Meetings Act), the Council may convene into executive session to discuss the following:

1. Section 551.071 Consultation with Attorney - pending or contemplated litigation, settlement offer or to seek advice from attorney.
2. Section 551.072 Deliberation regarding Real Property - purchase, exchange, lease, or value of real property if deliberation in an open meeting would have detrimental effect on position of the governmental body in negotiations with a third person.
3. Section 551.074 Personnel – discuss appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee, or hear complaint or charge against officer or employee in executive session unless officer or employee requests a public hearing.
4. Section 551.087 – Deliberations regarding Economic Development Negotiations – to discuss or deliberate regarding commercial or financial information that the City has received from a business prospect that the City seeks to locate, stay, or expand in or near the City and with which the City is conducting economic development negotiations.
 - Prairie Point Development

Regular Agenda (Resume)

1. Action to be taken from Executive Session discussions

Future Agenda Items

(Agenda items are due by 5 p.m. on the Wednesday of the week prior to the Council meeting)

Adjourn

A quorum of Planning & Zoning Commissioners may be present at this meeting and its members may participate in the discussions of the items on the agenda over which they have responsibilities or authority.

A quorum of Parks & Recreation Board Members may be present at this meeting and its members may participate in the discussions of the items on the agenda over which they have responsibilities or authority.

**Pursuant to the Open Meetings Act, Chapter 551, Section 551.071 of the Texas Government Code, the Council may convene into executive session at any time during the meeting if a need rises for the City Council to seek advice from the City Attorney concerning any item on this agenda, to discuss pending and contemplated litigation, or a settlement offer, or to discuss a matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Board of Texas clearly conflicts with Chapter 551.*

The Council may vote and / or act upon each of the items listed in this Agenda. Except for Public Presentation and Input and items in the agenda designated as public hearing or otherwise designated for public input, there will be no public input during the course of this meeting without express authorization from the presiding officer.

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to the meeting. Please contact City Hall at 817-636-2462 for further information.

CERTIFICATION: I do hereby certify that the above City Council Agenda was posted on the designated bulletin board located at City Hall, 501 South Main Street, Rhome, Texas by 6 pm on January 22, 2024.


Shaina Odom, City Secretary

I certify that the attached notice and agenda of items to be considered by the Rhome City Council was removed by me from the designated bulletin board located at City Hall, 501 South Main Street, Rhome, Texas, on the ____ day of _____, 2024.

_____, Title: _____



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Rhome, Texas 76078

Telephone: 817-636-2462 | Metro: 817-638-2758

www.cityofrhome.com cityadministrator@cityofrhome.com

AGENDA ITEM 1



Physical Address: 501 South Main Street

Mailing Address: PO Box 228

Rhyme, Texas 76078

Telephone: 817-636-2462

www.cityofrhyme.com | citysecretary@cityofrhyme.com

Mayor
Patricia Mitchell

City Council

Place 1
Jimmy Johnson

Mayor Pro-Tem,
Place 2
Michelle Tye

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Place 4
Kristi King

Place 5
Kasey Shumake

City
Administrator
Amanda DeGan

City Attorney
Carvan Adkins

City Secretary
Shaina Odom

Fire Chief
Scott Estes

Police Chief
Eric Debus

Public Works
Director
Jesus Dominguez

MINUTES OF THE MEETING OF THE RHOME CITY COUNCIL

Meeting Date: Thursday, January 11, 2024

Regular Session: 6 p.m.

Meeting Location: Rhyme Community Center, 261 North School Road, Rhyme, TX 76078

LIVE Streaming: In an effort to be as accessible as possible, we *may*
Live Stream the meeting using GoToMeeting from your computer or phone.

By Computer

By Phone

GoToMeeting: Select Join: Select Meeting	Call 1 (571) 317-3116
Session ID: 571-317-3116	Access Code: 989-137-621
Access Code: 989-137-621	Toll Free Option: 1 (866) 899-4679

The Rhyme City Council *may* conduct this meeting by videoconference call in accordance with Section 551.127 of the Texas Open Meetings Act. A quorum of the City Council will be physically present at the address listed above and the public may attend the meeting at the same location.

Regular Session: 6 p.m.

Call to Order and Establish a Quorum

Invocation Mayor Patricia Mitchell

Pledge of Allegiance to the American Flag

Pledge of Allegiance to the Texas Flag

Honor the Texas Flag; I pledge allegiance to thee, Texas, One state under God, One and indivisible

Public Comments

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JoAnn Wilson – Council action on water/sewer, roads, roads and the city administrator.

Lisa Wilson – senior building and funding for repairs, new social media page

Sam Eason – meeting procedures

Announcements from Mayor and Council Members

- City Hall Closed January 15, 2024 for Martin Luther King, Jr. Day
- January 17, 2024 First Day to sign up for a Place on the Ballot

Consent Agenda

All items under this section are recommended for approval for the Consent Agenda. These items are of a routine nature and require only brief deliberation by Council. Council reserves the right to remove any item on the Consent Agenda for further deliberation.

1. Approval of the Council Minutes from December 14, 2023
2. Resolution 2024-01 naming the official newspaper of the City of the 2024 calendar year
Items #1 and #2 approved by Council under Consent Agenda. Council Member Tye made the motion to approve the two (2) items and Council Member Loftis seconded the motion.
3. Approval of Texas Municipal Retirement System Buyback Option
Mayor Mitchell asked that this item be removed from consent and discussed separately. Administrator DeGan explained this was discussed in detail during the executive session meeting of her annual review. The buy back option allows an employee to pay back money they took out of the retirement system and the burden is on the employee to pay the funds. A motion was made by Council Member Tye to approve the buyback option and seconded by Council Member Lifts. Motion was approved unanimously.

Monthly Staff Reports and Board Minutes

All items under this section are for informational purposes only; no action will be taken by Council.

1. Departments: Administration, Building & Development, Fire Rescue, Municipal Court, Police and Public Works (Department Heads).
Administrator DeGan informed Council that the monthly Departmental report had been updated to reflect a more streamlined format and to allow it to be viewed as a single document or update rather than each separate department submitting information with different templates. No questions were asked regarding the report.

Regular Agenda

Discussion and any necessary action for the following:

1. TXU Energy **(Mayor Mitchell)**
2. Spartan Energy Contract Reconsideration **(Mayor Mitchell)**
Items #1, 2, and 11 were combined into one discussion. Mayor Mitchell stated she had contacted TXU for an updated quote on electrical service. Council Member Tye also obtained quotes for our rate. Discussion ensued with the representative from Spartan Energy about added or 'junk' charges that are included in billing documents. Mayor Mitchell asked Council to postpone the discussion on this issue until the City Attorney had a change to provide them with direction. Council Member Loftis made a motion to postpone this discussion until the Council meeting on the 25th of January, 2024. Council Member Tye seconded the motion. Passed unanimously.
3. Texas Water Development Board Financial Assistance Application Deadline **(Mayor Mitchell)**
Mayor Mitchell stated that the deadline was approaching to apply for assistance through the TWDB for water projects. Administrator DeGan conveyed that we needed to be included in the state's water plan to apply for some of the larger project funding through TWDB and that we were in the process of talking with Upper Trinity Groundwater Conservation District in order to find out how to be included in the updated plan.

4. **ByWell Sign Damage (Mayor Mitchell)**

The damage to the sign was discussed by Council and Administrator DeGan provided before and after photos of the sign from October to now, with the cleanup. Mr. Dominguez, Public Works Director, also provided Council with an overview of the damage that remains and a general status of the other monument signs around Rhome. At Council direction, Staff will bring back quotes to repair the signs and gain direction on repairs.

5. **ByWell TxDOT Traffic Light @ Alliance and 114 (Mayor Mitchell)**

Mayor Mitchell discussed the light and stated she understood that the placement of the light was at TxDOT's discretion. Council Member King also spoke on the issue as she had asked about this several meetings ago and wondered what the timing was for installation. Chief Debus conveyed that TxDOT has looked at the area and we have reported all accidents/fatalities for this stretch of highway. Mayor Mitchell asked if we could draft a letter of support to TxDOT for the light to see if that would help move the project forward. Council Member King and Council Member Loftis asked that the letter be brought back at the meeting on the 25th. Administrator DeGan will bring the letter back for Council review at a subsequent meeting.

6. **Community Development Block Grant Status (Mayor Mitchell)**

Mayor Mitchell asked for a status update on the CDBG grant we received for the rehab of Well #6. Administrator DeGan provide information that the city's engineer is working with GrantWorks and TCEQ to submit the permit to redrill the well and then we would be publishing the proper notices in the paper. No action taken.

7. **TCEQ/USDA/Rural Development/Upper Trinity grants (Mayor Mitchell)**

Mayor Mitchell asked for a status update on grants. Council Member Loftis stated he thought this was the purpose of the discussion on the 19th of January – to review options and plan for capital projects. Council discussed the role of GrantWorks in the process and the submittal process from the standpoint of funding.

8. **Traffic Management (Mayor Mitchell)**

Mayor Mitchell discussed concerns of traffic movement along the service roads on the highways and the people who are using Main St. as an option to get around the issues of the congestion in Rhome. She also brought up the people who are making a u-turn in front of Dollar General and the folks exiting the highway and crossing on the grass. Discussion ensued with the Council about the use of officers to direct traffic. Council Member Shumake and Council Member Tye (both police officers) stated one (1) officer would not be enough to address the concerns. We would need to pay over-time for several officers to man those positions. Chief Debus also conveyed that in his experience from traffic enforcement when an officer is used to direct traffic this can create an expectation that he/she would be there to direct traffic every day. Currently, Rhome does not have enough officers for this level of assistance. Administrator DeGan discussed that this is also a policy question that Council should consider if direction is given to utilize officers for traffic. She also discussed the concerns of residents with the enforcement of Hwy 287 speeding/traffic issues. Traffic will be an on-going issue for Rhome due to our proximity to the Metroplex and our location in southern Wise County. Council Member King stated we should be mindful of the staffing issues when we consider the next budget season. No action taken.

9. **Community Center Electronic Equipment Malfunction/Backup (Mayor Mitchell)**

Mayor Mitchell asked a question about the malfunction of the recording system at the last meeting.

Administrator DeGan stated she was unsure what the issue was; however, when staff went to load the meeting, it did not show a recording for the event. She discussed the State requirements for a municipality of our size and the need to update the ordinance for Rhome that states the city 'shall' digitally record the meetings. Unless we hire a third party to handle the recording system, we do not have any IT trained personnel on staff, and we may have a malfunction from time to time. Council discussed that they would prefer that the meetings be recorded and give direction to review the ordinance as written and have the city attorney review. Council also asked staff

to review other options for third party vendors to handle the recording and posting of the meetings. Council Member King made a motion to review Ordinance 2021-03 and remove the 'shall' requirement and add something that meets with the city attorney's approval. Council Member Tye seconded. Motion passed unanimously.

10. May 4, 2024, Election Updates (**Mayor Mitchell**)

Mayor Mitchell conveyed the dates for filing. Further discussion was had about the open positions – Mayor, Place 4 and Place 5 seats. No action taken.

11. Electric Providers for the City (**Mayor Pro-Tem Tye**)

See above.

12. Posting of Election Signs (**City Administrator**)

Administrator DeGan will bring this ordinance back to Council for an update. We currently have a limit on posting signs outside the 30 days preceding the election. We need to change the size of the sign to align with state law. No action taken.

13. FY2022 Audit (**City Administrator**)

Matt Davis from MWH Accounting services reviewed the audit report with Council. Mr. Davis discussed the positive report for Rhome. They began working on audit in August/September period once the audit workpapers were completed and sent to MWH. The city received an unmodified audit opinion, which is the best opinion you can receive from the audit process. There was one item he wanted to point out that the \$1M PMB payment to reserve capacity was the only issue they found that needed an adjustment. He stated that the consultant for the city and the staff did a great job putting everything together. Mr. Davis stated there was no expected fraud or misstatement of the city's position and everything appears appropriate. He updated Council that for this fiscal year, the city did have a statement of net position of \$5.8M for all funds, which is an increase of \$1.2M over the previous year. For 2022, revenues were greater than expenditures. Administrator DeGan discussed that we used the consultants to establish the separate funds that were audited, to clearly track the restricted funds, and other internal updates to align our systems which have put us in a good position for the future. Mayor Mitchell pointed out the adjustment needed for the PMB funds that were received during this year and that the auditors found this to be a material weakness. Council Member King brought up the portion of the report that outlined the steps staff had already taken to address the issue and Council Member Loftis discussed that the journal entry had already been made in the system. Mr. Davis stated this was an adjustment to be noted on their audit and that the city had received the funds but that it hadn't currently been used as of the FY 2022 year end. Council Member King stated that this was a very thorough audit and that it clearly took a lot of time for the MWH Group and staff and she thanked them for their work. She also asked that the following be included in the minutes from the MWH letter that Council received: "Difficulties in performing the audit – we encountered no significant difficulties in dealing with management in performing and completing our audit and we are pleased to report that no disagreements with management arose during the course of our audit." She thanked staff for the transparency and for working with auditors to finish this project. Report was received by Council and no action was needed.

14. Police Department General Orders (**Chief Debus**)

Mayor Mitchell stated she had asked that this be tabled at the last meeting in December. She hadn't had a chance to read the document and was not finished as of yet. Chief Debus stated this was an update to what existed when he was hired. He also referenced that these updates would align with recommendations of the best practices for police departments, which was made clear to him when he was hired that this was a priority of the hiring board. Chief Debus and his staff team worked on these general orders for over one (1) to review and

update and then it was sent to the attorney for review. Motion made by Council Member Tye to accept and seconded by Council Member Shumake. Approved unanimously.

15. FY2023 Budget Amendments **(City Administrator)**

Administrator DeGan went through the Power Point presentation regarding the projected numbers for the FY 2023 budget. She discussed the alignment of the funds and the definitions/use of each fund. She also discussed the changes/updates to the GL account codes and the descriptions of each line item. DeGan provided an update that the revenue from the contractual obligations was now shown in the budget from the City of Aurora and PMB for public safety services. Overall, the general fund received more funds in revenue than was budgeted by approximately \$267K for the year which equals 10%. Expenditures in General Fund were under budget by approximately \$181K or 9% than what was allocated in the budget document. Fire-EMS and Parks were balanced. The transfers out of General Fund to Fire-EMS was less than budgeted by 67% and the Parks Fund was overbudgeted by 33%. For the Utility Fund (Water/Wastewater) revenues exceeded expenditures by approximately \$41K. Motion was made by Council Member Tye to accept the amendments and seconded by Council Member Shumake. Approved unanimously.

16. Organizational Update **(City Administrator)**

Administrator DeGan stated she asked to postpone this as there was difficulty finishing the presentation due to the electricity outages of the day. Item was postponed.

17. Liquor Laws inside City Limits **(Council Member Tye)**

Council Member Tye asked for this item as we may want to consider allowing restaurants that currently exist, or for new restaurants, and what would be the process to pursue this option. Administrator DeGan stated we would need to consult the city attorney and could bring this back in the future.

18. Parking on Street **(Council Member Johnson)**

Council Member Johnson asked that Staff research parking restrictions for the community. Rhome currently has an ordinance that does not allow for parking on the street. Staff will work with the city attorney to review our options and put this on a future agenda.

19. Administration of Senior Center **(Council Member Loftis)**

Council Member Loftis asked that this item be moved to the meeting on January 19th.

20. Waste Connections Annual Increase **(City Administrator)**

Jeff Collins from Waste Connections spoke to Council about the requested increase in pricing for trash pick-up. The contract the city has with the vendor allows for a Consumer Price Index (CPI) annual adjustment. This year the CPI is 4.6%. Waste Connections also asked for an additional 1% increase, which would be .23 cents on each water bill. Discussion ensued on general trash pick-up and performance of Waste Connections relative to the requested increase in price for residents. Council Member Tye made a motion to approve the agreement with Waste Connections. Council Member King seconded the motion. Approved unanimously.

Executive Session

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 - Prairie Point Development

Regular Agenda (Resume)

1. Action to be taken from Executive Session discussions

Future Agenda Items

(Agenda items are due by 5 p.m. on the Wednesday of the week prior to the Council meeting)

Adjourn

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CERTIFICATION: I do hereby certify that the above City Council Agenda was posted on the designated bulletin board located at City Hall, 501 South Main Street, Rhome, Texas by 6 pm on January 8, 2024.

Shaina Odom, City Secretary

I certify that the attached notice and agenda of items to be considered by the Rhome City Council was removed by me from the designated bulletin board located at City Hall, 501 South Main Street, Rhome, Texas, on the ____ day of _____, 2024.

_____, Title: _____



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Rhode, Texas 76078

Telephone: 817-636-2462 | Metro: 817-638-2758

www.cityofrhode.com cityadministrator@cityofrhode.com

AGENDA ITEM 2



Agenda Commentary
Meeting Date: January 25, 2024

Department: Administration
Contact: Chief Eric Debus, Police Department
Agenda Item: Racial Profiling Report

Type of Item: ☐ Ordinance ☐ Resolution ☐ Contract/Agreement ☐ Public Hearing
☐ Plat ☐ Discussion & Direction ☒ Other

Summary:

- Each year, the Police Department must submit a racial profiling report for our city.
- Council is not required to take any action; however, it must be provided on an agenda for Council review.

Funding Expected: ☐ Revenue ☐ Expenditure ☒ N/A

Budgeted Item: ☐ Yes ☐ No ☒ N/A

GL Account: _____ Amount: _____

Legal Review Required: ☐ Yes ☐ No Date Completed: _____

Engineering Review: ☐ FD Review: ☐ PD Review: ☐ PW Review: ☐

History / Details / Recommendation:

Annual report for the department.

Racial Profiling Report | Full report

Agency Name: RHOME POLICE DEPARTMENT

Reporting Date: 1/8/2024

TCOLE Agency Number:

Chief Administrator: Chief Eric Debus

Agency Contact:

Phone: (817) 636-2400

Email:

Mailing Address: 400 B. C. Rhome, Rhome, TX 76078

This Agency filed a full report

RHOME POLICE
DEPARTMENT

has adopted a detailed written policy on racial profiling. Our policy:

- 1) clearly defines acts constituting racial profiling;
- 2) strictly prohibits peace officers employed by the RHOME POLICE DEPARTMENT from engaging in racial profiling;
- 3) implements a process by which an individual may file a complaint with the RHOME POLICE DEPARTMENT if the individual believes that a peace officer employed by the RHOME POLICE DEPARTMENT has engaged in racial profiling with respect to the individual;
- 4) provides public education relating to the agency's complaint process;
- 5) requires appropriate corrective action to be taken against a peace officer employed by the RHOME POLICE DEPARTMENT who, after an investigation, is shown to have engaged in racial profiling in violation of the RHOME POLICE DEPARTMENT
- 6) requires collection of information relating to motor vehicle stops in which a citation is issued and to arrests made as a result of those stops, including information relating to:
 - a. the race or ethnicity of the individual detained;
 - b. whether a search was conducted and, if so, whether the individual detained consented to the search;

c. whether the peace officer knew the race or ethnicity of the individual detained before detaining that individual;

d. whether the peace officer used physical force that resulted in bodily injury during the stop;

e. the location of the stop;

f. the reason for the stop.

7) requires the chief administrator of the agency, regardless of whether the administrator is elected, employed, or appointed, to submit an annual report of the information collected under Subdivision (6) to:

a. the Commission on Law Enforcement; and

b. the governing body of each county or municipality served by the agency, if the agency is an agency of a county, municipality, or other political subdivision of the state.

The RHOMÉ POLICE DEPARTMENT has satisfied the statutory data audit requirements as prescribed in Article 2, 133(c), Code of Criminal Procedure during the reporting period.

Executed by: Chief Eric Debus

Date: 1/8/2024

RHOME POLICE DEPARTMENT

1/1/2023 - 12/31/2023

Total stops: 2,464 100.00%

Street address or approximate location of the stop

City street: 714 28.98%
 US highway: 948 38.47%
 State highway: 593 24.07%
 County road: 29 1.18%
 Private property or other: 180 7.31%

Was race or ethnicity known prior to stop?

Yes: 71 2.88%
 No: 2,393 97.12%

Race or ethnicity

Alaska Native/American Indian: 1 0.04%
 Asian/Pacific Islander: 56 2.27%
 Black: 215 8.73%
 White: 1,620 65.75%
 Hispanic/Latino: 572 23.21%

Gender

Female:

Total	<u>748</u>	<u>30.36%</u>				
Alaska Native/American Indian	<u>1</u>	<u>0.13%</u>	Asian/Pacific Islander	<u>8</u>	<u>1.07%</u>	
Black	<u>62</u>	<u>8.29%</u>	White	<u>549</u>	<u>73.40%</u>	Hispanic/Latino <u>128</u> <u>17.11%</u>

Male:

Total	<u>1,714</u>	<u>69.56%</u>				
Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>	Asian/Pacific Islander	<u>48</u>	<u>2.80%</u>	
Black	<u>153</u>	<u>8.93%</u>	White	<u>1,069</u>	<u>62.37%</u>	Hispanic/Latino <u>444</u> <u>25.90%</u>

RHOME POLICE DEPARTMENT

1/1/2023 - 12/31/2023

Reason for stop?

Violation of law:

Total	<u>48</u>	<u>1.95%</u>					
Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>	Asian/Pacific Islander	<u>0</u>	<u>0.00%</u>		
Black	<u>7</u>	<u>14.58%</u>	White	<u>32</u>	<u>66.67%</u>	Hispanic/Latino	<u>9</u> <u>18.75%</u>

Preexisting knowledge:

Total	<u>25</u>	<u>1.01%</u>					
Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>	Asian/Pacific Islander	<u>1</u>	<u>2.08%</u>		
Black	<u>2</u>	<u>4.17%</u>	White	<u>18</u>	<u>37.50%</u>	Hispanic/Latino	<u>4</u> <u>8.33%</u>

Moving traffic violation:

Total	<u>2,030</u>	<u>82.39%</u>					
Alaska Native/American Indian	<u>1</u>	<u>0.05%</u>	Asian/Pacific Islander	<u>54</u>	<u>2.66%</u>		
Black	<u>170</u>	<u>8.37%</u>	White	<u>1,344</u>	<u>66.21%</u>	Hispanic/Latino	<u>461</u> <u>22.71%</u>

Vehicle traffic violation:

Total	<u>361</u>	<u>14.65%</u>					
Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>	Asian/Pacific Islander	<u>1</u>	<u>0.28%</u>		
Black	<u>36</u>	<u>9.97%</u>	White	<u>226</u>	<u>62.60%</u>	Hispanic/Latino	<u>98</u> <u>27.15%</u>

Was a search conducted?

Yes:

Total	<u>126</u>	<u>5.11%</u>					
Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>	Asian/Pacific Islander	<u>2</u>	<u>1.59%</u>		
Black	<u>22</u>	<u>17.46%</u>	White	<u>81</u>	<u>64.29%</u>	Hispanic/Latino	<u>21</u> <u>16.67%</u>

No:

Total	<u>2,338</u>	<u>94.89%</u>					
Alaska Native/American Indian	<u>1</u>	<u>0.04%</u>	Asian/Pacific Islander	<u>54</u>	<u>2.31%</u>		
Black	<u>193</u>	<u>8.25%</u>	White	<u>1,539</u>	<u>65.83%</u>	Hispanic/Latino	<u>551</u> <u>23.57%</u>

Reason for Search?

Consent:

Total	<u>36</u>	<u>1.46%</u>					
Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>	Asian/Pacific Islander	<u>1</u>	<u>2.78%</u>		
Black	<u>2</u>	<u>5.56%</u>	White	<u>29</u>	<u>80.56%</u>	Hispanic/Latino	<u>4</u> <u>11.11%</u>

Contraband:

Total	<u>4</u>	<u>0.16%</u>					
Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>	Asian/Pacific Islander	<u>0</u>	<u>0.00%</u>		
Black	<u>2</u>	<u>50.00%</u>	White	<u>1</u>	<u>25.00%</u>	Hispanic/Latino	<u>1</u> <u>25.00%</u>

Racial Profiling Report | Full Report

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RHOME POLICE DEPARTMENT

1/1/2023 - 12/31/2023

Probable cause:

Total	<u>63</u>	<u>2.56%</u>					
Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>	Asian/Pacific Islander	<u>1</u>	<u>1.59%</u>		
Black	<u>15</u>	<u>23.81%</u>	White	<u>33</u>	<u>52.38%</u>	Hispanic/Latino	<u>14</u> <u>22.22%</u>

Inventory:

Total	<u>0</u>				
Alaska Native/American Indian	<u>0</u>		Asian/Pacific Islander	<u>0</u>	
Black	<u>0</u>		White	<u>0</u>	
			Hispanic/Latino	<u>0</u>	

Incident to arrest:

Total	<u>23</u>	<u>0.00%</u>				
Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>	Asian/Pacific Islander	<u>0</u>	<u>0.00%</u>	
Black	<u>3</u>	<u>0.00%</u>	White	<u>18</u>	<u>0.00%</u>	Hispanic/Latino <u>2</u> <u>0.00%</u>

Was Contraband discovered?

Yes:

Total	<u>75</u>	<u>3.04%</u>					
Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>	Yes	<u>0</u>	<u>0.00%</u>	No	<u>0</u> <u>0.00%</u>
Asian/Pacific Islander	<u>0</u>	<u>0.00%</u>	Yes	<u>0</u>	<u>0.00%</u>	No	<u>0</u> <u>0.00%</u>
Black	<u>17</u>	<u>22.67%</u>	Yes	<u>3</u>	<u>17.65%</u>	No	<u>14</u> <u>82.35%</u>
White	<u>43</u>	<u>57.33%</u>	Yes	<u>11</u>	<u>25.58%</u>	No	<u>32</u> <u>74.42%</u>
Hispanic/Latino	<u>15</u>	<u>20.00%</u>	Yes	<u>3</u>	<u>20.00%</u>	No	<u>12</u> <u>80.00%</u>

Did the finding result in arrest (total should equal previous column)?

No:

Total	<u>51</u>	<u>2.07%</u>				
Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>	Asian/Pacific Islander	<u>2</u>	<u>3.92%</u>	
Black	<u>5</u>	<u>9.80%</u>	White	<u>38</u>	<u>74.51%</u>	Hispanic/Latino <u>6</u> <u>11.76%</u>

Description of contraband

Drugs:

Total	<u>65</u>	<u>2.64%</u>				
Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>	Asian/Pacific Islander	<u>0</u>	<u>0.00%</u>	
Black	<u>17</u>	<u>26.15%</u>	White	<u>35</u>	<u>53.85%</u>	Hispanic/Latino <u>13</u> <u>20.00%</u>

Currency:

Total	<u>0</u>	<u>0.00%</u>
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Racial Profiling Report | Full Report

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RHOME POLICE DEPARTMENT

1/1/2023 - 12/31/2023

	Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>	Asian/Pacific Islander	<u>0</u>	<u>0.00%</u>
	Black <u>0</u>	<u>0.00%</u>	White <u>0</u>	<u>0.00%</u>	Hispanic/Latino <u>0</u>	<u>0.00%</u>
Weapons:						
Total	<u>0</u>	<u>0.00%</u>				
	Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>	Asian/Pacific Islander	<u>0</u>	<u>0.00%</u>
	Black <u>0</u>	<u>0.00%</u>	White <u>0</u>	<u>0.00%</u>	Hispanic/Latino <u>0</u>	<u>0.00%</u>
Alcohol:						
Total	<u>4</u>	<u>0.16%</u>				
	Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>	Asian/Pacific Islander	<u>0</u>	<u>0.00%</u>
	Black <u>0</u>	<u>0.00%</u>	White <u>3</u>	<u>75.00%</u>	Hispanic/Latino <u>1</u>	<u>25.00%</u>
Stolen property:						
Total	<u>0</u>	<u>0.00%</u>				
	Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>	Asian/Pacific Islander	<u>0</u>	<u>0.00%</u>
	Black <u>0</u>	<u>0.00%</u>	White <u>0</u>	<u>0.00%</u>	Hispanic/Latino <u>0</u>	<u>0.00%</u>
Other:						
Total	<u>7</u>	<u>0.28%</u>				
	Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>	Asian/Pacific Islander	<u>0</u>	<u>0.00%</u>
	Black <u>1</u>	<u>14.29%</u>	White <u>5</u>	<u>71.43%</u>	Hispanic/Latino <u>1</u>	<u>14.29%</u>

Result of the stop

Verbal warning:

Total	<u>972</u>	<u>39.45%</u>				
	Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>	Asian/Pacific Islander	<u>22</u>	<u>2.26%</u>
	Black <u>86</u>	<u>8.85%</u>	White <u>689</u>	<u>70.88%</u>	Hispanic/Latino <u>175</u>	<u>18.00%</u>

Written warning:

Total	<u>230</u>	<u>9.33%</u>				
	Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>	Asian/Pacific Islander	<u>2</u>	<u>0.87%</u>
	Black <u>24</u>	<u>10.43%</u>	White <u>162</u>	<u>70.43%</u>	Hispanic/Latino <u>42</u>	<u>18.26%</u>

Citation:

Total	<u>1,249</u>	<u>50.69%</u>				
	Alaska Native/American Indian	<u>1</u>	<u>0.08%</u>	Asian/Pacific Islander	<u>32</u>	<u>2.56%</u>
	Black <u>103</u>	<u>8.25%</u>	White <u>762</u>	<u>61.01%</u>	Hispanic/Latino <u>351</u>	<u>28.10%</u>

1/1/2023 - 12/31/2023

Total	<u>5</u>	<u>0.20%</u>					
Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>		Asian/Pacific Islander	<u>0</u>	<u>0.00%</u>	
Black	<u>1</u>	<u>20.00%</u>	White	<u>3</u>	<u>60.00%</u>	Hispanic/Latino	<u>1</u> <u>20.00%</u>

RHOME POLICE DEPARTMENT

1/1/2023 - 12/31/2023

Was physical force resulting in bodily injury used during stop?

Yes:

Total	<u>0</u>	<u>0.00%</u>					
Alaska Native/American Indian	<u>0</u>	<u>0.00%</u>	Asian/Pacific Islander	<u>0</u>	<u>0.00%</u>		
Black	<u>0</u>	<u>0.00%</u>	White	<u>0</u>	<u>0.00%</u>	Hispanic/Latino	<u>0</u> <u>0.00%</u>

No:

Total	<u>2,464</u>	<u>100.00%</u>					
Alaska Native/American Indian	<u>1</u>	<u>0.04%</u>	Asian/Pacific Islander	<u>56</u>	<u>2.27%</u>		
Black	215	<u>8.73%</u>	White	<u>1,620</u>	<u>65.75%</u>	Hispanic/Latino	<u>572</u> <u>23.21%</u>

Number of complaints of racial profiling?

Total	0	<u>0.00%</u>
Resulted in disciplinary action	0	<u>0.00%</u>
Did not result in disciplinary action	0	<u>0.00%</u>

Submitted electronically to the



The Texas Commission on Law Enforcement

RHOME POLICE DEPARTMENT

1/1/2023 - 12/31/2023

Comparative Analysis

Motor Vehicle Stops vs. Gender Ethnic Population of Service Area

RHOME POLICE DEPARTMENT

Racial Profile Data Provided by Kologik COPSsync Mobile	# of Stops	% of Stops	Agency Service Area Demographics Provided by Agency Official (Not Kologik)	Total Number	% of Population
Male	1,714	69.56%	Male		
Female	748	30.36%	Female		
Alaska Native/American Indian	1	0.04%	Alaska Native/American Indian		
Asian/Pacific Islander	56	2.27%	Asian/Pacific Islander		
Black	215	8.73%	Black		
White	1,620	65.75%	White		
Hispanic/Latino	572	23.21%	Hispanic/Latino		
			Other/Not Reported Above		

DATA SOURCE USED FOR AGENCY SERVICE AREA DEMOGRAPHICS:

ADDITIONAL INFORMATION THAT MAY INFLUENCE AND/OR IMPACT DATA REPORTED:

This form is produced in accordance with the Texas Code of Criminal Procedure Article 2.134 as required by the Texas Occupation Code Section 1701.164 and the Texas Commission on Law Enforcement. The Agency Service Area Demographics data was derived from available public data sources such as the US Census Bureau and other statistical services available to the reporting agency.





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Rhode, Texas 76078

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AGENDA ITEM 3



Agenda Commentary
Meeting Date: January 25, 2023

Department: Administration

Contact: Amanda DeGan, City Administrator

Agenda Item: Approval/action of a Resolution Authorizing Continued Membership in the Oncor Cities Steering Committee (OCSC) for the Upcoming 88th Legislative Session

Type of Item: ☐ Ordinance ☐ Resolution ☐ Contract/Agreement ☐ Public Hearing
☐ Plat ☒ Discussion & Direction ☐ Other

Summary:

- Rhome is one of 171 cities who participate in the OCSC, which helps monitor and represent member cities before the Public Utility Commission, ERCOT, the courts, and the Legislature relative to electric utility regulation.
- OCSC keeps us informed of rate cases, appeals, rules regarding Oncor, and bills that come before the Legislature that may not be of benefit to us our residents.
- The 88th Legislative Session began on January 10th and runs through May 29th
- Our assessment (invoice fee) is based on our population, which is calculated by OCSC at 1,580 residents at .10 cents per person = \$158.00
- Staff is seeking approval of the resolution for our membership

Funding Expected: ☐ Revenue ☒ Expenditure ☐ N/A

Budgeted Item: ☐ Yes ☐ No ☐ N/A

GL Account: _____ Amount: **\$158.00**

Legal Review Required: ☐ Yes ☐ No Date Completed: _____

Engineering Review: ☐ FD Review: ☐ PD Review: ☐ PW Review: ☐

Details / Recommendation: Staff recommends approval and will bring major updates we receive forward for Council consideration as needed throughout the 89th Legislative session. The following explanation is taken from the OCSC Memo to Staff.

“The Steering Committee is the most active consumer group advocating the interests of cities and residential and small commercial customers within the cities to keep electric transmission and distribution (i.e., wires) rates reasonable. Steering Committee activities protect the authority of municipalities over the regulated wires service and rates charged by Oncor Electric Delivery Company, LLC (“Oncor”).

The work undertaken by the Steering Committee has saved cities and ratepayers millions of dollars in unreasonable charges. In order to continue to be an effective voice before the Public Utility Commission of Texas (“Commission” or “PUC”), ERCOT, the Legislature, and in the courts, the

Steering Committee must have your support. The membership assessment is deposited in an account which funds Steering Committee activities.”

Attachments:

Resolution

2024 OCSC Invoice

Memo to Steering Committee Member Cities

OCSC Master List of Cities

OCSC Newsletter

MEMORANDUM

TO: Steering Committee of Cities Served by Oncor
FROM: Molly Shortall, Chair
DATE: January 8, 2024
RE: **Action Needed – 2024 Membership Assessment Invoice**

Enclosed please find the 2024 Steering Committee of Cities Served by Oncor (“Steering Committee”) membership assessment invoice and draft resolution. These items are discussed below. We ask that your city please take action on the membership assessment as soon as possible.

Although the Steering Committee does not require that your city take action by resolution to approve the assessment, some members have requested a resolution authorizing payment of the 2024 membership assessment. Payment of the membership assessment fee shall be deemed to be in agreement with the terms of the Steering Committee participation agreement.

Please forward the membership assessment fee and, if applicable, the signed resolution to Brandi Stigler, Steering Committee of Cities Served by Oncor, c/o City Attorney’s Office, Mail Stop 63-0300, 101 S. Mesquite St., Suite 300, Arlington, Texas 76010. Checks should be made payable to: *Steering Committee of Cities Served by Oncor*. If you have any questions, please feel free to contact me at (817-459-6878) or Thomas Brocato (tbrocato@lglawfirm.com, (512/914-5061)).

Membership Assessment Invoice and Resolution

The Steering Committee is the most active consumer group advocating the interests of cities and residential and small commercial customers within the cities to keep electric transmission and distribution (*i.e.*, wires) rates reasonable. Steering Committee activities protect the authority of municipalities over the regulated wires service and rates charged by Oncor Electric Delivery Company, LLC (“Oncor”).

The work undertaken by the Steering Committee has saved cities and ratepayers millions of dollars in unreasonable charges. In order to continue to be an effective voice before the Public Utility Commission of Texas (“Commission” or “PUC”), ERCOT, the Legislature, and in the courts, the Steering Committee must have your support. The membership assessment is deposited in an account which funds Steering Committee activities.

Currently, the Steering Committee is involved in numerous rulemakings and projects at the PUC. The Steering Committee expects to participate in Oncor’s Rate Case and Energy Efficiency Cost Recovery Factor (“EECRF”) proceedings later this year.

On December 7, 2023, the Steering Committee approved the 2024 assessment for Steering Committee membership. Based upon the population-based assessment protocol previously adopted by the Steering Committee, the assessment for 2024 is a per capita fee of \$0.10 based upon the population figures for each city shown in the latest TML Directory of City Officials. The enclosed invoice represents your city’s assessment amount.

To assist you in the assessment process, we have attached several documents to this memorandum for your use:

- OCSC 2023 Year in Review
- Model resolution approving the 2024 assessment (optional, provided for those cities that have requested a resolution to authorize payment)
- Model staff report supporting the resolution
- List of Steering Committee members
- 2024 Assessment invoice
- 2023 Assessment invoice and statement (only if not yet paid)
- Blank member contact form to update distribution lists

RESOLUTION NO- 2024-02

A RESOLUTION AUTHORIZING CONTINUED PARTICIPATION WITH THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR; AND AUTHORIZING THE PAYMENT OF TEN CENTS PER CAPITA TO THE STEERING COMMITTEE TO FUND REGULATORY AND LEGAL PROCEEDINGS AND ACTIVITIES RELATED TO ONCOR ELECTRIC DELIVERY COMPANY, LLC.

WHEREAS, the City of Rhome, Texas is a regulatory authority under the Public Utility Regulatory Act (PURA) and has exclusive original jurisdiction over the rates and services of Oncor Electric Delivery Company, LLC (Oncor) within the municipal boundaries of the city; and

WHEREAS, the Steering Committee of Cities Served By Oncor (Steering Committee) has historically intervened in Oncor rate proceedings and electric utility related rulemakings to protect the interests of municipalities and electric customers residing within municipal boundaries; and

WHEREAS, the Steering Committee is participating in Public Utility Commission dockets and projects, as well as court proceedings, and legislative activity, affecting transmission and distribution utility rates; and

WHEREAS, the City is a member of the Steering Committee; and

WHEREAS, the Steering Committee functions under the direction of an Executive Committee which sets an annual budget and directs interventions before state and federal agencies, courts and legislatures, subject to the right of any member to request and cause its party status to be withdrawn from such activities; and

WHEREAS, the Steering Committee at its December 2023 meeting set a budget for 2024 that compels an assessment of ten cents (\$0.10) per capita; and

WHEREAS, in order for the Steering Committee to continue its participation in these activities which affects the provision of electric utility service and the rates to be charged, it must assess its members for such costs.

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

I.

That the City is authorized to continue its membership with the Steering Committee of Cities Served by Oncor to protect the interests of the City of Rhome and protect the interests of the customers of Oncor Electric Delivery Company, LLC residing and conducting business within the City limits.

II.

The City is further authorized to pay its assessment to the Steering Committee of ten cents (\$0.10) per capita based on the population figures for the City shown in the latest TML Directory of City Officials.

III.

A copy of this Resolution and the assessment payment check made payable to "*Steering Committee of Cities Served by Oncor*" shall be sent to Brandi Stigler, Steering Committee of Cities Served by Oncor, c/o City Attorney's Office, Mail Stop 63-0300, 101 S. Mesquite St., Suite 300, Arlington, Texas 76010.

PRESENTED AND PASSED on this the _____ day of _____, 2023, by a vote of _____ ayes and _____ nays at a regular meeting of the City Council of the City of Rhome, Texas.

Patricia Mitchell
Mayor

ATTEST:

Shaina Odom
City Secretary

APPROVED AS TO FORM:

Carvan Adkins
Approved to Form
City Attorney



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AGENDA ITEM 1



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AGENDA ITEM 2



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AGENDA ITEM 3



Agenda Commentary
Meeting Date: January 25, 2023

Department: Administration

Contact: Amanda DeGan, City Administrator

Agenda Item: Letter to TxDOT regarding a traffic control light at the Alliance Blvd/Hwy 114 intersection

Type of Item: ☐ Ordinance ☐ Resolution ☐ Contract/Agreement ☐ Public Hearing
☐ Plat ☐ Discussion & Direction ☐ Other

Summary:

- The Rhome City Council asked staff to draft a letter of support for a traffic control light at the Alliance Blvd. and SH 114 intersection (By Well Estates).
- Staff have included a draft of the letter and will make any necessary changes per Council direction.

Funding Expected: ☐ Revenue ☐ Expenditure ☐ N/A

Budgeted Item: ☐ Yes ☐ No ☐ N/A

GL Account: _____ Amount: _____

Legal Review Required: ☐ Yes ☐ No Date Completed: _____

Engineering Review: ☐ FD Review: ☐ PD Review: ☐ PW Review: ☐

History / Details / Recommendation:



Physical Address: 501 South Main Street

Mailing Address: PO Box 228

Rhome, Texas 76078

Telephone: 817-636-2462

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January 25, 2023

Mr. David Salazar, Jr.
Texas Department of Transportation
2501 S W Loop 820
Fort Worth, Texas 76133

Re: Traffic Control Light at Alliance Blvd. and SH 114 in Rhome

Dear Mr. Salazar:

We are writing this letter in support of the installation of a traffic control light at a very dangerous intersection within our community. This area has experienced approximately eight (8) traffic accidents in the past 24 months and one (1) fatality in this area.

We understand that the area has been designated as an intersection that "warrants" a traffic control device and the current issue is available funding. The City of Rhome has experienced an inordinately high number of fatalities/accidents, and we urge you to move this project to the top of the list for funding.

Any information you can provide as to the timing of the traffic light installation in this matter will be greatly appreciated.

Sincerely,

Patricia Mitchell
Mayor

cc: Rhome City Council
Amanda DeGan, City Administrator



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AGENDA ITEM 4

January 16, 2024

Subject: Urgent Concerns Regarding Traffic Congestion and U-turn Problem

To: Council Members.

I am writing to express my deep concern regarding the increasing traffic congestion and persistent U-turn problem in our community. As a resident of Rhome, I have personally witnessed the negative effects these issues have on our daily lives, safety, and overall quality of life.

Firstly, the alarming Levels of traffic congestion we are experiencing significantly impact our ability to commute efficiently and punctually. This not only Leads to frustration and stress among residents but also has serious economic implications, such as delayed productivity and increased fuel consumption. Our city residents deserve a transportation infrastructure that enables smooth traffic flow and reduces unnecessary delays. It is our elected official's responsibility to comprise a solution to solve the traffic problem and just not push it aside. If we have money to give pay raises, then we have money to fix our serious traffic problem.

Furthermore, the prevalent U-turn problem in front of city hall exacerbates the existing traffic congestion and poses a considerable threat to public safety. The lack of designated U-turn points or properly enforced regulations has encouraged motorists to take hazardous U-turns at inappropriate locations, putting pedestrians, cyclists, and other road users at risk. Several near-miss incidents and accidents have already occurred, underscoring the urgent need to address this issue promptly for the safety of all residents.

Considering these concerns, I would like to request the council's immediate attention and intervention to alleviate these problems. I propose the following measures as potential solutions:

1. Traffic Flow Analysis: Conduct a comprehensive study to evaluate the current traffic situation, identify congestion hotspots, and assess the impact of U-turns on traffic flow.
2. Public Awareness Campaigns: Launch an educational campaign to raise awareness about the importance of safe driving practices and respect for traffic rules. This should include specific information on responsible U-turn behavior and the risks associated with reckless maneuvers.
3. Law Enforcement: Increase police presence and enforcement efforts to deter illegal U-turns and other traffic violations. Strict penalties and fines should be imposed on offenders to reinforce the seriousness of these safety concerns.

4. Collaborative Efforts: Engage with community members, local businesses, and transportation experts to gather valuable insights and involve them in the decision-making process. Their experiences and expertise can contribute to finding effective and sustainable solutions.

I firmly believe that by taking immediate action and adopting a comprehensive approach, we can significantly improve traffic management and enhance overall road safety in our community. The positive impact of addressing these concerns will be far-reaching, fostering a more livable and sustainable environment for all residents.

I urge the council to prioritize this matter and consider implementing the proposed measures to address our traffic congestion and U-turn problem. I am confident that with collective efforts, we can create a safer and more efficient transportation system for our community.

Thank you for your attention to this pressing issue. I look forward to your prompt response and action.

Respectfully,

Louis Godfrey



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AGENDA ITEM 5



Agenda Commentary
Meeting Date: January 25, 2023

Department: Administration

Contact: Amanda DeGan, City Administrator

Agenda Item: Update to the Council Calendar for 2024

Type of Item: ☐ Ordinance ☒ Resolution ☐ Contract/Agreement ☐ Public Hearing
☐ Plat ☐ Discussion & Direction ☐ Other

Summary:

- The Rhyme City Council has set the 2nd and 4th Thursday of each month as the customary days of the week for regularly scheduled Council meetings.
- The update is necessary to document and publicize the move of the capital improvement plan discussion from the 19th of January to the 10th of February.
- A resolution and calendar have been prepared in order to update the calendar.

Funding Expected: ☐ Revenue ☐ Expenditure ☐ N/A

Budgeted Item: ☐ Yes ☐ No ☐ N/A

GL Account: _____ Amount: _____

Legal Review Required: ☐ Yes ☐ No Date Completed: _____

Engineering Review: ☐ FD Review: ☐ PD Review: ☐ PW Review: ☐

History / Details / Recommendation:

Please see the Resolution and calendar that is included in the packet.

RESOLUTION NO. 2024-02

A RESOLUTION OF THE RHOME CITY COUNCIL APPROVING THE 2024 MEETING SCHEDULE

WHEREAS, the City Council of the City of Rhome supports open and transparent government to allow access to all stakeholders; and,

WHEREAS, the Council desires to approve an annual meeting schedule to help communicate and provide information to the community; and,

WHEREAS, the City Council believes the addition of specific dates for a goal setting meeting, a budget meeting, and a new council orientation schedule will advance the city; and,

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

Section 1: That the City Council of the City of Rhome, Texas, hereby adopts the 2024 Council Calendar, shown in Exhibit “A”.

Section 2: That all matters stated in the Recitals hereinabove are true and correct and are incorporated herein by reference as if copied in their entirety.

Section 3: If any portion of this Resolution shall, for any reason, be declared invalid by a court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Council hereby determines that it would have adopted this Resolution without the invalid provision.

Section 4: That this Resolution shall become effective from and after its date of passage.

PASSED AND APPROVED ON THIS THE 25th DAY OF JANUARY 2024 BY THE RHOME CITY COUNCIL.

Patricia Mitchell, Mayor
Michelle Tye, Mayor Pro Tem

ATTEST:

Shaina Odom, City Secretary

APPROVED AS TO FORM:

Carvan Adkins, City Attorney



2024 Council Calendar

January

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

NY's 1st, MLK 15th & Goals Retreat 19th

Audit Due 31st

April

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Independence Day 4th

October

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Holidays

February

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29		

Last Day to File as Candidate 16th

Presidents Day 19th

May

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Local Election Day 4th

Memorial Day 27th & Orientation 17th

August

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Veteran's Day 11th

Thanksgiving 28th and 29th

March

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

31 Spring Break 11th - 15th

Good Friday 29th

June

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

30 Budget Planning Retreat 7th

Juneteenth 19th

September

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Labor Day 2nd

Adopt Budget 12th

December

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Christmas 24th and 25th

Council Meetings



Physical Address: 501 South Main Street

Mailing Address: PO Box 228

Rhode, Texas 76078

Telephone: 817-636-2462 | Metro: 817-638-2758

www.cityofrhode.com cityadministrator@cityofrhode.com

AGENDA ITEM 6



Agenda Commentary
Meeting Date: January 25, 2023

Department: Administration

Contact: Amanda DeGan, City Administrator

Agenda Item: Capital Improvement Plan Discussion

Type of Item: ☐ Ordinance ☒ Resolution ☐ Contract/Agreement ☐ Public Hearing
☐ Plat ☐ Discussion & Direction ☐ Other

Summary:

- The Rhyme City Council has been discussing the various projects that need to be completed on behalf of the community.
- We have several critical infrastructure upgrades/rehabs/improvements that need to be completed to ensure we are providing the services needed for the residents.
- Council will continue to review our options at this meeting and at a planning retreat that will be held on the 10th of February.

Funding Expected: ☐ Revenue ☐ Expenditure ☐ N/A

Budgeted Item: ☐ Yes ☐ No ☐ N/A

GL Account: _____ Amount: _____

Legal Review Required: ☐ Yes ☐ No Date Completed: _____

Engineering Review: ☐ FD Review: ☐ PD Review: ☐ PW Review: ☐

History / Details / Recommendation:

PowerPoint presentation will be provided at the meeting.



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AGENDA ITEM 7



Agenda Commentary
Meeting Date: January 25, 2024

Department: Administration

Contact: Amanda DeGan, City Administrator

Agenda Item: Water / Sewer System and Fund Overview

Type of Item: ☐ Ordinance ☐ Resolution ☐ Contract/Agreement ☐ Public Hearing
☐ Plat ☒ Discussion & Direction ☐ Other

Summary:

- Council members have been discussing the current state of our water and sewer system to better plan for service delivery in the future.
- Staff and consultants have presented many times over the past 24 months about the issues that currently face the city.
- Staff will provide an update on options and a high-level overview of the financial health of the Utility (Water / Sewer) Fund.

Funding Expected: ☐ Revenue ☐ Expenditure ☐ N/A

Budgeted Item: ☐ Yes ☐ No ☐ N/A

GL Account: _____ Amount: _____

Legal Review Required: ☐ Yes ☐ No Date Completed: _____

Engineering Review: ☐ FD Review: ☐ PD Review: ☐ PW Review: ☐

History / Details / Recommendation:

Staff have updated information from the city engineer, Kimley Horn, and the consultant we used for the recent rate studies, NewGen Strategies & Solutions. We have also reviewed the revenue and expenditures of the fund – going back to the early 1990’s to evaluate the rate structure and its impact on the health of the fund.

The Utility (Water / Sewer) Fund is commonly known as an Enterprise Fund in local government. The intent of an enterprise fund is for it to be self-supporting through the rates and impact fees that are charged as a result of the cost of the service. Water is a precious commodity in any community and one that our city has been challenged to find long-term solutions to keep up with the demand. This is also true of sewer or wastewater services. Rhome is fortunate to have the beautiful topography associated with the views and vistas in our area; however, it provides a challenge when considering placement for wastewater treatment plants. Currently, the city owns and operates two (2) plants – East Wastewater Treatment Plant and the West Wastewater Treatment Plant. The East plant is working well and the West plant has had numerous violation notices through the Texas Commission on Environmental Quality (TCEQ).

The background of the West plant, water source options, financial health of our fund, and capital planning ideas will be discussed at the meeting.



**City Council Minutes
Regular Session
January 9, 2014 – 7:00 p.m.**

Rhome City Hall
105 First Street
Rhome, TX 76078

Council Present: Mayor Chris Moore; Mayor Pro Tem Jo Ann Wilson; Council Members: Michelle Pittman, Charles Pennington and Ronnie Moore.

Absent: Louis Godfrey

Staff Present: Walt Leonard, City Attorney; Preston Gilliam, Public Works Director; James Rose, Police Chief; and Ramah Burns, City Secretary

Mayor Moore called the meeting to order and announce a quorum was present:

Mayor Moore led the assembly in the Pledge of Allegiance.

Citizen Presentation and Public Input:

None

Announcements from Mayor and Council Members

Jo Ann Wilson thanked everyone that made the annual Christmas event a success – Ronnie Moore, Louis Godfrey, Charles Pennington, Deborah BeCraft, Marie Moore, Lisa Wilson, Karen Sherwin, Chief Rose and Ramah Burns. She said the unknown Santa was awesome. The Rhome Women's Club helped and Pam Kemp read Christmas stories. She Acknowledged the fire and police for going the extra mile during the ice storm and both of the Chief's put that in their in their reports. She asked everyone to thank them. She said everyone really appreciated their help.

1. New Business

A. Peter Chaney, CPA – Approve audit for October 1, 2012 through September 30, 2013.

Peter Chaney told them the city is losing a lot of money in the Water/Sewer fund. He said the net loss is \$423,386 in the W/S fund. He said that is the biggest that he has seen since he has been our CPA. He said in 2005 there was a deficit of \$25,000. He said it has bounced up and down but in the last four years there has been a loss In 2010 of \$261,249, 2011 of \$265,008, 2012 of \$265,008. He said if this deficit he may have to qualified opinion next year based on a growing concern because we may be approaching insolvency if we keep losing \$400,000 plus every year. He said we have one (1) less employee and a small increase in the rates. For the first three (3) months in this fiscal year our revenues are \$237,000 last year \$234,000. He said if he projects out using the first three (3) months he gets a loss of \$437,000. If everything keeps trending like it is that's what it will be. He said we have to do something. He said it's tough and no one likes a rate increase.

He said now you need a new jetter and those are things that you need. He said you are holding down the line on expenses. He said you watch your expenses in the GF and W/S funds. He said he can't see another alternative for us but to raise rates. He said we cannot continue to spend more money than we take in.

Charles Pennington said we started selling water to the City of Aurora.

Peter Chaney said the rate increase sheet has three (3) Options. He said Option #1 Said that would give them \$28,000. He said that one would put a little dent in the \$400,000 loss. He said we have a long way to go. He said it's not going to happen anytime soon. We have a little relief coming in a couple of years. He said we have a deal with NISD where they put in the water tower and water lines. The city has title and we are paying them back by discounting their water. We are discounting 75% of their water bills. He said that is a substantial amount of money. He said last year it was almost \$51,000. We aren't going to get that cost paid off this year but will next year. The cities assets changed, we had a positive surplus in the GF but the W/S so we have a decrease in the net assets of \$29,000. The W/S revenues decreased 9.9% and expenses decreased 11%. Most of the revenues in the GF are from taxes. Revenues over all decreased 16.73% for the prior year due to the decrease in grants. Expenses for the whole city were down 1.38%. Capital Assets – we have \$11 million dollars of land, building, equipment, utility properties, and roads which represented a 1.63% over the prior year. We had park improvements which was great. We bought police cars and radios, a truck in the W/S and did street improvements. In Administration we met all of the debt payments on time, and reduced debt by \$459,000 and \$146,000 in interest. He said that's sums up the year. The big story is the debts in the W/S fund.

Motion was made by Jo Ann Wilson, seconded by Michelle Pittman to approve the audit for October 1, 2012 through September 30, 2013.

Motion carried unanimously.

- B. Contract for assessment and collection services with Wise County Appraisal District and the City of Rhome beginning January 1, 2014 and ending December 31, 2014.

Motion was made by Jo Ann Wilson, seconded by Michelle Pittman to approve the contract for assessment and collection services with WCAD beginning January 1, 2014 and ending December 31, 2014.

Motion carried unanimously.

- C. Proposed Ordinance 2014-01, ordering an election on May 10, 2014 to elect a Mayor and two (2) Council Members for a two (2) year term.

Motion was made by Jo Ann Wilson, seconded by Ronnie Moore to order an Election on May 10, 2014 to elect a Mayor and two (2) council members for a two (2) year term.

Motion carried unanimously.

ORDINANCE 2016-02

AN ORDINANCE AMENDING THE EXISTING WATER AND SEWER RATES THE CITY OF RHOME, TEXAS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RHOME, TEXAS.

1. That the Existing Water Rates of the City of Rhome, Texas fixing the rates to be charged and collected by the city from all customers obtaining service from its waterworks system is hereby amended as set forth below:

WATER RATE SCHEDULE
Monthly Billing

	<u>Rate</u>	<u>To</u>	<u>Increase</u>
A. Water Rates Inside City Limits			.20
Base Rate (Up to 2,000 Gallons)	33.75	33.95	
2,000 - 10,000 Gallons	Base + 7.65 per 1000 gallons	7.85	
10,000 - 20,000 Gallons	Base + 8.90 per 1000 gallons	9.00	
20,000 and up	Base + 9.90 per 1000 gallons	10.10	
B. Water Rates Outside City Limits			.20
Base Rate	70.00	70.20	
0 - 2,000 Gallons	Base + 7.65 per 1000 gallons	7.85	
2,000 - 15,000 Gallons	Base + 11.65 per 1000 gallons	11.85	
15,000 and up	Base + 15.65 per 1000 gallons	15.85	
C. Commercial Customers			.20
Base Rate	40.00	40.20	
0 - 2,000 Gallons	Base + 7.65 per 1000 gallons	7.85	
2,000 - 10,000 Gallons	Base + 8.65 per 1000 gallons	8.85	
10,000 - 20,000 Gallons	Base + 9.65 per 1000 gallons	9.85	
20,000 and up	Base + 10.65 per 1000 gallons	10.85	
D. Overhead Fill Customers			.20
Flat Rate up to 2,000 Gallons	70.00		
Over 2,000 Gallons - same rate as Outside City Limits			

1. That all other provisions of the existing ordinance shall prevail and be in full force and effect.

PASSED AND APPROVED this the 11th day of February, 2016.

Michelle Pittman
Mayor, City of Rhome

ATTEST:

Angie Young
City Secretary

APPROVED AS TO FORM:

City Attorney

ORDINANCE 2016-10

AN ORDINANCE AMENDING THE EXISTING WATER AND SEWER RATES FOR THE CITY OF RHOME, TEXAS, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Rhome contracts for water supplies from other sources; and

WHEREAS, the City of Rhome's current supplier has raised the rates it charges to the City; and

WHEREAS, the City of Rhome has determined that it is necessary to pass those increased costs to the City's water customers in order to maintain the financial integrity of both the City's Water Utility Fund and the General Fund

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RHOME, TEXAS:

1. That the existing Water Rates of the City of Rhome, Texas charged and collected by the city from all customers obtaining service from its waterworks system is hereby amended as set forth below:

WATER RATE SCHEDULE
Monthly Billing

	<u>Rate</u>	<u>To</u>	<u>Increase</u>
A. Water Rates Inside City Limits			.10
Base Rate (Up to 2,000 Gallons)	33.95	34.05	
2,000 - 10,000 Gallons	Base + 7.65 per 1000 gallons	7.95	
10,000 - 20,000 Gallons	Base + 8.90 per 1000 gallons	9.10	
20,000 and up	Base + 9.90 per 1000 gallons	10.20	
B. Water Rates Outside City Limits			.10
Base Rate	70.20	70.30	
0 - 2,000 Gallons	Base + 7.65 per 1000 gallons	7.95	
2,000 - 15,000 Gallons	Base + 11.65 per 1000 gallons	11.95	
15,000 and up	Base + 15.65 per 1000 gallons	15.95	
C. Commercial Customers			.10
Base Rate	40.20	40.30	
0 - 2,000 Gallons	Base + 7.65 per 1000 gallons	7.85	
2,000 - 10,000 Gallons	Base + 8.65 per 1000 gallons	8.85	
10,000 - 20,000 Gallons	Base + 9.65 per 1000 gallons	9.85	
20,000 and up	Base + 10.65 per 1000 gallons	10.85	
D. Overhead Fill Customers			.10
Flat Rate up to 2,000 Gallons	70.00		
Over 2,000 Gallons - same rate as Outside City Limits			

1. That all other provisions of the existing ordinance shall prevail and be in full force and effect.
2. This ordinance shall be effective immediately upon its adoption.

PASSED AND APPROVED this the 22 day of November 2016.

Mayor, City of Rhome

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

ORDINANCE 2016-

AN ORDINANCE AMENDING THE EXISTING WATER AND SEWER RATES FOR THE CITY OF RHOME, TEXAS, IN ACORDANCE WITH RATE INCREASES FROM WALNUT CREEK UTILITY DISTRICT, AND PROVIDING AN EFFECTIVE DATE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RHOME, TEXAS:

1. That the Existing Water Rates of the City of Rhome, Texas fixing the rates to be charged and collected by the city from all customers obtaining service from its waterworks system is hereby amended as set forth below:

WATER RATE SCHEDULE Monthly Billing

	<u>Rate</u>	<u>To</u>	<u>Increase</u>
A. Water Rates Inside City Limits			.10
Base Rate (Up to 2,000 Gallons)	33.95	34.05	
2,000 - 10,000 Gallons	Base + 7.65 per 1000 gallons	7.95	
10,000 - 20,000 Gallons	Base + 8.90 per 1000 gallons	9.10	
20,000 and up	Base + 9.90 per 1000 gallons	10.20	
B. Water Rates Outside City Limits			.10
Base Rate	70.20	70.30	
0 - 2,000 Gallons	Base + 7.65 per 1000 gallons	7.95	
2,000 - 15,000 Gallons	Base + 11.65 per 1000 gallons	11.95	
15,000 and up	Base + 15.65 per 1000 gallons	15.95	
C. Commercial Customers			.10
Base Rate	40.20	40.30	
0 - 2,000 Gallons	Base + 7.65 per 1000 gallons	7.85	
2,000 - 10,000 Gallons	Base + 8.65 per 1000 gallons	8.85	
10,000 - 20,000 Gallons	Base + 9.65 per 1000 gallons	9.85	
20,000 and up	Base + 10.65 per 1000 gallons	10.85	
D. Overhead Fill Customers			.10
Flat Rate up to 2,000 Gallons	70.00		
Over 2,000 Gallons - same rate as Outside City Limits			

1. That all other provisions of the existing ordinance shall prevail and be in full force and effect.
2. This ordinance shall be effective immediately upon it's adoption.

PASSED AND APPROVED this the ____ day of _____, 2016.

Mayor, City of Rhome

ATTEST:

APPROVED AS TO FORM:

City Secretary

City Attorney

**CITY OF RHOME
ORDINANCE 2017-16**

**AN ORDINANCE AMENDING THE EXISTING WATER AND SEWER
RATES FOR THE CITY OF RHOME, TEXAS, AND PROVIDING AN
EFFECTIVE DATE.**

WHEREAS, the City of Rhome contracts for water supplies from other sources;
and

WHEREAS, the City of Rhome's current supplier has raised the rates it charges
to the City; and

WHEREAS, the City of Rhome has determined that it is necessary to pass those
increased costs to the City's water customers in order to maintain the financial integrity
of both the City's Water Utility Fund and the General Fund

**THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RHOME,
TEXAS:**

1. That the existing Water Rates of the City of Rhome, Texas charged and collected by
the city from all customers obtaining service from its waterworks system is hereby
amended as set forth below:

**WATER RATE SCHEDULE
Monthly Billing**

		<u>Existing Rate</u>	<u>New Rate</u>	<u>Increase</u>
A.	Water Rates Inside City Limits			
	Base Rate (Up to 2,000 Gallons)	34.15	34.31	.16
	2,000 – 10,000 Gallons Base +	7.95 per 1000 gallons	8.03	.08
	10,000 – 20,000 Gallons Base +	9.10 per 1000 gallons	9.18	.08
	20,000 and up Base +	10.20 per 1000 gallons	10.28	.08
B.	Water Rates Outside City Limits			
	Base Rate	70.40	70.56	.16
	0 – 2,000 Gallons Base +	7.95 per 1000 gallons	8.03	.08
	2,000 – 15,000 Gallons Base +	11.95 per 1000 gallons	12.03	.08
	15,000 and up Base +	15.95 per 1000 gallons	16.03	.08

C. Commercial Customers

Base Rate		40.40	40.56	.16
0 – 2,000 Gallons	Base +	7.95 per 1000 gallons	8.03	.08
2,000 – 10,000 Gallons	Base +	8.95 per 1000 gallons	9.03	.08
10,000 – 20,000 Gallons	Base +	9.95 per 1000 gallons	10.03	.08
20,000 and up	Base +	10.95 per 1000 gallons	11.03	.08

D. Overhead Fill Customers

Flat Rate up to 2,000 Gallons	70.00	78.50
Over 2,000 Gallons – same rate as Outside City Limits		

2. That all other provisions of the existing ordinance shall prevail and be in full force and effect.
3. This ordinance shall be effective 10 days after publication.

PASSED AND APPROVED by the City Council of the City of Rhome, Texas, this the 25th day of July, 2017.

Michelle Pittman Di Credico
Michelle Pittman Di Credico,
Mayor

ATTEST:

Shannon Montgomery
Shannon Montgomery, TRMC
City Secretary



APPROVED TO AS FORM:

Carvan E. Adkins
Carvan E. Adkins,
City Attorney

**CITY OF RHOME
ORDINANCE 2021-10**

**AN ORDINANCE AMENDING THE EXISTING WASTEWATER RATES FOR THE CITY OF
RHOME, TEXAS, AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the City of Rhome, Texas, is authorized and empowered pursuant to the laws of the State of Texas to establish rates, charges and fees for the provision of water and waste water services, and

WHEREAS, the City of Rhome has determined that it is necessary to pass those increased costs to the City's water customers in order to maintain the financial integrity of both the City's Water Utility Fund and the General Fund.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RHOME, TEXAS:

1. That the existing WasteWater Rates of the City of Rhome, Texas charged and collected by the city from all customers obtaining service from its waterworks system is hereby amended as set forth below:

WASTEWATER RATES


Minimum Charge	Residential WasteWater Rates Inside City Limits		Commercial WasteWater Rates Inside City Limits	
	Current Rate	New Rate	Current Rate	New Rate
¾" or Less	\$ 11.00	\$ 28.79	\$ 30.00	\$ 78.51
1"	11.00	28.79	75.00	196.28
1 ½"	11.00	28.79	100.00	261.70
2" or Greater	11.00	28.79	150.00	392.55
Volumetric Rate (per 1,000 Gallons)				
0 - 2,000 Gallons	\$ 0.00	\$ 0.00	\$ 7.00	\$ 18.32
2,001 - 10,000 Gallons	2.63	6.88	7.00	18.32
10,001+ Gallons	3.06	8.00	7.00	18.32
Maximum Charge	\$ 50.00	\$ 130.78	N/A	N/A

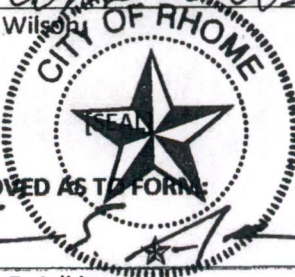

2. That all other provisions of the existing ordinance shall prevail and be in full force and effect.
3. This ordinance shall be effective September 1, 2021.

PASSED AND APPROVED by the City Council of the City of Rhome, Texas, this the 27th day of May 2021.

ATTEST:


Shannon Montgomery, TRMC
City Secretary


Jo Ann Wilson
Mayor


APPROVED AS TO FORM:

Carvan E. Adkins,
City Attorney

**CITY OF RHOME
ORDINANCE 2022-16**

**AN ORDINANCE AMENDING THE EXISTING WATER RATES FOR THE CITY OF RHOME,
TEXAS, AND PROVIDING AN EFFECTIVE DATE.**

Whereas, the City of Rhome's water supply originates from both surface water purchased from Walnut Creek Special Utility District and well water; and

Whereas, the Water/Wastewater Fund is an enterprise fund where revenue from rates should cover maintenance, operations, improvement and expansion; and

Whereas, the last water rate increase in both 2016 and 2017 only covered water rate increased charges from Walnut Creek SUD; and

Whereas, the City of Rhome has determined an effective date of October 1, 2022; and

Whereas, the City of Rhome has determined that it is necessary to increase water rates to fund maintenance, operations, improvements and expansion of the Water Utilities;

**THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF
RHOME, TEXAS:**

1. That the existing Water Rates of the City of Rhome, Texas charged and collected by the city from all customers obtaining service from its waterworks system is hereby amended as set forth below:

PROPOSED WATER SERVICE RATES

Residential Incorporated areas - Deposit \$150.00 required

\$37.91 Monthly base charge (includes up to 2,000 gallons)

2,000 to 10,000 gallons Base + additional \$8.87 per 1,000 gallons

10,000 to 20,000 gallons Base + additional \$10.14 per 1,000 gallons

20,000 gallons & up Base + additional \$11.36 per 1,000 gallons

Irrigation Meter Rates – Deposit \$150.00 required + cost of meter

\$37.91 Monthly base charge (includes up to 2,000 gallons)

2,000 to 10,000 gallons Base + additional \$8.87 per 1,000 gallons

10,000 to 20,000 gallons Base + additional \$10.14 per 1,000 gallons

20,000 gallons & up Base + additional \$11.36 per 1,000 gallons

Outside Incorporated areas (Extended Area Service) - Deposit \$150.00 required

\$77.97 Monthly base charge

0 to 2,000 gallons Base + additional \$8.87 per 1,000 gallons

2,000 to 15,000 gallons Base + additional \$13.29 per 1,000 gallons

15,000 gallons & up Base + additional \$17.71 per 1,000 gallons

Commercial Customers - Deposit \$250.00 required

\$44.82 Monthly base charge

0 to 2,000 gallons Base + additional \$8.87 per 1,000 gallons

2,000 to 10,000 gallons Base + additional \$9.98 per 1,000 gallons

10,000 to 20,000 gallons Base + additional \$11.08 per 1,000 gallons
20,000 gallons & up Base + additional \$12.19 per 1,000 gallons

CURRENT WATER SERVICE RATES

Residential Incorporated areas - Deposit \$150.00 required

\$34.31 Monthly base charge (includes up to 2,000 gallons)

2,000 to 10,000 gallons Base + additional \$8.03 per 1,000 gallons
10,000 to 20,000 gallons Base + additional \$9.18 per 1,000 gallons
20,000 gallons & up Base + additional \$10.28 per 1,000 gallons

Irrigation Meter Rates - Deposit \$150.00 required + cost of meter

\$34.31 Monthly base charge (includes up to 2,000 gallons)

2,000 to 10,000 gallons Base + additional \$8.03 per 1,000 gallons
10,000 to 20,000 gallons Base + additional \$9.18 per 1,000 gallons
20,000 gallons & up Base + additional \$10.28 per 1,000 gallons

Outside Incorporated areas (Extended Area Service) - Deposit \$150.00 required
\$70.56 Monthly base charge

0 to 2,000 gallons Base + additional \$8.03 per 1,000 gallons

2,000 to 15,000 gallons Base + additional \$12.03 per 1,000 gallons
15,000 gallons & up Base + additional \$16.03 per 1,000 gallons

Commercial Customers - Deposit \$250.00 required

\$40.56 Monthly base charge

0 to 2,000 gallons Base + additional \$8.03 per 1,000 gallons
2,000 to 10,000 gallons Base + additional \$9.03 per 1,000 gallons
10,000 to 20,000 gallons Base + additional \$10.03 per 1,000 gallons
20,000 gallons & up Base + additional \$11.03 per 1,000 gallons

2. That all other provisions of the existing ordinance shall prevail and be in full force and effect.

PASSED AND APPROVED by the City Council of the City of Rhome, Texas, this the 11th day of August 2022.



Patricia Mitchell,
Mayor

[SEAL]

MAYOR PLO-TEM
JOSH MCCABE

ATTEST:

Shaina Odom
Shaina Odom,
City Secretary

APPROVED AS TO FORM:

C-E Adkins
Carvan E. Adkins,
City Attorney



NOVEMBER 12, 2020

LONG-TERM WATER SUPPLY STUDY

PREPARED FOR



PREPARED BY

Kimley»Horn





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Executive Summary

Kimley-Horn and Associates, Inc. performed an in-depth study of The City of Rhome's long-term water supply options. Utilizing the adopted 2020 Water System Master Plan, five water supply alternatives were evaluated. The water supply alternatives studied are listed below with a brief summary of each option:

- Constructing new groundwater wells
 - Determined to be non-viable based on groundwater availability.
- Updating the current wholesale water agreement with Walnut Creek SUD for all future water needs
 - Viable - would require revised agreement with Walnut Creek to exceed existing 1.0 MGD contract at current contract price of \$6.10 per 1,000 gallons and other required capital improvements.
- A new wholesale water agreement with Tarrant Regional Water Supply District which would require permitting and designing a new surface water treatment facility
 - Viable - would require new agreement with Tarrant Regional Water Supply District at proposed contract price of \$1.25 per 1,000 gallons and would require construction of new water treatment facility, intake structure, and associated raw water mains.
- A new wholesale water agreement with Upper Trinity Regional Water District for all future water needs
 - Viable - would require new agreement with Upper Trinity Regional Water District at proposed contract price of \$2.50 per 1,000 gallons and other required capital improvements.
- A new wholesale water agreement with City of Fort Worth for all future water needs
 - Unable to provide water supply within Rhome's current timeframe.

A cost comparison scenario was conducted to determine the cost of these options over time and as water demand increases within the City. Utilizing Upper Trinity Regional Water District as the sole provider for all future water needs was determined to be the most economical option over time.

Introduction

Kimley-Horn and Associates, Inc. (KHA) was tasked by the City of Rhome to analyze their long-term water supply needs and evaluate options available to the City to meet those needs. The water supply evaluation was based on projected demands from the Water System Master Plan adopted by the City in February 2020. Using the Water System Master Plan, the projected water demand for 10-year and ultimate build out was determined to calculate the additional water supply required for each timeframe. Five different water supply alternatives were evaluated to determine a recommendation for future water supply. The five water supply alternatives that were investigated were as follows:

- 1) Constructing new groundwater wells,
- 2) Updating the current wholesale water agreement with Walnut Creek SUD for all future water needs,
- 3) Beginning a new wholesale water agreement with Tarrant Regional Water District (TRWD) which would require permitting and designing a new surface water treatment facility,
- 4) Beginning a new wholesale water agreement with Upper Trinity Regional Water District (UTRWD) for all future water needs,
- 5) Beginning a new wholesale water agreement with City of Fort Worth for all future water needs.

Background and Location

The City of Rhome is a community located in North Texas, within Wise County. The City currently provides water service to approximately 2,384 people through purchasing wholesale water from Walnut Creek Special Utility District (WCSUD) and through city-owned groundwater wells. The water demand within the City's current service area is projected to grow by over 600% in the next 10 years. The purpose of this project is to recommend the most feasible alternative to provide long term water to the City. **Figure 1** depicts the location map of the area taken from the Water System Master Plan adopted by the City in February 2020.

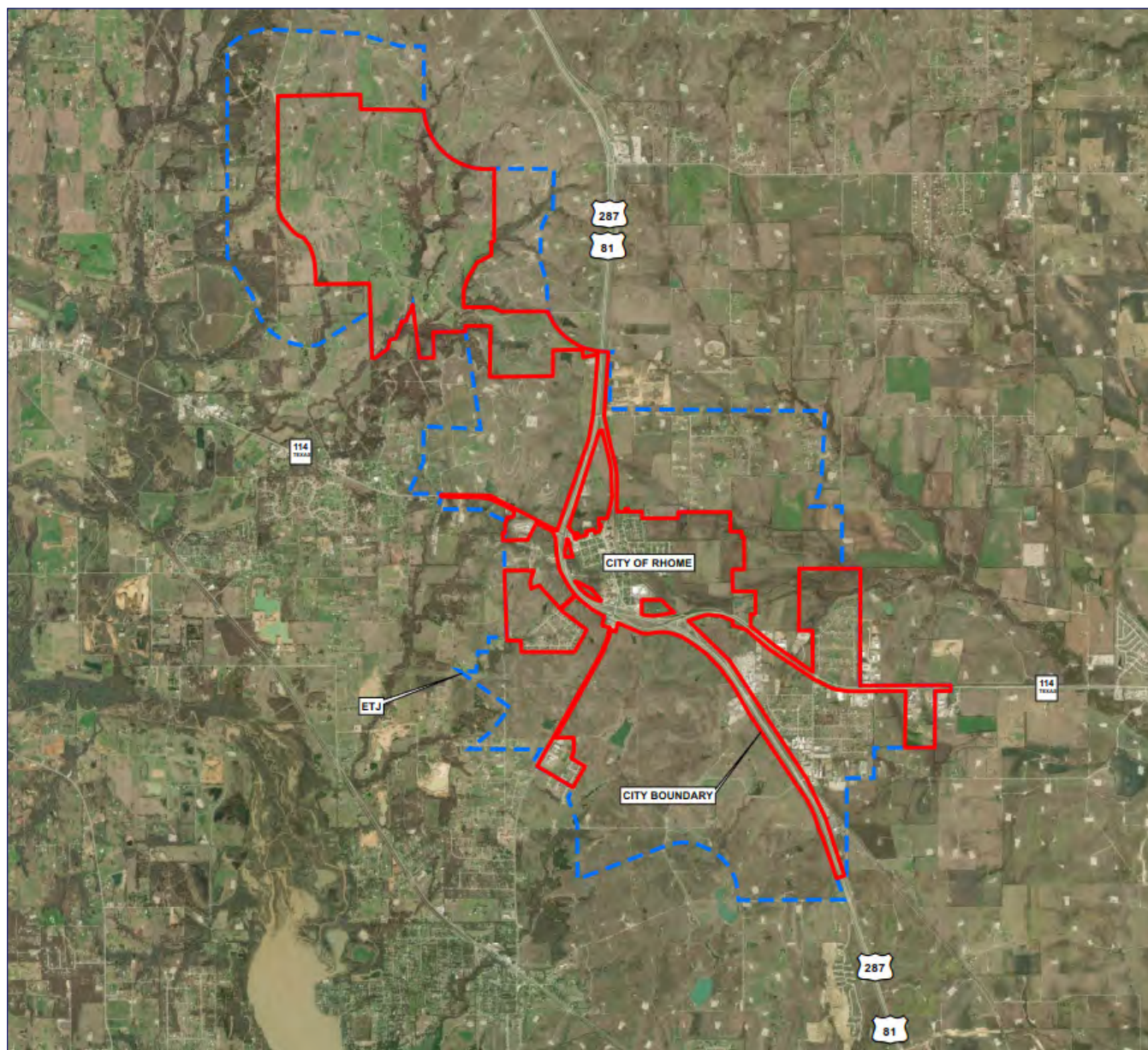


Figure 1: Location Map of the City of Rhome



Existing and Projected Water Demand

In 2018 the annual usage of water in the City was measured to be 69,129,300 gallons. To analyze the future 10-year and ultimate projected water demand, the average day demand (ADD), maximum day demand (MDD), and peak hour demand (PHD) were calculated for Rhome utilizing land use water demands and connection counts in the Water System Master Plan. These 10-year and ultimate buildout water demands are summarized in **Table 1** along with the existing demand for reference.

Table 1: Water Demands from Water Master Plan

	2018 Demand (MGD)	10-Year 2030 Projected (MGD)	Ultimate Projected (MGD)
Average Day Demand (ADD)	0.35	1.45	14.54
Maximum Day Demand (MDD)	0.70	2.90	24.90
Peak Hour Demand (PHD)	1.25	5.13	44.07

Existing Water Supply Assessment

The City purchases most of their water wholesale from WCSUD. The current water services agreement was executed October 12, 1999 and states that WCSUD agrees to sell and deliver to the City of Rhome all water needed and requested by the City up to, but not in excess of 700 gpm (1 MGD) at a price of \$6.10 per 1,000 gallons of water delivered. This water services agreement is currently set to expire in October 2024.

The City has four groundwater wells. Wells No. 3, 4, 5, and 6, which supplement water from WCSUD and have well capacities of 44 gpm, 22 gpm, 46 gpm, and 60 gpm, respectively. Well No. 6 is currently not in operation due to elevated radon concentrations. From both the water purchased from WCSUD and the operating groundwater wells, the City can supply water up to 812 gpm or 1.17 MGD.

Future Water Supply Alternatives

Below are the five water supply alternatives described in detail and the infrastructure improvements necessary to accommodate the 10-year MDD of 2.9 MGD for each alternative. The improvements include infrastructure to deliver water to the 3433 Pump Station in the central part of the City's distribution system and design fees, but do not include any property acquisition fees that would be required. The rate per 1,000 gallons was assumed to increase annually by 3% for each option. An opinion of probable cost (OPCC) for each alternative can be seen in **Appendix A** and a map of the infrastructure improvements needed for each alternative can be seen in **Appendix B**.



Future Water Supply Alternative – Groundwater

The first option explored was utilizing groundwater wells for the future water supply. There are currently four groundwater wells in the City of Rhome that average 43 gpm of water per well and are all under jurisdiction of the Upper Trinity Groundwater Conservation District. All new wells drilled in the District must follow specific spacing requirements. Given that the MDD of 2.9 MGD would need to be serviced in approximately 10 years, 19 additional groundwater wells of approximately 100 gpm would be required. The Upper Trinity Groundwater Conservation District dictates that for any new well drilled greater than 100 gpm in well production, 3,250 feet of spacing from other well sites would be required. Due to this spacing requirement being unable to be met within Rhome's CCN, and the fact that drilling wells with less than 100 gpm in well production would require too many wells to be drilled cost-wise, groundwater was determined to be unfeasible for the City's future water needs.

Future Water Supply Alternative – Surface Water Treatment Plant

Tarrant Regional Water District Wholesale Agreement to be Sole Provider of Raw Water

Another alternative is securing a raw water contract with Tarrant Regional Water District. Raw water would be purchased from TRWD and require infrastructure to treat and pump water from Eagle Mountain Lake to the City. This alternative would require an intake structure, approximately 55,000 LF of 16-inch raw water main, a 3.0 MGD surface water treatment plant, and approximately 14,000 LF of 16-inch treated water main. The total cost of these infrastructure improvements and design fees are estimated at \$53,960,000. In addition, after the surface water plant is constructed, water would be purchased at \$1.25 per 1,000 gallons delivered and an additional \$1,300,000 buy in for every 1.0 MGD Rhome contracts for.

Future Water Supply Alternative – Wholesale Agreement

Update WCSUD Wholesale Agreement to be Sole Provider

As noted above, WCSUD supplies wholesale treated water up to 700 gpm at a price of \$6.10 per 1,000 gallons of water delivered. The first alternative is to expand the wholesale agreement with WCSUD. A new wholesale agreement needs to be negotiated for this alternative. In order to compare the water supply alternatives, it was assumed that the current contract price of \$6.10 per 1,000 gallons would be agreeable by both parties and that the City would be responsible for paying for any capital projects required. The terms of the agreement per WCSUD indicate that a 25-year contract length is typical for wholesale agreements.

Currently, Bobo Pump Station delivers water from WCSUD to the City of Rhome through an existing 12-inch water line and has an existing pump capacity of 2.0 MGD and an existing 0.4 MG ground storage tank. In order to meet



the demands of future growth, the Bobo pump station requires expansion along with several other improvements. These improvements include new booster pumps, electrical improvements, and a new 24-inch transmission main at a projected cost of \$8,836,000 including design fees. The improvements do not include costs associated with WCSUD owned infrastructure such as an expanded treatment plant or transmission main from the treatment plant.

Upper Trinity Regional Water District Wholesale Agreement to be Sole Provider

Another wholesale treated water alternative is to buy treated water from Upper Trinity Regional Water District (UTRWD). UTRWD has treated water available near the City of Justin. with current contract rates for treated water at \$2.50 per 1,000 gallons. This alternative involves the City of Rhome building a meter station, 16-inch water main, a ground storage tank, and a 3.0 MGD pump station in order to serve the MDD of 2.9 MGD. The total cost of these infrastructure improvements is projected to be \$21,470,000. Current contract terms from UTRWD are for 25 years with the option of extending the agreement for 20 years through mutual agreement.

Form Wholesale Agreement with City of Fort Worth to be Sole Provider

The City of Fort Worth is a large wholesale provider with an existing system near the City of Rhome. After discussions with the City of Fort Worth, it was determined that Fort Worth would be unable to provide water to the City of Rhome at this time. This option was deemed unviable as the City of Rhome's water demand timeline is more pressing than the City of Fort Worth can currently commit to.

Future Water Supply Alternatives Analysis

A theoretical cumulative cost over time scenario for each viable alternative was run starting in the year 2020. Infrastructure capital costs were assumed to be spent to accommodate an MDD of 2.9 MGD in year 1 (2020) and 6.0 MGD in year 10 (2030). This theoretical cost-time analysis also assumes there is no switching between alternatives over time. The cumulative cost was plotted against both time and flow as shown in **Figure 2**. Both the capital costs and delivery contract costs were used along with a population growth rate to determine the most economical alternative.

The population projection for the City of Rhome was used from the impact fee analysis KHA completed in February 2020. This population projection assumed that there was a population of 2,384 in 2020, 10,277 in 2030, 11,286 in 2040, and 13,909 in 2050. Further, it was assumed by 2030 that the City of Rhome would need to supply 2.9 MGD, as indicated in the water masterplan. Finally, for this timing scenario it was assumed that the alternative chosen would go into effect immediately (2020) for comparison reasons.



Figure 2: Cumulative Cost Comparison of Water Supply Alternatives vs. Time

The data displayed in **Figure 2** is summarized below in **Table 2**.

Table 2: Cumulative Cost Comparison of Water Supply Alternatives vs. Time Summary. The Recurring Yearly Cost Listed was Assumed to Increase Annually by 3%.

Water Supply Alternative	Infrastructure Cost	Recurring Yearly Cost (per 1,000 gallons)	Cumulative Cost in 2030 (10 years)
Tarrant Regional WTP	\$53,960,000	\$1.25	\$130,500,000
WCSUD Sole Provider	\$8,836,000	\$6.10	\$82,300,000
UTRWD Sole Provider	\$21,470,000	\$2.50	\$74,000,000

The cumulative cost versus time data displayed above from the supply alternative scenario indicates that in the planning window shown the Upper Trinity Regional Water District as a sole provider provides the most economical option. This is due to the anticipated low initial capital along with the low recurring yearly cost for treated water. Staying with WCSUD as the sole provider, due to the high cost of \$6.10/1,000 gals, was found to be the most expensive option within the planning window shown. Constructing a new treatment plant in coordination with Tarrant Regional Water District had the highest initial infrastructure cost, but the lowest recurring yearly cost. While within the planning window shown in **Figure 2** the cumulative cost does not become cheaper than using UTRWD as a sole provider, the Tarrant Regional Water District WTP option does become cheaper approximately 30 years from the start date of this scenario.

Figure 3 below depicts the amortized annual cost versus the flow in MGD. For this plot of the same data, the infrastructure costs were assumed to be paid over a 10-year load period instead of all at once as in **Figure 2**. Once again in this depiction of the scenario, the UTRWD sole provider option is seen as the most economical option within the planning window.

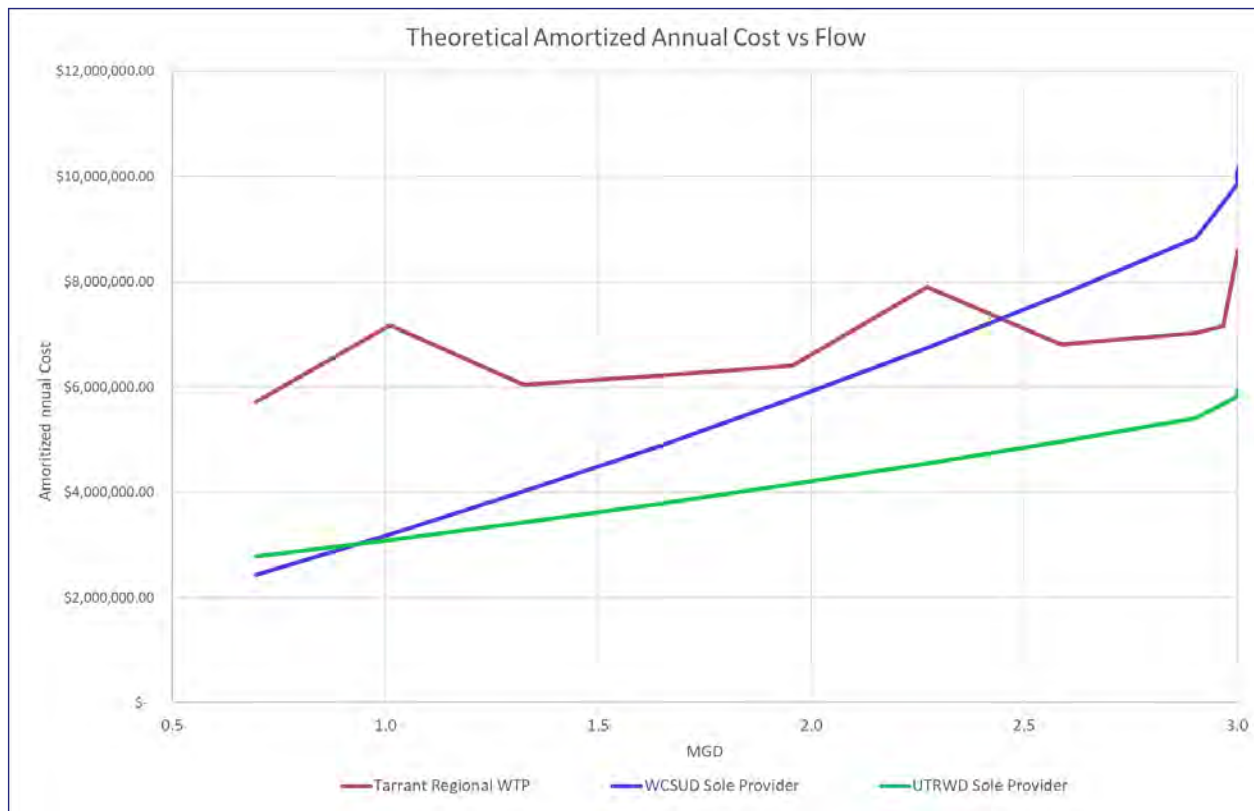


Figure 3: Cumulative Cost Comparison for the Water Supply Alternatives vs. Flow

Recommendation

While in the long run the water supply alternative of working with Tarrant Regional Water District to construct a new water treatment plant is the least expensive option, Kimley-Horn recommends that a new contract be negotiated with the Upper Trinity Regional Water District to become the sole water provider for the City of Rhome. This option minimizes initial startup costs and results in the least expensive cumulative cost over time up until the Tarrant Regional Water District alternative's cumulative cost intersects the UTRWD sole provider alternative's cumulative cost in approximately 30 years. **Figure 4** shows the cumulative cost over time for the recommended water supply alternative if UTRWD became the sole provider of water in the year 2024. This accounts for the necessary time to plan, design and construct the facilities necessary to supply water from UTRWD, while the current contract with WCSUD is utilized to provide water in the interim.

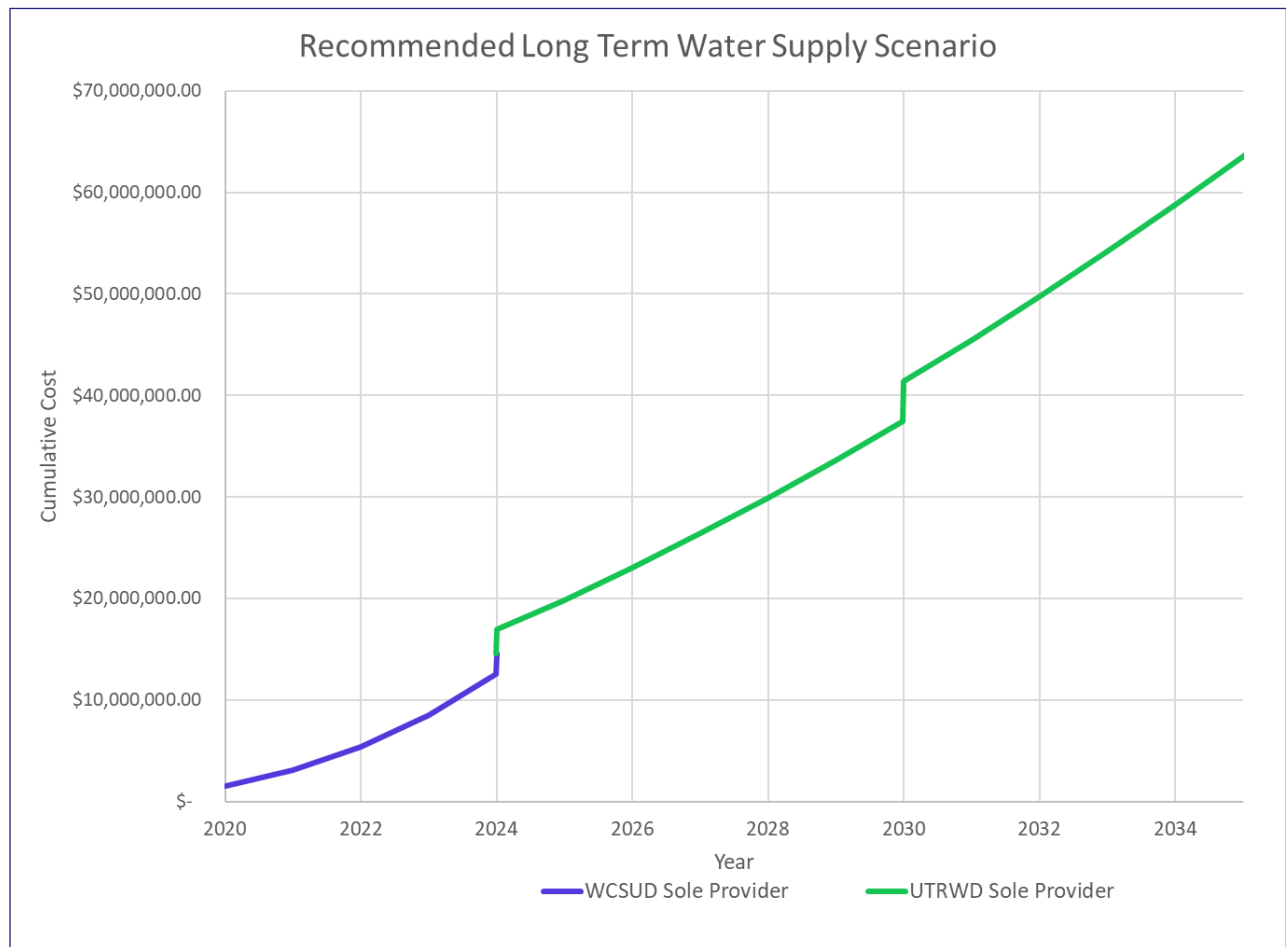


Figure 4: Recommended Water Supply Alternative

We appreciate the opportunity to be of service to you on this project. Please do not hesitate to contact us if you have any questions.

Sincerely,

KIMLEY-HORN AND ASSOCIATES, INC.

Texas Registration No. F-928

Kyle Kubista, P.E.

Appendix A – Opinion of Probable Construction Cost

Appendix B – Infrastructure Improvements Map



Appendix A – Opinion of Probable Construction Cost

Client: City of Rhome
 Project: Long-Term Water Supply Study
 KHA No. 061274208

Date: 11/11/2020
 Prepared By: AKK
 Checked By: KPK

Title: Update WCSUD Wholesale Agreement to be Sole Provider

Item No.	Item Description	Quantity	Unit	Unit Price	Item Cost
1	Upgrade Meter Station	1	LS	\$50,000	\$50,000
2	Bobo Pump Station and Transmission Line Improvements	1	LS	\$6,495,000	\$6,495,000
	<i>Recurring Cost = \$6.10 per 1,000 gallons</i>	Subtotal:			\$6,545,000
		Conting. (%,+/-)			20 \$1,309,000
		Design Fee (% ,+/-)			15 \$982,000
		Total:			\$8,836,000

Title: Tarrant Regional Water District New Water Treatment Plant

Item No.	Item Description	Quantity	Unit	Unit Price	Item Cost
1	Intake Structure	1	LS	\$1,000,000	\$1,000,000
2	16" Raw Water Main	55,000	LF	\$130	\$7,150,000
3	3 MGD Surface Water Treatment Plant	1	LS	\$30,000,000	\$30,000,000
4	16" Treated Water Main	14,000	LF	\$130	\$1,820,000
	<i>Recurring Cost = \$1.25 per 1,000 gallons</i>	Subtotal:			\$39,970,000
		Conting. (%,+/-)			20 \$7,994,000
		Design Fee (% ,+/-)			15 \$5,995,500
		Total:			\$53,960,000

Item No.	Item Description	Quantity	Unit	Unit Price	Item Cost
1	Install Meter Station	1	LS	\$750,000	\$750,000
2	16" Water Main	75,000	LF	\$130	\$9,750,000
3	Ground Storage Tank and 3 MGD Pump Station	1	LS	\$5,400,000	\$5,400,000
	<i>Recurring Cost = \$1.25 per 1,000 gallons and \$455,150 per year per MGD of Contracted Demand</i>	Subtotal:			\$15,900,000
		Conting. (%,+/-)			20 \$3,180,000
		Design Fee (% ,+/-)			15 \$2,385,000
		Total:			\$21,470,000

- ☒ No Design Completed
☐ Preliminary Design
☐ Final Design

The Engineer has no control over the cost of labor, materials, equipment, or over the Contractor's methods of determining prices or over competitive bidding or market conditions. Opinions of probable costs provided herein are based on the information known to Engineer at this time and represent only the Engineer's judgment as a design professional familiar with the construction industry. The Engineer cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from its opinions of probable costs.

These costs are expressed in 2020 dollars and appropriate escalation allowances should be added to reflect the actual year of construction of each phase.

Appendix B – Infrastructure Improvements Map

CCN

City Boundary

ETJ

N

1 inch = 4,000 feet

This aerial map illustrates the water infrastructure network for the City of Rhome and surrounding areas. The map features several key elements:

- Legend:** CCN (blue dashed line), City Boundary (red solid line), and ETJ (green dashed line).
- Scale:** 1 inch = 4,000 feet.
- Geographic Labels:** CITY OF NEW FAIRVIEW, CITY OF RHOME, CITY OF JUSTIN.
- Highways:** 287, 81, 114 TEXAS.
- Water Infrastructure:**
 - UTRWD 75,000 LF WATER MAIN
 - UTRWD METER STATION
 - UTRWD GROUND STORAGE TANK AND PUMP STATION
 - WCSUD BOBO PUMP STATION IMPROVEMENTS
 - WCSUD TRANSMISSION LINE IMPROVEMENTS
 - 3433 PUMP STATION
 - TARRANT REGIONAL 14,000 LF TREATED WATER MAIN
 - TARRANT REGIONAL WTP
 - TARRANT REGIONAL 55,000 LF RAW WATER MAIN
 - TARRANT REGIONAL INTAKE STRUCTURE

Source: Esri, Maxar, GeoEye, Earthstar (geographics), CNES/Airbus DS, USDA/USGS, AeroGRID, IGN, and the GIS User Community



Agenda Commentary

Meeting Date: December 10, 2020

Department: Administration

Contact: Cynthia Northrop

Agenda Item: Y. Discussion and any necessary action regarding West Wastewater Treatment Plant status and next steps

Type of Item: ☐ Ordinance ☐ Resolution ☐ Contract/Agreement ☐ Public Hearing ☐ Plat
☒ Discussion & Direction ☐ Other

Summary - Background:

Now that Council has completed several planning documents as they relate the City of Rhome's Water/Wastewater System master planning documents, impact fees and corresponding capital improvements for our water/wastewater system, it is time to move to the next step and address needed improvements. Now that improvements to the East WWTP are underway, staff is looking at the next steps for necessary improvements to the West WWTP that include flow improvements and TSS (Total Suspended Solids), which is directly related to a filtration issue.

Current flow capacity is 150 K gpd (0.15 mgd) and the flow ranges from 50 – 242 K gpd). The City received a non-compliant/enforcement notice from TCEQ beginning in 2015 and has been working with them to gain compliance, some of which included entering into a Supplemental Environmental Project agreement (2018).

In March 2020 we were granted a 6-month extension and we have applied for another 6-month extension. Staff and TCEQ continue to work together on taking corrective action and gaining compliance.

Staff is recommending moving forward with a funding plan; identifying priorities in the current CIP and seeking alternative funding. The Texas Water Infrastructure Coordination Committee, a one-stop shop for information on funding eligibility and technical assistance, is issuing a call for projects in Jan 2021. Staff is recommending submitting a Project Information Factsheet as well as meeting with the Texas Water Development Board to identify potential funding assistance.

TWDB – offers a wide array of low-cost financing options for new infrastructure or water management strategy projects to help local and regional entities with all phases of their implementation, from planning and design to construction.

SWIFT – In 2013 Texas voters approved a Constitutional amendment creating the State Water Implementation Fund for Texas to finance projects approved by one or more of the state's 16 regional water planning groups and included in the State Water Plan (SWP). Original funding goals were to provide \$27 billion in loans over 50 years and initially funded with \$2 billion. As of 2019, the SWIFT balance is \$1.7 billion.

Recommendation: Authorize staff to proceed with submitting a Project Information Factsheet and to explore and develop a funding plan for improvements to the West WWTP identified in the West WWTP Master Plan CIP as well as corresponding water issues.



Agenda Commentary

Meeting Date: December 10, 2020

Department: Administration

Contact: Cynthia Northrop

Agenda Item: W. Update and Discussion regarding construction status of the East Wastewater Treatment Plant

Type of Item: ☐ Ordinance ☐ Resolution ☐ Contract/Agreement ☐ Public Hearing ☐ Plat
☐ Discussion & Direction ☒ Other

Summary-Background:

Council authorized needed updates to the East Wastewater Treatment Plant, issuing a \$2.6 million bond for design and construction. The project was bid, bids were received and Council awarded \$1,808,900 million construction contract to Rey Mar Construction.

- a. City of Rhome requested and received TCEQ TPDES permit
- b. Notice to Proceed – November 16, 2020
- c. Project duration – 270 calendar days
- d. Ongoing weekly construction meetings with Rey-Mar, KH and city staff

Funding Expected: ☐ Revenue ☐ Expenditure ☐ N/A **Budgeted Item:** ☒ Yes ☐ No ☐ N/A

Funding Account: _____ **Amount:** _____

Legal Review Required: ☐ N/A ☐ Required

Engineering Review ☐ **FD Review** ☐ **PD Review** ☐ **PW Review** ☐

Supporting Documents attached: No

Recommendation: receive update

X. Discussion and any necessary action authorizing the City Administrator to negotiate a standard Developers agreement with Sahihi/Holly Parkway development

City Administrator Northrop stated that the purpose of a Developer Agreement is to reduce the risks and costs associated with development, thereby enhancing the City's ability to obtain public benefits. Especially instrumental in smaller cities who depend on third party professionals, such as engineers and attorneys.

Additionally, working with a developer who is utilizing a Planned Development, it is critical that the detailed site plan appropriately identifies and includes all the development's requirements as the PD becomes the ruling Ordinance for the development.

Staff has been working with developer Mr. Sahihi on the Holly Parkway PD. Both P&Z and City Council have approved the conceptual plan. Staff has continued to provide direction to the developer as they prepare to submit a detailed site plan.

Staff has worked with City Attorney Adkins to develop a draft Developers Agreement.

City Attorney Adkins stated the Developers Agreement is to allow the City to recoup engineering and legal fees.

Motion made by Council Member Eason, seconded by Council Member Crenshaw, to authorize the City Administrator to negotiate a standard Developers agreement with Sahihi/Holly Parkway development.

Mayor Wilson asked for a roll-call vote:

Council Member McCabe:	Aye	Council Member Eason:	Aye
Council Member Crenshaw:	Aye	Council Member Majors:	Aye
Mayor Pro-Tem Priest:	Aye		

Motion carried unanimously.

Y. Discussion and any necessary action regarding West Wastewater Treatment Plant status and next steps

City Administrator provided an overview now that Council has completed several planning documents as they relate the City of Rhome's Water/Wastewater System master planning documents, impact fees and corresponding capital improvements for our water/wastewater system, it is time to move to the next step and address needed improvements. Now that improvements to the East WWTP are underway, Staff is looking at the next steps for necessary improvements to the West WWTP that include flow improvements and TSS (Total Suspended Solids), which is directly related to a filtration issue.

Current flow capacity is 150 K gpd (0.15 mgd) and the flow ranges from 50 – 242 K gpd). The City received a non-compliant/enforcement notice from TCEQ beginning in 2015 and has been working with them to gain compliance, some of which included entering into a Supplemental Environmental Project agreement (2018).

In March 2020 we were granted a 6-month extension and we have applied for another 6-month extension. Staff and TCEQ continue to work together on taking corrective action and gaining compliance.

Staff is recommending moving forward with a funding plan; identifying priorities in the current CIP and seeking alternative funding. The Texas Water Infrastructure Coordination Committee, a one-stop shop for information on funding eligibility and technical assistance, is issuing a call for projects in Jan 2021. Staff is recommending submitting a Project Information Factsheet as well as meeting with the Texas Water Development Board to identify potential funding assistance.

TWDB – offers a wide array of low-cost financing options for new infrastructure or water management strategy projects to help local and regional entities with all phases of their implementation, from planning and design to construction.

SWIFT – In 2013 Texas voters approved a Constitutional amendment creating the State Water Implementation Fund for Texas to finance projects approved by one or more of the state's 16 regional water planning groups and included in the

State Water Plan (SWP). Original funding goals were to provide \$27 billion in loans over 50 years and initially funded with \$2 billion. As of 2019, the SWIFT balance is \$1.7 billion.

Motion made Mayor Pro Tem Priest, seconded by Council Member McCabe, to authorize Staff to explore funding and bring a recommendation back to Council late March or early April.

Mayor Wilson asked for a roll-call vote:

Council Member McCabe:	Aye	Council Member Eason:	Aye
Council Member Crenshaw:	Aye	Council Member Majors:	Aye
Mayor Pro-Tem Priest:	Aye		

Motion carried unanimously.

Z. Discussion and any necessary action regarding City Hall Hours of Operation

Motion made by Council Member McCabe, seconded by Council Member Eason, to keep current hours as permanent until further notice.

Mayor Wilson asked for a roll-call vote:

Council Member McCabe:	Aye	Council Member Eason:	Aye
Council Member Crenshaw:	Aye	Council Member Majors:	Aye
Mayor Pro-Tem Priest:	Aye		

Motion carried unanimously.

Current City Hall Hours are:

Lobby – 8am until 2pm with phones being answered 8a until 4pm and Staff works 8am until 5pm Monday thru Friday.

AA. Discussion and any necessary action regarding permanently providing an audio/video recording of every Council meeting

City Administrator Northrop stated she has been researching audio/video equipment to utilize when we go back to in-person meetings. Currently, she is posting the GoToMeeting recording to the City's YouTube Channel.

Council consensus is to have Staff bring back an ordinance stipulating that every Council Meeting will be recorded and Staff's recommendation of an appropriate retention period for such videos.

No action taken; discussion only.

BB. Discussion and any necessary action regarding Section 1.03.002, "Powers and Duties of Mayor" and Section 1.03.004, "Agenda" of the Code of Ordinances, City of Rhome, Texas

Council Member McCabe asked that this item be placed on the agenda to ensure that Council Members' agenda item requests are placed on the Agenda.

No action taken; discussion only.

Executive Session

Pursuant to the following designated section of the Texas Government Code, Annotated, Chapter 551 (Texas Open Meetings Act), the Council may convene into executive session to discuss the following:

CC. Section 551.071 Consultation with Attorney - pending or contemplated litigation, settlement offer or to seek advice from attorney



Agenda Commentary

Meeting Date: February 25, 2021

Department: Administration

Contact: Cynthia Northrop

Agenda Item: D. Update and discussion regarding Water and Wastewater Rate Study

Type of Item: ☐ Ordinance ☐ Resolution ☐ Contract/Agreement ☐ Public Hearing
☐ Plat ☒ Discussion & Direction ☐ Other

Summary-Background: The City Council authorized staff to engage Kimley-Horn for a water source and water and wastewater rate study. Kimley-Horn completed the water source study report and is now presenting a rate study update. They hired NewGen to complete the water and wastewater rate study. The results of this study and recommended rates are being presented for Council review and direction.

Funding Expected: ☐ Revenue ☐ Expenditure ☐ N/A **Budgeted Item:**
☐ Yes ☐ No ☐ N/A

Funding Account: _____ **Amount:** _____

Legal Review Required: ☐ N/A ☒ Required **Date Completed:** _____

Engineering Review _____ **FD Review** _____ **PD Review** _____ **PW Review** _____

Supporting Documents attached: no

Recommendation: Provide feedback and hear recommendations on the rate study to incorporate in a final report and ultimately adopt new water and wastewater rates at a subsequent council meeting.



February 25, 2021

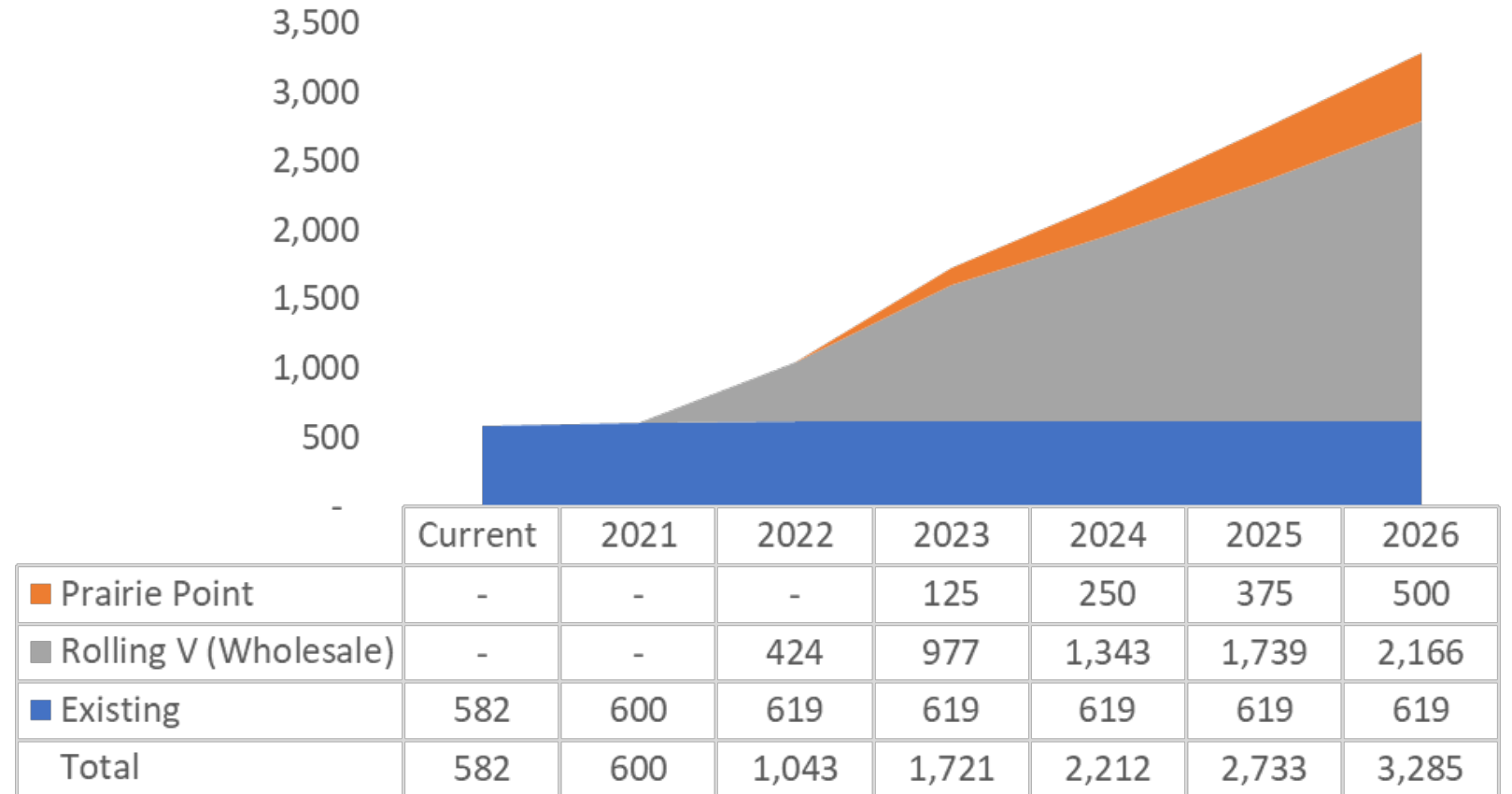
RHOME, TEXAS WATER & WASTEWATER RATE STUDY



KEY ASSUMPTIONS & RATE DRIVERS

KEY ASSUMPTIONS

Growth



KEY ASSUMPTIONS

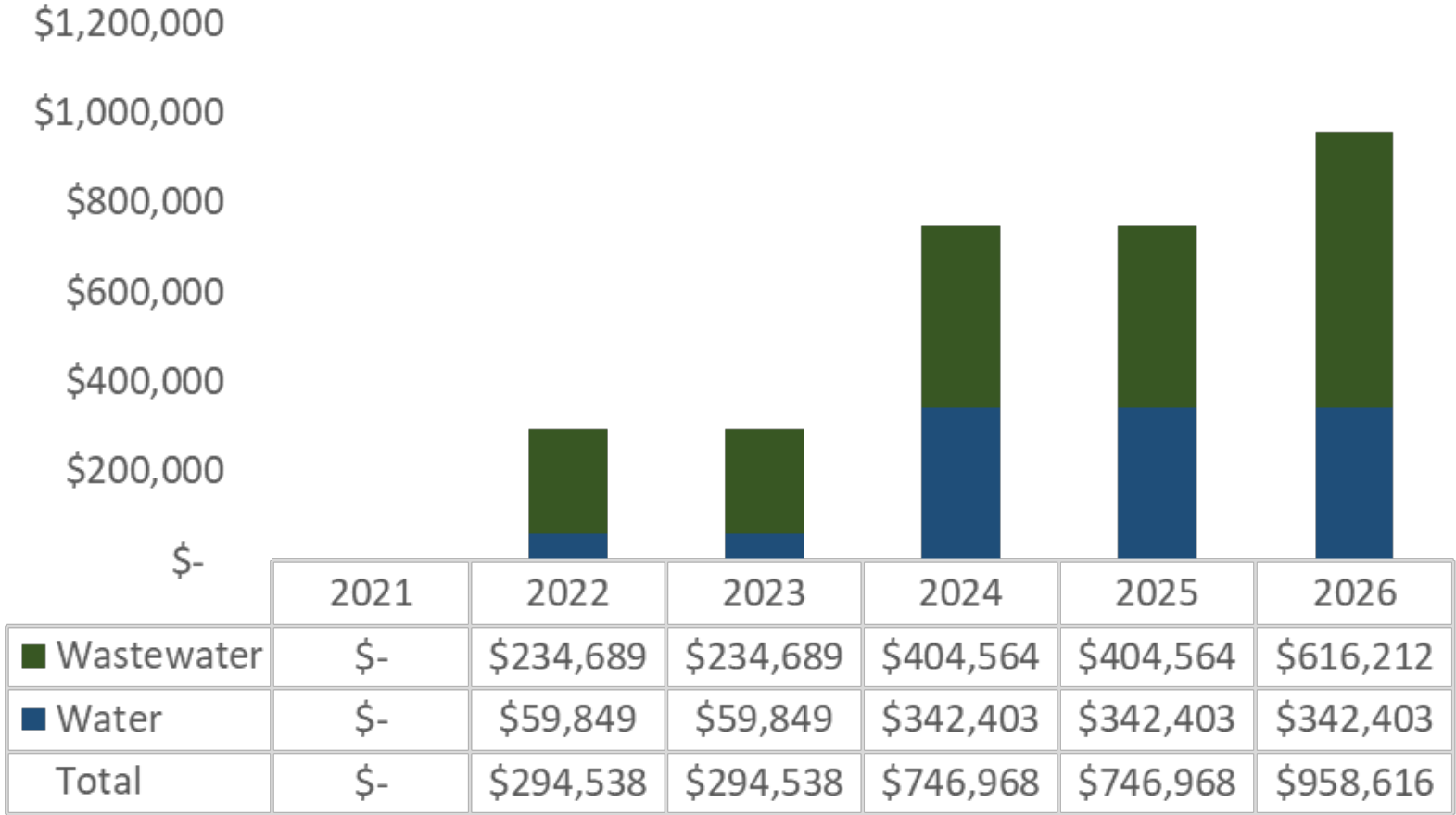
Capital

Water	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Projected Debt	\$ 0.93	\$ 0.00	\$ 4.21	\$ 0.00	\$ 0.00	\$ 7.66
Impact Fee	0.00	0.00	0.48	0.00	0.69	0.00
Total	\$ 0.93	\$ 0.00	\$ 4.69	\$ 0.00	\$ 0.69	\$ 0.00

Wastewater	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Projected Debt	\$ 3.66	\$ 0.00	\$ 2.53	\$ 0.00	\$ 3.01	\$ 0.00
Impact Fee	0.07	0.00	1.16	0.00	2.01	0.00
Total	\$ 3.73	\$ 0.00	\$ 3.69	\$ 0.00	\$ 5.02	\$ 0.00

Combined	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Projected Debt	\$ 4.59	\$ 0.00	\$ 6.73	\$ 0.00	\$ 3.01	\$ 7.66
Impact Fee	0.07	0.00	1.64	0.00	2.70	0.00
Total	\$ 4.66	\$ 0.00	\$ 8.37	\$ 0.00	\$ 5.71	\$ 0.00

PROJECTED DEBT PAYMENTS



KEY ASSUMPTIONS

New Program O&M

- Includes Inflation
- Includes Both One-Time and Continuous Expenses

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Equipment	\$ 0	\$ 306,320	\$ 131,196	\$ 80,645	\$ 0	\$ 0
Personnel	0	62,950	67,198	71,767	76,687	81,985
Other	0	3,073	29,388	30,107	3,305	3,386
Total	\$ 0	\$ 372,344	\$ 227,781	\$ 182,519	\$ 79,992	\$ 85,371

KEY ASSUMPTIONS

Water Supply

- Walnut Creek SUD
- \$275,000 (27% of Expenses)
- \$6.10/1,000 gallons per May 2020 Letter
- \$21.47 Million of Infrastructure Improvements
- Current Cost: \$2.50/1,000 gallons
- Estimated Timing is Next 4-6 Years

SCENARIO #1

Assumes No Capital and No New Program O&M

ANTICIPATED FINANCIAL PERFORMANCE UNDER CURRENT RATES

Scenario #1 – No
Capital or New
Program O&M

No Rate Increase
Needed

Water Subsidizing
Wastewater

	FY 2021	FY 2022
Water		
Revenue Requirement	\$ 624,761	\$ 659,384
Revenues	687,411	832,225
Over/(Under) Recovery	\$ 62,650	\$ 172,842
Wastewater		
Revenue Requirement	\$ 337,242	\$ 354,855
Revenues	182,975	186,489
Over/(Under) Recovery	(\$ 154,267)	(\$ 168,366)
Combined		
Revenue Requirement	\$ 962,004	\$ 1,014,239
Revenues	870,387	1,018,714
Over/(Under) Recovery	(\$ 91,617)	\$ 4,476
Days Cash on Hand (60 Day Target)	59	58
Debt Service Coverage (1.00 Target)	0.47	1.03

MONTHLY RESIDENTIAL 5/8" CUSTOMER BILL PROJECTION

Scenario #1 – No
Capital or New
Program O&M

5,000 Gallons

	CURRENT BILL	SCENARIO 1 – No Capital or New Program O&M
Water	\$ 58.40	\$ 58.40
Wastewater	18.89	18.89
Total	\$ 77.29	\$ 77.29
<i>Variance From Current</i>		<i>\$ 0.00</i>

SCENARIO #2

Assumes Capital and No New Program O&M

ANTICIPATED FINANCIAL PERFORMANCE UNDER CURRENT RATES

Scenario #2 – Capital Only

	FY 2021	FY 2022
Water		
Revenue Requirement	\$ 624,761	\$ 719,233
Revenues	687,411	832,225
Over/(Under) Recovery	\$ 62,650	\$ 112,992
Wastewater		
Revenue Requirement	\$ 337,242	\$ 589,544
Revenues	182,975	186,489
Over/(Under) Recovery	(\$ 154,267)	(\$ 403,055)
Combined		
Revenue Requirement	\$ 962,004	\$ 1,308,777
Revenues	870,387	1,018,714
Over/(Under) Recovery	(\$ 91,617)	(\$ 290,063)
Days Cash on Hand (60 Day Target)	59	(60)
Debt Service Coverage (1.00 Target)	0.47	0.38

INITIAL WASTEWATER RATE DESIGN

Scenario #2 – Capital Only

	CURRENT	OCTOBER 2021
Residential:		
Base Charge	\$ 11.00	\$ 28.08
Volumetric Charge (per 1,000 gallons)		
0-2,000	\$ 0.00	\$ 0.00
2,001-10,000	2.63	6.72
10,001-15,869 (MAX)	3.06	7.82
Max Bill	\$ 50.00	\$ 127.77
Commercial:		
Base Charge		
¾" or less	\$ 30.00	\$ 76.65
1"	75.00	191.63
1 ½"	100.00	255.50
2" or greater	150.00	383.25
Volumetric Charge (per 1,000 gallons)		
All Volumes	\$ 7.00	\$ 17.89

MONTHLY RESIDENTIAL 5/8" CUSTOMER BILL PROJECTION

Scenario #2 – Capital
Only

5,000 Gallons

	CURRENT BILL	SCENARIO 2 – Only Capital
Water	\$ 58.40	\$ 58.40
Wastewater	18.89	48.24
Total	\$ 77.29	\$ 106.64
<i>Variance From Current</i>		\$ 29.35

SCENARIO #3

Assumes New Program O&M and No Capital

ANTICIPATED FINANCIAL PERFORMANCE UNDER CURRENT RATES

Scenario #3 – New Program O&M Only

	FY 2021	FY 2022
Water		
Revenue Requirement	\$ 624,761	\$ 855,288
Revenues	687,411	832,225
Over/(Under) Recovery	\$ 62,650	(\$ 23,063)
Wastewater		
Revenue Requirement	\$ 337,242	\$ 531,294
Revenues	182,975	186,489
Over/(Under) Recovery	(\$ 154,267)	(\$ 344,805)
Combined		
Revenue Requirement	\$ 962,004	\$ 1,386,582
Revenues	870,387	1,018,714
Over/(Under) Recovery	(\$ 91,617)	(\$ 367,858)
Days Cash on Hand (60 Day Target)	59	(65)
Debt Service Coverage (1.00 Target)	0.47	(1.08)

INITIAL WATER RATE DESIGN

Scenario #3 – New Program O&M Only

	CURRENT	OCTOBER 2021
Residential:		
Base Charge	\$ 34.31	\$ 35.49
Volumetric Charge (per 1,000 gallons)		
0-2,000	\$ 0.00	\$ 0.00
2,001-10,000	8.03	8.31
10,001-20,000	9.18	9.50
20,001+	10.28	10.63
Commercial:		
Base Charge	\$ 40.56	\$ 41.96
Volumetric Charge (per 1,000 gallons)		
0-2,000	\$ 8.03	\$ 8.31
2,001-10,000	9.03	9.34
10,001-20,000	10.03	10.38
20,001+	11.03	11.41

INITIAL WASTEWATER RATE DESIGN

Scenario #3 – New Program O&M Only

	CURRENT	OCTOBER 2021
Residential:		
Base Charge	\$ 11.00	\$ 31.34
Volumetric Charge (per 1,000 gallons)		
0-2,000	\$ 0.00	\$ 0.00
2,001-10,000	2.63	7.49
10,001-15,869 (MAX)	3.06	8.71
Max Bill	\$ 50.00	\$ 142.38
Commercial:		
Base Charge		
¾" or less	\$ 30.00	\$ 85.48
1"	75.00	213.70
1 ½"	100.00	284.93
2" or greater	150.00	427.40
Volumetric Charge (per 1,000 gallons)		
All Volumes	\$ 7.00	\$ 19.95

MONTHLY RESIDENTIAL 5/8" CUSTOMER BILL PROJECTION

Scenario #3 – New
Program O&M Only

5,000 Gallons

	CURRENT BILL	SCENARIO 3 – Only New Program O&M
Water	\$ 58.40	\$ 60.42
Wastewater	18.89	53.81
Total	\$ 77.29	\$ 114.23
<i>Variance From Current</i>		<i>\$ 36.94</i>

SCENARIO #4

Assumes Capital and No New Program O&M

ANTICIPATED FINANCIAL PERFORMANCE UNDER CURRENT RATES

Scenario #4 – Capital and New Program O&M

	FY 2021	FY 2022
Water		
Revenue Requirement	\$ 624,761	\$ 915,137
Revenues	687,411	832,225
Over/(Under) Recovery	\$ 62,650	(\$ 82,912)
Wastewater		
Revenue Requirement	\$ 337,242	\$ 765,983
Revenues	182,975	186,489
Over/(Under) Recovery	(\$ 154,267)	(\$ 579,494)
Combined		
Revenue Requirement	\$ 962,004	\$ 1,681,121
Revenues	870,387	1,018,714
Over/(Under) Recovery	(\$ 91,617)	(\$ 662,406)
Days Cash on Hand (60 Day Target)	59	(148)
Debt Service Coverage (1.00 Target)	0.47	(0.41)

INITIAL WATER RATE DESIGN

Scenario #4 – Capital and New Program O&M

	CURRENT	OCTOBER 2021
Residential:		
Base Charge	\$ 34.31	\$ 38.63
Volumetric Charge (per 1,000 gallons)		
0-2,000	\$ 0.00	\$ 0.00
2,001-10,000	8.03	9.04
10,001-20,000	9.18	10.34
20,001+	10.28	11.58
Commercial:		
Base Charge	\$ 40.56	\$ 45.67
Volumetric Charge (per 1,000 gallons)		
0-2,000	\$ 8.03	\$ 9.04
2,001-10,000	9.03	10.17
10,001-20,000	10.03	11.29
20,001+	11.03	12.42

INITIAL WASTEWATER RATE DESIGN

Scenario #4 – Capital and New Program O&M

	CURRENT	OCTOBER 2021
Residential:		
Base Charge	\$ 11.00	\$ 45.18
Volumetric Charge (per 1,000 gallons)		
0-2,000	\$ 0.00	\$ 0.00
2,001-10,000	2.63	10.80
10,001-15,869 (MAX)	3.06	12.57
Max Bill	\$ 50.00	\$ 205.35
Commercial:		
Base Charge		
¾" or less	\$ 30.00	\$ 123.22
1"	75.00	308.05
1 ½"	100.00	410.73
2" or greater	150.00	616.10
Volumetric Charge (per 1,000 gallons)		
All Volumes	\$ 7.00	\$ 28.75

MONTHLY RESIDENTIAL 5/8" CUSTOMER BILL PROJECTION

Scenario #4 – Capital
and New Program
O&M

5,000 Gallons

	CURRENT BILL	SCENARIO 4 – Capital & New Program O&M
Water	\$ 58.40	\$ 65.75
Wastewater	18.89	77.58
Total	\$ 77.29	\$ 143.33
<i>Variance From Current</i>		\$ 66.04

RATE COMPARISONS

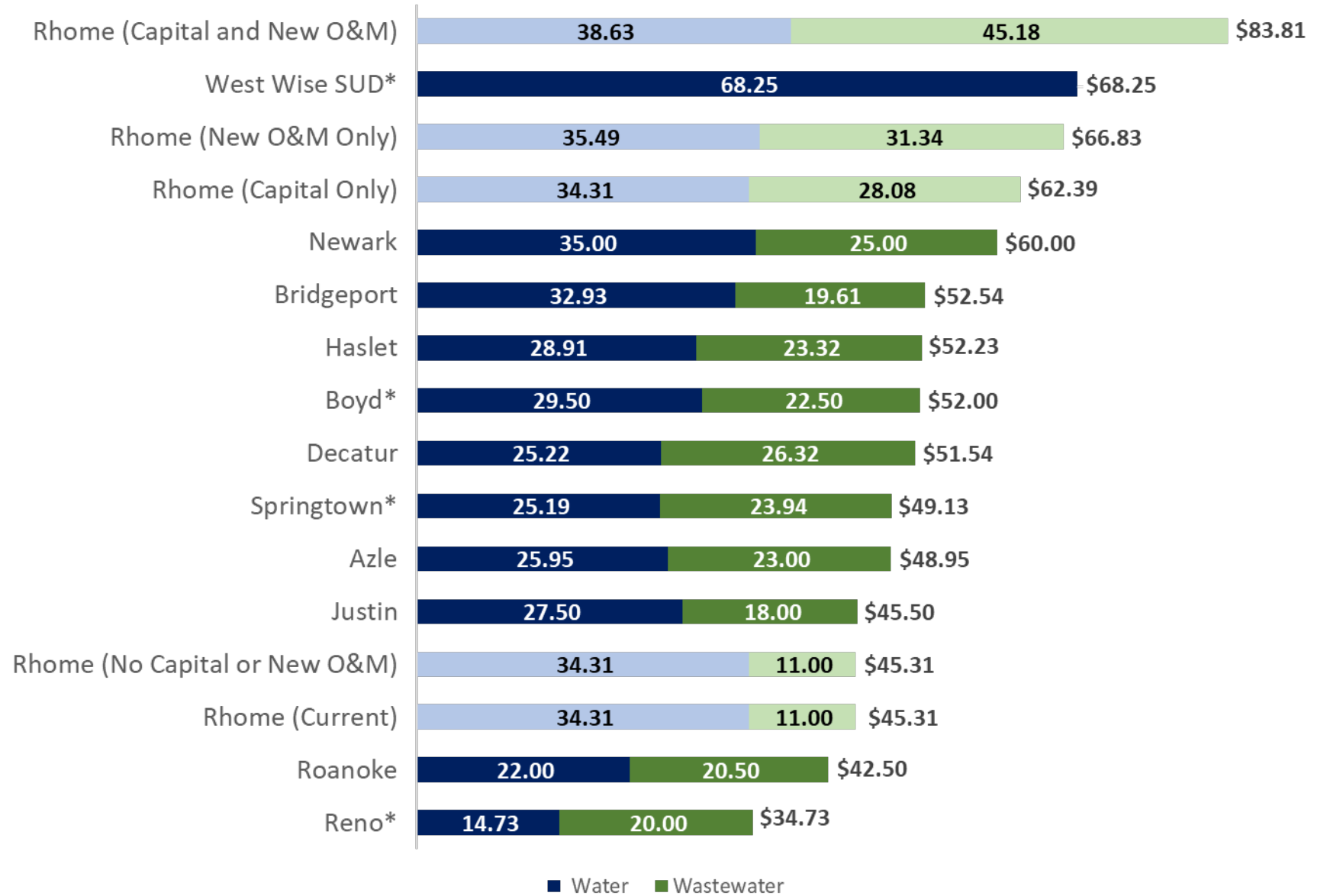
MONTHLY RESIDENTIAL 5/8" CUSTOMER BILL PROJECTION

5,000 Gallons

	CURRENT BILL	SCENARIO 1 – No Capital or New Program O&M	SCENARIO 2 – Only Capital	SCENARIO 3 – Only New Program O&M	SCENARIO 4 – Capital & New Program O&M
Water	\$ 58.40	\$ 58.40	\$ 58.40	\$ 60.42	\$ 65.75
Wastewater	18.89	18.89	48.24	53.81	77.58
Total	\$ 77.29	\$ 77.29	\$ 106.64	\$ 114.23	\$ 143.33
<i>Variance From Current</i>		<i>\$ 0.00</i>	<i>\$ 29.35</i>	<i>\$ 36.94</i>	<i>\$ 66.04</i>

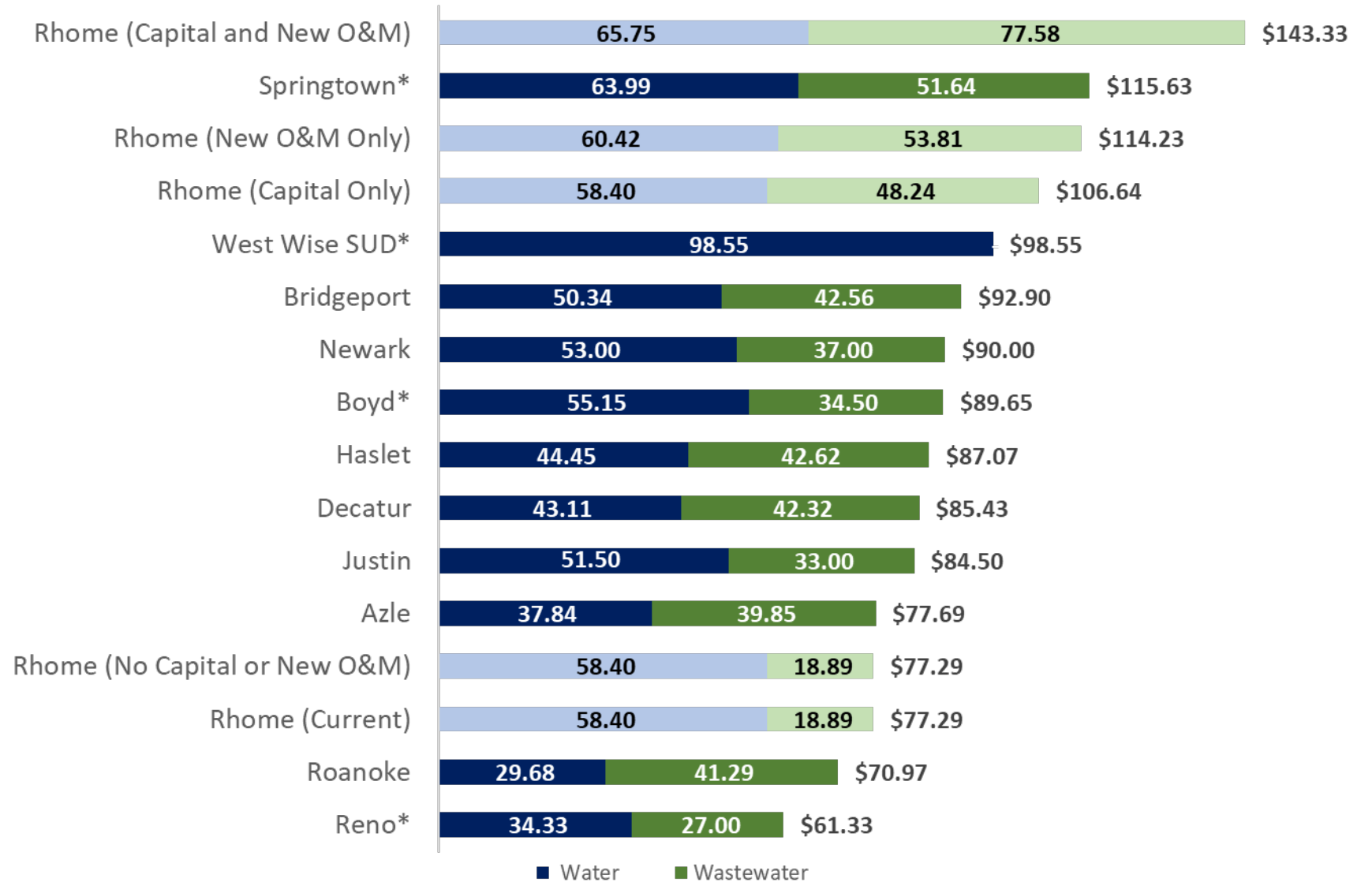
REGIONAL COMPARISON

5/8" Residential Minimum Bill



REGIONAL COMPARISON

5/8" Residential Customer Bill (5,000 gallons)



POTENTIAL RATE DESIGN CHANGES



- Water
 - Apply Meter Equivalencies to Base Charge
 - Reduce Volumes Included in the Base Charge
- Wastewater
 - Reduce Volumes Included in the Base Charge

CURRENT COUNTS BY METER SIZE

Meter Size	Residential	Commercial	Total	AWWA Equivalency Factors
5/8"	395	4	399	1.00
3/4"	14	29	43	1.50
1"	120	14	134	2.50
1 1/2"	0	1	1	5.00
2"	0	5	5	8.00
3"	0	0	0	15.00
4"	0	0	0	25.00
6"	0	0	0	50.00
8"	0	0	0	80.00
Total	529	53	582	

PATH FORWARD



- Rate Action
 - Immediate Adjustment to Wastewater is Warranted
 - At Minimum, Rates Must be Adjusted October 2021
 - Council Direction Needed on Capital Plan, O&M Plan, and Rate Design

- Review Rates Again as Part of FY 2023 Budget Process (Summer 2022)
 - Changes to
 - Growth Projections
 - Capital Needs



QUESTIONS AND DISCUSSION

NEWGEN STRATEGIES AND SOLUTIONS
275 W. CAMPBELL ROAD, SUITE 440
RICHARDSON, TEXAS 75080

February 25, 2021 Council Agenda Packet

CHRIS EKRUT, CFO AND DIRECTOR
(972) 232-2234
CEKRUT@NEWGENSTRATEGIES.NET

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March 20, 2021

RHOME, TEXAS WATER & WASTEWATER RATE STUDY

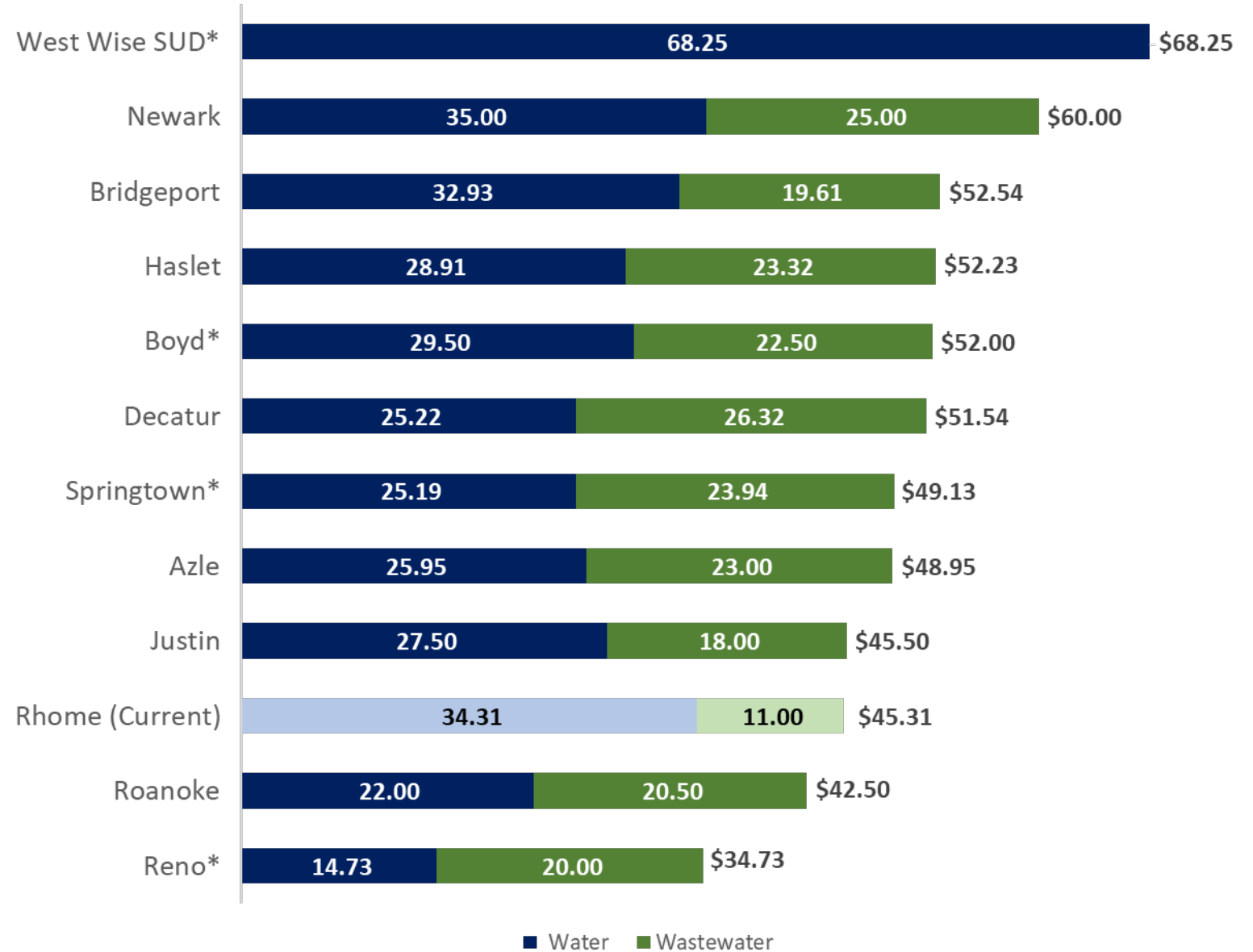
NewGen
Strategies & Solutions

INTRODUCTION TO WATER/ SEWER UTILITIES

- A utility is a business that is run by the government
 - Must be tracked in an Enterprise/Proprietary Fund because of the unique financial differences from the General Fund
- Requires City Council to serve as Board of Directors
- For business to be solvent, revenues must match or exceed expenses
 - Financial metrics must be tracked and abided by

REGIONAL COMPARISON

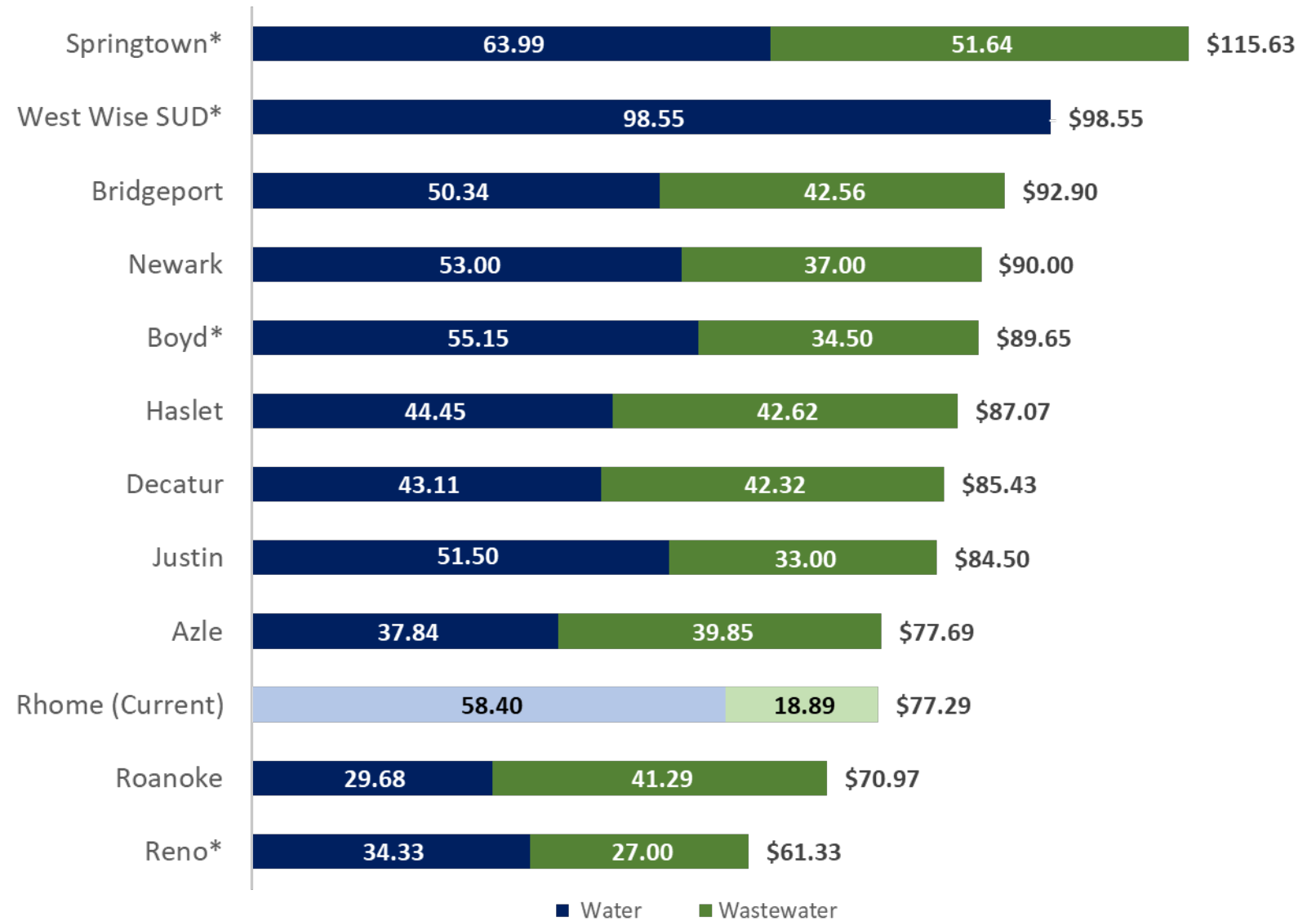
5/8" Residential Minimum Bill



*Cities that buy water from Walnut Creek SUD

REGIONAL COMPARISON

5/8" Residential
Customer Bill
(5,000 gallons)



*Cities that buy water from Walnut Creek SUD

SUMMARY OF ISSUES FACING UTILITY

- Growth/Economic Development
 - Rolling V and Prairie Point developments
 - Meet infrastructure demands to support economic growth
- Capital Improvements
 - Required to meet existing and future needs
 - Driven by regulatory requirements
- Enhancements to O&M
 - Equipment and Personnel
- Impact of Future Water Supply

KEY ASSUMPTIONS

Capital

Water	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Projected Debt	\$ 0.00	\$ 0.96	\$ 0.00	\$ 3.95	\$ 0.00	\$ 0.00
Impact Fee	0.00	0.00	0.00	0.88	0.00	0.72
Total	\$ 0.00	\$ 0.96	\$ 0.00	\$ 4.83	\$ 0.00	\$ 0.72

Wastewater	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Projected Debt	\$ 0.00	\$ 1.98	\$ 0.00	\$ 2.66	\$ 0.00	\$ 4.09
Impact Fee	0.00	0.23	0.00	2.01	0.00	2.01
Total	\$ 0.00	\$ 2.20	\$ 0.00	\$ 4.67	\$ 0.00	\$ 6.10

Combined	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Projected Debt	\$ 0.00	\$ 2.94	\$ 0.00	\$ 6.62	\$ 0.00	\$ 4.09
Impact Fee	0.00	0.23	0.00	2.89	0.00	2.72
Total	\$ 0.00	\$ 3.16	\$ 0.00	\$ 9.51	\$ 0.00	\$ 6.82

KEY ASSUMPTIONS

New Program O&M

- Includes Inflation
- Includes Both One-Time and Continuous Expenses

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Equipment	\$ 0	\$ 244,000	\$ 146,939	\$ 295,697	\$ 44,064	\$ 0
Personnel	0	59,000	62,950	67,189	71,767	76,687
Other	0	3,000	3,149	30,107	30,844	3,386
Total	\$ 0	\$ 306,000	\$ 213,038	\$ 393,002	\$ 146,675	\$ 80,072

MONTHLY RESIDENTIAL 5/8" CUSTOMER BILL PROJECTION

5,000 Gallons

	CURRENT BILL	SCENARIO 1 – No Capital or New Program O&M	SCENARIO 2 – Only Capital	SCENARIO 3 – Only New Program O&M	SCENARIO 4 – Capital & New Program O&M
Water	\$ 58.40	\$ 58.40	\$ 58.40	\$ 58.40	\$ 58.40
Wastewater	18.89	18.89	22.32	49.43	49.43
Total	\$ 77.29	\$ 77.29	\$ 80.72	\$ 107.83	\$ 107.83
<i>Variance From Current</i>		\$ 0.00	\$ 3.43	\$ 30.54	\$ 30.54

PATH FORWARD



- **Council to provide direction on the actions of the business**
 - How should capital be funded?
 - What level of O&M expense is appropriate?
 - How should pricing be adjusted?
- **Rate Action**
 - Immediate adjustment to Wastewater Rates is warranted
 - Current minimum rate is \$7 below next lowest regional provider
 - At Minimum, Rates Must be Adjusted October 2021
- **Review Rates Again as Part of FY 2023 Budget Process (Summer 2022)**



QUESTIONS AND DISCUSSION

NEWGEN STRATEGIES AND SOLUTIONS
275 W. CAMPBELL ROAD, SUITE 440
RICHARDSON, TEXAS 75080

CHRIS EKRUT, CFO AND DIRECTOR
(972) 232-2234
CEKRUT@NEWGENSTRATEGIES.NET



March 26, 2021

RHOME, TEXAS WATER & WASTEWATER RATE STUDY

NewGen
Strategies & Solutions

PROPOSED WATER RATES (NO CHANGE)

	Residential Inside	Commercial Inside
Minimum Charge	\$ 34.41	\$ 40.56
Volumetric Rate (per 1,000 gals)		
0-2,000 gallons	\$ 0.00	\$ 8.03
2,001-10,000 gallons	8.03	9.03
10,001-20,000 gallons	9.18	10.03
20,001+ gallons	10.28	11.03

PROPOSED WASTEWATER RATES

	Residential Inside		Commercial Inside	
	Current	Proposed	Current	Proposed
Minimum Charge				
¾" or Less	\$ 11.00	\$ 35.66	\$ 30.00	\$ 54.66
1"	11.00	35.66	75.00	136.65
1 ½"	11.00	35.66	100.00	182.20
2" or Greater	11.00	35.66	150.00	273.30
Volumetric Rate (per 1,000 gals)				
0-2,000 gallons	\$ 0.00	\$ 0.00	\$ 7.00	\$ 12.90
2,001-10,000 gallons	2.63	8.53	7.00	12.90
10,001+ gallons	3.06	9.92	7.00	12.90
Maximum Charge	\$ 50.00	\$ 162.12	N/A	N/A

MONTHLY RESIDENTIAL 5/8" CUSTOMER BILL PROJECTION

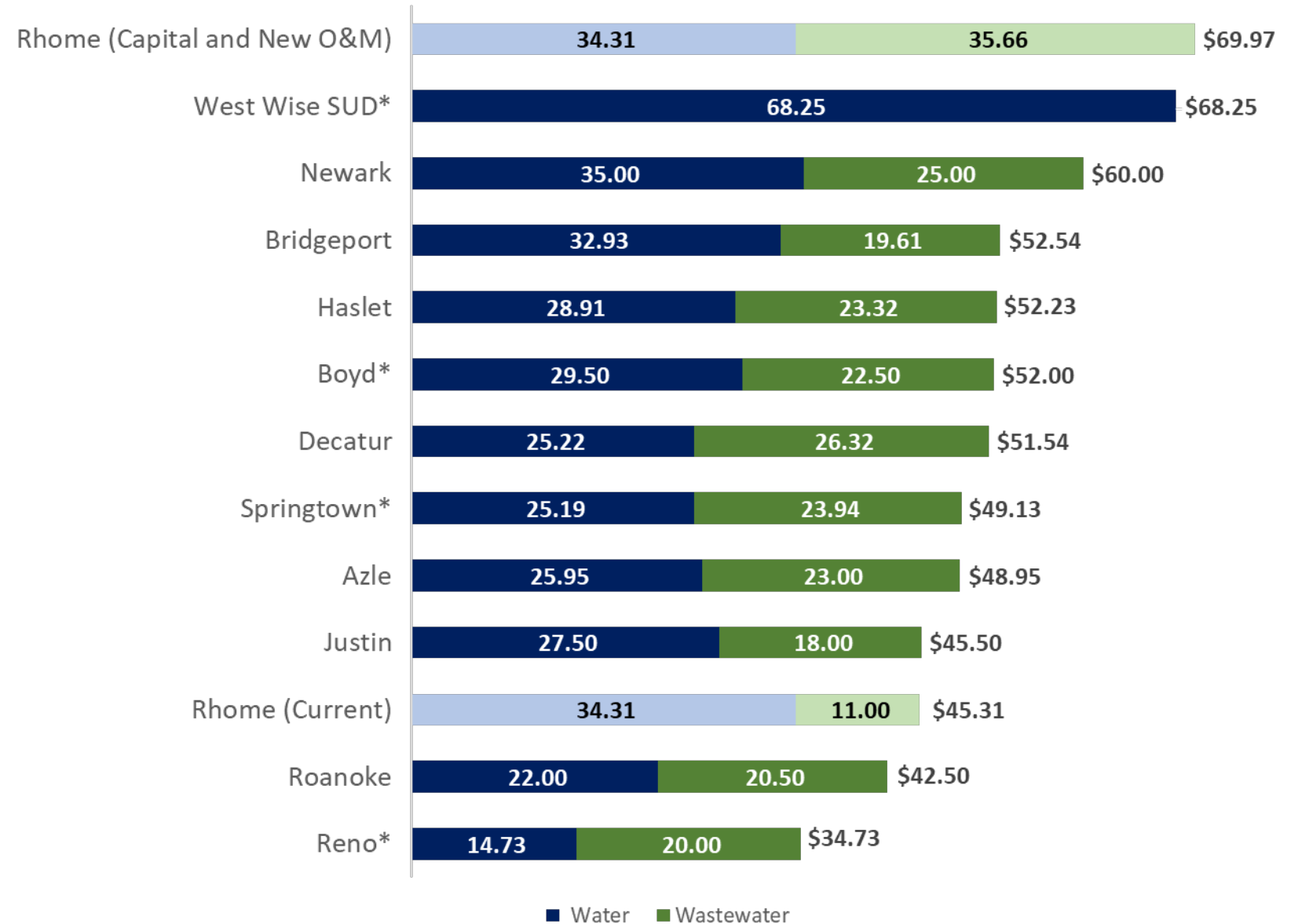
5,000 Gallons

	CURRENT BILL	SCENARIO 4 – Capital & New Program O&M
Water	\$ 58.40	\$ 58.40
Wastewater	18.89	61.25
Total	\$ 77.29	\$ 119.65
<i>Variance From Current</i>		\$ 42.36

**** Staff Recommends Scenario 4 to meet key business needs ****

REGIONAL COMPARISON

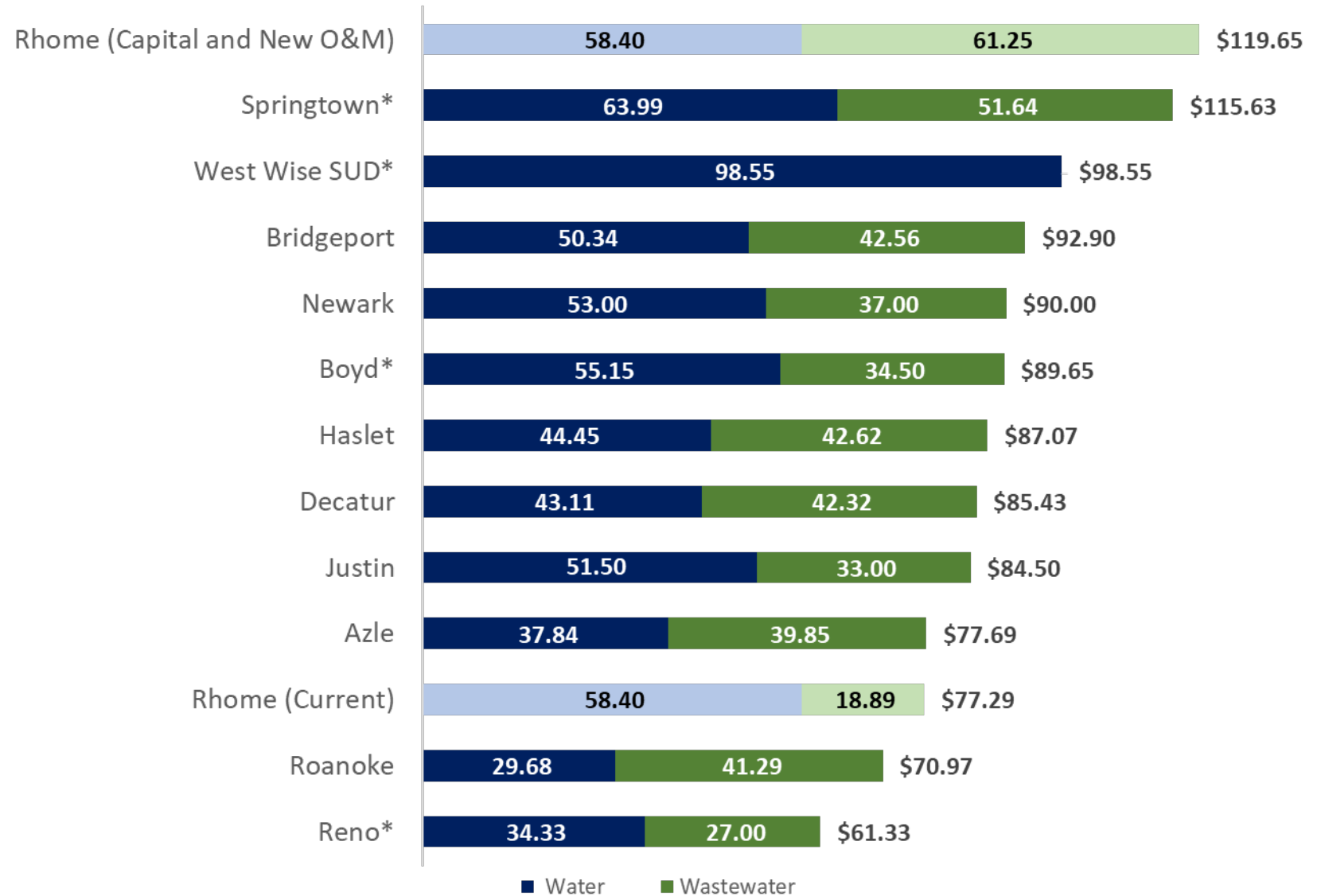
5/8" Residential Minimum Bill



*Cities that buy water from Walnut Creek SUD

REGIONAL COMPARISON

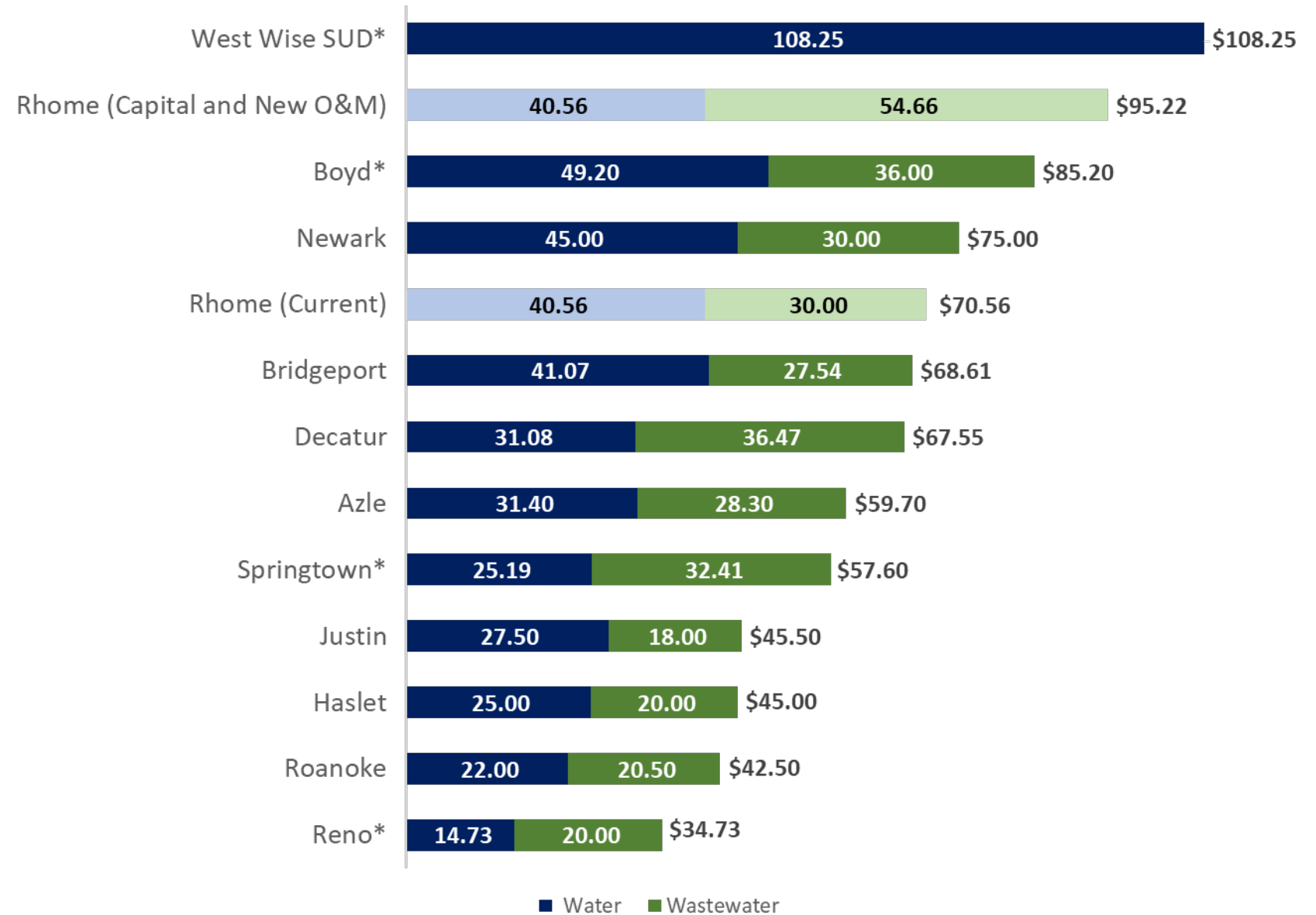
5/8" Residential Customer Bill (5,000 gallons)



*Cities that buy water from Walnut Creek SUD

REGIONAL COMPARISON

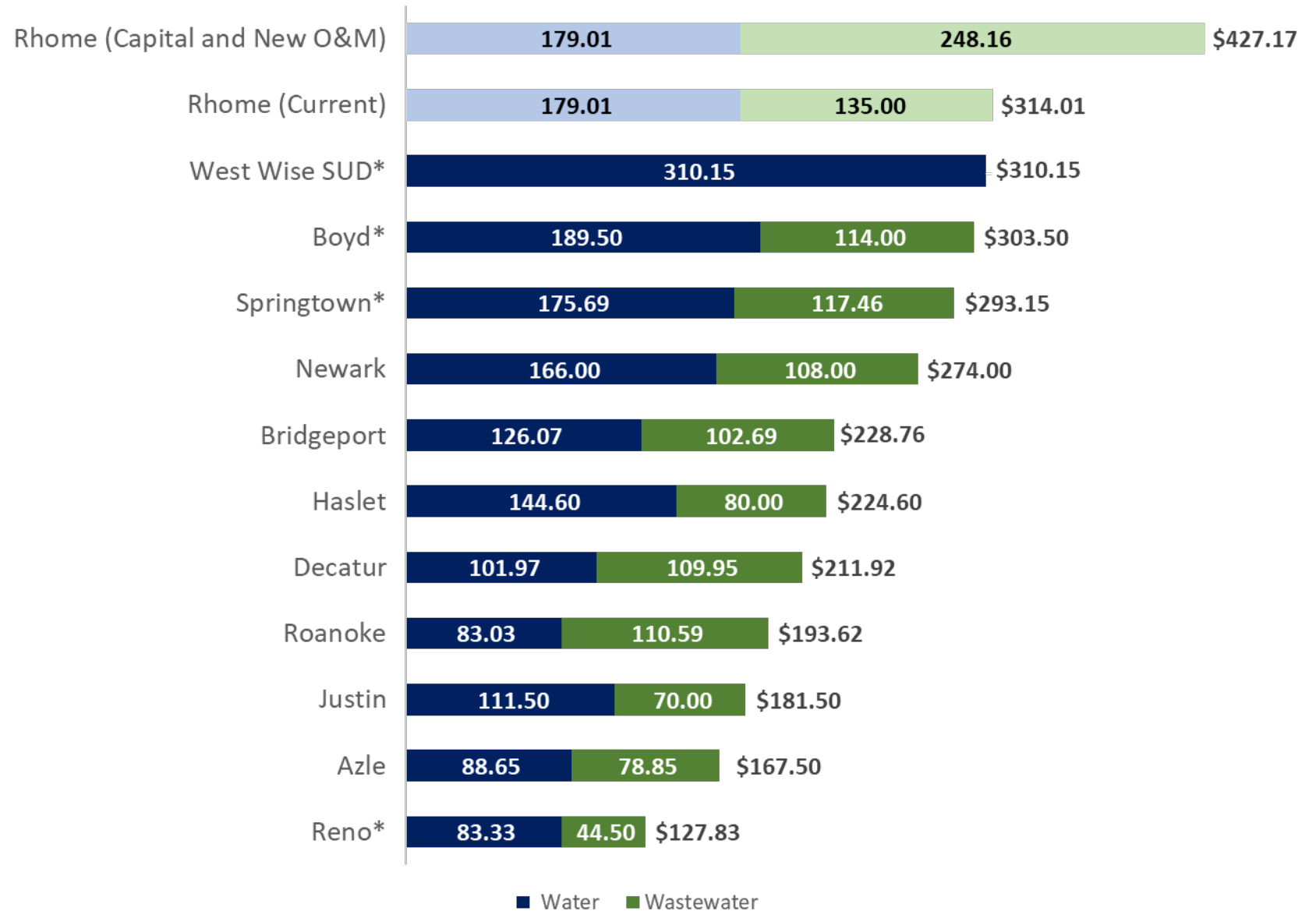
3/4" Commercial Minimum Bill



*Cities that buy water from Walnut Creek SUD

REGIONAL COMPARISON

3/4" Commercial
Customer Bill
(15,000 gallons)



*Cities that buy water from Walnut Creek SUD



QUESTIONS AND DISCUSSION

NEWGEN STRATEGIES AND SOLUTIONS
275 W. CAMPBELL ROAD, SUITE 440
RICHARDSON, TEXAS 75080

CHRIS EKRUT, CFO AND DIRECTOR
(972) 232-2234
CEKRUT@NEWGENSTRATEGIES.NET



Agenda Commentary

Meeting Date: May 27, 2021

Department: Administration

Contact: Cynthia Northrop

Agenda Item: G. Update, discussion and any necessary action regarding Water and Wastewater Rate Study

Type of Item: ☐ Ordinance ☐ Resolution ☐ Contract/Agreement ☐ Public Hearing
☐ Plat ☒ Discussion & Direction ☐ Other

Summary-Background:

Council authorized a Water Source and Water/Wastewater Rate study in 2020.

The results of the Water/Wastewater Study have been presented at several Council Meetings and was discussed in depth at the Budget Workshop held March 20, 2021.

The Wastewater rates have not been raised since 1999 and the Water rates have not been raised since 2017. The Water/Wastewater Fund is an enterprise fund and as such, revenues should at least match expenses including operations and maintenance, improvements and necessary expansions.

Several scenarios were presented by the consultant, NewGen Strategies and Solutions, Inc. Staff is recommending Scenario 4 for capital and new program operations and maintenance for the Wastewater and no current change to the water rates.

NewGen will be present at the Council meeting and provide a presentation.

If Council moves forward with Scenario 4 on the wastewater rate, effective September 1, 2021, the next steps include:

1. Send out notice of rate increase with June Utility billing
2. Post on website
3. This provides more than 60-day notice to our wastewater customers (please note, currently we do not have any out-of-city wastewater customers)

Funding Expected: ☐ Revenue ☐ Expenditure ☐ N/A **Budgeted Item:** ☐ Yes ☐ No ☐ N/A

Funding Account: _____ **Amount:** _____

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

Supporting Documents attached: Ordinance

Recommendation: Provide staff direction for implementation of any water/wastewater rate increases



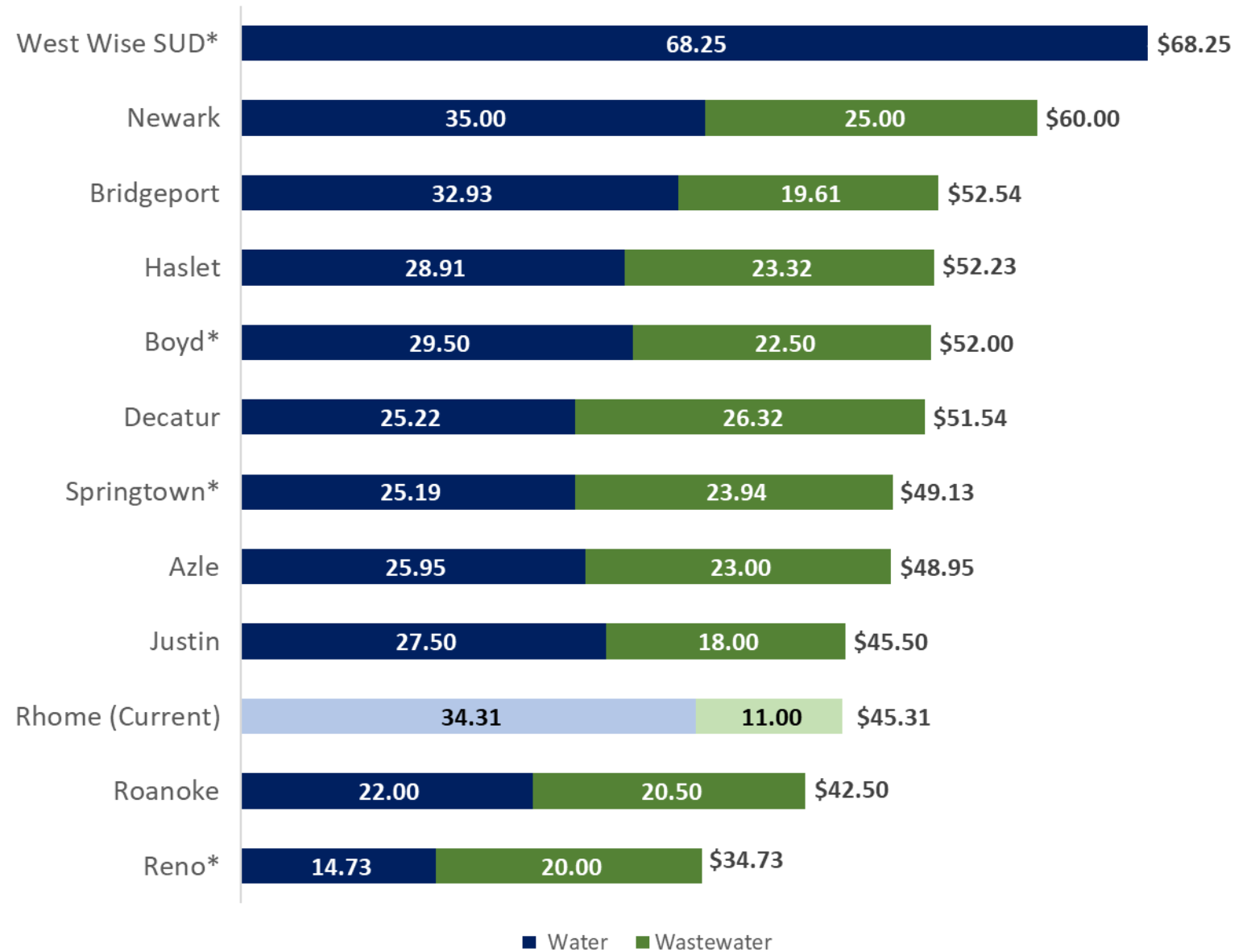
March 25, 2021

RHOME, TEXAS WATER & WASTEWATER RATE STUDY

NewGen
Strategies & Solutions

REGIONAL COMPARISON

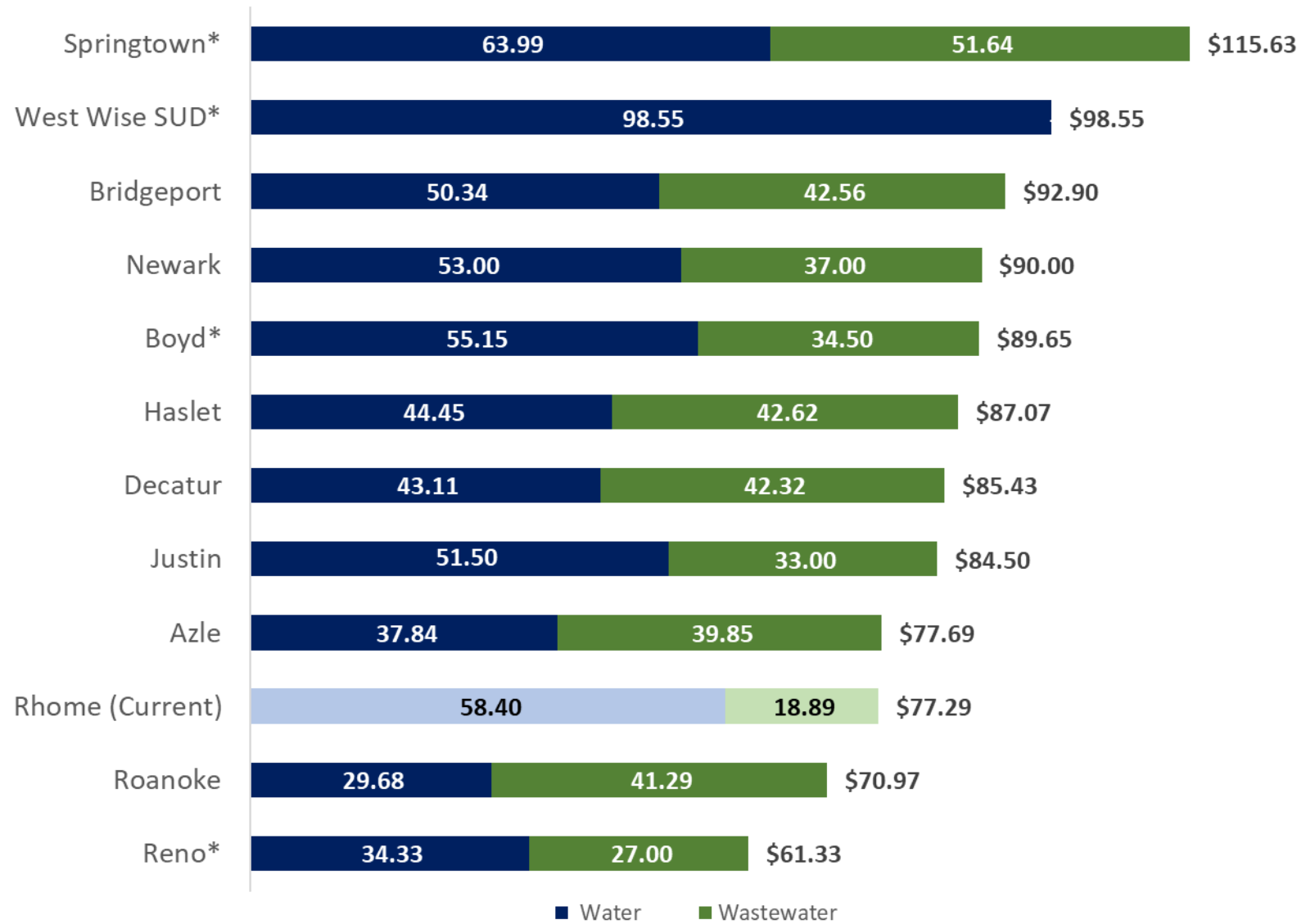
5/8" Residential Minimum Bill



*Cities that buy water from Walnut Creek SUD

REGIONAL COMPARISON

5/8" Residential
Customer Bill
(5,000 gallons)



*Cities that buy water from Walnut Creek SUD

MONTHLY RESIDENTIAL 5/8" CUSTOMER BILL PROJECTION

5,000 Gallons

	CURRENT BILL	SCENARIO 4 – Capital & New Program O&M
Water	\$ 58.40	\$ 58.40
Wastewater	18.89	49.43
Total	\$ 77.29	\$ 107.83
<i>Variance From Current</i>		<i>\$ 30.54</i>

**** Staff Recommends Scenario 4 to meet key business needs ****

PATH FORWARD



- **Determine desired rate action**
- **Prepare amended ordinance inclusive of rates and effective date**
- **Vote on approved amended ordinance and provide public notice**



QUESTIONS AND DISCUSSION

NEWGEN STRATEGIES AND SOLUTIONS
275 W. CAMPBELL ROAD, SUITE 440
RICHARDSON, TEXAS 75080

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CEKRUT@NEWGENSTRATEGIES.NET

PROPOSED WATER RATES (NO CHANGE)

	Residential Inside	Commercial Inside
Minimum Charge	\$ 34.41	\$ 40.56
Volumetric Rate (per 1,000 gals)		
0-2,000 gallons	\$ 0.00	\$ 8.03
2,001-10,000 gallons	8.03	9.03
10,001-20,000 gallons	9.18	10.03
20,001+ gallons	10.28	11.03

PROPOSED WASTEWATER RATES

	Residential Inside		Commercial Inside	
	Current	Proposed	Current	Proposed
Minimum Charge				
¾" or Less	\$ 11.00	\$ 28.79	\$ 30.00	\$ 78.51
1"	11.00	28.79	75.00	196.28
1 ½"	11.00	28.79	100.00	261.70
2" or Greater	11.00	28.79	150.00	392.55
Volumetric Rate (per 1,000 gals)				
0-2,000 gallons	\$ 0.00	\$ 0.00	\$ 7.00	\$ 18.32
2,001-10,000 gallons	2.63	6.88	7.00	18.32
10,001+ gallons	3.06	8.00	7.00	18.32
Maximum Charge	\$ 50.00	\$ 130.78	N/A	N/A

**CITY OF RHOME
ORDINANCE 2021-10**

**AN ORDINANCE AMENDING THE EXISTING WASTEWATER RATES FOR THE CITY OF
RHOME, TEXAS, AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the City of Rhome, Texas, is authorized and empowered pursuant to the laws of the State of Texas to establish rates, charges and fees for the provision of water and waste water services, and

WHEREAS, the City of Rhome has determined that it is necessary to pass those increased costs to the City's water customers in order to maintain the financial integrity of both the City's Water Utility Fund and the General Fund.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RHOME, TEXAS:

1. That the existing WasteWater Rates of the City of Rhome, Texas charged and collected by the city from all customers obtaining service from its waterworks system is hereby amended as set forth below:

WASTEWATER RATES

	Residential WasteWater Rates Inside City Limits		Commercial WasteWater Rates Inside City Limits	
Minimum Charge	Current Rate	New Rate	Current Rate	New Rate
¾" or Less	\$ 11.00	\$ 28.79	\$ 30.00	\$ 78.51
1"	11.00	28.79	75.00	196.28
1 ½"	11.00	28.79	100.00	261.70
2" or Greater	11.00	28.79	150.00	392.55
Volumetric Rate (per 1,000 Gallons)				
0 - 2,000 Gallons	\$ 0.00	\$ 0.00	\$ 7.00	\$ 18.32
2,001 – 10,000 Gallons	2.63	6.88	7.00	18.32
10,001+ Gallons	3.06	8.00	7.00	18.32
Maximum Charge	\$ 50.00	\$ 130.78	N/A	N/A

2. That all other provisions of the existing ordinance shall prevail and be in full force and effect.
3. This ordinance shall be effective September 1, 2021.

PASSED AND APPROVED by the City Council of the City of Rhome, Texas, this the 27th day of May 2021.

Jo Ann Wilson,
Mayor

[SEAL]

ATTEST:

APPROVED AS TO FORM:

Shannon Montgomery, TRMC
City Secretary

Carvan E. Adkins,
City Attorney

CITY OF RHOME
ORDINANCE 2021-10**AN ORDINANCE AMENDING THE EXISTING WASTEWATER RATES FOR THE CITY OF RHOME, TEXAS, AND PROVIDING AN EFFECTIVE DATE.****H. Discussion and any necessary direction and/or action regarding Budget Workshop items discussed on March 20, 2021 (City Administrator)**

City Administrator Northrop reminded Council of the Vision/Budget Workshop held to review the Comprehensive Development Plan, accomplishments and Council priorities for the Fiscal Year 2021-2022 budget and at that workshop, Council discussed several items including maintaining level funding for M&O expenses and addressing bigger capital improvements via potential bonds.

Northrop also reminded Council of current debt:

- 2019 GO Bond – EWWTP Expansion (Principle outstanding = \$2,620,000/Final Maturity = 8/15/2044)
- 2017 Tax Notes – Facility improvements (Principle outstanding = \$369,000/Final Maturity = 9/15/24)
- 2016 GO Bond – Refunding Bond (Principle outstanding = \$938,000/Final Maturity = 9/15/2025)

Northrop encouraged Council to make decisions so that Staff can plan the Fiscal Year 2021-2022 with those decisions in mind by reminding Council that Staff and Council need to prepare for any bond issuance in November 2021 as several items need to be addressed by mid-August in advance of calling the election.

Council discussed different bond opportunities with John Martin, Hilltop Securities, the City's Financial Adviser and Bob Dransfield, Norton Rose Fulbright, the City's Bond Counsel. Both Martin and Dransfield answered questions from Council.

Northrop provided a Budget Workshop Summary of Potential Bond Items:

Budget Workshop Summary of Potential Bond Items			
Project	FUND	COST (estimated)	Funding Options
1. West WWTP & Water Improvements	Water/Wastewater	\$ 5,821,556	Revenue Bond - Submitted PIF w/TWDB for low interest rate loan. Instrument- Revenue bond (Backed by revenue generated from W/WW rates)
2. City Facilities (2 potential options*)	General Fund		GO Bond (voter approval)
3. Streets – A) Morris, Redbud, Pecan (design, drainage, construction) and B) Old Rhome including streets east of RR (chip seal)	General Fund	A) \$2.00 million B) \$ 1.75 million Total - \$3.75	GO Bond (voter approval)
4. Backhoe (\$115K), Dump Truck (\$90K), Work Truck (\$40)	Water/Wastewater	\$ 244 K	Finance – cost covered by rate increase
5. Parks – ByWell Neighborhood Park	General Fund	\$ 150 K	(\$150K matching for \$300K) TPWD grant

- * Option 1 – Municipal Complex Bond (revote) exchanging FD façade improvements to FD and PW compliance items: Cost – estimated at \$5.76M
- * Option 2 – Old City Hall and bring all 5 city facilities into compliance with minor cosmetic improvements: Cost – estimated at \$2M

City Administrator Northrop also reminded Council that building materials have increased anywhere from 100% - 150% over the last several months and are continuing to increase.

Motion made by Council Member Majors to table this agenda item until June 10, 2021; motion died for lack of a second.

Council continued to discuss options – debating short-term and long-term solutions, building size, and pros and cons to current facilities.

City Administrator Northrop continued discussing Project #1 on the Summary Table – West WWTP & Water Improvements.

Northrop stated that Staff is recommending a Revenue Bond for the proposed improvements as the revenue generated from both the water and wastewater rates can pay for this bond.

Motion made by Council Member Eason, seconded by Council Member Tye, to proceed with a revenue bond for the West WWTP and Water Improvements as listed in the Summary Table.

City Secretary Montgomery asked for a roll-call vote:

Mayor Pro Tem McCabe:	Aye
Council Member Tye:	Aye
Council Member Priest:	Aye
Council Member Eason:	Aye
Council Member Majors:	Aye

Motion carried unanimously.

Mayor Wilson went back to City Facilities, Northrop reminded Council of the two options regarding City Facilities:

1. Revise previous municipal complex bond to remove the Fire Department Façade and add the Fire Department and Public Works compliance items that would be approximately \$5.76M; or
2. Renovate 105 Main Street and bring all five city facilities into compliance with minor cosmetic improvements that would be approximately \$2M.

Council Member Eason asked if a third option could consist of option 1 and a portion of option 2 to renovate 105 Main Street to a shell.

Motion made by Council Member Majors to table this agenda item until June 3, 2021. Motion died for lack of a second.

City Administrator Northrop continued to discuss Project #4 – Water/Wastewater Equipment.

Motion made by Council Member Tye, seconded by Council Member Eason, to purchase the water/wastewater backhoe, dump truck, and work truck with a seven-year tax note.

City Secretary Montgomery asked for a roll-call vote:

Mayor Pro Tem McCabe:	Aye
Council Member Tye:	Aye
Council Member Priest:	Aye
Council Member Eason:	Aye
Council Member Majors:	Aye

Motion carried unanimously.

Council returned to the City Facilities discussion and Northrop re-summarized the options:

1. Revise previous municipal complex bond to remove the Fire Department Façade and add the Fire Department and Public Works compliance items that would be approximately \$5.76M; or

2. Renovate 105 Main Street and bring all five city facilities into compliance with minor cosmetic improvements that would be approximately \$2M; or
3. Allow for two propositions – option 1 and invest in refurbishing 105 Main Street into a shell and decide on its use at a later date.

Motion made by Council Member Priest, seconded by Council Member Eason, to approve option 3, allow for two propositions, both as General Obligation Bonds. First Proposition - revise the previous municipal complex to remove the Fire Department Façade and add the Fire Department and Public Works compliance items and Second Proposition to refurbish 105 Main Street to a shell.

City Secretary Montgomery asked for a roll-call vote:

Mayor Pro Tem McCabe:	Aye
Council Member Tye:	Aye
Council Member Priest:	Aye
Council Member Eason:	Aye
Council Member Majors:	Nay

Motion carried 4-1-0 with Council Members McCabe, Tye, Priest and Eason voting for and Council Member Majors voting against.

City Administrator Northrop continued discussing Project #3 – Streets.

Council focused on which streets would be repaired or replaced and the cost of the two proposed projects:

Project A – Morris, Redbud, Pecan which would entail design, drainage and construction for an estimated cost of \$2M and Project B – Old Rhome including streets east of the railroad which would be chip sealed for an estimated cost of \$1.75.

Financial Advisor Martin stated that road improvements could be certificates of obligation bonds; which is non-voter approved debt.

Motion made by Council Member Majors to utilize certificates of obligation bonds in the amount of \$3.75M; motion died for lack of a second.

Motion made by Council Member Eason, seconded by Council Member Majors, to fund both projects as general obligation bonds in the amount of \$3.75M.

After a short discussion Council Member Eason amended his motion to the amount of \$4M; Council Member Majors seconded the amended amount of \$4M.

City Secretary Montgomery asked for a roll-call vote:

Mayor Pro Tem McCabe:	Aye
Council Member Tye:	Aye
Council Member Priest:	Aye
Council Member Eason:	Aye
Council Member Majors:	Aye

Motion carried unanimously.

City Administrator Northrop continued discussing Project #5 – Parks – ByWell Neighborhood Park.

Council Member Majors asked can the City work to maintain its current parks before putting in a new park in ByWell. Northrop stated that Council, upon recommendation from the Parks and Recreation Board, approved the Master Parks Plan which prioritized a park in the ByWell community.



Agenda Commentary

Meeting Date: October 14, 2021

Department: Administration/Public Works

Contact: Cynthia Northrop/Sean Densmore

Agenda Item: M. Discussion and Update of the West Wastewater Treatment Plant and upcoming bond

Type of Item: ☐ Ordinance ☐ Resolution ☐ Contract/Agreement ☐ Public Hearing
☐ Plat ☒ Discussion & Direction ☐ Other

Summary-Background:

Three (3) Project Information Facts were submitted to the Texas Water Development Board to compete for low interest rate loans. The three PIFs were developed from the capital projects identified in the Master Water/Wastewater Plans; two PIFs represented the projects identified for the Council authorized upcoming Revenue Bond issuance.

Of the three PIFs that were submitted to the Texas Water Development Board, the Long-Term Water Supply was selected to proceed with the application process. An Intent to Apply has been submitted to TWDB and the application deadline is November 12, 2021. The remaining PIFs related to immediate projects for both water and wastewater were not selected. Staff is working with our financial consultant to pursue other low-interest rate options to complement the revenue bond issuance council authorized, contained in the other two PIFs

Staff is also working with both engineering and financial to finalize construction and design costs for these outstanding and critical projects. The two PIF projects will meet the current and critical needs identified at the West Wastewater Treatment Plant.

Additional funding is being pursued through the Community Development Block Grant for the Water Well #6 project. The city recently replied to questioning for the grant with the help of both Kimley-Horn and Grant Works. Based on discussions with Grant Works and the questions asked funding potential for this project is highly anticipated.

Funding Expected: ☐ Revenue ☐ Expenditure ☐ N/A

Budgeted Item: ☐ Yes ☐ No ☐ N/A

GL Account: _____ **Amount:** _____

Legal Review Required: ☐ Yes ☐ No **Date Completed:** _____

Engineering Review: ☐ **FD Review:** ☐ **PD Review:** ☐ **PW Review:** ☐

Supporting Documents Attached: None

Recommendation: Discussion only

NewGen Strategies & Solutions

www.newgenstrategies.net

FINAL REPORT

WATER AND WASTEWATER RATE STUDY

OCTOBER 2021



Prepared for:
Kimley-Horn & Associates
801 Cherry St., Suite 1300
Fort Worth, TX 76102

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Section 1

INTRODUCTION

NewGen Strategies and Solutions, LLC (NewGen) is pleased to submit this summary of our results from the 2021 Water and Wastewater Rate Study (Study) for the City of Rhome, Texas (City) to Kimley-Horn & Associates (KHA). The purpose of the Study was to determine the anticipated expenses of providing water and wastewater services, to review performance under the current rates, and to propose rate changes (if required) to assist in safeguarding the financial integrity of the City. This report describes the analysis performed for the City and makes recommendations regarding rates to be charged to the City's water and wastewater customers. This report consists of four sections, the last of which details NewGen's recommendations. Appendices which supplement the findings in this report are provided.

1.1 Background

The City provides water services to approximately 582 retail connections and wastewater services to approximately 500 retail connections.¹ The City's last increase in water rates was effective in 2017 and increase in sewer rates was effective in 1999. Specific to the City's last increase in water rates, this adjustment was only made to pass through increases in costs from the City's wholesale water provider and did not result in additional revenue to fund cost increases associated with the City's internal water distribution system.

Currently, the City purchases wholesale treated water from Walnut Creek Special Utility District (SUD) and pumps groundwater from its own wells. As the City is growing and requiring more water, it has been reviewing other water supply options. KHA conducted a study to determine five alternative options for water supply, with the recommended option being to switch to Upper Trinity Regional Water District as the wholesale provider. This option would also include capital funding for needed infrastructure. Based on conversations with KHA and the City, the switch and needed capital would be after the five-year forecast of this study. This study assumes that Walnut Creek SUD will be the primary provider of treated water for the entire five-year forecast.

1.2 Current Retail Rates

The current retail water rates in effect during this Study are shown in Appendix A. The minimum charges are the same for all meter sizes, which is not consistent with industry best management practices. Larger water meters can place greater demands on the water system, and thus should pay a greater fixed charge to compensate the utility for the infrastructure put into service to accommodate this increased demand. The City uses a four-tiered, inclining block volumetric rate structure wherein a customer pays more per unit of consumption as more water is utilized. This is considered best practice as it encourages conservation based on the Texas Water Conservation Implementation Task Force's Best Management Practices (TWCITF BMP). The City currently charges a multiplier for providing water service to customers outside city limits. It is a common practice throughout the state to charge more for city services to customers outside of city limit boundaries. In some communities, the outside city limit rate differential is set as a simple multiplier (such as 1.15 times or even up to 2.00 times) above the rate charged to inside

¹ As of September 2020.

city limit customers. This simple multiplier method without any additional cost justification is not recommended. It leaves a city subject to appeal and a less defensible rate setting method if challenged before the PUC. For the purposes of this study, the multiplier was assumed to remain constant per Staff.

The current retail wastewater rates are shown in Appendix A. Residential customers are charged a flat minimum charge and a tiered volumetric charge. The Residential wastewater bills are then capped as a way to account for irrigation water use not returning to the wastewater system. A more common method of wastewater billing is to use a winter average from January, February, and March. This method assumes that customers do not irrigate during the winter months, and all water consumed during this period is for indoor use and returned to the wastewater system. However, since there is a maximum bill for residential customers, which also acknowledges that irrigation use does not return to the wastewater system, this method is also common and recommended. Commercial customers are charged a minimum charge that is based on the meter size and a flat volumetric charge. The City currently charges a multiplier for providing wastewater service to customers outside city limits. See the paragraph above for a discussion on outside city multipliers.

Section 2

REVENUE REQUIREMENT

2.1 Revenue Requirement

NewGen developed a “Test Year” for the Study based on the Fiscal Year (FY) 2021 Adopted Budget.² A Test Year is a common term in rate studies that refers to an adjusted budget that is used as a basis for setting rates. It should be representative of “typical” conditions, with adjustments for unusual or one-time expenses. The Test Year separates costs and allocates them specifically to the water and wastewater functions. The development of the Test Year was completed in coordination with City staff and reflects all known and measurable changes as of this report.

The Test Year was used to develop a five-year revenue requirement forecast for FY 2022 through FY 2026. The net revenue requirement excludes non-rate revenues and identifies the amount that should be recovered from rates to fully recover the cost of providing service. For future years, NewGen incorporated inflation factors, the capital improvement plan, and existing debt service. The following sections within this report summarize the key factors affecting the projected revenue requirement. Appendix B shows detail for the revenue requirement based on the following sections.

2.2 Inflation Factors

The Test Year revenue requirement was used as the basis for the five-year financial forecast. Certain expenses were projected based on provided schedules, such as debt service payments. However, the majority of expenses were Operations and Maintenance (O&M) related costs, which were inflated based on historical averages or industry standards as follows:

- General inflation is set at 2.45% per year.³
- Salaries increase 5.00% and benefits increase 10% per year.⁴
- Construction (used for adjusting the City’s planned capital improvement expenditures) increases at 3.09% per year.⁵

2.3 Capital Improvement Plan

The revenue requirement incorporates a capital improvement plan (CIP) provided by KHA and the City for the forecast period. NewGen, per conversations with City staff, has budgeted approximately \$13M (inflated) over the course of the forecast period. Funding for projects is projected to be primarily from projected debt and from impact fees for eligible projects. Based on KHA and Staff assumptions, water currently accounts for 33% of expected capital costs, while wastewater accounts for the remaining 67%. These estimates do not include any additional infrastructure that is planned to be developer funded. Figure 2-1 below contains the estimated total capital costs by utility over the forecast.

² The City’s fiscal year starts October 1 and ends September 30; the year cited is the year the fiscal year ends.

³ American City and County Municipal Cost Index 20-Year Average as of October 2020.

⁴ Per staff.

⁵ Construction Cost Index 20-Year Average as of October 2020.

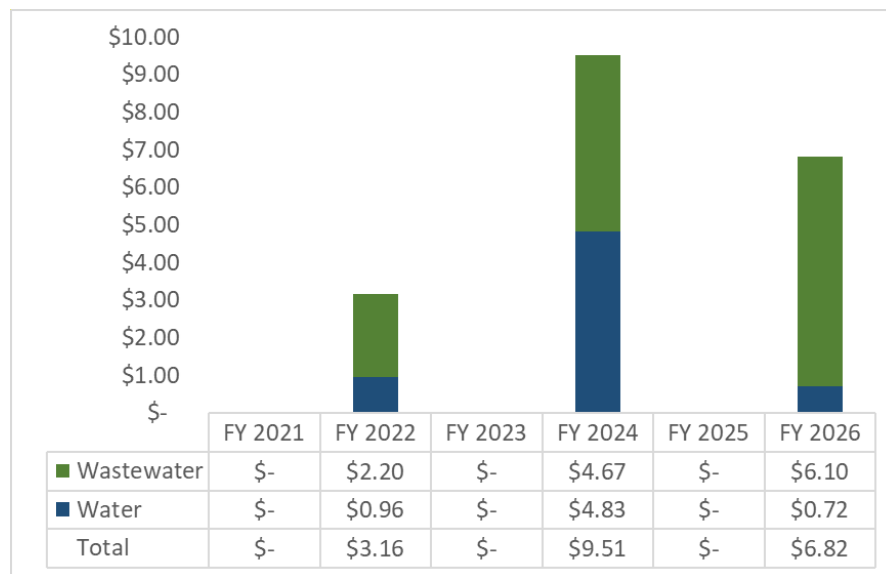


Figure 2-1: CIP Plan

2.4 Debt Service

The revenue requirement includes the City's existing debt. Each individual series of existing debt was allocated to water and wastewater based on how the funds were used and based on direction from City staff, with total existing debt allocated 50% to water and 50% to wastewater. Projected debt issuances based on the CIP are estimated to be FY 2022, FY 2024, and FY 2026. The projected issuances used assumptions of 20-year terms, first payment in the year after the issuance, and the interest rate of 2.50% for FY 2021 issuances and increasing by 0.25% each year.

The revenue requirement includes new program O&M costs. This includes any one-time expenses that are not capital and are not included in the budget. For example, some of these one-time costs include work trucks, a jet machine, a portable generator, and other equipment. The new program operations and maintenance costs also include continuing expenses, including a new administrative assistant.

2.5 Revenue Offsets

To determine the revenues that are required to be recovered through rates, it is necessary to subtract other miscellaneous utility-related revenues, such as tap fees, meter installation fees, and late payment penalties. The revenue offsets identified in this Study correlate with the budgeted values in the FY 2021 Adopted Budget, and are held constant throughout the forecast, so as to not under-estimate needed adjustments to user rates.

Section 3

RATES

3.1 Recovery from Current Rates

In evaluating the performance of existing water and wastewater rates and to project future rates, some estimation of billed usage and billed demand is required. In making this estimation, NewGen relied on the 15 months of billing data from July 2019 to September 2020. NewGen then selected months of data that were closest to normal weather patterns in terms of precipitation to determine average usage per connection. The long-term impact of COVID-19 to utilities is still unknown and could cause usage and demand to vary. The City should continue to monitor actual water consumption and billed wastewater flow against the figures used within this analysis. Should utility revenue performance not meet expectations, additional adjustments to user rates may be required.

In reviewing the data for both utilities there did not appear to be any significant changes during COVID-19, so no corresponding adjustments were made to normalize the data. The monthly connections based off the most recent month of billing data and average usage by utility and customer class are shown in Tables 3-1 and 3-2 below.

Table 3-1
FY 2021 Water Billing Determinants

	Residential Inside	Residential Outside	Commercial Inside	Commercial Outside
Monthly Connections	522	7	49	4
Average Usage Per Connection (Gallons)	5,023	3,141	22,059	8,093

Table 3-2
FY 2021 Wastewater Billing Determinants

	Residential Inside	Residential Outside	Commercial Inside	Commercial Outside
Monthly Connections	463	0	37	0
Average Usage Per Connection (Gallons)	4,512	0	18,332	0

It should be noted that for the purpose of this analysis, NewGen has assumed an annual increase in new customers for the residential customer class in FY 2021 through FY 2026, which is shown in Table 3-3 below.⁶ Each utility was evaluated individually and on a combined basis specific to projected financial performance. Table 3-4 provides a summary of the projected revenue to be realized if current rates remain unchanged.

⁶ Based on discussions with KHA and City staff.

Table 3-3
Annual Growth in Residential Customers

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Water	18	19	125	125	125	125
Wastewater	16	17	111	111	111	111

Table 3-4
Revenue Recovery Under Current Rates

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Water						
Projected Expenses	\$670,662	\$878,093	\$876,527	\$1,084,189	\$1,319,620	\$1,404,064
Projected Revenues	732,242	876,231	1,286,266	1,674,163	1,506,544	1,738,956
Over / (Under) Recovery (\$)	\$61,580	(\$1,862)	\$409,739	\$589,974	\$186,924	\$334,892
Over / (Under) Recovery (%)	9.18%	(0.21%)	46.75%	54.42%	14.17%	23.85%
Wastewater						
Projected Expenses	\$366,442	\$517,820	\$692,118	\$769,292	\$852,078	\$823,547
Projected Revenues	212,175	215,954	231,515	256,182	280,897	305,661
Over / (Under) Recovery (\$)	(\$154,267)	(\$301,866)	(\$460,604)	(\$513,110)	(\$571,182)	(\$517,886)
Over / (Under) Recovery (%)	(42.10%)	(58.30%)	(66.55%)	(66.70%)	(67.03%)	(62.88%)
Combined						
Projected Expenses	\$1,037,104	\$1,395,913	\$1,568,646	\$1,853,481	\$2,171,698	\$2,227,611
Projected Revenues	944,417	1,092,186	1,517,781	1,930,345	1,787,441	2,044,617
Over / (Under) Recovery (\$)	(\$92,687)	(\$303,727)	(\$50,865)	\$76,864	(\$384,257)	(\$182,994)
Over / (Under) Recovery (%)	(8.94%)	(21.76%)	(3.24%)	4.15%	(17.69%)	(8.21%)

As shown above, in total, the City is projected to not meet its FY 2021 – FY 2026 revenue requirements under current rates.

Table 3-5 illustrates the City's combined utility performance as compared to the City's financial policy objectives for the utility. These metrics include achieving a Debt Service Coverage Ratio of at least 1.00 times the debt service requirements and maintaining a Days Cash on Hand target of 60 days. As shown below, the City is projected to not meet its key financial metrics with current rates starting in FY 2021.

Table 3-5
Combined Utility Performance Under Current Rates

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Beginning Unrestricted Net Position	\$231,449	\$138,762	(\$164,966)	(\$215,831)	(\$138,967)	(\$523,224)
Total Revenues	944,417	1,092,186	1,517,781	1,930,345	1,787,441	2,044,617
Total Expenses	1,037,104	1,395,913	1,568,646	1,853,481	2,171,698	2,227,611
Ending Unrestricted Net Position	\$138,762	(\$164,966)	(\$215,831)	(\$138,967)	(\$523,224)	(\$706,218)
 Days Cash on Hand (60 Day Target)	 59	 (49)	 (65)	 (34)	 (141)	 (183)
 Debt Service Coverage						
Total Revenues	\$944,417	\$1,092,186	\$1,517,781	\$1,930,345	\$1,787,441	\$2,044,617
Total Expenses Less Debt Service	863,305	1,219,214	1,203,576	1,488,971	1,354,493	1,408,406
Available for Debt Service Coverage	\$81,111	(\$127,029)	\$314,204	\$441,374	\$432,948	\$636,211
Debt Service	179,799	176,699	365,070	364,510	817,205	819,205
Coverage Ratio (1.00 Target)	0.47	(0.72)	0.86	1.21	0.53	0.78

3.2 Proposed Water Rates

Under current rates, the water utility is projected to recover its expenses every year of the forecast except for FY 2022, when it is projected to have a slight under recovery of revenue. Based on these results, there are no proposed rate increases for water rates. Because of the level of uncertainty between several imperative underlying assumptions, it is recommended that the City review the performance and anticipated costs of the utility annually.

3.3 Proposed Wastewater Rates

NewGen recommends a rate increase to the wastewater rates for FY 2022. The proposed rate detail is presented in Appendix C. After the increase in FY 2022, it is projected that the growth will help cover cost increases in the remaining forecasted years. The projected wastewater rates rely on several major assumptions, and it is recommended that the City review revenue performance and revised costs of the utility annually.

3.5 Proposed Rates Summary

Table 3-6 shows the combined performance under the proposed rates discussed above. A regional comparison of rates from different cities can be found in Appendix D. It is important to note that although comparisons between communities are very common, they may not tell the whole story. Each system is unique in geography, age of infrastructure, capital maintenance effort, and typical usage patterns, which makes this comparison not apples to apples. A utility is a business-type activity of government and should be operated in the same manner as a stand-alone, private business enterprise. Pricing decisions should be made at the community level, reflecting the unique needs of each City's own business enterprise.

Section 3

Table 3-6
Combined Utility Performance Under Proposed Rates

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Beginning Unrestricted Net Position	\$231,449	\$139,832	\$139,842	\$416,657	\$859,276	\$878,848
Total Revenues	945,487	1,395,923	1,845,461	2,296,100	2,191,270	2,486,520
Total Expenses	1,037,104	1,395,913	1,568,646	1,853,481	2,171,698	2,227,611
Ending Unrestricted Net Position	\$139,832	\$139,842	\$416,657	\$859,276	\$878,848	\$1,137,757
Days Cash on Hand (60 Day Target)	59	42	126	211	237	295
Debt Service Coverage						
Total Revenues	\$945,487	\$1,395,923	\$1,845,461	\$2,296,100	\$2,191,270	\$2,486,520
Total Expenses Less Debt Service	863,305	1,219,214	1,203,576	1,488,971	1,354,493	1,408,406
Available for Debt Service Coverage	\$82,182	\$176,709	\$641,885	\$807,129	\$836,777	\$1,078,114
Debt Service	173,799	176,699	365,070	364,510	817,205	819,205
Coverage Ratio (1.00 Target)	0.47	1.00	1.76	2.21	1.00	1.32

Section 4

RECOMMENDATIONS

Listed below are the findings and recommendations from the water and wastewater rate study update.

- **Implement Recommended Rates:**

NewGen recommends the City increase wastewater rates for FY 2022. NewGen recommends the City review rate requirements and revenue sufficiency annually to make sure each utility is meeting key financial metrics.

- **Closely Monitor Growth Patterns:**

The assumptions in this Study have all been vetted by City staff and are reasonable given current market conditions. That said, the proposed revenue performance is linked to growth projections. NewGen recommends City staff track utility billing account and compare growth to the anticipated outcomes in this five-year forecast.

- **Ensure Financial Stability:**

The City has internal financial policies requiring the utility to maintain a 1.00 Debt Service Coverage Ratio and a Days Cash on Hand at a minimum of 60 days. In the proposed rate increases discussed above, the rates are increased to reach Debt Service Coverage of 1.00 in FY 2022, then reach the 60 Days Cash on Hand target in FY 2023. To the extent rates do not generate sufficient revenue to meet the Debt Service Coverage Ratio each year and reach the Fund Balance Reserve by FY 2023, action should be taken over the long term to amend the City's rates. Failure to abide by the City's own financial policies and/or maintain required debt service coverage ratios could result in a reduced bond rating which, consequentially, can result in a higher long-term borrowing cost for the City and ultimately higher rates to ratepayers.



APPENDIX A: CURRENT RATES

OCTOBER 2021

**WATER AND WASTEWATER
RATE STUDY**



Current Rates

WATER

	<u>Residential Inside</u>	<u>Residential Outside</u>	<u>Commercial Inside</u>	<u>Commercial Outside</u>	<u>Chisholm Church Inside</u>	<u>Northwest ISD Inside</u>	<u>Northwest ISD Sprinkler Inside</u>	<u>Tecon Water Company</u>
Minimum Charge								
All	\$ 34.31	\$ 70.56	\$ 40.56	\$ 78.50	\$ 40.00	\$ 40.00	\$ 40.00	\$ 70.00
Volumetric Charge (per kgal)								
0-2,000 gallons	\$ -		\$ 8.03		\$ 7.65			
2,001 - 10,000 gallons	8.03		9.03		8.65			
10,001 - 20,000 gallons	9.18		10.03		9.65			
20,001+ gallons	10.28		11.03		10.65			
0-2,000 gallons		\$ 8.03		\$ 8.03				
2,001 - 15,000 gallons		12.03		12.03				
15,001+ gallons		16.03		16.03				
0-2,000 gallons						\$ 7.65	\$ 7.65	
2,001 - 10,000 gallons						8.65	8.65	
10,001 - 12,000 gallons						8.65	8.65	
12,001 - 20,000 gallons						9.65	9.65	
All Gallons								\$ 8.24

Notes:

Tecon Water Company is a wholesale customer.

City of Aurora is a wholesale customer with one meter charged at the residential outside rate and one meter at the commercial outside rate.



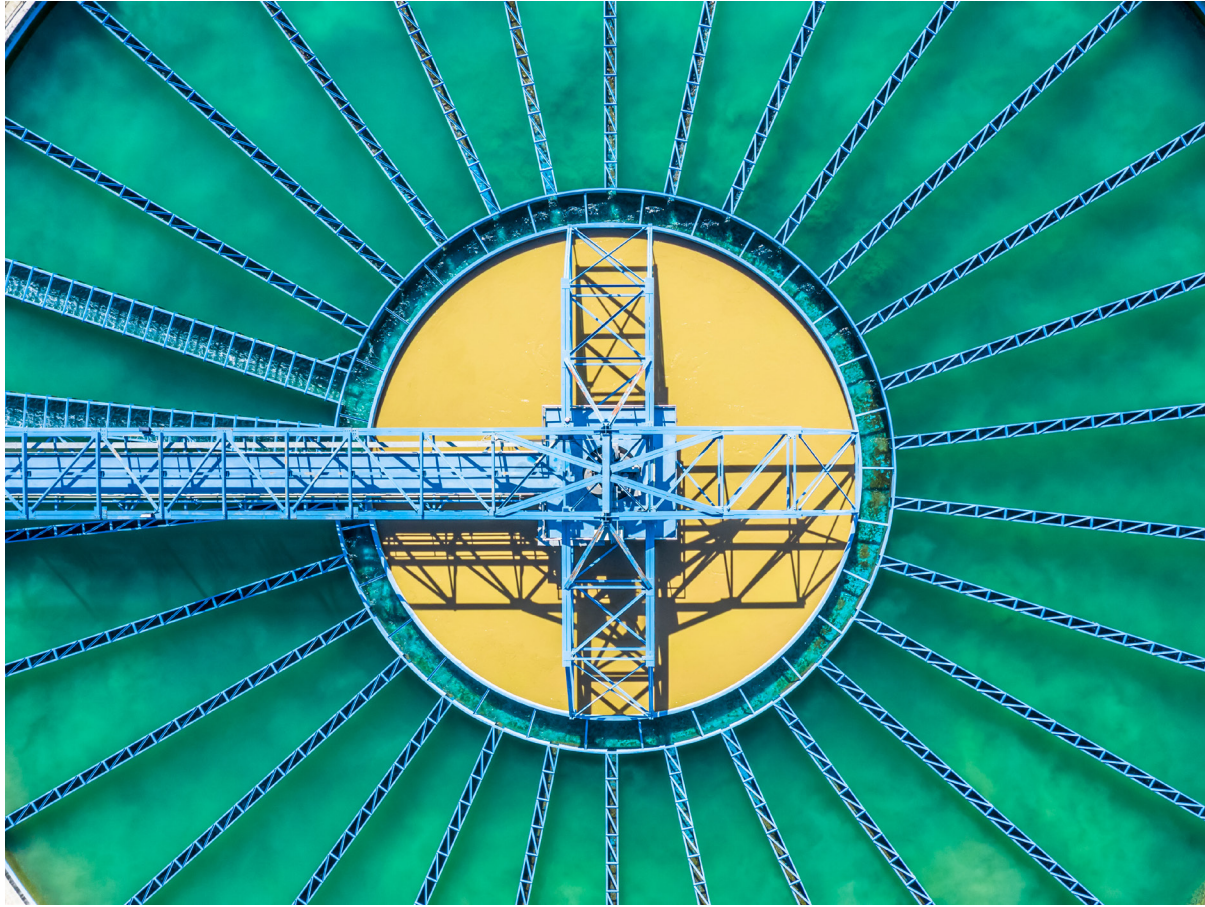
Current Rates

WASTEWATER

	<u>Residential Inside</u>	<u>Residential Outside</u>	<u>Commercial Inside</u>	<u>Commercial Outside</u>
Minimum Charge				
5/8"	\$ 11.00	\$ 11.00	\$ 30.00	\$ 30.00
3/4"	11.00	11.00	30.00	30.00
1"	11.00	11.00	75.00	75.00
1 1/2"	11.00	11.00	100.00	100.00
2" and up	11.00	11.00	150.00	150.00
Volumetric Charge (per kgal)				
0-2,000 gallons	\$ -			
2,001 - 10,000 gallons	2.63			
10,001 - 15,869 gallons	3.06			
15,870+ (MAX) gallons	-			
0-2,000 gallons		\$ 2.81		
2,001 - 14,745 gallons		3.06		
14,746+ (MAX) gallons		-		
All Gallons			\$ 7.00	\$ 7.00

Notes:

There is a maximum bill for residential customers at \$50. The noted maximum volumes above is where the bill would result in a \$50 charge.



APPENDIX B: EXPENSE DETAIL

OCTOBER 2021

**WATER AND WASTEWATER
RATE STUDY**



Debt Service

Existing Debt Service

	2021	2022	2023	2024	2025	2026
Water	\$ 86,899	\$ 88,349	\$ 86,043	\$ 85,763	\$ 84,563	\$ 85,563
Wastewater	86,899	88,349	86,043	85,763	84,563	85,563
Total Existing Debt Service	\$ 173,799	\$ 176,699	\$ 172,085	\$ 171,526	\$ 169,126	\$ 171,126

Projected Debt Service

Water	\$ -	\$ -	\$ 63,165	\$ 63,165	\$ 335,050	\$ 335,050
Wastewater	-	-	129,820	129,820	313,029	313,029
Total Projected Debt Service	\$ -	\$ -	\$ 192,984	\$ 192,984	\$ 648,079	\$ 648,079

Combined Debt Service

Water	\$ 86,899	\$ 88,349	\$ 149,207	\$ 148,928	\$ 419,613	\$ 420,613
Wastewater	86,899	88,349	215,862	215,583	397,592	398,592
Total Combined Debt Service	\$ 173,799	\$ 176,699	\$ 365,070	\$ 364,510	\$ 817,205	\$ 819,205

Existing Debt Service

	2021	2022	2023	2024	2025	2026
2019 CO	\$ 168,126	\$ 171,026	\$ 168,776	\$ 171,526	\$ 169,126	\$ 171,126
PW Vehicle Note	5,673	5,673	3,309	-	-	-

Water	Wastewater
50%	50%
50%	50%



Capital Improvement Plan/Projects

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Water						
Existing Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Projected Debt	-	961,826	-	4,832,610	-	716,060
Cash	-	-	-	-	-	-
Other	-	-	-	-	-	-
Placeholder	-	-	-	-	-	-
Total Water	\$ -	\$ 961,826	\$ -	\$ 4,832,610	\$ -	\$ 716,060
Wastewater						
Existing Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Projected Debt	-	2,203,025	-	4,672,655	-	6,099,902
Cash	-	-	-	-	-	-
Other	-	-	-	-	-	-
Placeholder	-	-	-	-	-	-
Total Wastewater	\$ -	\$ 2,203,025	\$ -	\$ 4,672,655	\$ -	\$ 6,099,902
Impact Fee Funded						
Water	\$ -	\$ -	\$ -	\$ 879,578	\$ -	\$ 716,060
Wastewater	-	226,229	-	2,008,909	-	2,008,909
Total Impact Fee Funded	\$ -	\$ 226,229	\$ -	\$ 2,888,487	\$ -	\$ 2,724,969
Combined						
Existing Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Projected Debt	-	2,938,623	-	6,616,778	-	4,090,993
Cash	-	-	-	-	-	-
Other	-	-	-	-	-	-
Placeholder	-	-	-	-	-	-
Total Combined	\$ -	\$ 2,938,623	\$ -	\$ 6,616,778	\$ -	\$ 4,090,993

All CIP Projects	2021	2022	2023	2024	2025	2026	Water	Wastewater
Ellis Homestead 8" Loop and PRVs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100%	0%
16" Water Line From Elevated Storage Tank	-	-	-	-	-	-	100%	0%
3433 Booster Pump Station Distribution Piping	-	-	-	1,244,000	-	-	100%	0%
Distribution Piping	-	-	-	-	-	615,000	100%	0%
3433 Pump Station Improvements	-	-	-	2,247,000	-	-	100%	0%
Bobo Pump Station Improvements	-	-	-	-	-	-	100%	0%
Rolling V West Phase 1	-	-	-	-	-	-	100%	0%
Rolling V East Phase 1	-	-	-	-	-	-	100%	0%
Gravity Line Clay Pipe Replacement	-	-	-	797,000	-	797,000	0%	100%
West WWTP Rehabilitation	-	-	-	-	-	-	0%	100%
East WWTP Expansion 0.100 MGD to 0.250 MGD	-	-	-	3,468,000	-	-	0%	100%
East WWTP Expansion 0.250 MGD to 0.400 MGD	-	-	-	-	-	3,231,000	0%	100%
East WWTP Expansion 0.400 MGD to 0.700 MGD	-	-	-	-	-	-	0%	100%
East WWTP Expansion 0.700 MGD to 1.000 MGD	-	-	-	-	-	-	0%	100%
North Prairie Point Lift Station (570 gpm)	-	-	-	-	-	1,211,000	0%	100%
South Prairie Point Lift Station (1,578 pgm Firm Pump)	-	-	-	-	-	-	0%	100%
Prairie Point Gravity Lines to South Lift Station	-	-	-	-	-	-	0%	100%
West WWTP Rehab	-	1,617,000	-	-	-	-	0%	100%
West WWTP Discharge Permit Renewal	-	20,000	-	-	-	-	0%	100%
West Sewer Main Replacement (I&I)	-	500,000	-	-	-	-	0%	100%
Water Well Disinfection Conversion Chlorine to Chloramine	-	750,000	-	-	-	-	100%	0%
FM 3433 Disinfection Booster System	-	-	-	370,000	-	-	100%	0%
Ground Storage Tank Improvements	-	-	-	550,000	-	-	100%	0%
Radium Treatment - Water Softening System	-	183,000	-	-	-	-	100%	0%
Ellis Homestead 8" Loop and PRVs	-	-	-	-	-	-	100%	0%
16" Water Line to EST (Likely Developer Funded)	-	-	-	-	-	-	100%	0%
Meter Changes for UTRWD	-	-	-	-	-	-	100%	0%
Water Mains for UTRWD	-	-	-	-	-	-	100%	0%
New Pump Station for UTRWD	-	-	-	-	-	-	100%	0%
Total CIP	\$ -	\$ 3,070,000	\$ -	\$ 8,676,000	\$ -	\$ 5,854,000		



New Program O&M

Base Year for Costs 2021

New Program O&M - One-Time

Project Name	Inflation Factor	Water %	Wastewater %	2021	2022	2023	2024	2025	2026
Desktop Computer	None	50%	50%		\$ 3,000				
Desktop Computer	Municipal Cost Index	50%	50%			1,500	1,500	1,500	1,500
SCADA Upgrades	Municipal Cost Index	50%	50%				25,000	25,000	
LS Pump Replacement	Municipal Cost Index	0%	100%			20,000	40,000	40,000	
New Work Truck	None	100%	0%		39,000				
New Work Truck	Municipal Cost Index	50%	50%			35,000	35,000		
John Deere 410L	None	50%	50%		115,000				
750 Ford 7yrd Bed	None	50%	50%		90,000				
Trailer Sewer Jet Machine	Municipal Cost Index	0%	100%			85,000			
Portable Generator	Municipal Cost Index	50%	50%				200,000		
Total				\$ -	\$ 247,000	\$ 141,500	\$ 301,500	\$ 66,500	\$ 1,500

Project Name	2021	2022	2023	2024	2025	2026
Desktop Computer	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ -
Desktop Computer	-	-	1,574	1,613	1,652	1,693
SCADA Upgrades	-	-	-	26,882	27,540	-
LS Pump Replacement	-	-	20,991	43,010	44,064	-
New Work Truck	-	39,000	-	-	-	-
New Work Truck	-	-	36,735	37,634	-	-
John Deere 410L	-	115,000	-	-	-	-
750 Ford 7yrd Bed	-	90,000	-	-	-	-
Trailer Sewer Jet Machine	-	-	89,213	-	-	-
Portable Generator	-	-	-	215,052	-	-
Total	\$ -	\$ 247,000	\$ 148,514	\$ 324,191	\$ 73,256	\$ 1,693

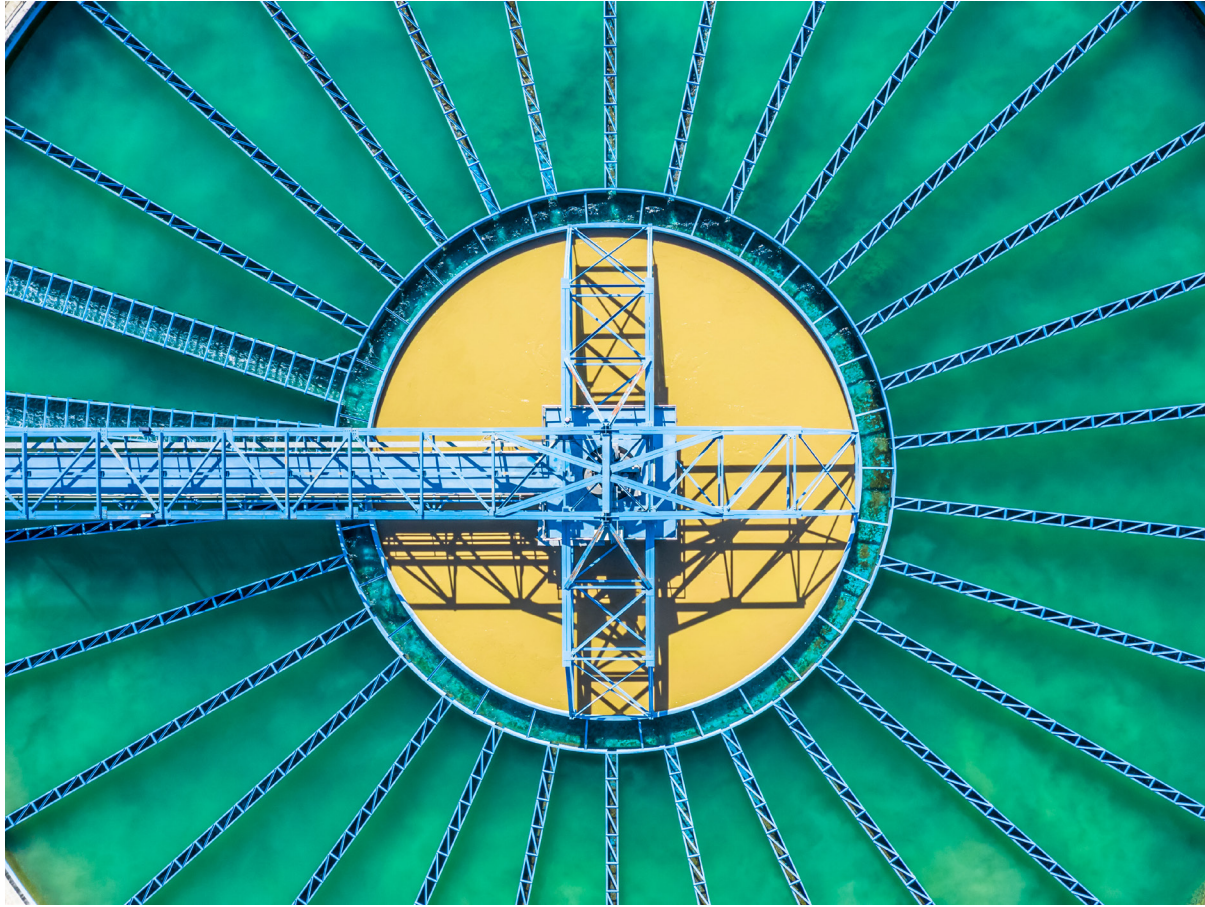
New Program O&M - Recurring

Project Name	Inflation Factor	Water %	Wastewater %	2021	2022	2023	2024	2025	2026
New Administrative Assistant	Salaries	50%	50%		\$ 39,000				
New Administrative Assistant	Benefits	50%	50%		20,000				
SCADA Yearly Fees	Municipal Cost Index	50%	50%			1,500			
Total				\$ -	\$ 59,000	\$ 1,500	\$ -	\$ -	\$ -

Project Name	2021	2022	2023	2024	2025	2026
New Administrative Assistant - Wages	\$ -	\$ 39,000	\$ 40,950	\$ 42,998	\$ 45,147	\$ 47,405
New Administrative Assistant - Benefits	-	20,000	22,000	24,200	26,620	29,282
SCADA Yearly Fees	-	-	1,574	1,613	1,652	1,693
Total	\$ -	\$ 59,000	\$ 64,524	\$ 68,810	\$ 73,420	\$ 78,380

New Program O&M - Combined

Water	\$ -	\$ 172,500	\$ 51,417	\$ 174,996	\$ 51,306	\$ 40,036
Wastewater	-	133,500	161,621	218,006	95,369	40,036
Total	\$ -	\$ 306,000	\$ 213,038	\$ 393,002	\$ 146,675	\$ 80,072



APPENDIX C: PROPOSED RATES

OCTOBER 2021

**WATER AND WASTEWATER
RATE STUDY**



Proposed Rates for FY 2022

WATER

	<u>Residential Inside</u>	<u>Residential Outside</u>	<u>Commercial Inside</u>	<u>Commercial Outside</u>	<u>Chisholm Church Inside</u>	<u>Northwest ISD Inside</u>	<u>Northwest ISD Sprinkler Inside</u>	<u>Tecon Water Company</u>
Minimum Charge								
All	\$ 34.31	\$ 70.56	\$ 40.56	\$ 78.50	\$ 40.56	\$ 40.56	\$ 40.56	\$ 70.00
Volumetric Charge (per kgal)								
0-2,000 gallons	\$ -		\$ 8.03		\$ 8.03			
2,001 - 10,000 gallons	8.03		9.03		9.03			
10,001 - 20,000 gallons	9.18		10.03		10.03			
20,001+ gallons	10.28		11.03		11.03			
0-2,000 gallons		\$ 8.03		\$ 8.03				
2,001 - 15,000 gallons		12.03		12.03				
15,001+ gallons		16.03		16.03				
0-2,000 gallons						\$ 8.03	\$ 8.03	
2,001 - 10,000 gallons						9.03	9.03	
10,001 - 12,000 gallons						10.03	10.03	
12,001 - 20,000 gallons						10.03	10.03	
All Gallons								\$ 8.24

Notes:

Tecon Water Company is a wholesale customer.

City of Aurora is a wholesale customer with one meter charged at the residential outside rate and one meter at the commercial outside rate.



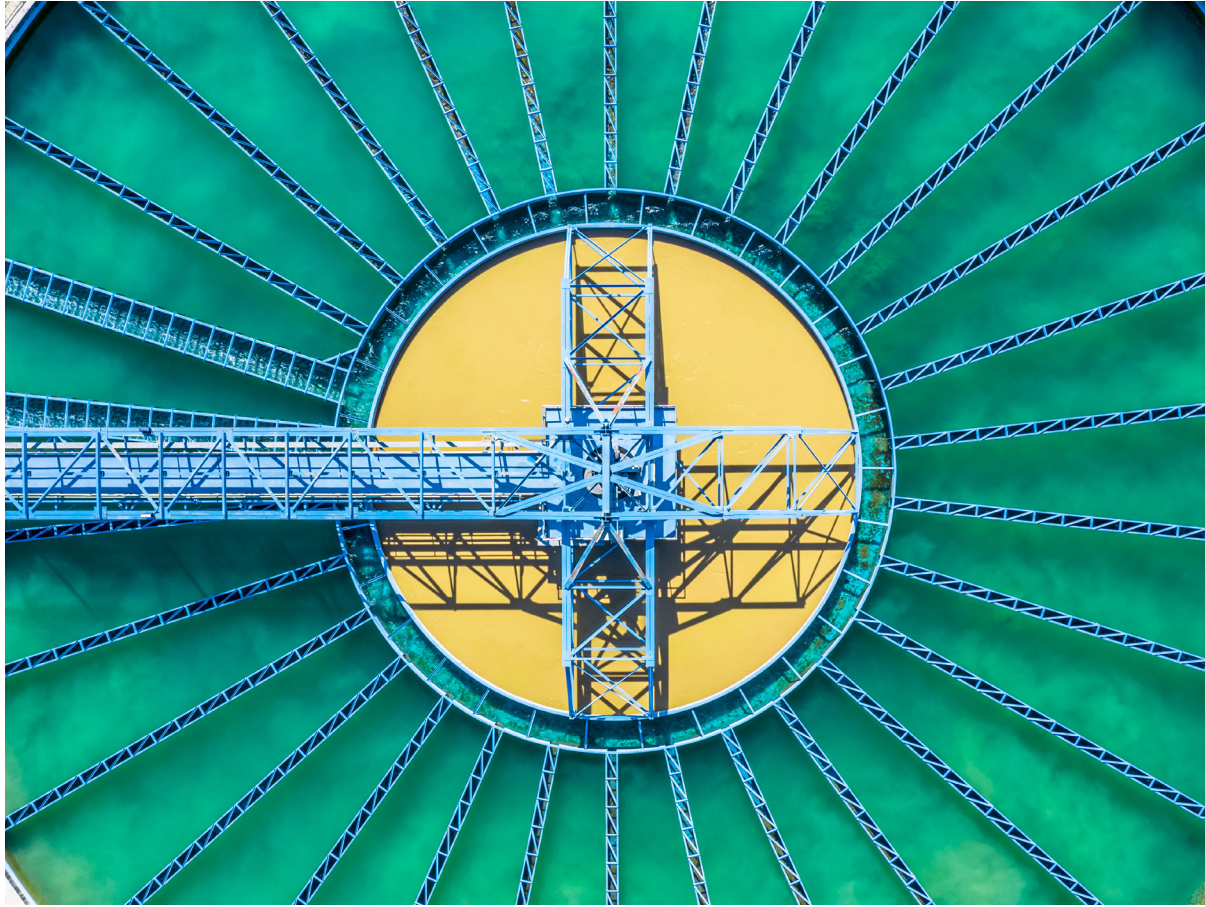
Proposed Rates for FY 2022

WASTEWATER

	<u>Residential Inside</u>	<u>Residential Outside</u>	<u>Commercial Inside</u>	<u>Commercial Outside</u>
Minimum Charge				
5/8"	\$ 28.79	\$ 28.79	\$ 78.51	\$ 78.51
3/4"	28.79	28.79	78.51	78.51
1"	28.79	28.79	196.28	196.28
1 1/2"	28.79	28.79	261.70	261.70
2" and up	28.79	28.79	392.55	392.55
Volumetric Charge (per kgal)				
0-2,000 gallons	\$ -			
2,001 - 10,000 gallons	6.88			
10,001 - 15,869 gallons	8.00			
15,870+ (MAX) gallons	-			
0-2,000 gallons		\$ 7.35		
2,001 - 14,745 gallons		8.00		
14,746+ (MAX) gallons		-		
All Gallons			\$ 18.32	\$ 18.32

Notes:

There is a maximum bill for residential customers at \$162.12. The noted maximum volumes above is where the bill would result in a \$50 charge.



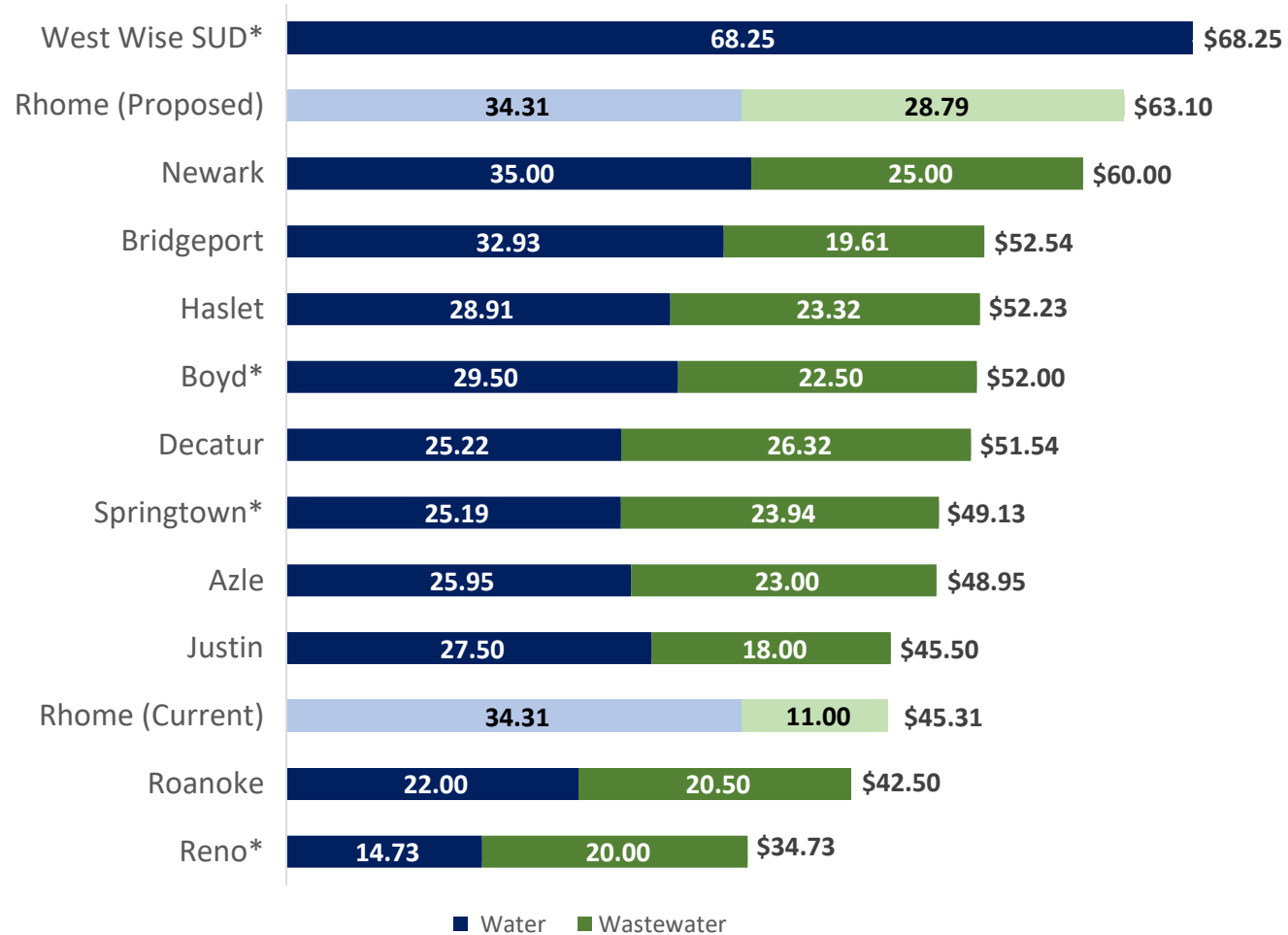
APPENDIX D: REGIONAL BILL COMPARISONS

OCTOBER 2021

**WATER AND WASTEWATER
UTILITY RATE STUDY**

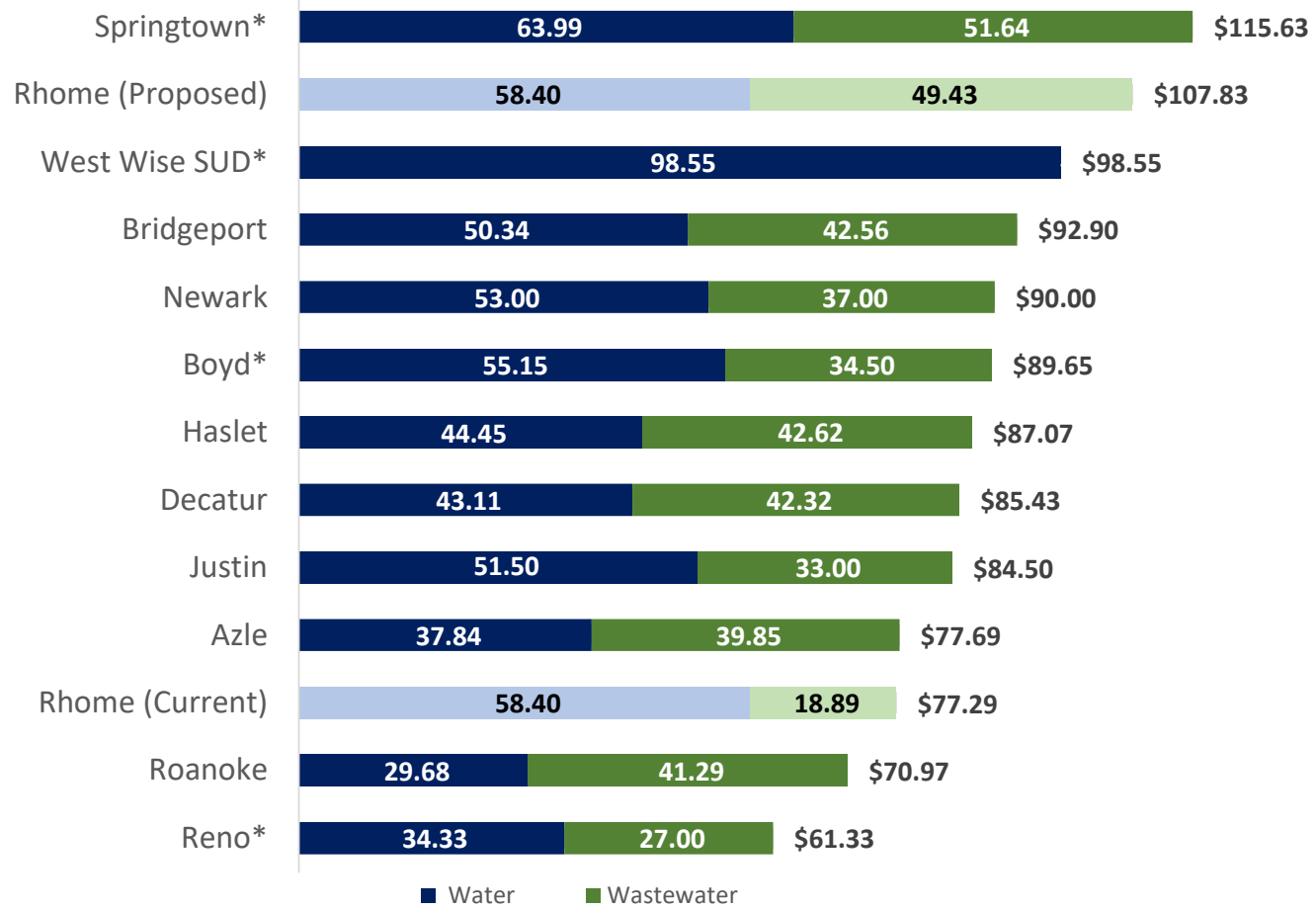
Rhome, Texas
Regional Bill Comparison

Residential Monthly Minimum



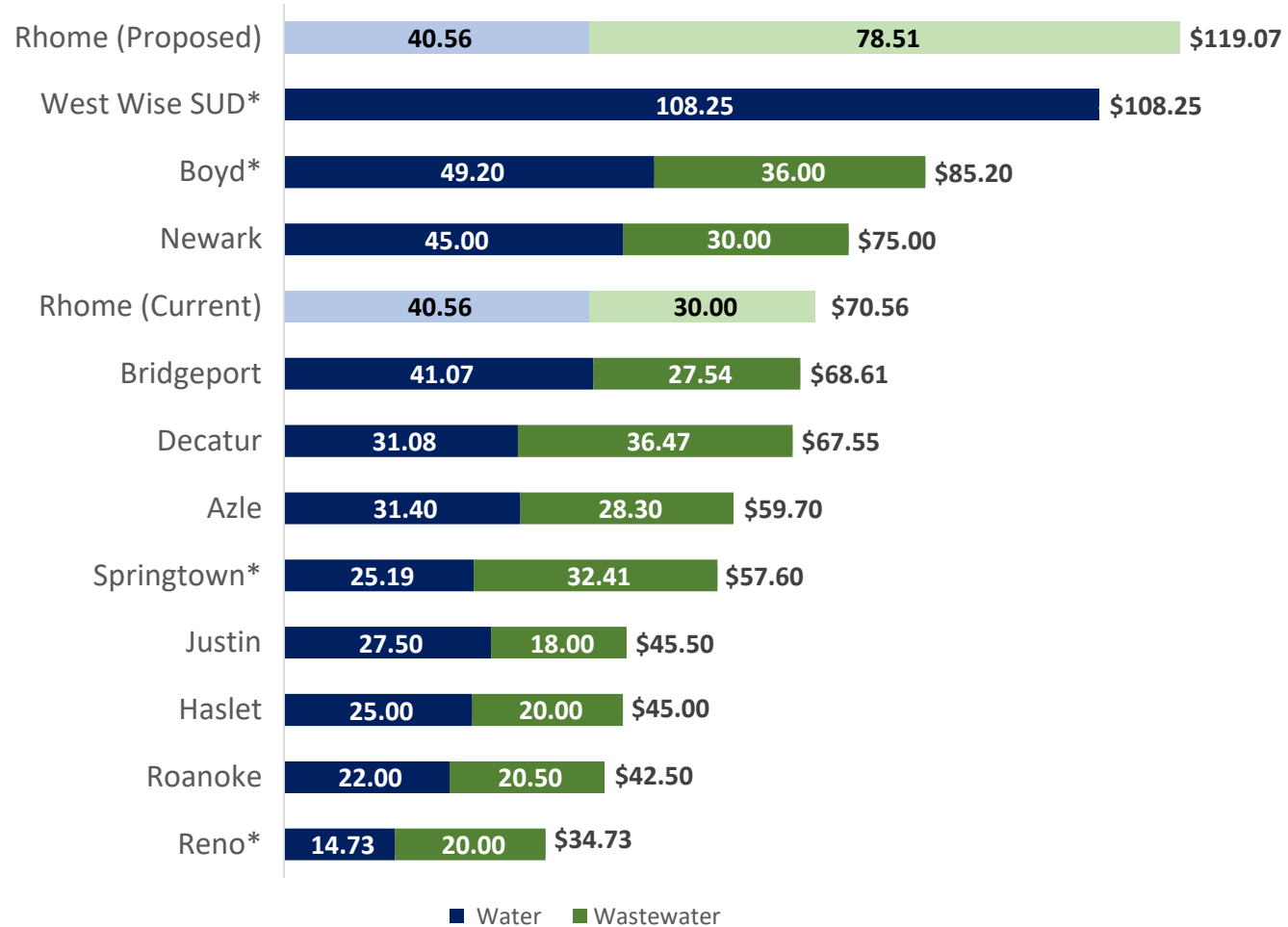
Rhome, Texas
Regional Bill Comparison

Residential Monthly Bill for 5,000 gallons



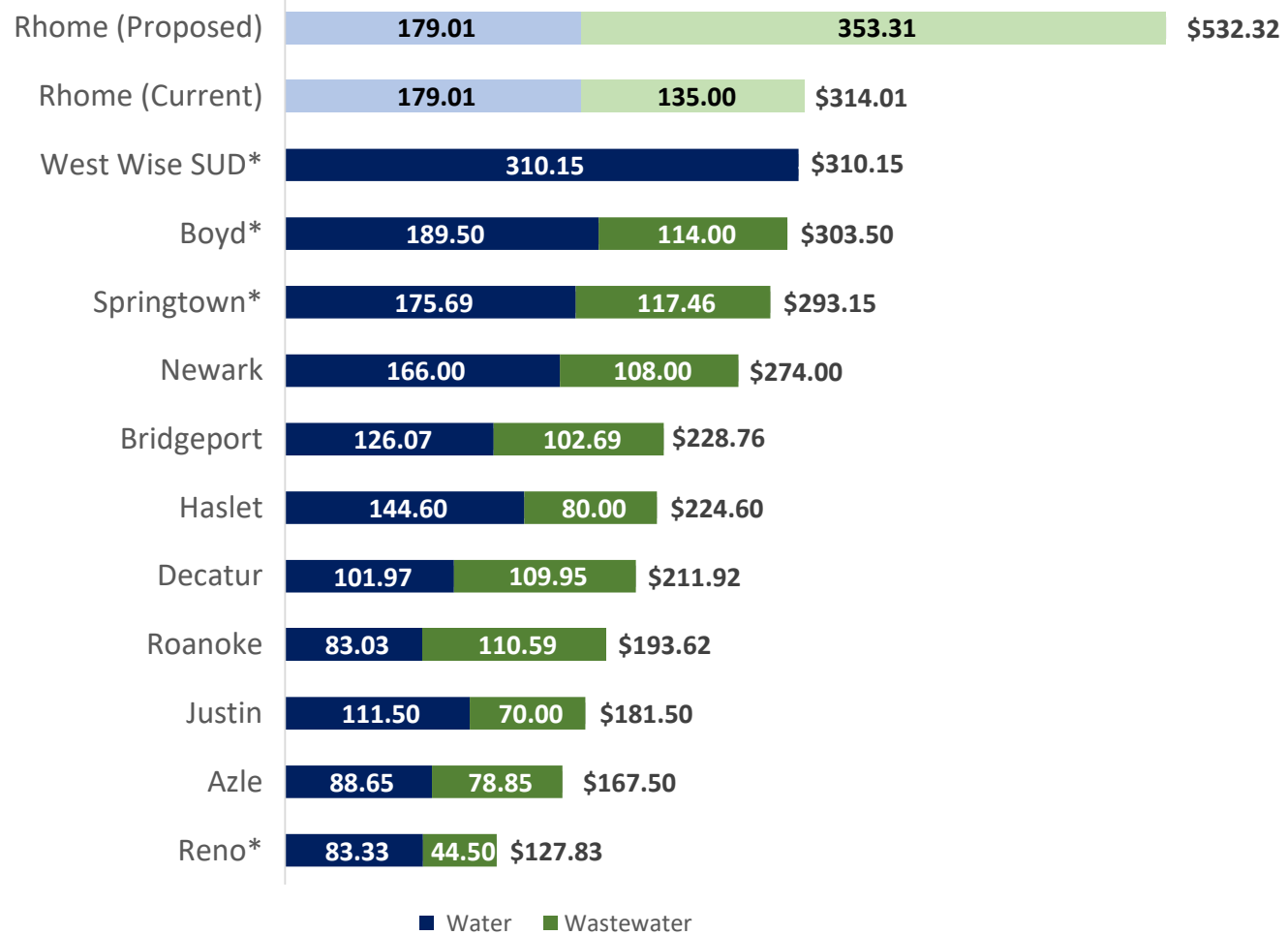
Rhome, Texas
Regional Bill Comparison

Commercial Monthly Minimum



Rhome, Texas
Regional Bill Comparison

Commercial Monthly Bill for 15,000 Gallons





Agenda Commentary

Meeting Date:

Department: Administration

Contact: Cynthia Northrop

Agenda Item: M. Discussion and any necessary action regarding sewer rates and winter averaging on wastewater billing.

Type of Item: ☐ Ordinance ☐ Resolution ☐ Contract/Agreement ☐ Public Hearing
☐ Plat ☒ Discussion & Direction ☐ Other

Summary-Background:

The City of Rhome has discussed winter averaging in the past when the Public Works Director presented information for Council consideration. With the recent water-wastewater rate study, and subsequent action by City Council to address the wastewater rates after receiving the consultant's report, the question of winter averaging came up again. We have asked NewGen consultant Chris Ekrut to review the rate study information and to address questions and impacts of winter averaging.

Funding Expected: ☐ Revenue ☐ Expenditure ☐ N/A

Budgeted Item: ☐ Yes ☐ No ☐ N/A

GL Account: _____ Amount: _____

Legal Review Required: ☐ Yes ☐ No Date Completed: _____

Engineering Review: ☐ FD Review: ☐ PD Review: ☐ PW Review: ☐

Supporting Documents Attached:

Recommendation:

Provide direction on winter averaging



December 9, 2021

RHOME, TEXAS WATER & WASTEWATER STUDY REVIEW





IMPORTANCE OF LOCAL OFFICIALS IN UTILITY MANAGEMENT

Utilities operate like a business, though the product being sold is a vital resource shared by all members of the community

Just like any business, Council is the “Board of Directors” who must be able to address complex industry challenges including rising costs, aging infrastructure, and customer affordability

The Board must ensure the viability of the business by ensuring revenues match or exceed expenses and financial metrics are met

SUMMARY OF ISSUES FACING UTILITY

- Last Sewer Rate Change in 1999
- Growth/Economic Development
 - Meet infrastructure demands to support economic growth
- Capital Improvements
 - Required to meet existing and future needs
 - Driven by regulatory requirements
- Enhancements to O&M
 - Equipment and Personnel

CAPITAL FUNDING PLAN

Water	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Projected Debt	\$ 0.00	\$ 0.96	\$ 0.00	\$ 3.95	\$ 0.00	\$ 0.00
Impact Fee	0.00	0.00	0.00	0.88	0.00	0.72
Total	\$ 0.00	\$ 0.96	\$ 0.00	\$ 4.83	\$ 0.00	\$ 0.72

Wastewater	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Projected Debt	\$ 0.00	\$ 1.98	\$ 0.00	\$ 2.66	\$ 0.00	\$ 4.09
Impact Fee	0.00	0.23	0.00	2.01	0.00	2.01
Total	\$ 0.00	\$ 2.20	\$ 0.00	\$ 4.67	\$ 0.00	\$ 6.10

Combined	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Projected Debt	\$ 0.00	\$ 2.94	\$ 0.00	\$ 6.62	\$ 0.00	\$ 4.09
Impact Fee	0.00	0.23	0.00	2.89	0.00	2.72
Total	\$ 0.00	\$ 3.16	\$ 0.00	\$ 9.51	\$ 0.00	\$ 6.82

SEWER BILLING METHODOLOGIES



- Given that sewer flow is not metered, two methods are available to bill for sewer service:
 - Winter Average Water Use
 - Actual water use during the month up to a cap
- Two goals underly these methods:
 - Billed sewer flow should be reasonably approximate to the actual flow into the system and take into account the impact of irrigation
 - Sewer rates can also be used to encourage water conservation by encouraging efficient water use

WINTER AVERAGING

- Customers are impacted differently based on winter averaging
- Some will see bills go down; other bills will go up
 - Greatest increase on those with consistently higher water use
 - Most likely larger homes with more occupants
- Significant risk of customer response after switch





QUESTIONS / DISCUSSION

NEWGEN STRATEGIES AND SOLUTIONS
275 W. CAMPBELL ROAD, SUITE 440
RICHARDSON, TEXAS 75080

CHRIS EKRUT, CHIEF FINANCIAL OFFICER
972-232-2234
CEKRUT@NEWGENSTRATEGIES.NET



Agenda Commentary

Meeting Date: 2.10.2022

Department: Administration

Contact: Cynthia Northrop

Agenda Item: J. Discussion and any necessary action regarding wastewater rates and W/WW Revenue Bond

Type of Item: ☐ Ordinance ☐ Resolution ☐ Contract/Agreement ☐ Public Hearing
☐ Plat ☒ Discussion & Direction ☐ Other

Summary-Background:

At the December 2021 Council meeting, Council directed staff to look at possible options for restructuring the impact of the wastewater increase. Staff and consultants have reviewed and analyzed and while there may be a potential to lower the current rate, we would still be required to increase the rate next year at a higher level to make up the difference. Additionally, the estimates for these W/WW projects for which Council authorized a revenue bond are now almost a year old. With the pandemic-related supply chain issues, market indicators predict substantially higher prices over last year, which could have a significant impact on this project. Kimley-Horn is re-evaluating and updating the estimate cost for the project.

Funding Expected: ☐ Revenue ☐ Expenditure ☐ N/A

Budgeted Item: ☐ Yes ☐ No ☐ N/A

GL Account: _____ Amount: _____

Legal Review Required: ☐ Yes ☐ No Date Completed: _____

Engineering Review: ☐ FD Review: ☐ PD Review: ☐ PW Review: ☐

Supporting Documents Attached: Yes

Recommendation:

Staff/consultant recommend leaving the previously authorized wastewater increase as is.

**CITY OF RHOME
ORDINANCE 2021-10**

**AN ORDINANCE AMENDING THE EXISTING WASTEWATER RATES FOR THE CITY OF
RHOME, TEXAS, AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the City of Rhome, Texas, is authorized and empowered pursuant to the laws of the State of Texas to establish rates, charges and fees for the provision of water and waste water services, and

WHEREAS, the City of Rhome has determined that it is necessary to pass those increased costs to the City's water customers in order to maintain the financial integrity of both the City's Water Utility Fund and the General Fund.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RHOME, TEXAS:

1. That the existing WasteWater Rates of the City of Rhome, Texas charged and collected by the city from all customers obtaining service from its waterworks system is hereby amended as set forth below:

WASTEWATER RATES

	Residential WasteWater Rates Inside City Limits		Commercial WasteWater Rates Inside City Limits	
Minimum Charge	Current Rate	New Rate	Current Rate	New Rate
¾" or Less	\$ 11.00	\$ 28.79	\$ 30.00	\$ 78.51
1"	11.00	28.79	75.00	196.28
1 ½"	11.00	28.79	100.00	261.70
2" or Greater	11.00	28.79	150.00	392.55
Volumetric Rate (per 1,000 Gallons)				
0 - 2,000 Gallons	\$ 0.00	\$ 0.00	\$ 7.00	\$ 18.32
2,001 – 10,000 Gallons	2.63	6.88	7.00	18.32
10,001+ Gallons	3.06	8.00	7.00	18.32
Maximum Charge	\$ 50.00	\$ 130.78	N/A	N/A

2. That all other provisions of the existing ordinance shall prevail and be in full force and effect.
3. This ordinance shall be effective September 1, 2021.

PASSED AND APPROVED by the City Council of the City of Rhome, Texas, this the 27th day of May 2021.

Jo Ann Wilson,
Mayor

[SEAL]

ATTEST:

APPROVED AS TO FORM:

Shannon Montgomery, TRMC
City Secretary

Carvan E. Adkins,
City Attorney

Client:	City of Rhome	Date:	2/2/2022
Project:	System Improvements	Prepared By:	KLW
KHA No.:	061274205	Checked By:	KPK

Title: Water and Wastewater System Improvements

Project Description	Total
<u>Wastewater Improvements</u>	
West WWTP Rehab	\$3,068,000
West Sewer Main Replacement (I&I)	\$1,000,000
	\$4,068,000
<u>Water Improvements</u>	
FM 3433 Disinfection Booster System	\$370,000
Ground Storage Tank Improvements	\$550,000
Water Well Disinfection Conversion Chlorine to Chloramine	\$860,000
	\$1,780,000

Basis for Cost Projection:

- ☒ No Design Completed
☐ Preliminary Design
☐ Final Design

This total does not reflect engineering or technical services.

The Engineer has no control over the cost of labor, materials, equipment, or over the Contractor's methods of determining prices or over competitive bidding or market conditions. Opinions of probable costs provided herein are based on the information known to Engineer at this time and represent only the Engineer's judgment as a design professional familiar with the construction industry. The Engineer cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from its opinions of probable costs.

Client: Rhome	Date: 2/2/2022
Project: System Improvements	Prepared By: CAV
KHA No.: 061274205	Checked By: KPK

Title: West WWTP Rehab

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	Lift Station Rehab - 1 new pump, rehab wet well, upgrade electrical	1	LS	\$180,000	\$180,000
2	Non Potable Water System	1	LS	\$60,000	\$60,000
3	Solids Handling	1	LS	\$650,000	\$650,000
4	Disc Filter	1	LS	\$500,000	\$500,000
5	Mechanical Bar Screen	1	LS	\$500,000	\$500,000
6	Update SCADA	1	LS	\$150,000	\$150,000
7	Add third blower - existing third blower s undersized	1	LS	\$35,000	\$35,000
8	Minor Repairs - Replace Waste line to drying beds, Skimmer arm rubber	1	LS	\$40,000	\$40,000
9	Site Civil - Flex base, grading, new fencing w/ concrete strip	1	LS	\$150,000	\$150,000
10	Bonds (2% Of Const)	1	LS	\$3,600	\$3,600
11	Inspection Fee (2% Of Const)	1	LS	\$3,600	\$3,600
Subtotal:					\$2,272,200
Conting. (% , +/-)				35	\$795,800
Total:					\$3,068,000

Basis for Cost Projection:

- ☐ Preliminary
☐ Final Design
☒ No Design

This total does not reflect engineering or technical services.

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Client: Rhome	Date: 2/2/2022
Project: System Improvements	Prepared I AKK
KHA No.: 061274205	Checked E KPK

Title: Water Well Disinfection Conversion Chlorine to Chloramine

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	Mobilization	1	LS	\$10,000	\$10,000
2	Site Resoration and Remediation	1	LS	\$2,500	\$2,500
3	Water Well No. 3 Disinfection Conversion	1	LS	\$75,000	\$75,000
4	Water Well No. 4 Disinfection Conversion	1	LS	\$75,000	\$75,000
5	Water Well No. 5 Disinfection Conversion	1	LS	\$75,000	\$75,000
7	Water Well No. 6 Disinfection Conversion	1	LS	\$75,000	\$75,000
7	SCADA Improvements	4	EA	\$80,000	\$320,000
Subtotal:					\$632,500
Conting. (%,+/-) 35					\$227,500
Total:					\$860,000

- Basis for Cost Projection:**
- ☒ No Design
- ☐ Preliminary
- ☐ Final Design

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Client: Rhome	Date: 2/2/2022
Project: System Improvements	Prepared By: CAV
KHA No.: 061274205	Checked By: KPK

Title: FM 3433 Disinfection Booster System

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	Chemical Building; FRP on Concrete Slab	1	LS	\$60,000.00	\$60,000
2	Chemical Yard Piping, Taps, and Valves	1	LS	\$7,000.00	\$7,000
3	SCADA	1	LS	\$80,000.00	\$80,000
4	Disinfection Skid and Chemical Storage	1	LS	\$123,000.00	\$123,000
				Subtotal:	\$270,000
				Conting. (%,+/-) 35	\$100,000
				Total:	\$370,000

- Basis for Cost Projection:**
- ☒ No Design
- ☐ Preliminary
- ☐ Final Design

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Client: Rhome	Date: 2/2/2022
Project: System Improvements	Prepared By: KLW
KHA No.: 061274205	Checked By: RJJ

Title: Ground Storage Tank Improvements

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	20,000 Gallon Ground Well 3	1	LS	\$13,400	\$13,400
2	20,000 Gallon Ground Well 4	1	LS	\$37,600	\$37,600
3	20,000 Gallon Ground Pecan Street	1	LS	\$28,600	\$28,600
3	400,000 Gallon Ground Storage	1	LS	\$180,000	\$180,000
3	300,000 Gallon Ground Storage	1	LS	\$140,750	\$140,750
Subtotal:					\$400,350
Conting. (%,+/-) 35					\$149,650
Total:					\$550,000

☒ **Basis for Cost Projection:**

☒ No Design

☐ Preliminary

☐ Final Design

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Client:	City of Rhome	Date:	2/2/2022
Project:	System Improvements	Prepared By:	KLW
KHA No.:	061274205	Checked By:	KPK

Title: **Water and Wastewater System Improvements**

Project Description	Total
<u>Wastewater Improvements</u>	
West WWTP Replacement/Rehab	\$4,914,000
West WWTP Replacement/Rehab	\$7,526,000
West Sewer Main Replacement (I&I)	\$600,000
<u>Water Improvements</u>	
FM 3433 Disinfection Booster System	\$370,000
Ground Storage Tank Improvements	\$550,000
Water Well Disinfection Conversion Chlorine to Chloramine	\$860,000
	<u>\$1,780,000</u>

Basis for Cost Projection:

- ☒ No Design Completed
☐ Preliminary Design
☐ Final Design

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Client: Rhome	Date: 2/2/2022
Project: System Improvements	Prepared By: CAV
KHA No.: 061274205	Checked By: KPK

Title: West WWTP Replacement/Rehab

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	New 0.15 MGD Package Plant	1	LS	\$3,500,000	\$3,500,000
2	Bonds (2% Of Const)	1	LS	\$70,000	\$70,000
3	Inspection Fee (2% Of Const)	1	LS	\$70,000	\$70,000
Subtotal:					\$3,640,000
Conting. (%,+/-)				35	\$1,274,000
Total:					\$4,914,000

Basis for Cost Projection:

- ☐ Preliminary
☐ Final Design
☒ No Design

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Client: Rhome	Date: 2/2/2022
Project: System Improvements	Prepared By: CAV
KHA No.: 061274205	Checked By: KPK

Title: West WWTP Replacement/Rehab

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	Lift Station Rehab	1	LS	\$180,000	\$180,000
2	Electrical Primary Power	1	LS	\$120,000	\$120,000
3	Backup Power Update	1	LS	\$100,000	\$100,000
4	Equilization Basin	1	LS	\$250,000	\$250,000
5	Solids Handling	1	LS	\$650,000	\$650,000
6	Non Potable Water System	1	LS	\$60,000	\$60,000
7	Headworks	1	LS	\$500,000	\$500,000
8	New 0.15 MGD Package Plant	1	LS	\$3,500,000	\$3,500,000
9	Bonds (2% Of Const)	1	LS	\$107,200	\$107,200
10	Inspection Fee (2% Of Const)	1	LS	\$107,200	\$107,200
Subtotal:					\$5,574,400
Conting. (%,+/-)				35	\$1,951,600
Total:					\$7,526,000

Basis for Cost Projection:

- ☐ Preliminary
☐ Final Design
☒ No Design

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Client: Rhome	Date: 2/2/2022
Project: System Improvements	Prepared I AKK
KHA No.: 061274205	Checked E KPK

Title: Water Well Disinfection Conversion Chlorine to Chloramine

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	Mobilization	1	LS	\$10,000	\$10,000
2	Site Resoration and Remediation	1	LS	\$2,500	\$2,500
3	Water Well No. 3 Disinfection Conversion	1	LS	\$75,000	\$75,000
4	Water Well No. 4 Disinfection Conversion	1	LS	\$75,000	\$75,000
5	Water Well No. 5 Disinfection Conversion	1	LS	\$75,000	\$75,000
7	Water Well No. 6 Disinfection Conversion	1	LS	\$75,000	\$75,000
7	SCADA Improvements	4	EA	\$80,000	\$320,000
Subtotal:					\$632,500
Conting. (%,+/-) 35					\$227,500
Total:					\$860,000

- Basis for Cost Projection:**
- ☒ No Design
- ☐ Preliminary
- ☐ Final Design

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Client: Rhome	Date: 2/2/2022
Project: System Improvements	Prepared By: CAV
KHA No.: 061274205	Checked By: KPK

Title: FM 3433 Disinfection Booster System

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	Chemical Building; FRP on Concrete Slab	1	LS	\$60,000.00	\$60,000
2	Chemical Yard Piping, Taps, and Valves	1	LS	\$7,000.00	\$7,000
3	SCADA	1	LS	\$80,000.00	\$80,000
4	Disinfection Skid and Chemical Storage	1	LS	\$123,000.00	\$123,000
				Subtotal:	\$270,000
				Conting. (%,+/-) 35	\$100,000
				Total:	\$370,000

- Basis for Cost Projection:**
- ☒ No Design
- ☐ Preliminary
- ☐ Final Design

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Client: Rhome	Date: 2/2/2022
Project: System Improvements	Prepared By: KLW
KHA No.: 061274205	Checked By: RJJ

Title: Ground Storage Tank Improvements

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	20,000 Gallon Ground Well 3	1	LS	\$13,400	\$13,400
2	20,000 Gallon Ground Well 4	1	LS	\$37,600	\$37,600
3	20,000 Gallon Ground Pecan Street	1	LS	\$28,600	\$28,600
3	400,000 Gallon Ground Storage	1	LS	\$180,000	\$180,000
3	300,000 Gallon Ground Storage	1	LS	\$140,750	\$140,750
Subtotal:					\$400,350
Conting. (%,+/-) 35					\$149,650
Total:					\$550,000

☒ **Basis for Cost Projection:**

☒ No Design

☐ Preliminary

☐ Final Design

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W/WW Revenue Bond Debt Update

July 14, 2022

Projects for Funding

- West Wastewater Treatment Plant Improvements
 - TCEQ Minimum Requirements
 - TCEQ Minimum Requirements and Operation Efficiency
- West Wastewater I&I Improvements
- Water Improvements
 - FM 3433 Disinfection Booster
 - Ground Storage Tank Improvements
 - Water Well Disinfection Conversion

Debt Options

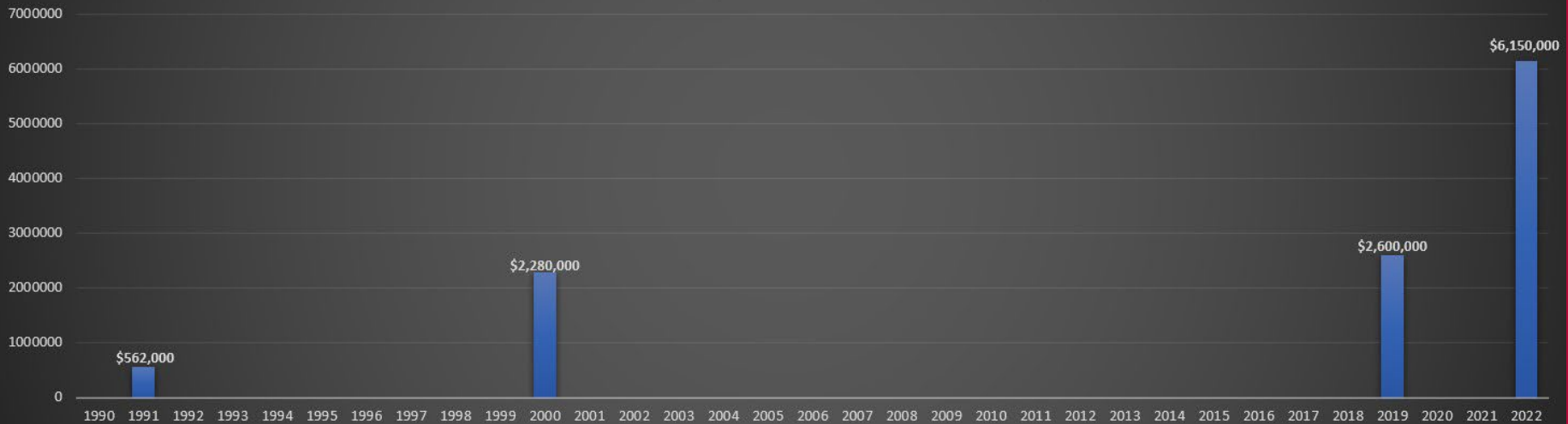
- WWTTP and WW I&I Improvements
 - TCEQ Minimum - \$1,580,640
 - Minimum + Efficiency - \$3,838,800
- Wastewater and Water Improvements
 - \$5,918,800

Water Rate Increases

- Wastewater Rate Increase September 2021
- Consultant recommended no water rate increase in 2021 but that one would be recommended in 2022
- Council held off on water rate increases at the time
- Discussion for water rate increase

W/WW Investment History

Water/Wastewater System Investments: 1990 - 2022
Last 32 Years * (based on current research)



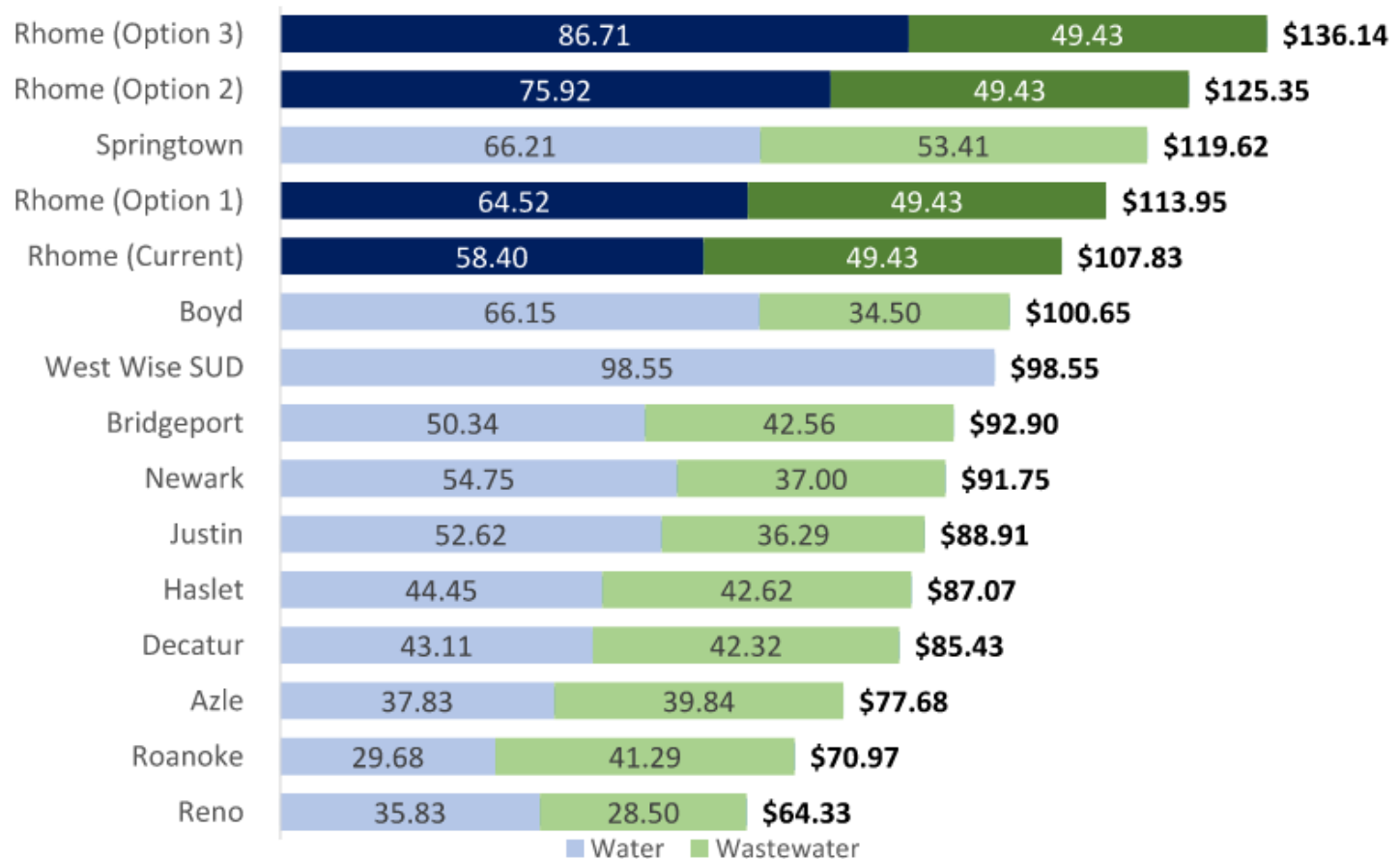
Rate Increase Required to Service Debt

Project	Percent Increase	5/8" Residential Meter - 5,000 Gallon Bill	3/4" Commercial Meter – 15,000 Gallon Bill
Option 1 - \$1.58M	10.5%	\$64.53	\$92.50
Option 2 - \$3.83M	30%	\$75.92	\$108.82
Option 3 - \$5.90M	48.5%	\$86.72	\$124.31

Residential Current Rate - \$58.40
Commercial Current Rate - \$83.71

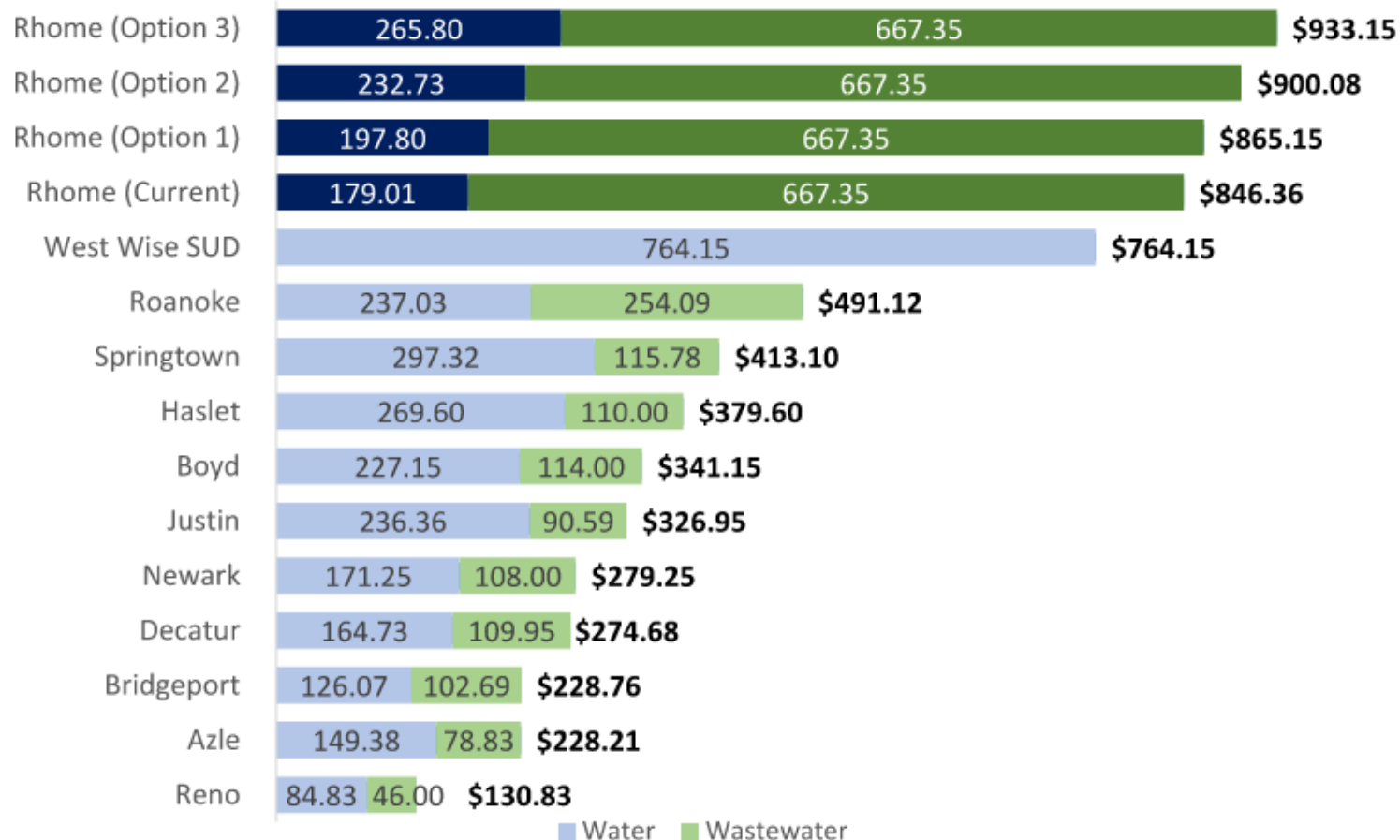
Residential City Comparison

Residential Monthly Bill for 5,000 Gallons



Commercial City Comparison

Commercial Monthly Bill for 15,000 Gallons



Client:	City of Rhome	Date:	7/11/2022
Project:	System Improvements	Prepared By:	KLW
KHA No.:	061274205	Checked By:	KPK

Title: Water and Wastewater System Improvements

Project Description	Total
<u>Wastewater Improvements</u>	
TCEQ Minimum	\$1,580,640
TCEQ Minimum + Operation Efficiency	\$3,838,800
West Sewer Main Replacement (I&I)	\$1,000,000
<u>Water Improvements</u>	
FM 3433 Disinfection Booster System	\$370,000
Ground Storage Tank Improvements	\$550,000
Water Well Disinfection Conversion Chlorine to Chloramine	\$860,000
	\$1,780,000

Basis for Cost Projection:

- ☒ No Design Completed
☐ Preliminary Design
☐ Final Design

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Client: Rhome	Date: 7/11/2022
Project: System Improvements	Prepared By: CAV
KHA No.: 061274205	Checked By: KPK

Title: West WWTP TCEQ Minimum

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	Mobilization	1	LS	\$80,000	\$80,000
5	Disc Filter	1	LS	\$500,000	\$500,000
5	Mechanical Bar Screen	1	LS	\$325,000	\$325,000
8	Add third blower - existing third blower s undersized	1	LS	\$35,000	\$35,000
9	Minor Repairs - Replace Waste line to drying beds, Skimmer arm rubber	1	LS	\$40,000	\$40,000
11	Bonds (2% Of Const)	1	LS	\$19,600	\$19,600
12	Inspection Fee (2% Of Const)	1	LS	\$19,600	\$19,600
Subtotal:					\$1,019,200
Conting. (% , +/-) 30					\$298,000
Engineering 20					\$263,440
Total:					\$1,580,640

Basis for Cost Projection:

- ☐ Preliminary
☐ Final Design
☒ No Design

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Client: Rhome	Date: 7/11/2022
Project: System Improvements	Prepared By: CAV
KHA No.: 061274205	Checked By: KPK

Title: West WWTP TCEQ Minimum + Operation Efficiency

Line No.	Description	Quantity	Unit	Unit Price	Cost
	Mobilization	1	LS	\$280,000	\$280,000
1	Lift Station Rehab - 1 new pump, rehab wet well, upgrade electrical	1	LS	\$180,000	\$180,000
2	Non Potable Water System	1	LS	\$60,000	\$60,000
3	Solids Handling	1	LS	\$650,000	\$650,000
4	Disc Filter	1	LS	\$500,000	\$500,000
5	Mechanical Bar Screen	1	LS	\$500,000	\$500,000
6	Update SCADA	1	LS	\$150,000	\$35,000
7	Add third blower - existing third blower s undersized	1	LS	\$35,000	\$35,000
8	Minor Repairs - Replace Waste line to drying beds, Skimmer arm rubber	1	LS	\$40,000	\$40,000
9	Site Civil - Flex base, grading, new fencing w/ concrete strip	1	LS	\$150,000	\$150,000
10	Bonds (2% Of Const)	1	LS	\$50,900	\$50,900
11	Inspection Fee (2% Of Const)	1	LS	\$51,918	\$51,918
Subtotal:					\$2,532,818
Conting. (%,+/-)				30	\$680,000
Engineering				20	\$625,982
Total:					\$3,838,800

Basis for Cost Projection:

- ☐ Preliminary
☐ Final Design
☒ No Design

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Client: Rhome	Date: 7/11/2022
Project: System Improvements	Prepared I AKK
KHA No.: 061274205	Checked E KPK

Title: Water Well Disinfection Conversion Chlorine to Chloramine

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	Mobilization	1	LS	\$10,000	\$10,000
2	Site Resoration and Remediation	1	LS	\$2,500	\$2,500
3	Water Well No. 3 Disinfection Conversion	1	LS	\$75,000	\$75,000
4	Water Well No. 4 Disinfection Conversion	1	LS	\$75,000	\$75,000
5	Water Well No. 5 Disinfection Conversion	1	LS	\$75,000	\$75,000
7	Water Well No. 6 Disinfection Conversion	1	LS	\$75,000	\$75,000
7	SCADA Improvements	4	EA	\$80,000	\$320,000
Subtotal:					\$632,500
Conting. (%,+/-) 35					\$227,500
Total:					\$860,000

- Basis for Cost Projection:**
- ☒ No Design
- ☐ Preliminary
- ☐ Final Design

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Client: Rhome	Date: 7/11/2022
Project: System Improvements	Prepared By: CAV
KHA No.: 061274205	Checked By: KPK

Title: FM 3433 Disinfection Booster System

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	Chemical Building; FRP on Concrete Slab	1	LS	\$60,000.00	\$60,000
2	Chemical Yard Piping, Taps, and Valves	1	LS	\$7,000.00	\$7,000
3	SCADA	1	LS	\$80,000.00	\$80,000
4	Disinfection Skid and Chemical Storage	1	LS	\$123,000.00	\$123,000
				Subtotal:	\$270,000
				Conting. (%,+/-) 35	\$100,000
				Total:	\$370,000

- Basis for Cost Projection:**
- ☒ No Design
- ☐ Preliminary
- ☐ Final Design

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Client: Rhome	Date: 7/11/2022
Project: System Improvements	Prepared By: KLW
KHA No.: 061274205	Checked By: RJJ

Title: Ground Storage Tank Improvements

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	20,000 Gallon Ground Well 3	1	LS	\$13,400	\$13,400
2	20,000 Gallon Ground Well 4	1	LS	\$37,600	\$37,600
3	20,000 Gallon Ground Pecan Street	1	LS	\$28,600	\$28,600
3	400,000 Gallon Ground Storage	1	LS	\$180,000	\$180,000
3	300,000 Gallon Ground Storage	1	LS	\$140,750	\$140,750
Subtotal:					\$400,350
Conting. (%,+/-) 35					\$149,650
Total:					\$550,000

☒ **Basis for Cost Projection:**

☒ No Design

☐ Preliminary

☐ Final Design

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Client: Rhome	Date: 7/11/2022
Project: System Improvements	Prepared By: CAV
KHA No.: 061274205	Checked By: KPK

Title: Full West WWTP Replacement/Rehab with Upgrades

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	Lift Station Rehab	1	LS	\$180,000	\$180,000
2	Electrical Primary Power	1	LS	\$120,000	\$120,000
3	Backup Power Update	1	LS	\$100,000	\$100,000
4	Equilization Basin	1	LS	\$250,000	\$250,000
5	Solids Handling	1	LS	\$650,000	\$650,000
6	Disc Filter	1	LS	\$500,000	\$500,000
7	Mechanical Bar Screen	1	LS	\$500,000	\$500,000
8	Non Potable Water System	1	LS	\$60,000	\$60,000
9	Headworks	1	LS	\$500,000	\$500,000
10	New 0.15 MGD Package Plant	1	LS	\$3,500,000	\$3,500,000
11	Bonds (2% Of Const)	1	LS	\$127,200	\$127,200
12	Inspection Fee (2% Of Const)	1	LS	\$127,200	\$127,200
Subtotal:					\$6,614,400
Conting. (%,+/-)				35	\$2,315,600
Total:					\$8,930,000

Basis for Cost Projection:

- ☐ Preliminary
☐ Final Design
☒ No Design

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BOND DEBT DISCUSSION:

2022 W/WW Revenue Bond (yet to be issued)

- **2019/2020** - The Water/Wastewater Master Plans identified several short and long-term capital improvement projects
- **2021** - Staff/consultants developed three projects to submit to Texas Water Development Board for low interest rate loans:
 - Short-term Wastewater project (s) (\$3,875,906) – Not selected
 - Short-term Water project (s) (\$1,945,650) – Not selected
 - Long-term Water projects (\$26,545,000) - Selected. However, it was discovered that pre-planning was not included and required (essentially the project needed to be ready to go to construction and under contract with Upper Trinity) to accept so we weren't able to utilize.
- 2021 – Council approved a W/WW Revenue Bond for the (2) Short-term Water/Wastewater (PIF) projects
- 2021 – Applied for and received a Texas Department of Agriculture CDBG that will fund bringing Well #6 back online.

BOND DEBT DISCUSSION:

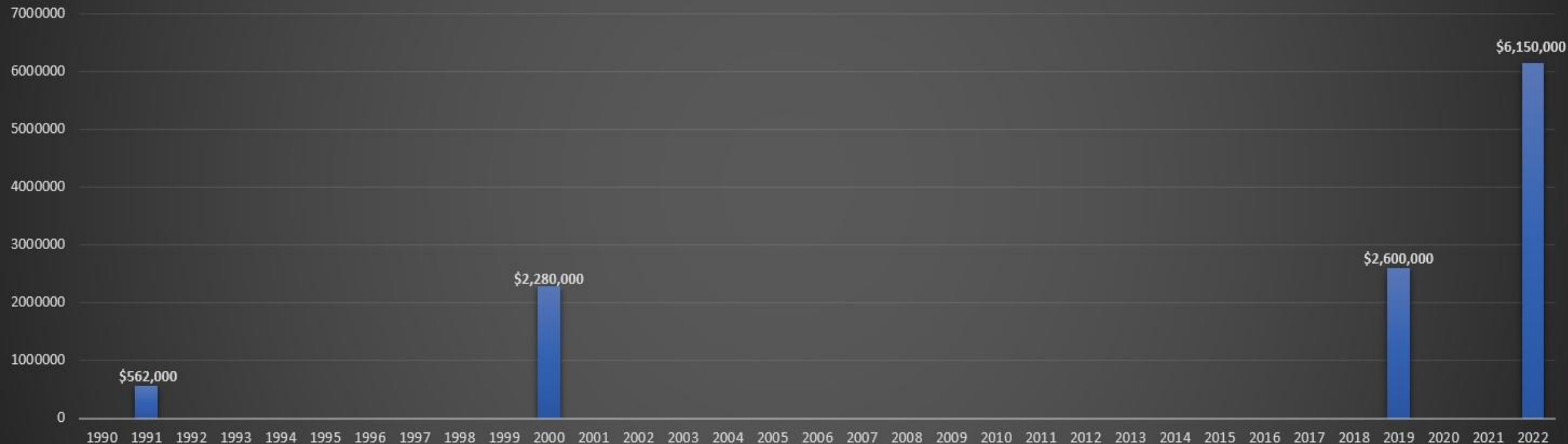
2022 W/WW Revenue Bond (yet to be issued)

- **2021/2022** – After consultation with TWDB and financial advisor (Hilltop Securities), next steps prior to bond issuance:
 - Re-calculate costs due to rising construction costs and record-high inflation increases
 - Wait to see if either of the two short-term (PIF) projects would make a 3rd round selection
- **April 2022**
 - Neither short-term (PIF) project made 3rd round cut. Next step: Hilltop to determine the use of another TWDB program. If not available, open-market interest rate.
 - After recalculating cost, both short-term projects were re-packaged to address the most critical components and estimated cost increased to approximately \$6.1 million. (see cost projections 02/2022)
 - Staff will bring back recommendation to phase in the two short-term projects over the next few years to reduce the impact to debt service (see cost projections 07/2022)
 - Water/Wastewater Rate Study: Last year the consultant recommended a wastewater rate increase, effective September 2021. He also said that a water rate increase would be needed but we could wait until the following year

PRIORITIES: WATER/WASTEWATER INVESTMENT

AGING INFRASTRUCTURE: LACK OF INVESTMENT

Water/Wastewater System Investments: 1990 - 2022
Last 32 Years * (based on current research)





Agenda Commentary

Meeting Date: July 28, 2022

Department: Admin/Public Works

Contact: Cynthia Northrop

Agenda Item: D. Discussions, update and any necessary action regarding W/WW Revenue Bond and review water rate recommendations by consultant

Type of Item: ☐ Ordinance ☐ Resolution ☐ Contract/Agreement ☐ Public Hearing
☐ Plat ☒ Discussion & Direction ☐ Other

Summary-Background:

In 2021 the Council authorized a Revenue Bond for Water/Wastewater projects, including the West Waste Water Treatment Plant, West Wastewater Inflow & Infiltration (I&I) and water improvements (FM 3433 Disinfection Booster, Ground Storage Tank Improvements and Water Well Disinfection Conversion).

The city submitted project requests for low-interest rate loans to the Texas Water Development Board, but the short-term projects were not selected, which necessitates going out on the open market for the bond. Since 2021 the interest rates have increased substantially and inflation has reach double-digits, staff has been working with engineer and consultant who conducted the Water/Wastewater Rate study last year to re-evaluate how to re-package the TCEQ required projects. As a reminder, while the consultant did not recommend a water rate increase last year, he projected that a water rate increase would be necessary in 2022. See timeline, cost projection and project listing from 2.2.2022 and 7.11.2022.

After further research through an outside entity, I have discovered additional investments to our Water/Wastewater system, though I am still waiting on additional details. I have updated the chart shared previously.

Funding Expected: ☐ Revenue ☐ Expenditure ☐ N/A

Budgeted Item: ☐ Yes ☐ No ☐ N/A

GL Account: _____ Amount: _____

Legal Review Required: ☒ Yes ☐ No Date Completed: _____

Engineering Review: ☒ FD Review: ☐ PD Review: ☐ PW Review: ☐

Supporting Documents Attached:

Yes

Recommendation:

Provide direction

Historic W/WW System Investments: Updated



1991 GO Bonds (\$325 matching funds/\$562): Water System Improvements

2000 Combo CO's (\$2,285,000): Improvements to water supply and collection system; rehab wastewater collection system

2005 Combo CO's (\$1,550,000): Water, Sewer and Street Improvements

2007 Tax Notes (\$435,000): Complete construction of elevated water storage tank

2007 GO Refunding (\$2,085,000): Refunded 1991 (\$120,000) and 2000 CO (\$1,745,000)

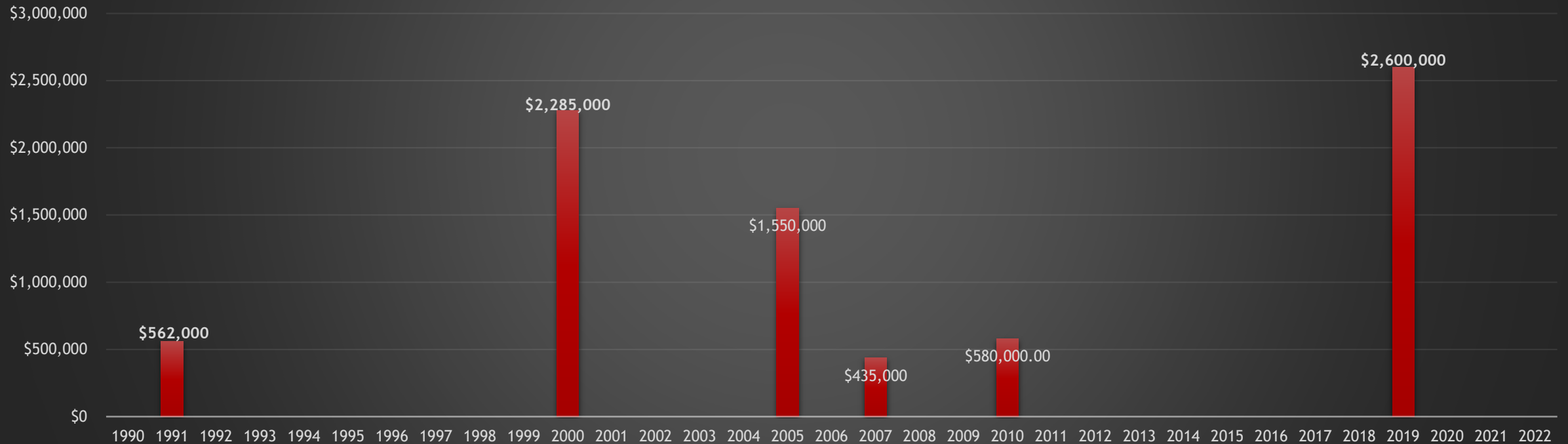
2010 Tax Notes (\$580,000): Improvement to waterworks and sanitary sewer system

2016 GO Refunding (\$1,617,000): Refunded 2007 GO Refunding

2019 GO Bonds (\$2,600,000): Upgrade EWWTP (Equalization basin and replace selected clay pipes)

Historic W/WW System Investments: Updated

Water/Wastewater System Investments:
1990 - 2018 = \$5,175,000 over 28 years
2019 to Current = \$2.6 million (+ approved \$5.9 million/not yet issues)
Last 32 Years * (updated based on current research)



Client:	City of Rhome	Date:	2/2/2022
Project:	System Improvements	Prepared By:	KLW
KHA No.:	061274205	Checked By:	KPK

Title: Water and Wastewater System Improvements

Project Description	Total
<u>Wastewater Improvements</u>	
West WWTP Rehab	\$3,068,000
West Sewer Main Replacement (I&I)	\$1,000,000
	\$4,068,000
<u>Water Improvements</u>	
FM 3433 Disinfection Booster System	\$370,000
Ground Storage Tank Improvements	\$550,000
Water Well Disinfection Conversion Chlorine to Chloramine	\$860,000
	\$1,780,000

Basis for Cost Projection:

- ☒ No Design Completed
☐ Preliminary Design
☐ Final Design

This total does not reflect engineering or technical services.

The Engineer has no control over the cost of labor, materials, equipment, or over the Contractor's methods of determining prices or over competitive bidding or market conditions. Opinions of probable costs provided herein are based on the information known to Engineer at this time and represent only the Engineer's judgment as a design professional familiar with the construction industry. The Engineer cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from its opinions of probable costs.

Client: Rhome	Date: 2/2/2022
Project: System Improvements	Prepared By: CAV
KHA No.: 061274205	Checked By: KPK

Title: West WWTP Rehab

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	Lift Station Rehab - 1 new pump, rehab wet well, upgrade electrical	1	LS	\$180,000	\$180,000
2	Non Potable Water System	1	LS	\$60,000	\$60,000
3	Solids Handling	1	LS	\$650,000	\$650,000
4	Disc Filter	1	LS	\$500,000	\$500,000
5	Mechanical Bar Screen	1	LS	\$500,000	\$500,000
6	Update SCADA	1	LS	\$150,000	\$150,000
7	Add third blower - existing third blower s undersized	1	LS	\$35,000	\$35,000
8	Minor Repairs - Replace Waste line to drying beds, Skimmer arm rubber	1	LS	\$40,000	\$40,000
9	Site Civil - Flex base, grading, new fencing w/ concrete strip	1	LS	\$150,000	\$150,000
10	Bonds (2% Of Const)	1	LS	\$3,600	\$3,600
11	Inspection Fee (2% Of Const)	1	LS	\$3,600	\$3,600
Subtotal:					\$2,272,200
Conting. (% +/-)				35	\$795,800
Total:					\$3,068,000

Basis for Cost Projection:

- ☐ Preliminary
☐ Final Design
☒ No Design

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Client: Rhome	Date: 2/2/2022
Project: System Improvements	Prepared I AKK
KHA No.: 061274205	Checked E KPK

Title: Water Well Disinfection Conversion Chlorine to Chloramine

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	Mobilization	1	LS	\$10,000	\$10,000
2	Site Resoration and Remediation	1	LS	\$2,500	\$2,500
3	Water Well No. 3 Disinfection Conversion	1	LS	\$75,000	\$75,000
4	Water Well No. 4 Disinfection Conversion	1	LS	\$75,000	\$75,000
5	Water Well No. 5 Disinfection Conversion	1	LS	\$75,000	\$75,000
7	Water Well No. 6 Disinfection Conversion	1	LS	\$75,000	\$75,000
7	SCADA Improvements	4	EA	\$80,000	\$320,000
Subtotal:					\$632,500
Conting. (%,+/-) 35					\$227,500
Total:					\$860,000

- Basis for Cost Projection:**
- ☒ No Design
- ☐ Preliminary
- ☐ Final Design

This total does not reflect engineering or technical services.

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Client: Rhome	Date: 2/2/2022
Project: System Improvements	Prepared By: CAV
KHA No.: 061274205	Checked By: KPK

Title: FM 3433 Disinfection Booster System

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	Chemical Building; FRP on Concrete Slab	1	LS	\$60,000.00	\$60,000
2	Chemical Yard Piping, Taps, and Valves	1	LS	\$7,000.00	\$7,000
3	SCADA	1	LS	\$80,000.00	\$80,000
4	Disinfection Skid and Chemical Storage	1	LS	\$123,000.00	\$123,000
Subtotal:					\$270,000
Conting. (%,+/-) 35					\$100,000
Total:					\$370,000

- Basis for Cost Projection:**
- ☒ No Design
- ☐ Preliminary
- ☐ Final Design

This total does not reflect engineering or technical services.

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Client: Rhome	Date: 2/2/2022
Project: System Improvements	Prepared By: KLW
KHA No.: 061274205	Checked By: RJJ

Title: Ground Storage Tank Improvements

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	20,000 Gallon Ground Well 3	1	LS	\$13,400	\$13,400
2	20,000 Gallon Ground Well 4	1	LS	\$37,600	\$37,600
3	20,000 Gallon Ground Pecan Street	1	LS	\$28,600	\$28,600
3	400,000 Gallon Ground Storage	1	LS	\$180,000	\$180,000
3	300,000 Gallon Ground Storage	1	LS	\$140,750	\$140,750
Subtotal:					\$400,350
Conting. (%,+/-) 35					\$149,650
Total:					\$550,000

☒ **Basis for Cost Projection:**

☒ No Design

☐ Preliminary

☐ Final Design

This total does not reflect engineering or technical services.

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Client:	City of Rhome	Date:	7/11/2022
Project:	System Improvements	Prepared By:	KLW
KHA No.:	061274205	Checked By:	KPK

Title: Water and Wastewater System Improvements

Project Description	Total
<u>Wastewater Improvements</u>	
TCEQ Minimum	\$1,580,640
TCEQ Minimum + Operation Efficiency	\$3,838,800
West Sewer Main Replacement (I&I)	\$1,000,000
<u>Water Improvements</u>	
FM 3433 Disinfection Booster System	\$370,000
Ground Storage Tank Improvements	\$550,000
Water Well Disinfection Conversion Chlorine to Chloramine	\$860,000
	\$1,780,000

Basis for Cost Projection:

- ☒ No Design Completed
☐ Preliminary Design
☐ Final Design

This total does not reflect engineering or technical services.

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Client: Rhome	Date: 7/11/2022
Project: System Improvements	Prepared By: CAV
KHA No.: 061274205	Checked By: KPK

Title: West WWTP TCEQ Minimum

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	Mobilization	1	LS	\$80,000	\$80,000
5	Disc Filter	1	LS	\$500,000	\$500,000
5	Mechanical Bar Screen	1	LS	\$325,000	\$325,000
8	Add third blower - existing third blower s undersized	1	LS	\$35,000	\$35,000
9	Minor Repairs - Replace Waste line to drying beds, Skimmer arm rubber	1	LS	\$40,000	\$40,000
11	Bonds (2% Of Const)	1	LS	\$19,600	\$19,600
12	Inspection Fee (2% Of Const)	1	LS	\$19,600	\$19,600
Subtotal:					\$1,019,200
Conting. (% , +/-) 30					\$298,000
Engineering 20					\$263,440
Total:					\$1,580,640

Basis for Cost Projection:

- ☐ Preliminary
☐ Final Design
☒ No Design

This total does not reflect engineering or technical services.

The Engineer has no control over the cost of labor, materials, equipment, or over the Contractor's methods of determining prices or over competitive

Client: Rhome	Date: 7/11/2022
Project: System Improvements	Prepared By: CAV
KHA No.: 061274205	Checked By: KPK

Title: West WWTP TCEQ Minimum + Operation Efficiency

Line No.	Description	Quantity	Unit	Unit Price	Cost
	Mobilization	1	LS	\$280,000	\$280,000
1	Lift Station Rehab - 1 new pump, rehab wet well, upgrade electrical	1	LS	\$180,000	\$180,000
2	Non Potable Water System	1	LS	\$60,000	\$60,000
3	Solids Handling	1	LS	\$650,000	\$650,000
4	Disc Filter	1	LS	\$500,000	\$500,000
5	Mechanical Bar Screen	1	LS	\$500,000	\$500,000
6	Update SCADA	1	LS	\$150,000	\$35,000
7	Add third blower - existing third blower s undersized	1	LS	\$35,000	\$35,000
8	Minor Repairs - Replace Waste line to drying beds, Skimmer arm rubber	1	LS	\$40,000	\$40,000
9	Site Civil - Flex base, grading, new fencing w/ concrete strip	1	LS	\$150,000	\$150,000
10	Bonds (2% Of Const)	1	LS	\$50,900	\$50,900
11	Inspection Fee (2% Of Const)	1	LS	\$51,918	\$51,918
Subtotal:					\$2,532,818
Conting. (%,+/-)				30	\$680,000
Engineering				20	\$625,982
Total:					\$3,838,800

Basis for Cost Projection:

- ☐ Preliminary
☐ Final Design
☒ No Design

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Client: Rhome	Date: 7/11/2022
Project: System Improvements	Prepared I AKK
KHA No.: 061274205	Checked E KPK

Title: Water Well Disinfection Conversion Chlorine to Chloramine

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	Mobilization	1	LS	\$10,000	\$10,000
2	Site Resoration and Remediation	1	LS	\$2,500	\$2,500
3	Water Well No. 3 Disinfection Conversion	1	LS	\$75,000	\$75,000
4	Water Well No. 4 Disinfection Conversion	1	LS	\$75,000	\$75,000
5	Water Well No. 5 Disinfection Conversion	1	LS	\$75,000	\$75,000
7	Water Well No. 6 Disinfection Conversion	1	LS	\$75,000	\$75,000
7	SCADA Improvements	4	EA	\$80,000	\$320,000
Subtotal:					\$632,500
Conting. (%,+/-) 35					\$227,500
Total:					\$860,000

- Basis for Cost Projection:**
- ☒ No Design
- ☐ Preliminary
- ☐ Final Design

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Client: Rhome	Date: 7/11/2022
Project: System Improvements	Prepared By: CAV
KHA No.: 061274205	Checked By: KPK

Title: FM 3433 Disinfection Booster System

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	Chemical Building; FRP on Concrete Slab	1	LS	\$60,000.00	\$60,000
2	Chemical Yard Piping, Taps, and Valves	1	LS	\$7,000.00	\$7,000
3	SCADA	1	LS	\$80,000.00	\$80,000
4	Disinfection Skid and Chemical Storage	1	LS	\$123,000.00	\$123,000
Subtotal:					\$270,000
Conting. (%,+/-) 35					\$100,000
Total:					\$370,000

- Basis for Cost Projection:**
- ☒ No Design
- ☐ Preliminary
- ☐ Final Design

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Client: Rhome	Date: 7/11/2022
Project: System Improvements	Prepared By: KLW
KHA No.: 061274205	Checked By: RJJ

Title: Ground Storage Tank Improvements

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	20,000 Gallon Ground Well 3	1	LS	\$13,400	\$13,400
2	20,000 Gallon Ground Well 4	1	LS	\$37,600	\$37,600
3	20,000 Gallon Ground Pecan Street	1	LS	\$28,600	\$28,600
3	400,000 Gallon Ground Storage	1	LS	\$180,000	\$180,000
3	300,000 Gallon Ground Storage	1	LS	\$140,750	\$140,750
Subtotal:					\$400,350
Conting. (%,+/-) 35					\$149,650
Total:					\$550,000

☒ **Basis for Cost Projection:**

☒ No Design

☐ Preliminary

☐ Final Design

This total does not reflect engineering or technical services.

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Client: Rhome	Date: 7/11/2022
Project: System Improvements	Prepared By: CAV
KHA No.: 061274205	Checked By: KPK

Title: Full West WWTP Replacement/Rehab with Upgrades

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	Lift Station Rehab	1	LS	\$180,000	\$180,000
2	Electrical Primary Power	1	LS	\$120,000	\$120,000
3	Backup Power Update	1	LS	\$100,000	\$100,000
4	Equilization Basin	1	LS	\$250,000	\$250,000
5	Solids Handling	1	LS	\$650,000	\$650,000
6	Disc Filter	1	LS	\$500,000	\$500,000
7	Mechanical Bar Screen	1	LS	\$500,000	\$500,000
8	Non Potable Water System	1	LS	\$60,000	\$60,000
9	Headworks	1	LS	\$500,000	\$500,000
10	New 0.15 MGD Package Plant	1	LS	\$3,500,000	\$3,500,000
11	Bonds (2% Of Const)	1	LS	\$127,200	\$127,200
12	Inspection Fee (2% Of Const)	1	LS	\$127,200	\$127,200
Subtotal:					\$6,614,400
Conting. (%,+/-)				35	\$2,315,600
Total:					\$8,930,000

Basis for Cost Projection:

- ☐ Preliminary
☐ Final Design
☒ No Design

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W/WW Revenue Bond Debt Update

July 14, 2022

Projects for Funding

- West Wastewater Treatment Plant Improvements
 - TCEQ Minimum Requirements
 - TCEQ Minimum Requirements and Operation Efficiency
- West Wastewater I&I Improvements
- Water Improvements
 - FM 3433 Disinfection Booster
 - Ground Storage Tank Improvements
 - Water Well Disinfection Conversion

Debt Options

- WWTTP and WW I&I Improvements
 - TCEQ Minimum - \$1,580,640
 - Minimum + Efficiency - \$3,838,800
- Wastewater and Water Improvements
 - \$5,918,800

Water Rate Increases

- Wastewater Rate Increase September 2021
- Consultant recommended no water rate increase in 2021 but that one would be recommended in 2022
- Council held off on water rate increases at the time
- Discussion for water rate increase

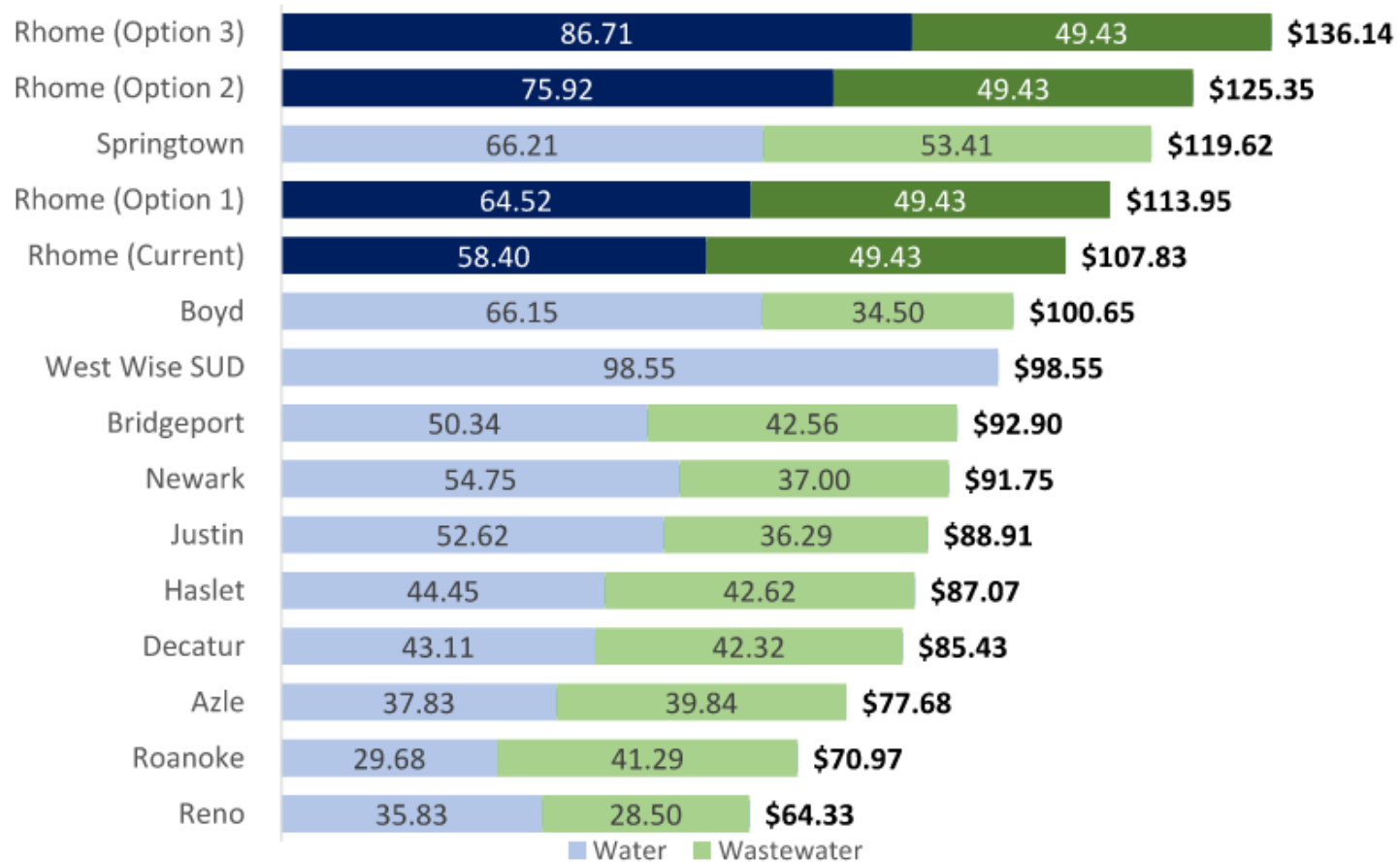
Rate Increase Required to Service Debt

Project	Percent Increase	5/8" Residential Meter - 5,000 Gallon Bill	3/4" Commercial Meter – 15,000 Gallon Bill
Option 1 - \$1.58M	10.5%	\$64.53	\$92.50
Option 2 - \$3.83M	30%	\$75.92	\$108.82
Option 3 - \$5.90M	48.5%	\$86.72	\$124.31

Residential Current Rate - \$58.40
Commercial Current Rate - \$83.71

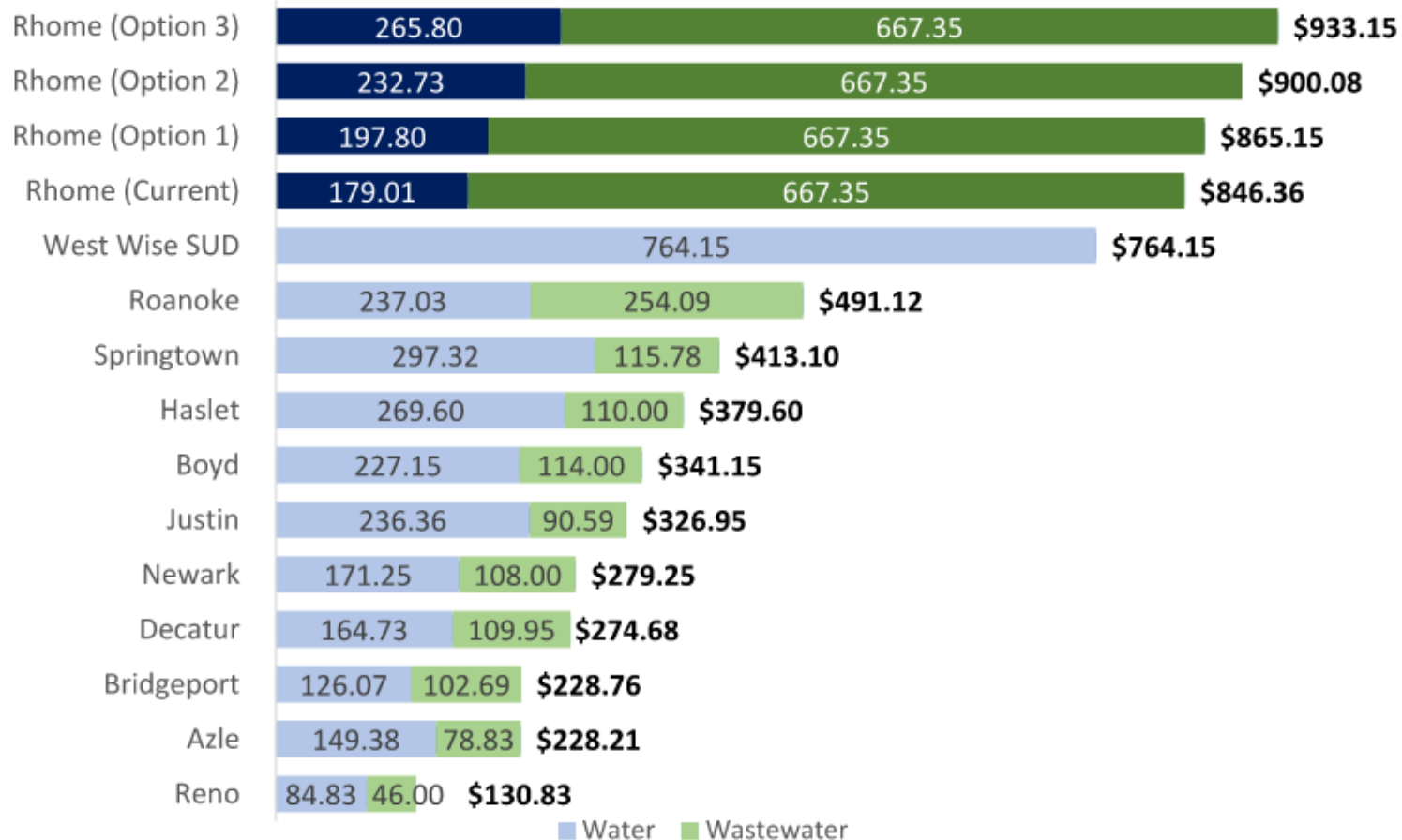
Residential City Comparison

Residential Monthly Bill for 5,000 Gallons



Commercial City Comparison

Commercial Monthly Bill for 15,000 Gallons



Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
Bobby Janecka, *Commissioner*
Erin E. Chancellor, *Interim Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 3, 2023

The Honorable Michelle Pittman
Mayor of Rhome
P.O. Box 228
Rhome, Texas 76078

Re: TCEQ Enforcement Action
City of Rhome
Docket No. 2021-0286-MWD-E

Dear Mayor Pittman:

Enclosed for your records is a fully-executed copy of the Agreed Order for the above-referenced matter.

Please review the enclosed Agreed Order, particularly the "Ordering Provisions" section, to determine if further action will be required of you, such as the completion of technical requirements to achieve compliance. When technical requirements are listed (usually Ordering Provision No. 2 or 3), a deadline will be provided based on a specific number of days after the effective date. The effective date is as stated in the enclosed Agreed Order.

Should you have any questions, please contact Ellen Ojeda, the Enforcement Coordinator assigned to this matter, at (512) 239-2545.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Parrish".

Michael Parrish
Enforcement Division

Enclosure

cc: Ellen Ojeda, Enforcement Division
Water Enforcement Section Manager, Region 4

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
CITY OF RHOME
RN102701620**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2021-0286-MWD-E

I. JURISDICTION AND STIPULATIONS

On February 28, 2023, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding the City of Rhome (the "Respondent") under the authority of TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a wastewater treatment facility located approximately 600 feet south of the intersection of County Road 4651 and Brammer Drive in Rhome, Wise County, Texas (the "Facility"). The Facility is near or adjacent to water in the state as defined in TEX. WATER CODE § 26.001(5).
2. The Executive Director and the Respondent agree that the TCEQ has jurisdiction to enter this Order pursuant to TEX. WATER CODE §§ 7.002, 7.051, and 7.073, and that the Respondent is subject to TCEQ's jurisdiction. The TCEQ has jurisdiction in this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. WATER CODE ch. 26 and the rules of the TCEQ.
3. The occurrence of any violation is in dispute and the entry of this Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
4. An administrative penalty in the amount of \$7,125 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The amount of \$1,425 of the penalty is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order and shall be waived only upon full compliance with all the terms and conditions contained in this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms or requirements contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.

Pursuant to TEX. WATER CODE § 7.067, \$5,700 of the penalty shall be conditionally offset by the Respondent's timely and satisfactory completion of a Supplemental Environmental Project ("SEP") as defined in the attached SEP Agreement ("Attachment

excessive sludge was observed floating in the clarifier and flowing over the weirs, and sludge was documented floating in the chlorine contact basin.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed a penalty as set forth in Section I, Paragraph No. 4. The payment of this penalty and the Respondent's compliance with all of the requirements set forth in this Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: City of Rhome, Docket No. 2021-0286-MWD-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088
2. The Respondent shall implement and complete an SEP as set forth in Section I, Paragraph No. 4. The amount of \$5,700 of the assessed penalty is conditionally offset based on the Respondent's implementation and completion of the SEP pursuant to the terms of the SEP Agreement, as defined in Attachment A. Penalty payments for any portion of the SEP deemed by the Executive Director as not complete shall be paid within 30 days after the date the Executive Director demands payment
3. The Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Order:
 - i. Ensure screenings are kept in a container with a lid and the dumpster used to store sludge prior to disposal is covered; and
 - ii. Remove the floating sludge from the clarifier and the chlorine contact basin.
 - b. Within 45 days after the effective date of this Order, submit written certification, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 3.a.i. and 3.a.ii. The certification shall be signed by the Respondent and shall include the following certification language:

- of this Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
9. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms: electronic transmission, owner, person, writing, and written, shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
 10. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

Attachment A
Docket Number: 2021-0286-MWD-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	City of Rhome
Penalty Amount:	Five Thousand Seven Hundred Dollars (\$5,700)
SEP Offset Amount:	Five Thousand Seven Hundred Dollars (\$5,700)
Type of SEP:	Compliance
Project Name:	<i>WWTP Improvements</i>
Location of SEP:	Wise County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset the administrative Penalty Amount assessed in this Agreed Order for Respondent to perform a Supplemental Environmental Project ("SEP").

Respondent is a Local Government that qualifies under Texas Water Code § 7.067 to apply the SEP Offset Amount set forth above to correct violations at its wastewater treatment facility (the "Facility") which are described in this Agreed Order.

1. Project Description

A. Project

Respondent hired a contractor to purchase and replace eight foot of a 12" x 4" box beam, which is the main air supply for the Facility. The existing box beam had various holes which allowed air to escape, thus hindering the overall treatment process. The contractor also repaired the air header system and the scum box skimmer air line, which will improve the quality of the dissolved oxygen, allowing for more efficient digesting. The SEP will improve the quality of the sewage and prevent sludge from entering the clarifier and chlorine contact basin. Pollutants will be reduced, thus improving the water quality that enters the downstream outfall. The contractor also replaced the on-site lift station pump. Specifically, the SEP Offset Amount was used for a box beam, air header, scum box skimmer air line, and a lift station pump (the "Project"). Respondent hired qualified contractors to perform the Project. The SEP was performed in accordance with all federal, state, and local environmental laws and regulations.

Respondent used the SEP Offset Amount only for the direct cost of implementing the Project, including supplies, materials, and equipment rentals, as listed in Subsection C. Expenses, below. No portion of the SEP Offset Amount was spent on administrative costs, including but not limited to operating costs, reporting expenses, handling of expenses, project coordination, liability, or equipment breakdowns.

Respondent's signature affixed to the attached Agreed Order certifies that Respondent had no prior commitment to perform this Project and that the SEP was performed solely as part of the terms of settlement in this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by preventing wastewater discharges being released into the environment during the collection process.

4. Failure to Fully Perform

If Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 through 4 above, the Executive Director ("ED") may require immediate payment of all or part of the SEP Offset Amount as set forth in the attached Agreed Order.

In the event the ED determines that Respondent failed to fully implement and complete the Project, Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for reimbursement of a SEP, shall make the check payable to "Texas Commission on Environmental Quality," and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this Project made by or on behalf of Respondent must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by TCEQ**. Such statements include advertising, public relations, and press releases.

6. Recognition

Respondent may not seek recognition for this project in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for Respondent under any other Agreed Order negotiated with TCEQ or any other agency of the state or federal government.



Capital Improvement Plan/Projects

All CIP Projects	2021	2022	2023	2024	2025	2026	Water	Wastewater
Ellis Homestead 8" Loop and PRVs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100%	0%
16" Water Line From Elevated Storage Tank	-	-	-	-	-	-	100%	0%
3433 Booster Pump Station Distribution Piping	-	-	-	1,244,000	-	-	100%	0%
Distribution Piping	-	-	-	-	-	615,000	100%	0%
3433 Pump Station Improvements	-	-	-	2,247,000	-	-	100%	0%
Bobo Pump Station Improvements	-	-	-	-	-	-	100%	0%
Rolling V West Phase 1	-	-	-	-	-	-	100%	0%
Rolling V East Phase 1	-	-	-	-	-	-	100%	0%
Gravity Line Clay Pipe Replacement	-	-	-	797,000	-	797,000	0%	100%
West WWTP Rehabilitation	-	-	-	-	-	-	0%	100%
East WWTP Expansion 0.100 MGD to 0.250 MGD	-	-	-	3,468,000	-	-	0%	100%
East WWTP Expansion 0.250 MGD to 0.400 MGD	-	-	-	-	-	3,231,000	0%	100%
East WWTP Expansion 0.400 MGD to 0.700 MGD	-	-	-	-	-	-	0%	100%
East WWTP Expansion 0.700 MGD to 1.000 MGD	-	-	-	-	-	-	0%	100%
North Prairie Point Lift Station (570 gpm)	-	-	-	-	-	1,211,000	0%	100%
South Prairie Point Lift Station (1,578 pgm Firm Pump)	-	-	-	-	-	-	0%	100%
Prairie Point Gravity Lines to South Lift Station	-	-	-	-	-	-	0%	100%
West WWTP Rehab	-	1,617,000	-	-	-	-	0%	100%
West WWTP Discharge Permit Renewal	-	20,000	-	-	-	-	0%	100%
West Sewer Main Replacement (I&I)	-	500,000	-	-	-	-	0%	100%
Water Well Disinfection Conversion Chlorine to Chloramine	-	750,000	-	-	-	-	100%	0%
FM 3433 Disinfection Booster System	-	-	-	370,000	-	-	100%	0%
Ground Storage Tank Improvements	-	-	-	550,000	-	-	100%	0%
Radium Treatment - Water Softening System	-	183,000	-	-	-	-	100%	0%
Ellis Homestead 8" Loop and PRVs	-	-	-	-	-	-	100%	0%
16" Water Line to EST (Likely Developer Funded)	-	-	-	-	-	-	100%	0%
Meter Changes for UTRWD	-	-	-	-	-	-	100%	0%
Water Mains for UTRWD	-	-	-	-	-	-	100%	0%
New Pump Station for UTRWD	-	-	-	-	-	-	100%	0%
Total CIP	\$ -	\$ 3,070,000	\$ -	\$ 8,676,000	\$ -	\$ 5,854,000		

Revenue Bonds

CDBG Funding



New Program O&M

New Program O&M - One-Time

<u>Project Name</u>	<u>Water %</u>	<u>Wastewater %</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Desktop Computer	50%	50%		\$ 3,000				
Desktop Computer	50%	50%			1,500	1,500	1,500	1,500
SCADA Upgrades	50%	50%				25,000	25,000	
LS Pump Replacement	0%	100%			20,000	40,000	40,000	
New Work Truck	100%	0%		39,000				
New Work Truck	50%	50%			35,000	35,000		
John Deere 410L	50%	50%		115,000				
750 Ford 7yrd Bed	50%	50%		90,000				
Trailer Sewer Jet Machine	0%	100%			85,000			
Portable Generator	50%	50%				200,000		
Total			\$ -	\$ 247,000	\$ 141,500	\$ 301,500	\$ 66,500	\$ 1,500

New Program O&M - Recurring

<u>Project Name</u>	<u>Water %</u>	<u>Wastewater %</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
New Administrative Assistant	50%	50%		\$ 39,000				
New Administrative Assistant	50%	50%		20,000				
SCADA Yearly Fees	50%	50%			1,500			
Total			\$ -	\$ 59,000	\$ 1,500	\$ -	\$ -	\$ -

Client: Rhome	Date: 11/1/2023
Project: West WWTP	Prepared By: CAV
KHA No.: 061274205	Checked By: KPK

Title: TCEQ Minimum + Operation Efficiency

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	Mobilization	1	LS	\$120,000	\$120,000
2	Site Civil - flex base, grading, erosion control, new fencing w/ concrete strip	1	LS	\$260,000	\$260,000
3	Lift Station Wet Well Rehab	1	LS	\$210,000	\$210,000
4	Mechanical Bar Screen	1	LS	\$300,000	\$300,000
5	Headworks Structure	1	LS	\$500,000	\$500,000
6	Disc Filter	1	LS	\$675,000	\$675,000
7	Solids Handling	1	LS	\$450,000	\$450,000
8	Non Potable Water System	1	LS	\$30,000	\$30,000
9	Site Electrical/SCADA Improvements	1	LS	\$300,000	\$300,000
10	Add third blower - existing third blowers undersized	1	LS	\$80,000	\$80,000
11	Minor Repairs - replace waste line to drying beds, skimmer arm rubber	1	LS	\$100,000	\$100,000
12	Bonds (2% Of Const)	1	LS	\$61,000	\$61,000
13	Inspection Fee (2% Of Const)	1	LS	\$61,000	\$61,000
Subtotal:					\$3,147,000
Conting. (%,+/-)				20	\$630,000
Engineering				10	\$315,000
Total:					\$4,092,000

Basis for Cost Projection:

- ☐ Preliminary
☐ Final Design
☒ No Design

This total does not reflect engineering or technical services.

The Engineer has no control over the cost of labor, materials, equipment, or over the Contractor's methods of determining prices or over competitive bidding or market conditions. Opinions of probable costs provided herein are based on the information known to Engineer at this time and represent only the Engineer's judgment as a design professional familiar with the construction industry. The Engineer cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from its opinions of probable costs.

Client: Rhome	Date: 11/1/2023
Project: West WWTP	Prepared By: REP
KHA No.: 061274205	Checked By: CAV

Title: 0.15 MGD Replacement/Rehab Existing

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	Mobilization	1	LS	\$150,000	\$150,000
2	Site Civil - flex base, grading, erosion control, new fencing w/ concrete strip	1	LS	\$300,000	\$300,000
3	Lift Station Wet Well Rehab	1	LS	\$210,000	\$210,000
4	Mechanical Bar Screen	1	LS	\$300,000	\$300,000
5	Headworks Structure	1	LS	\$500,000	\$500,000
6	Equalization Basin	1	LS	\$250,000	\$250,000
7	New 0.15 MGD Package Plant	1	LS	\$3,000,000	\$3,000,000
8	Disc Filter	1	LS	\$675,000	\$675,000
9	Solids Handling	1	LS	\$450,000	\$450,000
10	Non-Potable Water System	1	LS	\$30,000	\$30,000
11	Site Electrical/SCADA	1	LS	\$500,000	\$500,000
12	Bonds (2% Of Const)	1	LS	\$128,000	\$128,000
13	Inspection Fee (2% Of Const)	1	LS	\$128,000	\$128,000
Subtotal:					\$6,621,000
Conting. (%,+/-)				20	\$1,325,000
Engineering				10	\$663,000
Total:					\$8,609,000

Basis for Cost Projection:

- ☐ Preliminary
☐ Final Design
☒ No Design

This total does not reflect engineering or technical services.

The Engineer has no control over the cost of labor, materials, equipment, or over the Contractor's methods of determining prices or over competitive bidding or market conditions. Opinions of probable costs provided herein are based on the information known to Engineer at this time and represent only the Engineer's judgment as a design professional familiar with the construction industry. The Engineer cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from its opinions of probable costs.

Client: Rhome	Date: 11/1/2023
Project: West WWTP	Prepared By: REP
KHA No.: 061274205	Checked By: CAV

Title: 0.15 MGD Expansion

Line No.	Description	Quantity	Unit	Unit Price	Cost
1	Mobilization	1	LS	\$150,000	\$150,000
2	Site Civil - flex base, grading, erosion control, new fencing w/ concrete strip	1	LS	\$300,000	\$300,000
3	Influent Lift Station	1	LS	\$900,000	\$900,000
4	Mechanical Bar Screen	1	LS	\$300,000	\$300,000
5	Headworks Structure	1	LS	\$500,000	\$500,000
6	Equalization Basin	1	LS	\$250,000	\$250,000
7	New 0.15 MGD Package Plant	1	LS	\$3,000,000	\$3,000,000
8	Disc Filter	1	LS	\$675,000	\$675,000
9	Solids Handling	1	LS	\$450,000	\$450,000
10	Non-Potable Water System	1	LS	\$60,000	\$60,000
11	Site Electrical/SCADA	1	LS	\$800,000	\$800,000
12	Bonds (2% Of Const)	1	LS	\$148,000	\$148,000
13	Inspection Fee (2% Of Const)	1	LS	\$148,000	\$148,000
Subtotal:					\$7,681,000
Conting. (%,+/-)				20	\$1,537,000
Engineering				10	\$769,000
Total:					\$9,987,000

Basis for Cost Projection:

- ☐ Preliminary
☐ Final Design
☒ No Design

This total does not reflect engineering or technical services.

The Engineer has no control over the cost of labor, materials, equipment, or over the Contractor's methods of determining prices or over competitive bidding or market conditions. Opinions of probable costs provided herein are based on the information known to Engineer at this time and represent only the Engineer's judgment as a design professional familiar with the construction industry. The Engineer cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from its opinions of probable costs.