



Meeting Minutes
City Council

Tuesday, January 14, 2025

5:00 PM

Council Chambers
200 West Walker Street

Council Work Session

The City Council of the City of League City, Texas, met in a work session in Council Chambers at 200 West Walker Street on the above date at 5:00 p.m.

Mayor:

Nick Long

City Council Members:

Andy Mann
Tommy Cones
Tom Crews
Courtney Chadwell
Justin Hicks
Chad Tressler
Sean Saunders

City Manager:

John Baumgartner

Assistant City Manager:

Rick Davis

Assistant City Manger-CFO:

Angie Steelman

Interim City Attorney:

Michelle Villarreal

City Secretary:

Diana M. Stapp

Chief of Police:

Cliff Woitena

Executive Director of Capital Projects

Ron Bavarian

Executive Director of Development Services:

Christopher Sims

Director of Finance:

Kimberly Corell

Director of Human Resources/Civil Service:

James Brumm

Director of Parks & Cultural Services:

Chien Wei

Director of Public Works:

Jody Hooks

1. CALL TO ORDER AND ROLL CALL OF MEMBERS

Mayor Long called the meeting to order at 5:00 p.m. and called the roll. All members of Council were present except Mr. Hicks. Mr. Mann arrived at 5:03

Absent 1 - Mr. Justin Hicks

Present 7 - Mayor Nick Long, Mr. Andy Mann, Mr. Tommy Cones, Mr. Tom Crews, Mr. Courtney Chadwell, Mr. Chad Tressler and Mr. Sean Saunders

2. **PUBLIC COMMENTS**

3. **PRESENTATION AND DISCUSSION REGARDING THE WATER/WASTEWATER LONG RANGE FINANCIAL PLAN AND RATE ANALYSIS**

NewGen Strategies & Solutions – presented by Chris Ekrut

Business Fundamentals

Revenue Sufficiency – Revenues must match or exceed expenses

Reserves – Must plan for a rainy day

Reinvestment – We must repair, replace and reinvest in infrastructure

Key Drivers

League City is rapidly growing, with an average of 1,280 new connections being added annually. Growth drives the need for capital projects

The City has \$468 million in planned capital projects over the next 5 years. \$179 million is for the Southeast Water Purification Plant Expansion. \$80 million is for the Southwest Water Reclamation Facility Expansion.

CIP Funding Totals (water & wastewater):

FY2025 - \$58.51 million

FY2026 - \$145.53 million

FY2027 - \$49.02 million

FY2028 - \$29.19 million

FY2029 – 185.12 million

Projected Debt

The City plans to issue debt annually to fund capital projects. It is assumed that issuances funding plant expansions will carry a 30-year term. For Series 2025 issue, it is assumed that half of the annual payment will be made in FY 2025. For all other issuances, it is assumed that payments start the year after each issuance.

Wholesale Water

The City uses Gulf Coast Water Authority for wholesale water service. There are two components to the wholesale charges:

Operating – paid out of the Utility Fund

Debt - paid out of the Debt Service Fund

Financial Performance – Water & Wastewater Current Rates (slides)**Rate Plan and Development**

Ensure both Water and Wastewater are self-sufficient and financially stable. Achieve rate gradualism by levelling customer impacts for FY2026 through FY2029. Larger rate increase warranted in FY2025 to fund near-term capital needs. Adjust residential water volumetric tier differentials. Establish an increasing minimum charge by meter size for the Landscape class. Establish a minimum charge for 1" commercial water users that differs from the 5/8" and 3/4" rate.

Monthly Bill Impacts – 5/8" & 3/4", Residential use 6,500 gallons Water & Wastewater

FY 2025 - \$7.84 variance

FY 2026 - \$4.19 variance

FY 2027 - \$4.32 variance

FY 2028 - \$4.10 variance

FY 2029 - \$7.08 variance

Monthly Bill Impacts – 1", Commercial use 25,000 gallons Water & Wastewater

FY 2025 - \$31.83 variance

FY 2026 - \$18.11 variance

FY 2027 - \$17.59 variance

FY 2028 - \$17.59 variance

FY 2029 - \$27.70 variance

Monthly Bill Impacts – 2", Landscape 50,000 gallons Water

FY 2025 - \$51.74 variance

FY 2026 - \$31.34 variance

FY 2027 - \$30.82 variance

FY 2028 - \$30.81 variance

FY 2029 - \$32.39 variance

Financial Performance – Combined – Proposed Rates (slides)**Regional Bill Comparison (slide)****Next Steps**

January 28, 2025 – present a 5-year annual rate increase ordinance to City Council

February 11, 2025 – Second reading of ordinance

Goal – Adopt new rates for implementation on April 1, 2025.

Projects per debt issuance (slides)

Top 10 Water Capital Projects Over Next 5 Years:

- 20 MGD Expansion of SEWPP - \$179,000,000**
- 54” Water Line Replace 42” Line on SH3 (Distribution Supply) - \$43,273,069**
- Transmission Waterline Assessment & Rehab - \$19,375,000**
- Waterline Upgrades & Replacement (Renewal) - \$13,130,000**
- West Side Well, GST, Generator and BPS (Calder South) - \$13,100,000**
- SWEPP Treatment Improvements - \$12,750,000**
- Muldoon Parkway 16” Waterline Extension, Phase 1 - \$6,440,980**
- Calder Road Booster Pump Station Expansion, Phase 1 - \$5,617,763**
- 24-Inch Waterline on Bay Area Blvd., Segment 3 - \$4,866,647**
- SH3 BPS Chemical Fee Building & Storage - \$3,500,000**

4. ADJOURNMENT

At 5:31 p.m. Mayor Long said, there being no further business this meeting is adjourned.

NICK LONG
MAYOR

DIANA M. STAPP
CITY SECRETARY

(SEAL)

MINUTES APPROVED: