

# City of Lorena Utility Services

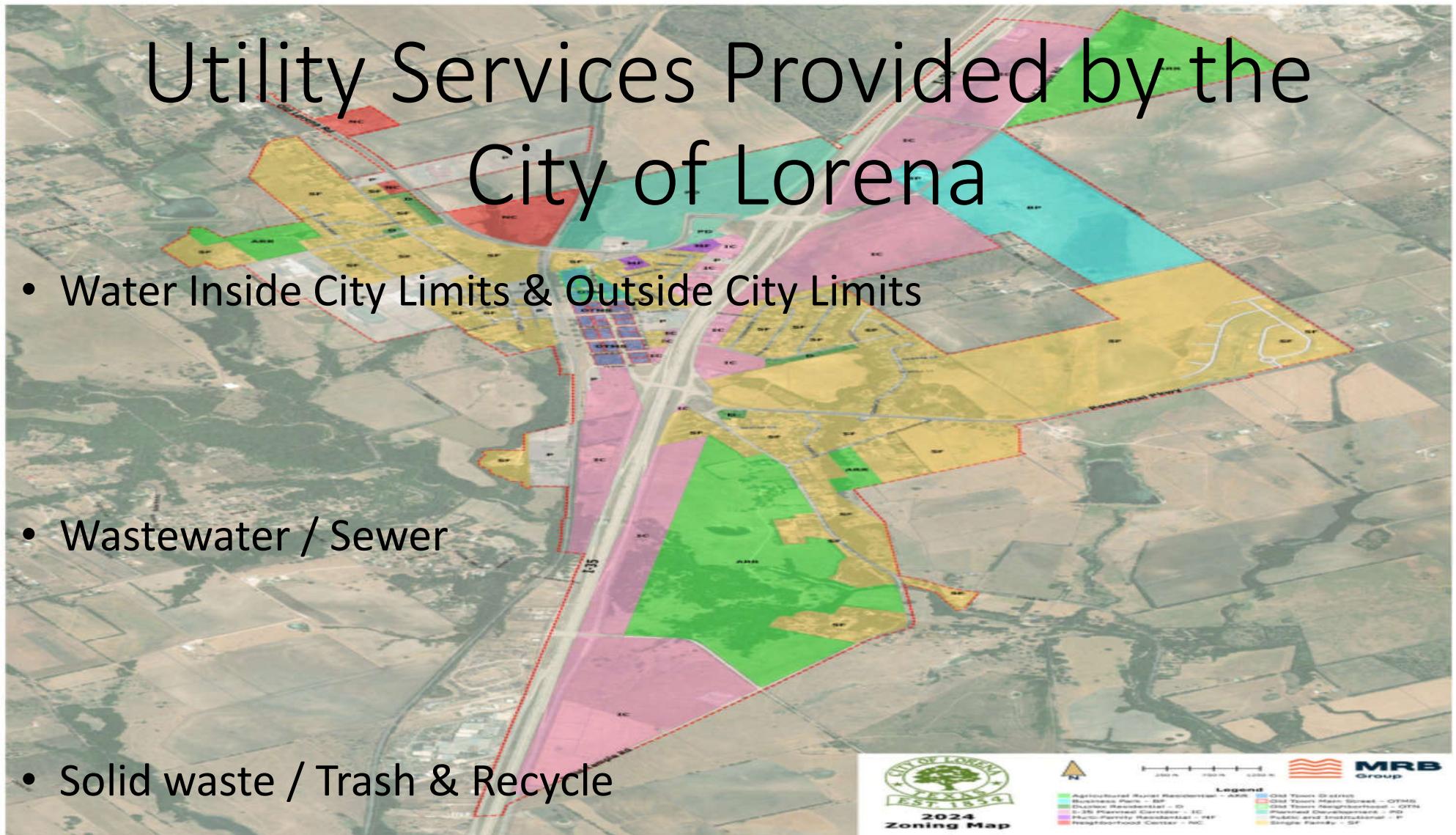
Presented by City Manager Kevin Neal

11/18/2024



# Utility Services Provided by the City of Lorena

- Water Inside City Limits & Outside City Limits
- Wastewater / Sewer
- Solid waste / Trash & Recycle



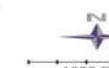
# Water

- Where does the City of Lorena get its Water?
  - Lorena has two water wells permitted for 583 acre-feet; we receive approximately 23% of our water from our groundwater source.
  - Lorena owns 2,500 acre-feet of raw water rights to the Brazos River and receive approximately 77% its water from this surface water source.
- Who treats the water to make it drinkable?
  - Lorena treats all of their own groundwater from their wells.
  - The City of Lorena pays the City of Robinson for treatment and delivery of all surface water pulled from the Brazos River.
- What are the other options for water?
  - Buy water from the City of Waco. (Estimated over 26 million of infrastructure improvements needed in 2021.)
  - Build our own water treatment plant. (currently unknown cost, but costs would easily exceed 50 million for infrastructure and construction costs, this does not include staffing and maintenance costs.)

City of Lorena Texas Water System Map

1" WL	4" WL	EST
1.5" WL	6" WL	GST
2" WL	8" WL	
2.5" WL	10" WL	
3" WL	12" WL	Pump Station

1,000 ft 2,500



# Sewer

- Where does it actually go when it goes down the drain?
  - Lorena has 6 sewer pump stations that pump to the City of Waco's Bullhide Wastewater Treatment Plant.
- How many cities utilize the Bullhide plant?
  - 3 - Lorena, Hewitt, and Waco.
- Of these cities how many have additional options for wastewater treatment?
  - 2 – Hewitt and Waco have the option to divert wastewater flow to the City of Waco's Central plant.
- Is Hewitt and Waco participating in the Bullhide Expansion?
  - No, Hewitt elected to redirect flow to the Central plant due to the construction costs of the Bullhide plant.
- Can Lorena utilize the option of the Central plant?
  - Unfortunately, no that is not an option due to lack of capacity for Lorena in the Central plant and infrastructure that would be needed to make that possible.
- What other options are there for Lorena to treat sewer?
  - Build and staff our own wastewater treatment plant. (Lorena had this option prior to Bullhide, but elected not to choose this option due to the onerous costs associated with it).





# Garbage



- What happens to my garbage and recycle after I take it to the curb?
  - Through a franchise agreement Frontier Waste hauls the garbage to the City of Waco's Landfill, and the recyclable material to Sunbright.
- I thought the City of Lorena ran its own solid waste disposal service.
  - The City of Lorena tried this method in 2014, but was having difficulties with staffing and equipment needs due to the costs of operation. In 2022 the decision was made to franchise our garbage as we did prior to 2014 due to the capital investments needed to successfully continue with a city owned garbage service.
- How many cities in McLennan County operate their own garbage service?
  - 1 – The City of Waco.
- What other options does Lorena have for garbage service?
  - Lorena could go back to a city owned service; however, for a city the size of Lorena the capital costs far outweigh the benefits, and the cost of service would be significantly higher due to capital costs and staffing.

# Cost of Residential Water Service

Effective October 1, 2023

Customer Class	Minimum Bill	Volumetric Rate per 1,000 Gallons		
		0 – 2 kgal	2 – 10 kgal	> 10 kgal
Residential Inside	\$26.46	\$7.92	\$8.79	\$10.09

Effective October 1, 2024

	Recommended 3-Yr Revenue Adjustments Projected Increases			Projected Increases			
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>Fixed Monthly Service Charge</b>							
Inside City Residential	\$28.31	\$30.29	\$31.20	\$32.14	\$33.10	\$34.10	\$35.12
<b>Volumetric Rates (\$/kgal)</b>							
<b>Inside City Residential</b>							
5 kgal	\$7.42	\$7.94	\$8.17	\$8.42	\$8.67	\$8.93	\$9.20
10 kgal	\$11.13	\$11.90	\$12.26	\$12.63	\$13.01	\$13.40	\$13.80
25 kgal	\$14.83	\$15.87	\$16.35	\$16.84	\$17.34	\$17.87	\$18.40
> 25 kgal	\$18.54	\$19.84	\$20.44	\$21.05	\$21.68	\$22.33	\$23.00

# Cost of Commercial Water Service

## Effective October 1, 2023

Customer Class	Minimum Bill	Description	Current Volumetric Rates, \$/kgal			
			0 – 2 kgal	2 – 10 kgal	15 – 20 kgal	> 20 kgal
Commercial Inside	\$43.94	Commercial Inside	\$7.92	\$8.79	\$10.09	
1"	\$113.74		0 – 10 kgal	10 – 15 kgal	15 – 20 kgal	> 20 kgal
1.5"	\$148.65	Commercial Outside	\$5.51	\$6.74	\$7.92	\$9.40
2"	\$195.17					
3"	\$305.71					
4"	\$480.29					
6"	\$720.45					
8"	\$1,080.69					

Effective October 1, 2024

Customer Class	Minimum Bill	Description	Proposed Volumetric Rates, \$/kgal	
			All Usage	
5/8 x 3/4"	\$47.02	All Commercial Customers <sup>1</sup>	\$10.03	
1"	\$113.74			
1.5"	\$156.72			
2"	\$250.75			
3"	\$548.52			
4"	\$987.33			
6"	\$2,194.07			
8"	\$3,761.26			

# Cost of Sewer Service All Customers

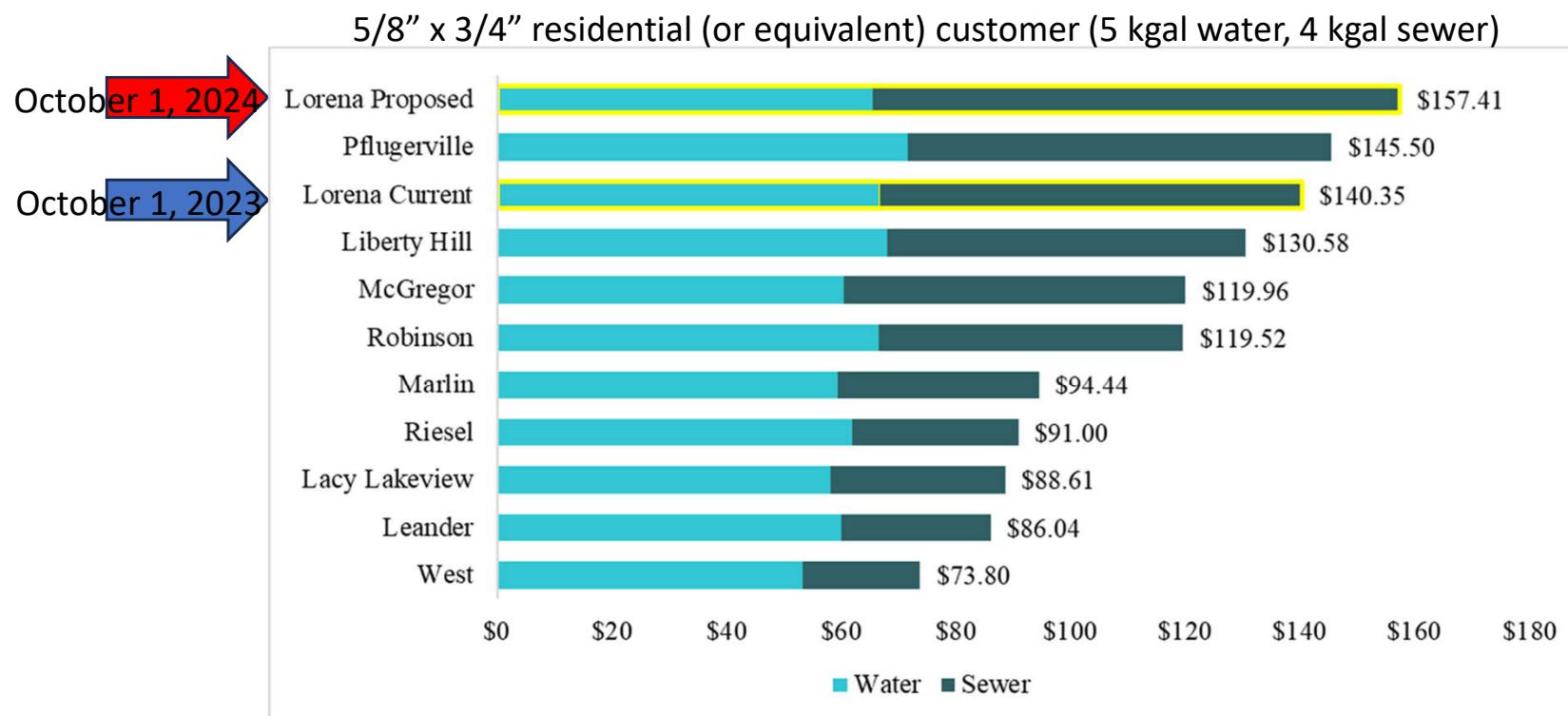
Effective October 1, 2023

Customer Class	Minimum Bill	Volumetric Rate per 1,000 (AWC)
All Customers	\$50.05	\$5.87

Effective October 1, 2024

	Recommended 3-Yr Revenue Adjustments			Projected Increases			
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Fixed Monthly Service Charge							
5/8 x 3/4"	\$57.56	\$72.53	\$91.39	\$94.14	\$96.97	\$99.88	\$102.88
1"	88.46	111.46	140.44	144.66	149.00	153.47	158.08
1.5"	152.81	192.55	242.62	249.90	257.40	265.13	273.09
2"	230.03	289.84	365.20	376.16	387.45	399.08	411.06
3"	379.00	477.54	601.71	619.77	638.37	657.53	677.26
4"	574.05	723.31	911.38	938.73	966.90	995.91	1025.79
6"	1,051.22	1,324.54	1,668.93	1,719.00	1,770.57	1,823.69	1,878.41
8"	1,667.52	2,101.08	2,647.37	2,726.8	2,808.61	2,892.87	2,979.66
Volumetric Rates (\$/kgal)	\$8.61	\$10.85	\$13.68	\$14.10	\$14.53	\$14.97	\$15.42

# Peer Utility Survey – Residential Average Consumption User Monthly Bill Comparison



# Summary Wrap-up

- If Lorena is going to continue to grow Infrastructure projects must be funded.
- Who recommended the new utility rates?
  - The City of Lorena paid an independent company Raftelis to conduct a in depth rate utility rate study and recommend rates to the City Council based on their findings.
- Why now did Lorena decide to conduct a rate study?
  - The last rate study in Lorena was in 2007 and the recommended rates were not adopted by the City Council as a result of that study.
  - Bullhide WWTP is at capacity and TCEQ requires it to be expanded. Lorena's proportional costs for this expansion are approximately \$12 million in capital costs that results in approximately an 830% increase to Lorena's annual cost for sewer treatment.
- What utility rate increases should Lorena rate payers expect in the future?

	<b><i>Recommended 3-Yr Revenue Adjustments</i></b>			<b><i>Proposed Revenue Adjustments</i></b>			
	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>	<b>FY 2031</b>
<b>Water Revenue Adjustment</b>	7%	7%	3%	3%	3%	3%	3%
<b>Sewer Revenue Adjustment</b>	26%	26%	26%	3%	3%	3%	3%
<b>Effective Month</b>	<i>October</i>	<i>October</i>	<i>October</i>	<i>October</i>	<i>October</i>	<i>October</i>	<i>October</i>

- Lorena garbage customers can expect to see a minimum increase of 5% each year through October of 2026. During the 2026-2027 fiscal year the City of Lorena will be negotiating the next 5 years' worth of rates.
- What do I do if I suspect I have a leak?
  - For detailed information on how to determine if you have a water leak, please visit <https://www.ci.lorena.tx.us/faq.aspx>