



**City of Montgomery
City Council
Workshop Meeting Minutes
October 14, 2025**

OPENING AGENDA

1. Call Meeting to Order.

The City Council Workshop Meeting of the City of Montgomery was called to order by Mayor Countryman at 5:00 p.m. on October 14, 2025, at City Hall 101 Old Plantersville Rd., Montgomery, TX and live video streaming.

With Council Members present a full quorum was established.

Present:	Mayor	Sara Countryman
	Mayor Pro-Tem	Cheryl Fox
	Council Member Place 1	Carol Langley
	Council Member Place 2	Casey Olson
	Council Member Place 3	Tom Czulewicz
	Council Member Place 5	Stan Donaldson

2. Pledges of Allegiance.

Mayor Countryman led the pledges of allegiance.

PUBLIC FORUM

No citizen comments presented for this meeting.

WORKSHOP AGENDA

3. Discussion on the City's bonding capacity.

Chris Roznovsky, WGA, City Engineer said the next two items we will take in tandem. We will introduce it with what I handed out. Mr. James Gilley is here to talk specifically about funding and the water sewer rates and how all the pieces work together. Starting off with what is in front of you that was handed out, this is just an overview followed by the rates, impact fees, etc. We will walk through this document and remind everyone the conversations we have had with what we are solving to today. We will talk about the funding capacity and the path forward. Regarding the item in front of you, what we are trying to solve to right now is how do we fund the major projects that are on the immediate horizon, the water plant, and the waste water plant that are happening right now. Those two projects with construction engineering contingencies, we are looking at \$27 million projects that are currently in design next year. As we have been talking about for quite some time, there are many buckets we have to be looking at and working through to figure out our funding options between impact fees, water, sewer rates, bonding, etc. and how do we actually fund these projects, which is what we have been talking about for some time. What we are going to go through today is giving you an update on where you stand on impact fees. We are going to talk about the Texas Water Development

Board state qualified applications that you submitted earlier this year, and then we will talk about the water sewer rate changes which we talked about a couple months ago. Again, just to bring everyone back up to speed on impact fees. Back in September, you approved and increased your impact fees of roughly 17 percent. If you remember, state law changed, so now you are limited to how often you can update those every three years. We have to carry this out as far as we can so with that 17 percent can try to get us as far as we can, but still meet the calculation requirements of the state. If you look on the third page of your packet, it is the one large fold out sheet. This is active developments, and when I say active, they have an agreement or an agreement is either imminent, not we have some escrow accounts on the agenda later tonight. Those are not included on here because they are so early. We do not want to count until there is something there. This is a summary of what is out there active. Pull your attention to the middle of the page or actually start at the top. Follow that over and see yearly we anticipate those fees being paid, what that water and wastewater impact fee is estimated at based on their current connections, and meter size. If they have any impact fee credits through development agreements, these are for things like the Old Plantersville water line extension that was on your capital improvement plan, and the west Lone Star Parkway waterline extension. Council Member Olson said before we go too far, when you say credits, have you already subtracted it from the impact fee or is that yet to be subtracted? City Engineer Roznovsky said for your water and waste water impact fee, those are the full amounts and then the credits come off of that. So when you look at the projected balances in the next one, that does take into account the credits, so just showing you the total. For example, Briarley section 1A, they had 195 of water impact fees. They used up 195 in credit on that because that cost of the project is more than. When you get down further, the amount that they pay in water impact fees is greater than the actual cost of the project. Once they cover the cost of the project, all that will come to the City for the water. Mayor Countryman said so there will be a delta there. Right here though, there is not going to be a delta. Everybody is at capacity. City Engineer Roznovsky said correct. When you get down to this projected impact fee balance, this is roughly where you are sitting today at 1.32. We expect by the end of this year because there are a couple more plats rolling in, to be about a 1.4 minor increase with a lot coming in 2026 and 2027, which if you did not spend any of those funds, you would be sitting on a balance at the end of 2027 based on our projections at roughly 5.75. Mayor Countryman asked is this calendar year or is this our year? City Engineer Roznovsky said given our lack of control on the month they plat, we are just saying calendar. The likelihood is that they will be platting within the year 2027. If that happens in August or October, it is hard to say. Some of them we have a better idea based on talking to them, but it depends on how early they decide to go. Mayor Countryman said I was just curious because for budgeting reasons, yes, going to that point as if it is October if it is calendar year, then that is our year, however it is still January to December. City Engineer Roznovsky said and we have, we do not show it here, our actual estimated months that we had shared with Finance Director Carl when we get to that point, but for some of these, it is just a semi moving target. For example, Legacy Grove went ahead and platted early because they are still building out the section versus Montgomery Bend is holding the plats until they get closer. We have little control other than the general estimate of the year. We try to be conservative. We error on the side of pushing it back. Mayor Countryman said then in saying that Montgomery Bend section four will assume our today impact fees and not because they have not platted, not initial impact fee. City Engineer Roznovsky said that is correct. Impact fees are assessed at the time of platting, so everyone on this list that is not platted already is subject to the impact fees, the higher rates. So, a significant amount of money from impact fees coming in which plays into the debt conversation. Going back to the first page of your packets, back in March we submitted project information forms to the Texas Water Development Board. These were for their state revolving funds for their clean water and

drinking water. Those are low interest rate loans that government and public entities are able to apply for and obtain. The City has done this in the past for the waterline replacement. It is a water plant improvements already in the City. We went through these same funding sources. As of today, the project information boards have made their short list for the water development board, which is good. They are now going through the process of ranking them. I think there are about 300 or so projects that are on their list. We are not in the top 50. We are not the bottom 50. We are somewhere in the middle of that list. However, from a timing standpoint, by the time they get through the ranking, they then ask us for a full application, you submit the application. As of today, Water Development was surprised that we were able to close on those loans within 12 months. It is a long way out and these projects are sooner. Now again, we are working through options. We submitted more projects than just the water plant and the wastewater plant. There are still some options there, but that is where those stand on the water side.

4. Discussion on the City's utility rates.

City Engineer Roznovsky said the final piece is water and sewer rates. Council Member Olson asked did we ever reach out to Rebecca Ansley? She is the Director of Grants and Community Development for Montgomery County. City Engineer Roznovsky said I did not. The two design projects you have, they went through grant options, as well as part of their contract, but I have not had a conversation with Rebecca Ansley on water and sewer projects. I apologize for that. The last time the City did a rate increase was 2018, so your water sewer rates have been all static since then. As we did with the last round of CO's, those were revenue supported, so from water and sewer revenue to issue that debt. With the amount of [inaudible] issued or some combination thereof of back CO's that we have impact fee backing, as well as revenue backing that we are looking at. What we will go over now is again, you have seen similar before, but we just want go back over as things have changed. A way for additional water and sewer revenue to come in to be able to, one fund projects, as well as that against that revenue. I am going to flip over two pages to the next page, page four in your packets. It will have our logo at the top and color tables at the bottom. Last time, the discussion was how do we move more of the burden off of the single family users? We went through that analysis here. What we are showing is we took the 2024 user data because that is when this process started, as a static point in time. The number of connections, the usages, etc. were from there. Obviously, there has been growth since then. From a conservative standpoint, the rates and the additional revenues are based on that static number that is going to increase as we continue to grow, as well as our expenses. We are producing more water, more chemicals, more time to do that. This is just a static snapshot. Again, trying to be on the conservative side. You get a wet year that could drastically change it from water sales, etc. Looking at this bottom section, you have your single family rates with our proposed changes which we will go over in detail. This is what the average mean and max bill would change from. For your average user right now, what they would pay on an average bill would be \$65.09 a month. They would be looking at \$77.54 or a \$12.45 increase on a monthly bill. For your minimum users, those people that use a bare minimum amount of water, it is about a \$7.00 increase to their bill per month. That is inclusive of all groundwater reduction fees, Lone Star fees, water sewer fees. You are looking at a \$7.00 increase to your minimum user since 2018 effectively since that was your last increase. From a percentage standpoint, it says 20 percent, but from a dollar standpoint, I look at \$7.00 a month on the minimum, \$12.00 on the average user. The max user, again, this is from actual meter data. Someone was using a ton of water. That is why there is an \$800.00 increase to the bill that they were also paying an average water bill of \$2,400 for the amount of water they were using. That carries on to commercial, multi-family, institutional and

irrigation rates. Pull your attention down to the next page, bottom of page five. There are a lot of numbers in there. In general, there are increases across the board. Trying to put more on the commercial, institutional users, than single family. On this bottom table of page two of five, you will see how it compares to the entities around you. When you take your proposed rates that are in here with all the groundwater fees, river authority fees, etc., compare that to Conroe and Magnolia. Using single family as the example, the average user is about 6,300 gallons a month. Your bill would be \$77.54. That same bill, for the City of Conroe would be \$100.45, and the City of Magnolia would be \$85.14. You are still within your comparable rates to your neighbors. Council Member Olson asked the numbers that you come up with, are these numbers that are recommended, or are these numbers that we basically need to pass, or all the numbers we need with the bonds? City Engineer Roznovsky said that is my next point. With all these changes, when we look at a static data, you are looking at about an additional \$1.1 million a year revenue, so \$90,000 a month in water and sewer revenue, which is about a 37 percent across the board increase in revenues. That amount, if you took all of those dollars and currently, roughly \$75,000 worth of revenue gets you one million dollars in capacity for issuing debt. That would get you about \$14.5 million of that \$27 million target. The rest would come from using the impact fees to help support, but this is what we need today. From a long-term standpoint, this should be something that we look at on an annual basis and ultimately get to a point where our water and sewer fund is generating a small surplus each year, so we are able to put away funds to decide when these things come up or not. Going from 2018 to 2025 with no rate increases and the timing of these projects, that need to be done. These are what changes need to be made in order to get there. Council Member Olson said so then the next question to your point of we should maybe do every two-year increase, a more incremental. Is that going to be an option? Can we use that as an option here where instead of hitting them all at once, we split it in half and do it over two years? City Engineer Roznovsky said we can look at that. Roughly, about half of the revenues are coming from single family. If we stair step the single family, we are going to be cutting 20 percent of that number down. Tonight is not an action. We have to come back with an ordinance. If that is something you want to look into, I think it is okay. Here is what we are comfortable with. Here is what we would like. Let us run those numbers with financial advisors that if we did instead of the \$7.00 increase, we did a \$4.50 increase and do it over two, what does that look like from a cash flow perspective? Again, there are a lot of scenarios, we have not run that one, but that is an option. Ultimately, we need to get to this number soon in order to continue to fund the water and sewer account and cover the debt. What we would like to do is let us get through what we need, this \$27 million and get these plants built, and then every year do this about this time. Budget is set. We want to start planning for a surplus in that budget. Let us relook at water rates. Putting in water rates this time of year, we are increasing during the lower usage times. It is better to increase in the middle of the summer when usage is already high. It helps to stair step into that. Again, in the next years if we said, okay, our ultimate goal is we want to have 25 percent surplus in the account, we are not going to do that all in one year, but over the next three, four, five years incrementally increase so we are operating at a surplus. Again, with as much growth as we are having in water and sales, it is a moving target at this point. That way it is get what we need today, stair step into where we are working off of more of a cushion, and we are not having to do this at the same time. Council Member Olson said my personal preference, I would rather stair step into this over a two-year period instead of just slamming somebody with a 48 percent increase. City Engineer Roznovsky said we can look at the stair stepping. I think this is the ultimate where we need to. Let me clarify. Are there certain categories you would want us to try to stair step before others because again, most of our users are sitting in 50 percent of the revenue single family. Obviously, change is there making a bigger impact to the total, but also that is our loading base. So, trying to balance this out. So, I guess clarify stair step all across

the board versus let us look at stair step and single family and we are fine with commercial rates. Council Member Olson said I would like to see us do all across the board. Just do half this year, half next year, but if that is not feasible, then it is not feasible. City Administrator Walker said the trick will come if you show enough revenue to cover the debt that we are going to need. That is where it will come in and whether you will raise enough money to do that because that is exactly what they are going to look at is what your revenue stream is and impact fees of course. Council Member Czulewicz said I agree with Council Member Olson on stair step. I think we should stair step across the board. Council Member Olson said I know we cannot take our sweet time and do it over five years, but if we could just cut it in half. Mayor Countryman said and make it less painful. City Engineer Roznovsky said we can definitely run the options and see what makes sense and what makes the numbers work from a financial advisor standpoint and then that gets us through this amount of time and then after that point. We have to make sure we can secure the right amount of funding. When you go through the rest of the packet, it goes through to the individual tiers of the rate. A couple of things are not in here on purpose because they are not big drivers that when we go to actual action for rate order changes, out of district, out of city customers. How we address those is they will pay slightly more than in city. Most of those customers are along MLK where those out of city customers are. We are not looking at this as a five percent increase or anything like that. They are non-taxing, non-taxpayers, so there needs to be an additional rate there. Temporary water service is something that we can put a premium on. Those are builder meters that come in for convenience of buying water for construction, etc. We can work with that rate, but it is not something that we wanted to make into your rate analysis on funding because builder meters are just that. They are in, they are quick, and they are temporary. They are not a normal revenue generator. The other thing to Council Member Olson's point of stair stepping is this is also based on a snapshot. The increasing usage and connections increases that so we are able to pull that back down to do so. Overall in summarizing it, rate increases are needed. It has been since 2018. The main point being we are looking at a minimum user of \$7.00, \$12.00 on the average user for a single family over that time period, and then continuing to do this on an annual basis. It is not saying that every year we are going to a 20 percent increase by any means, but a small adjustment each year to stay ahead of it and start generating a bit of surplus in the account so it gives us more flexibility in case something happens, something breaks, we have surplus to work off of. Council Member Langley asked when would this go into effect? City Engineer Roznovsky said the next step would be is if directed from Council to bring back the ordinance to the next meeting which would be the November 10th meeting with the proposed changes after we have looked at the stair step, we would have an agenda item on that. We will go through the stair step option at least at that time and what that analysis shows if changes are needed, but ideally this is something that gets put in place before the end of the year. From a bonding and the timing standpoint of funding of projects, ideally both of the water plant and the sewer plant projects are going to bid first of the year with starting construction by March of next year to keep those projects moving forward and get those delivered. Before we obviously sign a construction contract for \$12 million, we want to have a loan closed before we do that. So the timing would be, again, we are getting out of my wheelhouse, but at your next meeting you would issue the notice that has to be published 45 days and then you go through the actual process. So in November, you are 45 days into January more or less, so you are doing your actual sale at the January meeting or your first February meeting and closing 30 days later which would be the first of March.

Mr. James Gilley, U.S. Capital Advisors, said good evening. That was a pretty good summary of the process for issuing certificates of obligation. Some members of Council may remember about two years ago the City went through the same process of issuing certifications of

obligation. As City Engineer Roznovsky mentioned, the notice of intent that you would consider if Council wanted to consider it at the next meeting in November. City Attorney Petrov can correct me if I am saying anything wrong on this, but the notice would state a not to exceed amount. The Council intends to issue certificates of obligation and the amount not to exceed the ceiling, so you can issue less than that or you can issue more without doing it over again. From the date of first publication in the paper, you cannot take action on the ordinance until 45 days from publication. Based on that timeline, it sounds like because of the meeting schedule in November, that might have to take place on the meeting in November. If you pushed it to December, it is going to likely push out 30 days. Mayor Countryman asked are you saying we should have a special meeting in November then just for this if it is possible? Mr. Gilley said I was assuming a regular meeting, that is if Council is ready. We do not want to rush into anything. It is just to let you know what to expect based on City Engineer Roznovsky's schedule of those contracts and getting the dirt turned. As far as timing, are there are any questions before I move on? In the packet, I believe perhaps toward the back, there is a little presentation. Mayor Countryman asked is it online? Council Member Langley said yes. Mr. Gilley said we moved to a 20 and a 30-year amortization to fund the \$27.4 million project cost. The purpose of this is the affordability of this essentially. At previous meetings, the City considered using some property taxes to pay for this and some utility rates. From my understanding that since this will be all on the rate payer, and I would certainly encourage you to do that just to let the utility fund stand on its own, and let the general fund stand on its own. The top left shows looking at the net revenues of the utilities, water sewer fund. This is from fiscal year ending September 30, 2024. This is a year old, but your revenues after your expenditures and adding back depreciation were just over a million dollars. In fact, just under \$1.1 million. That is cash that you have. The revenue is available to pay debt service. The field below under the heading C on the left column shows the self-supported debt or your utility supported debt. It is roughly \$685,000 a year. Towards the right, under the heading D, is proposed debt service. This is just an estimate on the 20-year amortization. The payments are a little over \$2 million roughly speaking. Column E shows your grand total and the existing debt, plus the proposed. You are looking at \$2.7 million. You have a million dollars in net revenues to pay all that debt service if nothing else changes, and you do not make any changes to your utility rates. Column F shows that shortfall. That is how much you have to make up. Mayor Countryman said those are scary numbers. Mr. Gilley said yes. We have included the impact fees under column heading B. I apologize that is a typo. It should say impact fees. Based on what City Engineer Roznovsky has told me about the projected balance on those tap fees, these are estimates, but it looks like by 2028 the balance for those impact fees might be about \$7.44 million. The idea of this was if you did nothing else and just used those impact fees to float the debt payments, essentially depleting your assets if it could take you out to I believe about 2031, 2030, it may be half a year before those impact fees would run out. Just like draining your savings account, paying your mortgage with your savings account, you are not adding any new revenues in. With the 30-year amortization, you get another year, year and a half maybe. This was just to illustrate it is kind of a bridge if you wanted to slowly feather the rate increases in, this could be a bridge to get you there. I certainly can provide more scenarios for you and looking at different amortizations or different combinations of paying down the impact fees versus rate increases. I believe City Engineer Roznovsky said the proposed fee schedule would generate another million dollars. City Engineer Roznovsky said correct. Column A would essentially double. The proposed rate schedule based on estimated usages etc. is all water service subject to variation, but roughly \$1.09 million which is right at the number. Mayor Countryman asked does that mean in column G we could take a million dollars off of all those big numbers on the far right essentially? Mr. Gilley said column F would be short of a million dollars. Mayor Countryman said okay, so going down five digit or six digits

instead of seven. Council Member Olson asked City Administrator Walker has the City ever done a line of credit? Is that even legal? It is way better to finance. It is way, way better. City Administrator Walker said Texas Water Development Board, if we can get some of that, we may get some rates like that. It is not a line of credit, but it is cheap money, if you will. I did check on the grants and with the way this community is, it is just going to be a no for the most part. If it is, it is not going to be a lot. The thing you have to calculate into this is how fast could the new homes come online? It is scary now because the growth is fast. We are not reaping the benefit of that yet, but hopefully when your impact fees slow down, your revenues crank up because you are adding all the new houses. That is the balancing act that we are in is it has to be done or you get into trouble like some of the communities around that have no money and they have no infrastructure. Where do you go? It is a tough one. It really is. Council Member Olson said I was just looking at this because if you set this up on a 30-year line of credit with a 15-year open on it, your interest rate would be seven percent, but with our cash flow, our total interest paid would be half, right? We are probably going to pay at four percent, we are going to end up paying about 50 percent over and above on our tip, total interest paid and we would end up at probably around 18 because of our cash flow and the way that they calculate the interest on the line of credit. It is done daily, refigured every time money goes in your cap, your principal comes down. City Administrator Walker said I understand. I do not even know if that would be legal. Council Member Olson said I just wondered if a city had ever done that. City Attorney Petrov said it is not legal. Council Member Olson said it is a wonderful way to finance things. Mayor Countryman said I just think if there is any slippage, if tariffs go up and then you cannot get wood or if there is another COVID, we are on the hook for really projecting for future growth without it stopping this train of development. If the train stops or slows, what do we do then? I know none of us have a crystal ball to look into the future, but it is making my heart palpitate seeing this, but it is necessary as well. I get it. City Administrator Walker said it is a big undertaking theme. I was reading an article recently that said in Dallas, they are trying to balance that. They are trying to build roads as fast as they can, and infrastructure as fast as they can, but they do not have the money to build it as fast as it is coming. So you end up putting moratoriums or stopping it somewhere. You try to pace it, but like you said, a crystal ball is needed to really guess it. Mayor Countryman said with your experience, City Attorney Petrov, is this a very big gamble? Is this a really big gamble for a city like ours, or is it common practice, normal? I know we have done it before, but I am just saying is this a really big gamble or is this kind of a gamble? City Administrator Walker said it is a little gamble, but it is normal with the type of growth that you have. Mayor Countryman said I just did not know if we were really stepping out there and going big just to cover ourselves with what is coming, or if we are going out necessary. So you can go big, which means a little bit fluffy. Necessary, which means it is going to work. City Administrator Walker said you pretty much know based on the projects of what you have. You can see that that is necessary no matter what. It is kind of the bill that they will come theory, for lack of better, but you also have all of this money. This money is not being spent in one loan, so there are options to look at if we get into a position that it is not that the world stops, they do not keep coming. Mayor Countryman said you know with that one development that put in a \$2 million wall and found two springs on there and now that has come to a halt. We do not know what we do not know. What if that happens over here where Tri-Pointe is? That is going to be a big oopsy daisy, right? Council Member Czulewicz said I also see what City Engineer Roznovsky put out here where Montgomery Bend section three they are waiting until demand picks up. Is that an issue elsewhere? City Engineer Roznovsky said they start construction now. The actual infrastructure for section three is going in now. Originally, they were going to start that last year. They took a big stall while interest rates were working their way up. Section four is a little bit longer lead, specific Montgomery Bend because they had to build the traffic signal for them. When you look at all

the developments in the City, I will pick on Villages of Montgomery, they are sitting on a draft development agreement. The need is based on what do we have, what are the sections going in, what are the active agreements, the HEBs, the Briarley's, and the Tri-Pointe's. Mayor Countryman said it is not if they are coming, they are here. City Engineer Roznovsky said correct. It is a timing game and the ball has been pushed a lot, waiting for that right time because we do not want to build too early and then you sit on a bunch of capacity. We do not want to build too late and then end up in the opposite situation. Right now is you are right on that line of we have to build it. They are not getting into actual details of the project. If everything stopped, there is still a benefit of those projects. Water plant four provides pressure stability to the west side of the City that has lower pressure inflows. The sewer plant over here at Town Creek that splits flows between the two. We are not pumping all the way around the City. Even if everything stopped, there is a benefit to those facilities. Public Works Director Muckleroy said it would have to be everything that is even active right now to come to a stop to not warrant it. City Engineer Roznovsky said correct. Council Member Olson said basically you are telling us we need to decide between 20 or 30. That is our choice? Mayor Countryman said yes, that is it. City Attorney Petrov asked James Gilley can I ask a question to make sure I understand the chart? The revenue assumptions are no change from 2024. Mr. James Gilley said that is correct. City Attorney Petrov said the shortfall column F is what is sort of anticipated to be made up out of the rate increases. City Engineer Roznovsky said a portion of it. Mr. Gilley said that column F, none of this assumes any rate increases. City Administrator Walker said no, that is just wrong. City Attorney Petrov said you are going to have both the rate increases coming in and also potentially more houses or businesses using water. Your revenue side of the equation, these are pretty conservative. Mayor Countryman said that is the word I was looking for. Conservative. It is better than aggressive. City Attorney Petrov said these are big numbers. It is a little scary, no doubt about that, but they put together pretty conservative numbers and that should give you some comfort. Mayor Countryman said I based when the last time we did this too, you put together conservative numbers and we exceeded what you projected. Council Member Donaldson said that is the way we do our budgets. We do our budgets conservatively. Council Member Olson said the interest rate at 4.8 percent, is that just what is rolling right now? Mr. Gilley said yes, that is right. That is an average insurance cost for a 30-year term, shorter 20 years, maybe 4.5 percent. Regarding 20 years versus 30 years, I would suggest you have issued as short as you think you can afford, but of course it is reasonable too if the plans going to last for 40 years, then I would say it is reasonable to issue finance over a 25 or 30 period. Of course, if it is going to be benefiting the citizens of Montgomery for the next 30 years, then it makes sense that people who move into town 20 years from now also have to pay for the services. Mayor Countryman said I am concerned about what other needs we may have and carrying too much debt, then if we go out too far I would like to get a papering done because I do not know what we are going to need in the future and do not want to tie up that money. City Administrator Walker said I think it is really important, your utility rates, because that functions as a business versus the way the general fund works. You want it to be just like a business where it is a profitable business and by setting the proper rates and reviewing those often, keeping that percentage, whatever it is above, keeps you from getting in trouble with your water rates and all the other things that could happen along the way because your stuff will get old. Mayor Countryman said since I have been here, we have not upped since 2018, so my question is how often does that normally happen? City Administrator Walker said normally you review it often, but as all these new people start coming in, it may go the other way really, or maybe we are fine. It is not necessarily just to raise the rates constantly. It is just to know where you stand. You want to look at your revenue expenses. Right now we have unusual expenses because they are big expenses, but once we get past that and we get to capacity in 10 years, not much more growth, then you are just

maintaining and probably going back and fixing roads and the water and sewer that has become old. Mayor Countryman said I know we talked about it, but not raising it, I was just curious if it is a two-year cycle, a three-year cycle. We have talked about it every year, but we have not been real active about it. City Engineer Roznovsky said if you remember years ago, I think it was 2015, there was a rate plan put in place and there was a three-step increase. Two of the three were done. Mayor Countryman said yes. City Engineer Roznovsky said the administration said we are not going to do number three, so this is the number three plus. Council Member Olson asked with the improvements that we are proposing, what is our actual population capacity, household capacity? City Engineer Roznovsky said with this water plant project, it takes you through projected growth of everything into the 2030s. The biggest thing right now, your limiting factor, is the elevated storage tank which is holding you back and then another well on that side. The sewer plant is more of a stair step approach. This will increase 300,000 gallons a day and in the next four years or so we will have another sewer plant expansion to put on that. It will not be the same scale. We will have this facility, the lift station, and everything will be sized for expansion just like the Stewart Creek plant is. That lift station is sized for expansion to be able to make it a little bit easier, but it also gives us the balance of we have more development on that side of the City or this side of the City. Council Member Olson asked is there an expansion built into this yet? City Engineer Roznovsky said into this \$27 million, but these are the immediate projects. On your plan, the five year plan we looked at before, that is definitely baked in there. That is where we get through the immediate. Annually, what does the next five years, 10 years look like? What does that cash flow look like if we add another \$8 million in debt in the year 2032? What do we do now to help stair step to that point? Public Works Director Muckleroy said trying to build infrastructure now and plan for the expansion. City Engineer Roznovsky said correct. Mayor Pro-Tem Fox asked City Engineer Roznovsky would you expand on the water storage? City Engineer Roznovsky said yes. For TCEQ rules, you are limited to 2,500 connections without an elevated storage tank. Mayor Pro-Tem Fox asked where are we now? City Engineer Roznovsky said 1,400 more or less. This water plant you can go over 2,500 based on the number of the total capacity divided by the number of connections. I have the number, I just do not have it available at the moment. Mayor Countryman asked when this City is at capacity, meaning there is no more green grass to develop on, what is the projected population? City Engineer Roznovsky said we do have that, I do not know the number off the top of my head. City Administrator Walker said I just ran it for our meeting, but it depends on the density of course, and it depends on the commercial, of course, where you are at, but it says at the medium density, it will be around 12,000. If you go a little higher density, a little more apartments and that kind of stuff, then it would be closer to 20,000. Council Member Olson asked is that headcount or household? City Administrator Walker said population. City Engineer Roznovsky said one interesting thing with all of that is the ETJ rules, the exclusions, it is also a moving target at this point than what we planned for. City Administrator Walker said the one I was specifically talking about was the current inside city limits in the total land available which is about 60 percent right now that is available. Mayor Countryman said interesting. We think we have traffic now. That is just mind-blowing really to think about those numbers. Mayor Pro-Tem Fox said yes, it is. Mayor Countryman said at the pace that we are moving along, 20 years, 15 years, is not far from us. City Administrator Walker said we have to project the size of the city hall municipal building because what does that look like in employees in 10 years? That is why we were looking at those numbers.

COUNCIL INQUIRY

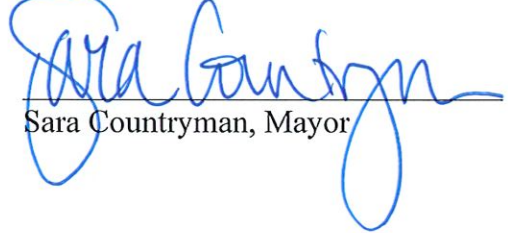
Council Member Czulewicz said the antiques people submitted the request for the antique show next year. It was turned down. Do we know why? City Administrator Walker said for the community center specifically, that was because it was in conflict with the election. Council Member Czulewicz said I did not know. I just saw it on Facebook. People complain, that is all. Mayor Countryman said she could not move it due to the dealers need it that weekend because they are trying to parlay off of Round Top's spring show. They were going to come here, but it is an election weekend, and now that the election cannot happen here, it is going to happen at the community center and that is a big part of Antiques Festival. Council Member Czulewicz said I was just curious. Mayor Countryman said it is good to have it on the record.

CLOSING AGENDA

5. Adjourn.

Motion: Mayor Pro-Tem Fox made a motion to adjourn the Workshop Meeting of the City of Montgomery at 5:51 p.m. Council Member Czulewicz seconded the motion. Motion carried with all present voting in favor.

APPROVED:


Sara Countryman, Mayor

ATTEST:


Ruby Beaven, City Secretary

