



CITY OF
CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for the City Council Meeting June 30, 2026

DATE: June 30, 2026
TO: Peter Zaroni, City Manager
FROM: Nicholas Winkelmann, P.E., Chief Operating Officer, Corpus Christi Water
Nickw@corpuschristitx.gov
(361) 826-1796

Kamil Taras
Assistant Director, Finance & Administration, Corpus Christi Water
KamilT@corpuschristitx.gov
(361) 826-1844

Sergio Villasana
Director, Finance & Procurement
SergioV2@corpuschristitx.gov
(361) 826-3227

**Amendment to Service Agreement with NewGen Strategies and Solutions for
Utility Rate Model and Consulting Services for the Corpus Christi Water**

CAPTION:

Motion authorizing Amendment No. 6 to the service agreement with NewGen Strategies and Solutions, LLC, for utility rate model development and consulting services for Corpus Christi Water in an amount up to \$184,687.00, with FY 2026 funding from the Water Fund.

SUMMARY:

This motion authorizes an amendment to the current agreement with NewGen Strategies and Solutions, LLC. The original scope of services with the contract amount of \$233,770.00 covered 16 months, July 2022 through October 2023, and included the development of a new rate model and a financial planning tool, as well as a cost-of-service study to guide rate-setting for 2024 rates. The five one-year option periods facilitated the annual rate model update to review rates for wholesale (annually as per contract) and retail customers (every two years as per policy).

BACKGROUND AND FINDINGS:

NewGen Solutions and Strategies, LLC. was selected through a competitive Request for Qualifications process in 2022. Beginning in July 2022, NewGen has worked with the Corpus Christi Water (CCW) Department through this agreement in order to optimize data analysis and

to identify the best strategic approach for developing a rate model as well as financial strategies that address stakeholder demands.

Year one of five option periods was executed in November 2023 and year two of five option periods was executed in November of 2024 to provide annual updates of the water/wastewater utility rate model. Annual updates on the rate model are required to ensure contract compliance and help to provide updates to City Council on water and wastewater revenue requirements and rate adjustments.

The original amount of the agreement was \$233,770.00. During the first 16 months of the agreement, CCW required additional analysis which led to an amendment in July 2023 for \$49,500.00. In November 2023, year one of five option periods was exercised for \$45,000. During the FY 2024 budget process, the City Council voted to review retail water and wastewater rates on an annual basis instead of a two-year basis. With this change in policy, more work by NewGen was required which led to Amendment #3 in the amount of \$204,040.00. Additionally, NewGen will also provide rate analysis for alternative water sources if they are brought into the City's water sources portfolio. In September 2024, Amendment #4 in the amount of \$45,000.00 was established for additional labor costs incurred for meetings and discussions at the request of the City Council. In November of 2024, year two of five option periods was exercised for \$45,000.00 and in November 2025, year three of five option periods was exercised for \$45,000.00.

Description	Date	Amount
Original Agreement	22-Jul	\$ 233,770.00
Amendment #1	23-Jul	\$ 49,500.00
Amendment #2	23-Jul	\$ 21,000.00
Deleted (Included in Amendment #3)		\$ (21,000.00)
Amendment #3	24-Feb	\$ 204,040.00
Amendment #4	24-Sep	\$ 45,000.00
Amendment #5	25-Apr	\$ 316,080.00
	<i>Subtotal</i>	\$ 848,390.00
Option Year 1	23-Nov	\$ 45,000.00
Option Year 2	24-Nov	\$ 45,000.00
Option Year 3	25-Nov	\$ 45,000.00
	<i>Subtotal</i>	\$ 135,000.00
Amendment #6	26-Jun	\$ 184,687.00
	Cumulative Total	\$ 1,168,077.00

Proposed Amendment #6 is for the Rate Study for Determination of FY 2027 Rates and includes the following:

- Project Initiation and Project Management
- Update Consumption and Revenue Analysis
- Update Multi-Year Financial Plan
- Water and Wastewater Cost of Service
- Rate Design and Benchmarking
- Public Involvement and City Council Meetings (with Presentations)
- Report

ALTERNATIVES:

The City can choose not to expand the scope of services for NewGen to assist in financial strategic planning and rate model updates. However, without this amendment, CCW staff would not be able to provide adequate financial and rate model support for decision makers.

FISCAL IMPACT:

The fiscal impact in FY 2026 for CCW is an amount of \$184,687.00 from the Water Fund.

Funding Detail:

Fund: 4010 Water Fund
Organization/Activity: 30000
Department: 45
Project # (CIP Only): N/A
Account: 530000
Cost: \$184,687.00

RECOMMENDATION:

Staff recommends approval of this motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Amendment No. 6