



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 9

Agenda Date: May 8, 2025

In Control: City Council A Session

DEPARTMENT: Development Services Department

DEPARTMENT HEAD: Michael Shannon

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

SAWS Lien Authority and Update to Proactive Apartment Inspection Program

SUMMARY:

An ordinance granting SAWS the authority to attach liens to non-homestead properties for delinquent bills and allowing automatic accrual of program points to the Proactive Apartment Inspection Program if water service is disconnected on a master meter.

BACKGROUND INFORMATION:

On August 7, 2024, Councilmember Jalen McKee-Rodriguez and Councilmember Marina Alderete Gavito submitted a Council Consideration Request (CCR) directing staff to explore methods to prevent the disconnection of water service to apartment tenants in good standing when property owners and/or managers collect funds but fail to pay the San Antonio Water System (SAWS) for services.

The CCR also highlights recent situations whereby tenants, otherwise in good standing, have disconnected water service due to property managers failing to pay their SAWS bills. The CCR requests that City and SAWS staff explore updates to the Proactive Apartment Inspections Program (PAIP), initially created in 2023, that would require:

- That apartment complexes that consistently pay SAWS bills late be enrolled in the Program and pay the associated fees.
- That apartment complex managers and owners promptly notify tenants in writing when they enter into a payment plan with SAWS.
- Mandate that delinquent complexes be managed by a reputable property management company not currently or recently registered in the Program.
- Develop a City of San Antonio (CoSA) maintained website whereby the names and addresses of apartment complexes that are significantly delinquent are publicly available to view.
- SAWS will share customer data with CoSA to allow departments to coordinate and respond.
- Review and recommend changes to SAWS policies and procedures to notify property owners, payment arrangements, and/or fees that are implemented consistently and documented appropriately before a shutoff is scheduled.

The CCR was referred to the Municipal Utilities Committee and discussed in the February and March 2025 Committee meetings. The committee recommended granting SAWS authority to attach liens to certain properties for delinquent bills and updating our City's Proactive Apartment Inspection Program to allow automatic accrual of program points to properties if water service is disconnected on a master meter. The SAWS Board of Trustees will consider the recommendation at their May 6, 2025 meeting.

ISSUE:

Section 552.0025 of the Texas Local Government Code states that a municipality may adopt an ordinance to impose liens against an owner's property for delinquent municipal utility service bills if certain conditions have been met such as outlined below; however, in order to impose a lien, the City Council of the City must adopt an ordinance establishing its intent to do so. The ability for SAWS to impose a lien, as permitted by Local Government Code 552.0025, provides an additional legal remedy that it can utilize in the recovery of amounts owed from customers who have a delinquent account.

The proposed Ordinance includes amending Chapter 34 of the City of San Antonio Municipal Code to allow for the imposition of municipal utility service liens against an owner's property for delinquent municipal utility service bills if certain conditions are met, pursuant to and consistent with §552.0025 of the Texas Local Government. A properly recorded municipal utility service lien is superior to all liens except for a bona fide mortgage lien. A lien may not be filed against a person's homestead.

A lien will not be imposed if the service is: i) connected in a tenant's name after the property owner has given notice that the property is a rental property; ii) service is connected in a tenant's name prior to the effective date of the ordinance imposing the lien; or iii) the property is designated as a homestead.

The lien must be perfected by recording a notice of lien in the real property records of the county where the property is located containing a legal description of the property and the utility account number for the delinquent charges and may include penalties, interest and collections costs.

The proposed ordinance will change City Code Chapter 34 to allow placing liens on certain accounts with outstanding balances and delegate authority to SAWS Board of Trustees and President/CEO to administer and impose the lien. Additionally, the proposed ordinance includes changing City Code Chapter 6 to allow automatic accrual of points to the PAIP if water service is disconnected on a master meter. These changes will result in enhanced protection for tenants from water disconnections.

ALTERNATIVES:

Council could choose not to grant lien authority to SAWS and/or not to change the Proactive Apartment Inspection Program.

FISCAL IMPACT:

No fiscal impact.

RECOMMENDATION:

City Staff recommends approval of the proposed ordinance to change City Code Chapter 34 to allow placing liens on accounts with outstanding balances and City Code Chapter 6 to allow automatic accrual of points to the Proactive Apartment Inspection Program if water service is disconnected on a master meter.