

THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED ORDINANCE OR RESOLUTION ADOPTED BY THE CITY COUNCIL.

ORDINANCE

APPROVING ADJUSTMENTS TO THE SAN ANTONIO WATER SYSTEM (SAWS) RECYCLED WATER RATES FOR 2023 (15.0%) AND AUTHORIZING UP TO MAXIMUM ANNUAL PERCENTAGE ADJUSTMENTS FOR 2024 (10.0%), 2025 (10.0%), 2026 (10.0%) AND 2027 (10.0%) RESPECTIVELY; AND AMENDING CHAPTER 34 OF THE CITY CODE AND PRIOR CITY COUNCIL ORDINANCES CONSISTENT HEREWITH.

* * * * *

WHEREAS, the San Antonio Water System (“SAWS”) is a municipally owned utility of the City of San Antonio; and

WHEREAS, SAWS operates the nation’s largest direct recycled water system; and

WHEREAS, recycled water is a by-product of sewage treatment and uses state of the art treatment processes to remove wastewater contaminants; and

WHEREAS, the recycled water displaces demand for potable water, freeing that resource for human use; and

WHEREAS, SAWS conveys its recycled water through the SAWS purple pipe system for beneficial uses including landscape and golf course irrigation, industrial processes, cooling towers, and supplementing flows in the San Antonio River and Salado Creek; and

WHEREAS, currently, recycled water rates only recover approximately one-third of the annual operating costs of the SAWS recycled water system with the remaining costs being recovered from rates charged to potable water users; and

WHEREAS, the SAWS Board of Trustees (the “Board”) appointed members to the 2022 Rate Advisory Committee (the “2022 RAC”) to provide recommendations to the Board regarding the rate structures for water and wastewater services, including recycled water; and

WHEREAS, the 2022 RAC recommended increasing the recycled water rates; and

WHEREAS, the Board has recommended to the City Council that the recycled water rates be increased for 2023 (15.0%) and a maximum annual “up-to” percentage adjustment to recycled water rates for 2024 (10.0%), 2025 (10.0%), 2026 (10.0%) and 2027 (10.0%), respectively, consistent with the 2022 RAC recommendations; and

WHEREAS, the Supervisor of Public Utilities has reviewed the rate change request, considers it reasonable, and recommended approval of the rates along with certain monitoring procedures; and

WHEREAS, in the exercise of its governmental regulatory authority, the City Council has determined that approval of the Board's requests is reasonable and necessary to improve recovery of the annual operating cost of the recycled water system; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Council approves and authorizes a 15.0% adjustment to SAWS recycled water rates effective on or about January 1, 2023, as set forth in Attachment I.

SECTION 2. The City Council approves and authorizes additional adjustments to the recycled water rates effective on or about January 1, 2024, January 1, 2025, January 1, 2026, and January 1, 2027, respectively, of up to the maximum rates set forth in Attachment II.

SECTION 3. The City Council approves and hereby adopts the accountability procedures set forth in Attachment III.

SECTION 4. The City Council finds that the adjustments authorized and approved by this Ordinance are reasonable and necessary to improve recovery of the annual operating costs of the SAWS recycled water system.

SECTION 5. Chapter 34 of the City Code of San Antonio, Texas (City Code), and prior City Council Ordinances regarding same, are hereby amended to be consistent with this Ordinance and its attachments including, but not limited to, the rate schedules attached hereto and which are incorporated herein. Chapter 34 of the City Code is hereby amended by adding the language that is underlined (added) and deleting the language that is stricken (~~deleted~~) to the existing text as set forth in this Ordinance. All other provisions of Chapter 34 of the City Code shall remain unchanged and in full force and effect, unless expressly amended by this Ordinance.

SECTION 6. If any part, section, paragraph, sentence, phrase or word of this Ordinance is for any reason held to be unconstitutional, illegal, inoperative, or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid, or ineffective, the remainder of this Ordinance shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid, or ineffective.

SECTION 7. The publishers of the City Code of San Antonio, Texas are authorized to amend said Code to reflect the changes adopted herein and to correct typographical errors and to index, format and number paragraphs to the existing Code.

SECTION 8. Funding in the amount of \$98,000.00 for this ordinance is available in Various Funds, Various Cost Centers and General Ledger 5407540 as part of the Fiscal Year 2023 Adopted Budget approved by City Council.

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SECTION 9. Additional funding is contingent upon City Council approval of the Fiscal Year 2024 and subsequent budgets that fall within the contract terms of this ordinance.

SECTION 10. Payment is authorized to SAWS and should be encumbered with a purchase order.

SECTION 11. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 12. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 10th day of November, 2022.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney

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ATTACHMENT I

Rate-Related Amendments

ATTACHMENT I

RATE-RELATED AMENDMENTS TO CHAPTER 34, ARTICLE VIII OF THE SAN ANTONIO CITY CODE

The City Code of the City of San Antonio Chapter 34, Water and Sewers, Article VIII, Recycled Water Service and Rates is hereby amended by deleting the language that is stricken and adding the language that is underlined (added) as set forth herein.

Article VIII. Recycled Water Service and Rates

Section 34-1301. Establishment of Rates.

The rates and charges for recycled water service which will be applied to all recycled water consumption beginning on or about January 1, ~~2017~~ 2023, are set out in Schedule F to this Chapter and shall be the lawful rates for recycled water service to be charged by the System.

SCHEDULE F
RECYCLED WATER RATE SCHEDULES
SAN ANTONIO WATER SYSTEM
San Antonio, Texas

Effective for Consumption on or about January 1, 2020

Water service charges for all recycled water service shall be the sum of the appropriate Service Availability Charge and the application of the Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the appropriate schedule below.

EDWARDS EXCHANGE CUSTOMERS

**MONTHLY SERVICE
AVAILABILITY CHARGES**

Meter Size	Service
5/8"	\$ 14.71
3/4"	\$ 19.13
1"	\$ 24.94
1-1/2"	\$ 39.62
2"	\$ 57.93
3"	\$ 154.09
4"	\$ 229.04
6"	\$ 436.90
8"	\$ 658.58
10"	\$ 903.06
12"	\$ 1,114.22

MONTHLY VOLUME CHARGES

Usage Blocks	Rate Per 100 Gallons	
	Standard	Seasonal
Transferred Amount	\$ 0.0387	\$ 0.0387
All in excess of transferred amount	\$ 0.1452	\$ 0.1542

The Volume Charge "Seasonal" Rate Per 100 Gallons shall be applied to all billings beginning on or about May 1 and ending after five complete billing months on or about September 30 of each year. At all other times the Volume Charge "Standard" Rate Per 100 Gallons shall be utilized.

NON EDWARDS EXCHANGE CUSTOMERS

MONTHLY SERVICE AVAILABILITY CHARGES

Meter Size	Availability
5/8"	\$ 14.71
3/4"	\$ 19.13
1"	\$ 24.94
1-1/2"	\$ 39.62
2"	\$ 57.93
3"	\$ 154.09
4"	\$ 229.04
6"	\$ 436.90
8"	\$ 658.58
10"	\$ 903.06
12"	\$ 1,114.22

MONTHLY VOLUME CHARGES

Usage Blocks	Rate Per 100 Gallons	
	Standard	Seasonal
First 748,000	\$ 0.1553	\$ 0.1670
Over 748,000	\$ 0.1588	\$ 0.1684

The Volume Charge "Seasonal" Rate Per 100 Gallons shall be applied to all billings beginning on or about May 1 and ending after five complete billing months on or about September 30 of each year. At all other times the Volume Charge "Standard" Rate Per 100 Gallons shall be utilized.

SCHEDULE F
RECYCLED WATER RATE SCHEDULES
SAN ANTONIO WATER SYSTEM

San Antonio, Texas

Effective for Consumption on or about January 1, 2023

Water service charges for all recycled water service shall be the sum of the appropriate Service Availability Charge and the application of the Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the appropriate schedule below.

EDWARDS EXCHANGE CUSTOMERS

<u>MONTHLY SERVICE AVAILABILITY CHARGES</u>		<u>MONTHLY VOLUME CHARGES</u>		
<u>Meter Size</u>	<u>Service Availability Charge</u>	<u>Usage Blocks</u>	<u>Rate Per 1,000 Gallons</u>	
			<u>Standard</u>	<u>Seasonal</u>
<u>5/8"</u>	<u>\$ 16.92</u>	<u>Transferred Amount</u>	<u>\$ 0.4460</u>	<u>\$ 0.4460</u>
<u>3/4"</u>	<u>\$ 22.00</u>			
<u>1"</u>	<u>\$ 28.69</u>	<u>All in excess of</u>		
<u>1-1/2"</u>	<u>\$ 45.57</u>	<u>transferred amount</u>	<u>\$ 1.6700</u>	<u>\$ 1.7740</u>
<u>2"</u>	<u>\$ 66.62</u>			
<u>3"</u>	<u>\$ 177.21</u>			
<u>4"</u>	<u>\$ 263.40</u>			
<u>6"</u>	<u>\$ 502.44</u>			
<u>8"</u>	<u>\$ 757.37</u>			
<u>10"</u>	<u>\$ 1,038.52</u>			
<u>12"</u>	<u>\$ 1,281.36</u>			

The Volume Charge "Seasonal" Rate Per 1,000 Gallons shall be applied to all billings beginning on or about May 1 and ending after five complete billing months on or about September 30 of each year. At all other times the Volume Charge "Standard" Rate Per 1,000 Gallons shall be utilized.

NON EDWARDS EXCHANGE CUSTOMERS

<u>MONTHLY SERVICE AVAILABILITY CHARGES</u>		<u>MONTHLY VOLUME CHARGES</u>		
<u>Meter Size</u>	<u>Service Availability Charge</u>	<u>Usage Blocks</u>	<u>Rate Per 1,000 Gallons</u>	
			<u>Standard</u>	<u>Seasonal</u>
<u>5/8"</u>	<u>\$ 16.92</u>	<u>First 748,000</u>	<u>\$ 1.7860</u>	<u>\$ 1.9210</u>
<u>3/4"</u>	<u>\$ 22.00</u>			
<u>1"</u>	<u>\$ 28.69</u>	<u>Over 748,000</u>	<u>\$ 1.8270</u>	<u>\$ 1.9370</u>
<u>1-1/2"</u>	<u>\$ 45.57</u>			
<u>2"</u>	<u>\$ 66.62</u>			
<u>3"</u>	<u>\$ 177.21</u>			
<u>4"</u>	<u>\$ 263.40</u>			
<u>6"</u>	<u>\$ 502.44</u>			
<u>8"</u>	<u>\$ 757.37</u>			
<u>10"</u>	<u>\$ 1,038.52</u>			
<u>12"</u>	<u>\$ 1,281.36</u>			

The Volume Charge "Seasonal" Rate Per 1,000 Gallons shall be applied to all billings beginning on or about May 1 and ending after five complete billing months on or about September 30 of each year. At all other times the Volume Charge "Standard" Rate Per 1,000 Gallons shall be utilized.

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ATTACHMENT II

Up To Maximum Calculated Rates for Years 2024 to 2027

ATTACHMENT II – Up To Maximum Calculated Rates for Years 2024 to 2027

**ANNUAL MAXIMUM AUTHORIZED
RECYCLED WATER RATE SCHEDULES
SAN ANTONIO WATER SYSTEM**

San Antonio, Texas

Effective for Consumption on or about January 1, 2024

Water service charges for all recycled water service shall be the sum of the appropriate Service Availability Charge and the application of the Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the appropriate schedule below.

EDWARDS EXCHANGE CUSTOMERS

**MONTHLY SERVICE
AVAILABILITY CHARGES**

MONTHLY VOLUME CHARGES

Meter Size	Service Availability Charge	Usage Blocks	Rate Per 1,000 Gallons	
			Standard	Seasonal
5/8"	\$18.61	Transferred Amount	\$0.4906	\$0.4906
3/4"	\$24.20			
1"	\$31.56	All in excess of		
1-1/2"	\$50.13	transferred amount	\$1.8370	\$1.9514
2"	\$73.28			
3"	\$194.93			
4"	\$289.74			
6"	\$552.68			
8"	\$833.11			
10"	\$1,142.37			
12"	\$1,409.50			

The Volume Charge "Seasonal" Rate Per 1,000 Gallons shall be applied to all billings beginning on or about May 1 and ending after five complete billing months on or about September 30 of each year. At all other times the Volume Charge "Standard" Rate Per 1,000 Gallons shall be utilized.

NON EDWARDS EXCHANGE CUSTOMERS

**MONTHLY SERVICE
AVAILABILITY CHARGES**

MONTHLY VOLUME CHARGES

Meter Size	Service Availability Charge	Usage Blocks	Rate Per 1,000 Gallons	
			Standard	Seasonal
5/8"	\$18.61	First 748,000	\$1.9646	\$2.1131
3/4"	\$24.20			
1"	\$31.56	Over 748,000	\$2.0097	\$2.1307
1-1/2"	\$50.13			
2"	\$73.28			
3"	\$194.93			
4"	\$289.74			
6"	\$552.68			
8"	\$833.11			
10"	\$1,142.37			
12"	\$1,409.50			

The Volume Charge "Seasonal" Rate Per 1,000 Gallons shall be applied to all billings beginning on or about May 1 and ending after five complete billing months on or about September 30 of each year. At all other times the Volume Charge "Standard" Rate Per 1,000 Gallons shall be utilized.

**ANNUAL MAXIMUM AUTHORIZED
RECYCLED WATER RATE SCHEDULES
SAN ANTONIO WATER SYSTEM**

San Antonio, Texas

Effective for Consumption on or about January 1, 2025

Water service charges for all recycled water service shall be the sum of the appropriate Service Availability Charge and the application of the Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the appropriate schedule below.

EDWARDS EXCHANGE CUSTOMERS

MONTHLY SERVICE AVAILABILITY CHARGES		MONTHLY VOLUME CHARGES		
Meter Size	Service Availability Charge	Usage Blocks	Rate Per 1,000 Gallons	
			Standard	Seasonal
5/8"	\$20.47	Transferred Amount	\$0.5397	\$0.5397
3/4"	\$26.62			
1"	\$34.71	All in excess of		
1-1/2"	\$55.14	transferred amount	\$2.0207	\$2.1465
2"	\$80.61			
3"	\$214.42			
4"	\$318.71			
6"	\$607.95			
8"	\$916.42			
10"	\$1,256.61			
12"	\$1,550.45			

The Volume Charge "Seasonal" Rate Per 1,000 Gallons shall be applied to all billings beginning on or about May 1 and ending after five complete billing months on or about September 30 of each year. At all other times the Volume Charge "Standard" Rate Per 1,000 Gallons shall be utilized.

NON EDWARDS EXCHANGE CUSTOMERS

MONTHLY SERVICE AVAILABILITY CHARGES		MONTHLY VOLUME CHARGES		
Meter Size	Service Availability Charge	Usage Blocks	Rate Per 1,000 Gallons	
			Standard	Seasonal
5/8"	\$20.47	First 748,000	\$2.1611	\$2.3244
3/4"	\$26.62			
1"	\$34.71	Over 748,000	\$2.2107	\$2.3438
1-1/2"	\$55.14			
2"	\$80.61			
3"	\$214.42			
4"	\$318.71			
6"	\$607.95			
8"	\$916.42			
10"	\$1,256.61			
12"	\$1,550.45			

The Volume Charge "Seasonal" Rate Per 1,000 Gallons shall be applied to all billings beginning on or about May 1 and ending after five complete billing months on or about September 30 of each year. At all other times the Volume Charge "Standard" Rate Per 1,000 Gallons shall be utilized.

**ANNUAL MAXIMUM AUTHORIZED
RECYCLED WATER RATE SCHEDULES
SAN ANTONIO WATER SYSTEM**

San Antonio, Texas

Effective for Consumption on or about January 1, 2026

Water service charges for all recycled water service shall be the sum of the appropriate Service Availability Charge and the application of the Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the appropriate schedule below.

EDWARDS EXCHANGE CUSTOMERS

MONTHLY SERVICE AVAILABILITY CHARGES		MONTHLY VOLUME CHARGES		
Meter Size	Service Availability Charge	Usage Blocks	Rate Per 1,000 Gallons	
			Standard	Seasonal
5/8"	\$22.52	Transferred Amount	\$0.5936	\$0.5936
3/4"	\$29.28			
1"	\$38.19	All in excess of		
1-1/2"	\$60.65	transferred amount	\$2.2228	\$2.3612
2"	\$88.67			
3"	\$235.87			
4"	\$350.59			
6"	\$668.75			
8"	\$1,008.06			
10"	\$1,382.27			
12"	\$1,705.49			

The Volume Charge "Seasonal" Rate Per 1,000 Gallons shall be applied to all billings beginning on or about May 1 and ending after five complete billing months on or about September 30 of each year. At all other times the Volume Charge "Standard" Rate Per 1,000 Gallons shall be utilized.

NON EDWARDS EXCHANGE CUSTOMERS

MONTHLY SERVICE AVAILABILITY CHARGES		MONTHLY VOLUME CHARGES		
Meter Size	Service Availability Charge	Usage Blocks	Rate Per 1,000 Gallons	
			Standard	Seasonal
5/8"	\$22.52	First 748,000	\$2.3772	\$2.5569
3/4"	\$29.28			
1"	\$38.19	Over 748,000	\$2.4317	\$2.5781
1-1/2"	\$60.65			
2"	\$88.67			
3"	\$235.87			
4"	\$350.59			
6"	\$668.75			
8"	\$1,008.06			
10"	\$1,382.27			
12"	\$1,705.49			

The Volume Charge "Seasonal" Rate Per 1,000 Gallons shall be applied to all billings beginning on or about May 1 and ending after five complete billing months on or about September 30 of each year. At all other times the Volume Charge "Standard" Rate Per 1,000 Gallons shall be utilized.

**ANNUAL MAXIMUM AUTHORIZED
RECYCLED WATER RATE SCHEDULES
SAN ANTONIO WATER SYSTEM**

San Antonio, Texas

Effective for Consumption on or about January 1, 2027

Water service charges for all recycled water service shall be the sum of the appropriate Service Availability Charge and the application of the Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the appropriate schedule below.

EDWARDS EXCHANGE CUSTOMERS

MONTHLY SERVICE AVAILABILITY CHARGES		MONTHLY VOLUME CHARGES		
Meter Size	Service Availability Charge	Usage Blocks	Rate Per 1,000 Gallons	
			Standard	Seasonal
5/8"	\$24.77	Transferred Amount	\$0.6530	\$0.6530
3/4"	\$32.21			
1"	\$42.01	All in excess of		
1-1/2"	\$66.72	transferred amount	\$2.4450	\$2.5973
2"	\$97.54			
3"	\$259.45			
4"	\$385.64			
6"	\$735.62			
8"	\$1,108.87			
10"	\$1,520.50			
12"	\$1,876.04			

The Volume Charge "Seasonal" Rate Per 1,000 Gallons shall be applied to all billings beginning on or about May 1 and ending after five complete billing months on or about September 30 of each year. At all other times the Volume Charge "Standard" Rate Per 1,000 Gallons shall be utilized.

NON EDWARDS EXCHANGE CUSTOMERS

MONTHLY SERVICE AVAILABILITY CHARGES		MONTHLY VOLUME CHARGES		
Meter Size	Service Availability Charge	Usage Blocks	Rate Per 1,000 Gallons	
			Standard	Seasonal
5/8"	\$24.77	First 748,000	\$2.6149	\$2.8125
3/4"	\$32.21			
1"	\$42.01	Over 748,000	\$2.6749	\$2.8360
1-1/2"	\$66.72			
2"	\$97.54			
3"	\$259.45			
4"	\$385.64			
6"	\$735.62			
8"	\$1,108.87			
10"	\$1,520.50			
12"	\$1,876.04			

The Volume Charge "Seasonal" Rate Per 1,000 Gallons shall be applied to all billings beginning on or about May 1 and ending after five complete billing months on or about September 30 of each year. At all other times the Volume Charge "Standard" Rate Per 1,000 Gallons shall be utilized.

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ATTACHMENT III

Accountability Procedures

ATTACHMENT III –Accountability Procedures

Recycled Water System – Ongoing evaluation will continue to ensure that the pre-approved 5-year plan from January 1, 2023, through 2027 is reasonable and necessary for SAWS recycled water system and its customers. SAWS shall:

1. Consult with the SAWS Board to determine the appropriate level of maximum recovery for the Recycled Water System, when compared to a 100% cost of service, to recognize the positive benefits of the system as an alternative to the use of potable water, benefits to conservation, and to continue to encourage its utilization.
2. Provide a mid-year financial report on the Recycled Water System as of June 30 each year to be delivered no later than August 15 each year.
3. SAWS and City Staff will monitor the maximum annual adjustments authorized to achieve the recovery goal set by the Board.
 - a. 60 days prior to the implementation of any previously approved “up-to” rate increase, SAWS will provide to the City’s Public Utilities Division:
 - i. The proposed rate increase and the calculation method,
 - ii. Updated sources and uses or cost of service data that illustrates the continued need for the requested rate increase
 - iii. Underlying support for the increase, and
 - iv. Any additional information requested by Public Utilities
4. Annual adjustments under the pre-approved “up-to” maximum amounts require concurrence of the Supervisor of Public Utilities
5. Should the maximum pre-approved “up to” rate increase not be deemed necessary in any given year (2024 through 2027), the City Code, tariff sheet, for that given year will be updated in Chapter 34 of the City Code to reflect the lower amount for that year and resulting modified increases (lower amount) every subsequent year.