

Legislation Text

File #: 20-518, **Version:** 1

Presenter/Contact

Dawn Schriewer, NBU Chief Financial Officer
(830) 629-8468 - dschriewer@nbutexas.com

SUBJECT:

Public Hearing and Approval of the First Reading of an Ordinance (i) Amending Chapter 130, Article IV, Section 130-167 of the Code Of Ordinances of the City of New Braunfels Relating to Water Rates and Charges for Fiscal Year 2021; and (ii) Providing for Automatic Upward Adjustments of Water Rates and Charges for Fiscal Year 2022 and Fiscal Year 2023

BACKGROUND / RATIONALE:

NBU staff is proposing water rate changes designed to fund its FY 2021 budget. In June 2020, the NBU Board of Trustees approved the NBU Budget for FY 2021 which provides the basis and rationale for a water rate adjustment effective November 1, 2020. The NBU Board approved the rate increase and structure at its September 24, 2020 meeting.

NBU's twenty-year water infrastructure and water supply strategies are identified in NBU's Master Plan and Water Resources Plan respectively. The proposed rates will provide the revenue needed to make these investments while placing the majority of costs for water on high volume water users. The rates are also designed to achieve NBU's goal of lowering its gallons per capita per day (gpcd) usage from 168 to 120. Throughout the process of designing rates, NBU has been careful to protect those customers who only use water for domestic purposes including drinking, bathing and preparing food.

The proposed FY 2021 water rate design includes (i) a base rate increase for FY 2021 of 7.0%, (ii) an annual upward adjustment of base rates for FY 2022 and FY 2023 of 8.0%, and (iii) an increase to the water supply fee from \$0.33 per thousand gallons to \$1.05 per thousand gallons, with the exclusion of the water supply fee from the first usage block for residential customers. In addition, the proposed FY 2021 water rate design includes the implementation of a discount program for low income customers.

The presentation, proposed rates, updated ordinance, and board resolution are attached. The second reading of the proposed ordinance is scheduled for October 26, 2020, and, if approved, the proposed rates become effective on November 1, 2020.

ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:

| | | | |
|--------------------------|-----|-----------------------------|--|
| <input type="checkbox"/> | N/A | City Plan/Council Priority: | |
|--------------------------|-----|-----------------------------|--|

FISCAL IMPACT:

N/A

COMMITTEE RECOMMENDATION:

The New Braunfels Utilities Board of Trustees adopted a resolution on September 24, 2020 recommending the proposed amendments to the water rate Ordinance.

STAFF RECOMMENDATION:

NBU Staff recommends approval of the ordinance.

ATTACHMENTS:

1. Ordinance
2. Proposed Water Rate Tables
3. NBU Board Resolution - Water
4. Water and Sewer Rate Presentation