

Legislation Text

File #: 20-616, **Version:** 1

Presenter/Contact

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SUBJECT:

Discuss and consider the approval of the second and final reading of an ordinance amending Chapter 130, Article V, Section 130-257 of the Code of Ordinances of the City of New Braunfels relating to sewer rates and charges for Fiscal Year 2021; and providing for automatic upward adjustments of sewer rates and charges for Fiscal Year 2022 and Fiscal Year 2023.

BACKGROUND / RATIONALE:

NBU staff is proposing wastewater 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 wastewater 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 wastewater infrastructure strategies are identified in NBU's Master Plan. NBU had to satisfy a revenue requirement for sewer in order to build and maintain infrastructure to meet regulatory requirements. The proposed rates will provide the revenue needed to make these investments.

The proposed FY 2021 sewer rate design includes (i) a base rate increase for FY 2021 of 16.5%; and (ii) an annual upward adjustment of base rates for FY 2022 and FY 2023 of 13.0%. In addition, the proposed FY 2021 sewer 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.

PROPOSED CODE OF ORDINANCE CHANGES

NBU staff has included in the City Council backup materials a redline version of City of New Braunfels Code of Ordinances Chapter 130-257 - Sewer Rates.

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

<input type="checkbox"/>	N/A	City Plan/Council Priority:	
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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 sewer rate Ordinance.

STAFF RECOMMENDATION:

NBU Staff recommends approval of the ordinance.

ATTACHMENTS:

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