



Citizens Utility Advisory Board

Chairperson: *Ms. Heather Baca*

Members: *Ms. Keely Hennig, Mr. Paul Jensen, Ms. Isabella Crosby, Dr. Ben Zhan, Councilmember Shane Scott (ex-officio)*

August 6, 2021

The Honorable Mayor Jane Hughson and Members of the City Council
630 East Hopkins Street
San Marcos, Texas 78666

RE: Citizens Utility Advisory Board's Utility Rate Adjustment Recommendations

Dear Honorable Mayor Hughson and Members of Council:

The Citizens Utility Advisory Board ("CUAB") received presentations and materials related to the FY2022 budget and rate modeling, including proposed user rate increases in electric, water, and wastewater utility services.

Information was presented at the August 5th, 2021 CUAB meeting related to user rates for electric, water, and wastewater utility services. CUAB reviewed the rate model and cost of service study presented by City staff and the rate consultant, discussed the proposed FY2022 budget, and by a 3-1 vote recommend approval of (i) a 5% rate adjustment for electric rates and rebalancing between classes as determined by the cost of service study (ii) a 5% rate adjustment for water service; and (iii) a 3% rate adjustment for wastewater service. The electric rate adjustment is the first since 2014. The water rate adjustment is consistent with the multi-year plan comprised of small periodic adjustments recommended by CUAB to City Council beginning in FY15. This steady approach benefits City utility customers by ensuring adequate funding levels to recover adequate utility costs, continuing a high level of service delivery, and achieving future water supply security, while minimizing the financial impact on customers.

We sincerely appreciate the opportunity to serve our community and respectfully request you consider adoption of these recommendations.

Sincerely,

San Marcos Citizens Utility Advisory Board*



Heather Baca



Keely Hennig



Paul Jensen

Isabella Crosby

(Absent from the 8/5/2021 meeting)

Ben Zhan

Councilmember Shane Scott

**The Citizens Utility Advisory Board consists of 5 voting members, with a City Council Member appointed as a non-voting, ex-officio member. A majority of the voting membership of the board members constitute a quorum.*