



City of San Marcos

Water-Wastewater Utility

Public Hearing

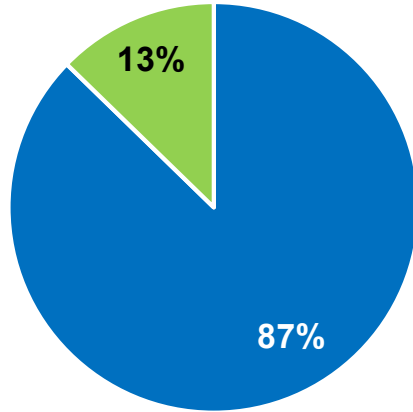
Fiscal Year 2026

September 2, 2025

Water-Wastewater Utility Overview

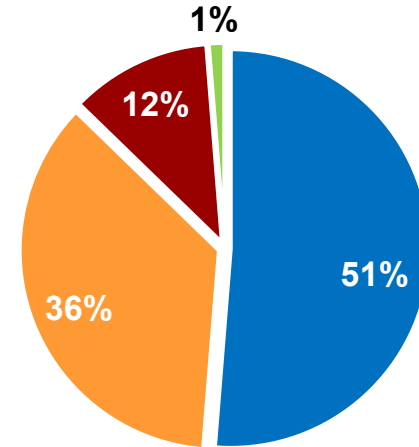


Total Revenues = \$77.0M



■ Water & Wastewater Utility Bills ■ Other Revenue

Total Expenses = \$76.1M



■ Operating ■ Debt Service ■ Personnel ■ One-time

Water-Wastewater Utility Fund



UTILITIES FUND - W/WW	FY 2024 ACTUALS	FY 2025 BUDGET	FY 2025 ESTIMATE	FY 2026 PROPOSED
Beginning Fund Balance	\$ 28,271,950	\$ 30,664,686	\$ 30,664,686	\$ 32,942,474
Revenues	\$ 62,942,588	\$ 69,422,652	\$ 69,422,652	\$ 77,004,022
Water & Wastewater Utility Bills	60,589,982	68,093,703	68,093,703	67,213,167
Other Revenue	2,352,606	1,328,949	1,328,949	9,790,855
Expenses	\$ 60,549,852	\$ 67,426,341	\$ 67,144,864	\$ 76,066,884
Personnel	7,252,681	8,579,954	7,798,798	8,729,973
Operating	29,001,701	35,470,502	34,455,778	38,996,869
Debt Service	20,786,700	22,463,141	22,463,141	27,379,890
One-time	3,508,770	912,744	2,427,147	960,152
Ending Fund Balance	\$ 30,664,686	\$ 32,660,997	\$ 32,942,474	\$ 33,879,612

Days of Cash on Hand 162
sanmarcostx.gov
Fund Balance Reserve Requirement for 150 Days \$31,294,472

Water-Wastewater Utility Major Increases



Public Safety, Core Services & Fiscal Excellence

Cost Drivers – Personnel

- 3% Increase in personnel costs = \$257K
- New Water Distribution Supervisor = \$164K

Cost Drivers – Operating

- Alliance Regional Water Authority contract = \$250K
- Surface Water Treatment Plant contract = \$242K
- Wastewater Treatment Plant contract = \$700K

Cost Drivers – Debt Service

- FY 2026 CIP Debt Service payment increase = \$4.9M

CUAB Recommendations



- Water-Wastewater – 10.4% Effective Rate increase
 - Water – 10.8%
 - Wastewater – 9.7%
- Proposed FY26 Debt Service Coverage is at 1.20, meeting the legal minimum required of 1.20

Water-Wastewater Utility Rating Reports



- July 2023:

Upgraded from AA-
to AA



- April 2025:

Affirmed AA rating

Credit Rating Scales by Agency, Long-Term

Moody's	S&P	Fitch	
Aaa	AAA	AAA	Prime
Aa1	AA+	AA+	
Aa2	AA	AA	High grade
Aa3	AA-	AA-	
A1	A+	A+	
A2	A	A	Upper medium grade
A3	A-	A-	
Baa1	BBB+	BBB+	
Baa2	BBB	BBB	Lower medium grade
Baa3	BBB-	BBB-	
Ba1	BB+	BB+	Non-investment grade speculative
Ba2	BB	BB	
Ba3	BB-	BB-	
B1	B+	B+	
B2	B	B	Highly speculative
B3	B-	B-	
Caa1	CCC+	CCC	Substantial risk
Caa2	CCC		Extremely speculative
Caa3	CCC-		Default imminent with little prospect for recovery
Ca	CC	CC	
	C	C	
C			
/	D	D	In default
/			

"Junk"



Rate Comparison – Residential 5,000 Gallons



Utility	Water	Sewer	Total
Crystal Clear SUD	\$ 112.82	\$ 64.65	\$ 177.47
Pflugerville	\$ 88.25	\$ 85.50	\$ 173.75
Kyle (Prelim.)	\$ 87.66	\$ 45.93	\$ 133.59
San Marcos Proposed	\$ 60.57	\$ 67.11	\$ 127.67
Hutto	\$ 52.88	\$ 68.96	\$ 121.84
Average	\$ 59.25	\$ 61.52	\$ 120.77
Buda	\$ 49.58	\$ 67.88	\$ 117.46
Seguin (Prelim.)	\$ 54.86	\$ 60.78	\$ 115.64
New Braunfels	\$ 36.14	\$ 78.74	\$ 114.88
San Marcos Current	\$ 54.32	\$ 57.29	\$ 111.61
Georgetown	\$ 43.25	\$ 54.35	\$ 97.60
Austin	\$ 36.03	\$ 57.40	\$ 93.43
Round Rock	\$ 31.06	\$ 30.96	\$ 62.02

Rate Comparison – Commercial 10,000 Gallons



Utility	Water	Sewer	Total
Kyle (Prelim.)	\$ 203.09	\$ 111.43	\$ 314.52
Pflugerville	\$ 153.55	\$ 116.00	\$ 269.55
Seguin (Prelim.)	\$ 132.75	\$ 133.50	\$ 266.25
Crystal Clear SUD	\$ 166.98	\$ 81.55	\$ 248.53
San Marcos Proposed	\$ 126.97	\$ 112.10	\$ 239.07
Hutto	\$ 121.20	\$ 110.11	\$ 231.31
Austin	\$ 91.43	\$ 128.20	\$ 219.63
Average	\$ 119.31	\$ 100.04	\$ 219.35
New Braunfels	\$ 89.02	\$ 130.23	\$ 219.25
San Marcos Current	\$ 115.01	\$ 101.54	\$ 216.55
Buda	\$ 109.31	\$ 93.53	\$ 202.84
Georgetown	\$ 71.30	\$ 48.85	\$ 120.15
Round Rock	\$ 54.45	\$ 47.01	\$ 101.46

Water-Wastewater Utility Rate History



	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
										PROPOSED
<u>Water - 5/8" to 3/4" Water Meter</u>	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	0.0%	5.0%	5.0%	10.8%
Minimum Charge	21.01	22.06	23.16	24.32	25.54	26.82	26.82	28.16	29.57	32.76
0 to 6,000	3.52	3.70	3.88	4.07	4.28	4.49	4.49	4.71	4.95	5.48
6,001 to 9,000	6.16	6.47	6.79	7.13	7.49	7.86	7.86	8.25	8.67	9.61
9,001 to 12,000	7.05	7.40	7.77	8.16	8.57	9.00	9.00	9.45	9.92	10.99
12,001 to 20,000	7.93	8.33	8.74	9.18	9.64	10.12	10.12	10.63	11.16	12.37
20,001 to 50,000	8.80	9.24	9.70	10.19	10.70	11.24	11.24	11.80	12.39	13.73
Over 50,000	10.56	11.09	11.64	12.22	12.84	13.48	13.48	14.15	14.86	16.46
<u>Wastewater - 5/8" to 3/4" Water Meter</u>	2.0%	2.0%	2.0%	3.0%	3.0%	3.0%	0.0%	5.0%	5.0%	9.7%
Minimum (up to 2,000)	24.52	25.01	25.51	26.28	27.07	27.88	27.88	29.27	30.74	33.73
over 2,000	7.07	7.21	7.36	7.58	7.81	8.03	8.03	8.43	8.85	9.71



Stephanie Reyes
City Manager

Joe Pantalione
Assistant City Manager

Lonzo Anderson
Assistant City Manager

Rodney Gonzales
Assistant City Manager

Jon Locke
Finance Director/CFO

Trisha Patek
Budget Manager

Thank You