

August 4, 2016

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

RE: Citizen Utility Advisory Board Utility Rate Recommendation

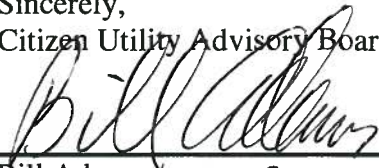
Dear Honorable Mayor Guerrero and Members of Council:

The Citizen's Utility Advisory Board ("CUAB") has received presentations and materials related to user rate adjustments for water, wastewater, and electric utility services. Information was presented at both the June 9, 2016 and the August 4, 2016 meetings.

CUAB has reviewed the rate model presented by staff, discussed the proposed FY17 budget, and recommends (i) no rate adjustment for electric service; (ii) a 5% rate adjustment for water service; and (iii) a 2% rate adjustment for wastewater service. These rate adjustments are consistent with the multi-year plan comprised of small, periodic adjustments previously recommended by CUAB to City Council. This steady approach benefits City Utility customers by ensuring adequate funding levels to recover 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 these recommendations for adoption.

Sincerely,  
Citizen Utility Advisory Board



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Bill Adams



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David Case



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Gabriel Garcia



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Rodney van Oudekerke