

## **Citizens Utility Advisory Board**

Chairperson: Mr. Gabriel Garcia Members: Ms. Keely Sonlitner, Ms. Heather Baca, Councilman Mark Rockeymoore (exofficio)

October 7, 2019

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 Water and Wastewater Industrial Rate Recommendation

Dear Honorable Mayor Hughson and Members of Council:

On October 2, 2019, the Citizens Utility Advisory Board ("CUAB") received a presentation and materials from City staff and a rate consultant related to new proposed Water and Wastewater Industrial Rates (see attached rate sheet). It was explained that large industrial customers for whom water is a primary input in manufacturing operations are disincentivized from locating in San Marcos by the current rate structure. The new proposed rates are intended to address this concern.

Rates for water and wastewater service are based on meter size. The current rate structure addresses meters up to 2 inches in diameter. Under the proposed industrial rate structure, water and wastewater tariffs would be updated to include meters sizes of 3 to 12 inches. The new industrial rates would only apply to customers with an average usage of over 200,000 gallons per day that take service through a single meter 3 inches or larger. No customer currently meets these requirements. The industrial rates would not apply to irrigation, residential, multi-use facilities, or multi-family customers.

The Water and Wastewater Industrial Rates would include two rate components, a minimum monthly charge and a charge based on monthly consumption or discharge. The minimum

monthly charge for meter sizes of 3 to 12 inches will increase with meter size as listed in the attached rate sheet. The monthly volumetric water rate would be \$5.63/1,000 gallons of water consumption and the volumetric wastewater rate would be \$5.82/1,000 gallons of wastewater discharged.

Having reviewed and discussed the rate structure for the proposed Water and Wastewater Industrial Rates, CUAB members agree that the proposed industrial rates will address the intended concern and will fully recover the utility's costs of service. We recommend that the City Council adopt the proposed Water and Wastewater Industrial Rates.

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

Sincerely,

San Marcos Citizens Utility Advisory Board

Gabriel Garcia Board Chairman

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Keely Sonlitner Board Member

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Heather Baca Board Member

Councilman Mark Rockeymoore Board Ex-Officio Member

## Industrial Water and Wastewater Rates

4" Meter       \$6         6" Meter       \$1,2         8" Meter       \$1,2         8" Meter       \$1,2         10" Meter       \$2,7         10" Meter       \$2,7         12" Meter       \$5,2         All Gallons         Wastewater Rates         Minimum Charge by Meter Size         3" Meter       \$3         4" Meter       \$5         6" Meter       \$1,0         8" Meter       \$1,0         8" Meter       \$1,0         10" Meter       \$2,4         10" Meter       \$2,4         10" Meter       \$4,5         All Gallons       Outside-City         Water Rates         Minimum Charge by Meter Size         Outside-City         Water Rates         All Gallons         Outside-City         Water Rates         8" Meter       \$1,5         3" Meter       \$2,4         3" Meter       \$2,5         8" Meter       \$1,5         8" Meter       \$1,5         8" Meter       \$2,4	
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Wastewater Rates         Minimum Charge by Meter Size         3" Meter       \$3         4" Meter       \$5         6" Meter       \$1,0         8" Meter       \$1,6         10" Meter       \$2,4         12" Meter       \$4,5         All Gallons       Outside-City         Water Rates       \$4         Minimum Charge by Meter Size       \$4         3" Meter       \$4         Simuth Charge by Meter Size       \$4         3" Meter       \$4         Minimum Charge by Meter Size       \$4         3" Meter       \$4         \$4       \$4       \$4         8" Meter       \$7         6" Meter       \$1,5         8" Meter       \$2,4	28.80
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12" Meter \$4,5 All Gallons Outside-City Water Rates Minimum Charge by Meter Size 3" Meter 4" Meter 6" Meter 8" Meter 8" Meter	17.76
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6" Meter \$1,5 8" Meter \$2,4	56.00
8" Meter \$2,4	60.00
	20.00
10" Meter \$3.4	32.00
<b>10</b> 11000 <b>(0</b> )	96.00
12" Meter \$6,5	36.00
All Gallons	\$7.04
Wastewater Rates	
Minimum Charge by Meter Size	
	94.20
	57.00
	14.00
	02.40
10" Meter \$3,0	22.20
12" Meter \$5,6	50.20
All Gallons	\$7.28