



Citizens Utility Advisory Board

Chairperson: *Mr. Gabriel Garcia*

Members: *Ms. Keely Sonlitner, Ms. Heather Baca, Councilman Mark Rockeymoore (ex-officio)*

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



Keely Sonlitner
Board Member



Heather Baca
Board Member



Councilman Mark Rockeymoore
Board Ex-Officio Member

Industrial Water and Wastewater Rates

Class Definition

Industrial Service rates restricted to customers with an average daily usage of over 200,000 gallons taking water service from a meter 3" or larger.

Water volumetric rates are based per 1,000 gallons metered.

Wastewater volumetric rates based per 1,000 gallons metered if applicable, or water volumetric rates time a multiplier determined by San Marcos (such as 33%) based on customer characteristics.

Inside-City

Water Rates

Minimum Charge by Meter Size

3" Meter	\$364.80
4" Meter	\$608.00
6" Meter	\$1,216.00
8" Meter	\$1,945.60
10" Meter	\$2,796.80
12" Meter	\$5,228.80

All Gallons	\$5.63
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Wastewater Rates

Minimum Charge by Meter Size

3" Meter	\$315.36
4" Meter	\$525.60
6" Meter	\$1,051.20
8" Meter	\$1,681.92
10" Meter	\$2,417.76
12" Meter	\$4,520.16

All Gallons	\$5.82
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Outside-City

Water Rates

Minimum Charge by Meter Size

3" Meter	\$456.00
4" Meter	\$760.00
6" Meter	\$1,520.00
8" Meter	\$2,432.00
10" Meter	\$3,496.00
12" Meter	\$6,536.00

All Gallons	\$7.04
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Wastewater Rates

Minimum Charge by Meter Size

3" Meter	\$394.20
4" Meter	\$657.00
6" Meter	\$1,314.00
8" Meter	\$2,102.40
10" Meter	\$3,022.20
12" Meter	\$5,650.20

All Gallons	\$7.28
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