

101683

AN ORDINANCE

**AUTHORIZING AN ADJUSTMENT TO THE WATER SUPPLY FEE, CONTAINED IN CITY CODE OF SAN ANTONIO, TEXAS CHAPTER 34, CHARGED BY THE SAN ANTONIO WATER SYSTEM; REVISING CERTAIN REPORTING REQUIREMENTS IN CITY CODE CHAPTER 34; REVISING THE RATE ADJUSTMENT MECHANISM RELATED TO THE WATER SUPPLY FEE; AND AMENDING THE CITY CODE ACCORDINGLY.**

\* \* \* \* \*

**WHEREAS**, Ordinance No. 92753, adopted on October 19, 2000 by the City Council of the City of San Antonio, Texas ("City Council"), approved the assessment of the Water Supply Fee on all potable water services; and

**WHEREAS**, the current Water Supply Fee of \$0.1378 per 100 gallons was placed into effect by SAWS on January 1, 2005 and was expected to generate \$14.2 million in revenue in calendar year 2005 and at that time no formal action was required by City Council because the rate did not exceed the maximum cap established for 2005 in the multi-year financial plan authorized by Ordinance No. 92753; and

**WHEREAS**, SAWS is now proposing to increase the Water Supply Fee from \$0.1378 to \$0.1487 per hundred gallons and this adjustment, to be effective, requires the review and approval of City Council; and

**WHEREAS**, the proposed rate increase of 7.9% is expected to generate revenue to cover the additional requirements of the approved annual budget and the additional revenues are also needed to meet the objectives of the 50 year Water Resources Plan; and

**WHEREAS**, in addition to the proposed change in the Water Supply Fee, SAWS is proposing to revise the reporting requirements in Chapter 34 and revise the rate adjustment mechanism from a multi-year funding mechanism to a one year rate adjustment, to remain in effect until changed by City Council; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The adjusted Water Supply Fee rate set forth in Attachment I to this Ordinance is authorized and approved.

LB  
11/17/05  
Item# 3C

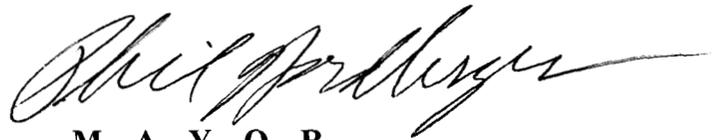
**SECTION 2.** This rate shall be effective for all SAWS billings on and after January 1, 2006.

**SECTION 3.** The reporting requirement changes contained in Attachment I and the revision of the rate adjustment mechanism from a multi-year funding mechanism to a one year rate adjustment, to remain in effect until changed by City Council, are authorized and approved.

**SECTION 4.** The City Code shall be amended in accordance with Attachment I to this Ordinance.

**SECTION 5.** This Ordinance shall be effective on and after the tenth day after passage.

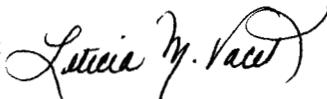
**PASSED AND APPROVED** this 17<sup>th</sup> day of November, 2005.



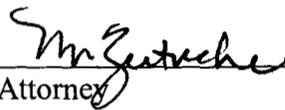
M A Y O R

PHIL HARDBERGER

ATTEST:

  
City Clerk

APPROVED AS TO FORM:

  
for City Attorney

# Attachment

I

## ATTACHMENT I

### AMENDMENTS TO CHAPTER 34 OF THE SAN ANTONIO CITY CODE

The City Code of the City of San Antonio Chapter 34, Water and Sewers, Article IX, Water Supply Fee is hereby amended by deleting the language that is stricken and adding the language that is underlined (added) as set forth herein.

#### Section 34-1342. Definitions

~~The above notwithstanding, no costs will be included which are not in conformance with the multi-year financial plan for water supply development and the fifty-year water resource plan.~~

The above notwithstanding, no costs will be included which are not in conformance with the current, approved water resource plan.

#### Section 34-1343. Water Supply Fee

~~A water supply fee is assessed to all System customers based upon their respective monthly consumption. The water supply fee shall be based on the annual water supply development costs. For years 2001-2005 the Systems Multi-Year Financial Plan will be utilized to assess those costs. Such costs will be re-estimated on at least an annual basis and costs will be adjusted for any over or under recovery for a prior period. However, in no event will the fee exceed the maximum amount authorized per year as set out in section 34-1344 herein.~~

A water supply fee is assessed to all system customers based upon their respective monthly consumption. The water supply fee shall be based on the annual water supply development costs.

#### Section 34-1344. Maximum Fee Established for the Calendar Years 2001-2005

~~The following table sets out the maximum water supply fee for a specific year. The System may charge an amount less than the amount shown in the Table but in no event will the system charge an amount in excess of the maximum for a given year. In order to increase the maximum for a specific year as set out herein, the System must receive formal City Council approval.~~

#### ~~Uniform Rate~~

<del>Year—</del>	<del>Total Charge Per 100 Gallons—</del>
<del>2001—</del>	<del>\$0.0358—</del>
<del>2002—</del>	<del>\$0.0708—</del>
<del>2003—</del>	<del>\$0.0938—</del>

2004—	\$0.1128—
2005—	\$0.1378—

### Section 34-1345. Water Supply Fee Schedule

~~The water supply fee which will be effective December 1, 2000 to be applied to all billings after one complete monthly billing period on or about January 1, 2001 is set out in Schedule 5 to this Chapter. Such water supply fee schedule shall be adjusted when the System's Board of Trustees determines that such adjustment is necessary to most effectively meet the water supply development needs of System customers. The System's Board of Trustees shall hold a public hearing prior to taking formal action to adjust the water supply fee set out in schedule 5. The formal action taken by the Board of Trustees shall include findings setting out the necessity for such adjustment. Such water supply fee adjustment to Schedule 5 shall be published in a newspaper of general circulation in the San Antonio region at least thirty (30) days prior to the application of such adjustment to customer bills. In no event shall an adjustment to the water supply fee set out in Schedule 5 exceed the maximum set out for a given year as established in section 34-1344 herein.~~

The water supply fee which will be applied to all billings beginning on or about January 1, 2006 is set out in Attachment I, Schedule 5 to this Chapter. Such water supply fee schedule shall remain in effect as set out in Attachment I, Schedule 5 until the system's board of trustees and Council of the City of San Antonio determine that such adjustment is necessary to most effectively meet the water supply development needs of system customers.

### Section 34-1347. Multi-year Financial Plan

~~The Multi-Year Financial Plan for Water Supply Development (Multi-Year Financial Plan) for years 2001-2005, as approved and submitted by the System Board of Trustees, is hereby accepted. Such plan is set out in schedule 6 to this Chapter.~~

### Section 34-1349. Accountability Procedures

~~(a) The System shall submit the Fifty-Year Water Resource Plan to the City Council annually pursuant to the requirements of Section 32, Management of System, Subsection R, of City Ordinance No. 75686.~~

~~(b) The System shall submit quarterly status reports on the Multi-Year Financial Plan for Water Resource Development to the City Council and as further required by the City Council and the requirements of Section 32, Management of System, Subsection U of City Ordinance No. 75686. The System shall brief the City Council twice a year in an open session meeting of the City Council and as further required by the City Council. Such status reports shall include:~~

- ~~(1) amount of water supply developed; and~~
- ~~(2) total revenues generated from the water supply fees; and~~
- ~~(3) total uses of the water supply fees; and~~
- ~~(4) total water supply development costs expended pursuant to the Multi-Year Financial Plan; and~~
- ~~(5) project status report on all water supply projects; and~~

~~(6) — progress reports/updates on the acquisition of additional water resources; and~~  
~~(7) — maintenance and operational expenses for completed projects; and~~  
~~(8) — status on the awarding of contracts; and~~  
~~(9) — any other information deemed necessary by the City Council or the City's Supervisor of Public Utilities.~~

~~(c) — To implement any adjustment in the Water Supply Fee, the System shall abide by the following requirements:~~

~~(1) — Prior to the implementation of any adjustment in the Water Supply Fee, the System shall provide a status report which includes the information identified in subsection (b) on the Multi-Year Financial Plan for Water Resource development and brief the City Council during an open session meeting of the City Council on such status report. No formal action by the City Council is required for approval of the adjustment in the Water Supply Fee provided that the System has abided by all of the requirements of this article. However, City Council has the authority to alter or deny any proposed adjustment in the Water Supply Fee through the passage of an Ordinance.~~

~~(2) — The System shall also submit a comprehensive rate package for any adjustment in the Water Supply Fee to the City's Supervisor of Public Utilities at least thirty days prior to the scheduled date for the briefing to City Council on the adjustment in the Water Supply Fee. The rate package shall include information specified in subsection (b), historical and projected financial information relevant to the Water Supply Fee, and applicable assumptions. Additionally, the System shall provide any other information deemed relevant by the City's Supervisor of Public Utilities to include information on the other operations of the System. In accordance with the City Charter, the City's Supervisor of Public Utilities shall forward a recommendation with respect to any adjustment in the Water Supply Fee to the City Council prior to the briefing to be provided in accordance with this subsection.~~

~~(d) — The System shall submit its annual budget to the City Council for review and consultation in accordance with the requirements of section 32, Management of the System, Subsection Q, of City Ordinance No. 75686. In addition, the System shall submit its proposed budget to the City's Supervisor of Public Utilities at the same time it is submitted to the System's Board of Trustees.~~

~~(e) — The City Council shall approve the issuance of all bonded debt by SAWS evidenced by the passage of an Ordinance.~~

~~(f) — The System shall make all status reports submitted to the City Council pursuant to this section available for public inspection in the offices of the City Clerk of the City of San Antonio as well as the offices of the System's President/Chief Executive Officer.~~

~~(g) — The System shall hold town hall meetings during each year of the Multi-Year Financial Plan. Such town hall meetings shall inform the public of the progress of the overall Fifty-Year Water Resource Plan, the Multi-Year Financial Plan, and specific water development projects. The time and place for such town hall meetings shall be included in bill inserts and published in a newspaper of general circulation in the San Antonio region.~~

~~(h) — A citizen advisory committee appointed by the System Board of Trustees shall be apprised of the overall progress of the Multi-Year Financial Plan and specific projects in meetings throughout the Plan's five-year period.~~

~~(i) — The System Board of Trustees shall have quarterly updates on the progress of those Water Resources Projects in the Multi-Year Financial Plan during its regularly scheduled meetings.~~

~~(j) — The System shall inform its customers through periodic customer bill inserts on the overall progress of the Multi-Year Financial Plan and related water supply projects.~~

~~(k) — The System's Board of Trustees shall hold a public hearing prior to taking formal action to adjust the water supply fee.~~

~~(l) — In accordance with the System requirements for customer supply reliability and in coordination with regional water resource planning needs, the System will begin review and reevaluation of future water supply and the multi-year financial planning within three years. The subsequent multi-year financial and resource planning components will be prepared to assure a revenue stream and timetable sufficient for total project completion.~~

~~(m) — Accountability review of the system shall be broadened and expanded to include, but not be limited to, other core business areas such as water supply, distribution, collection, and finance;~~

~~(n) — Development of performance benchmarks shall include capital projects performance;~~

~~(o) — The protocols for review shall result in a comprehensive analysis of performance benchmarks for the entire San Antonio Water System organization that, once developed, can and shall be audited annually by an independent third party and reported to the city council annually;~~

~~(p) — In addition to the annual benchmarks analyses and city council reports recited above, there shall be an independent third party consultant performance review of the system every five (5) years, which review shall be reported to the city council.~~

(a) The System shall submit to the City Council a semi-annual report; and shall brief the City Council once per year in an open session meeting of the City Council and as further required by the City Council. The briefing shall include:

- (1) Progress on the fifty-year water resource plan;
- (2) Amount of water supply developed;
- (3) Total revenues generated from the water supply fee;
- (4) Total uses of the water supply fee;
- (5) Total water supply development costs expended pursuant to the multi-year financial plan;
- (6) Project status report on all water supply projects;
- (7) Progress reports/updates on the acquisition of additional water resources;
- (8) Maintenance and operational expenses for completed projects; and
- (9) Status on the awarding of contracts; and
- (10) any other information deemed necessary by the City Council or the City's Supervisor of Public Utilities.

(b) The System shall submit its annual budget to the City Council for review and consultation in accordance with the requirements of section 32, Management of the System, Subsection Q, of City Ordinance No. 75686. In addition, the System shall submit its proposed budget to the City's Supervisor of Public Utilities at the same time it is submitted to the System's Board of Trustees.

(c) The City Council shall approve the issuance of all bonded debt by SAWS evidenced by the passage of an ordinance.

(d) The System shall make all status reports submitted to the City Council pursuant to this section available for public inspection in the offices of the City Clerk of the city as well as the offices of the system's President/Chief Executive Officer.

(e) The System shall inform its customers through periodic customer bill inserts on the overall progress of the water supply projects.

(f) The System shall hold town hall meetings and public outreach each year on the progress of the water resources plan.

ATTACHMENT I  
Schedule 5

**SAN ANTONIO WATER SYSTEM  
SAN ANTONIO, TEXAS**

**WATER SUPPLY FEE SCHEDULE**

Effective January 1, 2006

The Water Supply Fee assessed on all potable water service for water usages in every instance of service for each month or fraction thereof shall be as follows:

<u>Year</u>	<u>Fee to be Assessed (per 100 gallons)</u>
2006	\$0.1487