

# NEWSLETTER

## WASTEWATER UTILITY RATE INCREASES

### PURPOSE AND OVERVIEW

We want to take this opportunity to inform you of a recent change to the City of Live Oak's sewer utility rates, which were adopted at the February 23<sup>rd</sup> City Council meeting and will become effective April 1, 2021. The City Council adopted a 9% increase to the wastewater rates. While San Antonio Water System (SAWS) is the governing body that sets your water utility rates, the City of Live Oak sets your sewer utility rates.

Based on the adopted 9% increase to sewer rates, a single-family customer that has a winter average of 5,000 gallons will see an additional **\$1.96** on their monthly bill for sewer services. If you have a 10,000 gallon winter average, then you will see an additional **\$2.96** per month. For commercial businesses, if water consumption is 150,000 gallons of water per month, an additional **\$63** per month can be expected. At 240,000 gallons, the additional cost would result in **\$101** per month.

### CIRCUMSTANCES BEHIND THE INCREASES

The City of Live Oak contracts with the San Antonio River Authority (SARA) and the Cibolo Creek Municipal Authority (CCMA) to process and treat the wastewater generated within the city limits from our residents and businesses. These independent wastewater treatment facilities are managed and maintained by SARA and CCMA; however, through interlocal agreements, the City of Live Oak, along with several other cities, are contractually obligated to financially support the operations of their facilities. The City had to increase its sewer rates last year to cover several back-to-back years of increases by the San Antonio River Authority for the sewage treatment process. Since then, the River Authority is now well into the process of expanding the capacity of the Salatrillo Wastewater Treatment Facility. This facility is where a majority of the sewage generated within our city limits flows for treatment, as well as, portions of Universal City, Converse and some retail customers of the River Authority. Because of the increased growth that feeds into this facility, this facility is required to be into construction per Texas Commission on Environmental Quality (TCEQ) guidelines. The City of Live Oak, as well as, Universal City, Converse and the River Authority all have a financial responsibility for the funding of this expansion. The proposed increase to our sewer rates is primarily due to this financial responsibility.

Annually, City staff meets with both SARA and CCMA to review and discuss their proposed costs to operate their respective plants. These wholesale treatment and facility costs are then entered into a rate model that utilizes customers counts and winter averages from each participating city to determine the rate that SARA and CCMA will charge to the cities for treating their sewage. These wholesale fees for processing and treating the City's wastewater are charged to the City and are included as part of the City's overall expenditure budget for the water and wastewater utility system. The City adopted a 9% increase to the wastewater rates in order to generate additional revenue in the utility system to cover the increased cost to treat the wastewater, as well as, the plant expansion project. Utility rates are reviewed annually to ensure that they are set accordingly to provide adequate revenues to cover all system liabilities and to maintain proper cash reserves necessary to provide system improvements to ensure a high level of service to the customer.

## **PROCESS**

Your water and sewer utility bill comes from SAWS because they supply you with their water service. As a result, they adopt the rates for your water services. Although you are on SAWS water services, the sewer services and charges are set and administered by the City of Live Oak. This is accomplished with an interlocal agreement between the City of Live Oak and SAWS. This agreement allows SAWS to include the City of Live Oak sewer charges on their utility bill. SAWS processes the collection of the sewer remittances and then submits the money collected to Live Oak.

## **WHAT CAN BE DONE TO SAVE**

There are things that can be done to help lower your water/sewer bills, the most impactful being water conservation programs. Examples include changing landscapes to include more drought tolerant plants, low flow toilets, efficient appliances and checking faucets, pipes and toilets for leaks.

An important way to manage your wastewater bill is to remember to conserve your water consumption during the winter months of December, January and February. Your residential sewer charge is based on your winter average consumption. In other words, the billing system computes your winter average using the consumption records for the months of December, January and February. This winter average is then multiplied by the adopted rates and becomes your monthly sewer charge. Why do we use these winter months to determine our sewer contribution? Because outdoor water usage is typically lower during these three months due to colder weather and plants and lawns are usually in their dormant stages that require much less watering. The result is hopefully a lower sewer bill for our residents.

## **FUTURE FISCAL YEARS**

As mentioned above, utility rates are reviewed annually to determine if they are adequately set to sustain the system. Utility rates are set accordingly to provide adequate revenues to cover all system liabilities and to maintain proper cash reserves necessary to provide a high level service to the customer.