

# **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 sewer utility rates, which were adopted at the November 26<sup>th</sup> City Council meeting and will become effective January 1, 2020. While there was no change to stormwater or water utility rates, there will be a 18% increase to the wastewater rates.

### **CIRCUMSTANCES BEHIND THE INCREASE**

For many years, the City was able to hold its utility rates level despite enduring some small to moderate increases in expenses to operate the utility systems. During the 2017/2018 budget process, the City endured a significant cost increase for sewage treatment. This was the catalyst for a utility rate increase that took effect on January 1, 2018. Continued increases for these same services is also the main catalyst for the current sewer rate increase the will go into effect on January 1, 2020.

The City 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. Annually, both SARA and CCMA present their wholesale fee structure for the treatment and processing of the City's wastewater to the City Council. CCMA has adopted a small 2.6% increase to their wholesale fee with another 3% increase anticipated next year. SARA has adopted a system-wide increase of 13% in FY2019 and a 16.57% increase in FY2020 to their wholesale fee with another sizable increase anticipated next year.

The increased wholesale fees for processing and treating the City's wastewater are charged to the City and are part of the City's overall expenditure budget for the water and wastewater utility system. This year's large expenditure increase could not be absorbed within the budget and is the main catalyst for the increase to the sewer rates that the City charges its customers. The City adopted a 18% increase to the wastewater rates in order to generate the additional revenue in the utility system to cover the increased cost to treat the wastewater and to offset increased expenses over the past several years. 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 a high level service to the customer.

### **RESULTS**

Based on the adopted 18% increase to sewer rates, a single-family customer that has a winter average of 5,000 gallons will see an additional \$3.32 on their monthly bill for sewer services. If you have a 10,000 gallon winter average, then you will see an additional \$5.02 per month. For commercial businesses, if water consumption is 120,000 gallons of water per month, an additional \$84 per month can be expected. At 240,000 gallons, the additional cost would result in \$168 per month.

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

There are things that can be done to help lower your 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. The City of Live Oak has been participating in a low-flow toilet program for several years that allow qualified residents to obtain a low flow toilet free-of-charge from the City. For more information on this program, please contact our Public Works Department at (210) 653-9140 ext. 2235.

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.