



STAFF REPORT
City of Dripping Springs
PO Box 384
511 Mercer Street
Dripping Springs, TX 78620

Submitted By: Ginger Faught, Deputy City Administrator

Council Meeting Date: April 19, 2022

Agenda Item Wording: Discuss and consider an ordinance amending Chapter 20, Article 20.02 and 20.06, Sections 20.02.006 of the Dripping Springs Code of Ordinances; Amending the General Provisions related to Wastewater and Water Rates including Rates for Service Provided to out of city customers. *Sponsor: Mayor Foulds, Jr.*

Agenda Item Requestor:

Summary/Background: The city hired Bruce Fairchild to conduct a wastewater and water rate analysis and study (see attached report). Mr. Fairchild also did the last rate analysis that was completed in 2018 which resulted in a wastewater rate increase.

This proposed amendment will increase wastewater rates by 10% (both the base fee and the volumetric charge). We are charging both in city and out of city residents the same rates. The last rate increase was approved in January 2018.

Currently our water rates are a markup of 6% on top of what we are charged by the West Travis County Public Utility Agency. This has not been an issue for us as we have not had active residential customers. We are starting to connect homes in the Driftwood Development and need to set standard rates. This proposed amendment sets a base fee and volumetric charge for water customers based on the rates charged by the Dripping Springs Water Supply. The recommendation sets rates 20% higher for those customers outside of the City Limits. See the attached report from Mr. Fairchild regarding his analysis and justification.

If approved, these results will be reflected on the May 2022 utility bills.

**Commission
Recommendations:**

N/A

**Recommended
Council Actions:**

Approve rates as presented.

Attachments:

Rate study performed by Bruce Fairchild. Ordinance Amendment.

Next Steps/Schedule:

Publish required notice. Update utility bills to reflect new rates.