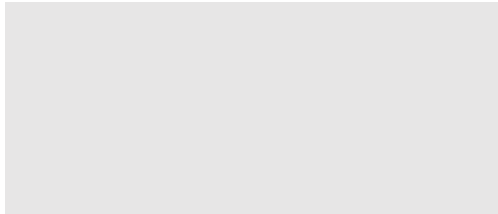
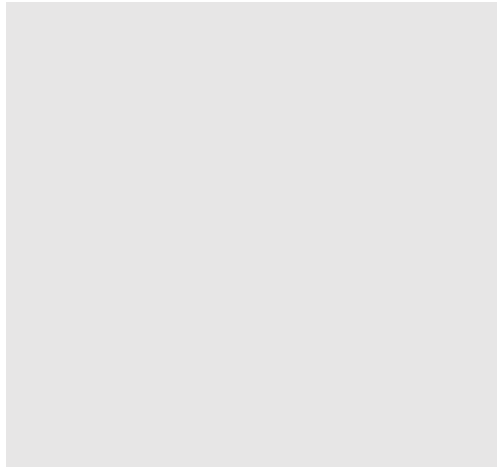


# LEON VALLEY 2025 PROPOSED RATES REVIEW





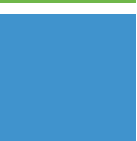

James Hoelscher, PE  
Byron Sanderfer, PE, CPM



ARDURRA



# AGENDA

-  Rate Study Scope
-  Examine Current Rates
-  Assumption in Projections
-  Rate Proposal As Requested
-  Sample Bill & Comparison to SAWS
-  Revenue Projection

# RATES PROPOSAL - SCOPE

- City has requested Ardurra and team to evaluate existing rates for sustainability and potential rate adjustments to cover system operating costs.
- City of Leon Valley Water & Sewer Capital Improvement Plan (in process), has potential to require an additional ~\$500,000 per year to water and sewer budgets once enacted. (\$1,000,000 total)



# CURRENT RATES

## Water Charges

Meter Size	Deposit Amount	Residential Meter Fee	Non-Residential Meter Fee
5/8"	\$70.00	\$11.76	\$12.30
3/4"	\$70.00	\$13.39	\$15.08
1"	\$100.00	\$19.06	\$19.06
1 1/2"	\$170.00	n/a	\$30.72
2"	\$500.00	n/a	\$45.28
3"	\$770.00	n/a	\$129.41
4"	\$1,010.00	n/a	\$164.71
8"	\$1,520.00	n/a	\$616.73
10"	\$2,420.00	n/a	\$1,165.23

### Residential/Irrigation Water Rates per 1,000 Gallons:

Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
0-3000	3,001-6,000	6,001-10,000	10,001-17,000	17,001+
\$3.56	\$5.06	\$6.56	\$8.06	\$9.56

### Nonresidential Water Rates per 1,000 Gallons:

0-500,000	\$3.70
Above 500,001	\$3.95

## Sewer Charges

Residential Service	0-1,000 gallons	\$15.08 minimum
Residential Service	Over 1,000 gallons	\$6.24 per 1,000 gallons
Non-Residential Service	0 gallons	\$15.08 minimum
Non-Residential Service	0 gallons	\$6.24 per 1,000 gallons

# CURRENT RATES – SAMPLE BILL & NOTES

- City requested presenting average residential water bill
  - Average residential customer uses about 5,000 gallons per month
- Note: there are fees not noted in the previous table that are accounted for in real bills (and sample bill)
  - Edwards Aquifer Availability Fee
    - \$0.62 / 1,000 gallons usage
  - TCEQ Fee
    - 0.5% of total bill



# CURRENT RATES - SAMPLE RESIDENTIAL BILL

5,000 GAL/MONTH	\$
Water – Base Fee	\$11.76
Water – Usage Charge	\$20.80
EAA Fee	\$3.10
Sewer – Base Fee (Includes 1,000 gal)	\$15.08
Sewer – Usage Charge (above 1,000 gal)	\$24.96
TCEQ Fee	\$0.38
<b>TOTAL</b>	<b>\$76.08</b>



# REVENUE PROJECTION ASSUMPTIONS

- Revenue projections are based on usage data from 2022
  - 301,245,000 gallons billed for by LV
  - 2,643 total meters in water system
  - 2,518 total customers in sewer system
  
- Revenue from meter fees are calculated as shown on the right.
  - Meter count provided by city, 2022 data

Meter Size	# of cust.	Meter Fee	Rev/Yr
5/8", 3/4"	2,305	\$11.76	\$342,921.60
1"	59	\$19.06	\$13,494.48
1-1/2"	86	\$30.72	\$31,703.04
2"	55	\$45.28	\$29,884.80
3"	11	\$129.41	\$17,082.12
4"	1	\$164.71	\$1,976.52
8"	1	\$616.73	\$7,400.76
<b>Total Revenue Water Meter Fee</b>			<b>\$444,463.32</b>

Meter Size	# of cust.	Base Fee	Rev/Yr
All Cust.	2,518	\$15.08	\$455,657.28
<b>Total Revenue Sewer Base Fee</b>			<b>\$455,657.28</b>

# CURRENT RATES – REVENUE PROJECTIONS

<b>WATER UTILITY</b>	<b>\$</b>
Meter Fee	\$444,463.32
Usage Charge	\$1,548,082.20
<b>Revenue Estimate</b>	<b>\$1,992,545.52</b>
<i>Actual Sales (22-23)</i>	<i>\$2,020,985.00</i>
<i>Budgeted Sales (2025)</i>	<i>\$2,119,100.00</i>

<b>SEWER UTILITY</b>	<b>\$</b>
Base Rate Charge	\$455,657.28
Usage Charge	\$1,691,220.96
<b>Revenue Estimate</b>	<b>\$2,146,878.24</b>
<i>Actual Sales (22-23)</i>	<i>\$2,563,039.00</i>
<i>Budgeted Sales (2025)</i>	<i>\$2,508,000.00</i>

- Usage is calculated based on the average cost per 1,000 gallons for 9,500 gallons of usage / month
  - (301,245,000 gallons/yr)/(2,643 total meters)
    - ~9,500 gallons/month
      - \$5.14 / 1,000 gal in current rates
- Actual revenue from 2022-2023 is given to show how our projections are conservative





# PROPOSED WATER RATES FOR STANDARD RESIDENTIAL METER

Water	Base Rate	\$/1,000 gallons				
		0-3,000	3,001-6,000	6,001-10,000	10,001-17,000	17,001+
Existing	\$11.76	\$3.56	\$5.06	\$6.56	\$8.06	\$9.56

Water	Base Rate	\$/1,000 gallons				
		0-4,000	4,001-7,000	7,001-12,000	12,001-20,000	20,001+
Year 1	\$12.00	\$3.75	\$5.55	\$7.00	\$8.64	\$10.25
Year 2	\$12.25	\$4.00	\$5.92	\$7.46	\$9.21	\$10.93
Year 3	\$12.50	\$4.26	\$6.31	\$7.95	\$9.82	\$11.65
Year 4	\$12.75	\$4.54	\$6.72	\$8.48	\$10.47	\$12.42
Year 5	\$13.00	\$4.84	\$7.17	\$9.04	\$11.16	\$13.24

Flat 2% increase on base rate and 6.6% increase on usage charge rates annually after first year tier adjustments to match current revenue projections

# PROPOSED SEWER RATES FOR STANDARD RESIDENTIAL METER

Sewer	Base Rate	\$/1,000 gallons	
		Per 1,000 gallons over 1,000 gallons	
Existing	\$15.08	\$6.24	

Sewer	Base Rate	\$/1,000 gallons	
Year 1	\$15.38	\$5.50	
Year 2	\$15.69	\$5.86	
Year 3	\$16.00	\$6.25	
Year 4	\$16.32	\$6.66	
Year 5	\$16.65	\$7.10	



# RATES PROPOSAL - SAMPLE RESIDENTIAL BILL

5,000 GAL/MONTH	Current	Year 1	Year 2	Year 3	Year 4	Year 5
Water – Base Fee	\$11.76	\$12.00	\$12.25	\$12.50	\$12.75	\$13.00
Water – Usage Charge	\$20.80	\$20.55	\$21.91	\$23.35	\$24.89	\$26.54
EAA Fee	\$3.10	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50
Sewer – Base Fee	\$15.08	\$15.38	\$15.69	\$16.00	\$16.32	\$16.65
Sewer – Usage Charge	\$24.96	\$27.50	\$29.32	\$31.25	\$33.31	\$35.51
TCEQ Fee	\$0.38	\$0.39	\$0.41	\$0.43	\$0.45	\$0.48
<b>TOTAL</b>	<b>\$76.08</b>	<b>\$79.32</b>	<b>\$83.07</b>	<b>\$87.04</b>	<b>\$91.23</b>	<b>\$95.67</b>
<i>% Change from Existing</i>	-	4%	9%	14%	20%	26%
<i>\$ Change from Existing</i>		\$3.24	\$7.00	\$10.96	\$15.15	\$19.59

# COMPARISON TO SAWS (OUTSIDE CITY LIMITS)

5,000 GAL/MONTH	Existing	Year 1	Year 5
Water – Base Fee	\$11.76	\$12.00	\$13.00
Water – Usage Charge	\$20.80	\$20.55	\$26.54
EAA Fee	\$3.10	\$3.50	\$3.50
Sewer – Base Fee	\$15.08	\$15.38	\$16.65
Sewer – Usage Charge	\$24.96	\$27.50	\$35.51
TCEQ Fee	\$0.38	\$0.39	\$0.48
<b>TOTAL</b>	<b>\$76.08</b>	<b>\$79.32</b>	<b>\$95.67</b>
% Change from Existing	-	4%	26%

Estimated Bill:		\$ 63.43 (2024)
		2024 APPROVED
	Water Service Charge	11.70
💧	Tier 2 Usage Fixed Charge	2.60
	Water Volume Charge	6.90
	Stage 3 Drought Surcharge (use over 20,000 gallons)	-
	Stage 4 Drought Surcharge (use over 12,000 gallons)	-
	Water Supply Fee	9.54
💧	Uplift Assistance Program Fee - Water	0.65
	Sewer Service Charge	12.00
	Sewer Volume Charge	17.52
💧	Uplift Assistance Program Fee - Sewer	0.75
💧	EAA Fee	1.50
💧	City Stormwater Fee	0.00
💧	TCEQ Fee	0.27
<b>Total Bill</b>		<b>63.43</b>



# EXISTING USAGE TIERS REMAIN WITH 6.6% INCREASE REVENUE PROJECTIONS

	Existing	Year 1	Year 5	\$ Difference Year 5 to Existing
<b>Proj Rev Water</b>	\$1,992,464.52	\$2,011,794.99	\$2,503,614.66	<b>\$511,150.14</b>
<i>% Change from Existing</i>		0.97%	25.65%	
<b>Proj Rev Sewer</b>	\$2,146,878.24	\$2,121,617.93	\$2,642,577.85	<b>\$495,699.61</b>
<i>% Change from Existing</i>		-1.18%	23.09%	
<b>Proj Rev Total</b>	\$4,139,342.76	\$4,133,412.91	\$5,146,192.51	<b>\$1,006,849.75</b>
<i>% Change from Existing</i>		-0.14%	24.32%	

**THANK YOU FOR YOUR  
TIME TODAY**

Questions?