

MAYOR AND CITY COUNCIL COMMUNICATION

DATE: April 15, 2025

TO: Mayor and City Council

FROM: Melinda Moritz, Public Works Director

THROUGH: Crystal Caldera, Ph.D., City Manager

SUBJECT: Presentation and Discussion to Consider Approval of an Ordinance Amending the Leon Valley Code of Ordinances, Appendix A Fee Schedule, Article A11.000 Water and Sewer Rates, Section A11.001 (a), (c), (g), and (q) to Increase Water and Sewer Rates, the Edwards Aquifer and TCEQ fees, and Revise Tier Structures

SPONSOR(S): City Council

PURPOSE & BACKGROUND

This item proposes amendments to the Leon Valley Code of Ordinances, specifically Appendix A Fee Schedule, Article A11.000, to:

- Increase water and sewer rates
- Revise the tier structure to align with San Antonio Water System (SAWS) tiers
- Adjust fees for the Edwards Aquifer Authority and TCEQ

A comprehensive review of the water and sewer infrastructure identified the need to replace aging mains. The City Engineer and staff developed a prioritized list of necessary improvements, estimated costs, and a Capital Improvements Plan.

The ordinance introduces a five-year phased rate increase, incorporating rising costs from the Edwards Aquifer Authority and TCEQ. These changes require Council approval to take effect.

FISCAL IMPACT

| | Existing | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Proj Rev Water | \$1,992,464.52 | \$2,011,794.99 | \$2,124,069.02 | \$2,243,327.30 | \$2,369,657.34 | \$2,503,614.66 |
| <i>% Change from Existing</i> | | 0.97% | 6.61% | 12.59% | 18.93% | 25.65% |
| Proj Rev Sewer | \$2,146,878.24 | \$2,121,617.93 | \$2,269,281.89 | \$2,385,851.05 | \$2,500,249.42 | \$2,642,577.85 |
| <i>% Change from Existing</i> | | -1.18% | 5.70% | 11.13% | 16.46% | 23.09% |
| Proj Rev Total | \$4,139,342.76 | \$4,133,412.91 | \$4,393,350.91 | \$4,629,178.36 | \$4,869,906.76 | \$5,146,192.51 |
| <i>% Change from Existing</i> | | -0.14% | 6.14% | 11.83% | 17.65% | 24.32% |

The new rates are expected to increase the budget by \$1,006,849.75. A portion of the existing \$1,000,000 in capital improvement funds will be allocated toward financing solutions such as bonds or grants from the Texas Water Development Board in the interim. Emergency repairs will be funded through any remaining capital.

RECOMMENDATION

At the April 1, 2025, City Council meeting, the City Council voted to approve these increases and revisit them in two years to see if any adjustments are needed.

Watch the April 1, 2025, City Council meeting at 50:30.

APPROVED: _____ DISAPPROVED: _____

APPROVED WITH THE FOLLOWING AMENDMENTS:

ATTEST:

SAUNDRA PASSAILAIGUE, TRMC
City Secretary