

MAYOR AND CITY COUNCIL COMMUNICATION

DATE: August 20, 2024

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, Chapter 14 Utilities, Article 14.11 Water Conservation and Drought Management, Division 3 Drought Management, Section 14.11.073 Definitions and Section 14.11.074 Demand Reduction Measures to Revise the Definition of “Stage”, Add a Surcharge to (C), and Add (1) (E) Stage V, (3) (E) Stage V, and (8) Drought Surcharge Appeals; and Amend Appendix A Fee Schedule, Article A11.000 Water and Sewer Fees, Section A11.001 Generally to Add a Subsection (s) Critical Period Drought Management Surcharges, to Create Fees for Certain Water Usage Thresholds During Stages III, IV, and V Critical Period Drought Management

SPONSOR(S): N/A

PURPOSE

This M & C is to consider approval of an Ordinance amending the Leon Valley Code of Ordinances, Chapter 14 Utilities, Article 14.11 Water Conservation and Drought Management, Division 3 Drought Management, Section 14.11.073 Definitions and Section 14.11.074 Demand reduction measures to revise the definition of “Stage”, add a (1) (E) Stage V, (3) (E) Stage V, and (8) Drought Surcharge Appeals, to include language to address a Stage V and to provide for appeals, to revise the allowed watering hours, and finally to amend Appendix A Fee Schedule to create a critical period drought management surcharge when certain water usage thresholds are met.

Section 14.11.074 Demand reduction measures, (D) Stage IV restrictions states:

“A drought surcharge is assessed on all accounts for water used or assumed to be used for landscape irrigation. The surcharge is to remain in effect for a minimum of one complete billing month and will remain in effect if stage IV is still in effect at the beginning of the next billing month.”

The City has never been in Stage IV, a surcharge for this stage was never created, and there is no explanation as to how the additional funds would be used, although we can assume the additional funds would be used to encourage increased conservation, pay for more water rights, either by purchase or lease, and for additional code enforcement

support to prevent water waste. In addition, the code does not have a Stage V management period. The EAA does have a Stage V and it reduces the water pumping allowance to 44% of total water rights, and this should be reflected in the city's code.

As one-third of our city residents and businesses are connected to the San Antonio Water System (SAWS) water, it would be less confusing to the citizens to just adopt SAWS' drought surcharge rates. The City Council may also choose to delete any reference to a drought surcharge entirely.

If so desired, the amendments to the Code of Ordinances would be as follows:

Chapter 14 Utilities, Article 14.11 Water Conservation and Drought Management, Division 3 Drought Management

Sec. 14.11.073 Definitions – change the definition of “stage” from four to five stages:

“Stage. One of ~~four~~ five designated drought stages which may be declared by the city.”

The city's current Stage III restrictions do not mandate a drought surcharge, but SAWS' restrictions do. The changes to the Code would be as follows and would also apply the surcharge to Stage III:

Section 14.11.074 Demand reduction measures – add the surcharge to Stage III, and add subsections to #'s 1 and 3:

(C) “(vi) A drought surcharge is assessed on all accounts for water used or assumed to be used for landscape irrigation. The surcharge is to remain in effect for a minimum of one complete billing month and will remain in effect if Stage III is still in effect at the beginning of the next billing month.”

(1) “(E) Stage V. Water use reduction measures may be declared if the total supply of water from the Edwards Aquifer is insufficient to meet customer demand, even while complying with lesser restriction stages.”

(3) “(E) Stage V restrictions –

(i) Stage III landscape irrigation restrictions remain in effect.

(ii) A drought surcharge is assessed on all accounts for water used or assumed to be used for landscape irrigation. The surcharge is to remain in effect for a minimum of one complete billing month and will remain in effect if stage V is still in effect at the beginning of the next billing month.”

At the City Council's request, we added an appeals process as follows:

“(8) Drought Surcharge Appeals. An owner or occupant of a property that is being

assessed a drought surcharge may appeal the assessment to the Public Works Director. The Director shall follow the policy of the city for the application of and dismissal from drought surcharges. Any appeal denied by the Public Works Director may be heard and overturned by the governing body.”

Appendix A Fee Schedule, Article A11.000 Water and Sewer Fees, Section A11.001 Generally – add a Subsection (s) mandating a surcharge to match SAWS charges:

“(s) Critical Period Drought Management Surcharge

Drought management surcharges are in effect under Stages III, IV, and V Critical Period Drought management declarations and the fees to be charged are as currently adopted by the San Antonio Water System as Drought Surcharge and Non-Compliant Charges, incorporated by reference as though copied herein fully. Stage V surcharges are to be the same as in Stage IV, unless otherwise revised by SAWS.”

FISCAL IMPACT

From the San Antonio Water System:

“Drought Surcharge

Drought Surcharges are not applied unless a customer’s billed use achieves the volumetric thresholds shown. While the rate remains the same in Stage 3 and Stage 4, there are different thresholds in each stage such that the surcharge is incurred sooner in Stage IV drought conditions than in Stage V drought conditions.

Drought Surcharge Rate Structure				
Customer Class	Rate Per Thousand Gallons	Meter Size (inches)	Stage 3 Threshold (gallons)	Stage 4 Threshold (gallons)
Residential	\$10.37	All Sizes	20,000	12,000
Billed Commercial Irrigation	\$10.37	5/8	12,000	7,200
		3/4	18,000	10,800
		1	30,000	18,000
		1.5	60,000	36,000
		2	96,000	57,600
		3	210,000	126,000
		4	360,000	216,000
		6	810,000	486,000
		8	1,080,000	648,000
		10	1,440,000	864,000

The surcharge is not a legal citation, just an additional charge on the water bill. The fees would be used to acquire water rights, either by lease or purchase.

RECOMMENDATION

At City Council discretion, although Staff does recommend approval in adding a Stage V to the regulation.

APPROVED : _____ DISAPPROVED: _____

APPROVED WITH THE FOLLOWING AMENDMENTS :

ATTEST :

SAUNDRA PASSAILAIGUE, TRMC
City Secretary