

Code Amendment  
Chapter 14 Utilities  
Appendix A Fee Schedule  
Critical Period Drought Management Surcharges

Melinda Moritz  
Public Works Director  
City Council Meeting  
August 20, 2024

# Summary

- Question
  - City Council is being asked to approve amendments to LVCC Chapter 14 Utilities, Article 14.11 Water Conservation and Drought Management, Division 3 Drought Management and Appendix A Fee Schedule to revise watering hours, add a Stage V, and to create a Critical Period Drought Management Surcharge
- Options
  - Approve
  - Deny
  - Other
- Declaration
  - Staff recommends the addition of a Stage V critical management period, revise watering hours, and add a Stage III, Stage IV, and Stage V drought surcharge

# Purpose

- To consider amending the city's drought management regulations to revise a definition, revise watering hours, add Stage V restrictions, & amend the fee schedule to create drought management surcharges
- The surcharges would go into effect when the city declares Stage III, IV, and V critical period drought management restrictions
- The surcharges would affect all Leon Valley water customers
  - They already affect all SAWS customers

# Background

- City's drought management ordinance was created in 1994
- Had Stages I-IV, but no Stage V
- Mentioned a surcharge when in Stage IV, but no fee assessed in Fee Schedule
- Watering hours were never revised

# Background

- Section 14.11.074 Demand reduction measures, Subsection (3) Watering restrictions, (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.”

# Background

- The City has never been in Stage IV, a surcharge for this stage was never created, & there's no explanation as to how the funds would be used
  - Can assume would be to encourage increased conservation, pay for more water rights (lease or purchase), and for more code enforcement
- Code also doesn't have Stage V management period
- EAA does have a Stage V (reduces pumping to 44% of total rights), which should be reflected in city code
- Watering hours in the Code do not match SAWS, which is confusing for LV water customers

# Background

- As 1/3rd of residents & businesses are connected to SAWS water, it would be less confusing to the citizens to just adopt SAWS' watering hours
- Drought surcharge fee was never adopted & doesn't apply to Stage III like SAWS
  - The City Council may also choose to delete any reference to a drought surcharge entirely

# Proposed Code Amendments

- 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.”



# Proposed Code Amendments

- Code Amendments would apply surcharge to Stages III & IV, & add a Stage V:
  - (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.”

# Proposed Code Amendments

- (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.”
- Change watering hours to match SAWS

# Proposed Code Amendment

- Appendix A Fee Schedule, Article A11.000 Water and Sewer Fees, Section A11.001 Generally – add a Subsection (s) mandating a surcharge:
  - “(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, 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.”

# SAWS Drought Surcharge

- “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)
<b>Residential</b>	\$10.37	All Sizes	20,000	12,000
<b>Billed Commercial Irrigation</b>	\$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

# Recommendation

- At the last Council meeting, staff was directed to add an appeals process to the Ordinance & create internal policy for how surcharge to be applied & to give customers relief
- Also asked to find out how many residential customers used over 20,000-gallons per month
  - 35 customers used over 20,000 gallons per month
  - 184 used between 12,000 – 19,000 gallons per month
  - Some caused by leaks, one-time events, other
- Staff added the appeals section, created policy, & removed reference to non-compliance fee