



December 8, 2021

Dear Rollingwood Commercial Wastewater Customer,

The City of Rollingwood is currently considering changes to the manner in which commercial customers are billed for their wastewater services which may impact your monthly bill. On November 17, 2021, the City Council heard a presentation from the City's wastewater rate consultant, and the City Council voted to proceed with recommendations from that presentation. The City Council is scheduled to consider formal adoption of changes to the City's ordinance reflecting these recommendations at the regular City Council Meeting on December 15, 2021. This letter is to inform you of the proposed changes and how they may impact your monthly bill.

Current Wastewater Service Billing

Currently, the City of Rollingwood bills commercial customers a two-part rate structure for wastewater services. This structure consists of a base rate (also referred to as minimum charge) and a volumetric rate. The base rate is \$91.07 per Living Unit Equivalent (LUE) per month. The volumetric rate is \$7.81 per thousand gallons based upon the metered water consumption for that month.

Living Unit Equivalents

For the purposes of wastewater billing in the City of Rollingwood, an LUE, or Living Unit Equivalent, is defined as the typical wastewater flows that would be produced by a single-family residence.

Current LUE Assignments

Each commercial customer has been assigned an LUE value which is multiplied by \$91.07 and assessed to the customer each month as part of their wastewater bill. The City unfortunately is unaware of the historical basis for the LUE assignment for each customer and no records appear to exist that would allow the City to be able to confirm that the assignments are fair and equitable among customers. Furthermore, as a documented methodology does not exist, the City is unable to assign LUEs to new commercial customers in the City.

Proposed Change to LUE Determinations

Lacking a clearly defined methodology for determining LUE assignments, the City has undertaken a study to identify a manner in which LUE assignments can be made that would result in a fair and equitable means of assigning LUEs to customers.

The proposed change contemplates calculating the number of LUEs assigned to a customer based on the historical monthly average use for one year and dividing that average use by 7,500 gallons (which is approximately equal to the use of a single-family residence) then rounded to one decimal place. Each customer's LUE assignment would be determined once per year. That assignment would stay with the customer for one year at which point the calculation would be made again, using the most recent year of data.

Base Fees and Volumetric Rates

The base fee of \$91.07 per LUE per month and volumetric rate of \$7.81 per thousand gallons would not change. The change will only impact the manner in which the LUE assignment is determined.

Impact to Your Bill

As a result of this change, some commercial customers will actually see their total monthly bill to the City decrease, while other customers will see their monthly bill increase. In general, customers with lower consumption will see their monthly bill decrease while customers who use larger volumes will see their monthly bill increase. While the total revenues to the City as a result of this change will be remarkably similar, the proposed change attempts to allocate charges based on actual usage – resulting in fair and equitable charges among the City’s commercial customers.

Next Steps

Once the revised ordinance is finally approved by City Council, this change will go into effect citywide. Historical use for a one-year period (January to December) will be considered in the calculation of your LUE assignment. For those customers without 12 months of actual usage data, LUE assignments will be based on water meter size for 2022 billing.

The City feels it is important to communicate with our customers to ensure a clear understanding of the proposed changes and the City’s process. In the event you have comments or questions, please do not hesitate to contact Utility Billing Manager Sharon Davis at sdavis@rollingwoodtx.gov for further clarification and information.

Thank you,

City of Rollingwood

512-327-1838