



## AGENDA ITEM SUMMARY

<b>Agenda Date</b>	August 26, 2025
<b>Requested Action</b>	APPROVE ON FIRST READING ORDINANCE NO. 2025-15; AN ORDINANCE ESTABLISHING THE RATE CLASSIFICATIONS AND RATES TO BE CHARGED FOR WATER SERVICE PROVIDED BY THE CITY OF BOERNE UTILITIES, AND REPEALING AND REPLACING ORDINANCE NO. 2024-22 DATED DECEMBER 10, 2024, AND ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH. <i>(Establishing Potable Water rates)</i>
<b>Contact Person</b>	Sarah Buckelew, Finance Director
<b>Background Information</b>	<p>During fiscal year 2025, a comprehensive rate study was conducted on the Water, Sewer and Reclaimed utilities.</p> <p><b>The objectives of the study were:</b></p> <ol style="list-style-type: none"><li>1. To ensure rate revenues are adequate to meet rising operating costs, including wholesale water purchases.</li><li>2. Fund capital improvements proposed over the next several years (FY 2025- 2029).</li><li>3. Ensure utility financial policies are met, including adequate debt service coverage ratios and fund balances.</li></ol> <p><b>Following the presentation, discussion over the study outcomes and rate impacts included:</b></p> <ol style="list-style-type: none"><li>4. Council support for strategic planning and adopting a gradual rate change each year for the next 5 years that would help keep annual rate increases manageable despite growing costs.</li></ol> <p>This agenda item sets rates that would be adequate to meet costs in Fiscal Year 2026. If adopted, the rates would be effective October 1, 2025.</p>
<b>Strategic Alignment</b>	C1 – Quality Customer Experiences F1 - Committing to Strategic, responsible, and conservative financial management F2 – Investing in and maintaining high-quality infrastructure systems and public assets

	B1 – Utilizing data to drive smart decision making
<b>Financial Considerations</b>	The water rates proposed are included in the attached ordinance
<b>Citizen Input/Board Review</b>	N/A
<b>Legal Review</b>	N/A
<b>Alternative Options</b>	N/A
<b>Supporting Documents</b>	Ordinance No. 2025-15