



AGENDA ITEM SUMMARY

	<h2 style="margin: 0;">AGENDA ITEM SUMMARY</h2>										
Agenda Date	November 12, 2024										
Requested Action	APPROVE ON FIRST READING ORDINANCE NO. 2024-23; AN ORDINANCE ESTABLISHING THE RATE CLASSIFICATIONS AND RATES TO BE CHARGED FOR WASTEWATER SERVICE PROVIDED BY THE CITY OF BOERNE UTILITIES, AND REPEALING AND REPLACING ORDINANCE NO. 2015-20 DATED AUGUST 25, 2015 AND ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH.										
Contact Person	Sarah Buckelew, Finance Director										
Background Information	<p>During the October 22, 2024 City Council meeting, a presentation was made by Matthew Garrett, Partner and Managing Director at New Gen Strategies and Solutions as well as City Staff regarding a comprehensive rate study conducted on the Water, Sewer and Reclaimed utilities.</p> <p>The objectives of the study were:</p> <ul style="list-style-type: none"> • To ensure rate revenues are adequate to meet rising operating costs, including wholesale water purchases. • Fund capital improvements proposed over the next several years (FY 2025- 2029). • Ensure utility financial policies are met, including adequate debt service coverage ratios and fund balances. <p>Following the presentation, discussion over the study outcomes and rate impacts included:</p> <ul style="list-style-type: none"> • 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. <p>This agenda item brings forward for consideration an ordinance that considers Council feedback and sets rates that would be adequate to meet costs in Fiscal Year 2025. If adopted, the rates would be updated beginning January 1, 2025.</p>										
Item Justification	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"> <input checked="" type="checkbox"/> Legal/Regulatory Obligation </td> <td style="width: 50%; border: none;"> <input checked="" type="checkbox"/> Infrastructure Investment </td> </tr> <tr> <td style="border: none;"> <input type="checkbox"/> Reduce Costs </td> <td style="border: none;"> <input type="checkbox"/> Customer Pull </td> </tr> <tr> <td style="border: none;"> <input checked="" type="checkbox"/> Increase Revenue </td> <td style="border: none;"> <input type="checkbox"/> Service Enhancement </td> </tr> <tr> <td style="border: none;"> <input checked="" type="checkbox"/> Mitigate Risk </td> <td style="border: none;"> <input type="checkbox"/> Process Efficiency </td> </tr> <tr> <td style="border: none;"> <input type="checkbox"/> Master Plan Recommendation </td> <td style="border: none;"> <input type="checkbox"/> Other: </td> </tr> </table>	<input checked="" type="checkbox"/> Legal/Regulatory Obligation	<input checked="" type="checkbox"/> Infrastructure Investment	<input type="checkbox"/> Reduce Costs	<input type="checkbox"/> Customer Pull	<input checked="" type="checkbox"/> Increase Revenue	<input type="checkbox"/> Service Enhancement	<input checked="" type="checkbox"/> Mitigate Risk	<input type="checkbox"/> Process Efficiency	<input type="checkbox"/> Master Plan Recommendation	<input type="checkbox"/> Other:
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Strategic Alignment <i>(Example: C2 – Customer Feedback, B1 – Data Driven Decision)</i>	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
Financial Considerations	The sewer rates proposed are included in the attached ordinance, and will be discussed in detail during this agenda item presentation.
Citizen Input/Board Review	N/A
Legal Review	N/A
Alternative Options	N/A
Supporting Documents	Ordinance No. 2024-23 Current / Proposed Rates