



AGENDA ITEM SUMMARY

Agenda Date	September 9, 2025
Requested Action	APPROVE ON SECOND READING ORDINANCE NO. 2025-16; AN ORDINANCE ESTABLISHING THE RATE CLASSIFICATIONS AND RATES TO BE CHARGED FOR RECLAIMED WATER SERVICE PROVIDED BY THE CITY OF BOERNE UTILITIES, AND REPEALING AND REPLACING ORDINANCE NO. 2024-24 DATED JANUARY 14, 2025, AND ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH. (Establishing Reclaimed Water rates)
Contact Person	Sarah Buckelew, Finance Director
Background Information	During fiscal year 2025, a comprehensive rate study conducted on the Water, Sewer, and Reclaimed utilities. The objectives of the study were: 1. To ensure rate revenues are adequate to meet rising operating costs, including wholesale water purchases. 2. Fund capital improvements proposed over the next several years (FY 2025- 2029). 3. Ensure utility financial policies are met, including adequate debt service coverage ratios and fund balances. Study outcomes and rate impacts included: 1. Council support for adopting a gradual rate change each year for the next 5 years that would help keep annual rate increases manageable despite growing costs. 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.
Strategic Alignment	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 reclaimed water rates proposed are included in the attached ordinance.
Citizen Input/Board Review	N/A
Legal Review	N/A
Alternative Options	N/A
Supporting Documents	Ordinance No. 2025-16