



AGENDA ITEM SUMMARY

Agenda Date	August 26, 2025
Requested Action	APPROVE ON FIRST 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	<p>During fiscal year 2025, a comprehensive rate study conducted on the Water, Sewer, and Reclaimed utilities.</p> <p>The objectives of the study were:</p> <ol style="list-style-type: none">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. <p>Following the presentation, discussion over the study outcomes and rate impacts included:</p> <ol style="list-style-type: none">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. <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>
Strategic Alignment	<p>C1 – Quality Customer Experiences</p> <p>F1 - Committing to Strategic, responsible, and conservative financial management</p> <p>F2 – Investing in and maintaining high-quality infrastructure systems and public assets</p> <p>B1 – Utilizing data to drive smart decision making</p>

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