

CITY OF SAN ANTONIO
Interdepartmental Correspondence Sheet

ITEM NO. **32**

TO: Mayor and City Council
FROM: Ben Gorzell Jr. CPA, Public Utilities Supervisor/Assistant Director, Finance Department; Eugene E. Habiger, General, USAF (Ret.), President/Chief Executive Officer, San Antonio Water System
THROUGH: Terry M. Brechtel, City Manager
COPIES: Melissa Byrne Vossmer, Assistant City Manager; Milo D. Nitschke, Director of Finance; Thomas G. Wendorf, P.E., Director of Public Works; File
SUBJECT: An Ordinance Authorizing an Amendment to the San Antonio Water System's (SAWS) Recycled Water Rates
DATE: October 31, 2002

SUMMARY AND RECOMMENDATION

This ordinance approves an amendment to the San Antonio Water System's (SAWS) recycled water rates through a change in language setting the guidelines for the Edward's Aquifer Exchange Program and ratifies the actions of SAWS relative to the application of Edward's Aquifer Exchange Program rates to existing customers.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

On March 26, 1998, City Council approved Ordinance No. 87597 establishing SAWS' recycled water rates. A component of the rate schedule included the Edwards Aquifer exchange program. This exchange program provides a discount rate for recycled water in exchange for the transfer of Edwards Aquifer pumping rights within the SAWS service area allowing SAWS to utilize the pumping rights for additional potable water. Usage of recycled water above the amount transferred would be at the higher rate as illustrated below.

The rate categories established in Ordinance No. 87597 reflected the discounted rate based on the exchange of Edwards Aquifer pumping rights. The initial rates were as follows:

	Rate Per 100 Gallons	
<u>Usage in Gallons</u>	<u>Standard</u>	<u>Seasonal</u>
Transferred Amount	\$0.0230	\$0.0230
All in excess of Transferred Amount	\$0.0863	\$0.0917

On October 21, 1999, City Council approved Ordinance No. 90733 which amended certain components of the recycled water rates. The Ordinance also inadvertently changed the basis of the "Usage in Gallons" rate category for Edward's Aquifer Exchange from a transferred amount/excess basis to a first 748,000-gallons/over 748,000-gallons basis. This Ordinance would change the basis back to the original description as stated above. This will allow the discounted rate to apply only to recycled water usage which equals that of the transferred amount of Edwards Aquifer pumping rights.

Additionally, the Ordinance ratifies the actions of SAWS relative to the application of Edwards Aquifer Exchange Program rates to the two existing customers which have elected to transfer their Edwards Aquifer water rights to SAWS in exchange for the recycled rate discount. Both customers have done so by way of contractual agreement with SAWS which already contains the correct exchange rates.

FISCAL IMPACT

There is no financial impact resulting from the proposed Ordinance. Contractual agreements with both customers participating in the Edwards Exchange Program which have elected to transfer their water rights to SAWS in exchange for the recycle rate discount already contain the correct rate schedule. As such, no financial impact will result from the approval of this Ordinance.

COORDINATION

This request for Ordinance has been coordinated with SAWS and City Attorney's Office. The SAWS Board of Trustees approved this item on October 15, 2002.

SUPPLEMENTARY COMMENTS

The requirements of the City's Ethics Ordinance are not applicable.




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City of San Antonio



Eugene E. Habiger
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San Antonio Water System

Approved:



Melissa Byrne Vossmer
Assistant City Manager



Terry M. Brechtel
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