



Legislation Text

File #: 2019-0379, **Version:** 2

Consider an ordinance amending Chapter 44, Section 44-32 and Section 44-33, Code of Ordinances (2018 Edition), regarding water rates and reuse water rates. (Second Reading)

Staff recommends an amendment to the existing ordinance to keep both retail and wholesale water rates unchanged.

The previously adopted rate increase on October 1, 2019 is no longer required due to:

- Refinancing existing debt at a lower rate has reduced interest costs
- Raw water costs were less than anticipated
- Power costs to run the utility have been reduced due to a lower power rate contract and operational efficiencies

These savings apply to all retail and wholesale customers.

Background:

The City of Round Rock's goal is to provide water and wastewater rates at the most cost effective and efficient way possible to its customers. With that said, the City takes great pride in having some of the lowest utility rates in the region. In order to ensure that the rates are in line with the cost of providing service, the City conducted a full retail and wholesale water and wastewater rate study in the Spring 2017. The study took a comprehensive look to ensure the City is recovering costs needed to fund capital improvement programs, increasing system demands, and operating pressures. The results of the rate study indicated that the water rates should be amended annually over the next three years. This increase was approved by the Round Rock City Council in September 2017. As stated in the ordinance, the adopted increases would occur on October 1st of 2017, 2018, and 2019.