



Public Information Division

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Public forum to address proposed water rate structure

The City of San Angelo's Water Utilities Department will host a public forum at 6 p.m. Tuesday, Nov. 17, to explain a proposed water rate increase, answer citizens' questions and gather public input on the plan.

The forum will be in the north meeting room of the McNease Convention Center, 501 Rio Concho Drive.

The proposed increase would occur incrementally over five years. Currently, the average residential water customer pays \$51.17 per month for water and sewer service. If the City Council approves the plan as proposed, that would increase \$5.88 per month in 2016. By 2020, the average residential customer would pay \$79.08 – an increase of \$27.91 per month over the current cost.

The rate increase was recommended by Raftelis Financial Consultants after it analyzed San Angelo's rate structure compared to the water utility's financial needs. Raftelis concluded the current rates are insufficient to ensure the utility's financial viability, to meaningfully reinvest in its aging infrastructure and to develop future water sources.

Drought restrictions have prevented the water utility from selling enough water to cover its expenses since 2012. As a result, the utility has spent from its fund balance, which has dwindled to about \$300,000. The City's Water Fund should have 75 days of operating expense – approximately \$3.8 million.

Raftelis also recommended a more aggressive approach to infrastructure improvements, including replacing water mains that are 50-plus years old, far exceeding their expected lifespan.

Raftelis also said San Angelo's water rates are insufficient to secure financing for future water supply projects that will complement the city's portfolio of surface water supplies. The City is exploring a wastewater reuse project anticipated to cost \$136 million, as well as studying the potential of capturing stormwater from the Red Arroyo. Additionally, San Angelo is partnering with the cities of Midland and Abilene to identify a possible long-term regional water source that would serve all three communities.

The City Council on Nov. 3 voiced support for the water rate proposal, but said it first wanted to educate and inform citizens about the plan and gather public input.

The Water Utilities Department hopes to have a new rate structure in place by Jan. 1. The City Council is expected to conduct a first reading of an ordinance detailing the rate structure Dec. 1. Final approval could occur later in the month.

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