

**PARKING LOT QUESTIONS
RATE ADVISORY COMMITTEE
As of RAC Meeting, September 24, 2019**

Item No./ Date	Member	Question	Answer	Date Answered
PL-1 9/24/19	James Smyle	Are there unique classes in the rate structure for churches, nonprofits or cemeteries?	No, there are not currently.	10/11/19
PL-2 9/24/19	James Smyle	Also, in looking at the list of pricing objectives presented here (and in comparison to those listed in the AWWA manual), I would suggest that it be considered to remove “Economic Development”. First, the concern should be that rates be fair and equitable. If fair and equitable rates would unnecessarily hinder “economic development”, i.e., be non-competitive in comparison to similar markets, then there are likely to be broader issues to deal with that rate setting does not address (or which may pave over). Second, water rates would seem to be a very blunt instrument for incentivizing greater economic growth, once one moves beyond having reasonably competitive rates. Third, this runs the risk of implicitly establishing a principle that water rates for “economic development” may (or do) merit a subsidy as a “public good”...and going down that path would require great transparency and a compelling, prior, economic justification. If the members prefer to keep a reference to economic concerns, I would then suggest that	<p>Competitive rates are certainly a factor that businesses consider when making a decision to locate in San Antonio. SAWS has not interpreted “Economic Development” to strictly mean “Competitive Rates”. We have implemented targeted lower rates for a major jobs creation project which we referred to as “Economic Development” rates. The last time we had such rates was to support a major new Toyota vehicle manufacturing plant built here about 13 years ago; those targeted lower rates were in effect for a limited time from 2006 to 2013.</p> <p>We recommend to the RAC that “Economic Development” stay on the pricing objectives list so the RAC members can prioritize it higher, lower, or not at all as they see fit.</p>	10/11/19

		“Competitive Rates” be substituted for “Economic Development”.		
PL-3 9/24/19	James Smyle	What rate structure/class is the City of San Antonio, Bexar County and other government or semi-governmental agencies under? What about military bases?	All are in the General Class.	10/11/19
PL-4 9/24/19	James Smyle	To what extent did the new tiered rates achieve the stated objectives, e.g., of sending price signals to residential water users that incentivized water use efficiency and/or water conservation?	Staff will provide a presentation at the 10/16/19 meeting on this issue.	
PL-5 9/24/19	James Smyle	How accurate/realistic were demand projections (water and EDUs) and what, if any, implications might this have for the assumptions to be made for current analysis?	Staff will provide a presentation at the 10/16/19 meeting on this issue.	
PL-6 9/24/19	James Smyle	Did the merging of all non-residential classes -- Commercial, Institutional, and Multi-family Residential classes -- into one “General” user class have the effect of obscuring a central rate setting principle that “one class should not subsidize another”?	Commercial, institutional and multi-family customers have always been in the General Class since SAWS was formed in 1992.	10/11/2019
PL-7 9/24/19	James Smyle	Did the 2015 rate-change for the Water Supply Fee, which created tiered rates for the general class, in practice reflect the real cost of the water supplies it was supposed to support?	The Water Supply Fee was adopted by the SAWS Board and the City Council in 2001 for the exclusive purpose of recovering the cost of developing and maintaining new water supplies . Originally, the fee was a flat volumetric rate. In 2010, the water supply fee paid by Residential and Irrigation class customers was tiered. In 2016, the fee was tiered for General class customers, The tiered rates are not tied to the cost of specific water supplies. Instead they are a factor of the base volumetric rate similar to SAWS water delivery rates.	10/11/2019
PL-8 9/24/19	James Smyle	Did the reclassification into the General Class have unintended outcomes as regards	There was no reclassification of other customer groups into the General Class in 2015.	10/11/2019

		cost apportionment, for example, General Class usage increased slightly (3% to 4%), while its share of Water Supply Fees dropped almost 15%?	Commercial, institutional and multi-family customers have always been in the General Class since SAWS was formed in 1992.	
PL-9 9/24/19	Joseph Yakubik	Does SAWS have the highest fixed rates in Texas?	See Attachment I	
PL-10 9/24/19	Patrick Garcia	Please provide the history of SAWS rates and rate structures over the last 10 years.	See Attachment II	
PL-11 9/24/19	Raine Tanner, Daniel Meza, Patrick Garcia	Please provide a summary of incidental fees that have accumulated, for example the Stormwater Fee, over the last ten years.	See Attachment II for SAWS rates and fees history. See Attachment III for Storm Water Fee history.	
PL-12 9/24/19	Patricia Wallace	Please compare SAWS rates over the last 10 years to those of other cities.	See Attachment IV	
PL-13 9/24/19	Daniel Meza	Please provide affordability history, including what the discount has look like over time.	See Attachment V	
PL-14 9/24/19	Daniel Meza	Disclose what SAWS tests for when testing water quality; Describe water quality testing protocol at SAWS and prospects for possible third party verification of SAWS water quality testing; provide full RAC with website reference	See Attachment VI	10/11/2019
PL-15 9/24/19	Raine Tanner	Discuss plans to sell excess Vista Ridge water to other entities.	Staff will make a presentation on this topic and other Water Resources planning issues at a later meeting.	
PL-16 9/24/19	Stephen Lara	Discussion of the number of area entities having emergency interconnect contracts with SAWS. Additional questions from Mr. Lara sent on October 10, 2019: 1. How are these cities charged and how are the individual meters checked for billing?	See Attachment VII	

		<p>2. Can an overview of the agreement and the actual system be briefed at some point?</p> <p>3. Is there a tier system that regulates the pricing for high volume users?</p> <p>4. Is there a tier system that regulates more frequent users of the interconnect agreement?</p>		
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