



**SOLICITATION NO: R-19-004-JG
RELEASE DATE: MARCH 8, 2019**

REQUEST FOR PROPOSALS

COST OF SERVICE AND RATE DESIGN STUDY

**Virtual ONLY Non-Mandatory Pre-Submittal Conference:
Monday March 18, 2019 at 2:00 p.m. (CDT)**

Deadline: April 15, 2019 at 2:00 p.m. (CDT)

****HARD COPY SUBMISSIONS ****

I. Project Information

A. Objective

The San Antonio Water System (“SAWS”) is requesting proposals from a consultant or consulting firm to perform a comprehensive Cost of Service and Rate Design Study (Rate Study). The purpose of the Rate Study is to analyze and provide recommendations to SAWS about the rate structure for water delivery, water supply, recycled water, and wastewater operations. The utility service area to be studied will include the current water and wastewater service areas of SAWS. The Rate Study will include recommendations regarding the adequacy and most appropriate structure for all rates assessed by SAWS considering such principles as (not all-inclusive nor listed in priority order): conservation, consumption characteristics of various customer classes, cost of service, fairness and equity implications, financial stability, customer affordability, and economic development. The recommendations shall take into account the prioritization of principles made by the City Council, the SAWS Board of Trustees and the Rate Advisory Committee (RAC). The RAC consists of citizens appointed to oversee the Rate Design Study process. The Selected Consultant shall also review and make recommendations for improvement of SAWS’ current cost allocation model.

B. Background

The services of a consultant to conduct a Cost of Service and Rate Design Study for SAWS were last utilized in 2014 and 2015. A summary of the current rate structures implemented as a result of the last rate study is provided within this RFP. Rate Schedules (Schedules A-F) effective for 2019 for each rate classification described are outlined in Attachment I. Each applicable rate schedule will be referenced below and in Section C as appropriate.

1. Potable Water Rate Structure

- a. All potable water customers are assessed separate Water Delivery and Water Supply Fee volumetric rates (Schedules A and E). Water Supply Fee volumetric rates are assessed using the same rate tier blocks as the corresponding Water Delivery rates; the number of rate blocks vary by customer class. All water customers are also assessed fixed Water Delivery-only service availability or meter charges that vary by meter size and rate class.
- b. For residential customers, a Lifeline Supply rate block exists to provide all residential customers with a very low rate for life essential uses of water. The Lifeline rates include reduced Water Delivery and Water Supply volumetric rates for the first 2,992 gallons of consumption and a lower fixed Water Delivery-only meter charge for customers with no usage above 2,992 gallons per month.
- c. Residential Water Delivery and Water Supply Fee volumetric rates have eight separate blocks with steadily increasing rates at higher usage levels intended to incentivize conservation by sending price signals to all customers having usage above the Lifeline Supply amount. Residential Water Delivery-only meter charges vary by meter size.
- d. The General Class (Schedules B and E) includes municipal, apartment, industrial and commercial customers. General Class customers are assessed base-excess Water Delivery and Water Supply Fee rates with four volumetric rate tiers with increasing rates and Water Delivery-only meter charges that vary by meter size. Each customer’s base tier usage is equal to their average monthly usage from the prior year.
- e. New General Class customers with no established prior year base usage are initially assigned a default base amount using the average monthly consumption for the prior calendar year for the average apartment, commercial, or industrial account as applicable until an average can be established.
- f. A separate Irrigation rate class (Schedules D and E) exists with four separate Water Delivery and Water Supply Fee volumetric blocks with increasing rates which are designed to send the highest price signal to the top 20% of irrigation usage. Irrigation Water Delivery-only meter charges are equal to General Class Water Delivery-only meter charges.
- g. The Water Delivery rate structures for Residential, General Class and Irrigation customers have separate rates for Inside-City-Limits (ICL) and Outside-City-Limits (OCL) customers,

while the Water Supply Fee rates for these classes are the same for all customers without regard to ICL or OCL status. There are no Water Supply Fee meter charges.

- h. The Wholesale Class (Schedules C and E) has a two-block volumetric block structure where the first block represents the customer's prior year's average monthly usage or the base use amount as defined in a wholesale contract, and the second block represents water usage by wholesale customers above the prior year average or the agreed upon base amount. The volumetric rate structure includes Water Delivery and Water Supply Fee rates. The Water Delivery-only meter charges vary by meter size. There are no separate ICL/OCL Wholesale water rates.

2. Wastewater Rate Structure

- a. All SAWS customers connected to SAWS wastewater system are assessed wastewater charges in addition to, and in connection with water service, with the exception of Irrigation and Recycled Water customers.
- b. Residential (Schedule A) and General Class (Schedule B) customers have a minimum allowance of 1,496 gallons per month included in the Wastewater service availability or meter charge for residential and general class customers.
- c. The Wastewater availability charges in all applicable classes vary by water meter size with the exception of the Wholesale class in which the availability charge is a uniform charge for all wholesale wastewater customers.
- d. Residential customers are assessed for wastewater volume based on water Average Winter Consumption (AWC) over 1,496 gallons per month using volumetric rates divided into two blocks with the second block assessed over 2,992 gallons at a higher rate than the first block rate. The AWC is calculated annually using water consumption from three consecutive billing cycles during the period November 15th and March 15th. The AWC remains in effect for 12 months until a new AWC is established.
- e. General Class customers are assessed for wastewater volume based on actual water consumption over 1,496 gallons per month at a single volumetric rate.
- f. The Wastewater rate structures for Residential and General Class customers have separate rates for ICL and OCL customers. There are no separate ICL/OCL Wholesale wastewater rates.
- g. Wholesale wastewater customers (Schedule C) are assessed a uniform availability charge and are charged a single tiered wastewater volumetric rate without an allowance for the first 1,496 gallons of monthly water usage.
- h. New Residential wastewater customers with no established AWC are assessed volumetric rates based on an initial assumed consumption of 5,985 gallons a month until an average can be established.

3. Recycled Water Rate Structure

- a. Recycled Water customers are divided into two groups (Schedule F)
 - i. Edwards Exchange customers are those customers that previously transferred their Edwards Aquifer water rights to SAWS, and who, in exchange, are assessed a low first block volumetric rate for all recycled water usage up to the amount of acre-feet of water rights transferred to SAWS, with a higher second block rate for usage above the rights transfer amount; and
 - ii. Non-Edwards Exchange customers are customers who are assessed a two-tiered set of rates with the monthly usage threshold for the first block at 748,000 gallons.
- b. Both Edwards Exchange and Non-Edwards Exchange customers are assessed the same monthly service availability or meter charges that vary by size of meter.
- c. Recycled Water volumetric rates also have separate seasonal and non-seasonal charge amounts.
- d. Recycled Water customers are not assessed wastewater charges.
- e. Recycled Water rates do not have separate ICL/OCL rate structures.

C. Scope of Services

The Selected Consultant shall perform the following services:

1. Provide the analyses and studies described below with respect to water delivery, water supply, recycled water and wastewater operations conducted by SAWS. Unless otherwise specified, the base revenue requirements that will serve as the basis for the Rate Study will be from the 2019 SAWS Budget plus the estimated annualized costs beginning in 2020 for the Vista Ridge Water Project. The Final Report shall address the following issues:
 - a. Analysis of historical demand levels, price elasticity of demand, and income elasticity with price elasticity, with an evaluation and projection of the key components of demand, including numbers and types of customers, daily and hourly demand, and peaking factors.
 - b. Analysis of impact of SAWS drought restrictions and effects of the 2017 Water Management Plan conservation program, which is available on SAWS' website at the following link:
(http://www.saws.org/Your_Water/WaterResources/2017_WMP/).
 - c. Analysis and classification of the existing Utility Plant in Service of SAWS.
 - d. Analysis and classification of the existing debt service requirements of SAWS.
 - e. Review and analysis of the maintenance and operation expense requirements projected by SAWS, and allocation to proper cost components.
 - f. Evaluation of current SAWS rates and rate structures in terms of the ability of these rates to generate adequate revenue to meet requirements from the proper source.
 - g. Allocation of the costs of service for the defined test period to the related functional components and customer classes.
 - h. Development of fair and equitable rate structures recovering costs for the base period water delivery, water supply, wastewater, and recycled water core businesses, respectively, based on the principle of cost-of-service recovery.
 - i. Sewer Surcharge Analysis: Calculation of the costs for mitigating biochemical oxygen demand (BOD) and total suspended solids (TSS) under the current City of San Antonio Industrial Waste Ordinance and determine if the current sewer surcharges are sufficient to recover the costs of the program and make recommendations for changes as warranted.
 - j. Fire Line Charges: Determine if the current SAWS Fire Line rates are sufficient to recover the costs of the program and make recommendations for changes as warranted.
2. Determination of Revenue Requirements
 - a. Meet with the SAWS Senior Vice President/Chief Financial Officer and Finance Department staff to review the operating and capital improvements program (CIP) budgets to review the SAWS budget and revenue requirements models, and to discuss SAWS major financial policies and objectives related to utility revenue requirements.
 - b. Review and recommend total utility service revenue requirements and provide the necessary assistance and review of determinations of revenue requirements using the: Cash Basis and Utility Basis, for Inside-City-Limits (ICL) service and Outside-City-Limits (OCL), respectively, as those terms are defined in the AWWA Water Rates Manual.

- i. Revenue requirement determinations must be consistent with the expressed financial objectives of SAWS, including the accomplishment of multi-year rate stability and compliance with established SAWS financial policies.

3. Determination of Revenues Realizable at Currently Effective Rates

Develop an estimate of annual service revenues realizable at current rates taking into account historical usage patterns and expected growth in consultation with SAWS Finance Department staff.

4. Functionalization, Classification and Allocation of Revenue Requirements

Recommend and implement a plan for assigning or allocating each component of revenue requirements to specific utility functions and to specific customer classes.

5. Rate Design and Customer Classification

- a. Recommend options for rate designs and associated customer classifications for water delivery, water supply, wastewater, and recycled water services. Multiple results from various rate design structure options are to be provided. Among the options SAWS would like to have presented are the following:

- i. Development of a single rate structure to recover the combined costs for the water supply and water delivery core businesses.
- ii. Development of rate structures for applicable core businesses that eliminate the inside-city-limit (ICL) and outside-city-limit (OCL) rate distinction. Compare and contrast the costs and benefits of having ICL vs. OCL rate structures as opposed to a rate structure without and ICL/OCL distinctions.
- iii. Development of alternative residential wastewater rate structures that bill using either Average Winter Consumption or give some consideration to the current month's water usage.
- iv. Development of a proposed rate structure that incorporates lower rates for qualified affordability customers as opposed to the current method of applying discounts to affordability customers. Compare and contrast the costs and benefits of using flat monthly charge discounts as opposed to having a separate affordability rate structure with lower rates.
- v. Any additional rate design options that align with industry best practices.

6. SAWS Expectations

- a. Deliverables shall include:

- i. Bi-weekly status reports will be required and must, at a minimum, summarize the hours expended, tasks accomplished, assignments, and identify significant problems with suggested solutions.
- ii. Final reports: Should include executive summaries that highlight major issues and decisions, a comprehensive cost of service and rate design section that details all methodologies, assumptions, public input, and calculations, and a background section that includes all data used in the development of recommended and alternative designs.

- iii. Models: Several models may need to be developed during the process of rate design. All models will become the property of SAWS, and the appropriate personnel will be trained on the operation of said models. Identify the software, which will be utilized for model development and transmittal.

b. Education

SAWS staff and Rate Advisory Committee (RAC) members shall receive education about the process of rate development. This includes traditional rate setting issues, methodologies and state of the art ideas that are being used or tested in other companies or industries. The educational component of this relationship is paramount to the success of this study. For SAWS staff, the education should include methodology, computer models, and the capability to modify or update the models or computations if necessary.

c. Presentations and Meetings

- i. It will be necessary to brief various stakeholders. These may include City and SAWS staff, SAWS Board of Trustees, SAWS employees, and the RAC. It is SAWS' expectation that the selected Consultant will organize and develop the presentation materials for and participate in many of these meetings and include the content and conclusions of these meetings in the Deliverables outlined above. The number of presentations required will range from 8 to 12 over a period of approximately eighteen (18) months.
- ii. Various meetings at SAWS offices will also be required from time to time with SAWS staff and/or City officials. Staff will endeavor to combine scheduled meetings of the RAC with desired Selected Respondent meetings with staff on the same days. Attendance at a project kick-off meeting with staff only at SAWS offices will also be required.
- d. All invoices from the selected Consultant and sub-consultants must include the following information relative to the period of time being invoiced:
 - i. Breakdown of staff hours expended by position associated with each task referenced in the scope of services, and
 - ii. Breakdown of all non-personnel expenses associated with each task with copies of all travel receipts provided as back-up

D. Additional Requirements

SAWS prefers that Respondent's firm and/or team member demonstrates experience conducting multiple water/wastewater rate studies for utilities in Texas, Oklahoma, New Mexico, Arizona, Colorado, Utah, Nevada, and/or California.

E. Estimated Timeline

March 8, 2019RFP Released
 March 18, 2019 at 2:00 p.m. Non-Mandatory Virtual ONLY Pre-Submittal Conference
 March 29, 2019 by 4:00 p.m. Receipt of Written Questions Due
 April 4, 2019 by 4:00 p.m. Q & A Posted to Website
 April 15, 2019 by 10:00 a.m. Proposals Due
 April 2019 Proposals Evaluated
 Mid-May, 2019Interviews, if necessary

July 2, 2019..... SAWS Board Consideration and Award
 July 2019.....Non-Selection Notices mailed
 July 2019..... Start Work

The dates listed above are subject to change without notice.

II. Selection Process

A. Selection

A Selection Evaluation Committee will review, evaluate, and rank the proposals according to a numerical scoring system based on the responses to the criteria listed below. The Selection Evaluation Committee may select two or more firms to be interviewed.

B. Interviews

Interviews of the top scoring candidates are likely. Selected respondents will be asked to provide a brief presentation to the Selection Evaluation Committee summarizing their qualifications, experience and project approach as well as answer any questions posed by the Selection Evaluation Committee.

C. Evaluation Criteria Summary

Respondents not providing a response to each of the criteria listed in this solicitation may be considered non-responsive and ineligible for consideration.

- Project Approach and Quality Assurance/Control 35 pts
- Project Team and Team Member Experience 30 pts
- Compensation Proposal..... 15 pts
- Understanding of San Antonio Socio-Political Environment..... 5 pts
- Small, Minority and Woman, and Veteran-Owned Business (SMWVB) Participation (Exhibit “B” Good Faith Effort Plan) 15 pts
- TOTAL 100 pts

III. Communication

A. Restrictions

1. Respondents or their representatives are prohibited from communicating with any City of San Antonio officials to include:
 - City Council members (as defined by the City of San Antonio Ethics Code),
 - City Council member’s staff, and
 - San Antonio Water System (SAWS) Board of Trustees regarding the RFP from the time the solicitation is released until it has been acted upon by the Board of Trustees.
2. Respondents or their representatives are prohibited from communicating with SAWS employees regarding this RFP, except as provided under “Technical Questions,” from the time the solicitation is released until the contract is awarded.
3. This includes “thank you” letters, phone calls, emails, and any contact that results in direct or indirect discussion of the RFP and/or proposal submitted by Respondents.
4. Violation of this provision by the Respondent and/or their agent may lead to disqualification of the Respondent’s proposal from consideration.

7. Responses should be clear, concise, and complete. They should be submitted using an 8 ½" by 11" portrait format (up to 11" by 17" will be permitted for drawings, where warranted).
8. By submission of a response, Respondent acknowledges that they have read and thoroughly understand the Scope of Services, agree to all terms and conditions stated herein, and acknowledge that it can perform all tasks as required.
9. Once issued, this RFP is subject to revision via written Addenda any time before the submittal deadline. Any such Addenda will be available through the SAWS website. Respondent is solely responsible for obtaining all Addenda prior to submitting its SOQ. Respondents should check the SAWS website frequently, including the day of the SOQ Submittal Deadline. SAWS assumes no responsibility or liability whatsoever for the distribution of Addenda to Respondents.

C. Response Format

The response shall be organized as follows, and each section shall be titled accordingly:

1. Submittal Response Checklist

Complete and include the Submittal Response Checklist within the proposal. Verify that the checklist is signed and that all documents on the checklist have been included with the proposal.

2. Respondent Questionnaire

The Respondent Questionnaire captures general information regarding the firm submitting a proposal in response to this solicitation. It also includes acknowledgements for the attached exhibits and addendums. The document is required and must be completed and included in the proposal.

3. W-9 Form

Submit a completed and signed W-9 Form with your proposal. Respondents may go to <http://www.irs.gov/formspubs/index.html?portlet=3> to download this form, if needed. Please also include an email address or fax number.

4. Project approach and quality assurance/control

- a. Provide a detailed work plan explaining how the Respondent would complete this project as described in the Scope of Services. The work plan should provide at a minimum:
 - Itemized tasks
 - Resource requirements
 - Proposed timeline using a start date of July 10, 2019.In addition, the work plan should emphasize maximizing efficiencies in procedures in order for SAWS to meet its goal in a timely manner.
- b. Provide a sample rate model prepared by the Respondent for another utility. The model is to be in an EXCEL format. For the USB/CD, it should be a separated file in EXCEL.
- c. Provide a written document that describes the quality assurance (QA) and quality control (QC) procedures and other technical activities that will be implemented to demonstrate that the work performed by the Respondent will satisfy the scope of services in this RFP.

5. Project team and team experience

- a. Provide an organizational chart identifying each team member and their role in providing the scope of services.
- b. For each team member identified in the organizational chart, provide a resume of not more than two (2) pages per person on the capabilities, experience with water/wastewater rate studies, and qualifications of each team member. Resumes should include the team member's:
 - Name,
 - Title,
 - Education,
 - Professional experience captured in a brief overview, and
 - Licenses or professional affiliations.
- c. Provide a summary of not more than one (1) page detailing the unique qualifications of each sub-consultant.
- d. Provide a list of at least three (3) current and/or previous projects in the last (5) years, in which the Respondent has performed services similar to those sought in this solicitation. This list should include:
 - Name of client,
 - Location (city and state),
 - Duration of assignment,
 - Respondent's role in project, and
 - Valid reference contact to include name and phone number, previously verified.

6. Compensation Proposal

- a. Respondent should complete the Compensation Proposal Form, Exhibit "D". Compensation Proposal is to include a Total (firm-fixed price) Fee which is what will be taken into consideration for scoring. The Total Fee is to be inclusive of all tasks, travel expenses, staff hours, overhead, and task expenses.
- b. In addition to the Compensation Proposal, provide a breakdown of positions, staff hours, and hourly rates to include overhead, travel expenses, and expenses by task. This will not be taken into consideration for scoring but will be necessary for the contract and to maintain the timeline of this project.

7. Understanding of San Antonio Socio-Political Environment

- a. Provide a summary that demonstrates the Respondent's understanding of the San Antonio socio-political environment which serves as overall context for the comprehensive rate study. Summary should address the following:
 - Economics
 - Poverty Levels
 - City Governance
 - Water Supply Issues

V. Other Required Documents to Submit

A. Exhibit "A" – Insurance Requirements and Proof of Insurability

1. Respondent shall submit a copy of a Certificate(s) of Insurance giving evidence of the various lines of Respondent's commercial insurance coverage currently in force. Respondent should review the SAWS website at the following link:

Attachment I

2019 Rate Schedules (A-F)

SCHEDULE A RESIDENTIAL CLASS WATER AND SEWER RATE SCHEDULES SAN ANTONIO WATER SYSTEM

San Antonio, Texas

Effective for Consumption on or about January 1, 2019

Water service charges for all metered residential water connections **INSIDE THE CITY LIMITS** of San Antonio shall be the sum of the appropriate Water Service Availability Charge and the application of the Water Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the schedule below. Sewer service charges for all metered residential water connections **INSIDE THE CITY LIMITS** shall be the sum of the appropriate Sewer Service Availability Charge and the application of the Sewer Monthly Volume Charges to average monthly water usage for 90 days during three consecutive billing periods beginning after November 15 and ending on or about March 15 of each year and are billed according to the schedule below. Customers who do not have a record of winter water usage or an interim average will be billed for sewer service assuming 5,985 gallons monthly sewer usage. Customers with no San Antonio Water System water meter will be charged the Sewer Service Availability Charge based on a 5/8" meter size.

MONTHLY SERVICE AVAILABILITY CHARGES

MONTHLY VOLUME CHARGES

| Meter Size | Water Service Availability Charge* | | Sewer Service Availability Charge | | Usage Gallon - Block Threshold | WATER | | SEWER | |
|------------|------------------------------------|-------------|-----------------------------------|-----------|--------------------------------|----------------------|--------------------------------|----------------------|----------------------|
| | Rate | Rate | Rate | Rate | | Rate Per 100 Gallons | Usage Gallon - Block Threshold | Rate Per 100 Gallons | Rate Per 100 Gallons |
| 5/8" | \$ 12.82 | \$ 12.82 | \$ 14.53 | \$ 14.53 | 2,992 Gallons | \$ 0.0740 | 1,496 Gallons | \$ - | - |
| 3/4" | \$ 16.97 | \$ 16.97 | \$ 15.97 | \$ 15.97 | 4,489 Gallons | \$ 0.1295 | 2,992 Gallons | \$ - | \$0.3104 |
| 1" | \$ 25.22 | \$ 25.22 | \$ 18.14 | \$ 18.14 | 5,985 Gallons | \$ 0.1665 | Over 2,992 Gallons | \$ - | \$0.4657 |
| 1-1/2" | \$ 45.85 | \$ 45.85 | \$ 25.41 | \$ 25.41 | 7,481 Gallons | \$ 0.2034 | | | |
| 2" | \$ 70.58 | \$ 70.58 | \$ 36.31 | \$ 36.31 | 10,473 Gallons | \$ 0.2405 | | | |
| 3" | \$ 128.34 | \$ 128.34 | \$ 72.61 | \$ 72.61 | 14,962 Gallons | \$ 0.2775 | | | |
| 4" | \$ 210.83 | \$ 210.83 | \$ 108.91 | \$ 108.91 | 20,199 Gallons | \$ 0.3329 | | | |
| 6" | \$ 417.07 | \$ 417.07 | \$ 181.52 | \$ 181.52 | Over 20,199 | \$ 0.4809 | | | |
| 8" | \$ 664.55 | \$ 664.55 | \$ 290.41 | \$ 290.41 | | | | | |
| 10" | \$ 953.27 | \$ 953.27 | \$ 435.65 | \$ 435.65 | | | | | |
| 12" | \$ 1,778.20 | \$ 1,778.20 | \$ 580.86 | \$ 580.86 | | | | | |

*Water Service Availability Charge shall be reduced by \$2.57 if usage does not exceed 2,992 gallons

Water service charges for all metered residential water connections **OUTSIDE THE CITY LIMITS** of San Antonio shall be the sum of the appropriate Water Service Availability Charge and the application of the Water Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the schedule below. Sewer service charges for all metered residential water connections **OUTSIDE THE CITY LIMITS** shall be the sum of the appropriate Sewer Service Availability Charge and the application of the Sewer Monthly Volume Charges to average monthly water usage for 90 days during three consecutive billing periods beginning after November 15 and ending on or about March 15 of each year and are billed according to the schedule below. Customers who do not have a record of winter water usage or an interim average will be billed for sewer service assuming 5,985 gallons monthly sewer usage. Customers with no San Antonio Water System water meter will be charged the Sewer Service Availability Charge based on a 5/8" meter size.

MONTHLY SERVICE AVAILABILITY CHARGES

MONTHLY VOLUME CHARGES

| Meter Size | Water Service Availability Charge* | | Sewer Service Availability Charge | | Usage Gallon - Block Threshold | WATER | | SEWER | |
|------------|------------------------------------|-------------|-----------------------------------|-----------|--------------------------------|----------------------|--------------------------------|----------------------|----------------------|
| | Rate | Rate | Rate | Rate | | Rate Per 100 Gallons | Usage Gallon - Block Threshold | Rate Per 100 Gallons | Rate Per 100 Gallons |
| 5/8" | \$ 16.67 | \$ 16.67 | \$ 17.43 | \$ 17.43 | 2,992 Gallons | \$0.0962 | 1,496 Gallons | \$ - | - |
| 3/4" | \$ 22.06 | \$ 22.06 | \$ 19.18 | \$ 19.18 | 4,489 Gallons | 0.1683 | 2,992 Gallons | \$ - | \$0.3726 |
| 1" | \$ 32.79 | \$ 32.79 | \$ 21.78 | \$ 21.78 | 5,985 Gallons | 0.2165 | Over 2,992 Gallons | \$ - | \$0.5588 |
| 1-1/2" | \$ 59.61 | \$ 59.61 | \$ 30.50 | \$ 30.50 | 7,481 Gallons | 0.2645 | | | |
| 2" | \$ 91.75 | \$ 91.75 | \$ 43.58 | \$ 43.58 | 10,473 Gallons | 0.3125 | | | |
| 3" | \$ 166.84 | \$ 166.84 | \$ 87.12 | \$ 87.12 | 14,962 Gallons | 0.3607 | | | |
| 4" | \$ 274.06 | \$ 274.06 | \$ 130.70 | \$ 130.70 | 20,199 Gallons | 0.4328 | | | |
| 6" | \$ 542.18 | \$ 542.18 | \$ 217.83 | \$ 217.83 | Over 20,199 | 0.6253 | | | |
| 8" | \$ 863.89 | \$ 863.89 | \$ 348.52 | \$ 348.52 | | | | | |
| 10" | \$ 1,239.24 | \$ 1,239.24 | \$ 522.77 | \$ 522.77 | | | | | |
| 12" | \$ 2,311.67 | \$ 2,311.67 | \$ 697.03 | \$ 697.03 | | | | | |

*Water Service Availability Charge shall be reduced by \$3.34 if usage does not exceed 2,992 gallons

SCHEDULE B
GENERAL CLASS WATER AND SEWER RATE SCHEDULES
SAN ANTONIO WATER SYSTEM
San Antonio, Texas
Effective for Consumption on or about January 1, 2019

Water service charges for all metered General Class water connections **INSIDE THE CITY LIMITS** of San Antonio shall be the sum of the appropriate Water Service Availability Charge and the application of the Water Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the schedule below. For a new general class water customer who does not have a record of prior-year consumption history in order to establish a base use, a default base amount shall be assigned using the average monthly consumption for the prior calendar year for the average apartment, general or industrial account (as applicable) having the same meter size and sub-classification as the customer. A table of average monthly consumptions by general class sub-classification and meter size shall be updated annually by SAWS with actual prior calendar year consumption history information to serve as the source of default base amount assignments. Sewer service charges for all metered General Class water connections **INSIDE THE CITY LIMITS** shall be the sum of the appropriate Sewer Service Availability Charge and the application of the Sewer Monthly Volume Charges to metered water usage and are billed according to the schedule below. Customers with no San Antonio Water System water meter will be charged the Sewer Service Availability Charge based on a 2" meter size.

| MONTHLY SERVICE AVAILABILITY CHARGES | | | | MONTHLY VOLUME CHARGES | | |
|--------------------------------------|---------------------|----------|---------------------|--|--------------------------------|------------------------------|
| Meter Size | Water Service | | Sewer Service | WATER | | SEWER |
| | Availability Charge | | Availability Charge | Rate Per 100 Gallons | Usage Gallon - Block Threshold | Rate Per 100 Gallons |
| 5/8" | \$ | 13.86 | \$ 14.53 | Usage Blocks Base* | \$ 0.1810 | 1,496 Gallons \$ - |
| 3/4" | \$ | 19.79 | \$ 15.97 | >100-125% of Base | \$ 0.2084 | Over 1,496 Gallons \$ 0.4159 |
| 1" | \$ | 31.66 | \$ 18.14 | >125-175% of Base | \$ 0.2717 | |
| 1-1/2" | \$ | 61.29 | \$ 25.41 | >175% of Base | \$ 0.3171 | |
| 2" | \$ | 96.79 | \$ 36.31 | | | |
| 3" | \$ | 179.74 | \$ 72.61 | *The Base Use is defined as 100% of the Annual Average Consumption | | |
| 4" | \$ | 298.19 | \$ 108.91 | | | |
| 6" | \$ | 594.32 | \$ 181.52 | | | |
| 8" | \$ | 949.73 | \$ 290.41 | | | |
| 10" | \$ | 1,364.34 | \$ 435.65 | | | |
| 12" | \$ | 2,548.96 | \$ 580.86 | | | |

Water service charges for all metered General Class water connections **OUTSIDE THE CITY LIMITS** of San Antonio shall be the sum of the appropriate Water Service Availability Charge and the application of the Water Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the schedule below. For a new general class water customer who does not have a record of prior-year consumption history in order to establish a base use, a default base amount shall be assigned using the average monthly consumption for the prior calendar year for the average apartment, general or industrial account (as applicable) having the same meter size and sub-classification as the customer. A table of average monthly consumptions by general class sub-classification and meter size shall be updated annually by SAWS with actual prior calendar year consumption history information to serve as the source of default base amount assignments. Sewer service charges for all metered General Class water connections **OUTSIDE THE CITY LIMITS** shall be the sum of the appropriate Sewer Service Availability Charge and the application of the Sewer Monthly Volume Charges to metered water usage and are billed according to the schedule below. Customers with no San Antonio Water System water meter will be charged the Sewer Service Availability Charge based on a 2" meter size.

| MONTHLY SERVICE AVAILABILITY CHARGES | | | | MONTHLY VOLUME CHARGES | | |
|--------------------------------------|---------------------|----------|---------------------|--|--------------------------------|------------------------------|
| Meter Size | Water Service | | Sewer Service | WATER | | SEWER |
| | Availability Charge | | Availability Charge | Rate Per 100 Gallons | Usage Gallon - Block Threshold | Rate Per 100 Gallons |
| 5/8" | \$ | 16.94 | \$ 17.43 | Usage Blocks Base* | \$ 0.2354 | 1,496 Gallons \$ - |
| 3/4" | \$ | 24.12 | \$ 19.18 | >100-125% of Base | \$ 0.2710 | Over 1,496 Gallons \$ 0.4992 |
| 1" | \$ | 38.45 | \$ 21.78 | >125-175% of Base | \$ 0.3533 | |
| 1-1/2" | \$ | 74.27 | \$ 30.50 | >175% of Base | \$ 0.4121 | |
| 2" | \$ | 117.20 | \$ 43.58 | | | |
| 3" | \$ | 217.47 | \$ 87.12 | *The Base Use is defined as 100% of the Annual Average Consumption | | |
| 4" | \$ | 360.65 | \$ 130.70 | | | |
| 6" | \$ | 718.67 | \$ 217.83 | | | |
| 8" | \$ | 1,148.31 | \$ 348.52 | | | |
| 10" | \$ | 1,649.54 | \$ 522.77 | | | |
| 12" | \$ | 3,081.65 | \$ 697.03 | | | |

SCHEDULE C
WHOLESALE CLASS WATER AND SEWER RATE SCHEDULES
SAN ANTONIO WATER SYSTEM

San Antonio, Texas

Effective for Consumption on or about January 1, 2019

Water service charges for all metered wholesale water connections shall be the sum of the appropriate Water Service Availability Charge and the application of the Water Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the schedule below. Sewer service charges for all metered wholesale water connections shall be the sum of the appropriate Sewer Service Availability Charge and the application of the Sewer Monthly Volume Charges to metered water usage and are billed according to the schedule below.

MONTHLY SERVICE AVAILABILITY CHARGES

| <u>Meter Size</u> † | Water Service Availability Charge | Sewer Service Availability Charge |
|---------------------|-----------------------------------|-----------------------------------|
| 6" | \$ 538.85 | \$ 340.07 |
| 8" | \$ 860.58 | \$ 340.07 |
| 10" | \$ 1,235.91 | \$ 340.07 |
| 12" | \$ 2,308.35 | \$ 340.07 |

MONTHLY VOLUME CHARGES

| | WATER | SEWER |
|--------------------------------|----------------------|--------------------------------|
| Usage Gallon - Block Threshold | Rate Per 100 Gallons | Usage Gallon - Block Threshold |
| Base* | \$ 0.2099 | All Usage |
| Over Base | \$ 0.6299 | Rate Per 100 Gallons |

*The Base Use is defined as 100% of the Annual Average Consumption or as agreed to by the wholesale customer and approved by the SAWS Board of Trustees.

† Wholesale water service will not be provided through a meter smaller than 6" in order to comply with fire-flow requirements and the "Criteria for Water Supply and Distribution in the City of San Antonio and its Extraterritorial Jurisdiction."

**SCHEDULE D
IRRIGATION CLASS WATER AND SEWER RATE SCHEDULES
SAN ANTONIO WATER SYSTEM**

San Antonio, Texas

Effective for Consumption on or about January 1, 2019

Water service charges for all irrigation water service **INSIDE THE CITY LIMITS** of San Antonio shall be the sum of the appropriate Service Availability charge and the application of the Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the schedule below.

| MONTHLY SERVICE AVAILABILITY CHARGE | | MONTHLY VOLUME CHARGES | |
|--|-----------------------------|-----------------------------------|-------------------------|
| Meter Size | Service Availability Charge | Usage Gallon - Block Threshold | Rate Per 100 Gallons |
| 5/8" | \$ 13.86 | 8,229 Gallons | \$0.3292 |
| 3/4" | \$ 19.79 | 17,954 Gallons | 0.4607 |
| 1" | \$ 31.66 | 162,316 Gallons | 0.5925 |
| 1-1/2" | \$ 61.29 | Over 162,316 Gallons | 0.7570 |
| 2" | \$ 96.79 | | |
| 3" | \$ 179.74 | | |
| 4" | \$ 298.19 | | |
| 6" | \$ 594.32 | | |
| 8" | \$ 949.73 | | |
| 10" | \$ 1,364.34 | | |
| 12" | \$ 2,548.96 | | |

Water service charges for all irrigation water service **OUTSIDE THE CITY LIMITS** of San Antonio shall be the sum of the appropriate Service Availability charge and the application of the Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the schedule below.

| MONTHLY SERVICE AVAILABILITY CHARGES | | MONTHLY VOLUME CHARGES | |
|---|-----------------------------|-----------------------------------|-------------------------|
| Meter Size | Service Availability Charge | Usage Gallon - Block Threshold | Rate Per 100 Gallons |
| 5/8" | \$ 16.94 | 8,229 Gallons | \$0.4279 |
| 3/4" | \$ 24.12 | 17,954 Gallons | \$0.5991 |
| 1" | \$ 38.45 | 162,316 Gallons | \$0.7702 |
| 1-1/2" | \$ 74.27 | Over 162,316 Gallons | \$0.9841 |
| 2" | \$ 117.20 | | |
| 3" | \$ 217.47 | | |
| 4" | \$ 360.65 | | |
| 6" | \$ 718.67 | | |
| 8" | \$ 1,148.31 | | |
| 10" | \$ 1,649.54 | | |
| 12" | \$ 3,081.65 | | |

SCHEDULE E
WATER SUPPLY FEE SCHEDULE
SAN ANTONIO WATER SYSTEM

San Antonio, Texas

Effective for Consumption on or about January 1, 2019

The Water Supply Fee shall be assessed on all potable water service for water usages in every instance of service for each month or fraction thereof according to the schedule below.

| Rate Class | Usage Gallon - Block Threshold | Fee to be Assessed (per 100 gallons) |
|-------------|-----------------------------------|---|
| Residential | 2,992 Gallons | \$0.1040 |
| | 4,489 Gallons | \$0.1819 |
| | 5,985 Gallons | \$0.2338 |
| | 7,481 Gallons | \$0.2859 |
| | 10,473 Gallons | \$0.3379 |
| | 14,962 Gallons | \$0.3899 |
| | 20,199 Gallons | \$0.4678 |
| | Over 20,199 Gallons | \$0.6756 |
| General | Base* | \$0.1961 |
| | 125% of Base | \$0.2256 |
| | 175% of Base | \$0.2941 |
| | Over 175% of Base | \$0.3433 |
| Wholesale | Base** | \$0.2554 |
| | Over Base | \$0.7665 |
| Irrigation | 8,229 Gallons | \$0.2566 |
| | 17,954 Gallons | \$0.3592 |
| | 162,316 Gallons | \$0.4619 |
| | Over 162,316 | \$0.5903 |

*The Base Use for the General Class is defined as 100% of the Annual Average Consumption

**The Base Use for the Wholesale Class is defined as 100% of the Annual Average Consumption or as agreed to by the wholesale customer and approved by the SAWS Board of Trustees.

**SCHEDULE F
RECYCLED WATER RATE SCHEDULES
SAN ANTONIO WATER SYSTEM
San Antonio, Texas**

Effective for Consumption on or about January 1, 2019

Water service charges for all recycled water service shall be the sum of the appropriate Service Availability Charge and the application of the Monthly Volume Charges to metered water usage in every instance of service for each month or fraction thereof and are billed according to the appropriate schedule below.

EDWARDS EXCHANGE CUSTOMERS

MONTHLY SERVICE AVAILABILITY CHARGES

MONTHLY VOLUME CHARGES

| Meter Size | Service Availability Charge | Usage Blocks Transferred Amount | Rate Per 100 Gallons | |
|------------|-----------------------------|------------------------------------|----------------------|----------|
| | | | Standard | Seasonal |
| 5/8" | \$12.34 | | \$0.0325 | \$0.0325 |
| 3/4" | 16.05 | | | |
| 1" | 20.92 | All in excess of | | |
| 1-1/2" | 33.24 | transferred amount | 0.1218 | 0.1294 |
| 2" | 48.60 | | | |
| 3" | 129.27 | | | |
| 4" | 192.15 | | | |
| 6" | 366.53 | | | |
| 8" | 552.50 | | | |
| 10" | 757.60 | | | |
| 12" | 934.75 | | | |

The Volume Charge "Seasonal" Rate Per 100 Gallons shall be applied to all billings beginning on or about May 1 and ending after five complete billing months on or about September 30 of each year. At all other times the Volume Charge "Standard" Rate Per 100 Gallons shall be utilized.

NON EDWARDS EXCHANGE CUSTOMERS

MONTHLY SERVICE AVAILABILITY CHARGES

MONTHLY VOLUME CHARGES

| Meter Size | Service Availability Charge | Usage Blocks | Rate Per 100 Gallons | |
|------------|-----------------------------|---------------|----------------------|----------|
| | | | Standard | Seasonal |
| 5/8" | \$12.34 | First 748,000 | \$0.1303 | \$0.1401 |
| 3/4" | 16.05 | | | |
| 1" | 20.92 | Over 748,000 | 0.1332 | 0.1413 |
| 1-1/2" | 33.24 | | | |
| 2" | 48.60 | | | |
| 3" | 129.27 | | | |
| 4" | 192.15 | | | |
| 6" | 366.53 | | | |
| 8" | 552.50 | | | |
| 10" | 757.60 | | | |
| 12" | 934.75 | | | |

The Volume Charge "Seasonal" Rate Per 100 Gallons shall be applied to all billings beginning on or about May 1 and ending after five complete billing months on or about September 30 of each year. At all other times the Volume Charge "Standard" Rate Per 100 Gallons shall be utilized.