



# WATER & WASTEWATER RATE FREQUENTLY ASKED QUESTIONS

Houston Public Works is recommending that City Council adopt updates for water and wastewater rates to cover the increasing cost of service. Developer Impact Fees were updated in May 2021.

## RATES & FEES

### WHAT ARE WATER & WASTEWATER RATES & DEVELOPER IMPACT FEES?

Water and wastewater rates and developer impact fees are the sources of revenue to run Houston’s combined utility system, Houston Water. Houston Water is the plants, pipes, and people needed to produce and deliver clean water and to carry away and treat wastewater for 2.3 million Houstonians as well as almost 2 million customers outside the city.

The chart below shows how utility bills based on water and wastewater rates and impact fees are charged, who pays and how Houston Water uses the money.

	UTILITY BILLS	IMPACT FEE
CHARGE	monthly usage	one-time connection
CUSTOMER	existing	new
FUNDS	plants + pipes operations & maintenance	infrastructure for growth
	replace / upgrade existing infrastructure	

### WHO PAYS THE WATER & WASTEWATER RATES AND DEVELOPER IMPACT FEES?

Water and wastewater rates are the basis for charges paid every month on utility bills by most customers. Customers, like other cities and industrial users, have contracts with Houston Water for their unique needs. While they don’t receive a typical bill, their contracts pay for the same types of costs as utility bills.

Developer Impact fees are paid once when new connections are made to the water and wastewater system for new development or redevelopment that includes increased use.

## IMPORTANCE

### WHY ARE WATER & WASTEWATER RATE UPDATES RECOMMENDED?

Houston Water studied the cost of service for customers over the last two years to determine if existing rates need to be adjusted to meet the cost of service and comply with various requirements such as those set forth in bond covenants, state law, and the City Charter. Houston Water has proposed rates that satisfy the applicable legal requirements and reflect the cost of service for each type of customer, like single family or industrial, while working to ensure that everyone pays their fair share. To learn more about how rates were developed, refer to the 2021 Water and Wastewater Cost of Service Study (Rate Study) at

[houstontx.gov/citysec](http://houstontx.gov/citysec)



## WATER & WASTEWATER RATE FREQUENTLY ASKED QUESTIONS

### **DOES THE WATER & WASTEWATER RATE UPDATE INCLUDE CONSENT DECREE COSTS?**

Yes. The Consent Decree was approved by the courts and the City has an agreement with Texas Commission on Environmental Quality (TCEQ) and the EPA to resolve sanitary sewer overflows and other wastewater violations by paying fines and making improvements to the wastewater system over the next 15 years. Improvements will serve the community for years to come. The proposed water and wastewater rates cover the next 5 years and include the cost of making the first 5 years of investments agreed upon in the Consent Decree.

### **HOW WILL WATER & WASTEWATER RATES HELP MAKE HOUSTON MORE RESILIENT?**

Building a more resilient Houston is a goal that all Houstonians share. After Hurricane Harvey, Winter Storm Uri and COVID-19, the importance of a resilient water and wastewater system is clear.

The recommended water and wastewater rates create a framework for a sustainable utility in alignment with the City's priorities, stated in the Resilient Houston plan. This recognizes the critical role for the region as the owner of significant water rights granted by the State of Texas, the responsibility to serve Houston, recognition of Houston's aging infrastructure, historic inequities in infrastructure investment, and the impact to each Houstonian – from financial impacts to clear and transparent customer service.

### **WHAT WILL WATER & WASTEWATER RATE UPDATES PAY FOR?**

- resources to continue water & wastewater services
- maintenance of water & wastewater infrastructure
- reduced water main breaks
- reduced sanitary sewer overflows
- improved resilience against hurricanes, freezes & climate change
- ability to comply with the Consent Decree
- ability to comply with federal regulations rather than pay penalties for violations caused by lack of investment

## **CHANGES TO UTILITY BILLS**

### **HOW WILL WATER & WASTEWATER BILLS CHANGE?**

Houston has a history of affordable water and wastewater, and bills that are lower than other cities throughout the state and across the nation. Nearly 60% of single-family residential customers may have a \$5 or less increase on their July bill. Some utility bills may go down.



# WATER & WASTEWATER RATE FREQUENTLY ASKED QUESTIONS

Below is an example of the most common Houston Water utility bill received by over 45% of single-family residential customers (5/8-inch meter). Proposed changes are shown in orange and blue.

## SAMPLE UTILITY BILL (not including automatic adjustments)

Gallons Billed	water & wastewater chages for bills generated after ordinance change							% increase over 5 years
	Current	Jul 2021	Apr 2022	Apr 2023	Apr 2024	Apr 2025	Apr 2026	
No Use	\$18.19	\$16.46	\$18.28	\$20.03	\$20.92	\$21.78	\$22.43	23%
1000	\$18.55	\$21.46	\$24.58	\$26.78	\$28.42	\$29.98	\$31.18	68%
2000	\$26.61	\$26.46	\$30.88	\$33.53	\$35.92	\$38.18	\$39.93	50%
3000	\$27.39	\$31.46	\$37.18	\$40.28	\$43.42	\$46.38	\$48.68	78%
4000	\$57.15	\$60.96	\$70.08	\$74.88	\$79.62	\$84.63	\$88.78	55%
5000	\$68.66	\$76.96	\$88.28	\$93.73	\$99.17	\$105.18	\$110.13	60%
6000	\$83.00	\$92.96	\$106.48	\$112.58	\$118.72	\$125.73	\$131.48	58%
7000	\$97.79	\$111.46	\$127.23	\$134.03	\$141.02	\$149.13	\$155.83	59%
8000	\$112.58	\$129.96	\$147.98	\$155.48	\$163.32	\$172.53	\$180.18	60%
9000	\$127.37	\$148.46	\$168.73	\$176.93	\$185.62	\$195.93	\$204.53	61%
10000	\$142.16	\$166.96	\$189.48	\$198.38	\$207.92	\$219.33	\$228.88	61%
11000	\$156.95	\$185.46	\$210.23	\$219.83	\$230.22	\$242.73	\$253.23	61%
12000	\$171.74	\$203.96	\$230.98	\$241.28	\$252.52	\$266.13	\$277.58	62%
13000	\$190.25	\$225.46	\$254.73	\$265.73	\$277.82	\$292.53	\$304.93	60%
14000	\$208.76	\$246.96	\$278.48	\$290.18	\$303.12	\$318.93	\$332.28	59%
15000	\$227.27	\$268.46	\$302.23	\$314.63	\$328.42	\$345.33	\$359.63	58%
16000	\$245.78	\$289.96	\$325.98	\$339.08	\$353.72	\$371.73	\$386.98	57%
17000	\$264.29	\$311.46	\$349.73	\$363.53	\$379.02	\$398.13	\$414.33	57%

## City of Houston

### Utility Bill

713.371.1400  
www.houstonwater.org

**take your BEST SHOT!** Houston Health Department COVID-19 vaccination sites are available with or without appointments. Find a nearby site at [HoustonEmergency.org](http://HoustonEmergency.org) or by calling 832-393-4220 or 832-393-4301.

Customer Name:  
Account Number:  
Service Address:  
Bill Date: 5/19/2021  
Total Amount Due: \$35.12

<b>Billing Period</b>		<b>Summary of Charges</b>	
Previous Read Date	4/15/2021	Previous Balance	\$35.71
Current Read Date	5/17/2021	Payment - Thank You	\$35.71
Previous Meter Reading	556	Adjustments	\$0.00
Current Meter Reading	558	Current Charges	\$35.12
<b>Water Meter Consumption (per 1,000 gal.)</b>		<b>Total Amount Due</b>	
		<b>\$35.12</b>	
To avoid late fees or service interruption, please pay Total Amount Due by 6/9/2021.			

\$35.12 total includes drainage charge + solid waste cart fee

## WHAT IS THE DIFFERENCE BETWEEN ANNUAL AUTOMATIC ADJUSTMENTS & THE PROPOSED WATER & WASTEWATER RATE UPDATE?

The annual automatic adjustment is required by bond holders and partially addresses the rising cost of running Houston Water. The proposed rate updates also address the rising cost of service, including maintaining, replacing, and upgrading aging infrastructure, paying debts, and maintaining reserves. Houston last increased water and wastewater rates beyond the automatic annual rate adjustments in 2010.

The City's ordinance related to the automatic adjustments requires rates be adjusted annually based on numbers provided by the US Bureau of Labor & Statistics. Historically, it ranges from .03% to 4.40%. The proposed rates do not include the annual automatic adjustment.

Year	Adjustment	Year	Adjustment
2010	0.3%	2016	1.40%
2011	3.60%	2017	3.40%
2012	3.60%	2018	2.80%
2013	3.60%	2019	2.80%
2014	1.20%	2020	3.50%
2015	4.40%		

## WHAT IS THE TCEQ CONNECTION FEE?

The TCEQ connection fee is a \$0.21 charge for all accounts. The fee is a pass-through of what TCEQ charges Houston Water.



# WATER & WASTEWATER RATE FREQUENTLY ASKED QUESTIONS

## WHY DOESN'T HOUSTON WATER JUST INCREASE ALL RATES THE SAME PERCENTAGE ACROSS THE BOARD?

Water and wastewater rates must reflect the cost of service for each type of customer, so everyone pays their fair share. Some customers contribute more than others. When rates are developed, costs are matched to meet customers service needs. Single-family residential users use a lot more water in the summer to water their gardens while other customers use a consistent amount of water all year. Single-family customers pay more of the cost of system capacity that is unused in the winter. Industrial customers discharge certain types of waste into the system that other customers do not. Industrial customers pay more to treat wastewater.

Rates reflect city priorities, such as water conservation and providing clean water for basic needs. The proposed rate structure includes a conservation credit for single family customers that use 3,000 gallons or less.

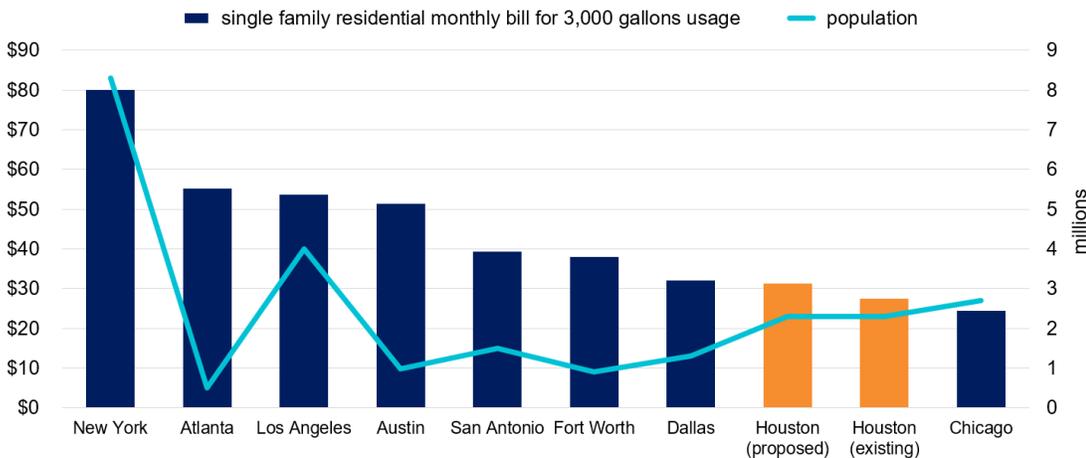
## COMPARISONS

### HOW DO THE PROPOSED WATER & WASTEWATER RATES COMPARE TO OTHER CITIES?

Houston's water and wastewater rates will remain among the lowest of other major cities, even with proposed increases.

Below is an example of water and wastewater charges compared with other major US cities.

## MONTHLY BILL COMPARISON



## TIMING

### WHEN WERE WATER & WASTEWATER RATES AND IMPACT FEES LAST UPDATED?

Water and wastewater rates were last updated in 2010. The water and wastewater rates were last studied in 2015, but no change in charges was made other than continuing the automatic rate adjustments specified by ordinance. It is industry best practice to update water and wastewater rates at least every 5 years. Developer Impact fees were updated May 2021.



## WATER & WASTEWATER RATE FREQUENTLY ASKED QUESTIONS

### WATER & WASTEWATER BILLS JUST WENT UP ON APRIL 1. WHY IS IT GOING UP AGAIN?

The April 1 increase was the automatic adjustment required by ordinance. The July 1 increase is proposed to cover the increased cost of service that the annual automatic adjustment does not cover.

### WILL FUTURE INCREASES HAPPEN ON APRIL 1 OR JULY 1 OR BOTH?

After the proposed July 1, 2021 increase, future increases will occur on April 1 of each year.

### WHEN WILL CITY COUNCIL DECIDE ON THE WATER & WASTEWATER RATE UPDATES?

Developer Impact Fees were updated in May 2021. Water and wastewater updates will be considered by City Council in the coming weeks. The proposed updates will become effective starting on July 1, 2021.

## ASSISTANCE

### WHAT IS AVAILABLE FOR CUSTOMERS WHO CANNOT AFFORD TO PAY THEIR BILLS?

[Customer Account Services](#) offers several resources for customers who need assistance:

- the W.A.T.E.R. Fund (Water Aid To Elderly Residents) – assists low income senior, low income disabled and other low income customers with up to \$100.00 within a six-month period.
- a list of local agencies that can help
- interest free payment agreements – prevents late fees and service interruptions, as long as the agreed upon payments are received by the due date each month
- City Ordinance addresses the adjustments that are available for certain unexpected high bills received by the customer

With the new rate structure, customers who conserve water and use less than 4,000 gallons each month, will benefit by being billed at a lower rate per 1,000 gallons of registered water usage.

### HOW WILL PROPOSED LEAK BALANCE ADJUSTMENTS HELP WITH HIGH WATER BILLS?

Proposed leak balance adjustments will give Houston Public Works another tool to help customers with high water bills due to a leak on the private side of the meter. The private side of the meter includes the line from the meter to a house and all the plumbing inside the house. Although there are existing provisions in the ordinance to address high bills due to private side leaks, in some unusual cases, after the existing rules are applied, a high balance remains that the homeowner must pay. The proposed change would address these unusual situations. Houston Public Works estimates that impacted customers would save on average \$1,749 and impacted low-income seniors would save on average \$752.

This adjustment is different from the Winter Storm Uri Relief program.

## RESOURCES

### FOR MORE INFORMATION

Visit [houstontx.gov/citysec](http://houstontx.gov/citysec) or

Email [publicworks@houstontx.gov](mailto:publicworks@houstontx.gov)