

Dear City Manager:

I hear that the City Council approved water rates, then after they were approved, you or your staff added tiers to the bills so that you can get extra profit. Is that true?

Mark Twain once said, "Whiskey is for drinking; water is for fighting over." Water is our greatest resource. According to medical studies, the rule of three comes into play with how important water is to our lives. "People can survive three days without water, three minutes without oxygen, and three weeks without food." Increasing utility rates is always a tough subject. In my over 20 years of experience in utilities, there has never been a more fought-over situation than water, water rates, sewer rates, and conservation.

For the most part, a regular citizen expects that when a faucet is turned, a toilet flushed, or a machine turned on, water will appear, almost magically. But, this "magic" comes with a price, the costs of operating a utility system are increasing by leaps and bounds.

Our water source in Palacios is groundwater. Some places have surface water (lakes, rivers, etc.) Water must be extracted from the ground with pumps, these pumps take electricity, a lot of it. Then it must be treated, that takes chemicals, chemicals cost money, then it must be stored and delivered through lines, line maintenance costs money, then it must go through a meter, meters cost money, and don't forget we need people to test the water, check the pumps, fix the lines, read the meters, maintain the system. These people need training and need to know what they are doing. Then what happens when you flush or wash that soap and toothpaste down the drain? The same thing happens, it must be pumped to the sewer treatment plant, treated, and delivered. Again, all takes money, time, and personnel.

The overriding objective of a utility is financial self-sustainability, which means we should charge enough to cover our costs, put money aside for improvements, and make sure we can properly maintain our system, because like anything else that gets used regularly, it will fail and need repair. With all that said, we assessed our system, and our finances, and realized we needed to increase water and sewer

rates. This is not for profit, this is not for our own wallets, and we don't get kickbacks from water and sewer rates. That is illegal. Now, let's be clear, we don't like this any more than you do. It affects me and the council, we live here, and we pay bills here. So, we are not immune. We have to pay higher bills, too.

The water rate ordinance was approved on second reading on April 13, 2023. The entire ordinance was printed in the Beacon on Wednesday, April 19, 2023. No tiers were added from the time the ordinance was approved to the time it was posted in the paper, to the time it was added to the billing system. What was given to the council, posted on our website (under notices because Ordinances are codified into our system only twice a year), and printed in the Beacon are the same tiers council approved. No, we did not go over every single line item on the tier rate structure at a public meeting, but each council member had the ordinance in its entirety, it was posted on the website with the agenda, and an explanation memo was provided as well.

Higher bills hurt, we get it, but please do not assume that unethical or even illegal behavior occurred because it is not liked. The tiered structure for utility billing is the most popular way utilities across the state and nation calculate bills. It can be daunting, a little overwhelming, and hard to understand. It took me a long time to be able to calculate a bill with pen and paper, with a tiered structure. Something one of my first bosses made me do, to learn the process. A computer can calculate it almost immediately, but by hand it takes time and patience. I am more than willing to sit with anyone and explain how to calculate this. A tiered system is based that the lowest tier allows for the right amount of water to sustain basic human indoor needs. Each tier following is designed for the more you use, the more you pay idea. Why? Because the more you use, the more it costs the utility to serve.

We are all human beings on this earth, and as human beings we make mistakes, so if you have a question about your bill or think there is a mistake, come see us, but remember, you may not get the answer you want to hear, but you will get the answer based on our data and our system. We do offer data logs for meter usage, and by ordinance our fee for the data log is \$25. Why? Because we have to send someone out to the meter to pull the information, and this takes time and costs money. Once we get our new meters in place, you can set up your own

portal and do this all yourself, for free, from the comfort of your home. Keep in mind, regardless of this increase, we statistically have some of the lowest rates in our area, including our friends in Boca Chica and Cape Carancahua, who have Palacios addresses. We are all affected by the inflation of costs these days, and no this is not a great time to raise rates, but we, the administration of the city and your city council have a responsibility to provide safe water delivery and sewer sanitation services, and unfortunately, we cannot do this without proper funding.

John F. Kennedy said "Ask not what your country can do for you, but what you can do for your country." It can also be said "Ask not what your city can do for you but what can you do for your city?" That is an easy answer, support your leaders, try to understand their point of view, the challenges they face, and help them to promote positivity, instead of negativity, so that we can make progress.