

## APPEALING ROCKPORT'S NEW UTILITY RATES

**You pay \$145**  
 \$75 water + \$70 sewer  
**They pay \$100**  
 \$51 water + \$49 sewer  
 Based on 62 units (6,200-gallons)

### Who Can Sign the Petition?

You must be a City of Rockport water and/or wastewater ratepayer (customer) **receiving service outside the city limits** to sign this petition. You are considered a single ratepayer regardless of the number of bills you receive. A petition can be signed by either you as the ratepayer or by your spouse.

### Instructions

Print out the petition page and fill it out with black ink. Print and sign your name. Be sure to list your service address, and mailing address if different from the service address. Add your phone number.

Mail the original, signed petition page **no later than November 22, 2023**, to:

Jeff Hutt, PO Box 1746, Fulton TX 78358

### Background

On September 5, the Rockport City Council approved new utility rates that disproportionately impact out-of-city ratepayers as can be seen in the table below (note: rates are for the 3/4-inch tap size only).

Residential Rates	In-City			Out-of-City			
	Old	New	Increase	Old	New	Increase	Surcharge
Water (base rate)	\$21.74	\$22.52	\$0.78 (3.6%)	\$29.95	\$33.06	\$3.11 (10.4%)	46.8%
+ Each Extra 1000-gal	\$5.83	\$6.04	\$0.21 (3.6%)	\$8.16	\$9.05	\$0.89 (10.9%)	49.8%
Sewer (base rate)	\$23.06	\$25.79	\$2.73 (11.8%)	\$32.70	\$36.62	\$3.92 (12.0%)	42.0%
+ Each Extra 1000-gal	\$4.28	\$4.79	\$0.51 (11.9%)	\$5.97	\$6.69	\$0.72 (12.1%)	39.7%

During the August 3rd budget workshop, city staff and city council members demonstrated a clear willingness to have out-of-city ratepayers subsidize the in-city rates. Their disdain for out-of-city ratepayers was best demonstrated by the city manager's statement "if you want to pay 50% less, I got an annexation form for you" and the laughter by staff and city council members that followed.

At each of the next four city council meetings, ratepayers asked the city to set just and reasonable rates, and to justify the 40%+ out-of-city surcharge. Only once during these meetings was the question asked about the added cost of providing service to out-of-city ratepayers, and the city manager was unable to provide an answer. The only justification provided in the meetings for the surcharge is the out-of-city ratepayers don't pay city taxes, and city taxes pay for staff who support the utilities. This statement fails to recognize the utilities are already paying for general city staff support through large budget transfers, such as these shown in the August 8th budget presentation to council:

- \$659,381 for "8501 Transfer to General Fund/Franchise Fee"
- \$783,000 for "8502 Transfer to General Fund in Lieu of Taxes"
- \$386,438 for "8505 Transfer to General Fund - Admin Salaries"

In summary, the city has not demonstrated either any added costs to provide service to out-of-city ratepayers or investments on which they're allowed a reasonable rate of return. What they have shown instead is a willingness to keep in-city rates artificially low at the expense of out-of-city ratepayers.

Because we do not believe the adopted rates are just and reasonable, we are filing an appeal in the form of a petition to the Public Utility Commission of Texas (PUCT) in accordance with Texas Water Code Section 13.043(b).

### **What's the Process?**

The petition must be signed by 10 percent of the affected ratepayers eligible to appeal. We have 90 days from the date the rates were approved to get approximately 300 signatures and to file the petition.

The PUCT will review the petition when submitted to ensure its completeness. If the petition is accepted for filing, a PUCT engineer, accountant, and attorney are assigned and the petition is forwarded to the State Office of Administrative Hearings (SOAH) so that a contested case hearing can be scheduled. SOAH will assign an administrative law judge (ALJ) to hear the case. The ALJ will give the parties an opportunity to reach a settlement on the appeal. If the parties cannot agree to a settlement, the administrative law judge will set a procedural schedule for discovery and an evidentiary hearing. When the hearing process is completed, the ALJ prepares a "Proposal for Decision" to submit to the three PUCT Commissioners. The Commissioners make the final decision on the ratepayers' appeal.

Note that the rates we are appealing can be put into effect while the appeal is pending. If the Commissioners set lower rates, refunds may be ordered.

### **For More Information**

We will be updating **RockportWater.com** with more information as the appeal moves forward.

Monitor the "Aransas County - Let us vote" group on Facebook for regular updates.

Listen to the city's meetings on the "Aransas County Voters Coalition" YouTube channel and see the video descriptions for relevant timestamps (<https://youtu.be/Y9Uj59lsRsk>)

Read Utili-Facts: Appealing a Rate Decision (<https://ftp.puc.texas.gov/public/puct-info/consumer/facts/factsheets/waterfacts/appealingratechangedecision.pdf>)



**We need your help! Please walk your neighborhood to get more signatures.**

**rockportwater.com**

