



City of Austin

Recommendation for Action

File #: 25-1364, **Agenda Item #:** 20.

7/24/2025

Posting Language

Approve an ordinance suspending an increase in water and wastewater rates proposed by Aqua Texas, Inc., an investor-owned utility, for its Travis County customers located in the City's corporate limits in Council District 10. Funding: This item has no fiscal impact.

Lead Department

Austin Water.

Fiscal Note

This item has no fiscal impact.

For More Information:

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Additional Backup Information:

On June 20, 2025, Aqua Texas, Inc. (Aqua Texas), an investor-owned utility, filed a Statement of Intent to Change Rates with the Public Utility Commission of Texas (PUCT) and the City seeking regulatory approval to increase water and wastewater rates for its Travis County customers who reside in Austin's corporate limits in Council District 10. Pursuant to Texas Water Code (TWC) Section 13.187, Aqua Texas, Inc. must provide its Statement of Intent to Change Rates at least 35 days prior to the proposed effective date and the City may suspend the proposed rate changes for up to 90 days after proposed effective date.

Out of Aqua Texas's 76,000 affected water customers and 25,300 wastewater customers, only about 377 water customers are located within the full-purpose corporate limits of Austin and they all reside in Council District 10. The remaining customers fall under the regulatory jurisdiction of the PUCT and Aqua Texas is simultaneously seeking the PUCT's approval for the rate increase. Aqua Texas's filing indicates that each affected customer has been provided written notice of the proposed rate changes.

Under TWC Chapter 13, Council is the regulatory authority with exclusive original jurisdiction to review rates charged to water and wastewater customers within the City's corporate limits served by non-City utilities. Council has authority to determine whether the rates as they affect City residents are just and reasonable and that in all other respects, meet State and local law. City Code Chapter 15-4 sets out the City's process for reviewing non-City utility rate filings and requires the determination to be made in a public hearing.

Austin Water staff are currently reviewing the rate filing and recommend a 90-day suspension of the proposed rates to ensure a complete and thorough review of the rate increase before final action is taken by Council. Aqua Texas plans to implement new rates on July 25, 2025, unless Council approves a 90-day suspension. Staff plan to bring a recommendation to Council so that Council can take final action on the application within the 90-day rate suspension period. Aqua Texas may appeal Council's final action to the PUCT.