

**City Council
Agenda Memo**



TO: Larry D. Gilley, City Manager

**City Council
Meeting Date: 9/26/2013**

FROM: H. Wayne Lisenbee, Assistant Director of Water Utilities

SUBJECT: WRITTEN RESOLUTION REVISING THE SCHEDULE OF RATES AND CHARGES FOR WATER AND SEWER UTILITY SERVICE.

GENERAL INFORMATION

In support of the City's ongoing Drought Response Projects, and specifically the Hamby Wastewater Treatment Plant Rehabilitation – Phase 2 project, the City will be issuing \$63.785 Million in Certificates of Obligation (COs). This debt issuance will incur an annual debt service obligation of approximately \$4.5 Million per year for 25 years. The COs are supported by revenues from the Water and Sewer Fund, so the attached Resolution and Schedule of Rates and Charges reflects the rates for water and sewer service necessary to provide the additional annual debt service requirements. There are no Operations & Maintenance increases factored into this proposed rate adjustment.

FUNDING/FISCAL IMPACT

The proposed rates are projected to raise \$2.2 Million in additional water revenues and \$2.3 Million in additional sewer revenues.

STAFF RECOMMENDATION

Staff recommends approval of the Resolution revising the Schedule of Rates and Charges for Water and Sewer Utility Service.

ATTACHMENTS

Resolution
Schedule of Rates and Charges

Prepared by:

Name H. Wayne Lisenbee

Title: Assistant Director of Water Utilities

Item No. 7.1

Disposition by City Council

- Approved Ord/Res# _____
- Denied _____
- Other _____

City Secretary

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, REVISING THE SCHEDULE OF RATES AND CHARGES FOR WATER AND SEWER UTILITY SERVICE.

WHEREAS, Section 32-37 and Section 32-39 of the Abilene Municipal Code provide for the establishment of a Schedule of Rates and Charges for Water and Sewer Utility Service; and,

WHEREAS, the Schedule of Rates and Charges for Water and Sewer Utility Service has from time to time been revised by the Council;

WHEREAS, on September 10, 2009 the City Council of the City of Abilene adopted, by Resolution No. 30-2009, a Schedule of Rates and Charges for Water and Sewer Utility Service; and,

WHEREAS, at this time there is a need to revise the Schedule of Rates and Charges for Water and Sewer Utility Service adopted on September 10, 2009, NOW THEREFORE;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

PART 1: That the Schedule of Rates and Charges for Water and Sewer Utility Service adopted on September 10, 2009 is hereby replaced by the Schedule of Rates and Charges for Water and Sewer Utility Service attached hereto as Exhibit "A".

PART 2: That this Schedule of Rates and Charges for Water and Sewer Utility Service shall be kept on file in the City Secretary's office and in the Water Utility office.

PART 3: That the effective date of the action for all non-contract customers shall be such that the first billing statement prepared in November 2013, which generally reflects water used in October, and all subsequent billing statements, shall be based upon and reflect the rates presented in Exhibit A.

PART 4: That the effective date of the action for all contract customers shall be such that the first billing statement prepared in January 2014, which generally reflects water used in December 2013, and all subsequent billing statements, shall be based upon and reflect the rates presented in Exhibit A.

PART 5: The City Council will annually review and adjust the Schedule of Rates and Charges for Water and Sewer Utility Service to ensure that projected revenues can cover all projected expenses and financial obligations of the Department.

ADOPTED the _____, A.D., 2013.

ATTEST:

CITY SECRETARY

MAYOR

APPROVED:

CITY ATTORNEY

EXHIBIT A

**CITY OF ABILENE
WATER UTILITY DEPARTMENT
SCHEDULE OF RATES AND CHARGES
ADOPTED _____
BY RESOLUTION NO _____**

	WATER	SEWER
Residential <i>Service to all domestic housing of three units or less.</i>	Customer Service Charge. Based on Meter Size* First 6,000 gallons. \$2.00 per thousand gallons 7,000 – 15,000 gallons. . . . \$2.83 per thousand gallons Over 15,000 gallons. \$3.91 per thousand gallons + <i>O.H. Ivie Charge. \$0.60 per thousand gallons</i>	Customer Service Charge. \$12.00 Minimum First 10,000 gallons. . . . \$1.55 per thousand gallons Over 10,000 gallons. No Charge
Commercial <i>Business operations including residential housing with four units or more.</i>	Customer Service Charge. Applicable Minimum* First 6,000 gallons. \$2.00 per thousand gallons Over 6,000 gallons. \$2.83 per thousand gallons + <i>O.H. Ivie Charge \$0.60 per thousand gallons</i>	Customer Service Charge \$12.00 Minimum All use \$1.55 per thousand gallons
Industrial	Customer Service Charge Applicable Minimum* All consumption \$2.31 per thousand gallons + <i>O.H. Ivie Charge. \$0.60 per thousand gallons</i>	Customer Service Charge \$12.00 Minimum All use \$1.55 per thousand gallons
Yard Meter	Yard Meters all use \$3.91 per thousand gallons + <i>O.H. Ivie Charge. \$0.60 per thousand gallons</i>	<u>Surcharge Rate:</u> B.O.D. (\$0.091/lb) T.S.S. (\$0.067/lb) F.O.G (\$0.091/lb)
Construction Water	Set-up fee \$60.00 All Use \$3.91 per thousand gallons + <i>O.H. Ivie Charge. \$0.60 per thousand gallons</i>	MONTHLY ACCOUNT FEES
Outside of City limits, double above rates for water consumption.		<u>Environmental Rate:</u> All accounts \$2.50 per account <i>This fee supports the Stormwater Services and the Solid Waste Environmental Program.</i>
*Charge Applies to Meter Size Indicated:		<u>Multiple Housing Units:</u> When more than two living or business units are supplied through one meter, each additional living or business unit will be charged two dollars and fifty cents (\$2.50). No credit shall be allowed for vacant or unoccupied units if the utility account remains active.
5/8 or 3/4 \$11.25 Min. per month 1 inch 16.25 1-1/2 inch 29.00 2 inch 49.00 3 inch 93.00 4 inch 133.00 6 inch 237.00 8 inch 388.00 10 inch 504.00		<u>Fire Line Sprinkler Systems:</u> \$2.00 per inch in diameter of service connection

SERVICE FEES AND CONSTRUCTION FEES ON REVERSE SIDE

**City of Abilene Water Utilities
Schedule of Rates and Charges – continued**

SERVICE CHARGES:

New Service	\$25.00
Transfer Service	\$17.50
Temporary Service	\$10.00
Delinquent On	\$17.50
Illegal Consumption	\$30.00
Re-read meter	\$10.00
Return Check Charge	\$30.00 per account
Meter Test	\$25.00

DEPOSITS:

Deposits may be required based on payment history and/or credit worthiness.

TAP FEES:

Note: A plumbing permit must be issued by Building Inspection prior to payment of the tap fee.

New Taps:

¾ inch	\$350.00
1 inch	375.00
1 ½ inch	525.00
2 inch and larger	Actual cost of installation

Replacement Tap Credit:

¾ inch	\$20.00
1 inch	40.00
1 ½ inch	100.00

PRO RATA CHARGE FOR WATER AND SEWER LINE CONNECTION:

Sewer:

Installed prior to June 30, 1981	\$2.25 per frontage foot
Installed after June 30, 1981	\$4.00 per frontage foot

Water:

Installed prior to June 30, 1981	\$3.25 per frontage foot
Installed after June 30, 1981	\$5.00 per frontage foot

The basis for determining footage amounts is described in Chapter 32 of the Municipal Code.