



Text File

File Number: 20-0084

Agenda Date: 2/25/2020

Version: 1

Status: ATS Review

In Control: City Council

File Type: Agenda Item

Title

Consider and take action on Ordinance No. 2020-03 amending Chapter 114 of the Code of Ordinances of the City of League City, Texas entitled "Utilities" by amending Article IV therein entitled "Rates and Charges" - Second Reading (Director of Finance)

Council approved first reading 8-0-0 on February 11, 2020.

..Background:

Approval of this ordinance will authorize adjustments to the water and wastewater rates and other fees based on the recommendation from Willdan's 2019 Water and Wastewater Rate Study and Financial Forecast as presented to City Council on November 19 and December 17, 2019. Additionally, approving this ordinance will authorize changes and additions to current policy that will provide enhanced customer service and stronger monetary controls.

The Council last took action to update water and wastewater rates and fees on August 11, 2015. Since that time, increases in wholesale purchase cost, daily operations and expenses, growth with increase in service demands, and significant current and future infrastructure investments have dictated the need to update rates. Specifically, \$500M in water and wastewater infrastructure needs over the next ten years have been identified.

Willdan presented various scenarios to council to consider at the meeting on November 19, 2019. Based on council feedback from that meeting Willdan refined the options to Scenario I - a simple rate adjustment, Scenario II - a rate adjustment which considers meter size, and Scenario III - a rate adjustment which considers meter size and incorporates winter averaging. Council supported Scenario II - a rate increase which considers meter size.

To summarize, approval of this action will do the following:

- Authorize a multi-year water and wastewater rate update that will address increased operational costs and infrastructure needs (through separate resolution);
- Authorize updates in miscellaneous fees (through separate resolution);
- Authorize all rates and fees to be adopted through a separate resolution versus within the utility ordinance;
- Authorize a change in retention of residential customer deposits from twelve months to time of account termination;
- Authorize an addition to residential customer billing adjustments that allow for unexplained high-water usage;
- Authorize basic language changes for better understanding and continuity;
- Authorize an increase in new service fee and the addition of a transfer service fee.

Attachments:

1. Data Sheet
2. Proposed Ordinance
3. Updated Redline Draft
4. Rate Schedule
5. 2019 Water Usage Analysis
6. 20201217 Willdan Presentation to Council

CONTRACT ORIGINATION: N/A

FUNDING

NOT APPLICABLE

Funds are available from Account # _____

Requires Budget Amendment to transfer from Account # _____ to Account # _____

STRATEGIC PLANNING

Addresses Sustainability and Customer-Focused