



Legislation Text

File #: 15-0442, **Version:** 1

Consider and take action on an ordinance 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” (Director of Finance)

Approval of this ordinance will authorize adjustments to the water and wastewater rates and other fees based on the recommendation from NewGen Strategies & Solutions’ Water and Wastewater Multi-Year Financial Plan and Rate Design Study as presented to City Council on January 13, 2015. Based upon the input of City Council, the initial recommendations were refined and alternate rate scenarios were presented to Council on May 11 and June 8. The rates recommended in this proposed ordinance are the final scenario (referred to as scenario D in the June 8 presentation). Upon implementation of the recommended rates for this year, the plan will be reviewed annually as to measure the performance of the rates and evaluate the need for further adjustment.

The council last took action to update water and sewer rates, fees and affected ordinances on October 28, 2008. Since that time, increases in wholesale purchase cost, daily operations and expenses, growth with increase in service demands and investment in significant capital program has dictated the need to update rates.

Approval of this action will authorize staff to update the rates into three (3) billing categories: residential (single-family dwellings), commercial (including multi family, schools, apartments, condominiums, etc.) and commercial irrigation. The 2015 recommended rate structure will 1) establish an increasing (inclining) block rate structure for water, 2) eliminate the consumption included in the minimum (base) bill, 3) reduce the current cap of 11,000 gallons for wastewater consumption to 10,000 gallons for residential customers, and 4) establish multi-family customers as commercial customers, eliminating the 90% of units billing assumptions.

A summary of the new rates and charges is as follows:

<u>Residential</u>		<u>Usage</u>	<u>Cost</u>
Wastewater	Base	0	\$ 13.88
		0 to 3,000 gallons	\$ 1.80 per 1,000 gallons
		3,001 to 10,000 gallons	\$ 4.62 per 1,000 gallons
Water	Base	0	\$ 7.13
		0 to 3,000 gallons	\$ 1.50 per 1,000 gallons
		3,001 to 10,000 gallons	\$ 5.50 per 1,000 gallons
		10,001 to 25,000 gallons	\$ 7.00 per 1,000 gallons
		25,000 +	\$ 8.50 per 1,000 gallons
<u>Commercial</u>			
Wastewater	Base	0	\$ 13.88
		0 to 3,000 gallons	\$ 3.00 per 1,000 gallons
		3,001 +	\$ 4.62 per 1,000 gallons
Water	Base	0	\$ 7.13
		1 to 3,000 gallons	\$ 3.00 per 1,000 gallons
		4,000 +	\$ 5.90 per 1,000 gallons
<u>Irrigation</u>			
Water	Base	0	\$ 7.13
		all consumption	\$ 7.00 per 1,000 gallons

Amended water and sewer fees will be set as follows:

· Meter Tamper Fee	\$ 75
· Service Charge - after 2 failed attempts	\$ 50
· Same Day Service Fee	\$ 50
· Processing Fee - delinquent accounts	\$ 40
· After Hour Service Fee	\$ 50
· Fire Hydrant/Construction Meter Deposit	\$1,500
· Meter Re-Read & Meter Field Testing	\$ 65

All other fees will remain the same as provided in current ordinance provisions.

Attached is information on the impact of these rates on residential customers, and area water utility rates. A redline version of the existing rate ordinance that identifies all of the adjustments incorporated in the proposed ordinance is also attached. The original study is available on the City website, www.leaguecity.com.

Attachment:

1. Data Sheet
2. Proposed Ordinance
3. Exhibit A
4. Exhibit A - Redline Version
5. List of Water and Wastewater Fees
6. Impact on residential customers
7. Area water utility rate comparison

CONTRACT ORIGINATION:

FUNDING

{ } NOT APPLICABLE

{ } Funds are available from Account # _____

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

{X} Additional funds will be provided in the estimated amount of \$4.89 million annually