



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Finance

DCM: David Gaines

DATE: August 8, 2022

SUBJECT

Consider recommending adoption of an ordinance of the City of Denton, Texas, establishing the rates and fees for Water and Water service; repealing Ordinance No. 21-2112; providing for a repealer; providing for a severability clause; and, providing an effective date.

BACKGROUND

The proposed FY 2022-2023 Water Operating Budget and CIP was presented to Public Utilities Board (PUB) on June 13th and June 27th. The PUB reviewed the proposed rates on July 11, 2022.

The proposed FY 2022-23 Budgets include no rate increases for the Water residential customers. Below is a summary of the proposed rate changes.

Water

- Revise the Wholesale Raw Water Rate (WRW) applicable to Upper Trinity Regional Water District (UTRWD). The FY 2022-2023 City of Dallas raw water wholesale rate is \$1.0598/1,000 gallons. Denton's raw water wholesale rate to UTRWD, which is set at 85% of Dallas' raw water wholesale rate, is \$0.90083/1,000 gallons. This rate is determined by the terms of the raw water contract between Denton and UTRWD.
- Increase the rate for the pass-through raw water sent from Lake Chapman into Lake Lewisville by the UTRWD per the Cooper Reservoir Project Contract and all "Chapman" water reclaimed for reuse if discharged into and subsequently withdrawn from Lewisville Lake by UTRWD or Lewisville. The rate adjustment will be determined by the annual percent change in the urban Consumer Price Index (CPI) as of June 30, 2022. The current rate is \$0.0285/1,000 gallons and will increase to \$0.0297/1,000 gallons. The rate was recently updated based on updated June 2022 CPI data.

RECOMMENDATION

Staff recommends the PUB approve the Year 2022-23 Water Rates.

ESTIMATED SCHEDULE OF PROJECT

Adoption of the budget and rates is scheduled for September 27, 2022.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

The proposed Water Fiscal Year 2022-23 Operating and Capital Budget was approved by PUB on July 25, 2022. City Council reviewed the Fiscal Year 2022-23 Operating Budget and Rates during the July 19, 2022 meeting.

EXHIBITS

- Exhibit 1 – Agenda Information Sheet
- Exhibit 2 – Water Red Line Rate Ordinance
- Exhibit 3 – Water Rate Ordinance

Respectfully submitted:
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