



Legislation Text

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Agenda Information Sheet

DEPARTMENT: Utilities Administration

CM/ ACM: Howard Martin, Utilities, 349-8232

DATE: September 16, 2014

SUBJECT

Consider adoption of an ordinance amending the schedule of water rates contained in Ordinance No. 2013-235 for water service rates and water rates; amending the residential water service rate (Schedule WR); amending the commercial/industrial water service rate (Schedule WC); amending the metered water from fire hydrant rate (Schedule WFH); amending the wholesale treated water service rate to the Upper Trinity Regional Water District (Schedule WW); amending the wholesale raw water service rate to Upper Trinity Regional Water District (Schedule WRW); amending the wholesale raw water pass-through rate to Upper Trinity Regional Water District from Lake Chapman into Lake Lewisville (Schedule WCL); amending the water tap and meter fees; providing for a repealer; providing for a severability clause; and providing for an effective date. The Public Utilities Board recommends approval (6-0).

BACKGROUND

The proposed approximate 3% rate increase is designed to recover the cost of service for the water utility and provide a positive or break-even net income. During the budget presentations, the PUB reviewed the Water Utility budget and the proposed rate changes that could be implemented to support the proposed FY 2014-2015 budget and FY 2015-2019 CIP.

As part of the Water budget discussions, the Water department staff recommended and received PUB approval for an approximate 3% rate revenue increase. The increase includes funding to support aging water infrastructure and reserve requirements. The rate increase takes steps to align rates with recommendations of the Cost of Service model and to encourage conservation.

The average residential customer using 9,200 gallons would incur the following monthly charge.

Current	Proposed	Increase
\$47.49	\$48.81	\$1.32

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Proposed FY 2014-2015 Utilities budgets and CIP's were presented to the PUB during May through July 2014. The rate ordinance was approved by the PUB on July 28, 2014 by a vote of 6-0. The budgets, including rate ordinances, were presented to the City Council for review on August 5, 2014. This ordinance is scheduled for adoption on September 16, 2014.

SUMMARY

Based on normal volumes, the proposed increase will generate the rate revenue needed to meet budget requirements. The proposed rate increase was designed to support cost of service and to encourage conservation.

FISCAL INFORMATION

The proposed rate increase will provide the revenues necessary to cover the cost of service to customers.

RECOMMENDATION

Staff recommends approval of the ordinance, with an effective date of October 1, 2014.

EXHIBITS

Proposed FY 2014-2015 Water Rate Ordinance

Respectfully submitted:
Howard Martin
Assistant City Manager/Utilities