



## Legislation Text

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### Agenda Information Sheet

**DEPARTMENT:** Utilities Administration

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

**Date:** September 20, 2016

#### **SUBJECT**

Consider adoption of an ordinance amending the schedule of wastewater rates contained in Ordinance No. 2015-294; providing for an amendment in the rates for residential wastewater service (Schedule SR); amending the mobile home park wastewater service (Schedule SMH); amending the commercial and industrial wastewater service (Schedule SC); amending the commercial/industrial wastewater service which measures with dedicated water meters (sub- meters) (Schedule SCD); amending the commercial/industrial wastewater service which measures with dedicated water meters (sub-meters) (Schedule SCS); amending the equipment services facilities and restaurant & food service establishments wastewater service (Schedule SEE); amending the metered wastewater inside and outside corporate limits (Schedule SM); amending the sale of treated wastewater effluent (Schedule SGE); amending the wholesale wastewater treatment services for a governmental agency, division, or subdivision (Schedule SSC); amending the wastewater tap and manhole fees (Schedule ST); providing for a repealer; providing for a severability clause; and providing for an effective date. The Public Utilities Board recommends approval (6-0).

#### **BACKGROUND**

During the budget presentations, the Public Utilities Board ("PUB") reviewed the Wastewater Utility budget and the proposed rate changes that could be implemented to support the proposed FY 2016-2017 budget and FY 2017-2021 CIP. As part of the Wastewater budget discussions, Wastewater department staff recommended and received PUB direction and approval for an approximate 2% rate increase, which included steps to align rates among customer classes with recommendations of the Cost of Service model.

The average residential customer using 6,000 gallons would incur the following monthly charge:

Current	Proposed	Increase
\$34.95	\$35.55	\$0.60

#### **RECOMMENDATION**

Staff recommends approval of the proposed ordinance, with an effective date of October 1, 2016.

#### **PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

Proposed FY 2016-2017 Utilities budgets and FY 2017-2021 CIP's were presented to the PUB during May through July, 2016. This rate ordinance was approved by the PUB on July 25, 2016 by a vote of 6-0. The budgets, including draft rate ordinances, were presented to the City Council for review on July 29, 2016.

## **SUMMARY**

The proposed rate revenue increases include steps to align the rates with the recommendations of the Cost of Service model. Based on normal volumes, the proposed increases will generate the rate revenue needed to meet budget requirements.

## **FISCAL INFORMATION**

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

## **STRATEGIC PLAN RELATIONSHIP**

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

**Related Key Focus Area:**     **Public Infrastructure**

**Related Goal:**               **2.3 Promote superior utility services and facilities**

## **EXHIBITS**

1.     Proposed FY 2016-2017 Wastewater Rate Ordinance

Respectfully submitted:  
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