



AGENDA MEMORANDUM

First Reading for the City Council Meeting of September 3, 2024
Second Reading for the City Council Meeting of September 10, 2024

DATE: August 23, 2024
TO: Peter Zaroni, City Manager
FROM: Drew Molly, P.E., Chief Operations Officer for CCW
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Ordinance adopting the drought surcharge exemption fee increase effective January 1, 2025

CAPTION:

Ordinance amending Corpus Christi Code Section 55-159.1 to increase the Non-mandatory drought surcharge exemption fee effective January 1, 2025.

SUMMARY:

This item is to adopt the amendment to City of Corpus Christi Code of Ordinances for drought surcharge exemption fees effective January 1, 2025 from twenty-five cents (\$0.25) per one thousand (1000) gallons to thirty-one cents (\$0.31) per one thousand (1000) gallons, an increase of 24%. Per Ordinance 031533, the fee shall be reviewed and adjusted by City Council action no more frequently than every five years. Any subsequent fee increase is limited to increases based upon changes to the following Consumer Price Index: CPI-All Urban Consumers (Current Series) for water and sewer and trash collection services in U.S. city average, all urban consumers.

BACKGROUND AND FINDINGS:

City Charter requires City Council to review and act on changes to the Code of Ordinances. The City of Corpus Christi is proposing to amend the City Code, Section 55-159.1 – Non-mandatory drought surcharge exemption fee as of January 1, 2025.

The non-mandatory drought surcharge exemption fee for Large-volume industrial customers since its inception has generated \$27.6 million dollars in support of a drought-resistant water supply for the City of Corpus Christi and is estimated to generate approximately \$200 million dollars over the next 30 years.

ALTERNATIVES:

The alternative would be to maintain current drought surcharge exemption fee to be collected at

FY 2024 level, whereby Corpus Christi Water would be not collecting the permitted additional \$1,000,000 in revenue per year generated from the amended fee to support the efforts to develop a drought-resistant water supply for the City of Corpus Christi resulting in \$30 million dollar loss in potential revenue over the next 30 years.

FISCAL IMPACT:

The net financial impact for Corpus Christi Water generated in additional revenue from the proposed amended drought surcharge exemption fee effective January 1, 2025, for FY25 is approximately: \$1,000,000

FUNDING DETAIL:

Fund:	4023 – Drought Surcharge Exemption Fund
Organization/Activity:	30000 – Water administration
Department:	45 - Water
Account:	324860 – Drought Surcharge Exemption Fee

RECOMMENDATION:

Staff recommends approval of the ordinance to amend the Ordinance as presented.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Exhibit A
Drought Surcharge Exemption Fee Calculation