

Ordinance amending the Code of Ordinances, City of Corpus Christi, Chapter 55, Utilities, regarding water rates and fees; providing for severance; providing an effective date; and providing for publication.

Be it ordained by the City Council of the City of Corpus Christi, Texas:

Section 1. Section 55-50 of the code of ordinances is amended by revising it to read as follows:

Sec. 55-50. - Schedule.

(a) *Base rates for water service.* The rates for water service are as follows:

- (1) Monthly minimum charges.
 - a. *Metered treated water customers.*
 - 1. Inside city limits ("ICL"):

Meter Size

(Inches)	August 1, 2012 to July 31, 2013
Residential	
5/8—3/4	\$ 8.72
Commercial	
5/8—3/4	12.58
Residential and Commercial	
1	18.87
1½	31.46
2	62.90
3	100.64
4	201.29
6	314.52
8 and larger	629.03
Large Volume	
Any size	16,349.00
Temporary construction	
1	18.87
1½	31.46
2	62.90

2. Outside city limits ("OCL"):

Meter Size

(Inches)	August 1, 2012 to July 31, 2013
Residential	
5/8 - 3/4	\$ 10.46
Commercial	
5/8 - 3/4	15.10
Residential and Commercial	
1	22.64
1½	37.75
2	75.48
3	120.77
4	241.55
6	377.42
8 and larger	754.84
Large Volume	
Any size	27,279.00
Temporary construction	
1	22.64
1½	37.75
2	75.48

b. *Untreated water customers.*

	August 1, 2012 to July 31, 2013
Minimum monthly service charge, water districts/ municipalities with raw water supply contracts executed after January 1, 1997	\$390.28 ¹
Minimum monthly service charge for public agency for resale untreated water without a raw water supply contract executed after January 1, 1997 ¹	237.70
Minimum monthly service charge, industrial	390.28
Minimum monthly service charge, domestic	13.00
Minimum annual service charge, domestic	130.09
Minimum monthly service charge, agricultural irrigation water service	195.00
Minimum monthly service charge, temporary construction water service	260.00
Minimum monthly service charge, temporary	1,500.00

large volume industrial untreated water customers obtaining water, which is under contract to the city, from a reservoir under the exclusive control of a river authority	
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¹Minimum monthly charge for public agency for resale untreated water customer without a raw water supply contract executed after January 1, 1997: If the charge based on the volume of water taken in a monthly billing period is less than \$237.70, the customer shall be billed \$237.70, unless a valid water supply contract between the customer and city that was executed prior to January 1, 1997, provides for a minimum annual payment. If a valid water supply contract between the customer and city executed prior to August 1, 2000, provides for a minimum annual payment, the customer shall pay the minimum annual payment under the contract.

c. *Blended water customers.*

	August 1, 2012 to July 31, 2013
Any size	\$27,279.00

(2) Monthly volume charges per 1,000 gallons.

a. *Residential rate.*

1. Inside city limits:

	August 1, 2012 to July 31, 2013
First 2,000 Gallons	Minimum*
Next 4,000 Gallons	\$4.172
Next 4,000 Gallons	5.215
Next 5,000 Gallons	5.997
Next 15,000 Gallons	7.301
Next 20,000 Gallons	8.865
Next 50,000 Gallons	9.648
Over 100,000 Gallons	10.430

*Use the minimum charges in subsection (a)(1).

2. Outside city limits:

	August 1, 2012 to July 31, 2013
First 2,000 Gallons	Minimum*
Next 4,000 Gallons	\$1.695

Next 4,000 Gallons	2.119
Next 5,000 Gallons	2.437
Next 15,000 Gallons	2.967
Next 20,000 Gallons	3.602
Next 50,000 Gallons	3.920
Over 100,000 Gallons	4.238

*Use the minimum charges in subsection (a)(1).

b. *Commercial rate.*

1. Inside city limits:

	August 1, 2012 to July 31, 2013
First 2,000 Gallons	Minimum*
Over 2,000 Gallons	\$5.172

*Use the minimum charges in subsection (a)(1).

2. Outside city limits:

	August 1, 2012 to July 31, 2013
First 2,000 Gallons	Minimum*
Over 2,000 Gallons	\$2.412

*Use the minimum charges in subsection (a)(1).

c. *Golf course and athletic field irrigation water inside city limits.*

	August 1, 2012 to July 31, 2013
First 2,000 Gallons	Minimum*
Over 2,000 Gallons	\$2.542

*Use the minimum charges in subsection (a)(1) for ICL customer.

d. *Residential irrigation water on separate meter*

1. Inside city limits:

	August 1, 2012 to July 31, 2013
First 2,000 Gallons	Minimum*
Next 4,000 Gallons	\$7.301

Next 4,000 Gallons	\$ 8.865
Next 5,000 Gallons	\$ 9.648
Over 15,000 Gallons	\$ 10.430

2. Outside city limits

	August 1, 2012 to July 31, 2013
First 2,000 Gallons	Minimum*
Next 4,000 Gallons	\$4.671
Next 4,000 Gallons	6.235
Next 5,000 Gallons	7.018
Over 15,000 Gallons	7.800

e. *Resale treated water rates.*

1. Treated water rates purchased for resale where the water is taken and metered at the site of treatment are hereby set as follows:

	August 1, 2012 to July 31, 2013
First 2,000 Gallons	Minimum*
Over 2,000 Gallons	\$.870

*Use the minimum charges in subsection (a)(1).

2. Treated water rates purchased for resale where the water is delivered to the resale entity through city facilities are hereby set as follows:

	August 1, 2012 to July 31, 2013
First 2,000 Gallons	Minimum*
Over 2,000 Gallons	\$1.493

*Use the minimum charges in subsection (a)(1).

f. *Large volume treated water customers.* A commercial treated water customer who agrees to pay for a minimum of ten million (10,000,000) gallons of treated water per month is considered a large volume treated water customer. Once a customer has elected to become a large volume treated water customer, the customer will be billed as a large volume treated water customer until the customer notifies the city and requests reclassification as a commercial customer in writing. However, a commercial customer may not elect to become a large volume treated water customer more than once in any twelve-month period.

1. Inside city limits:

	August 1, 2012 to July 31, 2013
First 10,000,000 Gallons	Minimum*
Each Additional 1,000 Gallons	\$3.597

*Use the minimum charges in subsection (a)(1).

2. Outside city limits:

	August 1, 2012 to July 31, 2013
First 10,000,000 Gallons	Minimum*
Each Additional 1,000 Gallons	\$1.493

*Use the minimum charges in subsection (a)(1).

g. *Large volume blended water customers.* A commercial blended water customer who agrees to purchase a minimum of ten million (10,000,000) gallons of blended water per month is considered a large volume blended water customer.

1. Inside city limits:

	August 1, 2012 to July 31, 2013
First 10,000,000 Gallons	Minimum*
Each Additional 1,000 Gallons	\$2.679

*Use the minimum charges in subsection (a)(1).

2. Outside city limits:

	August 1, 2012 to July 31, 2013
First 10,000,000 Gallons	Minimum*
Each Additional 1,000 Gallons	\$0.049

*Use the minimum charges in subsection (a)(1).

3. Peaking factor. [To be determined.]

h. *Temporary water service.*

1. Treated water.

A. Inside city limits:

	August 1, 2012 to July 31, 2013
First 2,000 Gallons	Minimum*
Over 2,000 Gallons	\$5.172

*Use the minimum charges in subsection (a)(1).

B. Outside city limits:

	August 1, 2012 to July 31, 2013
First 2,000 Gallons	Minimum*
Over 2,000 Gallons	\$2.412

*Use the minimum charges in subsection (a)(1).

2. Untreated water.

A. Inside city limits:

	August 1, 2012 to July 31, 2013
First 2,000 Gallons	Minimum*
Over 2,000 Gallons	2 x RWCA

*Use the minimum charges in subsection (a)(1).

B. Outside city limits:

	August 1, 2012 to July 31, 2013
First 2,000 Gallons	Minimum*
Over 2,000 Gallons	2 x RWCA

*Use the minimum charges in subsection (a)(1).

i. *Agricultural irrigation water outside city limits.*

	August 1, 2012 to July 31, 2013
First 2,000 Gallons	Minimum*
Over 2,000 Gallons	2 x RWCA

*Use the minimum charges in subsection (a)(1).

j. *Public agency for resale untreated water rates.* The rates for the purchase of untreated

water purchased by a public agency, which does not have a raw water supply contract with the city executed after January 1, 1997, is the average of the monthly raw water cost adjustments, established under subsection (b) of this section, for the period used to determine the composite cost of untreated water under the city's current contract with the public agency.

k. Temporary large volume industrial untreated water customers obtaining water, which is under contract to the city, from a reservoir under the exclusive control of a river authority.

	August 1, 2012 to July 31, 2013
First acre foot or fraction thereof	Minimum*
Over acre foot	\$1,100.00 per acre foot or fraction thereof

*Use the minimum charges in subsection (a)(1).

(b) *Raw water cost adjustment (RWCA)*. In addition to the charges for the base rates for water service, established in subsection (a), a separate charge for the costs of raw water, the RWCA, will be added to each consumer's bill, except public agency for resale untreated water customers without a raw water supply contract executed after January 1, 1997. (A public agency for resale untreated water customer without a raw water supply contract executed after January 1, 1997, will pay the lower of the composite cost, as defined in its contract with the city or the rate for public agency for resale untreated water customers without a raw water supply contract executed after January 1, 1997, specified in subsection (a)(2)g. of this section.) The RWCA will be based on projected system-wide raw water sales, adjusted for water losses. The RWCA will be calculated on an annual basis using the adopted utility rate model, according to the following procedures:

- (1) Use projected system-wide water sales based on historical consumption and projected growth, with adjustments for water losses.
- (2) Include the annual budgeted cost of debt service. Bond payments, amortization of deferred losses on refundings, and other debt service costs shall be applied to the RWCA in the same proportion as the raw water activities proportion of the original bond proceeds.
- (3) Include budgeted expenditures for purchases of water.
- (4) Include purchases of water rights, amortized over the duration of the water right agreement.
- (5) Budgeted expenditures for capital items shall be included as follows:
 - a. The expense of acquiring a capital item that costs not more than five hundred thousand dollars (\$500,000.00) shall be charged in the year in which it is acquired.
 - b. The expense of acquiring a capital item that costs more than five hundred thousand dollars (\$500,000.00) shall be amortized over the number of years used to calculate depreciation expenses, with the half-year convention used in the year of acquisition.

- (6) All operating and maintenance expenditures shall be charged based on annual budgeted amounts. These expenditures include operation and maintenance of dams, reservoirs, pipelines, wells, pumping stations, and related interfund charges.
- (7) All expenses for consultants, engineering, legal services, and administration shall be charged based on annual budgeted amounts in the proportion to which they apply to raw water issues.
- (8) Expenses related to the acquisition and transportation of emergency water supplies shall be included in the RWCA for the following fiscal year, unless foreseen and budgeted in advance, in which case they are included in the year budgeted.
- (9) Miscellaneous revenues related to raw water activity, such as oil and gas lease revenues and rentals, is applied as an offset based on annual budgeted amounts.
- (10) Apply the credit for levelized Choke Canyon debt payments to city rate payers' RWCA. (The escalating payment schedule on the Choke Canyon debt was levelized through the creation of a reserve fund. In the initial years, payments greater than the debt service were made, with the excess going into the reserve fund. This excess was paid through a rate surcharge on ICL and OCL metered treated water customers. Now that bond payments exceed the levelized payment amount, the reserve fund is drawn on to make up the difference. Since only ICL and OCL metered treated water customers participated in building the reserve fund, the drawing on the reserve fund is only credited to the RWCA assessed against ICL and OCL metered treated water customers.)
- (11) Include funds necessary to collect 1.35 times coverage on current annual debt service in order to improve the financial position and bond ratings of the city's water fund.
- (12) Include funds necessary to establish and maintain an operating reserve fund with a target amount of twenty-five (25) per cent (or three (3) months) of annual operating expenses for the fiscal year.
- (13) Include funds necessary to establish and operate a water capital reserve fund with a target amount of two (2) per cent of the respective annual water capital improvements program for the fiscal year or two million dollars (\$2,000,000.00) (whichever is greater).
- (14) Include funds necessary to establish and maintain a future water resources reserve fund (Water Supply Development Reserve) with an ultimate target balance of thirty million dollars (\$30,000,000.00), and an annual contribution of approximately two million dollars (\$2,000,000.00) per fiscal year. Revenue from this Water Supply Development Reserve will be deposited into a fund set aside for this purpose.
- (15) The minimum operating or capital reserves amounts are intended to provide for unplanned, unbudgeted expenses and revenue shortfalls, and will not be used for routine expenses.
- (16) At fiscal year end, determine the amount of over or under collections that have resulted from difference between budgeted and actual expenses and offsetting revenues and the difference between projected and actual volume of water sold. Any funds realized in excess of annual expenses are available for either supplementing minimum operating or capital reserves, for addition to the capital funds for discretionary cash capital funding of the water utility, or to create and maintain a reserve to level out large fluctuations in raw water charges is authorized. Apply any remaining amount as an adjustment to the RWCA.

(c) *Definitions.*

Costs of raw water is the total of all costs of acquiring, producing, storing, conserving, and transporting untreated water from its source to the City's treatment facility and all other points of diversion. These costs include, but are not limited to, the costs of:

Construction, including debt service, operation, and maintenance of dams and reservoirs.

Construction, including debt service, operation, and maintenance of raw water supply transmission pipelines.

Construction, including debt service, operation, and maintenance of wells.

Construction, including debt service, operation, and maintenance of facilities capable of converting wastewater effluent, salt water, and brackish ground water into water suitable for municipal, industrial, or agricultural uses.

Acquisition of new water supplies and water rights, including the establishment and funding of a reserve dedicated to offset the costs of acquisition of additional water rights and the implementation of long range water resource development and related capital improvements.

Construction, operation, and maintenance of facilities to reduce water losses from water resources due to evaporation or the release of water from a reservoir due to the operation of law.

Acquisition and transportation of emergency water supplies, including the costs of transporting water by vessel or pipelines from other regions.

Water supply development and protection, including consultants' studies and reports, investigations, legal fees, court costs, and any other costs related to the development or protection of the water supply.

Administrative costs, including overhead and the portion of the city's general administrative costs applicable to the activities enumerated in this definition.

(Ord. No. 9472, 8-27-1969; Ord. No. 11613, 8-8-1973; Ord. No. 12208, §§ 1, 2, 8-7-1974; Ord. No. 14140, §§ 1—3, 1-25-1978; Ord. No. 16446, §§ 1, 2, 8-12-1981; Ord. No. 16593 § 1, 10-14-1981; Ord. No. 17166, §§ 1—3, 7-28-1982; Ord. No. 17762, §§ 1, 2, 8-3-1983; Ord. No. 18351, §§ 1, 2, 7-24-1984; Ord. No. 18587, §§ 1, 2, 12-4-1984; Ord. No. 20411, §§ 1, 2, 7-26-1988; Ord. No. 21001, § 1, 10-9-1990; Ord. No. 21438, §§ 1—4, 7-21-1992; Ord. No. 21814, § 1(a)—(c), 12-14-1993; Ord. No. 22741, § 1, 11-12-1996; Ord. No. 22832, § 1, 1-28-1997; Ord. No. 22879, § 1, 3-25-1997; Ord. No. 23706, § 1, 7-20-1999; Ord. No. 23910, § 1, 1-11-2000; Ord. No. 24132, § 1, 7-25-2000; Ord. No. 24531, § 1a, 7-24-2001; Ord. No. 24969, § 1, 7-23-2002; Ord. No. 25386, § 1, 7-22-2003; Ord. No. 025866, § 1, 7-27-2004; Ord. No. 026368, § 1, 7-26-2005; Ord. No. 026900, § 1, 7-25-2006; Ord. No. 027355, § 1, 7-24-2007; Ord. No. 027781, § 1, 7-22-2008; Ord. No. 028256, § 1, 7-28-2009; Ord. No. 028686, § 1, 7-20-2010; Ord. No. 029158, § 1, 7-26-2010; Ord. No. 29158 §1, 07-26-2011; Ord. No. 029386, § 1, 2-28-2012)

SECTION 2. City Code of Ordinances, Chapter 55, Utilities, Article III, Water Rates and Charges, is amended to add a service fee when a customer requests City to temporarily turn off their water to the property, to read as follows:

“Sec. 55-57. Service fee for customer request to turn off services.

When a water utility customer requests that the City provide service to turn off water service, which is not related to City maintenance or repairs, the fee is \$30 for a residential utility account, and \$60 for a commercial utility account.”

SECTION 3. The water rates and fees established in Section 1 and Section 2 of this ordinance shall take effect and be applied against all service provided on or after the first day of August 2012.

SECTION 4. If for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Council that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

SECTION 5. Publication shall be made in the official publication of the City of Corpus Christi as required by the City Charter of the City of Corpus Christi.

That the foregoing ordinance was read for the first time and passed to its second reading on this the _____ day of _____, 2012, by the following vote:

Joe Adame	_____	David Loeb	_____
Chris N. Adler	_____	John E. Marez	_____
Kelley Allen	_____	Nelda Martinez	_____
Larry Elizondo	_____	Mark Scott	_____
Priscilla G. Leal	_____		

That the foregoing ordinance was read for the second time and passed finally on this the _____ day of _____, 2012, by the following vote:

Joe Adame	_____	David Loeb	_____
Chris N. Adler	_____	John E. Marez	_____
Kelley Allen	_____	Nelda Martinez	_____
Larry Elizondo	_____	Mark Scott	_____
Priscilla G. Leal	_____		

PASSED AND APPROVED, this the _____ day of _____, 2012.

ATTEST:

Armando Chapa
City Secretary

Joe Adame
Mayor