



## **AGENDA MEMORANDUM**

First Reading Item for the City Council Meeting of August 14, 2018  
Second Reading Item for the City Council Meeting of August 21, 2018

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**DATE:** July 10, 2018

**TO:** Keith Selman, Interim City Manager

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Drought Contingency Plan Amendments for Large-Volume Industrial Customers

### **CAPTION:**

Ordinance amending the Corpus Christi Code of Ordinances to modify Sections 55-150 and 55-154 and add Section 55-159.1, which will provide an exemption from drought surcharges for large-volume industrial customers who pay a drought surcharge exemption fee, provide a mechanism to opt-out of said fee, dedicate the use of the exemption fee to development of a drought-resistant water supply, and authorize the City Manager to execute a standard form agreement with customers who request a City commitment regarding use of the fee; effective October 1, 2018; and providing for penalties.

### **PURPOSE:**

To amend the Drought Contingency Plan and City Ordinance for large volume industrial customers (industrial customers who use more than 100,000 gallons or more per day);

### **BACKGROUND AND FINDINGS:**

Water Resource staff reexamined the current Drought Contingency Plan to make possible adjustments to the current surcharge requirements for industrial customers who use 100,000 gallons of water per day or more.

In addition, this ordinance establishes a new optional large-volume industrial Drought Surcharge exemption fee of \$0.25 per 1,000 gallons for industrial customers who use more than 100,000 gallons a day of water. The Ordinance provides that the industrial customers who pay the non-mandatory Fee are exempt from the applicable water allocation surcharges of the City Code

Section 55-154. The optional fees would be used for development of drought-resistant water supplies.

A redline strikeout of changes in Drought Contingency Plan and Ordinance and Standard form agreement regarding payment and use of drought surcharge exemption fee are attached.

**ALTERNATIVES:**

None

**OTHER CONSIDERATIONS:**

These Plans, once approved by City Council, will be submitted to TCEQ and TWDB.

**CONFORMITY TO CITY POLICY:**

Not application

**EMERGENCY / NON-EMERGENCY:**

Non-Emergency

**DEPARTMENTAL CLEARANCES:**

Water Utilities Department

**FINANCIAL IMPACT:**

☐ Operating      ☐ Revenue      ☐ Capital      ☒ Not applicable

<b>Fiscal Year: 2017-2018</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget				
Encumbered / Expended Amount				
This item				
BALANCE				

**RECOMMENDATION:**

The Staff recommends approval of the Ordinance to amend the City's Drought Contingency and Drought Contingency Plan.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance to amend the City's Drought Contingency Plan

Drought Contingency Plan (as amended)

Payment and Use of Drought Surcharge Exemption Fee Standard from Agreement