



AGENDA MEMORANDUM

Future Item for the City Council Meeting of August 14, 2018
Action Item for the City Council Meeting of August 21, 2018

DATE: August 2, 2018

TO: Keith Selman, Interim City Manager

THRU: Sylvia Carrillo-Treviño, Assistant City Manager
Mark Van Vleck, Assistant City Manager

FROM: Constance P. Sanchez, Director of Financial Services
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<p>Interlocal Agreement with Nueces County Water Control and Improvement District #3</p>
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CAPTION:

Resolution authorizing an Interlocal Agreement with Nueces County Water Control and Improvement District #3 to provide for District to disconnect District water service to customers who are delinquent in City wastewater service payment.

PURPOSE:

There are approximately 220 utility customers who receive water from Nueces County Water Control and Improvement District #3 (NCWCID #3) and wastewater services from the City of Corpus Christi (City). The City has no recourse when these wastewater customers do not pay their City utility bill. State law, however, allows local governments such as NCWCID #3 and the City to enter into an interlocal agreement for collection of delinquent utility accounts, and so this interlocal agreement provides assistance to the City from NCWCID #3 by having NCWCID #3 disconnect water services from their water customers for nonpayment of City wastewater fees.

BACKGROUND AND FINDINGS:

The City's Utility Business Office has been working to improve collection of delinquent utility accounts. Some of the City's wastewater customers are provided water service by NCWCID #3. Because these customers receive water services from another entity, the City has had no recourse in pursuing delinquent accounts.

There is a provision in State law (Title 30, Section 291.88 of the Texas Administrative Code, subsection (e) (1)) which allows entities such as the City and NCWCID #3 to enter into an interlocal agreement for collection of delinquent accounts. This provision states: "Where sewer service is provided by one retail public utility and water service is provided by another retail public utility, the retail public utility that provides the water service shall disconnect water service to a customer who has not paid undisputed sewer charge...."

The City has been working with NCWCID #3 since 2012 on this interlocal agreement. The interlocal agreement outlines the duties of the City and the duties of NCWCID #3 and provides for payment by the City to NCWCID #3 of \$1.50 per water meter read per month. The term of the agreement is for one year and will automatically renew for successive one-year terms. NCWCID #3 approved and signed this agreement on July 9, 2018.

ALTERNATIVES:

Continue as-is with no mechanism to pursue collection on delinquent wastewater customers who receive water from NCWCID #3.

OTHER CONSIDERATIONS: n/a

CONFORMITY TO CITY POLICY:

This item conforms to City policy.

EMERGENCY / NON-EMERGENCY: n/a

DEPARTMENTAL CLEARANCES:

- Utilities Department
- City Attorney's Office

FINANCIAL IMPACT:

X Operating Expense

☐ Revenue

Capital

☐ Not Applicable

FISCAL YEAR:	Project to Date Exp. (CIP Only)	Current Year	Future Years	TOTALS
Budget	-	-		\$ -
Encumbered/Expended amount of (date)	-	-	-	-
This item	-		\$ 3,960	\$ 3,960
BALANCE	-	-	\$ (3,960)	\$ (3,960)
FUND(S): Wastewater Fund				

COMMENTS: The interlocal agreement provides for payment by the City to the NCWCID #3 of \$1.50 per meter per month.

RECOMMENDATION:

Staff recommends approval of the resolution as presented.

LIST OF SUPPORTING DOCUMENTS:

- Resolution
- Interlocal Agreement