



AGENDA MEMORANDUM

Future Item for the City Council Meeting of September 18, 2018
Action Item for the City Council Meeting of September 25, 2018

DATE: August 28, 2018

TO: Keith Selman, Interim City Manager

THRU: Mark Van Vleck, Assistant City Manager
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Utility Taps and Connections

CAPTION:

Ordinance amending City Code Sections 55-70 through 55-72 regarding utility taps and connections.

PURPOSE:

This amendment will adjust tapping fees for water and wastewater services within the city limits or its extraterritorial jurisdiction. The increase is needed to recover the actual cost of providing this service to our customers.

BACKGROUND AND FINDINGS:

The City of Corpus Christi Utilities Department, as a service to its customers, installs water taps that are 2" or smaller, all water meters and residential wastewater taps. The cost of these services is recovered through tapping and meter fees paid to development services during the permitting process. Water taps that are greater in 2" in size and commercial wastewater taps are installed by an approved contractor and paid for directly by the customer.

As part of 2018-19 budget analysis, water and wastewater tapping fees along with meter sets were evaluated using historical work orders and their associated costs. Upgrades to both the Maximo Enterprise Asset Management software and departmental operating procedures have allowed the Utilities Department to better manage and track the cost allocations associated with these various tasks. Based on this information, it was determined that adjustments to the ordinance and the associated tapping and meter fees were warranted. These adjustments account for more than \$400,000 in lost revenue due to increases in material and labor costs.

ALTERNATIVES: Do not authorize the amendment.

OTHER CONSIDERATIONS: N/A

CONFORMITY TO CITY POLICY: Changes to ordinance must be approved by City Council.

EMERGENCY / NON-EMERGENCY: Non-Emergency

DEPARTMENTAL CLEARANCES: Utilities Department, Legal

FINANCIAL IMPACT:

☐ Operating ☒ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2017-2018	Project to Date Expenditures (CIP only)	Current Year	Future Year FY19	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item			\$425,000	\$425,000
BALANCE			\$425,000	\$425,000

Fund(s): Water, Wastewater

Comments: New fee to take effect January 1, 2019

RECOMMENDATION:

City staff recommend approval of this amendment.

LIST OF SUPPORTING DOCUMENTS:

Ordinance Article V. Taps and Connections