



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting April 14, 2020
Second Reading Ordinance for the City Council Meeting April 21, 2020

DATE: March 27, 2020

TO: Peter Zaroni, City Manager

FROM: Kevin Norton, Director of Water Utilities
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<p>Update to Wastewater Winter Quarter Averaging calculation</p>
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CAPTION:

Ordinance amending Section 55-100 of the Corpus Christi Code of Ordinances regarding wastewater winter quarter average usage calculation to be effective by May 1, 2020.

SUMMARY:

The calculation in the ordinance for a customer's winter quarter average needs to be revised to accurately reflect the method to be used to calculate wastewater charges.

BACKGROUND AND FINDINGS:

As per City Council ordinance approved in September 17, 2019, Wastewater rates will be calculated based on residential customer's winter quarter average. The current ordinance reflects the method previously approved prior to January 2018.

As testing of the billing system progressed in early 2020, it was discovered that the Infor Utility Billing System utilizes a common formula for Winter Quarter Averaging but was different from the formula used by the H.T.E. Billing System. The method programmed in the Infor Utility Billing System evaluates all readings taken during December, January and February. The system sums the billable consumption for the readings taken during those months to arrive at a total winter quarter consumption. The system calculates the number of days for that consumption as the number of days between the most-recent reading prior to December and the latest reading in February. The system calculates a daily usage by dividing the total winter quarter consumption by the number of days, then multiplies by 30 to arrive at the new winter quarter average consumption amount which is used to calculate the monthly wastewater charge. This monthly wastewater charge would remain the same until a new winter quarter average is calculated the following year. Customers will see wastewater charges reflecting their winter quarter average on utility bills received after June 1, 2020.

In order to comply fully, the ordinance must be updated to reflect the actual calculation method for winter quarter averaging within the Infor Utility Billing System.

ALTERNATIVES:

Delay implementation of the winter quarter average for wastewater charges and contract with

Infor to reprogram the calculation. This would increase the risk of other programming issues.

FINANCIAL IMPACT:

There would be a minimal impact on fiscal year wastewater revenue with this change in calculation. Residential customers might experience higher wastewater charges during the higher water use summer months if implementation is delayed.

Funding Detail: n/a

RECOMMENDATION:

Staff recommends approval of the ordinance.

LIST OF SUPPORTING DOCUMENTS:

Ordinance