

ORDINANCE NO. 2016-09

AN ORDINANCE ESTABLISHING THE RATE CLASSIFICATIONS AND RATES TO BE CHARGED FOR REUSE RECLAIMED WATER SERVICE PROVIDED BY THE CITY OF BOERNE UTILITIES.

WHEREAS, the City Council of the City of Boerne, Texas deems it reasonable and necessary to establish reuse reclaimed water rates to provide adequate revenues to meet the operation and maintenance expenses, the retirement of bonded indebtedness and other financial requirements deemed necessary by the City Council of the City of Boerne, Texas.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOERNE, TEXAS:

SECTION 1. SERVICE RATE CLASSIFICATION

All reuse reclaimed water service provided by the City of Boerne Utilities shall be designated by the following rate schedules with descriptions, rates and conditions of service as indicated:

- (1) Residential & Commercial Reuse Reclaimed Water Service – Inside City Limits
- (2) Residential & Commercial Reuse Reclaimed Water Service – Outside City Limits

Each person owning, residing in, renting, leasing, operating, or otherwise using property whose reuse reclaimed water pipes connect with the reuse reclaimed water system of the City of Boerne, and who receive reuse reclaimed water service from and through the same shall be liable to the City for a monthly reuse reclaimed water service charge specified in Section 4 through Section 5.

RATES FOR OUT-OF-CITY REUSE RECLAIMED WATER SERVICE – Per Section 201.2 of the City of Boerne Utility Rules and Regulations, re-use water services are not extended outside the City of Boerne limits unless doing so is deemed beneficial to the City by the City Council. If such service is deemed beneficial and provided to the out-of-City customer, the current approved rates for re-use water will be subject to a rate modifier, unless otherwise agreed to by contract. The rate modifier for the out-of-City customer is 20% which includes the customer, volume charge and all other specific rate elements. This rate modifier is based on the cost of service and is due to the fact that such out-of-City customers are not subject to the ownership risk for the utility system debt that is assumed by citizens served by the City of Boerne utilities.

SECTION 2. RATE SCHEDULE ADMINISTRATION & ASSIGNMENT

Upon request for reuse reclaimed water service from a prospective customer, the Deputy City Manager shall assign the appropriate rate classification for reuse reclaimed water service to the applicant requesting service. This assignment may be based upon information provided by the applicant, or other information available at the time the assignment is made.

If a customer receiving service changes the nature or character of reuse reclaimed water service requirements, then the Deputy City Manager shall, upon review of the information

available pertaining to the revised **reuse reclaimed** water service requirement, reassign the customer to the appropriate rate schedule.

If a prospective or existing customer is eligible to receive **reuse reclaimed** water service under more than one of the City's rate schedules, or if the rates charged are unduly burdensome as a result of the customer's technical qualification for a specific rate schedule, then the Deputy City Manager shall assign the most appropriate rate schedule for **reuse reclaimed** water service after consideration of the various service requirements, potential impact on the City's facilities, the potential relative costs of serving the customer, and other available pertinent information. The prospective or existing customer may appeal the determination made by the Deputy City Manager to the City Manager with thirty days written notice to same.

SECTION 3. EFFECTIVE DATE

The rates and charges prescribed herein shall become effective on and after the first day of each billing cycle for the October 1, 2015 billing period.

SECTION 4. SERVICE RATE SCHEDULE

RESIDENTIAL & COMMERCIAL **REUSE RECLAIMED WATER – INSIDE CITY LIMITS:**

(a) Availability:

This schedule is available within the City limits of the City of Boerne where the City's **reuse reclaimed** water service is available subject to the rules, regulations, policies and rates established by the City of Boerne.

(b) Applicability:

This rate is applicable for **reuse reclaimed** water service used exclusively for irrigation purposes where each unit is individually metered for water serviced by a 5/8", 3/4", ~~or~~ 1", 1 1/2" or 2" water meter.

(c) Monthly Rates:

The monthly rate shall be the sum of the monthly customer charge plus the monthly volume charges, as shown below:

Customer charge (includes 0 gallons):

5/8" meter \$10.00 per month

3/4" meter \$12.50 per month

1" meter \$20.00 per month

1 1/2" meter \$35.00 per month

2" meter \$55.00 per month

Volume Charge:

The year-round volume charge for **reuse reclaimed** water usage will be billed under the following rates:

(Per 1000 Gallons):

First 0 - 15,000 gal. \$1.50

Next 15,001 – 25,000 gal. \$1.50

Next 25,001 – 50,000 gal. \$1.50

Next 50,001 – 100,000 gal. \$1.50

Next 100,001 – 150,000 gal. \$1.50

All excess over 150,001 gal. \$1.50

SECTION 5. TERMS OF PAYMENT

The rates specified in Section 4 are net. Each bill for service is due within fifteen (15) days after issuance unless such day falls on a holiday or weekend, in which case payment is due on the next work day. If full payment is not received at the City's offices or other approved payment location on or before the due date, all of the customer's utility services will be considered delinquent and subject to disconnection, and the customer shall pay gross rates for all utility services, where such gross rates for delinquent payments are ten percent (10%) higher than the net rates.

SECTION 6. ADJUSTMENT OF RATES

The Residential and Commercial fees charged for the second and any subsequent years from the adoption of this ordinance may be adjusted at the commencement of said years to reflect a percentage change, downward or upward, respectively, of the difference in the CONSUMER PRICE INDEX FOR URBAN WAGE EARNERS AND CLERICAL WORKERS (herein after referred to as the INDEX) as published by the U. S. Department of Labor, Bureau of Labor Statistics, the percentage adjustments for each year to be determined as follows:

- a. The difference in the INDEX for the month of June of the year immediately preceding the current year and the month of June in the current year shall be computed;
- b. Such difference computed in (a) shall be divided by the INDEX for the month of June of the year immediately preceding the current year; and,
- c. Ninety-five (95%) of the amount computed in (b) shall be taken as the adjustment percentage factor to be used to increase the rate charged for water if the INDEX has increased during June to June, or to decrease the rate charged for water if the INDEX has decreased during June to June.
- d. Example of computation June/Current year CPI = 185.4

of increase or decrease: June/Previous year CPI = 181.0

$(185.4 - 181.0) / 181.0 = .0243 \times 95\% = 2.31\%$ increase

or

June/Current year CPI = 180.0

June/Previous year CPI = 181.0

$(180.0 - 181.0) / 181.0 = -.0056 \times 95\% = .54\%$ decrease

e. The increase or decrease based on (a) (b) (c) calculations will automatically become effective annually with billing beginning on and after the first day of the billing cycle for the October 1 billing period unless otherwise directed by City Council.

SECTION 7. SEVERABILITY

If for any reason any section, paragraph, subsection, 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, subsection, clause, phrase, word, or provision of this Ordinance, for it is the definite intent of this City Council that every section, paragraph, subsection, clause, phrase, word, or provision hereof be given full force and effect for its purpose.

PASSED and APPROVED on first reading this the 26th day of January 2016.

PASSED, APPROVED, and ADOPTED on second reading this the ____ day of February 2016.

APPROVED:

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:



City Attorney