

RESOLUTION NO. 2023-0297-R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMPLE, TEXAS, AMENDING RESOLUTION 2022-0234-R RELATED TO UTILITY SYSTEM FEES TO BE EFFECTIVE OCTOBER 1, 2023; AND PROVIDING AN OPEN MEETINGS CLAUSE.

Whereas, the City engaged the services of NewGen Strategies & Solutions to develop a six-year Water/Wastewater system cost of service study (fiscal year 2020 through fiscal year 2025) - as part of the analysis and development of the six-year revenue requirement, NewGen reviewed and analyzed the following:

- Historical and projected trends with regards to operations and maintenance costs, debt service, capital improvements, water usage, and water flows;
- Fixed versus variable cost of the system;
- Consumption and rainfall data in order to ‘normalize’ the revenue requirement for ‘wet’ and ‘dry’ years; and
- Inflation adjustments for labor, benefits, chemicals, electricity, and all other operating costs;

Whereas, one of the key elements of the study was to develop the revenue requirement for a multi-year capital improvement program to construct, replace or rehab numerous components in the City of Temple distribution and collection systems, address additional staffing needs for the operations and maintenance of the system, and other operations and maintenance cost of the system;

Whereas, the cost-of-service study is reviewed and updated by City Staff annually and the updated cost of service study covers a six-year period (fiscal year 2024 through fiscal year 2029) - cost drivers impacting the fiscal year 2024 through fiscal year 2029 revenue requirement include the following:

- Debt service payments to support additional capital funding of \$234,000,000 to implement water and wastewater improvement projects including an expansion of the Temple-Belton wastewater treatment plant, the Doshier wastewater treatment plant, neighborhood revitalization improvements, mobility related utility improvements, and a systematic approach to reducing sanitary sewer overflows. Projects include the following:

LINE	PURPOSE	WATER PROJECTS	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	TOTAL
WATER TREATMENT & STORAGE									
1	Rehabilitation	Water Treatment Plant - Clarifier #4 Rehabilitation	\$ -	\$ -	\$ 950,000	\$ -	\$ -	\$ -	\$ 950,000
2	Rehabilitation	Elevated Storage Tank Rehabilitation	-	-	850,000	2,500,000	2,500,000	-	5,850,000
3	Growth & Capacity	Conventional Plant On-site Chlorine Generation	-	-	-	-	-	1,000,000	1,000,000
785 WATER PRESSURE PLANE									
4	Growth & Capacity	New Elevated Storage Tank, Little River Road	-	-	-	-	-	4,000,000	4,000,000
876 WATER PRESSURE PLANE									
5	Rehabilitation	Ave G Ground Storage and Pump Station Rehabilitation	-	300,000	-	6,000,000	-	-	6,300,000
6	Growth & Capacity	North East Loop 363 Water Line Projects	-	-	-	400,000	3,000,000	-	3,400,000
7	Rehabilitation	Temple Heights District Utility Improvements	-	-	-	-	-	8,000,000	8,000,000
835 WATER PRESSURE PLANE									
8	Growth & Capacity	Northwest 36" Transmission Main	-	14,600,000	-	-	-	-	14,600,000
9	Rehabilitation	West Temple Distribution Line Upgrades (Phases II - IV)	-	-	-	850,000	2,950,000	4,150,000	7,950,000
720 WATER PRESSURE PLANE									
10	Growth & Capacity	SH 317 Ground Storage and Pump Station	-	6,100,000	-	-	-	-	6,100,000
OTHER WATER SYSTEM IMPROVEMENTS									
11	Rehabilitation	Distribution System Improvements	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,000,000
12	Mobility	Mobility Related Utility Improvements	2,260,000	4,000,000	-	1,500,000	-	2,800,000	10,560,000
TOTAL WATER PROJECTS FUNDED BY URBONDS			\$ 3,260,000	\$ 26,000,000	\$ 2,800,000	\$ 12,250,000	\$ 9,450,000	\$ 20,950,000	\$ 74,710,000
LINE	PURPOSE	WASTEWATER PROJECTS	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	TOTAL
LEON RIVER BASIN WASTEWATER PROJECTS									
13	Growth & Capacity	Leon River Trunk Sewer, Phase II	\$ -	\$ 11,960,000	\$ -	\$ -	\$ -	\$ -	\$ 11,960,000
14	Growth & Capacity	Upper Leon River Trunk Sewer	-	6,440,000	-	-	-	-	\$ 6,440,000
PEPPER CREEK BASIN WASTEWATER PROJECTS									
15	Growth & Capacity	West Airport Trunk Sewer Improvements	-	6,600,000	-	-	-	-	6,600,000
KNOB CREEK BASIN WASTEWATER PROJECTS									
16	Growth & Capacity	Knob Creek Interceptor Improvements (multi-phase)	-	-	6,750,000	10,700,000	3,150,000	-	20,600,000
LITTLE RIVER BASIN WASTEWATER PROJECTS									
17	Growth & Capacity	Little River, Center Trunk Sewer	-	-	3,150,000	-	-	-	3,150,000
18	Growth & Capacity	Little River, East Trunk Sewer	-	-	2,250,000	-	-	-	2,250,000
SANITARY SEWER EVALUATION SURVEYS AND PROJECTS									
19	Rehabilitation	Sanitary Sewer Evaluation Survey Future Projects	-	-	-	-	-	9,721,000	9,721,000
20	Rehabilitation	SSES Bird Creek Assessment - Resulting Projects	-	-	5,050,000	5,517,000	-	-	10,567,000
21	Rehabilitation	SSES Friars Creek Assessment - Resulting Projects	-	-	-	10,533,000	1,125,000	-	11,658,000
22	Rehabilitation	SSES Knob Creek Assessment - Resulting Projects	-	-	-	-	11,275,000	5,329,000	16,604,000
WASTEWATER TREATMENT PLANT PROJECTS									
23	Growth & Capacity	Doshier Wastewater Treatment Plant Expansion	-	-	20,000,000	-	-	-	20,000,000
24	Growth & Capacity	Temple Belton Wastewater Treatment Plant Expansion, Phase II	39,740,000	-	-	-	-	-	39,740,000
TOTAL WASTEWATER PROJECTS FUNDED BY URBONDS			\$ 39,740,000	\$ 26,000,000	\$ 37,200,000	\$ 26,750,000	\$ 15,550,000	\$ 15,050,000	\$ 199,290,000
TOTAL UTILITY PROJECTS FUNDED BY URBONDS			\$ 43,000,000	\$ 51,000,000	\$ 40,000,000	\$ 39,000,000	\$ 25,000,000	\$ 36,000,000	\$ 234,000,000

➤ Personnel and operational cost associated with the following additional staffing:

- An additional Project Engineer (fiscal year 2024) position is proposed in Engineering in order to provide project management support for our extensive capital improvement programs.
- Four additional water maintenance crews (fiscal years 2025, 2027, 2028, and 2029) to provide the staffing resources necessary to maintain our water distribution system and to provide an enhanced response time for non-emergency water leaks.
- Three additional wastewater maintenance crews (one for fiscal year 2026 and two for fiscal year 2028) to provide the staffing resources necessary to maintain our wastewater collection system and to provide a systematic approach to eliminating sanitary sewer overflows.
- Four additional Water Operator positions (two for fiscal year 2024 and two for fiscal year 2027) to support the recent expansion of the Membrane Water Treatment Plant.
- Two Utility Foreman positions (fiscal year 2028) to be added to provide additional management resources to the Public Works Department.

- Three Meter Technician positions (fiscal years 2024, 2026, and 2028) and two Environmental Program Technician positions (fiscal year 2024 and fiscal year 2028).
- Operational cost increases to supplies, such as chlorine and other chemicals, as well as those associated with the expansion of the Membrane Water Treatment Plant, such as electricity and additional facility maintenance.

Whereas, the following water and wastewater rates were designed to support the revenue requirement:

Water Rates		
Minimum Bill - Includes first 2,000 gallons		
	Current	New
3/4" - 5/8"	\$ 11.00	\$ 11.75
1"	17.60	18.75
1-1/2"	22.00	23.75
2"	70.40	75.50
3"	140.80	150.75
4"	220.00	235.50
6"	704.00	753.50
8"	1,232.00	1,318.25
10"	1,936.00	2,071.75
Volumetric - Per 1,000 gallons		
	Current	New
Industrial - Large Vol	\$ 3.20	\$ 3.20
All other classes	4.00	4.00

Wastewater Rates		
Minimum Bill - Includes first 2,000 gallons		
	Current	New
Industrial Class	\$ 17.60	\$ 17.60
All other classes	17.60	17.60
Volumetric - Per 1,000 gallons		
	Current	New
Industrial - Large Vol	\$ 5.75	\$ 6.75
All other classes	6.75	7.75

Whereas, Staff recommends Council amend Resolution 2022-0234-R, the current utility system fees, to be effective October 1, 2023;

Whereas, the proposed water and wastewater rate structure meets the estimated revenue requirement for fiscal year 2024 of \$58,785,144; and

Whereas, the City Council has considered the matter and deems it in the public interest to authorize this action;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEMPLE, TEXAS:

Part 1: Findings. All of the above premises are hereby found to be true and correct legislative and factual findings of the City Council of the City of Temple, Texas, and they are hereby approved and incorporated into the body of this Resolution as if copied in their entirety.

Part 2: The following utility system fees and rates are hereby adopted by the City of Temple, Texas and replace any previously adopted resolution regulating the same:

WATER AND WASTEWATER (SEWER) TAP FEES

- (a) **Rates.** The following charges shall be made and collected by the City for each water and wastewater tap connection furnished and made by it:

Tap Size	Current Rates		Plus Costs
	Full Short	Full Long	
Water			
¾"	\$ 390.00	\$1,150.00	
1 "	410.00	1,170.00	
1½"	450.00	1,210.00	(a)
2"	490.00	1,240.00	(a)
3 "	960.00	3,240.00	(b)
>3 "	320.00*	1080.00*	(b)
Wastewater			
4"	420.00	1,180.00	(c)
6"	500.00	1,260.00	(c)

* Per Inch

- (a) plus the cost of meter;
 - (b) plus the cost of meter and materials required to complete the tap; and
 - (c) plus the cost of materials required to complete the tap.
- (b) **Changeover fee.** A fifty dollar (\$50.00) changeover fee, but no tap fee, will be charged for replacing a smaller meter (¾-inch x 5/8-inch) with a full ¾ inch meter.
- (c) **Fire taps.** All connections for fire protection systems sprinklers shall be charged at the rate of two hundred dollars (\$200.00) per inch of tap for short connections and three hundred dollars (\$300.00) per inch of tap for long connections.
- (d) **Stand-by charge.** A "stand-by" charge shall be assessed on each fire protection connection. This charge shall be two dollars (\$2.00) per inch per month.
- (e) **Taps made by utility contractors.** The charge for connecting a private water or service line to a short or long tap made by a utility contractor within a platted subdivision shall be one-half (1/2) the amount charged when the City makes a short tap of the same type and diameter.
- (f) **Subsurface taps.**
 - (1) *Boring Accomplished by City Crews.* When a tap requires the City, acting through its own crews or its employees, to bore or go under an existing improved public street, right-of-way, railroad right-of-way, public utility easements, other improved public property, or private property in order to make a connection, charges for long

connections requiring such boring will be the standard tap fee plus fifteen dollars (\$15.00) per each foot of bore in dirt and twenty dollars (\$20.00) per each foot of bore in rock.

- (2) *Boring Accomplished by Contractors.* When the City hires a private party or private party contractor other than the City to bore or go under existing streets, rights-of-way, railroad rights-of-way, public utility easements, other improved public property, or private property in order to make a connection, the charge for a private party bore will be the standard tap fee plus the actual cost to the City of the bore.

RATES FOR WATER SERVICE

- (a) **Rates.** The rates for utility services furnished by the City's waterworks system shall be as follows:

IN-CITY WATER SERVICE RATE SCHEDULE		
	Meter Size (inches)	Effective Meter Rates
Minimum Bill / Minimum Service Charge for the First 2,000*	5/8" x 3/4"	\$ 11.75
	1"	18.75
	1 1/2"	23.75
	2"	75.50
	3"	150.75
	4"	235.50
	6"	753.50
	8"	1,318.25
	10"	2,071.25
IN-CITY STRAIGHT VOLUMETRIC RATE SCHEDULE FOR CONSUMPTION ABOVE 2,000 GALLONS		
Volumetric		Effective Rates
Industrial Class – Large Volume User		3.20**
All Other Classes		4.00**

* The minimum service charge applies if no water is consumed.

** per 1,000 gallons

- (b) **Customers outside the City.** City wholesale customers located outside of the City shall be billed for consumption at their contracted rate. All other customers residing outside the City limits shall be billed 1.25 times the in-City water service rates.

RATES FOR WASTEWATER (SEWER) SERVICE

- (a) **Definitions.**

- (1) *"Winter Billing Period"* means the period of service for which customers are billed in

January, February, and March.

- (2) *"Winter Quarter Average"* means the average of a customer's actual monthly water consumption reported on the bills sent to the customer in January, February, and March.

(b) **Rates.**

The rates for utility services furnished by the City's wastewater system shall be as follows:

IN-CITY WASTEWATER SERVICE RATE SCHEDULE	
Minimum Bill / Minimum Service Charge for the First 2,000 Gallons of Wastewater Produced*	Effective Rates
Industrial Class – Large Volume User	\$ 17.60
All Other Classes	17.60

IN-CITY STRAIGHT VOLUMETRIC RATE SCHEDULE FOR PRODUCTION ABOVE 2,000 GALLONS	
Volumetric	Effective Rates
Industrial Class – Large Volume User	\$ 6.75**
All Other Classes	7.75**

* The minimum service charge applies if no wastewater is produced.

** per 1,000 gallons

- (c) **Customers residing outside the City.** Customers residing outside of the City limits shall be billed at 1.25 times the in-City wastewater service rates.

(d) **Wastewater charges based on actual water consumption.**

- (1) When a customer with residential utility service has a separate water meter for an irrigation system, charges for wastewater service will be based on the customer's actual monthly water consumption during the billing period, excluding separately metered water consumed solely for irrigation.
- (2) Every customer with non-residential utility service shall be billed for wastewater service based on actual monthly water consumption during the billing period, excluding any separately metered water consumed solely for irrigation.

(e) **Wastewater charges based on billing winter quarter average.**

- (1) When a customer with residential wastewater service does not have a separate water meter for an irrigation system, charges for wastewater service shall be based on the customer's winter quarter average. At the conclusion of the Winter Billing Period, the City will calculate the customer's new winter quarter average and use the new winter quarter average to calculate wastewater charges billed from May of the current year through April of the following year.

- (2) Customers who transfer water service to a different location will transfer their winter quarter average with their service.
- (3) The Utility Business Office shall assume a winter quarter average of 6,000 gallons for any winter quarter average for which a billing history of water service from the City is not available.
- (4) It is the intent of this Resolution that charges for wastewater service bear a reasonable relation to the actual amount of wastewater discharged by the customer. In exceptional circumstances, when the procedures established in this Section for calculating monthly service charges do not produce a reasonable estimate of actual discharge, the City reserves the right to use an alternate method.
- (5) The Utility Business Office may adjust a customer's winter quarter average to deduct extraordinary consumption resulting from a leak or other unusual circumstances. Requests for adjustments must be supported by documentation such as an invoice for plumbing repair or an affidavit explaining the reason for the unusual consumption.

RATES FOR START-UP OPERATIONS

Start-up operations. The City Manager is authorized to make temporary exceptions to the rate class thresholds established by this Resolution to account for start-up operations.

DEPOSITS

- (a) **Deposits.** The deposits for City utility accounts shall be as follows:

Residential Service		Non-residential Service	
All Meters	\$ 75.00	5/8" Meter	\$ 115.00
		1" Meter	170.00
		1 1/2" Meter	200.00
		2" Meter	450.00
		3" Meter	550.00
		4" Meter	650.00
		6" Meter	850.00
		8" Meter	1,200.00
		10" Meter	2,500.00
		Fire Hydrant Meter	600.00

- (b) **Waiver.** The deposit for a 6" or larger meter may be waived in connection with an economic development agreement within an enterprise zone.

SERVICE CHARGES

- (a) **Rates.** The rates *per occurrence* for various services furnished by the City's Utility Business Office shall be as follows:

	Service	Charge
1	Rereading water meter	\$ 25.00
2	Processing returned item	30.00
3	Ten (10) day cleanup service (flat fee, which includes up to 2,000 gallons of water)	40.00
4	New account fee or transfer fee	
	<i>During business hours</i>	25.00
	<i>After business hours</i>	65.00
5	Extra trip fee	25.00
6	Non-payment fee	30.00
7	After hours reconnect	40.00
8	Unauthorized use of water	150.00
9	Broken meter fee	100.00
10	Broken lock charge	50.00
11	Pulled meter fee	100.00
12	Remove service line	500.00
13	Testing water meters for accuracy	
	<i>5/8" meter</i>	30.00
	<i>1" meter</i>	40.00
	<i>1 1/2" meter</i>	45.00
	<i>2" meter</i>	50.00
	<i>3" meter & larger</i>	actual cost

LIQUID WASTE TRANSPORT TRUCK DISCHARGE PERMIT FEES

- (a) Liquid Waste Transport Truck Discharge Fees. The fees associated with a Liquid Waste Transport Truck Discharge Permit shall be as follows:

- (1) \$100 permit fee per liquid waste transport truck; and
- (2) \$15 fee per pad of numerical manifest documents.

INDUSTRIAL PRETREATMENT PROGRAM USER FEES

- (a) Industrial Pretreatment Program User Fees. The fees associated with Article X, High-Strength Waste Treatment Cost Recovery, (Article X) of Chapter 38, Water, Sewers, and Sewage Disposal, of the City's Code of Ordinances (Chapter 38) shall be as follows:

- (1) **Monthly Permit Fees.**

- (A) Monthly Permit Fee Amounts:
 - (i) \$75 Categorical Industrial User monthly permit fee; and
 - (ii) \$50 Significant Industrial User monthly permit fee.
 - (B) The terms “Categorical Industrial User” and “Significant Industrial User” are as defined under Sec. 38-93 of Chapter 38.
 - (C) Monthly permit fees will be charged on the user’s monthly utility billing statements.
 - (D) The effective date for monthly permit fees will be October 1, 2021.
- (2) **Quarterly Surcharges Fees.**
- (A) Quarterly surcharge fees shall be calculated as provided under Sec. 38-166 of Article X.
 - (B) Quarterly surcharge fees will be divided into monthly charges and charged on the user’s monthly utility billing statements as provided by City policy.
 - (C) The term “user” is as defined under Sec. 38-93 of Chapter 38.
 - (D) The effective date for quarterly surcharges will be October 1, 2022.
- (3) **Pass Through Lab Analysis Cost Recovery.**
- (A) The City is authorized to recover the City’s costs associated with lab analysis conducted by the City under Sec. 38-164 of Article X by passing through these costs to the user.
 - (B) The recovery costs will be passed on and charged to the user as provided by City policy.
 - (C) The effective date for lab analysis cost recovery will be October 1, 2021.

PENALTIES

Penalties. The penalty for delinquent payment of utility services invoices is a minimum fee of \$5.00 or 5% of the current bill, whichever is greater.

Part 3: It is hereby officially found and determined that the meeting at which this Resolution is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act.

PASSED AND APPROVED this the 7th day of **September, 2023**.

THE CITY OF TEMPLE, TEXAS

DocuSigned by:

Timothy A. Davis

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TIMOTHY A. DAVIS, Mayor

ATTEST:

APPROVED AS TO FORM:

DocuSigned by:

Jana Lewellen

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Jana Lewellen
City Secretary

DocuSigned by:

Kathryn Davis

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Kathryn H. Davis
City Attorney