

## ACTION FORM BRYAN CITY COUNCIL

<b>DATE OF COUNCIL MEETING:</b> June 24, 2014		<b>DATE SUBMITTED:</b> June 3, 2014	
<b>DEPARTMENT OF ORIGIN:</b> Water Services		<b>SUBMITTED BY:</b> J. Barfknecht	
<b>MEETING TYPE:</b>	<b>CLASSIFICATION:</b>	<b>ORDINANCE:</b>	<b>STRATEGIC INITIATIVE:</b>
<input type="checkbox"/> BCD	<input type="checkbox"/> PUBLIC HEARING	<input type="checkbox"/> 1ST READING	<input type="checkbox"/> PUBLIC SAFETY
<input type="checkbox"/> SPECIAL	<input type="checkbox"/> CONSENT	<input type="checkbox"/> 2ND READING	<input checked="" type="checkbox"/> SERVICE
<input checked="" type="checkbox"/> REGULAR	<input type="checkbox"/> STATUTORY		<input type="checkbox"/> ECONOMIC DEVELOP.
<input type="checkbox"/> WORKSHOP	<input checked="" type="checkbox"/> REGULAR		<input checked="" type="checkbox"/> INFRASTRUCTURE
			<input checked="" type="checkbox"/> QUALITY OF LIFE
<b>AGENDA ITEM DESCRIPTION:</b> Consider repealing and replacing Resolution No. 3481 with a new resolution, which establishes inclining block rates for residential water customers to become effective with the first billing cycle on or after October 1, 2014.			
<b>SUMMARY STATEMENT:</b> The City of Bryan is the largest retail water producer within the Brazos Valley Groundwater Conservation District that has not adopted an inclining block or conservation rate structure. The City of Bryan has historically charged a flat volumetric rate for water and has not changed the residential rate since 2007. Water Services is requesting the City Council adopt a new resolution establishing an inclining block rate structure for residential water customers. The monthly customer charge of \$8.31 per customer would not change, nor would the current residential volume charge of \$2.76 per 1,000 gallons (applied to first tier). The recommended inclining block rate is as follows:			
	Usage (gallons)		Volume Charge (per 1000 gallons):
	0-30,000		\$2.76 (current base rate)
	30,001-50,000		\$3.00
	> 50,000		\$3.50
The other major retail water providers within Brazos County are the City of College Station, Wickson Creek Special Utility District (SUD), and Wellborn SUD. Their current rate structures for comparison are as follows:			
<b>College Station</b>			
Base Fee - \$10.19 per customer			
	<b>Usage (gallons)</b>		<b>Volume Charge (per 1000 gallons)</b>
	0-10,000		\$2.26
	11,000-15,000		\$2.94
	16,000-20,000		\$3.61
	21,000-25,000		\$4.28
	26,000–above		\$4.96
<b>Wickson Creek SUD***</b>			
Base Fee - \$22.75 per customer			
	<b>Usage (gallons)</b>		<b>Volume Charge (per 1000 gallons)</b>
	0-15,000		\$3.25
	15,001-30,000		\$3.50
	30,001-50,000		\$6.00

50,001-above \$10.00  
\*\*\*Summer rates from May-September

**Wellborn SUD**

Base Fee - \$25.00 (0 – 2,000 gallons included in base fee)

**Usage (gallons)      Volume Charge (per 1000 gallons)**

2,001-10,000	\$3.40
10,001-20,000	\$3.65
20,001-30,000	\$3.95
30,001-40,000	\$4.90
40,001-50,000	\$5.40
50,001-above	\$5.90

When developing the inclining block rates, staff looked at a year’s worth of data from October 2012 to September 2013. These twelve (12) months represent an average year for water sales and included 19,679 accounts. The blocks were established to provide an incentive to the large water users to conserve water, while also shielding domestic use customers. Based on the recommended blocks, there were 3,249 customers (16.5% of the total) that had at least one month with water usage over 30,000 gallons and 989 customers (5.0% of the total) that had at least one month with water usage over 50,000 gallons. The chart (pdf) attached to the Council Action Form indicates the number of customers that will experience a bill increase of \$20, \$50, and \$150 dollars in any given month. For example, in October 2012 there are 39 customers (0.2 % of the total) that will have their bill increase by \$20 or more. Of those 39, 14 will see an increase of \$50 and 1 will see an increase of \$150. As the graph depicts, the largest impact comes during the months of July, August, and September.

As stated in the rate resolution for the non-irrigating months of December through February, the average water consumption for residential customers is 6,230 gallons per month. According to the U.S. Geological Society’s 2005 Water Census, daily per capita water use in the U.S. is 98 gallons for domestic use (includes both indoor and outdoor use). Based on an average 2.59 residents per household as expressed in the 2005 Water Census, most families would consume an average of 7,615 gallons per month. Our actual residential usage for FY13 ranged from 5,288 to 13,513 gallons per month, with an annual average of 8,450 gallons per month. The establishment of the first block at 30,000 gallons creates little to no impact to families who use water for domestic purposes.

Although the overall volume of water sold and the consumer or usage demographics within a utility’s customer base typically drive revenue streams, inclining blocks can also be a large source of revenue for water utilities. However, the proposed block design only targets large water users. Based on modeled data for an average year, this proposed rate structure will generate approximately \$65,000 per year in additional revenue. If the peak water users adjust consumption to compensate for the additional cost, as is the intent of the rate structure, the difference will approach zero.

**STAFF ANALYSIS AND RECOMMENDATION:** Water Services respectfully requests the City Council approve the proposed rate resolution. The proposed rate resolution establishes an inclining block structure. This inclining block structure will apply to residential customers and will go into effect starting October 1, 2014, or whenever the billing system can be configured to bill the inclining block rates (whichever is later).

**OPTIONS (In Suggested Order of Staff Preference):**

1. Approve the proposed rate resolution
2. Approve the proposed rate resolution with modified block rates, which may require consideration at a future City Council meeting
3. Keep the existing rate structure

**ATTACHMENTS:**

1. Proposed resolution
2. Chart referencing Number of Customers with Bill Increases in a Given Month (pdf file)

**FUNDING SOURCE:** N/A

**APPROVALS:** Jayson E. Barfknecht 06/04/14; Hugh R. Walker, 06/05/2014

**APPROVED FOR SUBMITTAL:** Kean Register, 06-06-2014

**APPROVED FOR SUBMITTAL:** Janis K. Hampton, 06-12-2014

Revised 05/2013

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRYAN, TEXAS, REPEALING AND REPLACING RESOLUTION NO. 3481; ESTABLISHING THE RATES FOR RESIDENTIAL AND COMMERCIAL WATER AND WASTEWATER SERVICES TO BECOME EFFECTIVE WITH THE FIRST BILLING CYCLE ON OR AFTER OCTOBER 1, 2014 OR WHEN THE CAPABILITY TO BILL THE INCLINING BLOCKS IS AVAILABLE, WHICHEVER IS LATER.**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRYAN, TEXAS THAT:**

1) The charge for water services furnished by the city of Bryan, Texas, to a customer shall be as follows:

**A. RESIDENTIAL**

Customer Charge:	\$ 8.31 per month
<i>Usage (gallons):</i>	<i>Volume Charge (per 1000 gallons):</i>
0 – 30,000	\$ 2.76
30,001 – 50,000	\$ 3.00
> 50,000	\$ 3.50

**B. COMMERICAL/INDUSTRIAL; BRYAN PUBLIC SHOOOLS; CITY ACCOUNTS AND UTILITY OPERATIONS**

Volume Charge	\$ 2.38 per 1,000 gallons
Customer Charge:	

Meter Size	Charge per Month
5/8-inch	\$ 13.74
1-inch	\$ 13.74
1.5-inch	\$ 16.20
2-inch	\$ 21.60
3-inch	\$ 53.40
4-inch	\$ 76.00
6-inch	\$ 91.00
8-inch	\$ 100.00
10-inch	\$ 110.00
12-inch	\$ 130.00

**C. SPECIAL CONTRACTS**

Customer Charge:	\$ 13.74 per month
Volume Charge:	\$ 4.05 per 1,000 gallons

**D. BULK SALES (TRANSPORT LOADS)**

\$5.54 per 500 gallons

2) That the charge for wastewater services furnished by the City of Bryan, Texas, to a customer shall be as follows:

A. RESIDENTIAL

There shall be a wastewater fee of \$7.88 per month plus \$4.03 per 1,000 gallons of wastewater volume, for each wastewater customer. This volume rate is based on median water consumption during the months of December through February. The wastewater fee for the following months of March through February is held constant using the second highest month's consumption of the December through February period.

In the case of a customer moving into a residence during the months of March through February, for which a wastewater charge has previously been established, the new customer shall pay the previously determined wastewater charge for that residence until the next evaluation period. The Utility Customer Services Division Manager and the Water Services Division Manager working together may adjust this fee in appropriate situations. In the event no previous rate has been established because the customer is moving into a newly constructed residence, the wastewater rate charged shall be \$33.00 per month based on the City average of 6,230 gallons per month, until the new re-rating as described in "A" above.

B. COMMERCIAL/INDUSTRIAL

There shall be a wastewater charge of \$7.88 per month plus \$3.80 per 1,000 gallons of wastewater volume based on monthly water consumption for each commercial/industrial wastewater customer.

C. HAULED WASTE PUMPINGS

Grease	\$0.17/gallon
Grit	\$0.21/gallon
Septage	\$0.08/gallon

There shall be a convenience fee of \$500 per load applied to each load received on weekends and on observed holidays. Convenience fees will be charged in addition to the hauled waste fee. This fee will not be charged for community-wide special events reviewed and approved by the department.

D. NEW RESIDENTIAL CONSTRUCTION

There will be a wastewater charge of \$7.88 per month on all new residential constructed homes. The builder will not be assessed a wastewater charge based on water consumption, until a certificate of occupancy has been issued. At that time the wastewater rate charged shall be \$33.00 per month based on the City average of 6,230 gallons per month, until the new re-rating as described in "A" above.

E. VACANT RENTAL DWELLINGS

Customers who initiate a Continuous Service Agreement (CSA) with Bryan Texas Utilities (BTU) to accommodate vacant rental property will be charged a one-time fee of \$15.00 per each CSA application. The CSA allows for water to be charged as used and

for the wastewater fee to be calculated based on the water usage and at the commercial wastewater rate.

Once rented, previously established residential wastewater rates are applied to the new tenant's account. If the property was vacant, or the account was in the property owner's name during the residential wastewater rate setting period of December, January, and February, wastewater will be charged at the rate of \$33.00 per month based on the City average of 6,230 gallons per month until the next evaluation period as described in "A" above.

F. STATE REGISTERED WASTE HAULERS

State registered waste haulers for Wastewater Treatment Plant Sludge, Water Treatment Plant Sludge, Septic Tank Waste, Chemical Toilet Waste, Grit Trap Waste, and Grease Trap Waste shall apply for a permit to operate within the City. The fee for each permit is \$200.00. Permits are valid for a period of two years. Haulers are required to obtain a permit for each vehicle that will be operating within the City.

G. CONTRACTS

Individual contracts may be negotiated outlining details of the service to be supplied, the term of the contract, and the obligation of each party. A fee may be charged to manage the contract. The contract may be used both inside and outside the City.

3) The following schedule of fees shall be charged for installation of each water tap or sanitary sewer tap:

A. SANITARY SEWER TAP FEES

Four inch (4")	\$ 350.00
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All wastewater taps larger than 4" will be made by a contractor and will require a \$100.00 inspection fee. The tap fee includes making the connection to the main plus 10 feet of pipe. Any connections requiring more than 10 feet of pipe are considered long side taps. All long side taps require an additional charge of \$15.00/ft. The length of a long side tap will be determined as the distance from the main to the property line minus 10 feet.

B. POTATBLE WATER TAP AND METER FEES

Three quarter inch (3/4")	\$ 400.00
One inch (1")	\$ 500.00
One and one half inch (1 1/2")	\$ 800.00
Two inch (2")	\$ 1800.00

All water taps larger than 2" will be made by a contractor using a meter purchased from the City. The tap fee shall consist of the meter cost and a \$100.00 inspection fee. The tap fee includes making the connection to the main plus 10 feet of pipe. Any connections

requiring more than 10 feet of pipe are considered long side taps. All long side taps require an additional charge of \$15.00/ft. The length of a long side tap will be determined as the distance from the main to the property line minus 10 feet.

C. TEMPORARY SERVICES

Customers requesting temporary construction water service (through an existing fire hydrant) shall be required to enter into a Special Contract with the City. A cash security deposit for \$1,000.00 will be required from the customer for each temporary service requested. Each deposit shall be refunded upon disconnection of the temporary service, provided the customer has paid all rates and fees due the City through the use of the service, and provided there has been no damage to the meter, the backflow prevention device, the valve installed for the customer's use or the fire hydrant. The fee for the meter itself is \$400.00. For this price the service includes installing the meter, backflow prevention device, 2" ball valve for customer use, testing the backflow prevention device, moving the meter to an alternate location within the job site, and retesting the backflow prevention device after reinstallation. Meters are the property of the City and shall be returned to the City when the specific job is completed. Each job site requires a separate Special Contract. The \$1,000.00 security deposit may remain on file with the City; however, each job site requires a separate \$400.00 fee.

D. ABANDONMENT OF TAPS

Customers requesting existing water and or sewer taps to be relocated due to driveway location, change in service location on the private side, or any other reason not requested by the City, shall pay the actual cost of the relocation. This includes the cost of a new tap, as described above in paragraphs 3.A and 3.B, and the actual cost to abandon the existing tap including any surface restoration (concrete, landscaping, etc.), labor, equipment, and materials for city staff. These charges shall be determined on an individual basis.

4) The following establishes fees and services associated with metering:

A. TAMPERING

Tampering with a water meter will result in the meter being removed and a \$100.00 charge to the account. Tampering includes but is not limited to altering and or adjusting the reading on the meter, turning the meter on after it has been turned off by an authorized City representative, installing piping or hose to bypass the meter, or installing piping and or hose to allow water service after a meter has been removed by authorized personnel. Once a meter has been removed for tampering, a \$25.00 reinstallation fee will be required prior to a meter being reinstalled.

B. TURN ON/OFF SERVICE

Routine turn on/off service for vacations, home repairs and the like will be charged at the rate of \$10.00 per visit.

C. METER TESTING

Customers may request to have the accuracy of their water meter verified. For 2" or smaller meters, this request typically requires replacing the meter so performance can be measured against a known standard. Due to their size, 3" and larger meters are tested in place; a calibrated test meter simultaneously records water flow/volume in series with the customer meter. Should the test determine the meter is either slow or within American Water Works Association (AWWA) specifications, the customer will be assessed a fee of \$35 on their next utility bill. If the test results indicate the meter is fast, the testing fee will be waived and a credit may be issued for a proportional amount of water billed above the acceptable meter performance limits.

D. DAMAGED METERING COMPONENTS

Infrastructure put in place for the control, accountability, and protection of the water supply is the sole property of the City of Bryan. This equipment is to be operated and maintained by city staff. Damage to this equipment as the result of direct or indirect action by the customer or an agent acting on their behalf is the responsibility of the customer. Charges will be determined on a case by case basis.

- 5) The following establishes fees and services associated with fees associated with registration and testing of backflow prevention assemblies:

A. REGISTRATION FEES

A registration fee of \$25 per assembly shall be charged for each backflow prevention assembly installed at a property. This fee will be accessed on an annual basis. Backflow prevention assemblies installed for lawn irrigation and assemblies installed at State-accredited schools will be exempt from this fee.

B. PERMIT FEES

A permit fee of \$50 per applicant will be charged for each permittee providing testing of backflow prevention assemblies and fire line assemblies. This fee will be accessed annually.

- 6) Individual contracts may be negotiated outlining details of the service to be supplied, the term of the contract, and the obligation of each party.
- 7) All residential and commercial water and wastewater usage rates described herein shall be multiplied by 1.50 for any customers receiving service outside the city limits of the City of Bryan, unless covered under an agreement with another service providing entity such as the City of College Station.
- 8) The city shall reimburse for up to twenty four (24) months of any overcharges. Customers may be liable for up to six (6) months of undercharges.
- 9) This resolution shall be effective immediately upon its adoption and the rates shall go into effect the first billing cycle on or after October 1, 2014 or when the billing system is able to process the residential inclining block rate structure, whichever is later.



**PASSED AND APPROVED** this 24<sup>th</sup> day of June, 2014.

ATTEST:

CITY OF BRYAN:

\_\_\_\_\_  
Mary Lynne Stratta, City Secretary

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Jason P. Bienski, Mayor

APPROVED AS TO FORM:

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Janis K. Hampton, City Attorney