

ORDINANCE NO. 799

AN ORDINANCE BY THE CITY OF HOWE, TEXAS, REVISING AND ESTABLISHING WATER AND SEWER SERVICE RATES, SETTING THE EFFECTIVE DATE OF THE NEW RATES; ESTABLISHING A REPEAL CLAUSE; ESTABLISHING A SAVINGS CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City of Howe, Texas (the "City") operates a water production, storage, and distribution system and a sanitary sewer/wastewater collection and treatment system (the "System") as a service to residents, property owners, and other users of the System; and

WHEREAS, certain regulations governing the use of the System are necessary to insure orderly and efficient operations and to protect the health and welfare of the users of the System;

WHEREAS, the City Council of the City has carefully evaluated the financial status of the System and has concluded that revisions of the water and sewer service rate structure are necessary to maintain the financial integrity of the System; and

WHEREAS, sufficient rates and charges for System services must be assessed upon all customers of the System to provide adequate System revenues to pay the Fixed Charge Component, the Variable Rate Other Component, and the Variable Interest Rate Component, as described herein;

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

The water and sewer service rates of the City, as set forth in the Code of Ordinances of the City, Chapter 10, Sections 1 and 2, respectively, previously made effective by official action of this City Council, are hereby amended to read as follows:

Section 1. Definitions

- (a) "Authority" means the Greater Texoma Utility Authority.
- (b) "Applicable Customer Usage Percentage" means an individual customer's proportionate share of the Monthly System Fixed Charge Component, calculated by dividing the Customer Monthly Fixed Charge by the Monthly System Fixed Charge Component.
- (c) "Contract" means the Amended and Restated Contract for Water Supply and Sewer Service between the City and the Authority, dated as of November 30, 2004, as supplemented and amended from time to time.

- (d) "Contract Revenue Bonds" means all bonds of the Authority issued on behalf of the City, and pursuant to the Contract, to finance improvements and extensions to the System. Contract Revenue Bonds are payable solely from payments to be made, under the Contract, by the City from System revenues, as set forth in the Contract and in the documents authorizing the issuance of each series of Contract Revenue Bonds.
- (e) "Customer Monthly Fixed Charge" is the total of a customer's charges for System services, based upon Monthly System Fixed Charge Component Rates (stated in Section 2(a) hereof).
- (f) "Customer Monthly Variable Rate Component Charge" equals the Applicable Customer Usage Percentage multiplied by the Monthly System Variable Rate Component.
- (g) "Monthly System Fixed Charge Component" is one twelfth (1/12) of the System Fixed Charge Component.
- (h) "Monthly System Fixed Charge Component Rates" are those rates for System services set forth in Section 2(a) hereof.
- (i) "Monthly System Variable Rate Component" means
 - (a) one twelfth (1/12) of the Variable Rate Interest Component; and
 - (b) the Variable Rate Other Component
- (j) "Pipeline Bonds" means those Contract Revenue Bonds, issued from time to time and in one or more series, the proceeds of which are specifically used to finance the construction, acquisition, and improvement of the "Collin/Grayson Water Transmission Project," which includes all necessary appurtenances thereto and engineering and other costs incurred in connection therewith, as described and defined in the resolutions of the Authority that authorize the issuance of Pipeline Bonds and the ordinances of the City which shall approve such issuance(s) pursuant to the Contract; the debt service upon which Pipeline Bonds is to be paid in part or in whole from payments to be made under the Contract. The portion of the Collin/Grayson Water Transmission Project that corresponds to the aggregate debt service on Pipeline Bonds that has been paid from Contract payments made by the City (which is a percentage of the total amount of debt service paid on Pipeline Bonds) shall become a component part of the System.

- (k) "System Fixed Charge Component" means the total of all expenses and charges assessed based upon the Monthly System Fixed Charge Component Rates.
- (l) "Total Monthly Usage Charge" means, for any customer of the System, the sum of the Customer Monthly Fixed Charge and the Customer Monthly Variable Rate Component Charge.
- (m) "Variable Rate Bonds" means all Contract Revenue Bonds that accrue interest at (a) variable rate(s).
- (n) "Variable Rate Interest Component" means the total amount of interest due in a given year on outstanding Variable Rate Bonds, calculated at the actual rate(s) of interest on such outstanding Variable Rate Bonds, as such rate(s) has/have gone into effect on the Variable Rate Interest Component Determination Date.
- (o) "Variable Rate Other Component" means the total amount of the monthly Contract payment to be made in respect of the amount of debt service and other charges due pertaining to Pipeline Bonds and the Collin/Grayson Water Transmission Project and allocable to the City.
- (p) "Variable Rate Interest Component Determination Date" means May 1 of each year.

Section 2: Water and Sanitary Sewer Service Rates

- (a) Customer Monthly Fixed Charge Component -- Monthly System Fixed Charge Component Rates

(i) WATER SERVICE RATES

- A. The following rates, for the purchase of water from the City of Howe, are hereby established to be charged to every customer, except as hereinafter provided:

<u>Amount of water used in one (1) month</u>	<u>Rate</u>
First 1000 gallons	\$31.50 minimum
1001-4000 gallons	\$8.64 per thousand
gallons	
4001-20,000 gallons	\$9.69 per thousand
gallons	
20,0001-45,000 gallons	\$10.78 per thousand
gallons	
All over 45,001 gallons	\$11.49 per thousand

gallons

- B. Present water purchased from the City of Howe used by consumers living outside the city limits of the City of Howe shall be charged at the rate of 1-1/2 times the rate which applies to consumers inside the City of Howe.
- C. All multi-unit dwellings within the city shall be charged for water consumption and availability using the following formula: number of units X 31.50 + gallons of water used at prevailing rate less number of units X 1000 gallons.
- D. Hydrant meter usage shall be charged at the rate which applies to the usage with a \$1000.00 deposit.
- E. Customer deposit shall be \$150.00 per meter. Service charge for connect or temporary disconnect shall be \$20.00. Fee for reconnection due to non-payment shall be \$50.00 during regular business hours and \$75.00 after regular business hours.

(ii) SEWER USER CHARGES

- A. The sewer fee shall be \$38.10. for the first 1000 gallons of water metered. For each additional 1000-gallons water metered sewer rate shall be five dollars and twenty-five cents (\$5.95) per 1000 gallons. The summer usage shall be billed at the same rate as winter usage with no average billing.
- B. If winter averaging should become effective in the future, consumers with no previous winter consumption will be charged the citywide average or their actual usage whichever is lower.
- C. A residential "living unit" for sewage charge purposes is defined as a dwelling unit containing and embodying a commode or kitchen or sink facility of any nature.
- D. For multi-unit dwelling complexes, the total sewer charge will be based on the amount of water used and will be figured on the following formula: number of dwelling units X \$38.10 gallons of water metered less the number of units X 1000 gallons plus \$5.95 per additional 1000 gallons of water metered. The summer usage shall be billed at the same rate as winter usage with no average billing.

(b) Customer Monthly Variable Rate Component Charge

In addition to the Customer Monthly Fixed Charge, each customer shall pay a Customer Monthly Variable Rate Component Charge, calculated as described in Section 1, above.

(c) Total Monthly Usage Charge

The Total Monthly Usage Charge stated on the customer's bill for System services shall be paid by the customer in accordance with the terms stated in such bill.

(d) Utility Payment Extension

Extension of utility payment will be according to guidelines as shown in "Utility Payment Extension Guidelines", Exhibit A, attached to this ordinance.

(e) Service Discontinuation

Utility service will be discontinued for non-payment according to the guidelines as shown in "Service Discontinuation Guidelines", Exhibit A, attached to this ordinance.

Section 3. Repeal Clause

All parts of any ordinance in conflict with the provisions of this Resolution are to the extent of such conflict hereby repealed.

Section 4. Savings Clause


If any provision of this Ordinance shall be held to be invalid or unconstitutional, the remainder of such Ordinance shall continue in full force and effect the same as if such invalid or unconstitutional provision had never been a part hereof.

Section 5. Effective Date

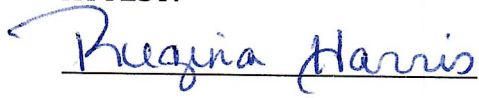
This Ordinance shall be effective on the first billing cycle in October 2012 after passage and adoption of this Ordinance and upon the posting and/or publication of its caption as required by law, and the Secretary is hereby directed to implement such posting and/or publication.

PASSED AND ADOPTED by the City Council of the City of Howe, Texas, on this the 18th day of October 2012.

APPROVED:


Bill French, Mayor

ATTEST:


Regina Harris, City Secretary

Utility Payment Extension Guidelines

1. Requests for extension will not automatically be granted.
2. Only four (4) extensions will be permitted in a consecutive twelve month period. This period does not begin anew at the end of a calendar year but will be continuous.
3. If a granted extension is not honored and the account not brought current when promised, further extensions will not be granted unless and until, the account is brought current and remains current each and every month for a period of six (6) consecutive months.
4. Requests for an extension must be made during regular business hours of the City of Howe, and in writing and signed in the presence of and approved by the city administrator, city secretary, or utility billing supervisor. Requests must be made on or before the 20th day of the month. If the 20th day of the month falls on a Saturday or Sunday, or on a day when the city office is closed for an official holiday, the request for extension must be made before the close of business on the day before the Saturday or Sunday or holiday. Verbal, electronic, and/or phone requests will not be accepted.
5. Extensions will not be extended.
6. The city administrator or his designee retains the right to waive any or all of these guidelines when the city administrator or his designee determines severe and/or emergency circumstances exist which warrant waiving the guidelines.

Service Discontinuation Guidelines

1. Service will be discontinued the first business day after the 20th of the month if payment in full is not received unless a request for extension has been received and approved.

2. There is a fifty dollar (\$50) reconnect fee if reconnected during regular business hours.
There is a seventy-five dollar (\$75) fee for reconnection if reconnection is done after
regular business hours or weekends.
3. The account must be paid in full and the reconnect fees must be paid before
service is
reconnected.
4. Reconnections fee will be assessed immediately when service is
terminated for non-payment.