

RESOLUTION NO. {{item.sequential_number}}

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMPLE, TEXAS,
SETTING THE CURRENT UTILITY SYSTEM FEES TO BE EFFECTIVE OCTOBER
1, 2024; AND PROVIDING AN OPEN MEETINGS CLAUSE.

Whereas, Staff develops and maintains a six-year water/wastewater system cost of service study (Fiscal Year 2025 – Fiscal Year 2030) - as part of the analysis and development of the six-year revenue requirement, Staff reviewed and analyzed the following:

- Historical and projected trends with regards to operations and maintenance costs, debt service, capital improvements, water usage, and wastewater 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 2025 – Fiscal Year 2030) - cost drivers impacting the Fiscal Year 2025 – Fiscal Year 2030 revenue requirement includes the following:

- Debt service payments to support additional capital funding of \$295,000,000 to implement water and wastewater improvement projects, including an expansion of the Temple-Belton Wastewater Treatment Plant, the Doshier Farms Wastewater Treatment Plant, neighborhood revitalization improvements, mobility-related utility improvements, and a systematic approach to reducing sanitary sewer overflows. Capital projects include the following:

PURPOSE	WATER PROJECTS	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
WATER TREATMENT & STORAGE								
1	Rehabilitation Conventional Plant Pipe Gallery Rehabilitation	\$ 540,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 540,000
2	Rehabilitation Conventional Plant Onsite Chlorine Generation	1,500,000	-	-	-	-	-	1,500,000
3	Rehabilitation Water Treatment Plant, Clarifier #4 Rehabilitation	-	950,000	-	-	-	-	950,000
4	Rehabilitation Elevated Storage Tank Rehabilitations	-	-	2,500,000	850,000	850,000	2,500,000	6,700,000
785 WATER PRESSURE PLANE								
5	Growth & Capacity New Elevated Storage Tank, Little River Road	-	-	-	4,000,000	-	-	4,000,000
876 WATER PRESSURE PLANE								
6	Rehabilitation Ave G Ground Storage and Pump Station Rehabilitation	-	75,000	300,000	6,000,000	-	-	6,375,000
7	Growth & Capacity North East Loop 363 Water Line Projects	-	-	400,000	3,000,000	-	-	3,400,000
8	Rehabilitation Temple Heights District Utility Improvements	-	-	-	-	8,000,000	8,500,000	16,500,000
835 WATER PRESSURE PLANE								
9	Growth & Capacity SH 317 Ground Storage and Pump Station	6,100,000	-	-	-	-	-	6,100,000
10	Rehabilitation West Temple Distribution Line Upgrades (Phases II - IV)	-	-	850,000	2,950,000	4,150,000	-	7,950,000
720 WATER PRESSURE PLANE								
11	Growth & Capacity Northwest 36" Transmission Main	14,600,000	-	-	-	-	-	14,600,000
OTHER WATER SYSTEM IMPROVEMENTS								
12	Rehabilitation Distribution System Improvements	2,000,000	1,000,000	1,000,000	1,000,000	3,800,000	1,000,000	9,800,000
13	Mobility Mobility Related Utility Improvements	8,930,000	1,500,000	1,500,000	-	-	-	11,930,000
TOTAL WATER PROJECTS FUNDED BY UR BONDS		\$ 33,670,000	\$ 3,525,000	\$ 6,550,000	\$ 17,800,000	\$ 16,800,000	\$ 12,000,000	\$ 90,345,000

PURPOSE	WASTEWATER PROJECTS	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL
LEON RIVER BASIN WASTEWATER PROJECTS								
14	Growth & Capacity Leon River Trunk Sewer, Phase II	\$ -	\$ 11,125,000	\$ -	\$ -	\$ -	\$ -	\$ 11,125,000
15	Growth & Capacity Upper Leon River Trunk Sewer	-	1,140,000	6,440,000	-	-	-	\$ 7,580,000
PEPPER CREEK BASIN WASTEWATER PROJECTS								
16	Growth & Capacity West Airport Trunk Sewer Improvements	6,600,000	-	-	-	-	-	6,600,000
KNOB CREEK BASIN WASTEWATER PROJECTS								
17	Growth & Capacity Knob Creek Regional Lift Station	2,400,000	-	-	-	-	-	2,400,000
18	Growth & Capacity Knob Creek Interceptor Improvements (multi-phase)	-	16,350,000	-	3,150,000	-	-	19,500,000
LITTLE RIVER BASIN WASTEWATER PROJECTS								
19	Growth & Capacity Little River, Center Trunk Sewer	-	-	3,150,000	-	-	-	3,150,000
20	Growth & Capacity Little River, East Trunk Sewer	-	2,250,000	-	-	-	-	2,250,000
SANITARY SEWER EVALUATION SURVEYS AND PROJECTS								
21	Rehabilitation Community Grant Funding Match	1,250,000	-	-	-	-	-	1,250,000
22	Rehabilitation SSES Workplan Project Placeholder	800,000	4,151,000	2,641,000	17,645,000	21,731,000	26,562,900	73,530,900
23	Rehabilitation SSES Manhole Rehabilitation by Basin	1,000,000	500,000	500,000	500,000	500,000	500,000	3,500,000
WASTEWATER TREATMENT PLANT PROJECTS								
24	Growth & Capacity Temple-Belton Wastewater Treatment Plant Expansion, Phase II	46,500,000	-	-	-	-	-	46,500,000
25	Growth & Capacity Doshier Wastewater Treatment Plant Expansion	-	-	20,000,000	-	-	-	20,000,000
26	Growth & Capacity Project Contingency	2,780,000	959,000	719,000	905,000	969,000	937,100	7,269,100
TOTAL WASTEWATER PROJECTS FUNDED BY UR BONDS		\$ 61,330,000	\$ 36,475,000	\$ 33,450,000	\$ 22,200,000	\$ 23,200,000	\$ 28,000,000	\$ 204,655,000
TOTAL UTILITY PROJECTS FUNDED BY UR BONDS		\$ 95,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 295,000,000

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

- Four additional water maintenance crews (Fiscal Years 2025, 2027, 2028, and 2029) to provide the staffing resources necessary to maintain the City's water distribution system and to provide an enhanced response time for non-emergency water leaks.
- Three additional wastewater maintenance crews (Fiscal Years 2026, 2028, and 2029) to provide the staffing resources necessary to maintain the City's wastewater collection system and to provide a systematic approach to eliminating sanitary sewer overflows.
- Two additional Water Operator positions (Fiscal Year 2027) to support the new Membrane Water Treatment Plant expansion and provide additional maintenance capacity.
- Two Utility Foreman positions (Fiscal Year 2028), one Metering Crew Leader (Fiscal Year 2025), two Meter Technician positions (Fiscal Years 2028 and 2029), a Meter Technician Apprentice (Fiscal Year 2026), and an Environmental Program Technician position (Fiscal Year 2028) to provide additional resources to the Public Works Department.

➤ 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"	\$ 11.75	\$ 12.75
1"	18.75	20.45
1-1/2"	23.75	25.55
2"	75.50	81.75
3"	150.75	163.50
4"	235.50	255.45
6"	753.50	817.35
8"	1,318.25	1,430.30
10"	2,071.75	2,247.60
Volumetric - Per 1,000 gallons		
	Current	New
Industrial - Large Vol	\$ 3.20	n/a
All other classes	4.00	n/a
Volumetric Rate	n/a	\$ 4.50

Wastewater Rates		
Minimum Bill - Includes first 2,000 gallons		
	Current	New
Industrial Class	\$ 17.60	n/a
All other classes	17.60	n/a
Base Rate	17.60	22.10
Volumetric - Per 1,000 gallons		
	Current	New
Industrial - Large Vol	\$ 6.75	n/a
All other classes	7.75	n/a
Volumetric Rate	n/a	\$ 9.00

Whereas, City wholesale customers located outside of the City shall be billed for water consumption at their contracted rate - all other customers residing outside the City limits shall be billed 1.25 times the in-City water and wastewater service rates;

Whereas, no changes are proposed to current water and wastewater connection and service connection rates which are as follows:

Connection Size	Current Rates		Plus Costs
	Full Short	Full Long	
Water			
3/4"	\$ 390.00	\$ 1,150.00	
1"	410.00	1,170.00	
1-1/2"	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 connection; or
- (c) plus the cost of materials required to complete the connection.

Whereas, no changes are proposed to the deposits for City utility accounts, which are currently 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

Whereas, no changes to service charges related to various services furnished by the City's Utility Business Office:

Services		
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>1½" meter</i>	45.00
	<i>2" meter</i>	50.00
	<i>3" meter & larger</i>	actual cost

Whereas, Staff recommends Council set the current utility system fees to be effective October 1, 2024;

Whereas, the proposed water and wastewater rate structure meets the estimated revenue requirement for Fiscal Year 2025 of \$67,987,776; 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, THAT:

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 set 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 of Temple, Texas for each water and wastewater tap connection furnished and made by it:

Connection Size	Current Rates		Plus Costs
	Full Short	Full Long	
Water			
3/4"	\$ 390.00	\$ 1,150.00	
1"	410.00	1,170.00	
1-1/2"	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 connection; or

(c) plus the cost of materials required to complete the connection.

- (b) **Changeover Fee.** A fifty-dollar (\$50.00) changeover fee, but no tap fee, will be charged for replacing a smaller meter (3/4-inch x 5/8-inch) with a full 3/4-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:

Water Rates		
Minimum Bill - Includes first 2,000 gallons		
	Current	New
3/4" - 5/8"	\$ 11.75	\$ 12.75
1"	18.75	20.45
1-1/2"	23.75	25.55
2"	75.50	81.75
3"	150.75	163.50
4"	235.50	255.45
6"	753.50	817.35
8"	1,318.25	1,430.30
10"	2,071.75	2,247.60
Volumetric - Per 1,000 gallons		
	Current	New
Industrial - Large Vol	\$ 3.20	n/a
All other classes	4.00	n/a
Volumetric Rate	n/a	\$ 4.50

- (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:

Wastewater Rates		
Minimum Bill - Includes first 2,000 gallons		
	Current	New
Industrial Class	\$ 17.60	n/a
All other classes	17.60	n/a
Base Rate	17.60	22.10
Volumetric - Per 1,000 gallons		
	Current	New
Industrial - Large Vol	\$ 6.75	n/a
All other classes	7.75	n/a
Volumetric Rate	n/a	\$ 9.00

- (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

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

Services		
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> <i>After business hours</i>	25.00 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> <i>1" meter</i> <i>1½" meter</i> <i>2" meter</i> <i>3" meter & larger</i>	30.00 40.00 45.00 50.00 actual cost

LIQUID WASTE TRANSPORT TRUCK DISCHARGE PERMIT FEES

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

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

INDUSTRIAL PRETREATMENT PROGRAM USER FEES

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:

(a) Monthly Permit Fees.

(1) Monthly Permit Fee Amounts:

- (A) \$75 Categorical Industrial User monthly permit fee; and
- (B) \$50 Significant Industrial User monthly permit fee.

- (2) The terms "Categorical Industrial User" and "Significant Industrial User" are as defined under Sec. 38-93 of Chapter 38.
- (3) Monthly permit fees will be charged on the user's monthly utility billing statements.
- (4) The effective date for monthly permit fees will be October 1, 2021.

(b) Quarterly Surcharges Fees.

- (1) Quarterly surcharge fees shall be calculated as provided under Sec. 38-166 of Article X.
- (2) Quarterly surcharge fees will be divided into monthly charges and charged on the user's monthly utility billing statements as provided by City policy.
- (3) The term "user" is as defined under Sec. 38-93 of Chapter 38.
- (4) The effective date for quarterly surcharges will be October 1, 2022.

(a) Pass Through Lab Analysis Cost Recovery.

- (1) 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.
- (2) The recovery costs will be passed on and charged to the user as provided by City policy.

- (3) 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 was 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 19th day of **September, 2024**.

THE CITY OF TEMPLE, TEXAS

TIMOTHY A. DAVIS, Mayor

ATTEST:

APPROVED AS TO FORM:

Jana Lewellen
City Secretary

Kathryn H. Davis
City Attorney