

CITY OF TEXAS CITY
REGULAR CALLED CITY COMMISSION MEETING

AGENDA

WEDNESDAY, JUNE 21, 2017 - 5:00 P.M.
KENNETH T. NUNN COUNCIL ROOM - CITY HALL
1801 9th Ave. N.
Texas City, TX 77590

PLEASE NOTE: Public comments and matters from the floor are generally limited to 3 minutes in length. If you would like to request to speak, please do so in advance of the meeting by filling out a Request To Address Commission form. All in attendance are required to remove hats and/or sunglasses (dark glasses) during meetings and to also silence all cell phones and electronic devices.

(1) ROLL CALL

(2) INVOCATION

(3) PLEDGE OF ALLEGIANCE

(4) PROCLAMATIONS AND PRESENTATIONS

(a) Service Awards

Manuel Johnson	Police	06/22/2007	10 years
Minerva Solis-Contreras	Parks & Recreation	06/14/2007	10 years
Bryan Carroll	Public Works	06/11/2007	10 years
Elizabeth Bledsoe	Parks & Recreation	06/06/2007	10 years
Byron Howard	Public Works	06/04/2007	10 years
Ray McKethan	Data Processing	06/02/1997	20 years
Darryl Brooks	Community Development	06/23/1987	30 years

Retirement

Larry Boyle	Bayou Golf	10 years
Elroy Montgomery	Police Department	29 years

(b) Explorer Competition Team Recognition

(c) Life Saving Awards - Police Department

Corporal Adan Hernandez
Officer Richard Dricks

(5) REPORTS

(a) Collections (Municipal Court)

(6) CONSENT AGENDA

(a) Approve City Commission Minutes for June 7, 2017 meeting. (City Secretary)

- (b) Consider and take action on Resolution No. 17-042, establishing the regular City Commission meeting of August 2, 2017 as the date for a Public Hearing to consider Land Use Assumptions, Capital Improvements Plan, and Impact Fees for new development. (Planning)
- (c) Consider and take action on Resolution No. 17-043, approving a Property Tax Refund Agreement with Valero. (Management Services)
- (7) REGULAR ITEMS
 - (a) Consider and take action on Ordinance No. 17-18, amending the City of Texas City's Fiscal Year 2016-17 Budget to de-commit Texas City Dike funds.(Finance)
 - (b) Consider approval of the first reading of Ordinance No. 17-19, amending the City of Texas City Code of Ordinances, Chapter 50 Utilities Generally, Section 36 Sewer Rates and Section 38 Water Rates. (Finance)
- (8) PUBLIC COMMENTS
- (9) MAYOR'S COMMENTS
- (10) COMMISSIONERS' COMMENTS

ADJOURNMENT

NOTICE OF ANY SUBJECT APPEARING ON THIS AGENDA REGARDLESS OF HOW THE MATTER IS STATED MAY BE ACTED UPON BY THE CITY COMMISSION.

NOTICE: The City of Texas City will furnish free transportation to handicapped individuals via a 4-door sedan for anyone wishing to attend the City Commission meetings. Call 948-3111, City Secretary's Office before noon on Monday preceding the meeting to make arrangements.

I, THE UNDERSIGNED AUTHORITY, DO HEREBY CERTIFY THAT THIS NOTICE OF MEETING WAS POSTED ON THE BULLETIN BOARDS AT CITY HALL, 1801 9TH AVENUE NORTH, TEXAS CITY, TEXAS, AT A PLACE CONVENIENT AND READILY ACCESSIBLE TO THE GENERAL PUBLIC AND ON THE CITY'S WEBSITE ON FRIDAY, JUNE 16, 2017, AT 5:00 P.M. AND REMAINED SO POSTED CONTINUOUSLY FOR AT LEAST 72 HOURS PRECEDING THE SCHEDULED TIME OF SAID MEETING.

/S/ James Hartshorn
JAMES HARTSHORN
CITY SECRETARY

CITY COMMISSION REGULAR MTG

4. (a.

Meeting Date: 06/21/2017

June 2017 Service Awards

Submitted For: Jennifer Price, Human Resources

Submitted By: Susan Sensat, Administration

Department: Administration

Information

ACTION REQUEST (Brief Summary)

Service Awards

Manuel Johnson	Police	06/22/2007 10 years
Minerva Solis-Contreras	Parks & Recreation	06/14/2007 10 years
Bryan Carroll	Public Works	06/11/2007 10 years
Elizabeth Bledsoe	Parks & Recreation	06/06/2007 10 years
Byron Howard	Public Works	06/04/2007 10 years
Ray McKethan	Data Processing	06/02/1997 20 years
Darryl Brooks	Community Development	06/23/1987 30 years

Retirement

Larry Boyle	Bayou Golf	10 years
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BACKGROUND

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

CITY COMMISSION REGULAR MTG

4. (b.

Meeting Date: 06/21/2017

Submitted By: Michelle Garcia, City Secretary

Department: City Secretary

Information

ACTION REQUEST (Brief Summary)

BACKGROUND

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

CITY COMMISSION REGULAR MTG

4. (c.

Meeting Date: 06/21/2017

Submitted By: Michelle Garcia, City Secretary

Department: City Secretary

Information

ACTION REQUEST (Brief Summary)

BACKGROUND

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

CITY COMMISSION REGULAR MTG

5. (a.

Meeting Date: 06/21/2017

Submitted By: Michelle Garcia, City Secretary

Department: City Secretary

Information

ACTION REQUEST (Brief Summary)

BACKGROUND

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

CITY COMMISSION REGULAR MTG

6. (a.

Meeting Date: 06/21/2017

Submitted By: Michelle Garcia, City Secretary

Department: City Secretary

Information

ACTION REQUEST (Brief Summary)

Approve City Commission Minutes for June 7, 2017 meeting. (City Secretary)

BACKGROUND

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

CITY COMMISSION REGULAR MTG

6. (b.

Meeting Date: 06/21/2017

Establish Public Hearing Date for Review of Impact Fee

Submitted For: Doug Kneupper, Transportation and Planning

Submitted By: Doug Kneupper, Transportation and Planning

Department: Transportation and Planning

Information

ACTION REQUEST (Brief Summary)

Establish the regular City Commission meeting of August 2, 2017 as the date for a Public Hearing to consider Land Use Assumptions, Capital Improvements Plan, and Impact Fee for new development.

BACKGROUND

Texas City collects Impact Fees to generate revenue for funding or recouping the costs of capital improvements for water and sanitary sewer attributable to new development. The City has initiated a review of the components of the Impact Fee study. The primary areas being reviewed are the Land-Use Assumptions, which predict how much growth the City can expect; the Capital Improvements Plan that describes the water and sewer infrastructure needed to support the growth; and the calculation of the fee assessed to each new unit of growth. This review is to include a Public Hearing by the City's governing body. State law requires the governing body to establish the Public Hearing date by adoption of a Resolution.

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

17-042 -Land Use Assumptions, Capital Improvement Plan & Uti

RESOLUTION NO. 17-042

A RESOLUTION ESTABLISHING THE REGULAR CITY COMMISSION MEETING ON AUGUST 2, 2017, AS THE DATE FOR A PUBLIC HEARING TO DISCUSS AND REVIEW AMENDMENTS TO LAND USE ASSUMPTIONS, CAPITAL IMPROVEMENTS PLAN AND UTILITY IMPACT FEES ASSOCIATED WITH THE CITY'S WATER AND SEWER CAPITAL RECOVERY PROGRAM; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, Section 395.053, Texas Local Government Code, directs and states that a governing body of the political subdivision shall, within 60 days after the date it receives the update of the land use assumptions and the capital improvements plan, adopt an order setting a public hearing to discuss and review the update and shall determine whether to amend the plan; and,

WHEREAS, pursuant to Section 395.053 of the Texas Local Government Code it is in the best interest of the City to hold said public hearing to discuss and review amendments to the Land Use Assumptions and Capital Improvements Plan.

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

SECTION 1: That the City Commission of the City of Texas City, Texas, hereby sets and approves the Public Hearing to be held on August 2, 2017, at 5:00 p.m., in the City Hall Kenneth Nunn City Commission Room to discuss and review amendments to the Land Use Assumptions and Capital Improvements Plan.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 21st day of June, 2017.

Matthew T. Doyle, Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

James Hartshorn
City Secretary

Ronald F. Plackemeier
City Attorney

CITY COMMISSION REGULAR MTG

6. (c.

Meeting Date: 06/21/2017

Submitted By: Michelle Garcia, City Secretary

Department: City Secretary

Information

ACTION REQUEST (Brief Summary)

BACKGROUND

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

17-043 Valero Property Tax Refund Agreement

GALVESTON-#374922-v3-Valero--Property__Tax_Refund_Agreement_Tax_years_2013-2016

RESOLUTION NO. 17-043

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO THE PROPERTY TAX REFUND AGREEMENT WITH VALERO REFINING-TEXAS, L.P. AS A RESULT OF AGREED FINAL JUDGMENT; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, Valero Refining-Texas, L.P. (“Valero”), sued Galveston Central Appraisal District (“GCAD”), contesting the property’s appraised value for ad valorem tax purposes, with suits being filed for the 2013, 2014, 2015 and 2016 tax years, (“2013-2016 Lawsuits”);

WHEREAS, on May 25, 2017, an Agreed Final Judgment was entered in the “2013-2016 Lawsuits” as follows:

<i>Tax Year</i>	<i>Reduced Appraised Value</i>	<i>Tax Refund</i>
2013	\$487,093,074	\$420,390.65
2014	\$445,508,645	\$768,892.25
2015	\$427,763,127	\$828,868.34
2016	\$435,934,800	\$702,964.17
TOTAL		\$2,721,115.41

WHEREAS, the value reductions stated above reduce Valero’s tax liability and entitle Valero to a refund from the City of Texas City, under Texas Tax Code §42.43, totaling \$2,721,115.41 (refund);

WHEREAS, the City, as a taxing unit authorized to impose ad valorem taxes on the property, is a party to the judgment; and

WHEREAS, the City Commission deems it in the best interest to agree to pay refunds according to the Property Tax Refund Agreement.

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

SECTION 1: In accordance with the Agreed Final Judgment, the City approves the Property Tax Refund Agreement and shall pay the refund to Valero according to the following schedule of payments:

<i>Date Due</i>	<i>Payment</i>
January 15, 2018	\$907,038.47
January 15, 2019	\$907,038.47
January 15, 2020	\$907,038.47
TOTAL	\$2,721,115.41

SECTION 2: That the Mayor is authorized to sign the Property Tax Refund Agreement

between the City of Texas City and Valero Refining-Texas, L.P., in substantially the same form as attached hereto as **Exhibit “A”**, and made a part hereof.

SECTION 3: That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 21st day of June, 2017.

Matthew T. Doyle, Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

James Hartshorn
City Secretary

Ronald F. Plackemeier
City Attorney

WHEREAS, on June ____, 2017 an Agreed Final Judgment was entered in the 2014 & 2016 Lawsuit reducing the appraised value of the Property as of January 1, 2016 to \$435,934,800 [taxable] & \$56,903,000 [TCEQ Exempt] (Exhibit "B"); and

WHEREAS, the value reductions set forth above reduce Valero's tax liability and entitle Valero to refunds from the Taxing Jurisdictions under Tex. Tax Code § 42.43 totaling as to each Taxing Jurisdiction:

TEXAS CITY

2013:	\$420,390.65	_____
2014:	\$768,892.25	_____
2015:	\$828,868.34	_____
2016:	\$702,964.17	_____
TOTAL:	\$2,721,115.41	_____

GALVESTON COUNTY

2013:	\$541,682.16	_____
2014:	\$1,016,138.50	_____
2015:	\$1,035,595.53	_____
2016:	\$772,335.47	_____
TOTAL:	\$3,365,751.66	_____

MAINLAND COLLEGE

2013:	\$205,286.13	_____
2014:	\$360,018.98	_____
2015:	\$373,290.60	_____
2016:	\$294,621.63	_____
TOTAL:	\$1,233,217.34	_____

COUNTY ROAD AND FLOOD DISTRICT

2013:	_\$5,660.90	_____
2014:	_\$10,455.54	_____
2015:	_\$10,615.26	_____
2016:	_\$8,134.13	_____
TOTAL:	_\$34,865.83	_____

TEXAS CITY ISD

2013:	\$1,197,974.13	_____
2014:	\$2,214,690.54	_____
2015:	\$2,638,222.54	_____

2016:	\$2,036,714.60	_____
TOTAL:	\$8,087,601.81	_____

These amounts listed above due and owing to Valero hereinafter referred to as the “Refund,” which sums represent the total of the refunds due and owing for the 2013 – 2016 Lawsuits.

AGREEMENTS

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

1. SCHEDULE OF PAYMENTS. The Taxing Jurisdictions shall pay the Refund to Valero according to the following schedule of payments:

- a. Texas City Independent School District:

(60 days after the new values are certified by GCAD)	\$8,087,601.81
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- b. City of Texas City:

January 15, 2018	\$907,038.47
January 15, 2019	\$907,038.47
January 15, 2020	\$907,038.47

- c. Galveston County:

January 15, 2018	\$1,121,917.22
January 15, 2019	\$1,121,917.22
January 15, 2020	\$1,121,917.22

- d. College of the Mainland:

January 15, 2018	\$411,072.45
January 15, 2019	\$411,072.45
January 15, 2020	\$411,072.45

- e. County Road and Flood District

January 15, 2018	\$11,621.94
January 15, 2019	\$11,621.94
January 15, 2020	\$11,621.94

All payments required to be made under this Agreement shall be deemed sufficiently made for all purposes hereof if delivered in person, by courier (e.g., by Federal Express) or by first class United States mail or registered or certified United States Mail to Valero, on or before the due dates above. Payments shall be addressed to Valero as follows.

Valero Energy Corporation
 Ad Valorem Tax Department
 P.O. Box 690110
 San Antonio, TX 78269-0110

Or at such other address and/or to the attention of such other person as Valero may designate by written notice to the Taxing Jurisdictions.

2. MAILBOX RULE. Each payment shall be deemed timely received if the payment is placed in the custody of the courier or deposited in the mail as provided in Paragraph 1 on or before the due date in Paragraph 1.

3. INTEREST. Valero shall not recover interest, and hereby releases the Taxing Jurisdictions from any and all claims for interest, which would otherwise be owed on the Refund under Tex. Tax Code § 42.43. Notwithstanding the foregoing, in the event any Taxing Jurisdiction fails to make any payment required by Section 1 of this Agreement, Valero shall be entitled to recover interest on the amount due and owing at the annual rate as provided by §42.43(c) of the Texas Property Tax Code, calculated from 60th day after the date GCAD's chief appraiser certifies the corrections to the appraisal roll arising out of the 2013 – 2016 Lawsuits until the date the refund is made as provided in Tex. Tax Code § 42.43. If any Taxing Jurisdiction fails to pay any refund as provided in this Agreement, Valero shall give such Taxing Jurisdiction written notice of default and the opportunity to cure such default within ten (10) days of receipt of such notice. Any default under this Paragraph will be cured if payment is placed in the custody of the courier or deposited in the mail as provided in Paragraph 1 on or before the expiration of the ten (10) day cure period. No interest shall be owed on any default cured pursuant to the provisions of this Paragraph.

4. INDEPENDENT. This Agreement is between Valero and each Taxing Jurisdiction independently and separately. In the event a Taxing Jurisdiction fails to make any payment required by Section 1 of this Agreement, Valero shall be entitled to the interest described in Section 2 of this Agreement only as to the breaching Taxing Jurisdiction's Refund amount, and no other Taxing Jurisdiction's Refund amount so long as said other Taxing Jurisdictions continue to timely make payments required by Section 1 of this Agreement.

5. GOVERNING LAW. This Agreement shall be construed under the laws of the State of Texas.

6. MERGER. This Agreement supersedes any and all other agreements, either oral or in writing, between the Parties with respect to the subject matter of this contract, and contains all of the covenants and agreements between the parties with respect to the subject matter. Each party to this agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, that are not set forth in this Agreement, and that no agreement, statement, representation or promise not contained in this Agreement shall be valid or binding.

7. AMENDMENTS TO AGREEMENT; WAIVERS. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties. Waiver of any term, condition or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement.

8. AUTHORITY TO EXECUTE AGREEMENT. Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

9. EXECUTION OF COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

10. INDEPENDENT LEGAL ADVICE. It is understood and agreed that the Parties hereto have carefully reviewed this Agreement, that they fully understand its terms, that they sought and obtained, or had the opportunity to obtain, independent legal advice with respect to the negotiation and preparation of the Agreement, that this Agreement has been negotiated and prepared by the joint efforts of the Parties, and that the Parties have relied wholly upon their own judgment and knowledge (and the advice of their respective attorneys).

11. NOTICE. All notices and other communications provided under this Agreement shall be in writing and shall be deemed given if (a) delivered personally, (b) sent by nationally recognized, overnight courier, or (c) mailed by certified mail, return receipt requested, postage prepaid to the Parties at the following addresses:

Texas City ISD:
1700 Ninth Ave. N.
Texas City, Texas 77590
ATTN: Margaret Lee

City of Texas City:
1801 Ninth Ave. N.
Texas City, Texas 77590
ATTN: Ron Plackemeier

College of the Mainland:
1200 N. Amburn Road
Texas City, Texas 77591
ATTN: Dr. Warren Nichols

County of Galveston:
722 Moody Ave.
Galveston, Texas 77550
ATTN: Randall Rice

County Road and Flood District:
722 Moody Ave.
Galveston, Texas 77550
ATTN: Randall Rice

12. EFFECTIVE DATE. The effective date of this Agreement is June ____, 2017.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this _____ day of June 2017.

VALERO REFINING – TEXAS, L.P.

TEXAS CITY

By: _____

By: _____

GALVESTON COUNTY

MAINLAND COLLEGE

By: _____

By: _____

COUNTY ROAD AND FLOOD DISTRICT

TEXAS CITY ISD

By: _____

By: _____

CITY COMMISSION REGULAR MTG

Ord 11-37

Meeting Date: 06/21/2017

Consider approval of a request to amend the City of Texas City’s fiscal year 2016-17 budget.

Submitted For: Laura Boyd, Finance

Submitted By: Laura Boyd, Finance

Department: Finance

Information

ACTION REQUEST (Brief Summary)

Consider approval of a request to amend the City of Texas City’s fiscal year 2016-2017 budget.

BACKGROUND

Under Ordinance 16-25, \$3 million of the Texas City Dike Fund was committed for future dike road maintenance.

Upon review of this fund, the finance department is recommending these funds be de-committed. The monies will continue to be budgeted for use in dike road maintenance; however, the restrictive designation of "committed funds" is not necessary.

According to GASB-54, committed funds can only be de-committed by action of the governing body.

ANALYSIS

Budget amendment is as follows:

Texas City Dike Fund:

Committed Fund Balance \$3,000,000

Unassigned Fund Balance (\$3,000,000)

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

Ordinance No. 17-18 Budget Amendment De-commit Texas City Dike funds

ORDINANCE NO. 17-18

AN ORDINANCE AMENDING ORDINANCE NO. 16-30, ADOPTING THE 2016-2017 FISCAL YEAR BUDGET TO COMMIT A PORTION OF THE TEXAS CITY ECONOMIC DEVELOPMENT CORPORATION FUND BALANCE AS A RESERVE FOR SALES TAX COLLECTION MATCHING RELATED TO TANGER OUTLET MALL; DIRECTING THE CHIEF EXECUTIVE OFFICER TO FILE OR CAUSE TO BE FILED A COPY OF THE AMENDED BUDGET IN THE OFFICE OF THE GALVESTON COUNTY CLERK; DISPENSING WITH THE REQUIREMENT FOR READING THIS ORDINANCE ON THREE (3) SEPARATE DAYS; AND PROVIDING THAT THIS ORDINANCE SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, under Ordinance No. 16-25, \$3 million of the Texas City Dike Fund was committed for future dike road maintenance; and

WHEREAS, upon review of this fund, the Finance Department is recommending these funds be de-committed; and,

WHEREAS, the monies will continue to be budgeted for use in dike road maintenance; however, the restrictive designation of "committed funds" is not necessary.

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

SECTION 1: That the facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

SECTION 2: That the budget for Fiscal Year 2016-2017 of the City of Texas City, Texas, is hereby amended as follows:

Texas City Dike Fund:

Committed Fund Balance	\$ 3,000,000.00
Undesignated Fund Balance	(\$ 3,000,000.00)

SECTION 3: That the Chief Executive Officer shall file or cause to be filed a copy of this budget amendment in the office of the Galveston County Clerk.

SECTION 4: That the Charter requirement for reading this Ordinance on three (3) separate days has been dispensed by a majority vote of all members of the City Commission.

SECTION 5: That this Ordinance shall be finally passed and adopted on the date of its introduction and shall become effective from and after its passage and adoption.

PASSED AND ADOPTED this 21st day of June, 2017.

Matthew T. Doyle, Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

James Hartshorn
City Secretary

Ronald F. Plackemeier
City Attorney

CITY COMMISSION REGULAR MTG

Ord 08-43

Meeting Date: 06/21/2017

PROPOSED AMENDMENT TO THE CODE OF ORDINANCES CHAPTER 50 SECTIONS 36 and 38

Submitted By: Michelle Garcia, City Secretary

Department: City Secretary

Information

ACTION REQUEST (Brief Summary)

PROPOSED AMENDMENT TO THE CITY OF TEXAS CITY CODE OF ORDINANCES, Chapter 50 Utilities Generally, Section 36 Sewer Rates and Section 38 Water Rates

AMENDING 50.036 SEWER RATES to read as follows:

(D) (1) One thousand gallons or less water usage: \$4.00; and (2) For each additional 1,000 gallons of water usage: \$4.00.

and ADD

(E) Sewer rates will be reviewed not less than every three years.

AMENDING 50.038 WATER RATES to read as follows:

(A) *Domestic, commercial and industrial schedule.* For the first increment of water usage up to and including 3,000 gallons of water, the minimum rate will be as follows:

Minimum Monthly Billing

5/8-inch meter \$8.75

3/4-inch meter \$9.43

1-inch meter \$10.08

1-1/2-inch meter \$15.28

2-inch meter \$28.28

3-inch meter \$49.08

4-inch meter \$95.88

6-inch meter \$189.48

8-inch meter \$280.48

10-inch meter \$370.18

For the additional incremental water usage in excess of 3,000 gallons, per 1,000 gallons:

Pasture and Residential

4,000 - 9,000 gallons \$4.00

10,000 - 24,000 gallons \$6.00

25,000 gallons or more \$8.00

All Other Account Types

4,000 - 24,000 gallons \$6.00
25,000 - 49,000 gallons \$8.00
50,000 gallons or more \$10.00

and ADD

(C) Water rates will be reviewed not less than every three years.

BACKGROUND

Water and sewer rates have not been adjusted for several years. Consequently, the capital projects that have been done have been partially subsidized by the taxpayers instead of the water and sewer fund customers. These rate changes are intended to remedy this situation, such that these enterprise funds are self-sufficient.

The previous sewer rate was \$2.55 per 1,000 gallons of water usage. The proposed new rate is \$4.00 per 1,000 gallons of water usage.

The previous base residential water rate was \$6.75 for 2,000 gallons of water usage. The proposed new base residential water rate is \$8.75 per 3,000 gallons of water usage. Proposed new base rates for non-residential meters are also increasing by the same proportion.

The water rate for each additional 1,000 gallons above the base was \$3.83. The proposed new incremental rate for each additional 1,000 gallons above the base is determined by account type and then a tiered system as follows:

Pasture and Residential accounts: 4,000-9,000 gallons-\$4.00 per 1,000 gallons; 10,000-24,000 gallons-\$6.00 per 1,000 gallons; 25,000 gallons or more-\$8.00 per 1,000 gallons. All other account types: 4,000-24,000 gallons-\$6.00 per 1,000 gallons; 25,000-49,000 gallons-\$8.00 per 1,000 gallons; 50,000 gallons or more-\$10.00 per 1,000 gallons.

Also included in the ordinance is the requirement that rates be reviewed at least every three years.

ANALYSIS

ALTERNATIVES CONSIDERED

Fiscal Impact

Attachments

Ordinance No. 17-19 Amending Chapter 50 Utilities Generally, Section 36 Sewer Rates and Section 38 Water Rates (2)

ORDINANCE NO. 17-19

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF TEXAS CITY, CHAPTER 50 UTILITIES GENERALLY, SECTION 36 SEWER RATES AND SECTION 38 WATER RATES; DIRECTING THE CHIEF EXECUTIVE OFFICER TO FILE OR CAUSE TO BE FILED A COPY OF THE AMENDED BUDGET IN THE OFFICE OF THE GALVESTON COUNTY CLERK; DISPENSING WITH THE REQUIREMENT FOR READING THIS ORDINANCE ON THREE (3) SEPARATE DAYS; AND PROVIDING THAT THIS ORDINANCE SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the City of Texas City, Texas, is a home-rule city; and,

WHEREAS, water and sewer rates have not been adjusted for several years; and,

WHEREAS, the City of Texas City, Texas, seeks to amend The Code of Ordinances of the City of Texas City, Chapter 50 Utilities Generally, Section 36 Sewer Rates and Section 38 Water Rates.

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

SECTION 1: That **The Code of Ordinances of the City of Texas City, Texas**, Chapter 50 Utilities Generally, Section 36 Sewer Rates and Section 38 Water Rates, is amended to read and as follows:

50.036 SEWER RATES to read as follows:

(D) (1) One thousand gallons or less water usage: \$4.00; and (2) For each additional 1,000 gallons of water usage: \$4.00.

and ADD

(E) Sewer rates will be reviewed not less than every three years.

50.038 WATER RATES to read as follows:

(A) Domestic, commercial and industrial schedule. For the first increment of water usage up to and including 3,000 gallons of water, the minimum rate will be as follows:

Minimum Monthly Billing	
5/8-inch meter	\$8.75
3/4-inch meter	\$9.43
1-inch meter	\$10.08

1-1/2-inch meter	\$15.28
2-inch meter	\$28.28
3-inch meter	\$49.08
4-inch meter	\$95.88
6-inch meter	\$189.48
8-inch meter	\$280.48
10-inch meter	\$370.18

For the additional incremental water usage in excess of 3,000 gallons, per 1,000 gallons:

Pasture and Residential	
4,000 - 9,000 gallons	\$4.00
10,000 - 24,000 gallons	\$6.00
25,000 gallons or more	\$8.00

All Other Account Types	
4,000 - 24,000 gallons	\$6.00
25,000 - 49,000 gallons	\$8.00
50,000 gallons or more	\$10.00

and ADD

(C) Water rates will be reviewed not less than every three years.

SECTION 2: That all ordinances or parts of ordinances in conflict herewith are hereby expressly repealed to the extent of such conflict.

SECTION 3: That, in the event any section, clause, sentence, paragraph, or part of this Ordinance shall be for any reason adjudged by any court of competent jurisdiction to be invalid, such invalidity shall not affect, invalidate, or impair the remainder of this Ordinance.

SECTION 4: That the Charter requirement for reading this Ordinance on three (3) separate days has been dispensed by a majority vote of the City Commission.

SECTION 5: That the City Secretary is hereby directed, in accordance with Article III of the City Charter, to publish this ordinance, by caption only, in one issue of the official paper, and obtain proof of such publication made by the printer or publisher of such paper. An affidavit made by said printer or publisher before some officer authorized by law to administer oaths, and filed with the person performing the duties of city secretary shall be prima facie evidence of such publication and promulgation of such ordinance in courts of the state. The ordinance so published shall take effect, and be in force, from and after ten days after publication thereof, unless otherwise expressly provided.

PASSED AND ADOPTED this 21st day of June, 2017.

Matthew T. Doyle, Mayor
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

James Hartshorn
City Secretary

Ronald F. Plackemeier
City Attorney