City of Colleyville
City Council
Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number 5c **Agenda Date** 07/07/2015 **Number** Ordinance O-15-1960
Type Ordinance
Department Public Works

Title
An ordinance amending sections 3A and 3B of the water and sewer policy and procedure manual of the City of Colleyville by phasing out the water and sewerage usage included in the base rate over a four year period; basing the minimum monthly use charge for water on water meter size, and increasing the minimum base rate for sewerage for non-residential customers by $6.00 per month over a three year period, and providing an effective date

Strategy Map Connection
C5- Achieve the highest standards of safety & security
F2- Invest to provide and maintain high quality public assets
F3- Forecast needs and plan for the future, balancing priorities with resources

Explanation
Second Reading and Public Hearing

There were no speakers regarding this request at the June 16, 2015 City Council meeting. There was discussion among City Councilmembers about the breakdown of rate increase amounts between Tarrant Regional Water District (TRWD) and the Trinity River Authority (TRA). Attached as Exhibit D is a table that shows the projected rate increases for years 2016 through 2019 that become effective on December 1 of the preceding year, broken out between TRWD and TRA. Attached as Exhibit E is a chart that breaks out the proposed new rates for years 2016 through 2019 by rate component.

Two additional attachments have been added to the briefing - Exhibit F is excerpts from the 2014 Financial Statement for TRWD (Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund and Statement of Revenues, Expenditures, and Changes in Net Position - Enterprise Fund) Exhibit G is a Reconciliation of the FY2014 TRWD Financial Statement to Customer Contract to Net $0.

First Reading and Public Hearing

At the January 21, 2014 Pre Council meeting, staff made a presentation to City Council explaining the need for a Comprehensive Water and Sewer Master Plan to determine the condition and adequacy of the City's existing water and wastewater systems. As part of the Master Plan Update, a rate study was conducted to determine how much of

the fixed costs of operating the utility were being recovered in the base rate, and to recommend potential adjustments to the current rate structure to ensure fixed operating costs were being recovered in the base rate; and to provide some funding for the capital projects identified in the Master Plan update, which total $55 million over the next 20 years. City Council formally adopted the Water and Wastewater Master Plan on March 17, 2015, by attached Resolution R-15-3859. In doing so, the capital projects identified in the Master Plan will be included in future Capital Improvement Programs. Identified projects include:

1. Upsizing water lines in various locations throughout the City

2. Replacing water and sewer lines that are showing signs of excessive wear due

3. Renewing and/or replacing sewer manholes that are in poor condition

4. Demolishing the Overland Trail storage tank and pump station

5. Adding or replacing pressure regulating and flow control valves to facilitate transfer of water between the high and low pressure planes

6. Construction of a new elevated storage tank in the southwest part of the City to ensure adequate pressure and fire flow

7. Installing new water lines to complete loops in order to provide redundancy

On December 16, 2014, the results of the Water and Sewer Master Plan and Rate Study were presented (briefing and presentation attached as Exhibit B) to the City Council during the Pre Council meeting. The initial rate study proposed the following adjustments to the water and wastewater rate structure, to ensure that fixed costs of operating the utility were being recovered in the base rate, and to provide funding for necessary capital improvements as highlighted above:

1. Removal of the initial 2,000 gallons included in the minimum bill

2. Revision of the base rate structure based on meter size

3. Differentiation of the base charge for sewer for residential and non-residential accounts

At the December 16, 2014 meeting, City Council identified several issues that required clarification or additional information, and a follow up discussion was held on February 17, 2015 (see attached Exhibit C). Based on questions and direction from City Council at the December 16, 2104 Pre Council meeting, the requested changes were made to the proposed modifications to the water and sewer rate structure and include:

1. The removal of the 2,000 gallons included in the minimum bill has been changed to occur over a four year period at the rate of 500 gallons each year for four years beginning in 2016;

2. Charging a higher monthly base rate for water meters 1.5" and above than for meters less than 1.5" and charge all water meters less than 1.5 inches in size, both residential and commercial, the same base rate;

3. Except as noted above, non-residential customers will be charged a base rate of $6.00 per month higher for sewer than residential customers.

At the June 2, 2015, Pre Council meeting, the above modifications were presented by staff as final recommendations of the water and wastewater rate study to City Council and staff was directed to prepare an ordinance adopting the recommendations of the rate study to become effective on December 1, 2015.

The following table shows the base rate for residential customers with and the rate per thousand gallons for each tier for all water customers for each of the next four years beginning December 1, 2015. The rates per thousand gallons include the projected rate increases provided by TRA and will not need to be adjusted prior to December 1, 2019:

Effective Date	Base Rate	Tier 1 * 2,000-20,000 gallons	Tier 2* 20,001-30,000 gallons	Tier 3* 30,001-40,000 gallons	Tier 4* 40,001-50,000 gallons	Tier 5* over 50,000 gallons
12/1/2015	$ 13.55	$ 4.30	$ 4.86	$ 5.42	$ 5.98	$ 6.54
12/1/2016	$ 13.69	$ 4.44	$ 5.00	$ 5.56	$ 6.12	$ 6.68
12/1/2017	$ 13.77	$ 4.60	$ 5.16	$ 5.72	$ 6.28	$ 6.84
12/1/2018	$ 13.90	$ 4.73	$ 5.29	$ 5.85	$ 6.41	$ 6.97

*Tier gallons are shown at the current amounts. The gallons for Tier 1 reduce in increments of 500 gallons through December 1, 2018.

This table shows the base rate based on meter sizes for all customers for each of the next four years:

Meter Size	Effective 12/1/2015	Effective 12/1/2016	Effective 12/1/2017	Effective 12/1/2018
< 1.5”	$ 13.55	$13.69	$13.77	$ 13.90
1.5”	$ 15.77	$ 18.26	$ 20.75	$ 23.24
2”	$ 20.29	$ 27.30	$ 34.30	$ 41.43
3”	$ 33.20	$ 53.11	$ 73.03	$ 92.95
4”	$ 51.27	$ 89.26	$ 127.25	$ 165.24

On adoption of the attached Ordinance O-15-1960, staff will implement an aggressive public information program to communicate the changes to all water and sewer customers and will update the Five-Year Capital Improvement Program (CIP) to include those projects recommended in the Water and Wastewater Master Plan.

Financial Impact
Adoption of this ordinance will provide additional revenue in the Utility Fund that can be dedicated to funding the capital projects identified in the recently adopted Water and Wastewater Master Plan

Recommendation
Approve

Attachments
1. Exhibit A - Continuation of discussion on Water and Sewer Rate Study - June 2, 2015
2. Exhibit B - December 16, 2014 Colleyville Water and Wastewater Master Plan Presentation
3. Exhibit C - February 17, 2015 Colleyville Water and Wastewater Master Plan presentation
4. Resolution R-15-3859
5. Exhibit D - Rate Increase Breakdown Between TRWD and TRA
6. Exhibit E - Rate Increase Breakdown by Cost Component
7. Exhibit F - TRWD Financial Report - Statement of Changes General Fund and Enterprise Fund
8. Exhibit G - Reconciliation of FY 2014 TRWD Financial Statement
9. Ordinance O-15-1960

EXHIBIT A

CONTINUATION OF DISCUSSION ON WATER AND SEWER RATE STUDY

June 2, 2015

Background

- Water and Wastewater Master Plan development authorized by City Council on February 18, 2014
- Plan presented to City Council on December 16, 2014
- A follow up presentation was made at the February 17, 2015 Pre Council Meeting
- City Council formally adopted Master Plan on March 17, 2015

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Purpose of Water and Wastewater Master Plan

- Assess current system
- Develop projections for future water usage and sewer flows
- Update existing water system model
- Create sewer system model
- Create roadmap for future development needs
- Determine capital project needs over next 20 years
- Conduct a rate study

Purpose of Rate Study

- To determine what percentage of the fixed costs of the water and sewer utility are covered by the base rate
- To evaluate potential for additional revenue to address capital project needs

Master Plan Findings and Recommendations

- Overall, both the water and wastewater systems are in reasonably good condition
- The Overland Trail tank and pump station can be taken out of service and demolished by changing watering days
- All of the storage tanks are in good condition
- 92% of the sewer manholes (2,819) are in good or fair condition
- 44 capital projects are needed to address condition or capacity and flow volumes on 12% (27 projects) of the water system and 4% (17 projects) of the sewer system

Updated Rate Study Recommendations

- Remove first 2,000 gallons from base rate for water and wastewater over four year period (500 gallons annually)
- Charge a higher minimum base monthly charge for water meters 1 ½" and greater than for meters less than 1 ½"
- Increase base monthly charge for non-residential wastewater by $6.00 to be implemented in two $3.00 increments in 2016 and 2018
- The TRA projected pass through rate increases are included in the proposed new rates

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Rate for 20,000 Gallons of Water for Meters Smaller than 1.5”

			Current		Proposed*		
	TRA Projected Increase	Cost per 1000 gals	Base Rate	Cost per 20,000 Gallons with TRA Projected Rate Increase Only	Proposed New Base Rate	Cost per 20,000 gals with Removal of First 2,000 gals from Base Rate	Difference in Cost for 20,000 gals
2015		$ 4.12	$ 13.28	$ 87.44	$ 13.28	$ 87.44	$ 0.0
2016	$ 0.18	$ 4.30	$ 13.64	$ 91.04	$ 13.55	$ 93.10	$ 2.06
2017	$ 0.14	$ 4.44	$ 13.92	$ 93.84	$ 13.69	$ 98.05	$ 4.21
2018	$ 0.16	$ 4.60	$ 14.24	$ 97.04	$ 13.77	$ 103.47	$ 6.43
2019	$ 0.13	$ 4.73	$ 14.50	$ 99.64	$ 13.77	$ 108.37	$ 8.73

Current Colleyville Rate

*Includes TRA projected pass through rate increases

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Residential Rate for 10,000 Gallons of Wastewater

			Current		Proposed*		
	TRA Projected Increase	Cost per 1000 gals	Base Rate	Cost per 10,000 Gallons with TRA Projected Rate Increase Only	Proposed New Base Rate	Cost per 10,000 gals with Removal of First 2,000 gals from Base Rate	Difference in Cost for 10,000 gals
2015		$ 2.95	$ 10.16	$ 33.76	$ 10.16	$ 33.76	$ 0.0
2016	$ 0.19	$ 3.14	$ 10.54	$ 35.66	$ 10.45	$ 37.14	$ 1.48
2017	$ 0.20	$ 3.34	$ 10.94	$ 37.66	$ 10.65	$ 40.71	$ 3.04
2018	$ 0.16	$ 3.50	$ 11.26	$ 39.26	$ 10.73	$ 43.98	$ 4.72
2019	$ 0.13	$ 3.63	$ 11.52	$ 40.56	$ 10.73	$ 47.03	$ 6.47

Current Colleyville Rate

*Includes TRA projected pass through rate increases

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Residential Rate for 20,000 Gallons of Water and 10,000 Gallons of Wastewater

	Combined Rate With TRA Projected Increase Only	Combined Cost with Removal of First 2,000 Gallons from Base Rate	Difference in Combined Cost with Removal of First 2,000 Gallons from Base Rate
2015	$ 121.20	$ 121.20	$ 0.00
2016	$ 126.70	$ 130.24	$ 3.54
2017	$ 131.50	$ 138.76	$ 7.26
2018	$ 136.30	$ 147.45	$ 11.15
2019	$ 140.20	$ 155.40	$ 15.20

Current Colleyville Rate

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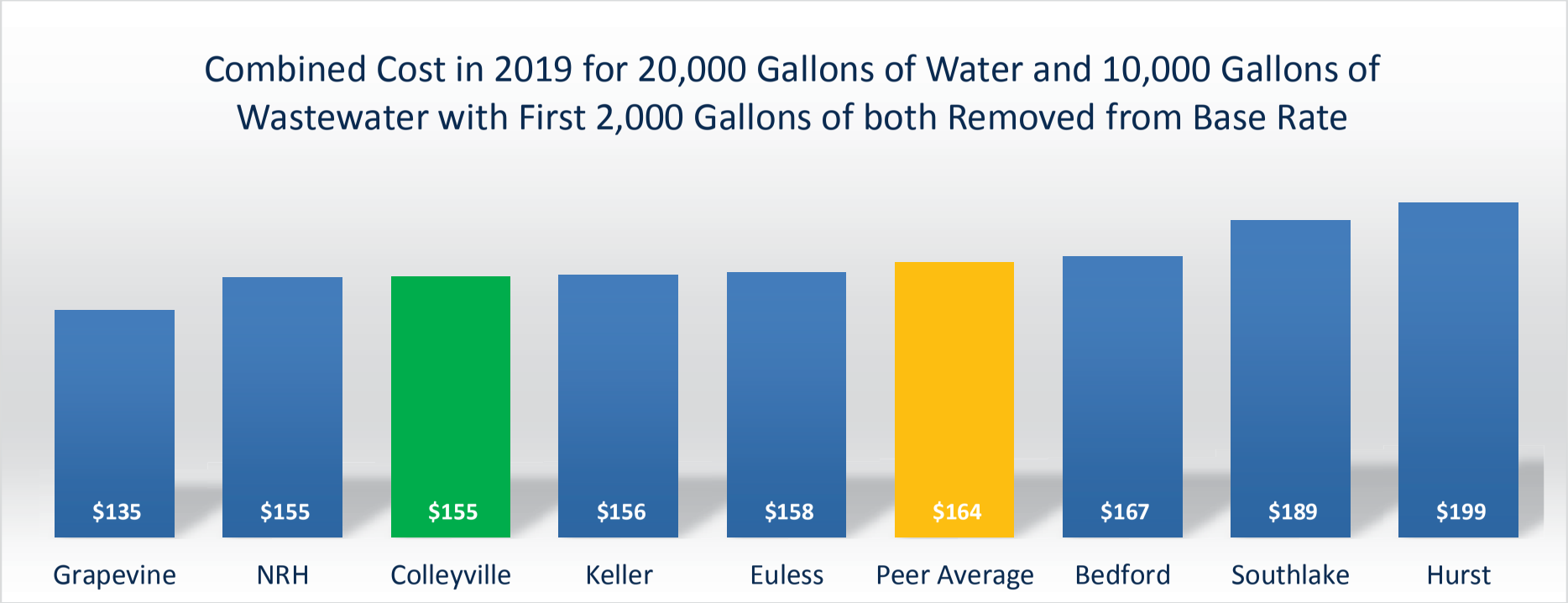
Peer Cities Comparison



Assumes non-TRA cities increase rates proportionally to TRA increases
Currently Colleyville Combined Rate is $121.20

Cash Flow Projection

(with proposed rate structure implemented)

	2015	2016	2017	2018	2019
Gross Revenues from Water and Wastewater Sales	$ 14,184,706	$ 15,310,654	$ 16,347,649	$ 17,427,644	$ 17,427,644
O&M Expenses less Debt Service	$ 12,350,354	$ 13,017,620	$ 13,772,453	$ 14,467,465	$ 15,069,560
Debt Service with 1.20 coverage ratio	$ 588,120	$ 526,068	$ 518,256	$ 226,548	$ 0
Potentially Available for CIP Projects*	$ 1,246,232	$ 1,766,966	$ 2,056,940	$ 2,733,630	$ 3,363,784

Current Fixed Cost Recovery (Water and Wastewater Combined) 41%
Combined Fixed Cost Recovery in 2019 if recommendations are adopted (2019) 89%

* Only includes revenue from water and wastewater sales

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Funding for Capital Projects

- Master Plan recommends 27 water and 17 wastewater projects over the next 20 years
- Estimated cost in 2015 dollars is
  - $39,862,934 for water projects
  - $15,044,200 for wastewater projects

    $54,907,134
- The 20 year average annual funding requirement is $2,745,907 (2015 dollars)

Capital Projects in Next 5 Years

- Master Plan recommends 12 water projects and 4 wastewater projects be executed between now and 2020
- Estimated cost in 2015 dollars is
  - $15,746,000 for water projects
  - $2,686,000 for wastewater projects

  $18,432,000
- Two projects ($ 1,990,000) were awarded on March 3, 2015 and funded from utility funds on hand
- Cost of remaining projects = $ 16,442,000
- Projected available funding = $ 16,063,181 (with proposed rate structure)

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Potential Revenue Available for Capital Projects from All Sources with Proposed Rate Structure

	2015	2016	2017	2018	2019
New Water and Wastewater Sales	$ 1,246,232	$ 1,766,966	$ 2,056,940	$ 2,733,630	$ 3,363,784
Impact Fees	$ 979,125	$ 979,126	$ 979,125	$ 979,125	$ 979,125
Yearly Total	$ 2,225,357	$ 2,746,095	$ 3,036,065	$ 3,712,755	$ 4,342,909
Five Year Total	$16,063,181*				

*Equates to 29% of funding needed for 20 year CIP ($55 million)

Five year average available funding is $ 3,212,637 per year

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Execution of Projects Identified as Short Term Projects ($33M) in Five Years

- Would require issuance of revenue bonds in the amount of $33,400,000 (20 year amortization - level annual payment)
- Annual debt service costs of $ 2,329,841 (4.70% assumed interest ate)
- 1.20 debt coverage ration required = $ 2,795,810
- Total interest paid = $16,216,827
- Not eligible for bank qualified interest rates (greater than $10 million in debt issued in a single year)
- Requires rate adequacy verification by City's external auditors
- Requires rate review by State Attorney General before bonds can be issued
- Would require additional staff to manage program of that magnitude

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Next Steps

- If approved, prepare new ordinance to adopt the new rate structure
- Develop and execute a public information program to inform customers of the new rate structure and why it is necessary
- Implement new rate structure on December 1, 2015
- Review and update rate structure in five years (2020)

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QUESTIONS AND DISCUSSION

EXHIBIT B

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COLLEYVILLE WATER & WASTEWATER MASTER PLAN

City Council
December 16, 2014

The following items mirror today's agenda and the scope of services

- Master Plan Purpose
- W / WW Facility Field Evaluations
- City GIS Updates
- W / WW Model Development
- CIP Development and Results
- Rate Study

The Master Plan was commissioned to properly plan for the future

Purpose

[redacted]

No in-depth assessment to date

Unknown level of service

Infrastructure growth plan

[redacted]

Master Plan Goals

Assess current systems

Project water usage and sewer flow

Update water model

Create a wastewater model

Future development planning

Recommend projects for a 20-year plan

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WATER & WW FACILITY FIELD EVALUATIONS

Water facility field evaluations were completed at two PS and three ESTs

FINDINGS

Overall good condition of active facilities

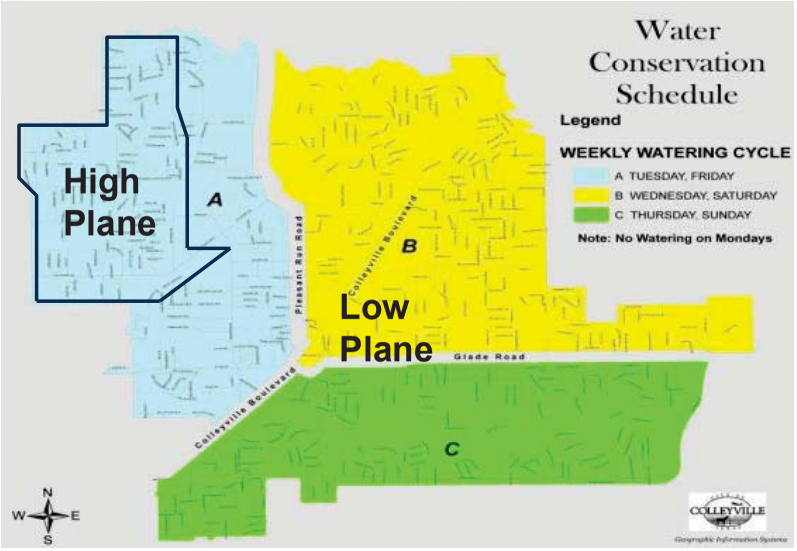
Minor site improvements needed

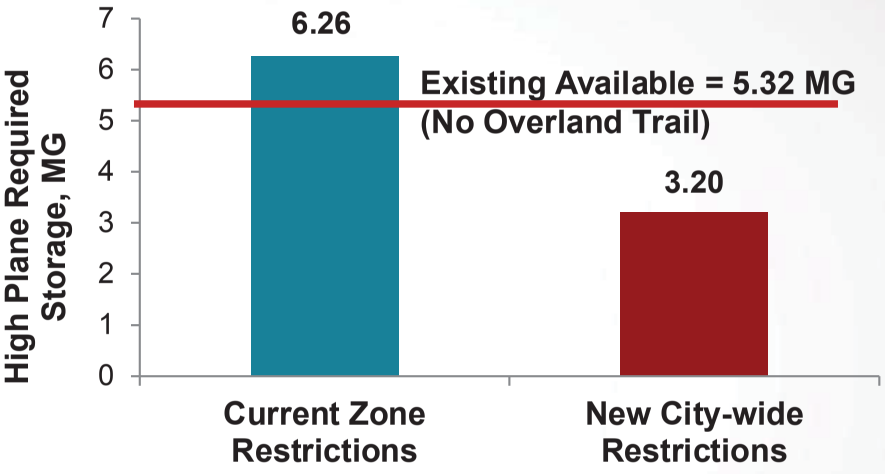
Fencing, drainage, painting

Overland Trail is in poor condition

Decommissioning recommended

Modifications to the watering zones were recommended





Current Watering Zones:

Cause large regionalized demands

Modification of restrictions will save the City at least $5M in additional infrastructure

Wastewater facility field investigations were completed at two lift stations

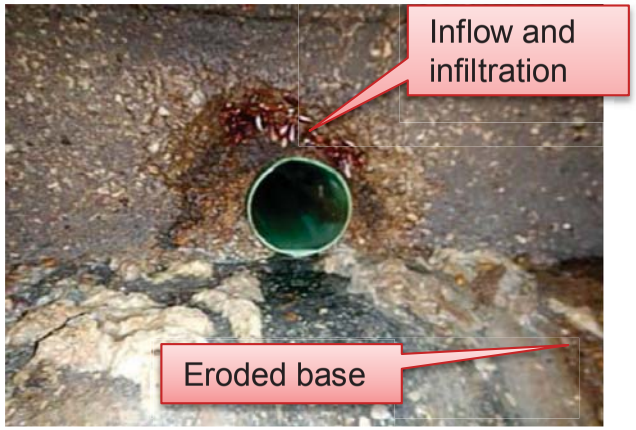
RESULTS

Overall good condition of facilities

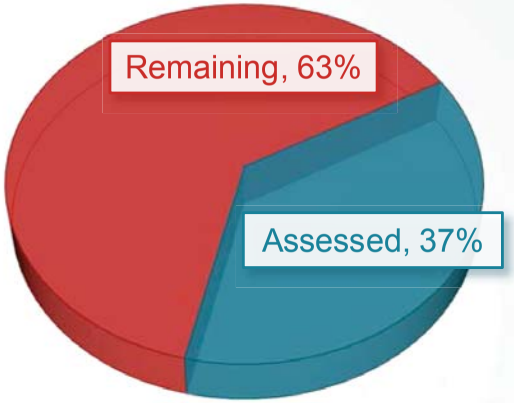
Minor site improvements needed

Fencing

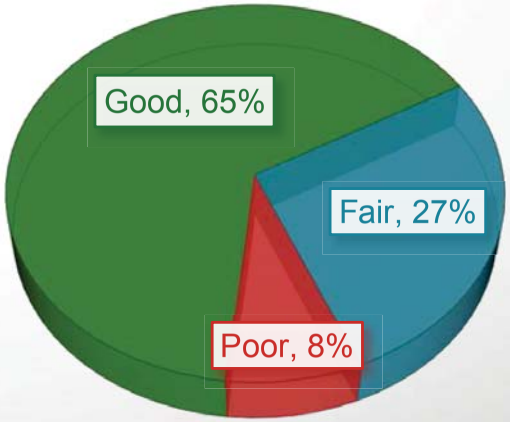
Wastewater manhole assessments were conducted on 1,134 manholes



Manhole Assessment Coverage



Manhole Condition Ratings



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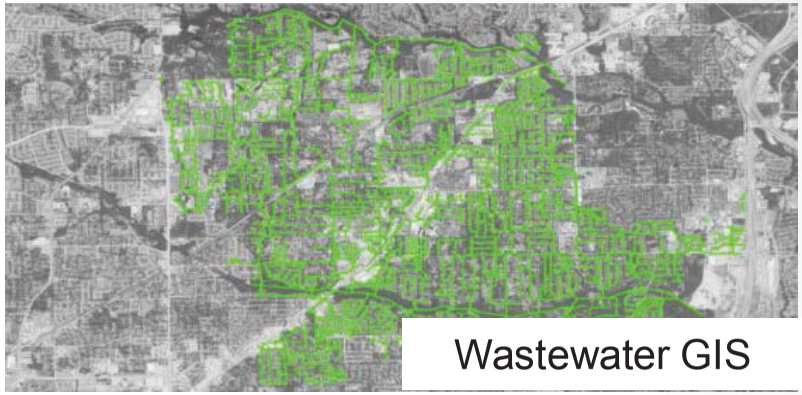
CITY GIS UPDATES

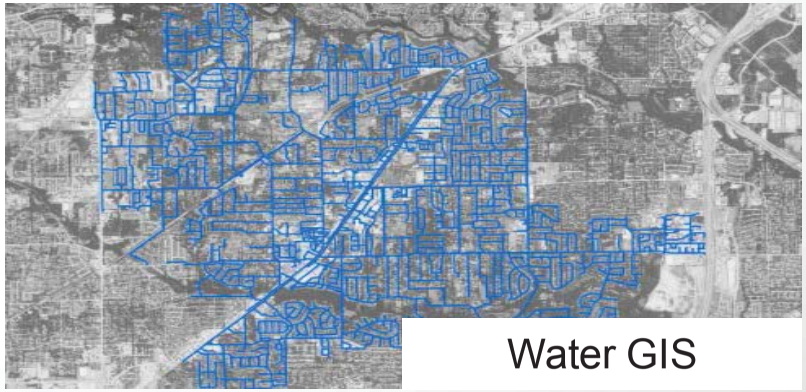
The existing City GIS system was updated

Garver used updated GIS for model development

Updated current GIS model with existing and proposed improvements



Wastewater GIS



Water GIS

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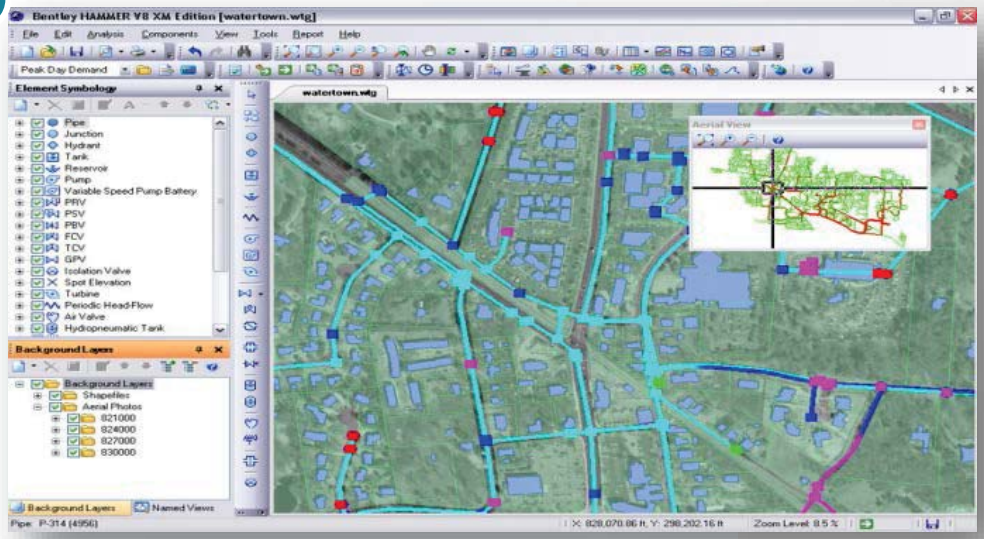
WATER MODEL DEVELOPMENT

Bentley WaterGEMS was used to model the system

Computer program allows the user to input

- Elevations
- Pipe types
- Tower sizes
- Pump sizes
- Level of Service
  - Demands
  - State Regulations
  - Insurance Requirements
  - O&M Considerations



Output helps determine what improvements are needed to provide the identified level of service

The Water Model allows us to identify issues within the system

Purpose:
Identify Issues

Low pressures, capacity, fire flow, excessive velocities, etc.

Results:

Water Capital Improvements Plan

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WASTEWATER MODEL DEVELOPMENT

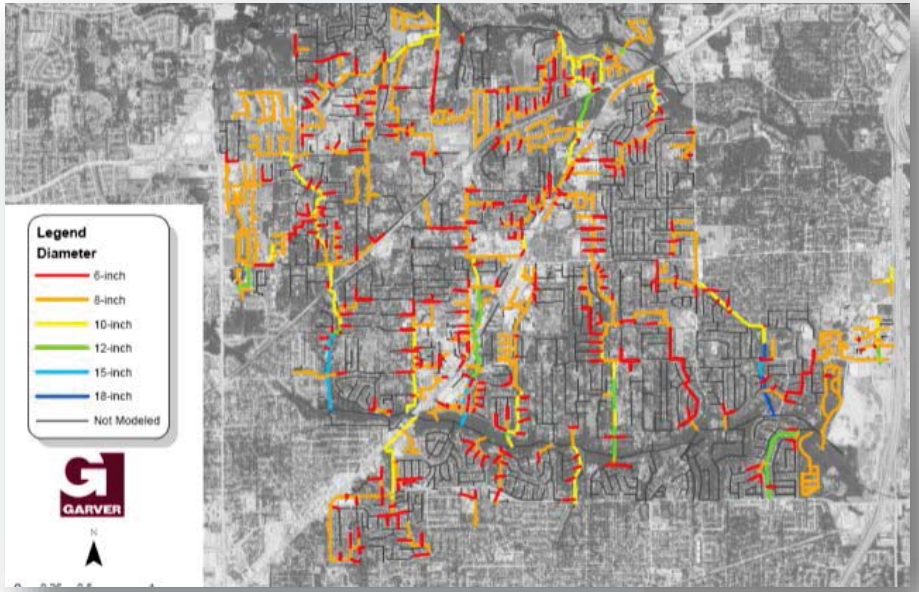
Bently SewerGEMS was used to identify capacity concerns in the sewer

Purpose:

Identify Issues with System

Results:

Wastewater Capital Improvements Plan



Flow monitoring was conducted

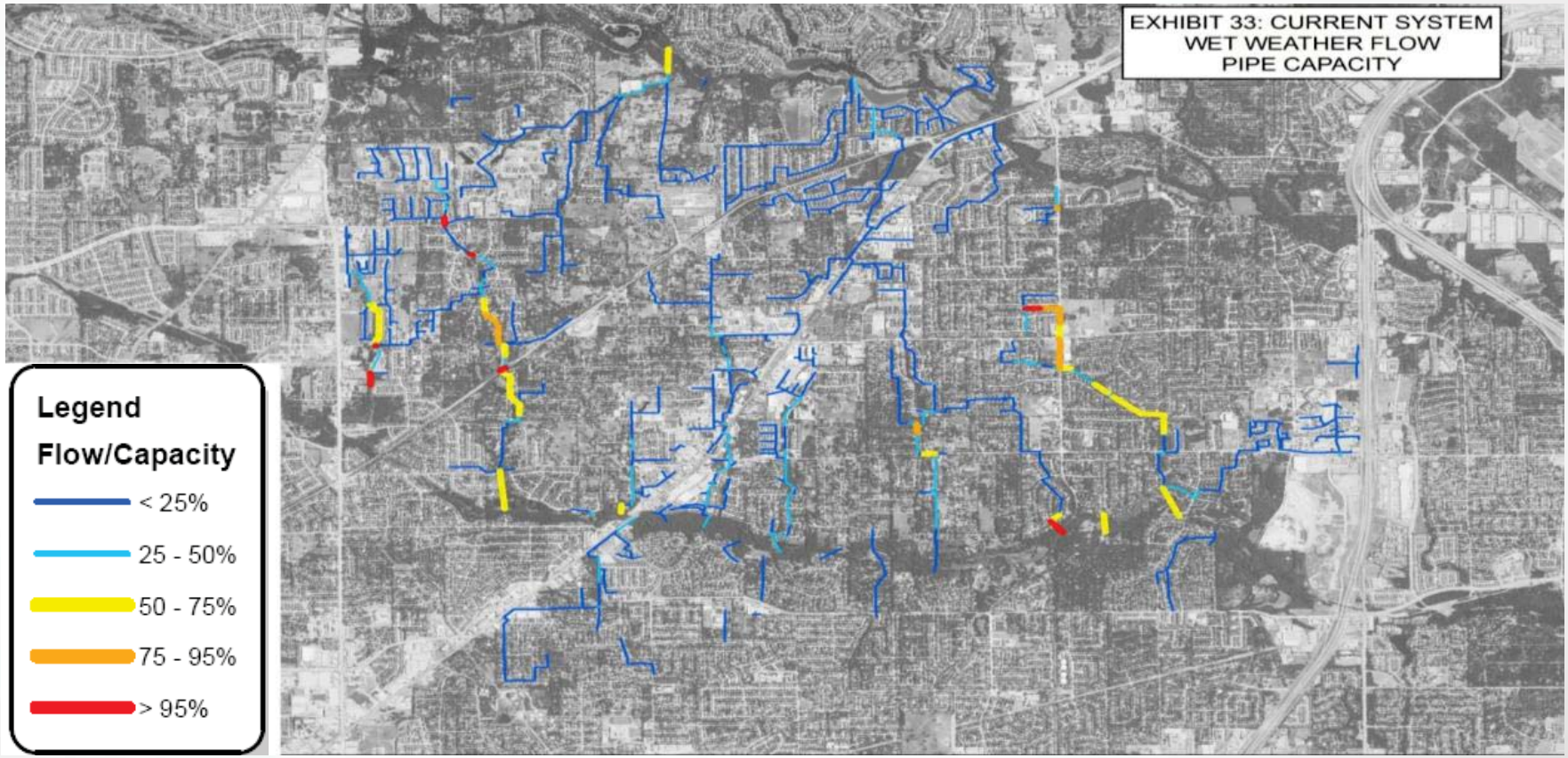
Purpose:

Establish current dry and wet weather flows

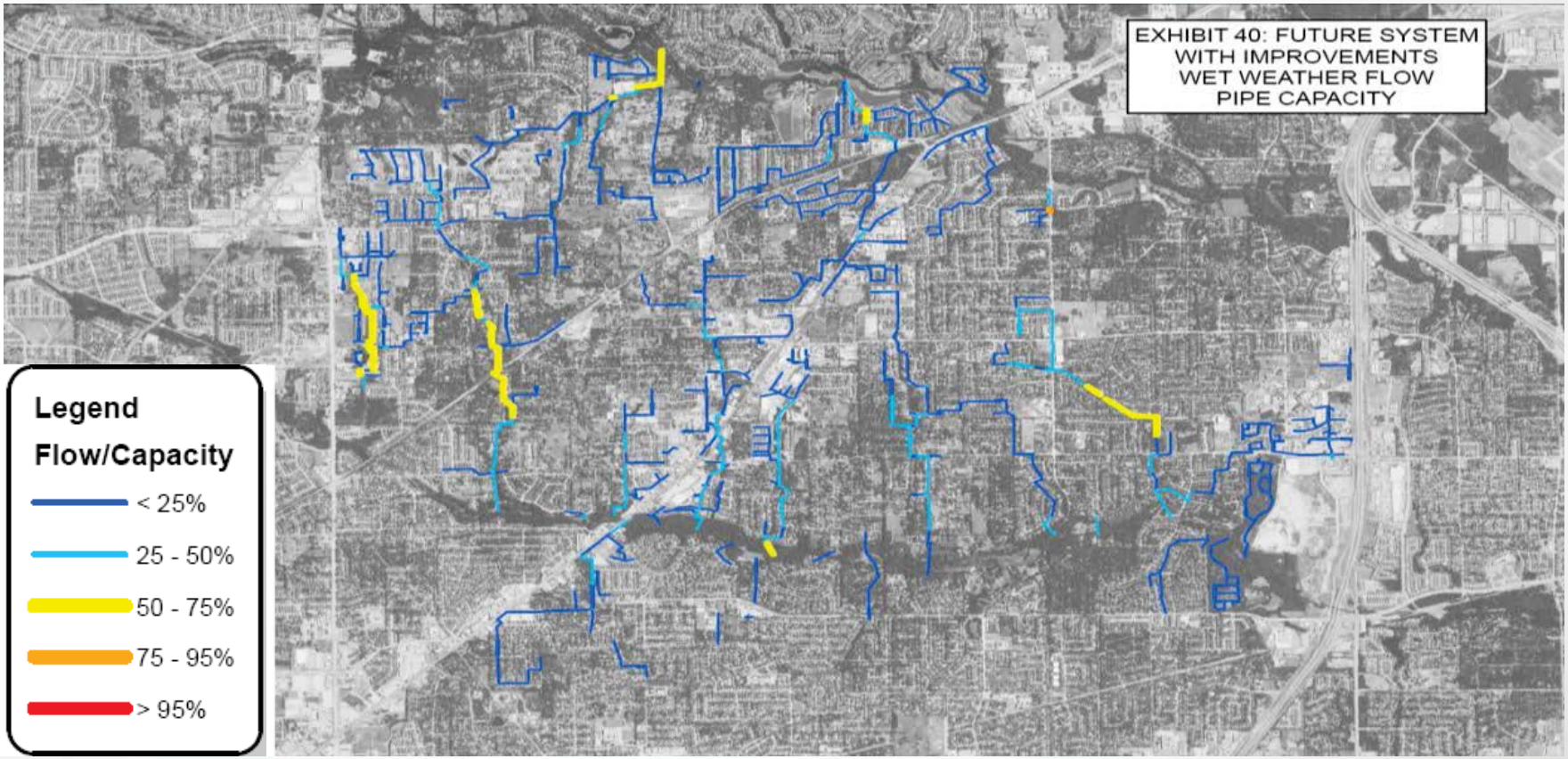
Results:

Overall system is in good shape	Majority of basins exhibit only a small reaction to rain events	~7.75 MG of 624.2MG (1.2%) annual sewer flow due to I/I

An example of a sewer capacity model iteration



An example of a sewer capacity model iteration



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CIP DEVELOPMENT

Capital Improvement triggers were defined and analyzed

WATER	WASTEWATER
• Regulatory • Capacity • Fire Flow • Condition • City-Identified • Operational	• Capacity • Condition • City-Identified • Operational

A method for prioritization of projects was developed

Regulatory and Capacity triggers take first precedence

Flexibility impacts precedence

For water, fire flow improvements are less flexible	For sewers, more limited capacity decreases flexibility

Similar triggers are grouped geographically when possible

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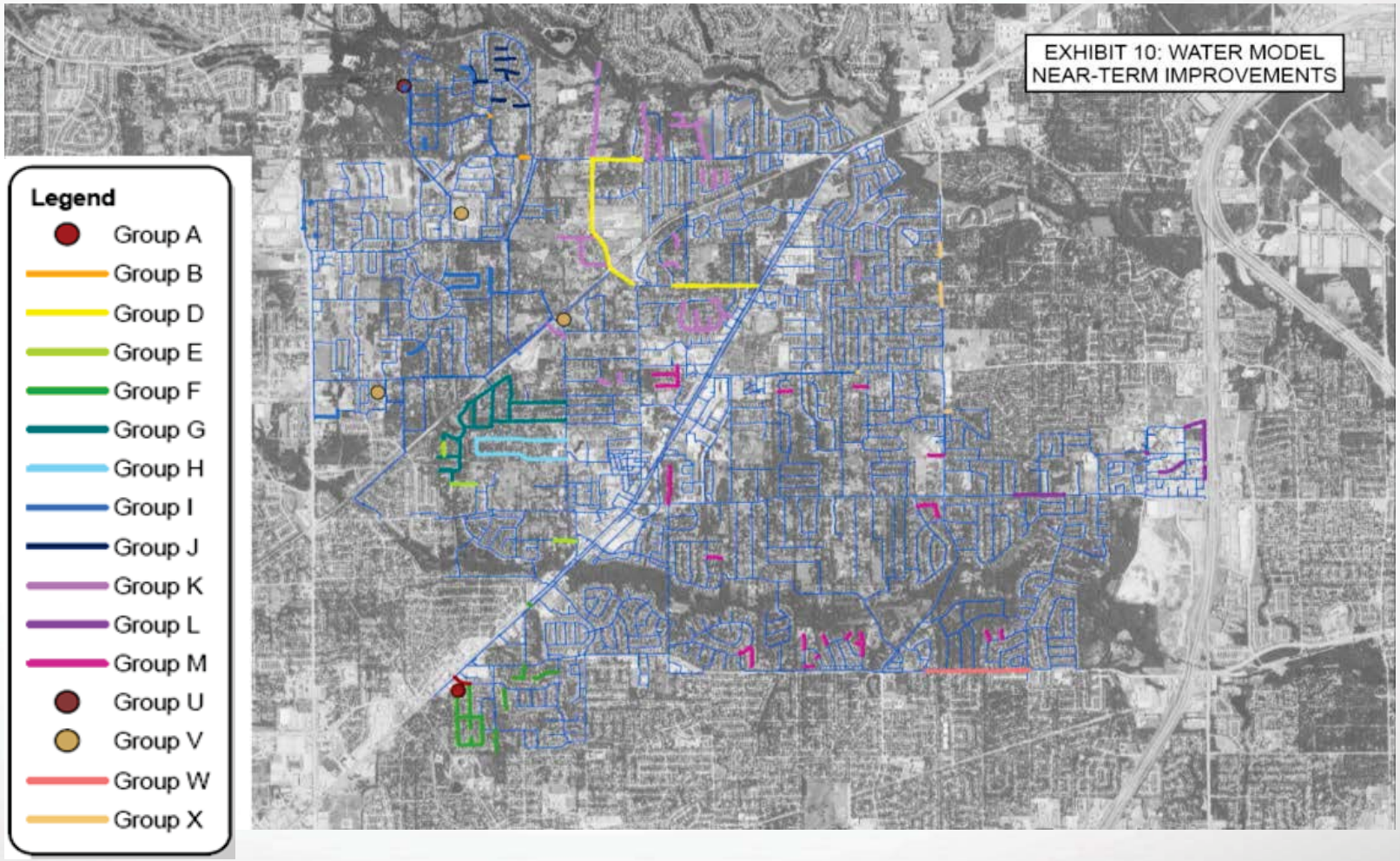
CIP RESULTS

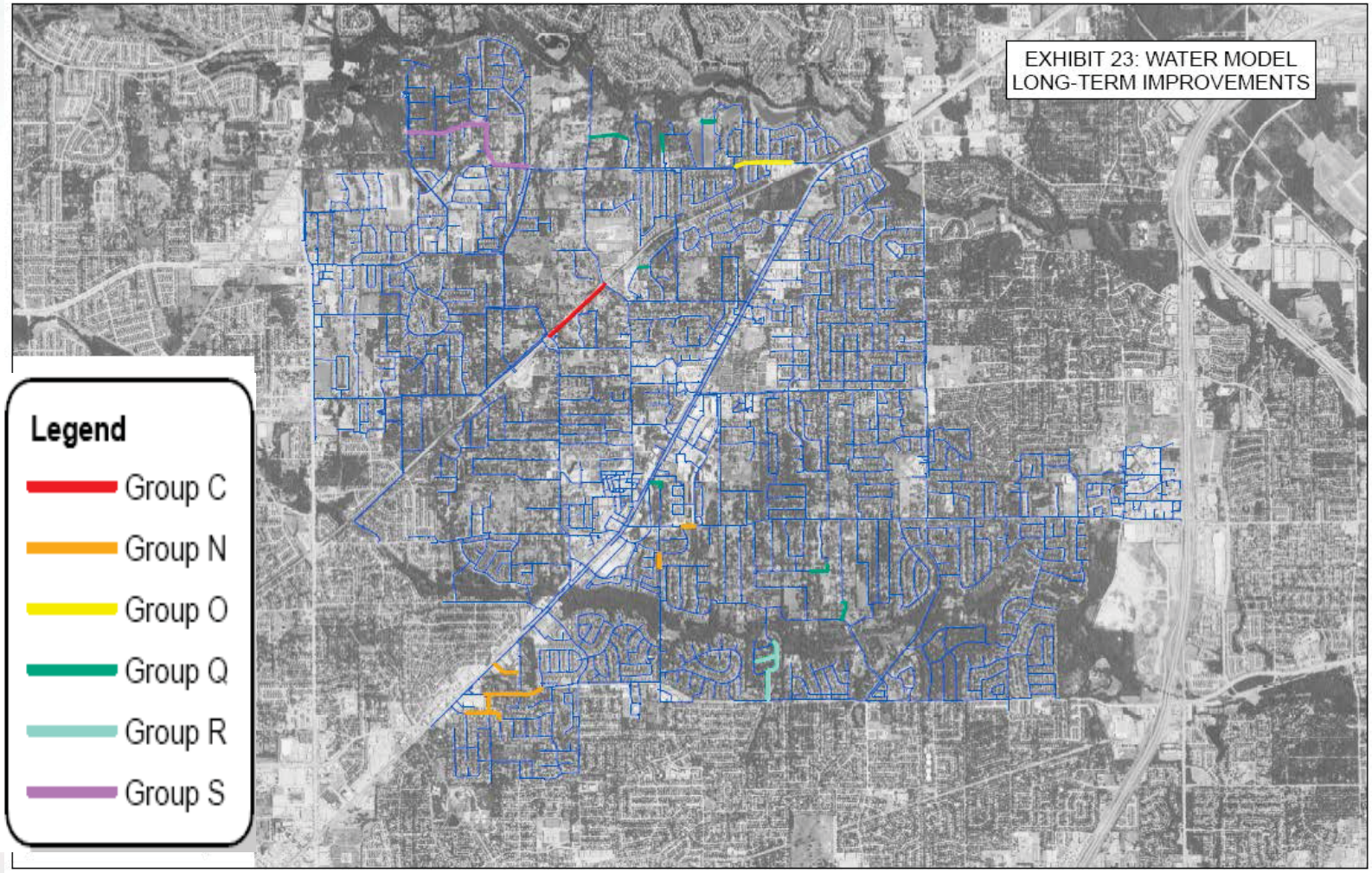
The Capital Improvements Plan identified 44 separate projects

Projects Developed:	
27 Water Projects **12% of system**	17 Wastewater Projects **4% of system**

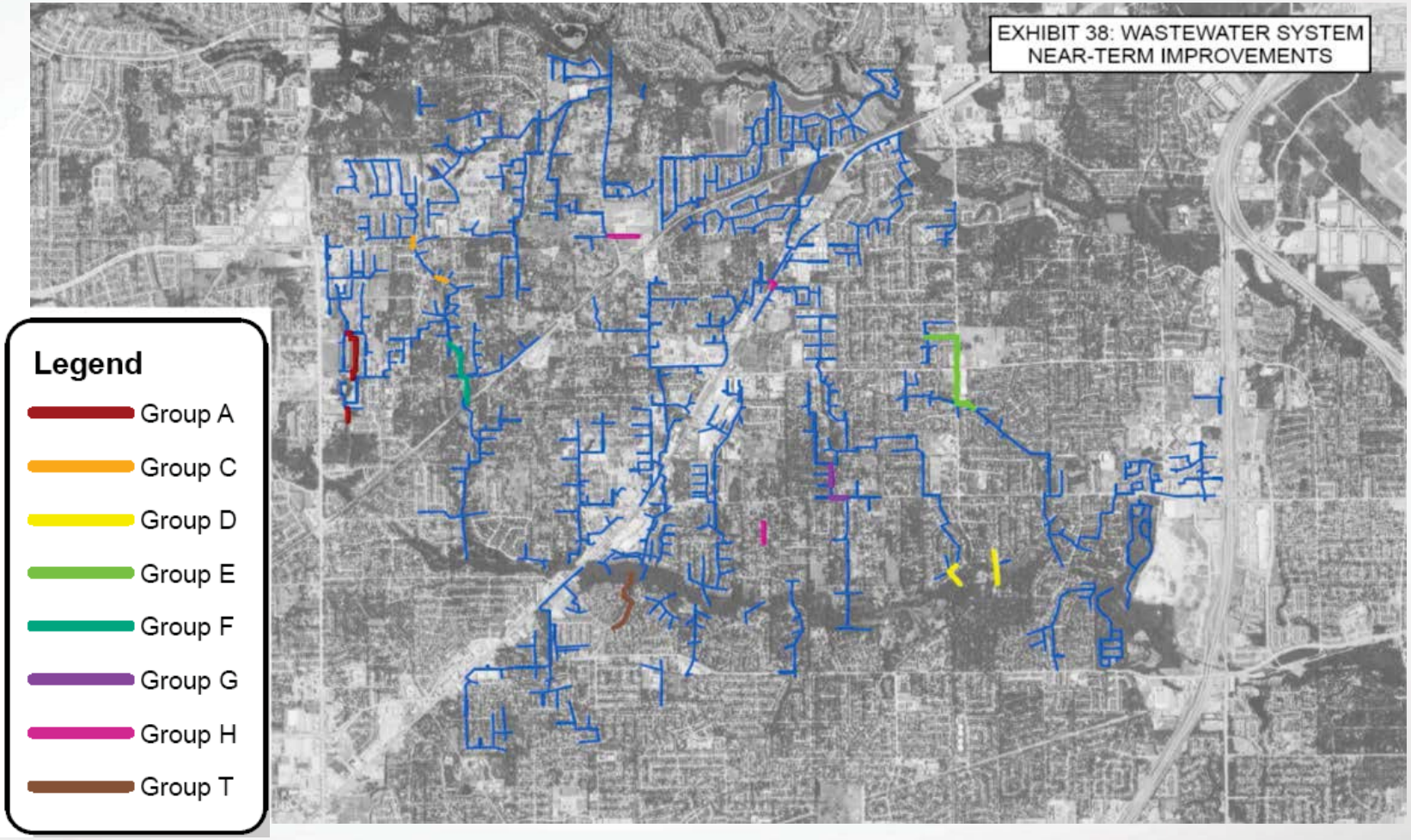
Near-term water improvements



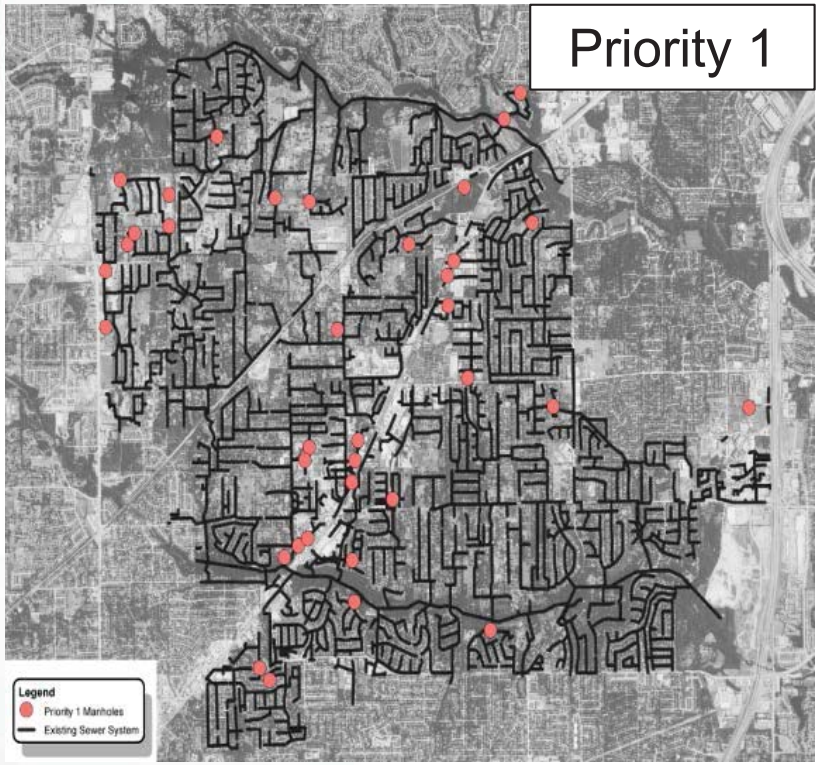
Long-term water improvements

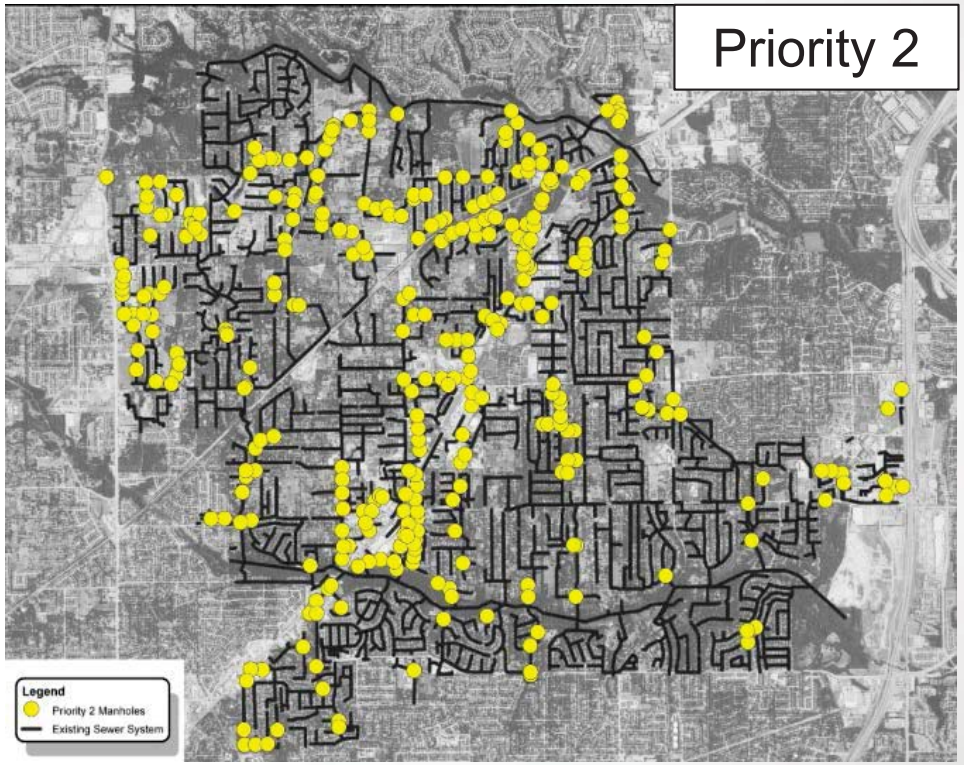


Near-term sewer improvements



Near-term sewer improvements – identified manholes





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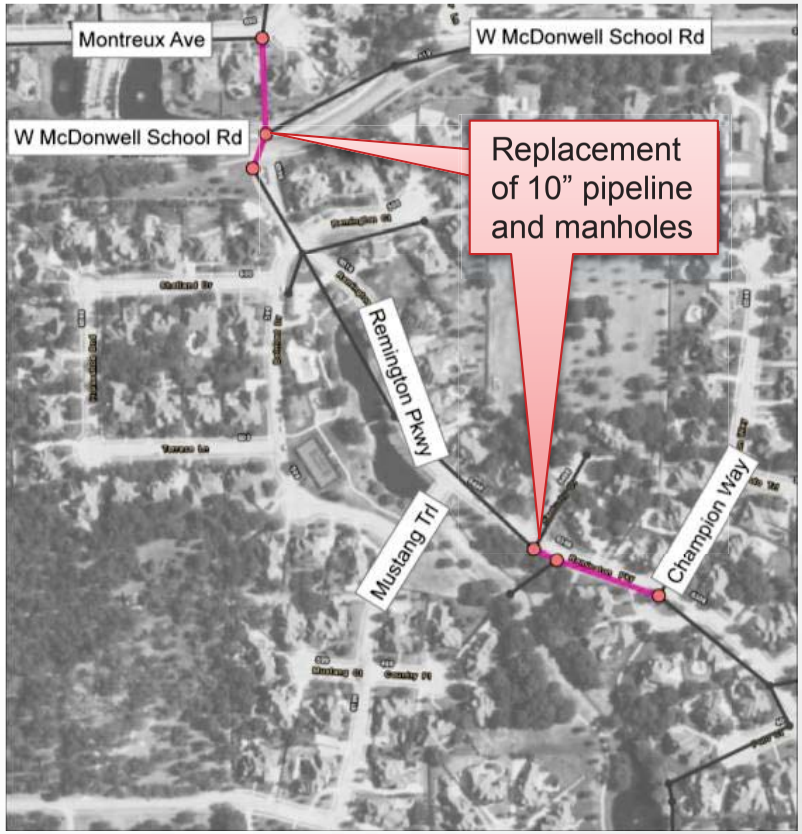
Sample Sewer Projects

Wastewater project example – capacity

SEWER GROUP C

- North of L.D. Lockett Road
- Upsizing of existing pipe
- Addresses capacity during wet weather flows
- Trenchless technology likely preferred

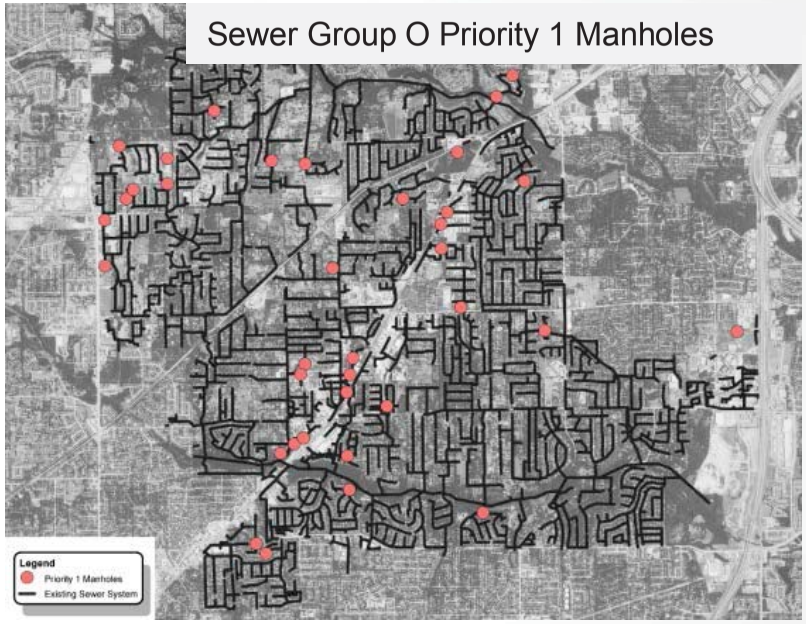


Wastewater project example – condition

SEWER GROUP O

Repair of assessed manholes

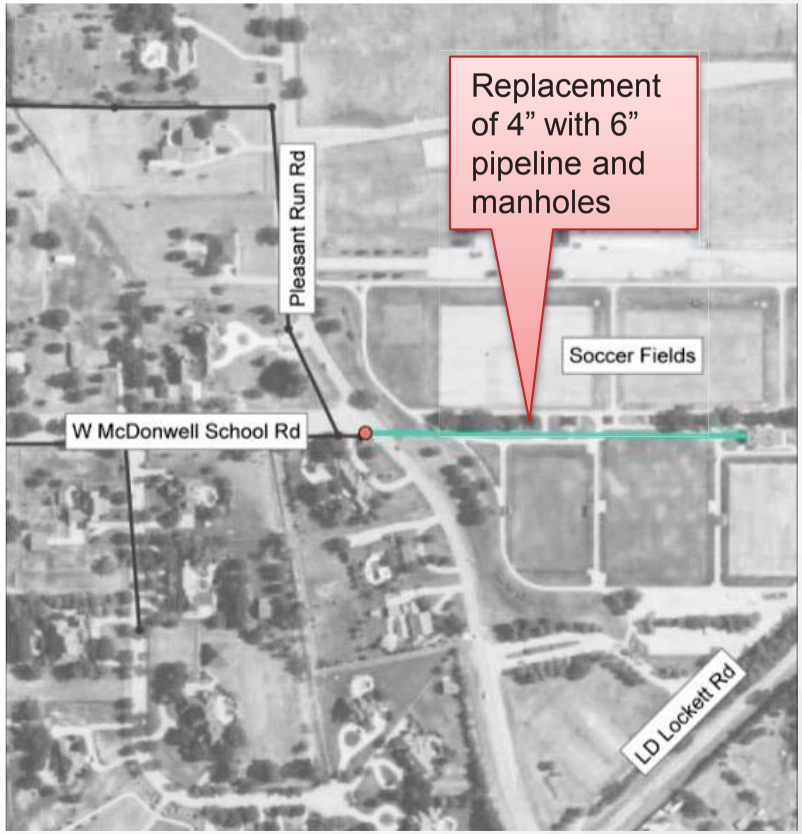
Upsizing of existing pipe



Wastewater project example – city identified

SEWER GROUP H

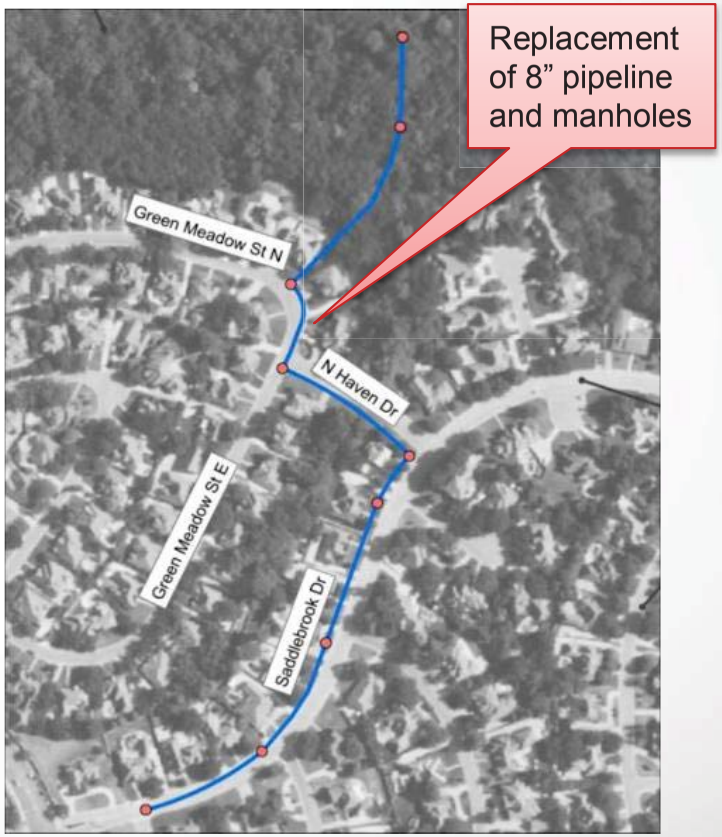
- Near City soccer field
- Replacement of existing pipe with new slopes
- Replaces bottlenecks



Wastewater project example – operational and city identified

SEWER GROUP T

- Near Little Bear Creek
- Replacement of pipe with slope issues
- Addresses maintenance concerns



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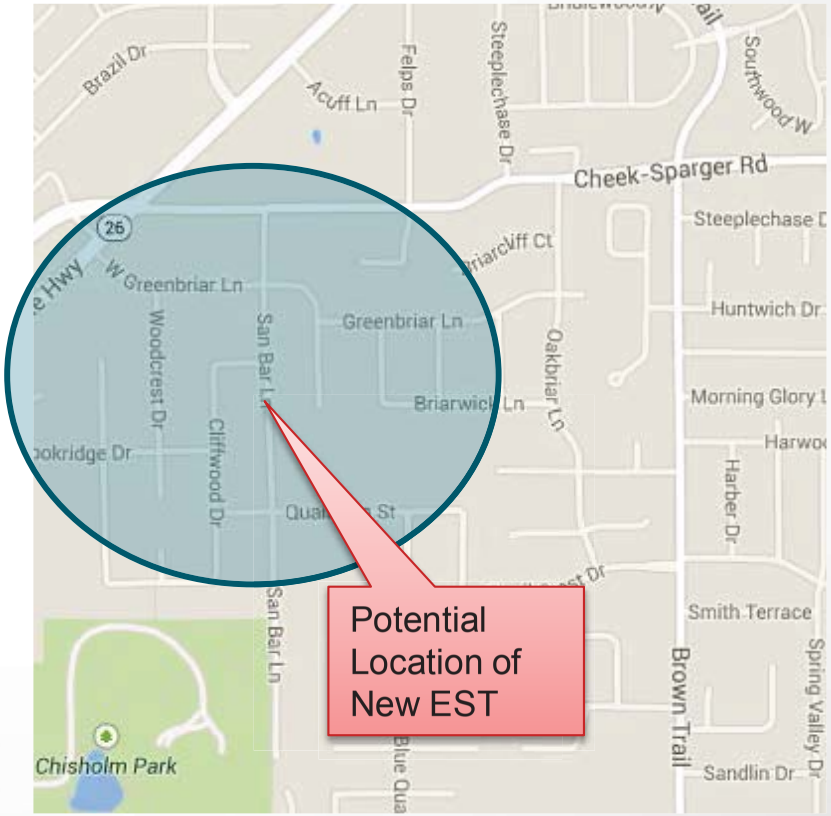
Sample Water Projects

Water project examples – regulatory and capacity

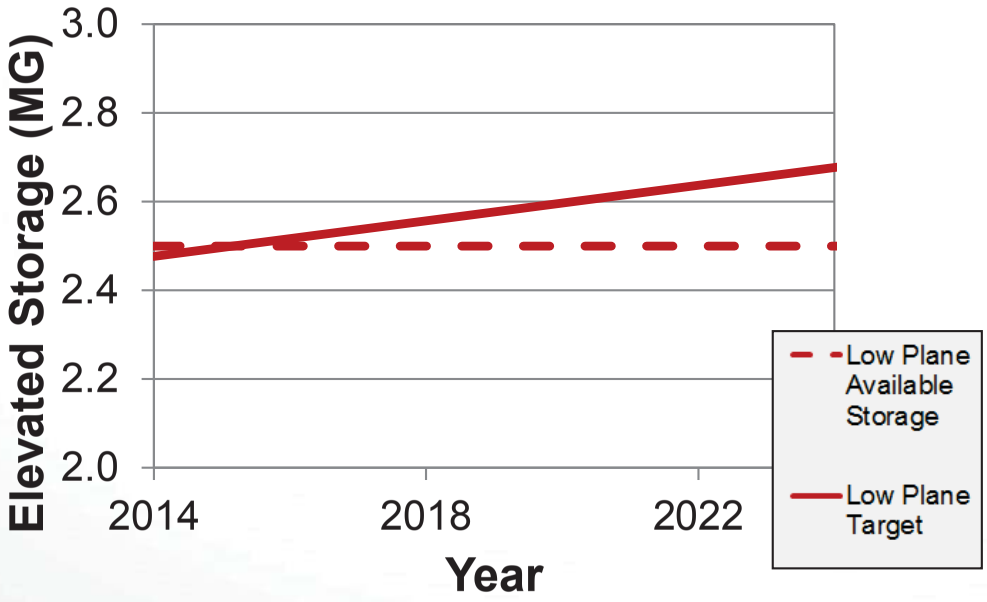
WATER GROUP A

- South portion of town
- Address storage for max day demands
- EST and replacement of pipe



The tank is necessary to meet two requirements

- Storage



- Pressures
  - Current minimum pressure during maximum day falling below 35 PSI requirement

Our evaluation included three additional alternatives

Large Diameter Conveyance Pipelines

- Negatively impacts pressures and flows throughout low plane

In-line booster station

- Causes regionalized low pressures

Ground storage and booster station

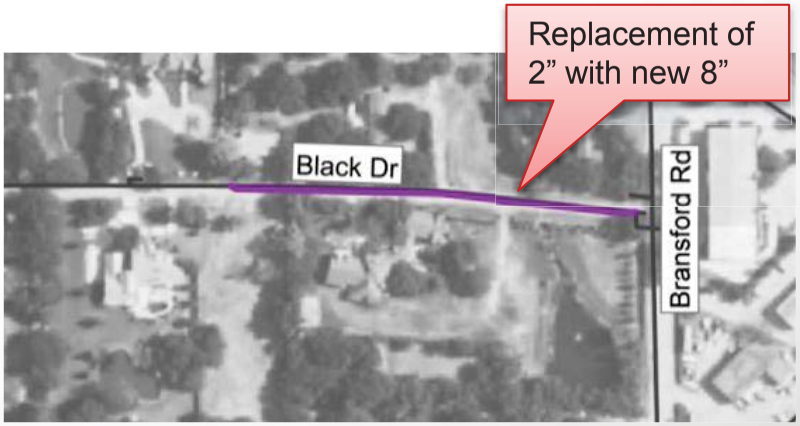
- Additional mechanical infrastructure

None of these alternatives provided the required elevated storage

Water project example - fire flow and city identified

WATER GROUP E

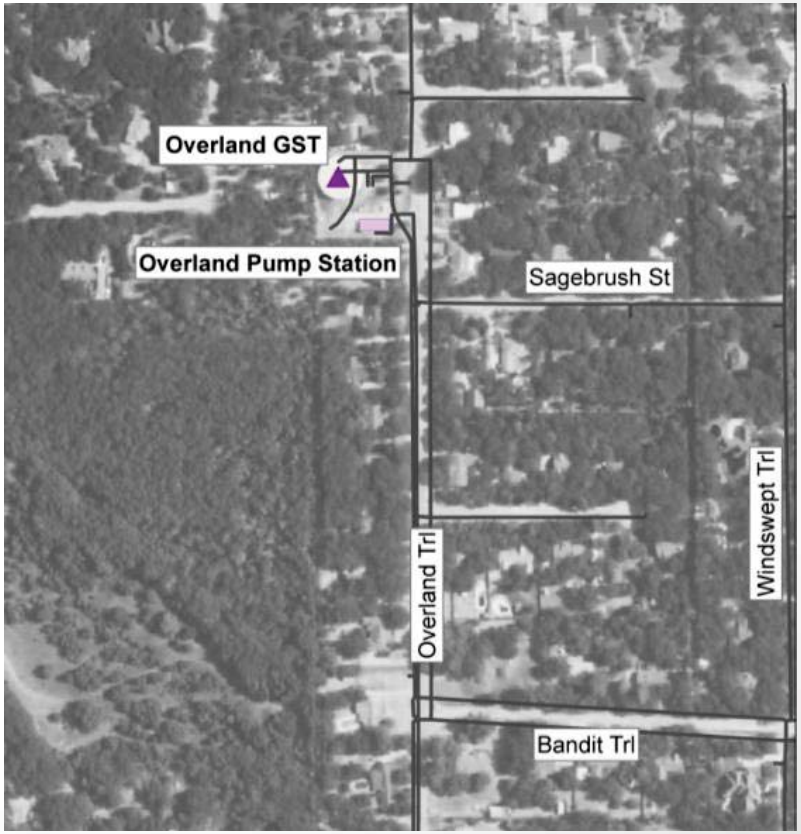
- Between Glade Road and Colleyville Blvd
- Installation of connecting pipelines
- Improves fire flow, looping



Water project example - condition and operational

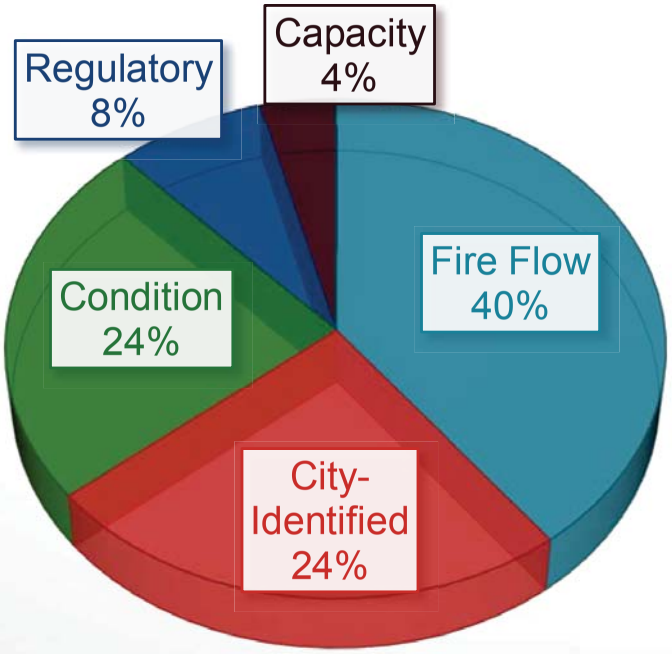
WATER GROUP U

- Decommissioning of Overland Trail
- Addresses conditional concern and reduces maintenance

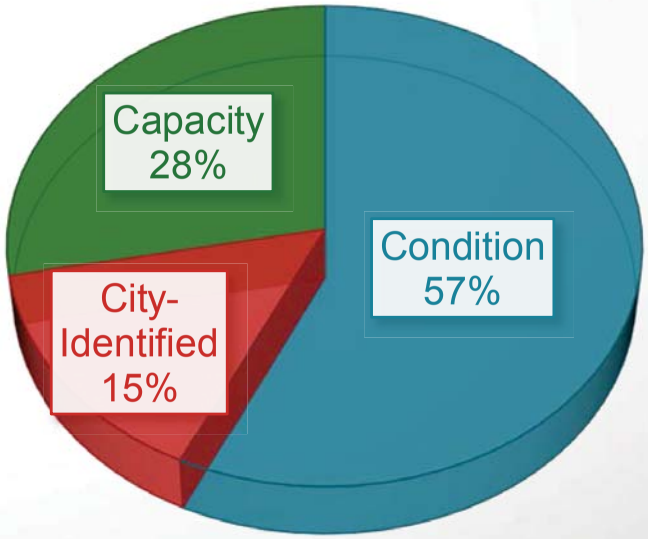


Capital Improvements Program based on triggers

DISTRIBUTION OF WATER BY PRIMARY TRIGGER



DISTRIBUTION OF WASTEWATER PROJECTS BY PRIMARY TRIGGER



Previous studies identified capital projects

Previously Identified Capital Projects (in 2015 dollars):		
	Water	Wastewater
2002 Water Improvements Study	$18,362,000	$-
2012 Impact Fee (Without TRA projects)	$1,915,000	$664,000
Total	**$20,277,000**	**$664,000**
Completed Projects	*$9,017,000*	*$-*
Identified Projects Not Constructed	**$11,260,000**	**$664,000**

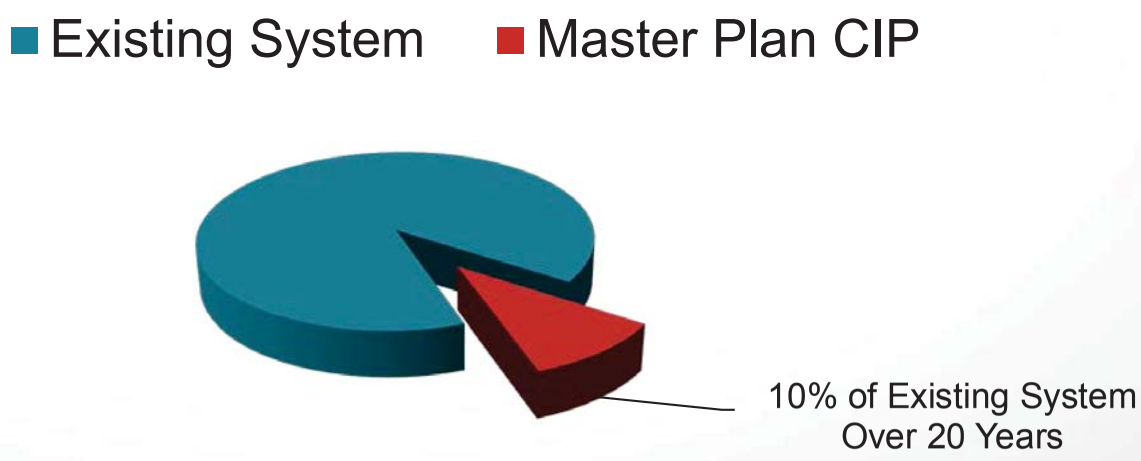
Capital Improvement Plan

Master Plan CIP (in 2015 dollars):		
	Water CIP	Wastewater CIP
City's Current 5 Year CIP	$4,408,000	$1,556,000
Master Plan Identified	$35,455,000	$13,488,000
Total	**$39,863,000**	**$15,044,000**

Short Term Needs	**$33,108,000**	**$4,624,000**

How do these numbers relate to the overall system?

	Water	Wastewater	Total
Existing System (estimated replacement value)	$302M	$237M	**$539M**
Master Plan CIP	$40M	$15M	**$55M**



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RATE STUDY

Rate study objectives

Evaluate current rate structure

- Are fixed/variable revenues in-line with fixed/variable expenses?

Evaluate rate structures of surrounding cities with same wholesale rates

- Do volumetric rates apply to all consumption?
- How are larger meters billed?
- Are commercial rates differentiated from residential rates?

Provide a rate structure that will allow the City to cover fixed expenses by incorporating

- Volumetric rate for first two thousand gallons
- Meter size based minimum charges
- Different minimum charge for non-residential services

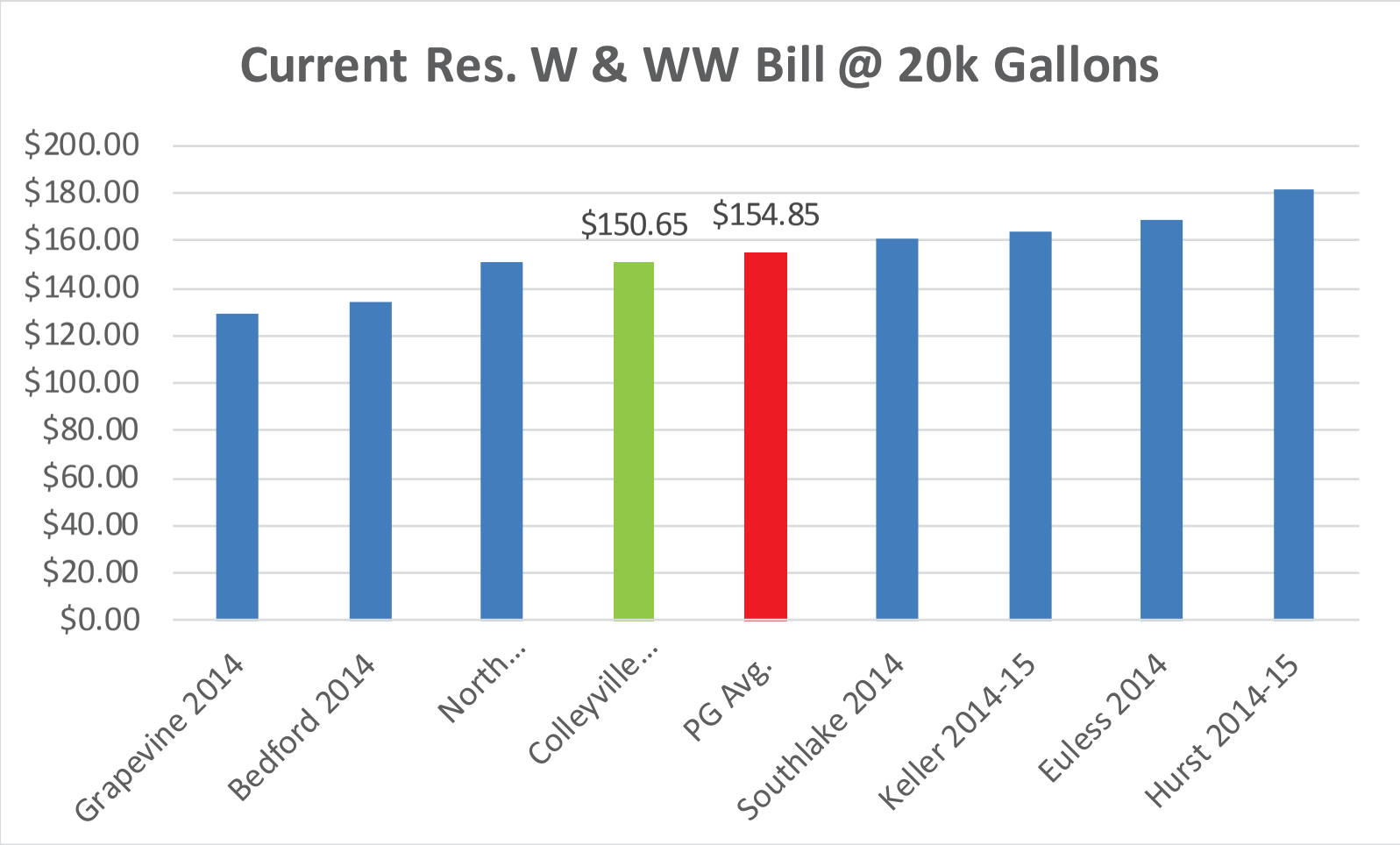
Evaluation of fixed and variable components

	Water			Wastewater		
	Fixed	Variable	Total	Fixed	Variable	Total
Personnel	$1,522,882		$1,522,882	$251,189		$251,189
Operating	$1,660,087	$6,949,456	$8,609,543	$115,778	$2,635,049	$2,750,826
Capital Outlays	$200,000		$200,000	$50,000		$50,000
Debt Service	$490,100		$490,100	$0		$0
Total Expenses	$3,873,069	$6,949,456	$10,822,525	$416,966	$2,635,049	$3,052,015
Total, %	**36%**	**64%**	**100%**	**14%**	**86%**	**100%**
Average Residential Bill	**15%**	**85%**	**100%**	**16%**	**84%**	**100%**

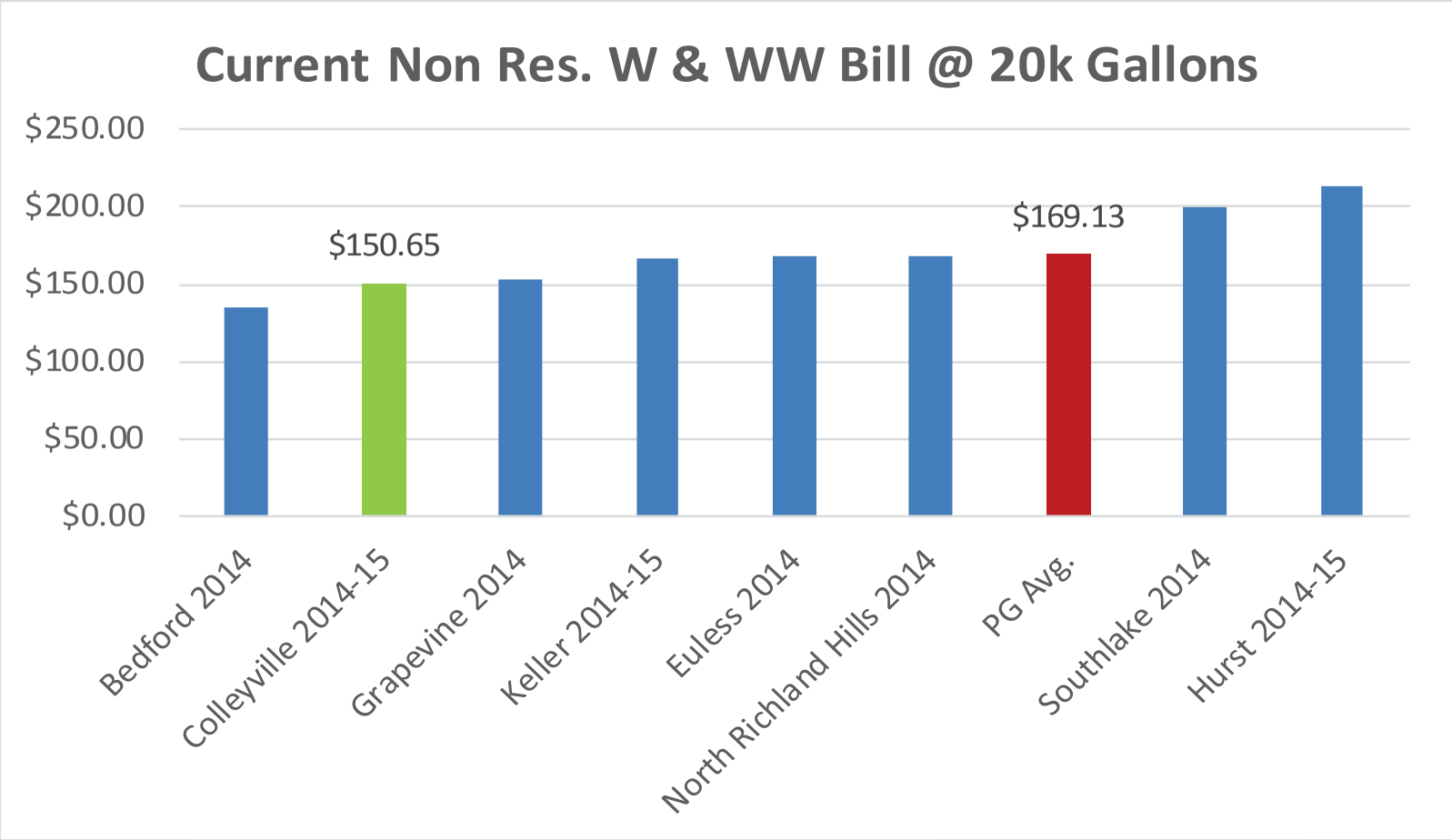
Benchmarking the current rate structure

City	Volumetric rates charged for all metered consumption?	Do larger meters pay a higher min. charge?	Residential and non-residential rates differentiated?
Colleyville 2014-15	No	No	No
Grapevine 2014	No	Yes	Yes
Euless 2014	Yes	Yes	Yes
Bedford 2014	Yes	Yes	No
NRH 2014	Yes	Yes	No
Southlake 2014	No	Yes	Yes
Keller 2014-15	Yes	Yes	Yes
Hurst 2014-15	Yes	Yes	Yes
	= TRA Water Customers		

Benchmarking the current rates



Benchmarking the current rates



Summary of findings

Fixed to variable water rate structure ratio does not reflect expense ratios

Rate structure is independent of meter size

Residential and non-residential services are provided at the same rate structure

Summary of findings

Fixed to variable water rate structure ratio does not reflect expense ratios

INCURRED FIXED COSTS NOT RECOVERED

Residential and non-residential services are provided at the same rate structure

Proposed rate structure change

FY 2015

2-YEAR

- Standard monthly volumetric rates
  - First 2,000 gallons
- Minimum for non-residential wastewater services

4-YEAR

- Meter size-based minimum billing for water services

Impact of 2-year transition

VOLUMETRIC CHARGE FOR FIRST 2,000 GALLONS

Average monthly bill change $7.27/year (4.6%)

Reflective of variable treated water expense

Rate structures consistent with 3 of 4 peer group water customers

Impact of 2-year transition

DIFFERENTIATED MINIMUM RATE FOR NON-RESIDENTIAL WASTEWATER SERVICE

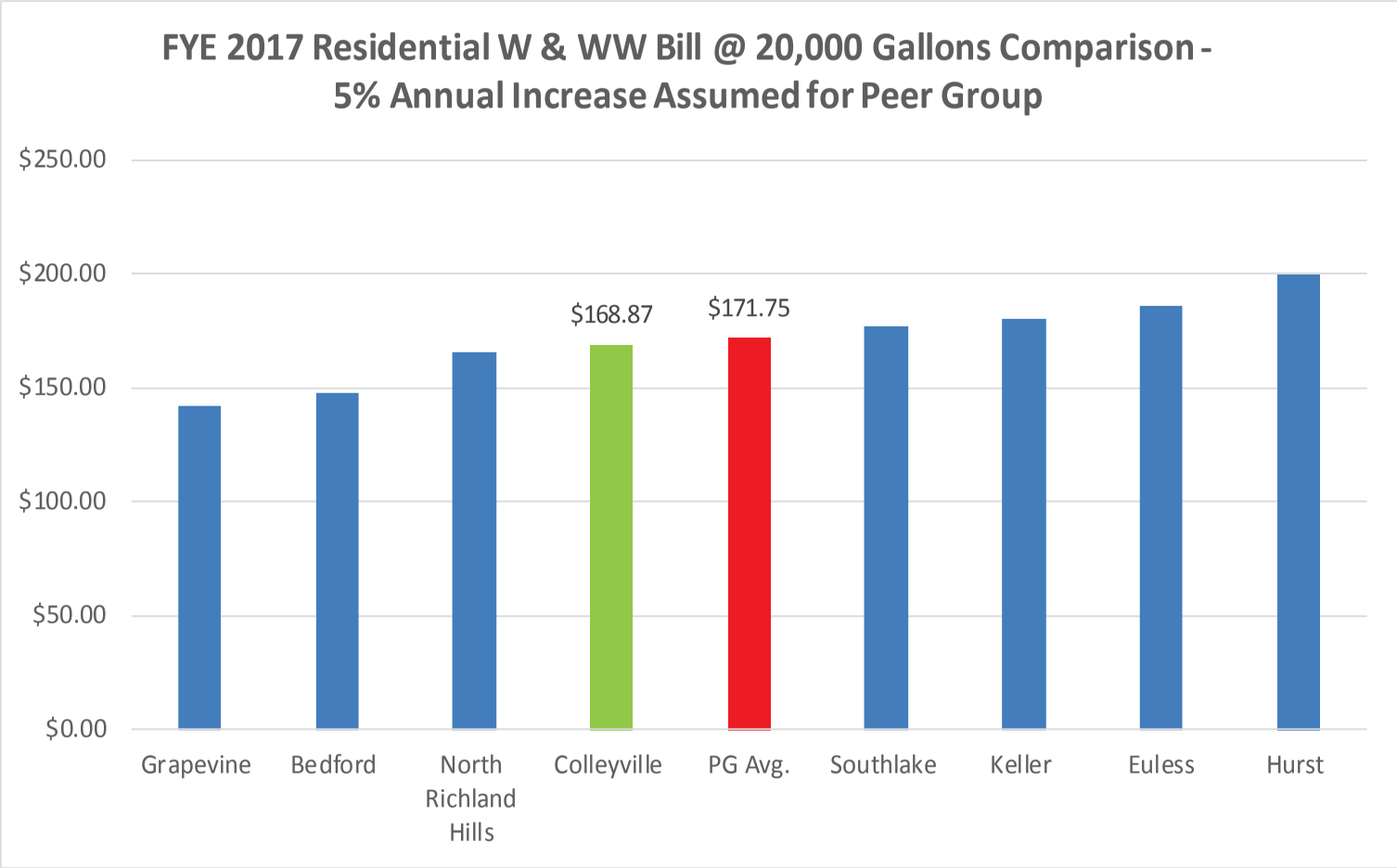
Average monthly bill change $3.00/year (0.1%) for non-residential

Rate structures consistent with 5 of 7 peer group wastewater customers

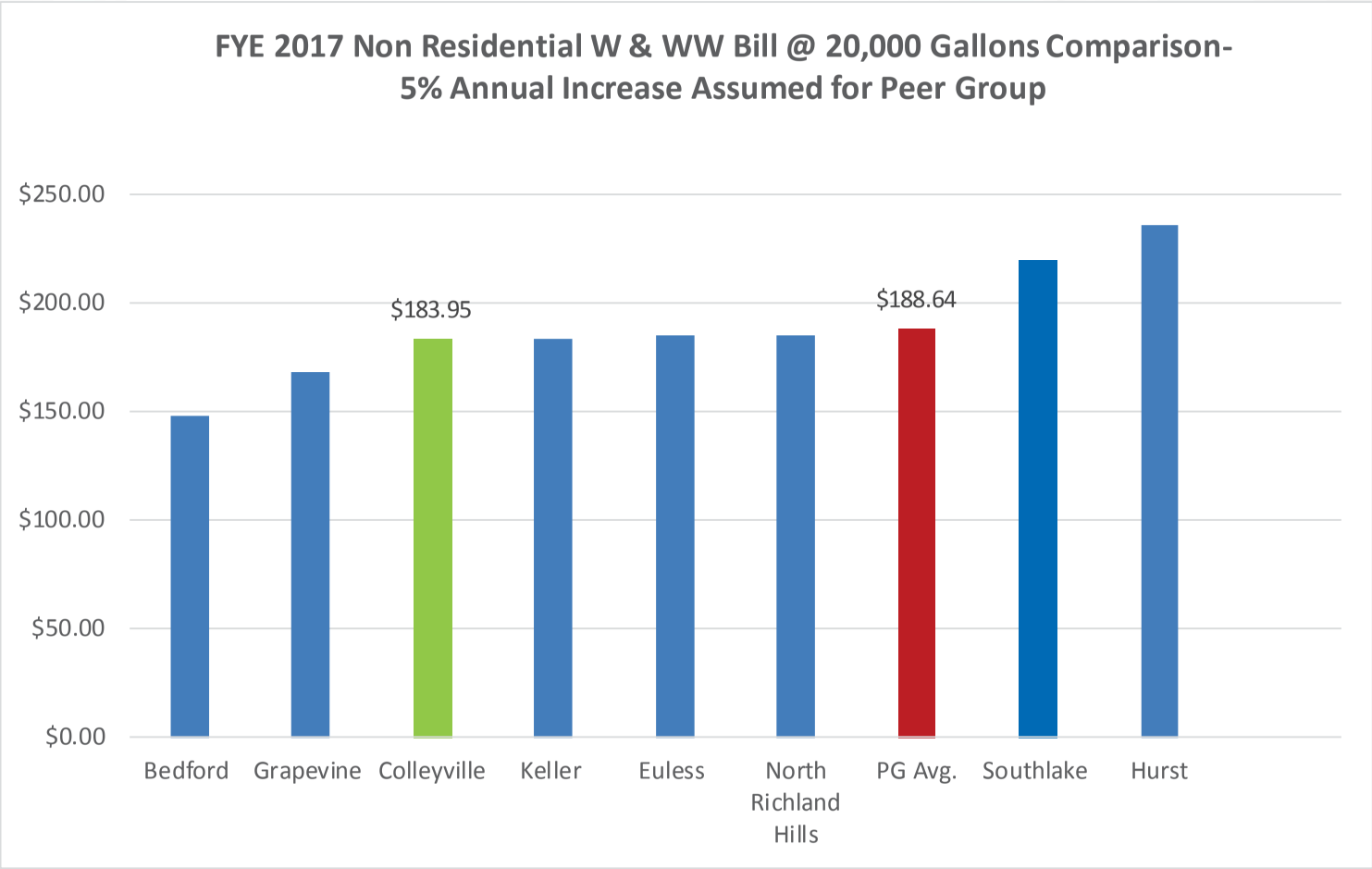
Impact of 4 year transition to meter size - based minimum charges

Meter Size (in.)	# in City	Average usage (Gal/Mo)	Existing Minimum Bill (/Mo)	Proposed Minimum Bill (/Mo)
<1.5 Res.	4,227	20,000	$13.28	$20.40
<1.5 Non-Res.	406	30,000	$13.28	$31.63
1.5	128	40,000	$13.28	$40.73
2	207	50,000	$13.28	$84.24
3	12	250,000	$13.28	$150.81
4	2	500,000	$13.28	$154.50

Comparison of member cities – proposed rate structure



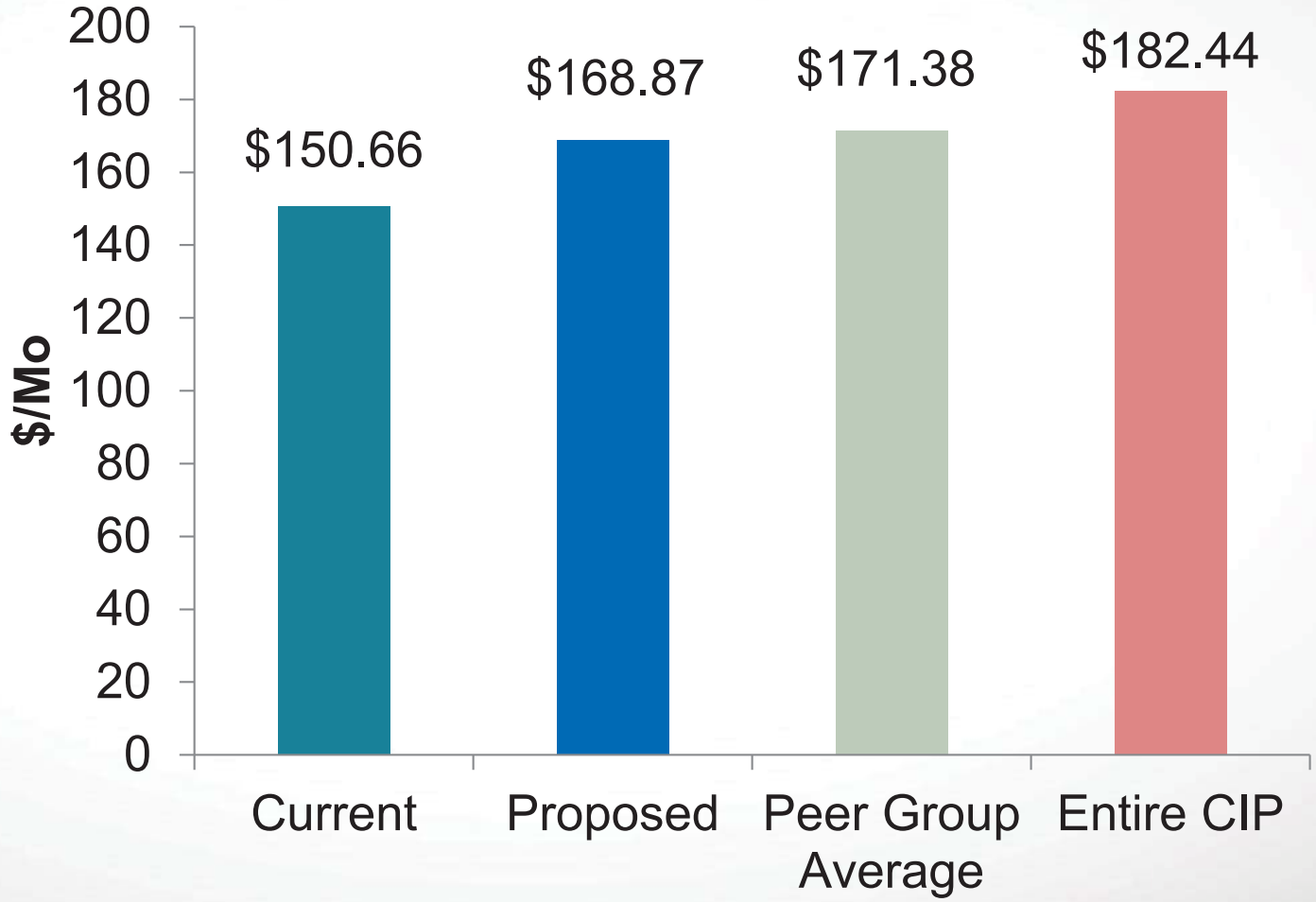
Comparison of member cities – proposed rate structure



Cash flow projection
(assumes proposed structure is implemented)

	2016	2017	2018	2019
Total Revenues	$16,722,262	$17,792,328	$18,122,224	$18,389,502
O&M, Net of Dept.	$13,929,163	$14,779,132	$15,688,411	$16,661,372
CIP Funding	$2,354,710	$2,581,316	$2,245,023	$1,628,130
Total Expenses	$16,283,872	$17,360,448	$17,993,434	$18,289,502
Net Rev. Avail. For Debt Svc.	$438,390	$431,880	$188,790	$100,000
Total All Debt Services	$365,325	$359,900	$157,325	$0
FY End Balance	$73,065	$71,980	$31,465	$100,000

Rates to fund the entire CIP – example of residential 20,000 gallon bill



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QUESTIONS?

EXHIBIT C

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COLLEYVILLE WATER & WASTEWATER MASTER PLAN

Colleyville City Council
February 17, 2015

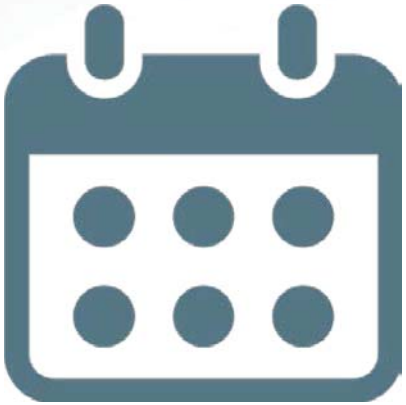
Outline of Presentation

Review of December 16, 2014 presentation at Pre Council Meeting

Additional discussion of the proposed new Elevated Storage Tank (EST)

Continuation of the Rate Study Discussion

December 16, 2014 Meeting



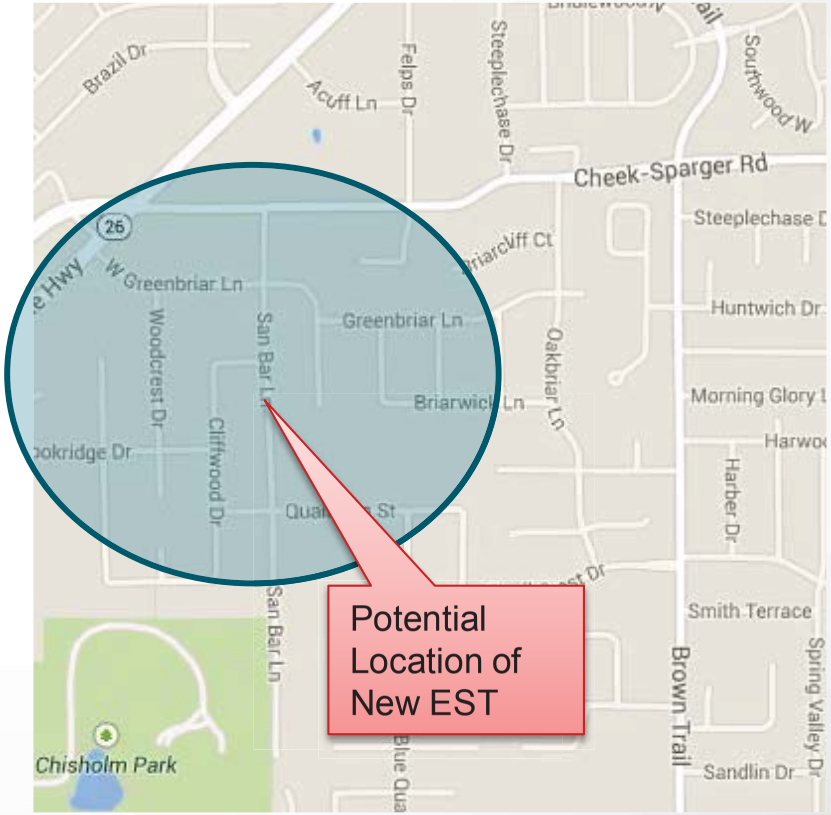
- Master Plan Highlights
- CIP Projects that were identified
- Dollars needed to fund identified CIP Projects
- Rate Study Recommendations

Elevated Storage Tank Justification

Address storage and pressure for maximum day demands

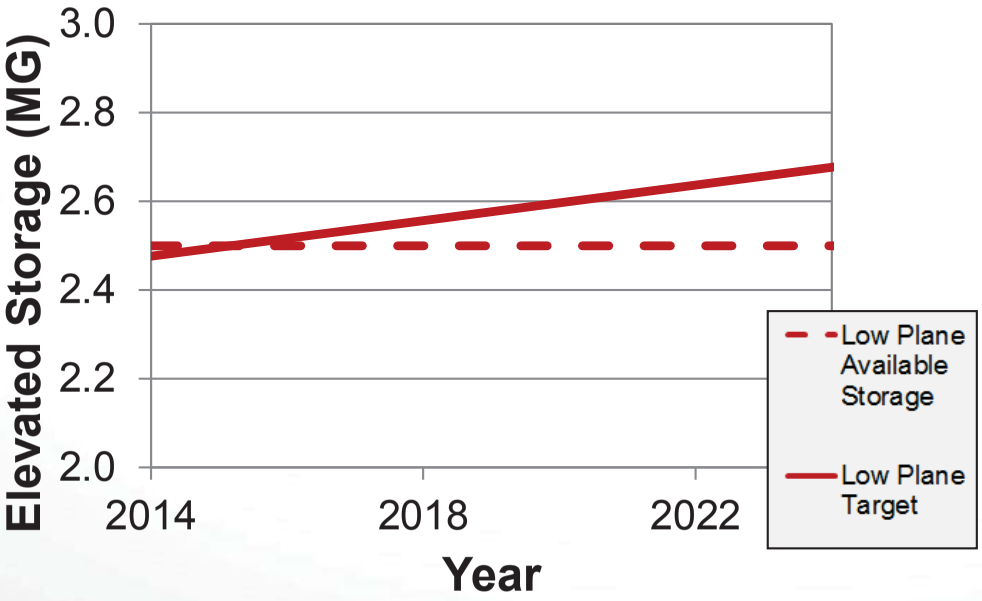
New Elevated Storage Tank and replacement of pipe

South portion of town



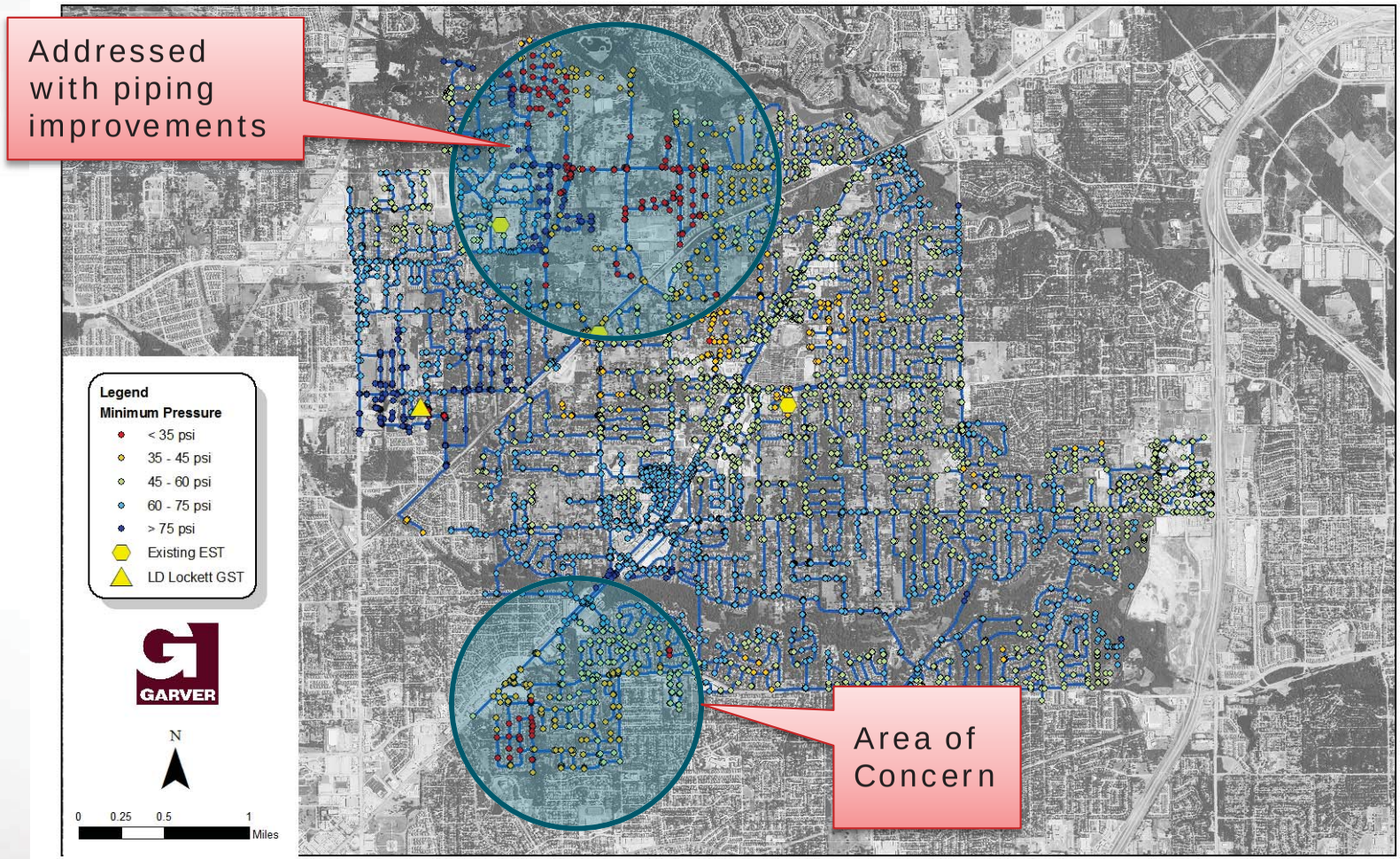
The Tank is Necessary to Meet Two Requirements

- Storage

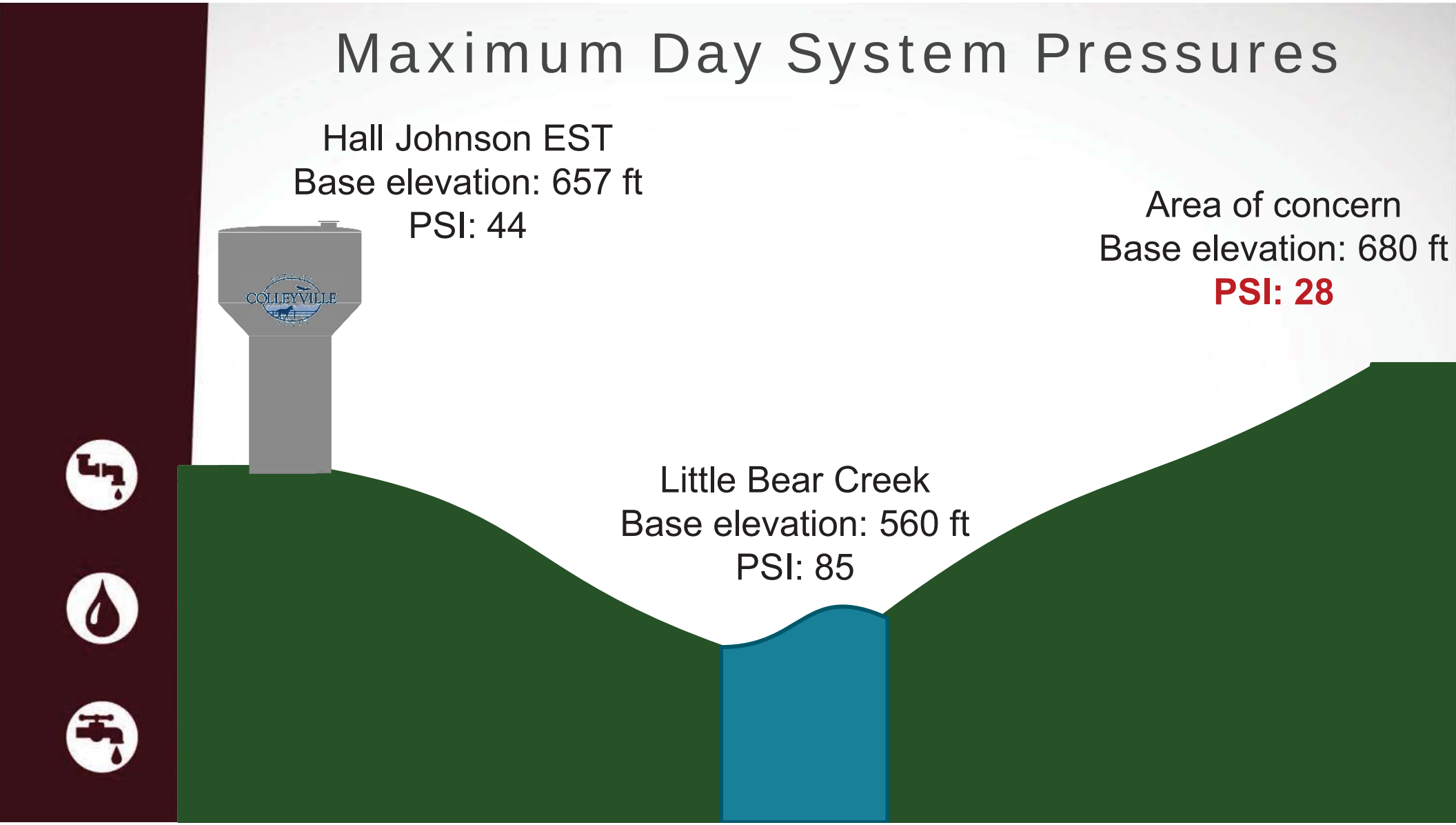


- Pressures
  - Current minimum pressure during maximum day falling below 35 PSI requirement

Low Pressure is a Concern in Two Areas



Maximum Day System Pressures



Our Evaluation Included Five Alternative Options

Large diameter conveyance pipelines

In-line booster station

Ground storage and booster station

Elevated Storage

Other water supply connections

Large Diameter Conveyance (Pipelines)

High impact construction
-Costly
-Traffic concerns
-Impact to residents

Relocates pressure and flow
-Additional projects needed
-Minimal pressure boost

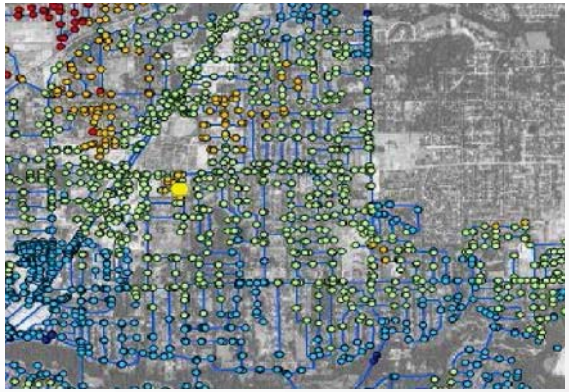
Elevated storage
criteria not met
-No emergency storage

In-line Booster Station

Mechanical
-Operations & maintenance

Relocates pressure and flow
-Additional projects needed
-Suction pressure issues

Elevated storage criteria not met
-No emergency storage
-Feed main bursts may decommission

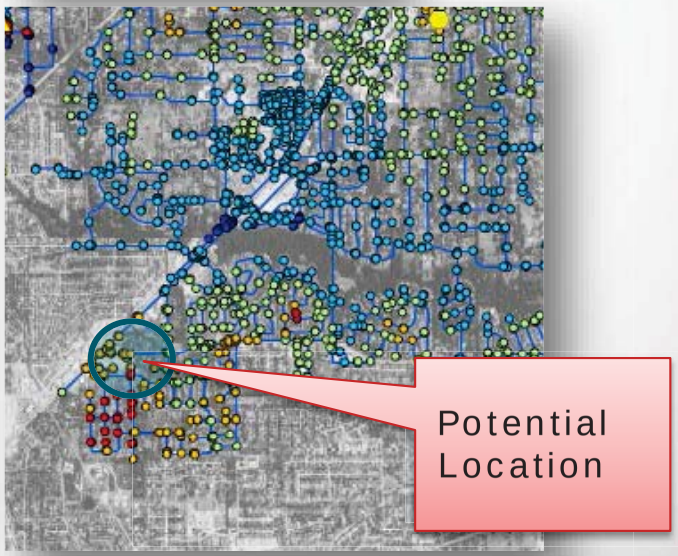


Ground Storage Tank and Booster Pumps

- Addresses pressure for maximum day demands
- Similar in cost to EST
- More mechanical equipment
- Elevated storage requirement not met

Elevated Storage Tank

- Addresses pressure for maximum day demands
- Addresses elevated storage requirement
- Accommodates emergency conditions
- Increases system flexibility



Consideration of Options

GST and BPS

- Less capital than EST with same lifecycle
- More mechanical

BPS

- Shifts pressure issues to other parts of City
- Additional projects likely

Pipelines

- Shifts pressure issues to other parts of City
- Additional projects likely

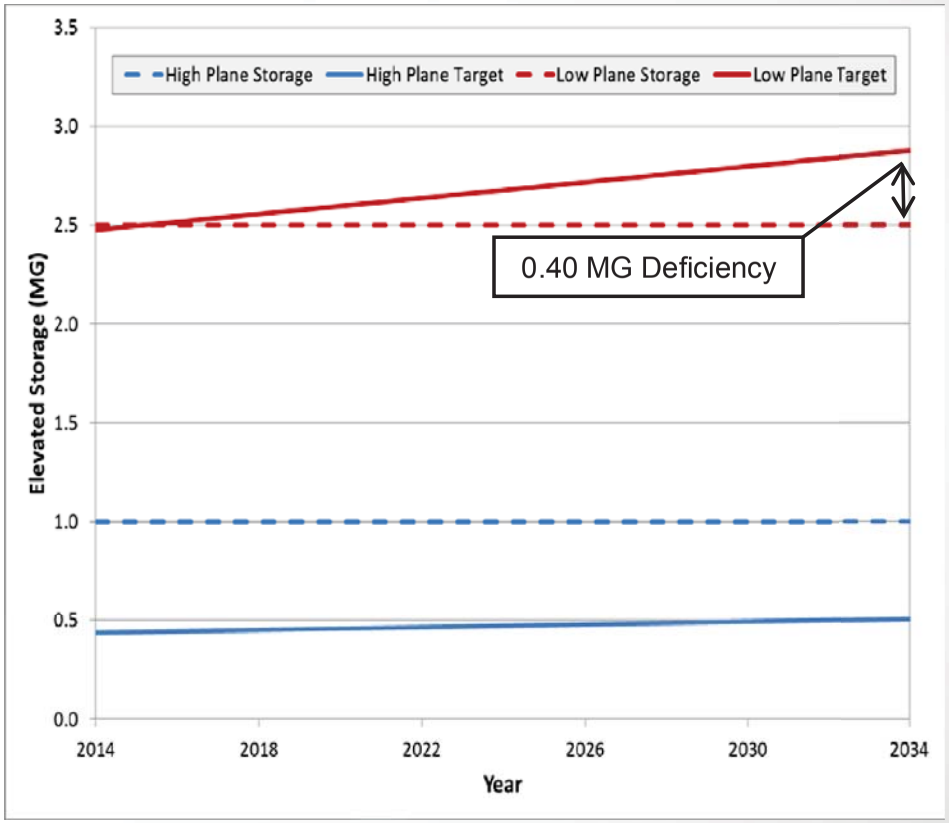
EST

- Meets all identified needs

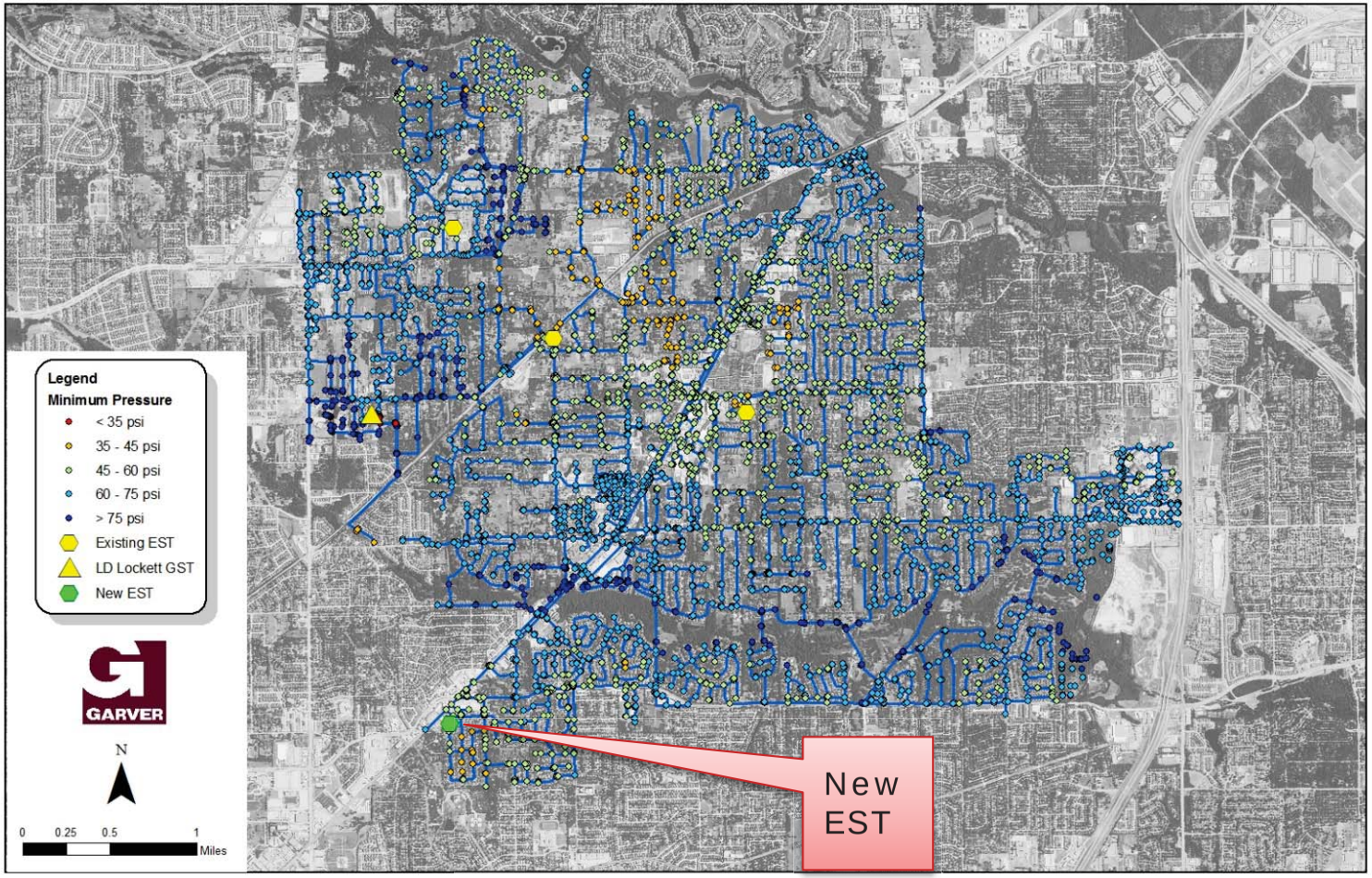
RECOMMENDED ALTERNATIVE

The Goal is to Provide 15% of the Maximum Daily Demand in Elevated Storage

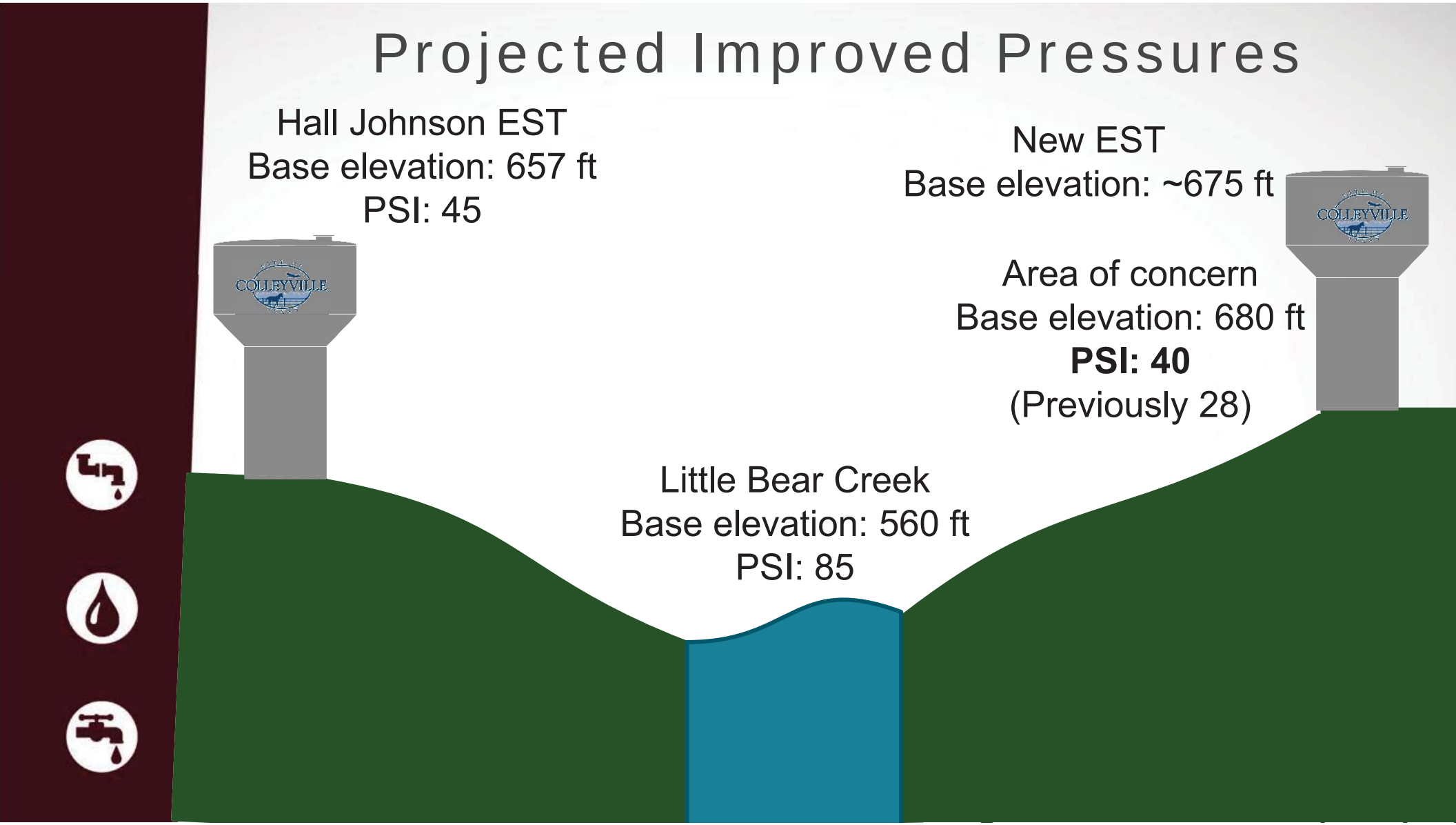
- Provides system flexibility and alleviates low fire flow condition
- Provides available water supply for loss-of-power situations
- Maintains minimum state required pressure



System Pressures With Proposed EST



Projected Improved Pressures



Recommended Course of Action

Consider Recommendation of EST

Move into a Conceptual Design Phase

Evaluate impact of design	Choose site for improvements	Finalize best-fit technology	Design Improvements

Construction and Implementation

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RATE STUDY

Benchmarking the Current Rate Structure

City	Volumetric rates charged for all metered consumption?	Do larger meters pay a higher minimum charge?	Residential and non-residential rates differentiated?
Colleyville	No	No	No
Grapevine	No	Yes	Yes
Euless	Yes	Yes	Yes
Bedford	Yes	Yes	Yes*
NRH	No	Yes	Yes
Southlake	No	Yes	Yes
Keller	Yes	Yes	Yes*
Hurst	No	Yes	Yes
TRA Customers			* For Wastewater Only

Rate Study

- Recommendations
  - Remove first 2,000 gallons from base rate for water and wastewater over four year period
  - Increase minimum base monthly charge for water meters in excess of 1 ½” over a four year period
  - Increase base monthly charge for non-residential wastewater by $6.00 to be implemented in two $3.00 increments in 2016 and 2018

Recommendation 1

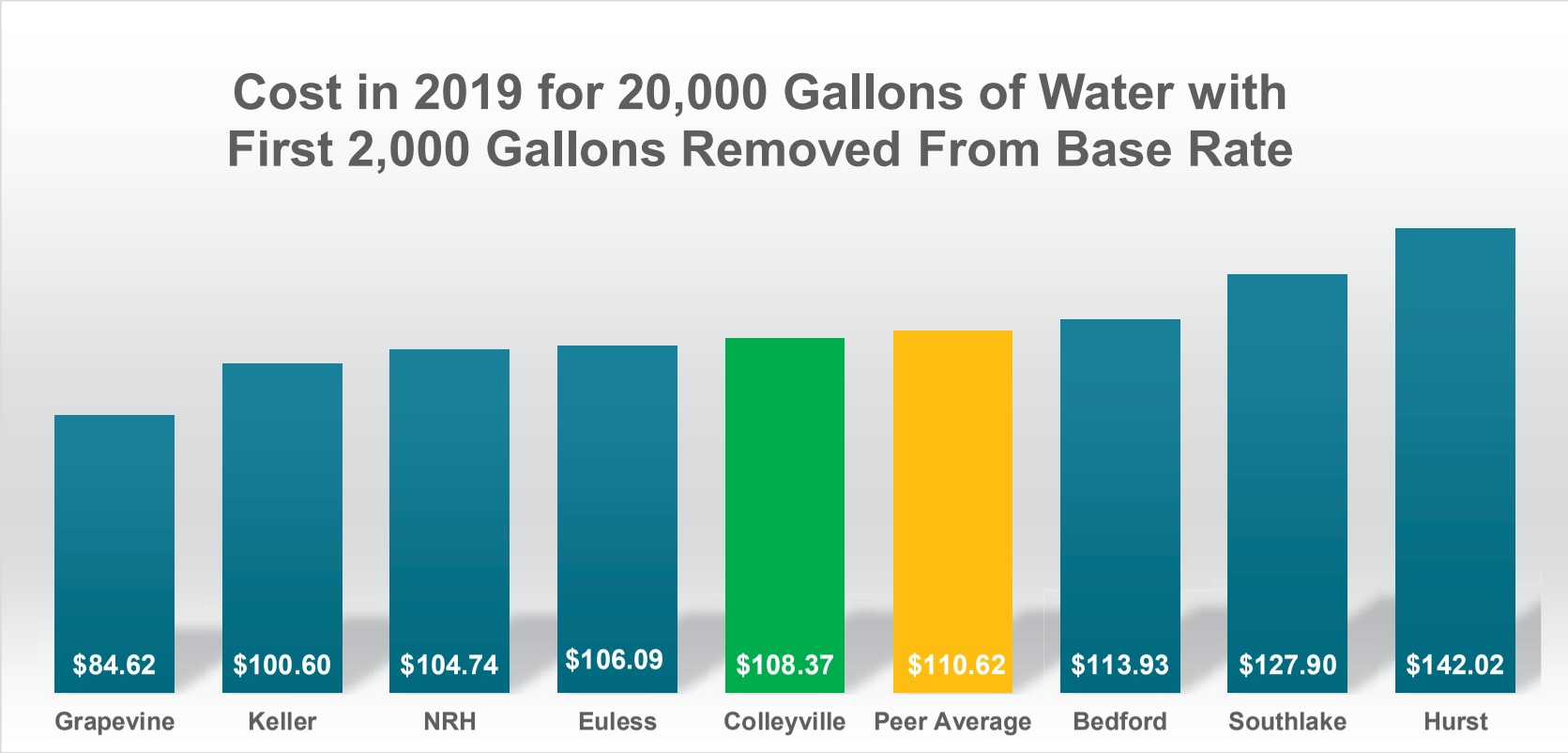
- Remove first 2,000 gallons from base rate for water and sewer over four year period
  - Impacts 100% (9,414) of water and wastewater customers
  - Assumes proposed TRA water rate increases of $0.88 per 1000 gallons over 5 years
  - Assumes proposed TRA wastewater rate increases of $0.79 per 1000 gallons over 5 years

Rate for 20,000 Gallons of Water for Meters Smaller than 1.5”

			Current		Proposed		
	TRA Projected Increase	Cost per 1000 gals	Base Rate	Cost per 20,000 Gallons with TRA Projected Rate Increase Only	Proposed New Base Rate	Cost per 20,000 gals with Removal of First 2,000 gals from Base Rate	Difference in Cost for 20,000 gals
2015		$ 4.12	$ 13.28	$ 87.44	$ 13.28	$ 87.44	$ 0.0
2016	$ 0.18	$ 4.30	$ 13.64	$ 91.04	$ 13.55	$ 93.10	$ 2.06
2017	$ 0.14	$ 4.44	$ 13.92	$ 93.84	$ 13.69	$ 98.05	$ 4.21
2018	$ 0.16	$ 4.60	$ 14.24	$ 97.04	$ 13.77	$ 103.47	$ 6.43
2019	$ 0.13	$ 4.73	$ 14.50	$ 99.64	$ 13.77	$ 108.37	$ 8.73

Current Colleyville Rate

Peer Cities Comparison



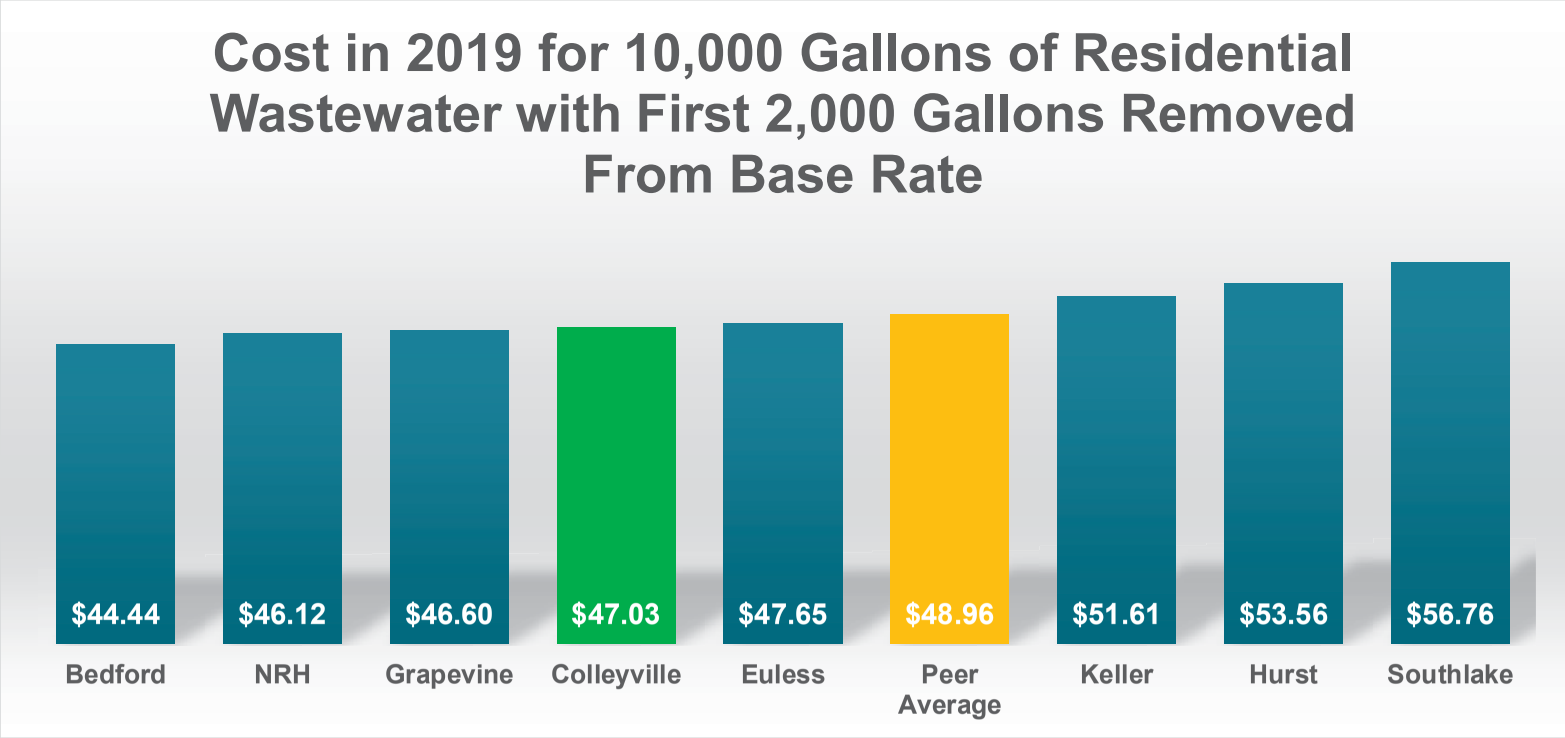
Assumes non-TRA cities increase rates proportionally to TRA increases
Currently Colleyville rate for 20,000 gals = $87.44

Residential Rate for 10,000 Gallons of Wastewater

	TRA Projected Increase	Cost per 1000 gals	Current		Proposed		
			Base Rate	Cost per 10,000 Gallons with TRA Projected Rate Increase Only	Proposed New Base Rate	Cost per 10,000 gals with Removal of First 2,000 gals from Base Rate	Difference in Cost for 10,000 gals
2015		$ 2.95	$ 10.16	$ 33.76	$ 10.16	$ 33.76	$ 0.0
2016	$ 0.19	$ 3.14	$ 10.54	$ 35.66	$ 10.45	$ 37.14	$ 1.48
2017	$ 0.20	$ 3.34	$ 10.94	$ 37.66	$ 10.65	$ 40.71	$ 3.04
2018	$ 0.16	$ 3.50	$ 11.26	$ 39.26	$ 10.73	$ 43.98	$ 4.72
2019	$ 0.13	$ 3.63	$ 11.52	$ 40.56	$ 10.73	$ 47.03	$ 6.47

Current Colleyville Rate

Peer Cities Comparison



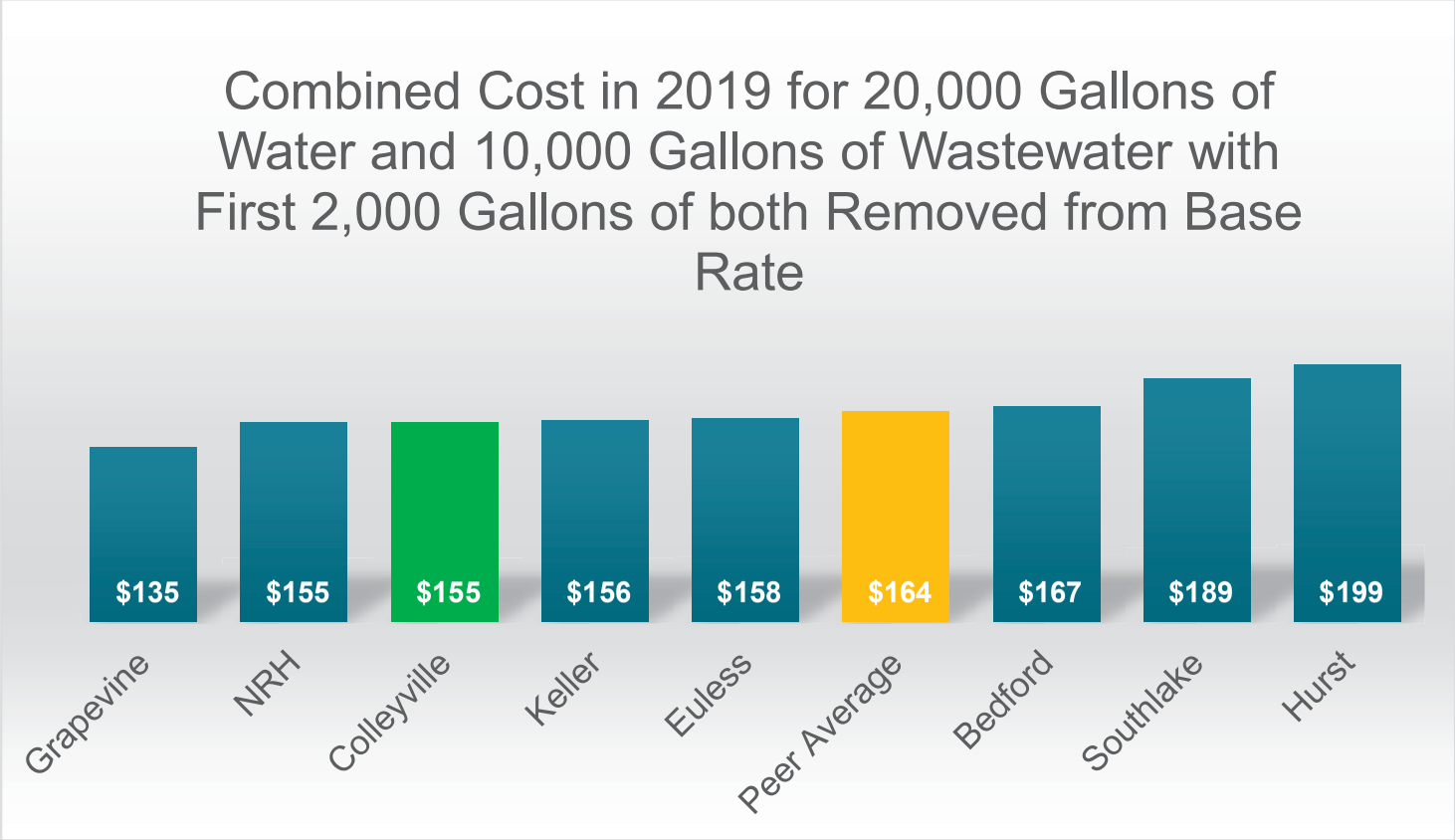
Assumes non-TRA cities increase rates proportionally to TRA increases
Currently Colleyville rate for 10,000 gals = $33.76

Residential Rate for 20,000 Gallons of Water and 10,000 Gallons of Wastewater

	Combined Rate With Projected TRA Increase Only	Combined Cost with Removal of First 2,000 gals from Base Rate	Difference in Combined Cost with Removal of First 2,000 Gallons from Base Rate
2015	$ 121.20	$ 121.20	$ 0.00
2016	$ 126.70	$ 130.24	$ 3.54
2017	$ 131.50	$ 138.76	$ 7.26
2018	$ 136.30	$ 147.45	$ 11.15
2019	$ 140.20	$ 155.40	$ 15.20

Current Colleyville Rate

Peer Cities Comparison



Assumes non-TRA cities increase rates proportionally to TRA increases
Currently Colleyville Combined Rate is $121.20

Recommendation 2

- Increase minimum base monthly charge for water meters in excess of 1 ½”
  - Impacts 3.7% (349) of customers
  - Implemented with equal annual adjustments over four year period

Proposed Base Rate for Meters Greater than 1.5”

Meter Size	Number of Meters	2015	2016	2017	2018	2019
<1.5” Meter	9065	$ 13.28	$ 13.55	$ 13.69	$ 13.77	$ 13.77
1.5” Meter	128	$ 13.28	$ 15.77	$ 18.26	$ 20.75	$ 23.24
2" Meter	207	$ 13.28	$ 20.29	$ 27.30	$ 34.30	$ 41.43
3" Meter	12	$ 13.28	$ 33.20	$ 53.11	$ 73.03	$ 92.95
4" Meter	2	$ 13.28	$ 51.27	$ 89.26	$ 127.25	$ 165.24

Currently all meter sizes pay the same base rate of $13.28 per month

Billing for Average Monthly Usage by Meter Size (Water Bill Only)

	Current Rate <1.5“ (20,000)*	Proposed Rate <1.5" (20,000)*	Current Rate 1.5“ (40,000)*	Proposed Rate 1.5" (40,000)*	Current Rate 2“ (50,000)*	Proposed Rate 2" (50,000)*	Current Rate 3“ (250,000)*	Proposed Rate 3" (250,000)*	Current Rate 4“ (500,000)*	Proposed Rate 4" (500,000)*
2015	$ 87.44	$ 87.44	$186.64	$186.64	$244.64	$ 244.64	$ 1,516.64	$ 1,516.64	$ 3,106.64	$ 3,106.64
2016	$ 91.04	$ 93.10	$193.84	$198.12	$253.64	$ 262.44	$ 1,561.64	$ 1,583.35	$ 3,196.64	$ 3,234.27
2017	$ 93.84	$ 98.05	$199.44	$208.22	$260.64	$ 278.46	$ 1,596.64	$ 1,640.27	$ 3,266.64	$ 3,341.98
2018	$ 97.84	$103.47	$205.84	$219.26	$268.64	$ 295.60	$ 1,636.64	$ 1,702.33	$ 3,346.64	$ 3,450.65
2019	$ 99.64	$108.37	$211.04	$229.24	$275.14	$ 311.53	$ 1,669.14	$ 1,757.05	$ 3,411.64	$ 3,562.38

(xx,xxx)* Denotes average monthly usage in gallons

Recommendation 3

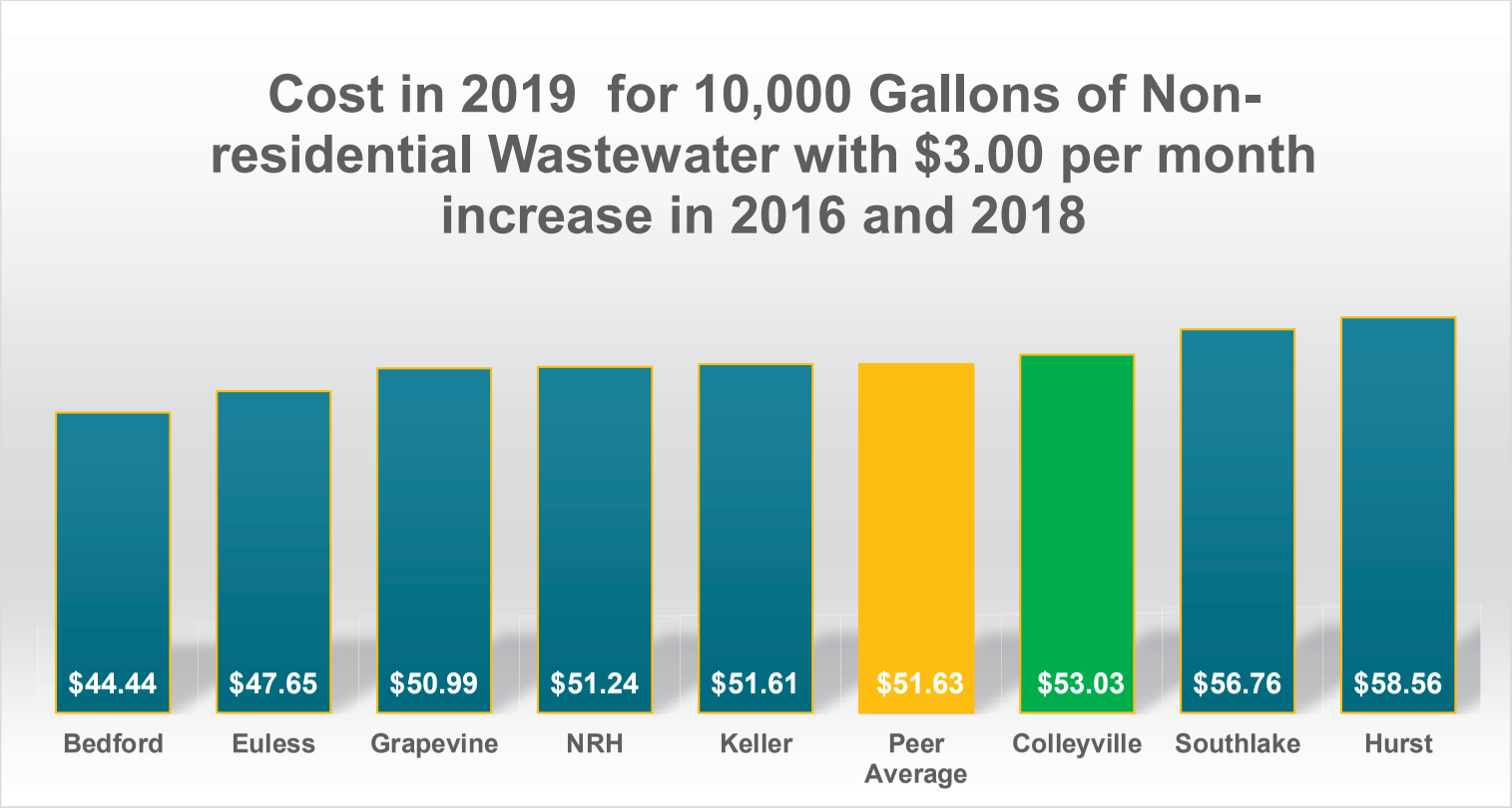
- Increase base monthly charge for non-residential wastewater by $6.00 to be implemented in two $3.00 increments in 2016 and 2018
  - Impacts 4.5% of customers (425)
  - Colleyville and all peer cities charge for wastewater based on year-round water usage for non-residential customers

Non-Residential Rate for 10,000 Gallons of Wastewater

	TRA Projected Increase	Cost per 1000 gals	Current		Proposed		
			Base Rate	Cost per 10,000 Gallons with TRA Projected Rate Increase Only	Proposed New Base Rate	Cost per 10,000 gals with Removal of First 2,000 gals from Base Rate	Difference in Cost for 10,000 gals
2015		$ 2.95	$ 10.16	$ 33.76	$ 10.16	$ 33.76	$ 0.0
2016	$ 0.19	$ 3.14	$ 10.54	$ 37.14	$ 13.45	$ 40.14	$ 3.00
2017	$ 0.20	$ 3.34	$ 10.94	$ 40.71	$ 13.65	$ 43.71	$ 3.00
2018	$ 0.16	$ 3.50	$ 11.26	$ 43.98	$ 16.73	$ 49.98	$ 6.00
2019	$ 0.13	$ 3.63	$ 11.52	$ 47.03	$ 16.73	$ 53.03	$ 6.00

Current Colleyville Rate

Peer Cities Comparison



Assumes non-TRA cities increase rates proportionally to TRA increases
Currently Colleyville rate for 10,000 gals = $33.76

Impacts of Implementing Recommendations

- Reduces dependency on water sales to adequately fund fixed costs
- More accurately reflects the true cost of service
- Provides revenue for identified CIP projects

Analysis of Fixed and Variable Components (2015)

	Water			Wastewater		
	Fixed	Variable	Total	Personnel	Variable	Total
Personnel	$ 1,511,113		$ 1,511,113	$ 188,411		$ 188,411
Operating	$ 710,828	$ 7,851,514	$ 8,562,342	$ 97,156	$ 1,741,331	$ 1,838,487
Capital	$ 200,000		$ 200,000	$ 50,000		$ 50,000
Debt Service	$ 490,100		$ 490,100			
Total Expenses	$ 2,912,041	$ 7,851,514	$ 10,763,555	$ 335,567	$ 1,741,331	$ 2,076,898
Current Fixed Cost Recovery (Water and Wastewater Combined)						41%
Combined Fixed Cost Recovery if recommendations are adopted (2019)						89%

Cash Flow Projection

(assumes proposed structure is implemented)

	2015	2016	2017	2018	2019
Gross Revenues from Water and Wastewater Sales	$ 14,184,706	$ 15,310,654	$ 16,347,649	$ 17,427,644	$ 17,427,644
O&M Expenses less Debt Service	$ 12,350,354	$ 13,017,620	$ 13,772,453	$ 14,467,465	$ 15,069,560
Debt Service	$ 490,100	$ 438,390	$ 431,880	$ 188,790	$ 0
1.2 X Debt Coverage Ratio	$ 588,120	$ 526,068	$ 518,256	$ 226,548	$ 0
Potentially Available for CIP Projects*	$ 1,246,232	$ 1,766,966	$ 2,056,940	$ 2,733,630	$ 3,363,784

* Only includes revenue from water and wastewater sales

Potential Revenue Available for Capital Projects from All Sources

	2015	2016	2017	2018	2019
Water and Wastewater Sales	$ 1,246,232	$ 1,766,966	$ 2,056,940	$ 2,733,630	$ 3,363,784
Impact Fees	$ 979,125	$ 979,126	$ 979,125	$ 979,125	$ 979,125
Yearly Total	$ 2,225,357	$ 2,746,095	$ 3,036,065	$ 3,712,755	$ 4,342,909
Five Year Total	$16,063,181*				

*Equates to 29% of funding needed for 20 year CIP ($55 million)

Next Steps

- If approved, prepare new ordinance to adopt the new rate structure
- Develop and execute a public information program to inform customers of the new rate structure and why it is necessary
- Implement new rate structure on December 1, 2015
- Review and update rate structure in five years (2019)

GARVER

QUESTIONS?

RESOLUTION R-15-3859

A RESOLUTION ADOPTING THE CITY OF COLLEYVILLE 2014 WATER AND WASTEWATER MASTER PLAN

WHEREAS, the health and safety of our citizens is an essential function of local government; and

WHEREAS, the delivery of clean water to our residents and businesses and the safe and efficient disposal of wastewater is critical to their health and well-being; and

WHEREAS, adequate and proper maintenance of the water distribution and wastewater collection systems are necessary to ensure uninterrupted delivery of service, and

WHEREAS, the City of Colleyville 2014 Water and Wastewater Master Plan includes a thorough evaluation of the condition of the existing water distribution and wastewater collection systems in the City of Colleyville; and

WHEREAS, the City of Colleyville 2014 Water and Wastewater Master Plan identifies forty-four (44) capital improvement projects which are needed over the next twenty (20) years to ensure reliability of the water distribution and wastewater collection systems.

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

Sec. 1. THAT the City of Colleyville 2014 Water and Wastewater Master Plan, a copy of which is located in the Office of the City Engineer, is hereby adopted.

Sec. 2. THAT the Capital Improvement Projects identified in the 2014
City of Colleyville Water and Wastewater Master Plan will be reviewed annually and considered for inclusion in a rolling Five Year Capital Improvement Plan (CIP) for the City of Colleyville.

AND IT SO RESOLVED.

APPROVED BY A VOTE OF 7 AYES, 0 NAYS, AND 0 ABSTENTIONS ON THIS 17TH DAY OF MARCH 2015.

ATTEST:

Amy Shelley, TRMC
City Secretary

CITY OF COLLEYVILLE

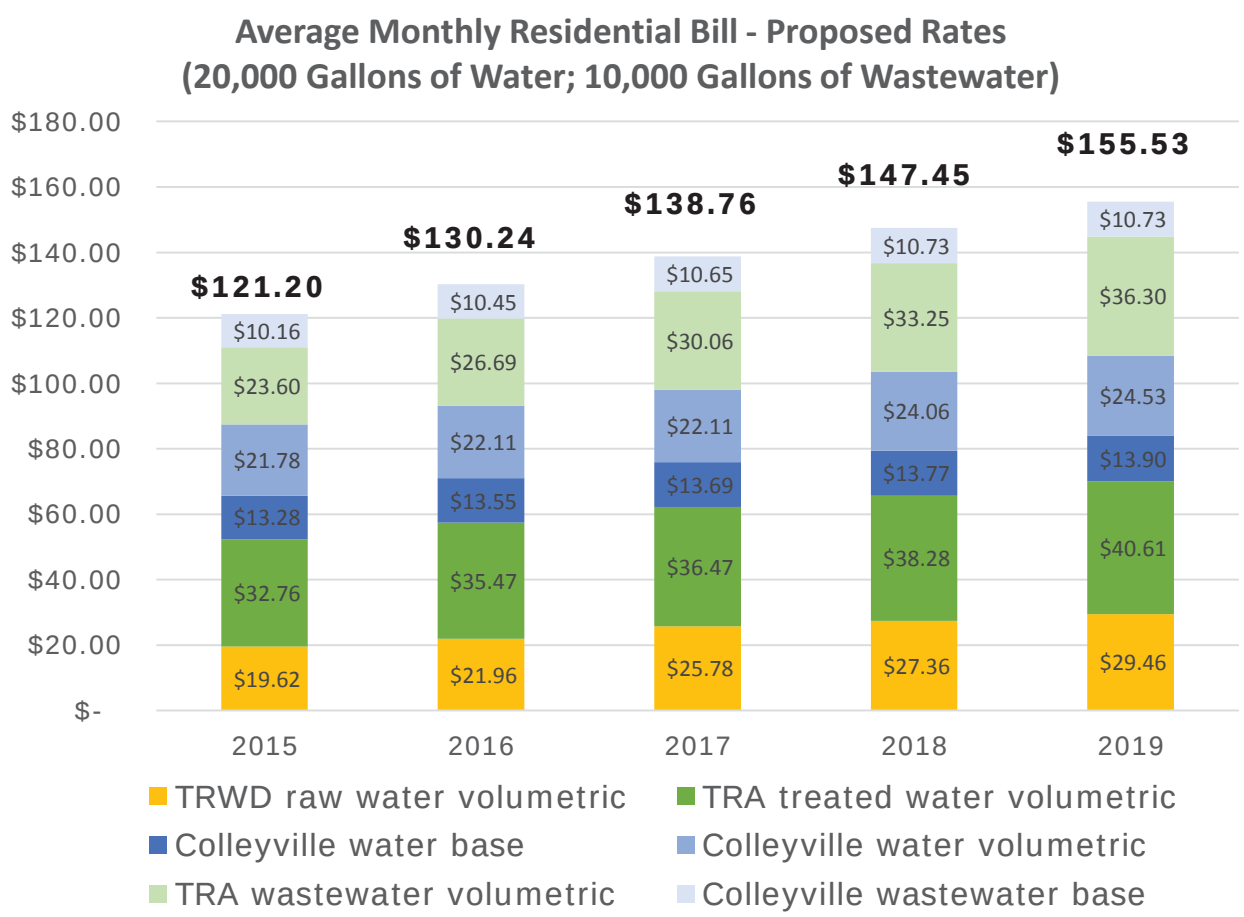
David Kelly
Mayor

Exhibit D

Effective Date	New TRA Projected Increase*	New TRWD Projected Increase*	Total Projected Increase	Previously Projected TRA Increase	% of Increase from TRA	% of Increase from TRWD
1-Dec-15	$0.09736	$0.09724	$0.19460	$0.18	50.00%	50.00%
1-Dec-16	$0.00191	$0.16966	$0.17157	$0.14	1.11%	98.89%
1-Dec-17	$0.04360	$0.04641	$0.09001	$0.16	48.44%	51.56%
1-Dec-18	$0.06753	$0.06971	$0.13724	$0.13	49.21%	50.79%
Total for 4 years	**$0.21040**	**$0.38302**	**$0.59342**	**$0.61**	**35.46%**	**64.54%**

*The New Projected Increases for both TRA and TRWD were provided by TRA on June 17, 2015, at the request of the City

Exhibit E



Notes:
- TRWD and TRA rates are based on projections provided to the city
- Volumetric charges are based on the amount of water used

Exhibit F

TARRANT REGIONAL WATER DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE—GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

REVENUES:	
Property taxes	$ 9,263,039
Lease rentals	1,314,725
Oil and gas royalties	24,518,478
Sale of Rock and Gravel	12,500
Investment income	367,655
Contributions	3,386,255
Other	311,573
Total revenues	39,174,225
EXPENDITURES:	
Current:	
General and administrative	9,043,006
Personnel services	4,821,935
Pension plan contribution	512,818
Contribution to Component Unit	18,434,944
Capital expenditures	39,365,013
Capital lease payment	277,377
Total expenditures	72,455,093
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(33,280,868)
CHANGE IN FUND BALANCE	(33,280,868)
FUND BALANCE—Beginning of year	148,953,824
FUND BALANCE—End of year	$ 115,672,956

The accompanying notes are an integral part of these financial statements.

TARRANT REGIONAL WATER DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION—ENTERPRISE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2014

OPERATING REVENUES:	
Sale of water	$ 121,710,988
Sale of system capacity	14,072,987
Land lease rentals	88,640
Other	942,094
Total operating revenues	136,814,709
OPERATING EXPENSES:	
General and administrative	27,693,314
Personnel services	11,136,074
Utilities	29,499,922
Depreciation and amortization	16,428,450
Pension plan contribution	1,223,685
Total operating expenses	85,981,445
OPERATING INCOME	50,833,264
NONOPERATING INCOME (EXPENSE):	
Investment income	1,598,019
Interest expense	(18,920,099)
Gain on disposal of capital assets	43,508
Total nonoperating income (expense)	(17,278,572)
NET INCOME	33,554,692
NET POSITION----Beginning of year	338,312,524
NET POSITION—End of year	$ 371,867,216

The accompanying notes are an integral part of these financial statements.

Exhibit G

Reconciliation of FY2014 Financial Statement to Customer Contract to Net $0

Operating revenues	136,814,709	
Less operating expenses	(85,981,445)	
Total Non-Operating Income	(17,278,572)	
Net Income per FY14 Financial Statement		33,554,692

Revenue Requirement Non-Income Statement Adjustments

Exepnditures included as part of the settleup but are not part of the Statement of Revenues, Expenses, and Changes in Net Position		
Principal Bond Payments	(30,310,000)	
Capitalized Interest Expense	(21,199,791)	
Bond Issuance paid with bond proceeds	3,694,052	
Total		(47,815,739)

Exepnditures not included as part of the settleup but are part of the Statement of Revenues, Expenses, and Changes in Net Position		
Depreciation	16,428,450	
Accruals	(2,167,403)	
Total		14,261,047
Net $0 in FY14		**(33,554,692)**

Source: Tarrant Regional Water District

ORDINANCE O-15-1960

AN ORDINANCE OF THE CITY OF COLLEYVILLE, TEXAS AMENDING SECTIONS 3A AND 3B OF THE WATER AND SEWER POLICY AND PROCEDURE MANUAL OF THE CITY OF COLLEYVILLE BY PHASING OUT THE WATER AND SEWERAGE USAGE INCLUDED IN THE BASE RATE OVER A FOUR YEAR PERIOD; BASING THE MINIMUM MONTHLY USE CHARGE FOR WATER ON WATER METER SIZE, AND INCREASING THE MINIMUM BASE RATE FOR SEWERAGE FOR NON-RESIDENTIAL CUSTOMERS BY $6.00 PER MONTH OVER A THREE YEAR PERIOD, AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council did authorize a water and wastewater rate study; and

WHEREAS, said rate study offered specific recommendations to provide for a financially viable Utility Fund without adding unnecessarily to the burden of the ad valorem tax payer; and

WHEREAS, all statutory and constitutional requirements for the passage of this Ordinance have been adhered to, including but not limited to the Open Meetings Act; and

WHEREAS, the City Council determines that the passage of this Ordinance is in the best interests of the health, safety and welfare of the public.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEYVILLE, TEXAS

Sec. 1. THAT all matters stated hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

Sec.2. THAT Sections 3A and 3B of the Water and Sewer Policy and Procedure Manual of Colleyville, Texas, which is “Appendix A” to Chapter 11 of the Colleyville Code be replaced in their entirety to read as follows:

Sec. A. – Water rates.

(1) For water meter sizes of less than 1.5 inches:

Effective December 1, 2015, the following water rates go into effect:	
Minimum per month charge for in-city customers	$13.55
Minimum per month charge for out-of-city customers	$17.55
Usage:	
1,501 gallons to 20,000 gallons	$4.30 per 1,000 gallons
20,001 gallons to 30,000 gallons	$4.86 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.42 per 1,000 gallons
40,001 gallons to 50,000 gallons	$5.98 per 1,000 gallons
Over 50,000 gallons	$6.54 per 1,000 gallons

Effective December 1, 2016, the following water rates go into effect:	
Minimum per month charge for in-city customers	$13.69
Minimum per month charge for out-of-city customers	$17.69
Usage:	
1,001 gallons to 20,000 gallons	$4.44 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.00 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.56 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.12 per 1,000 gallons
Over 50,000 gallons	$6.68 per 1,000 gallons

Effective December 1, 2017, the following water rates go into effect:	
Minimum per month charge for in-city customers	$13.77
Minimum per month charge for out-of-city customers	$17.77
Usage:	
501 gallons to 20,000 gallons	$4.60 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.16 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.72 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.28 per 1,000 gallons
Over 50,000 gallons	$6.84 per 1,000 gallons

Effective December 1, 2018, the following water rates go into effect:	
Minimum per month charge for in-city customers	$13.90
Minimum per month charge for out-of-city customers	$17.90
Usage:	
1 gallon to 20,000 gallons	$4.73 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.29 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.85 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.41 per 1,000 gallons
Over 50,000 gallons	$6.97 per 1,000 gallons

(2) For water meter sizes of 1.5 inches

Effective December 1, 2015, the following water rates go into effect:	
Minimum per month charge for in-city customers	$15.57
Minimum per month charge for out-of-city customers	$19.57
Usage:	
1,501 gallons to 20,000 gallons	$4.30 per 1,000 gallons
20,001 gallons to 30,000 gallons	$4.86 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.42 per 1,000 gallons
40,001 gallons to 50,000 gallons	$5.98 per 1,000 gallons
Over 50,000 gallons	$6.54 per 1,000 gallons

Effective December 1, 2016, the following water rates go into effect:	
Minimum per month charge for in-city customers	$18.26
Minimum per month charge for out-of-city customers	$22.26
Usage:	
1,001 gallons to 20,000 gallons	$4.44 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.00 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.56 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.12 per 1,000 gallons
Over 50,000 gallons	$6.68 per 1,000 gallons

Effective December 1, 2017, the following water rates go into effect:	
Minimum per month charge for in-city customers	$20.75
Minimum per month charge for out-of-city customers	$24.75
Usage:	
501 gallons to 20,000 gallons	$4.60 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.16 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.56 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.12 per 1,000 gallons
Over 50,000 gallons	$6.68 per 1,000 gallons

Effective December 1, 2018, the following water rates go into effect:	
Minimum per month charge for in-city customers	$23.24
Minimum per month charge for out-of-city customers	$27.24
Usage:	
1 gallon to 20,000 gallons	$4.73 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.29 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.85 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.25 per 1,000 gallons
Over 50,000 gallons	$6.97 per 1,000 gallons

(3) For water meter sizes of 2 inches

Effective December 1, 2015, the following water rates go into effect:	
Minimum per month charge for in-city customers	$20.29
Minimum per month charge for out-of-city customers	$24.29
Usage:	
1,501 gallons to 20,000 gallons	$4.30 per 1,000 gallons
20,001 gallons to 30,000 gallons	$4.86 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.42 per 1,000 gallons
40,001 gallons to 50,000 gallons	$5.98 per 1,000 gallons
Over 50,000 gallons	$6.54 per 1,000 gallons

Effective December 1, 2016, the following water rates go into effect:	
Minimum per month charge for in-city customers	$27.30
Minimum per month charge for out-of-city customers	$31.30
Usage:	
1,001 gallons to 20,000 gallons	$4.44 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.00 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.56 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.12 per 1,000 gallons
Over 50,000 gallons	$6.68 per 1,000 gallons

Effective December 1, 2017, the following water rates go into effect:	
Minimum per month charge for in-city customers	$34.30
Minimum per month charge for out-of-city customers	$38.30
Usage:	
501 gallons to 20,000 gallons	$4.60 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.16 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.72 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.12 per 1,000 gallons
Over 50,000 gallons	$6.84 per 1,000 gallons

Effective December 1, 2018, the following water rates go into effect:	
Minimum per month charge for in-city customers	$41.43
Minimum per month charge for out-of-city customers	$45.43
Usage:	
1 gallon to 20,000 gallons	$4.73 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.29 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.85 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.25 per 1,000 gallons
Over 50,000 gallons	$6.97 per 1,000 gallons

(4) For water meter sizes of 3 inches

Effective December 1, 2015, the following water rates go into effect:	
Minimum per month charge for in-city customers	$33.20
Minimum per month charge for out-of-city customers	$37.20
Usage:	
1,501 gallons to 20,000 gallons	$4.30 per 1,000 gallons
20,001 gallons to 30,000 gallons	$4.86 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.42 per 1,000 gallons
40,001 gallons to 50,000 gallons	$5.98 per 1,000 gallons
Over 50,000 gallons	$6.54 per 1,000 gallons

Effective December 1, 2016, the following water rates go into effect:	
Minimum per month charge for in-city customers	$53.11
Minimum per month charge for out-of-city customers	$57.11
Usage:	
1,001 gallons to 20,000 gallons	$4.44 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.00 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.56 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.12 per 1,000 gallons
Over 50,000 gallons	$6.68 per 1,000 gallons

Effective December 1, 2017, the following water rates go into effect:	
Minimum per month charge for in-city customers	$73.03
Minimum per month charge for out-of-city customers	$77.03
Usage:	
501 gallons to 20,000 gallons	$4.60 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.16 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.72 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.28 per 1,000 gallons
Over 50,000 gallons	$6.84 per 1,000 gallons

Effective December 1, 2018, the following water rates go into effect:	
Minimum per month charge for in-city customers	$92.95
Minimum per month charge for out-of-city customers	$17.90
Usage:	
1 gallon to 20,000 gallons	$4.73 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.29 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.85 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.25 per 1,000 gallons
Over 50,000 gallons	$6.97 per 1,000 gallons

(5) For water meter sizes of 4 inches

Effective December 1, 2015, the following water rates go into effect:	
Minimum per month charge for in-city customers	$51.27
Minimum per month charge for out-of-city customers	$55.27
Usage:	
1,501 gallons to 20,000 gallons	$4.30 per 1,000 gallons
20,001 gallons to 30,000 gallons	$4.86 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.42 per 1,000 gallons
40,001 gallons to 50,000 gallons	$5.98 per 1,000 gallons
Over 50,000 gallons	$6.54 per 1,000 gallons

Effective December 1, 2016, the following water rates go into effect:	
Minimum per month charge for in-city customers	$89.26
Minimum per month charge for out-of-city customers	$93.26
Usage:	
1,001 gallons to 20,000 gallons	$4.44 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.00 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.56 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.12 per 1,000 gallons
Over 50,000 gallons	$6.68 per 1,000 gallons

Effective December 1, 2017, the following water rates go into effect:	
Minimum per month charge for in-city customers	$127.25
Minimum per month charge for out-of-city customers	$131.25
Usage:	
501 gallons to 20,000 gallons	$4.60 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.16 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.72 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.12 per 1,000 gallons
Over 50,000 gallons	$6.84 per 1,000 gallons

Effective December 1, 2018, the following water rates go into effect:	
Minimum per month charge for in-city customers	$165.24
Minimum per month charge for out-of-city customers	$169.25
Usage:	
1 gallon to 20,000 gallons	$4.73 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.29 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.85 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.25 per 1,000 gallons
Over 50,000 gallons	$6.97 per 1,000 gallons

(6) Rates for fire hydrant meters:

The use of fire hydrant meters shall only be allowed within the Colleyville city limits. The use of the fire hydrant meters shall be limited to a period of no more than 90 cumulative calendar days. Under special conditions, a customer may submit a written request to the public works department for use of a fire hydrant meter for a period longer than 90 cumulative calendar days, subject to public works director approval. In considering special condition(s), the public works director shall not consider requests which are necessary to relieve a self-created or personal hardship, failure of performance by a contractor, nor for financial reasons. In considering the customer request, the public works director shall solicit the recommendation of the fire chief and fire marshal in consideration of the request. Further, the public works director shall consider alternative means available to the customer. If special condition(s) are approved by the public works director, in no case shall the meter be used for more than an

additional 30 calendar days. The public works director may provide a written ruling within 15 working days of receipt of the customer's written request.

In the event a request for special condition(s) is denied by the public works director, customer shall, within 14 calendar days, make written appeal to the city manager of the public works director's decision. The city manager shall render a written decision within 30 working days of receipt of the customer's appeal. Such decision by the city manager shall be final and not appealable to the city council.

For purposes of this section, written communication shall be considered communication, which is deposited with the United States Postal Service for delivery.

The user must submit in writing, the location of where the meter will be used and such meter shall be used exclusively at the location on record with the city. For purposes of this section, the use of a meter shall be allowed cumulatively for only one location within an individual subdivision and/or development.

For a period of 90 cumulative calendar days after a meter is returned and read by the city, a user shall not be permitted to check out another meter for use at the same designated location, as defined herein.

The minimum monthly bill for water usage for a fire hydrant meter shall be $50.00 for the first 2,000 gallons of water used each month and the tier five rate (over 50,000 gallons of usage) shall be charged for all usage in excess of 2,000 gallons. If the cost of water used during any month is less than $50.00; the minimum charge for that month shall be $50.00.

The customer shall be in possession of and responsible for the meter. The customer will be responsible for bringing the meter to the public works service center by the 20th of each month for reading. The customer is required to use a proper fire hydrant wrench for operation of the fire hydrant. The customer shall be responsible for any damage and repair, as reasonably determined by the city, to the fire hydrant or the fire hydrant meter by the use of a temporary water meter.

The customer will be required to provide for any backflow device necessary to meet the current city ordinance for protection of the city's drinking water supply.

The City of Colleyville, Tarrant County, and Texas Department of Transportation (TxDOT) shall be exempt from the provisions of this policy.

Sec. B. – Sewer rates.

(1) This schedule of rates per month or fraction thereof shall be the basis for determining charges to all customers for rendering sanitary sewage service, where the sewage produced by such customer is a normal strength wastewater (170 mg/l BOD and 260 mg/l suspended solids) and where such customer is located within the City of Colleyville.

A minimum monthly sewer charge shall be charged to all residential customers as follows:	
Effective December 1, 2015	$ 10.45
Effective December 1, 2016	$ 10.65
Effective December 1, 2017	$ 10.73
Effective December 1, 2018	$ 10.90

A minimum monthly sewer charge shall be charged to all non-residential customers as follows:	
Effective December 1, 2015	$ 13.45
Effective December 1, 2016	$ 13.65
Effective December 1, 2017	$ 16.73
Effective December 1, 2018	$ 16.90

(2) A monthly sewer volume charge shall also be charged to all customers as set forth hereinafter. The sewer volume charge for residential customers will be based upon the individual customer's average monthly water use during the months of December, January and February. Where no preceding winter quarter average is available from records, a volume of 7,000 gallons shall be used for this volume charge.

The monthly charges to commercial and industrial class customers will be based on total water use each month as measured by appropriate meters, with the provision that if a customer can show to the satisfaction of the public works director that a significant portion of the metered water usage does not enter the sanitary sewers, the customer will be charged for only that volume entering the sewers, as determined by a method approved by the director of public works.

Effective December 1, 2015	$ 3.14 per 1,000 gallons
Effective December 1, 2016	$ 3.34 per 1,000 gallons
Effective December 1, 2017	$ 3.50 per 1,000 gallons
Effective December 1, 2018	$ 3.63 per 1,000 gallons

Sec. 3. THAT the effective date of this Ordinance shall be December 1, 2015.

AND IT IS SO ORDERED.

The first reading and public hearing being conducted on the 16th day of June 2015.

The second reading and public hearing being conducted on the 7th day of July 2015.

PASSED AND APPROVED by the City Council of the City of Colleyville, Texas, on this the _____day of _____2015.

ATTEST: **CITY OF COLLEYVILLE**

Amy Shelly, TRMC
City Secretary

David Kelly
Mayor

APPROVED AS TO FORM AND LEGALITY:

Matthew C.G. Boyle
City Attorney