

**ORDINANCE NO. 040930-03**

**AN ORDINANCE APPROVING THE PROPOSED WATER TARIFF AND WATER RATES OF AQUA TEXAS AND REPEALING ORDINANCE NO. 001102-9.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

**PART 1. FINDINGS.**

The Council finds the following:

- (A) On May 12, 2004, Aqua Texas ("Aqua"), formerly AquaSource Utilities, Inc., filed with the Texas Commission on Environmental Quality ("TCEQ") an application for a water tariff and rate increase that would result in four regional statewide rates.
- (B) The effective date of the regional statewide rates was proposed to be implemented in four phases beginning July 13, 2004, July 13, 2005, July 13, 2006, and July 13, 2007.
- (C) Rivercrest Water System, Inc. ("Rivercrest") is owned by Aqua and provides retail water service to approximately 195 residential customers who reside within the city limits.
- (D) The City of Austin is the regulatory authority and has original jurisdiction to approve and set water rates for Aqua customers who reside within the city limits.
- (E) On May 12, 2004, Aqua filed with the City of Austin ("City") an application to change rates together with a proposed tariff to increase retail water rates for customers of Rivercrest who reside within the city limits. A copy of the proposed tariff is on file with Austin Water Utility.
- (F) The effective date of the Rivercrest rate increase was to be implemented in four phases beginning July 13, 2004, July 13, 2005, July 13, 2006, and July 13, 2007.
- (G) Aqua delivered a statement of intent to increase rates in accordance with Chapter 13 of the Texas Water Code to each Aqua ratepayer and to the City at least 30 days before the effective date of the proposed increase.

- (H) The application is a major change in rates and includes the information the City requires under Chapter 15-4 of the City Code.
- (I) Aqua has provided documentation that supports the costs and expenses shown in the application.
- (J) The proposed rates provide a reasonable return on invested capital used and useful in rendering service to the public over and above the utility's reasonable and necessary operating expenses.
- (K) The proposed rates will not yield more than a reasonable rate of return.
- (L) The proposed rates will preserve the financial integrity of the utility.
- (M) The proposed rates are just, reasonable, and in accordance with Chapter 13 of the Texas Water Code and Chapter 15-4 of the City Code.
- (N) The City did not receive a complaint from the lesser of 1,000 or 10 percent of the rate payers over whose rates the City has original jurisdiction within 60 days after July 13, 2004 and accordingly, is not required to set the Aqua rate request for a hearing.
- (O) The water rates charged by Aqua before July 13, 2004 were:

Monthly Meter Charges:

Meter Size	Current Rate
5/8" or 3/4"	\$ 26.50
1 inch	\$ 44.25
1-1/2 inch	\$ 88.25
2 inch	\$ 141.25
3 inch	\$ 265.00
4 inch	\$ 441.76
6 inch	\$ 883.25
8 inch	\$ 1,413.25
10 inch	\$ 2,031.76

Volumetric Rates: (\$/1,000)

1-20,000 gallons	\$2.31
Each additional 1,000 gallons	\$3.08

## Miscellaneous Fees

Tap Fee 5/8" or 3/4"	\$ 500.00
Tap Fee (Larger Meter)	Actual Cost
Reconnection Fee- Non Payment	\$ 25.00
Reconnection- Customers request	\$ 25.00
Transfer Fee	\$ 25.00
Late Charge	\$ 5.00
Returned Check Charge	\$ 25.00
Deposit- Residential	\$ 50.00
Commercial/Non-residential	\$ 1/6 of the estimated annual bill
Meter test fee	\$ 25.00
Service Relocation	Actual Cost
Standard Meter Installation	No Charge
Seasonal Reconnect	No Charge

**PART 2.** Under the regulatory authority of Chapter 13 of the Texas Water Code, the Council approves the proposed tariff and sets the rate schedule in Parts 3, 4, 5, and 6 of this ordinance for customers of Rivercrest who reside within the city limits of Austin.

**PART 3.** Effective July 13, 2004 the water rates for Aqua customers who reside within the city limits of Austin, Texas shall be:

### Monthly Meter Charges:

Meter Size	Proposed Rate
5/8" or 3/4"	\$ 30.21
1 inch	\$ 75.53
1-1/2 inch	\$ 151.05
2 inch	\$ 241.68
3 inch	\$ 453.15
4 inch	\$ 755.25
6 inch	\$ 1,510.50
8 inch	\$ 2,416.80
10 inch	\$ 3,474.15

### Volumetric Rates: (\$/1,000)

1-20,000 gallons	\$ 2.63
Each additional 1,000 gallons	\$ 3.51

### Miscellaneous Fees

Tap Fee 5/8" or 3/4"	\$ 500.00
Tap Fee (Larger Meter)	Actual Cost
Reconnection Fee- Non Payment	\$ 25.00
Reconnection- Customers request	\$ 45.00
Transfer Fee	\$ 45.00
Late Charge	\$ 5.00
Returned Check Charge	\$ 25.00
Deposit	\$ 50.00
Commercial/Non-residential	\$ 1/6 of the estimated annual bill
Meter test fee	\$ 25.00
Service Relocation	Actual Cost
Standard Meter Installation	\$ 150.00
Seasonal Reconnect	Base rate times months off system, not to exceed 6 months when customer leaves and returns within 12 months

**PART 4.** Effective July 13, 2005 the water rates for Aqua customers who reside within the city limits of Austin, Texas shall be:

#### Monthly Meter Charges:

Meter Size	Proposed Rate
5/8" or 3/4"	\$ 36.71
1 inch	\$ 91.76
1-1/2 inch	\$ 183.53
2 inch	\$ 293.64
3 inch	\$ 550.58
4 inch	\$ 917.63
6 inch	\$ 1,835.26
8 inch	\$ 2,936.41
10 inch	\$ 4,221.09

#### Volumetric Rates: (\$/1,000)

1-20,000 gallons	\$ 3.20
Each additional 1,000 gallons	\$ 4.27

### Miscellaneous Fees

Tap Fee 5/8" or 3/4"	\$ 500.00
Tap Fee (Larger Meter)	Actual Cost
Reconnection Fee- Non Payment	\$ 25.00
Reconnection- Customers request	\$ 45.00
Transfer Fee	\$ 45.00
Late Charge	\$ 5.00
Returned Check Charge	\$ 25.00
Deposit	\$ 50.00
Commercial/Non-residential	\$ 1/6 of the estimated annual bill
Meter test fee	\$ 25.00
Service Relocation	Actual Cost
Standard Meter Installation	\$ 150.00
Seasonal Reconnect	Base rate times months off system, not to exceed 6 months when customer leaves and returns within 12 months

**PART 5.** Effective July 13, 2006 the water rates for Aqua customers who reside within the city limits of Austin, Texas shall be:

### Monthly Meter Charges:

Meter Size	Proposed Rate
5/8" or 3/4"	\$ 42.28
1 inch	\$ 105.71
1-1/2 inch	\$ 211.42
2 inch	\$ 338.27
3 inch	\$ 634.26
4 inch	\$ 1,057.11
6 inch	\$ 2,114.22
8 inch	\$ 3,382.75
10 inch	\$ 4,862.70

### Volumetric Rates: (\$/1,000)

1-20,000 gallons	\$ 3.69
Each additional 1,000 gallons	\$ 4.91

### Miscellaneous Fees

Tap Fee 5/8" or 3/4"	\$ 500.00
Tap Fee (Larger Meter)	Actual Cost
Reconnection Fee- Non Payment	\$ 25.00
Reconnection- Customers request	\$ 45.00
Transfer Fee	\$ 45.00
Late Charge	\$ 5.00
Returned Check Charge	\$ 25.00
Deposit	\$ 50.00
Commercial/Non-residential	\$ 1/6 of the estimated annual bill
Meter test fee	\$ 25.00
Service Relocation	Actual Cost
Standard Meter Installation	\$ 150.00
Seasonal Reconnect	Base rate times months off system, not to exceed 6 months when customer leaves and returns within 12 months

**PART 6.** Effective July 13, 2007 the water rates for Aqua customers who reside within the city limits of Austin, Texas shall be:

Monthly Meter Charges:

Meter Size	Proposed Rate
5/8" or 3/4"	\$ 46.94
1 inch	\$ 117.34
1-1/2 inch	\$ 234.68
2 inch	\$ 375.48
3 inch	\$ 704.03
4 inch	\$ 1,173.39
6 inch	\$ 2,346.78
8 inch	\$ 3,754.85
10 inch	\$ 5,397.60

Volumetric Rates: (\$/1,000)

1-20,000 gallons	\$ 4.09
Each additional 1,000 gallons	\$ 5.46

### Miscellaneous Fees

Tap Fee 5/8" or 3/4"	\$ 500.00
Tap Fee (Larger Meter)	Actual Cost
Reconnection Fee- Non Payment	\$ 25.00
Reconnection- Customers request	\$ 45.00
Transfer Fee	\$ 45.00
Late Charge	\$ 5.00
Returned Check Charge	\$ 25.00
Deposit	\$ 50.00
Commercial/Non-residential	\$ 1/6 of the estimated annual bill
Meter test fee	\$ 25.00
Service Relocation	Actual Cost
Standard Meter Installation	\$ 150.00
Seasonal Reconnect	Base rate times months off system, not to exceed 6 months when customer leaves and returns within 12 months

**PART 7.** The Aqua rates in Parts 3, 4, 5, and 6 of this ordinance are approved.

**PART 8.** Aqua, at the time each rate step is implemented, shall file with the City Director of the Austin Water Utility a copy of rate change notices provided to Aqua customers, the TCEQ Executive Director, and any informational notices.

**PART 9.** Aqua shall notify Rivercrest customers by mail of this final rate ordinance within 30 days of the effective date of this ordinance.

**PART 10.** Ordinance No. 001102-9 is repealed.

**PART 11.** Aqua may not apply for another rate increase during the period of the phase-in rate intervals unless Aqua demonstrates a financial hardship or does not implement the next phase of the rate increase. Aqua must submit a new rate increase request with a complete cost of service analysis.

**PART 12.** If any provision, sentence, clause, or phrase of this ordinance is for any reason held to be invalid, the invalidity of any portion shall not affect the validity of the remaining portions of this ordinance.

**PART 13.** This ordinance takes effect on October 11, 2004.

**PASSED AND APPROVED**

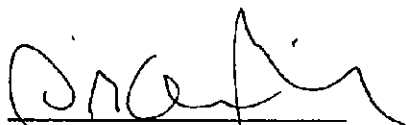
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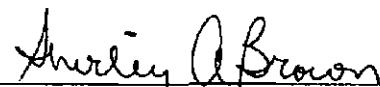
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Will Wynne  
Mayor

**APPROVED:**



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David Allan Smith  
City Attorney

**ATTEST:**



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Shirley A. Brown  
City Clerk