

WATER RATE ADJUSTMENT

The City of Princeton receives the entirety of its water supply from the North Texas Municipal Water District (NTMWD). Princeton is actually one of the fifteen charter members of the District. Since 2004 the NTMWD rate for wholesale water has increased by 90 percent. This is largely due to the dramatic population growth in the area served by the NTMWD. This dramatic growth has forced the District to make major capital investments to insure that the member and customer cities have an adequate water supply, even in drought conditions.

Even though there has been a 90 percent increase in wholesale water cost to the City over the past seven years, there has not been a water rate increase in Princeton until 2009. The City increased rates this past year by about 20 percent and increased rates again by about 20 percent in April, 2010. These rate increases were required to cover costs of wholesale water and major investments in water and sewer infrastructure in the city.

Recently the NTMWD advised Princeton and the other 14 member cities and 30 customer cities that the wholesale water rate would increase again on October 1, 2010, from \$1.25 per 1,000 gallons to \$1.37 per 1,000 gallons. The City's utility fund budget is very tight and the City cannot absorb this increase, which amounts to a total of approximately \$30,000 for the year.

Therefore, the City Council has approved (on August 28, 2010) a pass-through to retail customers of the \$0.12 per 1,000 gallons increase in cost. The average retail customer usage in the city is in the 5,000 – 6,000 gallon range. Thus, on average the customer's bill will increase by \$0.60 - \$0.72 monthly. A copy of the ordinance approving the rate adjustment can be found through the following link:

CITY OF PRINCETON, TEXAS
COUNTY OF COLLIN
STATE OF TEXAS

ORDINANCE NO. 2010-3-24

AN ORDINANCE OF THE CITY OF PRINCETON, TEXAS, AMENDING ORDINANCE NO. 2010-03-30-01 RELATIVE TO ESTABLISHING NEW WATER SERVICE CHARGES; REPEALING CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A PENALTY FOR VIOLATION THEREOF; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Princeton is a member of the North Texas Municipal Water District (NTMWD); and

WHEREAS, the NTMWD is a regional water supply source and the City of Princeton receives all of its water supply from the NTMWD; and

WHEREAS, the NTMWD is constructing major capital improvements to its facilities in an effort to insure adequate long term water supply to the region, including the City of Princeton; and

WHEREAS, the referenced capital improvements and continued increases in operating and maintenance costs are contributing to increased costs for providing wholesale treated water to its members and customers; and

WHEREAS, the NTMWD has advised its member cities, including the City of Princeton, that the wholesale treated water rate will be increased from \$1.25 per 1,000 gallons to \$1.37 per 1,000 gallons, beginning October 1, 2010; and

WHEREAS, the City Council of the City of Princeton has reviewed its proposed FY 2011 budget and has determined that the City cannot absorb the additional increase in water purchase cost and must pass through that cost to its customers; now therefore

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

Section 1. WATER RATES.

From and after the first utility billing in October, 2010, the water rates for each monthly period charged by the city shall be as follows:

A. MONTHLY MINIMUM CHARGE (Inside city limits)

The minimum monthly charges shall be based on the meter size and shall be billed at the following rates and shall include the cost of the first 1,000 gallons.

METER SIZE	MONTHLY MINIMUM CHARGE
¾ inch	\$ 18.12
1 inch	\$ 21.48
1 ½ inch	\$ 25.80
2 inch	\$ 37.80
3 inch	\$ 120.48
4 inch	\$ 153.36
6 inch	\$ 229.92
8 inch	\$ 317.52

B. RATES PER 1,000 GALLONS CONSUMED (Inside city limits)

For consumption above the 1,000 gallons of water included in the monthly minimum charge, charges shall be made in accordance with the following rate table:

WATER CONSUMED	RATE PER 1,000 GALLON
0 to 1,000 Gallons	Base charge as figured in Sec. 1.A
1,001 to 5,000 Gallons	\$4.08 per 1,000
5,001 Gallons and above	\$6.17 per 1,000

C. RATES PER 1,000 GALLONS CONSUMED (Outside city limits)

The minimum monthly charges for customers outside the city limits shall be based on the meter size and shall be billed at the following rates and shall include the cost of the first 1,000 gallons.

METER SIZE	MONTHLY MINIMUM CHARGE
¾ inch	\$ 27.12
1 inch	\$ 32.16
1 ½ inch	\$ 38.64
2 inch	\$ 56.52
3 inch	\$ 180.66
4 inch	\$ 229.98
6 inch	\$ 334.82
8 inch	\$ 476.22

Water service rates for customers outside the city limits shall be billed at 1.5 times the rate billed to costumers within the city limits. Those customers outside the city for which formal service contracts are provided shall be billed as specified in the contract.

D. RATES PER 1,000 GALLONS CONSUMED (Outside city limits)

For consumption above the 1,000 gallons of water included in the monthly minimum charge, charges shall be made in accordance with the following rate table:

WATER CONSUMED	RATE PER 1,000 GALLON
0 to 1,000 Gallons	Base charge as figured in Sec. 1.C
1,001 to 5,000 Gallons	\$6.06 per 1,000
5,001 Gallons and above	\$9.20 per 1,000

E. IRRIGATION ACCOUNTS:

Water service rates for these accounts shall follow the above rate tables, corresponding with their inside or outside city limits status.

F. COMMERCIAL/INDUSTRIAL/GOVERNMENTAL ACCOUNTS:

Water service rates for these accounts shall follow the above rate tables, corresponding with their inside or outside city limits status.

G. FIRE SUPPRESSION SYSTEMS:

Meters placed for the specific purpose of maintaining a Fire Suppression System will hold a \$30.00 per month minimum rate and shall include the cost of the first 1,000 gallons. Consumption above the base charge will be calculated at the applicable rates shown in Section 1 (B).

Section 2. ADJUSTMENTS

If a leak occurs on customer side of meter, an adjustment can be made in order to minimize the financial impact on customers. The adjustment will be based on the previous six months, averaged. One adjustment per customer per year will be allowed. To receive an adjustment a customer must fill out a leak adjustment request form. (See Exhibit A)

Section 3. WATER SERVICE NEW CONNECTIONS:

Customer service connection fee shall be \$50.00. The water service deposit shall be \$150.00. The total of \$200.00 is due upon connection of service. Upon request for discontinuance of service and after final and full billing any remaining service deposit will be refunded.

Section 4. WATER SERVICE LATE FEE:

After the 10th day of the month a past due amount of ten percent (10%) or a minimum of \$10.00 will accrue.

Section 5. WATER RECONNECTION FEE;

Non-payment of utility billing after the 20th of the month will require service to be disconnected. Service will be reconnected after the following fees have been paid.

- a. During regular business hours the fee is \$40.00
- b. During non-business hours the fee is \$80.00

Section 6. CONFLICTS

Any and all Ordinances or portions thereof, in conflict with the provisions of this ordinance are hereby repealed and superseded to the extent of such conflict.

Section 7. SEVERABILITY

If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or in the application thereof to any person or circumstance, is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of the Ordinance, and the City Council hereby declares it would have passed such remaining portions of the Ordinance despite such invalidity, which remaining portions shall remain in full force and effect and to this end the portions of this Ordinance are hereby declared to be severable.

Section 8. PENALTY

- a. It shall be unlawful for any person, firm or corporation to do or perform any act prohibited by this Ordinance. It shall be unlawful for any such person, firm or corporation to fail to do any act required by this Ordinance.
- b. Any person, firm or corporation who violates any of the provisions of this Ordinance shall be guilty of a misdemeanor and upon conviction thereof, in a court of jurisdiction, shall be assessed a fine in any amount not to exceed two hundred dollars (\$500.00), and shall be assessed such additional, lawful costs as may be required or allowed. Each and every day the same shall continue shall constitute a separate and distinct offense.

Section 9. PUBLICATION

The caption of this Ordinance shall be published one (1) time in the official newspaper for such publication of the City of Princeton.

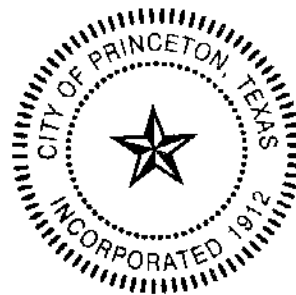
Section 10. EFFECTIVE DATE

- A. This Ordinance shall be effective upon its passage by the City Council and publication as required by law.
- B. It is the intention of the Princeton City Council that the rates for water service established by this Ordinance shall be in effect and charged for water used based on the October, 2010 meter reading cycle and that these new rates shall be reflected on the bills for water service normally mailed to customers on or about October 25, 2010 and on all subsequent bills for water service prepared and mailed to customers until such time as the rates set forth herein are amended or changed. All calculations for water service received for the October, 2010 billing cycle, and for all subsequent billing cycles until such time as the rates set forth herein are amended or changed, shall be based on the fees or rates for water service established by this Ordinance.

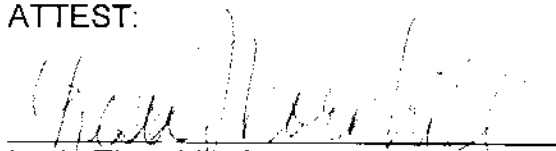
PASSED BY THE CITY COUNCIL OF THE CITY OF PRINCETON, TEXAS,
THIS 24th DAY OF AUGUST, 2010.

APPROVED:


Kenneth Bowers, Mayor



ATTEST:


Lesia Thornhill, City Secretary