

**ORDINANCE NO. 17-0518**

**AN ORDINANCE OF THE CITY OF WILMER, TEXAS AMENDING THE CODE OF ORDINANCES BY AMENDING ARTICLE 13.03 “WATER AND SEWER”, SECTION 13.03.003 “RATES AND CHARGES”; PROVIDING FOR A PENALTY CLAUSE; REPEALING CONFLICTING ORDINANCES; PROVIDING FOR AN EFFECTIVE DATE; AND PROVIDING FOR THE PUBLICATION OF THE CAPTION HEREOF:**

WHEREAS, the City of Wilmer has established charges for water and sewer rates in Chapter 13 of the Code of Ordinances; and

WHEREAS, the City purchases water from the City of Hutchins and they have increased the Wilmer’s wholesale water rate twenty five percent (25%); and

WHEREAS, the City Council of the City of Wilmer, Texas, has determined that Sections 13.03.003(a)(2) and 13.03.003(b)(2) of the Code of Ordinances should be amended to accommodate for this increase in wholesale water rates.

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

**Section 1. Water Rates**

That Chapter 13, Section 13.03.003 (a) (2) of the Code of Ordinances (Water Rates) be repealed and replaced to read as follows:

“...  
”

(2) Water usage in excess of two thousand (2,000) gallons shall be charged and collected at the following rate per one thousand (1,000) gallons:

Residential Water	Rate
2,001 - 5,000 gallons	\$6.91
5,001 - 10,000 gallons	\$7.61
10,001 - 100,000 gallons	\$7.98
Over 100,000 gallons	\$8.64

Apartment Water	Rate
2,001 - 5,000 gallons	\$7.61
5,001 - 10,000 gallons	\$8.64
10,001 - 100,000 gallons	\$9.00
Over 100,000 gallons	\$9.69

Commercial Water	Rate
2,001 – 5,000 gallons	\$7.61
5,001 - 10,000 gallons	\$8.64
10,001 - 100,000 gallons	\$9.00
Over 100,000 gallons	\$9.69

Mobile Homes Water	Rate
2,001 - 5,000 gallons	\$6.91
5,001 - 10,000 gallons	\$7.61
10,001 - 100,000 gallons	\$7.98
Over 100,000 gallons	\$8.64

...”

**Section 2**

Out-of-City Charges. The above rates for Water and/or Sewer customers outside the city limit receiving water from the city shall be effective the first billing period at least thirty-five (35) days following the date of this ordinance.

**Section 3.**

That all ordinances of the City of Wilmer in conflict with this ordinance are hereby expressly repealed insofar as the same are in conflict therewith.

**Section 4.**

Each word, phrase, paragraph and section of this ordinance is hereby declared to be an individual section or provision, and the holding of any word, phrase, paragraph or section to be void, ineffective or unconstitutional, for any cause whatsoever, shall not be deemed to affect any other word, phrase, paragraph or section to circumstances for facts not connected with such holding.

**Section 5.**

Any ordinance, firm or corporation violating any of the provisions of this ordinance or of the Code of Ordinances, as amended hereby, shall be deemed guilty of a misdemeanor and, upon conviction in the Municipal Court of the City of Wilmer, Texas, shall be punished by a fine not to exceed the sum of five hundred (\$500.00) dollars for each offense, and each and every day any such violation shall continue shall be deemed to constitute a separate offense.

**Section 6.**

This ordinance shall be in full force and affect for in-city customers after its passage and publication as required by law and beginning with the first cycle billed after May 31, 2017.

DULY PASSED by the City Council of the City of Wilmer, Texas, on the   1<sup>st</sup>   day of June, 2017.



APPROVED:

Approved by Operation of Law under Texas Local Government Code Section 52.003 and after reconsideration by the City Council with an affirmative vote of 5-0.

\_\_\_\_\_  
Casey Burgess, Mayor

ATTEST:

  
\_\_\_\_\_  
City Secretary

**dwheat@cityofwilmer.net**

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**From:** CBurgess@cityofwilmer.net  
**Sent:** Monday, May 22, 2017 9:04 AM  
**To:** dwheat@cityofwilmer.net  
**Subject:** Water rate ordinance

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

This is notice that I am exercising my authority as mayor under Texas Local Government Code Sec. 52.003 and vetoing Ordinance No. 17-0518.

I object to a 25 percent increase in water rates for our customers. Water rates have already increased by approximately 40 percent over the past year. City council should be more considerate of our citizens and attempt to come up with creative ways to generate revenue and cut expenses without bleeding our citizens dry.

Casey Burgess  
Mayor  
City of Wilmer  
128 North Dallas Avenue  
Wilmer, Texas 75172  
214-406-5726

Sent from my iPad

## TITLE 2. ORGANIZATION OF MUNICIPAL GOVERNMENT

## SUBTITLE D. GENERAL POWERS OF MUNICIPALITIES

## CHAPTER 52. ADOPTION OF MUNICIPAL ORDINANCES

SUBCHAPTER A. GENERAL PROVISIONS APPLICABLE TO TYPE A GENERAL-LAW  
MUNICIPALITIES

Sec. 52.001. SUBCHAPTER APPLICABLE TO TYPE A GENERAL-LAW MUNICIPALITY. This subchapter applies only to a Type A general-law municipality.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 52.002. STYLE. (a) The style of an ordinance of the municipality must be: "Be it ordained by the \_\_\_\_\_ (insert the name by which the governing body of the municipality is known, such as city council, board of aldermen, or city commission) of the \_\_\_\_\_ (insert the type of entity that the municipality is known as, such as city, town, or village) of (insert the name of the municipality)."

(b) The style may be omitted when the ordinance is published in a book or pamphlet.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 2001, 77th Leg., ch. 402, Sec. 7, eff. Sept. 1, 2001.

Sec. 52.003. APPROVAL BY MAYOR AND RELATED CONDITIONS FOR ORDINANCE TO TAKE EFFECT. (a) Before an ordinance or resolution adopted by the governing body of the municipality may take effect, the ordinance or resolution must be placed in the office of the secretary of the municipality. The mayor shall sign the ordinances and resolutions that the mayor approves.

(b) If the mayor does not sign an ordinance or resolution before the fourth day after the date it is placed in the secretary's office and does not return the ordinance or resolution under Subsection (c), the ordinance or resolution takes effect as provided by law.

(c) If the mayor returns an ordinance or resolution to the governing body with a statement of objections before the fourth day after the date the ordinance or resolution is placed in the secretary's office, the

governing body shall, on the return, reconsider the vote by which the ordinance or resolution was adopted. If a majority of the total number of members of the governing body, excluding the mayor, approve the ordinance or resolution on reconsideration and enter the votes in the journal of the governing body's proceedings, the ordinance or resolution may take effect.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

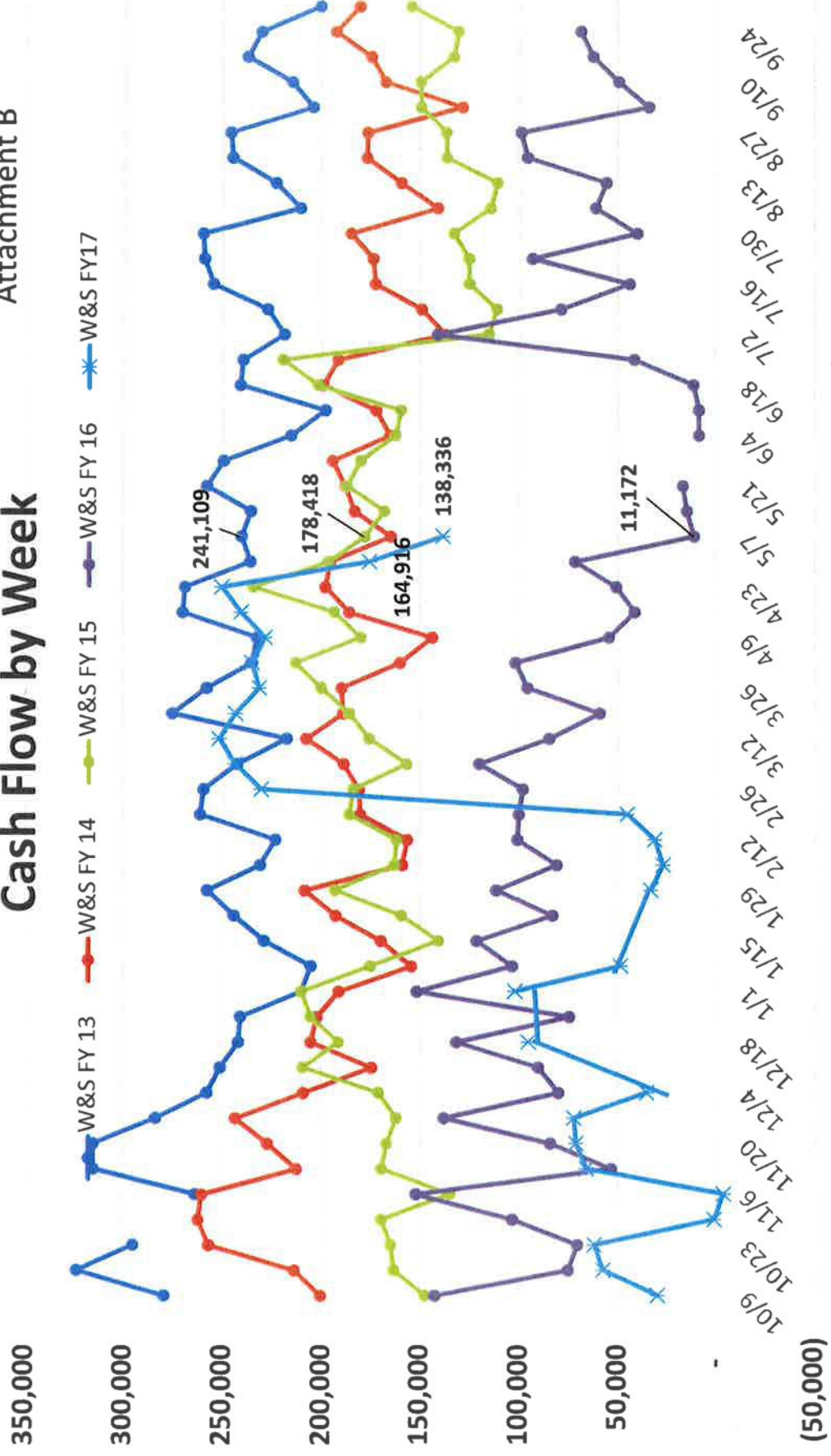
## ATTACHMENT A

**Table 1.1**  
**Financial Forecast - Bottom Line**

Fiscal Year	Debt Service Payments	Percentage Increase In Revenues Required	Sources		Operating Reserves	Days of Expenditures	
			Minus Uses of Funds	Funds		Target	90 Days
2012	23,654	N/A	43,549		320,120		126
2013	26,927	N/A	(119,119)		332,937		116
2014	-	8.00%	(23,491)		309,446		109
2015	-	5.00%	123,284		432,730		167
2016	125,000	2.00%	(8,342)		424,388		141
2017	125,000	4.00%	5,501		429,890		140
2018	125,000	9.00%	74,445		504,335		160
2019	125,000	9.00%	151,318		655,653		203
2020	125,000	9.00%	236,886		892,538		269
2021	125,000	9.00%	331,983		1,224,522		360
2022	125,000	-	299,638		1,524,160		436
2023	125,000	-	266,322		1,790,481		499

# Water & Sewer Fund Cash Flow by Week

Attachment B



**ATTACHMENT C**

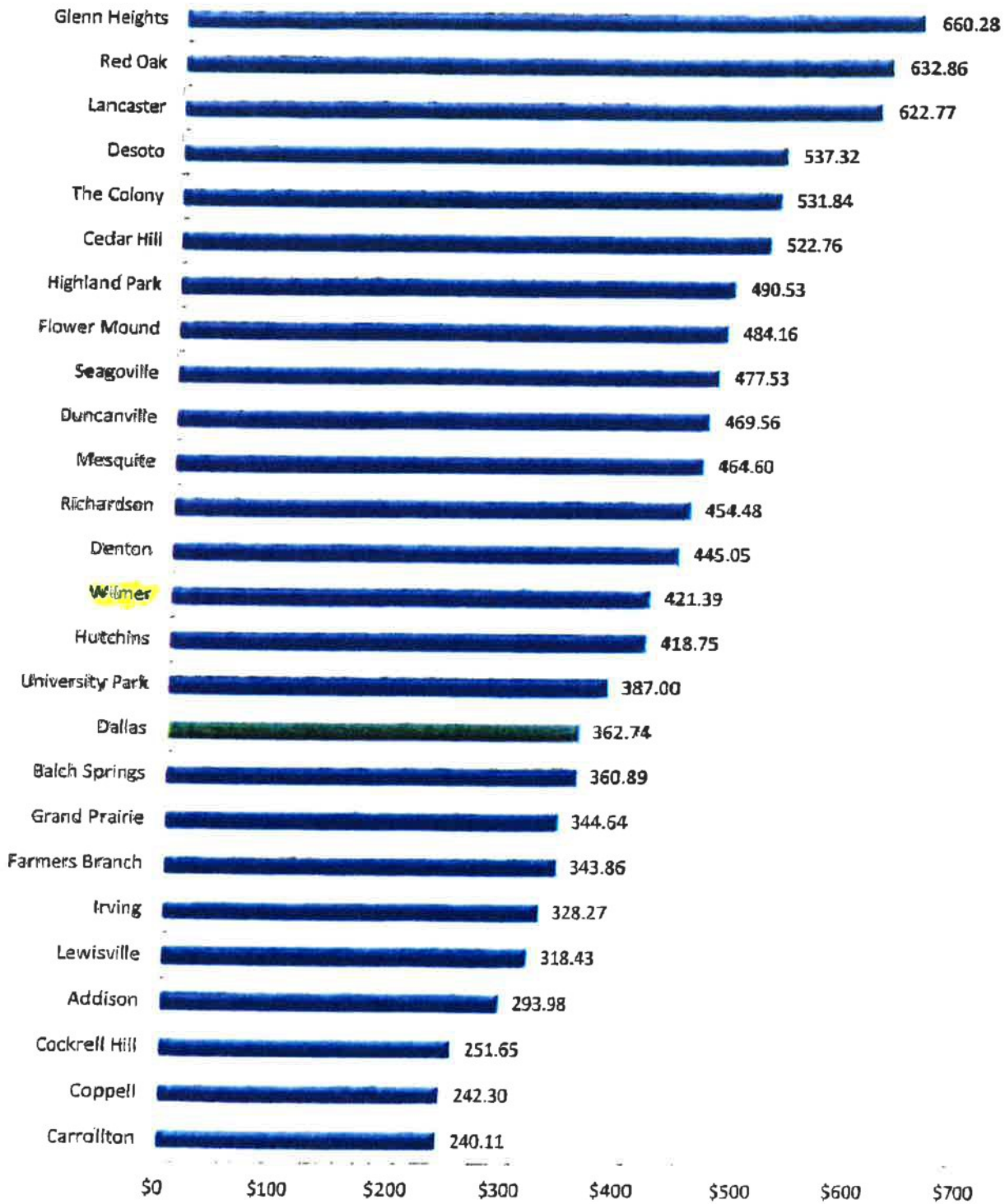
**Residential Water Rates**

Current Rate	Proposed Rate	Volume	At Current Rate	At Proposed Rate	Inc/Dec	% Increase
		0-2,000	\$ 12.00	\$ 12.00	\$ -	
\$ 5.53	\$6.91	3,000	\$ 17.53	\$ 18.91	\$ 1.38	7.9%
\$ 5.53	\$6.91	4,000	\$ 23.06	\$ 25.83	\$ 2.77	12.0%
\$ 5.53	\$6.91	5,000	\$ 28.59	\$ 32.74	\$ 4.15	14.5%
\$ 6.09	7.61	6,000	\$ 34.68	\$ 40.35	\$ 5.67	16.3%
\$ 6.09	7.61	7,000	\$ 40.77	\$ 47.96	\$ 7.19	17.6%
\$ 6.09	7.61	8,000	\$ 46.86	\$ 55.58	\$ 8.71	18.6%
\$ 6.09	7.61	9,000	\$ 52.95	\$ 63.19	\$ 10.24	19.3%
\$ 6.09	7.61	10,000	\$ 59.04	\$ 70.80	\$ 11.76	19.9%
\$ 6.38	\$7.98	11,000	\$ 65.42	\$78.78	\$ 13.36	20.4%
\$ 6.38	\$7.98	15,000	\$ 90.94	\$ 110.70	\$ 19.76	21.7%
\$ 6.38	\$7.98	20,000	\$ 122.84	\$ 150.60	\$ 27.76	22.6%
\$ 6.38	7.98	100,000	\$ 633.24	\$ 789.00	\$ 155.76	24.6%
\$ 6.91	8.64	120,000	\$ 771.44	\$ 961.80	\$ 190.36	24.7%

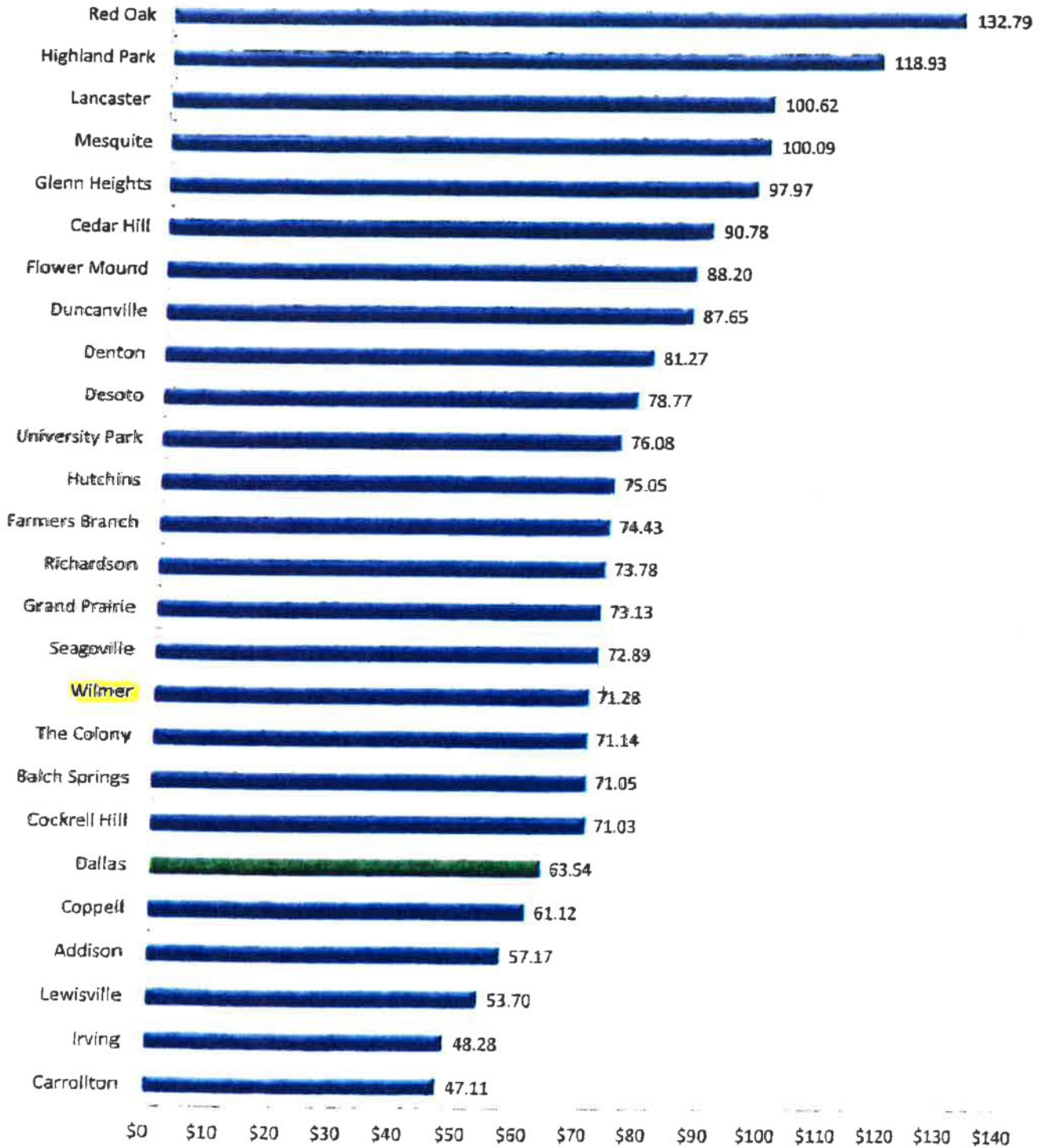
**Commercial Water Rates**

Current Rate	Proposed Rate	Volume	At Current Rate	At Proposed Rate	Inc/Dec	% Increase
		0-2,000	\$ 17.00	\$ 17.00	0.00	
\$ 6.09	\$ 7.61	5,000	\$ 35.27	\$ 39.83	4.56	12.9%
\$ 6.91	\$ 8.64	6,000	\$ 42.18	\$ 48.47	6.29	14.9%
\$ 6.91	\$ 8.64	7,000	\$ 49.09	\$ 57.11	8.02	16.3%
\$ 6.91	\$ 8.64	8,000	\$ 56.00	\$ 65.74	9.74	17.4%
\$ 6.91	\$ 8.64	9,000	\$ 62.91	\$ 74.38	11.47	18.2%
\$ 6.91	\$ 8.64	10,000	\$ 69.82	\$ 83.02	13.20	18.9%
\$ 7.20	\$ 9.00	11,000	\$ 77.02	\$ 92.02	15.00	19.5%
\$ 7.20	\$ 9.00	15,000	\$ 105.82	\$ 128.02	22.20	21.0%
\$ 7.20	\$ 9.00	20,000	\$ 141.82	\$ 173.02	31.20	22.0%
\$ 7.20	\$ 9.00	50,000	\$ 357.82	\$ 443.02	85.20	23.8%
\$ 7.20	\$ 9.00	100,000	\$ 717.82	\$ 893.02	175.20	24.4%
\$ 7.75	\$ 9.69	125,000	\$ 911.57	\$ 1,135.27	223.70	24.5%
\$ 7.75	\$ 9.69	150,000	\$ 1,105.32	\$ 1,377.52	272.20	24.6%
\$ 7.75	\$ 9.69	200,000	\$ 1,492.82	\$ 1,862.02	369.20	24.7%

**Average Monthly Water & Wastewater Commercial Bills**  
**Dallas Rates Compared to Customer Cities**  
 (Based on 2" Meter; 40,000 Gallons/Month)



**Average Monthly Water & Wastewater Residential Bills  
Dallas Rates Compared to Customer Cities**  
(Based on 5/8" Meter; 8300 Gallons/Month; 5,500 Gallons Winter Month Average)



**WILMER CITY COUNCIL**  
Agenda Communication  
May 18, 2017

AGENDA ITEM

7

**Discuss and Consider Ordinance 17-0518 Adjusting Water Rates to Compensate for a 25% Wholesale Water Rate Increase.**

**Issue/Problem**

In October 2015, the City of Hutchins increased the wholesale water rates to Wilmer by approximately 18%. April 1, 2017 the City of Hutchins increased the wholesale water rate to Wilmer twenty-five percent (25%). The City needs to pass that cost on to its customers as the Water and Sewer Fund is critically low on funds.

**Background**

Since the Water and Sewer Fund is a proprietary fund, it is important that it be able to financially meet all its current and future obligations, including debt coverage, health and safety requirements, and maintenance of infrastructure. In addition, the future growth of the City is dependent on these utilities being able to provide services to prospective new residences and businesses. To this end, the Council on June 1, 2013 authorized a rate analysis by McLain Decision Support Systems. Based on this analysis, water and sewer rates were adjusted January 1, 2015. This analysis recommended a slight increase annually through 2021 (Attachment A). In order to sustain the Water and Sewer Fund and move towards a 90 day fund balance goal, the fund needed to have an 8.0% and a 5.0% increase in 2014 and 2015, respectively. It was not until three months into the 2015 fiscal year (January 1, 2015) that water and sewer rates were increased approximately 8.0%. What was not predicted was an approximate 17% - 18% increase on October 1, 2015 by Hutchins, which is what Dallas Water Utilities (DWU) increase was to Hutchins. (*The DWU volumetric rate increased 27.3% and the demand rate increased 9.0%*). The October DWU increase to Hutchins was 2.6% on the volumetric rate and an increase of 7.6% on the demand rate. Hutchins increase to Wilmer was 25% effective with the bill April 1, 2017.



The large increases in purchased water cost has created critical financial problem for the Water and Sewer Fund. In recent months there have been several indications that the water and sewer utilities are not able to meet its obligations (Attachment B).

## **Considerations**

### Operational Considerations

- Cost of services need to be properly identified for water and wastewater utility systems.
- Customer rates need to produce revenue sufficient for annual expenditure requirements. Utility infrastructure expansion needs to be accounted for and fixed and variable costs of services included into existing service rates correctly.
- Ensure that our purchased water is accounted for in the rate structuring alternatives.
- Ensure that our tap fees are correct or restructured correctly.
- The City needs to show progress towards utility system improvements to avoid a TCEQ consent order mandating water and wastewater system improvements.

### Legal Considerations

There are no legal considerations associated with this item

### Financial Considerations

The impact of 25% increase in water rates can be seen on Attachment C. As noted, the increase on the average residential water customer (4,000 to 6,000 gallons per month) would be in the \$2.72 to \$5.67 per month range. In addition, Wilmer's water rates remain fairly low compared to our neighboring cities. Attached you will see a 2015 survey (Attachment D & E) conducted by the City of Dallas on its customer cities' rates.



**Hutchins Rate Increases  
 FY 2011 through FY 2016**

Year/Rate	Demand 0-9M per month	9M to 12M	>12 M	% Inc in Demand	% Inc in 9M to 12 M	% Inc in > 12M
FY 11	26,400	2.94	3.09	1.15%	1.38%	1.31%
FY 12	27,000	3.00	3.15	2.27%	2.04%	1.94%
FY 13	28,350	3.15	3.30	5.00%	5.00%	4.76%
FY 14	29,250	3.25	3.40	3.17%	3.17%	3.03%
FY 15	30,150	3.35	3.45	3.08%	3.08%	1.47%
FY 16	35,315	3.85	4.00	17.13%	14.93%	15.94%
FY 17	44,144	4.81	5.00	25.0%	24.9%	25.0%

**Attachments**

- Attachment A: Table 1.1 from the 2014 rate study
- Attachment B Water and Sewer Fund Cash Flow by week
- Attachment C Impact of 20% increase on monthly water bills
- Attachment D & E 2015 City of Dallas survey of customer city rates.
- Attachment F: Ordinance 17-0518

**Prepared and Submitted By**

\_\_\_\_\_  
 Denny Wheat  
 City Administrator

**Date:** May 15, 2017

