

ORDINANCE NO. 1152-2017

AN ORDINANCE AMENDING ORDINANCE 1143-2017 THAT AMENDED ARTICLE 13.03 "WATER SYSTEM", SECTION 13.03.011 "WATER RATES" OF THE RIVER OAKS CODE OF ORDINANCES (2006) ADOPTING AND RATIFYING FEES FOR WATER RATES INSIDE AND OUTSIDE THE CITY LIMITS BY EXTENDING THE EFFECTIVE DATE OF THE NEW WATER RATES FROM JUNE 1, 2017 UNTIL OCTOBER 1, 2017; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of River Oaks is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5, of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, based on the recommendation of the Texas Water Development Board the City is pledging net revenues of the waterworks and sewer system for the repayment of the proposed loan to make 15 million dollars of water and sewer improvements; and

WHEREAS, the City's current combined average monthly water and wastewater rate is \$82.23. Based on staff's analysis of financial documentation received, current system revenues are 82% of the current and proposed debt service in the first year of principal repayment; and

WHEREAS, the City does not currently collect an interest and sinking fund (I&S) tax, and intends to repay the debt with water and sewer revenues; and

WHEREAS, In order to generate sufficient revenues to meet the proposed debt service, the City will need to increase system rates **\$6.63 rate to the average monthly bill that would generate approximately \$223,958 annually**; and

WHEREAS, the City Council had determined back on March 28, 2017 that the City's current water rates as codified into Article 13.03, Section 13.03.011 of the River Oaks Code of Ordinances (2006) as amended did not provide sufficient enough revenues to cover the annual debt requirements for the annual operations of the water department of the City of River Oaks; and

WHEREAS, the City Council concluded on March 28, 2017 after due and careful consideration that it was necessary to increase the water rates inside and outside the city limits effective on June 1, 2017 to coincide with the June 2017 utility billing for use of the city water by all customers connected to the River Oaks Water System; and

WHEREAS, the City Council adopted **Ordinance # 1143-2017** on March 28, 2017 that did increase the base water rates \$6.63 per customer to be effective on June 1, 2017; and

WHEREAS, since the date of adoption, further research of the city's financial obligation and payment schedule to the Texas Water Development Board under both loans (L1000574 & L1000575) has been studied by both the Project Financial Advisor and City Staff and they find the financial impacts will not occur until the FY 2018 Budget Year and with a sufficient funding balance, it appears that the annual debt requirements can be met adequately and therefore it is recommended to delay the June 1st date until October 1, 2017 that coincides with the start of the 2018 fiscal year in order to incorporate the new water rate increase; and

WHEREAS, after due and careful research by the City Council, they do support the recommendation of the Financial Advisor and City Treasurer and with the adoption of this ordinance do hereby delay the effective date of the start of the \$6.63 water rate increase to its customers to now be October 1, 2017.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RIVER OAKS:

SECTION 1.

With the adoption of this Ordinance, Section 4 "Effective Date" of Ordinance # 1143-2017 as adopted on March 28, 2017 will be revised as provided for herein this Ordinance.

SECTION 2.

CUMULATIVE CLAUSE

This Ordinance shall be Cumulative of all provisions of Ordinances and of the River Oaks Code of Ordinance, as amended, except where the provisions of this Ordinance are in direct conflict with the provisions of such Ordinances or Code, in which case the conflicting provisions of such Ordinances or Code are hereby repealed.

SECTION 3.

SEVERABILITY CLAUSE

It is hereby declared to be the intentions of the City Council that the phrases, clauses, sentences, paragraphs and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same

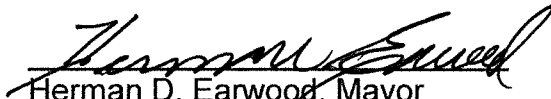
would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 4.

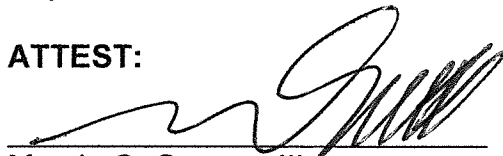
EFFECTIVE DATE

This Ordinance shall be in full force and effect on **October 1, 2017** to coincide with the **October 2017** billing cycle after its passage by a majority vote of the City Council of the City of River Oaks and the legal publication of this ordinance if any is required and it is so ordained.

APPROVED THIS THE 23rd DAY OF MAY 2017.


Herman D. Earwood, Mayor
City of River Oaks

ATTEST:


Marvin C. Gregory III
City Secretary
City of River Oaks