

# Mayor and Council Communication

DATE: 10/15/24

M&C FILE NUMBER: M&C 24-0866

LOG NAME: 60WHOLESALE RATES 2025 AMEND

**SUBJECT**

(ALL) Adopt Ordinance Amending Wholesale Water and Wastewater Volume Service Rates and Amending Chapter 35 - Water and Sewers, Article III - Charges, Division 1 – Generally, Sections 35-56 (g) and (h) of the City Code With an Effective Date of Billing on or After November 1, 2024 for Usage and Flows from and After October 1, 2024 for Water and Wastewater Service

**RECOMMENDATION:**

It is recommended that the City Council adopt the attached ordinance amending the wholesale water and wastewater volume service rates and amending Chapter 35 - Water and Sewers, Article III - Charges, Division 1 – Generally, Sections 35-56(g) and (h) of the City Code, with an effective date of billing on or after November 1, 2024, for usage and flows from and after October 1, 2024 for water and wastewater service.

**DISCUSSION:**

On August 27, 2024, (M&C 24-0724), the City Council approved the FY2025 wholesale rates calculated under the terms of the uniform wholesale customer contracts to recover the cost of providing wholesale water and wastewater services. An element of the cost of service for both water and wastewater is the Payment in Lieu of Taxes (PILOT), which by contract is calculated based on the utility's net asset base and the Fort Worth adopted property tax rate.

The FY2025 wholesale water and wastewater volume service rates adopted on August 27, 2024 were calculated incorporating a PILOT cost that used a tax rate of \$0.67730 / \$100 of valuation. Subsequently, the City Council adopted a tax rate of \$0.67250 / \$100 of valuation that decreased the PILOT cost. In accordance with the terms of the uniform wholesale customer contracts, new volume rates have been calculated and are presented below:

	<b>FY2025 (Adopted 8/27/24)</b>	<b>FY2025 Amended</b>
Water Volume Base Rate (\$ per 1,000 gallons)	\$0.8351	\$0.8350
Water Maximum Day Rate (\$ per Millions of Gallons per Day excess)	\$100,817.00	\$100,828.00
Wastewater Volume (\$ per 1,000 gallons)	\$1.8278	\$1.8275
Wastewater Biochemical Oxygen Demand (per pound)	\$0.6135	\$0.6136

This project is located in ALL COUNCIL DISTRICTS.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendation and adoption of the attached ordinance, funds will be deposited into the Water and Sewer Fund. The Water Department (and Financial Management Services) is responsible for the collection and deposit of funds due to the City.

**Submitted for City Manager's Office by:** Fernando Costa 6122

**Originating Business Unit Head:** Chris Harder 5020

**Additional Information Contact:** Kristen Nutter 8252

