

ORDINANCE NO. 77-3

An ORDINANCE OF THE CITY OF BEACH CITY, TEXAS, SETTING THE RATES FOR WATER AND SEWAGE SERVICES FURNISHED BY BAYRIDGE MAINTENANCE COMPANY AND SEWAGE SERVICES FURNISHED INDIRECTLY BY ROBERT E. NESMITH AND SUNFLOWER SEWAGE TREATMENT PLANT TO THE CITIZENS OF BEACH CITY RESIDING WITHIN THE SUBDIVISION OF BAYRIDGE; BAYRIDGE MAINTENANCE COMPANY SETTING THE CHARGES FOR EACH NEW CONNECTION; ESTABLISHING WHEN DEPOSITS ARE TO BE IMPOSED UPON CUSTOMERS; ESTABLISHING MAXIMUM INTEREST FOR DELINQUENT PAYMENTS AND THE CHARGE FOR RE-CONNECTING PULLED METERS.

*Herschel L. Scott*

HERSCHEL L. SCOTT  
MAYOR

ATTEST:

*Sandra Tappan*  
SANDRA TAPPAN  
CITY SECRETARY



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WHEREAS, certain citizens of Beach City came before the City Council of the City of Beach City in the first part of 1976, complaining of the sewage and water rates charged by Bayridge Maintenance Company and, indirectly, Robert E. Nesmith and his Sunflower Sewage Treatment Plant, to the Bayridge Subdivision; and,

WHEREAS, the City Council of Beach City deems it advisable and necessary and to the best interest of the citizens of the City of Beach City and, in particular, those living in the Bayridge Subdivision, to invoke its regulatory powers over public utilities operating within the city limits of Beach City; and,

WHEREAS, the City Council of Beach City, meeting in regular session on August 24, 1976, enacted a Resolution calling for a rate hearing to be held in its next regular Council meeting on September 28, 1976, and gave notice to Bayridge Maintenance Company to provide all relevant data to enable the City Council to set a fair and reasonable rate under the guide lines established by the Texas Public Utility Commission as authorized by the Texas Public Utilities Regulatory Act of 1975; and,

WHEREAS, Bayridge Maintenance Company presented data to the Beach City Council at the hearing on September 28, 1976, concerning their operating costs and the manner by which they established their water and sewage rates; and,

WHEREAS, the City Council of Beach City, meeting in regular session on October 25, 1976, passed a Resolution calling for an

extended rate hearing to be conducted at its next regular meeting held on November 23, 1976, for Robert E. Nesmith to present data to Council concerning the cost of operations and cost of facilities of the Sunflower Sewage Treatment Plant; and,

WHEREAS, Jack Sparks, an agent of Robert E. Nesmith, appeared at the hearing held on November 23, 1976, and provided no written rate data concerning the operations of Sunflower Sewage Treatment Plant; and,

WHEREAS, the City Council of Beach City has duly considered all data presented to it by the Bayridge Maintenance Company and Robert E. Nesmith and deems it proper and equitable and to the best interest of said City and, in particular, to its citizens residing in the Bayridge Subdivision, to enact the following ordinance, setting a fair and equitable rate for charges of water and sewage services provided by the Bayridge Maintenance Company and Sewage Treatment Plant; and,

WHEREAS, the City Council of Beach City notes that it is a regulatory authority under the Statutes of the State of Texas and has the authority and duty to set rates and prescribe the quality of service for the utilities operating within its City limits; and said City Council intends to exercise its regulatory authority by the passage of the below ordinance;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BEACH CITY:

#### SECTION I.

That Bayridge Maintenance Company charge \$19.20 as basic cost for 6,000 gallons per month per customer for water and sewage services, with the allocation for sewage services payable to Robert E. NESmith and the Sunflower Sewage Treatment Plant, not to exceed the amount stated in Section IV.

#### SECTION II.

That Bayridge Maintenance Company charge \$1.65 per 1,000 gallons over the minimum 6,000 gallons of water and sewage services used per customer per month, with the allocation for sewage services payable to Robert E. Nesmith and the Sunflower Sewage Treatment Plant, not to exceed that amount stated in Section V.

### SECTION III.

That the above rates for basic cost for 6,000 gallons per month per customer and cost per 1,000 gallons of water were based upon the information provided by the Bayridge Maintenance Company and the guidelines provided by the Public Utility Commission and area standards.

### SECTION IV.

That, in establishing the rate of \$19.20 as the basic cost for 6,000 gallons of water per month per customer for water and sewage services, the City Council of Beach City shall allow Bayridge Maintenance Company to charge \$7.39 per customer per month for the operating costs, \$2.21 per month per customer for depreciation of their facilities, \$4.21 per month per customer for their rate of return on their investment \$0.60 per month per customer as depreciation for their share of the Sunflower Sewage Treatment Plant, \$1.19 per month per customer for their rate of return on their share of the of the treatment plant. The Council shall allow Robert E. Nesmith and the Sunflower Sewage Treatment Plant \$3.60 per month per customer, to be passed through to Bayridge Maintenance Company for their costs.

### SECTION V.

That the City Council, in setting the rate of \$1.65 per 1,000 gallons of water over the minimum 6,000 gallons per customer per month, shall allow the Bayridge Maintenance Company \$1.05 and Robert E. Nesmith and the Sunflower Sewage Treatment Plant \$0.60 per month per customer.

### SECTION VI.

That in establishing the rate of return, the City Council use a rate of eight percent (8%).

### SECTION VII.

Bayridge Maintenance Company shall charge each new customer \$75.00 initial cash outlay for each new connection. Each customer shall receive the meter from Bayridge Maintenance Company and each customer is responsible for installing said meter.

SECTION VIII.

All charges for sewage and water services to the customers in the Bayridge Subdivision shall be based on initial home meter readings made for each period of billing.

SECTION IX.

Bayridge Maintenance Company shall not initially impose a new customer with a deposit unless the customer becomes delinquent in paying for the water and sewage services provided. If a customer becomes delinquent in paying for said services, then Bayridge Maintenance Company can impose a deposit of no more than \$40.00 upon said customer.

SECTION X.

Bayridge Maintenance Company may charge no more than ten percent (10%) interest per year on any bill which is delinquent over thirty (30) days.

SECTION XI.

Bayridge Maintenance Company shall be allowed to charge a \$35.00 re-connection fee if a meter should be pulled for failure of a customer to pay for the services provided.

SECTION XII.

The fiscal year for Bayridge Maintenance Company shall be the calendar year.

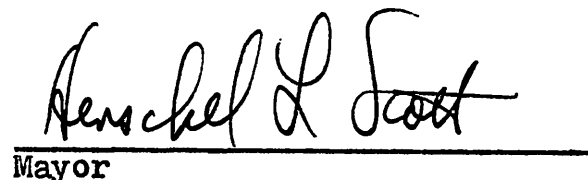
SECTION XIII.

The rates established by this Ordinance shall become effective for all water and sewage services provided by the Bayridge Maintenance Company and Robert E. Nesmith and the Sunflower Sewage Treatment Plant for the customers in Bayridge Subdivision after 12:00 A.M. May 1, 1977.

PASSED AND APPROVED THIS 31st DAY OF MARCH, A.D. 1977.

ATTEST:

  
City Secretary

  
Mayor