

**ORDINANCE NO. 2012-01**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BEACH CITY, TEXAS PROVIDING NOTICE AND OPPORUNITY FOR HEARING FOR A CHANGE IN WATER AND SEWER RATES BY NERRO SUPPLY, LLC (PREVIOUSLY T&I TAYLOR, INC.) INSIDE THE CORPORATE LIMITS OF THE CITY; PROVIDING FOR SEVERABILITY; REPEALING CONFLICTING ORDINANCES; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, on July 19, 2010, T&I Taylor, Inc. (“Applicant”) filed a Water Rate/ Tariff and Application for Authority to Change Rates (“Rate Application”) within the corporate limits of Beach City, Texas (“City”) seeking increased water and sewer rates;

**WHEREAS**, the City suspended the rates sought in the Rate Application;

**WHEREAS**, on December 21, 2010, the City denied the increased rates sought in the Rate Application;

**WHEREAS**, the Applicant appealed the City’s denial of a rate increase to the Texas Commission on Environmental Quality (“TCEQ”);

**WHEREAS**, on March 21, 2011, the TCEQ determined that it had no jurisdiction to hear the rate appeal and instituted the Applicant’s rates sought in the Rate Application (the “TCEQ Determination”);

**WHEREAS**, on June 30, 2011, the City filed Cause No. D-1-GN-11-001956 in the 419<sup>th</sup> District Court in Travis County, Texas, styled City of Beach City, Texas v. Texas Commission on Environmental Quality, Mark R. Vickery, P.G., Executive Director of the Texas Commission on Environmental Quality, and T&I Taylor, Inc. to overturn the TCEQ Determination;

**WHEREAS**, Nerro Supply, LLC (the “Applicant’s Successor”) has succeeded T&I Taylor, Inc. for the right and ability to provide water and sewer service in the City based on th; and

**WHEREAS**, in an effort to settle the dispute over the TCEQ Determination, the City and the Applicant’s Successor have determined that the rate increase for the sewer rates sought in the Rate Application should be reduced.

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

**SECTION 1.** The recitals contained in the preamble of this ordinance are determined to be true and correct and are hereby adopted as a part of this ordinance.

**SECTION 2.** (A) The City Council hereby finds that the sewer rates contained in the Rate Application should be lower and has negotiated a reduction of the sewer rates as agreed to herein.

(B) The Applicant is entitled to reasonable notice and hearing to change its current rates in effect by virtue of the TCEQ's rate determination on March 21, 2011. By signature below, the Applicant hereby consents to the waiver of any notice and hearing and agrees to the following sewer rates to be charged to its customers within the City:

Sewer Rates per month:

Oceanway Mobile Home Park, LLC :\$ 4,000.00 Per Month Wholesale Rate

Single Family Connections: \$69.59 per connection

(C) The rates adopted herein shall be charged beginning on the first billing cycle after June 30, 2012.

(D) The Applicant, its successors, or assigns, agrees not to submit an application to change its sewer rates with an effective date of July 1, 2015, or earlier. The immediately preceding sentence shall not apply if: (i) Ocean Mobile Home Park, LLC fails to maintain a current balance with Applicant based on the \$4,000 Per Month Wholesale Rate agreed to herein or (ii) Ocean Mobile Home Park, LLC terminates its sewer service with Applicant on or before July 1, 2015.

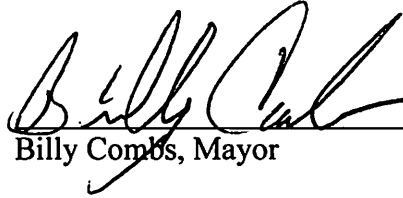
**SECTION 3.** All other rates and fees contained in the Rate Application are approved.

**SECTION 4. Severability.** It is hereby declared that the sections, paragraphs, sentences, clauses and phrases of this ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional or invalid by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality or invalidity 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 of any such unconstitutional phrase, clause, sentence, paragraph or section.

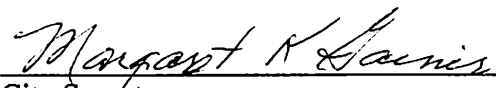
**SECTION 5.** All ordinances and parts thereof in conflict herewith are hereby expressly repealed insofar as they conflict herewith.

**SECTION 6. Effective Date.** This ordinance shall take effect immediately from and after its adoption and it is accordingly so ordained.

Signed this 27<sup>th</sup> day of June 2012.

  
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Billy Combs, Mayor

ATTEST:

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

Nerro Supply, LLC hereby agrees to waive notice and hearing on the water and sewer rates adopted in this ordinance. Nerro Supply, LLC agree to the rates, service conditions, and other provisions adopted herein.

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By: