

**Ordinance No. 2015-07**

**AN ORDINANCE RELATING TO THE RETAIL WATER RATES OF NERRO SUPPLY, LLC WITHIN THE CITY LIMITS OF BEACH CITY, TEXAS; SUSPENDING FOR NINETY DAYS THE EFFECTIVE DATE OF NEW RATES; MAINTAINING THE CURRENT RATES IN EFFECT; CONTAINING FINDINGS AND OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; PROVIDING FOR SEVERABILITY; AND DECLARING AN EMERGENCY.**

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**WHEREAS**, on or about November 30, 2015, NERRO SUPPLY, LLC. filed a Water Rate/Tariff and Application for Authority to Change Rates (“New Rates”) within the city limits of Beach City (“City”) seeking water and sewer rate increases; and

**WHEREAS**, the New Rates would affect rates, operations or services of NERRO SUPPLY, LLC for retail customers within the City; and

**WHEREAS**, the City, as a local regulatory authority, exercises original jurisdiction over the rates, operations and services of NERRO SUPPLY, LLC for customers located within the City under the provisions of the Texas Water Code (“CODE”); and

**WHEREAS**, Texas Water Code, Section 13.082 requires a local regulatory authority to make a reasonable determination of rate base, expenses, investment and rate of return, and to retain the necessary personnel to determine reasonable rates; and

**WHEREAS**, Texas Water Code, Section 13.187 provides that the New Rates take effect on the 61st day after the local filing, unless the local regulatory authority suspends the effective date of the New Rates; and

**WHEREAS**, Texas Water Code, Section 13.187 (d-1) further provides that a local regulatory authority may suspend the operation of the New Rates for ninety days beyond the date the New Rates would otherwise be effective (the “Suspension Period”); and

**WHEREAS**, Texas Water Code further provides that unless the local regulatory authority establishes interim rates, the rates in effect at the time the New Rates are filed remain in effect during the Suspension Period; and

**WHEREAS**, the City requires the additional time in order to review, analyze and investigate NERRO SUPPLY, LLC’s rate increase request; and

**WHEREAS**, during the Suspension Period, the City, either independently or through consultants retained, will perform an analysis of the New Rates, obtain additional information from NERRO SUPPLY, LLC and prepare a rate recommendation to be considered by City Council; and

**WHEREAS**, the City will provide an opportunity for public comment on the subject of the New Rates as well as customer service concerns; and

**WHEREAS**, the rate ordinance recommendation to City Council will incorporate the public comment and concerns received; and

**WHEREAS**, the rate analysis and public comment period will extend beyond the date the New Rates would otherwise be effective; and

**WHEREAS**, the City Council has determined that it is in the best interests of the NERRO SUPPLY, LLC utility ratepayers within the city limits of Beach City, Texas to allow for coordinated rate analysis and public comment by suspending the New Rates for ninety days beyond the date the New Rates would otherwise be effective; and

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

**Section 1.** That the facts contained in the preamble of this Ordinance are determined to be true and correct and are hereby adopted as part of this Ordinance.

**Section 2.** To allow for coordinated rate analysis and public comment, the effective date of the New Rates filed with the City by NERRO SUPPLY, LLC on or about November 30, 2015 is hereby suspended for **ninety days** beyond the date the New Rates would otherwise be effective.

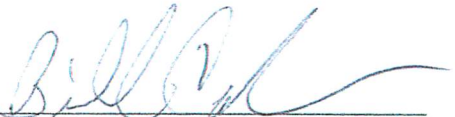
**Section 3.** The rates in effect as of the filing date, shall remain in effect until the earlier of the expiration of the Suspension Period or the adoption of a replacement rate ordinance by this Council.

**Section 4.** The City Council officially finds, determines, recites and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City of Beach City, Texas for the time required by law preceding this meeting, as required by the Open Meetings Law,

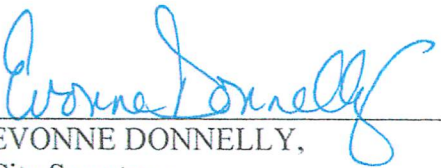
Chapter 551, Texas Government Code; and that this meeting has been open to the public as required by law at all times during which this ordinance and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

**Section 6.** There exists a public emergency requiring that the Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor.

PASSED AND APPROVED this 15<sup>th</sup> day of December, 2015

  
BILLY COMBS, Mayor

ATTEST TO:

  
EVONNE DONNELLY,  
City Secretary

APPROVED AS TO FORM ONLY:

  
DANIEL R. JACKSON, City Attorney