

FILED
OCT 18, 2000
CITY SECRETARY
City of San Marcos

ORDINANCE NO. 2000- 75

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING A SCHEDULE OF RECLAIMED WATER RATES AND TERMS AND CONDITIONS; INCLUDING PROCEDURAL PROVISIONS AND DECLARING AN EFFECTIVE DATE.

RECITALS:

1. The City owns and operates wastewater treatment facilities (the "Treatment Facilities").
2. The Treatment Facilities are capable of providing a supply of reclaimed, treated wastewater (the "reclaimed water") for use in accordance with the terms and conditions of the attached Schedule of Reclaimed Water Rates and Terms and Conditions and the rules of the Texas Natural Resource Conservation Commission.
3. The City wishes to establish a rate schedule and terms and conditions for the supply of reclaimed water to customers, in accordance with accepted rate-making practices.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1. The Schedule of Reclaimed Water Rates and Terms and Conditions attached to this ordinance is approved.

SECTION 2. All ordinances and resolutions or parts of ordinances or resolutions in conflict with this ordinance are repealed.

SECTION 3. If any word, phrase, clause, sentence, or paragraph of this ordinance is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this ordinance will continue in force if they can be given effect without the invalid portion.

SECTION 4. This Ordinance will take effect 10 days after the date of its final passage, and the City Secretary will publish notice of its adoption in a newspaper of general circulation in the City.

PASSED on first reading on October 23, 2000.

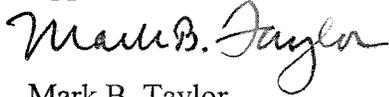
PASSED on second reading on November 13, 2000.

PASSED, APPROVED AND ADOPTED on December 4, 2000.



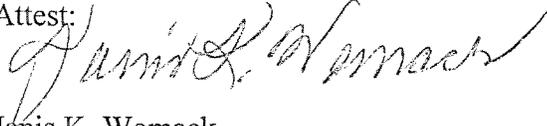
David Chiu
Mayor

Approved:



Mark B. Taylor
City Attorney

Attest:



Janis K. Womack
City Clerk

PUBLISHED IN THE SAN MARCOS DAILY RECORD, FRIDAY, DECEMBER 8, 2000.

CITY OF SAN MARCOS, TEXAS
SCHEDULE OF RECLAIMED WATER RATES AND TERMS AND CONDITIONS
Effective 12/14/2000

PART 1 - GENERAL PROVISIONS

Section 1.01. Authority.

A. The City of San Marcos (the "City") is a home rule municipality with authority to own and operate wastewater treatment facilities and reclaimed water distribution facilities under the provisions of the Texas Local Government Code and the Texas Water Code.

B. The City of San Marcos owns and operates wastewater treatment facilities (the "Treatment Facilities").

C. The Treatment Facilities are capable of providing a supply of reclaimed, treated wastewater (the "reclaimed water") for use in accordance with rules of the Texas Natural Resource Conservation Commission ("TNRCC").

D. The City wishes to establish a rate schedule and terms and conditions for the supply of reclaimed water to customers, in accordance with accepted rate-making practices.

Section 1.02. Customer Eligibility; Applicability of TNRCC Regulations; TNRCC Authorization.

A. This schedule applies only to customers of the City that provide for the use of reclaimed water in accordance with this Schedule of Reclaimed Water Rates and Terms and Conditions (this "Schedule") and with applicable TNRCC regulations (the "TNRCC regulations"), including without limitation 30 TAC Chapter 210, as amended. The use of reclaimed water by a customer must be an authorized use as defined in this Schedule and in the TNRCC regulations.

B. The service offered by the City under this

Schedule is for supply of reclaimed water at a metered delivery point at the customer's premises. Each customer is responsible for conveyance and delivery of reclaimed water from the metering point to authorized uses on the customer's premises.

C. Before the City provides reclaimed water to a customer, the customer must apply for and obtain the written approval of the City for the proposed use. Before the City approves a customer's proposed use, the City must notify and obtain the written approval of the TNRCC for the proposed use.

D. Before a customer makes any change in the location or purpose of the customer's intended use of reclaimed water, the customer must apply for and obtain the City's written approval of the change. Before approving the change, the City must notify and obtain the written approval of the TNRCC for the change.

Section 1.03. Applicability of Rules; Customers as End Users; Suspension, Revocation or Discontinuation of Service.

A. The rules, regulations, terms and conditions set forth or referenced in this Schedule apply to all customers to whom the City supplies reclaimed water.

B. Each customer must be the end user of all of the reclaimed water supplied by the City to the customer. Resale or transfer of reclaimed water by a customer to third parties is prohibited.

C. Failure on the part of a customer to observe any provision of this Schedule or of any ordinance, rule, regulation or policy of the City, or any provision of the TNRCC regulations will give the City the authority to suspend, revoke or discontinue the supply of reclaimed water to the

customer, after notice from the City. In cases involving an acute hazard to persons or property, the City may terminate service immediately. In other cases the City will endeavor to provide at least three calendar days notice of a suspension, revocation or discontinuation of service.

Section 1.04. Interruptible Supply; Service Interruptions; Waiver of Liability.

A. The supply of reclaimed water under this Schedule is on an **interruptible basis only**. The City does not guarantee the availability of any particular quantity of reclaimed water under this Schedule, and the City may interrupt the supply of reclaimed water to a customer at any time, for any reason deemed sufficient to the City. Customers with a need for a firm supply of water must meet the need by providing one or more alternative supply sources. Customers may equip themselves with facilities to take delivery of and store reclaimed water for later use.

B. The City may, in its sole discretion, limit the number of connections for reclaimed water uses, or refuse service to additional reclaimed water customers, as stated in Section 2.04 D, if the City determines that the needs of the City and other customers will exceed the anticipated production of reclaimed water at the Treatment Facilities. The City may adjust the quantity of reclaimed water available to customers from time to time, and may authorize additional connections, based on such factors as changes in output of the Treatment Facilities, actual usage by customers, and type of proposed use.

C. The City does not guarantee the delivery of reclaimed water at any particular pressure. Customers with a need for a pressurized system for using or applying reclaimed water must equip themselves with facilities that pressurize their own distribution systems.

D. The City will endeavor to use reasonable efforts to prevent interruptions of service based on breakage of equipment, pipelines and related facilities. If interruptions occur, the City will

endeavor to reestablish the supply of reclaimed water within the shortest practicable time.

E. The City is not liable for any damages, including incidental or consequential damages, caused by service interruptions, events beyond its control, and normal system failures. By acceptance of service under this schedule, customers consent to waiver of all such liability.

F. RECLAIMED WATER SUPPLIED BY THE CITY IS NOT POTABLE WATER.

Reclaimed water is permitted for some uses, and prohibited for other uses, by TNRCC regulations. The City will endeavor to supply reclaimed water that meets applicable water quality discharge restrictions for the Treatment Facilities; however, the City does not guarantee the quality of reclaimed water supplied under this schedule, and by applying for reclaimed water service, customers consent to a waiver of all responsibility of the City as to such quality.

PART 2 - SERVICE RULES AND REGULATIONS

Section 2.01. Application for Reclaimed Water Service.

A. Each application for reclaimed water service must be made on the City's standard application form, must be signed by an authorized representative of the applicant, and must be accompanied by an application review fee of \$100.00. The application must contain or be accompanied by all information required by the City and by TNRCC regulations regarding the use of reclaimed water, including, without limitation, the following:

1. A description of the intended use of the water, including quantity, location and purpose of intended use.
2. Detailed plans and specifications for all facilities on the applicant's property (the "On-Site Facilities") for the distribution, use and application of reclaimed water, including storage facilities.
3. An operation and maintenance plan

meeting TNRCC requirements.

4. An acknowledgement by the applicant of the interruptible nature of the supply.
5. An acknowledgement by the applicant that the supply may be terminated by the City for any noncompliance with City or TNRCC regulations.
6. An acknowledgement by the applicant that reclaimed water is not to be discharged by the applicant to waters of the State of Texas unless the applicant first obtains a permit from the TNRCC.

B. The City, upon verifying the completeness of an application, will determine whether a reclaimed water main capable of providing service to the applicant is in place adjacent to the applicant's property. If so, the City will either 1) notify the applicant of the fee amount for the labor, materials and equipment necessary to be installed from the existing main to the applicant's property line to initiate service to the applicant, and upon the applicant's payment of the fee amount, the City will provide the labor, materials and equipment necessary to be installed from the existing main to the applicant's property line; or 2) require the applicant to provide the labor, materials and equipment necessary to be installed from the existing main to the applicant's property line. The City, in its sole discretion, will determine the types of materials and equipment, including backflow preventive, flow control and remote monitoring and control equipment, needed for the safe and efficient provision of service to the applicant. If the work is provided by the applicant, it will be subject to inspection and acceptance by the City.

C. If extension of mains is required for service to be provided to the applicant, the applicant must 1) submit plans and specifications for the extension and all related equipment, prepared by a professional engineer registered in Texas, for City approval, 2) pay a plan review fee of \$100, and 3) bear all costs related to the extension, including any engineering and environmental assessment costs associated with obtaining TNRCC approval for the work, and the cost of acquiring and dedicating all temporary and permanent easements for the facilities. The City may require a main

extension or other equipment to be oversized to provide for future system needs. If oversizing is required by the City, the City will execute an agreement with the applicant under which the City will bear the increased cost of the facilities, with payment by the City to be made in a lump sum upon satisfactory completion and acceptance of the facilities. The applicant must submit to the City a signed copy of the bid tabulation sheet for the construction of the facilities to be eligible for reimbursement.

D. The applicant will be responsible for the installation of all On-Site Facilities. City plumbing permit and inspection requirements apply to the On-Site Facilities.

E. Upon completion of review of an application, the City will inform the applicant of the amount of the impact fee to be assessed. The applicant will pay this fee to the City prior to the initiation of service to the applicant. The fee will be based on the City's water system impact fee ordinance provisions.

F. NO CROSS-CONNECTIONS ARE PERMITTED BETWEEN RECLAIMED WATER LINES AND ANY OTHER TYPE OF WATER SUPPLY LINE.

Section 2.02. Authorized Uses; Responsibility for Regulatory Compliance; Right of Entry.

A. Reclaimed water service customers must use reclaimed water only for authorized uses as described in the TNRCC regulations.

B. Customers are responsible for constructing, operating and maintaining all On-Site Facilities in accordance with all City ordinances, regulations and policies, and in accordance with all TNRCC regulations.

C. Customers are responsible for using reclaimed water in accordance with all City ordinances, regulations and policies, and in accordance with all TNRCC regulations.

D. The City is not responsible for any lack of

compliance by a customer with any TNRCC regulations.

E. As a condition of providing service, each customer grants to the City a right of entry onto the property to which reclaimed water is supplied for the purposes of inspecting the uses to which the customer is being put, to inspect all On-Site Facilities for cross connections or other potential hazards, and to inspect for compliance with all TNRCC regulations and City ordinances, regulations and policies.

Section 2.02. Meter Requirements, Readings, and Testing.

A. All reclaimed water provided by the City will be billed based on meter measurements. The City will provide, install, own and maintain meters to measure amounts of water consumed by customers. The City will determine the number and placement of meters to accurately measure quantities of water treated and to distinguish among customers. Customers will provide full access to the City to meters when located at the customer's property or facilities. Service meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period.

B. The City will, at a customer's request, make one test of the accuracy of the customer's meter without charge each two years. If within a period of two years a customer requests a new test, the City will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the City will charge the customer a fee in accordance with this Schedule. Following the completion of any requested test, the City will promptly advise the customer of the date of the test and the result of the test. If customer's meter is found to be inaccurate, the City will adjust the customer's bill for the previous six months in accordance with the test results.

Section 2.03. Billing.

A. The City will send bills to customers monthly.

The due date of bills for all fees for service will be on the 15th day after the date bills are mailed. Bills will be considered delinquent if not paid by the due date. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the City will constitute proof of the date of mailing. Payment for service is delinquent if full payment, including late fees and any regulatory assessment (if applicable) is not received at the City Finance Department by 5:00 p.m. on the due date. If the due date falls on a City holiday or weekend, the due date for payment purposes will be the next City workday after the due date.

B. In the event of a dispute between a customer and the City regarding any bill for service, the City will conduct an investigation and report the results to the customer.

Section 2.04. Discontinuation or Refusal of Service.

The City may discontinue or refuse service to an applicant or customer for any of the following reasons:

A. If the customer has not paid a bill in full by the due date listed on the bill. The termination date will be 10 days after the due date. The City will endeavor to provide the customer with a notice of the date service will be terminated when the customer is delinquent on a bill.

B. Failure of the customer to comply with this Schedule, the ordinances, regulations, rules or policies of the City, the TNRCC regulations, or the terms of any agreement between the customer and the City, after notice by the City to the customer of the failure.

C. Failure to fully complete and execute application forms or contract documents, or to pay application, service initiation, service reinstatement, plan review, plumbing permit, or other fees.

D. The service requested, together with the needs of the City and other customers, will exceed the anticipated production of reclaimed water at the Treatment Facilities or the capacity of service

mains available to serve the applicant or customer.

E. The type of use proposed by an applicant is not stable in demand characteristics or related to the City's industrial development goals.

F. Any cause or reason beyond the control of the City.

Section 2.05. Reinstitution of Service.

The City will reinstitute reclaimed water service to a customer after discontinuation only after the past due bill, all reinstatement fees, and any other outstanding charges are paid, or when the customer corrects all of the conditions which caused service to be discontinued.

Section 2.06. Additional Service Rules, Regulations and Policies.

A. The City may adopt additional ordinances, rules, regulations or policies that are applicable to the reclaimed water provided under this Schedule. These ordinances, rules, regulations and policies may be amended from time to time, and are incorporated in this Schedule by reference for all purposes. The City will provide copies of these ordinances, rules, regulations or policies upon request by a customer.

B. The provision of service under this schedule is also subject to laws and regulations of the State of Texas and the United States of America. Customers are responsible for complying with all such laws and regulations that apply to their operations and activities.

PART 3 - RATES AND SERVICE FEES

Section 3.01. Reclaimed Water Rate.

The Reclaimed Water Rate is set at \$1.05/1,000 gallons.

Section 3.02. Deposits.

At the time the application for service is made, each applicant must pay to the City a deposit in the

amount of two full months of the highest estimated charges before service is initiated under this Schedule. After discontinuation of service and payment of all fees and charges, the City will promptly refund the customer's deposit, if any, in excess of the unpaid bills for service furnished.

Section 3.03. Miscellaneous Service Fees.

A. The fee for reinstatement of service is set at \$500.

B. The fee for late payments is set at 10% of the amount of the past due payment.